

# Eastern Caribbean Central Bank



## *Economic and Financial Review*

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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

### Output

Preliminary estimates indicate that global growth slowed appreciably during the first quarter of 2012 compared to the corresponding period of 2011. The deceleration in growth was most apparent in the advanced economies, particularly the United States of America as the on-going housing market correction exacerbated financial market stresses. By contrast, developing economies has so far proved resilient to the financial turbulence and have continued to grow at a fairly rapid pace, led by China and India. Global GDP growth is projected to slow to 3.7 per cent in 2012 at an annual rate, from 4.9 per cent in 2011.

In the **USA**, economic growth expanded at a 2.2 per cent annual rate, moderating from the 3.0 per cent rate recorded in the fourth quarter of 2011. This performance was the result of cutbacks on businesses investment spending and a slower pace of inventory build-up. The slump in business spending was likely partly due to the expiration of tax incentives for businesses. Meanwhile, government spending dropped for a sixth straight quarter as defense outlays fell and austerity at state and local governments showed few signs of easing. Those slowdowns were tempered by the biggest increases, in more than a year, in consumer spending, the largest component of Gross Domestic Product (GDP). Consumer spending, which makes up about 70 per cent of USA economic activity, increased by 2.9 per cent in the first quarter of 2012, after rising

2.1 per cent in the final three months of 2011. A rise in demand for automobiles, powered the largest pickup in consumer spending since the fourth quarter of 2010, and helped to offset the drag from government and business spending, which dropped for the first time since the recession ended. Growth was also supported during review period by positive developments in the housing sector, as home construction rose at its fastest pace since the second quarter of 2010, as a consequence of an unusually warm winter.

The **Canadian** economy grew at an annualised rate of 1.9 per cent in the first quarter of 2012, following an equal gain in the prior quarter. Net trade detracted from growth, with exports of goods and services increasing by 2.5 per cent, slower than the 4.4 per cent gain in imports. Government cutbacks in spending on goods and services and capital expenditures were also a drag on growth in the quarter. However, domestic demand remained a key driver of economic growth in the quarter, led by business investment.

The **Euro zone** GDP stabilized at zero growth in annualized terms during the first quarter of 2012, following a contraction of 1.2 per cent in the fourth quarter of 2011. The improvement in the growth performance was supported by a 0.5 per cent rise in the German economy, based on net trade as exports rose and domestic consumption increased. However, lingering concerns about the persistent debt crisis



resulted in zero growth or declines in the rest of the countries in the Euro zone. France, the region's second-biggest economy, recorded zero growth in the first quarter. Italy's economy shrank by 0.8 per cent in the quarter; while GDP declined by 0.2 per cent and 0.1 per cent in the Netherlands and Portugal respectively.

Real GDP in the **United Kingdom** contracted by 0.3 per cent in the first quarter of 2012, following a similar decline in the fourth quarter of 2012, but in contrast to a 0.2 per cent increase in the first quarter of 2011. The decline in economic activity was driven by fall in output in the construction sector and the production industries. Manufacturing output was flat in the first quarter of 2012, following a decrease of 0.7 per cent in the previous quarter. By contrast, the services sector, which accounts for around three-quarters of the economy, grew by 0.1 per cent in the first quarter of 2012. Indicators of household final consumption expenditure showed an increase of 0.1 per cent. The housing market strengthened, evidenced by a 10.0 per cent increase in the total number of residential valuations that were conducted in the first quarter of 2012 over the previous quarter, as first time buyers rush to take advantage of the possible savings from a stamp duty holiday that concluded on March 24 2012. The UK's unemployment rate fell to 8.2 per cent in the first quarter of 2012, from 8.3 per cent in the previous quarter.

The **Japanese** gross domestic product (GDP) grew by 1.2 per cent in the first quarter of 2012 or 4.7 per

cent on an annualised basis. Consumer spending, which accounts for about 60 per cent of GDP, rose 1.1 per cent in the first three months of 2012. Household expenditure on durable goods, including cars, increased following a government subsidy program for purchase of environmentally friendly vehicles. In March alone, new vehicle sales in the country were estimated to have risen by 78.2 per cent year-on-year.

**China's** economy grew at its slowest pace in nearly three years in the first three months of 2012. The annual rate of GDP growth in the first quarter slowed to 8.1 per cent from 8.9 per cent in the previous quarter. Growth was supported by industrial value-added output which grew by 11.9 per cent, year-on-year, and retail sales that rose by 15.2 per cent. Additionally, fixed asset investment rose 20.9 per cent year-on-year in the first quarter.

## Developments in Oil and Consumer Prices

### *Oil prices*

The rate of economic growth usually impacts demand across all segments of the energy market. Expectations for demand increased in the first quarter of 2012 due to an improved employment environment in the USA, the aversion of a deeper debt crisis in Europe, and the beginnings of monetary easing in emerging market nations aimed at spurring further growth. Those factors put pressure on already tight global supplies, which were compounded by nuclear threats emanating from Iran that could lead to a conflict which would affect the flow of oil supplies from the Middle East.





Constraints in USA refining infrastructure also added to the supply concerns. As a result, Brent Crude prices jumped 15.0 per cent, while unleaded gasoline increased by 18.0 per cent. West Texas Intermediate (WTI) crude oil spot prices averaged more than \$100 per barrel over the first three months of 2012.

### **Consumer Prices**

Consumer prices continued to face upward pressures, associated with the increase in energy and commodity prices over the review period. On a seasonally adjusted basis, **USA** overall consumer prices rose by 0.3 per cent in March 2012, after rising 0.4 per cent in February. The index for all items less food and energy rose by 0.2 per cent in March 2012, after increasing by 0.1 per cent in February.

**Euro area** annual inflation was 2.7 per cent in March 2012, unchanged from the previous month, but exceeding the 2.0 per cent target set by the European Central Bank (ECB). A year earlier the rate was 2.7 per cent. On a monthly basis, inflation rose 1.3 per cent in March 2012. The annual outturn was largely attributed to increased prices for transport, associated with elevated oil prices, as well as for alcohol and tobacco and housing; while clothing, transport and household equipment influenced the monthly rise.

**Canada's** average inflation rate was recorded at 2.3 per cent for the first quarter of 2012, slower than the central bank's 2.4 per cent estimate. On a monthly

basis, total inflation rose by 0.4 per cent in March 2012 and the core rate advanced by 0.3 per cent. The consumer price index increased by 1.9 per cent in March 2012 compared to a year ago, after a 2.6 per cent annualised gain in February, as food and energy prices rose at a slower pace. The March 2012 inflation reading represented the first time in 18 months that the rate was less than the central bank's 2.0 per cent annualised target. The core rate, which excludes eight volatile items, rose by 1.9 per cent, less than February's 2.3 per cent increase, year-over-year.

Inflation in the **UK**, as measured by the Consumer Prices Index (CPI), rose unexpectedly in March 2012, driven by higher food prices and the cost of clothing. CPI inflation is estimated to have risen by 3.5 per cent in March 2012 from 3.4 per cent in February. Retail Prices Index (RPI) inflation fell slightly to 3.6 per cent from 3.7 per cent. Prices for food and soft drinks were higher in the review period than in March 2011, when deep discounting took place in supermarkets. Higher prices were also recorded for bread, cereals, meat, fruit and vegetables in particular.

In **Japan**, core consumer prices (excluding fresh food) returned to the positive level at 0.1 per cent, amid higher energy prices. Meanwhile, in **China**, the inflation rate edged up in March 2012. Consumer prices in the Chinese economy rose by 3.6 per cent in March 2012, driven by a spike in the volatile prices for food. The increase was well above the February rate of 3.2 per cent and was



nearer to the government's official target of 4 per cent.

### Monetary Policy Developments

During the review period, monetary policy remained accommodative in the advanced economies, with further measures being undertaken given the continued weak growth prospects. In the USA, the **Federal Open Market Committee (FOMC)** maintained the target range for the federal funds rate at 0 - 0.25 per cent and revised its expectations of exceptionally low interest rates to remain through at least until late-2014, as compared to its previous expectations of low rates through mid-2013. The FOMC also announced the adoption of an inflation target of 2.0 per cent. Amid heightened financial market uncertainty and higher risks to growth in the euro area, the **European Central Bank (ECB)** maintained its policy rate at 1.0 per cent, while embarking on its second round of three-year refinancing operations in February 2012, aimed at providing liquidity to the banking sector and to support lending activity in the region. The **Bank of England** expanded its quantitative easing measures by increasing the size of its asset purchase programme in February by £50.0 billion to £325.0 billion, while keeping its policy rate at 0.5 per cent in view of the modest state of economic recovery. Similarly, the **Bank of Japan (BoJ)** announced several measures to support its weak domestic economy. This included formalising an inflation goal of 1.0 per cent, expanding its asset purchase programme by ¥10.0 trillion in February to ¥65.0

trillion, and increasing the loan scheme targeting growth industries by ¥2 trillion to ¥5.5 trillion.

### Outlook

Recent economic news has been more favourable in the United States. Demand and sentiment continue to be fairly weak, but there has been more encouraging evidence from labour markets. In contrast with other developed economies, USA output forecasts have been revised higher in recent months. Growth is set to reach 2.0 per cent in 2012, and although below the potential of this economy. By contrast, Europe's export-led recovery is grinding to a halt, as the latest data confirm that the debt crisis is causing real economic damage.

Global inflation concerns have receded since last summer and while global commodity pressures have generally eased, they have not entirely disappeared. Oil prices, for instance, have rebounded over recent weeks and remain well above their pre-Arab spring levels of early 2011. Headline inflation rates are still relatively high globally, though there were signs of a decline by the turn of last year. Unemployment remains relatively high in much of the developed world and there is little evidence of a turnaround in this situation for 2012.

Risks remain skewed to the downside in the Eurozone. While the consensus is that Europe will experience at least a technical recession in 2012, the current view is that the global economy as a whole will avoid any second dip. The still unresolved Eurozone crisis poses potential threat to the health of



world demand going forward, through its financial and trade links. As fringe European economies face a future of austerity, political stresses may mount, and any improvement in indebtedness is likely to be limited with growth being so weak. With larger economies such as Spain and Italy now embroiled, the credibility of the existing Stability Fund is also threatened. Recent credit downgrades for a number of economies, including France, and banking sector fragility, only add to the problems and, without new initiatives, the situation is unlikely to improve.

The gap in performance between advanced and emerging economies is expected to remain wide. GDP growth in the developed world is projected to decline to 1.3 per cent during 2012, down further from an anaemic 2011 outturn, as Europe moves into recession. The prospects for growth in emerging markets is for a general deceleration, as exports to the richer economies are hit. However notwithstanding the slowdown, growth is still expected to be over 5.0 per cent, year-on-year.



## DOMESTIC ECONOMIC DEVELOPMENTS

### Overview

Economic activity in the Eastern Caribbean Currency Union (ECCU) is estimated to have declined during the first three months of 2012 relative to performance in the corresponding period of 2011, negatively impacted by the lacklustre global economic recovery. The overall weak performance reflected low economic activity in most of the member countries, as there was a contraction in value added by key services sectors such as construction, financial intermediation and real estate renting and business activities. Other sectors estimated to have recorded lower value added include manufacturing, agriculture and mining and quarrying. The declines were partly offset by higher value added for the hotels and restaurants, and wholesale and retail sectors. Consumer price inflation, on average, rose at a slower rate of 0.7 per cent, during the period under review, influenced mainly by moderate increases in international oil prices. The deficit balance on the merchandise trade account of the ECCU widened, attributable to faster growth in imports relative to that of exports. The consolidated fiscal operation of the central governments recorded a lower overall fiscal deficit in the first three months of 2012 relative to the outturn in the corresponding period of 2011. This fiscal outturn was as a result of declines in both capital and current expenditure. The total outstanding public sector debt rose. In the banking system, monetary liabilities and net foreign assets

expanded in contrast to a reduction in domestic credit during the period under review. Liquidity in the commercial banking system increased, while the weighted average interest rate spread between loans and deposits narrowed.

The ECCU economy is estimated to expand in 2012, representing a recovery from the 1.8 per cent contraction in GDP in 2011. Some improvement is estimated in the construction sector, fuelled by intensified activity on a number of major public sector projects in some member countries along with on-going projects in the private sector. The performance of the hotels and restaurants sector is expected to surpass that of 2011, reflecting an increase in the number of stay-over visitors based on continued marketing initiatives in the major markets as well as increased airlift in some of the member territories. However, major down side risks remain, including a slowing global recovery, high energy prices, higher travel costs for UK travellers to the ECCU and the threat of hurricane damage to the tourism plant and the agricultural sector.

### Output

Construction activity is estimated to have contracted in the first quarter of 2012, associated with lower activity in the public and private sectors. Public sector activity was subdued, as all of the territories in the ECCU recorded declines with the exception of Montserrat where there was an increase in building



starts for commercial properties and Anguilla, associated with intensified work at the Zemi Beach Resort. Lower public sector construction was evident by the reduction in capital expenditure (37.7 per cent) as regional governments scaled back on spending, consistent with their fiscal stabilisation thrust. Construction activity during the review period was supported mainly by developments in the private sector, including continued work on resorts and hotel accommodations in St Kitts and Nevis, Saint Lucia, Dominica and St Vincent and the Grenadines. Additionally, concluding work on two major hospitals in Saint Lucia, as well as on-going construction of the international airport in St Vincent and the Grenadines helped to moderate the overall decline in construction. Value added in the mining and quarrying sector, which is closely related to construction activity, is estimated to have fallen based on the decline in construction activity.

Value added in the manufacturing sector in the ECCU is estimated to have contracted based on the performances of the majority of the ECCU territories. A reduction in value added in the manufacturing sector reflected lower output in Saint Lucia, associated with a 21.9 per cent reduction in the export of beverages and the production of corrugated paper. Lower banana production contributed to the fall in the output of corrugated paper, which is used as an input in the production of banana boxes. In Grenada most industrial production data showed declines on account of weak regional and domestic demand. Beer production fell by 12.0 per cent and the output of flour, paint and

poultry feed fell by 10.9 per cent, 6.0 per cent and 4.0 per cent respectively. Manufacturing output also fell in Dominica based on declines in the production volume of paints and varnishes and beverages of 27.7 per cent and 7.2 per cent respectively. The declines were partly offset by higher output in St Kitts and Nevis, reflected in expanded production of high valued electrical components and in St Vincent and the Grenadines due to higher production of rice (40.3 per cent), beer (11.1 per cent), feeds (8.1 per cent) and flour (7.1 per cent).

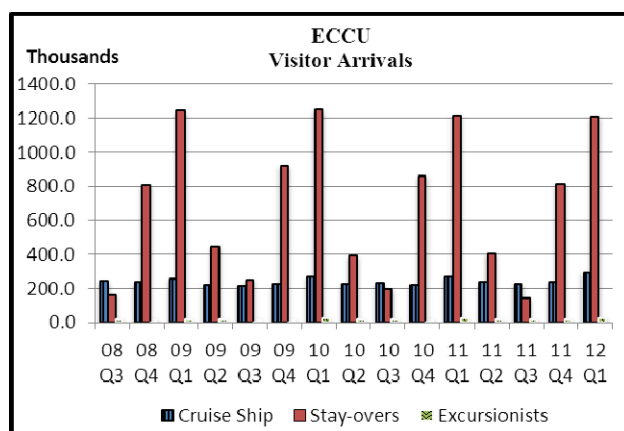
Agricultural output was estimated to have contracted in the period under review when compared with the performance in the corresponding period of 2011. This assessment is based on an estimated reduction in the output of bananas. The protracted effects of damage caused by hurricane Tomas in late 2010, coupled with disease infestation in Saint Lucia and St Vincent and the Grenadines would have negatively impacted production. The decline was partly offset by increases in the output of banana in Dominica and Grenada. In Grenada increases were also recorded in the output of cocoa, while the production of nutmeg declined by 43.9 per cent (72.5 tonnes).

Lower value added is estimated for financial intermediation based on an estimated fall in the profitability of banks in the ECCU, consistent with the on-going economic challenges in the real sector.

The contraction in those sectors in the first three months of 2012, was moderated by an improved



performance of the hotels and restaurants sector, a proxy measure for activity in the tourism industry.



Total visitors rose by 1.6 per cent to 1, 590,462 in the first quarter of 2012, in contrast to a 2.0 per cent decline in the corresponding period of 2011. The performance was largely attributable to a 9.4 per cent increase in stay-over arrivals to 295,760 in contrast to a 0.2 per cent contraction in the first quarter of 2011. These developments were associated with improved performances from the USA (10.7 per cent), UK (13.4 per cent) and Canadian (16.9 per cent) markets. The increase in stay-over arrivals was moderated somewhat by a 0.6 per cent decline in the Caribbean market. On an individual country basis the increase in stay-over arrivals was led by the performances for Saint Lucia (15.1 per cent), St Kitts and Nevis (15.0 per cent), Anguilla (5.7 per cent), Antigua and Barbuda (6.9 per cent) and Grenada (3.7 per cent). The number of stay-over visitors fell in Dominica and Montserrat by 3.5 per cent and 5.6 per cent respectively. The USA accounted for 40.1 per cent of stay-over

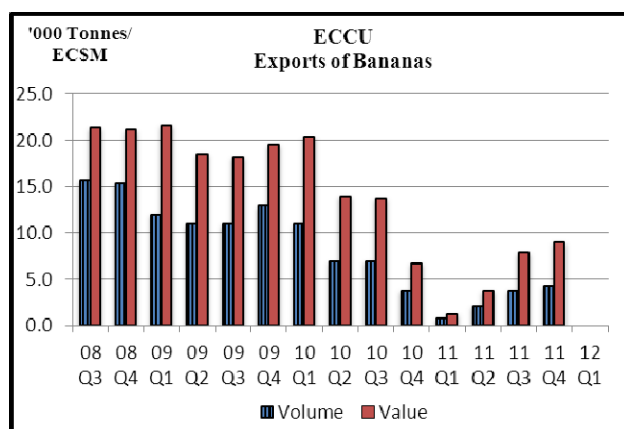
visitors to the ECCU region representing the region's largest market, followed by the UK and the Caribbean with shares of 21.0 per cent and 13.9 per cent respectively. The number of cruise ship passengers fell by 0.5 per cent to 1,211,838 compared with a 2.6 per cent decline in the first quarter of 2011. The reduction in the number of cruise ship passengers, notwithstanding the increase in the number of calls, was attributable to developments in Dominica where an increase in the number of calls was done using smaller vessels. Excursionists and yacht passenger arrivals increased by 8.5 per cent and 6.4 per cent respectively.

### Prices

Consumer prices in the ECCU rose by 0.7 per cent during the first quarter of 2012, below the 1.6 per cent rate of increase in the corresponding three months of 2011. The consumer price index (CPI) rose in all of the member territories with the exception of St Kitts and Nevis and St Vincent and the Grenadines which recorded declines of 0.6 per cent and 0.1 per cent respectively. In the countries where the CPI rose, increases ranged from 0.1 per cent in Dominica to 1.6 per cent in Montserrat. Overall the upward movement in the index was constrained by a slower increase in the sub-categories of food, fuel and light, and housing and utilities. The increase in the index was further moderated by declines in prices for the sub-indices of transportation and communication and education.

## Trade and Payments

The merchandise trade deficit is estimated to have widened, influenced by higher import volumes for fuel, motor vehicles and crude materials. The merchandise trade deficit expanded in all of the territories with the exception of St Kitts and Nevis, Dominica and Grenada. The value of imports rose by 2.2 per cent to \$1,697.6m compared with a 4.7 per cent increase in the corresponding period of 2011.



Export earnings rose by 2.3 per cent to \$209.7m largely influenced by a 7.4 per cent increase in domestic exports. The performance of domestic export earnings largely reflected higher earnings from nutmeg and cocoa exports. The increase in exports earnings was tempered by an estimated decline in earnings from bananas in Saint Lucia and St Vincent and the Grenadines. Gross travel receipts increased by 9.1 per cent to \$1,024.6m, attributable to higher stay-overs arrivals. Gross external disbursements to the central governments fell by

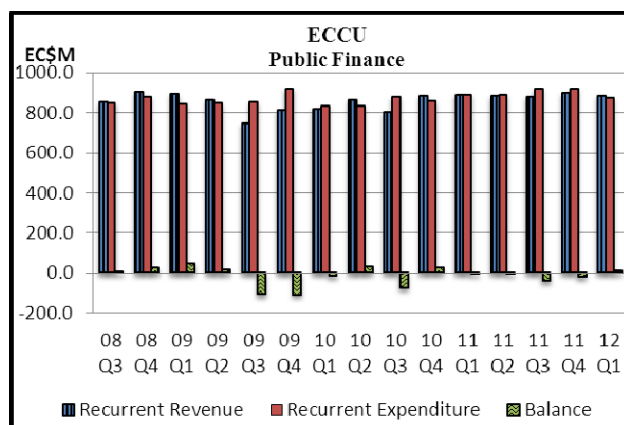
26.1 per cent to \$95.3m, while debt repayments contracted by 10.9 per cent (\$17.8m). Commercial bank transactions resulted in a net outflow of \$201.9m in short-term capital compared with an outflow of \$30.3m in the corresponding period of 2012, as the net liability position of banks fell.

## Central Government Fiscal Operations

The consolidated fiscal operations of the central governments resulted in a smaller overall deficit of \$90.3m in the first three months of 2012 compared with one of \$135.3m in the corresponding period of 2011. This outturn was associated with a decline in capital expenditure coupled with a current account surplus, in contrast to a current account deficit in the corresponding period of 2011. The primary balance shifted to a surplus of \$27.9m from a deficit of \$7.3m in the first three months of 2011. Of the member countries, larger current account surpluses were recorded for Antigua and Barbuda, Saint Lucia and Anguilla, while the increase in the overall fiscal surplus for the currency union was constrained by a widening of the overall deficit in Grenada. A lower fiscal deficit was recorded for St Vincent and the Grenadines.

The operations of central governments resulted in a current account surplus of \$9.6m, in contrast to a deficit of \$0.3m in the corresponding quarter of 2011, fuelled by a contraction in current expenditure.





Current expenditure declined by 2.0 per cent (\$17.5m) to \$871.8m, in contrast to a 6.6 per cent increase in the comparable period in 2011, reflecting reductions in most of the sub-categories. Outlays on goods and services declined by 8.9 per cent largely associated with developments in St Kitts and Nevis. Lower interest payments (7.7 per cent) were also recorded, particularly external interest payments (21.2 per cent) associated with lower obligations in all of the member territories with the exception of Grenada and St Vincent and the Grenadines. Domestic debt obligations were 5.3 per cent higher consistent with an increase in outstanding domestic debt. Outlays on personal emoluments rose by 0.1 per cent (\$0.5m) influenced by increases in the number of public servants in Saint Lucia and Antigua and Barbuda. Expenditure on transfer and subsidies increased by 3.2 per cent (\$6.7m) during the period under review.

Current revenue fell by 0.9 per cent (\$7.6m) to \$881.4m, constrained by a reduction in non-tax revenue receipts, especially in St Kitts and Nevis where revenue collections from the previously

government run electricity department were diverted to the newly corporatized department. The other component of current revenue, tax revenues, rose by a 1.0 per cent (\$8.1m) to \$780.5. Higher tax revenues were associated with increases in the collection of property taxes (56.2 per cent) and taxes on domestic goods and services (4.0 per cent). Yields from property tax rose in St Kitts and Nevis, Saint Lucia, Anguilla and Antigua and Barbuda. Receipts of taxes on domestic goods and services were higher on account of increased collections of stamp duties, partially offset by declines in the collection of Value Added Tax (\$6.9m). Declines in Value Added Tax receipts were attributable to St Kitts and Nevis and St Vincent and the Grenadines. Receipts from taxes on international trade and transactions were lower by 3.8 per cent, influenced by declines across the main categories including, consumption tax (12.6 per cent), customs service charge (8.6 per cent) and import duties (3.4 per cent).

Outlays on capital expenditure fell by 37.7 per cent to \$133.2m, in contrast to a 50.2 per cent increase in the corresponding period of 2011. The reduction was consistent with measures to contain expenditure in a number of the member territories coupled with completion work on some major projects. Capital outlays fell in Dominica, Antigua and Barbuda, St Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines. Increase capital outlays were recorded for the British overseas territories of Montserrat and Anguilla. Grant receipts amounted to \$30.1m, representing a 59.6 per cent reduction



compared with the total in the first quarter of 2011. Reductions in grant receipts were recorded in the majority of the member territories with the exception of St Vincent and the Grenadines, Montserrat and St Kitts and Nevis. Anguilla received no grant funding in the current quarter or the corresponding quarter of 2011.

### **Public Sector Debt**

At the end of March 2012 the total disbursed outstanding debt of the ECCU's public sector stood at \$12,624.6m, approximately 0.9 per cent above the outstanding amount at the end of 2011. On an individual country basis, increases in public sector debt were recorded in all of the ECCU territories, except in Anguilla, Antigua and Barbuda and Montserrat where the outstanding debt declined. The largest increase in the debt stock was for the government of Dominica (6.4 per cent, \$59.5m), largely reflecting increases in the obligations of the central government associated with an issue of a \$15.0m 91-day Treasury bill on the Regional Government Securities Market and an \$8.5m disbursement under the IMF's Rapid Credit Facility. The Government of Saint Lucia accounted for the second largest increase in the debt stock (1.6 per cent, \$38.9m), attributable to an increase in central government domestic borrowings. The outstanding debt of the ECCU's public sector expanded on account of a 1.1 per cent increase in central government debt to \$10,701.9m. The outstanding debt of public corporations contracted by 0.2 per cent to \$1,922.8m.

Debt service payment for the first three months of 2012 amounted to \$303.5m, an increase of 11.2 per cent above the total recorded during the corresponding period of 2011. Of total debt service payments, principal repayments comprised 61.1 per cent and interest payments accounted for 38.9 per cent of total debt servicing. Debt service payments rose for Grenada, St Kitts and Nevis, Saint Lucia and Dominica while declines were registered for the other territories.

### **Monetary and Financial Developments**

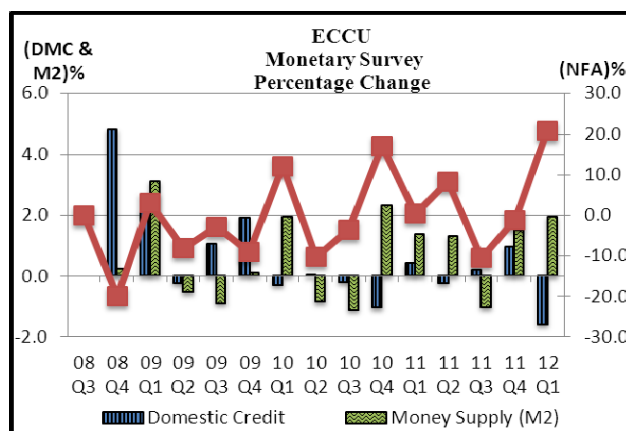
#### ***Money and Credit***

Monetary liabilities (M2) expanded by 1.9 per cent to \$13,322.4m, attributable to an expansion in quasi money as narrow money declined. Quasi money rose by 2.9 per cent reflecting increases in savings deposits (3.8 per cent) and foreign currency deposits (7.7 per cent). All of the components of narrow money recorded declines – currency with the public (1.8 per cent) and private sector demand deposits of (0.9 per cent).

Domestic credit contracted by 1.6 per cent, reversing a 0.4 per cent increase in the corresponding period of 2011, attributable a reduction in lending to the private sector and central government. Outstanding credit to the private sector declined by 0.3 per cent, in contrast to a 0.4 per cent expansion during the corresponding period of 2011. Lower private sector borrowing was influenced by a fall in outstanding credit to businesses (1.0 per cent) as lending to households increased. Net credit to the central

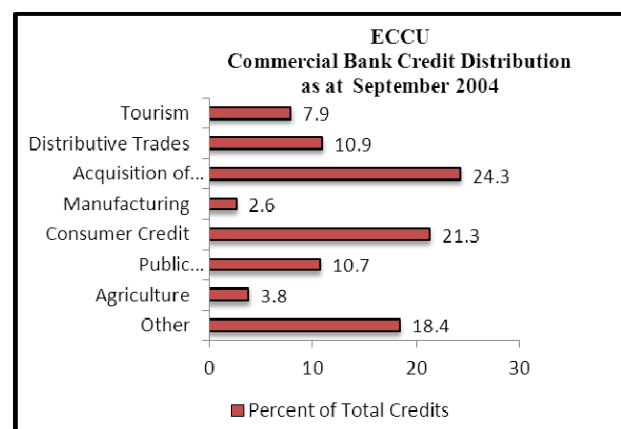


government decreased by 8.3 per cent in contrast to a 3.0 per cent increase in the first quarter of 2011. This development was associated with a 9.0 per cent increase in central governments' deposits coupled with a 0.3 per cent reduction in credit to central governments. Of the member countries, the reduction in credit to central governments' was the highest in St Kitts and Nevis. Credit to non-bank financial institutions grew by 11.2 per cent, as the increase in investments exceed that of credit. The net deposits of non financial public enterprises rose by 4.5 per cent buoyed by a 4.5 per cent increase in deposits.



The distribution of commercial bank credit by economic activity shows that reduction in outstanding credit was largely attributable to declines in credit extended to tourism (3.8 per cent) and manufacturing and mining and quarrying (0.8 per cent). These declines were moderated by increases in credit largely for personal use and construction of 0.3 per cent and 1.1 per cent respectively. Additionally, increases in outstanding

credit were observed for distributive trades and agriculture and fisheries.



The net foreign assets of the banking system increased by 20.8 per cent to \$2,488.7m, fuelled by developments associated with the Central Bank and in the commercial banking system. The net foreign assets of the Central Bank rose by 8.3 per cent to \$2,944.5m, largely attributable to an 8.5 per cent (\$229.8m) increase in foreign external assets. Commercial banks' net foreign liabilities position fell by 30.7 per cent to \$455.8m reflecting a 2.4 per cent increase in liabilities and a 2.5 per cent rise in foreign assets.

The liquidity position of commercial banks strengthened during the period under review. The ratio of liquid assets to total deposits plus liquid liabilities grew by 1.2 percentage points to 31.7 per cent and the ratio of loans and advances to total deposits decreased by 2.6 percentage points to 83.8 per cent.

The spread between the average weighted interest rate on deposits and loans narrowed to 6.46 per cent from 6.47 at the end of December 2011. The average weighted deposit interest rate stood at 3.00 per cent and the average weighted lending rate was 9.46 per cent at the end of the period under review.

### ***Developments on the RGSM***

The pace of activity on the Regional Government Securities Market (RGSM) accelerated during the first three months of 2012, when compared to the corresponding period of 2010. Gross issuance more than doubled to \$252.0m, largely attributable to increased issuances in all issuing countries, including Saint Lucia, St Vincent and the Grenadines, Grenada and Dominica. The Governments of Grenada and Dominica issued instruments in the first quarter of 2012 after having not done so in the corresponding period of 2011.

The market was dominated by short-term offerings reflecting the demand on the part of governments for funds for cash flow management purposes, coupled with a fall in the demand by the individual investor for longer dated securities. Of the eleven issues during the period under review, seven were 91-day Treasury bills. The Government of Saint Lucia was the largest issuer of Treasury bills (\$122.0m, or 33.1 per cent of total Treasury bill issues) followed by the Government of St Vincent and the Grenadines (\$75.0m). The Governments of Grenada and Dominica each issued Treasury bills in the amounts of \$40.0 and \$15.0 respectively. Treasury bills

accounted for the largest proportion of instruments issued during the quarter accounting for 62.3 per cent of the securities issued during the quarter. The outturn compares with the first quarter of 2011, when the Government of Saint Lucia was the dominant issuer and accounted for 37.5 per cent of gross issuance. Although gross issuance was higher during the quarter there was a relative decline in investor demand for Treasury bills as indicated by a decline in the bid to cover ratio. The value of bids increased to \$308.6m, representing a bid-to-cover ratio of 1.22, however this compares with one of 1.86 in the first quarter of 2011.

