

# 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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## DOMESTIC ECONOMIC DEVELOPMENTS

### Overview

The pace of economic activity in the Eastern Caribbean Currency Union (ECCU) contracted during the first half of 2010 albeit at a slower rate relative to that observed in the corresponding period in 2009. The improvements in the global economy during the review period contributed to the deceleration in the decline in the ECCU. Preliminary data indicate that major sectors such as agriculture, wholesale and retail trade, transport and construction registered contractions in activity. However, there was a rebound in the tourism industry and the manufacturing sector. The performance across the ECCU member countries was however mixed, as only Dominica, Grenada and Saint Lucia recorded positive growth. Consumer prices rose in all countries, except for St Kitts and Nevis. Price increases ranged from 0.2 per cent in Montserrat to 6.2 per cent in Grenada. The merchandise trade deficit is estimated to have narrowed, on account of a decrease in import payments. The consolidated accounts of the central governments resulted in a smaller overall fiscal deficit relative to that of the same period in 2009, partly as a result of a decline in capital expenditure. As a consequence of the overall deficit position of the central government, the outstanding debt of the public sector increased. In the banking sector, monetary liabilities (M2) increased while domestic credit marginally contracted. Meanwhile, commercial bank liquidity rose, and the spread

between the weighted average interest rates on loans and deposits widened.

Real economic activity is expected to contract further in 2010 albeit at a reduced pace following the estimated 7.3 per cent decline in real activity in 2009. This less than favourable outlook is based on the fact that recovery in major trading partner countries such as the USA and the UK is still fragile, and is characterised by high levels of unemployment, a weak housing market, and uncertainty regarding the soundness of the financial systems and the sustainability of the countries' macro economic policies. Against this backdrop, demand in these countries for goods and services exported by ECCU member countries, is expected to remain subdued. In addition, investment flows, as well as remittances, are likely to be constrained. Therefore, the prospects for improvements in sectors such as tourism and construction, which are the main drivers of growth in the currency union, remain bleak for the rest of the year. Risks to the outlook persist but they have been reduced since the first quarter report.

### Output

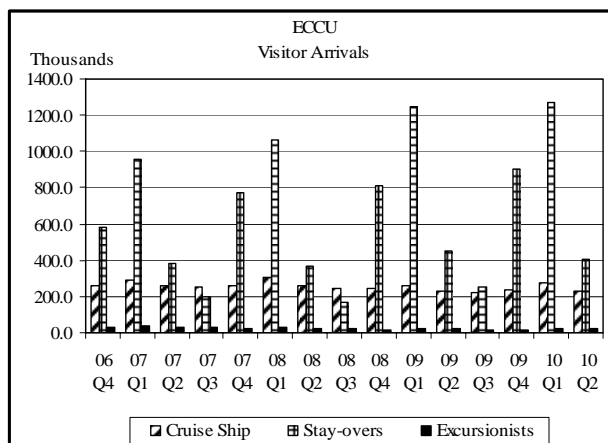
Activity in the tourism industry rose in the first six months of 2010 relative to developments in the corresponding period of 2009, mainly on account of growth in the number of stay-over visitors. Preliminary estimates indicate a 3.5 per cent rise in



stay-over arrivals to 504,750, in contrast to a 14.8 per cent contraction recorded in the first half of 2009. Increases were recorded in arrivals from all major source markets except the UK and the Caribbean. Stay-over visitors from the USA, which account on average for approximately 39.0 per cent of the total market share, grew by 11.7 per cent, representing a turn around from the 17.8 per cent decline in the corresponding period of 2009. Meanwhile arrivals from Canada rose by 15.4 per cent compared with growth of 5.0 per cent in the corresponding period of 2009. These increases were only partially offset by declines in arrivals from UK (9.6 per cent) and the Caribbean (5.9 per cent), which together on average account for over 40.0 per cent of the stay-over market. Performances across the currency union were mixed with increases recorded in Antigua and Barbuda (0.3 per cent), Anguilla (2.9 per cent), Saint Lucia (11.9 per cent) and Dominica (15.6 per cent). All the other ECCU member countries registered declines in the number of stay-over arrivals.

Of the other categories of visitors, cruise ship passenger arrivals decreased by 1.2 per cent to 1.6 million, reflecting in part a 2.6 per cent fall in the number of cruise ship calls to 1,011. The decline was largest in Antigua and Barbuda (22.9 per cent). St Vincent and the Grenadines and Grenada also registered decreases in cruise passenger arrivals, of 9.9 per cent and 6.8 per cent, respectively. By contrast, the largest increase was recorded in St Kitts and Nevis (24.6 per cent), followed by Dominica (10.6 per cent) and Saint Lucia (2.8 per cent). The number of excursionists rose by 9.5 per cent to 44,344, and the number of yacht passengers increased by 11.3 per cent to 71,058. The total effect of these developments was a 0.3 per cent increase in the total number of visitors to the ECCU.

Preliminary data indicate that aggregated manufacturing output in the currency union increased during the first half of 2010, largely attributable to developments in Grenada. In Grenada, output of soft drinks expanded nearly fivefold to 109,850 cases, in contrast to a decline in 2009, as a previously closed major manufacturing plant returned to full operation. Higher levels of output were also recorded for beer (16.1 per cent), influenced by the introduction of a new brand, and rum (6.7 per cent), based on the availability of molasses, a major input. Stout production also rose (3.0 per cent). This increase in output in Grenada was only partially offset by declines in manufactured products in Saint Lucia, St Kitts and Nevis, Dominica and St Vincent and the Grenadines.





Construction activity, which is one of the major drivers of economic activity in the currency union, is estimated to have contracted in the first half of 2010, at almost the same rate as in the comparable period of 2009. This outturn reflected a reduction in both private and public sector construction activity. The main factor contributing to the decline in public sector construction activity was the fall in capital spending in member countries as a result of external financing constraints and the implementation of fiscal stabilisation measures in light of falling revenues. Capital spending across the ECCU fell by 23.6 per cent (\$93.6m), reflecting cuts in all the countries except for St Kitts and Nevis. On an individual country basis, the decline in capital spending ranged from 6.9 per cent in Montserrat to 87.7 per cent in Anguilla.

Private sector construction activity continued to be negatively impacted by the fragile state of the global financial system following the economic and financial crisis. As a result private investment flows, especially for the tourism sector have declined, leading to a fall-off in associated construction activity. Nonetheless, private sector residential activity rose across the currency union in the review period, as evidenced by a 2.0 per cent increase in commercial bank lending for home construction and renovation. The expansion in this particular type of credit ranged from 1.3 per cent in Anguilla to 7.4 per cent in Montserrat. Only Antigua and Barbuda and St Vincent and the Grenadines recorded contractions.

Value added in the agricultural sector declined in the first half of 2010 relative to that of the corresponding period of 2009, mainly due to the negative impact of drought conditions and leaf spot disease on production, as well as weaker external demand for some traditional export crops. The decline in value added was influenced mainly by developments in Dominica, Grenada, Saint Lucia and St Vincent and the Grenadines, in crop production. Output of the major traditional export crop of the region, banana, fell by 26.0 per cent to 18,208 tonnes, reflecting a fall in production in the four major producing countries. As a consequence, export earnings from banana declined by 17.7 per cent. A combination of factors, such as prolonged drought conditions earlier in the year, as well as plant and the black Sigatoka leaf spot diseases, contributed to lower yields. Additionally, value added in the fishing sub-sector declined, primarily as a result of contractions in output in St Vincent and the Grenadines and Saint Lucia. Of the other sub-sectors, increases were recorded in value added in livestock and forestry.

The performances of the other major sectors were mixed as activity in wholesale and retail, communication and transport sectors contracted, while value added in government services and real estate and housing increased.

### **Prices**

Consumer prices rebounded over the first half of 2010 in the ECCU, in contrast to a decline in the

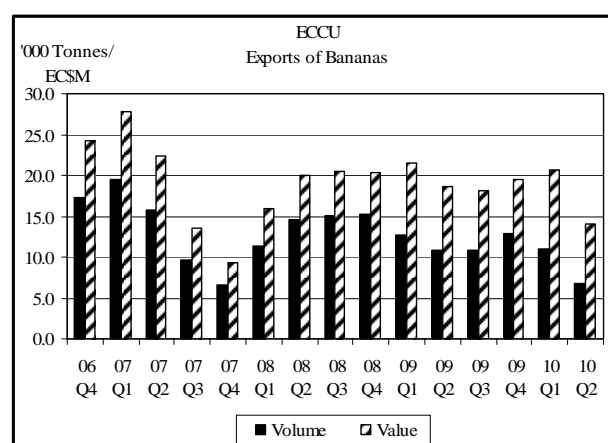


aggregated index in the comparable period of 2009. The consumer price index (CPI) increased in all the member countries except St Kitts and Nevis. The rise in the CPI was influenced by higher prices in major sub categories such as, food, household and furniture equipment, fuel and light and clothing and footwear. The largest increase was recorded in the fuel and light sub-index, which rose in all the member countries except St Kitts and Nevis. A rebound in the prices of petroleum products on the international market was the main contributing factor to the increases in this sub-index. Across the ECCU, the rate of increase in the fuel and light sub-index ranged from 3.0 per cent in Saint Lucia to 9.2 per cent in Antigua and Barbuda. Gas prices averaged \$12.00 per gallon during the review period, up from \$9.93 per gallon in the first six months of 2009. The cost of food, the largest weighted category in the basket of goods and services, rose in all the member countries except Montserrat. Higher prices for items such as meat products, fish, fruits, vegetables, provisions, brown sugar, evaporated milk and cheese were responsible for the increase. Grenada recorded the largest increase in the food sub-index (7.1 per cent), while Saint Lucia registered the lowest (1.1 per cent). Of the other sub-indices, increases were recorded for household and furnishing equipment, clothing and footwear as well medical care and expenses.

### Trade and Payments

Preliminary estimates indicate that the merchandise trade deficit narrowed in the first half of 2010, as a

result of a decrease in import payments. This development is consistent with the general contraction in overall economic activity and in particular the importation of goods and materials. However, some upward pressure was placed on the import bill given the rise in prices of petroleum products in the review period, as demand for these products remained stable. As a consequence, import payments fell by a lower rate of 3.6 per cent to \$2,433.0m, compared with the 14.7 per cent decline in the first six months of 2009. Notwithstanding the fall off in agricultural exports, the fledging performance of the manufacturing sector and persistent weak external demand for goods and services from the region, receipts from domestic exports grew marginally by 1.5 per cent to an estimated \$282.6m. However, total exports fell by 3.2 per cent to \$459.6m, influenced by a 9.9 per cent decrease in re-exports.



Complete data are not available for the review period however, estimates suggest that inflows on the current account increased. Contributing to this was a 3.6 per cent rise in gross travel receipts to

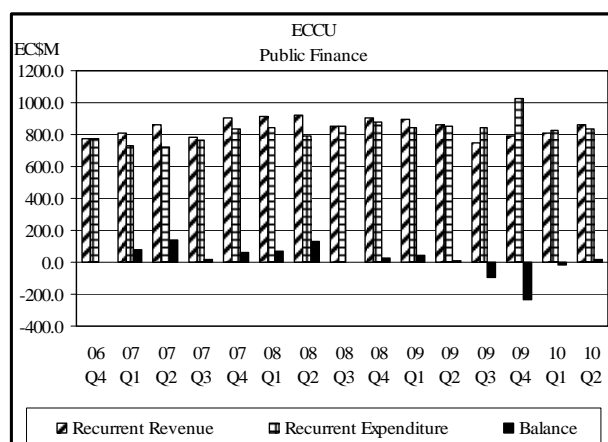


\$1,559.2m, in contrast to a 13.0 per cent decline in the first half of 2009. The increase in receipts in the period under review was associated with a turn around in tourist arrivals to the region, particularly stay-over arrivals. Commercial banks' external transactions resulted in a net outflow of \$57.2m in short-term capital, in contrast to a net inflow in the corresponding period of 2009, when commercial banks' external transactions primarily led to a reduction in their foreign liability position. Of the other major flows on the capital and financial account, gross inflows of official grants fell by 30.7 per cent to \$129.6m, reflecting a reduction in flows to most of the member countries, but especially Dominica, St Kitts and Nevis, Montserrat, St Lucia and St Vincent and the Grenadines. Gross external disbursements to the central governments more than doubled to \$313.5m and external loan payments increased by 59.2 per cent to \$225.9m.

**Central Government Fiscal Operations**

The fiscal operations of the central governments resulted in a deterioration in the fiscal position during the first half of 2010, compared with that of the corresponding period in 2009, as reflected in a higher overall deficit and smaller primary surplus. The combined overall deficit after grants increased to \$162.9m from \$141.3m in the corresponding period of 2009, while a primary surplus of \$40.5m was realised compared with that of \$64.0m in the first six months of 2009. The higher overall deficit was primarily attributed to a deterioration of the current account position as the surplus declined and

a significant reduction in the inflow of grant funds, especially for capital projects. Among the member countries, the performances were mixed with some countries' overall deficit positions improving while others deteriorated. Of the countries that showed improvements, Antigua and Barbuda and Grenada both recorded smaller overall deficits, while Anguilla moved to a surplus from a deficit and Dominica registered a larger surplus. By contrast, St Kitts and Nevis, Montserrat and Saint Lucia moved from a surplus to a deficit, while St Vincent and Grenadines recorded a larger deficit.



The current operations of the central governments resulted in a small surplus of \$0.8m, which was lower than the \$52.9m realised in the first six months of 2009. The smaller surplus was influenced by a faster rate of decline in current revenue relative to that in current expenditure. Current revenue fell by 4.9 per cent to \$1,666.8m, as a result of a 6.9 per cent (\$109.4m) decline in tax revenue, which was only partially tempered by a 12.3 per cent (\$30.4m) increase in non-tax revenue. All of the major categories of tax revenue contracted. Receipts from



taxes on domestic goods and services, as well as that from taxes on international trade and transactions, which together account for over 70.0 per cent of tax revenue, fell by 6.4 per cent and 2.2 per cent respectively, in the review period. These declines reflected to a large extent the impact of the contraction in overall economic activity. The fall in collection from taxes on domestic goods and services were mainly associated with a decline in revenue from the sales tax in Antigua and Barbuda; stamp duties, particularly in Saint Lucia, St Kitts and Nevis, Montserrat and Dominica; and licenses. Those contractions were only partially offset by increases in the yield from value added taxes in Dominica, Grenada and St Vincent and the Grenadines. The fall in revenue from taxes on international trade and transactions, was attributed to a decrease in all the major sub categories, reflecting the impact of reduced import activities. There was a mixed performance across the currency union, as the yield from taxes on international trade and transactions fell in Anguilla, Antigua and Barbuda, St Kitts and Nevis and Saint Lucia, and rose in Dominica, Grenada, Montserrat and St Vincent and the Grenadines. Of the other categories of tax revenue, the intake from income and profits as well as property taxes, fell by 14.5 per cent and 4.0 per cent respectively.

Current expenditure fell by 2.1 per cent to \$1,666.0m, reflecting decreases in all the main categories, except for personal emoluments. Antigua and Barbuda, which is currently under an IMF Standby Adjustment programme (SBA),

recorded the largest reduction in total current expenditure, followed by Anguilla, Grenada and St Kitts and Nevis. The fall in expenditure was associated with reduced outlays for goods and services (6.9 per cent), interest payments (0.9 per cent) and transfer and subsidies (4.8 per cent). A decline in outlays for goods and services was recorded in all member countries except Dominica and Grenada and Saint Lucia. The decrease in interest payments was influenced by reduced payments on external commitments, in all the member countries except Grenada and St Kitts and Nevis. Outlays on transfers and subsidies fell in Anguilla, Antigua and Barbuda, Grenada and St Kitts and Nevis. By contrast, expenditure on personal emoluments increased by 1.5 per cent, associated with general incremental growth in some countries given the structure of their salary scales.

Meanwhile, capital expenditure contracted by 23.5 per cent to \$303.9m, as countries implemented adjustment measures aimed at realigning expenditure with revenue which has been on a downward trajectory. In addition, some countries continued to face financing constraints, which led to the discontinuation or postponement of a number of projects in their public sector investment programmes (PSIPs). On an individual country basis, capital expenditure fell in all of the member countries except St Kitts and Nevis. Receipts from capital grants, which have been a major source of funding for countries like Dominica and St Vincent and the Grenadines, fell by 41.4 per cent \$68.5m, in



contrast to a 19.2 per cent increase in the corresponding period of 2009.

### **Public Sector Debt**

The total stock of disbursed outstanding public sector debt of ECCU member countries increased by 1.4 per cent to \$11,902.8m during the first half of 2010. This increase was attributed mainly to a rise in indebtedness of the central governments, while public corporations paid down their debt. Central governments outstanding debt grew by 2.7 per cent to \$9,691.0m, consistent with the overall expansionary fiscal stance during the review period, resulting in the governments having to borrow to finance the overall fiscal deficit. In contrast, public corporations reduced their indebtedness as evidenced by a 3.9 per cent contraction in the stock of outstanding debt, reflecting a fall in both external and domestic borrowing.

In terms of the member countries, only Anguilla, Dominica and Grenada, recorded a decline in the total stock of outstanding debt. Among the other countries, increases ranged from 1.2 per cent in St Vincent and the Grenadines to 6.1 per cent in Saint Lucia.

### **Financial Sector Developments**

#### *Monetary and Credit Developments*

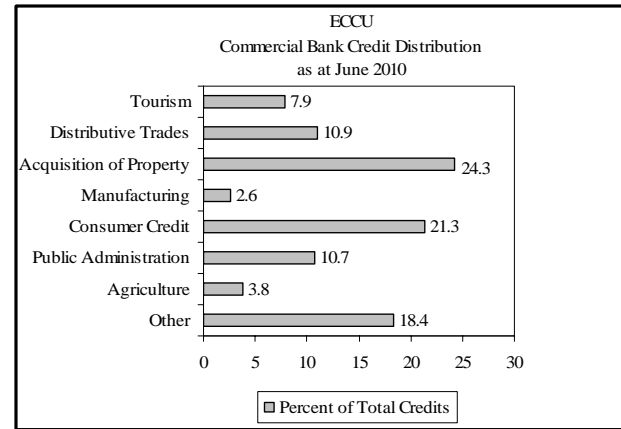
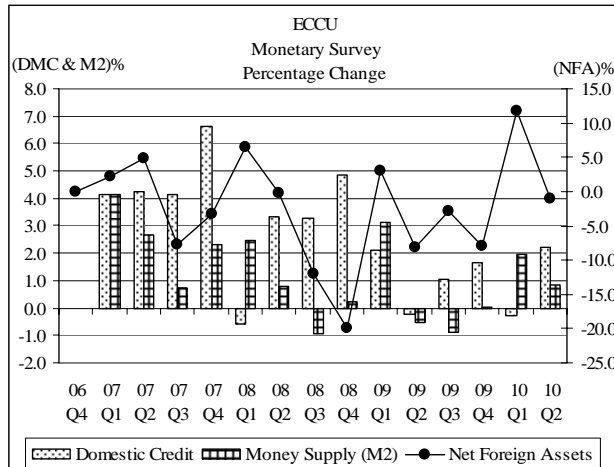
Monetary liabilities (M2) grew by 0.8 per cent to \$12,483.4m, representing a reduced rate of growth when compared with the 2.6 per cent rate of increase

in the corresponding period of 2009. Of the components of M2, quasi money, which on average accounts for approximately 80.0 per cent of M2, rose by 1.2 per cent (\$116.4m) to \$9,974.3m; compared with growth of 5.3 per cent in the same period of 2009. An analysis of this slow growth in quasi money indicated that the two main sub-categories, private sector savings and time deposits, increased at reduced rates of 1.7 per cent and 3.2 per cent respectively, compared with expansions of 4.6 per cent and 7.3 per cent respectively in the first six months of 2009. The growth in quasi money was partially offset by a 0.8 per cent (\$21.3m) contraction in narrow money (M1).

Domestic credit fell marginally by 0.2 per cent to \$12,652.8m during the review period as a result of developments in the public sector especially central government, and consistent with slow growth in M2. Net credit to the central government fell by 15.4 per cent to \$1076.8m, in contrast to a 7.4 per cent increase in the comparable period of 2009. The main factor contributing to this decline was an increase of 10.6 per cent (\$109.1m) in central government deposits in the commercial banking system. In addition, the indebtedness of the central government to the banking system fell by 3.8 per cent (\$87.3m). The net deposit position of non-financial public enterprises (NFPEs) grew by 1.9 per cent, due to a fall in credit and an increase in deposits. This outturn also contributed to the decline in domestic credit. The contracting effect of these developments on domestic credit growth was only partially tempered by a 1.6 per cent (\$193.2m)



expansion in credit to the private sector, due primarily to a 1.9 per cent increase in credit to businesses (\$109.5m).



The distribution of commercial bank credit by economic activity indicates that all the major sectors recorded growth, except for the agriculture and fisheries sub-sector. Lending for personal use, the largest category, grew by 1.1 per cent, representing a higher rate when compared with the 0.2 per cent increase in the corresponding period of 2009. The expansion in this sector during the period under review was driven by lending for the acquisition of property and other personal use, while credit for consumer durable goods fell. Other sectors recording increases included manufacturing plus mining and quarrying (2.5 per cent), construction (2.0 per cent) and tourism (1.3 per cent). In the corresponding period of 2009, credit extended to those sectors contracted. Credit to the agriculture and fisheries sub-sector fell by 1.9 per cent, in contrast to a 1.0 per cent expansion in the first half of 2009.

Net foreign assets of the banking system remained virtually unchanged at \$1,920.1m by end of second quarter 2010, relative to the stock at the end of December 2009. The stagnation in growth of the foreign assets in the banking system was influenced by developments in the real sector and was also reflected in the activities of commercial banks and the central bank. Commercial banks' net foreign liability position rose by 40.4 per cent (\$95.6m), on account of an 8.4 per cent (\$336.2m) decrease in their foreign assets. The net foreign assets of the ECCB grew by 4.4 per cent (\$95.6m), compared with an increase of 2.8 per cent during the first half of 2009.

Liquidity in the commercial banking system eased during the first half of 2010, as evidenced by an increased of 3.7 percentage points in the cash reserves to deposit ratio to 11.7 per cent. In addition, the loans to deposits ratio fell to 87.2 per cent from 90.7 per cent at the end of December 2009, while the liquid assets to total deposits plus liquid liabilities ratio fell to 28.7 per cent from 29.6 per cent.



The spread between the average weighted deposit and lending rates rose to 6.40 percentage points from 6.27 percentage points during the January to June period of 2010. An increase in lending rates coupled with a decline in deposit rates were the main factors contributing to this widening of the spread. The weighted average lending rate increased to 9.52 per cent from 9.49 per cent as at the end of December 2009, while the weighted average deposit rate fell to 3.12 per cent from 3.22 per cent.

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

Preliminary data indicate that activity on the primary market for government securities declined during the first half of 2010, due mainly to the reduced issuance by a member government. Funds raised on the market fell by 15.1 per cent to \$301.6m compared with the level in the corresponding period of 2009. The outturn during the first six months of 2010 was partly attributable to reduced activity by Antigua and Barbuda. The dominant participating issuing governments during the period were St Vincent and the Grenadines and Saint Lucia.

The concentration in terms of the tenor of the securities continued to be mainly on the short end of the maturity spectrum, with Treasury bills comprising 74.9 per cent of the securities issued. A total of fifteen (15) issues were brought to the market during the review period, comprising of thirteen (13) Treasury bills and two (2) bonds. In the corresponding period of 2009 a total of twenty-two (22) securities were issued. As a consequence of the

lower number of issues the value of the Treasury bills fell by 27.1 per cent to \$226.0m, relative to the amount raised in the first half of 2009. The decline in the value of Treasury bills was offset by an increase in the value of bonds issued, which rose by 68.0 per cent to \$75.6m, compared with the same period in 2009. These long-term securities were issued by the government of Saint Lucia.

The value of bids on the RGSM declined during the period under review, reflecting a fall in demand by investors. There were only two undersubscribed issues during the review period; one Treasury bill issue and one bond issue. The Nevis Island Administration issued a 365-day Treasury bill that was fully subscribed during the period under review.

The weighted average interest rate on 91-day Treasury bills decreased to 5.18 per cent from 5.84 per cent in the corresponding period in 2009. The rate on the 365-day Treasury bill issued by the Nevis Island Administration was 6.75 per cent, while the rates on the 6 and 8 - year bonds issued by the Government of Saint Lucia using a fixed price auction, were 7.25 per cent and 7.50 per cent respectively. There were no issues of similar maturity in the corresponding period of 2009.

Trading activity in the secondary market for government securities declined in the first half of 2010. Total trading in the first six months of the year fell by 50.8 per cent compared with the corresponding period of 2009, and was valued at



\$11.5m, reflecting in part the continued low liquidity in this market segment.

### Prospects

Real economic activity is expected to contract further in 2010 albeit at a reduced pace following the estimated 7.3 per cent decline in real activity in 2009. The outlook remains contingent on developments in the global economy given the open nature of the ECCU economies. The recovery in major trading partner countries such as the USA and the UK remains fragile, characterised by high levels of unemployment, weak housing markets, and uncertainty surrounding their financial sector soundness and the sustainability of their macro economic policies. Against this backdrop, demand in these countries for goods and services exported by ECCU member countries is expected to remain subdued. In addition, investment flows, as well as remittances are likely to be constrained. The performance of the tourism industry and the construction sector, which are the main drivers of growth in the currency union, is projected to remain bleak for the rest of the year. Notwithstanding increased spending on marketing by some member countries and improved airlift to the region, the next cycle of the tourism season is not expected to lead to significant increases in arrivals relative to 2009. The main factors contributing to this projected outcome include weak demand in source markets, high airfares associated with rising oil prices and the introduction of the “Green Tax” by the UK on flights to the Caribbean. Hence, arrivals are

expected to remain below pre-crisis levels. In addition, if the industry continues its discounting practices in the face of increasing competition, value added in that sector will be further reduced. The pace of construction activity is expected to contract as constraints on private investment flows for major tourism-related projects persist and public sector projects are postponed due to funding issues. As a consequence of the projected decline in these two sectors, other related service industries such as transport as well as wholesale and retail trade will be negatively impacted.

The negative outlook for the real economy would also impact developments in the public sector and the financial sphere. Notwithstanding the attempt by member countries to pursue fiscal consolidation by realigning expenditure with projected lower levels of revenue, expenditure is still expected to contract at a slower pace than revenue. The outlook is for a further deterioration in the overall fiscal position. Consequently, public sector disbursed outstanding debt is projected to increase.

In the banking sector, growth in monetary liabilities is expected to remain subdued in line with the slow recovery of the domestic economy. Growth in domestic credit is also projected to remain positive but contained as demand by the public sector falls and that by the private sector stagnates, given the bleak outlook for the rest of the year. In terms of the net foreign assets of the banking system, developments will depend on the extent to which inflows of foreign direct investments, official flows





and travel receipts recover given the forecast for improvements in the major trading partner countries. On balance, it is expected that these inflows should offset commercial banks draw down on their assets abroad. Given those developments, liquidity is projected to ease further by the end of 2010.

Risks to this outlook have lessened since the first quarter of 2010. The global economy is expected to strengthen over the rest of 2010. However, the overall macroeconomic developments in the USA

and the UK economies cast doubt on the robustness and the speed of the recovery. If future growth in these economies turns out to be less than anticipated the recovery in the ECCU would be further delayed. Other risks also have implications for the competitiveness of the region's export sector and could further derail the tentative gains made to date. These include a rise in oil prices, the implementation of the "Green Tax," and possible strengthening of the US dollar, especially against the UK pound sterling.



## ANGUILLA

### Overview

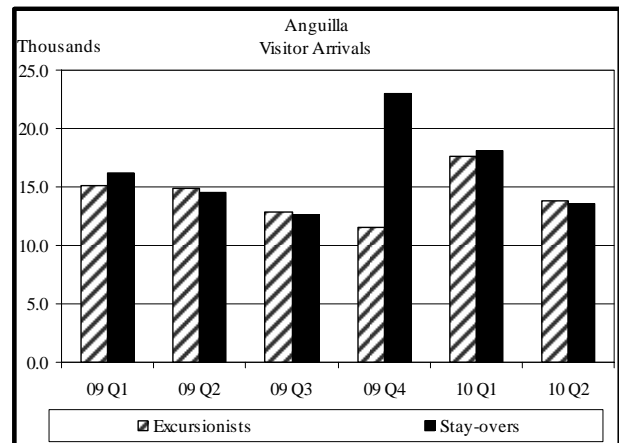
The economy of Anguilla is estimated to have contracted in the first half of 2010, albeit at a slower pace compared with the performance in the corresponding period of 2009. The deceleration in the rate of contraction is based on an increase in tourism activity, which mitigated the decline in the construction sector – the other main contributor to economic activity. Consumer prices increased by 0.7 per cent on an end-of-period basis. In the external sector the merchandise trade deficit is estimated to have widened, primarily due to a decrease in re-exports. The fiscal operations of the central government resulted in an overall surplus, due in part to increased budgetary support from the European Union. Total outstanding public sector debt fell during the first half of 2010. In the banking system, monetary liabilities and net foreign assets declined, while domestic credit rose and commercial bank liquidity decreased. The weighted average interest rate spread between loans and deposits widened.

Economic performance in the second half of 2010 is likely to be below the level recorded in the corresponding period of 2009, as activity in the construction sector is projected to contract relative to the levels in the corresponding period of 2009. An overall surplus is expected on the central government’s fiscal accounts based on the implementation of new revenue and expenditure

measures and the refinancing of government domestic debt. Downside risks include the potential negative effects on tourist arrivals of weak global economic growth.

### Output

Activity in the tourism industry is estimated to have increased in the first half of 2010 compared with the performance in the corresponding period of 2009. Total visitor arrivals rose by 3.9 per cent to 63,015 reflecting expansions in both the number of stay-over visitors and excursionists.



Stay-over arrivals increased by 2.9 per cent on account of growth in the USA, Canada and UK markets. Arrivals from the USA, the largest market, rose by 5.6 per cent reflecting the increased marketing efforts. This growth however was tempered by declines in arrivals from Italy (7.7 per cent), the Caribbean (4.1 per cent) and the rest of Europe (2.4 per cent). Austerity measures in



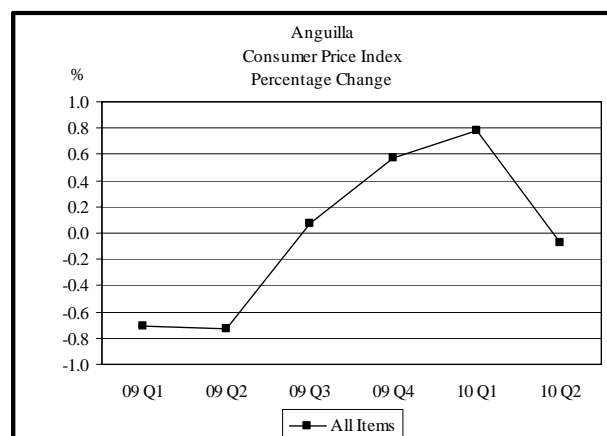
European markets and weak economic growth in some Caribbean countries may explain these declines. The number of excursionists rose by 5.0 per cent to 31,410.

Construction activity is estimated to have contracted in the first half of 2010 reflecting a reduction in private sector investment in tourism-related projects and a slowdown in the implementation of the public sector investment programme. This was evidenced in part by a 44.7 per cent reduction in the value of construction related imported materials for the first half of 2010.

### Prices

Consumer prices rose by 0.7 per cent on an end-of-period basis during the first six months of 2010, in contrast to a 1.4 per cent decline in the corresponding period of 2009. The increase in consumer prices was largely attributed to a 5.1 per cent rise in the sub-index fuel and light in contrast to a 17.1 per cent decline in the first six months of 2009. A 25.0 per cent expansion in the fuel surcharge and a 14.0 per cent increase in LPG prices were mainly responsible for the rise in the fuel and light sub-index. The food sub-index, which has the largest weight in the goods and services basket, was unchanged during the period under review. Meanwhile, the clothing and footwear sub-index fell, on account of cheaper men's clothing, while the housing sub-index contracted due to lower prices on building materials and mortgage lending rates. Declines were also recorded in the sub-indices

alcoholic beverages and tobacco, education and personal services.



### Trade and Payments

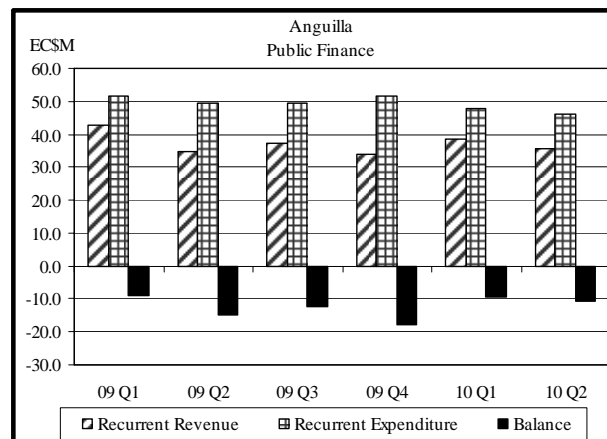
A merchandise trade deficit of \$217.2m was recorded in the first half of 2010, compared with one of \$199.1m in the corresponding period of 2009. The widening of the deficit was due primarily to a 69.6 per cent (\$33.4m) decline in the value of exports, largely reflecting a decrease in the value of re-exports. In the corresponding period of 2009 re-exports rose substantially, as a result of the transfer of equipment by a local company to St Maarten. Import payments fell by 6.2 per cent (\$15.3m), associated with a lower volume of imports as economic activity contracted.

