

# 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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# CONTENTS

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## ECONOMIC REVIEW:

International Economic Developments .....	1
Domestic Economic Developments .....	5
Country Performances:	
Anguilla .....	14
Antigua and Barbuda .....	21
Dominica.....	27
Grenada.....	34
Montserrat.....	41
St Kitts and Nevis .....	47
Saint Lucia .....	55
St Vincent and the Grenadines .....	62
STATISTICAL TABLES .....	69



## INTERNATIONAL ECONOMIC DEVELOPMENTS

### Output

Preliminary estimates indicate that global economic growth has slowed considerably during the first quarter of 2011, compared to the outcome in the corresponding period of 2010. The deceleration in growth was most apparent in the advanced economies, particularly the United States, where a spike in gasoline prices, higher overall inflation and continued weakness in the housing market, contributed to a weakening of the recovery. Of the developing economies, growth remained robust in India, Brazil and Russia but moderated in China.

In North America, the **US** economy continued to face significant headwinds, which constrained economic activity. Economic growth slowed in the first quarter of 2011, as Gross Domestic Product (GDP) contracted at an annualised rate of 1.9 per cent, down significantly from the 3.1 per cent growth rate reported for the fourth quarter of 2010, and the 3.7 per cent outturn for the January to March period of 2010.

The seventeen (17) member **Eurozone** economy grew by 0.8 per cent during the first three months of the year, powered by a sharp rise in both corporate investment and exports. Year-on-year, the economy grew by 2.5 per cent. Driving growth in the Eurozone was the region's biggest economy, Germany, which grew by 1.5 per cent during the

quarter. This compared with 1.0 per cent in France and 0.1 per cent in Italy, the region's second and third largest economies. The UK economy experienced a quarter-on-quarter expansion of 0.5 per cent in the first quarter of 2011, while on an annual basis GDP grew at a faster pace of 1.8 per cent. The growth during the quarter was supported by an improvement in the services sector, in particular business services and finance.

Economic activity in **Japan** moderated during the first three months of 2011, due to the impact of the natural disasters on 11 March and the subsequent nuclear crisis. The disruption in power supply and the damage to infrastructure led to uncertainty in production activity for manufacturers and thus, the world, given the importance of Japan in the global production chain for electrical and electronics equipment as well as automobiles.

The Gross Domestic Product (GDP) in **China** expanded by 9.7 per cent in the first quarter of 2011 relative to the performance in the corresponding quarter in 2010. China's first quarter growth was boosted by dynamics in manufacturing, supported by accelerating consumption by affluent Chinese families, rising exports, and resilience in investment into infrastructure. Notwithstanding this robust growth, China posted its first quarterly trade deficit in seven years primarily resulting from surging commodity prices during the review period.



## Developments in Oil and Consumer Prices

### *Oil prices*

During the first quarter of 2011 the price of oil continued on its upward trend, ending the period at US\$106.7 a barrel. This price represented an overall increase of 16.8 per cent for the period under review, exceeding the 15.2 per cent hike in 2010. The price of crude oil has been rising steadily since the beginning of the year, influenced by increasing demand from China and other Asian countries, and by the mounting conflicts in the Middle East and North Africa, which have cut off oil exports from Libya. In addition, the conflicts have sporadically threatened output of smaller suppliers, including Egypt, Sudan and the Persian Gulf sheikdoms. Against this backdrop of unfolding political unrest in the Middle East and North African (MENA) region and strong oil demand from the fast-developing economies, volatility in international oil prices is likely to persist in the near term.

### *Consumer Prices*

In the **USA**, rising commodity prices, particularly food and gasoline prices, led to a 3.8 per cent increase in the consumer price index (CPI) for the first quarter of 2011, following a rise of 1.7 per cent in the fourth quarter of 2010. The core index, which excludes food and energy costs, accelerated by 1.5 per cent, the fastest since the fourth quarter of 2009, higher than the 0.4 per cent increase in the fourth quarter of 2011.

The Eurozone Harmonised Index of Consumer Prices (HICP) headline inflation, rose to 2.6 per cent, year-on-year, at end of March, up from 2.4 per cent in January and February. A year earlier the rate was 1.6 per cent. In contrast to elevated headline inflation, **Eurozone** core inflation remained low edging down to 1.0 per cent year-on-year in February from 1.1 per cent in January. In the **United Kingdom**, CPI inflation was 4.0 per cent on an end-of-period basis during the review period, well above the 2.0 per cent target. The elevated rate of inflation reflected a number of factors, including the increase in the standard rate of VAT to 20.0 per cent from 17.5 per cent, increases in energy prices and the pass-through of higher import prices.

**Canadian** headline consumer price inflation, increased by 2.6 per cent during the first three months of 2011, higher than the 1.6 per cent outturn in the corresponding period of 2010. Rising energy costs continued to exert a significant upward pressure on prices. However, core inflationary pressures remained subdued at 1.3 per cent, which was due to falling prices at retail stores.

**China's** CPI rose by 5.0 per cent for the first quarter of 2011, relative to the outturn for the corresponding period of 2010. Higher food prices, which rose by 11.0 per cent year-on-year, accounted for most of the rise in China's inflation. **Japan's** nationwide core consumer prices fell 0.1 per cent in March from a year earlier, with the pace of decline slowing slightly



due to rising commodity prices and a shortage of gasoline following the devastating earthquake and tsunami in March 2011.

### **Monetary Policy Developments**

Developments at most of the major central banks were relatively consistent with banks maintaining their previous accommodative policy positions. In the **USA, The Federal Reserve** at its 15 March meeting, maintained the target range for the federal funds rate at 0 to 0.25 per cent. It is anticipated that economic conditions, including low rates of resource utilization, subdued inflation trends, and stable inflation expectations, are likely to warrant exceptionally low levels for the federal funds rate for an extended period. The Committee has maintained its existing policy of reinvesting principal payments from its securities holdings and intends to purchase \$600.0b of longer-term Treasury securities by the end of the second quarter of 2011.

The **European Central Bank (ECB)** Governing Council at its meeting on 3 March 2011 agreed to leave the key ECB interest rates unchanged at 1.0 per cent where it has been since May 2009. The **Bank of England** has kept interest rates unchanged for the second straight year despite high inflation, judging that the economic recovery is too fragile for an immediate rise in borrowing costs. The Bank's monetary policy committee voted to leave rates at 0.5 per cent in March and also made no change to its quantitative easing (QE) programme.

The **Bank of Canada** maintained its target for the overnight rate at 1.0 per cent while **Japan's Central Bank** kept its key interest rate unchanged at virtually zero per cent and expanded a lending program to bolster the disaster-hit economy. By contrast, the **People's Bank of China (PBC)** in March raised its reserve ratio requirement (RRR) by 50 basis points in a continuing effort aimed at reining in inflationary pressures.

### **Outlook**

Global economic activity is expected to decelerate slightly to 4.4 per cent in 2011, following growth of 4.8 per cent in 2010. Real GDP, in advanced economies and emerging and developing economies, is expected to expand by about 2.5 per cent and 6.5 per cent respectively. Growth in the **United States** is forecast to be 2.5 per cent, which is slightly slower than the estimated 2.9 per cent expansion in 2010. This lower projected growth primarily reflects the likelihood of more subdued private consumption, as sustained oil price increases negatively impact consumer real income. **Canadian** economic growth is expected to rise to 2.8 per cent for 2011, up from an earlier forecast of 2.3 per cent. **Japan**, which was hit by a devastating earthquake and tsunami on March 11, is forecast to grow by 1.4 per cent this year, down by 0.2 percentage point from the January forecast. The expectation is that economic activity in the world's third largest economy, will be slowed at first by the natural disasters but then receive a boost from the reconstruction efforts. Economic



growth in the **Euro area** — including Germany, France and Italy — is projected to be 1.6 per cent in 2011 and 1.8 per cent in 2012, an anaemic recovery that reflects continued debt problems in Greece, Ireland and Portugal spreading to other countries. **China**, now the world's second largest economy, is

expected to continue its growth momentum and is projected to grow by 9.6 per cent this year. Downside risks to these projections include disruptions to oil supply, Mideast turmoil, higher inflation in China and the materialisation of global contagion from Europe's debt woes.



## DOMESTIC ECONOMIC DEVELOPMENTS

### Overview

Overall economic activity in the Eastern Caribbean Currency Union (ECCU) is estimated to have improved during the first three months of 2011 relative to the performance in the corresponding period of 2010, as the region slowly recovers reflecting the tentative recovery in the global economy. The improvement in economic performance in the ECCU was seen in increases in real estate, renting and business activities sector; as well as the hotels and restaurants, wholesale and retail trade, and manufacturing sectors. These sectors together accounted for approximately 37.0 per cent of real GDP. The increases in value added were partly offset by declines in the transportation, storage and communications, construction, financial intermediation and agricultural sectors. The performances across the member countries were mixed, with increases recorded in one half of the countries, while the remaining four countries experienced declines. Consumer prices rose on average during the period under review, influenced mainly by increases in the prices of food and fuel. The deficit balance on the merchandise trade account of the ECCU widened, due largely to a fall in exports. The central governments incurred a larger combined overall fiscal deficit, mainly attributable to a rebound in capital expenditure. The total outstanding public sector debt rose marginally. In the banking sector, monetary liabilities and

domestic credit expanded during the period under review, while net foreign assets declined. Liquidity in the commercial banking system eased further, while the weighted average interest rate spread between loans and deposits remained unchanged.

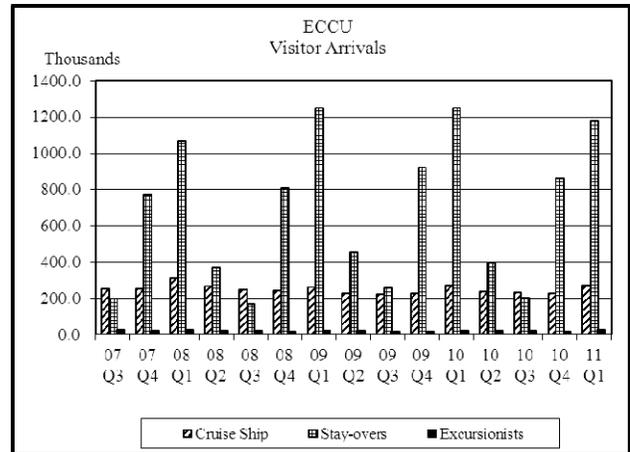
The ECCU economy is estimated to expand marginally in 2011, representing a recovery from the 1.8 per cent contraction in GDP in 2010. Real GDP is projected to increase in all of the member countries in 2011 in varying degrees. The recovery is expected to be led by an improved performance by the construction sector, reversing a decline in 2010. Construction activity will be fuelled by the implementation of a number of major public sector projects, in some of the territories, along with an increase in the implementation rate of a number of projects in the private sector. The performance of the hotels and restaurants sector is expected to surpass that of 2010, reflecting a larger number of stay-over visitors. An increase in marketing initiatives in the major markets, as well as additional airlift in some of the member territories is expected to contribute to the higher numbers of stay-over arrivals. Downside risks to these projections include, weaker than anticipated economic recoveries in the USA and the UK, lower than projected capital expenditure, a reduction in foreign financing, sustained commodity price increases and the threat of hurricane damage to both the tourism plant and the agricultural sector in the ECCU.



**Output**

The performance of the hotels and restaurants sector, which provides an indication of tourism activity, declined in the first three months of 2011, compared with the corresponding period in 2010. Stay-over visitor arrivals fell by 0.6 per cent to 269,227 in contrast to a 4.6 per cent improvement in the corresponding period of 2010. This performance was mainly attributable to a decline in stay-over arrivals in Saint Lucia (1.0 per cent), St Kitts and Nevis (3.7 per cent) and Dominica (21.4 per cent) respectively. The USA remained the largest market in the region, accounting for 40.1 per cent of total stay-over arrivals, followed by the UK and the Caribbean with shares of 20.0 per cent and 15.4 per cent respectively. Stay-over arrivals from the USA rose by 1.0 per cent, while those from the UK remained virtually flat and those from the Caribbean fell by 6.3 per cent. The number of cruise ship passengers fell by 5.9 per cent to 1,176,877, in contrast to a 0.3 per cent increase in the first quarter of 2010. Excursionists and yacht passenger arrivals increased by 3.6 per cent and 1.5 per cent respectively.

Activity in the manufacturing sector is estimated to have expanded, consistent with an increase in output in the sector. The improved performance was largely attributable to gains in St Kitts and Nevis where an increase in manufacturing output was recorded.



There were reductions in value added recorded in Grenada, reflecting a fall in output of beverages and flour and in Dominica due to lower soap and beverages production.

Construction activity contracted in the first quarter of 2011, partly attributable to a slowdown in work on private sector projects that encountered financing difficulties as a result of the global financial crisis. The decline in construction activity in the private sector was only partly offset by an increase in public sector construction, consistent with higher capital expenditure outlays. Declines in construction activity were estimated for Antigua and Barbuda, Grenada, St Kitts and Nevis and Anguilla.

Agricultural output was lower in the period under review when compared with production in the corresponding period of 2010. The deterioration in the performance of the industry was largely associated with declines in banana and other



non-banana output in all of the other banana producing countries. Developments in the banana industry reflected the damage inflicted by the passage of hurricane Tomas, which greatly reduced output in Saint Lucia and St Vincent and the Grenadines as well as Grenada. All of the sub-categories of the agricultural sector registered declines, with the exception of nutmeg in Grenada where output doubled to 165.1 tonnes.

In the other sectors, value added decreased for transportation, storage and communication as well as financial intermediation. Additionally, activity in the mining and quarrying sector fell, consistent with the decline in activity in the construction sector.

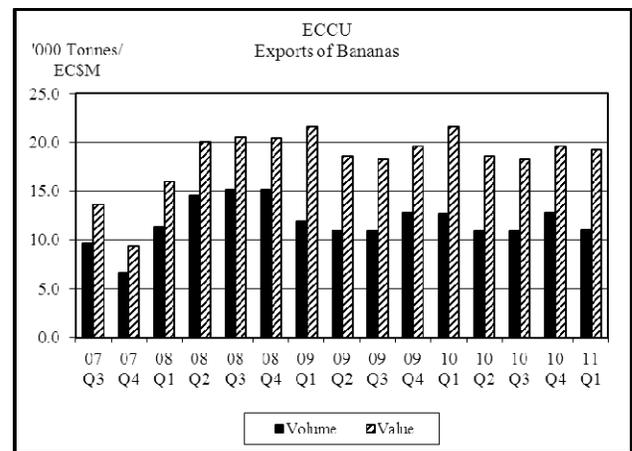
**Prices**

Consumer prices in the ECCU continued to increase during the first quarter of 2011, largely reflecting the impact of high international prices for oil and food. The consumer price index rose in all the member countries, with increases ranging from 0.2 per cent in Montserrat to 2.3 per cent in Anguilla. Significant increases in consumer prices were recorded for Saint Lucia (1.6 per cent), Dominica (1.2 per cent) and St Vincent and the Grenadines (1.1 per cent) respectively. In Anguilla, consumer price inflation was driven largely by a rise in the housing sub-index fuelled by increases in property tax as well as by higher transport and communication costs and food prices. In the majority of the territories, the sub-indices for food

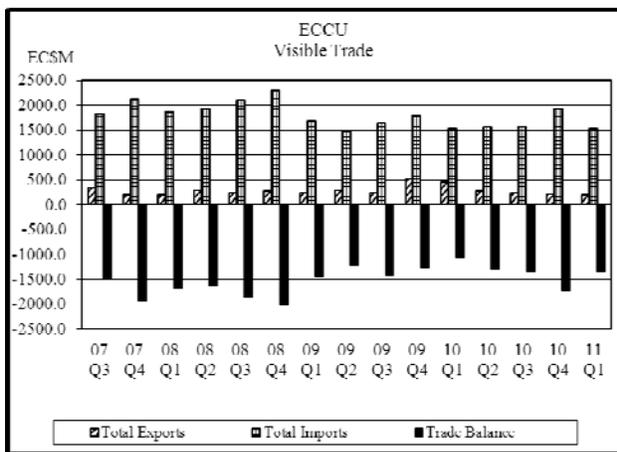
and transportation increased with the exception of Montserrat and Antigua and Barbuda.

**Trade and Payments**

Complete trade data are unavailable for all the member countries. However, the merchandise trade deficit is estimated to have widened, on account of a fall in export earnings. The value of imports remained relatively unchanged falling by 0.2 per cent to \$1,513.1m, compared with the level of imports in the corresponding period of 2010. Export earnings fell by 1.6 per cent to \$441.3m, largely attributable to a 9.4 per cent reduction in domestic exports. The performance of domestic exports was heavily influenced by earnings from banana exports, which fell by 94.1 per cent to \$1.2 m, as Saint Lucia and St Vincent and the Grenadines were unable to export bananas as a result of the impact of hurricane Tomas. The lower export earnings were also attributable to reductions in receipts from the export of bananas in Dominica and lower receipts for nutmeg and cocoa exports in Grenada.



Gross travel receipts fell by 1.3 per cent to \$908.6m, consistent with a reduction in stay-over arrivals. Gross external disbursements to the central governments fell by 51.1 per cent (\$71.8m), while principal debt repayments contracted by 11.0 per cent (\$11.6m). Commercial bank transactions resulted in a net inflow of \$15.8m in short-term capital, as the net liability position of banks increased.



**Central Government Fiscal Operations**

The consolidated fiscal operations of the central governments resulted in a larger overall deficit (after grants) of \$137.7m in the first three months of 2011, compared with \$61.4m in the corresponding period of 2010. This outcome was largely influenced by an increase in capital expenditure as the deficit balance on the current account narrowed. Accordingly, the primary balance (after grants) shifted to a deficit of \$2.4m in the first quarter of 2011, from a surplus of \$44.5m in the corresponding period of 2010. The widening in the overall deficit for the ECCU, was mainly attributable to larger overall deficits in

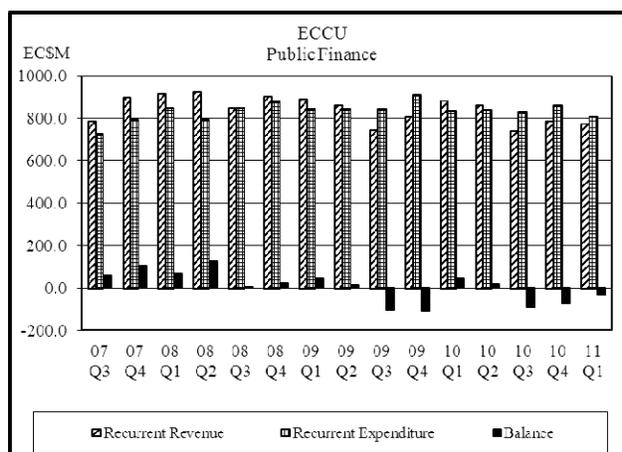
Antigua and Barbuda, Saint Lucia and Dominica, coupled with a smaller overall surplus in Anguilla. This widening of the overall deficit, was lessened by increases in the overall surpluses in St Kitts and Nevis and Montserrat and a contraction in the overall deficit in St Vincent and the Grenadines and Grenada.

A current account deficit of \$8.1m was recorded in the first three months of 2011, lower than the \$26.1m deficit in the corresponding quarter of 2010, as growth in current revenue outpaced that of current expenditure. Current revenue rose by 10.3 per cent to \$888.6m, mainly reflecting higher collections from taxes on domestic goods and services. Receipts from taxes on domestic goods and services increased by 26.9 per cent (\$64.4m), largely fuelled by the yield from the value added tax (VAT) in St Kitts and Nevis. Current revenue increases were also buoyed by higher collections for taxes on international trade and transactions (2.5 per cent) and property tax (2.5 per cent). Non-tax revenue rose by 13.1 per cent (\$13.3m), attributable to increased collections in St Kitts and Nevis, Dominica, Grenada and Saint Lucia. Current revenue gains were partly offset by declines in taxes on income and profits of 1.1 per cent.

Current expenditure rose by 7.8 per cent to \$896.7m, when compared with expenditure in the comparable period of 2010. Spending on all the main categories rose, with interest payments registering the largest increase (27.8 per cent), primarily influenced by higher interest obligations in St Kitts and Nevis,



Grenada and Saint Lucia. External interest obligations contributed the most to the rise in this category. Outlays on personal emoluments rose by 5.0 per cent (\$18.4m) primarily influenced due to retroactive salary payments in Grenada and St Vincent and the Grenadines, while transfer and subsidies rose by 1.5 per cent (\$2.8m).



Capital outlays increased by 27.2 per cent to \$182.9m, attributable to expansions in a number of the ECCU territories, including Saint Lucia, Dominica and St Kitts and Nevis. Those higher capital outlays were partly offset by declines in Grenada and Antigua and Barbuda, influenced by financing constraints. Total grant receipts amounted to \$49.1m, 47.2 per cent lower than the total in the first quarter of 2010, primarily reflecting declines in grant receipts for Grenada. Capital grants totalled \$32.8m, compared with \$56.5m in the comparable period of 2010.

**Public Sector Debt**

At the end of March 2011 the total disbursed outstanding debt of the ECCU’s public sector stood at \$12,020.2m, approximately 0.9 per cent below the outstanding amount at the end of 2010. On an individual country basis, declines in public sector debt were recorded in Antigua and Barbuda, St Kitts and Nevis and Anguilla, while increases were registered in Saint Lucia, St Vincent and the Grenadines, Dominica, Grenada and Montserrat. The largest increase in the debt stock was for the government of Saint Lucia (5.4 per cent, \$113.9m), mainly reflecting the contraction of a Policy Based Loan from CDB. The Government of St Vincent and the Grenadines recorded the second largest increase in the debt stock (1.2 per cent, \$14.01m), attributable to an increase in central government domestic borrowings.

Debt service payments for the first three months of 2011 amounted to \$269.0m, an increase of 4.1 per cent above the total recorded during the corresponding period of 2010. Principal repayments represented 49.9 per cent of total debt servicing while interest payments accounted for 51.1 per cent. Debt service payments rose for St Kitts and Nevis, Grenada, Saint Lucia and Montserrat while they fell for Anguilla, Antigua and Barbuda, St Vincent and the Grenadines and Dominica.

## Monetary and Financial Developments

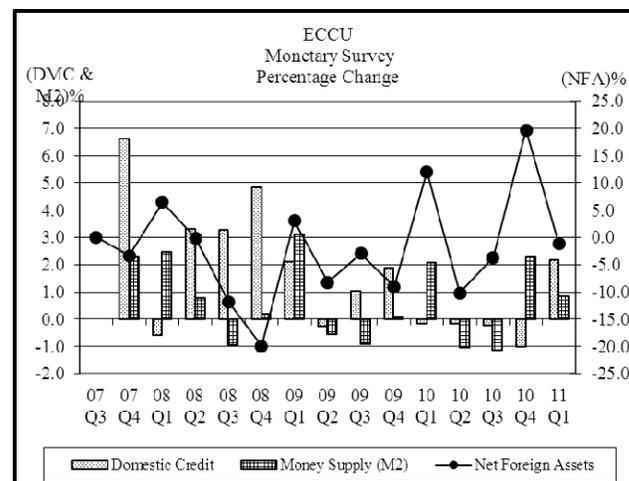
### Money and Credit

Monetary liabilities (M2) rose by 1.3 per cent to \$12,845.6m, attributable in part to the marginal improvement in economic activity. Quasi money, which accounted for the rise in M2, grew by 1.9 per cent, influenced by growth in savings deposits (2.5 per cent), foreign currency deposits (2.3 per cent) and time deposits (0.8 per cent). Growth in M2 was tempered by a 1.0 per cent decline in narrow money. A 6.2 per cent fall in currency with the public and a 0.1 per cent decrease in demand deposits, contributed to the fall in narrow money.

Domestic credit rose marginally by 0.4 per cent, in contrast to a fall of 0.2 per cent in the corresponding period of 2010, largely attributable to an increase in credit to the private sector. Outstanding credit to the private sector grew by 0.4 per cent, in contrast to a 0.1 per cent contraction during the comparable period of 2011, driven by growth in credit to households (0.6 per cent). Credit to non-bank financial institutions grew by 14.9 per cent, due mainly to an expansion in investments. The net deposits of non-financial public enterprises rose by 1.4 per cent, as a result of a 2.0 per cent increase in their total deposits. Credit to general governments, expanded by 0.2 per cent, following a 0.7 per cent increase in the first quarter of 2010, while their deposits fell by 1.0 per cent in contrast to the 6.5 per cent growth recorded during the same period of 2010. Consequently, net credit to the central governments rose by 1.4 per cent, in contrast to a 2.6

per cent decline in the first three months of 2010. Of the member countries, the fall in central governments' deposits was largest in Grenada while St Kitts and Nevis accounted for the strongest growth in credit.

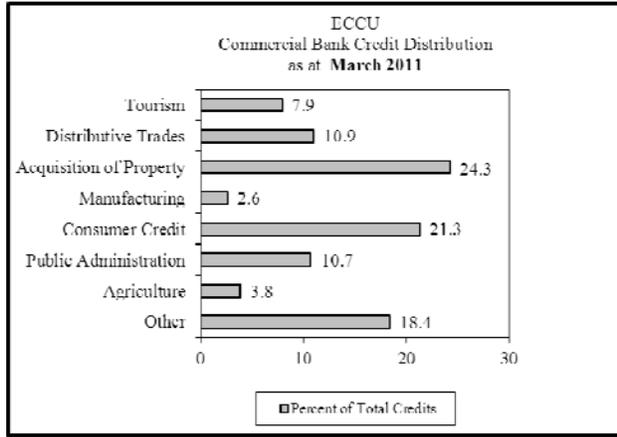
The distribution of commercial bank credit by economic activity shows that credit for acquisition of property and construction activity was up by 1.6 per cent and 0.7 per cent respectively, reflecting the relative strengthening of real estate market activity. Increases in credit were also recorded for manufacturing (2.5 per cent), associated in part with working capital support. By contrast, outstanding loans for tourism and distributive trades fell by 0.4 per cent each.



The net foreign assets of the banking system fell by 1.7 per cent to \$2,158.3m, on account of developments in the commercial banking system. Commercial banks' net foreign liabilities position rose by 5.3 per cent to \$319.7m, as growth in foreign liabilities outpaced that of foreign assets. The net



foreign assets of the Central Bank contracted by 0.8 per cent to \$2,478.0m, reflecting a fall in foreign assets and a concurrent increase in foreign liabilities.



Overall, the commercial banks’ liquidity position strengthened during the period under review. The ratio of liquid assets to total deposits plus liquid liabilities increased by 0.6 percentage point to 27.8 per cent and the ratio of loans and advances to total deposits decreased by 1.5 percentage points to 87.1 per cent.

The spread between the average weighted interest rate on deposits and loans remained unchanged at 6.33 percentage points, as both rates contracted by similar magnitudes. The average weighted deposit interest rate stood at 3.13 per cent, compared with 3.16 per cent at the end of December 2010, and the average weighted lending rate at the end of March 2011 was 9.45 per cent, compared with 9.48 per cent at the end of December 2010.

**Developments on the RGSM**

Following remarkable growth in the fourth quarter of 2010, there was a sharp contraction in primary market activity in the first quarter of 2011 to one of its lowest quarterly levels in recent years. This decline occurred despite an improvement in investor appetite over the period. Total issues comprised five Treasury-bills by two participating governments.

Compared to the activity recorded in the previous year, gross issuance in the first quarter of 2011 fell by 53.3 per cent to \$96.0 million. A decline in bond issuance and the cutback in issuance by the Government of Antigua and Barbuda accounted for this contraction in market activity. The Government of Antigua and Barbuda has temporarily discontinued its regular monthly issuance of Treasury bills since the first quarter of 2010, as it sought to implement a number of structural reforms measures.

Short-term offerings remained the dominant product on the primary market and these have been used by issuing governments to better manage cash flows and to refinance maturing issues. Four of the five issues during the quarter were 91-day bills, which included the regular monthly offerings by the Government of St Vincent and the Grenadines. With the exception of Saint Lucia, other issuing governments have not placed long-term securities on the market since the Government of St Vincent and Grenadines did so in May 2009.



Over the course of the quarter, the Government of St Vincent and the Grenadines remained the largest issuer of Treasury bills, accounting for 62.5 per cent of gross issuance during the period. This compares with the same period in the previous year when the Government of Saint Lucia was the most dominant issuer, and accounted for 62.5 per cent of gross issuance.

A combination of the lower supply of securities from issuing governments and increased regional liquidity during the quarter led to an improvement in investor demand as evidenced by the sharp increase in subscriptions on the market. The value of bids during the quarter surged to \$178.2 million, which represented a bid-to-cover ratio of 1.86 compared to a ratio of 1.27 for Treasury bills on the market in the comparative period of 2010. The bid-to-cover ratio represents the value of bids received in an auction divided by the value of bids accepted. The improvement in investor demand for Treasury bills resulted in a fall in rates on these short-term securities. Consequently, the weighted average interest rate on 91-day Treasury bills declined to 4.87 per cent, 52 basis points below the weighted average rate for the comparative period one year earlier.

### **Secondary Market Developments**

Secondary market activity in government securities continued to decline over the period, posting sharp falls both on a quarter-on-quarter basis as well as year-on-year. Relative to the same period in the previous year, the value of trades was down by 98.8

per cent to \$0.05 million; evidence of the continued low liquidity in this segment of the market.

### **Prospects**

Based on developments in the first three months of 2011 and expectations for the remainder of 2011, a marginal expansion in economic activity is projected in 2011 constrained by the mixed performances of the major productive sectors. A partial recovery is projected for the construction sector as a number of projects in both the public and private sectors get underway. In the public sector, major projects include airport projects in St Vincent and the Grenadines and Saint Lucia as well as hospital projects in Saint Lucia. Private sector construction will revolve around ongoing hotel accommodation facilities in a number of the territories along with housing and other real estate developments. The performance of the hotels and restaurants sector, a major driver of economic activity, is expected to strengthen somewhat in 2011 as improvements in stay-over arrivals should spur activity in that sector. Improved access associated with increases in airlift, coupled with intensified marketing initiatives underpin the positive outlook for the sector. This is expected to have some spill over effects on the other sectors such as transportation, storage and communications and wholesale and retail trade.

The merchandise trade deficit is estimated to widen as a result of higher payments for imports associated with the recovery in economic activity, particularly in the construction sector. The value of domestic



exports is estimated to decline based on lower receipts from banana and manufactured exports.

An improvement in the overall fiscal position is projected, as the combined fiscal deficit of the central governments is estimated to narrow. This development will partly reflect modest improvements in economic activity giving rise to higher revenue collections coupled with expenditure controls in a number of the member territories. However, much of the improvement in the overall fiscal outturn will reflect lower capital expenditure in some of the territories which will constrain capital expenditure overall and limit the expansion in GDP

in the ECCU region in 2011.

The prospects for the ECCU are clouded by significant downsides risks associated with the stalled economic recovery in the USA and the UK, less than expected capital expenditure adversely impacting construction as well as reductions in financing inflows from bi-lateral and multi-lateral institutions. The risks may be further magnified by higher commodity prices, particularly petroleum and food as well as the threat of storm damage to the productive sectors as the region enters the hurricane season.