The weighted average interest rate on 91-day Treasury bills declined by 9 basis points to 4.77 per cent at the end of March 2012, compared with the weighted average interest rate at the end of March 2010. Depressed yields reflect higher demand for short-term securities.

Activity in the secondary market increased during the first three months of the 2012, as the value of trading rose to \$0.4m from \$0.1m during the first quarter of 2011.

### **Prospects**

The global recovery continues to decelerate, with a number of factors representing impediments to a sustained recovery, including the sovereign debt crisis in the Eurozone, coupled with declining prospects for emerging economies. The economy of the USA, though growing continues to be



constrained by structural challenges; high unemployment, large deficits and a weak housing market. Notwithstanding the uncertain global outlook, economic activity in the ECCU is projected to expand in 2012 reflecting an uptick in construction activity, coupled with continued improvement in the hotels and restaurants sector. A recovery is projected for the construction sector based on planned intensified public sector activity in Saint Lucia, Antigua and Barbuda and St Vincent and the Grenadines. In the private sector work will continue on hotel construction in Saint Lucia, and St Kitts and Nevis as well as private residential construction. Activity in the hotels and restaurants sector a major indicator of tourism activity, is expected to remain robust sustained primarily by higher stay-overs arrivals. Consequently, developments in this sector will favourably impact developments in the transport, storage and communications and wholesale and retail trade sectors.

The merchandise trade deficit is estimated to widen as a result of higher import payments associated with

developments in the tourism sector and the estimated recovery in economic activity during 2012. The value of merchandise exports is estimated to remain subdued based on a lower performance of agriculture and manufacturing.

A narrowing of the overall fiscal deficit is projected, based on continued expenditure restraint in response to sluggish growth. However the improvement in the overall fiscal outturn will be constrained by higher overall expenditure in Grenada and Montserrat.

Economic prospects for the ECCU appear to be favourable; however, looming downside risks include, slowing global growth, challenging tourism prospects associated with the London Olympics and the Air Passenger Duty imposed on UK travellers. Other economic headwinds include high international energy and commodity prices and the onset of the Atlantic hurricane season.



## ANGUILLA

### Overview

Preliminary data indicate that economic activity expanded in the first three months of 2012, compared with that of the corresponding period of 2011. This assessment is based on increased value added in some of the key sectors, construction and hotels and restaurants, which offset declines in financial intermediation and the real estate, renting and business activities sectors. Consumer prices rose by 0.3 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 widened. The fiscal operations of the central government resulted in an overall surplus, largely reflecting increased growth in revenue, supplemented by a reduction in expenditure. Total outstanding public sector debt declined as borrowing remained unchanged. 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.

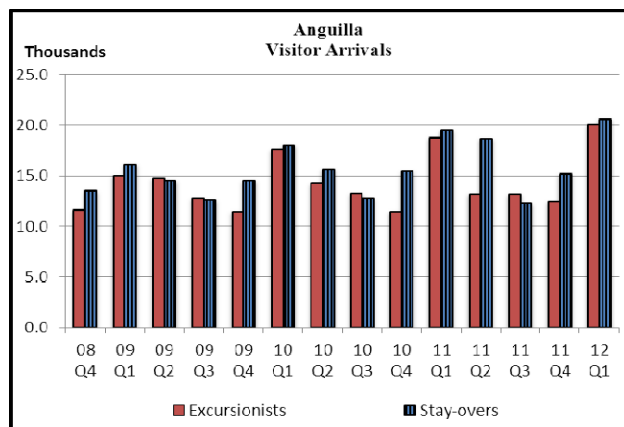
An uptick in economic activity is projected for the remainder of 2012 due to continued improvements in some of the key sectors. Activity in the construction sector is anticipated to improve consistent with intensified work at the Zemi Beach Resort as well as residential construction. The outlook for the tourism industry appears to be

somewhat uncertain, based on the mixed performance in the first quarter, and coupled with weakness in some of the key indicators; including private jet arrivals, average length of stay and faltering growth in the USA, the major tourist market. Further strengthening is forecasted in wholesale and retail trade as well as real estate, renting and business activities. Major downside risks to the outlook include the negative growth effects of high and sustained oil prices, dimming global growth prospects and the possible negative impacts of hurricanes.

### Output

Construction activity is estimated to have expanded in the first quarter of 2012 based on developments in the public sector as well as the commencement of a new project in the private sector. Public sector capital spending in the first quarter was largely associated with the implementation of the grant funded construction of the Valley Primary School. In the private sector the majority of the activity was associated with intensified construction work at the Zemi Beach Resort (US\$70.0m). Preliminary data on residential construction suggest lower activity, as indicated by a reduction in the number of residential building applications. Nonetheless, developments in both the public and private sectors represent an improvement when compared with activity in the sector during the first three months of 2011.





Total visitor arrivals rose by 6.3 per cent to 40,769 compared with a 7.4 per cent increase in the corresponding period of 2011. Stay-over arrivals rose by 5.7 per cent to 20,642 largely on the strength of the performance of markets in Canada and the USA. Arrivals from the Canadian market increased by 35.7 per cent, followed by a 2.3 per cent expansion in the USA, the largest source market. The performance of the UK market also strengthened as stay-overs from that source rose by 13.3 per cent. Those gains were partially offset by declines in the number of visitors from the Caribbean (5.1 per cent), associated with limited air access into the destination and the high cost of inter-regional travel. The improvement in stay-over arrivals is estimated to have impacted favourably on the transportation and the wholesale and retail trade sectors.

Activity in the transport sector is also estimated to have increased, consistent with increases in the key sub-components of road and sea transport services, which was partially offset by a decline in air transport. Increased value added in road and sea

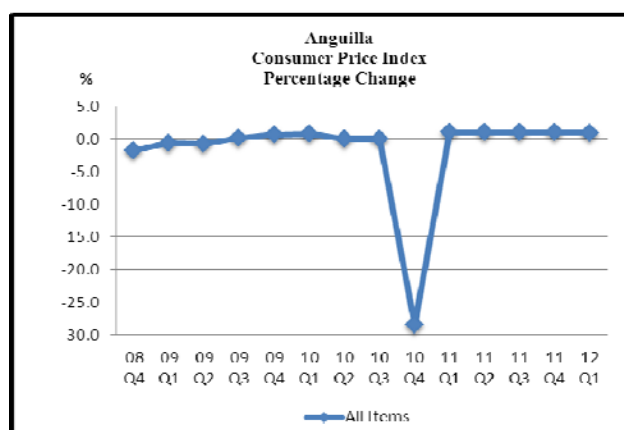
transport reflected increased cargo landed and higher numbers of stay-over visitors, while lower value added in air transport was consistent with a reduction in arrivals by air on account of the termination of air service by American Eagle into Anguilla since April 2011. Likewise, value added in the wholesale and retail trade sector is estimated to have increased based on higher value and larger volume of cargo landed, as well as more vibrant real sector activity.

Value added in the financial intermediation sector is estimated to have declined as both loans and advances and deposits, which are used as proxies of this sector's performance, fell in the review period. Additionally, value added in the real estate, renting and business activities sector is estimated to have contracted reflecting protracted weakness in the banking and real estate markets.

### Prices

The consumer price index (CPI) rose by 0.3 per cent on an end of period basis compared with an increase of 2.3 per cent in the comparable period in 2011. The deceleration in the rate of increase was attributable to slower increases in the price indices for alcoholic beverages and tobacco and housing. Overall, the upward movement in the price level was attributable to increases in the major components of the CPI basket including food (1.5 per cent), housing (0.1 per cent) and personal services (0.7 per cent). Higher food prices were attributable to rising global commodity prices particularly flour and cereal

products, while the rise in the housing sub-index reflected primarily an increase in property taxes and in the costs of repair and maintenance items. The overall increase in the CPI was tempered by lower prices for the sub-indices; transport and communications (0.9 per cent), household furnishings and supplies (0.4 per cent) clothing and footwear (0.32) and education (1.0 per cent). The fuel and light sub-index remained unchanged.

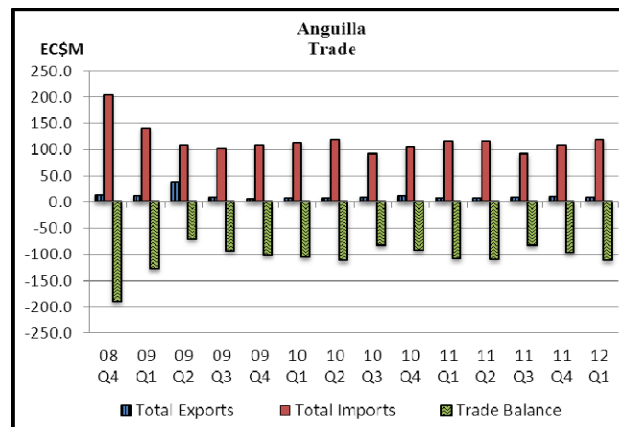


## Trade and Payments

A merchandise trade deficit of \$111.1m was estimated in the first quarter of 2012, above the \$108.3m in the corresponding period of 2011. The larger deficit was driven by an estimated 3.0 per cent rise in import payments, partly offset by an 8.7 per cent increase in export receipts. The increase in imports was attributable to improved activity in the real sector reflected largely in construction sector.

Gross travel receipts are estimated to have decreased by 8.3 per cent to \$85.1m in the first quarter of 2012, notwithstanding the increase in stay-overs.

Lower visitor expenditure was attributable to a reduction in the average length of stay of each visitor to 7.8 days from 8.4 days in the corresponding period of 2011. The transactions of commercial banks resulted in a net outflow of \$45.3m in short term capital during the period under review, compared with a \$35.4m outflow in the corresponding 2011 period. No external disbursements were received during the quarter under review; however external principal repayments totaled \$0.3m.



## Central Government Fiscal Operations

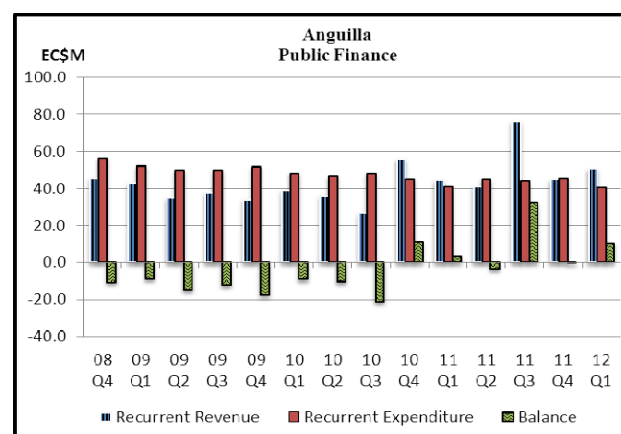
The fiscal operations of Central Government resulted in an overall surplus (after grants) of \$7.7m in the first quarter of 2012 compared with \$3.1m in the corresponding period of 2011. A larger primary surplus of \$9.8m was recorded, compared with one of \$5.4m in the first quarter of 2011. The improvement in the fiscal performance was attributable to an improved current account balance, reflecting higher current revenues, particularly tax revenue.



A current account surplus (before grants) of \$10.1m was recorded in the period under review, compared with one of \$3.3m in the first quarter of 2011. The strengthening in the current account balance reflected higher revenue intake coupled with lower expenditures. Current revenue increased by 14.0 per cent (\$6.2m) to \$50.3m, fuelled largely by higher tax revenue. Tax revenue rose by 15.8 per cent (\$6.2m) to \$44.1m compared with a total of \$38.1m in the corresponding period of 2011. Income tax collections were bolstered by the introduction of a stabilization levy in April of 2011 contributing an additional \$4.1m to government revenue. Receipts from taxes on international trade and transactions rose by 24.6 per cent (\$3.5m), primarily associated with increases in the collections of customs surcharge which nearly doubled and import duties. The improved performance of trade related taxes receipts was consistent with higher imports in the period under review. Tax collections from domestic goods and services fell by 8.0 per cent to \$21.0m, attributable mainly to lower accommodation tax receipts (23.3 per cent), as well as a decline in the collection of stamp duties (11.6 per cent). Non-tax revenue rose by 3.0 per cent (\$0.2m) to \$6.2m.

Current expenditure contracted by 1.5 per cent (\$0.6m) to \$40.2m, attributable to declines in outlays for all of the sub-components with the exception of 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 0.6 per cent (\$0.1m), 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 12.2 per cent (\$0.3m), attributable to an 18.0 per cent (\$0.3m) 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 while making debt service payments. The increase in domestic interest payments however, was attributable to the commencement of payments on a \$50.0m Social Security loan. Declines were also recorded for transfers and subsidies (5.7 per cent). Meanwhile, outlays on goods and services rose by 5.6 per cent. Capital expenditure increased nearly nine-fold (\$2.1m) 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 \$224.3m at the end of March





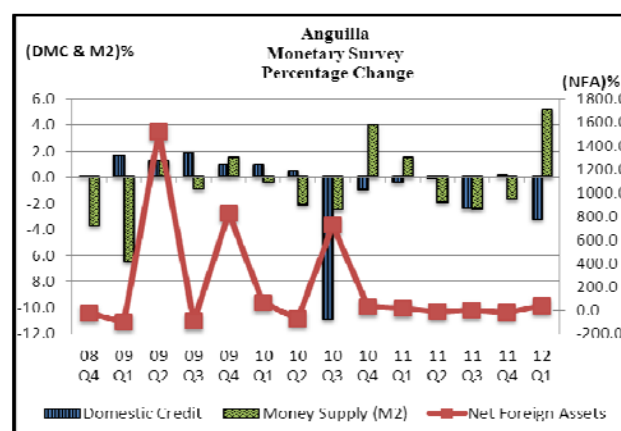
2012, below the \$230.3m recorded at the end of December 2011. The reduction in the disbursed outstanding debt was largely influenced by the inability of the Government of Anguilla to engage in additional borrowing, while concurrently reducing the outstanding liability. The majority of the total disbursed outstanding debt was held by the central government (92.6 per cent), while 77.7 per cent was sourced from external sources. The disbursed outstanding debt of statutory bodies amounted to \$16.6m.

### Money and Credit

Monetary liabilities (M2) rose by 5.2 per cent to \$1,067.0m at the end of the first quarter of 2012, compared to a 1.5 per cent increase during the corresponding period of 2011. The increase in M2 was due to a rise in quasi money, as narrow money (M1) declined. Quasi money rose by 6.1 per cent (\$58.6m) driven mainly by a 7.2 per cent (\$53.3m) increase in private sector foreign currency deposits. The decline in narrow money (M1) was the result of a 16.4 per cent (\$5.24m) reduction in private sector demand deposits, which offset a 10.8 per cent (\$1.2m) rise in currency with the public.

Domestic credit fell by 3.2 per cent to \$1,159.1m during the first quarter of 2012, compared with a 0.4 per cent reduction during the corresponding period of 2011. The reduction in outstanding credit was attributable to a 1.6 per cent decline in lending to the private sector, associated with reduced credit extended to households as well as businesses. Credit

to households fell by 2.2 (\$13.2m), while that to businesses contracted by 0.9 per cent (\$6.7m). This decline was supplemented by lower net credit to non-bank financial institutions and subsidiaries and affiliates. The net deposit position of the central government rose by 14.8 per cent (\$8.0m), largely reflecting a 7.2 per cent increase in deposits at commercial banks, as outstanding credit from commercial banks remained unchanged at nil. In the rest of the public sector the net deposit position of non-financial public enterprises increased by 5.2 per cent (\$8.3m), in contrast to a contraction of 0.5 per cent (\$0.7m) during the corresponding period of 2011.



The distribution of commercial bank credit by economic activity indicates that the decline in credit for personal use impacted most the overall contraction in credit extended. Outstanding loans for personal use, which accounted for 43.2 per cent of total credit, declined by 1.4 per cent (\$8.3m) associated with reduced credit for consumer durables. Other notable declines in credit extended were recorded for tourism and construction of 2.6



per cent and 2.4 per cent respectively, reflective of the modest performances of both sectors. The overall reduction in outstanding credit was moderated by increases in lending to mining and quarrying and distributive trades of 17.1 per cent and 3.3 per cent respectively.

The net foreign assets of the banking system rose by 38.6 per cent to \$260.9m compared with a 20.9 per cent increase in net foreign assets during the first quarter of 2011. Commercial banks' net foreign assets grew by 52.1 per cent (\$45.3m) to \$132.3m, largely reflecting a 21.5 per cent (\$48.8m) increase in their assets held outside the currency union. This outturn was moderated by a drawdown of assets held with institutions in the rest of the Eastern Caribbean currency union. Anguilla' imputed share of the reserves of the Central Bank rose by 26.9 per cent to \$128.6m.

Liquidity in the commercial banking system improved during the first three months of 2012 relative to the first quarter of 2011. This was evidenced by a 2.8 percentage points increase to 33.3 per cent in the ratio of liquid assets to total deposits plus liquid liabilities coupled with a 5.6 percentage point reduction to 97.5 per cent in the loans and advances to total deposits ratio.

The weighted average interest rate spread between loans and deposits narrowed to 6.94 percentage points at the end of the first quarter of 2012, from 7.27 percentage points at the end of December 2011. The weighted average interest rate on loans fell by

less than 0.1 percentage point to 10.11 per cent from 10.12 per cent, while that on deposits declined by 0.3 percentage points 3.17 per cent.

### Prospects

A flagging recovery in the USA and continued economic and financial challenges in the Euro zone, coupled with slower expansions in emerging markets, present some uncertainty regarding economic outcomes. Nonetheless, economic activity is likely to expand marginally in 2012, attributable to increases in value added in the construction partly moderated by lower value added in the hotels and restaurants sector. This assessment is based on increased construction activity in both the private and public sectors. Private sector activity will be buoyed by the existence of at least one major construction project (Zemi Beach Resort), coupled with continued work on residential properties. In the public sector work is expected to advance further on the Valley Primary School. The positive outlook for construction activity may positively impact the transport, storage and communications sector as well as the wholesale and retail trade sector. Notwithstanding the improvement in the broad macroeconomic indicators, financial intermediation is expected to record a decline in value added.

The fiscal operations of Central Government are estimated to improve consistent with the anticipated modest recovery and sustained measures to contain expenditure. The Government of Anguilla will 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 packaged into revised measures. Capital expenditure is expected to exceed that of 2011 based on anticipated grant receipts.

On the external accounts, the merchandise trade balance is expected to be a wider deficit associated with higher import prices for commodities (fuel and food), and increased economic activity. Gross visitor expenditure is anticipated to decrease relative to the corresponding period of 2011 based on the reduced length of stay observed in the first quarter of

2012, notwithstanding a projected increase in stay-over arrivals. In the banking system monetary conditions are expected to improve generally with broad money trending upwards, however liquidity while improving may not materially impact credit conditions.

The economic outlook while favourable is contingent on the direction and magnitude of economic developments in the USA and Europe, particularly the Eurozone. Rising commodity prices, slowing growth in emerging economies and the risk of storm damage from hurricanes pose significant downside risks to the projections.



## ANTIGUA AND BARBUDA

### Overview

Preliminary data for the first three months of 2012 indicated that economic activity in Antigua and Barbuda contracted relative to the outturn in the corresponding period of 2011. Value added in most economic sectors declined; the contraction was particularly acute in the construction and wholesale and retail trade sectors. By contrast, value added in the hotels and restaurants sector increased marginally, attributable to an increase in stay-over visitor arrivals. Consumer prices rose by 0.8 per cent, on an end of period basis. The fiscal operations of the central government shifted to an overall surplus, as revenue collections outpaced expenditure. Disbursed outstanding public sector debt decreased marginally, compared with the level at the end of December 2011. Monetary liabilities of the banking system increased as the net foreign assets rose and domestic credit fell. Commercial bank liquidity improved and the weighted average interest rate spread fell during the review period.

Economic activity is projected to increase moderately for the rest of 2012, hinged on continued improvement in the tourism industry. Activity in the construction sector is expected to improve marginally supported by the intensified construction work on the new Airport terminal and a pick-up in residential construction. Activity in most of the other major sectors is projected to remain depressed in the near term. The main risks to the outlook relate

to slower than expected economic growth in major source markets, as the debt crisis in the Eurozone continues to be a drag on global economic activity. On the fiscal front, it is expected that the fiscal position of the Central Government will improve relative to 2011, as policy measures to improve revenue administration and reduce government expenditure yield results.

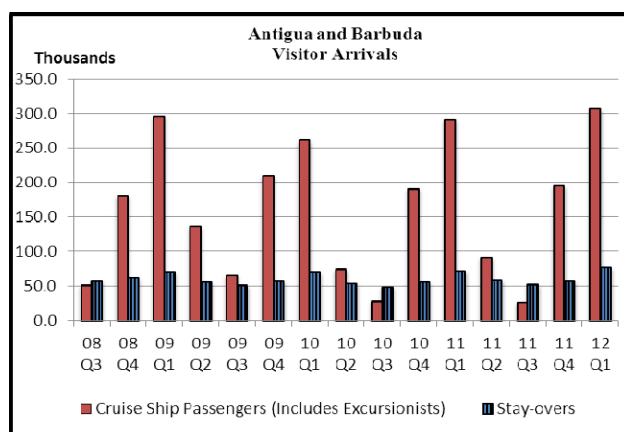
### Output

Construction activity in Antigua and Barbuda is estimated to have remained depressed in the first quarter of 2012, relative to the corresponding period of 2011. Both public and private sector construction activity remained subdued. Capital expenditure by the government was restrained due to financing difficulties, which halted the implementation of new capital projects. Capital expenditure totalled \$2.0m for the first quarter of 2012, compared with a revised \$17.4 in the first quarter of 2011. The construction of a new airport terminal building is proceeding slowly. A decline of 9.2 per cent in credit extended to construction companies and a 24.0 per cent fall in cement imports also supported the assessment of weak construction activity. It is estimated that value added in the mining and quarrying sector also fell, consistent with the reduction in construction activity.

Activity in the wholesale and retail trade sector is estimated to have fallen, due to a decline in the imports of general cargo landed at the port, while



value added in the transport, storage and communications sector also decreased in line with the reduction in construction activity. Among the other economic sectors, declines were recorded in value added for manufacturing, public administration, defence and compulsory social security and financial intermediation.

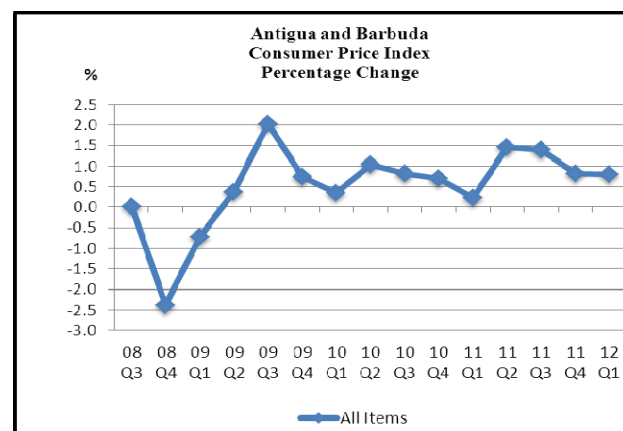


Value added in the hotels and restaurants sector, a proxy for the tourism industry, increased. Total visitor arrivals rose by 7.0 per cent to 399,501 supported by increases in all the main sub-categories. The number of stay-over visitors increased by 6.9 per cent to 77,330, compared with growth of 2.6 per cent in the first quarter of 2011. All the main source markets recorded growth; USA (16.6 per cent), UK (4.5 per cent) and Canada (5.3 per cent) respectively. Additional airlift, intensified marketing and the reopening of the Jumby Bay Resort, were the main contributing factors to the increase in stay-over arrivals. Of the other categories of visitors, the number of cruise ship passengers rose by 5.4 per cent to 306,760, reflecting an increase in cruise ship calls, and yacht

passenger arrivals are estimated to have increased by 54.4 per cent to 15,411 in contrast to a decline of 10.3 per cent in the first quarter of 2011.

## Prices

The consumer price index rose by 0.8 per cent on an end of period basis, mainly reflecting increases in the fuel and light and medical care and expenses sub-indices. An increase in the fuel variation rate led to a 2.6 per cent expansion in the fuel and light sub-index. Medical expenses rose by 4.3 per cent partially reflecting an increase in the cost of medical visits. In contrast, prices in the food sub-index, the second largest weighted in the CPI basket, was 1.6 per cent below the level at the end of December 2011, the decline in food prices reflects decrease in the price of meat products notably beef.

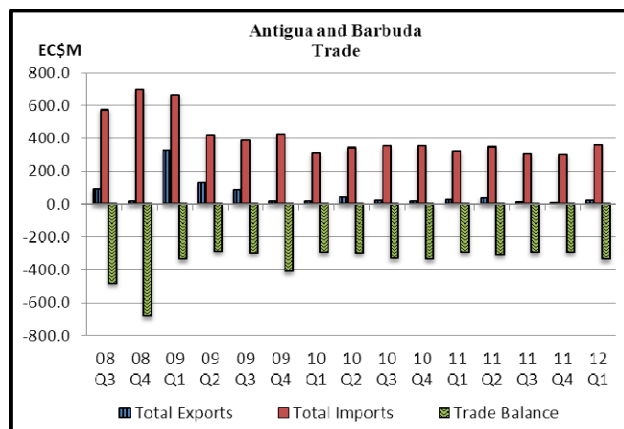


## Trade and Payments

Complete trade statistics are not available for the first quarter of 2012. Preliminary data on cargo throughput indicate that the volume of imports



landed at the port rose by 9.2 per cent, reflecting increases in fuel and motor vehicle imports. By contrast, the volume of general cargo imported declined by 0.9 per cent relative to the level in the corresponding period of 2011, consistent with the general downturn in economic activity. The volume of cement imported decreased by 24.0 per cent, in line with the contraction in construction activity. The volume of exports grew by 15.5 per cent, influenced by an increase in the re-export of fuel.

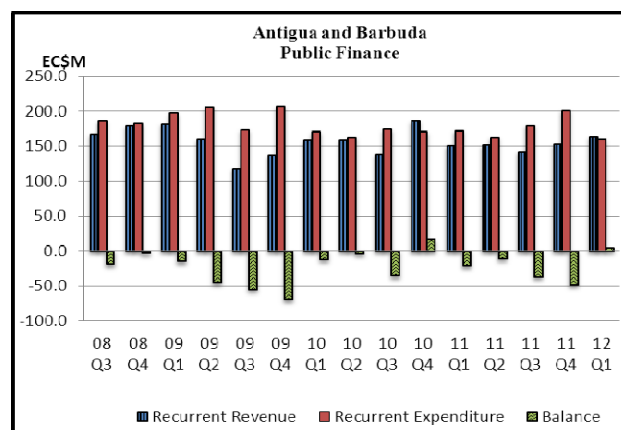


Gross travel receipts rose by 9.0 per cent to \$287.7m, reflecting the increase in stay-over visitor arrivals. Commercial bank transactions resulted in a net inflow of \$41.3m in short-term capital from a revised net outflow of \$37.1m during the first quarter of 2011. External loan disbursements to the central government amounted to \$1.4m, while debt repayment totalled \$4.7m. Consequently there was a net outflow of \$3.5m, in contrast to a net inflow of \$14.7m recorded in the first quarter of 2011.

## Central Government Fiscal Operations

The fiscal operations of the central government improved in the first quarter of 2012 relative to the outturn in the corresponding period of 2011. Preliminary data suggest that the overall balance recorded a surplus of \$2.1m in contrast to a deficit of \$21.6m in the corresponding period last year. A primary surplus of \$18.1m was realised, compared with one of \$5.1m in the first quarter of 2011.

Current revenue rose by 8.5 per cent to \$163.4m in the first three months of 2012 in contrast to a 4.7 per cent decline in the corresponding period 2011. Tax revenue rose by 10.3 per cent to \$157.1m compared with a 1.6 per cent expansion in the first quarter of 2011. The increased in tax revenue receipts was attributable to growth in collections from taxes on property (\$4.7m) and taxes on domestic goods and services (\$15.8m). These increases were partly offset by decreases in receipts from taxes on income and profits and international trade and transactions which fell by \$3.9m and \$1.9m respectively.



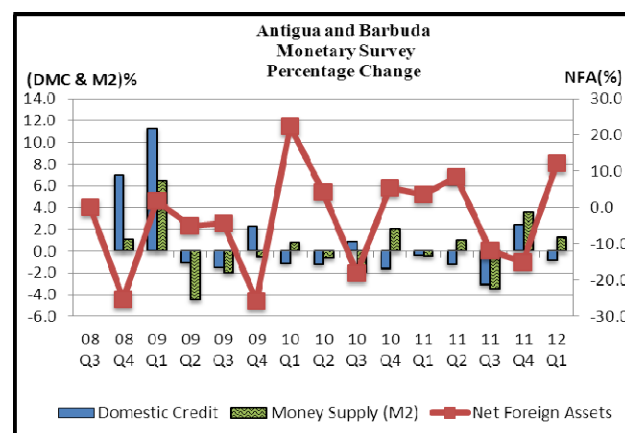
Current expenditure fell by 7.2 per cent to \$159.3m, resulting from reductions in outlays on interest payments and transfers and subsidies. Interest expenses on the debt declined by 40.3 per cent to \$16.0m in the first quarter of 2012. Spending on transfers and subsidies fell by 10.2 per cent, largely reflecting reduced outlays for grants and subventions to statutory corporations and overseas missions. These declines were partly tempered by increased expenditure for goods and services procured by the government which rose by 13.4 per cent) and personal emoluments which increased by 2.9 per cent to \$66.5m. The rise in expenditure for personal emoluments reflected new hires in the public service. Capital expenditure amounted to \$2.0m, representing a decline of 88.7 per cent relative to the amount spent in the first quarter of 2011, as the government continued to experience difficulties financing its public sector investment programme.

### Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$2,821.5m at the end of March 2012, down from \$2,827.4m at the end of December 2011. The disbursed outstanding debt of the Central Government declined by 0.4 per cent (9.4m) to \$2,364.7m, due mainly to a decrease of 4.3 per cent (\$12.9m) in external debt. On the other hand, the domestic debt of the Central Government increased by 0.3 per cent (\$3.5m) to \$1,303.6m. The debt of the public corporations rose by 0.8 per cent (\$3.5m), attributed to a \$44.3m increase in domestic debt while external debt fell by \$40.8m.

### Money and Credit

Monetary liabilities (M2) increased by 1.3 per cent (\$39.8m) to \$3,063.8m during the first quarter of 2012, in contrast to a 0.4 per cent decline during the corresponding period of 2011. The increase in M2 was largely associated with a 1.4 per cent (\$33.0m) expansion in quasi money attributable to a 3.1 per cent (\$31.2m) increase in private sector savings deposits. Narrow money supply (M1) expanded by 1.1 per cent (\$6.8m), in contrast to a reduction of 4.9 per cent recorded during the similar period of 2011. Both private sector demand deposits and EC\$ cheques and drafts were responsible for the expansion while currency with the public declined.



