

Eastern Caribbean Central Bank



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EASTERN CARIBBEAN CENTRAL BANK

PARTICIPATING GOVERNMENTS

Anguilla
Antigua and Barbuda
Dominica
Grenada
Montserrat
St Kitts and Nevis
St Lucia
St Vincent and the Grenadines

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The ECCB welcomes your questions and comments on this publication.

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REGIONAL ECONOMY

Overview

Economic activity continued to recover during the second quarter of 2003 as real output is estimated to have been above the level in the corresponding quarter of 2002. The expansion during the second quarter was influenced in part by improved performances in the tourism industry as well as in the wholesale and retail trade, and government services sectors. Output in the agricultural and construction sectors contracted, while manufacturing activity remained relatively flat. The fiscal operations of the central governments combined resulted in a widening of the current account deficit, associated with a higher rate of growth in current expenditure relative to the increase in revenue. The overall deficit narrowed on account of a decline in capital expenditure and net lending and higher grant receipts. Developments in the banking sector were characterised by an increase in monetary liabilities and net foreign assets and a contraction in domestic credit. The liquidity of the commercial banking system increased, while interest rates remained stable. In the external sector, gross inflows from travel were estimated to have increased.

For the first six months of 2003 the economy is estimated to have expanded compared with the performance in the first six months of 2002. The expansion was driven in part by growth in activity in the tourism industry as well as in the wholesale and retail trade, communication and government services sectors. The current account deficit of the central governments combined widened, as growth in current expenditure outpaced the increase in current revenue. Relative to the position at the end of December 2002 monetary liabilities (M2) increased, influenced by growth in net foreign assets.

Output and Prices

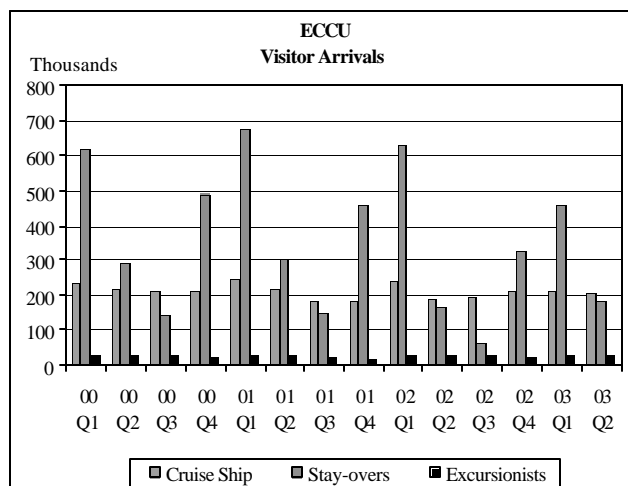
Data on tourism activity for the currency union (excluding St Kitts and Nevis where data were unavailable) indicated an improvement in performance in the tourism industry during the second quarter of 2003 relative to the corresponding quarter of 2002. Total visitor arrivals rose by 9.5 per cent to 433,081, reflecting increases in all categories of visitors. Stay-over visitors, whose contribution to the industry is the largest, grew by 10.9 per cent to 206,772. There was growth in stay-over visitors in all the member countries (with the exception of Montserrat), with rates of increases ranging from 7.0 per cent in Antigua and Barbuda to 16.6 per cent in St Vincent and the Grenadines. An analysis of visitors by market revealed growth in arrivals from all the major markets, influenced by aggressive marketing and an increase in airline services, particularly from the UK and the USA. Visitors from the UK were up by 9.9 per cent, and those from USA rose by 7.8 per cent. The number of visitors from the Caribbean increased by 9.2 per cent. The USA continued to be the dominant market with a share of 33.0 per cent, followed by the Caribbean which accounted for 29.3 per cent of total stay-over arrivals.

Cruise ship passengers to the region (excluding Anguilla and Montserrat where cruise ships do not operate, and St Kitts and Nevis for which data were unavailable) increased by 9.5 per cent to 184,107. This performance was influenced by growth in three of the other five member countries. The highest increase was recorded in Antigua and Barbuda (44.1 per cent), partly as a result of the start of visits by two cruise liners. During the quarter under review 163 cruise ship calls were made to the region compared with 137 in the second quarter of 2002.



For the first six months of 2003 total visitors to the currency union fell by 3.2 per cent to 1,169,182, largely influenced by a decline in cruise ship passengers. The number of cruise passengers was down by 7.2 per cent to 644,937, largely attributed to developments in the first quarter of 2003. The overall contraction in visitor arrivals was moderated by a 3.3 per cent increase in stay-over arrivals to 419,355, attributable to growth in arrivals from the UK (5.3 per cent), the Caribbean 2.6 per cent) and the USA (1.4 per cent).

Chart 1



The improvement in tourism is likely to have contributed to an increase in activity in the wholesale and retail trade sector during the quarter under review. Of the other services sectors, value added for government services expanded, reflecting in part growth in civil service employment as well as salary increases awarded to some civil servants.

During the second quarter of 2003 agricultural production in the currency union was estimated to have declined compared with the level in the corresponding period in 2002. Output of banana, the primary crop, fell by 38.9 per cent to 16,984 tonnes, reflecting decreases in all the banana-producing countries - Grenada (3.6 per cent), St Lucia (33.6 per cent),

Dominica (42.6 per cent) and St Vincent and the Grenadines (45.6 per cent). There were declines in output of other traditional crops, except cocoa. The nutmeg and mace harvest in Grenada registered lower yields, with output falling by 41.6 per cent and 11.8 per cent respectively. In St Kitts and Nevis output of sugar cane contracted by 34.4 per cent. By contrast, the production of cocoa in Grenada more than doubled to 200 tonnes.

Data for the first six months of 2003 indicated that banana production amounted to 34,571, roughly 38.5 per cent below the total in the first half of 2002. There were declines in the production of nutmeg (4.7 per cent), sugar cane (13.7 per cent) and cocoa (27.4 per cent), while output of mace rose by 34.5 per cent, attributable to favourable weather.

During the second quarter of 2003 construction activity was slightly below the level in the corresponding quarter of 2002, largely as a result of developments in the public sector. The pace of construction activity in the public sector slowed as a result of the completion of some major projects. Ongoing public sector projects included a cruise facility, an hospital and expansions to health centres and schools. Private sector activity continued to be buoyant in most of the member countries, and focussed on the construction of residential properties, tourism facilities and commercial buildings, including headquarters for a credit union and an insurance company. For the first half of 2003 construction activity was estimated to have contracted, largely on account of the completion or winding down of some major projects in the private and public sectors.

The available data on manufacturing indicated that activity remained flat relative to the performance in the corresponding period of 2002. There were increases in the production of soap, dental cream, flour, beverages and animal and poultry feeds, partly



attributable to increased external demand. These increases were largely offset by declines in output of sugar, rice and electronic components. For the period January to June 2003 performance in the manufacturing sector was sluggish. The production of soap, dental cream and flour was above the level in the first half of 2002. However, sugar and rice production fell and output of electronic components contracted, partly as a result of increased competition on the export market.

Data on consumer prices in the member countries of the currency union (with the exception of Antigua and Barbuda for which data were unavailable) indicate increases in the consumer price indices for five of the member countries during the quarter under review. Increases ranged from 0.2 per cent in Grenada to 5.5 per cent in Anguilla. The relatively strong increase in Anguilla was attributed to higher telecommunications rates as well as new fiscal measures introduced in the 2003 budget. In Montserrat and Dominica the consumer price index declined by 0.6 per cent and 0.8 per cent respectively.