Gross travel receipts are estimated to have increased by 5.3 per cent to \$129.2m, consistent with the rise in the number of tourists. Transactions by commercial banks resulted in a net outflow of \$0.1m in short-term capital during the period under review.

## Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of \$1.8m in the first half of 2010, in contrast to a deficit of \$28.7m in the corresponding period of 2009. A primary surplus of \$7.2m was recorded in the period under review, in contrast to a deficit of \$23.8m in the first six months of 2009. The improved fiscal position was influenced by an increase in current grants (\$22.3m).

The current account operations generated a deficit of \$19.9m compared with one of \$24.0m in the first six months of 2009, as a decline in expenditure exceeded that of revenue. Current revenue fell by 4.2 per cent to \$74.2m, reflecting a 22.0 per cent (\$4.2m) decline in non-tax revenue. The decrease in non-tax revenue was associated with lower collections from work permit fees, and rents, interest and dividends. Tax receipts rose by 1.6 per cent (\$1.0m), in contrast to a contraction of 33.4 per cent (\$29.2m) in the first half of 2009. The largest increase was recorded in the yield from taxes on domestic goods and services, which rose by 10.5 per cent (\$2.6m), mainly influenced by larger collections from stamp duties (\$1.9m) and accommodation tax (\$1.6m). By contrast, receipts from taxes on international trade and transactions decreased by 4.9 per cent (\$1.6m), as a result of declines in all sub components, consistent with the lower levels of imports estimated for the period under review.



Current expenditure fell by 7.3 per cent to \$94.0m in the first six months of 2010, in contrast to a 6.1 per cent increase in the corresponding period of 2009, reflecting decreases in all the major components except interest payments. Outlays on goods and services and transfers and subsidies fell by 22.4 per cent (\$5.1m) and 5.9 per cent (\$1.6m) respectively, consistent with the policy decision to reduce discretionary spending in response to lower revenue in-take and weak economic conditions, precipitated by global developments. Personal emoluments declined by 2.6 per cent (\$1.2m), reflecting wage cuts and a hiring freeze implemented toward the later part of 2009. By contrast, interest payments increased by 10.1 per cent in the period under review, as a result of growth in the stock of domestic debt; however, the rise in interest payments was at a decelerated rate compared with that of 49.4 per cent in the first half of 2009.



## Public Sector Debt

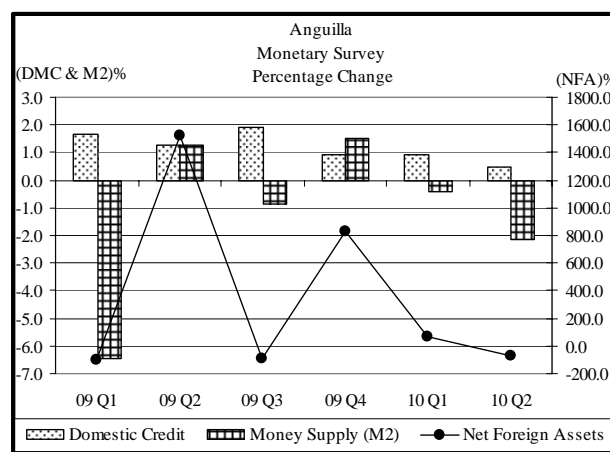
Total disbursed outstanding debt of the public sector was estimated to have contracted by 5.7 per cent to \$180.7m in the six-month period under review. This development was attributed mainly to a 5.7 per cent decline in central government debt to \$162.5m, associated with a reduction in external debt. By contrast, the domestic debt of the central government rose by 7.8 per cent to \$150.2m. The outstanding debt of the central government represented 89.9 per cent of the total debt. The debt of statutory bodies was estimated to have fallen to \$18.2m from \$19.3m during the period under review.

## Money and Credit

Broad money (M2) fell by 2.5 per cent to \$1,047.5m during the first six months of 2010, attributable in part to a contraction in economic activity. The decrease in M2 was influenced by a 1.6 per cent decline to \$1,006.5m in quasi money, as a result of a fall in private sector foreign currency deposits. In addition, narrow money fell by 20.1 per cent to \$41.0m, associated with decreases in currency with the public, demand deposits and EC\$ cheques and drafts issued.

Domestic credit increased by 1.4 per cent to \$1,395.6m attributable to growth in credit to the private sector. Outstanding loans to the private sector rose by 1.5 per cent, reflecting increased credit to businesses. Net credit to the central government fell by 40.1 per cent to \$77.5m. The

decline was due largely to a reduction in outstanding loans and advances with commercial banks. In the rest of the public sector, the net deposits of the non-financial public enterprises decreased by 31.1 per cent to \$112.0m marked by a reduction in their deposits (\$29.8m) and an expansion in their loan portfolio (\$20.8m).



The distribution of commercial bank credit by economic activity shows that there was a contraction in credit extended during the period under review. The largest decline was recorded in lending for personal use, which fell by 3.2 per cent (\$23.5m), primarily for house and land purchase and for durable consumer goods. Outstanding loans for tourism also decreased by 1.9 per cent (\$5.3m). Despite a fall in construction activity, there was a 4.0 per cent increase in outstanding loans for construction and land development.

The net foreign assets of the banking system fell by 51.6 per cent (\$19.4m) to \$18.2m, marked by a reduction in Anguilla's imputed share of the Central Bank's reserves (\$19.4m). Commercial banks



external transactions resulted in a 0.1 per cent increase in their net liabilities position to \$63.6m. This outturn reflected a drawdown of their assets abroad and in other ECCB territories, coupled with an increase in their external liabilities.

Liquidity in the commercial banking system fell during the period under review. This assessment was based on a 1.3 percentage point decline to 27.0 per cent in the ratio of liquid assets to total deposits plus liquid liabilities at the end of June 2010. The loans and advances to total deposits ratio increased to 111.2 per cent from 110.0 per cent.

The weighted average interest rate spread between loans and deposits widened to 6.67 percentage points at the end of June 2010, from 6.53 percentage points at the end of December 2009. The weighted average interest rate on loans rose by 0.08 percentage point to 10.15 per cent and that on deposits decreased by 0.06 percentage point to 3.47 per cent.

### **Prospects**

Economic activity is expected to decline in 2010 albeit at a slower rate to that of 2009. Despite positive growth prospects in the tourism industry, banking and insurance, government services and agriculture, activity in the construction sector is projected to continue to decline, outweighing the

growth prospects. Reductions in government's discretionary spending, resulting in lower capital expenditure, in addition to minimal private sector construction activity, are also likely to dampen economic activity in the rest of 2010.

Central government's fiscal operations are likely to improve with the receipt of a Caribbean Development Bank (CDB) policy-based loan in September 2010, expected in part to refinance domestic government debt at concessional terms. The expected receipt of a one-off transfer fee from the sale of a major hotel is also projected to boost revenue collections in the second half of 2010. Revenue and expenditure measures are expected to be implemented in the second half of 2010, thereby improving government's fiscal position by raising revenue and constraining expenditure.

On the external accounts, the merchandise trade deficit is likely to widen based on a projected reduction in export earnings. However, gross inflows from travel are expected to be higher in 2010 relative to 2009 on account of increased stay-over arrivals.

Downside risk to these projections include adverse weather and concerns of a double dip recession or stagnation in the US economy, which could reduce the positive momentum seen in tourist arrivals from this major source market.



## ANTIGUA AND BARBUDA

### Overview

Antigua and Barbuda's economy is estimated to have contracted in the first six months of 2010 relative to its performance in the corresponding period of 2009, amid continued weakness in construction activity. There were also declines in the mining and quarrying, wholesale and retail trade, and transportation sectors. The performance of the tourism industry was mixed. The consumer price index rose by 1.4 per cent, on an end-of-period basis. The fiscal operations of the central government yielded a smaller overall deficit, as current and capital spending fell. The disbursed outstanding debt of the public sector rose compared with the level at the end of December 2009, attributable to an expansion in the external debt stock. Monetary liabilities of the banking system increased marginally on account of growth in net foreign assets. Liquidity in the commercial banking system remained high and the weighted average interest rate spread widened.

Preliminary indications are that economic activity will continue to decline in the rest of 2010, largely influenced by weak domestic demand, which is expected to have negative implications for value added in the construction and distributive trade sectors. By contrast, enhanced marketing efforts are expected to contribute to an increase in visitor arrivals and lead to a turnaround in output in the hotels and restaurants sector. The downside risks to

this outlook stem from the possibility that the global economic recovery may falter. In that event, tourist arrivals and expenditure, remittances and foreign direct investment could all be significantly lower than anticipated. Other risks include persistently high unemployment in the USA and UK, and adverse weather.

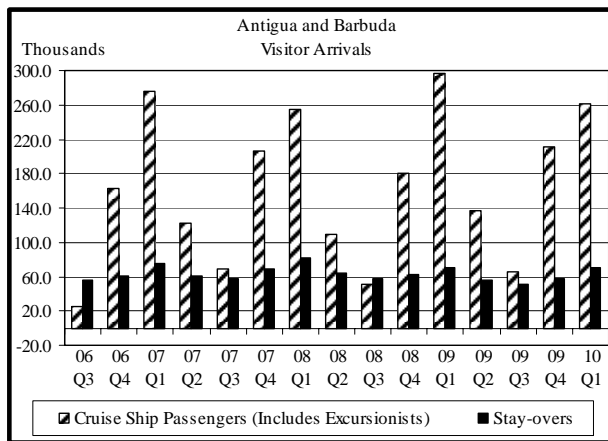
### Output

Value added in the construction sector is estimated to have declined in the first half of 2010, as some large projects were either suspended or scaled back due to financing difficulties. These included major private-sector tourism projects, namely Half Moon Bay, La Perla's, Eden Beach Club, Hodge's Bay Club, Marina Residences and Reeds Point, as well as the Sunrise Community Hub and the airport development projects in the public sector. Moreover, the volume of imported cement, a key indicator of activity in the sector, fell by 37.0 per cent. Mining and quarrying output also contracted, consistent with the reduction in construction activity.

Performance in the tourism industry was mixed, evidenced by a decline in cruise ship passenger arrivals and increases in the number of stay-over visitors and yacht passengers. Total visitor arrivals are estimated to have fallen by 16.8 per cent to 477,545 in the first half of 2010, in contrast to an 8.5 per cent expansion in the corresponding period of 2009. The outturn was influenced by a contraction



in the cruise ship sub-sector where passenger arrivals declined by 22.9 per cent to 334,006 and the number of calls fell by 18.9 per cent to 193. Those developments were mainly attributed to the discontinuation of calls to Antigua and Barbuda by a large vessel from January 2010. By contrast, the number of yacht passengers is estimated to have increased by 14.2 per cent to 16,986, reflecting the relative success of this year’s Antigua Sailing Week. Estimates of stay-over arrivals show a marginal expansion (0.3 per cent) to 126,553, in contrast to a 14.1 per cent reduction in the first half of 2009, attributable to additional airlift, intensified marketing and some discounting on rooms. With respect to changes in the room stock, Sugar Ridge Antigua (a 60-room hotel) officially opened in March 2010 and Elle Colonna Resort and Spa (a 50-room property) closed in June 2010.



Stay-over arrivals from each of the main source markets are estimated to have fallen, except for those on the North American continent. The number of stay-over arrivals from Canada increased by 72.8 per cent, associated with the introduction of new

flights out of Montreal and Toronto, while USA arrivals rose by 7.3 per cent. By contrast, the number of overnight visitors from Europe fell by 10.9 per cent, occasioned by an 18.7 per cent decline in stay-over visitor arrivals from the UK that may be related to the introduction of the Air Passenger Duty (APD) in late 2009. Partially offsetting that reduction were increases in arrivals from various non-traditional markets, such as Italy, Germany, Switzerland and France, which together rose by 18.0 per cent. Stay-over arrivals from the Caribbean and South America fell by 14.5 per cent (2,438) and 29.8 per cent (253) respectively.

Wholesale and retail trade activity is estimated to have contracted on account of a fall in imports, while value added for transport is estimated to have decreased in line with the reduction in construction activity and cruise passenger arrivals. Among the other economic sectors, declines were also recorded in value added for manufacturing, banks and insurance and communication whereas value added for real estate and housing, agriculture, electricity and water and government services increased.

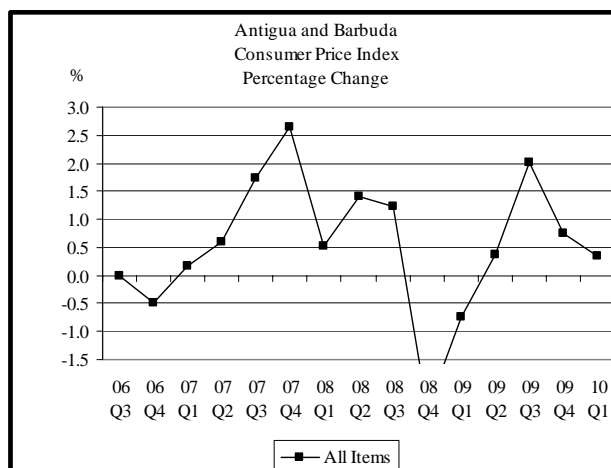
**Prices**

Consumer price inflation was calculated at 1.4 per cent at the end of June 2010, mainly reflecting increases in the prices of food and energy. The average cost of food items rose by 3.2 per cent, largely attributable to the combined effects of the reduction in the number of zero-rated items on which the Antigua and Barbuda Sales Tax (ABST)





is levied and the introduction of a revenue recovery charge. Prices in the fuel and light sub-index increased by 9.2 per cent as a result of upward changes in the fuel variation rate and the cost of liquefied petroleum gas, while prices in the household furnishings and supplies sub-index rose by 3.7 per cent. By contrast, prices in the clothing and footwear and alcoholic beverages and tobacco sub-indices increased by 4.4 per cent and 3.8 per cent respectively. The other sub-indices showed either negligible or no price movements during the review period.



## Trade and Payments

Complete merchandise trade data are not available for the first half of 2010. Available data on cargo throughput indicate declines in the volume of imports (19.5 per cent) and exports (11.6 per cent), reflecting reductions in all major sub-categories. The volume of fuel imports fell by 21.2 per cent, in line with the contraction in economic activity. The import volume of general cargo decreased by 11.7 per cent, indicative of a fall in domestic demand in

response to higher prices and income constraints. The volume of cement imports declined by 37.0 per cent, consistent with the downturn in construction activity, and the number of imported vehicles fell to 830 from 1,079. The reduction in the volume of exports mainly reflected declines in the re-export of fuel and, to a lesser extent, the export of general cargo.

Gross travel receipts are estimated at \$447.9m, representing a decrease of 0.9 per cent on the total for the first six months of 2009, indicative of a combination of discounts on rooms and lower hotel occupancy levels, despite the marginal increase in stay-over visitor arrivals. The transactions of commercial banks resulted in a net outflow of \$121.1m in short-term capital, up from one of \$95.6m during the first half of 2009. External loan disbursements to the central government amounted to \$113.0m at the end of June 2010 compared with \$2.6m in the first half of 2009, mainly representing the first tranche from a Stand-By Arrangement with the International Monetary Fund (IMF). Moreover, amortisation increased to \$51.6m from \$16.0m. Consequently, there were net outflows of \$61.4m, as opposed to net inflows of \$13.3m received in the first half of 2009.

## Central Government Fiscal Operations

The central government's fiscal operations resulted in an overall deficit of \$36.1m for the period January to June 2010, compared with one of \$130.9m in the corresponding period of 2009. The smaller deficit,



attributable to a reduction in both current and capital expenditure, was largely financed by external borrowing. A primary deficit of \$1.4m was recorded in the period under review, compared with one of \$96.2m in the first half of 2009. The current account deficit totalled \$13.5m, well below that of \$70.9m recorded in the first six months of 2009, as the decline in expenditure outpaced that in revenue.

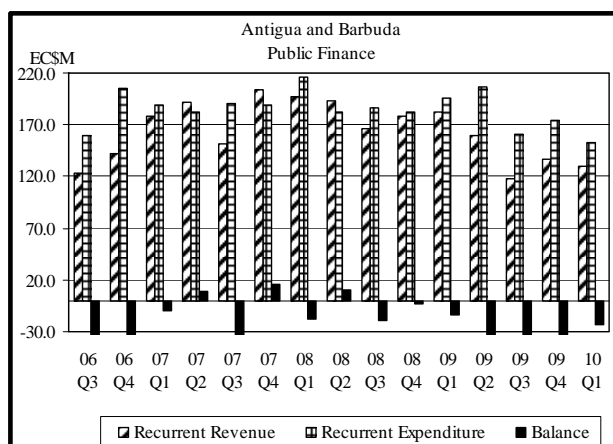
Current expenditure decreased by 19.2 per cent to \$333.0m, on account of lower outlays for all categories of expenditure, except for interest expenses. Spending on transfers and subsidies declined by 26.0 per cent (\$37.3m), mirroring reduced subventions to statutory bodies and overseas missions. Payments for goods and services fell by 34.7 per cent (\$30.5m), influenced by the implementation of stricter guidelines for procurement that reduce unnecessary waste and allow for better expenditure control as part of government’s fiscal consolidation programme. Outlays on personal emoluments decreased by 7.9 per cent, related to a reduction in overtime pay. By contrast, interest payments rose marginally (0.2 per cent).

Current revenue declined by 6.4 per cent to \$319.5m, as an 11.8 per cent (\$38.8m) reduction in tax receipts was only partly tempered by an increase in non-tax revenue. Receipts from taxes on domestic goods and services fell by 16.4 per cent (\$22.7m) due to a contraction in the intake from the ABST, consistent with reduced economic activity. Revenue from taxes on income and profit decreased by 20.1 per cent (\$12.2m), mostly reflecting lower corporation tax receipts. The yield from taxes on international trade and transactions declined by 4.3 per cent, in line with the fall in import levels. By contrast, collections from taxes on property increased by 13.3 per cent (\$1.3m). Non-tax receipts more than doubled to \$30.7m.

Capital expenditure, totalling \$23.9m, was 61.8 per cent less than the amount spent in the corresponding period of 2009. The decline in capital spending reflected the lower level of public sector construction activity as a result of financing difficulties.

**Public Sector Debt**

Estimates of the total disbursed outstanding debt of the public sector indicate a 1.7 per cent increase to \$3,259.0m during the first half of 2010. The outstanding debt of the central government, which represented 86.7 per cent of total public sector debt, rose by 4.5 per cent to \$2,826.3m, largely reflecting an expansion in external debt. On the other hand, the public corporations’ outstanding debt was estimated to have declined by 13.6 per cent to



\$432.7m at the end of June 2010, as a result of reductions in both external and domestic debt.

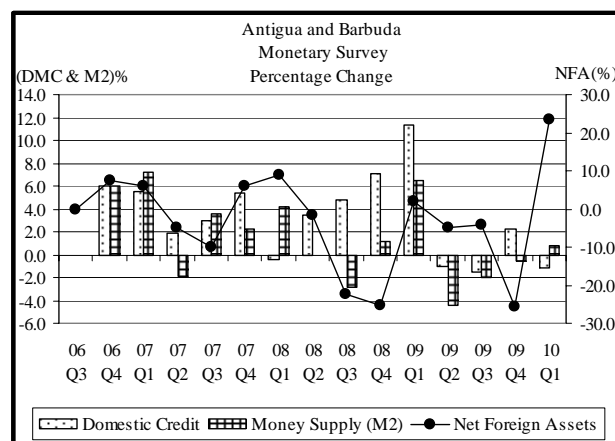
**Money and Credit**

Broad money (M2) grew by 0.2 per cent (\$6.2m) to \$3,003.1m during the first half of 2010, down from a 1.8 per cent expansion during the corresponding period of 2009. The deceleration reflected the waning economic activity. Quasi-money rose by 0.4 per cent (\$10.4m), driven by growth in private sector savings deposits (\$21.0m) and foreign currency deposits (\$6.0m). By contrast, private sector time deposits fell by 1.7 per cent (\$16.6m) on account of a general reduction in interest rates. Narrow money declined by 0.7 per cent, as a result of a contraction in currency with the public, which was tempered by increases in the issuance of EC dollar cheques and drafts and private sector demand deposits.

Domestic credit fell by 2.4 per cent to \$2,961.2m, mainly reflecting a reduction in net borrowing by the central government. The net indebtedness of the central government to the banking system contracted by 16.8 per cent (\$105.4m), primarily influenced by a decline in loans and advances from commercial banks as a loan instrument was securitised for sale. In the rest of the public sector, the net deposits of non-financial public enterprises decreased by 18.3 per cent, largely attributable to a decline in their deposits. Private sector credit rose marginally (0.3 per cent), as an expansion in business loans and investments was mostly offset by reduced lending to

subsidiaries and affiliates, households and non-bank financial institutions.

The disaggregation of commercial bank lending by economic activity shows contractions in a majority of loan categories. Lending for public administration declined by 34.1 per cent, after a commercial bank securitised a loan to the central government and sold portions of the new instrument to other institutions. Declines in outstanding loans were also recorded for agriculture and fisheries (4.8 per cent) and tourism (1.9 per cent). In contrast, credit for construction and distributive trades each advanced by 6.3 per cent; lending for manufacturing (including mining and quarrying) rose by 4.9 per cent; and personal loans, the largest category, grew marginally (0.1 per cent).



The banking system’s net foreign assets rose by 27.6 per cent to \$484.7m at the end of June 2010. The net foreign assets of commercial banks more than doubled to \$208.6m, as banking institutions reduced their foreign liabilities outside the currency union in



an environment of weak demand for credit. Antigua and Barbuda's imputed share of ECCB's reserves declined by 5.5 per cent to \$276.1m.

Commercial bank liquidity indicators show that the ratio of liquid assets to total deposits plus liquid liabilities fell by 1.3 percentage points to 40.6 per cent. The loans and advances to total deposits ratio decreased to 87.5 per cent at the end of June 2010, from 91.3 per cent at the end of December 2009.

The spread between weighted average interest rates on loans and deposits widened by 1.42 percentage points to 7.04 per cent during the first six months of 2010. The weighted average interest rate on loans increased by 1.25 percentage points to 10.17 per cent, whereas that on deposits decreased by 0.18 percentage point to 3.14 per cent.

### Prospects

Based on the macroeconomic developments for the first six months of the year and the prospects for the second half, Antigua and Barbuda's economy is expected to stay depressed in 2010. Value added in the construction sector is likely to remain constrained by tight credit conditions. The overall performance of the tourism industry hinges on the economic developments in the destination's main source markets. Notwithstanding some positive signals in the first half of the year, the short-term outlook remains uncertain as the peak tourist season has ended. The most likely outcome is some softening in the tourism industry throughout the

remainder of the year, based on weak US income growth, high US and UK unemployment levels and higher airfares out of the UK, particularly to the Caribbean. On the upside, the new hotel, intensified marketing and additional flights from North America are likely to facilitate an increase in stay-over visitor arrivals. The contraction in the cruise sub-sector is expected to be tempered as a major cruise line rated Antigua and Barbuda favourably and indicated that it would increase its calls to the country during the 2010/2011 season. A projected expansion in enrollment at one of the offshore universities is expected to lead to increased activity in the other services sector. Given weak domestic demand, inflationary pressures are likely to remain subdued.

Preliminary fiscal projections point to a reduction in the overall deficit on account of an expected decline in spending as the government, under its fiscal consolidation programme, has reprioritised its capital works programme and more closely aligned current expenditure with revenue. Tax revenue growth is likely to be strong, associated with amended ABST regulations that reduced the number of zero-rated items, the introduction of a revenue recovery charge, the implementation of a tax compliance certificate and the natural completion of a temporary (2-year) suspension of the common external tariff (CET). On the capital accounts, grants from the European Union, under its Vulnerability Flex (V-Flex) mechanism, are likely to be released in the latter half of the year and capital revenue is anticipated from the divestiture of a state-owned insurance company. The implementation of



the fiscal consolidation programme, as outlined, is supported by a 3-year Stand-By Arrangement with the IMF that was approved in June 2010.

In the external sector, the merchandise trade deficit is likely to narrow as payments for imports fall, in line with the expected economic downturn. Gross visitor expenditure is likely to increase, mirroring the expansion in stay-over arrivals.

The projections are mainly predicated on developments in the external economic environment. Recent indicators, such as weaknesses in employment creation, personal consumption and

consumer confidence in the USA and UK, suggested that the global economic recovery has lost momentum. Job growth is considered key to sustaining the recovery, so persistent unemployment is a most worrying phenomenon. Bleak prospects for jobs, income and spending are expected to adversely affect demand for tourism services as well as private transfers to Antigua and Barbuda. Another significant risk relates to adverse weather, particularly hurricane activity. If realised, those risks can thrust the economy into a deeper recession and negatively impact external sector transactions and the central government's fiscal operations.



## DOMINICA

### Overview

Economic activity in Dominica is estimated to have increased in the first half of 2010, relative to performance in the corresponding period in 2009. This assessment is based on an expansion in construction and tourism activity, which was partly tempered by a decline in agricultural output. Consumer prices rose by 1.0 per cent, on an end-of-period basis. The merchandise trade deficit is estimated to have widened mainly on account of an increase in import payments. Based on preliminary data, the fiscal operations of the central government resulted in an overall surplus, due to an increase in tax revenue and a decline in capital expenditure. As a result of the improved fiscal performance, total outstanding public sector debt declined, marked by a decrease in the outstanding debt of both the central government and public corporations. Monetary liabilities and domestic credit expanded consistent with developments in the real economy. Meanwhile, the weighted average interest rate spread between loans and deposits narrowed.

The economic prospects for the remainder of the year are expected to be positive, based on the performance in the first half of the year. Construction activity is likely to remain the leading sector, consistent with the ongoing private sector projects. The performance of the tourism industry is expected to remain positive contingent on improvements in the global economy; an increase in

stay-over arrivals is therefore projected. Manufacturing activity is expected to expand in the remainder of the year, based on growth in production of beverages and soap. By contrast, a prolonged decline in agricultural production, adverse weather and a slow global recovery pose downside risks to the projections.

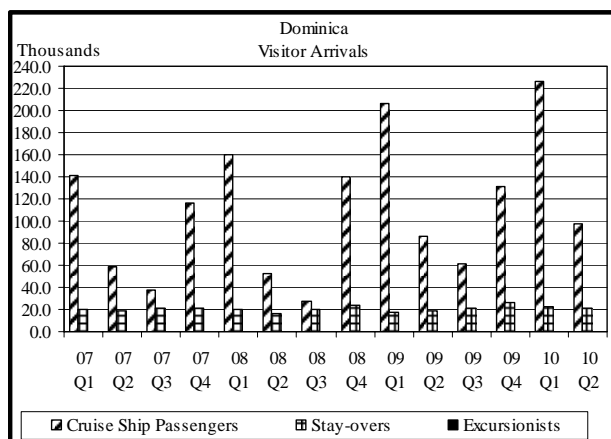
### Output

Construction activity expanded during the first half of 2010, compared with the level of activity in the corresponding period of 2009. Activity in the private sector expanded, as indicated by a 10.1 per cent increase in the value of construction starts in contrast to a decline of 59.7 per cent in the corresponding period of 2009. In the public sector, major ongoing projects included the Roseau–Melville Hall Road Rehabilitation project, rehabilitation of the West Coast Road and the Melville Hall Air Access Improvement project, which involved the installation of night landing equipment and expansion of the airport facility. Other projects included the construction of the Grand Bay police station, rehabilitation of the prison and the Carib territory low-income housing project.

Activity in the tourism industry is estimated to have increased in the period under review. This assessment is based on an 11.2 per cent expansion in total visitor arrivals to 368,536, as the number of stay-over visitors, cruise ship passengers and



excursionists increased. The number of stay-over visitors rose by 15.6 per cent to 43,751, on account of increases from all the major source markets. Arrivals from the Caribbean market, which accounts for the largest share (50.6 per cent) of total arrivals, grew by 14.1 per cent, while visitors from the USA, the second largest market (29.6 per cent market share) rose by 17.5 per cent. The other two major markets, Canada and the UK, expanded by 16.6 per cent and 16.2 per cent respectively. Cruise passenger arrivals increased by 10.6 per cent to 324,234, due to an expansion in the number of cruise ship calls from 166 to 175. Excursionists increased by 14.3 per cent to 551.



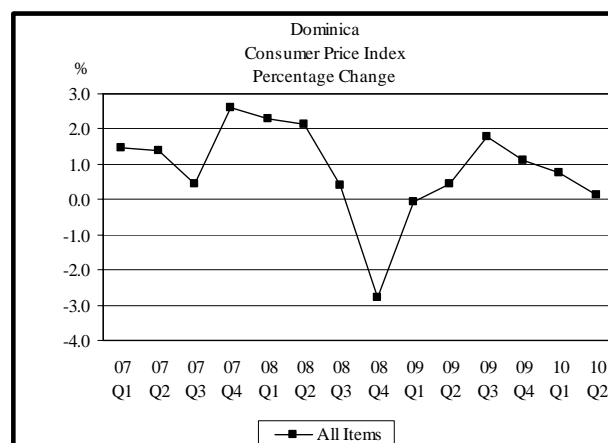
Agricultural output declined during the first half of 2010, primarily as a result of a contraction in banana production. Banana output fell by 53.0 per cent to 1,597 tonnes, as production was negatively impacted by drought and the black Sigatoka leaf spot disease.

Output in the manufacturing sector is estimated to have contracted in the first half of 2010, on account of weak performances in the major product lines.

Soap and paint production, which account for the bulk of the activities, fell by 6.2 per cent and 28.2 per cent respectively. The decline in total soap production was influenced by a contraction in laundry soap output, while toilet soap, which generally carries a larger weight, increased. These declines were partially offset by a 6.4 per cent increase in output of beverages.

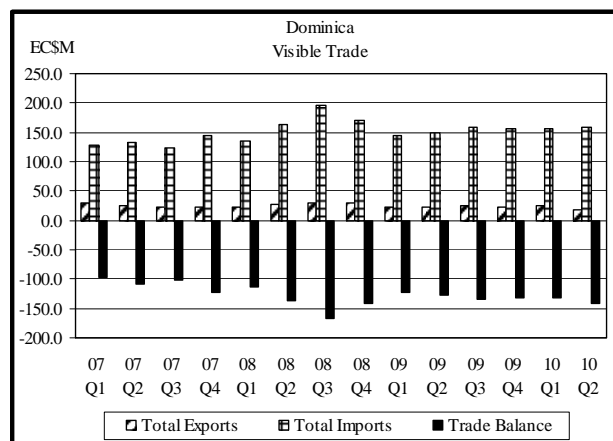
**Prices**

The consumer price index (CPI) rose by 1.0 per cent (on an end-of-period basis) during the period January to June 2010. The growth in the index was driven by increases in the fuel and light sub-index (3.8 per cent) and the food sub-index (1.7 per cent), which has the largest weight in the goods and services basket. Increases were also recorded in the sub-indices transportation and communication (0.2 per cent) and medical care and expenses (0.1 per cent). Those increases were partially offset by declines in the sub-indices housing and utilities (0.5 per cent) and education (0.4 per cent).



## Trade and Payments

A merchandise trade deficit of \$272.8m was recorded in the first half of 2010, compared with one of \$249.7m in the corresponding period of 2009. The larger deficit was influenced by a 7.5 per cent (\$22.0m) increase in import payments, particularly for mineral fuels and related products as well as crude materials. Preliminary estimates indicate that the value of exports declined by 2.5 per cent (\$1.1m), largely due to a 9.2 per cent fall in domestic exports, particularly for banana (\$2.2m). This decline was partly tempered by a 39.3 per cent expansion in earnings from soap exports (\$4.4m), despite the fall in production.



Gross travel receipts increased by 13.5 per cent to \$104.4m, consistent with the growth in the number of stay-over visitors. Commercial bank transactions generated a net outflow of \$3.1m in short-term capital compared with one of \$66.3m in the corresponding period of 2009.

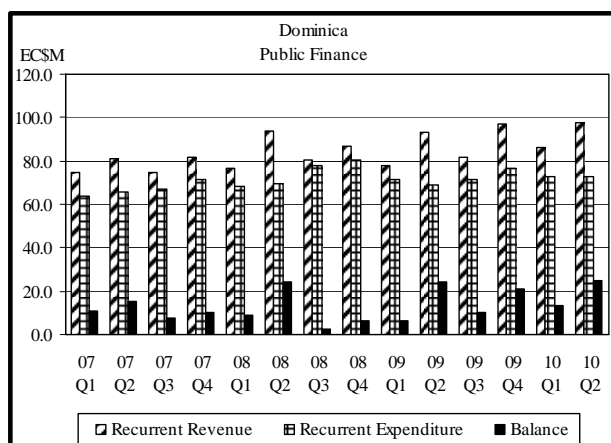
## Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of \$17.3m in the first half of 2010, compared with one of \$8.3m in the corresponding period of 2009. The improvement in the fiscal accounts was largely due to an increase in tax revenue and a decline in capital expenditure. A primary surplus of \$27.9m was realised compared with one of \$17.3m in the first half of 2009.

The central government realised a current account surplus of \$38.2m in the review period, compared with one of \$30.9m in the first six months of 2009. A faster rate of growth in current revenue relative to current expenditure contributed to this outcome. Current revenue rose by 7.1 per cent to \$183.6m, influenced primarily by increases in receipts from tax sources. Tax revenue grew by 6.6 per cent (\$10.7m) fuelled by growth in collections from all major sub-categories, except for that of taxes on property. Collections from taxes on domestic goods and services rose by 2.0 per cent (\$1.9m), due mainly to a larger intake from the value added tax (\$2.0m), while revenue from taxes on international trade and transaction increased by 7.8 per cent (\$2.5m). Receipts from income, profit and capital gains grew by 21.3 per cent (\$6.5m), attributable to increased collections from corporation tax, reflecting an expansion in arrears collection. Those increases were partially offset by a 5.2 per cent fall in revenue



from property taxes. Non-tax revenue rose by 15.6 per cent (\$1.6m), due to increased collections from fees, fines, sales and the economic citizenship programme.