Domestic credit fell by 0.8 per cent (\$23.8m) to \$2,852.9m following a 0.4 per cent decrease during the corresponding period of 2011. Credit to the private sector, which constitutes the bulk of credit to the economy, recorded a 0.8 per cent (\$20.5m) decline. This reduction largely reflected a 5.7 per cent (\$61.2m) fall in outstanding loans to businesses, while those to households rose by 2.7 per cent



(\$33.9m). Net credit to the Government increased by 1.8 per cent (\$9.7m), as result of a decline in Government's deposits in the banking system which fell by 8.3 per cent (\$6.3m). Credit extended to the Government increased by 0.6 per cent (\$3.5m). In the rest of the public sector, net credit to non-financial public enterprises declined by 14.3 per cent as their deposits grew while their credit declined.

The distribution of credit by economic sector indicated that credit extended to almost all sectors of the economy declined, with the exception of credit for agriculture and fisheries, personal use and distributive trades. Outstanding credit for personal use rose by 1.6 per cent (\$20.9m) attributable to an increase in lending for the acquisition of property which grew by 3.1 per cent (\$23.7m). The increase in credit for the acquisition of property was partially negated by a decline of 7.9 per cent (\$8.8m) in credit extended for consumer durables. Credit extended to distributive trades rose by 4.9 per cent (\$12.1m). Noted declines in credit allocation were recorded in construction (\$23.0m), tourism (\$7.2m) and other uses (\$36.4m). The decrease in lending for other uses largely reflected a decline in credit for professional and other services.

The net foreign assets of the banking system stood at \$396.0m at the end of March 2012, representing an increase of 12.3 per cent from the total at the end of December 2011, influenced by an increase in the Central Bank's net foreign assets. Antigua and Barbuda's imputed share of ECCB's reserves rose by 21.3 per cent to \$481.9m. The net liability

position of commercial banks increased to \$85.5m at the end of March 2012 from \$44.6m at the end of December 2012.

Liquidity in the commercial banking system increased as the ratio of liquid assets to total deposits plus liquid liabilities rose by 0.7 percentage point to 49.4 per cent. The loans and advances to total deposits ratio fell to 83.2 per cent at the end of March 2012, from 85.8 per cent at the end of December 2011.

The interest rate spread between loans and deposits narrowed to 7.0 percentage points at the end of March 2012, from 7.1 percentage points at the end of December 2011. The weighted average interest rate on loans fell by 0.17 percentage point to 9.99 per cent and that on deposits decreased by 0.12 percentage point to 2.95 per cent.

### Prospects

Global economic conditions continue to have a strong bearing on production, trade and investment in the domestic economy. In this respect the current landscape is not very encouraging. After three years of recovery the world economy still remains highly fragile. The short-term outlook is for a contraction in several advanced economies especially in Europe. Economic growth in others, including the USA, is weak and erratic but more importantly, medium term prospects are bleak across the global economy. Economic activity in Antigua and Barbuda is likely to rebound modestly in 2012. The turnaround will





be driven principally by the tourism industry and moderate improvements in the construction sector with activity in other major sectors of the economy expected to remain subdued. Value added in the hotels and restaurants sector is expected to increase as the economic recovery in the USA and the UK becomes more entrenched. Intensified marketing and additional airlift will contribute positively to the additional stay-over visitors to the island.

The fiscal operations of the central government are projected to improve in 2012 relative to the outturn in 2011. Efforts aimed at enhancing revenue collection, under the IMF programme, are beginning to show gains notwithstanding the gains are expected to be small at the outset.

In the external sector, the reduction in the volume of

imports is likely to increase modestly as economic activity strengthens. Gross inflows from travel are likely to expand, consistent with the expected increase in visitor arrivals.

The principle downside risks to these projections include the rise in food, oil and other commodity prices and continued weakness in the economic performance of the external trading partners. The rise in fuel prices poses a risk to stay over arrivals through an increase in the cost of travel. The increase in prices is expected to exert upward pressure on the domestic cost of living and doing business. Additionally, given that real income has fallen over the past two years due to the economic recession, any further rise in prices is likely to slow consumption and restrain economic growth.



## DOMINICA

### Overview

Economic activity in Dominica is estimated to have increased marginally in the first quarter of 2012, compared with the level in the corresponding period of 2011. The positive contributions of the construction and the agricultural sectors were moderated by declines in the tourism and manufacturing industries. The consumer price index (CPI) increased by 0.1 per cent, on an end-of-period basis. The merchandise trade deficit is estimated to have narrowed on account of higher export receipts. Central government's fiscal operations resulted in a lower overall deficit and the total public sector outstanding debt increased. In the banking system, monetary liabilities rose while the weighted average interest rate spread remained unchanged.

Moderate growth is anticipated in the economy in 2012, premised on positive developments in the construction and agricultural sectors. Reconstruction work following the impact of adverse weather in 2011 is likely to be a major driver of growth in the construction sector. In the agricultural sector, continued investments in crop programmes and farm access roads are expected to keep production levels steady. The forecasts are subject to significant downside risks including more protracted weaknesses in the global economy, adverse weather and increased volatility in oil prices.

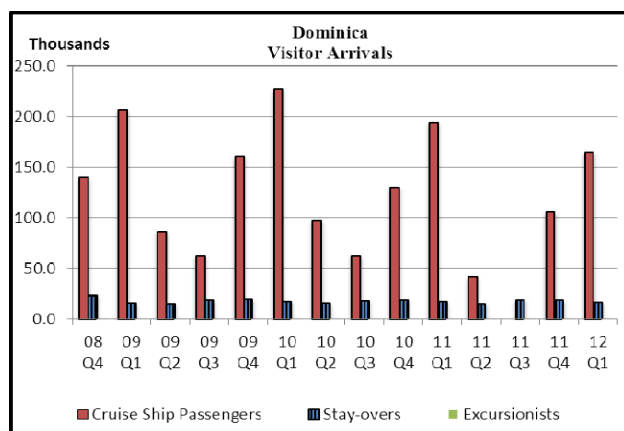
### Output

Value added in the construction sector is estimated to have risen in the quarter under review, led by increased activity in the private sector. In the private sector, work continued on eco-tourism establishments and renovations intensified on houses which were damaged by heavy rains and flooding in the latter half of 2011. Increases were recorded in the number and value of construction starts of 2.6 per cent and 49.0 per cent respectively, and commercial bank credit extended for construction rose by 75.2 per cent, indicative of the strong pace of construction activity. In the public sector, work continued on major projects such as the State House Renovation and Extension Project, Road Improvement and Maintenance Programme, Moroccan Hotel Project and the geothermal initiative. The heightened construction activity is estimated to have impacted positively on the performance of the mining and quarrying industry.

Output of the agricultural sector is estimated to have rebounded, fuelled by banana production. Banana output rose by 8.7 per cent to 842 tonnes in the first three months of 2012, supported by continued public and private investments to boost replanting efforts and control plant disease. The output of non-banana crops, forestry, livestock and fish is also estimated to have increased, benefitting from investments in



parks, a livestock farm, fisheries complexes and fishing devices.



Activity in the tourism industry is estimated to have declined in the period under review, partly influenced by protracted weaknesses in the economies of the largest source markets and limited airlift to Dominica. Total visitors fell by 13.8 per cent to 186,671 mirroring declines in all sub-categories, except excursionists, the smallest sub-category, which almost quadrupled to 576. Stay-over visitor arrivals totalled 16,701, representing 3.5 per cent less than the number recorded in the first three months of 2011. Demand from the Caribbean and USA, the major source markets, softened by 7.5 per cent and 3.1 per cent respectively. These declines were moderated by a pick-up in the European source markets particularly the UK (4.4 per cent). Although the number of cruise ship calls rose by 5 to 112, the number of cruise ship passenger arrivals fell by 15.0 per cent to 165,054m, indicative of visits by smaller vessels. The number of yacht passengers was 13.0 per cent below the

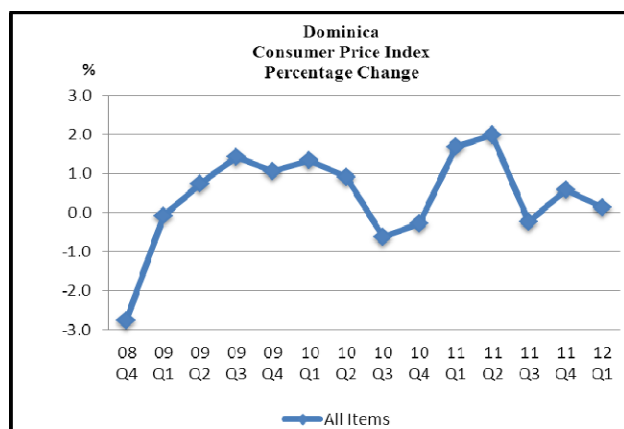
level recorded in the quarter ended March 2011. The downturn in the tourism industry is likely to have negatively influenced the performance of the transport, storage and communication sector.

The performance in the manufacturing sector remained mixed in the first three months of 2012. Declines were recorded in the production volume of paints and varnishes (27.7 per cent) and beverages (7.2 per cent) while an increase of 16.4 per cent was registered in the output of soap.

### Prices

The consumer price index increased by 0.1 per cent during the first quarter of 2012, compared with the 1.7 per cent recorded in the corresponding period of 2011. The housing, utilities, gas and fuels sub-index, the highest weighted in the basket of consumer goods, rose by 0.2 per cent, partly resulting from a rise in the cost of supplying water to dwellings. Other notable increases were recorded for the hotels and restaurants sub-index (1.8 per cent) stemming from higher costs for catering services, and the transport sub-index (1.0 per cent), largely associated with greater costs for the maintenance and repair of personal transport equipment. These increases were tempered by declines in other sub-indices such as the clothing and footwear (2.7 per cent), household furnishings, supplies and maintenance (2.2 per cent) and food and non-alcoholic beverages (0.2 per cent).



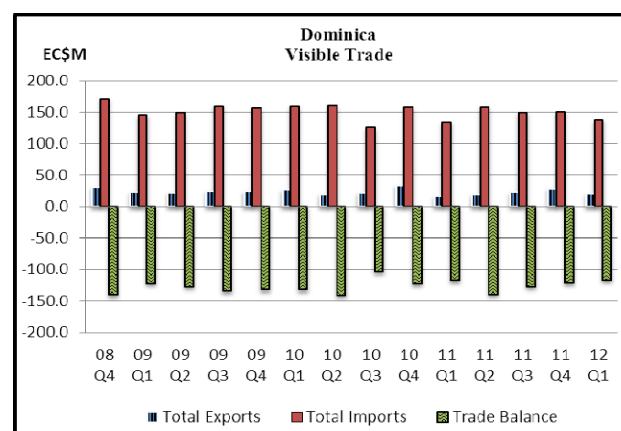


## Trade and Payments

The deficit on the merchandise trade account is estimated to have narrowed slightly to \$116.8m in the quarter ended March 2012, from one of \$117.7m in the corresponding period of 2011. This performance was attributed to an increase of 27.6 per cent in the value of domestic exports, of which re-exports rose by almost seven-fold to \$5.0m associated with the re-exporting of manufactured articles. Domestic exports increased by 0.6 per cent, reflecting growth in receipts from soap (25.1 per cent) and bananas (5.6 per cent). The value of imports rose by 2.6 per cent, driven primarily by higher payments for machinery and transport equipment.

Gross travel receipts fell by 1.2 per cent reflecting the reduction in spending from the lower number of visitors. The activities of commercial banks resulted in a net outflow of \$30.9m in short-term capital, in contrast to a net inflow of \$9.5m in the first three months of 2011. External loan disbursements to the central government tripled to \$17.8m, some of

which is financing for restoration work following the damage caused by adverse weather in 2011.

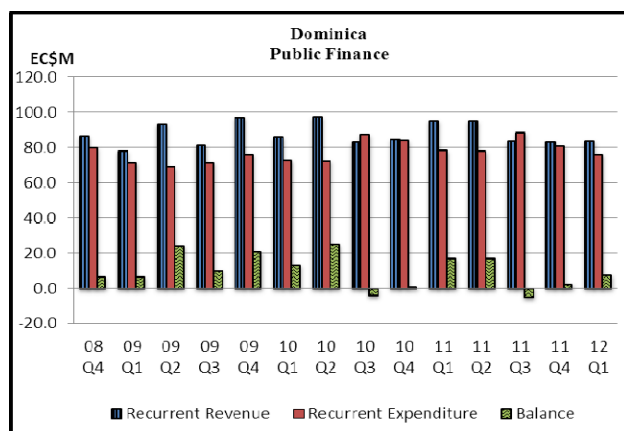


## Central Government Fiscal Operations

The fiscal operations of the central government are estimated to have yielded an overall deficit of \$8.6m in the quarter under review, down from one of \$22.3m in the first three months of 2011. This outturn was largely attributed to reductions in expenditure. The primary balance deficit narrowed to \$4.4m, from \$17.2m in the first quarter of 2011.

The surplus on the current account amounted to \$7.5m, down from the surplus of \$16.9m registered in the corresponding period of 2011. The outturn was mainly attributed to a decline of 11.9 per cent in current revenue, mirroring declines from both tax and non-tax sources. Tax revenue fell by 8.4 per cent (\$6.9m), on account of lower collections from the largest sub-categories. The intake from taxes on domestic goods and services was down by 10.2 per cent (\$5.1m) mainly influenced by reduced collections from excise taxes (\$3.3m) and the value

added tax (\$1.1m). Receipts from taxes on international trade and transactions fell by 14.8 per cent (\$2.5m), partly influenced by lower receipts from import duties. The revenue from income, profit and capital gains rose by 3.1 per cent (\$0.5m), owing to a higher yield from the corporation tax, associated with the collection of arrears. The revenue from taxes on property grew by 14.7 per cent (\$0.2m), largely attributed to higher receipts from taxes on land transactions. Non-tax revenue fell by 35.7 per cent (\$4.5m), mainly resulting from a reduced intake from the Economic Citizenship Programme.



Current expenditure contracted by 2.6 per cent to \$76.4m, reflecting government's continued efforts at fiscal consolidation. Expenditure on personal emoluments decreased by 12.4 per cent (\$4.6m), as retroactive salary increases were awarded to public servants in the corresponding period of 2011. Interest payments declined by 18.0 per cent (\$0.9m), reflecting less external interest expenditure. These declines were tempered by an increase of 9.4 per

cent (\$1.9m) in payments for goods and services, partly associated with higher outlays for electricity, fuel and lubricants. Spending on transfers and subsidies rose by 10.3 per cent (\$1.6m), largely on account of larger payments for gratuities.

Preliminary data for the capital account indicate that capital expenditure declined by 65.5 per cent to \$17.8m, while capital grants amounted to \$1.6m, down from \$11.3m in the corresponding period of 2011.

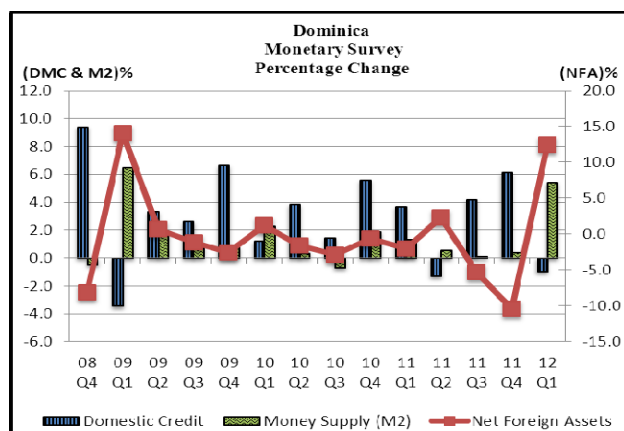
### Public Sector Debt

The total disbursed outstanding debt of the public sector rose by 6.4 per cent to \$996.4m at the end of March 2012. This outturn was characterised by an increase in the obligations of the central government which grew by 8.0 per cent to \$824.2m, reflecting increases in both domestic and external debt. The domestic debt of central government increased by 16.9 per cent, partly associated with the issue of a \$15.0m 91-day treasury bill on the Regional Governments Securities Market in February 2012. The external debt of the central government rose by 4.8 per cent. The increase partly represented disbursements of \$8.5m received in January 2012 under the IMF's Rapid Credit Facility to help manage the economic impact of adverse weather during 2011. The debt of public corporations declined marginally (0.9 per cent) to \$172.3m, on account of lower external obligations.



## Money and Credit

Broad money (M2) grew by 5.4 per cent to \$1,089.9m during the first quarter of 2012, compared with an increase of 1.3 per cent in the corresponding period of 2011. Growth in M2 reflected the combined effect of increases in quasi-money and narrow money (M1). Quasi money rose by 3.9 per cent (\$32.8m), resulting from increases in both private sector savings and foreign currency deposits. M1 grew by 12.2 per cent (\$23.2m), primarily attributed to an expansion in private sector demand deposits.



Domestic credit fell by 1.0 per cent to \$646.6m during the quarter ended March 2012, largely on account of developments in the accounts of central government. The net deposits of the central government rose by 63.8 per cent (\$20.8m) as an increase of 43.6 per cent in deposits outweighed growth of 32.9 per cent in credit. Private sector credit grew by 1.7 per cent (\$13.2m), resulting from growth in lending to businesses and households. The net deposits of non-financial public enterprises

and statutory bodies contracted by 1.7 per cent, largely influenced by a fall in deposits.

An analysis of credit by economic activity indicates an increase of 4.9 per cent (\$42.8m) in outstanding loans and advances. Notable increases were registered in credit for construction (75.2 per cent) and public administration (65.1 per cent). Credit for personal use, the largest individual loan portfolio, fell by 0.3 per cent, mainly associated with a decline in loans for durable consumer goods. Declines were observed in credit to certain sectors of the economy: tourism (43.2 per cent), manufacturing, mining and quarry (19.3 per cent), agriculture and fisheries (7.3 per cent), and distributive trades (3.5 per cent).

The net foreign assets of the banking system grew by 12.5 per cent to \$513.7m, in contrast to a contraction of 2.0 per cent during the quarter 2011. The net foreign assets of the commercial banks rose by 12.1 per cent, mainly attributable to a reduction in liabilities with other institutions within the Eastern Caribbean Currency Union. Dominica's imputed share of the Central Bank's reserves increased by 13.0 per cent to \$227.1m.

Liquidity in the commercial banking system declined marginally during the quarter under review. The ratio of liquid assets to total deposits plus liquid liabilities fell by 0.7 percentage point to 38.4 per cent. The ratio of loans and advances to total deposits increased by 1.2 percentage points to 65.5 per cent.

The spread between interest rates on loans and deposits (5.63 per cent) remained unchanged at the end of March 2012. The weighted average interest rate on loans and deposits both fell by 0.10 percentage point to 8.67 per cent and 3.04 per cent respectively.

### **Prospects**

The economy is likely to grow in 2012, albeit at a moderate pace. The construction and agricultural sectors are likely to provide the impetus to growth. The pace of construction activity is anticipated to strengthen in the remainder of 2012, partly driven by on-going work and the renovation of private and public infrastructure following damage caused by adverse weather in 2011. Agricultural production is likely to continue an upward trajectory, with increased technical and financial assistance. Activity in the tourism and manufacturing sectors are not anticipated to be as robust partly due to protracted weaknesses in the global economy and the potential decline in demand for travel and manufacturing exports.

The fiscal operations of the central government are

expected to result in an overall deficit, largely impacted by developments on the capital account. Capital expenditure is expected to be elevated with increased reconstruction work, while capital grants are likely to be lower amid the weaknesses in developed and emerging market economies. The downward trend observed in current savings is likely to continue in 2012 as revenue receipts remained constrained by the lack of buoyancy in the economy. A merchandise deficit is forecasted on the external sector, primarily on account of higher imports associated with reconstruction work that is likely to intensify in the remainder of the year. Gross inflows from travel are expected to be lower as tourist arrivals remain muted.

Growth prospects are tempered by the weak recovery of the US economy and the unsettled international climate. The unfolding events surrounding the euro-zone crisis and the risks in the US economy suggest that the economy of Dominica, like other economies, has not yet been spared the remaining effects of this crisis. Other downside risks include adverse weather and volatility in oil prices that could reverse gains in the economy.



## G R E N A D A

## Overview

Preliminary data indicated that economic activity in Grenada expanded marginally in the first quarter of 2012 compared with the performance in the corresponding period of 2011. This outturn was largely influenced by activity in the agricultural sector and increases in stay-over visitor arrivals. Consumer prices increased by 0.5 per cent, on an end of period basis. The merchandise trade deficit narrowed, as a result of a reduction in import payments with a commensurate increase in export receipts. The central government operations resulted in a higher overall deficit, relative to the outturn in the same period of 2011, attributable to expansion in current expenditure. The disbursed outstanding public sector debt increased marginally, compared with the level at the end of December 2011. Monetary liabilities of the banking system increased, driven by growth in net foreign assets. Liquidity in the commercial banking system declined slightly and interest rates fell.

Economic activity is projected to record a marginal gain for the rest of 2012 relative to 2011, underpinned by continued expansion in agricultural output and moderate growth in stay-over tourist arrivals. Those projections are subject to downside risks, which include a still fragile global economy in general and a prolonged weak recovery in US economic growth in particular.

## Output

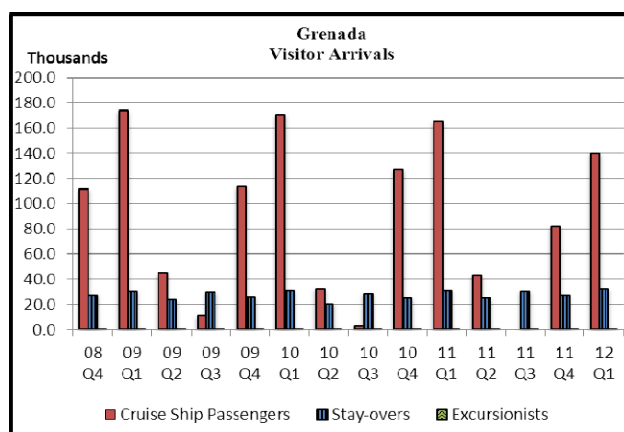
Agricultural output is estimated to have expanded, due to increased yields, particularly for bananas and cocoa. Banana production rose fourfold to 1,540.3 tonnes, benefiting from improved control of the Black Sigatoka disease which plagued the crop in previous years and, good weather conditions. Among the traditional crops, output of cocoa grew by 72.4 per cent, influenced by increased acreage and yield per acre, as plants matured following the post-hurricane Ivan replanting effort. By contrast, nutmeg production declined by 43.9 per cent (72.5 tonnes), and the output of mace fell to 7.4 tonnes. Output of other crops was estimated to have increased by 6.9 per cent, largely attributable to an expansion in vegetable production.

In the tourism industry, there was a 3.7 per cent increase in the number of stay-over visitors to 32,410. Stay-over visitors from the USA rose by 6.2 per cent, slightly above the 1.1 per cent increase recorded in the first quarter of 2011. Arrivals from Canada recorded an increase of 4.6 per cent and arrivals from the Caribbean rose by 3.8 per cent. The change in the number of visitors from the UK was negligible, with a reduction of 20 persons compared to the outturn in the first three months of 2011. Tempering this increase in stay-over tourist arrivals was a 24.5 per cent fall in cruise ship passenger arrivals to 139,598, even as the number of cruise





calls increased by 2 to 116. In addition, yacht passenger arrivals were also estimated to have declined by 3.0 per cent to 1,779. Those developments resulted in total visitor arrivals falling by an estimated 19.9 per cent to 175,055 in the first quarter of 2012, in contrast to the 7.0 per cent rate of growth realised in the corresponding period of 2011.



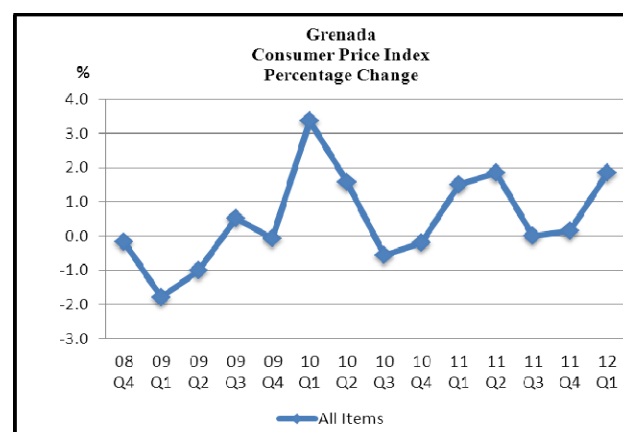
Activity in the manufacturing sector contracted, as most industrial production data showed declines on account of weak regional and domestic demand. Beer production fell by 12.0 per cent, and the output of flour, paint and poultry feed fell by 10.9, 6.0 and 4.0 per cent respectively. The overall decline in the sector's output was tempered by growth in the production of malt and soft drinks, with increases of 32.1 and 43.8 per cent respectively.

Construction activity continued its downward trend in the first quarter of 2012, as a consequence of limited activity on both public and private sector projects. Partly indicative of the fall in overall construction activity was a 19.8 per cent reduction in

the value of imported building materials. In the private sector, works remain halted on all major foreign direct investment funded projects and, were limited to mainly private home construction and renovations. Public sector activity focused mainly on repairs and renovations of schools and some other public buildings.

## Prices

The consumer price index rose marginally by 0.5 per cent on an end of period basis, supported primarily by increases in the cost of food and non-alcoholic beverages and transport. Prices in the food sub-index, which has the second highest weight, rose by 1.1 per cent, led by increases in poultry, meats, cereal and oils and fats. Increases in the cost of motor vehicle fuel, maintenance expenses and other petroleum products contributed to a 1.0 per cent growth in the transport sub-index. Meanwhile, prices in other sub-indices such as Housing, Utilities, Gas & Fuels, the heaviest weighted, and Communication, remained relatively unchanged.



## Trade and Payments

A merchandise trade deficit of \$200.8m was estimated for the first quarter of 2012, compared with one of \$205.1m in the corresponding period of 2011. A rise in domestic export receipts was the major contributor to the narrowing of the deficit; consistent with the increases in agricultural sector. Receipts from domestic exports rose by 22.1 per cent (\$3.8), primarily as a result of higher earnings from nutmeg and cocoa exports. Additionally, the value of re-exports rose by \$1.5m. Concurrently, the value of total imports fell by 0.2 per cent (\$0.5m) to \$221.9m, suggesting that aggregate demand in Grenada remains weak.



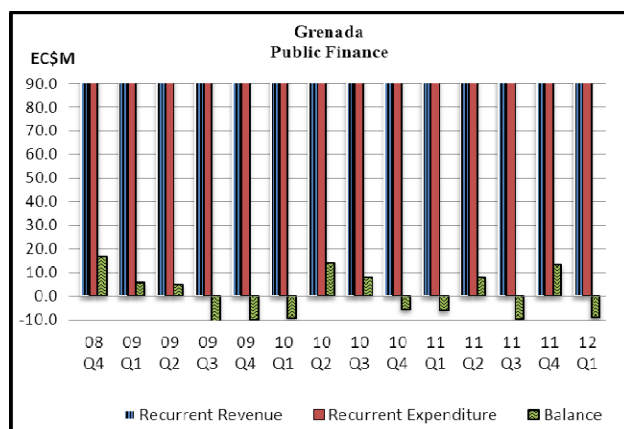
Gross travel receipts fell by 1.3 per cent to \$85.3m, associated with the reduction in total visitor arrivals. Commercial bank transactions resulted in a net outflow of \$27.5m in short-term capital, marginally less than the \$28.6m obtained at the corresponding period of 2011. Gross disbursements to the central

government amounted to \$1.4m, while debt repayment totalled \$4.7m. Consequently there were net official outflows of \$3.3m, compared with \$1.4m in the first quarter of 2011.

## Central Government Fiscal Operations

The fiscal operations of the central government yielded an overall deficit of \$28.8m in the first three months of 2012, higher than the \$22.7m recorded in the corresponding period of 2011. The widening of the deficit stemmed mainly from increases in current expenditure. A primary deficit of \$7.7m was incurred, compared with that of \$6.7m realised in the first quarter of 2011.

The central government recorded a current account deficit of \$9.2m, following one of \$6.3m in the first three months of 2011. The deterioration was attributed to an increase in current expenditure, which outpaced the growth in current revenue. Current expenditure rose by 3.7 per cent to \$116.3m, influenced by increased interest payments and outlays for goods and service. Interest payments expanded by 31.3 per cent (\$5.0m) on account of increased payments on external loans. Spending on goods and services grew by 4.4 per cent (\$0.8m). By contrast, outlays on personal emoluments fell slightly by 0.2 per cent (\$0.1m). Expenditure associated with transfers and subsidies declined by 7.9 per cent (\$1.6m), as efforts to rationalise the social safety nets continue.



Current revenue rose by 1.2 per cent to \$107.1m, attributable to a 1.0 per cent (\$1.0m) uptick in tax revenue. Receipts from taxes on income and profit increased slightly by \$0.8m; driven mainly by higher yields from personal income tax. Collections from personal income tax increased by \$1.1m, while the yield from taxes on property was marginally higher (\$0.7m) in the review period. Taxes on domestic goods and services recorded a negligible increase of \$0.2m. A fall in the volume and value of imports, led to a 2.2 per cent (\$0.7m) fall in receipts from taxes on international trade and transactions.

Capital expenditure contracted by 37.4 per cent to \$19.6m, due in part to tight fiscal constraints. As further evidence of the challenges, no capital grants receipts were recorded for the first three months of 2012.

### Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$2,058.7m at the end of March 2012, \$3.8m higher than the end of December

2011 outturn. The central government borrowings contributed to the rise in the debt stock, while the public corporations debt declined. The disbursed outstanding debt of the central government, which accounted for roughly 90.0 per cent of total public sector debt, expanded slightly by 0.4 per cent (\$6.9m) to \$1,843.7m, indicative of a rise in both external and domestic debt stocks by 2.7 per cent and 1.2 per cent respectively. The disbursed outstanding debt of public corporations amounted to \$215.1m, 1.4 per cent below the total at the end of 2011.

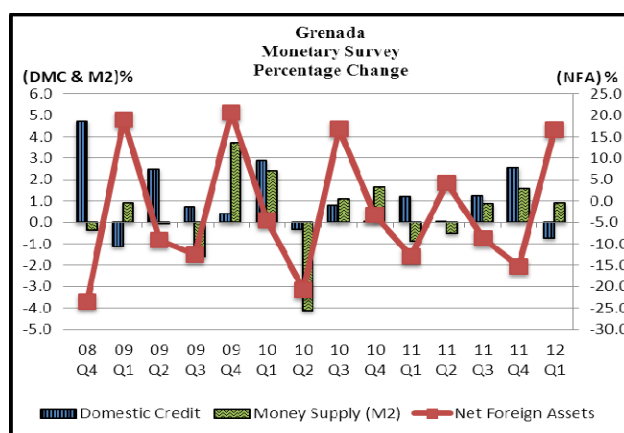
### Money and Credit

Monetary liabilities (M2) expanded by 0.9 per cent to \$1,875.4m during the first quarter of 2012, in contrast to a 0.9 per cent contraction during the corresponding period of 2011. Growth in M2 was supported by increases in both quasi money and narrow money (M1). Quasi money rose marginally (0.9 per cent), led by increases in private sector savings and foreign currency deposits, of 2.6 per cent and 3.6 per cent respectively; however, growth was tempered by a 4.5 per cent decline in private sector time deposits. The narrow money supply (M1) rose by 1.3 per cent attributable to expansions in private sector demand deposits of 5.0 per cent. The increase was partially offset by a decline of 30.8 per cent in issuances of cheques and drafts and a 2.2 per cent fall in currency with the public.