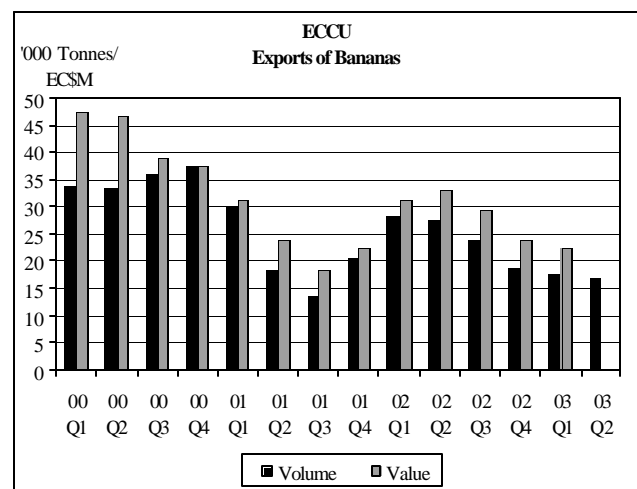
Trade and Payments

Complete trade data were not available for the quarter under review. According to data from the Windward Islands Banana Development and Exporting Company (WIBDECO) banana exports during the second quarter totalled 16,984 tonnes, roughly 38.9 per cent less than the amount in the corresponding quarter of 2002. Consequently, earnings from banana exports fell by 32.5 per cent to \$22.3m. Individual country performances revealed declines in St Lucia (29.2 per cent), St Vincent and the Grenadines (35.6 per cent) and Dominica (37.8 per cent).

Of the other agricultural exports, earnings from the export of cocoa increased by 21.2 per cent.

Meanwhile, export receipts from nutmeg and mace fell by 22.8 per cent and 17.6 per cent respectively. There was a 52.0 per cent increase in the value of sugar exports, reflecting the timing of shipments. In 2003 the bulk of the sugar was shipped in the second quarter, whereas in 2002 shipments were almost equally spread over the second and third quarters. Earnings from electronic components produced in St Kitts and Nevis declined by 25.4 per cent.

Chart 2



With respect to trade in services, gross travel receipts were estimated to have increased by 9.1 per cent to \$540.3m, in contrast to the decline of 19.4 per cent in the corresponding quarter of 2002. This performance was influenced by the increase in stay-over visitors. On the capital and financial account, commercial bank transactions resulted in a net outflow of \$29.2m in short-term capital. Inflows of grants to the combined central governments amounted to \$69.6m compared with \$27.6m in the second quarter of 2002. In the second quarter of 2003 there were net outflows of official capital by the central government of \$3.7m, mainly associated with principal repayments. This contrasts with net inflows of \$9.4m in the corresponding quarter of 2002.

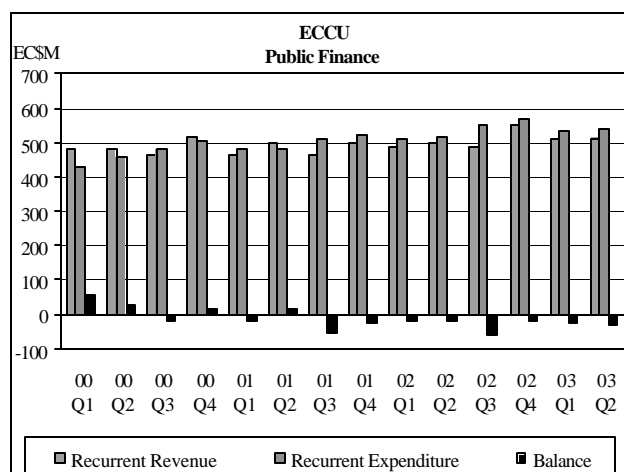
Data for the first half of 2003 indicate that receipts from banana exports declined by 30.9 per cent to \$44.5m. Receipts from sugar exports increased by 52.1 per cent to \$21.1m. Export earnings from nutmeg and cocoa went up by 9.2 per cent and 0.3 per cent respectively, while those from mace grew by 12.8 per cent. Gross travel inflows were estimated at \$1,156.8m, roughly 1.5 per cent below the amount received in the first half of 2002, partly reflecting the decline in visitor arrivals.

Central Government Fiscal Operations

During the second quarter of 2003 the fiscal operations of the combined central governments in the currency union resulted in a current account deficit of \$29.6m, roughly 25.7 per cent higher than the deficit recorded in the corresponding quarter of 2002. This outcome was due to growth of 4.4 per cent in current expenditure, which outpaced a 3.4 per cent increase in current revenue. Individual country performances revealed increased current account deficits in three member countries - Antigua and Barbuda, Montserrat and St Kitts and Nevis. Dominica reported a smaller current account deficit in comparison with the position in the second quarter of 2002. Grenada and St Vincent and the Grenadines recorded smaller surpluses. In Anguilla the deficit contracted, while St Lucia reported a larger surplus.

Current expenditure for the combined central governments amounted to \$540.6m compared with outlays of \$517.8m in the second quarter of 2002. Current expenditure rose in four of the member countries at rates ranging from 2.2 per cent in St Kitts and Nevis to 21.5 per cent in Montserrat. There were decreases in expenditure in St Vincent and the Grenadines (0.1 per cent), St Lucia (0.9 per cent), Anguilla (2.9 per cent) and Dominica (5.8 per cent).

Chart 3



There were increases in outlays in all the sub-categories of expenditure except for goods and services where outlays were down by 8.6 per cent. The contraction in expenditure on goods and services was largely reflected in declines in outlays in Antigua and Barbuda (22.9 per cent) and Dominica (26.5 per cent), partly as a result of increased efforts at expenditure control. Expenditure on personal emoluments, the single largest component of current expenditure, went up by 4.1 per cent. The higher expenditure was partly attributed to growth in the number of employees, particularly in Antigua and Barbuda. There were increases in expenditure on personal emoluments in six of the member countries at rates ranging from 1.1 per cent in Grenada to 10.4 per cent in Antigua and Barbuda. Declines of 0.6 per cent and 0.9 per cent were reported for St Kitts and Nevis and Dominica respectively.

Interest payments expanded by 31.5 per cent, largely reflecting an increase in payments to external creditors. External interest payments were 56.1 per cent above the level in the second quarter of 2002, influenced in part by higher payments, particularly by the central government of Grenada. Expenditure related to transfers and subsidies rose by 3.7 per cent.



In the case of current revenue, higher collections in four of the member countries contributed to the growth in revenue for the combined central governments. Increases were reported for Antigua and Barbuda (2.7 per cent), Grenada (4.0 per cent), Anguilla (5.2 per cent) and St Lucia (10.5 per cent). A 14.0 per cent increase in the intake from taxes on international trade and transactions was largely responsible for the growth in current revenue. This performance was partly attributed to fiscal measures introduced by some member governments in 2003. The growth in receipts from these taxes was strongest in St Lucia at 35.8 per cent, associated with increased imports and a broadening of the base of the consumption tax.

Revenue from taxes on domestic goods and services fell by 5.0 per cent, partly reflecting lower receipts from stamp duty. An analysis of individual country performances indicated that receipts from that category of taxes rose in Dominica (16.4 per cent), Grenada (4.1 per cent), Montserrat (2.8 per cent) and Antigua and Barbuda (0.8 per cent). These increases were more than offset by declines in St Vincent and the Grenadines (19.6 per cent), St Lucia (15.7 per cent), Anguilla (14.6 per cent) and St Kitts and Nevis (1.8 per cent).

Collections from taxes on income and profits by the member countries, excluding Anguilla which has no tax on income and profits, amounted to \$101.9m, roughly 8.2 per cent below the level in the corresponding quarter of 2002. This outturn was influenced by declines in collections from both personal and company taxes. The reduction in revenue from that category was highest in St Vincent and the Grenadines (21.2 per cent), followed by Grenada (20.1 per cent) and St Lucia (8.9 per cent). Revenue from non-tax sources yielded \$61.5m, representing a 4.2 per cent decline on the amount recorded during the second quarter of 2002.

During the quarter under review capital expenditure was estimated at \$93.9m, roughly 3.9 per cent above the total for the second quarter of 2002. An overall deficit of \$57.8m was recorded, well below the deficit of \$88.2m in the second quarter of 2002. The deficit was partly financed by loans from domestic and external sources.