## ANGUILLA

### Overview

Economic activity is estimated to have contracted in the first quarter of 2011, compared with the performance in the corresponding period of 2010. This assessment is based on decreases in activity in the key sectors, which more than offset the growth in the tourism industry as well as the real estate, renting and business sector. Consumer prices rose by 2.3 per cent on an end-of-period basis, reflecting increases in the cost for housing, food, transportation and communication. In the external sector, the merchandise trade deficit widened as imports increased and exports declined. The fiscal operations of the central government resulted in an overall surplus, reflecting the impact of the implementation of expenditure containing measures and revenue enhancing reforms. Total outstanding public sector debt decreased slightly during the review period. In the banking system, monetary liabilities, net foreign assets and commercial bank liquidity increased, while domestic credit declined. The weighted average interest rate spread between deposits and loans narrowed.

Economic activity is projected to remain depressed for the remainder of 2011 due to an anticipated contraction in most of the key sectors including, construction; transport, storage and communication as well as wholesale and retail trade.

Construction works on two small boutique hotel properties are not expected to have significant spillover effects on the rest of the economy. Downside risk to this outlook includes the negative effects of increased inflationary pressures as a result of rising fuel and commodity prices.

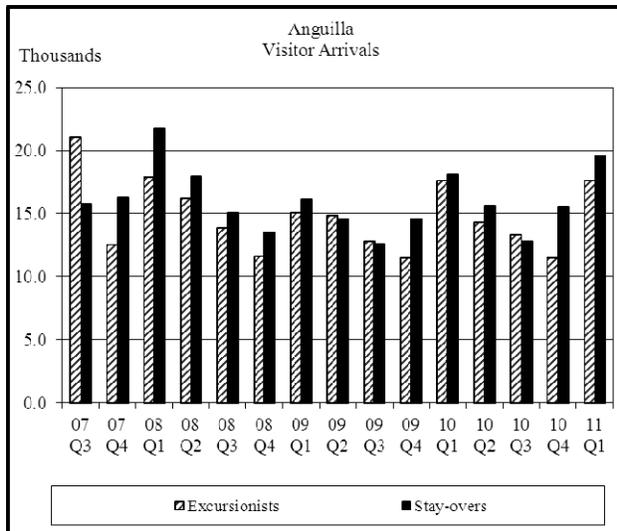
### Output

Construction activity is estimated to have contracted in the first quarter of 2011 based on developments in both the public and private sector. Public sector capital spending in the first quarter was largely associated with recovery and mitigation projects following the passage of hurricane Earl which caused some infrastructural damage in 2010. In the private sector there were no major projects undertaken, construction activity was mainly centered on home construction. Further supporting evidence of the fall-off in construction activity was provided by the declines in the value of imported construction materials.

Value added in the financial intermediation sector is estimated to have declined as both loans and advances and deposits, which are used as proxies for this sector's performance, fell in the review period. Likewise value added in the wholesale and retail



trade sector is estimated to have contracted based on a lower level of real imports in the review period.



Activity in the transport sector is also estimated to have declined following contractions in key subcomponents such as road, sea and auxiliary transport services. The fall in road transport activity is predicated on lower levels of construction-related imported material, and of landed and loaded cargo. Sea transport services are estimated to have declined based on the lower levels of passenger arrivals and departures by sea. Auxiliary services are also estimated to have declined due to movements of both cargo landed and passenger arrivals.

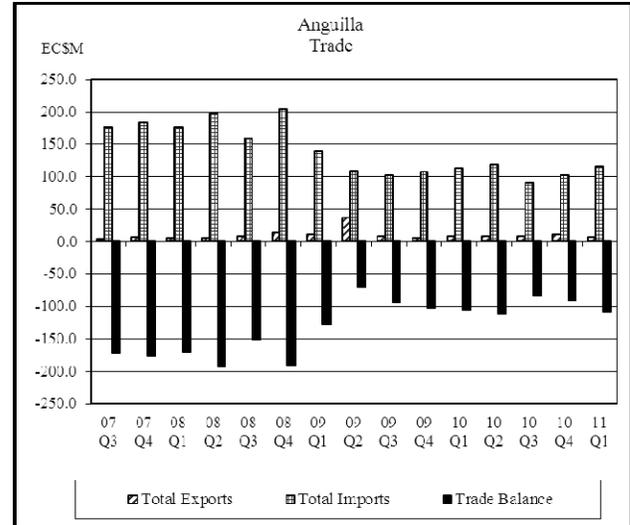
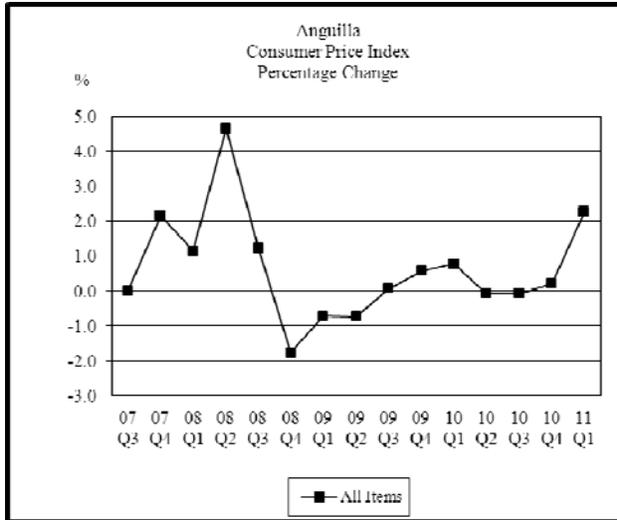
Notwithstanding the declines in those key sectors, a positive development during the review period, was the estimated increase in tourism activity. The number of visitors is estimated to have risen by 4.1 per cent to 37,171, compared with a 14.2 per cent increase in the corresponding period of 2010. Estimates indicate that stay-over arrivals rose by 8.3

per cent, due in part to an increase in arrivals from the USA (9.0 per cent), which is the largest source market. Increases were also recorded in other markets such as the UK (4.9 per cent), Canada (6.4 per cent) and the Caribbean (7.7 per cent). The number of excursionists fell marginally by 0.1 per cent. The improvement in stay-over arrivals had a positive spin-off effect on the related real estate, renting and business activity sector, as value added is estimated to have increased, in that sector.

**Prices**

The consumer price index grew by 2.3 per cent on an end-of-period basis during the period January to March of 2011, compared with an increase of 0.8 per cent in the comparable 2010 period. This growth is attributable to increases in the housing (9.0 per cent), transport and communications (3.8 per cent) and food (1.2 per cent) sub-indices. The rise in the housing sub-index reflected primarily an increase in property taxes, while the pass-through effect of rising international fuel, food and commodity prices, contributed to the growth in the transport and communications and food sub-indices. Those increases were partially tempered by declines in the clothing and footwear (6.0 per cent) and personal services (1.4 per cent) sub-indices. No changes were recorded in three of the sub-indices namely; household furnishings and education as well as fuel and light. The fuel and light sub-index is driven largely by changes in electricity charges, in particular amendments to the fuel surcharge levy which was last increased in the first quarter of 2010.





**Trade and Payments**

A merchandise trade deficit of \$108.3m was estimated in the first quarter of 2011 compared with one of \$105.7m in the corresponding period of 2010. The larger deficit reflected an estimated 2.0 per cent increase in imports and a 4.0 per cent decline in exports. The closure of a key rum exporter in the latter part of 2010 influenced the fall in exports.

Gross travel receipts are estimated to have increased by 8.0 per cent to \$84.0m in the first quarter of 2011, consistent with the estimated increase in tourist arrivals. The transactions of commercial banks resulted in a net outflow of \$35.4m in short-term capital during the period under review, compared with \$33.2m in the corresponding 2010 period. No external disbursements were received during the review period and external principal repayments totaled \$1.9m.

**Central Government Fiscal Operations**

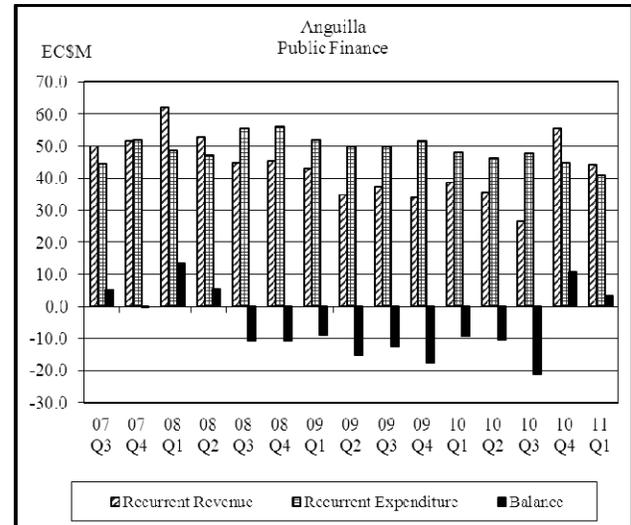
The fiscal operations of the central government resulted in an overall surplus (after grants) of \$3.1m in the first quarter of 2011 compared with \$12.8m in the corresponding period of 2010. Similarly, the primary surplus of \$5.4m recorded in the first three months of 2011, was lower than the \$16.2m surplus in the first quarter of 2010. The apparent deterioration in fiscal performance, however, reflects the fact that no grant funding was received in 2011, relative to an inflow of \$22.3m in grant funding in the first quarter of 2010. In fact the fiscal performance, before grant funding is considered, improved in the first three months of 2011 relative to the corresponding period of 2010.



A current account surplus (before grants) of \$3.3m was recorded in the review period, in contrast to a deficit of \$9.3m in the first quarter of 2010. This turnaround in the current account balance was due to increased revenue intake and lower expenditures. Current revenue increased by 14.3 per cent (\$5.5m) to \$44.1m due to larger receipts from taxes on domestic goods and services and on property. The collection of tax revenues on domestic goods and services increased by 53.5 per cent (\$8.0m), due in part to a 78.2 per cent rise in the receipts from accommodation tax. This increase mainly reflected the collection of arrears from several hotel properties. Earnings from taxes on international trade declined by 5.1 per cent, primarily influenced by the reclassification of several taxes from central government to the Air and Sea Ports Authority during the review period. The embarkation tax, which is a key component of taxes on international trade, was one of those taxes transferred to the Air and Sea Ports Authority and this partially explains the decline in the intake from taxes on international trade. The decline in the yield from international trade taxes was partially tempered by an 85.4 per cent (\$0.6m) increase in customs surcharge revenues, influenced by the increase in the surcharge rate from 1.0 to 3.0 per cent. As results of these movements in the major tax categories, tax revenue rose by 25.4 per cent (\$7.7m) to \$38.9m compared with a total of \$30.m in the comparable period of 2010.

Non-tax revenue fell by 26.9 per cent (\$2.2m) to \$6.1m, as several fees such as, port dues and airport

landing fees, were transferred to the Air and Sea Ports Authority.



Current expenditure contracted by 14.8 per cent (\$7.1m) to \$40.8m, influenced by decreases in outlays for all sub-components. This outcome represents a continued effort by the Government of Anguilla to achieve current and overall surplus balances by 2013. Personal emoluments, the largest sub-component declined by 10.7 per cent (\$2.4m), reflecting the average 5.0 per cent cut in wages and salaries which was implemented in July 2010. Interest payments declined by 32.6 per cent (\$1.1m) attributed in large part to the refinancing of central government commercial debt stock with a Caribbean Development Bank (CDB) Policy Based Loan. This arrangement significantly reduced the domestic debt stock and increased the external, while also facilitating lower interest cost. The declines in spending on goods and services (17.9 per cent) and on transfers and subsidies (14.9 per cent), reflected the impact of the implementation of specific



expenditure cutting measures which targeted these two spending categories. Meanwhile, capital expenditure increased by 14.2 per cent (\$0.03m) to \$0.24m reflecting outlays associated with recovery and mitigation projects following hurricane Earl.

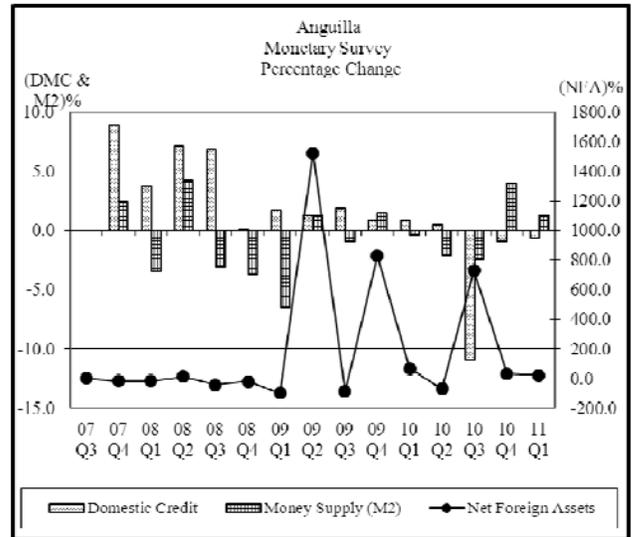
**Public Sector Debt**

The total disbursed outstanding debt of the public sector was estimated at \$234.5m at the end of March 2011 marginally lower than the \$235.1 recorded at the end of December 2010. Central government debt accounted for 92.6 per cent of total disbursed outstanding debt and external debt accounted for 75.0 per cent. External debt consists largely of a \$145.0m Caribbean Development Bank (CDB) Policy Based Loan. The disbursed outstanding debt of statutory bodies amounted to \$17.3m.

**Money and Credit**

Monetary liabilities (M2) rose by 1.3 per cent to \$1,076.1m at the end of the first quarter of 2011, in contrast to a 0.4 per cent decline in the corresponding 2010 period. The increase in M2 was attributed to increases in both the narrow money supply (M1) and quasi money. M1 increased by 13.2 per cent (\$6.0m), largely due to higher levels of private sector demand deposits, which rose by 27.4 per cent (\$7.8m) during the review period. Quasi money increased by 0.8 per cent to \$1,024.6m, driven by increases in all sub-components. Most notably, private sector foreign currency deposits,

which accounts for the largest share of quasi money, rose by 0.6 per cent (\$5.2m).



Domestic credit fell by 0.6 per cent to \$1,224.4m in the first quarter of 2011, in contrast to a 0.9 per cent increase in the corresponding 2010 period. The reduction was largely due to transactions relating to all the major users of credit including the private sector and the rest of the public sector, excluding central government. Private sector credit fell by 0.5 per cent (\$6.9m) due to a 2.6 per cent (\$19.1m) reduction in credit extended to businesses. This decline was tempered by a 1.6 per cent increase in household credit and a 18.3 per cent rise in credit to subsidiaries and affiliated credit institutions for investment purposes. The net deposit position of the rest of the public sector improved during the review period, further contributing to the overall contraction in domestic credit. The net deposit position of the rest of the public sector grew by 1.0 per cent (\$1.4m), in contrast to a contraction of 7.7 percent



(\$12.5m) in the corresponding period of 2010. Meanwhile, the net deposits of central government fell by 1.7 per cent, due to a 5.3 per cent (\$2.8m) fall in the deposits of central government.

In terms of the distribution of commercial bank credit by economic activity, the data indicate that the decline in credit for personal use was the largest contributing factor to the overall contraction in credit extension. Outstanding loans for personal use, which accounted for 45.3 per cent of total credit, declined by 1.4 per cent (\$8.9m) on account of lower spending on consumer durables. Lending for construction activity also declined, consistent with the estimated fall-off in activity in this sector. These contractions were partially mitigated by increased lending for tourism activity (0.4 per cent) and the distributive trades (0.8 per cent).

The net foreign assets of the banking system rose by 20.9 per cent to \$237.5m. This development was the result of transactions in the commercial banking sector, which accounts for the largest share of the total foreign assets in the system. Commercial banks foreign assets grew by 39.9 per cent (\$31.3m) to \$124.1m, due to an increase in their assets held outside the currency union.

Liquidity in the commercial banking system improved during the first quarter of 2011 relative to the first quarter of 2010. The ratio of liquid assets to total deposits plus liquid liabilities increased by 2.2 percentage points to 34.2 per cent while the loans

and advances to total deposits ratio fell by 1.8 percentage points to 100.63 per cent.

The weighted average interest rate spread between loans and deposits was reduced to 6.94 per cent at the end of the first quarter of 2011, from 7.06 per cent at the end of December 2010. The weighted average interest rate on loans fell by 0.3 percentage points to 10.15 per cent, while that on deposits declined by 0.2 percentage points to 3.21 per cent.

### **Prospects**

Economic activity is expected to contract in 2011. This outlook is associated with lower levels of activity in the construction, transport and financial intermediation sectors. Given the goal of achieving overall and current account surpluses by 2013, government expenditures including capital outlays have been curtailed and is expected to contribute to subdued construction activity. The reduction in construction activity in turn is expected to negatively impact the transportation sector as lower levels of trucking and like activities are expected. Financial intermediation which is a key contributor to Anguilla's economy is also expected to contract given the reduced levels of public sector interaction with the financial system. In contrast, tourism activity is expected to increase in the latter part of the year as the tourist season resumes. The tourism industry is expected to benefit from increased levels of collaboration between St Maarten and the Government of Anguilla on tourism-related issues



including; the stationing of Anguillan immigration officers at St Maarten ports to facilitate more efficient clearing of passengers with onward connections to Anguilla. This is expected to lead to positive gains in the short to medium term.

The fiscal operations of central government are expected to improve due to the assenting of the 2011 Budget which came into effect on 1 April 2011. That budget contains reform measures, which if successfully implemented, will increase revenue intake and contain expenditure growth. Specific policies include an increase in the petroleum levy and the introduction of a stabilization levy on personal income. The stabilization levy will be implemented at a rate of 3.0 per cent on monthly incomes between \$2,000 and \$12,000, to be paid by both the employer and employee. Current expenditure is expected to decrease given a wage and hiring freeze. Meanwhile, capital expenditure is anticipated to remain subdued in the remainder of the year as outlays are only expected to center on recovery and disaster mitigation projects. funded by the payout received by the Government of Anguilla

through the Caribbean Catastrophe Risk Insurance Facility (CCRIF).

On the external accounts, the merchandise trade deficit is expected to widen as a result of higher import prices on commodities such as fuel and food. That increase however, will be tempered by lower importation of construction related materials. Gross visitor expenditure is anticipated to increase as a result of the positive growth in stay-over arrivals forecasted for 2011. In the banking system monetary conditions are expected to remain favorable in 2011. Broad money is expected to continue increasing based on the trend in private sector flows and credit conditions are likely to remain favorable given increased liquidity and declining average credit rates.

These forecasts are contingent on economic developments in the USA and the absence of further global shocks. Inflationary pressures brought on by increased fuel and commodity prices are expected to raise the level of downside risk.



## ANTIGUA AND BARBUDA

### Overview

Preliminary data for the first three months of 2011 indicate that economic activity in Antigua and Barbuda contracted relative to the outturn in the corresponding period of 2010. 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 by the hotels and restaurants sector increased marginally, attributable to an increase in stay-over visitor arrivals. Consumer prices rose by 0.2 per cent, on an end-of-period basis. The fiscal operations of the central government resulted in a larger overall deficit, as current revenue collections declined at a higher rate relative to that of expenditure. Disbursed outstanding public sector debt decreased, compared with the level at the end of December 2010, partly influenced by the government's on-going debt restructuring with creditors. Monetary liabilities of the banking system decreased as the net foreign assets in the banking system declined and domestic credit increased marginally. Commercial bank liquidity improved and the weighted average interest rate spread fell during the review period.

Economic activity is projected to increase marginally for the rest of 2011 based on some positive developments in the tourism industry, as a result of enhanced marketing efforts. However, this projected recovery in the tourism industry will not

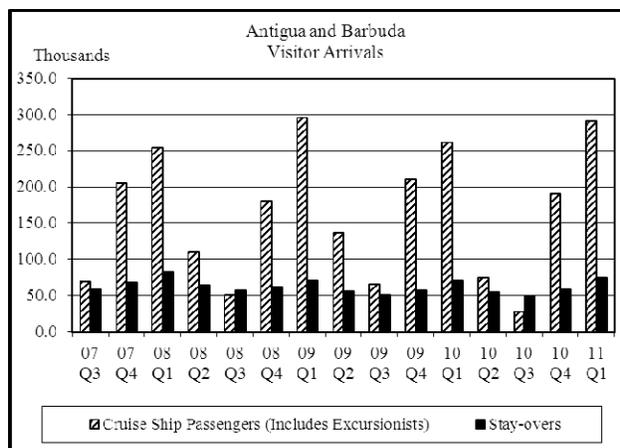
be enough to significantly buoy economic activity in other related sectors. Activity in most of the other major sectors is projected to remain depressed in the near term. The main risks to the outlook relate to the sustained increases in both food and fuel prices and slower than expected economic growth in major source markets. In addition, the commencement of the hurricane season increases the probability of disruption to economic activity.

### Output

Construction activity in Antigua and Barbuda continues to remain depressed, and is estimated to have declined during the first three months of 2011 relative to the corresponding period of 2010. Capital expenditure by the government remains subdued due to financing difficulties and there were no capital projects being undertaken by the government in the first quarter of 2011. Capital expenditure totalled \$1.5m compared with \$14.0m spent in the first quarter of 2010. The construction of a new airport terminal building, which was supposed to commence in the first quarter of 2011, has been delayed and major tourism projects, such as Half Moon Bay, La Perla's, Eden Beach Club, Hodge's Bay Club, Marina Residences and Reeds Point, were either significantly scaled back or stalled. The decline in activity in the sector is supported by indicators of construction activity; cement imports decreased by 32.6 per cent in the first quarter of 2011. 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 imports, while value added by the transport, storage and communications sector also decreased in line with the reductions in construction activity and cruise passenger arrivals. Among the other main economic sectors, declines were also recorded in value added for manufacturing, public administration, defence and compulsory social security and financial intermediation.

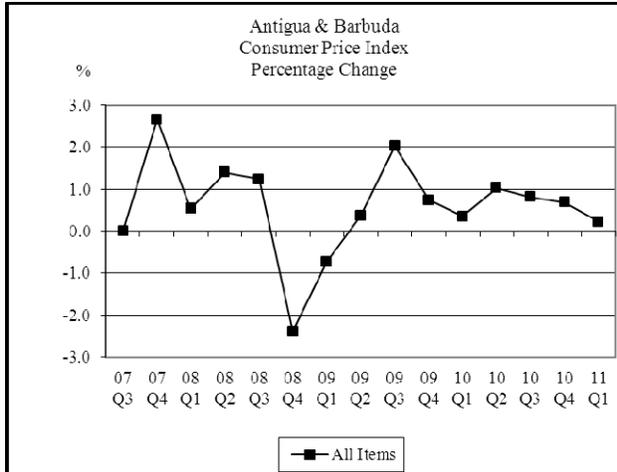
These declines were only partially offset by growth in key sectors such as agriculture, hotels & restaurants and real estate, renting and business activities. The performance of the tourism industry, for which value added in the hotels and restaurants sector is used as a proxy, improved due to an increase in stay-over visitor arrivals. Preliminary data suggest that the number of stay-over visitors increased by 5.2 per cent to 74,156, compared with

growth of 0.2 per cent in the first quarter of 2010. Additional airlift and intensified marketing were the main contributing factors to the increase in stay-over arrivals. All of the main source markets recorded an increase in stay-over arrivals. The number of stay over visitors from the USA, the UK and Canada increased by 4.4 per cent, 8.8 per cent and 14.1 per cent respectively; there was also an increase in arrivals from the Caribbean (8.0 per cent). Of the other categories of visitors, yacht passenger arrivals are estimated to have decreased by 10.3 per cent to 9,984 in contrast to a revised increase of 9.2 per cent in the first quarter of 2010. The number of cruise ship passengers rose by 11.1 per cent, reflecting an increase in cruise ship calls. On balance, total visitor arrivals are estimated to have risen by 9.2 per cent to 375,196, in contrast to the 8.8 per cent decline recorded for the first quarter of 2010.

### Prices

The consumer price index rose by 0.2 per cent on an end-of-period basis, mainly reflecting increases in the transportation and communication, as well as fuel and light sub-indices. An increase in the fuel variation rate and the price of liquefied petroleum gas, in response to rising international oil prices, led to a 2.9 per cent increment in the fuel and light sub-index. The transportation and communication sub-index also rose by 2.7 per cent, commensurate with the rise in fuel prices. In contrast prices in the food sub-index, the second largest weighted in the CPI basket, fell by 1.4 per cent.





**Trade and Payments**

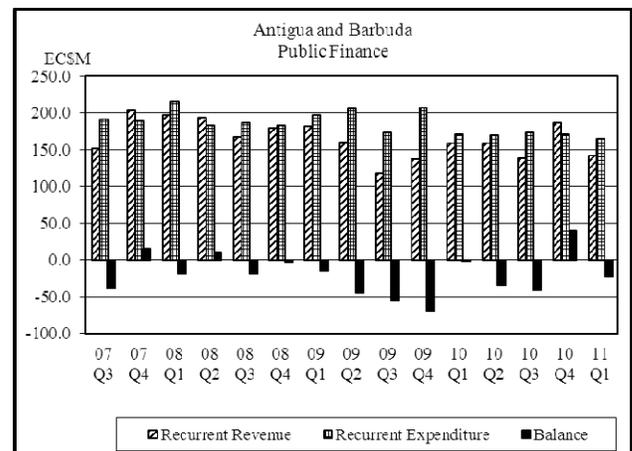
Preliminary data on cargo throughput indicate that the volume of imports landed at the port fell by 5.5 per cent, reflecting reductions in all the main sub-categories except fuel, which rose by 4.5 per cent. The volume of general cargo imported declined by 12.5 per cent relative to the level in the corresponding period of 2010, consistent with the general downturn in economic activity. The volume of cement imported decreased by 32.6 per cent, in line with the contraction in construction activity. Meanwhile, the volume of exports fell by 13.0 per cent, influenced by declines in the export of general cargo.

Gross travel receipts rose by 4.8 per cent to \$269.7m, reflecting the increase in stay-over visitor arrivals. Commercial bank transactions resulted in a net outflow of \$18.9m in short-term capital, down from \$136.0m during the first quarter of 2010. External loan disbursements to the central government amounted to \$27.4m, while debt

repayment totalled \$12.7m. Consequently there were net inflows of \$14.7m, compared with payments of \$5.7m made in the first quarter of 2010.

**Central Government Fiscal Operations**

The fiscal operations of the central government deteriorated in the first quarter of 2011 relative to the outturn in the corresponding period of 2010. The overall balance (after grants) recorded a larger deficit of \$18.8m compared to a revised \$12.6m deficit recorded in the corresponding period of 2010. The widening of the deficit stemmed from a reduction in revenue, which outweighed the decline in expenditure. A smaller primary surplus of \$7.8m was incurred, compared with a revised surplus of \$9.3m in the first quarter of 2010.



The current account deficit increased by \$6.5m to \$8.7m compared to a revised \$12.2m deficit recorded in the first three months of 2010. The widening of the deficit was the result of a decline in current revenue. Current revenue fell by 5.8 per cent to \$148.9m, primarily attributable to a 56.3 per cent

decline in non-tax revenue. The decline in non-tax revenue is attributable to a one-off payment that was collected in 2010 but not made again in 2011. Tax revenue increased by 0.7 per cent, indicating that economic activity still remains sluggish in Antigua and Barbuda. Receipts from taxes on international trade and transactions increased by 1.9 per cent (\$1.1m). Collections from taxes on domestic goods and services rose by 7.1 per cent (\$3.9m), associated with an increased yield from the ABST. This was attributed to an improvement in the compliance rate due to greater enforcement by the Inland Revenue Department. By contrast revenue from taxes on income and profit declined by 11.7 per cent (\$2.7m), largely influenced by a smaller intake from the company tax.

Current expenditure contracted by 1.5 per cent to \$167.6m, resulting from reductions in outlays on all categories of expenditure, except for interest payments. Spending on transfers and subsidies fell by 1.8 per cent (\$1.0m), largely reflecting reduced outlays for grants and subventions to statutory corporations and overseas missions. Payments for goods and services decreased by 18.6 per cent (\$4.8m), mainly on account of the implementation of new procurement guidelines which facilitated better expenditure control. Expenditure for personal emoluments declined by 2.4 per cent (\$1.6m), primarily as a result of a reduction in overtime pay. These declines were partly tempered by a 21.7 per cent (\$4.7m) increase in interest expenses.

Capital expenditure amounted to \$10.7m, representing a decline of 23.6 per cent relative to the \$14.0m spent in the first quarter of 2010, as the government continued to experience some financing difficulties for its public sector investment programme.

### **Public Sector Debt**

The total disbursed outstanding debt of the public sector was estimated at \$2,695.5m at the end of March 2011, down from \$2,709.9m at the end of December 2010. The disbursed outstanding debt of the central government declined by 0.4 per cent to \$2,283.3m at the end of March 2011, due mainly to a decrease in domestic debt. Likewise, the outstanding debt of public corporations fell by 1.5 per cent to \$400.2m, largely on account of a contraction in domestic debt.

### **Money and Credit**

Monetary liabilities (M2) decreased by 0.4 per cent (\$13.1m) to \$2,993.3m during the first quarter of 2011, compared with a 0.8 per cent rise during the corresponding period of 2010. The decline in M2 was largely associated with a 4.9 per cent (\$30.7m) decrease in narrow money (M1), attributable to a 4.0 per cent (\$17.8m) decline in private sector demand deposits and a 4.6 per cent (\$6.4m) decrease in currency held with the public. The decrease in M1 was offset by a 0.7 per cent increase in quasi money,

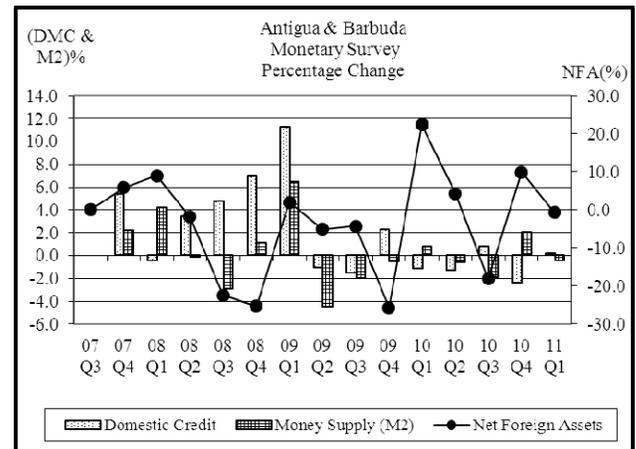


which on average accounts for 80.0 per cent of M2. The increase in quasi money was influenced by a 2.6 per cent (\$25.2m) increase in private sector saving deposits.

Domestic credit rose by 0.2 per cent (\$5.4m) to \$2,920.5m, primarily influenced by the transactions of the government. Net credit to the government rose by 4.2 per cent (\$20.5m) as a result of a fall in government deposits which was more than offset by a decline in credit extended. Government's deposits in the banking system fell by 26.5 per cent (\$33.0m) while credit extended to government fell by 2.0 per cent. Credit to the private sector, which constitutes the bulk of credit to the economy, recorded a 0.5 per cent (\$12.5m) decline. This reduction largely reflected a 0.9 per cent (\$10.7m) and a 0.1 per cent (\$1.9m) fall in outstanding loans to businesses and households respectively. Lending to non-bank financial institutions also declined. In the rest of the public sector, the net deposits position of non-financial public enterprises rose by 2.4 per cent.