Domestic credit fell by 0.7 per cent to \$1,774.2m during the quarter under review. Credit to the



private sector declined slightly by 0.1 per cent, due to reductions in lending to households (0.5 per cent), despite a 0.5 per cent rise in credit to businesses. Net claims on the central government declined by 9.2 per cent, as the government reduced borrowings from both the commercial banking system and the Central Bank by 4.1 per cent and 6.0 per cent respectively, while building up its deposits (15.1 per cent). In the rest of the public sector, the net deposits of non-financial public enterprises fell by 2.0 per cent, reflecting a slight reduction in their deposits.



The distribution of credit by economic activity indicates that lending for personal use, the largest category, declined by 0.5 per cent (\$5.6m), attributable largely to a fall in loans for the acquisition of property. Credit for tourism related activity and agriculture also recorded declines of 2.8 per cent and 1.3 per cent respectively. On the other hand, loans to the manufacturing sector rose by 17.6 per cent (\$5.8m), and credit for construction increased by 1.8 per cent and borrowings for distributive trade expanded by 0.8 per cent.

The net foreign assets of the banking system stood at \$197.7m at the end of March 2012; representing a 16.6 per cent (\$28.1m) rise on the total recorded at the end of December 2011. Grenada's imputed share of ECCB's reserves recorded a negligible increase of 0.2 per cent, to \$283.5m. The commercial banks net liabilities position was reduced by 24.3 per cent (\$27.5m) relative to the end December 2011 outturn, on account of a reduction in liabilities in other ECCB territories.

Liquidity in the commercial banking system fell slightly. This was evidenced by a 0.3 percentage point decline to 24.6 per cent in the ratio of liquid assets to total deposits plus liquid liabilities. Similarly, the loans and advances to total deposits ratio fell to 82.0 per cent at the end of March 2012, from 83.4 per cent at the end of December 2011.

The interest rate spread between loans and deposits widened marginally to 7.51 percentage points at the end of March 2012, from 7.47 percentage points at the end of December 2011. The weighted average interest rate on loans fell by 0.04 percentage point to 10.29 per cent while that on deposits decreased by 0.08 percentage point to 2.77 per cent.

## Prospects

Positive economic activity is likely to continue in 2012, at a slightly faster pace than that recorded in 2011, based on developments forecast for the remainder of the year. Agricultural production is likely to support positive economic growth in

Grenada, as activity in the sector is projected to increase. A modest increase in stay over arrivals is expected to support activity in the tourism sector, but an expected decline in cruise ship arrivals could likely lead to a fall in total visitor arrivals. Meanwhile, value added in the construction sector is projected to moderate in 2012, underpinned by public sector activity. However, most of the activity is likely to take place late in the fourth quarter. Subdued domestic and regional demands will likely compromise growth in the manufacturing sector over the next nine months.

The overall fiscal deficit of the central government is likely to be larger relative to the outturn in 2011 on account of increased projected outlay for both current and capital expenditure. The current account balance is likely to be smaller than the 2011 outturn, as a consequence of growth in current expenditure outpacing the growth in current revenue. With expectations for lower inflows of grants, the 2012 primary deficit is projected to expand compared to

the 2011 outturn.

In the external sector, growth in domestic export receipts is projected based on the likely expansion in the volume of agricultural and manufactured exports. Gross inflows from travel are projected to contract consistent with the expected decline in visitor arrivals.

Risks to the projections are skewed heavily to the downside, given a still volatile global economy. Persistent high unemployment and low consumption demand in the USA, coupled with the economic uncertainties in Europe are likely to continue to impact negatively on tourist arrivals and foreign capital flows into Grenada. Activity in the agricultural sector is projected to remain positive, but bad weather conditions could devastate the gains. These developments and possibilities warrant cautious optimism regarding economic conditions in Grenada for 2012.



## MONTERRAT

### Overview

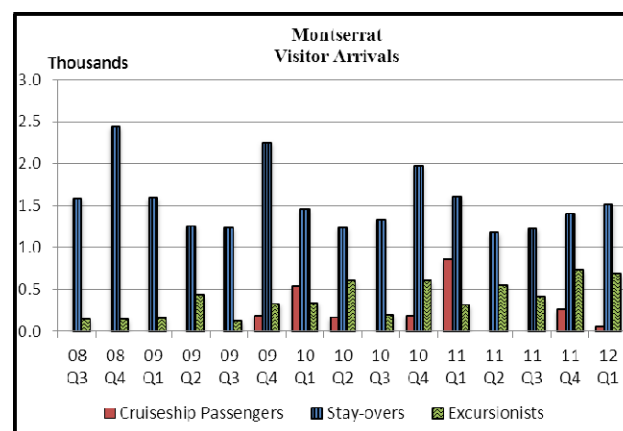
Preliminary data suggest a weakening of the Montserrat economy in the first quarter of 2012 relative to the first quarter of 2011. There were declines in exports of goods and tourism services and output in agriculture and mining and quarry. The consumer price index rose by 1.6 per cent on an end of period basis. The merchandise trade deficit widened as imports rose and exports fell. External grant inflows decreased. The fiscal situation deteriorated as an overall deficit was recorded in contrast to a surplus in the first quarter of 2011. In the banking system, total net foreign assets, monetary liabilities and domestic credit to the private sector increased, liquidity remained virtually unchanged and interest rate spreads narrowed.

Economic activity is expected to pick up in the rest of the year as the Government implements its investment programme for the new fiscal year. However, the fragile global economic situation and the recession in the United Kingdom threaten to further weaken the tourism sector and delay the receipt of budgetary aid. This could adversely affect government spending and private sector activity by extension.

### Output

The level of activity in the tourism industry, one of the main contributors to overall economic activity,

fell during the review period, as total visitor arrivals declined by 20.1 per cent to 2,948 reflecting weak external demand and limited transportation access to Montserrat. All segments of the market declined except excursionists. Stay-over arrivals dropped by 5.6 per cent to 1,511, driven by declines from major source markets of the USA (8.9 per cent) and UK (8.8 per cent). Those declines were only partly offset by increases of 8.6 per cent and 2.5 per cent in visitors from Canada and the Caribbean, respectively. The number of yacht passenger arrivals, a significant source component of total visitor arrivals, declined by 24.0 per cent to 700, as the number of yacht calls fell from 167 to 158. The number of visitors on excursions more than doubled to 686 from 311 in first quarter of 2011.



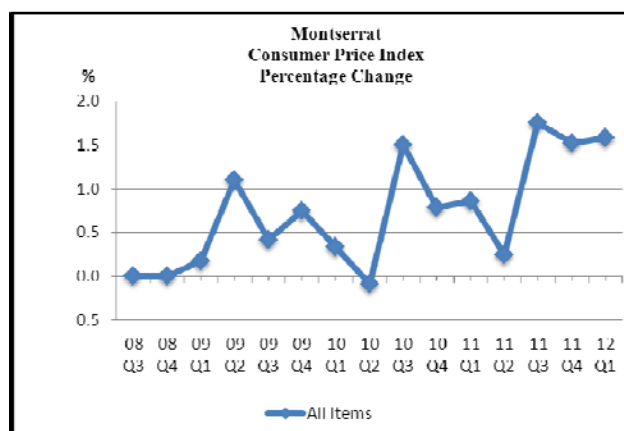
In the mining and quarrying sector, the volume of volcanic aggregate and sand, the only goods exported, declined by an estimated 49.1 per cent below the volume of the comparable period in 2011. Likewise output of the agricultural sector is

estimated to have declined as the volume of food production fell by 5.9 per cent.

However, construction activity, as measured by the value of new construction starts, is estimated to have increased by 9.1 per cent to \$2.1m in the first quarter of 2012 compared with \$1.9m in the corresponding period of 2011. In addition, a 5.1 per cent increase in commercial bank credit to the construction sector was indicative of this improvement in activity.

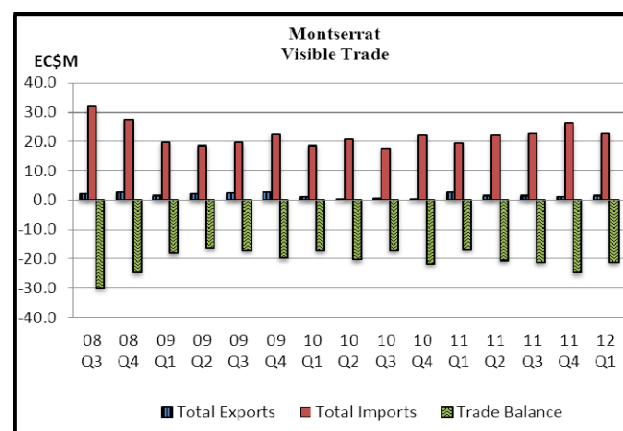
### Prices

Consumer prices, as measured by the consumer price index, rose by 1.6 per cent, on an end of period basis compared with an increase of 0.9 per cent during the first quarter of 2011. The main factors contributing to this rise in inflation were increases in imported food prices (1.6 per cent), clothing and footwear (1.0 per cent), services (3.0 per cent), household goods (1.2 per cent) and gas, electricity and water (1.6 per cent).



### Trade and Payments

A merchandise trade deficit of \$21.3m was estimated for the first three months of 2012 compared with one of \$16.8m recorded for the corresponding period in 2011. The value of exports was estimated to have declined by 43.5 per cent to \$1.4m while imports grew by 17.9 per cent to \$22.7m. Gross receipts from travel declined by 5.8 per cent to \$4.7m in line with the fall in total tourist arrivals. Commercial bank transactions resulted in a net inflow of \$4.5m in short-term capital in contrast to a net outflow of \$9.7m in the first quarter of 2011. In terms of official flows, the level of external grants inflows decreased by 3.1 per cent to \$23.0m.



### Central Government Fiscal Operations

The fiscal performance deteriorated in the period under review. The overall balance (after grants) recorded a deficit of \$19.9m, in contrast to a surplus of \$3.6m in the comparable period of 2011.



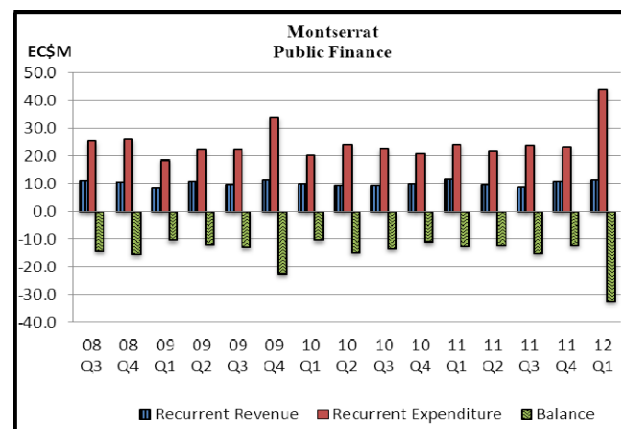


Similarly, a deficit of \$19.5m was registered on the current account balance, in contrast to savings of \$3.7m in the corresponding period of 2011. The primary balance (after grants) recorded a deficit that was equivalent to the overall balance (after grants) since there were no payments of interest on debt in the quarter. For the corresponding quarter of 2011, a primary surplus of 3.6m was recorded.

The main explanation for the deterioration in the fiscal balance was an 81.9 per cent expansion in current expenditures to \$44.0m, primarily due to a significant increase in outlays on pensions. Pension payments rose to \$21.0m at end March 2012 from \$2.8m at end of first quarter 2011 as the government settled outstanding payments to the Social Security Fund. There were also increases in other categories of expenditure. Spending on goods and services rose by 30.1 per cent to reach \$7.2m. This was mainly due to increased costs of fuel, utilities, supplies and materials, maintenance of roads, and maintenance of the government software systems. Personal emoluments marginally increased by 0.8 per cent. Capital expenditure totaled \$10.5m, an increase of 36.5 per cent over the figure of \$7.7m for the corresponding quarter in 2011.

Current revenue marginally declined by 0.7 per cent to \$11.6m, influenced by a contraction in receipts from the main revenue earners such as income tax (8.7 per cent) and taxes on international trade and transactions (6.3 per cent). Those declines were partially tempered by a 5.3 per cent and a 73.0 per cent increase in taxes collected on domestic goods

and services and properties, respectively. As a result of these developments on the major tax categories, tax revenues collected fell by 4.8 per cent to \$10.0m.



Non-tax revenue rose by 34 per cent to \$1.7m and helped to cushion the impact of declining tax receipts on current revenue.

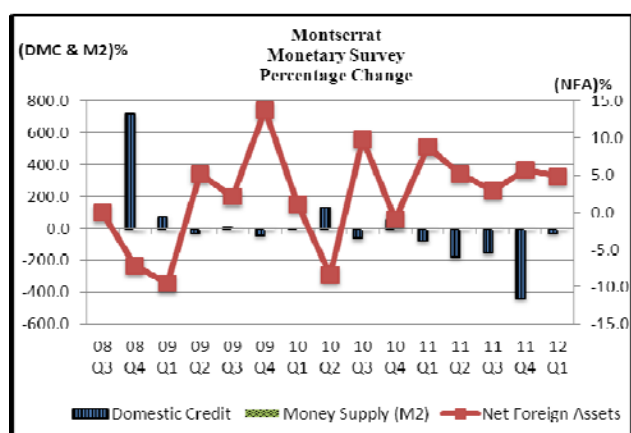
Budgetary aid totaled \$23.0m, which was less than the \$23.7m received in the period January to March in 2011. These inflows helped to finance the overall deficit, which would have been \$42.8m without grants, and thereby reduced the government's financing needs to \$19.9m. To close this gap, the government drew down on its deposits and obtained a line of credit from the commercial banking sector.

### Money and Credit

Monetary liabilities (M2) increased by 5.8 per cent to \$203.7m during the first quarter of 2012, compared with a growth rate of 2.5 per cent obtained at the end of the first quarter of 2011. Narrow money (M1) increased by 15.4 per cent largely in



response to a growth of 23.9 per cent in private sector demand deposits. Quasi money also increased by 3.2 per cent on account of growth in time deposits (11.4 per cent), savings (2.4 per cent) and foreign currency deposits (2.2 per cent).



At the end of the first quarter of 2012, the commercial banking system was in a net deposit position compared to a net credit position for first quarter of 2011. The reversal was the result of an almost doubling of the net deposit position of the non-financial public enterprises and statutory boards as the government made a relatively large payment to the Social Security. The net deposit position of the government with the banking system declined to \$36.8m at end-March 2012 from \$54.8m at end December 2011. Commercial bank credit to the private sector increased by 2.2 per cent to \$69.8m. This was an improvement over the 0.3 per cent growth reported for the comparable period in 2011. The increased credit was channeled to households, while loans to businesses declined by 1.7 per cent.

The sectoral distribution of commercial bank lending was consistent with the historical trend of 80.0 per cent of loans and advances going to the personal sector. Within that sector, credit for home construction and renovation increased by 4.8 per cent. Of the other major categories, lending to the services sector declined by 1.2 per cent.

The net foreign assets (NFA) of the banking system increased by 4.8 per cent to \$240.6m during the review period, largely due to a 23.3 per cent growth in Montserrat's share of the imputed reserves at the Central Bank. The NFA of the commercial banks, however, declined by 2.8 per cent as a result of a drawdown on their external assets held outside of the region.

Liquidity in the banking system remained virtually unchanged in the first quarter of 2012. The ratio of liquid assets to total deposits plus liquid liabilities was recorded at 87.6 per cent, and the ratio of loans and advances to total deposits stood at 24.9 per cent. At the end of the first quarter of 2011, the ratios were 88.1 per cent and 25.6 per cent, respectively.

The spread between the weighted average interest rate on loans and deposits narrowed to 5.9 percentage points compared with 6.3 percentage points at the end of 2011. The average lending rate declined from 8.5 per cent at end December 2011 to 8.3 per cent at end March 2012. By contrast, the average deposit rate increased from 2.2 percent to 2.4 per cent.



**Prospects**

The pace of economic activity in Montserrat is dependent on Government spending, which in turn is determined by the inflow of budgetary aid. The timeliness of disbursements of these funds and the pace of institutional reforms are key factors in the outcome for 2012. If these conditions are sufficiently satisfied, growth is expected to be positive but at a slower pace than the level for 2011. The main sectoral drivers of growth in 2012 are expected to be construction, agriculture, fishing, mining and quarry.

Fiscal performance will continue to be influenced by budgetary aid. Grant inflows are expected to be

lower in the fiscal year 2012/2013 than in 2011/2012; however, they will be sufficient to cover the budget deficit.

Major downside risks include the continuing recession in the United Kingdom, Montserrat's main development aid partner and a major source of stay-over visitors, and the slow pace of implementation of agreed reforms, which are tied to the disbursement of budgetary aid. Weak external demand in main source markets poses a major risk for the viability of tourism-related businesses. Significant seismic activities associated with the Soufriere Hills Volcano and adverse weather conditions remain a threat.

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## ST KITTS AND NEVIS

### Overview

Preliminary data suggest that economic activity in St Kitts and Nevis declined in the first quarter of 2012. This decline resulted from continued contractions in the construction and wholesale and retail trade sectors, as well as a fall in value added in the agricultural sector. Consumer prices fell by 0.6 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 remained relatively unchanged during the period under review. In the banking system, monetary liabilities and domestic credit declined while net foreign assets increased. Commercial bank liquidity rose and the weighted average interest rate spread between loans and deposits narrowed.

Economic activity is expected to remain flat in 2012. This projection is based on expectations of a deceleration in the pace of contraction in the agricultural and construction sectors and continued positive growth in the manufacturing sector and the tourism industry. Agricultural output, which suffered in the first quarter from late planting due to heavy rains, is expected to rebound slightly in 2012, as re-planting efforts are intensified. Public sector construction activity will be driven mainly by work on a new Fisheries complex in Nevis, while in the private sector, major developments include

continued work on the new private Jet Port terminal at the Robert Llewellyn Bradshaw International Airport. Expectations of positive value added in the tourism industry, are contingent on an extension of Air Canada's flights during the summer and positive spill overs associated with international marketing effort of the destination. The successful signing of the Partial Scope Trade Agreement with Brazil on 11 May 2012 bodes well for the manufacturing sector and should help to enhance the competitiveness of the country's exports.

The fiscal operations of the Federal Government are projected to benefit from receipt of IMF disbursements (\$90.5m) under the Stand-By Arrangement (SBA) and from the implementation of reforms to streamline the delivery of social safety net assistance and the adaptation of a medium term expenditure framework by June of 2012, as stipulated under the IMF (SBA). Risks to this outlook stem from a worsening of the global economic outlook which could derail economic performance of the economy to the detriment of achieving the overall balance targets under the IMF SBA. Failure to meet such targets could delay disbursement of funds and thereby hinder financing of key projects.

### Output

Value added in the construction sector, is estimated to have declined by 25.4 per cent in the first



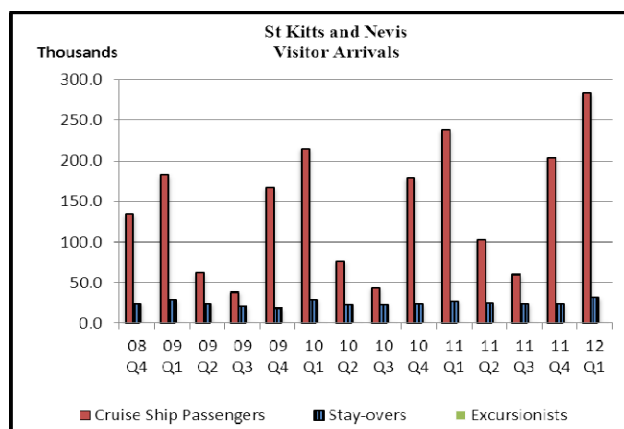
quarter of 2012, compared with a 6.0 per cent growth in the first quarter of 2011. This decline in the sector is attributed to reduced public sector spending and weak private sector construction activity. In the public sector, capital outlays declined by 64.1 per cent in the review period, in line with on-going fiscal consolidation efforts by the government under the IMF SBA. Public sector construction activity was limited to road works in St Kitts and water enhancement and renovation works to sporting facilities in Nevis. In the private sector, works on a new private Jet Port terminal at the Robert Llewellyn Bradshaw International Airport has commenced. While work continues on existing private sector projects such as the Christophe Harbour and Kittitian Hill. A 26.9 per cent decline in the importation of construction related materials, a proxy for developments in the sector, was also indicative of the contraction in the sector.

Developments in the agriculture, livestock and forestry sector were also negative, as output declined due to a fall in the production of both crops and livestock. Total crop production fell by 15.4 per cent, attributable to decreases in the production of tomato (47.6 per cent), sweet potato (41.7 per cent) and pumpkin (43.4 per cent). Those developments in crop production were due to heavier than usual rains in the fourth quarter of 2011, which negatively affected planting efforts. Similarly, livestock production is estimated to have fallen with lower levels of beef (13.1 per cent) and pork (17.5 per cent). Other livestock production namely fish also

declined by 60.5 per cent. This outturn in livestock production reflected the lack of proper storage and refrigeration of produce due to maintenance issues at key storage sites.

Value added in the wholesale and retail trade sector is also estimated to have declined, by 12.7 per cent in the first quarter of 2012. This decline is based on a fall in the importation of consumer goods which is used as a proxy of developments in the sector. Additionally, consistent with projections of weak economic activity, value added in the real estate, renting and business sector is also estimated to have contracted by 1.8 per cent, largely due to declines in the business services and computer related sub-components. Those declines 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 by 5.3 per cent in the first quarter of 2012, in contrast to a contraction of 3.7 per cent in the corresponding 2011 period. This increase in activity reflected improvements in arrivals from both the cruise and stay-over categories. Stay-over arrivals increased by 15.0 per cent in the first quarter of 2012 in contrast to a 7.1 per cent decline in the first quarter of 2011. The increase in the number of stay-over visitors was driven by an 18.0 per cent (3,260) growth in the number of visitors from the USA to 21,389. The number of visitors from other major source markets such as the Caribbean, United Kingdom and Canada rose by 1.0 per cent, 1.6 per cent and 26.4 per cent respectively.



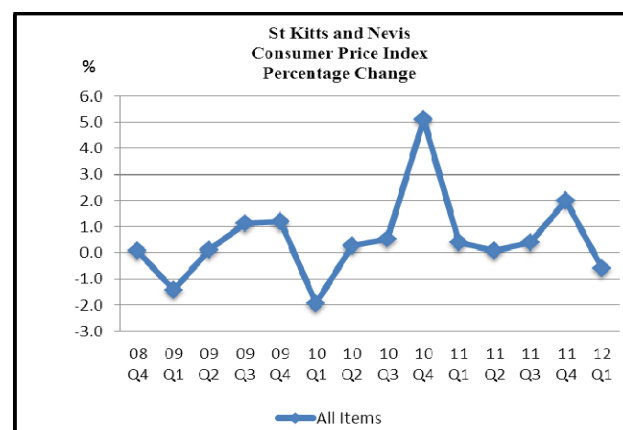


The improved arrivals particularly from the United States is consistent with a 5.0 per cent increase in the number of flights to the Federation in the first quarter of 2012 relative to the corresponding of 2011 period while improvement in visitors from the Canadian market is in keeping with increased airlift from that destination. Cruise ship passengers arrivals rose by 19.0 per cent to 283,824 consistent with increased calls to the Federation. St Kitts and Nevis also benefits from its geographic location as restructuring within the cruise industry to shorter cruises closer to the main transit ports of San Juan and Miami brings increased cruise ships to the island. Meanwhile the number of excursionists fell by 20.7 per cent to 903.

Value added in the manufacturing sector is estimated to have increased by 7.1 per cent in the review period. This outturn is supported in part by growth in production of high valued electrical components. The increase in manufactured output was reflected in a 30.0 per cent rise in the levels of machinery and transport goods exported.

## Prices

Inflation pressures fell during the first quarter of 2012 as the consumer price index (CPI) declined by 0.6 per cent compared with an increase of 0.4 per cent in the corresponding period of 2011. The largest contributing factors to this decline were decreases in the education (7.7 per cent), transport (3.0 per cent), and hotels and restaurants (0.6 per cent) sub-indices. A fall in prices at eateries in the Federation was the main factor driving the outturn for the hotels and restaurants sub-index. The major sub-indices which contributed positively to inflation pressures were: the recreation and culture (0.9 per cent), clothing and footwear (0.85 per cent), as well as the food and non-alcoholic beverages (0.4 per cent) sub-indices.

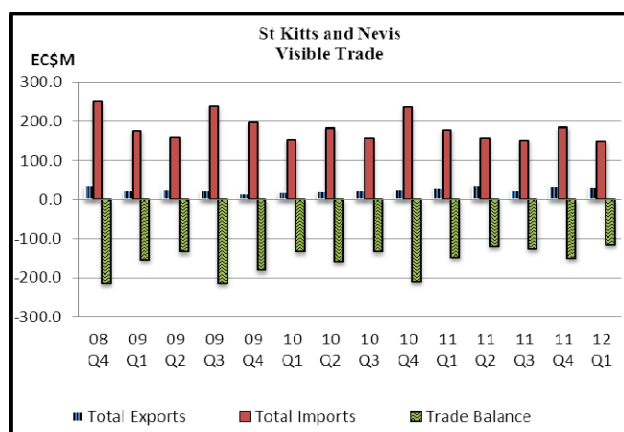


## Trade and Payments

A merchandise trade deficit of \$115.4m was estimated in the first quarter of the year compared



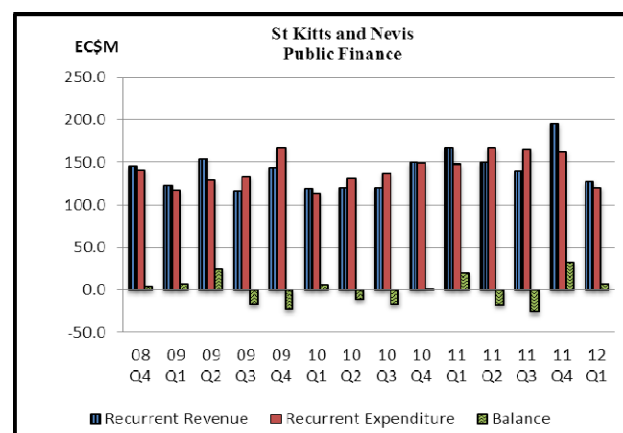
with one of \$147.9m in the corresponding 2011 period. This outturn was the result of a decline in the level of imports coupled with an increase in the level of exports. The contraction in the level of imports was driven primarily by developments in the manufacturing and manufacturing related sectors while export performance can be attributed to increased production by local manufactures and a shift to producing higher valued electrical components.



Gross travel receipts are estimated to have increased by 15.9 per cent to \$82.7m in the first quarter of 2012, in line with growth in stay-over arrivals. The transactions of commercial banks resulted in a net inflow of \$14.1m in short term capital during the review period, in contrast to an outflow of \$82.5m in the corresponding 2011 period. External disbursements received in the first quarter of the year amounted to \$57.5m, while external principal repayments totalled \$60.6m. The disbursements received largely reflected those associated with the first review (end December, 2011) of the IMF Stand-By Arrangement (SBA).

## Federal Government Operations

The fiscal operations of the Federal Government resulted in an overall surplus of \$3.1m in the first quarter of 2012, compared with one of \$0.1m in the corresponding 2011 period. This improvement in the overall balance was influenced by developments on the capital account, as the current account balance deteriorated. Lower capital outlays were consistent with fiscal consolidation efforts, while the outturn on the current account was driven by the fall in revenue collections which outpaced that in current expenditures. A primary surplus of \$32.1m was recorded compared with \$34.0m in the first quarter of 2011.



Current revenue fell by 23.7 per cent to \$127.3m in the first quarter of 2012, due to declines in both tax and non-tax revenues. Tax revenue contracted by 9.7 per cent, attributable to declines in all sub-components, with the exception of receipts of taxes on property which grew by 77.2 per cent (\$1.1m). Collections of taxes on domestic goods and services fell by 6.2 per cent (\$3.4m), largely due to lower

receipts from VAT. Revenue from VAT totalled \$37.7m in the first quarter of 2012, compared with \$39.3m in the corresponding period of 2011. The intake from taxes on international trade also fell by 21.9 per cent (\$6.0m), attributable to lower collections of import duty (20.8 per cent) and customs service charge (56.2 per cent). These declines are consistent with lower levels of importation in the first quarter of 2012. Non-tax revenue fell by 48.2 per cent (\$29.4m) as revenue collections from the previously government run electricity department ceased, following a successful corporatization of the department on 01 August 2011.

Current expenditure declined by 18.3 per cent to \$120.3m in the review period in contrast to an increase of 29.6 per cent in the first quarter of 2011. The largest contributing factor to this decline was the reduction in outlays on good and services, which fell by 54.0 per cent (\$21.3m); reflecting the discontinuation of fuel purchases and procurement of equipment to maintain the St Kitts Electricity Department. Interest payments declined by 14.7 per cent (\$5.0m), due largely to the Federal government's policy to temporarily suspend non-multilateral debt service payments from June 2011, in light of the debt restructuring efforts.

Capital expenditure outlays fell by 64.1 per cent to \$8.4m in the first quarter of 2012, primarily on account of on-going reassessment of projects as part of fiscal consolidation efforts.

On a disaggregated basis the overall surplus of the central government at \$4.4m, represented a slight increase over the outturn of \$4.1m recorded in the first quarter of 2011. Current account transactions resulted in a narrowing of the surplus to \$6.5m in the review period, from \$13.9m in the corresponding period of 2011. Recurrent revenues fell by 27.6 per cent to \$98.6m mainly due to lower collections on all major sub-components. Collections of taxes on international trade and transactions declined by 23.4 per cent, reflecting lower collections on import related taxes. Revenues from taxes on domestic goods and services fell by 7.9 per cent, due in large part to lower VAT receipts. VAT collections totalled \$28.3m in the first quarter of 2012, compared with \$30.5m in the corresponding 2011 period. Non-tax revenue collections also declined falling by 53.4 per cent (\$28.8m) to \$25.1m. This outturn is due mainly to the successful corporatization of the electricity department in August 2011, which resulted in the removal of associated revenues on the central governments' books. The corporatization of the electricity department was also the largest contributing factor to the 24.7 per cent (\$30.2m) decline in current expenditures. This development was a result of reductions in outlays on fuel (\$7.3m) and operating and maintenance expenses (\$10.6m).

Capital expenditure declined by 50.4 per cent (\$6.8m) to \$6.7m, reflecting fiscal consolidation efforts. Several projects budgeted for the first quarter are being reassessed on account of efforts to prioritize the PSIP program.



The fiscal operations of the Nevis Island Administration (NIA) improved in the first quarter of 2012, as an overall deficit of \$1.3m was recorded compared with one of \$4.1m in the corresponding 2011 period. This development was mainly a result of a fall in capital outlays. Capital expenditure fell by 82.5 per cent (\$8.2m), with activity being concentrated on renovation of sporting facilities and road works. On the current account, growth in current expenditure outpaced that of current revenue, resulting in a 92.2 per cent fall in the surplus to \$0.5m, in the first quarter of 2012. Current revenue declined by 6.6 per cent to \$28.7m, largely on account of reduced collections of taxes on income and profits (10.0 per cent) and taxes on international trade (16.3 per cent). Current expenditure grew by 13.2 per cent, on account of increases in personal emoluments (3.7 per cent) and goods and services (29.1 per cent). These developments are in keeping with increased public sector hirings early in 2011 and a combination of outstanding and current payments related to airlift support to regional and international airlines.