In the period January to June 2003 the current account balance of the combined central governments deteriorated. A current account deficit of \$54.8m was recorded compared with one of \$45.7m in the first half of 2002. This performance was associated with a higher rate of growth of current expenditure relative to the increase in current revenue. Current expenditure rose by 4.5 per cent to \$1,073.4m, largely reflecting higher interest payments and an increase in outlays on personal emoluments which accounted for 52.3 per cent of current revenue. Current revenue increased by 3.8 per cent to \$1,018.6m, mainly attributable to growth in receipts from taxes on international trade and transactions. Capital expenditure amounted to \$201.4m compared with \$214.7m in the first half of 2002. The decline in capital expenditure coupled with an increase in capital grants contributed to a smaller overall deficit of \$162.3m compared with the deficit of \$189.9m in the first half of 2002.

Money and Credit

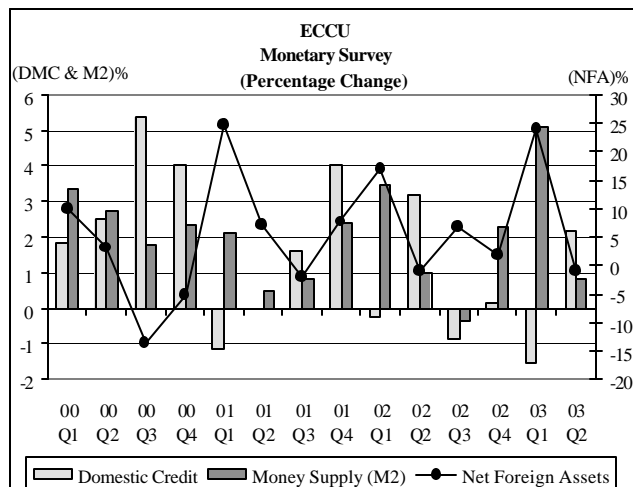
At the end of June 2003 total monetary liabilities (M2) stood at \$7,140.9m, roughly 0.9 per cent above the amount in the previous quarter. This increase was largely reflected in growth of 1.0 per cent in quasi money to \$5,777.5m. Of the components of quasi money, private sector savings and time deposits rose by 2.8 per cent and 0.9 per cent respectively, but these increases were partly offset by a 4.4 per cent contraction in foreign currency deposits. The narrow money supply (M1) went up by 0.4 per cent to



\$1,363.4m, reflecting a 2.0 per cent increase in currency with the public. Demand deposits fell by 0.2 per cent.

During the quarter under review domestic credit contracted by 0.1 per cent to \$5,794.5m, in contrast to the increase of 3.2 per cent recorded in the second quarter of 2002. The reduction was partly associated with a decrease in outstanding credit to the private sector. Lending to the private sector fell by 0.4 per cent, primarily on account of a 1.9 per cent contraction in credit extended to business enterprises that was partly offset by a 0.9 per cent increase in loans to households.

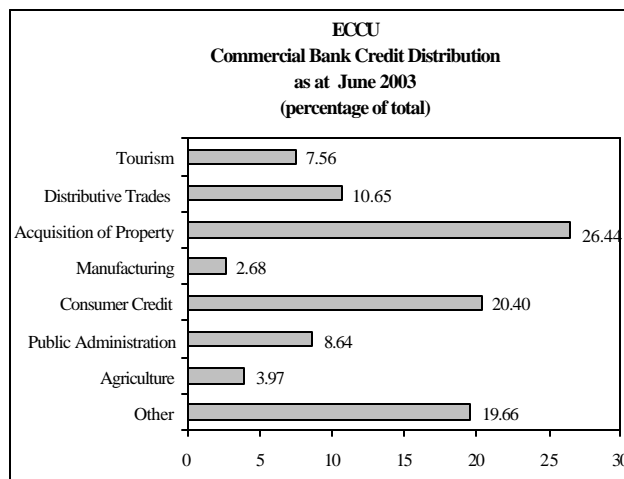
Chart 4



Net claims on the central governments by the banking system rose by 3.2 per cent to \$558.5m during the quarter under review. This increase was partly influenced by a 0.6 per cent rise in credit and a 1.7 per cent reduction in deposits. Credit from the Central Bank rose by 4.3 per cent. Loans from commercial banks went up by 0.4 per cent, mainly reflecting an increase in holdings of securities by the commercial banks as loans and advances declined. In the rest of the public sector, the net deposits of the non-financial public enterprises expanded by 4.5 per cent to \$789.7m, reflecting growth in their deposits.

An analysis of credit by economic activity revealed that during the quarter under review loans for personal use fell by 0.8 per cent, partly reflecting a 1.4 per cent decline in credit for home construction and renovation. Lending for tourism and distributive trades declined by 0.8 per cent and 2.0 per cent respectively. By contrast, credit for construction and manufacturing rose by 4.9 per cent and 3.4 per cent respectively.

Chart 5



The counterpart to the growth in M2 was a 1.8 per cent increase in the net foreign assets of the banking system to \$2,296.7m. This expansion was reflected in increases in both the net international reserves of the Central Bank and the net foreign assets of the commercial banks. The Central Bank's net international reserves rose by 0.8 per cent, reflecting an increase in assets. The net foreign assets of the commercial banks were 3.6 per cent above the level at the end of March 2003, as growth in foreign assets outpaced the increase in foreign liabilities. The growth in foreign assets was reflected in higher claims on other banks abroad and an increase in foreign investments.

The increase in monetary liabilities combined with the decline in domestic credit contributed to an improvement in the liquidity ratios. The ratio of liquid



assets to total deposits plus liquid liabilities rose by 1.2 percentage points to 35.3 per cent, while the loans and advances to total deposits ratio fell by 0.7 percentage point to 73.3 per cent. The cash reserve to deposits ratio increased to 10.2 per cent from 9.8 per cent in the previous quarter.

Prospects

During the second half of 2003 economic activity in the Eastern Caribbean currency union is projected to be above the level in the corresponding period of 2002. The expansion is likely to be influenced in part by an improvement in tourism, reflecting an anticipated increase in stay-over arrivals based on the prospects for growth in the global economy. In addition, growth in stay-over arrivals is likely to be boosted by an increase in airlift services from the USA and the UK, an expansion in the number of hotel rooms and intensive marketing and promotion. There is likely to be an expansion in construction activity, as work on some ongoing projects in the public and private sectors is expected to intensify. New projects planned for implementation during the second half of 2003 are also likely to boost construction activity. These projects include airport construction and expansion, construction of a cruise facility, road construction and rehabilitation, as well as expansions and upgrading of schools and health centres. The expansion in tourism and construction activity is expected to have positive spillover effects on a number of the other sectors, in particular the wholesale and retail trade, and transport sectors.

In the external sector, the deficit on the current account is likely to widen. This projection is based on a deterioration of the merchandise trade account and an increase in net outflows of investment income as a result of higher interest payments associated with the recent bond issues by some of the member governments. A higher deficit on the merchandise trade account is projected due to an anticipated decline in export earnings, particularly from bananas, coupled with growth in imports associated with the expansion in the economy. There is likely to be an increase in gross travel receipts, driven by the growth in stay-over visitors.

In the case of the central governments' operations, a current account deficit is projected, based on an expected higher rate of growth in current expenditure relative to the increase in current revenue. The growth in current expenditure is partly associated with an increase in interest payments as a result of new loans contracted by some governments in the earlier part of 2003, as well as higher outlays on personal emoluments. In the case of current revenue the increase is based on fiscal measures introduced in some of the member countries in 2003. These measures include increases in the rate of the customs service charge, the consumption tax and sales tax, and the introduction of an environmental levy and travel tax. Capital expenditure is projected to increase based on an intensification of work on some projects that commenced in the first half of 2003. The overall deficit is projected to widen. The deficit is expected to be financed by grants as well as by domestic and external loans. Monetary liabilities and commercial bank lending to the private sector are projected to increase in line with the expansion in the economy.