Notwithstanding the efforts of the central government to consolidate and contain spending, current expenditure rose by 3.5 per cent to \$145.4m compared with an increase of 1.9 per cent in the corresponding period of 2009. This outturn reflected larger interest payments and an expansion in outlays for transfers and subsidies. Interest payments grew by 17.3 per cent (\$1.6m), reflecting increased outlays for domestic commitments, while spending on transfers and subsidies rose by 7.2 per cent (\$2.1m). Increases were also recorded in expenditure on goods and services (1.8 per cent) and on personal emoluments (0.8 per cent).

Preliminary data indicate that capital expenditure fell by 53.8 per cent to \$39.3m, influenced mainly by reduced grant receipts. Capital grants totalled \$16.5m in the first half of 2010, compared with \$61.7m in the corresponding period of 2009.

## Public Sector Debt

The total disbursed outstanding debt of the public sector declined by 1.3 per cent to \$838.8m during the first half of 2010. This outturn was influenced by a decrease in the outstanding debt of both the central government and public corporations. The outstanding debt of the central government fell by 1.2 per cent (\$8.3m) to \$692.6m, primarily associated with a fall in both domestic and external debt stocks. The outstanding debt of the public corporations fell by 2.0 per cent to \$146.1m, reflecting scheduled amortisation.

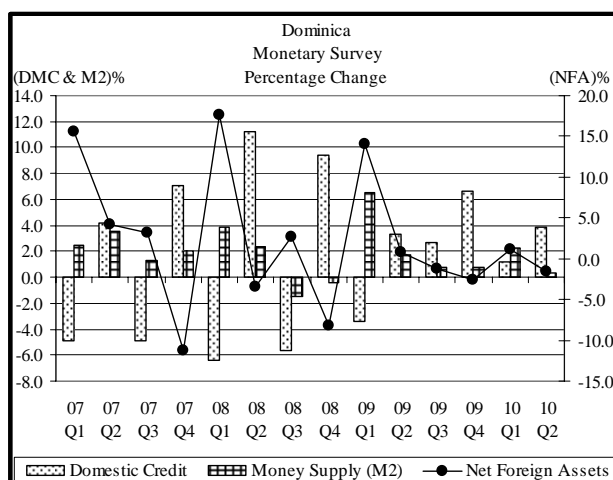
## Money and Credit

Broad money (M2) grew by 2.6 per cent to \$998.3m, compared with growth of 8.3 per cent in the first half of 2009. Of the components of M2, narrow money (M1) rose by 0.4 per cent (\$0.7m), as a result of an expansion in private sector demand deposits (\$11.3m), while contractions were recorded in currency with the public (\$9.5m) and EC\$ cheques and drafts issued (\$1.0m). Quasi money grew by 3.2 per cent (\$24.5m), mainly on account of an increase in private sector time deposits (\$15.8m).

Domestic credit rebounded during the first half of 2010, marked by growth of 5.1 per cent to \$539.7m, in contrast to a decline of 0.3 per cent during the corresponding period of 2009. The performance during the period under review was principally influenced by a 4.4 per cent (\$28.7m) expansion in credit to the private sector, primarily due to an

increase in lending to businesses (\$26.4m). The net deposit position of central government rose by 4.0 per cent to \$50.1m during the review period, largely attributable to a reduction in outstanding credit.

An analysis of the distribution of credit by economic activity shows increases in outstanding loans for tourism (67.9 per cent), manufacturing, including mining and quarry (29.1 per cent) and distributive trade (19.6 per cent). Declines were recorded for construction (21.6 per cent), agriculture and fisheries (14.4 per cent) and for personal use (2.8 per cent).



The net foreign assets of the banking system decreased by 0.4 per cent to \$554.8m, in contrast to growth of 14.9 per cent during the first half of 2009. The decline was influenced by a decrease of 3.2 per cent to \$168.5m in Dominica's imputed share of the Central Bank's reserves. Commercial banks' net foreign assets rose to \$386.4m at the end of June 2010 from \$383.3m at the end of December 2009, largely attributable to an increase in assets held with banks and institutions in other ECCB territories.

Liquidity in the commercial banking system increased during the review period. The ratio of liquid assets to total deposits plus liquid liabilities rose to 45.1 per cent from 44.9 per cent at the end of 2009, while the ratio of loans and advances to total deposits decreased by 0.5 percentage point to 59.9 per cent. The increase in liquidity in the system contributed to a decline in the weighted average interest rate spread to 6.6 percentage points at the end of June 2010, from 6.8 percentage points at the end of 2009.

### Prospects

Prospects for the economy in 2010 are largely positive, based on the developments in the first half of the year, but the risks are tilted on the downside. Construction activity is expected to be the leading economic activity for the remainder of the year, based on developments in the private sector. Tourism activity is expected to remain elevated on account of improved air access following the installation of night landing equipment at the Melville Hall airport. Stay-over arrivals are expected to increase, given the recent hotel development of the first wind powered hotel in the island, which is scheduled to open in November 2010. Manufacturing activity is expected to increase slightly in the remainder of 2010 based mainly on an upward trend in beverage production which will temper projected declines in the output of soap and paints. Agricultural output is likely to continue to decline in the remainder of the year as a result of the lingering impact of drought and leaf spot disease on



the sector, particularly with respect to banana production.

The overall fiscal balance is expected to be in a surplus position at the end of 2010, as revenue intake is projected to increase due to an expansion in economic activity. In the external sector, the merchandise trade deficit is projected to widen, based on increased import payments, particularly for construction material. Gross travel inflows are

expected to rise based on an increase in stay-over arrivals, consistent with developments in the tourism industry.

The projections are tilted to the downside. Risks include unfavourable weather and sluggish recovery in the global economy. These could adversely affect agriculture, construction and tourist travel to Dominica from the major source markets.



## GRENADA

### Overview

Economic activity in Grenada is estimated to have expanded in the first six months of 2010 relative to the corresponding period of 2009. The expansion was driven by developments in the manufacturing sector. Consumer prices rose by 6.2 per cent on an end-of-period basis. The central government's fiscal operations resulted in a smaller deficit due to a reduction in expenditure. The total public sector debt decreased, largely influenced by a fall in central government debt. Monetary liabilities contracted, on account of a decline in net foreign assets, while domestic credit expanded. Commercial bank liquidity fell during the period under review. The commercial banks weighted average interest rate spread between loans and deposits narrowed.

The pace of economic activity is projected to decelerate in the remainder of 2010. Increased activity in the manufacturing sector is likely to be tempered, and declines in the construction sector and the tourism industry are expected to persist. Risks to the prospects remain heavily skewed to the downside and include unfavourable weather and further slowdown in economic activity in the USA – a major trading partner.

### Output

Production in the manufacturing sector is estimated to have increased in the first half of 2010 following a

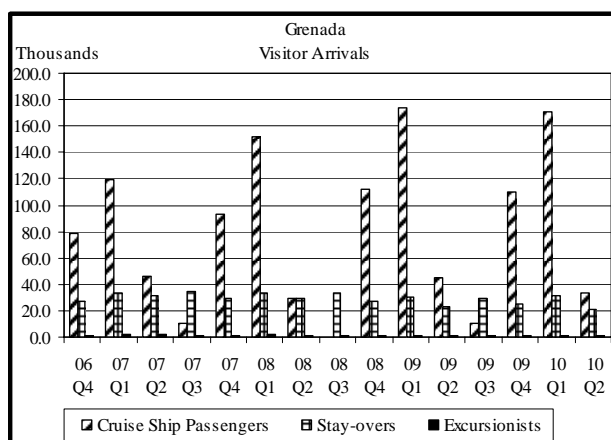
contraction in the corresponding period of 2009. Output of soft drinks expanded nearly fivefold to 109,850 cases, in contrast to a decline in 2009, as a previously closed major manufacturing plant returned to full operation. Higher levels of output were also recorded for beer (16.1 per cent), influenced by the introduction of a new brand and rum (6.7 per cent), based on the availability of molasses, a major input. Stout production also rose (3.0 per cent). These increases were partially offset by declines in the production of toilet paper (20.3 per cent), flour (5.0 per cent) and poultry feed (1.2 per cent), largely reflecting falls in regional demand.

Agricultural production declined in the first half of 2010 compared with the outturn in the corresponding period of 2009, mainly due to drought conditions that affected all crops and lower external demand. Among the traditional crops, banana production fell by 57.1 per cent to 942.0 tonnes; output of cocoa and nutmeg declined by 6.4 per cent (26.3 tonnes) and 40.3 per cent (88.0 tonnes) respectively. Output of other crops (fruits and vegetables) contracted by 5.7 per cent, mainly reflecting low yielding harvest precipitated by the drought conditions. By contrast, fish production increased by 4.2 per cent, resulting mainly from larger catches of jacks.

Construction activity declined in the first half of 2010, due to a fall off in large private and public sector projects. This decline in construction activity



was evidenced in part by a 12.3 per cent fall in the value of construction material imports. The pace of private sector residential construction activity is estimated to have slowed, based on a reduced rate of growth in commercial bank credit for home construction and renovation. Work remains halted on major private sector projects such as the Four Seasons hotel, Levera hotel and Bailles Bacolet Resort and Spa. Public sector construction activity declined, and was limited primarily to the maintenance and rehabilitation of roads, schools and other public buildings.

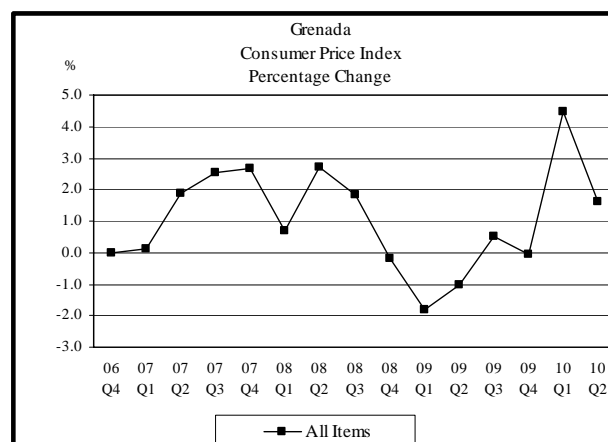


Activity in the tourism industry declined, largely as a result of a contraction in both stay-over and cruise ship arrivals. Total visitor arrivals fell by 6.8 per cent to 258,731, in contrast to an expansion of 11.1 per cent in the first half of 2009 when there was a large increase in cruise ship visitors. The number of stay-over visitors fell by 5.2 per cent to 51,380, following a decline of 13.6 per cent in the first half of 2009. An analysis of visitors by market sources indicates a reduction in arrivals from the main markets, namely the Caribbean (8.7 per cent), the

USA (5.5 per cent) and Europe (5.4 per cent). Those declines more than offset a 2.8 per cent increase in stay-over visitors from Canada, which resulted from increased marketing and better economic conditions in that market. The number of cruise ship passengers declined by 6.8 per cent to 203,701, as fewer ships visited. The number of cruise ship calls fell to 132 from 159 in the first half of 2009. A decline was recorded in the number of yacht passengers (32.5 per cent), while excursionists rose by 1.7 per cent.

**Prices**

The consumer price index (CPI) rose by 6.2 per cent during the first six months of 2010, driven by increases in all sub-indices except housing. Most of the increase in the CPI reflected the initial impact of the value added tax (VAT), which was implemented on 01 February 2010. The food sub-index rose by 7.1 per cent, associated with higher retail prices of meats, fish, fruits and vegetables, as well as cheese.



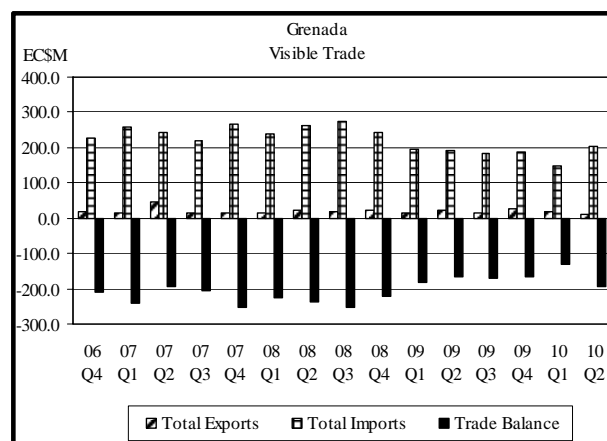
The rise in the fuel and light sub-index (4.4 per cent) was partly on account of an increase in the price of petroleum products.

### Trade and Payments

A merchandise trade deficit of \$323.3m was realised in the first six months of 2010, below that of \$348.3m recorded in the comparable period of 2009. The smaller deficit was mainly attributed to a contraction of 8.8 per cent (\$33.7m) in import payments, reflecting a decline in construction-related imports. The value of exports is estimated to have decreased by 23.5 per cent (\$8.8m), largely on account of a fall in re-exports. Re-exports contracted by 66.0 per cent (\$5.0m), influenced by a decline in the re-exportation of machinery and transport equipment following the completion of farm road construction projects and related activities. Domestic export earnings contracted by 12.8 per cent to \$25.0m, reflecting the absence of banana exports in the period under review as well as a 14.3 per cent fall in the value of manufactured exports. The decline in manufactured exports was largely influenced by a contraction in exports of paper products and flour, which account for 73.0 per cent of total manufactured exports.

Gross travel receipts fell by 10.1 per cent to \$126.5m, largely reflecting the decline in stay-over visitor arrivals. Commercial bank transactions resulted in a net outflow of \$22.9m in short-term capital during the period under review, in contrast to a net inflow of \$61.2m in the same period of 2009.

External loan amortisation by the central government, increased by 76.3 per cent to \$23.1m, while external disbursements fell by 42.4 per cent to \$21.4m.



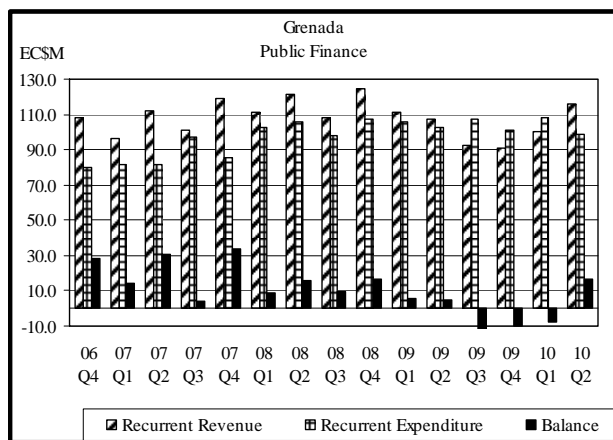
### Central Government Fiscal Operations

The central government's fiscal operations resulted in an overall deficit of \$17.2m in the first half of 2010, compared with one of \$48.8m in the corresponding period of 2009. The narrowing of the deficit reflected a contraction in capital expenditure and an expansion in grants. The deficit was financed mainly from domestic sources. A primary surplus of \$1.3m was realised, in contrast to a deficit of \$29.5m recorded in the first half of 2009.

The current account surplus totalled \$9.3m, compared with that of \$10.2m recorded in the first six months of 2009, as the decline in revenue outpaced that of expenditure. Current revenue fell by 1.2 per cent (\$2.5m) associated mainly with declines in the yield from taxes on income and profits, and receipts from taxes on property as the tax amnesty



that was in place during the first half of 2009, was not available during the corresponding period of 2010. By contrast, collections from taxes on domestic goods and services rose by 18.4 per cent (\$7.9m), associated in part with the implementation of the VAT. The yield from taxes on international trade and transactions increased by 1.3 per cent (\$1.3m). Non-tax revenue expanded by 7.4 per cent (\$0.9m), attributable to increased collections from administrative fees and service charges.



Current expenditure fell by 0.8 per cent to \$206.7m, led by a fall in expenditure on transfers and subsidies. Spending on transfers and subsidies fell by 19.8 per cent (\$9.8m); evidence of the ongoing efforts to streamline the social safety net programme. Lower spending on interest payments, 3.6 per cent (\$0.7m), also contributed to the overall contraction. By contrast, outlays on goods and services rose by 16.5 per cent (\$7.5m), mirroring increased spending on utilities, influenced by higher costs of fuel, electricity and supplies as well as communication. Expenditure on personal emoluments, the largest sub-category, rose by 1.2

per cent (\$1.1m), due to increases in allowances to some categories of civil servants.

Capital expenditure fell by 16.5 per cent to \$53.9m, as spending was limited to road maintenance and repairs of public buildings. Capital grants more than tripled to \$16.6m mainly associated with the receipt of funds from Petrocaribe.

**Public Sector Debt**

The disbursed outstanding debt of the public sector totalled \$1,857.7m at the end of June 2010, roughly 1.4 per cent below the level at the end of December 2009. The outstanding debt of the central government fell by 1.3 per cent to \$1,662.8m, as a result of declines in both the domestic and external debt stock. The outstanding debt of the public corporations is estimated to have decreased by 2.3 per cent to \$194.9m during the first half of 2010.

**Money and Credit**

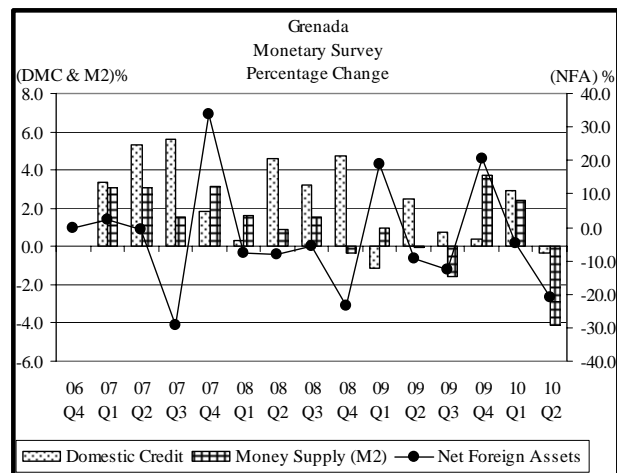
Monetary liabilities (M2) contracted by 1.8 per cent to \$1,787.6m during the first six months of 2010, as both narrow money and quasi money declined. Narrow money decreased by 3.7 per cent, as a result of declines in currency with the public (14.3 per cent) and cheques and drafts issued (8.7 per cent), which more than offset the 1.7 per cent increase in private sector demand deposits. Quasi money declined by 1.4 per cent, underpinned by a fall in private sector foreign currency deposits (22.9 per cent) and savings deposits (0.5 per cent), which



together outweighed the 4.7 per cent increase in private sector time deposits.

The source of the expansion in M2 was an increase of 2.4 per cent to \$1,573m in domestic credit, reflecting growth in credit extended to the private sector and the central government. Private sector credit grew by 3.1 per cent (\$50.9m), on account of an increase in outstanding loans to both businesses and households. The net indebtedness of the central government to the banking system rose by 37.2 per cent (\$36.8m) to \$135.6m, primarily associated with growth in Central Bank credit. In the rest of the public sector, the net deposits of non-financial public enterprises increased by 36.2 per cent (\$45.6m), reflecting an expansion in deposit.

An analysis of credit by economic activity indicates that the bulk of the increase in credit was channelled into personal use. Outstanding loans for that purpose increased by 1.6 per cent (\$18.9m), largely reflecting increases in credit for the acquisition and maintenance of property, as well as for other personal use. Among the other sectors, there were notable increases in credit for distributive trades (\$11.7m), tourism (\$6.8m) and construction (\$4.3m).



The net foreign assets of the banking system contracted by 24.5 per cent to \$214.3m, in contrast to an increase of 8.1 per cent during the first half of 2009. This development stemmed from a decline in Grenada's imputed share of the Central Bank's reserves as well as an increase in commercial banks net foreign liabilities position. Grenada's imputed share of the Central Bank's reserves contracted by 15.3 per cent to \$257.0m. Commercial banks reduced their assets held with institutions abroad, by 8.5 per cent, while increasing their external liabilities by 1.2 per cent, in order to fund the increased demand for credit.

Liquidity in the commercial banking system fell during the period under review. The ratio of liquid assets to total deposits plus liquid liabilities fell by 0.5 percentage point to 23.8 per cent. The loans and advances to total deposits ratio contracted by 0.2 percentage point to 83.1 per cent.

The weighted average interest rate on deposits declined to 2.65 per cent at the end of June 2010





from 3.03 per cent at the end of December 2009. The weighted average interest rate on loans fell to 9.50 per cent from 10.70 per cent. As a result, the interest rate spread between the weighted average deposit and lending rates declined by 0.81 percentage point during the review period.

### **Prospects**

An overall contraction in economic growth is projected in 2010, based on expected developments in the second half of the year. The construction sector is not expected to recover and tourism activity is expected to remain subdued, reflecting in part the global economic slowdown. These developments are likely to overwhelm positive performances in the agricultural and manufacturing sectors. Agricultural production is expected to recover, influenced by improved weather conditions relative to the drought conditions that persisted during the first half of the year. Manufacturing output is projected to remain positive but is expected to be tempered in the latter part of the year as production, particularly in the beverage industry, normalises.

On the central government's fiscal accounts, the overall deficit is projected to narrow in 2010 on account of revenue gains from the VAT. Additionally, a decline in expenditure, mainly associated with reduced capital outlays for infrastructure development will also contribute to the smaller overall deficit.

In the external sector, the merchandise trade deficit is projected to decrease, based on developments in the first half of 2010 and the expected slow-down in economic activity for the remainder of the year. Gross travel receipts are likely to decline based on the projected fall in visitor arrivals.

The downside risks to the projections include a further slow down in economic activity in the USA and in other developed countries, as well as unfavourable weather conditions. These can have negative spill-over effects on the domestic economy and dampen growth prospects.



## MONTSERRAT

### Overview

Economic activity in Montserrat is estimated to have contracted in the first half of 2010, relative to the outcome in the corresponding period of 2009. The decline was primarily influenced by developments in the construction and mining and quarrying sectors. The rate of inflation as measured by the consumer price index increased by 0.2 per cent, on an end-of-period basis. In the external sector, the merchandise trade deficit is estimated to have widened due to an increase in import payments. The central government's fiscal operations generated an overall deficit, in contrast to a surplus recorded in the first six months of 2009, due largely to an increase in current expenditure, coupled with a fall in the inflow of grants. The disbursed outstanding debt of the public sector rose relative to the level at the end of December 2009. In the banking system, the money supply increased, influenced by an expansion in domestic credit. Commercial bank liquidity tightened and the spread between the weighted average interest rates on deposits and loans narrowed during the review period.

The economic performance for the remainder of 2010 is likely to be below the level recorded in the corresponding period of 2009, primarily on account of developments in the construction sector. Downside risks to the projections include slow global economic recovery, particularly in the UK, an

increase in volcanic activity and a further decline in grant inflows.

### Output

Construction activity is estimated to have decreased in the first half of 2010, in contrast to the outturn in the corresponding period of 2009. The value of new construction and renovations was estimated to have declined by 21.6 per cent in the first half of 2010. In the public sector, construction work continued on the development of the town of Little Bay, mainly on infrastructural, port expansion and interim works. Other activities undertaken included rehabilitation of public buildings. Private sector activity focused on building and renovation of residential properties.

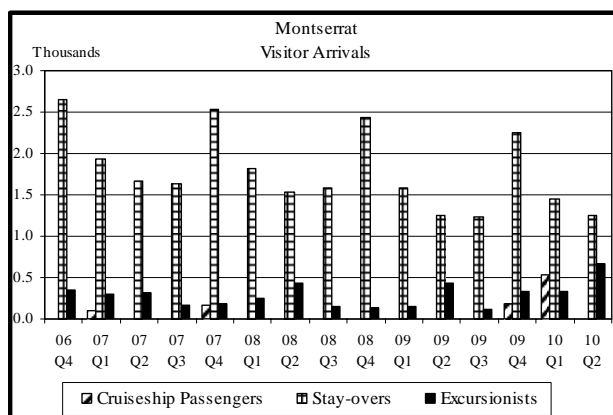
The contraction in construction activity had spill-over effects on some of the other sectors, including mining and quarrying, transport, communications and banks and insurance. Output in the mining and quarrying sector more than halved, due to the closure of the sand mining area. Increased volcanic activity in the period resulted in the loss of mining equipment, which negatively impacted export of sand and aggregate.

Agricultural output is estimated to have declined in the first half of 2010, marked by a contraction in crop production, particularly vegetables, onions, christophenes, pumpkins, tomatoes, sweet potatoes



and cassava. The production of crops fell by approximately 62.8 per cent, largely as a result of severe drought conditions, ash fall and acid rain.

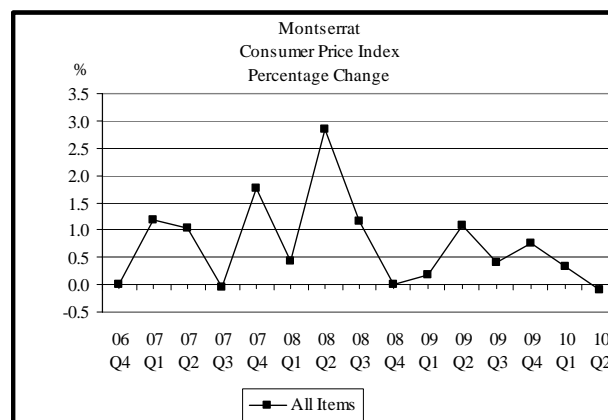
Performance in the tourism industry improved in the first six months of 2010 compared with the outturn in the corresponding period of 2009. Total visitor arrivals rose by 21.1 per cent to 5,416 fuelled by increases in cruise ship visitors, excursionists and yacht passengers. As a result of two inaugural cruise ship calls in the period under review, a total of 535 cruise passengers were recorded. The number of stay-over visitors decreased by 4.6 per cent to 2,703, reflecting declines in arrivals from all major source markets, with the exception of Canada and the Caribbean. Visitor arrivals from the UK and the USA fell by 19.7 per cent and 7.9 per cent respectively, reflecting in part the high levels of unemployment in those economies, precipitated by the recent economic recession.



**Prices**

Consumer prices rose by 0.2 per cent during the first six months of 2010 compared with an increase of

1.3 per cent in the corresponding period of 2009. Price developments during the period under review were influenced by upward movements in the sub-indices services (2.4 per cent) and household goods (1.4 per cent). The food sub-index, which has the largest weight in the CPI basket, decreased by 0.9 per cent in contrast to a 1.5 per cent increase recorded during the first half of 2009.



**Trade and Payments**

A merchandise trade deficit of \$37.4m is estimated for the first six months of 2010, compared with one of \$34.5m in the corresponding period of 2009. The widening of the deficit was attributed to growth of 4.1 per cent (\$1.5m) in import payments. The value of total exports is estimated to have fallen by 40.1 per cent (\$1.4m), on account of declines in both domestic exports and re-exports. The fall in the value of domestic exports mirrored a decline in the production of sand and aggregates.

Gross receipts from travel fell by 6.1 per cent to \$7.5m, largely reflecting the decline in stay-over



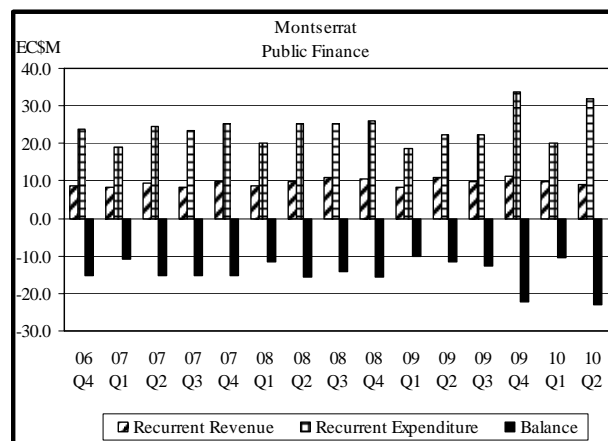
arrivals in paid accommodation. Commercial banks external transactions generated a net inflow of \$21.8m in short-term capital compared with one of \$5.8m during the first half of 2009. Official grant inflows fell by 18.7 per cent (\$7.1m).

**Central Government Fiscal Operations**

The overall fiscal balance (after grants) shifted to a deficit of \$16.6m in the first half of 2010, from a surplus of \$0.8m in the comparable period of 2009. This outturn was mainly influenced by an increase in current expenditure. A primary deficit (after grants) of \$47.4m was realised, compared with one of \$36.9m in the corresponding period of 2009.

The current account deficit (before grants) totalled \$33.4m compared with one of \$22.0m in the first half of 2009. The larger deficit was attributed to an increase in expenditure coupled with a decline in revenue. Current expenditure increased by 27.2 per cent (\$11.2m) to \$52.2m, driven by increased outlays on transfers and subsidies and personal emoluments. Outlays on transfers and subsidies rose by 67.5 per cent (\$6.8m) to \$16.8m, due in part to an increase in pension payments and other social safety net programmes geared to mitigate the impact of the global economic and financial crisis on vulnerable persons. Expenditure on personal emoluments, which comprise the bulk of current outlays, grew by 23.6 per cent (\$4.7m) to \$24.8m, associated in part with an expansion in the public service.

Current revenue decreased by 1.4 per cent to \$18.8m, primarily on account of a 4.7 per cent decline in revenue from taxes, to \$16.2m. Of tax revenue, collections from taxes on income and profits decreased by 4.3 per cent, largely attributable to a 34.5 per cent (\$0.5m) decrease in collections from company taxes. Receipts from taxes on domestic goods and services declined by 20.5 per cent (\$0.5m) reflecting a 25.3 per cent (\$0.5m) contraction in receipts from licenses and stamp duties. Revenue from taxes on international trade and transactions increased by 1.7 per cent (\$0.1m) mainly attributable to larger collections from the consumption tax. Non-tax revenue rose by 26.2 per cent (\$0.5m) to \$2.6m.



Capital expenditure declined by 6.9 per cent (\$1.0m) to \$14.0m. Grant receipts totalled \$30.8m in the first half of 2010, down from \$37.8m in the corresponding period of 2009. Capital grants amounted to \$8.3m, compared with \$15.9m in the first six months of 2009.



## Public Sector Debt

The public sector disbursed outstanding debt was estimated at \$9.0m at the end of June 2010, up from the total of \$8.8m at the end of December 2009. A 9.5 per cent rise to \$2.4m in the stock of outstanding debt of central government largely accounted for this outturn. Conversely, the outstanding debt stock of public corporations, which account for the major share of public sector debt, fell by 1.1 per cent to \$6.6m during the period under review.

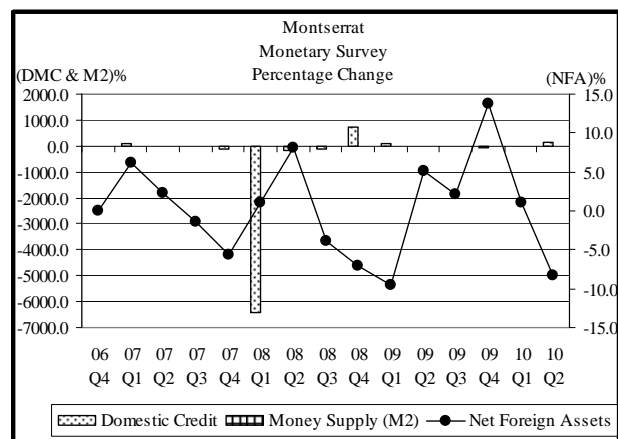
## Money and Credit

Broad money (M2) expanded by 3.7 per cent to \$171.9m during the first six months of 2010, in contrast to a decline of 3.4 per cent during the corresponding period of 2009. The increase in M2 reflected growth of 8.0 per cent (\$10.2m) in quasi money, underpinned by an increase of 9.1 per cent (\$10.1m) in private sector savings deposits. Narrow money decreased by 10.9 per cent (\$4.1m) primarily as a result of a 19.3 per cent (\$3.4m) decline in currency in circulation.

Domestic credit more than doubled during the first half of 2010, partly reflecting growth in credit extended to the private sector. Commercial bank credit to the private sector grew by 9.7 per cent (\$5.2m) to \$58.4m, as a result of increases of 6.5 per cent (\$2.9m) and 28.4 per cent (\$2.2m) in loans extended to households and businesses, respectively. The net deposits of the central government in the banking system fell by 31.6 per cent (\$6.6m) to

\$14.4m, largely due to a decline in its deposits in commercial banks. The net deposits of the non-financial public enterprises fell by 14.3 per cent (\$3.2m), reflecting a decline in their deposits.

The distribution of commercial bank credit by economic activity show that most of the increase in credit (\$5.0m) was for personal use, which rose by 6.0 per cent (\$2.6m). The largest proportion was channelled into the acquisition of property, specifically home construction and renovation and other personal use. Outstanding loans for construction increased by 45.1 per cent (\$1.1m), in contrast to a decline of 4.9 per cent (\$0.1m) in the first half of 2009.



The net foreign assets of the banking system fell by 7.3 per cent to \$169.5m, compared with a decline of 4.8 per cent during the first six months of 2009. Developments during the period under review stemmed from a 15.1 per cent decline in net foreign assets of commercial banks. Commercial banks reduced their assets held with institutions within the rest of the currency union and abroad, and increased



their liabilities to institutions within the Eastern Caribbean currency union and abroad to meet the increased demand for credit. Montserrat's imputed share of reserves of the Central Bank rose by 21.7 per cent to \$47.0m.

The commercial banking system remained liquid during the first six months of 2010. The ratio of liquid assets to total deposits plus liquid liabilities declined to 88.5 per cent from 89.4 per cent at the end of December 2009. The ratio of liquid assets to total assets plus liquid liabilities fell to 78.9 per cent from 80.2 per cent; and the loans and advances to total deposits ratio rose by 2.2 percentage points to 26.6 per cent.