The distribution of credit by economic activity indicates reductions in outstanding loans for all categories, except other uses, which rose by 2.5 per cent (\$19.7m). The increase in lending for other uses largely reflected increased lending to all of its sub-categories, (Entertainment and Catering, Transportation and Storage, Financial Institutions, Professional and Other Services and Public Administration), except Utilities, Electricity and Water sectors. Lending for personal use recorded the largest decline, falling by 0.5 per cent (\$7.2m)

attributable to a decline in lending for consumer durables (\$7.0m) and other personal use (\$5.3m). The decline in credit extended for personal use was partly offset by a higher level of credit for acquisition of property. Other sectors of note which recorded declines in credit were construction (\$6.7m) and distributive trades (\$6.4m).



The net foreign assets of the banking system stood at \$433.3m at the end of March 2011, representing a decline of 0.6 per cent compared with the total at the end of December 2010. Commercial banks' net foreign assets increased by 27.5 per cent to \$87.6m at the end of the first three months of 2011, influenced by increases in their external assets held with banks within the currency union. By contrast, Antigua and Barbuda's imputed share of ECCB's reserves fell by 5.9 per cent.

Liquidity in the commercial banking system increased as the ratio of liquid assets to total deposits plus liquid liabilities rose by 1.9 percentage points to 36.9 per cent. The loans and advances to total deposits ratio fell to 87.5 per cent at the end of



March 2011, from 88.5 per cent at the end of December 2010.

The interest rate spread between loans and deposits narrowed to 6.8 percentage points at the end of March 2011, from 7.0 percentage points at the end of December 2010. The weighted average interest rate on loans fell by 0.3 percentage point to 9.9 per cent and that on deposits decreased by 0.1 percentage point to 3.2 per cent.

### Prospects

Economic activity in Antigua and Barbuda is projected to increase marginally in 2011, influenced by developments in the tourism sector as activity in other major sectors of the economy is expected to remain subdued. Intensified marketing and additional airlift are expected to contribute positively to the additional stay-over arrivals to the island. However, these projections may be tempered by the persistently high USA unemployment level, the impact of the UK's Air Passenger Duty and the rising fuel price, which are likely to affect tourism demand from those major source markets. The level of construction activity is likely to remain subdued, given private sector financing difficulties as a result of tight credit conditions and dwindling inflows of foreign direct investment and remittances.

A projected expansion in enrollment at the American University of Antigua is expected to lead to

increased activity in the other services sectors.

Notwithstanding the continued underperformance of revenue collections in the first quarter of 2011, the fiscal operations of the central government are projected to improve in 2011 relative to the outturn in 2010. The forecast is based largely on the various economic stabilisation and adjustment measures, aimed at restoring fiscal and debt sustainability under the Stand by Arrangement with the IMF. The improvement will be met, more than likely, through expenditure cutting measures.

In the external sector, 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. The rise in fuel poses the risk that cost of travel may increase and reduce stay-over arrivals. 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, a further rise in prices is likely to slow consumption and restrain economic growth. There is also a heightened risk of hurricanes which could derail the recovery.



## DOMINICA

### Overview

Economic activity in Dominica declined marginally in the first three months of 2011, compared with the level in the corresponding period of 2010. This performance was marked by declines in the tourism, agricultural and manufacturing sectors. The consumer price index (CPI) increased by 1.2 per cent, on an end-of-period basis, driven by rising international oil prices. The merchandise trade deficit is estimated to have narrowed on account of lower import payments. Central government's fiscal operations resulted in an overall deficit, in contrast to a surplus in the first quarter of 2010, influenced by higher levels of expenditure. Total public sector outstanding debt rose, reflecting larger obligations by public corporations. In the banking system, monetary liabilities rose at a slower pace compared to the rate recorded in the corresponding period of 2010. The weighted average interest rate spread fell, while commercial bank liquidity increased.

Economic activity is projected to improve in the remainder of 2011, albeit at a moderate pace relative to 2010. Construction activity is likely to provide the major impetus for growth. The forecast is subject to significant downside risks. A slowed pace in the recovery of the global economy could negatively impact the pace of recovery in local economic activity. Other risks include a decline in grant receipts, a greater than anticipated surge in commodity prices and adverse weather.

### Output

Increased construction activity in both the public and private sector contributed to an expansion in the construction sector in the first quarter of 2011, compared with the corresponding period of 2010. Increases were recorded in the real value of imports of construction material (8.5 per cent) and the number of construction starts (40.7 per cent), indicative of the robustness of construction activity. In the public sector, work intensified on a number of projects including the Pond Casse to Melville Hall Road, Portsmouth Fisheries Facility, Hillsborough Horticultural Centre and Waitukubuli National Trail. In the private sector, activity focused on home construction – the number of residential starts rose to 38 from 27 in the first quarter of 2010.

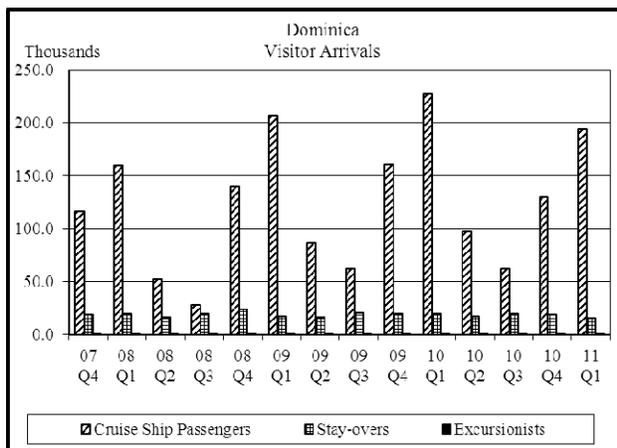
The robust construction work contributed to an increase in activity in the transport, storage and communication sector and mining and quarrying industry.

Activity in the tourism industry decreased in the period under review, relative to the first quarter of 2010. Total visitor arrivals contracted by 15.2 per cent to 209,592 reflecting lower travel demand associated with the weak global recovery. The number of stay-over visitors fell by 21.4 per cent to 15, 451. Arrivals from the Caribbean and the USA, major source markets, declined by 38.1 per cent and



8.9 per cent respectively. Consequently, the occupancy levels at two major hotels fell between the range of 46.0 per cent and 65.7 per cent in the review period. Cruise ship passenger arrivals fell by 14.6 per cent to 194,081, largely attributable to Dominica being dropped from the itinerary of Carnival Cruise lines, from 1 November 2010. As a result, the number of cruise ship calls decreased by 24 to 107. The number of excursionists declined by 65.7 per cent to 60.

The lacklustre performance of the tourism industry contributed to a decline in real estate, renting and business activities.



Output of the agricultural sector is estimated to have declined marginally, largely on account of a contraction in banana production. Banana output fell by 34.7 per cent to 634 tonnes in the first quarter of 2011, compared with the level in the corresponding period of 2010. The performance was impacted by the lingering effects of adverse weather, pests and disease infestations. The decline was

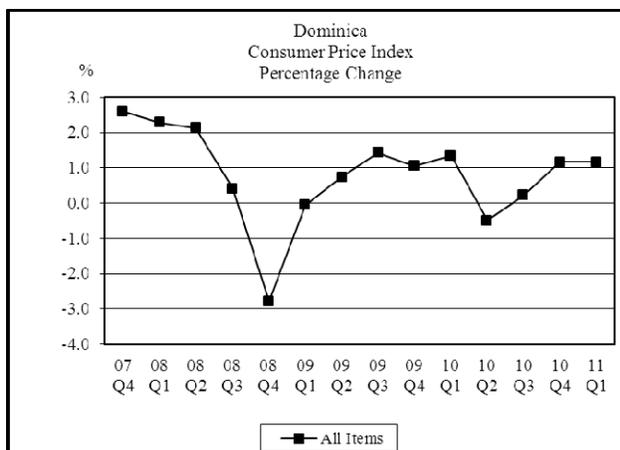
tempered by estimated increases in the output of other crops, livestock, forestry and, fish.

Manufacturing output is estimated to have contracted in the first three months of 2011, compared with the outturn in the corresponding period of 2010. The volume of soap production fell by 35.6 per cent partly associated with lower regional demand. Furthermore, the volume of beverage output decreased by 34.9 per cent, reflecting the impact of the decision by a beverage company, to transform its business model from one of bottling to distribution in January 2011. By contrast, the volume of paints and varnishes increased by 23.5 per cent, linked to the rise in residential construction. The overall decline in manufacturing output contributed to a fall in wholesale and retail activity.

## Prices

The consumer price index rose by 1.2 per cent during the quarter ended March 2011, marginally below the 1.3 per cent recorded in the corresponding period of 2010. A notable increase (11.1 per cent) was registered for the fuel and light sub-index, mirroring the surge in international oil prices. The increase in global commodity prices also contributed to increases in other indices such as transportation and communication (2.2 per cent) and food (0.4 per cent), the highest weighted in the basket. These increases were partially offset by declines in housing and utilities (0.5 per cent), education (0.2 per cent) and household and furniture equipment (0.1 per cent).



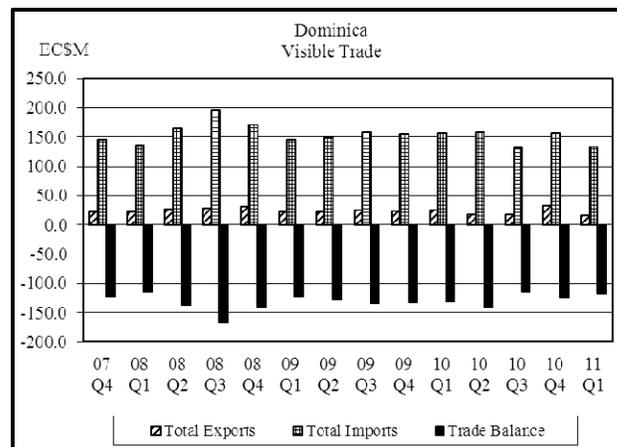


**Trade and Payments**

A merchandise trade deficit of \$117.3m was recorded in the first quarter of 2011, down from one of \$131.4m in the corresponding period of 2010. The outturn was partly attributed to lower import payments, reflective of the decline in overall economic activity. The value of imports fell by 15.3 per cent, driven primarily by lower payments for machinery and transport equipment. The value of exports declined by 38.3 per cent, mirroring the lack of robust activity in the agricultural and manufacturing sectors. Domestic exports fell by 33.5 per cent (\$7.6m), reflecting decreases in receipts for bananas (\$0.6m) and soap (\$1.3m). The value of re-exports decreased by \$2.2m.

Gross inflows from travel contracted by 17.4 per cent to \$61.4m, consistent with the drop in the number of stay-over visitors. Commercial bank transactions resulted in a net inflow of \$9.5m in short-term capital, in contrast to a net outflow of \$4.0m in the corresponding period of 2010. External loan disbursements to the central

government amounted to \$3.9m, down from disbursements of \$5.4m in the first three months of 2010.



**Central Government Fiscal Operations**

The fiscal operations of the central government resulted in an overall deficit of \$16.5m in the review period, in contrast to a surplus of \$3.8m in the first three months of 2010, largely attributed to increases in capital expenditure. The deficit was financed in part by the draw-down on deposits in the commercial banking system. The primary balance moved to a deficit position of \$11.7m, from a surplus position of \$11.5m in the first quarter of 2010.

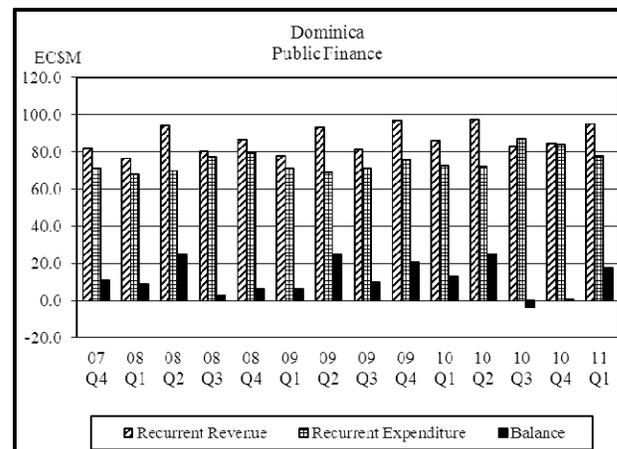
The surplus on the current account amounted to \$17.2m, up from the surplus of \$13.3m recorded in the corresponding period of 2010. This improvement was primarily influenced by a faster pace of growth in revenue relative to current expenditure. Current revenue increased by 10.7 per cent to \$95.3m, reflecting larger receipts from both

tax and non-tax heads. Tax revenue rose by 5.1 per cent (\$4.0m), on account of increases in all the major sub-categories except taxes on property. Revenue from taxes on domestic goods and services grew by 5.2 per cent (\$2.5m) influenced by increased collections from excise taxes (\$1.8m). The intake from income, profit and capital gains rose by 12.8 per cent (\$1.7m), largely owing to increased collections from personal income tax, associated with higher salaries. Receipts from taxes on international trade and transactions rose by 6.6 per cent (\$1.1m), partly influenced by larger collections from import duties. The yield from taxes on property fell by 44.8 per cent (\$1.2m) partly associated with a decline in the collection of taxes from land transactions.

Non-tax revenue increased by 71.2 per cent (\$5.2m), mainly as a result of larger collections from the economic citizenship programme.

Current expenditure grew by 7.2 per cent to \$78.1m, mainly influenced by increased payments for personal emoluments and goods and services. Expenditure on personal emoluments rose by 20.4 per cent (\$6.3m), primarily the result of retroactive salary increases awarded to public servants in January 2011. Outlays on goods and services were up by 14.0 per cent (\$2.5m), reflecting increased payments for equipment, fuel and consultancy work.

These increases were tempered by declines in interest payments (\$2.9m) and spending on transfers and subsidies (\$0.7m).



Capital expenditure rose more than twofold to \$51.1m associated with intensified work on a number of projects in the public sector investment programme (PSIP). Capital grants doubled to \$16.4m in the first quarter of 2011, largely associated with investment in the Portsmouth Fisheries Facility funded by the Government of Japan.

### Public Sector Debt

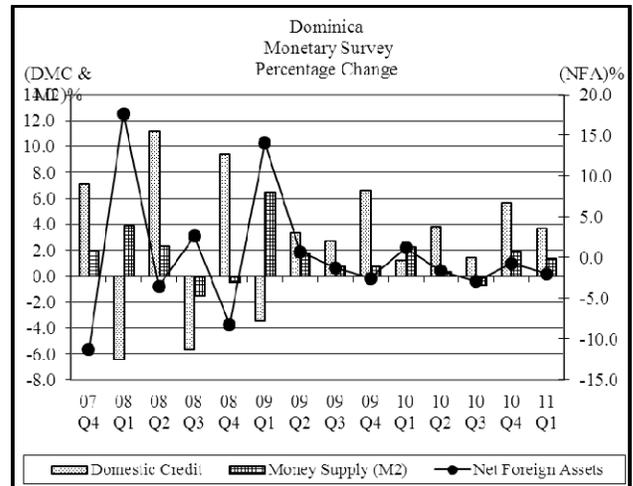
The total disbursed outstanding debt of the public sector rose by 2.3 per cent to \$937.5m at the end of March 2011. This outturn was partly attributed to an increase in the obligations of public corporations which grew by 13.3 per cent to \$169.6m.

The debt of the central government was up by 0.2 per cent to \$767.8m, on account of larger external obligations.

**Money and Credit**

Broad money (M2) rose by 1.3 per cent to \$1,023.8m during the quarter ended March 2011, compared with an increase of 2.3 per cent in the corresponding period of 2010. Growth in M2 mirrored increases in both the narrow money supply (M1) and quasi-money. M1 grew by 3.4 per cent (\$6.5m), attributable to an expansion in private sector demand deposits (\$11.7m). Growth in private sector demand deposits was partially offset by a contraction in currency in circulation (\$5.4m), reflecting the decline in economic activity. Quasi money rose by 0.9 per cent (\$7.0m), resulting from increases in both private sector time and savings deposits.

Domestic credit expanded by 3.7 per cent (\$21.3m) to \$599.6m during the first quarter of 2011, largely on account of an increase in credit to the private sector. Private sector credit grew by 1.5 per cent (\$10.9m), mainly resulting from growth in lending to businesses (\$9.1m). By way of other developments, the net deposits of the central government fell by 11.7 per cent (\$6.0m) due to a drawdown of government deposits to fund public expenditure. The net deposits of non-financial public enterprises and statutory bodies contracted by 5.1 per cent, influenced by an increase in credit.



The distribution of credit by economic activity shows increases in outstanding loans for most categories. Of note, increases were registered in outstanding credit for manufacturing, including mining and quarrying (9.3 per cent), construction (7.7 per cent) and distributive trades (5.5 per cent). By contrast, declines were recorded in outstanding loans for utilities, including water and electricity (11.9 per cent), financial institutions (5.6 per cent), public administration (2.3 per cent) and personal use (0.2 per cent).

The net foreign assets of the banking system contracted by 2.0 per cent to \$524.4m, in contrast to an increase of 1.2 per cent during the first three months of 2010. The decline was largely associated with a 2.7 per cent decline in the net foreign assets of the commercial banks, mainly attributable to an increase in liabilities with institutions outside of the Eastern Caribbean Currency Union. Dominica’s imputed share of the Central Bank’s reserves decreased by 0.6 per cent to \$178.2m.



Liquidity in the commercial banking system increased marginally during the review period. The ratio of liquid assets to total deposits plus liquid liabilities increased by 0.2 percentage point to 39.9 per cent. The ratio of loans and advances to total deposits declined by 0.3 percentage point to 63.3 per cent.

The spread between interest rates on loans and deposits moved from 5.69 to 5.68 per cent at the end of March 2011. The weighted average interest rate on loans fell by 0.16 percentage points to 8.79 per cent, while the rate on deposits decreased by 0.2 percentage point to 3.1 per cent.

### Prospects

Economic growth is likely to be moderate in 2011, supported by continued activity in the construction sector. As work intensifies on public sector projects, the construction sector is likely to be a contributor to increased activity in the transport, storage and communication sector and the mining and quarrying industry. Activity in the agricultural sector and tourism industry is likely to improve in the remainder of the year, albeit at a moderate pace relative to the level in 2010. Improvements in the agricultural sector are premised on combined investments in recovery of the banana industry and production of other crops. Likewise, the performance of the tourism industry is anticipated to improve marginally, based on expected increases in the hotel room stock, recently approved night landing and the introduction of another ferry service

in the last quarter of 2011. Local consumption and the demand for imports are likely to remain weak, dampening the level of activity in the wholesale and retail trade sector. The manufacturing industry is expected to be negatively impacted by lower external demand and competitiveness issues.

As the construction sector provides the major impetus for growth, government expenditure is likely to increase, resulting in an overall deficit on the central government's fiscal accounts in 2011. Growth in expenditure is anticipated to outpace that of revenue, which will be constrained by weak economic activity.

Increasing global commodity prices, especially for oil and related products, are likely to contribute to an increase in the value of imports, further widening the merchandise trade deficit. Domestic exports are expected to stagnate given the decline in the manufacturing sector and mild improvement in the agricultural sector. Inflows from travel are projected to rise marginally, in line with the slight improvement in tourism performance.

The observed trend in private sector credit observed in the first quarter of 2011, is likely to continue throughout the year. Consequently domestic credit is likely to increase and provide the basis for growth in M2. However, the pace of growth in M2 is likely to be slow in 2011 relative to the level in 2010. Commercial bank liquidity is likely to remain relatively unchanged as the continued trend of



increases in private sector deposits will be offset by an expected decline in public sector deposits to fund expenditure.

This outlook is subject to significant downside risks, given unfolding developments in the global and local economy. If the recovery in the global economy fails to gain momentum in the remainder of 2011, the results of export-led investments are likely to remain muted and growth prospects weaker.

On the local front, a decline in grant receipts can result in cuts in capital spending with negative consequences for construction activity. Other downside risks include adverse weather, which could not only wipe out expected gains in the banana industry, but also compound fiscal pressures faced by the authorities.



## GRENADA

### Overview

The pace of economic activity remained relatively slow in Grenada during the first quarter of 2011. This assessment is based on an improved performance in the tourism sector which was moderated by estimated declines in agriculture, construction and manufacturing.. The consumer price index rose by 1.2 per cent, on an end-of-period basis. The merchandise trade deficit narrowed, on account of a reduction in import payments. The central government incurred a smaller overall deficit, influenced by a contraction in capital expenditure. The disbursed outstanding public sector debt rose marginally, compared with the level at the end of December 2010. Banking sector developments included a fall in monetary liabilities and a rise in domestic credit. Commercial bank liquidity increased slightly and the spread between the weighted average deposit and lending interest rates widened.

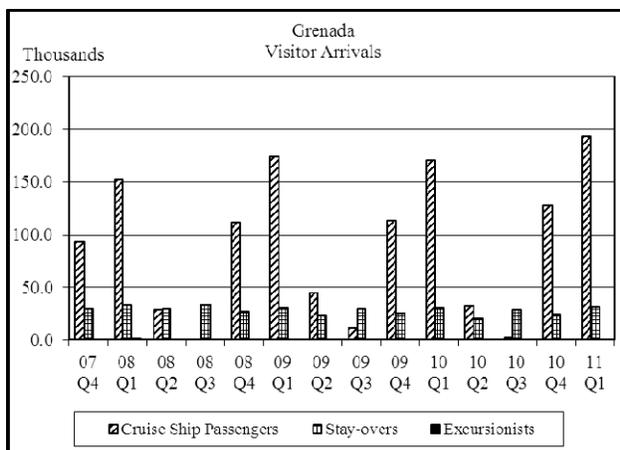
The economic outlook for the rest of 2011 is expected to improve marginally, influenced by continued positive developments in the tourism sector and a likely rebound in agricultural and construction outputs later in the year. The fiscal operations of the central government are likely to produce mixed results, with the current account in a

surplus position, while the overall deficit expands, in part due to a contraction in grant receipts. Downside risks include a still weak global economy, elevated food and fuel prices and adverse weather conditions.

### Output

The tourism sector is estimated to have improved markedly in the review period. Total visitor arrivals are estimated to have risen by 10.8 per cent to 225,763 in the first quarter of 2011, in contrast to the 1.6 per cent decline recorded in the corresponding period of 2010. The upturn was influenced mainly by an increase in the number of cruise ship passenger arrivals. This category of passenger arrivals grew by 13.0 per cent to 192,756, consistent with the increase in the number of cruise calls. Stay-over visitors rose marginally by 1.1 per cent to 31,240, thus contributing to the overall increase in total visitor arrivals. Most of the major source markets recorded increases; arrivals from the USA, UK and the Caribbean rose by 6.7 per cent, 6.6 per cent and 4.2 per cent respectively. By contrast, arrivals from Canada fell by 4.5 per cent. Yacht passenger arrivals are also estimated to have increased by 2.0 per cent to 1,315. Tempering the overall expansion in tourist arrivals was a 50.0 per cent decline in the number of excursionists.





Construction activity contracted further in the first quarter of 2011, relative to the outturn in the corresponding period of 2010, resulting from persistently low levels of private and public sector construction activities. Partly indicative of the fall in overall construction activity was a 16.3 per cent reduction in the value of imported building materials. In the private sector, work remains halted on all major foreign direct investment funded projects. Public sector activity focussed primarily on repairs and renovations to schools and some other public buildings.

Agricultural output is estimated to have contracted, largely resulting from the adverse impact of heavy rains on crop production and the decline in the output of fish. Output of the non-traditional crops was estimated to have declined by 5.6 per cent, as waterlogged conditions led to crop losses. Among the traditional crops, output of cocoa fell by 20.4 per cent. Fish production is estimated to have fallen by 15.6 per cent. The overall decline in the sector was offset by increases in nutmeg production which more than doubled to 165.1 tonnes and mace

production which almost doubled to 7.4 tonnes. Banana production rebounded during the quarter under review, to grow by 45.2 per cent to 354.9 tonnes, as pest control efforts were improved and more inputs were made available.

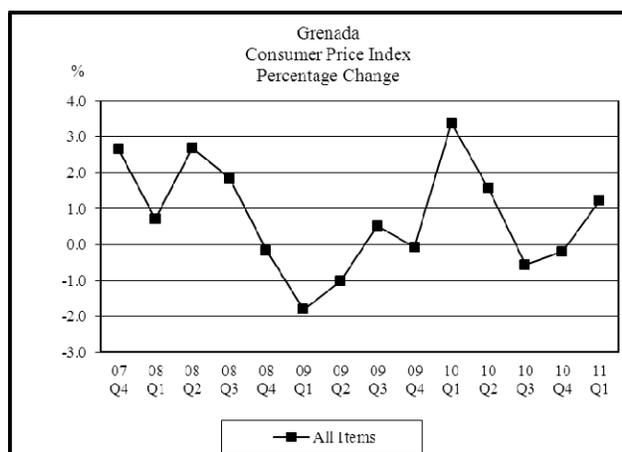
Activity in the manufacturing sector declined for the review period, attributable to decreases in the output of most major commodities, as domestic demand remained soft. The production of soft drinks fell by 10.6 per cent to 42,956 cases in the first quarter of 2011, in contrast to the significant increase in the corresponding period of 2010 when the previously closed soft drinks plant was reopened. Malt production fell by 48.1 per cent partly due to increased competition from imported malt products. Beer production declined by 7.4 per cent, while stout contracted by 3.5 per cent. Additionally, the output of flour fell by 1.5 per cent. The overall contraction in the sector’s output was tempered by increases in the production of paint (14.6 per cent), as a result of strong external demand, and rum (2.8 per cent).

**Prices**

The consumer price index rose by 1.2 per cent on an end-of-period basis, led by increases in the more heavily weighted categories, including food and non-alcoholic beverages; housing, utilities, gas and fuel, and communications. Higher costs of petroleum products and electricity services, resulting from rising international oil prices, contributed to a 1.5 per cent increase in the housing, utilities, gas and fuel sub-index. Prices for food and non-alcoholic



beverages rose by 1.2 per cent, led in part by increases in the prices of fruits and vegetables. The communication sub-index registered a 5.7 per cent increase in prices increased by, partially reflecting the impact of the Value Added Tax. By contrast, prices for transport services declined marginally for the review period by 0.1 per cent.

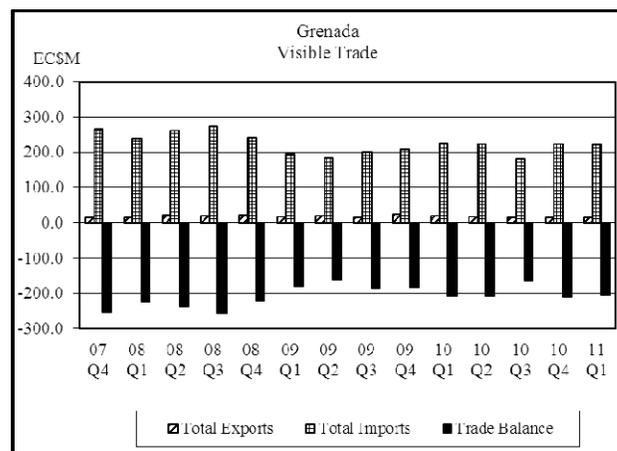


**Trade and Payments**

The merchandise trade deficit narrowed by 1.2 per cent to \$205.2m in the first quarter of 2011, in contrast to the outturn for the corresponding period of 2010. The smaller deficit reflected a 2.7 per cent (\$6.0m) reduction in import payments, consistent with the slowdown in economic activity. The value of total exports contracted by 19.2 per cent to \$15.2m, driven by a decline in domestic exports. Receipts from domestic exports fell by 23.6 per cent, primarily as a result of decreases in earnings from nutmeg and cocoa exports.

Gross travel receipts increased by 5.1 per cent to \$86.9m, in keeping with the growth in total visitor

arrivals. Commercial bank transactions resulted in a net inflow of \$28.6m in short-term capital, in contrast to an outflow of \$29.3m during the first quarter of 2010. Gross disbursements to the central government amounted to \$5.0m, while principal repayments totalled \$5.7m. Consequently, there were net official outflows of \$0.7m, compared to that of \$7.4m in the first quarter of 2010.



**Central Government Fiscal Operations**

The fiscal operations of the central government yielded an overall deficit of \$21.8m in the first three months of 2011, 10.0 per cent lower than the \$24.3m recorded in the corresponding period of 2010. The narrowing of the deficit stemmed mainly from a reduction in capital expenditure and improvements on the current account. A primary surplus of \$1.0m was incurred, in contrast to a deficit of \$10.6m recorded in the first quarter of 2010.

The central government recorded a current account deficit of \$7.8m, compared with one of \$9.2m in the first three months of 2010. The slight improvement

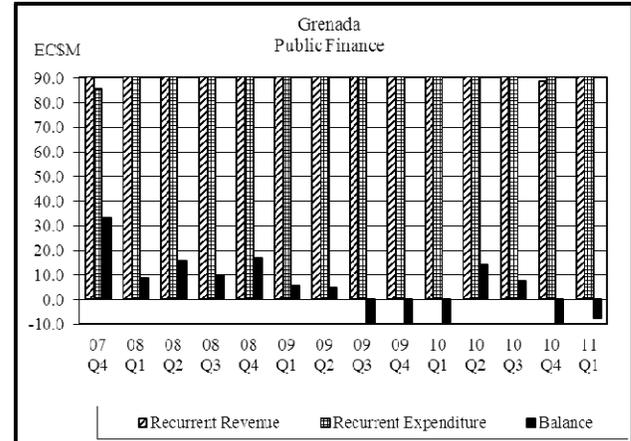


was attributed to an increase in current revenue which outpaced the growth in current expenditure. Current revenue rose by 16.6 per cent to \$114.9m, attributable to growth of 10.5 per cent (\$9.9m) in tax revenue.

Collections from taxes on domestic goods and services increased by 34.4 per cent (\$12.5m), mainly driven by the performance of the value added tax (VAT). The yield from taxes on property rose by 77.4 per cent (\$2.4m), as the problem associated with the late issuance of property tax demand notices, in the same period of 2010, was not repeated. By contrast, a fall in consumption taxes following the introduction of VAT in the corresponding quarter of 2010, led to a 2.1 per cent (\$0.7m) fall in receipts from taxes on international trade and transactions. Tax receipts on income and profits contracted by 18.4 per cent (\$4.3m), due to a 28.3 per cent (\$4.7m) drop in company taxes, as profits declined.

Current expenditure rose by 13.8 per cent to \$122.8m, mainly influenced by increased interest payments, which expanded by 67.7 per cent (\$9.2m) on account of increased payments on external loans. Expenditure associated with transfers and subsidies rose by 14.1 per cent (\$2.7m), reflecting an increased demand for social safety net services. Outlays on personal emoluments grew by 21.3 per cent (\$10.2m). The increase in personal emoluments resulted largely from the decision taken to absorb payments to contractors and other similar payments under this category, instead of under goods and

services where they were previously captured. Consequently, a commensurate decline of 26.7 per cent (\$7.2m) was recorded for goods and services.



Capital expenditure contracted by 36.9 per cent to \$20.1m, due in part to financing constraints and the slow implementation of some government projects. A partial contributor to the fall in capital expenditure was the 63.9 per cent (\$10.7m) decline in capital grants in the review period.