### Public Sector Debt

The total disbursed outstanding debt of the public sector remained relatively unchanged at \$2,835.1m in the first quarter of 2012 compared with \$2,834.2m at end December, 2011. The outstanding debt of the central government, which accounted for 78.2 per cent of total debt, fell by 0.1 per cent to \$2,217.6m, while that of the public sector corporations increased by 0.3 per cent to \$617.5m.

External debt which represent 33.0 per cent of public sector debt, increased by 5.5 per cent to \$935.2m. The virtually unchanged overall debt position of the Federal Government is consistent with efforts to limit debt accumulation, as part of fiscal consolidation reforms under the 'home grown' IMF supported programme. The increase in the level of external debt was associated with outstanding obligations to the IMF under the SBA. The current debt stock of the Federal Government, with the exception of treasury bills and multilateral debt is expected to be restructured by mid-year 2012.

### Money and Credit

Monetary liabilities (M2) fell by 0.4 per cent to \$2,095.0m in the first quarter of 2012, compared with growth of 2.0 per cent in the corresponding 2011 period. This contraction in M2 was due to an 18.6 per cent fall in the money supply (M1), as the two main components; private sector demand deposits and currency with the public, contracted by (24.3 per cent) and (2.9 per cent) respectively. The other component of M2, quasi money, however expanded by 5.0 per cent influenced by growth in both the levels of private sector savings (10.8 per cent) and private sector foreign currency deposits (8.8 per cent).

Domestic credit continued to contract falling by 4.0 per cent in the review period to \$1,644.1m, compared with a decline of 2.6 per cent in the first quarter of 2011. This decline was influenced primarily by a fall in the net credit position of the

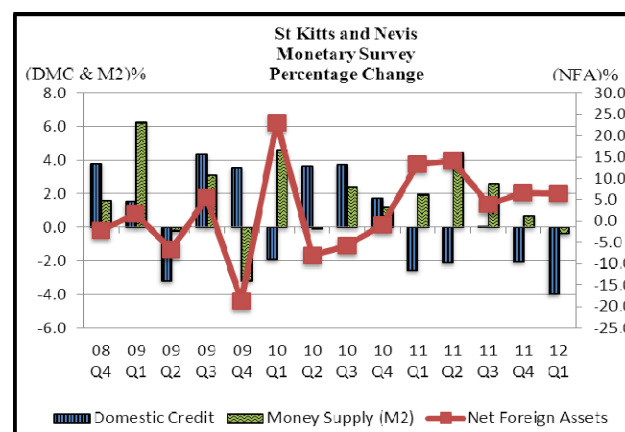




Federal Government. The net credit position of the Federal Government fell by 10.0 per cent to \$653.8m, as a result of the combined effects of a 3.8 per cent (\$38.7m) fall in credit extended and an 11.2 per cent (\$33.8m) increase in its deposits in the banking system, principally at commercial banks. The decline in credit extended to the Federal Government, reflected direct policy efforts aimed at improving fiscal performances, with the ultimate goals of restricting further debt accumulation and placing it on a downward trajectory. The net credit position of the Central Government declined by 13.1 per cent on account of a fall in borrowing (1.4 per cent) and an increase in deposits (11.3 per cent). Additionally, the net credit position of the Nevis Island Administration with the banking system also fell, on account of the reductions in borrowings \$4.4m (2.2 per cent) outpacing the reductions in deposits \$0.1m (5.2 per cent). However, a 1.5 per cent expansion in private sector credit partially mitigated this decline. That outturn reflects an expansion in loans to businesses (\$13.1m) and non-bank financial institutions (\$5.3m).

The distribution of credit by economic activity showed that the marginal increase in lending to the private sector was driven by credit extended for construction and professional services. Credit for construction rose by \$10.2m, consistent with an observed increase in credit extended for house and land purchases. These developments are partly influenced by the Federal Governments “Building Material Incentive Program” which provides fiscal incentives for the construction of new homes.

Growth in credit for professional and other services (\$8.4m) was the second largest contributor to overall credit growth. Other notable increases included credit for financial institutions (\$4.3m) and personal uses (\$2.0m). The increase in overall credit was tempered by a decline in credit to the distributive trades sector \$8.5m and public administration (\$8.5).



Growth in the net foreign assets of the banking system decelerated to 6.5 per cent (\$60.0m) in the first quarter of 2012, compared with growth of 13.4 per cent (\$86.0m) in the corresponding 2011 period. The increase was largely due to an 11.9 per cent expansion in St. Kitts and Nevis's share of the Central Bank's reserves to \$699.3m. By contrast, commercial banks' net foreign asset position fell by 4.8 per cent during the review period, as the increase in the net liability position with other ECCB territories outpaced the increase in the net external asset position.

Liquidity in the commercial banking system eased in 2012. The ratio of liquid assets to total deposits rose by 1.6 percentage points to 70.4 per cent, while the



ratio of liquid assets to total deposits plus liquid liabilities also increased by 1.1 percentage points to 56.4 per cent. Further supporting evidence included the decline in the ratio of loans and advances to total deposits by 1.6 percentage points to 71.7 per cent.

The weighted average interest rate spread between loans and deposits narrowed to 5.69 percentage points during the first quarter 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 0.11 percentage points to 8.99 per cent, while that on deposits also declined by 0.06 percentage points to 3.31 per cent.

### **Prospects**

Economic growth in the Federation of St Kitts and Nevis is expected to remain flat in 2012. This projection is consistent with expectations of tepid growth in St Kitts and Nevis's largest trading partner, the United States of America and, a weak economic outlook for the Eurozone. The manufacturing sector and tourism industry are expected to be the leading growth sectors for the remainder of the year. Expectations concerning the performance of the manufacturing sector are high, due to the potential for penetration of the Brazilian market, as the Partial Scope Agreement comes into force and as producers in the sector continue to switch production to higher valued components. Improved prospects in the tourism industry are contingent on the efforts to continue direct flights from Canada into the summer months and the

increase in cruise ship bookings. The tourism industry however, despite positive growth forecast, faces economic headwinds stemming from deteriorating consumer sentiments and disposable income in the USA. In the construction sector, public sector outlays are expected to centre on renovation works on the South East Peninsula Road in St Kitts and on the Fisheries Complex in Nevis. Meanwhile in the private sector, work on the Jet Port terminal at the Robert Llewellyn Bradshaw International Airport is expected to continue. These developments are anticipated to moderate the pace of contraction relative to the first quarter.

The fiscal operations of the Federal Government are expected to result in a marginal improvement in the overall surplus relative to that of 2011. The ongoing restructuring of portions of the Federal Government's debt stock is expected to result in lower debt service payments relative to 2011. On a disaggregated basis, the fiscal operations of the central government should lead to an improved overall balance position. The expected receipt of EU grants funds (€7.8m), associated with the accompanying measures for Sugar Protocol (AMSP), the receipt of \$90.5 in disbursements under the IMF SBA and grant transfers from the Sugar Industry Diversification Fund (SIDF) should improve revenue performance. In addition, supporting 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 regarding hiring and wage freezes and reduced discretionary duty free concessions, should they be successfully implemented.

account of continued land acquisition issues and lower performance in the tourism industry due to negative spill over effects association with a deterioration of economic conditions in the Eurozone.

Downside risk to these projections include a delay in the construction of the Fisheries project in Nevis on



## SAINT LUCIA

### Overview

Preliminary indicators for Saint Lucia suggest that economic activity remained relatively flat in the first three months of 2012 compared with the outturn in the corresponding period of 2011. The overall assessment reflected mixed performances in a number of the key sectors including hotels and restaurants and construction. Consumer prices rose by 0.7 per cent, on an end-of-period basis. The fiscal operations of the central government resulted in a smaller overall deficit compared with that in the first quarter of 2011. The total disbursed outstanding debt of the public sector rose during the period, reflecting an increase in borrowing by the central government. In the banking system, money supply (M2) increased, while domestic credit and net foreign liabilities fell. Liquidity in the commercial banking system eased and the weighted average interest rate spread between loans and deposits widened.

Economic prospects for the remainder of 2012 are favourable, based largely on the outlook for the construction and agricultural sectors. The pace of construction activity is projected to increase, as reconstruction and rehabilitation works progress. Work in the public sector is projected to be buoyed by the completion of the hospitals and continued infrastructural reconstruction. Support is anticipated from the private sector as hotel plants are remodelled and renovated. Recovery in the agricultural sector is

contingent on the successful control of the Black Sigatoka disease, the rebound of a number of crops and favourable weather. The ongoing tax reforms, including the introduction of VAT, are likely to positively influence the government's current balance, but large planned capital expenditures are expected to widen the overall balance. On balance, the risks remain tilted to the downside, reflecting the uncertainties in the global economy, especially the European sovereign debt crisis and adverse weather.

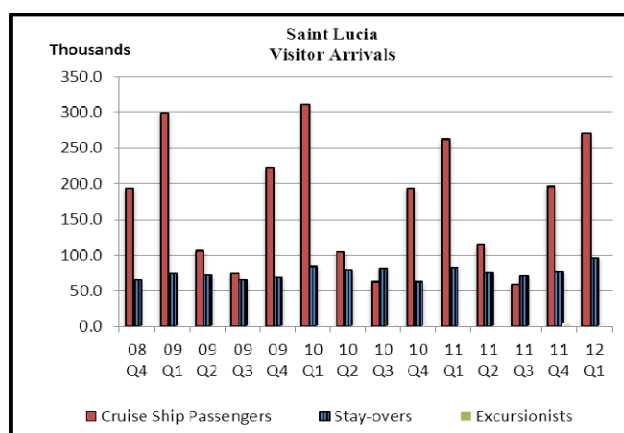
### Output

Construction activity is estimated to have declined in the first three months of 2012 in contrast to an expansion in the comparable period of 2011. This assessment is supported by a fall in commercial bank credit for construction. In the private sector work continued on a number of hotel plants, including the Jalousie Plantation and The Landings, as well as residential properties. Public sector construction was not as robust as anticipated with work mainly focused on the New National Hospital, St Jude's Hospital and road rehabilitation and reconstruction.

The performance of the tourism industry is estimated to have improved in the first quarter of 2012, relative to the corresponding period of 2011. Total visitor arrivals increased by 5.3 per cent to 379,747, primarily reflecting growth in the number of stay-over visitors and cruise passengers. Stay-over arrivals increased by 15.1 per cent to 95,170 in the



period under review, in contrast to a 1.1 per cent decline in the first quarter of 2011. Growth in stay-over arrivals mainly reflected strong performances in the European and Canadian markets. The number of visitors from Europe grew by 17.9 per cent, largely driven by an increase of 30.3 per cent in arrivals from the UK. Visitor arrivals from Canada increased by 28.2 per cent associated with intensified marketing efforts in that market. On the other hand, the number of stay-over visitors from the Caribbean fell by 1.1 per cent as the cost of intra-regional travel remained elevated.



The number of cruise passengers increased by 3.1 per cent to 269,551 in contrast to a decline of 15.8 per cent in the first three months of 2011. The improvement in the cruise category is attributable to an increase in the number of cruise ship calls to 172 from 153 in the first quarter of the previous year. Of the other categories, yacht visitor arrivals fell by 10.7 per cent (1,491), while the number of excursionists is estimated to have remained relatively unchanged.

Output in the agricultural sector is estimated to have contracted largely due to developments in the banana industry. As a result of widespread devastation by the passage of hurricane Tomas in October of 2010 and the Black Sigatoka disease, banana production ceased and has not recovered sufficiently to facilitate export. Output in the non-banana agricultural sector including crops and livestock is estimated to have contracted, albeit at a slower pace than the corresponding period last year.

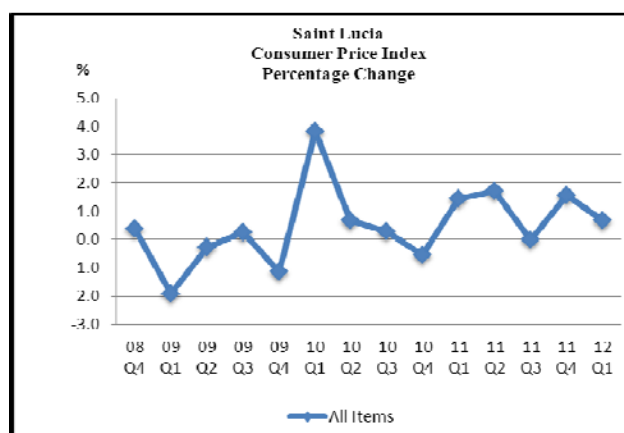
Manufacturing output is estimated to have declined slightly relative to the first quarter of 2011. This assessment was supported by a decline of 7.3 per cent in domestic exports, which reflected a fall of 21.9 per cent in the export of beverages – a significant commodity in the manufacturing sector. The production of corrugated paper and paperboard products was also challenged by developments in the banana industry.

## Prices

The rate of inflation as measured by the consumer price index (CPI) rose by 0.7 per cent during the first three months of 2012, compared with an increase of 1.5 per cent during the corresponding period of 2011. The rise in the rate of inflation was influenced by increases of 6.6 per cent and 6.1 per cent in recreation and culture and clothing and footwear sub-indices, respectively. Growth in the recreation and culture sub-index was driven by the inclusion of



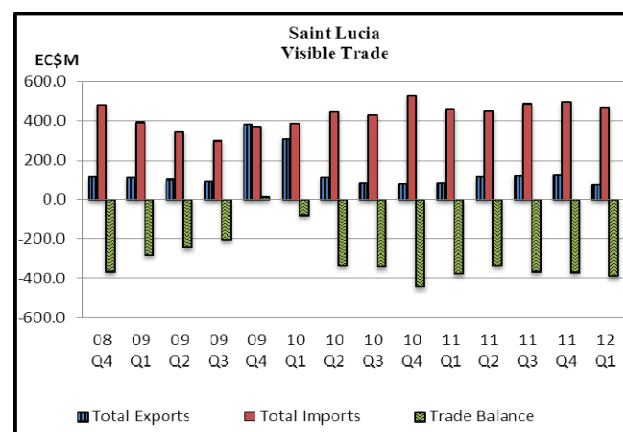
electronic items in that group, while the substitution of older brands of clothing with more contemporary ones was responsible for the change in the clothing and footwear sub-index. Increases were also recorded in the sub-indices for household furnishings, supplies and maintenance (2.1 per cent), communication (1.7 per cent) and food and alcoholic beverages (0.9 per cent). Growth of the CPI was moderated by declines in the sub-indices for transport (2.4 per cent), hotels and restaurants (1.7 per cent), education (1.3 per cent) and housing, utilities, gas and fuels (0.3 per cent).



## Trade and Payments

Estimates of merchandise trade indicate a deficit of \$391.4m for the first three months of 2012, compared with one of \$377.8m in the corresponding period of 2011. The widening of the deficit was attributed to a fall in export earnings coupled with an increase in import payments. Receipts from total exports fell by 9.3 per cent to \$75.3m, fuelled by declines in both domestic exports and re-exports. Re-export earnings fell by 14.1 per cent, largely

reflecting lower re-exports of minerals, fuels, lubricants and related materials. Earnings from domestic exports were 7.3 per cent below the amount recorded in the first quarter of 2011, led by declines in the export of beverages and machinery and transport equipment. Import payments rose by 1.3 per cent to \$466.7m, compared with growth of 19.2 per cent in the first three months of 2011.

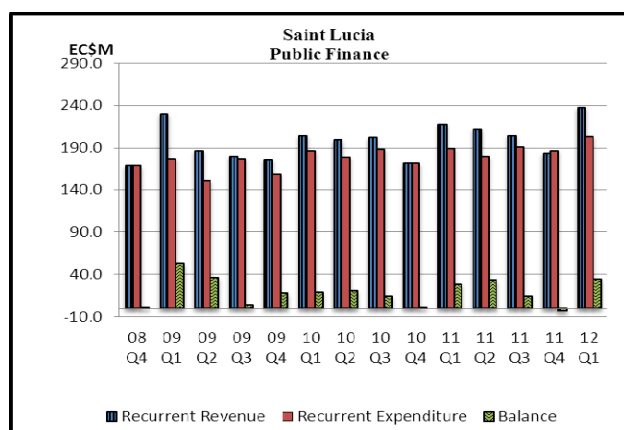


Gross travel receipts rose by 20.9 per cent to \$311.6m influenced by increases in stay-over arrivals and the average daily expenditure. The activities of commercial banks resulted in a net outflow of \$130.1m in short-term capital, in contrast to a net inflow of \$120.9m during the comparable period of 2011. In the review period, external loan disbursements to the central government fell by \$9.0m to \$15.4m in the period under review, while debt repayment totalled \$23.6m.

## Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$38.0m, compared

with one of \$46.3m recorded in the first three months of 2011. The smaller overall deficit was attributable to a larger current account surplus supported by a reduction in the capital account deficit. A primary deficit of \$3.2m was realised, compared with one of \$14.7m in the first quarter of 2011.



A current account surplus of \$33.9m was recorded in the first three months of 2012, up from one of \$28.3m in the corresponding period of 2011. The main contributor to this outturn was growth in current revenue, which outpaced an increase in current expenditure. Current revenue grew by 8.9 per cent to \$236.8m buoyed by larger collections of non-tax receipts. Non-tax revenue more than doubled to \$34.3m, influenced by gains on earnings from interest and rents, associated with a one off interest income received by government from an overseas investment.

Tax revenue rose marginally (0.1 per cent) as an increase in receipts from taxes on domestic goods and services more than offset declines in the yield

from most of the other main tax categories. Revenue from taxes on domestic goods and services grew by 21.0 per cent, primarily reflecting larger collections from the hotel occupancy tax, consistent with the increase in stay-over arrivals. The yield from property taxes was 40.0 per cent (\$0.4m) above the amount collected in the corresponding period of 2011. These increases were partly offset by falloffs in yields from taxes on income and profit and taxes on international trade and transactions. Proceeds from taxes on income and profits fell by 5.8 per cent, largely associated with lower yields from the corporation tax as businesses reported lower profits. A decline in collections from taxes on international trade and transactions (2.9 per cent) was largely influenced by a 17.5 per cent (\$3.6m) reduction in receipts from the excise tax, associated with lower receipts from taxes on petroleum related products.

Current expenditure rose by 7.3 per cent to \$202.9m, influenced by an increase in all categories of spending. Outlays on transfers and subsidies grew by 21.1 per cent (\$7.1m), due to higher pension payments and increased contributions to national insurance. Interest payments rose by 10.1 per cent (\$3.2m) reflecting larger domestic commitments. An increase in the number of public servants employed was the main contributing factor to growth of 3.3 per cent (\$2.8m) in personal emoluments. Expenditure on goods and services grew marginally (\$0.8m) reflecting higher costs of supplies and materials.



Outlays on capital expenditure fell by 11.0 per cent to \$71.9m in contrast to growth of 32.2 per cent in the first quarter of 2011. The contraction was mainly influenced by the winding down of a few projects, including the constituency development program and the community and agriculture feeder roads; and the slow start of a number of new projects programmed to come on stream this year. Ongoing public sector projects included the European Union funded New General Hospital and the reconstruction of the St Jude Hospital.

### Public Sector Debt

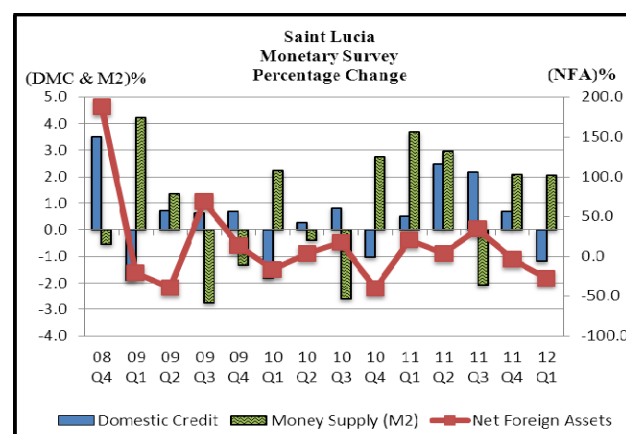
The disbursed outstanding debt of the public sector is estimated at \$2,411.6m at the end of March 2012, approximately 1.6 per cent above the total at the end of December 2011. This outturn was influenced by an expansion in the outstanding debt of the central government, as the stock of debt of the public corporations declined. Debt incurred by the central government increased by 2.0 per cent to \$2,152.2m, while public corporations' debt fell by 1.6 per cent to \$259.4m.

### Money and Credit

Monetary liabilities (M2) expanded by 2.1 per cent to \$2,786.2m during the first three months of 2012, compared with growth of 3.7 per cent during the corresponding period of 2011. This development reflected an increase of 3.0 per cent to \$2,114.9m in quasi money, attributable to growth in private sector foreign currency (\$35.2m) and savings deposits

(\$28.6m). Narrow money (M1) fell by 0.6 per cent, largely reflecting reductions in currency held with the public and EC\$ cheques and drafts issued.

Domestic credit fell by 1.2 per cent to \$3,555.0m during the first quarter of 2012, in contrast to growth of 0.5 per cent during the corresponding period of 2011. The contraction in credit emanated largely from decreased borrowing by the private sector. Outstanding loans to the private sector fell by 0.9 per cent, as loans extended to businesses and households declined by 0.7 per cent and 0.9 per cent respectively. The central government recorded a net deposit position as growth in its deposits (5.0 per cent) outpaced that of its credit (4.0 per cent). In the rest of the public sector, net deposits of non-financial public enterprises increased by 0.5 per cent influenced largely by a decline of 0.9 per cent in their borrowing.



An analysis of the distribution of credit by economic activity indicates that outstanding loans decreased by 1.0 per cent, influenced in part by a decline in lending for other uses and construction.



Outstanding credit for other uses fell by 1.7 per cent (\$19.3m) driven by a decline of 13.9 per cent in lending for public administration. Credit for construction fell by 3.9 per cent (\$15.7m), while a marginal decline in lending to the tourism industry was recorded. Those declines were partially offset by an increase in credit for personal use (\$4.2m), agriculture and fisheries (\$1.2m) and manufacturing, including mining and quarrying (\$1.1m).

The net foreign liabilities position of the banking system stood at \$359.7m at the end of March 2012, down from \$494.7m at the end of December 2011. The decrease was mainly associated with a 12.9 per cent reduction in the net liabilities position of commercial banks, largely reflecting an increase in assets held in institutions outside of the ECCU. Saint Lucia's imputed share of the central banks' reserves increased by 1.0 per cent to \$517.3m.

Liquidity in the commercial banking system improved during the period under review, but remained tight. The ratio of liquid assets to total deposits plus liquid liabilities was 23.9 per cent at the end of March 2012, about 1.4 percentage points above the level at the end of 2011. The loans and advances to total deposits ratio fell by 6.1 percentage points to 107.8 per cent.

The weighted average interest rate on deposits fell to 3.02 per cent from 3.07 per cent at the end of December 2011, while the weighted average lending rate rose marginally to 9.05 per cent. These changes

resulted in an increase of 6.0 basis points in the weighted average interest rate spread.

## Prospects

The global economic recovery continues to be threatened by developments in the advanced economies, especially the crisis in the Euro Area. Amidst hints of recovery in the US economy, first quarter real growth was revised downwards as high unemployment persists. These developments portend major headwinds for the economies of the ECCU, including that of Saint Lucia. Despite these challenges, economic activity in Saint Lucia is projected to gain some traction in 2012, as the economy continues to recover from the impact of hurricane Tomas and the protracted effects of the global crisis. That expansion is expected to be driven by increased construction activity related to rebuilding and rehabilitation works post-Tomas.

Public sector activity, which is likely to fuel construction growth, will focus on completion of the New General Hospital, the St Jude's Hospital and reconstruction of bridges and other physical infrastructure. Support for construction is also anticipated through a housing initiative announced by the government in collaboration with the private sector to boost the housing stock through favourable credit terms. Also, the construction of the Financial Administrative Complex, funded by the National Insurance Services and an office complex are expected to add further momentum to that sector.



Private sector activity, though restrained is likely to contribute through a few renovations and expansions in hotel plants and planned residential construction.

Activity in the tourism industry is projected to be brisk as marketing initiatives and efforts at increasing airlift intensify. Stay-over arrivals are projected to increase in response to strengthened marketing in the major source markets, especially Canada. The number of arrivals from the region is projected to increase due to upcoming international cricket matches in Saint Lucia later this year. These efforts are likely to be constrained by the slow recovery in the economies of the source markets, the increase in the Air Passenger Duty in the UK, sovereign debt woes in the Euro Area and the consistent high jobless rate in the advanced economies.

The overall deficit on the fiscal accounts of the central government is projected to widen as growth in expenditure is forecasted to outpace any expansion in revenue. Although tax revenue is projected to improve and likely to receive support from the implementation of the Value Added Tax in the latter part of 2012, the planned increase in capital expenditure is expected to outweigh the

gains on the recurrent side. An increase in the debt level of central government is also anticipated as majority of the spending on the public sector investment programme will be financed through loans.

The merchandise trade deficit is projected to widen further to facilitate the forecasted expansion in economic activity and the higher imports of construction materials, commensurate with buoyant construction activity. Inflows from travel, however, are projected to increase in line with the expansion in the number of stay-over visitors.

The global economic recovery remains susceptible to developments in the Euro Area, which have weakened overall growth prospects. Major downside risks persist as the world continues to monitor inter alia, the developments in the Middle East, the swoon in the US economy, as the labour market cools, and the pressures on other economies to respond to Europe's debt crisis. Policy makers in Saint Lucia face the task of keeping their economy in motion in the face of these exogenous challenges. Other risks include the capacity to control or eradicate the Black Sigatoka disease and the inevitable annual hurricane season.



## ST VINCENT AND THE GRENADINES

### Overview

Preliminary data indicate that economic activity in St Vincent and the Grenadines was flat in the first quarter of 2012, relative to the performance in the corresponding period of 2011. This outturn was the result of positive growth in some major sectors such as agriculture, wholesale and retail trade and real estate, renting and business activity which was offset by contractions in construction and transport, storage and communications. The consumer price index declined by 0.1 per cent on an end of period basis. The operations of the central government led to a narrowing of the overall fiscal deficit, while the total outstanding public sector debt rose. The merchandise trade deficit is estimated to have widened due to a rise in imports. In the banking sector monetary liabilities rose and commercial bank liquidity remained elevated. The spread between commercial bank weighted average lending and deposit interest rates increased.

Economic activity for the remainder of 2012 is projected to expand marginally on the basis of positive developments in the construction sector and the tourism industry. This expectation however, is contingent on the pace of recovery in the USA and the speed at which the European debt crisis is resolved. The possibility of adverse weather during this year's hurricane season is also one of the existing threats to the level of economic activity.

### Output

Value added in the construction sector in the first three months of 2012 was estimated to have contracted compared with the corresponding period last year, owing to a slowdown in both public and private sector construction activity. In the public sector, construction activity focused primarily on repairs and maintenance of some public buildings, as no major projects were undertaken. This was evidenced by a 65.0 per cent (\$1.4m) reduction in capital expenditure. In the private sector, work continued on the Buccament Bay Resort, Canouan development and upgrading of hotels such as Adams Bay hotel. Indicative of the fall in construction activity was the 19.1 per cent decline in imported construction materials. This was further supported by commercial banks data which illustrated that credit extended for construction fell by 9.0 per cent and credit extended for home construction and renovation also declined by 1.5 per cent. The downturn in the construction sector largely contributed to the decline in the mining and quarrying sector and by extension the transport, storage and communications sector.

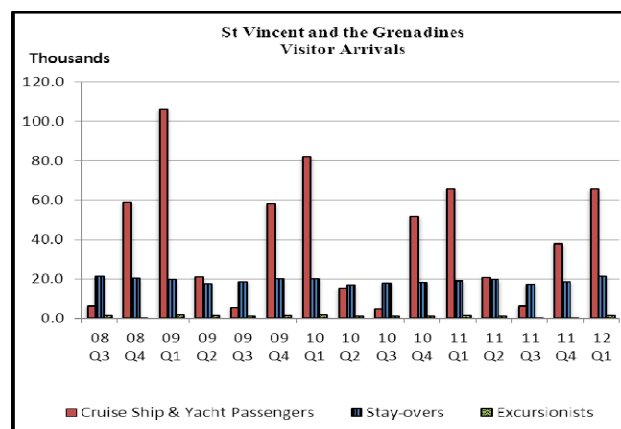
Meanwhile, positive growth was observed in some of the main sectors such as agriculture, manufacturing, wholesale and retail trade, hotels and restaurants, financial intermediation and real estate renting and business activities. Value added in the



agricultural sector was estimated to have risen primarily as a result of an increase in crop production. The production of banana and root crops was estimated to have increased due to progress made in controlling the Black Sigatoka disease and diversification from the production of banana crops by some farmers respectively.

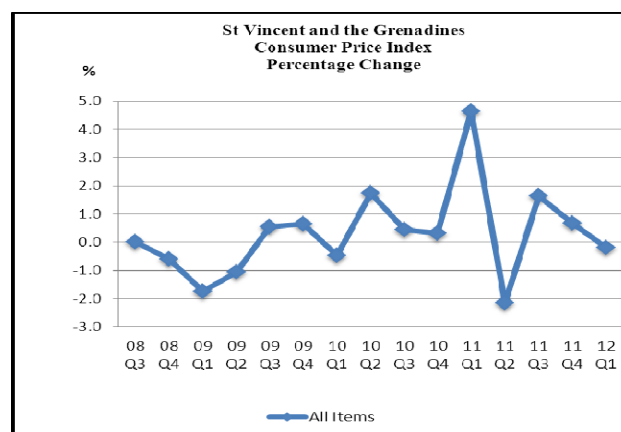
Output in the manufacturing sector rose in the first quarter of 2012 relative to the comparable period in 2011. This was mainly due to higher production of rice (40.3 per cent), beer (11.1 per cent), feeds (8.1 per cent) and flour (7.1 per cent).

Value added in the tourism industry, with activity in the hotels and restaurants sector being the main indicator, was estimated to have risen on account of an 11.8 per cent growth in the number of stay over visitors. Stay over arrivals from all source markets grew in the review period. Visitors from the USA the main source market rose by 7.5 per cent, UK (21.3 per cent), the Caribbean (17.8 per cent), Canada (6.7 per cent), and other countries including Latin America (1.8 per cent). Yacht passengers also recorded an increase of 1.0 per cent in contrast to a 26.5 per cent fall in the comparable period of 2011. Excursionists, which is a relatively small proportion of total visitors, and cruise ship passengers both registered declines of 17.7 per cent and 1.0 per cent respectively. The growth in the tourism industry was a catalyst for boosting other sectors such as wholesale and retail, electricity and water, real estate, renting and business activities and financial intermediation.



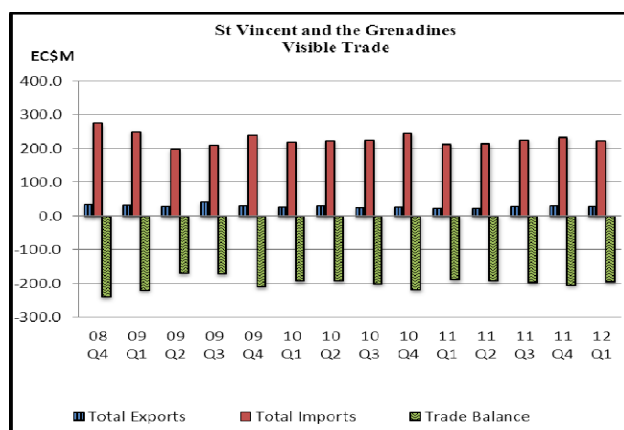
## Prices

Consumer prices were estimated to have declined by 0.1 per cent during the first quarter of 2012, compared to an increase of 0.7 per cent during the comparable period of 2011. The contraction in consumer prices reflected falling prices for transport (3.9 per cent), food and non-alcoholic beverages (1.0 per cent), and restaurants and hotels (0.2 per cent). These declines outpaced the rise in the prices of housing, water, electricity, gas and other fuels (1.6 per cent), alcoholic beverages tobacco and narcotics (1.2 per cent), and clothing and footwear (0.9 per cent).