ANGUILLA

Overview

The available data for the second quarter of 2003 suggest an improvement in economic performance relative to the outcome in the same period of 2002. Increased tourism and construction activity was largely responsible for this improvement. The expansion in the tourism industry was driven by an increase in stay-over arrivals. Construction activity was buoyed by investments in the private and public sectors. The central government's fiscal operations yielded a \$0.8m current account deficit compared with the \$2.5m deficit recorded in the same period of 2002. The monetary liabilities and net foreign assets of the banking system contracted, while domestic credit increased. The consumer price index increased by 5.5 per cent after three consecutive quarters of decline.

For the period January to June 2003 the economy was estimated to have contracted compared with the outturn in the first half of 2002. This assessment is premised on lower activity in tourism and construction in the first quarter of 2003. With respect to the central government's finances, a current account surplus of \$2.5m was reported in the first half of 2003 in contrast to the deficit of \$3.6m in the first half of 2002. Consumer prices increased by 5.4 per cent in the first half of 2003 compared with the 0.8 per cent increase in the first half of 2002. In the external sector, the merchandise trade deficit increased by 3.1 per cent to \$92.3m, while gross travel receipts declined marginally to \$90.0m in the first half of 2003.

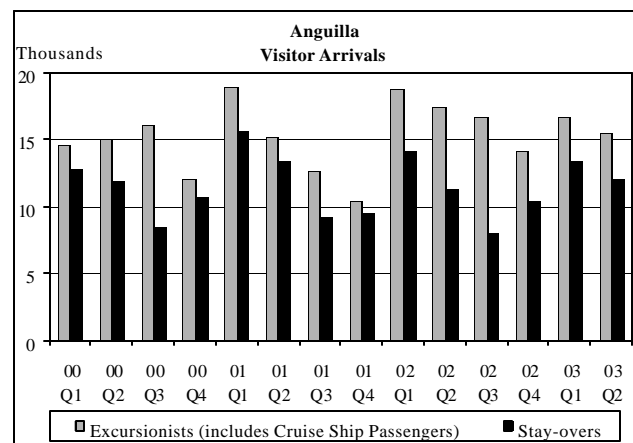
Output and Prices

Economic activity during the second quarter of 2003 is estimated to have been marginally above the level in the second quarter of 2002. This outcome is based

largely on developments in tourism and construction. The tourism industry benefited from growth of 7.3 per cent in stay-over visitors to 12,075, partly influenced by improvements in the economies of the major markets as well as increased tourism promotion. The growth in stay-over visitors largely originated from an 8.5 per cent increase in arrivals from the USA, the single largest market. Despite the increase, arrivals out of the USA remained slightly below the level in the second quarter of 2001, that is, prior to the September 11 attacks. Stay-over arrivals from the Caribbean, the other major market, declined by 14.3 per cent to 1,595, while increases were reported in all other markets.

Excursionist arrivals fell by 12.0 per cent to 15,402 during the quarter under review, but were above the total of 15,095 reported in the same period in 2001. The fall in the number of excursionists was associated in part with a decrease in arrivals from the neighbouring island of St Maarten. During the quarter total visitors to Anguilla declined by 4.4 per cent as the contraction in excursionists more than offset the growth in stay-over visitors.

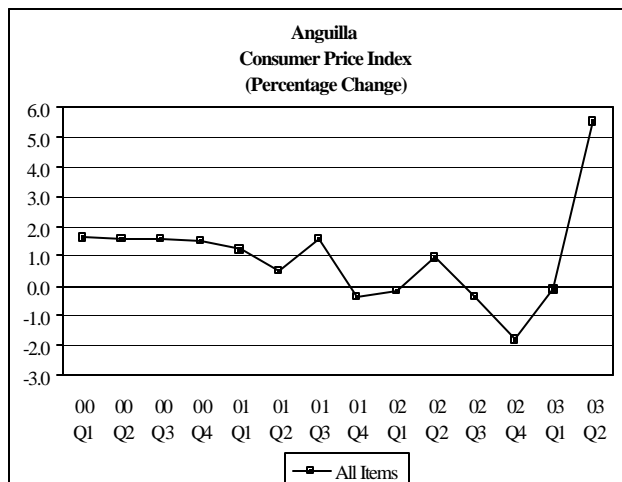
Chart 6



For the first half of 2003 total visitor arrivals decreased by 6.7 per cent to 57,642. An 11.5 per cent decline in excursionist arrivals was the main contributing factor, as stay-over visitors increased, albeit marginally by 0.1 per cent. The increases in stay-over visitors from the major European countries and Canada were almost offset by declines in arrivals from the USA and the Caribbean.

Activity in the construction sector appeared to have been above the level in the second quarter of 2002, driven by both private and public sector investment. The construction of private homes and tourist amenities including luxury villas accounted for much of the activity in the private sector. In the public sector, the main undertakings were road construction and rehabilitation and the upgrade of the Wallblake Airport. The higher level of public sector activity was reflected in an increase in central government's capital expenditure, a large portion of which is construction related. Capital expenditure totalled \$2.1m, up from \$0.8m in the corresponding period of 2002. In the case of the private sector, commercial bank lending for home construction and renovation, normally used as a gauge for private sector residential construction activity, grew by 1.7 per cent.

Chart 7



There was an increase in consumer prices during the period under review. The consumer price index rose by 5.5 per cent compared with 1.0 per cent in the second quarter of 2002. The main contributor to the increase was the "transport and communications" sub-index which rose by 24.5 per cent. The growth in the sub-index was influenced by an increase in the monthly rental rates for telephone lines and by higher airport fees, particularly the baggage screening charge and the ticket tax.

Trade and Payments

Developments in international trade during the second quarter were characterised by a reduction in the merchandise trade deficit, largely attributable to a contraction in imports. The trade deficit contracted by 2.9 per cent to \$45.6m compared with the deficit in the second quarter of 2002. A 5.2 per cent fall in import payments was responsible for the lower deficit. Import payments for the second quarter totalled \$48.0m, down from \$50.7m in the comparative period of 2002. The decline was mainly on account of a reduction in imports of consumption goods. Import payments for machinery and transport equipment increased by 24.7 per cent, partly associated with the expansion in construction activity. Receipts from merchandise exports were 34.7 per cent (\$1.3m) less than the total in the corresponding period of 2002, largely reflecting a fall in re-exports.

Gross inflows from travel are estimated to have increased by 6.2 per cent to \$42.6m in the quarter under review relative to the comparative period in 2002. The higher inflows from travel were attributed to the growth in stay-over arrivals.

For the period January to June the trade deficit increased by 3.1 per cent to \$92.3m. Exports in the first half of 2003 were 19.5 per cent (\$1.2m) lower than the total reported in the first half of 2002, while

imports were up by 1.6 per cent (\$1.6m). Gross travel receipts are estimated to have increased marginally to \$90.0m.

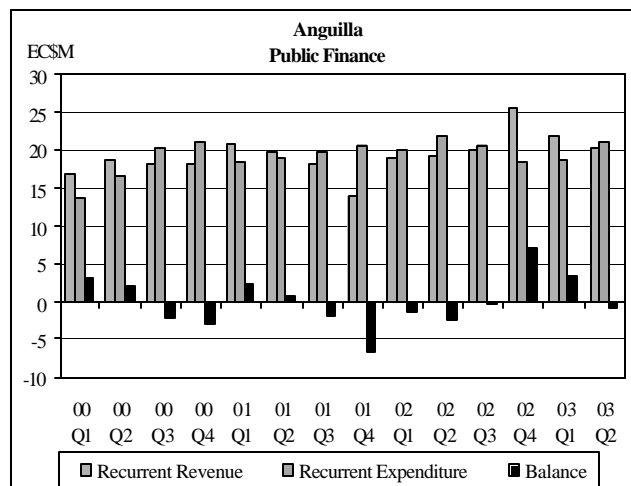
Central Government Fiscal Operations

During the second quarter of 2003 the fiscal operations of the central government yielded a current account deficit of \$0.8m, one third of the \$2.5m deficit reported in the same period in 2002. The reduction of the current account deficit was the combined result of an increase in current revenue and a decrease in current expenditure, facilitated by the introduction of fiscal measures and a general improvement in fiscal management.

handling fees, contributed to the growth in revenue from taxes on international trade and transactions. With respect to taxes on domestic goods and services, receipts were \$1.0m lower than the total recorded in the second quarter of 2002.