**Public Sector Debt**

The total disbursed outstanding debt of the public sector was estimated at \$1,946.1m at the end of March 2011, up from the \$1,942.2m at the end of December 2010. The increase was driven by growth in central government debt stock. The disbursed outstanding debt of the central government, which accounted for 90.4 per cent of total public sector debt, rose by 0.7 per cent to \$1,759.0m, indicative of increases in both external and domestic debt stocks by 0.4 per cent and 1.9 per cent respectively. The disbursed outstanding debt of public corporations



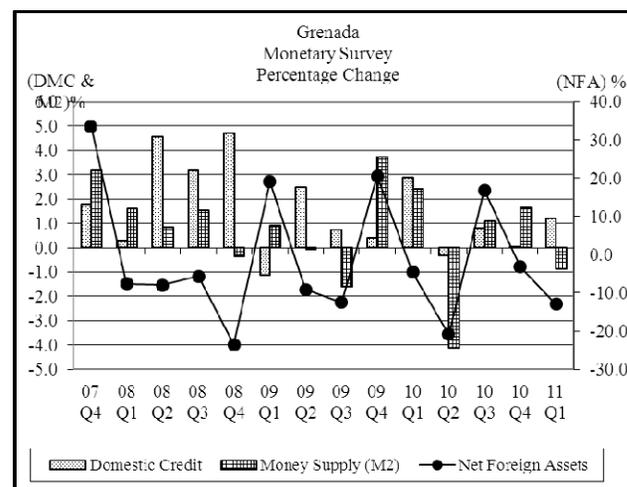
amounted to \$187.1m, roughly 4.3 per cent below the total at the end of 2010.

### Money and Credit

Monetary liabilities (M2) contracted by 0.9 per cent to \$1,821.6m during the first quarter of 2011, in contrast to a 2.4 per cent increase during the corresponding period of 2010. The decline in M2 was largely driven by a 6.9 per cent decrease in the narrow money supply (M1), attributable to contractions in all sub-components; private sector demand deposits (6.0 per cent), currency with public (5.1 per cent) and issuances of cheques and drafts (27.6 per cent). The decline in M1 was partially offset by marginal growth of 0.5 per cent in quasi money, led by a 2.4 per cent rise in private sector savings deposits. The growth in quasi money was however tempered by declines in private sector time deposits (2.5 per cent) and foreign currency deposits (6.0 per cent).

Domestic credit grew by 1.2 per cent to \$1,719.8m during the quarter under review, driven mainly by an expansion in credit to central government. Net credit to the central government grew by 28.5 per cent (\$31.4m), supported by a more than tripling of credit from the central bank to \$14.0m, and a 7.2 per cent (\$11.0m) rise in commercial bank credit to the government. In the rest of the public sector, the net deposit position of non-financial public enterprises expanded by 4.7 per cent, reflecting growth in their deposits. Commercial bank credit to the private sector fell marginally by 0.1 per cent (\$2.5m), due

primarily to contractions in lending to businesses of 0.5 per cent (\$3.4m) and non-bank financial institutions of 1.2 per cent (\$0.2m). By contrast, credit to households grew marginally by 0.1 per cent (\$1.1m).



The distribution of credit by economic activity indicates that lending for personal use, the largest category, fell by 0.1 per cent (\$1.5m), as declines in loans for durable goods and other personal uses offset growth in credit for home construction and renovations, as well as house and land purchases. Credit for tourism related activity contracted marginally by 0.5 per cent (\$0.8m), reflecting improved returns to the industry for the quarter under review. For the other sectors, increases were recorded in credit for agriculture and fisheries (6.1 per cent) and manufacturing (including mining and quarrying) (0.9 per cent) while credit for construction declined by 0.7 per cent.

The net foreign assets of the banking system stood at \$210.8m at the end of March 2011, representing a



13.0 per cent (\$31.5m) reduction from the total at the end of December 2010. Grenada's imputed share of ECCB's reserves fell by 1.1 per cent to \$274.6m. The commercial banks maintained a net foreign liabilities position at the end of March 2011 of \$63.8m, following the end December 2010 outturn.

Liquidity in the commercial banking system improved slightly. This was evidenced by a 0.6 percentage point increase to 23.6 per cent in the ratio of liquid assets to total deposits plus liquid liabilities. In addition, the loans and advances to total deposits ratio fell to 83.4 per cent at the end of March 2011, from 83.6 per cent at the end of December 2010.

The weighted average interest rate spread between loans and deposits widened to 7.41 percentage points at the end of March 2011, from 6.81 percentage points at the end of December 2010. The weighted average interest rate on loans rose by 0.95 percentage point to 10.41 per cent while that on deposits increased by 0.35 percentage point to 3.00 per cent.

### **Prospects**

Economic activity in Grenada is projected to increase marginally in 2011, based on projected developments in key sectors. Activity in the tourism industry is projected to continue to improve. Agricultural production is expected to exceed the 2010 output, on the basis of increased yields from

such traditional crops as nutmeg and bananas. A projected uptick in both public and private sector construction activity is expected to raise value added in the construction sector for the remainder of the year.

The overall fiscal deficit of the central government is likely to be larger relative to the outturn in 2010, on account of higher projected outlay for goods and services, interest payments and a concurrent reduction in grant receipts. Nevertheless, the current account is likely to be in surplus, largely based on increased revenue from the performance of the VAT and excise tax.

Developments in the banking system in 2011 are expected to be marked by elevated levels of liquidity. Notwithstanding, an uptick in domestic credit is projected, in line with increased economic activity.

In the external sector, growth in domestic export receipts is projected based on the likely expansion in the volume of agricultural exports; at the same time increased economic activity could see a higher level of imports to support the expansion, leading to a widening of the trade balance. Gross inflows from travel are projected to expand consistent with the expected increase in visitor arrivals.

Risks to the projections are skewed heavily to the downside, given a still relatively weak global economic environment. Persistent high unemployment and low consumption demand in the



USA, coupled with the economic uncertainties in Europe, could impact negatively on tourist arrivals and foreign capital flows into Grenada. Rising prices, occasioned by higher food and fuel prices, can also be a drag on economic advancement. Furthermore, an above average 2011 hurricane season has been predicted, a manifestation of which

will present significant adverse challenges for the Grenadian people and economy. These developments could lead to depressed economic conditions in Grenada and derail any prospects of economic recovery in 2011.



## MONTSERRAT

### Overview

Preliminary data for the first quarter of 2011 indicate that economic activity in Montserrat expanded relative to the performance in the corresponding period of 2010. This outturn was largely influenced by developments in the construction sector. The consumer price index increased by 0.2 per cent, on an end-of-period basis. In the external sector, the merchandise trade deficit narrowed, largely attributable to a decline in imports. Central government's fiscal operations resulted in an overall surplus. The total outstanding public sector debt was marginally above the level recorded at the end of December 2010. In the banking system, monetary liabilities grew, while domestic credit fell. Commercial bank liquidity remained at a high level. The spread between commercial bank weighted average interest rates on loans and deposits widened during the period under review.

Economic prospects for the remainder of 2011 are tilted upwards, based largely on developments in the construction sector. Construction activity is expected to be robust enough to create the impact necessary to impel economic growth, although some of the other main contributing sectors are likely to remain depressed. Downside risks to the projections include the pace of the global economic recovery, particularly with regard to developments in the UK and the Euro area, limited access, high international

food and fuel prices, adverse weather and the continued threat of an active volcano.

### Output

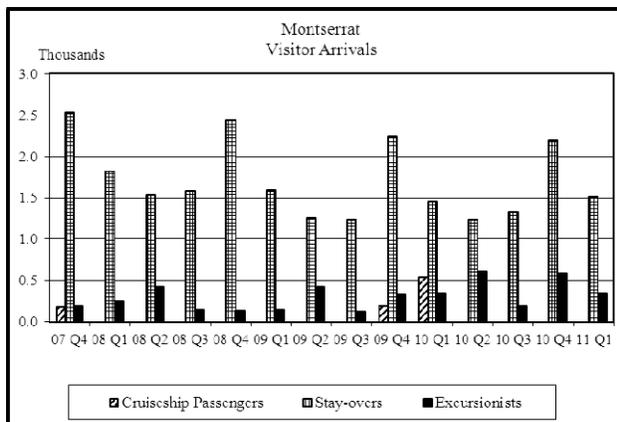
The pace of activity in the construction sector, one of the main contributors to economic growth is estimated to have expanded in the first quarter of 2011 relative to the performance in the corresponding period of 2010. This outturn was largely the result of an improvement in private sector activity, which more than offset a decline in that of the public sector. The fall in public sector activity was attributed in part to delays in the implementation of the Little Bay Port development project.

The performance of the construction sector partially impacted the outcome in other sectors. Output in the mining and quarrying sector more than doubled in the first quarter of 2011, relative to the first three months of last year, as the sector recovered from damage and loss of equipment, resulting from increased volcanic activity in 2010. Output in a number of other sectors including transport, storage and communications is estimated to have increased. Notwithstanding, activity in the wholesale and retail trade and manufacturing sectors declined.

Agricultural output is estimated to have increased in the first quarter of 2011, mainly the result of the



renewed focus of the Ministry of Agriculture on increasing food production on the island. Crop production more than doubled as selected farmers were identified and given support to expand output of a few specific crops. Livestock production also improved as a number of farmers received small ruminants for rearing. In the fishing sub-sector, however, the volume of fish caught declined relative to the first three months of 2010.

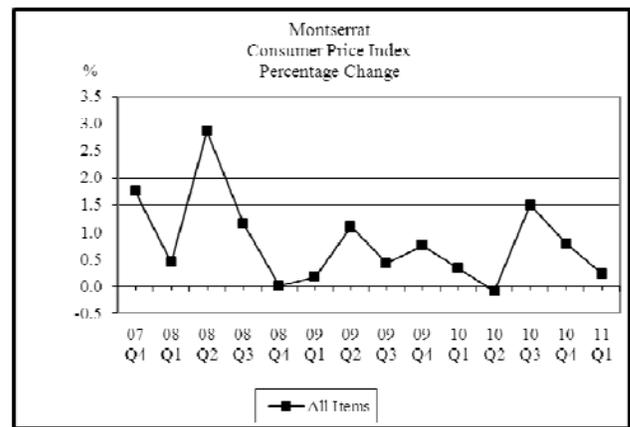


In the tourism industry, overall activity is estimated to have declined, as evidenced by a fall in the total number of visitors. Of the sub-categories of arrivals, the largest decline was recorded in the number of cruise ship passengers visiting the island. There were no cruise ship calls in the first quarter of 2011, hence erasing the gains registered in the corresponding period of 2010. Yacht passenger arrivals fell by approximately one third, in line with a reduction in the number of yacht visits. On the contrary, the number of stay-over visitors is estimated to have grown by 3.5 per cent, on account of small increases from all the source markets, except the UK. Visitors from the UK declined by

24.7 per cent, as that economy continued to struggle to recover from the global crisis and high unemployment remained a challenge.

**Prices**

The consumer price index rose by 0.2 per cent (on an end-of-period basis), below the growth rate of 0.3 per cent recorded during the first quarter of 2010. This outturn was largely attributable to increases in the gas, electricity and water (5.8 per cent) and services (1.7 per cent) sub-indices. The movement in the gas, electricity and water sub-index was influenced by increasing international oil prices. By contrast, prices in the food sub-index, the largest weighted in the CPI basket, is estimated to have fallen by 0.3 per cent during the review period.

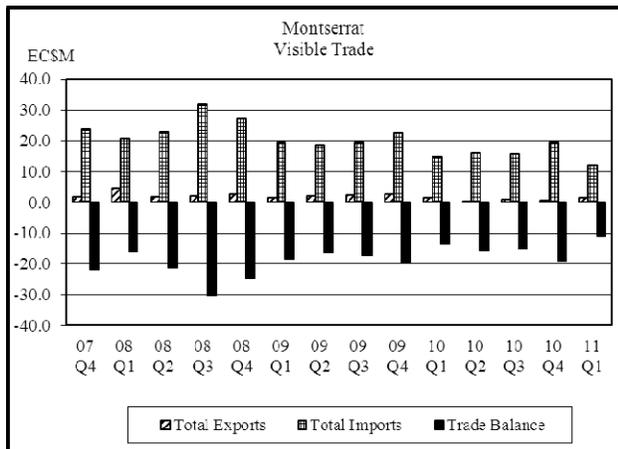


**Trade and Payments**

Estimates of merchandise trade indicate a deficit of \$10.7m for the first quarter of 2011, roughly 19.2 per cent below that recorded in the corresponding period of 2010. The narrowing of the deficit was



largely the result of a 17.6 per cent (\$2.6m) decline in import payments to \$12.1m. The fall in import payments was partly offset by a 1.6 per cent decline in the value of total exports. Gross receipts from travel are estimated to have increased by 2.5 per cent to \$4.3m, in line with growth in the number of stay-over visitors, the largest spending category.



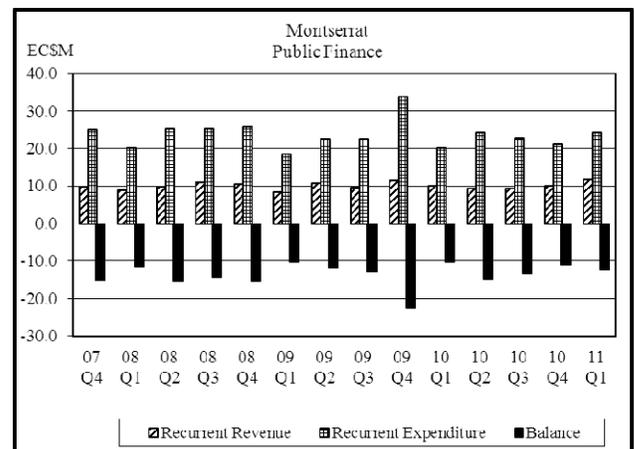
Inflows of official grants increased by 23.7 per cent (\$4.5m) compared with the amount received in the first quarter of 2010. However, capital grant receipts fell by 9.2 per cent to \$7.5m. The transactions of commercial banks resulted in a net outflow of \$9.7m in short-term capital in contrast to an inflow of \$12.2m during the corresponding period a year ago.

**Central Government Fiscal Operations**

The fiscal operations of the central government resulted in an overall surplus of \$3.6m in the first quarter of 2011, compared with one of \$2.4m in the corresponding period of 2010. The improvement in the government’s fiscal operations was primarily as a result of an increase in current grants, which

amounted to \$16.2m compared with \$10.9m in the first three months of last year. A primary surplus (after grants) of \$3.6m was recorded, compared with one of \$2.4m in the first quarter of 2010.

Current revenue grew by 17.9 per cent (\$1.8m), largely reflecting a 24.7 per cent (\$2.1m) increase in tax revenue, attributable to growth in all categories, except property taxes. Taxes on international trade and transactions increased by 34.3 per cent (\$1.0m), mainly as receipts from consumption taxes grew. The yield from taxes on income and profits increased by 26.1 per cent (\$1.0m), influenced primarily by an uptick in collections from corporate taxes. Taxes on domestic goods and services grew by 10.5 per cent (\$0.2m), mirroring growth in collections from licenses and stamp duties. On the contrary, non-tax revenue declined by 19.6 per cent (\$0.3m), in contrast to an increase of 65.2 per cent (\$0.6m) in the first quarter of 2010.



Current expenditure grew by 19.5 per cent to \$24.2m, attributable to increased outlays on transfers and subsidies and goods and services. Outlays on

transfers and subsidies grew by 51.8 per cent (\$2.7m) due largely to increased support for social safety net programmes. Spending on goods and services increased by 30.9 per cent (\$1.3m), mainly as a result of higher utility bills. These developments were tempered by a marginal decline in expenditure on wages and salaries. Outlays on personal emoluments, which make up the largest proportion of current expenditure, decreased by 1.2 per cent (\$0.1m), as government implemented deliberate measures to curtail the wage bill.

Capital expenditure amounted to \$7.7m compared with \$6.5m in the first three months of 2010. The increase in capital outlays was largely attributed to a slight pick-up in public sector construction, as work progressed on the new government offices and road works.

### Public Sector Debt

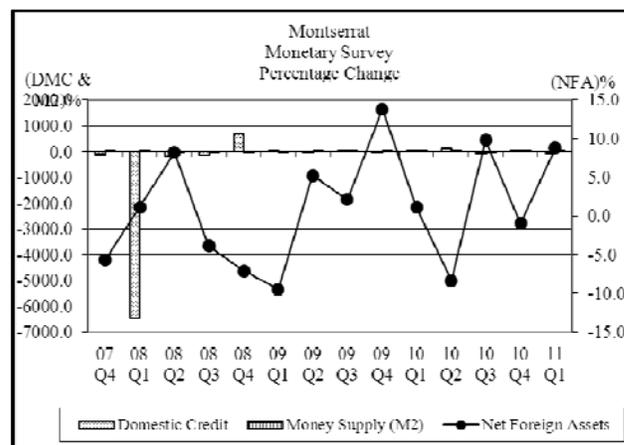
The stock of outstanding public sector debt was estimated at \$8.7m at the end of March 2011, an increase of 0.5 per cent from the total at the end of December 2010. Central government's stock of debt increased by 6.0 per cent, as its domestic borrowings grew. However, the outstanding debt of public corporations, which make up 71.7 per cent of total public sector debt, declined by 1.6 per cent to \$6.3m.

### Money and Credit

Broad money (M2) grew by 2.5 per cent to \$174.8m during the first three months of 2011, compared to

growth of 1.1 per cent during the corresponding period of 2010. Growth in M2 was largely associated with an expansion of 2.7 per cent (\$3.7m) in quasi money, supported by a 1.6 per cent (\$0.6m) increase in narrow money (M1). The expansion in quasi money was mainly influenced by increases in private sector foreign currency deposits (36.4 per cent) and savings deposits (0.9 per cent).

Domestic credit more than halved to \$3.9m during the first quarter of 2011, mainly attributable to developments on the accounts of the central government. Credit to the central government from the commercial banking system increased marginally (\$0.2m), while deposits rose by 52.1 per cent. Consequently, net deposits of the central government increased to \$38.6m. In the rest of the public sector, the non-financial public enterprises were in a net deposit position during the first three months of 2011. Commercial bank credit to the private sector grew by 0.3 per cent (\$0.2m), associated with a corresponding increase in credit to households. Credit to businesses remained relatively unchanged during the review period.



An examination of the distribution of credit by economic activity revealed that lending for personal use, which accounted for 77.5 per cent of total loans granted during the first quarter of 2011, increased marginally (0.3 per cent). The increase in credit for personal use was mainly associated with credit extended for acquisition of property. Lending for construction and other general purposes increased by 9.4 per cent (\$0.3m) and 12.9 per cent (\$0.2m) respectively. Growth in credit for other uses was associated with a 36.4 per cent (\$0.2m) increase in lending for public administration.

Consistent with growth in M2 was an increase of 8.8 per cent in the net foreign assets of the banking system to \$200.5m. The expansion in net foreign assets was partly associated with developments in commercial banks' holdings of foreign assets. Commercial banks' net foreign assets increased by 7.0 per cent (\$9.7m), as a result of increases in assets held externally and with banks and other institutions within the Eastern Caribbean Currency Union. Montserrat's imputed share of the reserves of the Central Bank grew by 14.1 per cent to \$51.8m.

Liquidity in the commercial banking system remained at a high level during the review period, way above the established prudential limits. The ratio of liquid assets to total deposits plus liquid liabilities was 88.1 per cent, slightly higher than the 87.4 per cent recorded at the end of December 2010, while the loans and advances to total deposits ratio decreased by 1.6 percentage points to 25.6 per cent. The ratio of liquid assets to deposits is required to be

between 20.0 and 25.0 per cent, while that for loans to deposits should not exceed 85.0 per cent.

The weighted average interest rate spread between loans and deposits increased by 12.0 basis points to 6.22 percentage points during the first quarter of 2011, as the weighted average interest rate on deposits decreased by 14.0 basis points to 2.45 per cent and that on loans by 2.0 basis points to 8.67 per cent.

### **Prospects**

Economic output in Montserrat is projected to improve somewhat in 2011, relative to the performance in 2010. Improvements in a number of sectors, including construction, are likely to offset the expected declines in value added in wholesale and retail trade and manufacturing. Private sector construction activity, which has thus far concentrated on a few residential buildings, is expected to be above the 2010 level. In the public sector, a number of factors, including further delays in the implementation of the port development project at Little Bay are likely to impede progress.

The fiscal operations of the central government are projected to result in a smaller overall deficit, as the government continues to take measures to improve the current account balance. Revenue performance is not likely to improve, but current expenditure is expected to decline as outlays for personal emoluments and goods and services are streamlined. Capital expenditure is projected to be below the



level of 2010, since implementation of a number of the projects on the public sector investment programme is likely to be slow.

In the external sector, the overall surplus balance is projected to narrow, on account of a larger current account deficit. The trade deficit is expected to deteriorate, as import payments are predicted to increase in line with increasing international commodity prices, particularly food and fuel.

Risks to the projections are tilted to the downside. It is anticipated that the pace of the global economic recovery, especially in the advanced economies, like the UK, will adversely impact recovery efforts in Montserrat. Other downside risks include limited access, high international food and fuel prices, adverse weather, associated with predictions for a very active hurricane season, and the continued threat of the Soufriere Hills Volcano.



## ST KITTS AND NEVIS

### Overview

Preliminary data suggest that economic activity in St Kitts and Nevis increased in the first quarter of 2011, compared with the outturn in the comparable period of 2010. The increase was attributed to developments in the wholesale and retail trade and real estate, renting and business activities sectors, as tourism activity declined. Consumer prices rose by 0.5 per cent on an end-of-period basis. In the external sector, the merchandise trade deficit is estimated to have widened as a consequence of larger payments for imports. The fiscal operations of central government resulted in an overall surplus due to increased revenue. Total outstanding public sector debt fell during the review period. In the banking system, monetary liabilities and net foreign assets increased while domestic credit fell. Commercial bank liquidity improved and the weighted average interest rate spread between loans and deposits widened.

Marginal economic growth is projected for the remainder of 2011 on account of developments in the wholesale and retail trade, real estate, renting and business activities and construction sectors. The growth will be tempered by the expected under performances of the tourism industry and transportation sector. In the tourist industry, despite an anticipated improvement in the cruise sector, associated with a likely rise in cruise ship visits, stay-over arrivals are projected to remain subdued.

Downside risks to this outlook include the continued tepid economic performance in the USA and increases in international fuel and commodity prices.

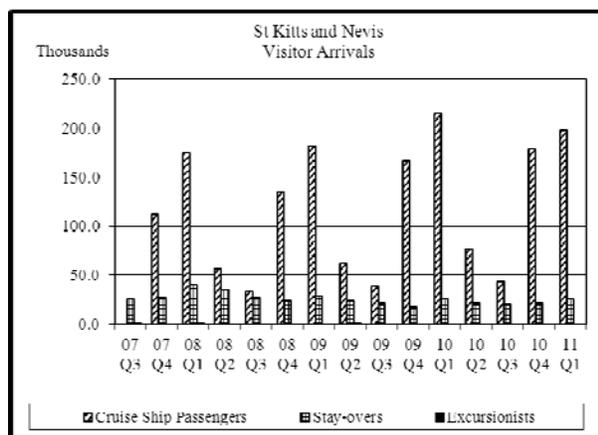
### Output

Value added in the wholesale and retail trade sector is estimated to have increased in the first quarter of 2011. The increase was associated with a higher level of imports during the review period, as businesses replenished their inventories which were depleted during the last quarter of 2010. The sale of existing stocks in anticipation of the implementation of VAT in the fourth quarter of 2010, coupled with the increase in demand associated with the Christmas season, were the main factors contributing to the depletion.

Construction activity is estimated to have increased relative to the comparable period of 2010. This was evidenced by an increase in the value of imported materials, which is used as a proxy to measure the performance of the construction sector. In the private sector, work continued on key tourism projects such as Christophe Harbor and Kittitian Hill, albeit at a slow pace due to some financing constraints. There were no major public sector projects implemented during the review period. Funds were spent mainly on road rehabilitation, sea defences around the island and repairs to government buildings. These positive developments, however, were tempered by a decline in tourism



activity. The number of visitors declined by 7.6 per cent to 224,647, in contrast to growth of 14.4 per cent in the corresponding period of 2010. This performance was reflective of a fall in cruise ship passengers and stay-over arrivals. The number of cruise ship passengers is estimated to have declined by 8.2 per cent to 197,680, commensurate with the 15.4 per cent decline in ship calls to the Federation. Stay-over arrivals fell by 3.7 per cent to 25,874. All the major source markets are estimated to have recorded declines, except for Canada and the Caribbean. Arrivals from the USA, the largest source market, and the UK both declined by a similar rate of 9.6 per cent. Those declines were only partially offset by increases from the Caribbean, and Canadian markets of 15.9 per cent and 16.0 per cent respectively.



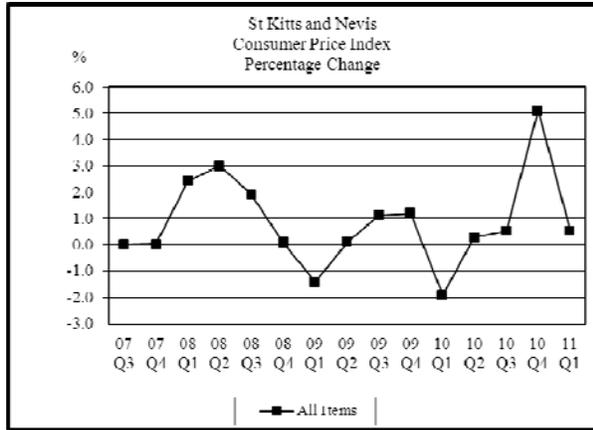
Value added in the financial intermediation sector, one of the heavily weighted sectors in the index, is also estimated to have declined in the first quarter of 2011.

This outturn was based on reduced profitability, increased provisioning for loan losses and a decrease in loans and advances during the review period.

Agricultural output also contracted relative to the comparable period of 2010, as a result of lower production of both crops and livestock. Crop production fell by 7.3 per cent in contrast to a 14.8 per cent increase recorded in the corresponding period of 2010. The decline in crop production was driven by lower carrot, pumpkin and white potato production. Livestock production also decreased over the review period, due primarily to declines in beef and pork production of 28.2 per cent and 20.9 per cent respectively.

### Prices

The consumer price index rose by 0.5 per cent on an end-of-period basis during the first quarter of 2011, in contrast to a decline of 1.9 per cent in the comparable period of 2010. The main sub-indices contributing to this increase were food (1.0 per cent), the largest weighted, and housing (1.1 per cent). The increase in food prices generally reflected the impact of rising international commodity prices and the effects of the VAT implemented in the last quarter of 2010. The rise in the housing sub-index reflected increases in accommodation costs consistent with growth estimated in the real estate sector.



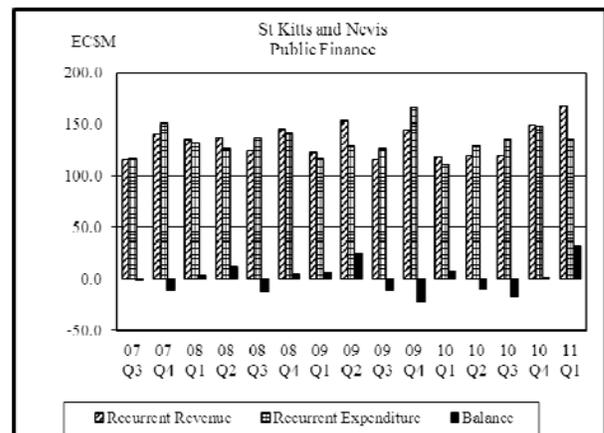
**Trade and Payments**

Preliminary data indicate that a merchandise trade deficit of \$123.3m was realised in the first quarter of 2011, compared with one of \$122.3m in the corresponding period of 2010. The widening of the deficit was due mainly to increases in imports, partially associated with the re-opening of the Four Seasons Resort in Nevis as well as the higher level of construction activity.

Gross travel receipts are estimated to have contracted by 0.3 per cent to \$69.6m, given the decline in stay-over arrivals. There was a net outflow of \$82.5m in commercial banks’ short term capital in the first quarter of 2011, compared with \$63.6m in the corresponding 2010 period. External disbursements totalled \$2.3m during the review period, while external principal repayments were \$35.7m.

**Federal Government Fiscal Operations**

The fiscal operations of the federal government resulted in an overall surplus of \$13.3m in the first quarter of 2011 compared with a surplus of \$3.1m in the comparable 2010 period. The primary surplus of \$47.0m recorded, was 93.8 per cent higher than the one realised in the corresponding period of 2010. Developments on the current account were mainly responsible for the improved fiscal position and reflected improved revenue collections. A current account surplus of \$32.1m was recorded in the first quarter of 2011, compared with \$7.8m in the comparable period of 2010. Improved revenue collections were due to the impact of the value added tax (VAT), and increased electricity tariff rates.



Current revenue rose by 41.0 per cent to \$167.9m, driven by increases in tax revenue of 31.3 per cent and non-tax revenue of 62.2 per cent respectively.



The performance of tax revenue could be largely ascribed to VAT collections which totaled \$40.6m. The VAT was introduced on 01 November 2010, at a rate of 17 per cent and replaced several taxes including consumption and entertainment tax. As a result of the performance of the VAT, receipts from taxes on domestic goods and services more than doubled to \$56.1m. The revenue intake from taxes on income and profits rose by 2.8 per cent to \$22.2m. Those increases were partly tempered by a 27.2 per cent and 1.5 per cent decline in collection of taxes on international trade and on property respectively.

Non-tax revenue rose by 62.2 per cent in the first quarter of 2011 to \$60.9m, due in part to increased collection from the electricity department and a strong performance by the citizenship by investment program. The electricity department embarked on an arrears collection drive and also increased the electricity rates by 85.0 per cent in January 2011.

Current expenditures increased by 22.0 per cent to \$135.8m, influenced in large part by interest payments and outlays for transfers and subsidies. Interest payments rose by 59.1 per cent due to higher domestic payments. Spending on transfers and subsidies grew by 62.8 per cent on account of higher outlays for pensions, funding of overseas missions and contributions to affiliated regional institutions. The higher level of pension payments mainly reflected a rise in the number of retired persons.

Personal emoluments increased marginally by 0.7 per cent, reflecting limited hiring while outlays for goods and services rose by 19.6 per cent.

Capital expenditure amounted to \$21.8m at the end of the first quarter 2011, up from \$10.7m in the corresponding period of 2010. This increase was attributable to outlays for repair to infrastructure damaged by heavy rains in St Kitts and the construction of community and police centers in Nevis.

On a disaggregated level, the central government realised an overall fiscal surplus of \$16.3m in the first quarter of 2011, in contrast to a deficit of \$0.6m in the corresponding period of 2010. The primary surplus rose to \$46.0m, up from \$19.1m in the corresponding period of 2010 period. This improved fiscal performance, as noted earlier, was due to an increase in revenue receipts associated with the introduction of VAT, increased arrears collections and reforms to the tariff structure for electricity. The current account balance increased to a surplus of \$25.1m, from a surplus of \$1.8m in the comparable period of 2010, as the pace of growth in current revenue outstripped that in expenditure. Current revenue totalled \$136.2m, an increase of 45.4 per cent above the amount in the first quarter of 2010. The collections from tax revenue grew by 31.6 per cent to \$82.2m, as a result of the performance of the VAT, which totaled \$30.5m in the period under review. Non-tax revenues were



73.1 per cent higher, due mainly to increased collections from the electricity department, and the citizenship by investment program.