## Trade and Payments

Preliminary trade data indicate that the merchandise trade deficit widened to \$194.0m in the first quarter of 2012, from \$188.4m in the corresponding period last year. The widening of the deficit was the result of a 5.6 per cent hike in import payments to \$223.9m, primarily due to a spike in the value of imports of mineral fuels and related materials. The growth in imports was partly tempered by a 20.8 per cent rise in receipts from domestic exports to \$24.6m in the first quarter of 2012. Higher export earnings were recorded for rice (\$3.2m), flour (\$8.3m) and feeds (\$2.1m), while receipts from beer rose from \$0.1m to \$1.0m mainly reflecting the production of a new beer, Presidente.



Gross travel receipts were estimated to have risen by 8.4 per cent to \$83.4m, consistent with the growth in stay over arrivals. The transactions of commercial banks resulted in a net outflow of \$23.8m in short term capital, relative to an outflow of \$2.4m in the comparable period in 2011. External loan disbursements to the central government of \$1.8m

were received during the review period, down from disbursements of \$11.3m in the first three months of 2011. External debt payments amounted to \$12.6m.

## Central Government Fiscal Operations

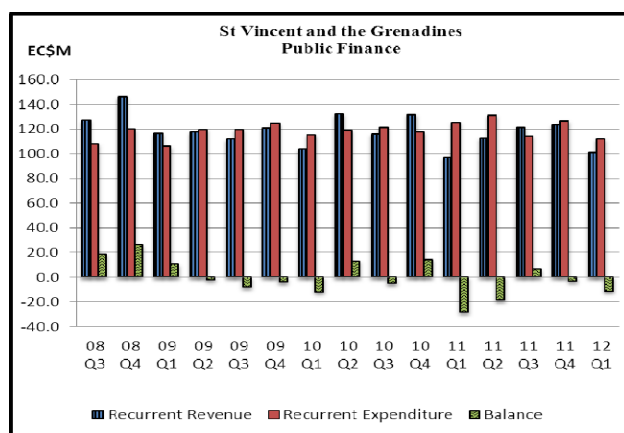
The accounts of the central government indicated a narrowing of the fiscal deficit (after grants) to \$8.1m in the first quarter of 2012, from \$29.0m in the corresponding period of 2011. The outturn was mainly driven by a reduction in current expenditure combined with an increase in current revenue. This contributed to a smaller current account deficit of \$11.1m in the first quarter of 2012, relative to one of \$28.2m in corresponding period of 2011. The primary balance (after grants) shifted to a surplus of \$3.1m in the first quarter of 2012 from a deficit of \$16.8m in the first quarter of 2011. This was due to developments on the current account and higher grant inflows.

Current expenditure declined by 10.6 per cent to \$112.0m on account of reduced outlays on most categories. Expenditure on transfers and subsidies as well as goods and services declined by 27.2 per cent and 12.4 per cent respectively as government reverted to pre-hurricane Tomas spending. Interest payments declined by 8.9 per cent, mainly due to the restructuring of domestic obligations. In contrast, spending on personal emoluments rose marginally by 1.3 per cent to \$58.1m.

Current revenue rose by 3.9 per cent to \$101.0m driven by growth in tax revenue. Tax revenue rose



by 4.1 per cent to \$93.2m primarily due to higher receipts from taxes on income and profit and taxes on international trade and transactions. Taxes on income and profits grew by 13.1 per cent to \$24.6m as increases in revenue from corporate tax and withholding tax outweighed the decline in receipts from personal income tax, the largest component of this category. The yield from taxes on international trade and transactions rose by 4.4 per cent to \$17.4m, reflecting larger inflows from import duty, in line with greater imports, and higher intake from travel and ticket tax.



Meanwhile taxes on domestic goods and services grew by less than one per cent as the largest component of this category, the VAT, declined by 9.9 per cent to \$30.8m, reflective of the sluggish state of the economy and compliance challenges. Non tax revenue rose slightly by 1.2 per cent to \$7.7m mainly due to higher intake from fees, fines and sales.

On the capital account, grants more than tripled to \$3.4m in the first quarter of 2012. Despite the upturn

in capital grants, capital expenditure contracted to \$0.7m from \$2.1m in corresponding period of 2011 as no major projects were undertaken.

### Public Sector Debt

The total outstanding debt of the public sector was estimated at \$1,269.2m at the end of March 2012, higher than the \$1,250.0m recorded at the end of December 2011. Of this amount 85.9 per cent was central government debt, of which 72.2 per cent was external debt. The external debt of the central government rose by 1.4 per cent to \$787.2 and domestic debt grew by 2.8 per cent to \$302.8m. The debt stock of statutory corporations remained virtually unchanged during the review period.

### Money and Credit

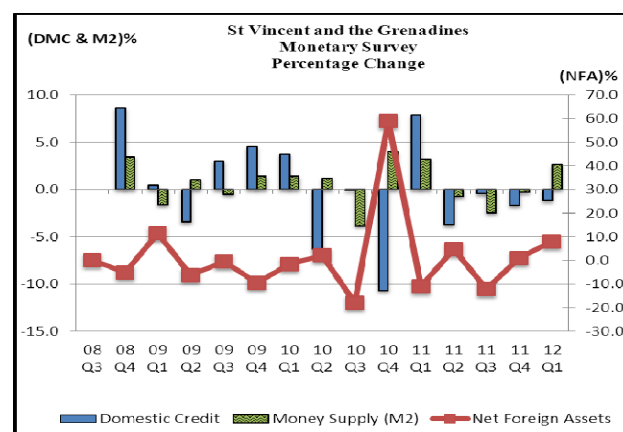
Monetary liabilities (M2) of the banking system grew by 2.6 per cent to \$1,139.1m during the first quarter of 2012, compared with growth of 3.2 per cent during the corresponding period in 2011. The rise in M2 was attributable to increases in both narrow money (M1) and quasi money. M1 rose by 3.3 per cent mainly due to an 8.2 per cent (\$22.8m) expansion in private sector deposits, its largest component. In contrast, currency with the public and EC dollar cheques and drafts issued fell by 19.6 per cent to \$37.4m and 32.4 per cent to \$6.0m respectively. Quasi money rose by 2.3 per cent to \$796.6m owing primarily to growth in private sector savings deposits (2.0 per cent), the largest share, and

private sector foreign currency deposits (18.1 per cent).

Domestic credit declined by 1.2 per cent to \$896.0m during the quarter under review. The outturn was largely influenced by a reduction in net credit to the central government and an increase in the net position of non-financial public enterprises. Net credit to the central government decreased by 17.9 per cent due to the dual effect of an 18.6 per cent increase in government deposits and a 29.1 per cent decline in credit extended by the Central Bank. The net deposit position of non-financial public enterprises rose by 6.1 per cent owing to a 6.3 per cent (\$9.3m) rise in deposits. These declines were partly offset by growth of 0.6 per cent in private sector credit to \$1004.9m reflecting increases in both household (0.8 per cent) and business credit (0.1 per cent).

Distribution of credit by economic activity indicated mixed performance. Outstanding loans for personal use, which accounts for 58.4 per cent of total credit, rose by a mere 0.7 per cent to \$660.2m. Of personal loans, credit outstanding for acquisition of property and durable consumer goods fell by 1.0 per cent and 1.3 per cent respectively. Those declines were tempered by a 3.2 per cent growth in credit outstanding for other personal needs; including loans for education and travel. Stronger growth was recorded in credit outstanding for agriculture and fisheries (3.9 per cent) and distributive trades (2.4 per cent). Credit extended for other purposes rose

by 7.8 per cent largely on account of a spike in professional and other services and public administration, the largest sub-categories. By contrast, credit outstanding for tourism and construction, two significant sectors of the economy contracted by 17.7 per cent and 9.0 per cent respectively.



The net foreign assets of the banking system rose by 8.1 per cent to \$425.1m during the period under review. Commercial banks' net foreign assets rose by 15.2 per cent to \$180.0m primarily due to a reduction in the net liabilities position with banks outside the currency union. The central bank imputed reserves rose by 3.4 per cent to \$245.1m.

Liquidity in the commercial banking system remained high during the review period. The ratio of liquid assets to total deposits plus liquid liabilities declined to 39.2 per cent at the end of March 2012 from 39.6 per cent at the end of December 2011. In addition the loans and advances to deposits ratio fell by 1.4 percentage points to 72.8 per cent.



The weighted average interest rate spread between loans and deposits widened by 0.2 percentage points to 6.37 per cent at the end of March 2012. The weighted average interest rate on deposits fell by 0.20 percentage point to 2.69 per cent while the weighted average lending rate declined by 0.01 percentage points to 9.07 per cent.

### **Prospects**

Economic growth is likely to be positive in 2012 on the expectation that construction activity may improve and the growth in tourism may be sustained throughout the rest of the year. Construction activity is expected to improve based on an intensification of work on the Argyle International Airport, and continued upgrades at the Buccament Bay Resort and other small hotels. Other public sector projects such as the Modern Medical Complex and Milton Cato Memorial hospital will likely begin later in the year and spur activity in other auxiliary sectors such as transport, storage and communications and mining and quarrying. Increased activity in the tourism industry will be sustained as marketing efforts intensify and plans to improve the quality of the tourism product come on stream during the course of the year.

Activity in the agricultural sector is expected to improve on the basis of higher banana output as replanting resumes on farms which were destroyed

to control the spread of the Black Sigatoka disease. Production of other crops, fishing and livestock are also expected to rise. Output in the manufacturing sector should increase due to the continued production of the Presidente beer which is expected to do well in both regional and local markets.

The fiscal accounts of the central government are expected to yield a lower deficit as the government continues to prioritize expenditure. Tax revenue is likely to improve somewhat as efforts to collect outstanding VAT arrears yield good results. On the external account, the merchandise trade deficit is projected to expand on account of a hike in imports as economic activity picks up. Gross travel inflows are likely to continue on the upward trajectory consistent with higher levels of stay-over arrivals.

This outlook is premised on economic conditions in the global economy. In the USA, economic activity remains fickle evidenced by the volatility in the labour markets and less than expected economic growth. The debt crisis in Europe is also sending shock waves through the global financial system affecting confidence and foreign direct investment flows. On the domestic front, the inability to implement countercyclical measures to counteract global developments will impact on the pace of economic activity. In addition the possibility of adverse weather poses downside risks to this outlook.





# 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 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
Total Visitors	1,565,965	691,175	409,525	1,100,830	1,590,462
Stay-Over Visitors	270,453	237,620	227,242	239,267	295,760
Of which:					
USA	107,190	99,523	83,615	86,676	118,650
Canada	35,217	14,905	13,681	19,638	41,160
UK	54,940	47,844	42,239	55,126	62,295
Caribbean	40,914	52,857	65,284	51,245	40,660
Other Countries	32,192	22,491	22,423	26,582	32,995
Excursionists <sup>1</sup>	25,257	18,716	18,475	18,889	27,408
Cruise Ship Passengers <sup>2</sup>	1,218,116	403,930	146,379	813,045	1,211,838
Yacht Passengers <sup>4</sup>	52,139	30,909	17,429	29,629	55,456
Number of Cruise Ship Calls <sup>3</sup>	759	212	51	511	847
<b>Total Visitor Expenditure (EC\$M)</b>	<b>939.49</b>	<b>718.26</b>	<b>646.34</b>	<b>780.77</b>	<b>1,024.57</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> Cruise ship passengers excludes Anguilla but includes Antigua and Barbuda.

<sup>3</sup> Cruise ship 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 30 May 2012

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

	2010 4 <sup>th</sup> Qr	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
Net Foreign Assets	2,194.39	2,158.38	2,334.83	2,086.91	2,060.27	2,488.74
Central Bank (net)	2,498.31	2,478.05	2,583.72	2,621.71	2,717.94	2,944.52
External Assets	2,500.52	2,485.48	2,608.88	2,625.46	2,720.52	2,950.34
External Liabilities	2.20	7.43	25.15	3.75	2.58	5.81
Commercial Banks (net)	(303.92)	(319.67)	(248.89)	(534.80)	(657.67)	(455.78)
External Assets	(303.92)	3,399.81	3,348.81	3,143.23	3,865.12	3,960.41
External Liabilities	3,245.62	3,719.47	3,597.70	3,678.03	4,522.79	4,416.19
Net Domestic Assets	10,479.01	10,687.25	10,677.81	10,788.87	11,008.04	10,833.68
Domestic Credit	12,495.18	12,557.40	12,526.86	12,551.21	12,670.48	12,467.69
Central Government (net)	1,219.75	1,222.36	1,219.56	1,236.33	1,258.43	1,154.09
Other Public Sector (net)	(1,322.93)	(1,315.32)	(1,382.52)	(1,448.10)	(1,359.52)	(1,420.72)
Private Sector	12,598.36	12,650.37	12,689.81	12,762.99	12,771.57	12,734.32
Households	6,290.85	6,326.08	6,253.97	6,391.76	6,406.87	6,421.40
Business	5,941.14	5,940.76	6,033.25	5,968.97	5,958.68	5,901.30
Non-Bank Financial Institutions (net)	136.76	157.15	158.27	162.36	146.53	162.99
Subsidiaries and Affiliates (net)	229.61	226.38	244.32	239.90	259.49	248.62
Other Items (net)	(2,016.18)	(1,870.15)	(1,849.05)	(1,762.34)	(1,662.44)	(1,634.01)
Monetary Liabilities (M2)	12,673.40	12,845.63	13,012.64	12,875.77	13,068.31	13,322.42
Money Supply (M1)	2,585.31	2,560.28	2,579.80	2,571.62	2,706.53	2,658.30
Currency with the Public	616.08	577.94	570.69	590.23	634.59	606.84
Demand Deposits	1,881.27	1,880.40	1,935.43	1,916.66	1,992.14	1,975.26
Quasi Money	10,088.09	10,285.36	10,432.85	10,304.16	10,361.78	10,664.12
Savings Deposits	5,282.05	5,411.37	5,438.53	5,448.72	5,492.32	5,701.94
Time Deposits	2,868.97	2,890.61	2,968.36	2,981.60	3,001.54	2,951.40
Foreign Currency Deposits	1,937.07	1,983.37	2,025.96	1,873.84	1,867.92	2,010.79

Source: Eastern Caribbean Central Bank

Data available at 30 May 2012



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

	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
<b>Current Revenue</b>	888.96	882.56	877.95	897.51	881.40
Tax Revenue	772.46	774.07	763.98	757.47	780.52
Taxes on Income and Profits <sup>1</sup>	175.13	186.92	161.13	149.36	172.82
Of Which:					
Personal Income Tax <sup>2</sup>	80.83	73.73	71.21	76.51	82.81
Company	76.56	97.09	67.60	46.79	69.28
Taxes on Property	13.35	19.79	13.07	11.84	20.84
Taxes on Domestic Goods and Services	320.46	300.80	328.95	306.65	333.23
Of Which:					
Accommodation Tax	19.44	16.09	11.17	7.47	23.48
Licences	23.96	17.57	15.16	22.03	24.88
Sales Tax <sup>2</sup>	51.06	52.22	40.99	53.06	53.24
Stamp Duties	22.88	18.38	64.91	31.20	37.34
Consumption Tax <sup>4</sup>	2.40	1.79	1.93	1.80	2.25
Value Added Tax	145.40	138.23	133.55	143.59	138.47
Taxes on International Trade and Transactions	263.52	266.57	260.83	289.61	253.63
Of Which:					
Import Duties	101.04	102.42	103.35	118.28	97.59
Consumption Tax <sup>6</sup>	35.30	37.70	39.46	41.70	30.87
Customs Service Charge <sup>6</sup>	45.34	45.44	46.71	51.80	41.43
Non-Tax Revenue	116.50	108.49	113.97	140.05	100.87
<b>Current Expenditure</b>	889.27	887.77	918.55	917.74	871.78
Personal Emoluments	387.23	389.31	382.88	386.68	387.76
Goods and Services	164.92	207.40	210.06	198.62	150.08
Interest Payments	128.03	89.19	118.06	84.90	118.19
Domestic	65.37	54.58	64.06	56.30	68.82
External	62.66	34.61	53.99	28.61	49.37
Transfers and Subsidies	209.10	201.86	207.55	247.54	215.75
Of Which: Pensions	68.65	60.59	58.14	65.91	87.60
<b>Current Account Balance</b>	(0.31)	(5.20)	(40.60)	(20.23)	9.61
<b>Capital Revenue</b>	4.17	4.36	10.52	4.53	3.14
<b>Grants</b>	74.56	100.30	69.56	115.23	30.11
<b>Capital Grants</b>	56.51	53.97	39.97	86.84	32.84
<b>Capital Expenditure and Net Lending</b>	213.74	243.80	198.00	188.16	133.21
Of Which: Capital Expenditure	214.21	243.84	198.11	161.15	133.09
<b>Primary Balance (after grants)</b>	(7.30)	(55.14)	(40.46)	(3.73)	27.85
<b>Overall Balance</b>	(135.33)	(144.34)	(158.51)	(88.63)	(90.34)
<b>Financing</b>	135.33	144.34	158.51	88.63	90.34
Domestic	149.56	173.10	61.69	(91.25)	134.65
ECCB (net)	77.56	(23.07)	(11.56)	25.28	(22.04)
Commercial Banks (net)	(41.46)	20.28	28.32	(3.18)	(82.29)
Other	113.46	175.90	44.93	(113.35)	238.98
External	(18.59)	(18.98)	84.01	207.17	(15.58)
Net Amortisation/(Amortisation)	(20.15)	(59.68)	84.43	208.74	(15.02)
Disbursements	75.52	30.13	151.82	257.04	95.26
Amortisation	(95.67)	(89.81)	(67.39)	(48.29)	(110.28)
Change in Government Foreign Assets	1.56	40.70	(0.42)	(1.58)	(0.56)
Arrears <sup>7</sup>	4.36	(9.79)	12.82	(27.29)	(28.73)
Domestic	(7.59)	(9.42)	5.44	(7.70)	(5.74)
External	11.95	(0.37)	7.38	(19.59)	(22.98)

Source: Ministry of Finance and ECCB

<sup>1</sup> Taxes on income and profits are not collected in Anguilla

<sup>2</sup> Includes a social services levy which is applied in St Kitts and Nevis

<sup>3</sup> Excludes Anguilla, Antigua and Barbuda and Montserrat

Data available at 30 May 2012

<sup>4</sup> Includes Dominica and Grenada

<sup>5</sup> Excludes Dominica and St Vincent and the Grenadines

<sup>6</sup> Includes Antigua and Barbuda and Dominica



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

	2008	2009	2010	2011	Mar 2012
Anguilla	170.9	191.6	235.1	230.3	224.3
Antigua and Barbuda	2,979.1	3,136.4	2,709.4	2,827.4	2,821.5
Dominica	898.1	862.8	943.2	937.0	996.4
Grenada	1,777.1	1,883.8	1,942.2	2,054.9	2,058.7
Montserrat	11.1	9.3	8.7	8.0	7.9
St Kitts and Nevis	2,550.2	2,640.3	2,753.3	2,834.2	2,835.1
Saint Lucia	1,884.8	1,911.6	2,119.4	2,372.7	2,411.6
St Vincent and the Grenadines	1,102.4	1,173.8	1,215.3	1,250.0	1,269.2
<b>TOTAL ECCU</b>	<b>11,373.5</b>	<b>11,809.5</b>	<b>11,926.5</b>	<b>12,514.4</b>	<b>12,624.6</b>

Source: ECCB

\* Includes arrears of principal

Data available at 30 May 2012

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

	2008	2009	2010	2011	Mar 2012
Anguilla	149.6	172.3	217.4	213.1	207.7
Antigua and Barbuda	2,683.6	2,630.4	2,278.8	2,374.1	2,364.7
Dominica	749.2	713.8	777.3	763.1	824.2
Grenada	1,580.2	1,684.3	1,746.7	1,836.8	1,843.7
Montserrat	4.0	2.5	2.3	2.0	2.0
St Kitts and Nevis	1,941.9	2,018.6	2,127.4	2,218.8	2,217.6
Saint Lucia	1,616.2	1,642.2	1,835.4	2,109.0	2,152.2
St Vincent and the Grenadines	860.8	930.1	1,022.5	1,070.8	1,090.0
<b>TOTAL ECCU</b>	<b>9,585.6</b>	<b>9,794.2</b>	<b>10,007.7</b>	<b>10,587.6</b>	<b>10,701.9</b>

Source: ECCB

Data available at 30 May 2012

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

	2008	2009	2010	2011	Jan - Mar 2012
Anguilla	40.3	51.0	215.8	11.8	3.7
Antigua and Barbuda	243.5	182.7	222.6	176.6	23.8
Dominica	53.8	29.2	33.5	48.8	17.8
Grenada	79.2	117.5	84.5	252.3	66.8
Montserrat	0.2	0.2	0.2	1.2	-
St Kitts and Nevis	212.0	204.3	218.3	326.8	99.7
Saint Lucia	156.7	173.3	290.7	192.2	60.2
St Vincent and the Grenadines	107.6	115.7	166.6	115.9	31.6
<b>TOTAL ECCU</b>	<b>893.4</b>	<b>874.0</b>	<b>1,232.2</b>	<b>1,125.5</b>	<b>303.5</b>

Source: ECCB

Data available at 30 May 2012



**Table 7**  
**Regional Government Securities Market (RGSM)**  
**Funds Raised on the RGSM**

	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
Total Bid Amount (EC\$M)	178.2	270.4	350.4	144.9	308.6
Volume	96.0	147.0	243.5	128.7	251.6

Source: ECCB

Data available at end of 20 July 2012

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

	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
91-day Treasury Bills	4.86	4.69	4.12	4.76	4.77
180-day Treasury Bills	4.90	**	4.00	6.50	4.25
365-day Treasury Bills	**	6.75	5.75	5.99	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

Source: ECCB

Data available at end of 20 July 2012

**Table 9**  
**Regional Government Securities Market (RGSM)**  
**Secondary Market Activity on the RGSM**

	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
Volume	0.1	2.04	0.2	7.4	0.4
Value (EC\$M)	0.1	2.1	0.2	11.9	0.40

Source: ECCB

Data available at end of 20 July 2012



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

	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
Total Visitors	38,340	31,981	25,500	27,737	40,769
Stay-Over Visitors	19,527	18,728	12,285	15,243	20,642
Of which:					
USA	13,870	12,536	6,419	10,004	14,182
Canada	1,110	658	321	734	1,506
UK	709	850	795	764	803
Italy	342	268	438	178	319
Germany	115	108	56	93	148
Caribbean	2,215	3,141	3,314	2,284	2,102
Other Countries	1,166	1,167	942	1,186	1,582
Excursionists	18,813	13,253	13,215	12,494	20,127
<b>Total Visitor Expenditure (EC\$M)</b>	<b>92.79</b>	<b>68.39</b>	<b>54.22</b>	<b>66.83</b>	<b>85.06</b>

Sources: Statistics Department

Data available at 9 July 2012

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

	Weight	Index Mar 2012	Percentage Change*				
			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
All Items	1,000.00	154.20	2.26	2.90	2.82	0.39	0.26
Food	321.2	158.40	1.21	1.33	2.23	0.19	1.47
Alcoholic Beverages and Tobacco	3.0	151.70	3.63	14.00	2.46	-	1.00
Housing	171.5	123.70	9.03	2.15	(0.65)	0.90	0.08
Fuel and Light	68.6	176.00	-	13.99	13.05	0.06	-
Clothing and Footwear	30.7	94.40	(5.97)	(3.33)	(1.67)	0.42	(0.32)
Household Furnishings and Supplies	97.3	171.70	-	8.02	(1.81)	(0.52)	(0.41)
Transport and Communications	235.3	160.10	3.78	1.21	6.26	1.25	(0.87)
Medical Care and Expenses	30.9	218.90	0.05	-	(0.36)	-	0.14
Education	9.9	218.40	-	-	1.94	-	(1.00)
Personal Services	16.4	137.10	(1.40)	4.04	(2.08)	-	0.66
Miscellaneous	15.3	70.90	(2.51)	(0.13)	(4.12)	(2.69)	(2.07)

Sources: Statistics Department

\*at end of period

Data available at 9 July 2012





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

	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
<b>Current Revenue</b>	44.13	40.82	75.76	44.33	50.33
Tax Revenue	38.09	34.81	70.53	37.29	44.10
Income Tax	-	2.18	2.62	3.40	4.06
Taxes on Property	1.17	0.67	0.38	0.62	1.51
Taxes on Domestic Goods and Services	22.88	15.24	51.94	14.10	21.04
Of Which:					
Accommodation Tax	10.34	5.53	2.40	2.24	7.93
Licences	4.86	2.48	2.21	1.67	5.77
Stamp Duties	5.24	0.96	41.15	8.05	4.63
Taxes on International Trade and Transactions	14.04	16.71	15.58	19.17	17.49
Of Which:					
Import Duty	12.48	13.55	12.39	14.98	13.76
Customs Surcharge	1.29	3.08	2.98	3.96	3.63
Non-Tax Revenue	6.05	6.01	5.23	7.05	6.23
<b>Current Expenditure</b>	40.84	44.51	43.56	44.94	40.23
Personal Emoluments	20.06	20.24	20.00	20.16	19.94
Goods and Services	7.48	10.28	10.14	10.84	7.90
Interest Payments	2.30	2.27	2.43	2.12	2.02
Domestic	0.53	0.65	0.80	0.66	0.57
External	1.77	1.62	1.62	1.46	1.45
Transfers & Subsidies	10.99	11.71	10.99	11.83	10.37
Of Which: Pensions	2.24	2.10	1.57	2.20	2.09
<b>Current Account Balance</b>	3.30	(3.69)	32.20	(0.61)	10.10
<b>Capital Revenue</b>	-	-	-	-	-
<b>Grants</b>	-	-	-	-	-
Of which: Capital Grants	-	-	-	-	-
<b>Capital Expenditure</b>	0.24	1.04	2.42	5.86	2.37
<b>Primary Balance (after grants)</b>	5.37	(2.47)	32.21	(4.35)	9.76
<b>Overall Balance</b>	3.06	(4.74)	29.78	(6.47)	7.74
<b>Financing</b>	(3.06)	4.74	(29.78)	6.47	(7.74)
Domestic	(3.46)	4.86	(28.27)	6.92	(7.02)
ECCB (net)	(2.03)	2.46	(7.66)	4.10	(3.85)
Commercial Banks (net)	2.85	9.10	(22.28)	6.01	(4.17)
Other	(4.28)	(6.70)	1.68	(3.20)	0.99
External	(1.90)	(0.24)	(0.27)	(0.27)	(0.26)
Net Amortisation	(1.90)	(0.24)	(0.27)	(0.27)	(0.26)
Disbursements	-	-	-	-	-
Amortisation	(1.90)	(0.24)	(0.27)	(0.27)	(0.26)
Arrears	-	-	-	-	-

Source: Ministry of Finance and Treasury Department  
Data available at 9 July 2012



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

	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
Total Exports (without transshipment)	7.06	7.01	7.93	10.75	7.68
Total Imports (without transshipment)	115.36	116.24	90.85	107.17	118.82
Trade Balance	(108.30)	(109.23)	(82.92)	(96.42)	(111.14)

Source: Statistics Department  
Data available at 9 July 2012

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

	2010 4 <sup>th</sup> Qr	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
Net Foreign Assets	196.43	237.51	210.34	218.88	188.29	260.88
Central Bank (net)	107.71	113.39	108.19	83.89	101.32	128.58
Commercial Banks (net)	88.71	124.12	102.15	134.99	86.97	132.30
External (net)	31.54	62.92	48.15	39.94	9.31	58.93
Assets	293.22	318.79	281.64	276.42	226.47	275.26
Liabilities	261.68	255.87	233.49	236.48	217.16	216.33
Other ECCB Territories	57.17	61.19	54.00	95.05	77.66	73.37
Assets	168.39	170.85	189.34	217.29	195.69	184.44
Liabilities	111.21	109.65	135.33	122.24	118.03	111.08
Net Domestic Assets	865.93	840.71	847.18	812.94	826.26	806.15
Domestic Credit	1,231.92	1,226.48	1,225.11	1,196.02	1,197.43	1,159.05
Central Government (net)	(46.87)	(46.05)	(34.49)	(64.43)	(54.32)	(62.33)
Other Public Sector (net)	(133.75)	(133.05)	(148.91)	(154.71)	(160.81)	(169.10)
Private Sector	1,412.54	1,405.58	1,408.50	1,415.16	1,412.55	1,390.48
Households	613.69	623.67	617.97	613.21	594.13	580.91
Business	777.08	757.21	765.33	775.79	792.44	785.75
Non-Bank Financial Institutions (NBFI)	5.69	5.69	6.19	7.14	6.96	6.14
Subsidiaries & Affiliates	16.08	19.02	19.02	19.02	19.02	17.68
Other Items (net)	(365.99)	(385.77)	(377.92)	(383.08)	(371.17)	(352.89)
Monetary Liabilities (M2)	1,062.36	1,078.22	1,057.52	1,031.81	1,014.55	1,067.04
Money Supply (M1)	46.05	52.16	36.93	39.06	48.18	42.02
Currency with the Public	11.62	12.95	9.33	10.65	11.22	12.44
Demand Deposits	28.55	36.43	22.86	25.43	31.78	26.55
EC\$ Cheques and Drafts Issued	5.88	2.78	4.73	2.98	5.19	3.04
Quasi Money	1,016.31	1,026.06	1,020.60	992.76	966.37	1,025.01
Savings Deposits	102.16	102.93	100.48	101.02	98.41	103.05
Time Deposits	118.74	120.50	122.27	121.68	124.48	125.17
Foreign Currency Deposits	795.41	802.63	797.85	770.06	743.49	796.79

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 9 July 2012



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

	2011 <sup>R</sup> 1 <sup>st</sup> Qr	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>P</sup> 1 <sup>st</sup> Qr
Total Visitors	373,414	155,766	79,758	261,619	399,501
Stay-Over Visitors	72,373	59,131	52,075	57,752	77,330
Of which:					
USA	24,707	23,111	17,717	19,297	28,816
Canada	10,953	3,828	2,866	4,756	11,529
Europe	26,065	20,591	18,107	23,125	26,706
UK	19,880	16,658	13,803	18,843	20,777
Germany	1,199	618	241	841	1,063
Switzerland	398	280	117	309	429
Italy	3,230	2,331	3,466	2,021	2,723
France	562	364	317	504	603
Other Europe	796	340	163	607	1,111
Caribbean	7,188	8,884	11,131	8,067	6,780
South America	318	309	240	215	351
Other Countries	3,142	2,408	2,014	2,292	3,148
Cruise Ship Passengers	291,057	91,275	26,822	195,352	306,760
Number of Cruise Ship Calls	163	45	10	110	184
Yacht Passengers	9,984	5,360	861	8,515	15,411
Number of Yacht Calls	1,541	1,143	217	802	1,807
<b>Total Visitor Expenditure (EC\$M)</b>	<b>264.06</b>	<b>201.18</b>	<b>168.32</b>	<b>208.61</b>	<b>287.74</b>