The weighted average interest rate on deposits fell by 0.1 percentage point to 2.68 per cent, while that on loans increased by 0.02 percentage point to 8.77 per cent. As a result, the weighted average interest rate spread between deposits and lending rates narrowed by 0.08 percentage point during the period under review.

### **Prospects**

Based on the performance of the economy in the first half of 2010 and expected developments for the rest of the year, the outlook for 2010 is likely to be less favourable than in the previous year. Economic

conditions are projected to deteriorate based largely on the decline in construction, mining and quarrying and agricultural sectors. Public sector construction activity, which is expected to remain the main driver of growth, based on ongoing public sector infrastructural projects, is not likely to be adequate in generating the level of robustness needed to propel the economy. In the tourism industry, the prospect for visitor arrivals remains favourable, based on the enhanced performance in the first six months of 2010 and efforts at improved access.

On the central government's fiscal accounts, an overall deficit is projected in 2010. Revenue performance is not likely to improve and current expenditure may continue to increase, resulting in further deterioration in the current account. In the external sector, the merchandise trade deficit is likely to increase as the value of total exports decline on account of a decrease in domestic exports.

Risks to the projections are heavily skewed towards the downside as the advanced economies slowly recover from the global financial and economic crisis. Any adverse developments in the European economies are likely to impact grant inflows to Montserrat and ultimately overall economic performance. Other risks include possible storm damage from a very active hurricane season and the inherent threat of an active volcano.



## ST KITTS AND NEVIS

### Overview

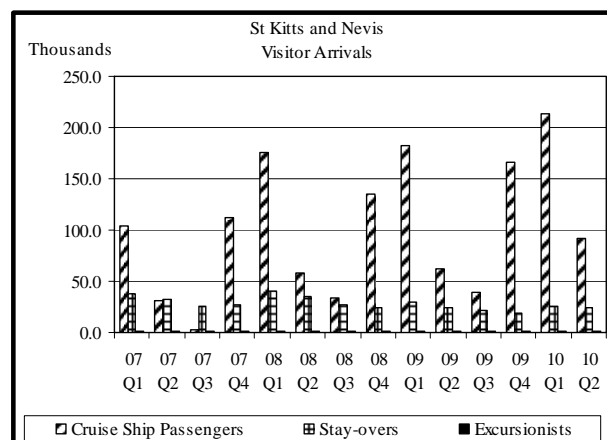
Preliminary estimates show that economic activity continued to contract in the first six months of 2010, but at a slower pace relative to the performance in the corresponding period of 2009. The decline, although broad based, was largely influenced by decreased activity in the construction sector and tourism industry in particular. Consumer prices decreased by 1.6 per cent, on an end-of-period basis. The merchandise trade deficit is estimated to have widened as a consequence of larger import payments. The fiscal operations of the federal government deteriorated, resulting in an overall deficit. Total outstanding public sector debt increased during the period under review. In the banking system, monetary liabilities expanded, influenced by growth in net foreign assets. Commercial bank liquidity improved and the weighted average interest rate spread between loans and deposits increased.

The uncertain pace of the global economic recovery coupled with the deceleration in economic growth in the USA will likely constrain economic activity in the Federation. Hence, the economic prospects for the remainder of 2010 are biased toward the downside. The performance of the domestic economy is likely to be negatively affected by lower levels of foreign direct investment and a decline in stay-over arrivals. Consequently, activity in the construction sector and tourism industry is likely to

decline. An overall fiscal deficit is projected as growth in total expenditure is likely to outpace that of total revenue.

### Output

Provisional data indicate a mixed performance in the tourism industry. Cruise ship passenger arrivals increased by 24.6 per cent to 304,893, compared with growth of 5.2 per cent recorded in the first six months of 2009. The outturn in the period under review was fuelled by a 16.1 per cent increase in the number of cruise ship calls to the Federation. While the performance in the cruise sector was buoyant, the number of stay-over visitors decreased by 7.0 per cent reflecting declines from all the major markets.



Stay-over arrivals from the USA, the largest source market, declined by 2.4 per cent, associated in part with a slowdown in that economy. Visitor arrivals from the Caribbean, the second largest market, declined by an estimated 16.2 per cent, attributable



to the high cost of regional travel along with low levels of economic activity in several countries which lowered the demand for travel. Despite additional airlift, visitor arrivals from the UK declined by 3.0 per cent for the first half of 2010. Total visitor arrivals are estimated to have increased by 18.8 per cent buoyed by robust activity in the cruise sub-sector.

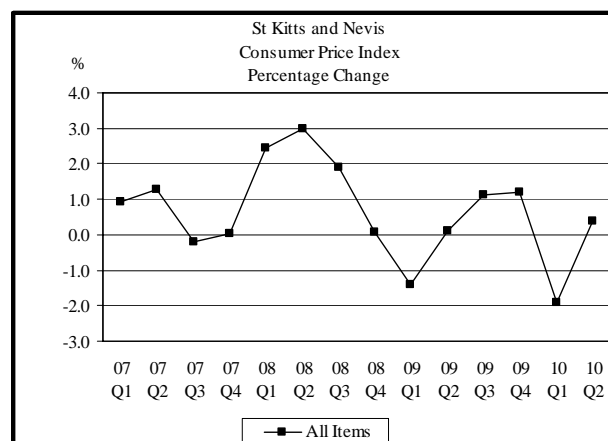
Construction activity is estimated to have declined in the first half of 2010 influenced by a deceleration in the rate of implementation of private sector projects and a contraction in public sector activity. In the private sector, work continued on several tourism-related projects, albeit at a slower pace. Work on residential properties is estimated to have slowed, evidenced in part by the deceleration in the pace of loans extended for both construction and land development, and home construction and renovation. Activity in the public sector fell, attributable in part to a low level of implementation of the public sector investment programme (PSIP) as a result of financing constraints.

Agricultural output is estimated to have expanded during the first six months of 2010 relative to the outturn in the corresponding period of 2009. Crop production increased by 5.9 per cent in contrast to a decline of 5.4 per cent recorded in the first half of 2009. The expansion in the period under review was driven by increases in pumpkin, carrot and peanut production. In the livestock sub-sector, production increased by 2.1 per cent buoyed by growth of 3.0 per cent in output of eggs, while large decreases

were recorded in the production of mutton (33.6 per cent) and beef (17.6 per cent).

## Prices

The consumer price index fell by 1.6 per cent, on an end-of-period basis, during the first six months of 2010. This outturn was primarily associated with lower prices for transport and communication, housing and fuel and light. The largest decrease was registered for transportation and communication (11.0 per cent), mainly as a result of a decrease in prices of petroleum products relative to that recorded in December 2009. By contrast, the food sub-index, the largest weighted in the CPI basket, rose by 1.2 per cent primarily attributable to higher prices for fruits and vegetables.



## Trade and Payments

Complete trade data are unavailable for the first half of 2010. Preliminary estimates indicate that the merchandise trade deficit amounted to \$323.0m in the first six months 2010 compared with one of



\$318.2m in the corresponding period of 2009. The increase in the deficit was attributed to an expansion of 1.4 per cent in import payments, largely influenced by imports for the refurbishment of the Four Seasons Resort in Nevis. Total receipts from exports are estimated to have increased marginally to \$63.7m from \$63.3m in the first half of 2009.

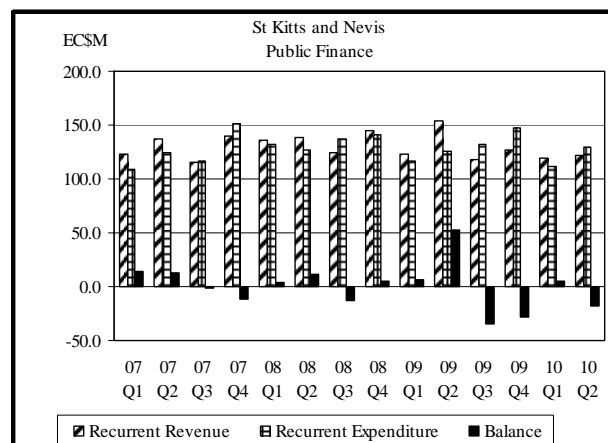
Gross travel receipts are estimated to have declined by 3.7 per cent to \$123.9m, in line with the fall in stay-over arrivals. There was a net outflow of \$20.8m in commercial banks' short-term capital in the first half of 2010, in contrast to a net inflow of \$240.0m during the corresponding period of 2009.

### Central Government Fiscal Operations

The fiscal operations of the federal government deteriorated in the first six months of 2010 relative to the performance in the corresponding period of 2009. The overall balance shifted to a deficit of \$13.4m in the first half of 2010 from a surplus of \$72.1m in the first half of 2009. Developments in the current account were mainly responsible for the shift in the overall balance. The current account deteriorated in the period under review, resulting in a deficit of \$0.6m, in contrast to a surplus of \$34.5m in the comparable period of 2009. This outturn was attributed to a decline in current revenue. A primary deficit of \$42.3m was recorded, in contrast to a surplus of \$130.6m in the first half of 2009.

Current revenue fell by 13.2 per cent to \$240.3m in the first six months of 2010, attributable to a

20.5 per cent (\$42.0m) decrease in tax revenue. Receipts from taxes on income and profits decreased by 46.2 per cent (\$42.0m), attributable to a 59.3 per cent (\$39.2m) decline in collections from business income tax. The yield from taxes on domestic goods and services fell by 7.1 per cent (\$2.7m), largely attributable to a decrease in the collection of stamp duties (\$2.3m) as a result of a slow down in the sale of property in the tourism sector. Revenue from taxes on international trade and transactions declined by 1.0 per cent (\$0.8m), partly attributable to lower collections from import duties, as economic activity contracted. By contrast, non-tax revenue rose by 7.7 per cent (\$5.5m), driven by increased collections from electricity fees.



Current expenditure decreased by 0.6 per cent to \$240.9m in the first six months of 2010, associated with reduced spending on goods and services, interest payments and transfers and subsidies. Outlays on goods and services decreased by 4.0 per cent, due in part to Government's effort to tighten discretionary expenditure given prevailing economic conditions. By contrast, expenditure on personal



emoluments, the largest sub-category, rose by 3.2 per cent (\$3.5m) due to additional hiring in the public sector. Interest payments fell by 3.7 per cent (\$2.2m), marked by a decrease in domestic interest payments (\$5.1m), while outlays on external interest payments rose (\$2.9m).

Capital expenditure amounted to \$52.5m compared with \$24.6m in the first six months of 2009. The increase in capital expenditure largely reflected outlays for the purchase of electricity generators.

On a disaggregated level, the fiscal operations of the central government resulted in an overall deficit of \$12.4m, in contrast to a surplus of \$79.3m realised in the first half of 2009. The deterioration in the overall position reflects developments on the current account in particular the decline in current revenue. The current account shifted to a deficit of \$5.2m in the first six months of 2010 from a surplus of \$30.9m in the comparable period of 2009. Current revenue declined by 18.1 per cent (\$42.1m) to \$190.5m, attributable to a 26.9 per cent (\$46.8m) decline in tax revenue influenced by decreases in collections from all sub-categories, except for that of taxes on property. The largest contraction was recorded in the yield from taxes on income and profits, which fell by 56.2 per cent (\$41.4m) due to reduced profits by businesses in 2009.

Current expenditure declined by 2.9 per cent to \$195.7m, influenced by a reduction in interest payments, goods and services and transfers and subsidies. Capital expenditure amounted to \$45.8m

compared with \$13.9m in the first six months of 2009, reflecting the purchase of the electricity generators.

The fiscal operations of the Nevis Island Administration resulted in an overall surplus of \$4.7m in the first half of 2010, compared with one of \$3.5m recorded in the corresponding period of 2009. This development was mainly associated with an improvement in revenue collections. Current revenue increased by 12.7 per cent to \$49.9m, associated with an expansion in tax receipts, most notably the yield from taxes on domestic goods and services. Those receipts rose by 33.3 per cent (\$3.7m) largely attributable to an increase in collections from stamp duties. Current expenditure increased by 11.0 per cent to \$42.2m, mainly on account of increased interest payments. Capital expenditure declined by 37.7 per cent (\$4.0m), reflecting in part a slower implementation of the public sector investment programme due to financing constraints.

### **Public Sector Debt**

The total disbursed outstanding debt of the public sector was estimated at \$2,583.7m at the end of June 2010, an increase of 1.2 per cent on the amount outstanding at the end of 2009. The outstanding debt of the central government, which represents 64.4 per cent of the total public sector debt, rose by 2.4 per cent to \$1,663.1m. This outturn reflects growth in the domestic debt stock (6.4 per cent) indicative of the widening of the overall fiscal



deficit. The outstanding debt of the public corporations is estimated to have declined by 0.8 per cent to \$920.6m during the first half of 2010.

### **Money and Credit**

Monetary liabilities (M2) rose at a decelerated rate of 2.4 per cent to \$1,801.8m during the first six months of 2010, compared with an increase of 6.0 per cent recorded during the corresponding period in 2009. This outturn largely reflected the decline in economic activity. The deceleration in the growth of M2 reflected the slow-down in the expansion of quasi money, while narrow money (M1) expanded. Quasi money increased by 0.3 per cent (\$4.2m) compared with growth of 6.9 per cent recorded in the first half 2009. Developments during the period under review were influenced by increases in private sector savings and time deposits, which were partly offset by a decline in foreign currency deposits. M1 increased by 15.1 per cent (\$38.5m) compared with growth of 1.6 per cent during the first six months of 2009. This outturn during the period under review was attributed to a rise in private sector demand deposits (\$17.1m), currency with the public (\$13.2m) and EC\$ cheques and drafts issued (\$8.2m).

Domestic credit rose by 0.6 per cent to \$1,687.6m, reflecting an expansion in credit to the private sector and to the federal government. Credit to the private sector rose by 2.3 per cent (\$29.3m), due to an increase in outstanding loans to households and businesses and investments of subsidiaries and

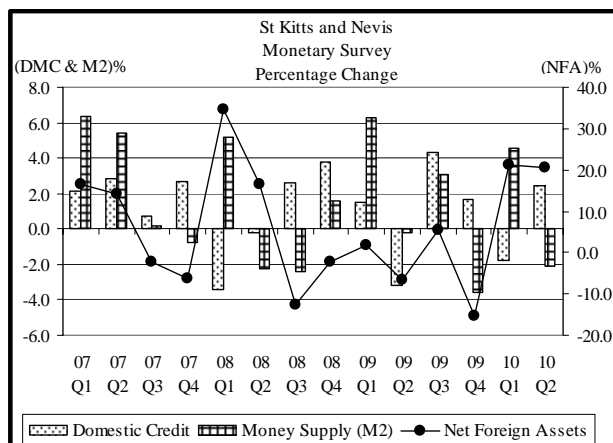
affiliates. The net indebtedness of the federal government increased by 1.4 per cent (\$5.4m). This outturn was attributed to a 3.7 per cent (\$23.8m) increase in credit to the Federal government, which was partly offset by a 6.9 per cent (\$18.4m) increase in deposits. In the rest of the public sector, the net credit position of non-financial public enterprises shifted to a net deposit position of \$17.0m at the end of June 2010, reflecting an increase their deposits at commercial banks (\$14.3m) and a decrease in outstanding loans (\$9.8m).

The distribution of credit by economic activity shows that total loans and advances rose by 2.0 per cent (\$45.0m), mainly reflecting an expansion in credit for distributive trades, construction and personal use. Outstanding loans for distributive trades and construction increased by 5.0 per cent (\$7.4m) and 2.2 per cent (\$5.4m) respectively, while credit for personal use rose by 0.6 per cent (\$5.3m). Credit to other economic sectors increased by 5.7 per cent (\$35.8m) driven primarily by credit extended to public administration (\$39.22m).

The net foreign assets of the banking system increased by 9.5 per cent (\$59.9m) in contrast to a contraction of 5.1 per cent (\$38.0m) recorded during the comparable period in 2009. The outturn mainly reflected an increase in St Kitts and Nevis' imputed share of the Central Bank's reserves, which increased by 11.8 per cent to \$371.0m. Commercial banks net foreign assets rose by 6.9 per cent to \$321.1m as commercial banks accumulated more



assets with financial institutions in other ECCU territories.



Liquidity in the commercial banking system improved over the review period. The ratio of liquid assets to total deposits plus liquid liabilities increased by 3.1 percentage points to 51.1 per cent at the end of June 2010, while the loans and advances to total deposits ratio decreased by 6.4 percentage points to 71.0 per cent. The weighted average interest rate on deposits decreased by 0.11 percentage point to 3.26 per cent, while that on loans decreased by 0.03 percentage point to 8.45 per cent. This movement led to a widening of the weighted average interest spread by 0.08 percentage point to 5.19 percentage points.

### Prospects

The near term economic outlook for the Federation is uncertain as downside risks in the global economy have heightened. The global economic recovery that

was observed towards the end of 2009 and into the first quarter of 2010 appears to be faltering. The focus on fiscal consolidation in major advanced economies, particularly those of the main trading partners, the USA and the UK, is likely to slow growth in St Kitts and Nevis in the near-term. In light of the foregoing it is projected that economic conditions will deteriorate in the remainder of 2010. In the tourism industry, the prospects for visitor arrivals are weak, based largely on a projected contraction in stay-over arrivals as unemployment remains high in major source markets. Construction activity is likely to decline based on a contraction in foreign direct investment, coupled with a fall in public sector investment associated in part with a reduction in grant inflows.

The federal government's fiscal operations are likely to deteriorate in the second half of 2010, as revenue intake is likely to contract due to the slow down in economic activity. Consequently a larger overall deficit is projected on the central government's fiscal accounts in 2010. On the external accounts, the merchandise trade deficit is expected to decline, based on a projected decrease in import payments, in line with the contraction in economic activity. Gross inflows from travel are likely to be lower than in 2009, consistent with the forecast decline in visitor arrivals. In the banking system, a further deceleration in the rate of growth in monetary liabilities and domestic credit is likely, in line with the decline in economic activity.

## SAINT LUCIA

### Overview

Economic activity in Saint Lucia is estimated to have been flat in the first six months of 2010 relative to the outturn in the corresponding period of 2009. Despite strong growth in the tourism industry, the overall economic performance was largely constrained by declines in the productive sectors; construction, agriculture and manufacturing, and further compounded by weak growth in wholesale and retail trade and banking and insurance. Consumer prices rose by 1.1 per cent on an end-of-period basis. A smaller merchandise trade deficit was recorded largely as a result of an increase in the value of re-exports. The central government's fiscal operations resulted in an overall deficit in contrast to an overall surplus in the first six months of 2009. The total public sector debt increased, driven mainly by a rise in the level of indebtedness of the central government. Monetary liabilities (M2) rose, albeit at a slower pace relative to that of the corresponding period in 2009, constrained by a fall in domestic credit. Commercial bank liquidity remained tight and the weighted average interest rate spread between loans and deposits narrowed.

In the second half of 2010, economic activity is projected to remain subdued although increases in output in the tourism industry may buoy activity. Economic activity will be constrained however, by developments in the construction, agricultural and manufacturing sectors. Construction activity will be limited largely by delays in the implementation of a

number of planned projects in the public sector. Agricultural output will remain depressed reflecting the challenges facing the banana industry, in particular the devastating effects of black Sigatoka disease and drought conditions experienced earlier in the year, while manufacturing is projected to increase marginally. Some improvement in the fiscal operations is expected during the second half of 2010 as government continues to rationalise spending so as to minimise the impact of the global crisis. Downside risks to the projections include increasing uncertainty associated with the stalled recovery in the USA; sovereign debt issues in the Euro zone; and possible increases in commodity prices fuelled by scarcities associated with natural disasters.

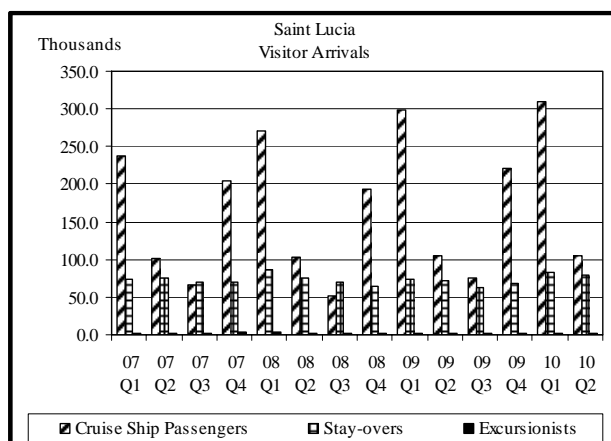
### Output

The performance of the tourism industry improved in the first six months of 2010 compared with the outturn in the corresponding period of 2009. Total visitor arrivals rose by 6.0 per cent to 605,388, influenced by increases in the number of stay-over visitors. Stay-over arrivals expanded by 11.9 per cent to 162,856 associated with developments in the USA and Canada. Arrivals from the USA increased by 31.3 per cent to 68,776, buoyed by intensified marketing, additional low cost airlift and increased flights from established carriers. The number of visitors from Canada rose by 7.1 per cent to 21,186, reflecting more targeted marketing initiatives and increased airlift out of that market. Increases were



also recorded for stay-over arrivals from France of 10.8 per cent and from Germany the number of visitors more than doubled. By contrast, decreases were observed in arrivals from the Caribbean and UK markets of 8.1 per cent and 4.3 per cent respectively.

The number of cruise passengers rose by 2.8 per cent compared with a 7.9 per cent expansion in the corresponding six months of 2009. The deceleration in the rate of growth in cruise ship passengers mirrored a slower rate of increase in the number of cruise calls, which rose by 9.0 per cent to 254 in the first half of 2010 compared with a rise of 21.4 per cent to 233 in the corresponding period of 2009. Increases were recorded in yacht visitors (29.3 per cent) and excursionists (4.2 per cent).



Construction activity is estimated to have declined in the first half of 2010, compared with the level in the corresponding period of 2009. This assessment is based on a 30.2 per cent reduction in the volume of imported construction related materials, particularly sand. The volume of construction related imports

fell as a number of projects in the private sector neared completion including a shopping mall in Rodney Bay, and a major road project in the public sector was completed. There was an 11.1 per cent fall in construction related capital expenditure by the central government. On-going construction in the public sector consisted of the general hospital, housing developments and a banana commercialisation project, while private sector activity was centered on a villa/residential development and office complex and the Jalousie (Tides Sugar Beach) project.

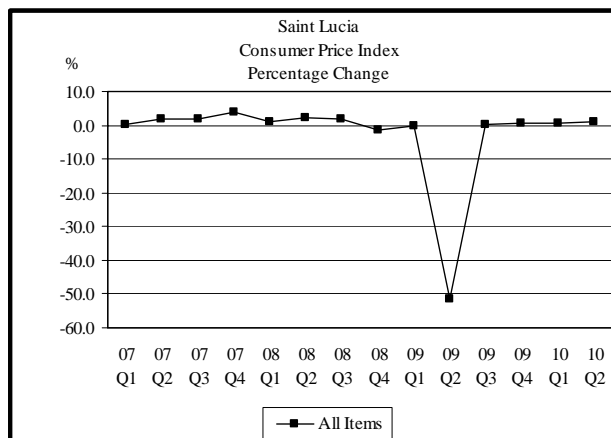
Output in the agricultural sector is estimated to have declined largely associated with a fall in banana production. The output of banana fell by 15.3 per cent to 13,699 tonnes, influenced by the effects of leaf spot disease and drought earlier in the year. The rest of the agricultural sector recorded mixed results as the production of pork and chicken more than doubled to approximately 2.0m lbs, while the production of eggs and non-banana agricultural produce fell by 13.2 per cent and 11.2 per cent respectively

Data on manufacturing activity indicate that output fell by 2.5 per cent in the period under review compared with the level in the corresponding six months of 2009. The outturn primarily reflected declines in the output of metal products (44.9 per cent), corrugated paper and paper products (13.0 per cent) and other chemicals (18.0 per cent). By contrast, the output of furniture more than doubled and production of copra and copra derivatives

recorded a near four-fold increase in the period under review.

**Prices**

The consumer price index rose by 1.1 per cent during the first six months of 2010 in contrast to a contraction of 0.3 per cent in the corresponding period of 2009. Price developments were influenced mainly by upward movements in the sub-index for food and non alcoholic beverages (1.1 per cent), which has the largest weight in the basket of goods and services. The rise in the food and beverages sub-index reflected seasonal increases in the cost of fruits and vegetables. The largest price increases were recorded in the sub-indices education (14.8 per cent) and clothing and footwear (10.9 per cent). In the education sub-index, the rise of was influenced by an increase in the cost of tuition fees for tertiary education.



**Trade and Payments**

A merchandise trade deficit of \$434.6m was recorded in the first six months of 2010, below that of \$511.3m in the comparable period of 2009. The lower deficit was associated with a 5.3 per cent fall in imports coupled with a 17.7 per cent increase in total exports. The decline in the value of imports to \$689.1m was largely associated with lower payments for the importation of minerals and fuel related lubricants, machinery and transport equipment and beverages and tobacco. Larger export receipts (\$254.5m) were associated with increases in domestic exports mainly reflecting machinery and beverages, and re-exports, primarily petroleum products. By contrast, the export of banana, the largest individual source of merchandise earnings, fell by 11.9 per cent to \$24.8m.

Gross travel receipts increased by 12.9 per cent to \$495.6m fuelled by the rise in stay-over arrivals. Commercial bank transactions resulted in a net outflow of \$10.7m in short-term capital, while net external loan disbursements to the central government totalled \$105.2m in the period under review compared with \$69.8m in the corresponding period of 2009.

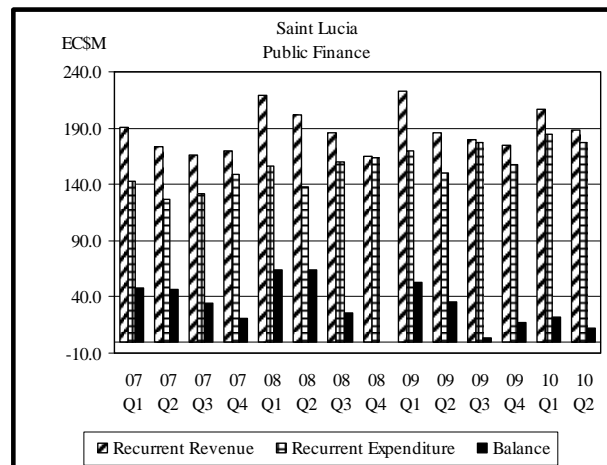


## Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$38.7m, in contrast to an overall surplus of \$11.2m recorded in the first half of 2009. The fiscal outturn largely reflected an increase in current expenditure and a reduction in capital grants. A primary surplus of \$7.3m was realised, well below that of \$61.0m recorded in the first six months of 2009.

The current account surplus amounted to \$34.5m in the first half of 2010 compared with \$88.7m in the corresponding period of 2009. The outturn in the period under review was attributed to a contraction in revenue coupled with an expansion in expenditure. Current revenue fell by 3.2 per cent to \$395.7m, reflecting declines in both tax and non-tax revenue. Receipts from tax sources fell by 2.8 per cent (\$10.8m), associated with decreases in collections from taxes on international trade and transactions (\$12.3m), taxes on income and profits (\$0.8m) and taxes on property (\$0.7m). Lower receipts from taxes on international trade and transactions were largely influenced by a fall in the collection of consumption duties on imports (\$37.6m), consistent with the decline in imports. The overall reduction in the yield from taxes on international trade and transactions was partly offset by a near quadrupling in the collection of excise taxes on imports, particularly petroleum imports. Receipts from taxes on income and profits fell, mainly reflecting lower inflows of corporate taxes (20.7 per cent) as lower levels of economic activity

reduced company profits. Collections of taxes on domestic goods and services rose by 5.7 per cent buoyed by increased collections from excise taxes. Non-tax revenue fell by 10.4 per cent largely attributable to a reduction in the collection of interest and rents, and fees, fines and sales.



Current expenditure rose by 12.9 per cent to \$361.2m, influenced by increases in most of the major components. Expenditure on goods and services increased by 34.7 per cent (\$20.2m), while outlays on personal emoluments rose by 9.1 per cent (\$13.8m) fuelled by a retroactive salary payment (\$7.9m) paid in April 2010. Transfers and subsidies expanded by 18.5 per cent (\$11.1m) buoyed by larger outlays to vulnerable groups, as well as increased social security contributions consistent with the retroactive salary payments. Interest payments fell by 7.6 per cent (\$3.8m).

Capital expenditure declined by 11.1 per cent to \$91.4m largely reflecting the completion of some infrastructural projects including the East Coast road, which was ongoing in the first six months of



2009. In addition, work delays on the general hospital project, a major public sector investment project, contributed to the fall in capital expenditure. Work continued on the national marketing infrastructure and a banana commercialisation project.

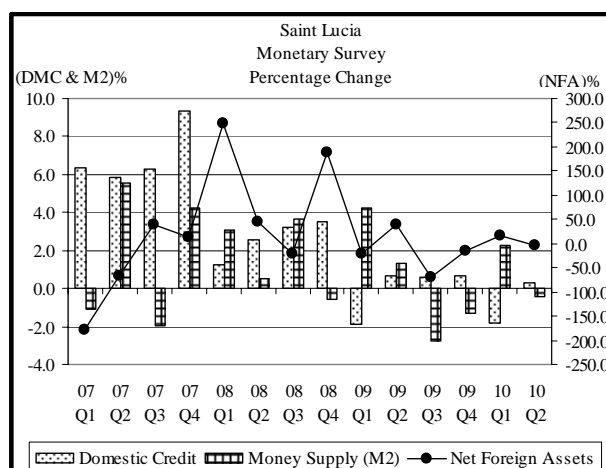
### Public Sector Debt

The disbursed outstanding debt of the public sector rose by 6.6 per cent to \$2,028.8m during the first half of 2010. This outturn was largely influenced by a 15.3 per cent increase in domestic debt of the central government, reflecting a rise in the issuance of bond and Treasury bill instruments. The external debt stock of central government fell by 0.7 per cent (\$6.5m). The outstanding debt of the public corporations is estimated to have increased by 8.9 per cent to \$293.5m during the first half of 2010.

### Money and Credit

Monetary liabilities (M2) expanded by 1.8 per cent to \$2,557.1m during the first half of 2010 representing a deceleration from the 5.6 per cent rate in the corresponding period of 2009. Of the components of M2, quasi money rose by 4.1 per cent, while narrow money fell by 4.4 per cent. The expansion in quasi money was led by increases in private sector time deposits (13.4 per cent) and savings deposits (2.6 per cent). All of the major components of narrow money declined during the period under review.

Domestic credit contracted by 1.5 per cent to \$3,402.8m, attributable to a reduction in net credit to the central government. The net indebtedness of the central government fell by 94.9 per cent (\$45.2m), reflecting a 31.1 per cent rise in its deposits. Outstanding loans to the private sector also declined, by 0.6 per cent to \$3,724.6m on account of a 1.7 per cent decrease in lending to businesses, which offset a 3.3 per cent rise in credit to households. In the rest of the public sector, the net deposits of nonfinancial public enterprises fell, attributable to a decline in deposits, while credit expanded.



An analysis of credit by economic activity indicates that total loans and advances fell by 0.3 per cent (\$11.9m). Of the key areas of analysis, the largest decreases were recorded for distributive trades (6.7 per cent) and tourism (1.2 per cent). Those declines were partially offset by increases in outstanding credit for personal use (6.5 per cent), largely for the purpose of home construction and renovation, and for construction (4.5 per cent).

The net foreign liabilities position of the banking system was \$437.4m at the end of June 2010 compared with one of \$503.6m at the end of December 2009. This development was largely associated with an 18.9 per cent increase in Saint Lucia's imputed share of the reserves to \$483.6m. The net liabilities position of commercial banks rose as they increased their liabilities with banks in other ECCU territories (10.5 per cent).

Liquidity in the commercial banking system remained tight during the period under review. The ratio of liquid assets to total deposits plus liquid liabilities was 22.4 per cent at the end of June 2010, compared with 21.0 per cent at the end of December 2009, while the loans and advances to deposits ratio fell to 113.1 per cent from 117.3 per cent at the end of December 2009.

The weighted average interest rate on deposits rose by 0.16 percentage point to 3.31 per cent, while the weighted average lending rate declined by 0.19 percentage point to 9.54 per cent. Consequently, the weighted average interest rate spread fell by 0.35 percentage point to 6.24 percentage points at the end of June 2010.

### Prospects

The economic outlook is clouded with uncertainty as growth prospects depend largely on the economic fortunes of advanced economies. The global recovery, which began fairly strong, has lost momentum, largely associated with recent

developments in the Euro zone and the USA. Sovereign debt issues and the need to reduce high budget deficits continue to plague the Euro zone. Developments in the Euro zone have also adversely impacted investor sentiment in the USA and the modest economic recovery there is facing significant headwinds in the form of high unemployment, a weak housing market and tepid consumer spending. Therefore, although the global expansion continues, much of the growth is concentrated in Asia and other emerging economies, which currently do not represent a major export market for tourism services for Saint Lucia. Additionally, the threat of higher commodity prices, primarily food and oil, add to the deteriorating prospects.

These developments have been offset somewhat by the strong performance of the tourism industry. Growth in tourism activity is expected to continue in the remainder of 2010, resulting in positive spill-over effects on the non-traded sectors. The performance of the manufacturing sector is expected to remain flat while that of the agricultural sector will be constrained by the effects of leaf spot infestation.

A lower merchandise trade deficit is projected, reflecting lower import payments as construction activity remains weak. Gross inflows from travel however, are projected to increase fuelled by a larger number of stay-over arrivals. A larger overall deficit is projected on the fiscal accounts of the central government, as a result of weak revenue collection and intractable expenditure.