The fiscal operations of the Nevis Island Administration deteriorated in the first quarter of 2011. An overall deficit of \$2.9m was recorded in contrast to a surplus of \$3.7m in the comparable period of 2010. The primary balance also fell, declining to a surplus of \$1.0m from one of \$5.2m. This overall deterioration in the fiscal outturn was largely the result of increases in capital expenditures and interest payments. The current account surplus increased by 15.5 per cent to \$6.9m, as revenue growth outpaced that of expenditure. Current revenues rose by 24.8 per cent to \$31.7m, attributable to the strong performance of the VAT with total collections of \$10.0m, larger excise tax and income tax collections - partly influenced by a new policy which now requires companies in Nevis to pay taxes directly to the NIA. Current expenditure increased by 27.6 per cent (\$5.4m) to \$24.8m, driven in large part by a more than doubling of interest payments associated with servicing of the domestic debt. Capital expenditure increased threefold to \$9.9m in the first quarter of 2011, reflecting work done on several community centers and police stations during the review period.

### **Public Sector Debt**

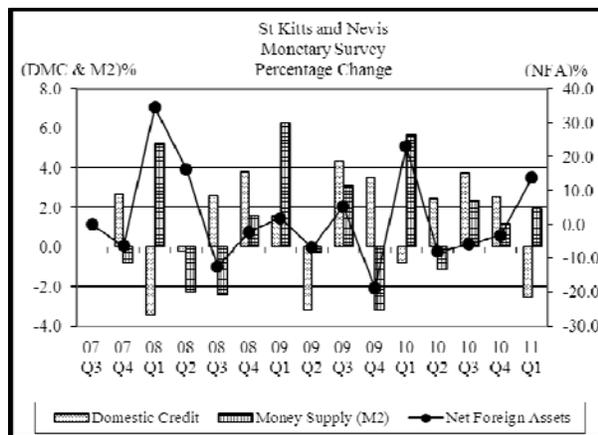
The total disbursed outstanding debt of the public sector was estimated at \$2,736.3m at the end of March 2011, a decrease of 0.5 per cent on the amount outstanding at the end of 2010. The outstanding debt of the central government, which represents 77.8 per cent of the public sector debt, fell by 0.2 per cent to \$2,120.6m, and that of public corporations declined by 3.7 per cent to \$597.4m.

### **Money and Credit**

Monetary liabilities (M2) grew by 2.0 per cent during the first quarter of 2011 to \$1,948.6m, compared with a growth rate of 5.7 per cent in the corresponding period of 2010. This growth in M2 was driven primarily by quasi money, as narrow money (M1) declined. Quasi money grew by 2.6 per cent to \$1,593.5m, reflecting growth in both private sector savings (3.0 per cent) and foreign currency (7.8 per cent) deposits. M1, the other component of M2, decreased by 0.6 per cent on account of declines in currency with the public (4.0 per cent) and private sector demand deposits (9.6 per cent) respectively. Those declines were partially mitigated by a threefold increase (\$25.7m) in EC dollar cheques and drafts issued, suggesting an increased preference



by economic agents for using cheques as opposed to cash to settle transactions and also reflecting the still depressed state of economic activity.



Domestic credit contracted by 2.5 per cent to \$1,801.1m during the review period, due to the transactions of central government and statutory bodies. The deposits of the federal government in the banking system increased by 6.0 per cent (\$13.5m), while credit to the federal government declined by 1.3 per cent (\$13.7m). Consequently, net credit to the federal government declined to \$823.6m from \$850.8m. The net deposits position of non-financial public enterprises increased to \$401.2m as a result of increased deposits at commercial banks. Credit to the private sector rose marginally by 0.5 per cent, on account of increased lending to businesses. In contrast, credit to households and affiliated credit institutions declined.

An analysis of the distribution of credit by economic activity indicates a mixed performance as there were contractions in credit to some of the key sectors and growth in others. Lending for personal use, which is

the largest sub-component, increased by 1.6 per cent, dominated by the extension of credit for acquisition of property, particularly house and land purchases, as well as, other personal uses. There were also increases in credit allocated for construction (1.2 per cent), distributive trades (1.9 per cent) and manufacturing (including mining & quarry) (6.9 per cent). Lending for public administration decreased by 2.6 per cent (\$12.1m) and that for professional services and tourism related activities fell by 8.3 per cent and 2.0 per cent respectively.

The net foreign assets of the banking system grew by 13.7 per cent to \$712.0m compared with a 22.9 per cent increase during the corresponding period of 2010. The increase was largely due to developments in the commercial banking sector. The liabilities of commercial banks with other ECCB territories rose by 10.4 per cent (\$70.2m), contributing to a 20.6 per cent increase in the net borrowing position with commercial banks in other ECCB territories. This liability position was however more than offset by a 7.7 per cent (\$100.2m) rise in the net external asset position of the commercial banking sector. These developments resulted in a 40.1 per cent increase in the net foreign assets of commercial banks to \$288.2m. The central bank's imputed reserves for St Kitts and Nevis stood at \$423.9m, representing a 0.9 per cent increase over the total at the end of the comparable period of 2010.

Liquidity in the commercial banking system eased during the review period. The ratio of liquid assets to total assets rose by 6.7 percentage points to 64.7 per cent, while the ratio of liquid assets to total

deposits plus liquid liabilities also increased, by 4.2 percentage points to 51.0 per cent. The ratio of loans and advances to total deposits fell by 1.6 percentage points to 76.5 per cent.

The weighted average interest rate spread between loans and deposits widened to 5.08 per cent at the end of the first quarter of 2011, from 5.00 per cent at the end of December 2010. The weighted average interest rate on loans remained at 8.46 per cent, while that on deposits declined by 0.08 percentage point to 3.38 per cent.

### **Prospects**

Economy activity is expected to increase marginally in 2011 based on a continuation of the positive developments in the first quarter of the year. In the real estate, renting and business sector, positive growth is expected given the increased purchasing of real estate under the auspices of the citizenship by investment program. Growth in the wholesale and retail trade sector is also anticipated. Tourism activity however, is expected to contract due to a projected decrease in stay-over arrivals. Stay-over arrivals are expected to be lower as the developments observed during the first quarter of 2011, related to the number of flights and passengers into St Kitts and Nevis, are expected to hold for the rest of the year. Competition from other lower cost destinations, slow recovery in the main source market, the USA, and the rising cost of travel are the main factors underlying this forecast. This decline however, will be tempered by growth in the cruise

sector which is expected to rise on the account of the number of confirmed 2011 cruise ship bookings.

The fiscal accounts of central government are expected to improve in 2011, buoyed by increased revenue intake associated with the implementation of the VAT, reforms to the social services levy and efforts to constrain expenditure. In addition, the planned corporatisation of the electricity department is likely to have a marked impact on the government fiscal accounts. Corporatisation is expected to take place in the second half of 2011. Outlays on goods and services will be positively affected, as a significant portion of this item is associated with the operations of the electricity department.

On the external accounts, the merchandise trade deficit is projected to widened given increased importation. Gross inflows from travel are likely to increase consistent with the higher level of cruise ship arrivals.

The outlook is contingent on economic conditions in the global economy. In the USA, debate regarding the raising of the debt ceiling and restoring fiscal sustainability, as well as, unfavourable job prospects, continue to negatively impact consumer sentiment. The possible raising of taxes and/or cutting of expenditure to address deficit concerns also pose negative risk to the short term economic outlook and thereby hinder tourism prospects. Tepid growth in the UK and Eurozone area has also contributed to raising the level of global uncertainty.



The possibility of these developments worsening and the spillover effects associated with rising fuel and commodity prices therefore pose significant downside risk to the aforementioned economic outlook for St Kitts and Nevis.



## SAINT LUCIA

### Overview

Economic activity in Saint Lucia increased during the first three months of 2011 compared with the performance in the corresponding period in 2010. The improvement in the overall performance reflected expanded output in the construction sector and the related mining and quarrying sector, as well as increased value added in wholesale and retail trade and real estate, renting and business. The expansion was constrained by declines in value added by the hotels and restaurants, transport, storage and communications, manufacturing and agricultural sectors. Consumer prices, on an end-of-period basis, rose by 1.6 per cent and the deficit on the merchandise trade account widened, largely associated with a rise in the value of imports. The overall fiscal deficit of the central government widened. Total public sector debt increased, fuelled largely by the activities of the central government. In the banking system, monetary liabilities (M2) expanded, liquidity at commercial banks eased and the weighted average interest rate spread between loans and deposits narrowed.

Economic activity is projected to improve over the remainder of 2011, primarily based on developments in the construction sector, as the tourism industry

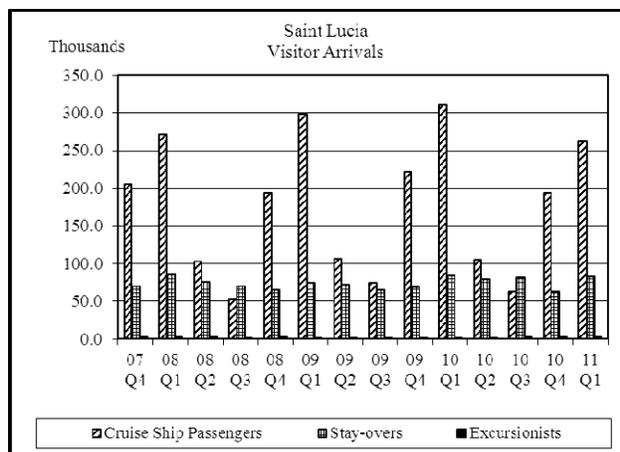
continues to be negatively impacted by the adverse conditions in its main source markets. Construction activity is expected to be boosted by the commencement of a major capital project, the new terminal for the international airport, during the latter half of 2011. A number of recent developments pose significant downside risks to this outlook, including high and volatile commodity prices, sluggish economic recoveries in the major trading partners and the threat of weather related damage during the hurricane season.

### Output

Construction activity was estimated to have increased during the first three months of 2011, based on a 10.6 per cent increase in the volume of construction material imported. Public sector construction was largely centred around intensified work on the EU funded general hospital, as well as work on another hospital in Vieux Fort. Private sector construction largely revolved around ongoing work on property expansion at the Jalousie (Tides Sugar Beach) project.

Increases were also observed for wholesale and retail trade, while real estate, renting and business activities expanded.





The tourism industry recorded a decline in its performance during the first three months of 2011, as total visitors fell by 11.8 per cent to 360,374, compared with a 6.7 per cent increase in the corresponding period of 2010. The weaker performance of the industry was associated with reductions in stay-overs and cruise passengers arrivals. The number of stay-over visitors fell by 1.0 per cent to 82,652, primarily influenced by declines in the UK, Caribbean and Canadian markets. Visitors from the UK were down by 8.0 per cent, while those from the Caribbean fell by 7.9 per cent. The Canadian market - one of the fastest growing in recent years - recorded fewer visitors (2.5 per cent), attributable to reduced airlift and higher fares in the period under review. The reduction in stay-over visitor arrivals was tempered by higher visitor arrivals from the USA, the major source market, as they rose by 3.3 per cent to 32,014, largely influenced by marketing initiatives which commenced in 2010.

The number of cruise passengers declined by 15.8 per cent to 261,205 in contrast to a 4.1 per cent

increase in the corresponding period of 2010. The fall in cruise passenger arrivals reflected adjustments to the itineraries of a number of cruise lines, which led to a reduction in calls to the Caribbean. The number of cruise ship calls fell by 23.2 per cent to 152 in the period under review. Visitors by yacht increased by 1.1 per cent and the number of excursionists more than doubled.

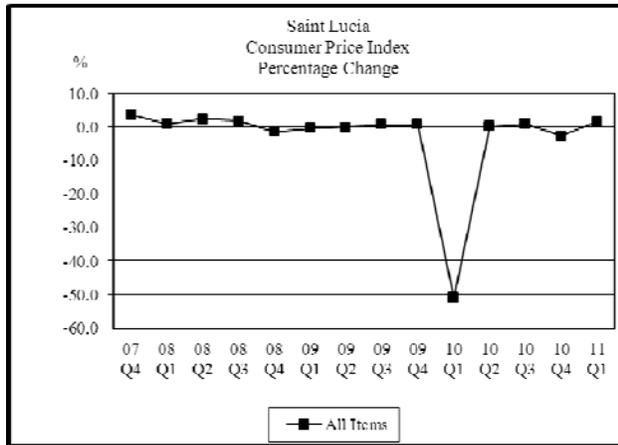
Output in the agricultural sector is estimated to have contracted sharply, largely due to developments in the banana industry. Owing to widespread damage inflicted by the passage of hurricane Tomas in October of 2010, the production of bananas fell to zero from 8,353 tonnes in the corresponding period of 2010. Output in the rest of the agricultural sector including crops and livestock is estimated to have contracted consistent with the damage inflicted in the banana industry.

### Prices

The rate of inflation accelerated as indicated by a 1.6 per cent rise in the consumer price index (CPI) during the first three months of 2011, compared to a 0.9 per cent rate in 2010. Higher prices were associated with increases for most of the major sub-indices including, food and non-alcoholic beverages (0.5 per cent), clothing and footwear (2.5 per cent) and transport (2.1 per cent). Price increases were also recorded for recreation and culture and housing, utilities, gas and fuels of 8.1 per cent and 1.0 per cent respectively. The rate of increase in the overall index was partially tempered by lower prices for



hotels and restaurants (0.4 per cent) and alcoholic beverages, tobacco and narcotics (0.1 per cent).

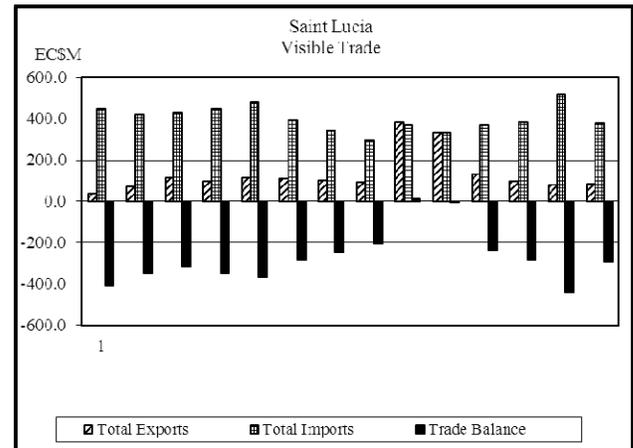


**Trade and Payments**

Trade data indicate that a merchandise trade deficit of \$41.95m was recorded for the first three months of 2011, compared with one of \$1.7m in the corresponding period of 2010. The widening in the deficit was associated with higher imports which rose to \$379.7m, from \$331.2m in the first quarter of 2010. Increases were recorded for the import of all major categories of goods consistent with the economic recovery. Exports rose by 2.5 per cent to \$337.70m, largely attributable to increases in the re-export of jewellery. The major visible export earner, bananas, recorded no exports for the quarter.

Gross travel receipts fell by 7.8 per cent reflecting the reduction in spending from the lower number of stay-over visitors and cruise passengers. The activities of commercial banks resulted in a net inflow of \$109.1m in short-term capital, in contrast to a net outflow of \$39.0m in the first three months

of 2010. Net external loan disbursements to the central government totalled \$22.8m in the period under review compared with \$60.6m in the corresponding period of 2010.



**Central Government Fiscal Operations**

The central government recorded an overall deficit of \$50.1m, compared with one of \$32.9m during the first quarter of 2010, reflecting a larger deficit on the capital account. A primary deficit of \$18.5m was recorded, compared to one of \$9.2m in the first three months of 2010.

Current account (after grants) operations generated a surplus of \$24.5m, compared with one of \$18.2m in the first three months of 2010, attributable to growth in current revenue outpacing that of current expenditure. Current revenue rose by 5.9 per cent to \$216.3m buoyed by higher collections of tax revenue and non-tax receipts. Tax revenue increases were recorded for all of the broad tax categories. Higher receipts from taxes on domestic goods and services reflected larger collections of cellular tax,

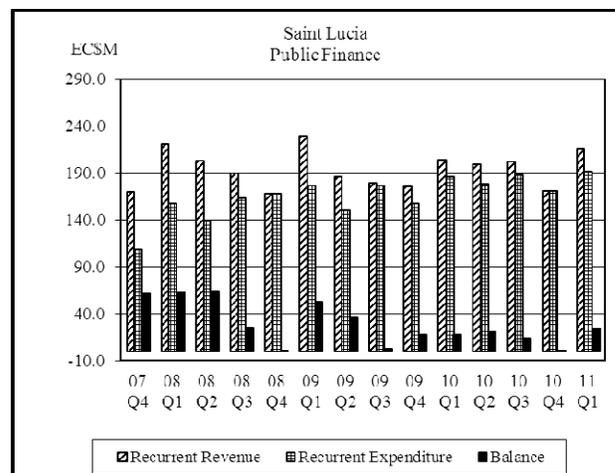


hotel occupancy tax and excise tax. Receipts of taxes on international trade and transactions were mainly driven by higher collections of import duty (13.0 per cent) and service charge (16.0 per cent). The increase in collection of taxes on income and profits was attributable to increases in revenue from corporate tax (15.8 per cent), personal income tax (14.7 per cent) and a near doubling in withholding tax. These increases were partly offset by a decline in airport tax receipts (54.7 per cent) reflecting a fall in visitor traffic.

Non-tax revenue rose by 15.0 per cent to \$14.1m, influenced by a trebling in earnings from interest and rents.

Current expenditure increased by 3.0 per cent to \$191.7m, on account of increases in interest payments and personal emoluments. Outlays on interest payments rose by 33.3 per cent (\$7.9m) reflecting higher domestic and external commitments. An increase in the number of civil servants employed was the main contributing factor to a 5.3 per cent (\$4.5m) growth in personal emoluments. Expenditure on goods and services fell by 8.8 per cent while that on transfers and subsidies declined by 6.9 per cent, reflecting declines in all the sub-categories.

Outlays on capital expenditure rose by 32.3 per cent to \$80.8m, primarily reflecting intensified activity on a number of major public sector projects including two hospitals and recovery work to the damaged infrastructure caused by hurricane Tomas



and flooding. Other public sector projects included work on agricultural feeder roads and the West Coast road overlay.

### Public Sector Debt

The disbursed outstanding debt of the public sector rose by 5.4 per cent to \$2,233.3m during the first quarter of 2011, fuelled by a 6.4 per cent increase in the outstanding debt of the central government. Higher central government debt largely reflected increases in the stock of domestic debt (12.1 per cent) primarily associated with the private issuance of bond and Treasury bills.

Central government external debt outstanding grew more slowly (1.2 per cent) to \$1,952.0m, associated with borrowings secured to effect repairs to damaged infrastructure caused by the passage of hurricanes. Public sector corporations reduced their indebtedness by 0.9 per cent to \$281.3m during the first quarter of 2011.

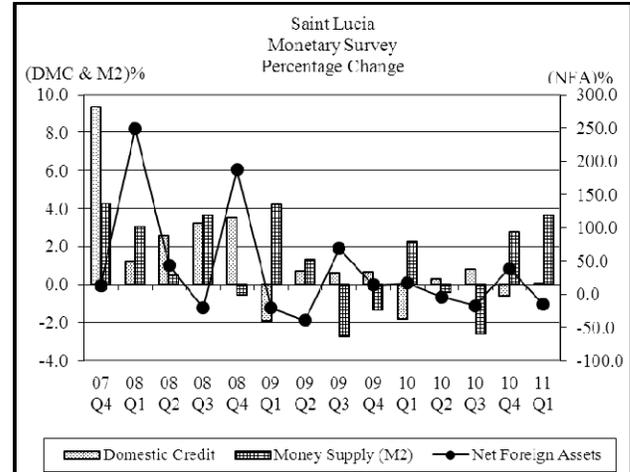


**Money and Credit**

The monetary liabilities (M2) of the banking system expanded by 3.7 per cent to \$2,653.2m during the first three months of 2011, propelled by increases in quasi money and narrow money (M1). Quasi money rose by 4.5 per cent sustained by increases in all of its components, including private sector savings deposits (2.4 per cent) and private sector time deposits (7.7 per cent). M1 grew more slowly (1.3 per cent) largely attributable to a 3.2 per cent rise in private sector demand deposits, as currency with the public fell.

Domestic credit rose marginally by 0.1 per cent to \$3,412.7m, in contrast to a 1.8 per cent contraction at the end of the first quarter of 2010. Credit to the private sector rose by 0.3 per cent reflecting increased lending to both businesses (0.5 per cent) and households (0.3 per cent). The central government recorded a net deposit position of \$74.9m, as growth in deposits (8.6 per cent) outpaced that of credit (1.1 per cent). In the rest of the public sector, the net deposits of nonfinancial public enterprises fell, attributable to a reduction in deposits, and an increase in outstanding credit.

An analysis of credit by economic activity indicates an increase of 0.4 per cent (\$14.2) in outstanding loans and advances. Of that amount the largest individual loan portfolio were allocated to personal use (31.8 per cent), the tourism industry (18.9 per cent) and the construction sector (9.5 per cent).



Credit to tourism contracted by 0.5 per cent, consistent with the recent fall in tourism related investment while that to construction expanded by 2.8 per cent. Loans for personal use rose by 1.4 per cent, largely influenced by loans for the acquisition of property.

The banking system recorded a net foreign liability position of \$365.4m at the end of March 2011, compared with one of \$315.7m at the end of December 2010. This development largely reflected the activities of commercial banks which recorded a larger net liabilities position as their obligations to institutions outside of the ECCU increased. Saint Lucia’s imputed share of the reserves held at the central bank increased to \$551.6m, from \$492.3m at the end of December 2010.

Liquidity in the commercial banking system eased during the first quarter of 2010. The ratio of liquid assets to total deposits plus liquid liabilities rose to 23.9 per cent at the end of March 2011, compared



with 23.1 per cent at the end of December 2010, while the loans and advances to deposits ratio fell to 111.8 per cent from 115.8 per cent at the end of December 2010.

The weighted average interest rate on deposits fell by 0.2 percentage points to 3.10 per cent while the weighted average lending rate fell 0.2 percentage points to 9.27 per cent. Consequently, the weighted average interest rate spread narrowed by 0.1 percentage point to 6.17 per cent at the end of March 2011.

### Prospects

The macroeconomic prospects for the rest of 2011 are for a marginal increase in economic activity. The performance of the construction sector is projected to strengthen as a number of capital projects get underway. These include the new terminal building, as well as disaster mitigation projects in response to the damage caused by hurricane Tomas in the latter part of 2010. The tourism industry will continue to be negatively impacted by the adverse conditions in the source markets, particularly the USA and UK. Recent declines in the Canadian market reflect the withdrawal of seasonal air access and higher fares, while the Caribbean market may become accessible with the planned introduction of more affordable airlift.

Manufacturing output will be largely influenced by the pace of the recovery in the USA. The performance of the agricultural sector will be constrained by the setbacks caused by hurricane damage in the latter half of 2010 and is expected to remain below that of 2010.

The merchandise trade deficit is projected to widen, consistent with an anticipated rise in imports needed as inputs into the tourism industry and the construction sector.

The overall deficit of the central government is projected to widen as growth in expenditure is projected to outpace the expansion in revenue.

The global environment remains challenging as advanced economies struggle to recoup the jobs lost during the downturn. The over-leveraging of banks and consumers has grave implications for the ability of both consumers and firms to engage in previous levels of investment and consumption. This development will constrain future growth as consumption represents a large portion of GDP for most developed economies.

Policy makers in Saint Lucia face the prospect of slow to moderate growth in the USA and UK, the major trading partners, which has negative implications for not only the tourism industry but for



overall GDP growth. Additionally, large public sector expenditures will be required to rebuild the damaged infrastructure from hurricane Tomas and this will have financing implications. A scenario of

constrained growth with higher expenditure commitments will pose a fiscal challenge for the authorities. The prospect of higher commodity prices introduces further uncertainty in the forecast.



## ST VINCENT AND THE GRENADINES

### Overview

Based on preliminary data, economic activity in St Vincent and the Grenadines is estimated to have increased in the first quarter of 2011, compared with the outturn in the corresponding period of 2010. The improvement in economic activity was driven largely by developments in the construction sector, one of the main contributors to economic output. The consumer price index rose by 1.1 per cent during the review period, on an end-of-period basis. The central government's fiscal operations yielded a smaller overall deficit. The total outstanding public sector debt was above the level recorded at the end of December 2010. The merchandise trade deficit increased, largely attributable to a decline in domestic exports. In the banking sector, monetary liabilities rose and commercial bank liquidity remained at a high level. The spread between commercial bank lending and deposit interest rates narrowed during the period under review.

Economic activity for the remainder of 2011 will be positively influenced by the outlook for construction and the transport sector. The pace of construction activity is projected to increase, as reconstruction and rehabilitation works progress. Work on the terminal building at the Argyle international airport is expected to add further momentum to construction and other ancillary sectors. Nevertheless, risks to these projections are tilted to the downside. These threats include the pace of the global economic

recovery, inflationary pressures associated with food and fuel prices as well as an active hurricane season.

### Output

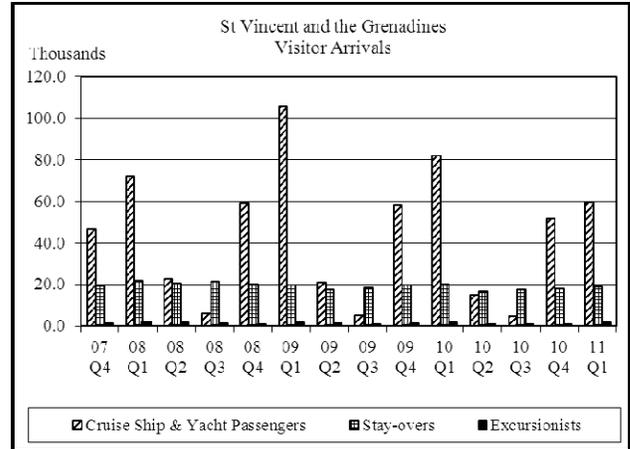
In the construction sector, one of the main contributors to economic growth, the pace of activity expanded relative to the performance in the first quarter of 2010, as reconstruction and rehabilitation works progressed following the passage of hurricane Tomas in October 2010. This assessment is supported by an increase in commercial bank credit for construction. In the private sector, work focused on repairing and rebuilding of residential and business properties, which were damaged by the hurricane, while in the public sector repair and rehabilitation of public buildings and infrastructure continued. Developments in the construction sector had spill-over effects on mining and quarrying activity, which was also estimated to have increased.

Activity in the transport, storage and communication sector increased marginally in the first quarter of 2011 compared with the corresponding period of the previous year. This performance was influenced by an improvement in the communication sub-sector and increased activity in road transport, as rehabilitation works progressed. Activity in the air and sea sub-sectors declined, associated largely with the decline in visitor arrivals. The performance of the manufacturing sector was weak, mainly influenced by declines recorded in the output of rice,



galvanize sheets, beverages and malt liquors. Output of rice fell by 6.4 per cent and production of galvanize sheets declined by 6.5 per cent. Production of beverages and malt liquors fell by 16.6 per cent during the review period. These declines more than offset growth in the production of feeds, flour and packaging, which increased by 21.6 per cent, 11.1 per cent and 7.8 per cent respectively.

In the tourism industry, activity is estimated to have contracted, as evidenced by a 6.0 per cent decline in the number of stay-over visitors. Visitor arrivals from the USA and the UK were estimated to have fallen by 9.3 per cent and 9.6 per cent respectively, primarily as a result of the slow economic recovery and labour market conditions in these economies. The fall in the number of visitors from the Caribbean, the second largest source market, was largely attributed to increased intra-regional airfares and reduced airlift. Arrivals from Canada increased by 11.7 per cent as marketing efforts in that region intensified. Of the other categories of visitors, cruise passenger arrivals were estimated to have declined by 38.0 per cent, as the number of cruise ship calls fell by 29.3 per cent. Yacht passenger arrivals increased by 10.3 per cent and the number of excursionists grew marginally by 2.1 per cent.

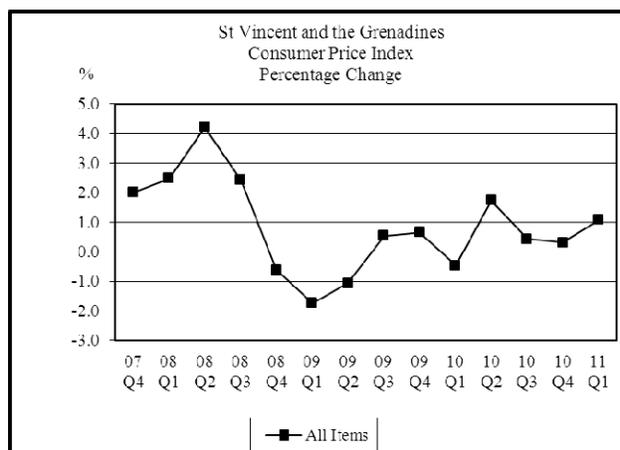


Agricultural output is estimated to have declined, mainly as a result of reduced activity in all sub-sectors. Crop production fell by approximately 38.2 per cent, precipitated by a wipe-out of bananas and other crops by strong winds and rain associated with the passage of hurricane Tomas in the last quarter of 2010. In the fishing sub-sector, activity declined by about 22.9 per cent relative to the first quarter of 2010. Production of livestock and forestry were also adversely impacted by the hurricane.

**Prices**

Consumer prices were estimated to have risen by 1.1 per cent during the period under review, in contrast to a decline of 0.5 per cent during the corresponding period of 2010, largely attributable to the impact of increases in the prices for fuel and light.

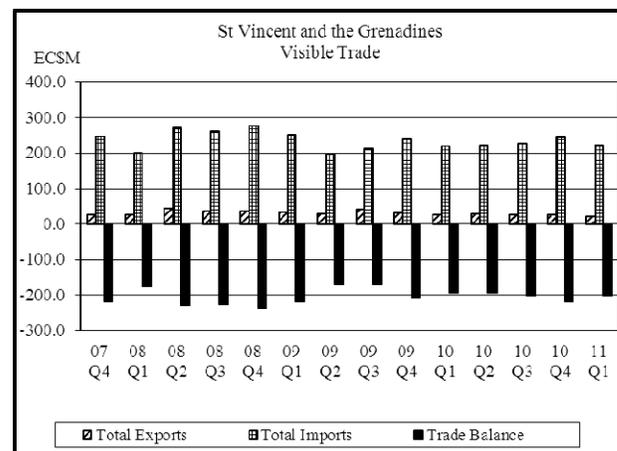
The fuel and light sub-index rose by 16.7 per cent, reflecting increases in the cost of electricity and kerosene, due to the upward movements in international oil prices. The food sub-index, the largest weighted in the CPI basket, increased by 0.6 per cent, in contrast to a decline of 1.3 per cent during the first quarter of 2010, when prices for basic grocery items including chicken, milk, sugar, vegetables and ground provisions were lower. Increases of 2.0 per cent and 0.6 per cent were recorded in the sub-indices for clothing and footwear and household furnishings and supplies, respectively. The other sub-indices remained virtually unchanged during the review period.