Sources: Department of Tourism and Eastern Caribbean Central Bank

Data available at 5 June 2012

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

	Weight	Index Mar 2012	Percentage Change*				
			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
<b>All Items</b>	1,000.0	129.79	0.23	1.45	1.40	0.81	0.80
Food	214.2	144.65	(1.43)	1.12	1.41	2.70	(1.63)
Alcoholic Beverages and Tobacco	1.6	135.92	0.21	1.11	(1.23)	1.50	(0.34)
Housing	218.3	109.68	-	-	-	-	-
Fuel and Light	63.9	153.96	2.90	14.99	(4.06)	(2.55)	2.61
Clothing and Footwear	110.6	98.94	(0.46)	(5.38)	4.25	0.49	1.19
Household Furnishings and Supplies	126.0	135.79	0.46	2.06	1.32	2.96	5.32
Transport and Communications	153.5	129.35	2.33	1.93	1.92	(0.05)	(0.87)
Medical Care and Expenses	27.6	126.90	-	0.85	4.60	(1.02)	4.26
Education	23.4	179.52	-	-	11.89	-	-
Personal Services	43.0	162.90	-	(0.06)	1.38	-	4.84
Miscellaneous	17.9	122.37	0.14	0.45	1.65	(0.43)	0.11

Sources: Central Statistical Office and Eastern Caribbean Central Bank

\*at end of period

Data available at 5 June 2012



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

	2011 <sup>R</sup> 1 <sup>st</sup> Qr	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>P</sup> 1 <sup>st</sup> Qr
<b>Current Revenue</b>	150.52	151.24	142.19	152.36	163.37
Tax Revenue	142.35	141.98	123.61	143.41	157.07
Taxes on Income and Profits	20.25	19.88	14.83	14.71	16.37
Of Which:					
Personal Income	10.57	7.97	8.34	7.51	9.86
Company	9.66	11.78	6.44	6.44	6.49
Taxes on Property	3.87	7.61	2.75	1.81	8.56
Taxes on Domestic Goods and Services	59.14	57.86	53.29	64.35	74.94
Of Which:					
Stamp Duties	4.90	3.69	10.79	9.64	19.15
Hotel and Guest Tax	-	-	-	-	-
Antigua and Barbuda Sales Tax	51.01	52.10	40.91	52.96	53.16
Telecommunications Tax	0.14	0.13	0.03	0.02	0.21
Taxes on International Trade and Transactions	59.09	56.64	52.74	62.54	57.20
Of Which:					
Import Duty	19.68	19.31	17.10	22.27	18.54
Consumption Tax	6.84	7.06	9.28	10.02	3.22
Customs Service Charge	0.31	0.00	0.27	0.41	1.64
Environmental Tax	0.47	0.67	0.46	0.80	0.84
Passenger Facility Charge	5.34	4.42	3.97	2.81	5.33
Non-Tax Revenue	8.17	9.26	18.58	8.94	6.30
<b>Current Expenditure</b>	172.03	162.31	179.53	200.80	159.63
Personal Emoluments	64.60	65.98	66.15	67.16	66.46
Other Goods and Services	20.16	30.12	36.25	39.20	22.87
Interest Payments	26.74	13.69	21.49	15.34	15.97
Domestic	12.48	11.26	11.40	9.62	12.07
External	14.26	2.44	10.09	5.72	3.90
Transfers & Subsidies	60.53	52.52	55.64	79.10	54.34
Of Which: Pensions	22.45	15.18	13.64	13.54	20.91
<b>Current Account Balance</b>	(21.51)	(11.07)	(37.34)	(48.44)	3.74
<b>Capital Revenue</b>	1.37	0.46	0.63	0.52	0.34
<b>Grants</b>	15.97	0.35	6.55	-	-
Of which: Capital Grants	15.97	0.35	6.55	-	-
Debt Forgiveness	-	-	-	-	-
<b>Capital Expenditure</b>	17.44	3.30	13.82	32.99	1.97
<b>Primary Balance (after grants)</b>	5.13	0.13	(22.49)	(65.57)	18.07
<b>Overall Balance</b>	(21.61)	(13.56)	(43.98)	(80.91)	2.11
<b>Financing</b>	21.61	13.56	43.98	80.91	(2.11)
Domestic	15.62	21.76	27.35	89.79	25.95
ECCB (net)	15.02	2.62	(14.05)	34.17	2.16
Commercial Banks (net)	24.77	(7.78)	(1.35)	20.69	7.55
Other	(24.16)	26.92	42.75	34.93	16.24
External	14.70	(3.75)	12.42	24.13	(3.52)
Net Amortisation/(Amortisation)	14.86	(3.61)	12.48	24.13	(3.38)
Disbursements	27.54	1.41	29.30	28.28	1.35
Amortisation	(12.68)	(5.02)	(16.82)	(4.15)	(4.73)
Change in Government Foreign Assets	(0.15)	(0.13)	(0.06)	(0.01)	(0.14)
Arrears	(8.72)	(4.45)	4.21	(33.01)	(24.54)
Domestic	(20.67)	(4.08)	(3.49)	(13.07)	(1.90)
External	11.95	(0.36)	7.70	(19.94)	(22.64)

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 5 June 2012



**Table 18**  
**Antigua and Barbuda - Monetary Survey**  
**(EC\$M at end of period)**

	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr	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 1 <sup>st</sup> Qr
Net Foreign Assets	417.94	433.31	470.49	415.48	352.63	396.03
Central Bank (net)	367.42	345.73	349.31	400.74	397.21	481.87
Commercial Banks (net)	50.52	87.59	121.17	14.74	(44.57)	(85.84)
External (net)	(132.03)	(207.90)	(121.29)	(175.70)	(222.01)	(199.21)
Assets	502.29	513.14	505.56	491.41	1,331.69	1,246.88
Liabilities	634.31	721.04	626.85	667.11	1,553.70	1,446.09
Other ECCB Territories	182.55	295.49	242.46	190.44	177.44	113.37
Assets	969.69	1,101.78	1,171.53	1,217.32	1,188.60	1,164.45
Liabilities	787.15	806.30	929.07	1,026.89	1,011.16	1,051.07
Net Domestic Assets	2,588.46	2,559.97	2,554.07	2,503.99	2,671.36	2,667.72
Domestic Credit	2,942.84	2,931.86	2,896.30	2,807.61	2,876.74	2,852.93
Central Government (net)	460.26	500.05	494.89	479.49	534.35	544.06
Other Public Sector (net)	(61.68)	(82.73)	(89.83)	(122.50)	(91.49)	(104.54)
Private Sector	2,544.26	2,514.54	2,491.25	2,450.62	2,433.87	2,413.40
Households	1,324.22	1,322.36	1,307.64	1,275.95	1,277.63	1,311.52
Business	1,128.51	1,128.79	1,119.82	1,110.44	1,076.09	1,014.86
Non-Bank Financial Institutions (net)	19.24	18.98	18.83	19.09	20.55	30.53
Subsidiaries and Affiliates (net)	72.30	44.41	44.95	45.14	59.61	56.50
Other Items (net)	(354.38)	(371.89)	(342.23)	(303.62)	(205.38)	(185.21)
Monetary Liabilities (M2)	3,006.40	2,993.28	3,024.56	2,919.47	3,023.99	3,063.75
Money Supply (M1)	619.05	588.44	570.88	525.17	603.96	610.73
Currency with the Public	137.74	131.36	119.48	120.44	130.06	126.02
Demand Deposits	448.15	430.37	424.15	380.96	447.75	452.77
XCD Cheques and Drafts Issued	33.16	26.71	27.25	23.77	26.15	31.94
Quasi Money	2,387.35	2,404.85	2,453.68	2,394.30	2,420.04	2,453.02
Savings Deposits	964.93	990.12	987.67	979.03	1,004.49	1,035.65
Time Deposits	989.33	985.20	988.37	997.10	1,013.67	1,011.33
Foreign Currency Deposits	433.10	429.52	477.64	418.17	401.88	406.04

Source: Eastern Caribbean Central Bank

Data available at 24 May 2012



**Table 19**  
**Dominica - Selected Tourism Statistics**

	2011 <sup>R</sup> 1 <sup>st</sup> Qr	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>P</sup> 1 <sup>st</sup> Qr
Total Visitors	216,522	59,285	20,463	127,154	186,671
Stay-Over Visitors	17,308	15,121	19,518	18,874	16,701
Of which:					
USA	3,822	2,949	3,213	3,111	3,705
Canada	948	633	698	707	894
UK	1,300	925	1,225	1,172	1,357
Caribbean	8,338	8,785	12,616	11,471	7,711
Other Countries	2,900	1,829	1,766	2,413	3,034
Excursionists	145	220	142	257	576
Cruise Ship Passengers	194,081	41,555	-	105,865	165,054
Number of Cruise Ship Calls	107	22	-	67	112
<b>Total Visitor Expenditure (EC\$M)</b>	85.18	69.01	75.40	86.24	84.12

Sources: Central Statistical Office

**Data available at 21 June 2012**

**Table 20**  
**Dominica - Consumer Price Index**  
**June 2010 = 100**

	Weight	Index Mar 2012	Percentage Change*				
			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
<b>All Items</b>	1,000.0	103.26	1.67	1.98	(0.23)	0.58	0.14
Food and Non-Alcoholic Beverages	180.8	105.38	0.98	0.80	1.00	1.60	(0.24)
Alcoholic Beverages, Tobacco and Narcotics	7.7	101.91	(0.06)	0.80	0.07	(0.76)	0.74
Clothing and Footwear	50.8	97.63	(0.92)	(0.41)	0.83	(0.64)	(2.70)
Housing, Utilities, Gas and Fuels	306.2	101.10	2.48	4.59	(1.77)	1.09	0.18
Household Furnishings, Supplies and Maintenance	52.3	99.38	(0.02)	(0.16)	2.29	(0.39)	(2.16)
Health	33.6	100.71	0.15	0.63	(0.10)	0.18	(0.28)
Transport	201.1	105.31	2.47	1.98	(0.46)	(0.61)	0.98
Communication	39.5	99.89	-	-	-	-	(0.11)
Recreation and Culture	37.4	111.45	6.96	0.04	(0.01)	0.08	0.14
Education	13.3	112.20	-	5.71	10.82	(4.23)	-
Hotels and Restaurants	28.8	106.08	(0.35)	-	(0.03)	3.15	1.79
Miscellaneous	48.5	100.22	0.17	0.02	0.19	(1.02)	(0.26)

Sources: Central Statistical Office and Eastern Caribbean Central Bank

\*at end of period

**Data available at 21 June 2012**



**Table 21**  
**Dominica - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	2011 <sup>R</sup> 1 <sup>st</sup> Qr	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>P</sup> 1 <sup>st</sup> Qr
<b>Current Revenue</b>	95.26	95.14	83.64	83.40	83.90
Tax Revenue	82.79	82.87	73.73	72.59	75.88
Taxes on Income, Profit and Capital Gains	14.75	16.81	12.60	11.66	15.21
Of Which:					
Personal Income	9.82	8.73	7.47	7.50	9.16
Corporation	5.45	9.00	5.55	4.54	6.68
Development Levy	-	-	-	-	-
Stabilisation Levy	0.01	0.00	0.00	0.00	0.00
Taxes on Property	1.43	2.48	1.85	2.27	1.64
Taxes on Domestic Goods and Services	49.60	44.95	41.50	42.02	44.53
Of Which:					
Licences	5.46	6.31	2.71	3.15	4.79
Value Added Tax	30.81	28.53	29.48	29.57	29.75
Excise Tax	12.75	9.35	8.58	8.76	9.41
Taxes on International Trade and Transactions	17.01	18.63	17.77	16.65	14.50
Of Which:					
Import Duty	9.62	9.55	9.33	9.89	7.88
Customs Service Charge/Customs Surcharge	3.84	3.88	3.81	3.86	3.22
Non-Tax Revenue	12.46	12.27	9.91	10.81	8.01
<b>Current Expenditure</b>	78.40	78.07	88.62	81.12	76.35
Personal Emoluments	37.36	32.26	34.82	34.42	32.73
Goods and Services	20.36	24.78	25.05	26.74	22.27
Interest Payments	5.13	5.18	8.55	4.15	4.21
Domestic	1.67	1.04	2.94	1.21	3.85
External	3.46	4.14	5.62	2.94	0.36
Transfers and Subsidies	15.55	15.85	20.19	15.80	17.15
Of Which: Pensions	4.21	4.11	4.13	4.12	2.88
<b>Current Account Balance</b>	16.86	17.07	(4.98)	2.29	7.54
<b>Capital Revenue</b>	0.50	0.59	0.15	0.22	0.16
<b>Grants</b>	11.31	18.33	0.67	1.34	1.55
Of which: Capital Grants	11.31	18.33	0.67	1.34	1.55
<b>Capital Expenditure and Net Lending</b>	50.96	123.77	9.46	7.82	17.86
Of which: Capital Expenditure	51.46	123.84	9.39	7.81	17.76
<b>Primary Balance (after grants)</b>	(17.16)	(82.60)	(5.07)	0.18	(4.40)
<b>Overall Balance</b>	(22.30)	(87.78)	(13.63)	(3.97)	(8.61)
<b>Financing</b>	22.30	87.78	13.63	3.97	8.61
Domestic	18.70	77.69	11.50	(14.53)	(0.69)
ECCB (net)	0.23	0.95	(0.53)	1.55	(11.75)
Commercial Banks (net)	5.80	(21.56)	10.17	22.30	(9.04)
Other	12.66	98.30	1.86	(38.38)	20.10
External	4.06	9.61	3.09	14.14	13.54
Net Amortisation	2.34	5.27	3.45	15.71	13.96
Disbursements	5.71	8.70	7.21	18.05	17.78
Amortisation	(3.37)	(3.43)	(3.76)	(2.34)	(3.82)
Change in Government Foreign Assets	1.72	4.34	(0.36)	(1.57)	(0.42)
Other Foreign Financing	-	-	-	-	-
Arrears	(0.46)	0.48	(0.96)	4.36	(4.24)
Domestic	(0.46)	0.48	(0.63)	4.01	(3.89)
External	0.00	(0.00)	(0.33)	0.35	(0.35)

Source: Ministry of Finance

Data available at 21 June 2012



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

	2011 <sup>R</sup> 1 <sup>st</sup> Qr	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>P</sup> 1 <sup>st</sup> Qr
Visible Trade Balance	(117.65)	(139.37)	(127.70)	(121.91)	(116.78)
Total Imports	133.54	157.54	149.74	150.22	137.06
Total Exports	15.89	18.17	22.04	28.31	20.27
Re-Exports	0.74	2.30	3.57	8.60	5.04
Domestic Exports	15.15	15.86	18.48	19.71	15.24
Of Which:					
Bananas					
Value	1.26	2.06	1.98	1.91	1.33
Volume	775	1,206	1,123	1,056	842
Soap					
Value	7.36	7.06	7.44	8.84	9.21
Volume	1,372	1,139	1,126	1,417	1,528
Dental Cream					
Value	-	-	-	-	-
Volume	-	-	-	-	-

Source: Central Statistical Office, Dominica Coconut Products and WIBDECO  
 Data available at 21 June 2012

**Table 23**  
**Dominica - Monetary Survey**  
 (EC\$M at end of period)

	2010 <sup>R</sup> 4 <sup>th</sup> Qr	2011 <sup>R</sup> 1 <sup>st</sup> Qr	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>P</sup> 1 <sup>st</sup> Qr
Net Foreign Assets	536.16	525.57	537.85	509.46	456.73	513.66
Central Bank (net)	179.31	178.18	174.75	184.37	201.03	227.12
Commercial Banks (net)	356.85	347.38	363.09	325.09	255.69	286.54
External (net)	19.12	11.82	41.09	(1.92)	(17.76)	(25.82)
Assets	182.73	180.97	213.09	168.44	166.40	164.70
Liabilities	163.60	169.15	172.00	170.36	184.16	190.52
Other ECCB Territories	337.73	335.57	322.00	327.02	273.45	312.36
Assets	430.88	430.67	439.79	448.23	393.05	383.82
Liabilities	93.16	95.11	117.79	121.21	119.60	71.46
Net Domestic Assets	474.07	498.20	491.60	520.74	577.23	576.24
Domestic Credit	577.10	598.39	590.62	615.26	652.86	646.56
Central Government (net)	(51.51)	(45.47)	(66.08)	(56.43)	(32.58)	(53.37)
Other Public Sector (net)	(87.57)	(83.18)	(76.09)	(80.49)	(77.92)	(76.60)
Private Sector	716.19	727.04	732.78	752.18	763.35	776.53
Households	409.39	411.25	414.73	419.74	422.83	425.29
Business	298.64	307.69	310.00	321.42	329.52	340.31
Non-Bank Financial Institutions (net)	1.58	1.53	1.48	4.46	4.44	4.35
Subsidiaries and Affiliates (net)	6.57	6.57	6.57	6.57	6.57	6.57
Other Items (net)	(103.03)	(100.19)	(99.02)	(94.52)	(75.63)	(70.32)
Monetary Liabilities (M2)	1,010.23	1,023.77	1,029.45	1,030.20	1,033.96	1,089.90
Money Supply (M1)	192.70	199.21	195.87	194.28	189.73	212.92
Currency with the Public	46.46	42.79	42.29	43.44	47.00	43.63
Demand Deposits	140.85	152.57	149.72	148.80	140.17	166.30
EC\$ Cheques and Drafts Issued	5.38	3.85	3.86	2.04	2.56	3.00
Quasi Money	817.53	824.56	833.58	835.92	844.23	876.98
Savings Deposits	533.91	541.90	544.60	555.57	564.18	594.29
Time Deposits	254.06	259.82	263.38	260.85	256.21	252.43
Foreign Currency Deposits	29.56	22.84	25.59	19.50	23.84	30.26

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 13 June 2012





**Table 24**  
**Grenada - Selected Tourism Statistics**

	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 <sup>P</sup> 1 <sup>st</sup> Qr
Total Visitors	218,665	69,764	31,647	110,417	175,055
Stay-Over Visitors	31,252	24,979	30,299	27,422	32,410
Of which:					
USA	8,404	5,388	8,055	5,509	8,921
Canada	2,858	1,090	1,664	1,625	2,989
Europe	11,073	7,357	6,959	9,069	10,695
Of which:					
Germany	926	419	214	463	576
United Kingdom	8,225	5,996	5,984	7,031	8,205
Caribbean	5,625	7,085	7,925	5,841	5,837
Other Countries	815	913	812	1,018	1,081
Excursionists	634	528	578	484	1,194
Cruise Ship Passengers	184,846	42,926	0	81,802	139,598
Yacht Passengers	1,834	1,269	634	605	1,779
Number of Cruise Ship Calls	114	26	0	58	116
<b>Total Visitor Expenditure (EC\$M)</b>	86.41	60.28	68.49	68.80	85.31

Sources: Board of Tourism

Data available at 12 June 2012

**Table 25**  
**Grenada - Consumer Price Index**  
**January 2010 = 100**

	Weight	Index Mar 2012	Percentage Change*				
			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
<b>All Items</b>	1000.0	105.39	1.51	1.84	-	0.14	0.45
Food & Non-Alcoholic Beverages	367.5	113.97	1.85	1.65	0.87	1.05	1.13
Alcoholic Beverages, Tobacco and Narcotics	8.6	115.05	0.93	(0.01)	0.24	0.09	0.05
Clothing and Footwear	102.0	104.17	(0.82)	0.60	(0.18)	0.67	-
Housing, Utilities, Gas and Fuels	55.0	105.27	1.09	0.29	(0.21)	(0.16)	0.09
Household Furnishings, Supplies and Maintenance	97.7	104.48	(0.45)	0.13	0.17	(0.13)	0.04
Health	95.3	124.07	3.36	13.42	2.32	0.39	(0.39)
Transport	156.5	106.10	1.45	2.17	(1.18)	(0.53)	1.03
Communication	46.5	115.41	5.59	7.80	-	-	-
Recreation and Culture	37.4	102.20	(2.92)	(0.15)	1.50	-	-
Education	16.0	104.74	(0.06)	-	1.39	(0.01)	-
Hotels and Restaurants	1.8	106.65	0.10	-	-	-	-

Sources: Central Statistical Office and Ministry of Finance

\*at end of period

Data available at 12 June 2012



**Table 26**  
**Grenada - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	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 <sup>P</sup> 1 <sup>st</sup> Qr
<b>Current Revenue</b>	105.88	111.85	102.77	105.22	107.13
Tax Revenue	101.03	106.20	96.14	99.66	102.05
Taxes on Income and Profits	17.50	22.94	16.60	16.86	18.32
Of Which:					
Personal Income	7.18	5.81	5.78	6.50	8.23
Company	10.32	17.13	10.82	10.35	10.08
Taxes on Property	4.01	5.36	3.23	2.32	4.74
Taxes on Domestic Goods and Services	48.92	47.84	47.52	45.51	49.07
Of Which:					
Value-added Tax	41.16	40.38	37.87	40.52	40.29
Consumption Duties	0.40	0.30	0.31	0.44	0.15
Stamp Duties	1.08	0.93	0.93	0.89	1.32
Licences	4.54	3.45	5.61	2.15	4.92
Taxes on International Trade and Transactions	30.60	30.06	28.80	34.98	29.92
Of Which:					
Import Duty	11.69	11.41	12.52	13.89	11.26
Consumption Tax	0.08	0.02	0.06	0.11	0.17
Customs Service Charge	9.19	8.65	8.95	10.76	9.23
Non-Tax Revenue	4.85	5.65	6.62	5.55	5.08
<b>Current Expenditure</b>	112.21	103.92	112.41	92.23	116.32
Personal Emoluments	56.80	58.16	55.84	50.79	56.68
Goods and Services	18.86	20.95	19.57	15.71	19.69
Interest Payments	16.04	6.65	18.92	9.99	21.06
Domestic	1.92	2.60	6.41	7.09	2.44
External	14.12	4.05	12.51	2.90	18.62
Transfers and Subsidies	20.51	18.15	18.07	15.75	18.89
Of Which: Pensions	6.22	6.24	6.43	6.46	6.52
<b>Current Account Balance</b>	(6.33)	7.93	(9.64)	12.99	(9.20)
<b>Capital Revenue</b>	0.06	0.01	0.10	0.01	-
<b>Grants</b>	14.83	11.25	15.20	18.80	-
Of which: Capital Grants	14.82	11.25	15.20	18.80	-
<b>Capital Expenditure</b>	31.23	30.83	34.23	35.24	19.55
<b>Primary Balance (after grants)</b>	(6.70)	(4.90)	(9.74)	6.54	(7.68)
<b>Overall Balance</b>	(22.74)	(11.55)	(28.67)	(3.45)	(28.75)
<b>Financing</b>	22.74	11.55	28.67	3.45	28.75
Domestic	24.14	21.92	32.52	7.73	32.01
ECCB (net)	18.94	(0.61)	0.01	17.26	(20.24)
Commercial Banks (net)	12.43	12.80	(4.91)	(15.16)	(11.74)
Other	(7.22)	9.73	37.42	5.63	63.98
External	(1.41)	(10.37)	(3.85)	(4.28)	(3.26)
Net Amortisation	(1.41)	(10.37)	(3.85)	(4.28)	(3.26)
Disbursements	4.24	2.77	1.98	0.84	1.40
Amortisation	(5.65)	(13.14)	(5.84)	(5.11)	(4.66)
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance

Data available at 12 June 2012



**Table 27**  
**Grenada - Selected Agricultural Production**

Unit		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 <sup>P</sup> 1 <sup>st</sup> Qr
Bananas	(tonnes)	355	681	1217	1875	1540
Cocoa	(tonnes)	245	210	60	143	423
Nutmeg	(tonnes)	165	146	111	64	93
Mace	(tonnes)	12	11	7	3	8

Source: Central Statistical Office

**Data available at 12 June 2012**

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

	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 <sup>P</sup> 1 <sup>st</sup> Qr
<b>Visible Trade Balance</b>	(205.07)	(193.72)	(200.67)	(214.96)	(200.80)
<b>Total Imports</b>	222.36	219.61	220.21	228.80	221.90
<b>Total Exports</b>	17.28	25.89	19.55	13.85	21.10
Re-Exports	1.87	3.70	1.25	1.63	3.36
Domestic Exports	15.41	22.19	18.30	12.22	17.74
Of Which:					
Bananas					
Volume	0.00	0.00	0.00	0.00	0.00
Value	0.00	0.00	0.00	0.00	0.00
Nutmeg					
Volume	37.07	177.12	130.89	74.48	64.92
Value	1.08	5.89	5.90	3.25	3.77
Mace					
Volume	5.44	14.27	3.94	8.29	2.17
Value	0.23	0.78	0.29	0.66	0.16
Cocoa					
Volume	285.53	221.00	68.75	74.16	417.44
Value	2.78	2.14	0.72	0.75	4.13
Manufactured Exports					
Volume					
Value	9.21	8.18	8.08	7.41	7.61

Source: Central Statistical Office and WIBDECO

**Data available at 12 June 2012**

**Table 29**  
**Grenada - Monetary Survey**  
**(EC\$M at end of period)**

	2010 4 <sup>th</sup> Qr	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 <sup>P</sup> 1 <sup>st</sup> Qr
Net Foreign Assets	242.30	210.78	219.60	200.38	169.60	197.70
Central Bank (net)	277.46	274.55	252.35	294.84	282.87	283.46
Commercial Banks (net)	(35.16)	(63.77)	(32.76)	(94.46)	(113.27)	(85.77)
External (net)	(194.83)	(197.70)	(213.31)	(242.30)	(239.81)	(213.60)
Assets	285.72	302.87	280.02	252.42	255.14	278.30
Liabilities	480.55	500.56	493.33	494.72	494.94	491.90
Other ECCB Territories	159.67	133.92	180.56	147.84	126.54	127.84
Assets	228.76	225.83	303.91	282.34	256.73	229.49
Liabilities	69.09	91.91	123.35	134.50	130.19	101.65
Net Domestic Assets	1,595.09	1,610.83	1,593.15	1,628.39	1,688.38	1,677.73
Domestic Credit	1,699.04	1,719.84	1,720.32	1,742.22	1,787.08	1,774.24
Central Government (net)	110.01	141.38	153.57	148.67	150.77	136.87
Other Public Sector (net)	(173.12)	(181.20)	(199.06)	(195.91)	(164.00)	(160.65)
Private Sector	1,762.15	1,759.66	1,765.82	1,789.47	1,800.32	1,798.02
Households	1,130.90	1,131.98	1,150.39	1,167.34	1,176.17	1,170.26
Business	617.35	613.95	601.87	608.09	608.24	611.33
Non-Bank Financial Institutions (net)	13.91	13.73	13.56	14.03	15.91	16.42
Subsidiaries and Affiliates (net)	-	-	-	-	-	-
Other Items (net)	(103.95)	(109.02)	(127.17)	(113.83)	(98.70)	(96.51)
Monetary Liabilities (M2)	1,837.39	1,821.60	1,812.75	1,828.77	1,857.98	1,875.42
Money Supply (M1)	342.29	318.72	309.57	311.62	333.04	337.29
Currency with the Public	98.82	93.78	97.97	102.21	108.66	106.25
Demand Deposits	225.70	212.06	203.12	201.55	211.94	222.44
EC\$ Cheques and Drafts Issued	17.77	12.87	8.48	7.87	12.43	8.61
Quasi Money	1,495.11	1,502.89	1,503.18	1,517.15	1,524.94	1,538.13
Savings Deposits	1,011.60	1,035.47	1,035.73	1,021.39	1,022.96	1,049.25
Time Deposits	371.18	361.81	361.54	377.76	381.98	364.58
Foreign Currency Deposits	112.33	105.62	105.90	118.00	120.01	124.30

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 25 May 2012**



**Table 30**  
**Montserrat - Selected Tourism Statistics**

	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
Total Visitors	3,690	2,135	1,729	2,918	2,948
Stay-Over Visitors	1,600	1,173	1,219	1,403	1,511
Of which:					
USA	506	316	328	376	461
Canada	152	42	27	99	165
UK	410	294	295	330	374
Caribbean	406	467	525	483	416
Other Countries	126	54	44	115	95
Excursionists	311	552	404	730	686
Cruise Ship Passengers	858	-	-	256	51
Number of Cruise Ship Calls	1	-	-	2	1
Yacht Passengers	921	410	106	529	700
Number of Yachts	167	109	26	50	158
<b>Total Visitor Expenditure (EC\$M)</b>	<b>4.99</b>	<b>2.96</b>	<b>2.77</b>	<b>3.29</b>	<b>4.69</b>

Sources: Ministry of Finance and Eastern Caribbean Central Bank

**Data available at 25 May 2012**

**Table 31**  
**Montserrat - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Mar 2012	Percentage Change*				
			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
<b>All Items</b>	1,000.0	263.70	0.85	0.24	1.75	1.53	1.58
Food	495.0	283.23	0.70	0.78	2.16	5.29	1.55
Alcohol and Tobacco	46.0	242.01	1.33	(1.84)	(0.08)	0.71	0.05
Household Goods	102.0	179.56	(0.08)	(0.83)	3.24	(4.06)	1.22
Gas, Electricity and Water	18.0	246.33	7.25	8.82	(1.51)	(2.22)	1.62
Rent	7.0	955.73	(0.00)	-	-	-	0.00
Clothing and Footwear	179.0	214.57	0.06	(1.09)	-	(2.84)	1.02
Services	153.0	290.95	1.91	-	2.51	(2.65)	2.95

Sources: Statistics Department, Ministry of Finance

\*at end of period

**Data available at 25 May 2012**



**Table 32**  
**Montserrat - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	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
<b>Current Revenue</b>	11.72	9.77	8.77	10.97	11.64
Tax Revenue	10.48	8.50	7.61	10.05	9.97
Taxes on Income and Profits	4.74	4.49	4.23	4.69	4.33
Of Which:					
Personal Income	2.96	3.17	3.70	3.91	3.56
Company	0.84	1.15	0.41	0.66	0.51
Taxes on Property	0.08	0.07	0.12	0.50	0.14
Taxes on Domestic Goods and Services	1.77	0.62	0.48	0.30	1.87
Of Which:					
Hotel Occupancy	0.01	0.02	0.01	0.01	0.01
Insurance Company Levy	0.04	0.04	0.06	0.06	0.11
Licences and Stamp Duties	1.21	0.37	0.29	0.09	1.22
Taxes on International Trade and Transactions	3.88	3.32	2.78	4.56	3.64
Of Which:					
Import Duty	1.09	0.95	0.84	1.37	0.99
Consumption Tax	1.72	1.48	1.20	2.08	1.56
Customs Service Charge	0.87	0.89	0.74	1.11	0.87
Non-Tax Revenue	1.24	1.27	1.16	0.92	1.66
<b>Current Expenditure</b>	24.19	21.90	23.89	23.19	43.99
Personal Emoluments	10.58	10.78	10.76	10.61	10.66
Goods and Services*	5.56	4.20	4.75	5.27	7.23
Interest Payments	0.01	0.01	0.01	0.01	-
Domestic	-	-	-	-	-
External	0.01	0.01	0.01	0.01	-
Transfers and Subsidies	8.04	6.91	8.38	7.30	26.10
Of Which: Pensions	2.77	2.66	2.77	2.90	21.03
<b>Current Account Balance (before grants)</b>	(12.47)	(12.13)	(15.12)	(12.21)	(32.35)
<b>Current Account Balance (after grants)</b>	3.69	2.34	(1.40)	19.72	(19.53)
<b>Capital Revenue</b>	-	-	-	-	-
<b>Grants</b>	23.69	23.72	21.12	31.93	22.95
Of which: Capital Grants	7.53	9.26	7.40	-	10.13
<b>Capital Expenditure</b>	7.66	8.27	6.54	5.34	10.45
<b>Primary Balance (after grants)</b>	3.57	3.33	(0.53)	14.38	(19.86)
<b>Overall Balance</b>	3.56	3.32	(0.54)	14.37	(19.86)
<b>Financing</b>	(3.56)	(3.32)	0.54	(14.37)	19.86
Domestic	(3.53)	(3.29)	0.57	(14.34)	19.89
ECCB (net)	0.31	(0.23)	0.07	(0.22)	(0.09)
Commercial Banks (net)	(11.40)	(7.29)	2.33	(10.66)	18.15
Other	7.56	4.24	(1.83)	(3.46)	1.83
External	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Net Amortisation/(Amortisation)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Disbursements	-	-	-	-	-
Amortisation	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Change in Government Foreign Assets	-	-	-	-	-