Current expenditure amounted to \$21.2m, marginally below the total in the second quarter of 2002. The decline was largely as a result of lower outlays on goods and services. Expenditure on goods and services decreased by \$1.9m, attributable to austerity measures implemented by the government. Expenditure on personal emoluments, the largest component of current expenditure, rose by \$0.3m. Interest payments more than doubled to \$1.2m, reflecting higher domestic and external payments.

Chart 8



Current revenue increased by \$1.0m to \$20.3m relative to the total in the second quarter of 2002. Increases were recorded in both tax and non-tax revenue. The bulk of the increase was generated from taxes on international trade and transactions which rose by \$1.6m, fuelled by higher receipts from import duty (\$1.0m) and the embarkation tax (\$0.2m). New measures introduced in this year's budget, including a 1.0 per cent surcharge on goods carrying ad valorem rates and increases in ticket taxes and passenger

On the capital account, capital expenditure more than doubled to \$2.1m. The increase was partly linked to the Wallblake Airport project, largely representing expenditure on the relocation of residents in the construction zone. Ongoing work on two major road projects - the Blowing Point to Little Harbour Road and the rerouting of a road associated with the airport project - also contributed to the growth in capital expenditure. Capital grants increased fivefold to \$1.5m. Grants were mainly in the form of technical assistance in areas such as the airport improvement project, tax administration and telecommunication liberalisation.

The reduction in the current account deficit combined with higher grant receipts resulted in an overall deficit of \$1.4m, which was well below that of \$2.9m in the second quarter of 2002.

For the period January to June a current account surplus of \$2.5m was realised in contrast to the deficit of \$3.6m in the first half of 2002. The main contributor to this improvement was a 10.2 per cent increase in current revenue, largely reflecting higher receipts from



taxes on international trade and transactions. A 5.2 per cent decrease in current expenditure also contributed to the improvement in the current account, largely associated with reduced purchases of goods and services (18.8 per cent).

The deficit on the capital account was \$0.4m, well below that of \$1.1m in the first half of 2002. The development in the current and capital accounts led to an overall surplus of \$2.1m in contrast to the deficit of \$4.7m in the first half of 2002. The reduction in both the current and overall deficits is consistent with the Government of Anguilla's announced intention to erase deficits by the end of 2003 and generate a surplus of \$4.0m to be allocated to various reserve funds.

Money and Credit

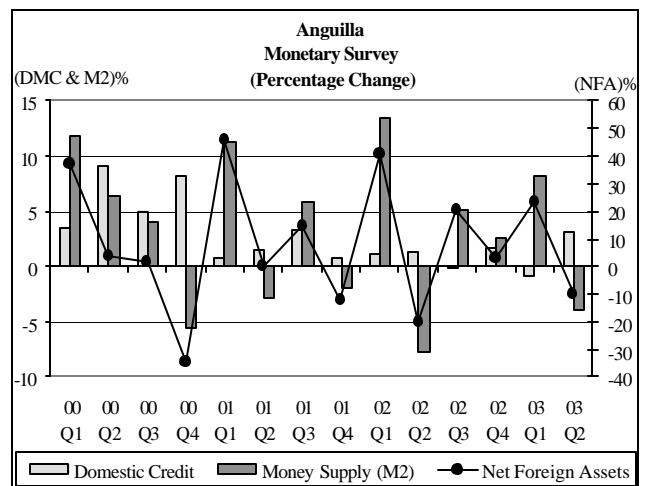
A decrease in net foreign assets and monetary liabilities, an increase in domestic credit, and a high level of commercial bank liquidity characterised money and credit developments in the second quarter of 2003. Commercial bank interest rates remained unchanged relative to the rates at the end of March 2003.

During the quarter under review the broad money supply (M2) decreased by 4.0 per cent compared with the 7.9 per cent decline in the corresponding period of 2002. Quasi money fell by 4.4 per cent, well below the 8.4 per cent rate of decline in the second quarter of 2002. The contraction in quasi-money was largely on account of a 6.0 per cent decrease in private sector foreign currency deposits, the largest component. Private sector time deposits and savings deposits increased by 4.3 per cent and 1.3 per cent respectively. The narrow money supply increased by 8.3 per cent, driven by growth of 9.5 per cent in private sector demand deposits.

Consistent with the increase in economic activity, domestic credit expanded by 3.1 per cent to \$434.8m at the end of the period under review. This increase compares favourably with the 1.3 per cent expansion recorded in the same period of 2002. The growth in domestic credit was driven largely by a 2.5 per cent increase in loans to the private sector, reflecting expansions in lending to both households and business entities. The net indebtedness of the central government to the banking system increased by 1.3 per cent, while the non-financial public enterprises registered a 1.5 per cent decrease in their net deposits.

A review of credit by economic activity revealed that lending for personal use rose by 1.3 per cent and continued to command the largest share of commercial bank credit (48.0 per cent). Of personal loans, credit for property acquisition increased by 1.8 per cent, while loans for the purchase of consumer durables fell by 1.2 per cent. There were increases in loans for tourism (4.5 per cent), manufacturing (0.9 per cent) and construction (0.3 per cent), while lending for agriculture contracted by 0.8 per cent.

Chart 9



The source of the contraction in monetary liabilities was a 10.4 per cent decline in the net foreign assets of the banking system to \$230.9m. In the second quarter of 2002 net foreign assets fell by 20.8 per cent. A 23.8 per cent contraction in commercial banks' net foreign assets held with banks and other institutions outside the Eastern Caribbean currency union largely accounted for the fall in net foreign assets. Anguilla's imputed share of the Central Bank's reserves rose by 5.5 per cent (\$4.5m), indicating an overall balance of payments surplus of \$4.5m compared with the surplus of \$4.1m in the second quarter of 2002.

The commercial banking system continued to exhibit high liquidity during the quarter under review, despite a decrease in the level. The ratio of liquid assets to total deposits plus liquid liabilities was 48.0 per cent compared with 49.2 per cent at the end of the previous quarter. The loans and advances to deposits ratio was 64.8 per cent, roughly 2.1 percentage points below that at the end of March 2003. Commercial bank interest rates remained relatively stable during the quarter under review. The rates on savings deposits ranged from 3.0 per cent to 5.0 per cent. Time deposit rates ranged from 2.5 per cent to 6.0 per cent, and prime lending rates from 10.5 per cent to 12.0 per cent.

Prospects

Prospects for the second half of 2003 appear favourable. Activity in the tourism industry and the construction sector is projected to increase. The tourism industry is expected to benefit from improved economic conditions in the major source markets. The introduction of the Anguilla Jazz Festival in November is also expected to generate an increase in arrivals.

In the construction sector, the airport expansion project is expected to commence and road construction activity is likely to intensify. In the private sector, construction is expected to continue on a golf course and associated luxury villas and private homes.

A current account surplus is projected on the central government's finances, as the government is likely to benefit from the measures implemented at the beginning of 2003. Capital expenditure is projected to increase, largely associated with the airport expansion project. The project is expected to be financed by proceeds from the sale of shares from the Anguilla Electricity Company, grants from the European Development Fund and from loan funds.

Monetary liabilities and net foreign assets are expected to increase, attributable to the inflow of foreign funds associated with investment activity in the public and private sectors.



ANTIGUA AND BARBUDA

Overview

During the second quarter of 2003 economic activity in Antigua and Barbuda appeared to have expanded when compared with the level in the corresponding quarter of 2002. This assessment was based on increased tourism and construction activity. The overall deficit of the central government widened, largely reflecting increases in both current and capital expenditure. Liquidity in the commercial banking system tightened. There were some changes in interest rates during the quarter under review.