The economic outturn for Saint Lucia will depend heavily on how quickly the authorities can respond to the volatile developments in the international community. Reduced foreign direct investment inflows and construction activity represent major

hurdles to the resumption of sustained economic growth. In addition, the slow recovery in the USA and the Euro zone, as well as adverse weather also poses risks to growth in Saint Lucia.



## ST VINCENT AND THE GRENADINES

### Overview

St Vincent and the Grenadines experienced a contraction in economic activity in the first half of 2010 compared with the outturn in the corresponding period of 2009. The decline was largely attributed to developments in the main economic sectors – wholesale and retail trade, transport, communications and construction. The consumer price index (CPI) grew by 1.3 per cent, on an end-of-period basis. Central government's fiscal operations yielded a larger overall deficit, associated with lower levels of revenue intake. The merchandise trade deficit increased marginally on account of a reduction in the value of exports. Total outstanding public sector debt rose during the period under review. In the banking system, monetary liabilities, domestic credit and net foreign assets increased, while commercial bank liquidity remained at a high level. The weighted average interest rate spread between loans and deposits widened.

The economic prospects for the remainder of 2010 are biased toward the downside. Despite signs of stabilisation in the global economy, domestic activity is projected to deteriorate relative to the performance in the corresponding period in 2009, based largely on anticipated developments in the construction sector. An overall fiscal deficit is projected, as growth in total expenditure is likely to outpace any revenue gains. Downside risks to the projections for St Vincent and the Grenadines include a sluggish resurgence in global output

growth, a turnaround in international commodity prices and adverse weather.

### Output

Value added in the construction sector in the first half of 2010 is estimated to have fallen, marked by a decline in both public and private sector activity. The delay or postponement of planned projects, as a result of a reduction in foreign direct investment flows associated with the global crisis, contributed to the decrease in construction activity. Construction in the private sector concentrated on the completion of the first phase of a tourism related project – Buccament Bay Resort and a few residential buildings. In the public sector, work on the rehabilitation and renovation of a number of public buildings and roads continued. Partially indicative of the fall in construction activity was a 26.7 per cent decline in commercial bank lending for construction and a 3.9 per cent fall in the importation of construction materials. Developments in the construction sector had a spill-over effect on wholesale and retail trade and the mining and quarrying sectors, which also declined in the first six months of 2010 relative to the corresponding period of 2009.

The pace of activity in the transport sector contracted relative to the first half of 2009. This assessment was informed by a decline in the road and air transport sub-sectors, associated in part with

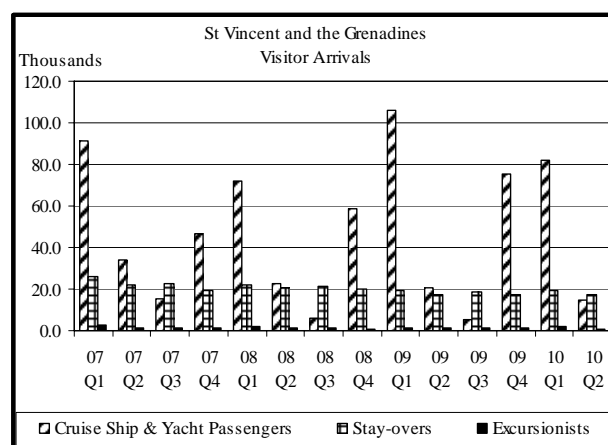


declines in visitor arrivals, departures by air and the volume of imports.

Manufacturing output is estimated to have been below the level in the first six months of 2009. Output of rice, packaging and galvanized sheets fell by 34.9 per cent, 52.2 per cent and 21.5 per cent respectively. These declines more than offset growth of 11.0 per cent, 9.5 per cent and 5.5 per cent in feeds, beverages and flour production respectively.

Activity in the tourism industry is estimated to have contracted in the first six months of 2010, evidenced by a decline of 2.3 per cent to 36,213 in the number of stay-over visitors. This outcome was partly influenced by the adverse impact of the recent global economic and financial crisis. The number of stay-over visitors from the UK fell by 5.6 per cent as that economy grappled with persistent unemployment and weak income growth. Visitor arrivals from the Caribbean, the second largest market, were estimated to have declined by 9.6 per cent, due to the high cost of intra-regional airfares and reduced airlift. By contrast, visitor arrivals from Canada were estimated to have increased by 5.8 per cent and the number of stay-over visitors from the USA rose by 3.8 per cent. Of the other categories of visitors, the number of cruise passengers fell by 9.9 per cent, a reversal from growth of 50.7 per cent in the comparable period of 2009. The decline in the number of cruise passengers in the period under review largely reflected a decrease in the number of cruise ship calls, as St Vincent and the Grenadines was removed from the itinerary of some cruise

liners. Yacht passenger arrivals increased by 1.6 per cent, in contrast to a fall of 8.1 per cent in the first half of 2009. The number of excursionists decreased by 1.9 per cent, compared with a decline of 24.8 per cent in the corresponding period of 2009.

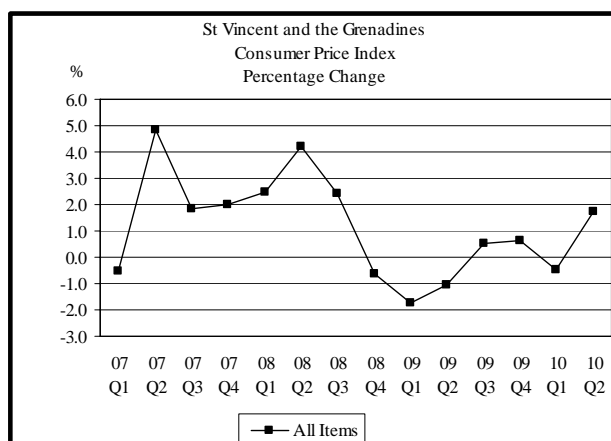


Output in the agricultural sector continued to decline, influenced by a contraction in the crops and fishing sub-sectors. Banana production fell by 13.0 per cent, partially influenced by the impact of disease and farmers' decision to diversify into other crops. Persistent drought conditions negatively affected the output of non-banana crops, which declined by 5.0 per cent. Activity in the fishing sub-sector decreased as evidenced by a 6.8 per cent fall in the volume of fish produced in the review period.

### Prices

The consumer price index (CPI) rose by 1.3 per cent during the first six months of 2010, in contrast to a decline of 2.8 per cent during the first half of 2009. The increase in the CPI was broad-based, influenced by price movements in all of the sub-indices except

household furnishing and supplies. Prices in the food sub-index, the largest weighted, grew by 1.5 per cent on average in contrast to a 3.4 per cent decline during the first half of 2009. Higher prices for ground provisions, oranges, tomatoes, codfish, brown sugar and evaporated milk were largely responsible for the increase in food prices. The fuel and light sub-index, which fell by 17.1 per cent during the first half of 2009 as a result of a decline in the cost of electricity due to a reduction in the fuel surcharge and the price of kerosene, increased by 3.1 per cent during the period under review.



### Trade and Payments

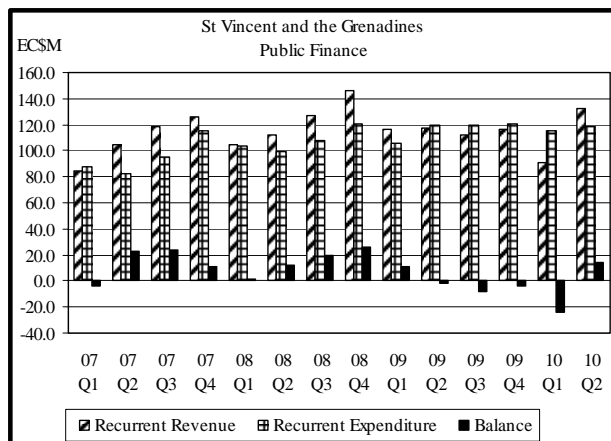
A merchandise trade deficit of \$388.2m was recorded for the first six months of 2010, up from one of \$387.1m in the corresponding period of 2009. The marginal increase was mainly the result of a decrease in the value of exports, which offset a reduction in import payments. Earnings from domestic exports fell by 21.9 per cent (\$12.0m),

primarily attributable to smaller receipts from banana, feeds and manufactured goods. Payments for imports fell by 1.8 per cent (\$8.0m) to \$441.6m, consistent with the contraction in economic activity, particularly in the construction sector. Decreases in import payments were recorded for mineral fuels, manufactured goods, food and live animals, crude materials and animal and vegetable oils.

Gross travel receipts fell by 2.3 per cent to \$124.2m, on account of the decline in stay-over visitor arrivals. The external transactions of commercial banks resulted in a net inflow of \$45.3m in short-term capital during the first six months of 2010, in contrast to a net outflow of \$43.5m registered during the corresponding period of 2009.

### Central Government Fiscal Operations

The overall balance on the central government's fiscal accounts showed a deficit of \$32.5m in the first half of 2010, compared with one of \$21.6m in the corresponding period of 2009. The widening of the deficit stemmed primarily from a combination of a fall in current revenue and an increase in current expenditure. The current account deteriorated, resulting in a deficit of \$10.4m in contrast to a surplus of \$8.6m that was realised in the first six months of 2009. The primary balance shifted to a deficit of \$7.0m, from a surplus of \$4.7m recorded in the comparable period of 2009.



Current revenue declined by 4.7 per cent (\$10.9m), associated with a 10.4 per cent decrease in tax collections. Revenue from taxes on domestic goods and services fell by 17.1 per cent (\$20.6m), mainly reflecting a decrease in collections from the excise tax (\$16.5m) and the value added tax (\$9.3m), as economic activity declined. Receipts from taxes on income and profits contracted by 8.9 per cent (\$4.8m), driven mainly by a fall in collections from corporate taxes, as the government granted tax incentives to assist businesses in weathering the impact of the international economic and financial crisis. By contrast, the yield from taxes on international trade and transactions grew by 8.1 per cent (\$3.2m), associated with the collection of arrears as well as receipts from duty levied on the importation of rice, which began in the last quarter of 2009. Non-tax revenue, the other component of current revenue, was 55.0 per cent (\$11.4m) above the total in the first half of 2009, reflecting dividends received by the government.

Current expenditure rose by 3.5 per cent (\$8.0m) to \$233.7m, influenced by an increase in outlays on

transfers and subsidies and personal emoluments. Outlays on transfers and subsidies grew by 24.9 per cent (\$13.7m), as the government expanded its social safety net programmes in an effort to mitigate the adverse impact of the global crisis on the poor and granted larger subventions to state-owned enterprises. Expenditure on personal emoluments rose by 3.5 per cent (\$3.6m), attributable to a 3.0 per cent salary increase granted to public servants effective January 2010. Those increases more than offset declines in expenditure on goods and services and interest payments. Spending associated with goods and services fell by 21.5 per cent (\$8.5m), as policies were implemented to curtail that category of expenditure. A proportion of the budgetary allocation for goods and services was reassigned to a new statutory body in the second half of 2009, for the administration of maintenance services. Interest payments decreased marginally (\$0.8m), reflecting a reduction in external interest obligations.

On the capital account, expenditure fell by 26.8 per cent to \$27.0m in the first six months of 2010, as the implementation of several development projects was delayed. Capital grants amounted to \$4.6m, approximately 22.3 per cent (\$1.3m) below the total received in the comparable period of 2009.

### Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$1,132.0m at the end of June 2010, roughly 1.2 per cent above the level at the end of December 2009. This development largely

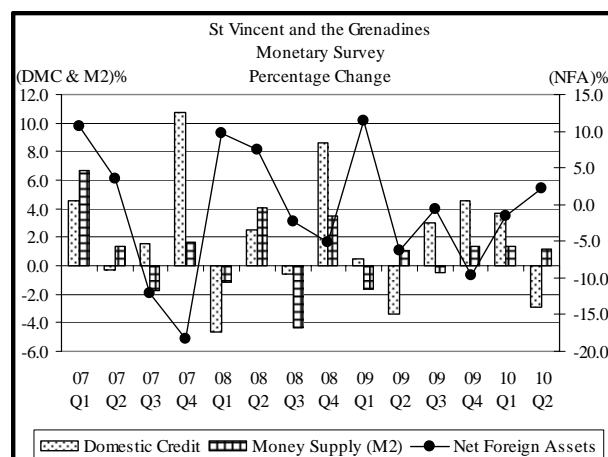
reflected an increase in the debt stock of the central government. The outstanding debt of the central government, which accounted for 82.4 per cent of the total, grew by 4.8 per cent to \$932.7m, associated with increases in both foreign and domestic borrowing. Central government's domestic debt rose by 8.2 per cent, while its external borrowing increased by 3.0 per cent. Total debt incurred by the public corporations declined by 12.6 per cent, relative to the total at the end of December 2009.

### Money and Credit

The broad money supply (M2) rose by 2.6 per cent to \$1,113.8m during the first six months of 2010, in contrast to a decline of 0.6 per cent during the corresponding period of 2009. The expansion in M2 was mainly associated with an increase in quasi money, while narrow money fell. Quasi money rose by 3.9 per cent to \$755.2m, reflecting increases in private sector foreign currency deposits (\$10.6m), savings deposits (\$11.9m) and time deposits (\$6.1m). Narrow money decreased by 0.2 per cent to \$358.6m, influenced by reductions in currency with the public (\$9.3m) and cheques and drafts issued in EC dollars (\$5.6m).

Domestic credit expanded by 0.7 per cent to \$1,036.5m during the first half of 2010, partly reflecting an increase in loans to the private sector. Outstanding loans to the private sector grew by 7.6 per cent, largely on account of an expansion in investments by subsidiaries and affiliates and non-

bank financial institutions. Net credit to the central government declined by 20.6 per cent to \$101.3m, mainly as a result of a 10.3 per cent increase in its deposits. In the rest of the public sector, the net deposits of non-financial public enterprises grew by 91.4 per cent (\$37.7m), influenced by a decline in their borrowing.



The distribution of credit by economic activity indicates that outstanding loans decreased by 0.4 per cent. Reduced lending for construction accounted for the major portion of that decline. Credit to the agricultural sector contracted by 36.9 per cent (\$1.1m) and that for manufacturing (including mining and quarrying) declined by 3.7 per cent (\$2.2m). Decreases were also recorded in outstanding loans for public administration (\$5.6m) and professional and other services (\$4.7m). Outstanding credit for personal use, which accounts for more than half of the credit extended, declined marginally by 0.1 per cent (\$0.4m). Those declines were partially offset by an increase of 54.9 per cent (\$19.9m) in credit for tourism.



The net foreign assets of the banking system rose by 0.7 per cent to \$363.5m, compared with an increase of 4.4 per cent during the first half of 2009. Commercial banks' net foreign assets decreased by 28.7 per cent to \$112.8m in contrast to growth of 27.0 per cent during the corresponding period of the previous year. Commercial banks reduced their assets held at banks and other institutions within the Eastern Caribbean currency union and increased their external borrowing to finance the expansion in domestic credit. St Vincent and Grenadines' imputed share of the Central Bank's reserves rose by 23.5 per cent to \$250.7m.

Liquidity in the commercial banking system remained at a high level during the period under review. The ratio of liquid assets to total deposits plus liquid liabilities rose by 1.5 percentage points to 39.1 per cent at the end of June 2010. The loans and advances to total deposits ratio fell by 4.3 percentage points to 81.3 per cent.

The weighted average deposit and lending rates both fell marginally from their positions at the end of December 2009. The weighted average interest rate on deposits declined by 0.16 percentage point to 2.77 per cent and that on loans decreased by 0.10 percentage point to 9.04 per cent. Consequently, the weighted average interest rate spread between deposit and lending rates increased by 6 basis points during the review period.

## **Prospects**

Based on the outturn for the first half of 2010 and expected developments for the latter half of the year, economic output in St Vincent and the Grenadines is projected to decline in 2010. This position is supported by the slow pace of the global economic recovery, particularly in the USA. The decline in construction activity is likely to continue in the rest of the year, as funding for major private and public sector development projects is expected to be adversely affected by the impact of the international economic and financial crisis. Public sector investments for the year are likely to be limited to road construction and rehabilitation as well as the refurbishment and improvement of public buildings, while the private sector's main focus will continue on the Buccament Hotel and Resort project. Developments in the construction sector are expected to spill over into other sectors like mining and quarrying, transportation and wholesale and retail trade. In the manufacturing sector, the adverse impact of falling demand is likely to continue to constrain production.

In the tourism industry, the prospects for stay-over visitor arrivals in the second half of the year are uncertain. Some recovery is projected for the economies of the main source markets, but demand for travel is likely to remain subdued in the short term as unemployment is still at record high levels.



Cruise ship passenger arrivals are projected to continue to decline based on the itinerary for cruise ship visits in the second half of the year. The contraction in cruise activity is also expected to affect the transport sector negatively.

Agricultural output is projected to decline marginally, based largely on developments in the non-banana sub-sector, which has been affected by severe drought conditions. Increasing yields are not anticipated in the latter half of 2010, as recovery is likely to be hampered by an active hurricane season. Additionally, banana production, which has been affected by disease, is not expected to bounce back in the near term.

Central government's fiscal operations are projected to yield a larger overall deficit, as the current account deficit widens. Expenditure associated with transfers and subsidies is likely to rise, based on an expansion of the social safety net programmes and increased subventions to state-owned enterprises. Larger outlays on personal emoluments are likely as discussions are ongoing on the status of an

outstanding salary increase of 2.0 per cent to public servants. Capital expenditure is expected to contract, partly due to the slow pace of the inflow of funds.

In the external sector, the merchandise trade deficit is projected to narrow, as import payments continue to fall, in line with the decrease in construction activity. Uncertainty with respect to stay-over arrivals and the anticipated fall in the number of cruise ship passengers are likely to translate to a decline in visitor expenditure. Reduced inflows of foreign direct investment are projected, reflecting the impact of the slow recovery from the global financial crisis on investment activity.

Since the global economic recovery is expected to be sluggish, a turnaround for the economy of St Vincent and the Grenadines is likely to be delayed. Hence, downside risks to the projections persist. These risks include the negative effects of lower foreign direct investment and remittance flows, adverse weather associated with an active hurricane season and an increase in international oil and other commodity prices.



## INTERNATIONAL ECONOMIC DEVELOPMENTS

### Overview

Following what has been described as the most turbulent period in the history of the global economy since the 1930s, growth rebounded during the last quarter of 2009 and strengthened further in 2010. Notwithstanding the improvement, the level of uncertainty has increased with the emergence of fiscal sustainability issues in the euro area and a dramatic slow-down in the rate of recovery in the US. Global output is estimated to have expanded in other western advanced economies, however with weak recoveries in the US and a marginal deceleration in economic growth in China, the expansion will be less than robust and uneven in its composition. Central banks maintained accommodative monetary policies for fear of derailing the recovery. However, in some jurisdictions particularly the US, policy makers face the dilemma of needing to do more with very few policy options remaining. Price pressures remained muted except in jurisdictions like China where the domestic economic stimulus facilitated an upsurge in consumer spending and labour costs. Generally, labour market conditions remained weak as the strength of the recovery was insufficient to improve consumer sentiment and unfreeze credit markets.

Commodity prices strengthened further during the first half of 2010 extending the recovery which began in the second quarter of 2009. After the rapid commodity price build up in 2008, the onset of the recession later that year resulted in sharp declines in

consumer and industrial demand. In response prices fell appreciably, particularly in the first three months of 2009, as the recession deepened. Since then there has been a steady rise in commodity prices generally, fuelled for the most part by energy and metals. The strengthening in commodity prices for the most part has mirrored crude oil prices. During the first half of 2010, crude oil prices averaged US\$78.8 per barrel, 50.0 per cent higher than the comparable period in 2009 when prices averaged US\$52.60 per barrel. The strengthening in prices partly reflects the effects of increased demand coincidental with the resumption of economic growth in the first half of 2010, in contrast to the recessionary conditions experienced during the first six months of 2009. In addition, the increase in the demand for commodities reflected the imperatives of manufacturers to supply wholesalers with goods needed to replenish stocks after inventories were reduced to unprecedented lows as consumer spending fell.

### Developments in the Major Economies

Following an upturn in economic activity that commenced in the third quarter of 2009, the pace of expansion in the USA slowed in the first quarter of 2010 to a 3.7 per cent pace from 5.0 per cent in the fourth quarter of 2009. The pace of expansion decelerated further to a 1.6 per cent rate in the second quarter, weighed down by low consumer confidence and adverse labour market conditions underscored by high unemployment (9.6 per cent).



The major constraint to the rate of growth was net exports, reflecting faster growth in imports (32.4 per cent) compared with the performance of exports which rose by 9.1 per cent. Additionally, a sharp deceleration in private inventory slowed the rate of expansion. Economic activity was nonetheless, supported by moderate increases in spending by consumers, the government, and higher stockpiles of inventory. During the first half of 2010, the Federal Reserve maintained its benchmark lending rate at a range between 0 and 0.25 per cent which was established on 16 December 2008, in response to a marked deterioration in labour market conditions and declines in real sector activity. Consumer prices fell by 0.1 per cent in June 2010 following a 0.2 per cent reduction in May, influenced by declines in gasoline prices which more than offset an increase in the index net of food and energy. The core CPI, which excludes energy and food, rose by 0.2 per cent after increasing by 0.1 per cent in May.

**Canada's** gross domestic product for the second quarter of 2010 rose by 2.0 per cent, a sharp deceleration from the 5.8 per cent rate recorded during the first quarter. The fall in the growth rate was attributed largely to foreign trade as the rate of increase in imports (18.4 per cent) outpaced that of exports (6.2 per cent). The moderate performance of the export sector largely reflected the continued sluggishness of the US economic recovery, while the appreciation of the Canadian dollar encouraged more spending abroad by Canadians contributing to higher imports. Consumer spending slowed to a 2.6 per cent pace in the second quarter below the 4.3 per

cent increase in the previous quarter. Durable and semi-durable purchases fell, partly offset by higher spending on services. The recent developments in economic performance have lessened the likelihood that the Bank of Canada will continue to increase interest rates much higher as the economy decelerated rapidly in the second quarter.

The economic recovery in the **UK** strengthened to a 1.2 per cent increase in GDP in the second quarter of 2010 compared with a 0.1 per cent rise in the previous quarter. The performance was sustained by a rise in inventories associated with a 1.6 per cent rise in manufacturing and higher household consumption expenditure (0.7 per cent). However, the contribution of net trade to national output was negligible as imports rose by 2.4 per cent compared with a 2.3 per cent increase in exports of goods and services, resulting in a larger trade deficit of \$17.3b (£10.9b). Output in the service industries rose by 0.6 per cent compared with a 0.2 per cent rise in the first quarter of 2010. Production was buoyed by the manufacturing sector which expanded by 1.6 per cent, however a decline in output from utilities and no change in the mining and quarrying sector slowed the overall performance. Gross fixed capital formation rose by 1.4 per cent in the second quarter, a marked improvement over the 2.3 per cent contraction recorded during the second quarter of 2009. During the second quarter, headline consumer price inflation averaged 3.5 per cent, above the 3.3 per cent forecasted by the central bank in its inflation report for the month of May. Consumer prices fell to 3.2 per cent in June, from 3.4 per cent



in the previous month and a high of 3.7 per cent in April. The central bank remains confident that inflation will fall within the Bank's targeted 2.0 per cent range during 2010. House prices, a major indicator of the strength of the UK economy, rose by 1.9 per cent in the second quarter compared with 1.6 per cent in the first quarter. The strongest growth was recorded in the south-west of England.

The **Euro Area** economy expanded by 1.0 per cent in the second quarter of 2010, after increasing by 0.3 per cent in the previous quarter. The second quarter performance was fueled by a 0.7 per cent improvement in domestic demand. Private consumption rose by 0.5 per cent compared with a 0.2 per cent increase in the first quarter. Gross capital formation contracted by 1.8 per cent in contrast to a 0.4 per cent fall in the first quarter of 2010. Another major component of domestic demand was government consumption which rose by 0.5 per cent in the second quarter, compared to 0.2 per cent in the previous quarter. Inventory stockpiles, which were reduced sharply during the recession, were increased during the second quarter adding 0.8 percentage point to GDP in the second quarter compared with 0.2 percentage point in the first quarter. Trade in the Euro area accelerated as the global recovery strengthened. Both imports and exports rose by 4.4 per cent in the second quarter resulting in a positive contribution to GDP growth in the second quarter of 0.1 per cent of GDP in contrast to a -0.6 percentage point contribution in the first quarter.

The economic recovery in **Japan** slowed appreciably in the second quarter of 2010 to a 0.1 per cent rate compared with a 1.1 per cent expansion in the previous quarter. The development reflected sluggish domestic demand coupled with a 0.2 per cent fall in inventories. Domestic demand was weighed down by reductions in personal consumption, a consequence of the end of the fiscal stimulus policies implemented by the government. However, the fall in private consumption was partially offset by a 0.2 per cent rise in government consumption. Consumer prices have been on a downward trajectory consistent with weak demand and excess capacity in the economy. Prices fell on average by 1.1 per cent compared with a 0.3 per cent reduction in the first half of 2009. During the first six months of 2010, the rate of unemployment rose to an average of 5.0 per cent from one of 4.7 per cent during the comparable period of 2009.

Real GDP in **China** decelerated to a 10.3 per cent rate during the second quarter of 2010 below the 11.9 per cent rate of increase in the first quarter. The deceleration in the pace of economic activity reduced the risk of overheating which began to concern policy makers as the impact of policies geared towards stimulating domestic demand exceeded initial expectations. As global trade recovered, external demand has gradually re-emerged as the major driver of economic growth. Exports increased by 41.0 per cent on an annual basis during the second quarter while the growth in imports decelerated. The deceleration in import



growth largely reflected weaker domestic demand and lower prices for raw material imports. After recording a \$7.2 billion trade deficit in March 2010, the resumption of global trade has enabled China to again accumulate monthly trade surpluses. Inflationary pressures have begun to re-emerge. The rate of inflation was 2.5 per cent in the first half of 2010 in contrast to a 0.9 per cent fall in overall prices during the first half of 2009.

### **Commodity Prices**

The rapid acceleration in commodity prices in 2008 subsequently gave rise to a fall in prices as the recession intensified in 2009. According to the International Monetary Fund's Commodity Price Index, as the recession ended and growth resumed, commodity prices strengthened by June 2010. Fuelled largely by an 83.0 per cent rise in energy prices at the end of June 2008, commodity prices increased by 55.4 per cent with much of the increase reflected in the food sub-index (44.7 per cent). By June 2009 commodity prices declined to 2007 levels as global demand fell with the advent of the global downturn and a contraction in international trade. The reduction was again influenced by a fall in average petroleum prices by 51.1 per cent at the end of June 2009. At the end of June 2010, during which the global recovery had already resumed, the strengthening in crude oil prices resulted in a 26.6 per cent increase in commodity prices much of

which was associated with non-fuel commodities which increased by 20.1 per cent. The index of food prices rose more slowly during the period by 0.7 per cent in contrast to a 20.5 per cent contraction by the end of June 2009.

### **Prospects**

The guarded optimism which informed sentiments about the global recovery at the beginning of 2010 has gradually receded, and replaced by intensifying doubts about the sustainability of the global recovery. The outlook is largely informed by the flagging strength of the US recovery, coupled with the intractably high unemployment rate. The global expansion lacks the balance needed to ensure its sustainability and growth will be skewed primarily to south-east Asia and in particular China, India and to a lesser extent Russia. Additionally, commodity exporting countries including Canada, Australia and Brazil will benefit from the rapid expansion in Asian economies as these countries slowly achieve per-capita income convergence with more advanced economies. The global imbalances which accumulated during the decades of high consumption in advanced economies will take time to be resolved, during which time the countries which were at the centre of the financial crisis will continue to be constrained by credit wary banks as they attempt to repair their balance sheets.



Consumer outlook and spending will also remain weak as consumers in the USA and the Euro Zone deleverage, which in the case of the USA will account for a substantial proportion of GDP growth. In summary the global economy faces considerable

downside risks which appear to be intensifying. A global re-ordering is currently in process which portends a world increasingly influenced by newly emerging economies and dominated less so by advanced economies.



## REGIONAL ECONOMIC DEVELOPMENTS

### Output

Preliminary information available on the member countries of the Caribbean Community (CARICOM) indicates mixed economic performances during the first half of 2010. In **The Bahamas**, provisional data suggest that economic activity remained relatively subdued despite continued signs of stabilisation in the tourism industry. In **Barbados**, real GDP is estimated to have declined by 1.0 per cent in the first six months of 2010 compared with a contraction of 7.1 per cent in the corresponding period of 2009, occasioned by reduced activity in both the traded and non-traded sectors. Sugar production fell sharply, particularly in the second quarter, as the industry continued to be affected by severe and prolonged drought conditions that began in the first quarter. Output in the construction and manufacturing sectors declined due to financing difficulties for new projects and working capital requirements respectively. By contrast, activity in the tourism industry rebounded on account of an expansion in the North American (USA and Canada) markets. The **Belizean** economy is estimated to have increased marginally in the first half of 2010 as opposed to a 1.7 per cent contraction in the comparable period of 2009, attributable to growth in the agricultural and energy sectors and the tourism industry. In **Jamaica**, real output is estimated to have decreased by, at most, 1.0 per cent in the first quarter of FY 2010/11 (April to June 2010), reflecting continued deceleration in the rate of economic contraction since the quarter ended

September 2007. Activity fell in the manufacturing, construction, and finance and insurance services sectors, among others, largely as a result of weak domestic demand. In **Trinidad and Tobago**, the pace of economic activity, which rebounded in the last quarter of 2009, is estimated to have slowed during the first five months of 2010 (the latest available period) due to mixed developments in the energy sector – crude oil production fell whereas the output of natural gas rose.

### Prices

Price pressures eased in most of the CARICOM member countries and this was reflected in the general moderation in inflation rates. In **The Bahamas**, retail price inflation fell to 1.0 per cent during the twelve-month period ended May 2010 (the latest available period) from 4.7 per cent for the corresponding period a year earlier, on account of some easing in global price pressures. In **Belize**, consumer prices were estimated to have risen by 1.8 per cent during the twelve-month period ended May 2010 (the latest available period), driven by higher fuel acquisition costs as reflected in increases in the “rent, water, fuel and power” and “transportation and communication” sub-indices. The consumer price index for **Jamaica** rose by 2.6 per cent during the first three months of FY 2010/11, down from inflation rates of 2.7 per cent for the corresponding quarter of the last fiscal year and 4.1 per cent for the quarter ended March 2010. Inflationary pressures emanated from the administrative price adjustment





of bus fares within the Kingston Metropolitan area that led to higher transportation costs, and the impact of drought conditions in the first four months of the year that contributed to increased vegetable prices. Those impulses were, to a large extent, tempered by lower energy prices. By contrast, headline inflation in **Trinidad and Tobago** spiked to 13.7 per cent (year-on-year) in June 2010 from 1.3 per cent in December 2009, largely influenced by increases in food prices. Food price inflation surged to 31.1 per cent (year-on-year) from a marginal (0.2 per cent) rate of decline during the same period a year earlier, consequent on adverse drought conditions and subsequent flooding. In the meantime, core inflation, excluding food prices, rose to 4.3 per cent (year-on-year) in June 2010 from 2.2 per cent in December 2009.

### Employment

Employment data for the first half of 2010 are not available for any of the CARICOM member countries. However, the first-quarter jobless rate for **Barbados** was revised upwards to 10.6 per cent (from the preliminary estimate of 9.8 per cent), compared with a rate of 10.1 per cent at the end of March 2009.

### Central Governments' Fiscal Developments

The overall fiscal deficit of the central government of **The Bahamas** rose by 49.1 per cent to B\$327.0m in the first eleven months of FY2009/10 (July 2009 to May 2010), attributable to both larger expenditure

outlays and reduced revenue receipts on account of lacklustre economic activity. In **Barbados**, the fiscal deficit for the period January to May 2010 (the latest available period) fell to 8.6 per cent of GDP, compared with a contraction to 10.2 per cent of GDP in the corresponding period of 2009, due to fiscal consolidation efforts that were mainly concentrated on reducing expenditures. In **Belize**, the central government recorded current and primary account surpluses of BZ\$40.8m and BZ\$41.6m respectively, up from positive balances of BZ\$1.1m and BZ\$16.8m respectively in the first half of 2009, and an overall deficit of BZ\$2.6m, compared with one of BZ\$31.0m. The improved fiscal outturn was largely attributable to increased revenue collection from petroleum production, the Gross Sales Tax and import duties. In **Jamaica**, preliminary data for the first quarter of FY 2010/11 (April to June 2010) show that the central government's fiscal operations resulted in an overall deficit of J\$10.5 billion, comparing favourably with a budgeted deficit of J\$16.1 billion. The positive variance reflected expenditure rationalisation coupled with higher than anticipated revenue and grant receipts. In **Trinidad and Tobago**, the overall deficit, calculated on a cash basis, for the first eight months of FY 2009/10 (October 2009 to May 2010) amounted to TT\$77.9m, well below the deficit of TT\$1,694.3m recorded in the corresponding period of the previous fiscal year. The narrower deficit stemmed from a significant reduction in current expenditure, coupled with an expansion in revenue receipts from the non-energy sectors.



## External Sector Developments

External sector developments in the region were mixed during the first half of 2010. Official balance of payments statistics as at the end of June 2010 were not available for **Barbados**; however, indicators suggest that the current account position remained in deficit due to larger outflows and smaller receipts on the goods and services sub-account. For instance, receipts from sugar exports were 20.0 per cent less than earnings received in the first half of 2009, consistent with the decline in production. Furthermore, sugarcane farmers received roughly 25.0 per cent less per tonne of cane as a result of the combined effects of the phased reduction of guaranteed prices and the depreciation of the euro. Receipts from other business services were also estimated to have fallen as the number of new registrations of international business and financial companies declined significantly on account of stricter regulations. External sector developments for **Belize** featured growth of 33.6 per cent in earnings from selected domestic exports, particularly petroleum, citrus and banana, driven by both price and volume increases. **Jamaica's** terms of trade (TOT), as measured by the Bank of Jamaica's TOT index, fell by an estimated 2.6 per cent during the first quarter of FY 2010/11 (relative to the last quarter of FY 2009/10) and 11.5 per cent on an annual basis. The movement in the TOT was occasioned by a 1.8 per cent reduction in the export price index and a 0.9 per cent increase in the import price index, suggesting that the external current

account deficit deteriorated during the reference period.