Source: Ministry of Finance

\*Goods and Services include Miscellaneous Payments

Data available at 25 May 2012



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

	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
Visible Trade Balance	(16.81)	(20.67)	(21.35)	(24.82)	(21.33)
Total Imports	19.28	22.18	22.71	26.05	22.72
Total Exports	2.47	1.51	1.37	1.23	1.40
Total Domestic Exports	1.29	1.19	1.35	1.22	0.80
Total Re-Exports	1.18	0.32	0.02	0.01	0.60

Source: Ministry of Finance

Data available at 25 May 2012

**Table 34**  
**Montserrat - Monetary Survey**  
 (EC\$M at end of period)

	2010 4 <sup>th</sup> Qr	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
Net Foreign Assets	184.33	200.48	210.92	217.00	229.49	240.59
Central Bank (net)	45.41	51.81	48.31	59.60	67.00	82.61
Commercial Banks (net)	138.92	148.67	162.61	157.40	162.50	157.98
External (net)	37.24	42.36	47.70	35.86	34.99	24.88
Assets	70.04	76.73	81.68	72.08	73.13	65.69
Liabilities	32.80	34.37	33.98	36.22	38.15	40.81
Other ECCB Territories	101.68	106.31	114.91	121.54	127.51	133.10
Assets	208.15	215.54	226.46	235.70	242.92	245.78
Liabilities	106.47	109.23	111.55	114.16	115.41	112.68
Net Domestic Assets	(13.78)	(25.66)	(32.90)	(29.39)	(36.93)	(36.94)
Domestic Credit	15.07	3.87	(2.99)	1.51	(5.10)	(3.56)
Central Government (net)	(27.52)	(38.61)	(46.14)	(43.74)	(54.62)	(36.56)
Other Public Sector (net)	(19.16)	(19.46)	(18.85)	(20.40)	(18.84)	(36.83)
Private Sector	61.76	61.94	62.00	65.65	68.36	69.83
Households	51.81	51.94	52.18	55.65	57.93	59.57
Business	9.96	10.00	9.81	10.00	10.43	10.26
Non-Bank Financial Institutions (net)	-	-	-	-	-	-
Subsidiaries and Affiliates (net)	-	-	-	-	-	-
Other Items (net)	(28.86)	(29.54)	(29.91)	(30.90)	(31.84)	(33.38)
Monetary Liabilities (M2)	170.55	174.82	178.02	187.60	192.56	203.65
Money Supply (M1)	35.43	36.02	35.77	39.95	41.17	47.50
Currency with the Public	15.97	16.91	15.83	18.69	21.63	23.26
Demand Deposits	19.15	18.95	19.84	21.05	19.41	24.04
EC\$ Cheques and Drafts Issued	0.31	0.16	0.10	0.22	0.13	0.20
Quasi Money	135.11	138.80	142.24	147.65	151.39	156.15
Savings Deposits	118.00	119.10	122.07	127.62	129.84	132.92
Time Deposits	10.44	10.60	11.61	12.68	13.23	14.73
Foreign Currency Deposits	6.68	9.11	8.56	7.35	8.32	8.50

Source: Eastern Caribbean Central Bank

Data available at 23 May 2012



**Table 35**  
**St Kitts and Nevis - Selected Tourism Statistics**

	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
Total Visitors	268,610	128,995	85,237	228,996	317,893
Stay-Over Visitors	26,782	24,320	23,774	23,919	30,792
Of which:					
USA	18,129	15,978	14,593	13,903	21,389
Canada	1,802	1,062	1,335	1,395	2,278
UK	2,320	1,731	1,768	2,311	2,356
Caribbean	3,684	4,687	5,300	5,284	3,717
Other Countries	847	862	778	1,026	1,052
Excursionists	1,138	667	597	774	903
Cruise Ship Passengers	238,437	102,945	60,470	203,555	283,824
Yacht Passengers	2,253	1,063	396	748	2,374
Number of Cruise Ship Calls	166	47	21	103	169
<b>Total Visitor Expenditure (EC\$M)</b>	<b>71.39</b>	<b>58.42</b>	<b>54.82</b>	<b>62.61</b>	<b>82.74</b>

Source: Eastern Caribbean Central Bank

Data available at 25 May 2012

**Table 36**  
**St Kitts and Nevis - Consumer Price Index**  
**January 2010 = 100**

	Weight	Index Mar 2012	Percentage Change*				
			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
<b>All Items</b>	100.00	109.91	0.41	0.07	0.38	1.99	(0.59)
Food and Non-Alcoholic Beverages	15.98	115.40	0.87	(0.27)	0.35	2.63	0.44
Alcoholic Beverages, Tobacco and Narcotics	2.71	117.19	0.02	0.82	(0.20)	0.17	(0.20)
Clothing and Footwear	4.20	114.07	1.58	0.00	0.00	(0.08)	0.85
Housing, Utilities, Gas and Fuels	27.56	103.07	1.81	(0.09)	0.00	0.07	0.03
Household Furnishings, Supplies and Maintenance	6.10	107.34	1.40	0.13	(0.13)	0.09	0.04
Health	2.38	106.47	0.00	0.00	0.00	(0.30)	0.87
Transport	16.14	118.84	(2.96)	1.44	0.81	9.48	(2.98)
Communication	8.47	104.48	1.53	(1.33)	0.00	(0.30)	(0.12)
Recreation and Culture	2.92	110.89	(0.07)	0.00	(0.26)	0.00	0.89
Education	2.41	104.24	(1.58)	0.00	9.10	1.00	(7.71)
Hotels and Restaurants	5.60	116.45	(0.01)	0.08	0.05	0.00	(0.60)

Source: Planning Unit, Ministry of Finance

\*at end of period

Data available at 25 May 2012





**Table 37**  
**St Kitts and Nevis - Federal Government Fiscal Operations**  
**(In millions of Eastern Caribbean dollars)**

	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
<b>Current Revenue</b>	166.92	149.22	139.37	194.59	127.31
Tax Revenue	106.00	99.75	91.76	110.70	95.76
Taxes on Income and Profits	22.74	20.68	18.18	25.69	20.77
Of Which:					
Company	9.43	10.72	8.53	9.72	10.41
Social Services	8.83	9.53	8.15	11.93	9.53
Taxes on Property	1.40	2.35	2.52	2.48	2.48
Taxes on Domestic Goods and Services	54.59	52.40	46.39	54.42	51.22
Of Which:					
Stamp Duties	4.34	4.85	3.29	4.30	3.83
Value Added Tax	39.30	37.76	33.40	39.71	37.67
Taxes on International Trade and Transactions	27.28	24.31	24.68	28.11	21.29
Of Which:					
Import Duty	12.80	11.25	11.47	12.88	10.13
Customs Service Charge	8.25	7.71	7.67	8.39	3.62
Non-Tax Revenue	60.92	49.47	47.61	83.89	31.55
<b>Current Expenditure</b>	147.22	166.83	165.36	162.49	120.34
Personal Emoluments	55.02	56.44	54.77	55.76	54.93
Goods and Services	39.38	62.87	59.10	48.89	18.11
Interest Payments	33.95	31.99	30.08	17.45	28.98
Domestic	22.09	24.68	21.81	18.22	19.87
External	11.86	7.31	8.28	(0.77)	9.10
Transfers and Subsidies	18.87	15.53	21.41	40.39	18.32
Of Which: Pensions	5.92	6.05	6.00	6.16	6.29
<b>Current Account Balance</b>	19.70	(17.62)	(25.99)	32.10	6.97
<b>Capital Revenue</b>	1.71	2.93	1.76	3.26	2.34
<b>Grants</b>	1.99	6.79	15.99	55.62	2.19
Of which: Capital Grants	1.88	2.10	1.89	0.69	1.92
<b>Capital Expenditure and Net Lending</b>	23.34	25.13	17.82	17.56	8.40
Of which: Capital Expenditure	23.31	25.10	18.43	17.59	8.38
<b>Primary Balance (after grants)</b>	34.01	(1.03)	4.03	90.86	32.08
<b>Overall Balance</b>	0.06	(33.02)	(26.05)	73.41	3.11
<b>Financing</b>	(0.06)	33.02	26.05	(73.41)	(3.11)
Domestic	33.51	35.53	(61.72)	(71.38)	(0.05)
ECCB (net)	9.13	(36.46)	(11.21)	(8.47)	(19.96)
Commercial Banks (net)	(35.85)	5.33	(11.02)	(35.56)	(52.47)
Other	60.23	66.67	(39.49)	(27.35)	72.38
External	(33.57)	(2.51)	87.77	(2.03)	(3.06)
Net Amortisation	(33.57)	(39.01)	87.77	(2.03)	(3.06)
Disbursements	2.33	3.70	97.20	3.03	57.54
Amortisation	(35.89)	(42.71)	(9.43)	(5.06)	(60.59)
Change in Government Foreign Assets	0.00	36.50	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00
Domestic	0.00	0.00	0.00	0.00	0.00
External	0.00	0.00	0.00	0.00	0.00

Source: Ministry of Finance

Data available at 25 May 2012



**Table 38**  
**St Kitts and Nevis - Monetary Survey**  
**(EC\$M at end of period)**

	2010 4 <sup>th</sup> Qr	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
Net Foreign Assets	641.00	727.04	830.28	863.22	920.88	980.87
Central Bank (net)	420.29	423.86	542.72	621.21	625.15	699.27
Commercial Banks (net)	220.71	303.19	287.57	242.01	295.73	281.60
External (net)	393.14	514.25	571.57	496.40	470.38	487.87
Assets	1304.82	1405.01	1442.36	1376.66	1317.90	1351.72
Liabilities	911.68	890.76	870.80	880.26	847.52	863.86
Other ECCB Territories	(172.43)	(211.06)	(284.00)	(254.39)	(174.65)	(206.27)
Assets	500.21	531.75	542.65	558.46	587.61	579.05
Liabilities	672.64	742.81	826.65	812.86	762.26	785.31
Net Domestic Assets	1269.98	1221.54	1205.16	1225.10	1182.20	1114.15
Domestic Credit	1833.01	1786.12	1748.01	1748.05	1712.10	1644.09
Central Government (net)	850.82	823.61	792.46	770.22	726.20	653.77
Other Public Sector (net)	(374.45)	(401.17)	(419.44)	(424.47)	(420.49)	(437.20)
Private Sector	1356.63	1363.68	1375.00	1402.30	1406.38	1427.52
Households	855.68	848.83	766.11	889.45	891.60	894.23
Business	410.40	425.04	519.35	425.86	427.50	440.56
Non-Bank Financial Institutions (net)	47.35	49.57	49.58	48.17	48.33	53.69
Subsidiaries and Affiliates (net)	43.21	40.23	39.96	38.83	38.95	39.04
Other Items (net)	(563.02)	(564.58)	(542.85)	(522.96)	(529.89)	(529.94)
Monetary Liabilities (M2)	1910.98	1948.58	2035.44	2088.31	2103.09	2095.03
Money Supply (M1)	357.30	355.13	392.91	482.66	481.05	391.74
Currency with the Public	101.05	97.03	94.24	98.52	101.99	99.00
Demand Deposits	247.96	224.15	288.93	373.52	368.24	278.84
EC\$ Cheques and Drafts Issued	8.29	33.95	9.75	10.63	10.82	13.91
Quasi Money	1553.68	1593.46	1642.53	1605.65	1622.04	1703.28
Savings Deposits	638.43	657.81	669.35	680.67	684.78	758.58
Time Deposits	552.40	544.44	578.74	578.41	581.29	557.54
Foreign Currency Deposits	362.84	391.21	394.43	346.57	355.97	387.17

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 25 May 2012**



**Table 39**  
**Saint Lucia - Selected Tourism Statistics**

	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
Total Visitors	360,514	202,363	141,280	284,999	379,747
Stay-Over Visitors	82,652	74,749	70,971	76,267	95,170
Of which:					
USA	32,014	33,855	28,586	29,144	35,007
Canada	15,035	6,053	5,647	8,624	19,281
UK	18,021	17,427	15,348	20,839	23,479
France	3,100	1,170	1,361	1,371	2,177
Germany	1,398	718	272	675	1,603
Caribbean	9,306	12,854	17,664	12,458	9,206
Excursionists	2,596	2,568	2,654	3,241	2,596
Cruise Ship Passengers	261,345	114,026	59,087	195,986	269,551
Number of Cruise Ship Calls	153	58	20	116	172
Yacht Passengers	13,921	11,020	8,568	9,505	12,430
<b>Total Visitor Expenditure (EC\$M)</b>	<b>257.75</b>	<b>197.42</b>	<b>174.34</b>	<b>226.64</b>	<b>311.56</b>

Source: Saint Lucia Tourist Board

**Data available at 31 May 2012**

**Table 40**  
**Saint Lucia - Consumer Price Index**  
**January 2008 = 100**

	Weight	Index Mar 2012	Percentage Change*				
			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
<b>All items</b>	99.87	111.36	1.45	1.70	(0.01)	1.57	0.68
Food and Non-Alcoholic Beverages	25.02	115.22	0.43	2.02	1.98	1.12	0.93
Alcoholic Beverages, Tobacco & Narcotics	6.53	111.38	(0.03)	0.95	1.01	1.42	0.50
Clothing and Footwear	1.66	120.81	2.69	(1.74)	(11.35)	18.85	6.06
Housing, Utilities, Gas and Fuels	17.36	107.24	0.93	1.64	0.90	0.63	(0.33)
Household Furnishings, Supplies and Maintenance	3.31	104.78	(5.21)	4.68	(0.22)	(0.22)	2.12
Health	3.96	117.72	2.02	0.13	1.97	1.63	0.14
Transport	16.40	108.50	2.40	3.52	(3.15)	2.48	(2.38)
Communication	12.54	102.49	1.61	(0.22)	-	-	1.70
Recreation & Culture	1.37	114.46	10.67	5.69	7.88	(0.61)	6.58
Education	3.70	133.01	-	-	(3.67)	0.57	(1.33)
Hotels & Restaurants	1.10	113.11	(0.44)	-	0.51	3.60	(1.65)

\*at end of period

**Data available at 31 May 2012**



**Table 41**  
**Saint Lucia - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	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
<b>Current Revenue</b>	217.32	211.79	204.24	183.17	236.75
Tax Revenue	202.17	201.71	188.57	171.85	202.46
Taxes on Income and Profits	73.44	70.34	61.65	39.73	69.21
Of Which:					
Personal Income	25.64	21.49	21.36	21.10	27.00
Company	36.41	36.09	25.22	3.53	27.61
Taxes on Property	0.99	0.91	0.72	1.35	1.39
Taxes on Domestic Goods and Services	32.79	31.85	29.37	31.71	39.69
Of Which:					
Consumption Duty	1.90	1.36	1.49	1.22	2.04
Licences	4.29	4.06	3.54	10.64	5.63
Excise Tax	4.29	2.50	3.51	2.67	4.14
Hotel Occupancy Tax	8.99	10.41	8.68	5.20	15.32
Taxes on International Trade and Transactions	94.94	98.61	96.82	99.06	92.16
Of Which:					
Consumption Tax (Imports)	25.85	28.81	28.74	28.94	25.43
Import Duty	24.22	26.21	27.27	27.96	24.62
Service Charge (Imports)	16.45	17.06	17.07	18.48	16.55
Excise Tax	20.82	17.72	14.63	15.69	17.17
Non-Tax Revenue	15.15	10.08	15.67	11.32	34.30
<b>Current Expenditure</b>	189.00	179.14	190.70	186.40	202.89
Personal Emoluments	85.46	88.48	83.98	87.49	88.30
Goods and Services	38.18	34.46	35.64	33.55	38.94
Interest Payments	31.62	19.07	26.99	22.50	34.80
Domestic	19.37	10.40	16.57	12.02	23.83
External	12.25	8.67	10.42	10.49	10.97
Transfers and Subsidies	33.73	37.13	44.09	42.86	40.84
Of Which: Pensions	11.75	13.46	14.20	18.81	16.95
<b>Current Account Balance</b>	28.33	32.65	13.53	(3.23)	33.87
<b>Capital Revenue</b>	-	0.01	0.32	0.20	-
<b>Grants</b>	6.11	19.34	5.57	3.72	-
Of which: Capital Grants	6.11	19.34	5.57	3.72	-
<b>Capital Expenditure and Net Lending</b>	80.77	39.51	94.15	53.95	71.86
<b>Primary Balance (after grants)</b>	(14.72)	31.57	(47.74)	(30.74)	(3.19)
<b>Overall Balance</b>	(46.34)	12.49	(74.73)	(53.24)	(38.00)
<b>Financing</b>	46.34	(12.49)	74.73	53.24	38.00
Domestic	45.53	(9.22)	87.92	(78.03)	46.21
ECCB (net)	37.13	5.44	7.01	(52.27)	41.99
Commercial Banks (net)	(60.04)	28.53	39.89	45.37	(49.28)
Other	68.44	(43.19)	41.02	(71.13)	53.50
External	0.81	(3.27)	(13.19)	131.28	(8.22)
Net Amortisation	0.81	(3.27)	(13.19)	131.28	(8.22)
Disbursements	24.43	8.52	6.37	148.25	15.41
Amortisation	(23.63)	(11.80)	(19.56)	(16.97)	(23.63)
Change in Government Foreign Assets	-	-	-	-	-

Source: Ministry of Finance

Data available at 31 May 2012



**Table 42**  
**Saint Lucia - Banana Production**

	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
Volume (tonnes)	-	889	2,100	2,642	-
Value (EC\$M)	-	1.59	5.05	6.34	-
Unit Price (EC\$/ tonnes)	-	1,788.62	2,404.13	2,400.72	-

Source: WIBDECO

Data available at 31 May 2012

**Table 43**  
**Saint Lucia - Selected Trade Statistics**  
**(Value: EC\$M)**

	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
<b>Total Exports</b>	82.99	111.69	117.16	124.06	75.27
Total Domestic Exports	58.51	53.29	61.17	65.47	54.24
Total Re-Exports	24.48	58.40	55.99	58.59	21.03
<b>Total Imports</b>	460.80	449.27	484.95	494.88	466.68
<b>Trade Balance</b>	(377.82)	(337.59)	(367.79)	(370.82)	(391.41)

Source: Central Statistical Office and ECCB Estimates

Data available at 31 May 2012



**Table 44**  
**Saint Lucia - Monetary Survey**  
**(EC\$M at end of period)**

	2010 4 <sup>th</sup> Qr	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
Net Foreign Assets	(303.85)	(365.42)	(380.41)	(511.72)	(494.69)	(359.68)
Central Bank (net)	492.29	551.63	571.07	446.98	512.37	517.33
Commercial Banks (net)	(796.14)	(917.05)	(951.48)	(958.69)	(1,007.06)	(877.01)
External (net)	(410.15)	(481.23)	(565.49)	(582.26)	(591.97)	(508.84)
Assets	420.98	439.37	388.97	396.58	368.37	441.14
Liabilities	831.13	920.59	954.46	978.84	960.34	949.98
Other ECCB Territories	(385.99)	(435.82)	(385.99)	(376.43)	(415.09)	(368.17)
Assets	416.07	377.45	440.26	425.95	454.50	471.64
Liabilities	802.06	813.27	826.25	802.38	869.59	839.82
Net Domestic Assets	2,863.04	3,018.58	3,111.78	3,185.89	3,224.45	3,145.92
Domestic Credit	3,395.22	3,412.69	3,497.28	3,573.13	3,597.63	3,554.98
Central Government (net)	(52.01)	(74.92)	(40.95)	5.94	(0.96)	(8.25)
Other Public Sector (net)	(340.35)	(325.40)	(315.28)	(326.27)	(288.90)	(290.37)
Private Sector	3,787.58	3,813.01	3,853.52	3,893.45	3,887.49	3,853.61
Households	1,307.75	1,311.05	1,316.82	1,339.16	1,349.27	1,337.13
Business	2,329.69	2,345.02	2,361.99	2,382.28	2,384.41	2,367.72
Non-Bank Financial Institutions (net)	30.45	40.78	40.89	41.67	22.48	23.92
Subsidiaries and Affiliates (net)	119.69	116.15	133.82	130.35	131.34	124.83
Other Items (net)	(532.18)	(394.10)	(385.50)	(387.24)	(373.17)	(409.07)
Monetary Liabilities (M2)	2,559.19	2,653.17	2,731.37	2,674.17	2,729.77	2,786.24
Money Supply (M1)	644.53	653.14	692.75	653.52	675.40	671.31
Currency with the Public	151.53	140.26	146.54	155.04	165.24	156.57
Demand Deposits	481.77	497.20	531.95	487.72	496.55	505.25
EC\$ Cheques and Drafts Issued	11.23	15.67	14.25	10.76	13.61	9.49
Quasi Money	1,914.66	2,000.03	2,038.63	2,020.65	2,054.37	2,114.93
Savings Deposits	1,319.01	1,351.50	1,374.39	1,379.51	1,393.50	1,422.08
Time Deposits	443.67	477.68	499.62	488.01	490.99	487.74
Foreign Currency Deposits	151.99	170.85	164.62	153.13	169.88	205.12

Source: Eastern Caribbean Central Bank

Data available at 25 May 2012

**Table 45**  
**St Vincent and the Grenadines - Selected Tourism Statistics**

	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
Total Visitors	86,210	40,886	23,911	56,990	87,878
Stay-Over Visitors	18,959	19,419	17,101	18,387	21,204
Of which:					
USA	5,738	5,390	4,704	5,332	6,169
Canada	2,359	1,539	1,123	1,698	2,518
UK	4,075	3,963	3,021	3,836	4,944
Caribbean	4,152	6,954	6,809	5,357	4,891
Other Countries	2,635	1,573	1,444	2,164	2,682
Excursionists	1,521	866	749	805	1,252
Yacht Passengers	18,238	9,398	6,061	7,569	18,422
Cruise Ship Passengers	47,492	11,203	0	30,229	47,000
Number of Cruise Ship Calls	55	14	0	55	93
<b>Total Visitor Expenditure (EC\$M)</b>	<b>76.92</b>	<b>60.60</b>	<b>47.98</b>	<b>57.76</b>	<b>83.35</b>

Source: Department of Tourism

Data available at 25 May 2012

**Table 46**  
**St Vincent and the Grenadines - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Mar 2012	Percentage Change*				
			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
<b>All Items</b>	1,000.0	106.00	0.69	1.67	1.64	0.66	(0.09)
Food and Non-Alcoholic Beverages	536.1	108.10	(0.58)	2.14	2.10	1.96	(1.01)
Alcoholic Beverages, Tobacco and Narcotics	9.5	102.00	(0.20)	0.70	0.59	(0.69)	1.19
Clothing and Footwear	97.9	103.30	(0.30)	0.30	1.00	0.89	0.88
Housing, Water, Electricity, Gas and Other Fuels	29.8	105.10	0.70	2.78	(0.19)	-	1.64
Furnishing, Household Equipment and Routine Household Maintenance	88.7	99.30	(0.40)	(0.40)	0.10	-	0.10
Health	61.5	98.30	(1.10)	0.30	(0.81)	-	0.10
Transport	68.5	117.00	4.37	2.51	9.53	0.83	(3.86)
Communications	10.1	104.00	1.39	-	1.08	0.78	-
Recreation and Culture	34.3	102.00	0.10	0.80	(0.10)	0.69	-
Education	33.5	108.60	-	-	2.45	-	-
Restaurants and Hotels	30.1	102.60	0.20	0.29	0.98	(0.19)	(0.19)
Miscellaneous Goods and Services	4.3	101.00	0.20	(0.10)	0.10	0.60	0.40

Source: Central Statistical Office, Ministry of Finance

\*at end of period

Data available at 25 May 2012



**Table 47**  
**St Vincent and the Grenadines - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

	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
<b>Current Revenue</b>	97.20	112.74	121.21	123.47	100.97
Tax Revenue	89.55	98.26	112.02	111.91	93.22
Taxes on Income and Profits	21.72	29.60	30.42	32.63	24.56
Of Which:					
Individual	15.83	17.03	16.41	18.06	15.47
Company Tax	4.45	11.22	10.64	11.55	7.49
Taxes on Property	0.38	0.34	1.49	0.49	0.37
Taxes on Domestic Goods and Services	50.76	50.03	58.45	54.25	50.87
Of Which:					
Stamp Duties	3.41	3.04	5.05	4.16	5.05
Excise Tax	5.47	6.13	6.40	6.29	6.56
Value Added Tax	34.13	31.55	32.81	33.79	30.76
Taxes on International Trade and Transactions	16.69	18.29	21.67	24.54	17.43
Of Which:					
Import Duty	9.46	10.19	12.44	15.03	10.41
Customs Service Charge	6.43	7.25	8.20	8.80	6.31
Non-Tax Revenue	7.65	14.48	9.19	11.56	7.74
<b>Current Expenditure</b>	125.39	131.08	114.48	126.57	112.04
Personal Emoluments	57.35	56.98	56.55	60.27	58.07
Goods and Services	14.94	19.72	19.56	18.42	13.08
Interest Payments	12.23	10.32	9.59	13.35	11.14
Domestic	7.30	3.95	4.14	7.48	6.18
External	4.93	6.37	5.45	5.87	4.96
Transfers and Subsidies	40.86	44.06	28.79	34.52	29.74
Of Which: Pensions	13.08	10.80	9.40	11.72	10.92
<b>Current Account Balance</b>	(28.18)	(18.35)	6.73	(3.10)	(11.07)
<b>Capital Revenue</b>	0.58	0.27	7.66	0.33	0.30
<b>Grants</b>	0.67	20.52	4.47	3.81	3.42
Of which: Capital Grants	0.67	20.52	4.47	3.81	3.42
<b>Capital Expenditure and Net Lending</b>	2.10	11.94	19.56	29.41	0.74
Of which: Capital Expenditure	2.10	11.94	19.56	29.41	0.74
<b>Primary Balance (after grants)</b>	(16.80)	0.83	8.88	(15.02)	3.06
<b>Overall Balance</b>	(29.03)	(9.49)	(0.70)	(28.36)	(8.08)
<b>Financing</b>	29.03	9.49	0.70	28.36	8.08
Domestic	19.04	23.85	(8.18)	(17.40)	18.35
ECCB (net)	4.37	(7.23)	(4.59)	29.15	(26.96)
Commercial Banks (net)	19.99	1.15	15.49	(36.18)	19.00
Other	(5.32)	29.93	(19.08)	(10.38)	26.31
External	(1.25)	(8.42)	(1.93)	44.23	(10.78)
Net Amortisation/(Amortisation)	(1.25)	(8.42)	(1.93)	44.23	(10.78)
Disbursements	11.26	5.03	9.75	58.59	1.78
Amortisation	(12.51)	(13.44)	(11.68)	(14.36)	(12.55)
Change in Government Foreign Assets	-	-	-	-	-

Source: Ministry of Finance  
Data available at 25 May 2012





**Table 48**  
**St Vincent and the Grenadines - Selected Trade Statistics**  
(Value: EC\$M; Volume: 000 tonnes)

	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
<b>Visible Trade Balance</b>	(188.41)	(191.66)	(196.36)	(203.38)	(193.99)
<b>Total Imports</b>	212.01	214.61	224.73	233.97	223.90
<b>Total Exports</b>	23.59	22.95	28.37	30.59	29.92
Re-Exports	3.20	2.30	4.82	2.44	5.28
Domestic Exports	20.39	20.65	23.55	28.15	24.64
Of Which:					
Bananas					
Volume	-	0.03	0.58	0.57	-
Value	-	0.08	0.86	0.79	-
Flour					
Volume	3.11	3.39	3.12	3.55	3.55
Value	7.06	7.89	7.30	8.30	8.34
Rice					
Volume	0.97	1.16	1.19	1.03	0.88
Value	2.90	3.50	3.59	3.15	3.16
Feeds					
Volume	2.31	2.63	2.32	2.54	1.90
Value	1.98	2.56	1.86	2.28	2.11

Source: Central Statistical Office  
Data available at 25 May 2012

**Table 49**  
**St Vincent and the Grenadines - Monetary Survey**  
(EC\$M at end of period)

	2010 4 <sup>th</sup> Qr	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
<b>Net Foreign Assets</b>	474.45	422.78	442.67	389.24	393.15	425.05
Central Bank (net)	299.13	245.06	222.42	226.90	236.96	245.05
Commercial Banks (net)	175.33	177.72	220.25	162.34	156.19	180.00
External (net)	(94.02)	(64.19)	(57.30)	(104.81)	(100.81)	(79.99)
Assets	139.76	162.94	155.49	109.23	126.02	136.72
Liabilities	233.78	227.13	212.79	214.04	226.83	216.72
Other ECCB Territories	269.35	241.92	277.55	267.15	257.00	260.00
Assets	390.72	357.46	377.50	374.30	366.69	328.94
Liabilities	121.37	115.54	99.95	107.15	109.69	68.94
<b>Net Domestic Assets</b>	639.55	727.13	698.59	723.92	716.99	714.09
Domestic Credit	891.99	962.47	926.52	922.32	906.67	896.04
Central Government (net)	22.33	46.69	40.62	51.52	44.50	36.53
Other Public Sector (net)	(90.35)	(89.14)	(115.06)	(123.36)	(137.07)	(145.42)
Private Sector	960.00	1,004.92	1,000.96	994.16	999.25	1,004.93
Households	597.42	624.99	628.15	631.27	637.33	642.48
Business	355.92	353.05	345.08	335.09	330.06	330.51
Non-Bank Financial Institutions (net)	6.66	26.87	27.74	27.81	27.86	27.94
Subsidiaries and Affiliates (net)	-	-	-	-	4.00	4.00
Other Items (net)	(252.44)	(235.33)	(227.93)	(198.40)	(189.68)	(181.96)
<b>Monetary Liabilities (M2)</b>	1,114.00	1,149.91	1,141.25	1,113.16	1,110.14	1,139.14
Money Supply (M1)	345.66	355.20	342.84	323.08	331.73	342.51
Currency with the Public	50.61	40.58	42.73	38.97	46.51	37.41
Demand Deposits	289.12	308.68	294.86	277.64	276.31	299.08
EC\$ Cheques and Drafts Issued	5.93	5.94	5.25	6.47	8.90	6.02
Quasi Money	768.34	794.72	798.42	790.08	778.41	796.62
Savings Deposits	594.02	612.54	604.24	603.91	594.18	606.13
Time Deposits	129.16	130.58	142.82	145.12	139.70	137.88
Foreign Currency Deposits	45.16	51.60	51.36	41.05	44.54	52.62

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 25 May 2012