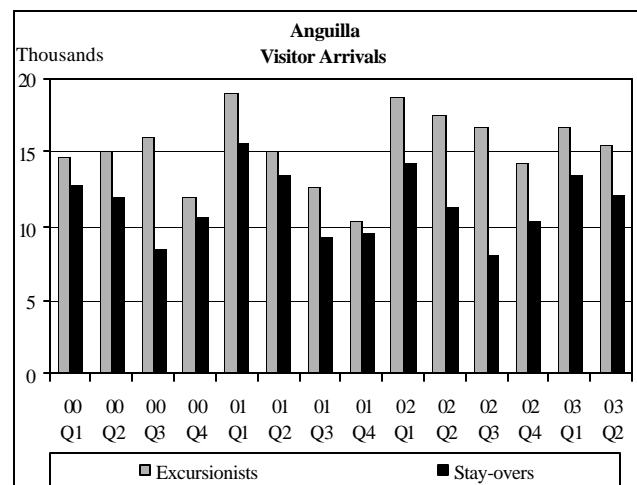
For the period January to June 2003 the pace of economic activity was likely to have accelerated compared with the level in the corresponding period of 2002. There were increases in activity in the dominant tourism industry and the construction sector. The fiscal operations of the central government resulted in a current account deficit that was above the level in the first half of 2002.

Output and Prices

Provisional data for the second quarter of 2003 indicated that total visitor arrivals rose by 26.5 per cent to 125,422, associated with increases in both stay-over visitors and cruise ship passengers. Stay-over visitors increased by 7.0 per cent to 50,358, reflecting growth in arrivals from all the major markets except the Caribbean. The number of visitors from the UK, which accounted for 35.1 per cent of the total stay-over visitors, increased by 5.6 per cent to 17,691. The growth in arrivals from that market was associated with an increase in the number of scheduled flights by a major European airline. The number of visitors from the other European countries increased by 82.6 per cent to 3,912, largely reflecting an almost twofold increase in arrivals

from Italy. This development was attributed to an increase in the number of charter flights from that destination. The number of visitors from the USA, the second largest market, increased by 13.3 per cent to 16,600. This outcome contrasts with the performance during the second quarter of 2002 when arrivals declined by 12.0 per cent as a result of the lingering effects of September 11. The increases in those markets were partly offset by a 19.5 per cent decline in the number of visitors from the Caribbean to 7,638.

Chart 10



The number of cruise ship passengers totalled 75,064 compared with 52,105 during the corresponding quarter of 2002. The expansion was largely attributed to the commencement of visits by two major cruise lines. The increase was consistent with growth in the number of cruise ship calls to 48 compared with 32 in the corresponding quarter of 2002.

For the first six months of 2003 total visitor arrivals grew by 1.7 per cent to 316,630 compared with the number in the corresponding period in 2002, largely on account of a 4.4 per cent increase in stay-over visitors



to 108,471. Cruise ship passengers increased marginally to 208,159.

Construction activity was buoyant during the second quarter of 2003, attributable to ongoing projects in both the public and private sectors. In the public sector, work continued on the construction of the airport parallel taxiway, reconstruction and refurbishing of government buildings and road works. Private sector activity included the ongoing construction of the Antigua and Barbuda Investment Bank headquarters, condominiums and commercial properties as well as the airport development project and the reconstruction and refurbishing of two hotels. For the first half of 2003 construction activity appeared to have been above the level recorded for the corresponding period in 2002.

Data on consumer price movements in Antigua and Barbuda were not available.

Trade and Payments

Complete trade statistics were not available for the second quarter of 2003. The available data on cargo throughput showed growth of 35.9 per cent in the volume of imports compared with the total in the corresponding quarter of 2002, attributable in part to increases in imports of fuel and cement. The volume of exports rose substantially, reflecting growth in the re-export of fuel. In the services account, gross inflows from travel were estimated at \$165.5m, representing an increase of 8.0 per cent compared with the total in the second quarter of 2002. The expansion in visitor expenditure was influenced by increases in both stay-over visitors and cruise ship passengers. In the capital and financial account there were net outflows of official loan repayments by the central government of \$14.3m compared with net outflows of \$1.2m in the second quarter of 2002. The commercial banks' transactions

resulted in a net inflow of \$12.3m compared with one of \$8.1m in the corresponding quarter of 2002.

For the period January to June 2003 the volume of imports increased by 53.7 per cent to 393,361 tons compared with growth of 5.7 per cent during the first half of 2002. The volume of exports was substantially higher than the level in the corresponding period of 2002, associated with an increase in the re-export of fuel. Gross travel receipts totalled \$359.9m, roughly 4.2 per cent above the amount in the comparable period of 2002. Commercial banks' transactions resulted in a net outflow of short-term capital of \$52.4m compared with the level at the end of December 2002.

Central Government Fiscal Operations

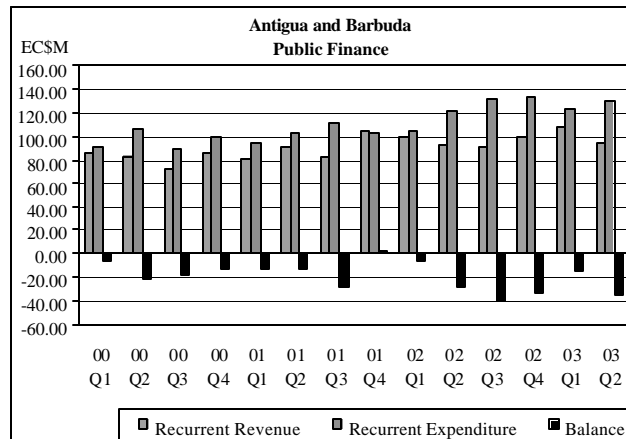
Preliminary estimates of the fiscal operations of the central government indicated an overall deficit of \$41.3m compared with one of \$31.8m during the corresponding quarter of 2002. The increase in the overall deficit was attributed to a widening in the current account deficit and higher capital spending. The deficit was financed by domestic borrowing as well as an accumulation of arrears.

A current account deficit of \$35.4m was realised during the quarter under review compared with one of \$28.2m in the corresponding quarter of 2002. Current expenditure grew by 8.1 per cent to \$130.2m, at a rate well below that of 16.5 per cent during the second quarter of 2002. The growth in current expenditure was largely associated with an increase in interest payments including arrears (40.8 per cent) as well as higher outlays on personal emoluments (10.4 per cent), and transfers and subsidies (47.8 per cent). These increases were partly offset by a 22.0 per cent decrease in expenditure on goods and services. The growth in outlays on personal emoluments was attributed to an



expansion in the number of non-established workers, while for transfers and subsidies the higher expenditure was partly on account of an increase in pension payments.

Chart 11



Current revenue increased by 2.7 per cent to \$94.8m compared with receipts in the second quarter of 2002. This performance largely reflected a 4.3 per cent expansion in tax revenue that was partly offset by a reduction in non-tax revenue. Of tax revenue, receipts from taxes on international trade and transactions rose by 5.6 per cent (\$2.8m), largely associated with a 4.2 per cent (\$0.5m) increase in receipts from import duty and growth of 9.0 per cent (\$1.1m) in the customs service charge. There was a 5.6 per cent (\$1.1m) decline in collections from consumption tax. Receipts from taxes on income and profits grew by 4.4 per cent (\$0.6m), partly attributable to the ongoing tax audit at the Inland Revenue Department. The yield from taxes on domestic goods and services increased by 0.8 per cent (\$0.1m), largely reflecting higher collections from hotel and guest tax, in line with the growth in the number of stay-over arrivals. Receipts from non-tax revenue fell by 10.6 per cent (\$1.1m), largely reflecting a fall in revenue from the rental of crown land. This development was attributed to the closure of the collections office at the

agriculture department during the period under review, as a result of a strike by the workers.

Capital expenditure was estimated to have increased by 42.8 per cent (\$1.8m) relative to the amount in the second quarter of 2002, largely associated with the implementation of projects in the public sector investment programme. These projects include road construction and the reconstruction and refurbishing of government buildings.