### Trade and Payments

A merchandise trade deficit of \$200.5m was recorded for the first three months of 2011, compared with one of \$192.6m in the comparable period of 2010. The widening of the deficit was attributed to a decline of 17.7 per cent in the value of total exports, supported by 1.4 per cent growth in import payments. Receipts from domestic exports

fell by 21.6 per cent, primarily reflecting a fall-off in banana production and exports, as a result of destruction caused by hurricane Tomas. Earnings from rice declined by 1.9 per cent, although the volume exported remained unchanged, reflecting a downward movement in the price of the commodity. These declines more than offset earnings from feeds and flour, which increased by 49.2 per cent and 17.4 per cent respectively, partly attributable to growing demand and higher prices for these commodities.



Gross travel receipts are estimated to have improved marginally to \$76.5m, as visitors extended their length of stay on the islands. The transactions of commercial banks resulted in a net outflow of \$2.4m in short-term capital during the first quarter of 2011, in contrast to a net inflow of \$29.6m recorded during the corresponding period of 2010.

### Central Government Fiscal Operations

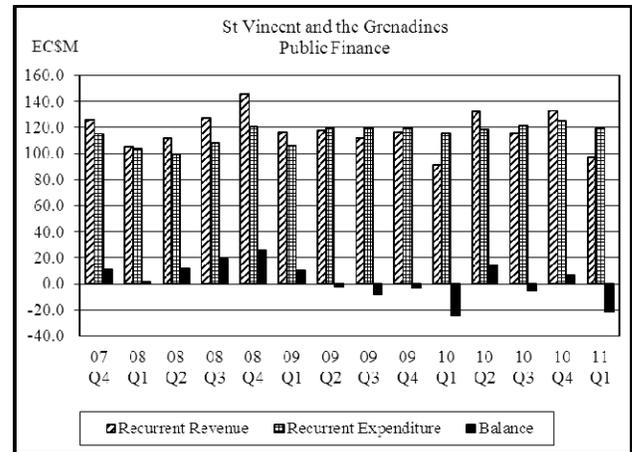
The fiscal operations of the central government resulted in an overall deficit of \$22.6m in the first three months of 2011, compared with one of \$25.5m



in the corresponding period of 2010. The narrowing of the deficit was primarily a result of developments on the current account. The current account recorded a deficit of \$21.8m, down from one of \$24.3m in the first quarter of 2010, as growth in current revenue, outpaced an increase in current expenditure. A primary deficit of \$14.4m was recorded, compared with one of \$11.1m in the first quarter of 2010.

Current revenue grew by 6.7 per cent to \$97.2m, mainly reflecting increases in all sub-categories of tax revenue. Receipts from taxes on international trade and transactions grew by 49.2 per cent, largely associated with increased collections from the customs service charge and import duties, consistent with the pickup in economic activity. The improvement in the yield from taxes on domestic goods and services was primarily influenced by a 12.8 per cent increase in collections from the value added tax. Revenue from taxes on income and profits increased by 4.3 per cent largely linked to growth of 7.7 per cent in personal income taxes. These increases more than offset a decline in non-tax revenue.

Current expenditure grew by 3.0 per cent to \$119.0m, on account of increases in all the sub-categories except interest payments. Expenditure on goods and services rose by 35.2 per cent in contrast to a decline of 19.0 per cent in the first quarter of 2010, as government spent more on restoration and rehabilitation in the aftermath of hurricane Tomas.



Outlays on transfers and subsidies grew by 9.5 per cent, partially driven by increased spending on social safety net programmes, including support to hurricane victims and transfers to public sector enterprises. Personal emoluments, which account for the largest share of spending, increased by 2.8 per cent associated with the payment of a 2.0 per cent salary increase in December 2010, owed to public servants since January 2010. These increases were tempered by a 38.7 per cent fall in expenditure on interest payments as the government restructured its debt portfolio using lower interest borrowing to replace higher interest loans.

Expenditure on the capital account amounted to \$2.1m representing the slow implementation of the public sector investment programme (PSIP). Capital grant receipts, which are expected to fund the PSIP, totalled \$0.7m, approximately 1.3 per cent of the budgeted amount for the year.



## Public Sector Debt

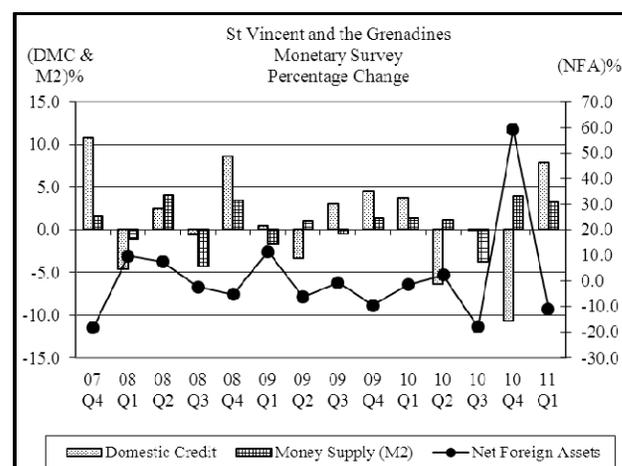
The total disbursed outstanding debt of the public sector was estimated at \$1,228.4m at the end of March 2011, approximately 1.2 per cent above the total at the end of December 2010. This outturn largely reflected an increase in central government's borrowing, as its stock of domestic debt grew. The domestic debt of the central government increased by 6.3 per cent, but its external borrowing remained virtually unchanged. Debt incurred by the public corporations fell by 2.1 per cent to \$187.8m.

## Money and Credit

Monetary liabilities (M2) rose by 3.2 per cent to \$1,149.9m during the quarter ended March 2011 compared with growth of 1.4 per cent during the corresponding period of 2010. The increase in M2 largely reflected growth in both quasi money and narrow money supply (M1). Quasi money grew by 3.4 per cent, mainly associated with growth in private sector savings deposits (\$18.5m) and private sector foreign currency deposits (\$6.4m). M1 rose by 2.8 per cent to \$355.2m, primarily on account of a 6.8 per cent expansion in private sector demand deposits. The increase in private sector demand deposits more than offset a decline of 19.8 per cent in currency with the public, which was occasioned by a fall of 16.7 per cent in currency in circulation.

Domestic credit grew by 7.9 per cent to \$962.5m, attributable in part to the expansion in economic activity. The expansion in credit emanated largely

from increased borrowing by the central government. Central government's net indebtedness to the banking system more than doubled to \$46.7m, as the government borrowed more and drew down on its deposits to finance the overall deficit. Credit to the private sector grew by 4.7 per cent, as loans extended to households increased by 4.6 per cent and significant investments were made in the non-bank financial institutions. In the rest of the public sector, net deposits of non-financial public enterprises fell by 2.0 per cent influenced largely by a decline of 1.8 per cent in their deposits.



An analysis of the distribution of credit by economic activity indicates that outstanding loans increased by 3.2 per cent, influenced in part by an expansion in lending for personal use. Credit for personal use grew by 4.7 per cent (\$28.9m), largely reflecting a 6.7 per cent (\$23.3m) increase in lending for acquisition of property, mostly home construction and renovation. Outstanding credit for other uses increased by 2.2 per cent (\$5.4m) driven by growth of 14.7 per cent in lending for public administration.



Credit for distributive trade and construction grew by 1.9 per cent (\$2.1m) and 3.5 per cent (\$1.1m) respectively. Lending for agriculture increased by 64.6 per cent (\$0.8m) during the first three months of 2011 compared with growth of 9.9 per cent (\$0.3m) during the corresponding period of 2010. On the contrary, credit for manufacturing, including mining and quarrying, fell by 3.4 per cent commensurate with the decline in activity in that sector.

The net foreign assets of the banking system fell by 10.9 per cent to \$422.8m, compared with a decline of 1.6 per cent during the first quarter of 2010. The contraction mainly reflected a decline in St Vincent and the Grenadines' imputed share of the Central Bank's reserves, which fell by 18.1 per cent to \$245.1m. The net foreign assets of commercial banks increased by 1.4 per cent, as some banks reduced their assets held at institutions within the currency union and increased those held externally.

Liquidity in the commercial banking system tightened, but remained at a high level during the review period. The ratio of liquid assets to total deposits plus liquid liabilities was 40.8 per cent at the end of March 2011, about 2.4 percentage points below the level at the end of 2010. The ratio of loans and advances to total deposits rose by 0.4 percentage point to 75.6 per cent.

The weighted average interest rate on deposits increased to 2.84 per cent from 2.76 per cent at the

end of December 2010, while the weighted average lending rate fell marginally to 8.91 per cent. These changes resulted in a decline of 18 basis points in the weighted average interest rate spread.

### **Prospects**

Economic activity is projected to increase marginally in 2011, as the economy struggles to recover from the impact of hurricane Tomas and the lingering effects of the international economic and financial crisis. The slow growth in the US economy and the continued challenges in the Euro zone are likely to impact inflows to the region and St Vincent and the Grenadines in particular. The high rates of unemployment in the advanced economies are expected to suppress travel demand and keep visitor arrivals down. It is anticipated however that arrivals from Canada will continue to improve as marketing efforts in that market become more effective.

Some expansion in the construction sector is projected as both private and public sector construction activities continue to focus on rebuilding in the aftermath of hurricane Tomas. Also, work is expected to proceed on the international airport, particularly the main terminal building, along with other land-side facilities. These and other road maintenance works are likely to keep construction activity robust for the rest of the year. Developments in the construction sector are expected to positively impact mining and quarrying activity.



In the agricultural sector, growth in output is not likely, as crops, including bananas and plantains, planted after the ravage of hurricane Tomas, may not be ready for harvest before the final half of 2011. The current difficulties faced by the manufacturing and wholesale and retail sectors are projected to persist and adversely affect activity in these sectors. Central government's fiscal operations are likely to result in a larger overall deficit, influenced by a further deterioration of the current account. Larger outlays are expected for transfers and subsidies and also for personal emoluments, as per salary negotiations for the year 2011. Expansion of the social safety net programmes to assist displaced families after the passage of hurricane Tomas and the cost of census 2011 are also expected to contribute to the projected increase in expenditure. On the capital side, expenditure is forecasted to be above the levels of 2010 as rebuilding and rehabilitation efforts continue apace.

In the external sector, the merchandise trade deficit is likely to widen as imports of construction materials rise to accommodate the rebuilding process and higher food and fuel prices spike the import bill.

An increase in export earnings is not anticipated due to developments in the banana industry and the weak performance of the manufacturing sector. Net inflows on the financial account are expected to remain subdued as foreign direct investments continue to be adversely impacted by the slow global economic recovery, especially in the advanced economies. Gross travel receipts are projected to be lower than the levels in 2010, based on the fragility of the tourism industry.

The pace of the global economic recovery is likely to be slower than initially forecasted, hence a longer lag effect for recovery in the domestic economy. Therefore, the risks to growth are tilted towards the downside. The potential adverse impacts of reduced foreign investments and remittance inflows remain, as the unfavourable labour market conditions linger and affect consumer demand for leisure and investment in the USA and the UK.

Additionally, adverse weather, associated with an active hurricane season and upward pressure on international commodity prices pose substantial risks to economic prospects.



## 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.



## STATISTICAL TABLES

		PAGE
<b>ECCU</b>		
Table 1	Selected Tourism Statistics .....	72
Table 2	Monetary Survey .....	72
Table 3	Central Government Fiscal Operations .....	73
Table 4	Total Public Sector Disbursed Outstanding Debt.....	74
Table 5	Central Government Disbursed Outstanding Debt.....	74
Table 6	Total Central Government Debt Service Payments.....	74
Table 7	Regional Government Securities Market Listed Securities.....	75
Table 8	Regional Government Securities Market Auction Results.....	75
Table 9	Regional Government Securities Market Secondary Market Activity .....	75
<b>ANGUILLA</b>		
Table 10	Selected Tourism Statistics .....	76
Table 11	Consumer Price Index .....	76
Table 12	Central Government Fiscal Operations .....	77
Table 13	External Trade .....	78
Table 14	Monetary Survey .....	78
<b>ANTIGUA AND BARBUDA</b>		
Table 15	Selected Tourism Statistics .....	79
Table 16	Consumer Price Index .....	79
Table 17	Central Government Fiscal Operations .....	80
Table 18	Monetary Survey .....	81
<b>DOMINICA</b>		
Table 19	Selected Tourism Statistics .....	82
Table 20	Consumer Price Index .....	82
Table 21	Central Government Fiscal Operations .....	83
Table 22	Selected Trade Statistics.....	84
Table 23	Monetary Survey .....	84



**GRENADA**

Table 24	Selected Tourism Statistics .....	85
Table 25	Consumer Price Index .....	85
Table 26	Central Government Fiscal Operations .....	86
Table 27	Selected Agricultural Production .....	87
Table 28	Selected Trade Statistics.....	87
Table 29	Monetary Survey .....	88

**MONTserrat**

Table 30	Selected Tourism Statistics .....	89
Table 31	Consumer Price Index .....	89
Table 32	Central Government Fiscal Operations .....	90
Table 33	Selected Trade Statistics.....	91
Table 34	Monetary Survey .....	91

**ST KITTS AND NEVIS**

Table 35	Selected Tourism Statistics .....	92
Table 36	Consumer Price Index .....	92
Table 37	Federal Government Fiscal Operations .....	93
Table 38	Monetary Survey .....	94

**SAINT LUCIA**

Table 39	Selected Tourism Statistics .....	95
Table 40	Consumer Price Index .....	95
Table 41	Central Government Fiscal Operations .....	96
Table 42	Banana Production .....	97
Table 43	Selected Trade Statistics.....	97
Table 44	Monetary Survey .....	98

**ST VINCENT AND THE GRENADINES**

Table 45	Selected Tourism Statistics .....	99
Table 46	Consumer Price Index .....	99
Table 47	Central Government Fiscal Operations .....	100
Table 48	Selected Trade Statistics.....	101
Table 49	Monetary Survey .....	101



**Table 1**  
**ECCU - Selected Tourism Statistics**

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Total Visitors	1,588,658	675,078	465,503	1,131,393	1,514,840
Stay-Over Visitors	270,965	236,935	231,140	222,817	269,227
Of which:					
USA	106,849	103,140	86,940	79,553	107,926
Canada	34,300	14,065	11,449	16,221	35,745
UK	53,909	43,138	41,924	50,001	53,903
Caribbean	44,384	53,160	67,000	51,591	41,578
Other Countries	31,523	23,432	23,827	25,451	30,075
Excursionists <sup>11</sup>	23,102	19,240	18,760	16,660	23,923
Cruise Ship Passengers <sup>12</sup>	1,250,456	392,569	200,815	861,291	1,176,877
Yacht Passengers <sup>14</sup>	44,135	26,334	14,788	30,625	44,813
Number of Cruise Ship Calls <sup>13</sup>	807	219	68	487	711
<b>Total Visitor Expenditure (EC\$M)</b>	<b>920.09</b>	<b>701.07</b>	<b>625.12</b>	<b>722.55</b>	<b>908.59</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 13 May 2011

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

	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Net Foreign Assets	1,887.60	2,123.30	1,906.15	1,836.15	2,194.39	2,158.33
Central Bank (net)	2,156.97	2,200.34	2,252.55	2,271.84	2,498.31	2,478.05
External Assets	2,162.25	2,202.87	2,257.90	2,286.81	2,500.52	2,485.48
External Liabilities	5.29	2.53	5.35	14.97	2.20	7.43
Commercial Banks (net)	(269.40)	(77.04)	(346.39)	(435.69)	(303.92)	(319.72)
External Assets	4,015.20	(77.04)	(346.39)	(435.69)	(303.92)	(319.72)
External Liabilities	4,284.60	4,335.47	3,678.90	3,476.21	3,245.62	3,399.75
Net Domestic Assets	10,426.00	10,531.81	10,620.45	10,549.47	10,479.01	10,687.32
Domestic Credit	12,673.10	12,686.02	12,665.16	12,636.14	12,495.18	12,547.23
Central Government (net)	1,273.30	1,636.59	1,501.75	1,425.21	1,219.75	1,236.55
Other Public Sector (net)	(908.50)	(1,262.75)	(1,301.50)	(1,355.87)	(1,322.93)	(1,339.31)
Private Sector	12,308.40	12,312.18	12,464.90	12,566.80	12,598.36	12,649.99
Households	6,139.49	6,151.74	6,194.46	6,237.47	6,290.85	6,326.08
Business	5,751.00	5,761.50	5,860.59	5,926.80	5,941.14	5,940.37
Non-Bank Financial Institutions (net)	132.57	127.76	152.01	146.39	136.76	157.15
Subsidiaries and Affiliates (net)	285.33	271.20	257.85	256.15	229.61	226.38
Other Items (net)	(2,247.15)	(2,154.20)	(2,044.71)	(2,086.67)	(2,016.18)	(1,859.91)
Monetary Liabilities (M2)	12,313.58	12,655.11	12,526.60	12,385.63	12,673.40	12,845.65
Money Supply (M1)	2,455.77	2,612.72	2,544.26	2,446.28	2,585.31	2,560.29
Currency with the Public	621.37	583.86	567.49	551.87	616.08	577.94
Demand Deposits	1,834.40	1,923.57	1,891.60	1,826.31	1,881.27	1,880.41
Quasi Money	9,857.81	10,042.39	9,982.35	9,939.35	10,088.09	10,285.36
Savings Deposits	5,222.29	5,290.15	5,312.18	5,282.13	5,282.05	5,411.37
Time Deposits	2,705.37	2,763.50	2,801.12	2,804.93	2,868.97	2,890.61
Foreign Currency Deposits	1,930.15	1,988.75	1,869.05	1,852.28	1,937.07	1,983.37

Source: Eastern Caribbean Central Bank

Data available at 13 May 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>Current Revenue</b>	805.71	864.57	801.88	877.86	888.62
Tax Revenue	704.31	761.51	709.02	744.99	773.95
Taxes on Income and Profits <sup>1</sup>	178.45	185.87	155.79	148.87	176.45
Of Which:					
Personal Income Tax <sup>2</sup>	61.26	61.93	56.55	62.72	69.95
Company	86.62	96.77	77.66	64.94	78.18
Taxes on Property	14.49	20.76	15.84	10.65	14.84
Taxes on Domestic Goods and Services	239.02	252.41	235.89	273.05	303.42
Of Which:					
Accommodation Tax	15.80	14.21	12.36	7.70	19.44
Licences	26.03	18.54	16.94	24.42	24.89
Sales Tax <sup>2</sup>	42.38	45.68	45.34	46.06	51.06
Stamp Duties	28.70	32.04	24.97	36.54	25.54
Consumption Tax <sup>4</sup>	8.89	2.31	2.40	1.93	2.34
Value Added Tax	82.15	108.80	102.24	111.48	127.28
Taxes on International Trade and Transactions	272.35	302.46	301.51	312.42	279.24
Of Which:					
Import Duties	86.72	104.81	103.22	116.33	102.29
Consumption Tax <sup>6</sup>	54.63	53.99	56.60	64.59	49.90
Customs Service Charge <sup>6</sup>	40.41	45.11	47.10	47.52	45.19
Non-Tax Revenue	101.40	103.06	92.86	132.87	114.67
<b>Current Expenditure</b>	831.82	837.55	875.86	865.27	896.68
Personal Emoluments	368.59	381.15	373.75	389.18	386.96
Goods and Services	166.70	167.46	181.29	191.86	180.94
Interest Payments	105.87	99.85	119.10	99.60	135.29
Domestic	56.43	55.31	73.10	62.68	66.21
External	49.44	44.55	45.99	36.92	69.09
Transfers and Subsidies	190.67	189.09	201.73	184.62	193.49
Of Which: Pensions	53.99	48.04	55.35	47.23	54.56
<b>Current Account Balance</b>	(26.11)	27.01	(73.98)	12.59	(8.05)
<b>Capital Revenue</b>	15.49	6.23	5.50	11.87	4.17
<b>Grants</b>	93.01	78.59	64.35	165.80	49.11
<b>Capital Grants</b>	56.51	53.97	39.97	86.84	32.84
<b>Capital Expenditure and Net Lending</b>	143.79	192.73	119.49	170.84	182.89
Of Which: Capital Expenditure	142.46	192.65	118.62	169.29	183.36
<b>Primary Balance</b>	44.46	18.96	(4.53)	119.02	(2.37)
<b>Overall Balance</b>	(61.41)	(80.89)	(123.63)	19.42	(137.67)
<b>Financing</b>	61.41	80.89	123.63	(19.42)	137.67
Domestic	(48.48)	28.34	(133.95)	(145.57)	163.21
ECCB (net)	(3.62)	20.71	(8.22)	(84.84)	83.11
Commercial Banks (net)	(25.57)	(155.59)	(68.26)	(121.14)	(60.76)
Other	(19.30)	163.23	(57.48)	60.41	140.86
External	28.97	55.72	245.65	224.62	(27.21)
Net Amortisation/(Amortisation)	34.86	63.91	248.64	144.60	(25.34)
Disbursements	140.45	179.86	323.79	235.95	68.68
Amortisation	(105.60)	(115.95)	(75.15)	(91.35)	(94.03)
Change in Government Foreign Assets	(5.89)	(8.19)	(2.99)	80.01	(1.87)
Arrears <sup>7</sup>	80.92	(3.18)	(1,141.78)	(98.46)	1.67
Domestic	72.79	15.57	(889.37)	(102.42)	(10.34)
External	8.13	(18.74)	(252.41)	3.96	12.01

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 13 May 2011

<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)

	2007	2008	2009	2010	Mar 2011
Anguilla	141.2	170.9	191.6	235.1	234.5
Antigua and Barbuda	2,835.7	2,979.1	3,136.4	2,709.9	2,695.5
Dominica	917.9	898.1	862.8	932.5	937.5
Grenada	1,710.0	1,777.1	1,883.8	1,942.1	1,946.1
Montserrat	11.2	11.1	9.3	8.7	8.7
St Kitts and Nevis	2,505.7	2,550.2	2,640.3	2,751.3	2,736.3
Saint Lucia	1,857.1	1,884.8	1,911.6	2,119.4	2,233.3
St Vincent and the Grenadines	1,025.9	1,102.4	1,173.8	1,214.3	1,228.4
<b>TOTAL ECCU</b>	<b>11,004.6</b>	<b>11,373.5</b>	<b>11,809.5</b>	<b>11,913.4</b>	<b>12,020.2</b>

Source: ECCB

\* Includes arrears of principal

Data available at 30 June 2011

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

	2007	2008	2009	2010	Mar 2011
Anguilla	121.1	149.6	172.3	217.4	217.2
Antigua and Barbuda	2,558.2	2,683.6	2,630.4	2,292.6	2,283.3
Dominica	762.1	749.2	713.8	766.6	767.8
Grenada	1,539.1	1,580.2	1,684.3	1,746.7	1,759.0
Montserrat	3.8	4.0	2.5	2.3	2.5
St Kitts and Nevis	1,806.1	1,941.9	2,018.6	2,125.4	2,120.6
Saint Lucia	1,595.4	1,616.2	1,642.2	1,835.4	1,952.0
St Vincent and the Grenadines	845.0	860.8	930.1	1,022.5	1,040.6
<b>TOTAL ECCU</b>	<b>9,230.8</b>	<b>9,585.6</b>	<b>9,794.2</b>	<b>10,008.8</b>	<b>10,142.9</b>

Source: ECCB

Data available at 30 June 2011

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

	2007	2008	2009	2010	Jan - Mar 2011
Anguilla	11.0	40.3	51.0	215.8	4.2
Antigua and Barbuda	202.5	243.5	182.7	235.5	53.8
Dominica	55.1	53.8	29.2	34.3	13.3
Grenada	86.3	79.2	117.5	83.8	33.1
Montserrat	1.2	0.2	0.2	0.2	0.0
St Kitts and Nevis	205.9	212.6	202.5	213.0	76.3
Saint Lucia	136.2	156.7	173.3	294.9	56.1
St Vincent and the Grenadines	93.6	107.6	112.9	166.0	32.1
<b>TOTAL ECCU</b>	<b>791.8</b>	<b>893.9</b>	<b>869.4</b>	<b>1,243.5</b>	<b>269.0</b>

Source: ECCB

Data available at 30 June 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Total Bid Amount (EC\$M)	240.5	157.9	135.4	250.3	178.2
Volume	205.6	107.0	96.0	225.3	96.0

Source: ECCB

Data available at end of May 2011

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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
91-day Treasury Bills	5.39	4.95	4.83	5.06	4.87
180-day Treasury Bills	5.00	**	4.50	**	4.90
365-day Treasury Bills	**	6.75	6.00	6.00	**
5-year Bond	**	**	**	6.25	**
6-year Bond	**	**	**	6.80	**
7-year Bond	7.25	**	**	**	**
8-year Bond	**	**	**	**	**
10-year Bond	7.50	**	7.5	**	**

Source: ECCB

Data available at end of May 2011

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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Volume	2.2	3.8	0.1	0.8	0.05
Value (EC\$M)	4.1	7.4	0.2	0.8	0.05

Source: ECCB

Data available at end of May 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Total Visitors	35,691	39,998	26,108	28,048	37,171
Stay-Over Visitors	18,068	25,712	12,804	16,543	19,575
Of which:					
USA	12,329	14,961	6,375	10,599	13,438
Canada	984	1,011	292	667	1,047
UK	789	1,037	680	771	828
Italy	339	368	594	253	365
Germany	115	161	79	214	125
Caribbean	2,431	5,242	3,780	3,016	2,619
Other Countries	1,081	2,932	1,004	1,023	1,153
Excursionists	17,623	14,286	13,304	11,505	17,596
<b>Total Visitor Expenditure (EC\$M)</b>	<b>77.79</b>	<b>90.46</b>	<b>54.32</b>	<b>75.09</b>	<b>84.00</b>

Sources: Statistics Department  
Data available at 23 May 2011

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

	Weight	Index Mar 2011	Percentage Change*					2011 1 <sup>st</sup> Qr
			2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr		
All Items	1,000.00	144.80	0.78	(0.07)	(0.07)	0.21	2.26	
Food	321.2	150.40	0.48	(0.47)	0.95	-	1.21	
Alcoholic Beverages and Tobacco	3.0	128.60	(0.08)	(0.47)	0.48	(1.97)	3.63	
Housing	171.5	120.70	(1.75)	0.45	(2.22)	0.36	9.03	
Fuel and Light	68.6	136.50	5.08	-	-	-	-	
Clothing and Footwear	30.7	99.20	(1.46)	(1.85)	1.23	(1.59)	(5.97)	
Household Furnishings and Supplies	97.3	163.40	1.24	0.12	(0.92)	0.62	-	
Transport and Communications	235.3	148.30	2.16	0.07	(0.07)	0.70	3.78	
Medical Care and Expenses	30.9	219.40	(0.27)	0.37	0.05	-	0.05	
Education	9.9	216.40	(1.32)	-	-	-	-	
Personal Services	16.4	133.70	-	(0.07)	-	(0.07)	(1.40)	
Miscellaneous	15.3	77.70	(5.16)	6.05	-	(9.12)	(2.51)	

Sources: Statistics Department  
\*at end of period  
Data available at 13 May 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>Current Revenue</b>	38.63	35.55	26.34	55.40	44.13
Tax Revenue	30.36	28.94	21.00	35.60	38.09
Taxes on Property	0.67	0.34	0.23	0.26	1.17
Taxes on Domestic Goods and Services	14.90	11.91	7.63	19.51	22.88
Of Which:					
Accommodation Tax	5.80	3.72	1.29	1.03	10.34
Bank Deposit Levy	-	3.79	2.77	-	-
Licences	4.94	2.44	2.38	1.77	4.86
Stamp Duties	3.49	1.42	0.88	12.14	5.24
Taxes on International Trade and Transactions	14.79	16.70	13.14	15.84	14.04
Of Which:					
Import Duty	12.25	14.42	10.80	14.13	12.48
Customs Surcharge	0.69	0.69	0.57	0.51	1.29
Ticket Tax	0.21	0.18	0.16	0.15	0.06
Embarkation Tax	1.40	1.25	1.03	1.00	-
Non-Tax Revenue	8.27	6.61	5.34	19.80	6.05
<b>Current Expenditure</b>	47.90	46.13	47.58	44.65	40.84
Personal Emoluments	22.45	22.61	21.67	21.88	20.06
Goods and Services	9.11	8.47	10.36	11.29	7.48
Interest Payments	3.42	1.95	3.95	1.64	2.30
Domestic	2.70	1.31	3.83	0.95	0.53
External	0.73	0.65	0.12	0.69	1.77
Transfers & Subsidies	12.92	13.10	11.60	9.83	10.99
Of Which: Pensions	2.08	2.23	2.45	2.17	2.24
<b>Current Account Balance</b>	(9.27)	(10.58)	(21.24)	10.75	3.30
<b>Capital Revenue</b>	-	-	-	-	-
<b>Grants</b>	22.27	-	-	-	-
Of which: Capital Grants	-	-	-	11.56	-
<b>Capital Expenditure</b>	0.21	0.38	0.98	1.56	0.24
<b>Primary Balance (after grants)</b>	16.21	(9.01)	(18.27)	22.40	5.37
<b>Overall Balance</b>	12.79	(10.96)	(22.21)	20.76	3.06
<b>Financing</b>	(12.79)	10.96	22.21	(20.76)	(3.06)
Domestic	(27.07)	37.65	(128.85)	4.67	(3.46)
ECCB (net)	(0.27)	(11.78)	1.47	(3.32)	(2.03)
Commercial Banks (net)	(22.22)	(17.53)	(103.91)	(18.61)	2.85
Other	(4.59)	66.97	(26.41)	26.60	(4.28)
External	(3.81)	(16.67)	148.23	(0.27)	(1.90)
Net Amortisation	(3.81)	(16.67)	148.23	(0.27)	(1.90)
Disbursements	-	-	148.50	-	-
Amortisation	(3.81)	(16.67)	(0.27)	(0.27)	(1.90)
Arrears	-	-	-	-	-

Source: Ministry of Finance and Treasury Department  
 Data available at 23 May 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Total Exports (without transshipment)	7.36	7.25	7.77	11.19	7.06
Total Imports (without transshipment)	113.10	118.72	90.85	102.35	
Trade Balance	(105.74)	(111.47)	(83.08)	(91.16)	(108.30)

Source: Statistics Department

Data available at 13 May 2011

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

	2009 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 <sup>R</sup> 2 <sup>nd</sup> Qr	2010 <sup>R</sup> 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Net Foreign Assets	37.51	62.53	18.15	149.93	196.43	237.51
Central Bank (net)	101.14	92.98	81.72	220.15	107.71	113.39
Commercial Banks (net)	(63.63)	(30.45)	(63.56)	(70.22)	88.71	124.12
External (net)	36.34	44.68	6.69	8.57	31.54	62.92
Assets	305.08	322.16	289.27	266.84	293.22	318.79
Liabilities	268.75	277.48	282.58	258.27	261.68	255.87
Other ECCB Territories	(99.97)	(75.13)	(70.25)	(78.78)	57.17	61.19
Assets	131.36	126.90	121.45	118.03	168.39	170.85
Liabilities	231.33	202.03	191.70	196.81	111.21	109.65
Net Domestic Assets	1,037.05	1,007.72	1,029.36	871.51	865.93	838.63
Domestic Credit	1,376.39	1,389.23	1,395.56	1,243.74	1,231.92	1,224.40
Central Government (net)	129.30	106.82	77.50	(24.94)	(46.87)	(46.05)
Other Public Sector (net)	(162.54)	(150.07)	(111.97)	(152.28)	(133.75)	(135.13)
Private Sector	1,409.62	1,432.48	1,430.03	1,420.97	1,412.54	1,405.58
Households	666.85	650.87	651.06	628.57	613.69	623.67
Business	717.99	761.60	759.82	771.31	777.08	757.21
Non-Bank Financial Institutions (NBFI)	6.49	6.37	5.50	5.01	5.69	5.69
Subsidiaries & Affiliates	18.30	13.65	13.65	16.08	16.08	19.02
Other Items (net)	(339.34)	(381.52)	(366.20)	(372.23)	(365.99)	(385.77)
Monetary Liabilities (M2)	1,074.55	1,070.25	1,047.51	1,021.44	1,062.36	1,076.14
Money Supply (M1)	51.38	47.10	41.03	39.39	46.05	52.10
Currency with the Public	16.40	13.57	10.46	10.34	11.62	12.95
Demand Deposits	31.95	31.08	28.98	26.01	28.55	36.38
EC\$ Cheques and Drafts Issued	3.03	2.46	1.60	3.04	5.88	2.78
Quasi Money	1,023.18	1,023.15	1,006.48	982.05	1,016.31	1,024.04
Savings Deposits	101.18	103.01	102.62	101.96	102.16	102.93
Time Deposits	102.41	107.08	106.85	108.18	118.74	120.50
Foreign Currency Deposits	819.59	813.05	797.00	771.91	795.41	800.61