## Monetary and Credit Developments

Developments in the **Bahamian** banking system during the first half of 2010 were marked by deceleration in the accumulation of external reserves and an acceleration in domestic credit growth. External reserves grew by B\$36.2m, down from an increase of B\$201.5m during the first six months of 2009. Domestic credit expanded by B\$196.6m at the end of June 2010 relative to the level at the end of 2009, which was more than triple the increase recorded for the first six months of 2009. Outstanding credit in Bahamian dollars rose by B\$194.6m in contrast to a contraction of B\$53.0m in the first half of 2009, whereas domestic foreign currency credit increased marginally (B\$2.0m) relative to the expansion of B\$113.4m during the first half of 2009. In **Barbados**, the commercial banking system remained relatively liquid at the end of June 2010, with cash reserves equating to 7.5 per cent of deposits – 2.5 percentage points above the regulatory requirements; bank deposits rose marginally and demand for credit continued to be weak. In **Belize**, the monetary base fell marginally (0.3 per cent) during the first half of 2010, in contrast to an expansion of 5.0 per cent during the comparable period in 2009. Furthermore, there were broad contractions in domestic credit, particularly to the private sector. Gross official reserves and commercial banks' net foreign assets both increased.



In **Jamaica**, broad money increased by 0.6 per cent during the first quarter of FY 2010/11, relative to an expansion of 2.1 per cent during the comparable quarter of FY 2009/10. The Bank of Jamaica (BOJ) continued to loosen its monetary policy stance during the quarter ended June 2010, following administrative rate reductions in the previous quarter, in the context of largely positive domestic economic conditions. BOJ reduced the interest rate applicable to the 30-day open market operation instrument in two equal adjustments, totalling 100 basis points, to 9.0 per cent within a 2-week period in June 2010. In **Trinidad and Tobago**, the main objective of monetary policy was to balance concerns about rising inflation with the need to reinvigorate the economy. The Central Bank of Trinidad and Tobago (CBTT) continued its suspension of the consecutive reductions in the “repo” rate as at January 2010 so that, throughout the rest of the review period, the policy rate was kept at its lowest level (5.0 per cent) since the mid-1980s when CBTT first introduced open market instruments. Private sector credit fell by 4.6 per cent in May 2010 relative to the level in the corresponding month of 2009, in spite of the accommodative monetary policy stance and lower domestic interest rates. The classification of credit by economic activity showed that outstanding loans in all categories, except real estate, declined. Consequently, commercial banks reported significant excess liquidity and their resulting appetite for government securities led to a reduction in the treasury bills rate to 0.97 per cent.

## **Outlook**

The near-term economic outlook is shrouded in uncertainty as fears of a double-dip recession in the US, the region’s most important trading partner, resurfaced during the latter part of the first half of 2010. Economic activity in **The Bahamas** is expected to stabilise in 2010 as a marginal contraction (0.5 per cent) in real GDP is forecast, relative to the decline of 4.5 per cent in 2009, mostly on account of modest improvement in key tourism indicators and plans to advance large-scale hotel investment projects in the coming months.

Economic prospects for **Barbados** are that growth in real output is projected to be marginal and unemployment is likely to remain high.

In **Belize**, real GDP is expected to increase by roughly 1.5 per cent, premised principally on an anticipated surge in domestic electricity generation, a rebound in wholesale and retail trade activity and continued growth in petroleum production.

In **Jamaica**, economic activity is expected to recover somewhat in FY 2010/11 with real GDP growth forecast to be in the range of 0.0 per cent to 1.0 per cent, premised on a likely recovery in the tourism industry and mining and agricultural sectors. In fact, real output is projected to begin to expand in the quarter ending September 2010 for the first time since the corresponding quarter in 2007 as a result of broad-based improvement in key sectors.



In **Trinidad and Tobago**, real GDP growth was revised downwards to the range of 1.0 per cent to 1.5 per cent from an initial forecast of 2.0 per cent as

evidence suggested that the recovery momentum, particularly in the non-energy sectors, began to slow down in the second quarter of 2010.



## 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 and private businesses.
4. Currency = total currency liabilities of the Central Bank less commercial banks' holdings of local currency cash.
5. Demand Deposits = total private businesses and households residents' demand deposits.
6. Savings Deposits = total private businesses and households residents' savings deposits.
7. Time Deposits = total private businesses and households residents' time deposits.
8. Foreign Currency Deposits = total private businesses and households residents' foreign currency deposits



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

	2009	2009	2009 <sup>R</sup>	2010 <sup>R</sup>	2010 <sup>P</sup>	2009	2010
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	720,733	500,642	1,184,477	1,608,462	685,480	2,286,937	2,293,942
Stay-Over Visitors	226,834	219,882	238,101	271,933	232,817	487,872	504,750
Of which:							
USA	91,559	75,145	79,597	106,032	100,475	184,883	206,507
Canada	10,913	8,609	17,541	34,023	13,385	41,066	47,408
UK	45,038	41,721	53,556	54,649	43,269	108,329	97,918
Caribbean	57,442	73,077	58,971	46,067	51,757	103,921	97,824
Other Countries	21,882	21,330	28,436	31,162	23,931	49,673	55,093
Excursionists <sup>1</sup>	20,054	16,749	17,701	25,001	19,343	40,488	44,344
Cruise Ship Passengers <sup>2</sup>	448,532	251,547	902,412	1,268,025	405,765	1,694,744	1,673,790
Yacht Passengers <sup>4</sup>	25,313	12,464	26,263	43,503	27,555	63,833	71,058
Number of Cruise Ship Calls <sup>3</sup>	227	100	541	797	214	1,038	1,011
Total Visitor Expenditure (EC\$M)	<b>644.55</b>	<b>576.48</b>	<b>742.11</b>	<b>893.29</b>	<b>665.89</b>	<b>1,504.78</b>	<b>1,559.18</b>

Sources: Central Statistics Offices, OECS and ECCB

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

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

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

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

Data available at 22 August 2010

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

	2009	2009	2009	2010	2010 <sup>P</sup>
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr
Net Foreign Assets	2,148.51	2,085.00	1,920.10	2,144.71	1,920.07
Central Bank (net)	2,097.36	2,226.29	2,156.97	2,200.34	2,252.55
Commercial Banks (net)	51.15	(141.29)	(236.87)	(55.63)	(332.48)
External (net)	51.15	(141.29)	(236.87)	(55.63)	(332.48)
Assets	3,310.51	3,802.10	4,015.13	4,335.55	3,678.90
Liabilities	3,259.36	3,943.38	4,252.00	4,391.19	4,011.38
Other ECCB Territories	428.97	405.96	316.73	394.75	456.62
Assets	2,987.73	3,067.20	2,947.56	3,097.83	3,447.76
Liabilities	2,558.76	2,661.24	2,630.83	2,703.08	2,991.14
Net Domestic Assets	10,347.94	10,298.74	10,468.14	10,483.77	10,563.31
Domestic Credit	12,338.08	12,467.13	12,673.21	12,638.61	12,652.83
Central Government (net)	1,119.21	1,122.00	1,273.26	1,213.71	1,076.85
Other Public Sector (net)	(867.50)	(878.43)	(908.49)	(871.22)	(925.63)
Private Sector	12,086.37	12,223.56	12,308.45	12,296.11	12,501.62
Households	5,971.11	6,080.72	6,137.77	6,151.79	6,194.30
Business	5,648.80	5,699.97	5,750.99	5,745.38	5,860.46
Non-Bank Financial Institutions	173.52	154.62	134.37	127.75	152.01
Subsidiaries & Affiliates	292.94	288.26	285.33	271.20	294.85
Other Items (net)	(1,990.13)	(2,168.39)	(2,205.06)	(2,154.83)	(2,089.52)
Monetary Liabilities (M2)	12,496.45	12,383.74	12,388.24	12,628.48	12,483.39
Money Supply (M1)	2,556.16	2,450.54	2,530.43	2,583.86	2,509.13
Currency with the Public	569.29	553.51	621.37	583.86	567.49
Demand Deposits	1,885.80	1,806.45	1,834.40	1,894.71	1,856.47
EC\$ Cheques and Drafts Issued	101.08	90.58	74.66	105.29	85.17
Quasi Money	9,940.29	9,933.21	9,857.81	10,044.62	9,974.25
Savings Deposits	5,190.40	5,202.19	5,222.29	5,289.79	5,312.18
Time Deposits	2,752.00	2,743.30	2,705.37	2,762.86	2,793.02
Foreign Currency Deposits	1,997.90	1,987.72	1,930.15	1,991.97	1,869.05

Source: Eastern Caribbean Central Bank

Data available at 22 August 2010





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

	2009 <sup>R</sup>	2009 <sup>R</sup>	2009 <sup>R</sup>	2010 <sup>R</sup>	2010 <sup>P</sup>	2009	2010
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
<b>Current Revenue</b>	862.69	745.83	788.38	808.94	857.86	1,754.28	1,666.79
Tax Revenue	775.01	671.64	704.38	705.61	761.25	1,576.24	1,466.87
Taxes on Income & Profits <sup>11</sup>	221.83	159.94	141.97	178.76	185.86	426.74	364.63
Of Which:							
Personal Income Tax <sup>12</sup>	63.49	57.66	57.21	61.26	61.93	129.48	123.19
Company	136.96	85.13	64.43	86.62	96.77	250.58	183.39
Taxes on Property	18.71	13.98	10.72	14.46	20.77	36.68	35.23
Taxes on Domestic Goods & Services	244.15	223.73	234.39	234.97	244.86	512.56	479.84
Of Which:							
Accommodation Tax	11.19	8.07	6.50	14.21	14.21	26.17	28.41
Licences	18.91	18.91	23.06	24.77	15.84	47.31	40.61
Sales Tax <sup>13</sup>	52.17	42.45	51.83	44.54	46.99	110.05	91.53
Value Added Tax <sup>14</sup>	67.30	58.41	73.98	67.74	87.88	134.88	155.63
Consumption Tax <sup>14</sup>	13.14	10.15	10.26	8.89	2.40	25.17	11.29
Stamp Duties <sup>14</sup>	28.85	29.65	26.17	26.51	32.04	61.77	58.56
Taxes on International Trade and Transactions	290.32	273.99	317.30	277.41	309.76	600.26	587.17
Of Which:							
Import Duties	95.97	90.86	116.26	86.22	104.21	192.81	190.44
Consumption Tax <sup>15</sup>	89.31	84.31	82.24	69.23	74.09	190.82	143.32
Customs Service Charge <sup>15</sup>	57.47	55.80	68.51	40.40	44.55	118.88	84.95
Non-Tax Revenue	87.68	74.19	83.99	103.32	96.60	178.04	199.93
<b>Current Expenditure</b>	854.24	842.19	1,027.13	829.43	836.52	1,701.42	1,665.96
Personal Emoluments	367.10	368.36	378.61	368.01	376.55	734.09	744.55
Goods and Services	192.60	191.16	205.45	166.05	171.17	362.16	337.22
Interest Payments	91.77	98.11	251.78	104.81	98.64	205.22	203.45
Domestic	52.85	59.86	164.12	57.83	54.69	105.57	112.53
External	38.93	38.24	87.65	46.98	43.94	99.65	90.92
Transfers and Subsidies	202.77	184.56	191.29	190.56	190.17	399.95	380.73
Of Which: Pensions	52.37	48.34	57.72	52.89	45.39	101.01	98.28
<b>Current Account Balance</b>	8.45	(96.36)	(238.75)	(20.49)	21.33	52.86	0.84
<b>Capital Revenue</b>	10.96	2.91	11.90	3.70	6.83	16.26	10.52
<b>Grants</b>	85.92	58.50	89.20	65.96	63.67	186.91	129.63
<b>Capital Expenditure and Net Lending</b>	194.40	214.48	260.60	130.50	173.41	397.28	
Of Which: Capital Expenditure	193.62	212.08	260.93	129.17	173.34	396.77	302.51
<b>Overall Balance</b>	(89.07)	(249.42)	(398.25)	(81.34)	(81.59)	(141.26)	(162.92)
<b>Financing</b>	89.07	249.42	398.25	81.34	81.59	141.26	162.92
Domestic	(21.16)	44.36	431.03	6.90	(0.49)	120.75	6.42
ECCB (net)	1.72	24.32	37.76	(18.27)	20.76	(22.81)	2.49
Commercial Banks (net)	(52.03)	(21.54)	113.50	(41.28)	(157.62)	100.18	(198.90)
Other	29.15	41.58	279.77	66.45	136.38	43.38	202.83
External	22.76	184.39	(8.48)	56.99	64.78	11.73	121.76
Net Disbursements/(Amortisation)	21.56	188.27	(11.48)	58.07	69.26	7.80	127.33
Disbursements	77.04	238.69	48.66	135.51	177.94	146.61	313.45
Amortisation	(55.48)	(50.42)	(60.14)	(77.44)	(108.68)	(138.82)	(186.12)
Change in Government Foreign Assets	1.20	(3.88)	3.00	(1.08)	(4.48)	3.93	(5.57)
Arrears <sup>16</sup>	87.47	20.66	(24.31)	17.45	17.30	8.79	34.74
Domestic	8.17	0.27	(40.14)	18.97	3.76	8.27	22.73
External	79.30	20.40	15.83	(1.52)	13.54	0.52	12.01

Source: Ministry of Finance and ECCB

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

<sup>12</sup> Includes a social services levy which is applied in St Kitts and Nevis

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

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

<sup>15</sup> For all territories except Anguilla

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

Data available at 22 August 2010



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

	2006	2007	2008	2009	Jun 2010
Anguilla	120.3	141.2	170.9	191.6	180.7
Antigua and Barbuda	2,840.1	2,835.7	2,979.1	3,205.7	3,259.0
Dominica	951.9	917.9	898.1	862.8	852.0
Grenada	1,656.3	1,710.0	1,777.1	1,883.8	1,857.7
Montserrat	12.0	11.2	11.1	8.8	9.0
St Kitts and Nevis	2,379.6	2,474.0	2,489.6	2,551.8	2,583.7
Saint Lucia	1,718.0	1,857.1	1,884.8	1,911.6	2,028.8
St Vincent and the Grenadines	1,028.1	1,026.9	1,093.8	1,118.4	1,132.0
<b>TOTAL ECCU</b>	<b>10,706.3</b>	<b>10,974.0</b>	<b>11,304.4</b>	<b>11,734.6</b>	<b>11,902.8</b>

Source: ECCB

\* Includes arrears of principal

Data available at August 2010

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

	2006	2007	2008	2009	Jun 2010
Anguilla	103.2	121.1	149.6	172.3	162.5
Antigua and Barbuda	2,582.8	2,558.2	2,683.6	2,705.1	2,826.3
Dominica	789.3	762.1	749.2	713.8	705.9
Grenada	1,458.4	1,539.1	1,580.2	1,684.3	1,662.8
Montserrat	4.2	3.8	4.0	2.2	2.4
St Kitts and Nevis	1,473.0	1,515.4	1,550.7	1,623.5	1,663.1
Saint Lucia	1,428.0	1,595.4	1,616.2	1,642.2	1,735.4
St Vincent and the Grenadines	891.6	840.1	849.8	890.3	932.7
<b>TOTAL ECCU</b>	<b>8,730.5</b>	<b>8,935.2</b>	<b>9,183.3</b>	<b>9,433.6</b>	<b>9,691.0</b>

Source: ECCB

Data available at August 2010

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

	2006	2007	2008	2009	Jan - Jun 2009	Jan - Jun 2010
Anguilla	26.9	11.0	40.3	51.0	7.0	48.8
Antigua and Barbuda	246.6	202.5	243.5	306.8	78.6	183.9
Dominica	54.9	55.1	53.8	29.3	16.4	17.7
Grenada	45.7	86.3	79.2	117.5	35.3	46.0
Montserrat	0.2	1.2	0.2	0.2	0.1	0.0
St Kitts and Nevis	209.2	205.9	212.6	190.4	102.9	85.6
Saint Lucia	122.7	136.2	156.7	173.3	90.1	83.4
St Vincent and the Grenadines	83.0	93.6	107.6	112.9	62.2	66.5
<b>TOTAL ECCU</b>	<b>789.2</b>	<b>791.7</b>	<b>894.0</b>	<b>981.4</b>	<b>392.7</b>	<b>531.8</b>

Source: ECCB

Data available at August 2010



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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr
Total Bid Amount	241.80	292.90	161.50	240.50	135.40
Value	178.80	238.00	146.80	205.60	96.00

Source: ECSE

Data available at end of August 2010

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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr
91-day Treasury Bills	5.73	5.77	5.74	5.31	4.95
180-day Treasury Bills	**	4.50	**	**	**
365-day Treasury Bills	6.75	6.00	6.26	**	6.75
5-year Bond	**	7.00	**	**	**
6-year Bond	**	7.15	7.25	7.25	**
7-year Bond	8.00	**	**	**	**
8-year Bond	**	**	**	7.50	**
10-year Bond	**	**	**	**	**

Source: ECSE

Data available at end of August 2010

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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr
Volume	2.30	1.80	2.70	2.30	3.50
Value	2.30	1.80	2.60	4.10	7.40

Source: ECSE

Data available at end of August 2010



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

	2009	2009	2009 <sup>R</sup>	2010 <sup>R</sup>	2010 <sup>P</sup>	2009	2010
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	29,380	25,435	34,412	35,691	27,324	60,629	63,015
Stay-Over Visitors	14,555	12,617	22,919	18,068	13,537	30,716	31,605
Of which:							
USA	8,830	5,797	12,314	12,329	8,212	19,453	20,541
Canada	444	229	1,196	984	413	1,200	1,397
UK	753	686	1,162	789	700	1,436	1,489
Italy	283	444	393	339	263	652	602
Germany	207	40	246	115	193	296	308
Caribbean	2,933	4,539	4,632	2,431	2,728	5,378	5,159
Other Countries	1,105	882	2,976	1,081	1,028	2,301	2,109
Excursionists	14,825	12,818	11,493	17,623	13,787	29,913	31,410
Total Visitor Expenditure (EC\$M)	<b>55.28</b>	<b>53.48</b>	<b>95.52</b>	<b>77.79</b>	<b>51.41</b>	<b>122.66</b>	<b>129.20</b>

Sources: Department of Finance and Statistical Department and ECCB estimates: April to June 2007  
Data available at 13 August 2010

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

	Weight	Index Jun 2010	Percentage Change*						
			2009	2009	2009	2010	2010	2009	2010
			2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
All Items	1,000.0	141.40	(0.73)	0.07	0.57	0.78	(0.07)	(1.43)	0.71
Food	321.2	147.20	(0.06)	0.62	0.34	0.48	(0.47)	1.12	-
Alcoholic Beverages and Tobacco	3.0	126.00	3.99	(0.71)	1.20	(0.08)	(0.47)	4.48	(0.55)
Housing	171.5	112.80	(0.18)	(0.70)	0.26	(1.75)	0.45	0.77	(1.31)
Fuel and Light	68.6	136.50	(7.84)	-	6.83	5.08	-	(17.05)	5.08
Clothing and Footwear	30.7	105.90	0.69	(1.17)	(0.54)	(1.46)	(1.85)	3.84	(3.29)
Household Furnishings and Supplie	97.3	163.90	0.44	(0.18)	(0.80)	1.24	0.12	(6.86)	1.36
Transport and Communications	235.3	142.00	(1.02)	(0.14)	0.65	2.16	0.07	(7.07)	2.23
Medical Care and Expenses	30.9	219.20	(0.07)	0.09	0.09	(0.27)	0.37	54.25	0.09
Education	9.9	216.40	(1.09)	5.36	0.60	(1.32)	-	3.04	(1.32)
Personal Services	16.4	135.70	(0.01)	(1.47)	1.27	-	(0.07)	2.69	(0.07)
Miscellaneous	15.3	87.70	(2.59)	0.22	(2.46)	(5.16)	6.05	(0.76)	0.57

Sources: Statistics Department, Ministry of Finance  
\*at end of period  
Data available as at 13 August 2010

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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
<b>Current Revenue</b>	34.60	37.09	33.82	38.63	35.55	77.43	74.18
Tax Revenue	27.32	28.50	24.75	30.36	28.94	58.35	59.31
Taxes on Property	0.27	0.20	0.33	0.67	0.34	0.97	1.01
Taxes on Domestic Goods & Services	11.53	13.36	7.03	14.90	11.91	24.26	26.81
Of Which:							
Accommodation Tax	2.82	1.97	1.41	5.80	3.72	7.97	9.52
Bank Deposit Levy	3.47	3.00	-	-	3.79	3.47	3.79
Licences	2.94	2.57	1.64	4.94	2.44	7.55	7.38
Stamp Duties	1.17	4.57	2.87	3.49	1.42	3.02	4.90
Taxes on International Trade and Transactions	15.52	14.93	17.39	14.79	16.70	33.12	31.49
Of Which:							
Import Duty	12.86	12.61	15.02	12.25	14.42	27.59	26.66
Customs Surcharge	0.71	0.72	0.79	0.69	0.69	1.57	1.38
Ticket Tax	0.18	0.25	0.27	0.21	0.18	0.41	0.39
Foreign Exchange Tax	-	-	-	-	-	-	-
Embarkation Tax	1.27	1.10	1.01	1.40	1.25	2.64	2.65
Non-Tax Revenue	7.29	8.59	9.06	8.27	6.61	19.08	14.88
<b>Current Expenditure</b>	49.65	49.47	51.51	47.90	46.13	101.42	94.04
Goods and Services	12.11	13.14	12.63	9.11	8.47	22.64	17.58
Personal Emoluments	22.38	22.09	22.40	22.45	22.61	46.25	45.06
Interest Payments	2.64	1.49	1.90	3.42	1.95	4.88	5.38
Domestic	1.93	0.96	1.78	2.70	1.31	3.85	4.00
External	0.71	0.53	0.12	0.73	0.65	1.03	1.37
Transfers & Subsidies	12.52	12.75	14.58	12.92	13.10	27.64	26.02
Of Which: Pensions	1.43	1.92	2.03	2.08	2.23	3.32	4.31
<b>Current Account Balance</b>	(15.05)	(12.38)	(17.70)	(9.27)	(10.58)	(23.99)	(19.85)
<b>Capital Revenue</b>	-	-	-	-	-	0.00	-
<b>Grants</b>	-	-	-	22.27	-	-	-
Of which: Capital Grants	-	-	-	-	-	-	-
<b>Capital Expenditure</b>	1.96	2.77	3.08	0.21	0.37	4.73	0.58
Of which: Capital Expenditure	1.96	2.77	3.08	0.21	0.37	4.73	0.58
<b>Primary Balance (before grants)</b>	(14.37)	(13.66)	(18.87)	(6.06)	(8.99)	(23.83)	(15.06)
<b>Primary Balance (after grants)</b>	(14.37)	(13.66)	(18.87)	16.21	(8.99)	(23.83)	7.21
<b>Overall Balance</b>	(17.01)	(15.15)	(20.77)	12.79	(10.95)	(28.72)	1.84
<b>Financing</b>	17.01	15.15	20.77	(12.79)	10.95	28.72	(1.84)
Domestic	17.18	15.43	21.01	(26.72)	21.24	26.27	(5.48)
ECCB (net)	0.25	2.05	11.60	(0.27)	(11.78)	0.01	(12.05)
Commercial Banks (net)	8.37	13.14	22.93	(22.22)	(17.53)	7.86	(39.75)
Other	8.55	0.24	(13.51)	(4.23)	50.55	18.40	46.32
External	(0.17)	(0.27)	(0.24)	(4.16)	(0.27)	2.45	(4.43)
Net Disbursements/(Amortisation)	(0.17)	(0.27)	(0.24)	(4.16)	(0.27)	2.45	(4.43)
Disbursements	-	-	-	-	-	2.69	-
Amortisation	(0.17)	(0.27)	(0.24)	(4.16)	(0.27)	(0.24)	(4.43)
Change in Government Foreign Assets	-	-	-	-	-	-	-

Source: Ministry of Finance and Treasury Department  
Data available at 21 September 2010



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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
Total Exports (without transshipment)	37.04	8.38	5.86	7.36	7.25	48.05	14.60
Total Imports (without transshipment)	108.07	101.69	107.32	113.10	118.72	247.14	231.81
Trade Balance	(71.04)	(93.31)	(101.47)	(105.74)	(111.47)	(199.10)	(217.21)

Source: Statistical Department, Ministry of Finance and ECCB estimates: June 2007

Data available at 13 August 2010

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

	2009 1 <sup>st</sup> Qr	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr
Net Foreign Assets	2.14	34.74	4.05	37.51	62.53	18.15
Central Bank (net)	100.47	80.01	80.71	101.14	92.98	81.72
Commercial Banks (net)	(98.33)	(45.27)	(76.65)	(63.63)	(30.45)	(63.56)
External (net)	18.24	17.88	9.67	36.34	44.68	6.69
Assets	274.97	277.92	286.50	305.08	322.16	289.27
Liabilities	256.73	260.05	276.83	268.75	277.48	282.58
Other ECCB Territories	(116.57)	(63.14)	(86.33)	(99.97)	(75.13)	(70.25)
Assets	125.06	123.90	137.09	131.36	126.90	121.45
Liabilities	241.63	187.04	223.41	231.33	202.03	191.70
Net Domestic Assets	1,052.76	1,033.29	1,054.52	1,037.05	1,007.72	1,029.36
Domestic Credit	1,321.28	1,338.28	1,363.67	1,376.39	1,389.23	1,395.56
Central Government (net)	70.96	79.58	94.77	129.30	106.82	77.50
Other Public Sector (net)	(148.16)	(154.00)	(158.22)	(162.54)	(150.07)	(111.97)
Private Sector	1,398.48	1,412.70	1,427.12	1,409.62	1,432.48	1,430.03
Household	675.48	666.02	665.04	666.85	650.87	651.06
Business	697.42	720.77	737.82	717.99	761.60	759.82
Non-Bank Financial Institutions	7.22	7.55	6.00	6.49	6.37	5.50
Subsidiaries and Affiliates	18.36	18.36	18.26	18.30	13.65	13.65
Other Items (net)	(268.52)	(304.99)	(309.15)	(339.34)	(381.52)	(366.20)
Monetary Liabilities (M2)	1,054.90	1,068.03	1,058.57	1,074.55	1,070.25	1,047.51
Money Supply (M1)	49.11	54.10	49.07	51.38	47.10	41.03
Currency with the Public	10.38	12.32	12.92	16.40	13.57	10.46
Demand Deposits	35.64	34.17	31.97	31.95	31.08	28.98
EC\$ Cheques and Drafts	3.09	7.61	4.18	3.03	2.46	1.60
Quasi Money	1,005.79	1,013.93	1,009.50	1,023.18	1,023.15	1,006.48
Savings Deposits	105.22	104.15	101.53	101.18	103.01	102.62
Time Deposits	77.11	97.95	98.62	102.41	107.08	106.85
Foreign Currency Deposits	823.47	811.83	809.35	819.59	813.05	797.00

Source: Eastern Caribbean Central Bank

Data available at 20 August 2010



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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 <sup>P</sup> Jan - Jun
Total Visitors	197,416	117,809	273,491	342,560	134,985	574,131	477,545
Stay-Over Visitors	55,829	51,089	57,092	70,516	56,037	126,229	126,553
Of which:							
USA	21,916	18,156	18,014	25,982	23,275	45,898	49,257
Canada	2,381	1,727	3,938	9,350	3,232	7,282	12,582
Europe	19,428	16,644	22,708	24,267	19,880	49,525	44,147
UK	16,038	13,482	18,947	18,600	14,571	40,822	33,171
Germany	890	702	1,108	1,077	1,035	1,942	2,112
Switzerland	193	134	281	334	370	553	704
Italy	1,709	1,847	1,561	2,897	2,392	4,318	5,289
France	353	264	386	559	459	917	1,018
Other Europe	245	215	425	800	1,053	973	1,853
Caribbean	9,181	12,097	9,358	7,493	6,916	16,847	14,409
South America	402	296	294	385	212	850	597
Other Countries	2,521	2,169	2,780	3,039	2,522	5,827	5,561
Cruise Ship Passengers \1	136,908	65,776	210,990	261,408	72,598	433,029	334,006
Number of Cruise Ship Calls	59	20	109	147	46	238	193
Yacht Passengers	4,679	944	5,409	10,636	6,350	14,873	16,986
Number of Yacht Calls	1,137	210	765	1,775	1,542	2,786	3,317
Total Visitor Expenditure (EC\$M)	<b>193.31</b>	<b>168.24</b>	<b>203.82</b>	<b>256.74</b>	<b>191.19</b>	<b>451.75</b>	<b>447.93</b>

Sources: Department of Tourism and Eastern Caribbean Central Bank

/1 Includes Excursionists

**Data available at 13 August 2010**

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

	Weight	Index Jun 2010	Percentage Change*						
			2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
<b>All Items</b>	1,000.0	122.03	0.36	2.02	0.74	0.35	1.03	(0.37)	1.39
Food	214.2	135.45	1.54	(0.46)	3.33	0.14	3.07	5.81	3.21
Alcoholic Beverages & Tobacco	1.6	130.09	5.10	0.95	0.06	(3.48)	(0.34)	5.14	(3.81)
Housing	218.3	109.68	-	-	-	-	-	(0.56)	-
Fuel & Light	63.9	139.55	3.88	16.44	4.27	6.14	2.90	(9.04)	9.21
Clothing & Footwear	110.6	99.92	-	-	3.66	(0.46)	(3.90)	(0.67)	(4.35)
Household Furnishings & Supplies	126.0	117.39	0.15	0.34	(2.66)	(0.26)	3.93	1.04	3.66
Transport & Communications	153.5	120.20	(1.62)	2.60	-	(0.11)	0.05	(3.74)	(0.06)
Medical Care & Expenses	27.6	113.58	0.03	-	-	-	0.06	(2.97)	0.06
Education	23.4	160.96	-	10.75	-	-	-	(11.64)	-
Personal Services	43.0	154.48	-	-	-	-	-	-	-
Miscellaneous	17.9	117.23	1.25	8.19	(1.07)	(0.07)	(0.12)	0.98	(0.19)

Source: Ministry of Finance

\*at end of period

**Data available at 13 August 2010**



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

	2009 <sup>R</sup> 2 <sup>nd</sup> Qr	2009 <sup>R</sup> 3 <sup>rd</sup> Qr	2009 <sup>R</sup> 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
<b>Current Revenue</b>	159.51	117.82	136.69	160.11	159.34	341.34	319.46
Tax Revenue	153.74	113.47	132.37	142.31	146.49	327.55	288.80
Taxes on Income & Profits	27.65	20.42	16.75	22.93	25.70	60.85	48.63
Of Which:							
Personal Income	10.17	8.23	6.95	9.80	8.08	20.57	17.87
Company	17.32	12.19	9.72	13.13	17.38	40.05	30.50
Taxes on Property	4.84	3.47	2.00	5.25	5.37	9.38	10.63
Taxes on Domestic Goods & Services	65.35	53.29	60.79	57.37	58.42	138.49	115.79
Of Which:							
Sales Tax	8.03	7.23	6.30	6.95	9.67	15.98	16.61
Stamp Duties	-	-	-	-	-	-	-
Hotel and Guest Tax	52.05	42.19	51.78	44.48	46.95	109.85	91.43
Telecommunication Tax	-	-	-	1.15	0.07	-	1.22
Taxes on International Trade and Transactions	55.90	36.30	52.82	56.75	56.99	118.83	113.75
Of Which:							
Import Duty	18.64	15.32	24.45	16.52	19.35	39.10	35.87
Consumption Tax	9.15	0.02	2.85	8.67	6.48	22.65	15.15
Customs Service Charge	15.82	13.14	18.32	3.16	0.94	31.49	4.10
Environmental Tax	1.29	0.39	1.41	0.57	0.72	2.56	1.29
Passenger Facility Charge	4.32	2.27	0.28	7.00	4.51	7.97	11.52
Non-Tax Revenue	5.78	4.35	4.32	17.81	12.86	13.79	30.66
<b>Current Expenditure</b>	212.06	168.31	338.80	168.65	164.26	412.27	332.91
Personal Emoluments	73.85	71.86	72.44	67.13	67.70	146.36	134.82
Other Goods & Services	49.64	32.33	50.85	25.60	31.76	87.85	57.36
Interest Payments	17.91	21.57	173.01	20.25	14.46	34.73	34.71
Domestic	9.61	14.22	123.29	15.84	13.32	20.18	29.16
External	8.29	7.36	49.72	4.41	1.14	14.55	5.55
Transfers & Subsidies	70.67	42.55	42.50	55.67	50.34	143.33	106.02
Of Which: Pensions	22.56	15.07	16.94	17.71	12.21	40.47	29.93
<b>Current Account Balance</b>	(52.55)	(50.49)	(202.12)	(8.54)	(4.92)	(70.93)	(13.45)
<b>Capital Revenue</b>	0.13	-	-	0.60	0.60	2.51	1.19
<b>Grants</b>	-	-	-	-	-	-	-
Of which: Capital Grants	-	-	-	-	-	-	-
<b>Capital Expenditure and Net Lending</b>	36.72	29.59	82.97	2.21	21.67	62.48	23.88
<b>Primary Balance</b>	(71.23)	(58.50)	(112.07)	10.10	(11.53)	(96.17)	(1.43)
<b>Overall Balance</b>	(89.13)	(80.08)	(285.08)	(10.15)	(25.99)	(130.90)	(36.14)
<b>Financing</b>	89.13	80.08	285.08	8.31	17.95	130.90	26.25
Domestic	7.23	(70.60)	303.30	10.52	(72.58)	131.72	(62.06)
ECCB (net)	7.19	(34.04)	31.87	3.22	(30.83)	79.73	(27.61)
Commercial Banks (net)	16.85	(32.89)	54.30	(2.21)	(186.06)	65.32	(188.27)
Other	(16.81)	(3.68)	217.13	9.51	144.32	(13.33)	153.82
External	(7.61)	129.62	4.76	(2.07)	63.47	(13.32)	61.40
Net Disbursements/(Amortisation)	(7.61)	129.62	4.76	(2.07)	63.47	(13.32)	61.40
Disbursements	2.53	135.00	7.61	9.29	103.67	2.64	112.96
Amortisation	(10.14)	(5.38)	(2.85)	(11.36)	(40.20)	(15.96)	(51.56)
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	89.52	21.07	(22.98)	(0.15)	27.06	12.50	26.91
Domestic	10.31	0.67	(38.81)	1.37	13.52	10.73	14.89
External	79.20	20.40	15.83	(1.52)	13.54	1.77	12.01