During the first six months of 2003 a current account deficit of \$50.8m was recorded compared with the deficit of \$35.0m in the corresponding period of 2002. Current expenditure rose by 12.7 per cent to \$253.6m, largely associated with a 63.0 per cent expansion in interest payments. Increases were also recorded for outlays on personal emoluments (10.0 per cent) and transfers and subsidies (56.2 per cent). These increases were partly offset by a 19.0 per cent decrease in expenditure on goods and services. Current revenue rose by 6.7 per cent to \$202.8m, reflecting higher receipts from tax revenue. The yield from taxes on income and profits grew by 29.3 per cent. There were also increases in receipts from taxes on international trade and transactions (5.2 per cent) and from taxes on domestic goods and services (3.7 per cent). Capital expenditure amounted to \$10.2m, roughly 45.7 per cent above the total for the first six months of 2002. The higher current account deficit together with the expansion in capital expenditure resulted in an overall deficit of \$60.3m, well above the deficit of \$40.1m in the corresponding period of 2002.

Money and Credit

Total monetary liabilities (M2) rose by 2.0 per cent to \$1,802.3m during the second quarter of 2003 in comparison with growth of 1.4 per cent in the corresponding quarter of 2002, consistent with the



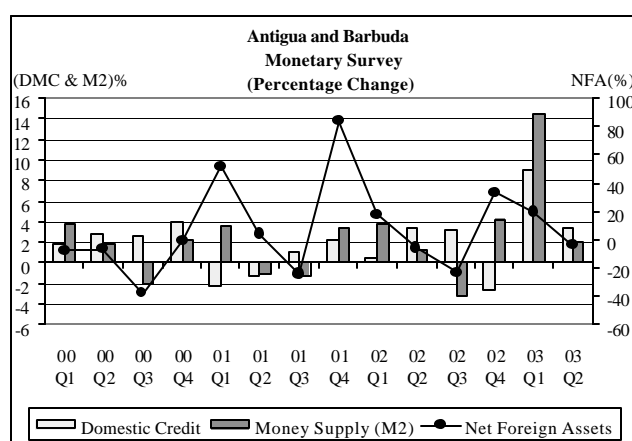
increase in economic activity. The increase in M2 was associated with growth of 2.8 per cent in quasi-money. Of the components of quasi-money, time deposits increased by 6.9 per cent, roughly 1.6 percentage points above the rate in the second quarter of 2002. Savings deposits rose by 1.9 per cent compared with growth of 0.8 per cent in 2002. These increases were partly offset by a 19.4 per cent (\$23.4m) reduction in private sector foreign currency deposits. The narrow money supply (M1) contracted by 1.6 per cent in contrast to growth of 0.8 per cent in 2002, driven by a 2.8 per cent decline in private sector demand deposits. There was a 1.7 per cent expansion in currency held by the public - the other component of M1.

The growth in M2 was influenced by an increase in domestic credit. During the quarter under review domestic credit expanded by 3.4 per cent to \$1,561.1m, at the same rate as that recorded in the corresponding quarter of 2002. The expansion was fuelled largely by an increase in private sector borrowing and a reduction in the net deposits position of subsidiaries and affiliates, reflecting a fall in their deposits. Credit to the private sector rose by 1.4 per cent to \$1,515.9m, associated with growth in lending to business entities and households. Loans to businesses increased by 1.6 per cent compared with growth of 8.0 per cent in the second quarter of 2002. Credit to households grew by 1.3 per cent, slightly above the rate in the corresponding quarter of 2002. Credit to subsidiaries and affiliates increased marginally to \$26.2m, while deposits fell by 37.2 per cent to \$47.0m.

The central government's stock of debt with the banking system increased by 2.3 per cent to \$328.0m during the quarter under review, mainly reflecting an expansion in commercial bank credit, in particular holdings of treasury bills and debentures. Deposits of the central government with the banking system rose

by 7.1 per cent to \$20.9m. As a result of those transactions the net indebtedness of the central government to the banking system expanded by 2.0 per cent to \$307.3m relative to the position at the end of March 2003. Compared with the position at the start of 2003 the net indebtedness of the central government rose by 2.1 per cent, reflecting a 20.0 per cent decline in deposits and growth of 0.3 per cent in outstanding credit.

Chart 12



An analysis of credit by economic activity revealed that personal loans contracted by 4.6 per cent, reflecting decreases in loans for home construction and renovation, and for other personal use. Credit for construction and manufacturing rose by 14.8 per cent and 20.4 per cent respectively. By contrast, there were declines in credit for distributive trades (1.0 per cent), tourism (2.1 per cent) and agriculture and fisheries (16.0 per cent). Compared with the position at the beginning of 2003, personal loans expanded by 0.3 per cent. Of personal loans, increases were recorded for home construction and renovation (3.1 per cent), house and land purchase (15.1 per cent), and for durable consumer goods (34.5 per cent), but these were offset to a large extent by an 18.1 per cent decline in loans for other personal use.



At the end of June 2003 the net foreign assets of the banking system stood at \$417.5m, roughly 4.2 per cent below the level at the end of March 2003. The decrease in net foreign assets largely reflected a contraction of 6.4 per cent in commercial banks' net foreign assets to \$181.1m. A 2.5 per cent reduction in Antigua and Barbuda's imputed share of the Central Bank's reserves to \$236.5m also contributed to the decline in net foreign assets.

Liquidity in the commercial banking sector decreased during the second quarter of 2003. The ratio of liquid assets to total deposits plus liquid liabilities fell by 1.4 percentage points to 31.7 per cent, while the loans and advances to deposits ratio increased by 1.2 percentage points to 81.5 per cent. At the end of June some changes in interest rates were observed compared with the rates at the end of the previous quarter. The minimum rate offered on demand deposits fell by 0.5 percentage point to 1.5 per cent. The minimum interest rate on time deposits of six months increased to 3.0 per cent from 2.5 per cent, while that on time deposits of 12 months was reduced by 0.5 percentage point to 2.0 per cent. The maximum interest rate on time deposits over two years fell to 5.0 per cent from 5.5 per cent at the end of the previous quarter.

Prime lending rates remained unchanged and ranged from 10.5 per cent to 11.0 per cent.

Prospects

During the second half of 2003 economic activity is likely to expand compared with the performance during the second half of 2002, based on anticipated developments in tourism and construction. In the tourism industry growth in visitor arrivals is expected, as additional flights by two major airlines are likely to come on stream during the latter half of the year. The number of cruise passengers is expected to increase with the addition of new cruise lines and improved port facilities that can accommodate larger ships. Construction activity is expected to be buoyed by ongoing work on projects in the public and private sectors and the start of a hotel expansion project. The central government's fiscal deficit is projected to widen based on a likely increase in both current and capital expenditure. In the external current account, travel receipts are likely to increase as a result of the growth in stay-over arrivals and cruise ship passengers. Liquidity in the commercial banking system is expected to tighten, while M2 is likely to increase based on the anticipated growth in economic activity during the second half of the year.



DOMINICA

Overview

Economic activity in Dominica was estimated to have increased during the second quarter of 2003 relative to the corresponding quarter of 2002, influenced by improved performances in the construction and manufacturing sectors as well as the tourism industry. Value added in the hotel and restaurant sector was estimated to have increased, reflecting growth in stay-over visitors. Output in the agricultural sector was estimated to have contracted, partly as a result of a decrease in banana production. The central government's fiscal operations resulted in a narrowing of the current account deficit, mainly associated with a contraction in current expenditure. Liquidity in the commercial banking system increased during the second quarter of 2003. Data on merchandise trade revealed a widening of the trade deficit, largely attributed to an increase in the import bill. A decline in consumer prices was reported during the second quarter of 2003.

For the period January to June 2003 economic performance appeared to have improved compared with the outcome in the corresponding period of 2002, attributable to higher output in the manufacturing and construction sectors as well as an expansion in activity in the tourism industry. Activity in the agricultural sector contracted relative to the outturn in the corresponding period of 2002, mainly associated with lower banana output. The fiscal operations of the central government resulted in a contraction of the overall deficit, reflecting decreases in current and capital expenditure and an increase in revenue, including capital grants.