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 23 May 2011



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

	2010 <sup>R</sup>	2010 <sup>R</sup>	2010 <sup>R</sup>	2010 <sup>R</sup>	2011 <sup>P</sup>
	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr
Total Visitors	343,547	133,469	78,463	258,742	375,196
Stay-Over Visitors	70,516	54,002	48,992	57,795	74,156
Of which:					
USA	25,982	22,044	16,641	16,862	27,117
Canada	9,350	3,155	1,560	3,694	10,669
Europe	24,267	17,878	18,089	24,245	25,480
UK	18,600	14,362	13,702	20,083	20,237
Germany	1,077	725	520	1,334	1,050
Switzerland	334	206	144	301	279
Italy	2,897	1,915	3,271	1,637	2,931
France	559	341	275	381	493
Other Europe	800	329	177	509	490
Caribbean	7,493	8,340	10,577	9,825	8,092
South America	385	341	197	275	235
Other Countries	3,039	2,244	1,928	2,894	2,563
Cruise Ship Passengers	261,903	75,029	28,630	191,468	291,056
Number of Cruise Ship Calls	147	46	11	100	163
Yacht Passengers	11,128	4,438	841	9,479	9,984
Number of Yacht Calls	1,670	1,055	182	1,171	1,541
<b>Total Visitor Expenditure (EC\$M)</b>	<b>257.39</b>	<b>182.54</b>	<b>158.65</b>	<b>209.65</b>	<b>269.72</b>

Sources: Department of Tourism and Eastern Caribbean Central Bank

Data available at 13 May 2011

**Table 16**  
**Antigua and Barbuda - Consumer Price Index**  
**January 1993 = 100**

	Weight	Index Mar 2011	Percentage Change*				
			2010	2010	2010	2010	2011
			1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr
<b>All Items</b>	1,000.0	124.16	0.35	1.03	0.82	0.69	0.23
Food	214.2	139.62	0.14	3.07	4.02	0.53	(1.43)
Alcoholic Beverages and Tobacco	1.6	134.54	(3.48)	(0.34)	2.27	0.92	0.21
Housing	218.3	109.68	-	-	-	-	-
Fuel and Light	63.9	139.55	6.14	2.90	(3.75)	0.97	2.90
Clothing and Footwear	110.6	98.64	(0.46)	(3.90)	(3.04)	2.29	(0.46)
Household Furnishings and Supplies	126.0	121.09	(0.26)	3.93	1.06	1.61	0.46
Transport and Communications	153.5	125.67	(0.11)	0.05	1.48	0.68	2.33
Medical Care and Expenses	27.6	116.56	-	0.06	1.27	1.34	-
Education	23.4	160.44	-	-	(0.32)	-	-
Personal Services	43.0	153.35	-	-	(0.73)	-	-
Miscellaneous	17.9	120.24	(0.07)	(0.12)	4.58	(2.06)	0.14

Sources: Central Statistical Office and Eastern Caribbean Central Bank

\*at end of period

Data available at 13 May 2011



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

	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 <sup>R</sup> 2 <sup>nd</sup> Qr	2010 <sup>R</sup> 3 <sup>rd</sup> Qr	2010 <sup>R</sup> 4 <sup>th</sup> Qr	2011 <sup>P</sup> 1 <sup>st</sup> Qr
<b>Current Revenue</b>	157.99	158.12	137.70	185.78	141.89
Tax Revenue	140.15	145.04	131.54	159.73	135.77
Taxes on Income and Profits	22.94	25.71	13.68	30.11	20.25
Of Which:					
Personal Income	9.80	8.08	7.95	7.56	10.57
Company	13.13	17.38	5.73	22.53	9.66
Taxes on Property	5.25	5.37	3.80	3.30	3.87
Taxes on Domestic Goods and Services	55.21	57.10	55.15	55.32	59.14
Of Which:					
Stamp Duties	6.94	9.66	7.60	7.08	4.90
Hotel and Guest Tax	-	-	-	-	-
Antigua and Barbuda Sales Tax	42.32	45.64	45.29	46.01	51.01
Telecommunications Tax	1.15	0.07	0.11	0.06	0.14
Taxes on International Trade and Transactions	56.75	56.86	58.91	71.00	52.50
Of Which:					
Import Duty	16.52	19.35	20.67	22.60	19.68
Consumption Tax	8.68	6.35	6.23	9.59	0.26
Customs Service Charge	3.16	0.94	1.33	0.02	0.31
Environmental Tax	0.56	0.72	0.94	0.99	0.47
Passenger Facility Charge	7.00	4.51	5.30	4.86	5.34
Non-Tax Revenue	17.84	13.08	6.16	26.05	6.13
<b>Current Expenditure</b>	170.19	168.93	173.49	169.93	164.75
Personal Emoluments	67.13	67.70	68.09	69.66	65.32
Other Goods and Services	25.60	31.78	32.36	35.76	20.09
Interest Payments	21.86	20.92	17.95	18.21	31.18
Domestic	14.14	13.18	13.52	13.92	16.92
External	7.72	7.74	4.43	4.29	14.26
Transfers & Subsidies	55.60	48.53	55.09	46.30	48.16
Of Which: Pensions	18.86	14.88	22.03	14.23	19.66
<b>Current Account Balance</b>	(12.20)	(10.81)	(35.79)	15.85	(22.85)
<b>Capital Revenue</b>	0.59	0.60	0.83	0.95	1.37
<b>Grants</b>	13.03	-	-	31.88	-
Of which: Capital Grants	13.03	-	-	-	-
Debt Forgiveness	-	-	-	-	-
<b>Capital Expenditure</b>	14.03	24.00	6.13	9.48	1.49
<b>Primary Balance</b>	(3.78)	(13.29)	(23.14)	25.53	8.21
<b>Overall Balance</b>	(25.64)	(34.21)	(41.09)	7.32	(22.97)
<b>Financing</b>	12.61	34.21	41.09	(39.20)	22.97
Domestic	(5.55)	(56.50)	15.10	(25.53)	19.29
ECCB (net)	3.22	(30.83)	28.15	(32.47)	15.02
Commercial Banks (net)	(2.21)	(75.56)	2.18	(27.27)	5.47
Other	(6.57)	49.89	(15.23)	34.21	(1.20)
External	(27.67)	88.70	24.23	54.28	14.70
Net Amortisation/(Amortisation)	(22.87)	92.40	24.24	3.17	14.86
Disbursements	9.29	103.67	41.96	14.59	27.54
Amortisation	(32.16)	(11.27)	(17.72)	(11.42)	(12.68)
Change in Government Foreign Assets	(4.80)	(3.70)	(0.01)	51.10	(0.15)
Arrears	45.83	2.01	(1,151.94)	(67.94)	(11.03)
Domestic	37.71	20.75	(899.53)	(69.44)	(20.67)
External	8.13	(18.74)	(252.41)	1.49	9.64

Source: Ministry of Finance, Treasury Department and ECCB Estimates  
Data available at 27 July 2011



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

	2009 <sup>R</sup> 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 <sup>R</sup> 2 <sup>nd</sup> Qr	2010 <sup>R</sup> 3 <sup>rd</sup> Qr	2010 <sup>R</sup> 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Net Foreign Assets	379.77	464.62	484.67	396.58	436.10	433.31
Central Bank (net)	292.26	241.10	276.06	273.98	367.42	345.73
Commercial Banks (net)	87.51	223.52	208.61	122.61	68.68	87.59
External (net)	(128.10)	(35.63)	123.39	(123.98)	(110.66)	(204.76)
Assets	1,147.18	1,305.36	827.41	874.19	523.65	516.28
Liabilities	1,275.28	1,340.99	704.02	998.16	634.31	721.04
Other ECCB Territories	215.61	259.14	85.22	246.58	179.35	292.34
Assets	862.87	967.52	1,017.67	1,024.76	966.49	1,098.64
Liabilities	647.26	708.38	932.45	778.18	787.15	806.30
Net Domestic Assets	2,617.11	2,556.82	2,518.44	2,548.32	2,570.30	2,559.97
Domestic Credit	3,033.76	3,000.12	2,961.17	2,985.92	2,915.08	2,920.51
Central Government (net)	628.54	629.55	523.16	553.49	493.75	514.24
Other Public Sector (net)	(134.33)	(141.35)	(109.72)	(122.60)	(105.34)	(107.89)
Private Sector	2,539.55	2,511.92	2,547.72	2,555.03	2,526.67	2,514.16
Households	1,320.25	1,298.21	1,312.05	1,325.03	1,324.22	1,322.36
Business	1,142.74	1,143.87	1,168.98	1,165.97	1,139.15	1,128.41
Non-Bank Financial Institutions (net)	16.11	14.00	14.69	14.36	19.24	18.98
Subsidiaries and Affiliates (net)	60.45	55.84	52.00	49.67	44.06	44.41
Other Items (net)	(416.64)	(443.30)	(442.73)	(437.61)	(344.78)	(360.54)
Monetary Liabilities (M2)	2,996.88	3,021.43	3,003.10	2,944.90	3,006.40	2,993.28
Money Supply (M1)	630.51	632.64	626.37	579.71	619.05	588.44
Currency with the Public	146.13	133.02	129.17	127.48	137.74	131.36
Demand Deposits	459.62	467.53	464.21	425.52	448.15	430.37
XCD Cheques and Drafts Issued	24.76	32.09	32.98	26.72	33.16	26.71
Quasi Money	2,366.37	2,388.79	2,376.73	2,365.19	2,387.35	2,404.85
Savings Deposits	960.27	987.84	981.27	972.21	964.93	990.12
Time Deposits	1,000.24	992.15	983.62	991.80	989.33	985.20
Foreign Currency Deposits	405.86	408.80	411.84	401.18	433.10	429.52

Source: Eastern Caribbean Central Bank

**Data available at 14 June 2011**



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Total Visitors	247,114	115,426	82,826	149,914	209,592
Stay-Over Visitors	19,647	17,560	19,826	19,484	15,451
Of which:					
USA	5,688	5,059	4,563	3,956	5,181
Canada	974	611	629	644	934
UK	1,288	906	1,139	1,268	1,275
Caribbean	9,196	9,412	11,730	11,561	5,689
Other Countries	2,501	1,572	1,765	2,055	2,372
Excursionists	175	375	159	75	60
Cruise Ship Passengers	227,292	97,491	62,841	130,355	194,081
Number of Cruise Ship Calls	131	44	21	76	107
<b>Total Visitor Expenditure (EC\$M)</b>	74.32	56.84	51.27	57.52	61.37

Sources: Central Statistical Office  
Data available at 6 June 2011

**Table 20**  
**Dominica - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Mar 2011	Percentage Change*				
			2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>All Items</b>	1,000.0	126.36	1.34	(0.49)	0.23	1.17	1.17
Food	328.8	144.93	2.13	(0.75)	0.32	(0.77)	0.37
Alcoholic Beverages and Tobacco	9.5	133.01	1.85	0.57	0.38	0.01	0.14
Housing and Utilities	111.7	120.57	(0.16)	(0.37)	1.31	2.17	(0.49)
Fuel and Light	58.6	153.88	6.70	(2.72)	(0.92)	(2.19)	11.08
Clothing and Footwear	82.1	100.02	0.26	0.66	0.59	0.02	0.20
Household and Furnishing Equipment	93.5	110.82	0.33	0.78	0.38	0.05	(0.07)
Transportation and Communication	194.3	106.84	0.22	(0.44)	(0.47)	1.39	2.15
Medical Care and Expenses	31.6	112.63	(0.07)	0.07	(0.02)	0.07	0.01
Education	29.0	121.69	(0.25)	(0.15)	0.82	0.16	(0.21)
Personal Services	42.5	150.00	-	(0.04)	-	27.98	-
Miscellaneous	18.4	117.56	0.18	(0.38)	0.41	0.59	0.62

Sources: Central Statistical Office and Eastern Caribbean Central Bank  
\*at end of period  
Data available at 6 June 2011



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

	2010	2010	2010	2010	2011
	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr
<b>Current Revenue</b>	86.05	97.50	83.40	84.89	95.26
Tax Revenue	78.77	93.29	76.62	79.22	82.79
Taxes on Income, Profit and Capital Gains	13.08	24.05	11.93	13.33	14.75
Of Which:					
Personal Income	7.50	7.95	6.97	7.22	9.82
Corporation	6.22	15.26	5.71	6.42	5.45
Development Levy	-	-	-	-	-
Stabilisation Levy	0.00	0.00	0.01	0.00	0.01
Taxes on Property	2.59	2.16	1.95	1.95	1.43
Taxes on Domestic Goods and Services	47.14	47.81	44.11	44.94	49.60
Of Which:					
Sales Tax	0.06	0.04	0.05	0.05	0.05
Licences	5.16	6.60	3.01	3.24	5.46
Consumption Tax	0.06	0.07	0.12	0.07	0.07
Hotel Accommodation Tax	0.53	0.72	0.66	0.66	0.46
Value Added Tax	30.38	31.53	30.75	30.39	30.81
Excise Tax	10.96	8.84	9.52	10.52	12.75
Taxes on International Trade and Transactions	15.96	19.27	18.63	19.00	17.01
Of Which:					
Consumption Tax	0.02	0.00	-	-	-
Import Duty	8.34	9.50	10.41	11.18	9.62
Customs Service Charge/Customs Surcharge	3.21	3.82	4.44	4.28	3.84
Non-Tax Revenue	7.28	4.21	6.78	5.67	12.46
<b>Current Expenditure</b>	72.80	72.56	87.18	84.10	78.05
Personal Emoluments	31.03	31.53	31.71	33.23	37.36
Goods and Services	17.87	22.46	29.06	29.90	20.37
Interest Payments	7.62	2.95	5.52	4.92	4.77
Domestic	3.76	2.44	1.42	0.40	1.67
External	3.86	0.51	4.10	4.52	3.10
Transfers and Subsidies	16.28	15.62	20.89	16.05	15.55
Of Which: Pensions	3.95	4.04	2.93	4.16	4.21
<b>Current Account Balance</b>	13.25	24.94	(3.78)	0.79	17.21
<b>Capital Revenue</b>	0.42	0.48	0.47	0.26	0.50
<b>Grants</b>	8.12	22.17	6.74	21.22	16.42
Of which: Capital Grants	8.12	22.17	6.74	21.22	16.42
<b>Capital Expenditure and Net Lending</b>	17.96	24.87	17.67	27.73	50.63
Of which: Capital Expenditure	18.35	25.52	18.33	27.93	51.13
<b>Primary Balance</b>	3.33	3.50	(15.46)	(21.76)	(28.15)
<b>Overall Balance</b>	3.83	22.72	(14.24)	(5.46)	(16.51)
<b>Financing</b>	(3.83)	(22.72)	14.24	5.46	16.51
Domestic	(4.28)	(22.59)	20.51	(38.57)	11.57
ECCB (net)	1.27	3.26	0.19	1.68	0.23
Commercial Banks (net)	(5.09)	(1.37)	(13.42)	10.14	5.80
Other	(0.46)	(24.48)	33.74	(50.38)	5.53
External	0.94	(0.39)	(5.08)	41.82	5.40
Net Amortisation	2.02	4.10	(2.11)	40.91	3.69
Disbursements	5.35	7.17	2.01	41.07	3.85
Amortisation	(3.32)	(3.07)	(4.11)	(0.16)	(0.16)
Change in Government Foreign Assets	(1.08)	(4.48)	(2.97)	0.92	1.72
Other Foreign Financing	-	-	-	-	-
Arrears	(0.50)	0.26	(1.19)	2.20	(0.46)
Domestic	(0.50)	0.26	(1.19)	(0.27)	(0.46)
External	-	-	-	2.47	0.00

Source: Ministry of Finance

Data available at 14 June 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Visible Trade Balance	(131.43)	(141.07)	(113.75)	(125.01)	(117.28)
Total Imports	157.17	158.51	131.52	156.93	133.17
Total Exports	25.74	17.43	17.76	31.92	15.89
Re-Exports	2.97	0.87	0.55	12.50	0.74
Domestic Exports	22.77	16.57	17.21	19.42	15.15
Of Which:					
Bananas					
Value	1.80	1.24	1.17	1.45	1.20
Volume	971	625	569	709	634
Soap					
Value	8.62	7.01	5.64	7.46	7.36
Volume	1,908	1,572	1,223	1,580	1,372
Dental Cream					
Value	-	-	-	-	-
Volume	-	-	-	-	-

Source: Central Statistical Office, Dominica Coconut Products and WIBDECO  
Data available at 6 June 2011

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

	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Net Foreign Assets	557.34	564.02	554.84	538.76	534.99	524.40
Central Bank (net)	174.06	176.70	168.49	159.97	179.31	178.18
Commercial Banks (net)	383.28	387.31	386.35	378.79	355.68	346.21
External (net)	48.87	6.51	17.44	12.70	19.12	11.82
Assets	232.48	209.30	225.43	171.50	182.73	180.97
Liabilities	183.61	202.79	207.99	158.80	163.60	169.15
Other ECCB Territories	334.41	380.81	368.91	366.09	336.56	334.40
Assets	426.92	462.76	473.55	477.74	429.71	429.51
Liabilities	92.51	81.96	104.64	111.65	93.16	95.11
Net Domestic Assets	415.69	430.99	443.44	452.67	475.24	499.37
Domestic Credit	513.71	519.81	539.68	547.41	578.27	599.56
Central Government (net)	(48.17)	(51.98)	(50.10)	(63.33)	(51.51)	(45.47)
Other Public Sector (net)	(92.47)	(89.75)	(93.28)	(90.86)	(86.40)	(82.01)
Private Sector	654.34	661.54	683.06	701.60	716.19	727.04
Households	389.51	387.73	392.04	402.13	409.39	411.25
Business	256.44	265.48	282.79	291.19	298.64	307.69
Non-Bank Financial Institutions (net)	1.79	1.73	1.66	1.70	1.58	1.53
Subsidiaries and Affiliates (net)	6.60	6.60	6.57	6.57	6.57	6.57
Other Items (net)	(98.02)	(88.82)	(96.24)	(94.74)	(103.03)	(100.19)
Monetary Liabilities (M2)	973.03	995.01	998.28	991.43	1,010.23	1,023.77
Money Supply (M1)	202.06	209.97	202.80	202.16	192.70	199.21
Currency with the Public	50.68	45.69	41.16	40.57	46.46	42.79
Demand Deposits	147.68	161.83	158.96	157.21	140.85	152.57
EC\$ Cheques and Drafts Issued	3.70	2.46	2.68	4.38	5.38	3.85
Quasi Money	770.97	785.03	795.48	789.27	817.53	824.56
Savings Deposits	520.53	532.28	523.89	520.81	533.91	541.90
Time Deposits	236.27	238.43	252.09	250.68	254.06	259.82
Foreign Currency Deposits	14.16	14.32	19.50	17.78	29.56	22.84

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 6 June 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Total Visitors	203,712	54,910	32,867	152,938	225,763
Stay-Over Visitors	30,908	20,467	28,660	24,697	31,240
Of which:					
USA	7,867	4,297	7,437	4,809	8,396
Canada	2,992	846	1,740	1,371	2,858
Europe	10,436	6,795	7,030	8,672	11,071
Of which:					
Germany	825	388	217	715	926
United Kingdom	7,718	5,551	5,983	6,485	8,225
Caribbean	5,397	5,362	6,782	5,716	5,625
Other Countries	1,015	1,007	949	835	815
Excursionists	902	585	606	335	452
Cruise Ship Passengers	170,613	32,503	3,048	127,601	192,756
Yacht Passengers	1,289	1,355	553	305	1,315
Number of Cruise Ship Calls	111	22	1	72	116
<b>Total Visitor Expenditure (EC\$M)</b>	<b>82.66</b>	<b>48.35</b>	<b>63.74</b>	<b>65.05</b>	<b>86.85</b>

Sources: Board of Tourism

Data available at 3 June 2011

**Table 25**  
**Grenada - Consumer Price Index**  
**January 2001 = 100**

	Weight	Index Mar 2011	Percentage Change*				
			2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>All Items</b>	1000.0	105.39	3.38	1.57	(0.56)	(0.19)	1.24
Food	367.5	108.04	4.63	1.88	0.50	(0.21)	1.16
Alcoholic Beverages and Tobacco	8.6	113.22	10.88	2.30	(0.33)	0.65	(0.31)
Housing	102.0	103.22	3.00	0.98	(0.02)	(0.09)	(0.65)
Fuel and Light	55.0	105.65	3.41	2.59	(2.07)	0.60	1.46
Clothing and Footwear	97.7	103.97	4.82	(1.00)	1.43	(0.65)	(0.73)
Household Furnishings and Supplies	95.3	106.16	5.72	(1.82)	(0.42)	0.09	2.65
Transport and Communications	156.5	103.01	1.96	3.69	(0.43)	(2.07)	(0.07)
Medical Care and Expenses	46.5	107.15	0.76	-	0.63	-	5.68
Education	37.4	100.84	5.04	0.65	(1.75)	-	(2.92)
Personal Services	16.0	103.37	0.30	-	1.59	1.45	-
Miscellaneous	17.5	106.65	6.54	-	-	-	0.10

Sources: Central Statistical Office and Ministry of Finance

\*at end of period

Data available at 3 June 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>Current Revenue</b>	98.61	113.42	107.48	88.81	114.94
Tax Revenue	94.35	103.91	99.77	91.87	104.26
Taxes on Income and Profits	23.59	17.17	19.46	12.97	19.25
Of Which:					
Personal Income	6.93	5.65	5.91	5.93	7.30
Company	16.66	11.53	13.54	7.03	11.95
Taxes on Property	3.08	8.35	3.46	2.50	5.47
Taxes on Domestic Goods and Services	36.41	47.84	48.30	45.64	48.94
Of Which:					
Value-added Tax	20.30	40.84	39.37	40.07	41.16
Consumption Duties	6.91	0.70	0.74	0.44	0.40
Stamp Duties	0.92	0.84	0.81	0.96	1.08
Licences	4.34	3.07	5.65	1.78	4.54
Taxes on International Trade and Transactions	31.26	30.54	28.55	30.76	30.60
Of Which:					
Import Duty	10.81	12.06	11.74	13.26	11.69
Consumption Tax	5.55	0.42	0.19	0.12	0.08
Customs Service Charge	7.85	8.50	8.28	9.04	9.19
Non-Tax Revenue	4.26	9.51	7.71	3.52	6.11
<b>Current Expenditure</b>	107.84	99.54	99.89	101.28	122.75
Personal Emoluments	47.94	48.42	48.65	54.41	58.16
Goods and Services	27.15	26.16	18.30	20.29	19.91
Interest Payments	13.62	5.54	14.82	9.02	22.84
Domestic	1.62	2.07	2.93	2.18	0.99
External	12.00	3.47	11.89	6.84	21.85
Transfers and Subsidies	19.12	19.41	18.12	17.55	21.83
Of Which: Pensions	5.94	6.16	6.29	4.28	6.58
<b>Current Account Balance</b>	(9.23)	13.89	7.59	(12.47)	(7.81)
<b>Capital Revenue</b>	0.06	0.01	0.10	0.01	-
<b>Grants</b>	16.69	15.37	8.13	10.45	6.04
Of which: Capital Grants	14.19	7.19	8.13	3.66	6.04
<b>Capital Expenditure</b>	31.78	29.28	30.74	16.14	20.07
<b>Primary Balance</b>	(10.63)	5.52	(0.10)	(9.13)	1.00
<b>Overall Balance</b>	(24.25)	(0.02)	(14.92)	(18.15)	(21.84)
<b>Financing</b>	24.25	0.02	14.92	18.15	21.84
Domestic	31.62	(8.04)	(7.24)	11.69	22.49
ECCB (net)	41.74	(0.90)	(2.85)	(15.24)	18.94
Commercial Banks (net)	(12.34)	8.28	(4.10)	(3.42)	12.43
Other	2.22	(15.43)	(0.29)	30.36	(8.88)
External	(7.37)	8.06	22.17	6.46	(0.65)
Net Amortisation	(7.37)	8.06	22.17	6.46	(0.65)
Disbursements	4.75	19.04	26.28	16.35	5.00
Amortisation	(12.12)	(10.98)	(4.11)	(9.89)	(5.65)
Change in Government Foreign Assets	-	-	-	-	-
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

Source: Ministry of Finance

Data available at 6 June 2011



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

		2010	2010	2010	2010	2011
	Unit	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr
Bananas	(tonnes)	247	174	207	231	355
Cocoa	(tonnes)	308	69	15	154	245
Nutmeg	(tonnes)	72	59	72	21	165
Mace	(tonnes)	7	4	4	1	12

Source: Central Statistical Office

**Data available at 3 June 2011**

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

	2010	2010	2010	2010	2011
	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr
<b>Visible Trade Balance</b>	(207.67)	(207.05)	(165.45)	(209.76)	(205.25)
<b>Total Imports</b>	226.47	224.11	179.81	224.76	220.45
<b>Total Exports</b>	18.80	17.06	14.37	15.00	15.20
Re-Exports	1.36	1.19	1.05	2.05	1.87
Domestic Exports	17.44	15.86	13.31	12.95	13.33
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	157.22	62.34	45.60	68.98	37.07
Value	3.48	1.42	1.11	1.74	1.08
Mace					
Volume	5.42	3.45	7.88	3.47	5.44
Value	0.14	0.13	0.20	0.16	0.23
Cocoa					
Volume	343.77	73.67	21.49	76.78	285.53
Value	3.28	0.72	0.22	0.75	2.78
Manufactured Exports					
Volume					
Value	8.00	6.36	8.50	8.05	9.21

Source: Central Statistical Office and WIBDECO

**Data available at 3 June 2011**



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

	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Net Foreign Assets	283.67	270.57	214.26	250.31	242.30	210.78
Central Bank (net)	303.45	261.07	256.98	270.12	277.46	274.55
Commercial Banks (net)	(19.78)	9.50	(42.72)	(19.81)	(35.16)	(63.77)
External (net)	(140.11)	(148.69)	(175.04)	(170.09)	(194.83)	(197.70)
Assets	340.23	324.16	311.18	313.10	285.72	302.87
Liabilities	480.34	472.85	486.23	483.19	480.55	500.56
Other ECCB Territories	120.34	158.20	132.33	150.28	159.67	133.92
Assets	209.08	233.53	224.24	243.46	228.76	225.83
Liabilities	88.74	75.34	91.91	93.18	69.09	91.91
Net Domestic Assets	1,536.36	1,593.63	1,573.36	1,557.39	1,595.09	1,610.83
Domestic Credit	1,641.80	1,689.41	1,683.90	1,697.83	1,699.04	1,719.84
Central Government (net)	98.85	128.25	135.63	128.68	110.01	141.38
Other Public Sector (net)	(125.80)	(126.06)	(171.42)	(180.17)	(173.12)	(181.20)
Private Sector	1,668.76	1,687.22	1,719.69	1,749.32	1,762.15	1,759.66
Households	1,087.57	1,096.23	1,108.82	1,111.47	1,130.90	1,131.98
Business	565.41	575.83	596.25	618.50	617.35	613.95
Non-Bank Financial Institutions (net)	15.78	15.15	14.62	19.35	13.91	13.73
Subsidiaries and Affiliates (net)	-	-	-	-	-	-
Other Items (net)	(105.44)	(95.78)	(110.54)	(140.44)	(103.95)	(109.02)
Monetary Liabilities (M2)	1,820.03	1,864.20	1,787.62	1,807.70	1,837.39	1,821.60
Money Supply (M1)	332.26	370.58	320.10	321.90	342.29	318.72
Currency with the Public	106.66	100.44	91.46	89.76	98.82	93.78
Demand Deposits	217.67	249.19	221.40	224.94	225.70	212.06
EC\$ Cheques and Drafts Issued	7.94	20.95	7.24	7.20	17.77	12.87
Quasi Money	1,487.77	1,493.62	1,467.52	1,485.80	1,495.11	1,502.89
Savings Deposits	1,014.42	1,013.97	1,008.99	1,010.72	1,011.60	1,035.47
Time Deposits	339.17	344.68	355.03	359.65	371.18	361.81
Foreign Currency Deposits	134.18	134.98	103.50	115.43	112.33	105.62

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 3 June 2011**



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Total Visitors	2,779	2,086	1,609	2,968	2,154
Stay-Over Visitors	1,453	1,233	1,329	2,185	1,504
Of which:					
USA	391	382	361	579	417
Canada	137	78	64	154	162
UK	292	265	275	570	220
Caribbean	509	463	601	813	548
Other Countries	124	45	28	69	157
Excursionists	338	603	190	583	339
Cruise Ship Passengers	535	-	-	-	-
Number of Cruise Ship Calls	2	-	-	-	-
Yacht Passengers	453	250	90	200	311
Number of Yachts	86	80	17	33	67
<b>Total Visitor Expenditure (EC\$M)</b>	<b>4.22</b>	<b>3.14</b>	<b>2.97</b>	<b>5.16</b>	<b>4.33</b>

Sources: Ministry of Finance and Eastern Caribbean Central Bank

Data available at 13 May 2011

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

	Weight	Index Mar 2011	Percentage Change*				
			2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>All Items</b>	1,000.0	249.15	0.33	(0.09)	1.50	0.79	0.23
Food	495.0	254.75	0.35	(1.22)	2.92	1.23	(0.29)
Alcohol and Tobacco	46.0	242.05	1.87	0.32	3.00	-	0.15
Household Goods	102.0	180.58	(0.03)	1.41	2.74	(0.03)	(0.09)
Gas, Electricity and Water	18.0	228.09	4.16	2.14	0.89	(0.14)	5.76
Rent	7.0	955.73	0.00	-	-	-	-
Clothing and Footwear	179.0	220.98	0.01	0.02	-	-	0.05
Services	153.0	282.52	0.16	2.21	(1.88)	1.03	1.67