Source: Ministry of Finance, Treasury Department and ECCB Estimates  
Data available at 19 August 2010





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

	2009 1 <sup>st</sup> Qr	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr
Net Foreign Assets	561.93	533.65	511.15	379.77	464.62	484.67
Central Bank (net)	253.04	259.95	336.49	292.26	241.10	276.06
Commercial Banks (net)	308.89	273.70	174.66	87.51	223.52	208.61
External (net)	59.19	(52.40)	(99.72)	(128.10)	(35.63)	123.39
Assets	804.53	776.20	958.14	1,147.18	1,305.36	827.41
Liabilities	745.34	828.59	1,057.87	1,275.28	1,340.99	704.02
Other ECCB Territories	249.70	326.09	274.38	215.61	259.14	85.22
Assets	820.31	890.55	932.42	862.87	967.52	1,017.67
Liabilities	570.61	564.45	658.04	647.26	708.38	932.45
Net Domestic Assets	2,654.88	2,540.66	2,501.09	2,617.11	2,556.82	2,518.44
Domestic Credit	3,043.88	3,011.02	2,966.39	3,033.76	3,000.12	2,961.17
Central Government (net)	585.26	609.30	542.37	628.54	629.55	523.16
Other Public Sector (net)	(65.77)	(128.00)	(116.26)	(134.33)	(141.35)	(109.72)
Private Sector	2,524.39	2,529.72	2,540.28	2,539.55	2,511.92	2,547.72
Households	1,299.39	1,292.42	1,309.47	1,320.25	1,298.21	1,312.05
Business	1,128.24	1,137.44	1,144.67	1,142.74	1,143.87	1,168.98
Non-Bank Financial Institutions	35.86	31.53	21.40	16.11	14.00	14.69
Subsidiaries & Affiliates	60.90	68.33	64.73	60.45	55.84	52.00
Other Items (net)	(389.00)	(470.35)	(465.30)	(416.64)	(443.30)	(442.73)
Monetary Liabilities (M2)	3,216.81	3,074.31	3,012.24	2,996.88	3,021.43	3,003.10
Money Supply (M1)	717.56	646.43	607.95	630.51	632.64	626.37
Currency with the Public	138.06	131.42	124.58	146.13	133.02	129.17
Demand Deposits	536.05	474.39	452.99	459.62	467.53	464.21
EC\$ Cheques and Drafts Issued	43.46	40.61	30.38	24.76	32.09	32.98
Quasi Money	2,499.25	2,427.88	2,404.28	2,366.37	2,388.79	2,376.73
Savings Deposits	976.60	981.17	984.15	960.27	987.84	981.27
Time Deposits	1,053.18	1,014.63	1,005.90	1,000.24	992.15	983.62
Foreign Currency Deposits	469.47	432.08	414.24	405.86	408.80	411.84

Source: Eastern Caribbean Central Bank

Data available at 12 August 2010



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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 <sup>P</sup> Jan - Jun
Total Visitors	105,545	82,198	158,217	249,841	118,702	331,466	368,536
Stay-Over Visitors	18,498	20,792	26,642	22,923	20,836	37,837	43,751
Of which:							
USA	5,244	5,061	5,398	6,933	6,010	11,017	12,940
Canada	453	505	1,034	794	518	1,124	1,311
UK	1,096	1,612	2,231	2,047	1,246	2,832	3,292
Caribbean	10,282	12,389	15,240	10,709	11,438	19,411	22,144
Other Countries	1,423	1,225	2,739	2,440	1,624	3,453	4,064
Excursionists	190	160	200	175	375	482	551
Cruise Ship Passengers	86,857	61,246	131,375	226,743	97,491	293,147	324,234
Number of Cruise Ship Calls	36	20	78	131	44	166	175
Total Visitor Expenditure (EC\$M)	<b>41.36</b>	<b>35.88</b>	<b>55.42</b>	<b>57.75</b>	<b>46.67</b>	<b>91.97</b>	<b>104.40</b>

Sources: Central Statistical Office and ECCB Estimates

Data available at 13 August 2010

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

	Weight	Index Jun 2010	Percentage Change*						
			2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 <sup>P</sup> Jan - Jun
<b>All Items</b>	1,000.0	123.47	0.81	1.43	1.11	0.75	0.23	0.73	0.98
Food	328.8	145.78	1.24	2.18	1.33	0.48	1.26	1.99	1.74
Alcoholic Beverages and Tobacco	9.5	132.31	0.52	0.66	4.47	0.63	0.57	1.93	1.20
Housing and Utilities	111.7	117.06	(2.17)	(1.69)	-	(0.58)	0.04	(1.44)	(0.54)
Fuel and Light	58.6	142.94	5.37	3.18	4.80	6.41	(2.46)	2.55	3.80
Clothing and Footwear	82.1	99.02	0.68	1.11	1.59	0.67	(0.69)	0.51	(0.03)
Household and Furnishing Equipment	93.5	110.17	0.80	0.70	0.45	1.49	(0.49)	0.85	0.99
Transportation and Communication	194.3	104.12	0.24	1.67	0.53	0.22	0.01	(1.34)	0.23
Medical Care and Expenses	31.6	112.62	0.46	(0.06)	-	(0.07)	0.12	0.78	0.05
Education	29.0	120.77	(0.22)	4.30	0.31	(0.25)	(0.15)	(0.10)	(0.40)
Personal Services	42.5	117.21	2.25	(0.33)	-	-	(0.04)	1.07	(0.04)
Miscellaneous	18.4	115.83	0.78	3.90	0.50	0.19	(0.25)	1.32	(0.06)

Source: Central Statistical Office

\*at end of period

Data available at 13 August 2010



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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 <sup>P</sup> Jan - Jun
<b>Current Revenue</b>	93.28	81.52	97.21	86.05	97.50	171.34	183.55
Tax Revenue	88.31	74.42	84.75	78.77	93.29	161.40	172.06
Taxes on Income, Profit and Capital Gains	17.69	13.89	11.43	13.08	24.05	30.62	37.12
Of Which:							
Personal Income	9.97	6.93	6.93	7.50	7.95	18.22	15.45
Corporation	8.87	7.61	4.86	6.22	15.26	13.88	21.48
Development Levy	-	-	-	-	-	-	-
Stabilisation Levy	0.01	0.01	0.00	0.00	0.00	0.01	0.00
Taxes on Property	3.02	2.09	2.03	2.59	2.16	5.02	4.76
Taxes on Domestic Goods and Services	49.90	41.59	51.26	47.14	47.81	93.08	94.95
Of Which:							
Sales Tax	0.12	0.25	0.06	0.06	0.04	0.21	0.10
Licenses	5.86	3.06	4.42	5.16	6.60	10.66	11.76
Consumption Tax	-	0.00	-	0.00	0.00	-	0.00
Hotel Accommodation Tax	0.00	-	-	-	-	0.00	-
Value Added Tax	29.06	28.04	36.95	30.38	31.53	59.87	61.91
Excise Tax	14.37	9.79	9.35	10.96	8.84	21.58	19.80
Taxes on International Trade and Transactions	17.70	16.85	20.02	15.96	19.27	32.68	35.22
Of Which:							
Consumption Tax	0.02	0.00	0.01	0.02	0.00	0.03	0.02
Import Duty	7.82	8.05	10.26	8.34	9.50	15.34	17.84
Customs Service Charge/Customs Surcharge	4.52	4.00	5.50	3.21	3.82	7.97	7.03
Non-Tax Revenue	4.97	7.11	12.46	7.28	4.21	9.94	11.49
<b>Current Expenditure</b>	68.92	71.62	76.36	72.80	72.56	140.47	145.36
Personal Emoluments	31.03	30.75	32.87	31.03	31.53	62.07	62.56
Goods and Services	19.29	20.10	24.65	17.87	22.46	39.62	40.33
Interest Payments	5.67	2.85	2.20	7.62	2.95	9.01	10.57
Domestic	0.90	0.93	0.94	3.76	2.44	2.33	6.21
External	4.77	1.92	1.26	3.86	0.51	6.68	4.36
Transfers and Subsidies	12.93	17.93	16.63	16.28	15.62	29.77	31.90
Of Which: Pensions	3.89	4.00	5.23	3.95	4.04	7.89	7.99
<b>Current Account Balance</b>	24.36	9.90	20.85	13.25	24.94	30.87	38.19
<b>Capital Revenue</b>	0.15	0.06	0.11	0.42	0.48	0.24	0.90
<b>Grants</b>	-	-	-	0.53	15.94	61.73	16.47
Of which: Capital Grants	-	-	-	0.53	15.94	61.73	16.47
<b>Capital Expenditure and Net Lending</b>	41.58	30.08	36.10	16.68	21.60	84.58	38.28
Of which: Capital Expenditure	41.85	30.24	36.39	17.07	22.26	85.13	39.32
<b>Primary Balance</b>	(11.41)	(17.27)	(12.95)	5.14	22.71	17.26	27.85
<b>Overall Balance</b>	(17.08)	(20.12)	(15.15)	(2.48)	19.76	8.25	17.28
<b>Financing</b>	17.08	20.12	15.15	2.48	(19.76)	(8.25)	(17.28)
Domestic	12.09	7.58	4.47	1.00	(19.63)	(14.62)	(18.63)
ECCB (net)	1.18	(10.98)	3.34	1.27	3.26	(1.68)	4.53
Commercial Banks (net)	6.42	5.49	21.85	(5.09)	(1.37)	(8.55)	(6.47)
Other	4.49	13.07	(20.73)	4.82	(21.51)	(4.38)	(16.69)
External	7.03	12.94	12.01	1.97	(0.39)	10.08	1.58
Net Disbursements/(Amortisation)	5.83	16.82	9.01	3.06	4.10	6.15	7.15
Disbursements	9.70	20.90	11.65	6.38	7.17	12.37	13.54
Amortisation	(3.87)	(4.08)	(2.64)	(3.32)	(3.07)	(6.23)	(6.39)
Change in Government Foreign Assets	1.20	(3.88)	3.00	(1.08)	(4.48)	3.93	(5.57)
Other Foreign Financing	-	-	-	-	-	-	-
Arrears	(2.05)	(0.40)	(1.33)	(0.50)	0.26	(3.71)	(0.24)
Domestic	(2.14)	(0.40)	(1.33)	(0.50)	0.26	(2.46)	(0.24)
External	0.10	-	-	-	-	(1.25)	-

Source: Ministry of Finance

Data available at 24 August 2010



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

	2009 <sup>R</sup> 2 <sup>nd</sup> Qr	2009 <sup>R</sup> 3 <sup>rd</sup> Qr	2009 <sup>R</sup> 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 <sup>R</sup> Jan - Jun	2010 <sup>P</sup> Jan - Jun
Visible Trade Balance	(127.38)	(134.48)	(132.20)	(131.71)	(141.07)	(249.69)	(272.78)
Total Imports	148.98	158.79	155.73	157.17	158.51	293.67	315.68
Total Exports	21.61	24.31	23.53	25.47	17.43	43.98	42.90
Re-Exports	0.92	2.20	1.57	3.63	0.87	1.72	4.50
Domestic Exports	20.69	22.11	21.95	21.83	16.57	42.27	38.40
Of Which:							
Bananas							
Value	2.56	2.05	1.76	1.81	1.21	5.24	3.02
Volume	1,659	1,343	1,151	971	625	3,396	1,597
Soap							
Value	4.95	6.61	9.84	8.62	7.01	11.23	15.64
Volume	1,514	1,588	1,867	1,950	1,590	3,107	3,539
Dental Cream							
Value	-	-	-	-	-	-	-
Volume	-	-	-	-	-	-	-

Source: Central Statistical Office, Dominica Coconut Products and WIBDECO  
Data available at 16 August 2010

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

	2009 1 <sup>st</sup> Qr	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr
Net Foreign Assets	574.88	579.18	571.98	557.34	564.02	554.84
Central Bank (net)	153.39	157.50	162.42	174.06	176.70	168.49
Commercial Banks (net)	421.49	421.68	409.56	383.28	387.31	386.35
External (net)	105.68	66.74	48.23	48.87	6.51	17.44
Assets	291.77	254.15	227.93	232.48	209.30	225.43
Liabilities	186.09	187.41	179.69	183.61	202.79	207.99
Other ECCB Territories	315.80	354.94	361.32	334.41	380.81	368.91
Assets	406.35	445.83	449.64	426.92	462.76	473.55
Liabilities	90.55	90.89	88.32	92.51	81.96	104.64
Net Domestic Assets	367.43	379.55	393.66	415.69	430.99	443.44
Domestic Credit	454.11	469.14	481.80	513.71	519.81	539.68
Central Government (net)	(75.47)	(67.87)	(73.36)	(48.17)	(51.98)	(50.10)
Other Public Sector (net)	(76.14)	(79.14)	(88.04)	(92.47)	(89.75)	(93.28)
Private Sector	605.72	616.14	643.19	654.34	661.54	683.06
Households	382.29	385.78	388.39	389.51	387.73	392.04
Business	217.26	221.49	246.44	256.44	265.48	282.79
Non-Bank Financial Institutions	2.16	2.12	1.78	1.79	1.73	1.66
Subsidiaries and Affiliates	4.02	6.76	6.57	6.60	6.60	6.57
Other Items (net)	(86.68)	(89.59)	(88.14)	(98.02)	(88.82)	(96.24)
Monetary Liabilities (M2)	942.31	958.72	965.63	973.03	995.01	998.28
Money Supply (M1)	212.76	202.77	205.08	202.06	209.97	202.80
Currency with the Public	44.56	43.23	41.66	50.68	45.69	41.16
Demand Deposits	164.65	156.21	156.20	147.68	161.83	158.96
EC\$ Cheques and Drafts Issued	3.54	3.34	7.22	3.70	2.46	2.68
Quasi Money	729.55	755.95	760.56	770.97	785.03	795.48
Savings Deposits	480.64	502.23	504.25	520.53	532.28	523.89
Time Deposits	234.05	239.55	241.00	236.27	238.43	252.09
Foreign Currency Deposits	14.87	14.17	15.31	14.16	14.32	19.50

Source: Eastern Caribbean Central Bank  
Data available at 13 September 2010



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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 <sup>R</sup> Jan - Jun	2010 <sup>P</sup> Jan - Jun
Total Visitors	70,492	41,585	136,808	203,718	55,013	277,571	258,731
Stay-Over Visitors	23,546	29,598	25,622	30,913	20,467	54,187	51,380
Of which:							
USA	5,156	7,185	4,760	7,874	4,220	12,802	12,094
Canada	884	1,552	1,587	2,995	797	3,689	3,792
Europe	7,023	6,880	9,016	10,447	6,750	18,180	17,197
Of which:							
West Germany	395	213	771	826	1,449	1,326	2,275
United Kingdom	5,669	5,946	6,941	7,726	5,489	14,209	13,215
Caribbean	6,380	8,259	5,774	5,387	5,415	11,831	10,802
Other Countries	4,103	5,722	4,485	4,210	3,285	7,685	7,495
Excursionists	666	656	711	903	583	1,461	1,486
Cruise Ship Passengers	44,873	10,882	110,337	170,613	33,088	218,533	203,701
Yacht Passengers	1,342	449	122	1,289	875	3,208	2,164
Number of Cruise Ship Calls	33	13	72	111	21	159	132
Total Visitor Expenditure (EC\$M)	<b>55.06</b>	<b>65.13</b>	<b>65.67</b>	<b>78.26</b>	<b>48.22</b>	<b>135.94</b>	<b>126.48</b>

Sources: Board of Tourism

Data available at 25 August 2010

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

	Weight	Index Jun 2010	Percentage Change*						
			2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 <sup>R</sup> Jan - Jun	2010 <sup>P</sup> Jan - Jun
<b>All Items</b>	1000.0	134.95	(1.01)	0.52	(0.07)	4.46	1.62	(2.79)	6.15
Food	367.5	147.34	(3.74)	0.47	(1.18)	4.14	2.96	(5.02)	7.14
Alcoholic Beverages & Tobacco	8.6	129.53	0.21	0.35	0.48	7.19	1.45	0.78	8.78
Housing	102.0	125.63	(0.18)	0.62	(0.08)	(0.54)	0.48	(0.17)	(0.06)
Fuel and Light	55.0	143.54	7.85	8.83	3.63	3.04	1.13	(13.47)	4.36
Clothing and Footwear	97.7	103.89	(0.95)	(0.79)	(0.01)	5.40	1.20	(0.95)	6.66
Household Furnishings & Supplies	156.5	112.98	0.09	(0.33)	(0.53)	2.04	0.45	1.37	2.49
Transport and Communications	95.3	144.47	1.16	(0.39)	1.40	7.07	1.50	(0.94)	8.79
Medical Care and Expenses	46.5	140.33	(0.06)	(0.33)	0.09	11.07	(0.08)	(0.06)	11.00
Education	37.4	135.03	-	0.65	0.17	7.75	0.04	-	7.80
Personal Services	16.0	114.74	-	-	-	-	-	-	-
Miscellaneous	17.5	121.83	1.70	(0.04)	0.44	6.45	(0.65)	2.07	5.78

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

\*at end of period

Data available at 25 August 2010



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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 <sup>R</sup> Jan - Jun	2010 <sup>P</sup> Jan - Jun
<b>Current Revenue</b>	107.17	92.42	90.85	100.22	115.77	218.53	215.99
Tax Revenue	102.61	87.34	86.84	95.96	106.32	205.75	202.27
Taxes on Income and Profits	26.69	17.19	18.73	23.59	17.17	51.31	40.77
Of Which:							
Personal Income	7.91	5.60	6.15	6.93	5.65	16.47	12.58
Company	18.77	11.60	12.57	16.66	11.53	34.84	28.19
Taxes on Property	5.61	2.24	2.99	3.08	8.35	13.60	11.44
Taxes on Domestic Goods and Services	20.98	18.51	14.29	23.24	27.87	43.17	51.11
Of Which:							
Value-added Tax	-	-	-	7.12	20.83	-	27.95
Consumption Duties	11.18	7.93	8.15	6.91	0.70	21.45	7.61
Stamp Duties	0.83	0.73	0.85	0.92	0.84	2.69	1.76
Licences	3.69	6.63	1.43	4.34	3.07	8.30	7.41
Taxes on International Trade and Transactions	49.33	49.40	50.83	46.04	52.92	97.67	98.96
Of Which:							
Import Duty	10.90	10.95	11.54	10.81	12.06	21.83	22.87
Consumption Tax	21.33	21.06	21.33	18.73	20.42	42.16	39.15
Customs Service Charge	8.12	7.78	9.37	7.85	8.50	16.18	16.34
Non-Tax Revenue	4.56	5.08	4.01	4.26	9.46	12.78	13.72
<b>Current Expenditure</b>	102.40	107.50	100.85	107.82	98.92	208.30	206.74
Personal Emoluments	47.19	47.82	48.20	47.94	48.42	95.23	96.36
Goods and Services	26.98	19.79	20.40	27.15	26.16	45.76	53.31
Interest Payments	5.28	18.81	7.27	13.61	4.93	19.24	18.54
Domestic	2.05	6.72	3.50	1.62	1.47	4.25	3.08
External	3.24	12.09	3.77	11.99	3.46	14.99	15.45
Transfers and Subsidies	22.95	21.08	24.99	19.12	19.41	48.07	38.53
Of Which: Pensions	5.77	5.68	5.91	5.94	6.16	11.76	12.10
<b>Current Account Balance</b>	4.76	(15.08)	(10.00)	(7.60)	16.85	10.23	9.25
<b>Capital Revenue</b>	0.04	0.02	0.05	0.06	0.01	0.08	0.07
<b>Grants</b>	1.98	17.34	6.38	16.53	10.83	5.43	27.35
Of which: Capital Grants	1.98	3.85	3.42	14.00	2.64	5.43	16.64
<b>Capital Expenditure</b>	33.96	33.23	19.35	31.38	22.50	64.50	53.88
<b>Primary Balance</b>	(21.90)	(12.14)	(15.65)	(8.79)	10.11	(29.52)	1.32
<b>Overall Balance</b>	(27.18)	(30.95)	(22.92)	(22.40)	5.19	(48.75)	(17.21)
<b>Financing</b>	27.18	30.95	22.92	22.40	(5.19)	48.75	17.21
Domestic	5.60	33.45	32.10	32.19	(13.25)	24.73	18.94
ECCB (net)	1.40	0.61	(42.89)	41.74	(0.90)	5.36	40.85
Commercial Banks (net)	4.17	5.17	3.95	(12.34)	8.28	3.75	(4.06)
Other	0.03	27.67	71.03	2.78	(20.63)	15.62	(17.85)
External	21.58	(2.50)	(9.18)	(9.79)	8.06	24.02	(1.73)
Net Disbursements/(Amortisation)	21.58	(2.50)	(9.18)	(9.79)	8.06	24.02	(1.73)
Disbursements	27.75	2.03	-	2.33	19.04	37.12	21.37
Amortisation	(6.17)	(4.53)	(9.18)	(12.12)	(10.98)	(13.10)	(23.09)
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-

Source: Ministry of Finance

Data available at 25 August 2010



**Table 27**  
Grenada - Selected Agricultural Production

		2009	2009	2009	2010	2010 <sup>P</sup>	2009 <sup>R</sup>	2010 <sup>P</sup>
	Unit	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Bananas	(tonnes)	473	409	375	247	174	980	421
Cocoa	(tonnes)	130	43	73	307	69	402	375
Nutmeg	(tonnes)	145	111	78	72	59	218	130
Mace	(tonnes)	13	8	5	7	4	17	11

Source: Central Statistical Office and ECCB Estimates

Data available at 25 August 2010

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

	2009	2009	2009	2010	2010 <sup>P</sup>	2009 <sup>R</sup>	2010 <sup>P</sup>
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
<b>Visible Trade Balance</b>	(167.91)	(168.78)	(164.83)	(130.55)	(192.77)	(348.26)	(323.32)
<b>Total Imports</b>	190.49	184.88	189.53	149.14	202.70	385.56	351.84
<b>Total Exports</b>	22.59	16.10	24.70	18.59	9.93	37.29	28.52
Re-Exports	4.72	1.71	10.88	1.36	1.19	7.52	2.55
Domestic Exports	17.87	14.39	13.81	17.23	8.74	29.77	25.97
Of Which:							
Bananas							
Volume	5.22	17.41	8.31	0.00	0.00	23.52	0.00
Value	0.01	0.02	0.01	0.00	0.00	0.03	0.00
Nutmeg							
Volume	62.71	93.52	140.96	157.22	62.34	115.48	219.56
Value	1.18	1.83	2.96	3.48	1.42	2.20	4.89
Mace							
Volume	4.44	17.25	8.87	5.42	3.01	4.44	8.43
Value	0.08	0.40	0.22	0.14	0.13	0.08	0.26
Cocoa							
Volume	245.65	49.11	61.39	343.77	73.67	356.15	417.44
Value	2.49	0.47	0.59	3.28	0.72	3.75	4.00
Manufactured Exports							
Value	8.80	9.07	8.55	8.00	6.36	16.75	14.36

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

Data available at 25 August 2010



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

	2009 1 <sup>st</sup> Qr	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr
Net Foreign Assets	296.18	269.05	235.26	283.67	270.57	214.26
Central Bank (net)	234.59	240.00	239.56	303.45	261.07	256.98
Commercial Banks (net)	61.59	29.05	(4.30)	(19.78)	9.50	(42.72)
External (net)	(128.38)	(155.69)	(147.99)	(140.11)	(148.69)	(175.04)
Assets	354.87	332.06	334.22	340.23	324.16	311.18
Liabilities	483.25	487.75	482.21	480.34	472.85	486.23
Other ECCB Territories	189.97	184.74	143.69	120.34	158.20	132.33
Assets	225.41	238.50	209.69	209.08	233.53	224.24
Liabilities	35.44	53.75	66.00	88.74	75.34	91.91
Net Domestic Assets	1,487.47	1,513.91	1,519.21	1,536.36	1,593.63	1,573.36
Domestic Credit	1,583.27	1,622.96	1,635.19	1,641.80	1,689.41	1,683.90
Central Government (net)	126.43	132.00	137.78	98.85	128.25	135.63
Other Public Sector (net)	(139.32)	(133.38)	(158.30)	(125.80)	(126.06)	(171.42)
Private Sector	1,596.15	1,624.34	1,655.71	1,668.76	1,687.22	1,719.69
Households	1,015.91	1,036.19	1,059.96	1,087.57	1,096.23	1,108.82
Business	557.57	565.49	572.62	565.41	575.83	596.25
Non-Bank Financial Institutions	22.68	22.66	23.13	15.78	15.15	14.62
Subsidiaries and Affiliates	-	-	-	-	-	-
Other Items (net)	(95.79)	(109.04)	(115.99)	(105.44)	(95.78)	(110.54)
Monetary Liabilities (M2)	1,783.65	1,782.97	1,754.47	1,820.03	1,864.20	1,787.62
Money Supply (M1)	348.45	320.46	306.96	332.26	370.58	320.10
Currency with the Public	89.69	88.03	85.27	106.66	100.44	91.46
Demand Deposits	244.09	221.76	209.90	217.67	249.19	221.40
EC\$ Cheques and Drafts Issued	14.67	10.67	11.78	7.94	20.95	7.24
Quasi Money	1,435.20	1,462.51	1,447.52	1,487.77	1,493.62	1,467.52
Savings Deposits	999.29	1,008.74	1,015.03	1,014.42	1,013.97	1,008.99
Time Deposits	310.59	329.75	306.71	339.17	344.68	355.03
Foreign Currency Deposits	125.31	124.02	125.78	134.18	134.98	103.50

Source: Eastern Caribbean Central Bank

Data available at 18 August 2010





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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
Total Visitors	2,232	1,479	2,912	2,779	2,637	4,473	5,416
Stay-Over Visitors	1,247	1,230	2,247	1,453	1,250	2,834	2,703
Of which:							
USA	296	277	543	391	333	786	724
Canada	60	36	131	137	81	200	218
UK	336	391	758	292	282	715	574
Caribbean	497	506	762	509	498	999	1,007
Other Countries	58	20	53	124	56	134	180
Excursionists	426	122	328	338	665	574	1,003
Cruise Ship Passengers	-	-	189	535	-	-	535
Number of Cruise Ship Calls	-	-	1	2	-	-	2
Yacht Passengers	559	127	148	453	722	1,065	1,175
Number of Yachts	132	29	28	86	118	238	204
Total Visitor Expenditure (EC\$M)	<b>3.13</b>	<b>2.91</b>	<b>5.54</b>	<b>4.22</b>	<b>3.23</b>	<b>7.93</b>	<b>7.45</b>

Sources: Department of Tourism and Eastern Caribbean Central Bank

**Data available at June 2010**

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

	Weight	Index Jun 2010	Percentage Change*						
			2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
<b>All Items</b>	1,000.00	242.99	1.10	0.42	0.75	0.33	(0.09)	1.27	0.24
Food	495.00	245.25	1.06	(0.41)	0.65	0.35	(1.22)	1.52	(0.87)
Alcoholic and Tobacco	46.00	234.65	1.34	0.40	0.61	1.87	0.32	3.65	2.20
Household Goods	102.00	175.98	1.25	0.53	1.52	(0.03)	1.41	1.37	1.37
Gas, Electricity and Water	18.00	214.05	1.39	6.19	3.82	4.16	2.14	(13.34)	6.39
Rent	7.00	955.73	-	-	-	0.00	-	-	0.00
Clothing and Footwear	179.00	220.87	0.32	-	(0.09)	0.01	0.02	0.32	0.03
Services	153.00	280.32	2.02	3.05	1.18	0.16	2.21	2.50	2.38

Sources: Statistics Department, Ministry of Finance

\*at end of period

**Data available at 19 August 2010**



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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
<b>Current Revenue</b>	10.76	9.61	11.40	9.94	8.87	19.08	18.81
Tax Revenue	9.66	8.63	10.15	8.40	7.85	17.04	16.24
Taxes on Income and Profits	4.84	4.25	4.38	3.76	4.09	8.20	7.85
Of Which:							
Personal Income	3.37	3.77	3.31	3.26	3.09	6.34	6.34
Company	1.24	0.29	0.96	0.37	0.61	1.49	0.98
Taxes on Property	0.14	0.60	0.22	0.15	0.08	0.24	0.23
Taxes on Domestic Goods and Services	1.22	0.40	0.67	1.60	0.48	2.62	2.09
Of Which:							
Hotel Occupancy	0.01	0.01	0.01	0.01	0.01	0.02	0.01
Insurance Company Levy	0.05	0.06	0.06	0.04	0.03	0.10	0.07
Licenses and Stamp Duties	0.96	0.22	0.46	1.06	0.32	1.84	1.38
Taxes on International Trade and Transactions	3.46	3.39	4.88	2.89	3.19	5.98	6.08
Of Which:							
Import Duty	0.98	0.96	1.44	0.82	0.96	1.80	1.78
Consumption Tax	1.49	1.52	2.27	1.32	1.46	2.51	2.77
Customs Service Charge	0.84	0.87	1.08	0.72	0.77	1.52	1.49
Non-Tax Revenue	1.10	0.98	1.25	1.54	1.02	2.04	2.57
<b>Current Expenditure</b>	22.47	22.44	33.81	20.25	31.98	41.06	52.23
Personal Emoluments	10.26	10.83	10.47	10.71	14.14	20.10	24.84
Goods and Services*	6.21	4.81	8.23	4.24	6.34	10.86	10.58
Interest Payments	0.01	0.01	0.01	-	0.01	0.07	0.01
Domestic	-	-	-	-	-	0.05	-
External	0.01	0.01	0.01	-	0.01	0.02	0.01
Transfers and Subsidies	5.99	6.80	15.10	5.30	11.49	10.02	16.79
Of Which: Pensions	2.47	3.62	8.64	2.60	4.32	5.02	6.92
<b>Current Account Balance</b>	6.39	(0.65)	3.81	0.54	(11.49)	(0.07)	(10.95)
<b>Capital Revenue</b>	-	-	-	-	-	-	-
<b>Grants</b>							
Of which: Capital Grants	26.33	27.45	34.92	19.15	11.62	37.83	30.77
<b>Capital Expenditure and Net Lending</b>	9.23	11.45	10.62	6.50	7.49	15.02	13.98
<b>Primary Balance</b>	(20.93)	(24.28)	(33.03)	(16.80)	(30.58)	(36.93)	(47.38)
<b>Overall Balance</b>	5.39	3.16	1.88	2.35	(18.97)	0.83	(16.63)
<b>Financing</b>	(5.39)	(3.16)	(1.88)	(2.35)	18.97	(0.83)	16.63
Domestic	(5.36)	(3.13)	(1.85)	(2.35)	19.00	(0.77)	16.66
ECCB (net)	(0.26)	0.14	(0.44)	0.29	(0.42)	(0.44)	(0.13)
Commercial Banks (net)	(7.02)	0.21	(1.57)	(4.41)	11.19	0.38	6.78
Other	1.92	(3.48)	0.16	1.77	8.24	(0.70)	10.01
External	(0.03)	(0.03)	(0.03)	-	(0.03)	(0.06)	(0.03)
Net Disbursements/(Amortisation)	(0.03)	(0.03)	(0.03)	-	(0.03)	(0.06)	(0.03)
Disbursements	-	-	-	-	-	-	-
Amortisation	(0.03)	(0.03)	(0.03)	(0.00)	(0.03)	(0.06)	(0.03)
Change in Government Foreign Assets	-	-	-	-	-	-	-

Source: Ministry of Finance

\*Goods and Services includes Miscellaneous Payments

Data available at 19 August 2010



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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
Visible Trade Balance	(16.27)	(17.16)	(19.84)	(18.65)	(18.78)	(34.49)	(37.43)
Total Imports	18.40	19.47	22.53	20.37	19.16	37.99	39.53
Total Exports	2.14	2.31	2.69	1.72	0.38	3.50	2.10
Total Domestic Exports	1.18	1.03	0.66	0.93	0.21	2.10	1.15
Total Re-Exports	0.95	1.28	2.02	0.79	0.16	1.40	0.95