Sources: Statistics Department, Ministry of Finance

\*at end of period

Data available at 13 May 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>Current Revenue</b>	9.94	9.28	9.36	9.97	11.72
Tax Revenue	8.40	8.22	7.97	8.98	10.48
Taxes on Income and Profits	3.76	4.43	4.16	4.01	4.74
Of Which:					
Personal Income	3.26	3.42	3.29	3.52	2.96
Company	0.37	0.61	0.48	0.41	0.84
Taxes on Property	0.15	0.08	0.34	0.38	0.08
Taxes on Domestic Goods and Services	1.60	0.50	0.28	0.30	1.77
Of Which:					
Hotel Occupancy	0.01	0.01	0.01	0.01	0.01
Insurance Company Levy	0.04	0.03	0.08	0.06	0.04
Licences and Stamp Duties	1.06	0.33	0.06	0.09	1.21
Taxes on International Trade and Transactions	2.89	3.20	3.19	4.29	3.88
Of Which:					
Import Duty	0.82	0.97	0.93	1.23	1.09
Consumption Tax	1.32	1.46	1.47	2.02	1.72
Customs Service Charge	0.72	0.77	0.79	1.04	0.87
Non-Tax Revenue	1.54	1.06	1.39	0.99	1.24
<b>Current Expenditure</b>	20.25	24.12	22.69	21.04	24.19
Personal Emoluments	10.71	10.59	10.66	10.68	10.58
Goods and Services*	4.24	5.00	4.92	4.13	5.56
Interest Payments	-	0.01	0.09	0.01	0.01
Domestic	-	-	0.08	-	-
External	-	0.01	0.01	0.01	0.01
Transfers and Subsidies	5.30	8.52	7.02	6.22	8.04
Of Which: Pensions	2.60	3.21	3.05	3.13	2.77
<b>Current Account Balance (before grants)</b>	(10.31)	(14.84)	(13.33)	(11.07)	(12.47)
<b>Current Account Balance (after grants)</b>	0.54	(3.22)	(1.04)	1.70	3.69
<b>Capital Revenue</b>	-	-	-	-	-
<b>Grants</b>	19.15	11.62	16.30	34.88	23.69
Of which: Capital Grants	8.30	-	4.01	22.12	7.53
<b>Capital Expenditure</b>	6.50	7.85	6.44	9.01	7.66
<b>Primary Balance</b>	2.35	(11.06)	(3.38)	14.82	3.57
<b>Overall Balance</b>	2.35	(11.07)	(3.47)	14.81	3.56
<b>Financing</b>	(2.35)	11.07	3.47	(14.81)	(3.56)
Domestic	(2.35)	11.10	3.50	(14.78)	(3.53)
ECCB (net)	0.29	(0.42)	0.14	(0.37)	0.31
Commercial Banks (net)	(4.41)	11.19	(19.37)	6.47	(11.40)
Other	1.77	0.33	22.72	(20.88)	7.56
External	-	(0.03)	(0.03)	(0.03)	(0.03)
Net Amortisation/(Amortisation)	-	(0.03)	(0.03)	(0.03)	(0.03)
Disbursements	-	-	-	-	-
Amortisation	-	(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 23 May 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Visible Trade Balance	(13.30)	(15.82)	(15.02)	(19.15)	(10.74)
Total Imports	14.66	16.19	15.78	19.60	12.08
Total Exports	1.36	0.37	0.76	0.46	1.34
Total Domestic Exports	0.57	0.23	0.28	0.31	0.17
Total Re-Exports	0.79	0.14	0.49	0.15	1.17

Source: Ministry of Finance

Data available at 13 May 2011

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

	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Net Foreign Assets	182.89	184.89	169.48	186.07	184.33	200.48
Central Bank (net)	38.61	52.85	47.00	39.17	45.41	51.81
Commercial Banks (net)	144.27	132.04	122.48	146.90	138.92	148.67
External (net)	51.15	47.01	44.42	44.80	37.24	42.36
Assets	90.81	87.11	86.10	76.72	70.04	76.73
Liabilities	39.66	40.10	41.68	31.92	32.80	34.37
Other ECCB Territories	93.12	85.03	78.07	102.10	101.68	106.31
Assets	203.70	199.87	200.68	206.85	208.15	215.54
Liabilities	110.58	114.84	122.62	104.75	106.47	109.23
Net Domestic Assets	(17.12)	(17.25)	2.38	(18.44)	(13.78)	(25.66)
Domestic Credit	9.93	10.49	24.93	9.61	15.07	3.87
Central Government (net)	(21.04)	(25.16)	(14.39)	(33.62)	(27.52)	(38.61)
Other Public Sector (net)	(22.22)	(20.30)	(19.03)	(16.90)	(19.16)	(19.46)
Private Sector	53.19	55.95	58.36	60.14	61.76	61.94
Households	45.28	46.82	48.21	50.36	51.81	51.94
Business	7.91	9.13	10.16	9.78	9.96	10.00
Non-Bank Financial Institutions (net)	-	-	-	-	-	-
Subsidiaries and Affiliates (net)	-	-	-	-	-	-
Other Items (net)	(27.05)	(27.75)	(22.55)	(28.05)	(28.86)	(29.54)
Monetary Liabilities (M2)	165.77	167.64	171.86	167.63	170.55	174.82
Money Supply (M1)	38.15	36.89	34.00	32.78	35.43	36.02
Currency with the Public	14.86	12.54	11.52	12.88	15.97	16.91
Demand Deposits	23.06	24.07	22.08	19.63	19.15	18.95
EC\$ Cheques and Drafts Issued	0.22	0.29	0.40	0.27	0.31	0.16
Quasi Money	127.62	130.74	137.86	134.85	135.11	138.80
Savings Deposits	110.61	111.93	120.69	117.94	118.00	119.10
Time Deposits	9.21	9.08	10.17	10.28	10.44	10.60
Foreign Currency Deposits	7.80	9.73	7.01	6.63	6.68	9.11

Source: Eastern Caribbean Central Bank

Data available at 23 May 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Total Visitors	243,244	99,635	65,359	201,846	224,647
Stay-Over Visitors	26,880	21,865	20,772	22,044	25,874
Of which:					
USA	17,439	13,055	11,387	12,783	15,766
Canada	1,970	1,162	1,244	1,344	2,285
UK	2,020	1,784	1,635	2,216	1,827
Caribbean	4,388	4,937	5,783	4,815	5,085
Other Countries	537	610	474	506	503
Excursionists	1,018	753	734	914	980
Cruise Ship Passengers	215,238	77,001	43,782	178,804	197,680
Yacht Passengers	108	16	71	84	113
Number of Cruise Ship Calls	136	42	13	95	115
<b>Total Visitor Expenditure (EC\$M)</b>	<b>69.77</b>	<b>52.64</b>	<b>47.17</b>	<b>57.36</b>	<b>69.57</b>

Source: Eastern Caribbean Central Bank

Data available at 13 May 2011

**Table 36**  
**St Kitts and Nevis - Consumer Price Index**  
**January 1993 = 100**

	Weight	Index Mar 2011	Percentage Change*				
			2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>All Items</b>	1,000.00	143.73	(1.93)	0.27	0.52	5.10	0.54
Food	280.50	151.36	0.11	1.12	(1.50)	6.94	1.00
Alcoholic Beverages and Tobacco	7.10	142.44	(0.02)	0.12	(1.15)	10.51	0.00
Housing	129.90	122.27	(5.53)	0.31	2.07	3.24	1.13
Fuel and Light	43.70	102.10	(2.12)	0.00	0.00	0.00	0.00
Clothing and Footwear	92.90	134.13	0.59	0.29	0.14	0.85	0.80
Transportation and Communication	21.40	172.16	(6.06)	(0.41)	2.20	5.75	0.00
Household Furnishings and Supplies	37.20	126.89	0.11	(0.56)	1.95	6.83	0.00
Medical Care and Expenses	140.50	168.43	2.10	0.69	(1.80)	0.94	0.04
Education	192.70	143.57	0.00	1.22	4.50	0.20	0.20
Personal Services	19.90	115.16	0.00	0.00	0.00	0.00	0.00
Miscellaneous	34.20	140.92	0.70	(0.20)	(0.43)	13.10	0.39

Source: Planning Unit, Ministry of Finance

\*at end of period

Data available at 13 May 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>Current Revenue</b>	119.04	119.55	119.85	149.38	167.88
Tax Revenue	81.48	80.10	82.73	98.66	106.96
Taxes on Income and Profits	21.54	22.27	24.48	24.31	22.15
Of Which:					
Company	14.46	12.43	14.27	12.03	9.43
Social Services	6.51	9.16	6.94	10.73	8.24
Taxes on Property	1.46	3.22	3.43	1.25	1.44
Taxes on Domestic Goods and Services	20.97	14.35	13.12	35.95	56.08
Of Which:					
Hotel Room Tax	1.79	1.40	0.92	0.62	0.10
Stamp Duties	10.08	6.54	5.70	7.41	6.73
Gasoline Levy	0.00	0.00	0.00	0.00	0.00
Value Added Tax					40.58
Taxes on International Trade and Transactions	37.51	40.26	41.69	37.15	27.30
Of Which:					
Import Duty	10.36	11.19	12.27	14.68	12.80
Consumption Tax	17.24	19.41	18.95	9.56	0.80
Customs Service Charge	7.37	7.64	8.47	10.02	8.25
Non-Tax Revenue	37.56	39.45	37.12	50.72	60.92
<b>Current Expenditure</b>	111.28	129.62	136.13	147.90	135.76
Personal Emoluments	54.64	55.75	56.03	57.08	55.02
Goods and Services	24.75	24.37	27.94	41.09	29.59
Interest Payments	21.20	35.14	37.39	32.04	33.73
Domestic	12.35	18.45	26.92	27.48	21.90
External	8.85	16.68	10.47	4.56	11.82
Transfers and Subsidies	10.70	14.36	14.77	17.69	17.42
Of Which: Pensions	5.29	5.55	5.47	5.75	5.92
<b>Current Account Balance</b>	7.76	(10.07)	(16.29)	1.48	32.13
<b>Capital Revenue</b>	2.34	5.07	3.93	1.51	1.71
<b>Grants</b>	3.70	7.68	13.84	28.73	1.29
Of which: Capital Grants	2.82	2.86	1.75	1.22	1.19
<b>Capital Expenditure and Net Lending</b>	10.72	46.14	21.51	45.78	21.81
Of which: Capital Expenditure	9.01	45.41	19.98	44.02	21.77
<b>Primary Balance</b>	24.27	(8.32)	17.37	17.99	47.05
<b>Overall Balance</b>	3.08	(43.46)	(20.03)	(14.05)	13.32
<b>Financing</b>	(3.08)	43.46	20.03	14.05	(13.32)
Domestic	8.92	50.47	6.36	34.98	20.09
ECCB (net)	(10.92)	24.70	(19.28)	(8.13)	9.13
Commercial Banks (net)	25.17	(15.82)	83.24	(10.94)	(35.85)
Other	(5.33)	41.59	(57.60)	54.05	46.81
External	(12.00)	(7.01)	13.66	(20.92)	(33.42)
Net Amortisation	(12.00)	(7.01)	13.66	(20.92)	(33.42)
Disbursements	2.02	1.95	28.51	4.05	2.33
Amortisation	(14.02)	(8.96)	(14.85)	(24.97)	(35.74)
Change in Government Foreign Assets	0.00	0.00	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 31 May 2011



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

	2009	2010	2010	2010	2010	2011
	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr
Net Foreign Assets	607.36	746.65	686.25	646.42	625.99	712.03
Central Bank (net)	331.92	407.57	370.97	340.88	420.29	423.86
Commercial Banks (net)	275.45	339.07	315.28	305.54	205.70	288.17
External (net)	469.06	579.87	212.23	397.78	393.14	514.25
Assets	1297.64	1431.93	1325.45	1218.25	1304.82	1405.01
Liabilities	828.59	852.06	1113.23	820.46	911.68	890.76
Other ECCB Territories	(193.61)	(240.79)	103.05	(92.24)	(187.44)	(226.08)
Assets	380.50	376.23	672.33	489.78	485.18	516.72
Liabilities	574.11	617.03	569.28	582.01	672.61	742.80
Net Domestic Assets	1158.37	1119.75	1158.78	1242.32	1285.01	1236.57
Domestic Credit	1708.44	1695.21	1736.88	1801.82	1848.04	1801.15
Central Government (net)	782.35	796.55	805.47	869.37	850.82	823.61
Other Public Sector (net)	(384.97)	(390.34)	(392.87)	(396.07)	(374.45)	(401.17)
Private Sector	1311.06	1289.00	1324.28	1328.51	1371.66	1378.71
Households	794.74	799.09	806.56	819.44	855.68	848.83
Business	435.43	413.59	427.20	420.39	425.43	440.07
Non-Bank Financial Institutions (net)	46.48	43.29	45.96	46.73	47.35	49.57
Subsidiaries and Affiliates (net)	34.41	33.03	44.56	41.96	43.21	40.23
Other Items (net)	(550.08)	(575.45)	(578.10)	(559.50)	(563.02)	(564.58)
Monetary Liabilities (M2)	1765.73	1866.40	1845.03	1888.74	1911.01	1948.59
Money Supply (M1)	261.68	303.43	328.64	328.74	357.33	355.14
Currency with the Public	78.33	86.94	91.52	92.54	101.05	97.03
Demand Deposits	171.97	204.19	217.52	223.96	247.98	224.16
EC\$ Cheques and Drafts Issued	11.38	12.30	19.60	12.24	8.29	33.95
Quasi Money	1504.05	1562.97	1516.38	1560.00	1553.68	1593.46
Savings Deposits	638.55	645.52	651.86	650.93	638.43	657.81
Time Deposits	490.97	518.45	505.94	526.18	552.40	544.44
Foreign Currency Deposits	374.53	399.01	358.59	382.89	362.84	391.21

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 31 May 2011**



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Total Visitors	408,740	196,648	154,750	266,074	360,374
Stay-Over Visitors	83,530	79,326	81,168	61,913	82,652
Of which:					
USA	30,980	37,796	35,410	24,899	32,014
Canada	15,427	5,759	4,574	6,394	15,035
UK	19,584	16,644	15,848	15,341	18,021
France	2,015	1,126	1,383	1,298	3,100
Germany	1,516	769	721	1,136	1,398
Caribbean	10,108	13,634	20,305	9,951	9,306
Excursionists	1,185	1,585	2,682	2,161	2,596
Cruise Ship Passengers	310,250	104,597	62,514	192,682	261,205
Number of Cruise Ship Calls	198	56	22	104	152
Yacht Passengers	13,775	11,140	8,386	9,318	13,921
<b>Total Visitor Expenditure (EC\$M)</b>	<b>277.93</b>	<b>215.97</b>	<b>201.81</b>	<b>192.37</b>	<b>256.28</b>

Source: Saint Lucia Tourist Board

Data available at 20 May 2011

**Table 40**  
Saint Lucia - Consumer Price Index  
January 2001 = 100

	Weight	Index Mar 2011	Percentage Change*				
			2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>All items</b>	99.87	107.05	0.92	0.12	0.99	(2.57)	1.58
Food & Non-Alcoholic Beverages	25.02	108.52	0.67	0.19	(0.14)	(1.20)	0.50
Alcoholic Beverages, Tobacco & Narcotics	6.53	107.17	(0.30)	(0.55)	0.13	0.43	(0.08)
Clothing & Footwear	1.66	110.29	4.71	6.59	(1.43)	(2.94)	2.45
Housing, Utilities, Gas & Fuels	17.36	104.27	1.32	1.68	1.71	0.95	0.97
Household Furnishings, Supplies & Maintenance	3.31	101.28	5.07	(2.05)	(5.33)	(8.07)	1.61
Health	3.96	113.07	1.97	(1.70)	(0.35)	(3.17)	1.85
Transport	16.40	107.97	(0.53)	(0.51)	2.45	(3.39)	2.12
Communication	12.54	100.99	(1.02)	-	-	0.41	1.61
Recreation & Culture	1.37	94.93	5.77	0.65	0.36	(23.36)	8.05
Education	3.70	139.15	14.80	-	13.90	(0.36)	0.00
Hotels & Restaurants	1.10	110.45	(0.34)	0.95	(0.05)	(0.04)	(0.44)
Miscellaneous							

\*at end of period

Data available at 20 May 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>Current Revenue</b>	204.31	198.95	201.82	171.16	216.27
Tax Revenue	192.05	189.45	184.40	163.12	202.17
Taxes on Income and Profits	72.73	64.61	53.88	31.97	73.44
Of Which:					
Personal Income	22.35	19.64	19.35	18.56	25.64
Company	31.46	29.18	26.22	2.90	36.41
Taxes on Property	0.99	0.93	0.80	0.54	0.99
Taxes on Domestic Goods and Services	29.52	29.78	32.18	33.66	32.79
Of Which:					
Consumption Duty	1.57	1.25	1.31	1.31	1.90
Licences	3.46	4.91	4.49	10.87	5.02
Hotel Occupancy Tax	8.21	9.08	10.14	6.04	8.99
Taxes on International Trade and Transactions	88.82	94.13	97.55	96.94	94.94
Of Which:					
Consumption Tax (Imports)	23.06	26.76	29.95	31.98	25.85
Import Duty	21.44	25.01	24.90	27.95	24.22
Service Charge (Imports)	14.19	15.47	16.71	15.48	16.45
Non-Tax Revenue	12.26	9.50	17.42	8.04	14.10
<b>Current Expenditure</b>	186.12	178.42	187.84	170.80	191.73
Personal Emoluments	80.51	90.25	83.28	82.60	84.77
Goods and Services	45.65	30.39	40.07	32.60	41.62
Interest Payments	23.69	22.31	26.28	20.55	31.59
Domestic	12.89	11.59	15.70	10.18	19.37
External	10.80	10.71	10.58	10.37	12.22
Transfers and Subsidies	36.27	35.47	38.22	35.05	33.75
Of Which: Pensions	1.94	1.99	2.57	2.09	1.36
<b>Current Account Balance</b>	18.19	20.54	13.98	0.36	24.54
<b>Capital Revenue</b>	-	-	-	8.64	-
<b>Grants</b>	9.97	17.21	13.25	23.60	6.11
Of which: Capital Grants	9.97	17.21	13.25	23.60	6.11
<b>Capital Expenditure and Net Lending</b>	61.07	34.68	26.72	23.71	80.77
<b>Primary Balance</b>	(9.23)	25.37	26.79	29.44	(18.53)
<b>Overall Balance (after grants)</b>	(32.92)	3.07	0.51	8.89	(50.13)
<b>Financing</b>	32.92	(3.07)	(0.51)	(8.89)	50.13
Domestic	(4.76)	3.26	(50.85)	(3.09)	50.97
ECCB (net)	(37.82)	36.12	(22.66)	(22.26)	37.13
Commercial Banks (net)	(40.24)	(3.29)	(7.12)	(2.39)	(60.04)
Other	73.30	(29.57)	(21.06)	21.56	73.88
External	37.68	(6.32)	50.34	(5.80)	(0.84)
Net Amortisation	37.68	(6.32)	50.34	(5.80)	(0.84)
Disbursements	60.63	44.55	73.99	24.96	22.79
Amortisation	(22.95)	(50.88)	(23.65)	(30.76)	(23.63)
Change in Government Foreign Assets	-	-	-	-	-

Source: Ministry of Finance  
Data available at 20 May 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Volume (tonnes)	8,353	5,347	5,524	2,478	-
Value (EC\$M)	15.76	10.67	10.96	4.48	-
Unit Price (EC\$/ tonnes)	1,887.18	1,995.60	1,984.53	1,809.40	-

Source: WIBDECO

Data available at 20 May 2011

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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>Total Exports</b>	329.47	128.62	96.60	79.31	337.70
Total Domestic Exports	64.77	59.21	59.14	61.76	66.39
Total Re-Exports	264.70	69.41	37.46	17.55	271.32
<b>Total Imports</b>	331.17	368.44	380.62	519.95	379.66
<b>Trade Balance</b>	(1.70)	(239.81)	(284.02)	(440.63)	(41.95)

Source: Central Statistical Office and ECCB Estimates

Data available at 20 May 2011



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

	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Net Foreign Assets	(503.58)	(420.88)	(437.39)	(513.81)	(315.70)	(365.42)
Central Bank (net)	406.63	450.38	483.55	416.77	492.29	551.63
Commercial Banks (net)	(910.21)	(871.26)	(920.95)	(930.59)	(807.99)	(917.05)
External (net)	(572.59)	(540.00)	(535.37)	(526.20)	(382.25)	(481.23)
Assets	441.69	487.03	440.58	420.59	448.88	439.37
Liabilities	1,014.28	1,027.03	975.95	946.79	831.13	920.59
Other ECCB Territories	(337.62)	(331.26)	(385.58)	(404.39)	(425.74)	(435.82)
Assets	367.66	384.38	393.95	427.39	376.32	377.45
Liabilities	705.28	715.64	779.52	831.78	802.06	813.27
Net Domestic Assets	3,014.39	2,988.05	2,994.47	3,004.17	2,874.89	3,018.58
Domestic Credit	3,456.10	3,393.54	3,402.77	3,430.45	3,410.07	3,412.69
Central Government (net)	47.66	(30.40)	2.42	(27.36)	(52.01)	(74.92)
Other Public Sector (net)	(337.01)	(305.96)	(324.27)	(326.94)	(340.35)	(325.40)
Private Sector	3,745.45	3,729.90	3,724.62	3,784.75	3,802.43	3,813.01
Households	1,240.90	1,279.47	1,281.75	1,303.36	1,307.75	1,311.05
Business	2,297.73	2,247.66	2,258.24	2,295.48	2,332.65	2,345.02
Non-Bank Financial Institutions (net)	41.25	40.69	43.56	44.03	42.34	40.78
Subsidiaries and Affiliates (net)	165.57	162.08	141.07	141.87	119.69	116.15
Other Items (net)	(441.71)	(405.48)	(408.30)	(426.28)	(535.18)	(394.10)
Monetary Liabilities (M2)	2,510.80	2,567.17	2,557.08	2,490.35	2,559.19	2,653.17
Money Supply (M1)	659.58	648.80	630.38	614.55	644.53	653.14
Currency with the Public	142.46	130.67	135.67	131.79	151.53	140.26
Demand Deposits	504.23	492.67	479.18	474.25	481.77	497.20
EC\$ Cheques and Drafts Issued	12.89	25.47	15.53	8.50	11.23	15.67
Quasi Money	1,851.22	1,918.37	1,926.70	1,875.81	1,914.66	2,000.03
Savings Deposits	1,301.71	1,324.31	1,335.99	1,317.65	1,319.01	1,351.50
Time Deposits	405.44	427.74	459.69	429.53	443.67	477.68
Foreign Currency Deposits	144.07	166.32	131.02	128.63	151.99	170.85

Source: Eastern Caribbean Central Bank

**Data available at 17 May 2011**



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
Total Visitors	103,831	32,906	23,521	70,863	79,943
Stay-Over Visitors	19,963	16,770	17,589	18,156	18,775
Of which:					
USA	6,173	5,546	4,766	5,066	5,597
Canada	2,466	1,443	1,346	1,953	2,755
UK	3,618	2,589	2,662	3,267	3,270
Caribbean	4,862	5,770	7,442	5,894	4,614
Other Countries	2,844	1,422	1,373	1,976	2,539
Excursionists	1,861	1,053	1,085	1,087	1,900
Yacht Passengers	17,382	9,135	4,847	11,239	19,169
Cruise Ship Passengers	64,625	5,948	0	40,381	40,099
Number of Cruise Ship Calls	82	9	0	40	58
<b>Total Visitor Expenditure (EC\$M)</b>	<b>76.01</b>	<b>51.14</b>	<b>45.20</b>	<b>60.35</b>	<b>76.49</b>

Source: Department of Tourism  
**Data available at 13 May 2011**

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

	Weight	Index Mar 2011	Percentage Change*				
			2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>All Items</b>	1,000.0	136.59	(0.47)	1.74	0.43	0.31	1.08
Food	536.1	149.27	(1.31)	2.89	0.39	0.35	0.60
Alcoholic Beverages and Tobacco	9.5	142.46	1.92	0.17	(0.47)	1.88	0.60
Housing	97.9	107.73	-	0.10	0.02	0.01	0.20
Fuel and Light	29.8	163.62	4.09	(0.95)	1.48	1.54	16.70
Clothing and Footwear	88.7	117.39	0.79	-	1.10	(0.14)	2.00
Household Furnishings and Supplies	61.5	112.62	(0.04)	(0.28)	0.23	-	0.63
Transport and Communications	68.5	125.38	1.14	1.39	0.80	-	-
Medical Care and Expenses	10.1	141.88	-	-	-	-	-
Education	34.3	152.87	0.57	-	-	1.12	-
Personal Services	33.5	120.30	0.28	0.21	0.31	0.24	-
Miscellaneous	30.1	104.76	-	-	-	0.16	-

Source: Central Statistical Office, Ministry of Finance  
 \*at end of period  
**Data available at 13 May 2011**



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>Current Revenue</b>	91.14	132.19	115.93	132.47	97.20
Tax Revenue	78.76	112.55	105.00	114.39	89.55
Taxes on Income and Profits	20.82	27.62	28.20	32.16	21.72
Of Which:					
Individual	14.71	16.12	14.10	16.76	15.83
Company Tax	4.33	10.38	11.71	13.61	4.45
Taxes on Property	0.30	0.31	1.82	0.47	0.38
Taxes on Domestic Goods and Services	46.45	63.13	55.27	58.15	50.76
Of Which:					
Stamp Duties	2.74	9.96	4.96	5.01	3.41
Excise Tax	4.97	7.23	6.92	8.65	5.47
Value Added Tax	30.25	35.52	29.83	35.00	34.13
Taxes on International Trade and Transactions	11.19	21.49	19.70	23.60	16.69
Of Which:					
Import Duty	6.19	12.32	11.50	14.43	9.46
Consumption Tax	0.00	0.00	0.00	0.00	0.00
Customs Service Charge	3.91	7.97	7.07	8.37	6.43
Non-Tax Revenue	12.38	19.63	10.93	18.08	7.65
<b>Current Expenditure</b>	115.44	118.23	121.06	125.57	118.95
Personal Emoluments	54.18	54.29	53.65	59.64	55.69
Goods and Services	12.32	18.83	18.29	16.80	16.65
Interest Payments	14.45	11.03	13.10	13.20	8.86
Domestic	8.98	6.26	8.71	7.56	4.81
External	5.48	4.77	4.39	5.64	4.05
Transfers and Subsidies	34.48	34.08	36.02	35.93	37.75
Of Which: Pensions	13.32	9.98	10.56	11.42	11.82
<b>Current Account Balance</b>	(24.31)	13.96	(5.13)	6.90	(21.75)
<b>Capital Revenue</b>	0.26	0.07	0.16	0.51	0.58
<b>Grants</b>	0.07	4.53	6.10	3.45	0.67
Of which: Capital Grants	0.07	4.53	6.10	3.45	0.67
<b>Capital Expenditure and Net Lending</b>	1.51	25.52	9.30	37.43	2.10
Of which: Capital Expenditure	1.51	25.52	9.30	37.43	2.10
<b>Primary Balance</b>	(11.10)	(0.46)	(1.16)	(16.83)	(14.41)
Overall Balance (after grants)	(25.49)	(6.96)	(8.17)	(26.57)	(22.60)
<b>Financing</b>	25.49	6.96	8.17	26.57	22.60
Domestic	(33.19)	13.00	7.51	(114.95)	23.43
ECCB (net)	(1.14)	0.57	6.63	(4.72)	4.37
Commercial Banks (net)	35.76	(61.50)	(5.76)	(75.12)	19.99
Other	(67.82)	73.93	6.64	(35.10)	(0.93)
External	41.19	(10.62)	(7.86)	149.08	(12.07)
Net Amortisation/(Amortisation)	41.19	(10.62)	(7.86)	121.09	(12.07)
Disbursements	58.42	3.47	2.55	134.93	0.44
Amortisation	(17.23)	(14.09)	(10.41)	(13.84)	(12.51)
Change in Government Foreign Assets	-	-	-	27.99	-

Source: Ministry of Finance  
Data available at 17 May 2011



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

	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>Visible Trade Balance</b>	(192.56)	(192.68)	(200.08)	(218.60)	(200.51)
<b>Total Imports</b>	219.38	222.17	225.64	245.28	222.58
<b>Total Exports</b>	26.82	29.49	25.56	26.68	22.07
Re-Exports	3.05	7.57	2.31	3.67	3.43
Domestic Exports	23.77	21.92	23.26	23.02	18.63
Of Which:					
Bananas					
Volume	1.62	0.81	0.77	0.51	-
Value	3.05	2.11	1.68	0.96	-
Flour					
Volume	2.82	2.81	2.96	3.12	3.11
Value	6.02	5.89	6.25	6.56	7.06
Rice					
Volume	0.97	1.02	1.03	0.92	0.97
Value	2.96	3.00	3.05	2.87	2.90
Feeds					
Volume	1.42	1.46	1.64	1.64	2.31
Value	1.33	1.36	1.45	1.48	1.98

Source: Central Statistical Office  
Data available at 13 May 2011

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

	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2010 3 <sup>rd</sup> Qr	2010 4 <sup>th</sup> Qr	2011 1 <sup>st</sup> Qr
<b>Net Foreign Assets</b>	361.19	355.54	363.54	298.34	474.45	422.78
Central Bank (net)	203.03	226.94	250.70	213.63	299.13	245.06
Commercial Banks (net)	158.16	128.60	112.84	84.71	175.33	177.72
External (net)	(26.29)	(30.78)	(40.14)	(79.27)	(94.02)	(64.19)
Assets	160.01	168.41	173.48	135.03	139.76	162.94
Liabilities	186.30	199.20	213.62	214.30	233.78	227.13
Other ECCB Territories	184.45	159.38	152.97	163.98	269.35	241.92
Assets	365.48	346.64	343.90	358.56	390.72	357.46
Liabilities	181.03	187.26	190.92	194.58	121.37	115.54
<b>Net Domestic Assets</b>	724.58	745.13	750.25	772.81	639.55	727.13
Domestic Credit	1,029.23	1,067.47	999.52	998.62	891.99	962.47
Central Government (net)	127.61	162.23	101.30	102.18	22.33	46.69
Other Public Sector (net)	(41.23)	(38.93)	(78.93)	(70.04)	(90.35)	(89.14)
Private Sector	942.85	944.17	977.15	966.49	960.00	1,004.92
Households	592.67	593.31	593.98	597.11	597.42	624.99
Business	343.71	344.33	357.15	354.17	355.92	353.05
Non-Bank Financial Institutions (net)	6.47	6.53	26.02	15.20	6.66	26.87
Subsidiaries and Affiliates (net)	-	-	-	-	-	-
Other Items (net)	(304.65)	(322.34)	(249.27)	(225.81)	(252.44)	(235.33)
<b>Monetary Liabilities (M2)</b>	1,085.77	1,100.67	1,113.78	1,071.15	1,114.00	1,149.91
Money Supply (M1)	359.13	360.95	358.59	324.78	345.66	355.20
Currency with the Public	63.50	58.65	54.18	44.22	50.61	40.58
Demand Deposits	284.89	293.01	299.28	274.80	289.12	308.68
EC\$ Cheques and Drafts Issued	10.75	9.29	5.12	5.76	5.93	5.94
Quasi Money	726.64	739.72	755.20	746.38	768.34	794.72
Savings Deposits	575.02	571.30	586.88	589.91	594.02	612.54
Time Deposits	121.65	125.89	127.73	128.63	129.16	130.58
Foreign Currency Deposits	29.96	42.53	40.59	27.84	45.16	51.60

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 17 May 2011