Source: Ministry of Finance

Data available at 19 August 2010

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

	2009 1 <sup>st</sup> Qr	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr
Net Foreign Assets	149.63	157.39	160.74	182.89	184.89	169.48
Central Bank (net)	33.20	29.34	28.30	38.61	52.85	47.00
Commercial Banks (net)	116.44	128.04	132.44	144.27	132.04	122.48
External (net)	26.94	37.05	42.00	51.15	47.01	44.42
Assets	70.20	79.79	81.82	90.81	87.11	86.10
Liabilities	43.26	42.74	39.83	39.66	40.10	41.68
Other ECCB Territories	89.49	90.99	90.44	93.12	85.03	78.07
Assets	189.01	192.14	194.56	203.70	199.87	200.68
Liabilities	99.52	101.14	104.12	110.58	114.84	122.62
Net Domestic Assets	(4.75)	(9.64)	(9.85)	(17.12)	(17.25)	2.38
Domestic Credit	21.24	15.61	17.23	9.93	10.49	24.93
Central Government (net)	(12.10)	(19.38)	(19.03)	(21.04)	(25.16)	(14.39)
Other Public Sector (net)	(13.45)	(12.60)	(14.52)	(22.22)	(20.30)	(19.03)
Private Sector	46.79	47.59	50.78	53.19	55.95	58.36
Household	39.10	40.29	43.27	45.28	46.82	48.21
Business	7.69	7.30	7.52	7.91	9.13	10.16
Non-Bank Financial Institutions	-	-	-	-	-	-
Subsidiaries and Affiliates	-	-	0.00	-	-	-
Other Items (net)	(26.00)	(25.25)	(27.08)	(27.05)	(27.75)	(22.55)
Monetary Liabilities (M2)	144.88	147.75	150.89	165.77	167.64	171.86
Money Supply (M1)	26.13	24.73	26.85	38.15	36.89	34.00
Currency with the Public	3.41	4.06	6.67	14.86	12.54	11.52
Demand Deposits	22.48	20.46	19.96	23.06	24.07	22.08
EC\$ Cheques and Drafts Issued	0.24	0.22	0.22	0.22	0.29	0.40
Quasi Money	118.75	123.02	124.04	127.62	130.74	137.86
Savings Deposits	103.80	107.67	107.14	110.61	111.93	120.69
Time Deposits	6.46	6.84	8.23	9.21	9.08	10.17
Foreign Currency Deposits	8.50	8.50	8.68	7.80	9.73	7.01

Source: Eastern Caribbean Central Bank

Data available at 17 August 2010



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

	2009 <sup>R</sup> 2 <sup>nd</sup> Qr	2009 <sup>R</sup> 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
Total Visitors	87,925	60,958	185,997	239,333	117,740	300,606	357,073
Stay-Over Visitors	24,318	21,267	18,395	25,371	24,318	53,419	49,689
Of which:							
USA	15,127	12,393	9,913	16,214	15,127	32,104	31,341
Canada	1,092	1,240	1,131	1,861	1,092	4,042	2,953
UK	1,448	1,396	1,678	1,873	1,448	3,422	3,321
Caribbean	5,676	5,534	4,878	4,383	5,676	11,998	10,059
Other Countries	975	704	795	1,040	975	1,853	2,015
Excursionists	1,366	719	678	1,004	1,366	2,321	2,370
Cruise Ship Passengers	62,238	38,972	166,835	212,850	92,043	244,746	304,893
Yacht Passengers	3	-	89	108	13	120	121
Number of Cruise Ship Calls	28	12	86	121	38	137	159
Total Visitor Expenditure (EC\$M)	<b>55.90</b>	<b>47.96</b>	<b>48.82</b>	<b>66.39</b>	<b>57.55</b>	<b>128.64</b>	<b>123.94</b>

Source: Statistics Division, Ministry of Sustainable Development and Eastern Caribbean Central Bank  
Data available at 14 September 2010

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

	Weight	Index Jun 2010	Percentage Change*						
			2009 <sup>R</sup> 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
<b>All Items</b>	1,000.00	135.43	0.10	1.13	1.18	(1.93)	0.37	(1.33)	(1.57)
Food	280.50	142.27	(0.70)	(0.35)	1.09	0.11	1.12	(0.26)	1.24
Alcoholic Beverages and Tobacco	7.10	130.39	(0.87)	3.00	(0.38)	(0.02)	0.12	0.23	0.10
Housing	129.90	114.73	(3.71)	0.03	(0.39)	(5.53)	0.32	(8.18)	(5.24)
Fuel and Light	43.70	102.10	0.79	(0.23)	(0.11)	(2.12)	0.00	(0.22)	(2.12)
Clothing and Footwear	92.90	131.76	(0.01)	(0.07)	(3.15)	0.59	0.29	0.19	0.88
Transportation and Communication	21.40	159.29	1.85	3.21	6.80	(6.06)	(0.41)	(3.77)	(6.45)
Household Furnishings and Supplies	37.20	117.42	0.34	4.64	(3.77)	0.11	0.21	0.88	0.32
Medical Care and Expenses	140.50	169.86	5.14	(1.70)	2.16	2.10	0.69	6.33	2.80
Education	192.70	136.85	0.00	0.50	5.86	0.00	1.22	0.00	1.22
Personal Services	19.90	115.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	34.20	124.64	2.21	0.41	(1.92)	0.70	(0.20)	8.73	0.50

Sources: Statistics Division and Ministry of Sustainable Development  
\*at end of period

Data available at 14 September 2010



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

	2009	2009 <sup>R</sup>	2009 <sup>P</sup>	2010	2010	2009	2010
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
<b>Current Revenue</b>	153.74	117.97	126.36	119.04	121.29	276.83	240.34
Tax Revenue	114.85	86.01	89.33	81.48	81.84	205.32	163.33
Taxes on Income and Profits	57.28	25.39	24.81	21.54	24.02	84.67	45.55
Of Which:							
Company	48.38	15.45	15.47	14.46	12.43	66.06	26.89
Social Services	8.43	9.58	8.46	6.51	10.90	17.19	17.41
Taxes on Property	3.14	3.21	1.64	1.46	3.22	4.12	4.67
Taxes on Domestic Goods and Services	17.48	15.93	17.45	20.97	14.35	38.00	35.32
Of Which:							
Hotel Room Tax	1.36	1.07	0.81	1.79	1.40	2.80	3.18
Stamp Duties	9.05	8.12	6.27	10.08	6.54	18.94	16.61
Gasoline Levy	-	-	-	-	-	-	-
Taxes on International Trade and Transactions	36.95	41.47	45.44	37.51	40.26	78.53	77.77
Of Which:							
Import Duty	10.08	10.95	12.21	10.36	11.19	22.12	21.56
Consumption Tax	17.15	19.56	21.63	17.24	19.41	36.24	36.65
Customs Service Charge	7.22	8.89	9.32	7.37	7.64	15.60	15.01
Non-Tax Revenue	38.89	31.96	37.02	37.56	39.45	71.51	77.01
<b>Current Expenditure</b>	126.02	131.66	147.65	111.28	129.62	242.35	240.90
Personal Emoluments	53.88	54.23	58.76	54.64	55.75	106.90	110.39
Goods and Services	30.00	46.07	33.03	24.75	24.37	51.18	49.12
Interest Payments	28.21	17.83	40.96	21.20	35.14	58.50	56.33
Domestic	22.79	15.67	23.75	12.35	18.45	35.88	30.80
External	5.42	2.16	17.21	8.85	16.68	22.62	25.53
Transfers and Subsidies	13.93	13.53	14.91	10.70	14.36	25.77	25.06
Of Which: Pensions	5.26	5.20	5.75	5.29	5.55	10.29	10.84
<b>Current Account Balance</b>	27.72	(13.69)	(21.30)	7.76	(8.33)	34.48	(0.57)
<b>Capital Revenue</b>	10.18	2.41	11.52	3.63	28.43	12.52	32.06
<b>Grants</b>	28.27	5.00	3.51	2.26	7.75	50.76	10.01
Of which: Capital Grants	0.75	2.99	0.85	1.39	2.92	2.63	4.31
<b>Capital Expenditure and Net Lending</b>	13.68	28.62	21.45	9.15	45.75	25.65	54.90
Of which: Capital Expenditure	12.63	26.07	21.50	7.43	45.02	24.58	52.45
<b>Primary Balance</b>	80.70	(17.07)	13.25	25.71	17.24	130.61	42.95
<b>Overall Balance</b>	52.49	(34.90)	(27.71)	4.51	(17.90)	72.11	(13.38)
<b>Financing</b>	(52.49)	34.90	27.71	(4.51)	17.90	(72.11)	13.38
Domestic	(40.01)	21.85	39.13	(0.15)	35.02	(40.52)	34.87
ECCB (net)	(29.98)	46.96	19.70	(10.92)	24.70	(30.44)	13.79
Commercial Banks (net)	(23.69)	(0.93)	(23.29)	9.46	(250.51)	26.08	(241.05)
Other	13.67	(24.18)	42.72	1.30	260.84	(36.16)	262.14
External	(12.49)	13.05	(11.42)	(4.36)	(17.13)	(31.60)	(21.49)
Net Disbursements/(Amortisation)	(12.49)	13.05	(11.42)	(4.36)	(17.13)	(31.60)	(21.49)
Disbursements	0.18	21.38	6.80	2.30	2.00	0.87	4.30
Amortisation	(12.66)	(8.33)	(18.22)	(6.66)	(19.13)	(32.46)	(25.79)
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-

Source: Ministry of Finance and ECCB Estimates

Data available at 14 September 2010



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

	2009 1 <sup>st</sup> Qr	2009 <sup>R</sup> 2 <sup>nd</sup> Qr	2009 <sup>R</sup> 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr
Net Foreign Assets	760.03	708.68	746.86	632.17	767.43	692.07
Central Bank (net)	415.40	499.76	438.11	331.92	407.57	370.97
Commercial Banks (net)	344.62	208.92	308.75	300.26	359.85	321.10
External (net)	680.75	516.31	531.79	493.87	601.28	226.14
Assets	1,153.67	964.62	1,315.94	1,297.64	1,432.02	1,325.45
Liabilities	472.92	448.31	784.15	803.78	830.74	1,099.31
Other ECCB Territories	(336.13)	(307.39)	(223.05)	(193.61)	(241.42)	94.96
Assets	341.41	365.03	381.24	380.50	376.23	672.33
Liabilities	677.54	672.42	604.28	574.11	617.65	577.37
Net Domestic Assets	1,013.35	1,060.66	1,077.49	1,126.89	1,072.34	1,109.74
Domestic Credit	1,633.83	1,581.26	1,650.14	1,676.97	1,647.79	1,687.55
Central Government (net)	386.47	336.37	378.71	375.19	373.67	380.57
Other Public Sector (net)	8.03	(1.07)	5.17	7.10	1.20	(17.01)
Private Sector	1,239.33	1,245.96	1,266.26	1,294.69	1,272.92	1,324.00
Households	750.32	766.00	791.78	794.74	799.14	806.41
Business	417.57	405.17	396.48	419.06	397.48	427.07
Non-Bank Financial Institutions	41.68	43.53	44.07	46.48	43.28	45.96
Subsidiaries & Affiliates	29.76	31.26	33.94	34.41	33.03	44.56
Other Items (net)	(620.48)	(520.60)	(572.65)	(550.08)	(575.45)	(577.82)
Monetary Liabilities (M2)	1,773.38	1,769.34	1,824.35	1,759.06	1,839.77	1,801.81
Money Supply (M1)	272.94	274.29	270.78	255.02	274.56	293.52
Currency with the Public	84.24	84.64	84.81	78.33	86.94	91.52
Demand Deposits	177.80	178.53	174.45	165.30	175.32	182.39
EC\$ Cheques and Drafts Issued	10.90	11.13	11.52	11.38	12.30	19.60
Quasi Money	1,500.44	1,495.04	1,553.58	1,504.05	1,565.21	1,508.29
Savings Deposits	616.71	628.34	632.02	638.55	645.16	651.86
Time Deposits	447.43	457.19	503.59	490.97	517.81	497.85
Foreign Currency Deposits	436.29	409.51	417.98	374.53	402.23	358.59

Source: Eastern Caribbean Central Bank

Data available at 19 August 2010



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

	2009	2009	2009	2010	2010	2009	2010
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
Total Visitors	188,049	146,329	297,252	408,740	196,648	571,180	605,388
Stay-Over Visitors	71,324	64,773	68,143	83,530	79,326	145,575	162,856
Of which:							
USA	29,918	22,148	24,155	30,980	37,796	52,382	68,776
Canada	4,321	2,223	6,564	15,427	5,759	19,776	21,186
Europe	20,033	18,400	22,867	25,924	20,247	45,552	46,171
UK	16,613	15,446	18,536	19,584	16,644	37,871	36,228
France	1,384	1,300	1,222	2,015	1,126	2,834	3,141
Germany	417	323	1,030	1,516	769	1,063	2,285
Caribbean	16,032	20,925	13,411	10,108	13,634	25,843	23,742
Excursionists	1,231	1,223	1,085	1,185	1,585	2,659	2,770
Cruise Ship Passengers	105,494	74,671	220,960	310,250	104,597	403,675	414,847
Number of Cruise Ship Calls	59	35	129	198	56	233	254
Yacht Passengers	10,000	5,662	7,064	13,775	11,140	19,271	24,915
Total Visitor Expenditure (EC\$M)	<b>188.11</b>	<b>156.32</b>	<b>204.64</b>	<b>277.93</b>	<b>217.62</b>	<b>438.78</b>	<b>495.55</b>

Source: Saint Lucia Tourist Board  
Data available at 25 August 2010

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

	Weight	Index Jun 2010	Percentage Change*						
			2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
<b>All Items</b>	99.87	107.20	0.08	0.70	0.64	0.92	0.22	(0.29)	1.13
Food	25.02	109.73	(0.88)	0.51	(0.15)	0.67	0.46	(1.91)	1.13
Alcoholic Beverages and Tobacco	6.53	106.65	(0.03)	1.75	4.17	(0.30)	(0.55)	1.21	(0.85)
Clothing and Footwear	1.66	111.81	3.62	7.17	(2.59)	4.71	5.92	(12.82)	10.91
Housing, Utilities, Gas and Fuels	17.36	100.58	0.85	4.07	(0.81)	1.32	1.68	(4.39)	3.02
Furniture and Household Appliances	3.31	114.52	5.03	(1.41)	0.71	5.07	(2.05)	8.05	2.91
Health	3.96	116.54	(0.47)	0.87	(1.23)	1.97	(0.43)	(3.27)	1.53
Transport	16.40	106.82	(4.81)	(1.97)	6.17	(0.53)	(0.51)	(4.36)	(1.04)
Communication	12.54	98.98	0.52	(0.52)	-	(1.02)	-	0.52	(1.02)
Recreation and Culture	1.37	114.22	5.46	0.18	(5.84)	5.77	0.65	11.07	6.46
Education	3.70	122.61	8.50	(2.08)	1.06	14.80	-	8.54	14.80
Hotels & Restaurants	1.10	111.04	(1.34)	0.58	(1.11)	(0.34)	0.95	0.30	0.61
Miscellaneous Goods and Services	-	-	-	-	-	-	-	-	-

Source: Central Statistical Office  
\*at end of period  
Data available at 25 August 2010



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

	2009	2009	2009	2010	2010	2009	2010
	2 <sup>nd</sup> Qr	3 <sup>rd</sup> Qr	4 <sup>th</sup> Qr	1 <sup>st</sup> Qr	2 <sup>nd</sup> Qr	Jan - Jun	Jan - Jun
<b>Current Revenue</b>	186.33	179.73	175.34	206.90	188.77	408.61	395.68
Tax Revenue	169.50	172.90	163.43	191.49	185.44	387.71	376.94
Taxes on Income and Profits	56.30	52.16	35.68	73.05	64.61	138.43	137.66
Of Which:							
Personal Income	18.58	18.83	17.65	22.36	19.64	40.97	41.99
Company	29.76	25.86	7.10	31.46	29.18	76.47	60.64
Taxes on Property	1.31	0.68	0.94	0.99	0.93	2.60	1.92
Taxes on Domestic Goods and Services	21.28	24.56	30.30	28.43	27.13	52.58	55.56
Of Which:							
Consumption Duty	1.41	1.80	1.53	1.57	1.34	2.81	2.91
Licenses	1.35	2.55	9.15	3.77	2.20	7.32	5.97
Hotel Occupancy Tax	7.00	5.01	4.28	8.21	9.08	15.37	17.29
Taxes on International Trade and Transactions:	90.61	95.51	96.51	89.02	92.77	194.10	181.79
Of Which:							
Consumption Tax (Imports)	40.19	42.64	34.28	23.25	26.31	87.12	49.57
Import Duty	22.56	22.65	26.61	21.44	24.41	44.45	45.85
Service Charge (Imports)	13.65	14.99	16.17	14.19	14.92	30.00	29.10
Non-Tax Revenue	16.83	6.83	11.91	15.41	3.33	20.91	18.74
<b>Current Expenditure</b>	150.34	176.71	157.99	184.41	176.81	319.96	361.22
Personal Emoluments	77.72	77.66	79.23	80.25	85.65	152.13	165.91
Goods and Services	24.75	40.81	28.80	44.32	34.12	58.24	78.44
Interest Payments	17.79	22.89	17.16	23.69	22.30	49.79	45.99
Domestic	10.84	12.31	6.19	12.89	11.72	25.71	24.60
External	6.95	10.58	10.97	10.80	10.59	24.08	21.39
Transfers and Subsidies	30.09	35.35	32.79	36.15	34.74	59.80	70.89
Of Which: Pensions	1.20	2.23	1.87	1.94	2.02	2.87	3.96
<b>Current Account Balance</b>	35.99	3.02	17.35	22.50	11.96	88.65	34.46
<b>Capital Revenue</b>	0.04	0.04	0.01	-	0.12	0.04	0.12
<b>Grants</b>	23.42	0.68	-	5.15	12.99	25.23	18.14
Of which: Capital Grants	23.42	0.68	-	5.15	12.99	25.23	18.14
<b>Capital Expenditure and Net Lending</b>	28.76	54.49	43.03	62.86	28.50	102.71	91.36
<b>Primary Balance</b>	48.47	(27.85)	(8.51)	(11.53)	18.88	61.00	7.34
<b>Overall Balance (after grants)</b>	30.68	(50.74)	(25.68)	(35.22)	(3.42)	11.21	(38.65)
<b>Financing</b>	(30.68)	50.74	25.68	35.22	3.42	(11.21)	38.65
Domestic	(41.89)	65.44	24.62	3.21	5.66	(43.12)	8.87
ECCB (net)	18.65	15.81	16.94	(37.82)	36.12	(41.89)	(1.71)
Commercial Banks (net)	(18.59)	(1.45)	(22.26)	(40.24)	(3.29)	11.48	(43.53)
Other	(41.95)	51.07	29.94	81.27	(19.26)	(12.70)	62.01
External	11.21	(14.70)	1.06	32.01	(10.14)	31.90	21.87
Net Disbursements/(Amortisation)	11.21	(14.70)	1.06	32.01	(10.14)	31.90	21.87
Disbursements	18.83	16.67	17.34	60.63	44.55	69.80	105.18
Amortisation	(7.62)	(31.36)	(16.28)	(28.62)	(54.70)	(37.90)	(83.32)
Change in Government Foreign Assets	-	-	-	-	-	-	-

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 25 August 2010





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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
Volume (tonnes)	7,498	7,933	9,814	8,353	5,347	16,177	13,699
Value (EC\$M)	13.08	13.39	14.80	14.51	10.26	28.11	24.77
Unit Price (EC\$/ tonnes)	1,744.47	1,687.89	1,508.05	1,737.17	1,919.74	3,476.14	3,656.91

Source: WIBDECO

Data available at 25 August 2010

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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
<b>Total Exports</b>	106.11	91.02	386.90	133.71	120.76	216.17	254.47
Total Domestic Exports	42.55	52.84	54.78	58.35	51.74	79.26	110.09
Total Re-Exports	63.56	38.18	332.12	75.36	69.02	136.91	144.38
<b>Total Imports</b>	336.04	291.39	366.40	325.76	363.31	727.47	689.08
<b>Trade Balance</b>	(229.94)	(200.37)	20.50	(192.05)	(242.55)	(511.29)	(434.61)

Source: Statistical Department, Saint Lucia and ECCB estimates

Data available at 25 August 2010



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

	2009 1 <sup>st</sup> Qr	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr
Net Foreign Assets	(431.56)	(262.47)	(441.50)	(503.58)	(420.88)	(437.39)
Central Bank (net)	450.22	478.13	437.77	406.63	450.38	483.55
Commercial Banks (net)	(881.78)	(740.59)	(879.27)	(910.21)	(871.26)	(920.95)
External (net)	(489.42)	(390.04)	(511.44)	(572.59)	(540.00)	(535.37)
Assets	440.99	412.82	424.59	441.69	487.03	440.58
Liabilities	930.41	802.86	936.02	1,014.28	1,027.03	975.95
Other ECCB Territories	(392.36)	(350.55)	(367.84)	(337.62)	(331.26)	(385.58)
Assets	289.27	357.32	379.27	367.66	384.38	393.95
Liabilities	681.63	707.87	747.10	705.28	715.64	779.52
Net Domestic Assets	3,013.50	2,879.03	2,985.84	3,014.39	2,988.05	2,994.47
Domestic Credit	3,387.73	3,411.51	3,432.60	3,456.10	3,393.54	3,402.77
Central Government (net)	38.56	38.61	52.98	47.66	(30.40)	2.42
Other Public Sector (net)	(305.50)	(307.96)	(316.01)	(337.01)	(305.96)	(324.27)
Private Sector	3,654.67	3,680.87	3,695.63	3,745.45	3,729.90	3,724.62
Households	1,252.95	1,202.68	1,228.08	1,240.90	1,279.47	1,281.75
Business	2,193.89	2,261.22	2,255.85	2,297.73	2,247.66	2,258.24
Non-Bank Financial Institutions	39.02	48.74	46.94	41.25	40.69	43.56
Subsidiaries and Affiliates	168.81	168.24	164.77	165.57	162.08	141.07
Other Items (net)	(374.22)	(532.48)	(446.76)	(441.71)	(405.48)	(408.30)
Monetary Liabilities (M2)	2,581.95	2,616.56	2,544.33	2,510.80	2,567.17	2,557.08
Money Supply (M1)	681.93	689.65	633.59	659.58	648.80	630.38
Currency with the Public	151.67	146.77	143.45	142.46	130.67	135.67
Demand Deposits	518.34	524.06	474.87	504.23	492.67	479.18
EC\$ Cheques and Drafts Issued	11.91	18.83	15.26	12.89	25.47	15.53
Quasi Money	1,900.02	1,926.91	1,910.75	1,851.22	1,918.37	1,926.70
Savings Deposits	1,271.39	1,290.39	1,285.91	1,301.71	1,324.31	1,335.99
Time Deposits	456.08	472.52	458.85	405.44	427.74	459.69
Foreign Currency Deposits	172.56	164.00	165.99	144.07	166.32	131.02

Source: Eastern Caribbean Central Bank

Data available at 16 August 2010



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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 <sup>P</sup> 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 <sup>P</sup> Jan - Jun
Total Visitors	39,694	24,849	95,388	125,800	32,438	166,881	158,238
Stay-Over Visitors	17,517	18,516	17,041	19,159	17,054	37,075	36,213
Of which:							
USA	5,072	4,128	4,500	5,329	5,505	10,441	10,834
Canada	1,278	1,097	1,960	2,475	1,494	3,753	3,969
UK	3,085	2,762	3,303	3,738	2,890	7,022	6,628
Caribbean	6,461	8,828	4,916	5,047	5,455	11,614	10,502
Other Countries	1,621	1,701	2,362	2,570	1,710	4,245	4,280
Excursionists	1,285	1,051	3,190	3,773	981	2,896	4,754
Yacht Passengers	8,730	5,282	13,431	17,242	8,455	25,296	25,697
Cruise Ship Passengers	12,162	0	61,726	85,626	5,948	101,614	91,574
Number of Cruise Ship Calls	12	0	66	87	9	105	96
Total Visitor Expenditure (EC\$M)	<b>52.40</b>	<b>46.57</b>	<b>62.68</b>	<b>74.22</b>	<b>50.00</b>	<b>127.10</b>	<b>124.22</b>

Sources: Department of Tourism

Data available at 02 September 2010

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

	Weight	Index Jun 2010	Percentage Change*						
			2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
<b>All Items</b>	1,000.00	134.13	(1.06)	0.53	0.65	(0.47)	1.74	(2.78)	1.26
Food	536.1	147.28	(1.87)	0.37	0.85	(1.31)	2.89	(3.40)	1.54
Alcoholic Beverages and Tobacco	9.5	139.65	1.36	0.39	1.12	1.92	0.17	1.22	2.09
Housing	97.9	107.48	(0.01)	(0.01)	0.04	-	0.10	0.04	0.10
Fuel and Light	29.8	136.07	1.57	0.24	3.55	4.09	(0.95)	(17.08)	3.10
Clothing and Footwear	88.7	114.00	-	(0.34)	0.41	0.79	-	-	0.79
Household Furnishings and Supplie	61.5	111.65	0.06	0.25	(0.26)	(0.04)	(0.28)	(0.26)	(0.31)
Transport and Communications	68.5	124.38	(0.32)	3.98	-	1.14	1.39	(4.25)	2.54
Medical Care and Expenses	10.1	141.88	-	8.75	-	-	-	7.66	-
Education	34.3	151.17	-	(0.54)	0.58	0.57	-	-	0.57
Personal Services	33.5	119.64	0.25	0.51	(0.03)	0.28	0.21	0.03	0.49
Miscellaneous	30.1	104.59	-	-	-	-	-	-	-

Source: Central Statistical Office, Ministry of Finance

\*at end of period

Data available at 02 September 2010



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

	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2010 Jan - Jun
<b>Current Revenue</b>	117.59	111.70	116.72	91.14	132.19	234.26	223.32
Tax Revenue	109.52	101.60	112.77	78.76	112.55	213.61	191.31
Taxes on Income & Profits	31.91	27.23	30.20	20.82	27.62	53.19	48.44
Of Which:							
Individual	14.59	13.56	14.70	14.71	16.12	29.66	30.83
Company Tax	13.80	12.12	13.75	4.33	10.38	18.97	14.71
Taxes on Property	0.41	1.39	0.55	0.30	0.31	0.77	0.61
Taxes on Domestic Goods and Services	56.17	56.34	52.60	42.67	56.88	120.11	99.55
Of Which:							
Stamp Duties	4.40	4.16	3.71	2.74	9.96	11.07	12.71
Consumption Duties	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hotel Turnover Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Value Added Tax	38.23	30.37	37.03	30.25	35.52	75.01	65.77
Taxes on International Trade and Transactions	21.02	16.64	29.41	14.97	27.74	39.53	42.72
Of Which:							
Import Duty	12.23	9.43	14.73	6.19	12.32	20.68	18.51
Consumption Tax	0.00	0.00	(0.14)	0.00	0.00	0.14	0.00
Customs Service Charge	7.39	6.08	8.73	3.91	7.97	16.19	11.87
Non-Tax Revenue	8.07	10.09	3.96	12.38	19.63	20.65	32.01
<b>Current Expenditure</b>	119.63	119.61	120.15	115.44	118.23	225.70	233.67
Personal Emoluments	50.55	52.89	54.24	54.18	54.29	104.83	108.47
Goods and Services	24.47	19.09	26.86	12.32	18.83	39.67	31.15
Interest Payments	11.57	12.58	9.26	14.45	11.03	26.30	25.49
Domestic	3.82	8.47	4.68	8.98	6.26	12.42	15.23
External	7.75	4.11	4.59	5.48	4.77	13.88	10.25
Transfers and Subsidies	33.04	35.04	29.79	34.48	34.08	54.90	68.56
Of Which: Pensions	9.66	10.59	11.34	13.32	9.98	19.28	23.30
<b>Current Account Balance</b>	(2.04)	(7.91)	(3.43)	(24.31)	13.96	8.57	(10.35)
<b>Capital Revenue</b>	0.43	0.38	0.22	0.26	0.07	0.87	0.34
<b>Grants</b>	5.92	8.03	44.39	0.07	4.53	5.92	4.60
Of which: Capital Grants	5.92	8.03	44.39	0.07	4.53	5.92	4.60
<b>Capital Expenditure and Net Lending</b>	27.81	25.09	44.00	1.51	25.52	36.92	27.03
Of which: Capital Expenditure	27.81	25.09	44.00	1.51	25.52	36.92	27.03
<b>Primary Balance</b>	(11.92)	(12.01)	6.45	(11.03)	4.07	4.74	(6.96)
Overall Balance (after grants)	(23.49)	(24.59)	(2.82)	(25.49)	(6.96)	(21.56)	(32.45)
<b>Financing</b>	23.49	24.59	2.82	25.49	6.96	21.56	32.45
Domestic	21.14	(6.90)	8.09	(11.87)	19.54	36.40	7.67
ECCB (net)	(0.28)	4.31	(2.43)	(1.14)	0.57	(23.75)	(0.57)
Commercial Banks (net)	(38.55)	(10.28)	57.60	35.76	(61.50)	(6.13)	(25.73)
Other	59.97	(0.92)	(47.08)	(46.49)	80.47	66.28	33.97
External	2.35	31.48	(5.27)	37.36	(12.58)	(14.83)	24.78
Net Disbursements/(Amortisation)	2.35	31.48	(5.27)	37.36	(12.58)	(14.83)	24.78
Disbursements	18.06	42.71	5.26	54.58	1.51	21.12	56.09
Amortisation	(15.71)	(11.23)	(10.53)	(17.23)	(14.09)	(35.95)	(31.31)
Change in Government Foreign Assets	-	-	-	-	-	-	-

Source: Ministry of Finance

Data available at 24 August 2010



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

	2009 <sup>R</sup> 2 <sup>nd</sup> Qr	2009 <sup>R</sup> 3 <sup>rd</sup> Qr	2009 <sup>R</sup> 4 <sup>th</sup> Qr	2010 <sup>R</sup> 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr	2009 Jan - Jun	2009 Jan - Jun
<b>Visible Trade Balance</b>	(168.56)	(169.86)	(211.29)	(195.29)	(192.92)	(387.05)	(388.21)
<b>Total Imports</b>	198.05	211.27	239.85	219.38	222.17	449.54	441.55
<b>Total Exports</b>	29.49	41.41	28.57	24.09	29.24	62.50	53.33
Re-Exports	4.26	14.80	6.39	3.05	7.57	7.81	10.63
Domestic Exports	25.23	26.61	22.18	21.04	21.67	54.69	42.71
Of Which:							
Bananas							
Volume	1.75	1.61	1.87	1.70	0.79	4.04	2.49
Value	2.92	2.73	2.97	3.22	2.02	6.76	5.24
Flour							
Volume	2.47	2.76	2.79	2.82	2.81	5.05	5.63
Value	5.98	6.23	6.05	6.02	5.89	12.14	11.91
Rice							
Volume	1.36	1.14	0.79	0.97	1.02	2.57	1.99
Value	2.46	3.41	2.43	2.96	3.00	7.42	5.96
Feeds							
Volume	0.90	1.30	1.34	1.42	1.46	2.32	2.88
Value	1.15	1.12	1.09	1.33	1.36	2.70	2.69

Data available at 02 September 2010

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

	2009 1 <sup>st</sup> Qr	2009 2 <sup>nd</sup> Qr	2009 3 <sup>rd</sup> Qr	2009 <sup>R</sup> 4 <sup>th</sup> Qr	2010 1 <sup>st</sup> Qr	2010 2 <sup>nd</sup> Qr
<b>Net Foreign Assets</b>	428.90	402.05	399.68	361.19	355.54	363.54
Central Bank (net)	238.06	197.46	200.18	203.03	226.94	250.70
Commercial Banks (net)	190.83	204.59	199.50	158.16	128.60	112.84
External (net)	17.72	11.31	(13.84)	(26.29)	(30.78)	(40.14)
Assets	214.61	212.97	172.96	160.01	168.41	173.48
Liabilities	196.89	201.66	186.79	186.30	199.20	213.62
Other ECCB Territories	173.11	193.29	213.34	184.45	159.38	152.97
Assets	345.87	374.48	383.31	365.48	346.64	343.90
Liabilities	172.76	181.19	169.97	181.03	187.26	190.92
<b>Net Domestic Assets</b>	636.40	674.25	671.24	724.58	745.13	750.25
Domestic Credit	990.02	956.11	984.78	1,029.23	1,067.47	1,036.52
Central Government (net)	117.24	78.41	72.43	127.61	162.23	101.30
Other Public Sector (net)	(53.67)	(51.36)	(32.25)	(41.23)	(38.93)	(78.93)
Private Sector	926.45	929.06	944.60	942.85	944.17	1,014.15
Households	595.70	581.74	594.73	592.67	593.31	593.98
Business	318.79	329.92	338.57	343.71	344.33	357.15
Non-Bank Financial Institutions	11.96	17.40	11.30	6.47	6.53	26.02
Subsidiaries and Affiliates	0.00	0.00	-	-	-	37.00
Other Items (net)	(353.62)	(281.86)	(313.55)	(304.65)	(322.34)	(286.27)
<b>Monetary Liabilities (M2)</b>	1,065.30	1,076.31	1,070.91	1,085.77	1,100.67	1,113.78
Money Supply (M1)	348.60	341.25	347.92	359.13	360.95	358.59
Currency with the Public	61.93	56.36	51.81	63.50	58.65	54.18
Demand Deposits	278.61	276.22	286.11	284.89	293.01	299.28
EC\$ Cheques and Drafts Issued	8.05	8.67	10.01	10.75	9.29	5.12
Quasi Money	716.70	735.06	722.99	726.64	739.72	755.20
Savings Deposits	546.26	567.70	572.18	575.02	571.30	586.88
Time Deposits	123.03	133.57	120.41	121.65	125.89	127.73
Foreign Currency Deposits	47.42	33.78	30.40	29.96	42.53	40.59

Source: Eastern Caribbean Central Bank

Data available at 11 August 2010