Output and Prices

During the second quarter of 2003 activity in the construction sector was above the level in the

corresponding period of 2002. The expansion was driven by private sector activity, which focussed on the construction of commercial buildings including the first phase of a hotel project at Rosalie, a major warehouse in Portsmouth and a car dealership complex in Canefield. Private sector residential construction activity is likely to have been sluggish, based on commercial bank data that revealed a 0.2 per cent fall in lending for home construction and renovation during the second quarter of 2003. During the quarter under review the total number of construction starts fell by 18.5 per cent to 22 but the value increased by 16.9 per cent to \$7.3m compared with the amounts in the second quarter of 2002. In the public sector, construction activity concentrated on road improvement.

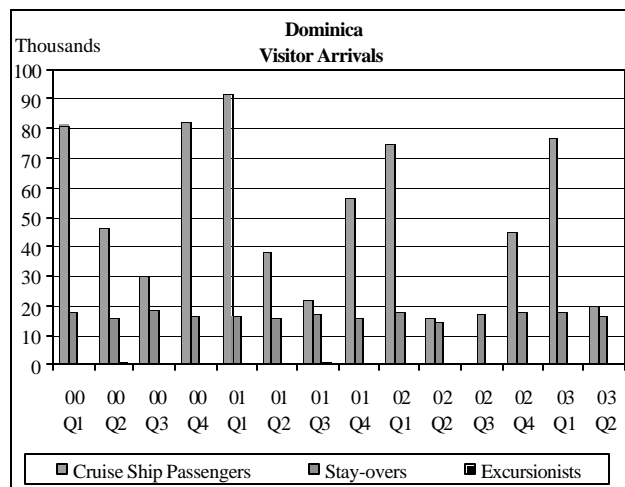
During the first half of 2003 construction activity is estimated to have increased compared with the level in the first half of 2002, largely attributable to private sector investment in commercial properties. The number and value of construction starts amounted to 70 and \$21.1m respectively during the first six months of 2003 compared with 62 starts valued at \$13.3m in the corresponding period of 2002.

Preliminary data for the second quarter of 2003 indicated an improvement in performance in the tourism industry compared with the outcome in the corresponding period of 2002. Total visitor arrivals increased by 18.1 per cent to 36,775, reflecting growth in all categories of visitors. The number of stay-over visitors rose by 14.6 per cent to 16,827, largely attributable to an increase in arrivals from the major markets. During the period under review the number of cruise ship passengers amounted to 19,584 compared with 16,243 in the second quarter of 2002, associated in part with growth of 16.7 per cent in the number of cruise ship calls to 28.



For the period January to June 2003 total visitor arrivals expanded by 6.0 per cent to 131,263. The growth was reflected in increases in stay-over arrivals (6.7 per cent) and cruise ship passengers (5.4 per cent). The number of excursionists more than doubled to 659 compared with the total in the corresponding period of 2002.

Chart 13



The manufacturing sector showed signs of recovery during the quarter under review. There were increases in the production of soap and dental cream - the major commodities - largely associated with growth in export demand. Output of soap expanded by 13.4 per cent to 2,130 tonnes and production of dental cream rose by 18.1 per cent to 366 tonnes. For the period January to June 2003 production of soap and dental cream was 12.1 per cent and 10.6 per cent respectively above the totals in the first half of 2003.

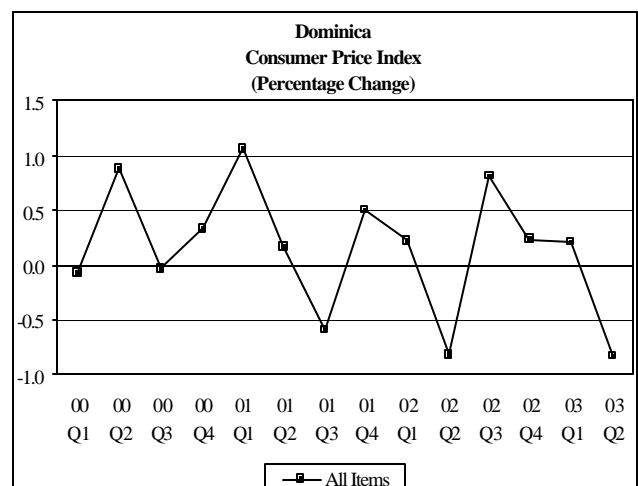
During the second quarter of 2003 agricultural production was estimated to have declined compared with the output in the corresponding quarter of 2002. This performance was partly associated with lower production of banana - the main crop. Banana output fell by 42.6 per cent to 2,636 tonnes in contrast to

growth of 7.5 per cent in the corresponding period of 2002. The fall in banana production was in part attributed to a decline in acreage under cultivation.

For the period January to June 2003 value added in the agricultural sector was estimated to have decreased compared with the performance in the first six months of 2002, largely influenced by a 43.8 per cent contraction in banana output.

Data on consumer price movements revealed a decrease of 0.8 per cent in the all items index during the second quarter of 2003. The fall in the general price level was reflected in decreases in the sub-indices "food" (0.3 per cent), "household furnishings and supplies" (0.4 per cent), "clothing and footwear" (1.0 per cent), "transport and communication" (1.3 per cent), and "fuel and light" (6.4 per cent). By contrast, an increase was recorded for the sub-index "housing" (1.6 per cent). The relatively high rate of decline in the "fuel and light" sub-index was attributed to a fall in demand for diesel, as a result of an increase in the use of hydro-power.

Chart 14

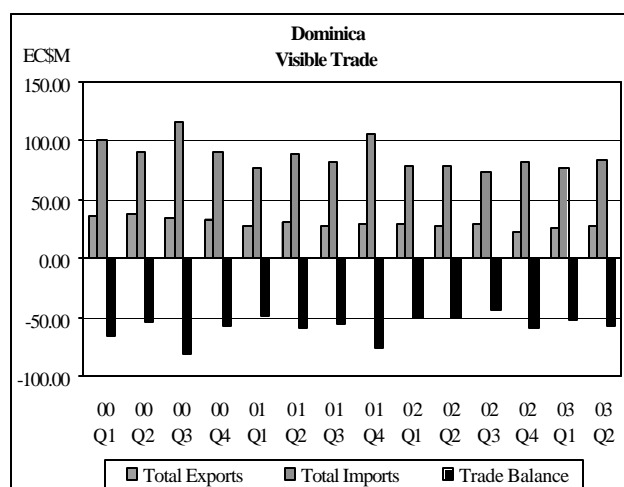


Trade and Payments

Data on merchandise trade for the second quarter of 2003 revealed a trade deficit of \$57.1m compared with the deficit of \$49.7m in the corresponding quarter of 2002. The widening of the deficit was largely attributed to an 8.0 per cent increase in the import bill to \$84.8m, associated with higher imports of construction related material. Total exports declined by 4.0 per cent to \$27.7m, mainly as a result of a fall in re-exports as domestic exports increased. During the period under review the value of domestic exports rose by 5.6 per cent (\$1.4m). Of domestic exports, there were increases in receipts from the export of soap (52.9 per cent) and dental cream (7.9 per cent), consistent with the expansion in production. By contrast, receipts from banana exports fell by 38.2 per cent (\$3.4m), mirroring the decline in the volume exported. In the services account, gross receipts from travel were estimated to have increased by 12.1 per cent to \$24.8m during the second quarter of 2003, consistent with the expansion in total visitor arrivals. In the capital and financial account, commercial banks recorded net outflows of short-term capital of \$22.3m compared with net outflows of \$36.6m in the corresponding quarter of 2002. Gross inflows of official loans, including bonds, amounted to \$0.5m compared with \$5.6m in the second quarter of 2002.

In the first half of 2003 the import bill rose by 3.2 per cent to \$161.9m, while export earnings fell by 8.5 per cent to \$53.5m. As a result a merchandise trade deficit of \$108.4m was realised, compared with one of \$98.4m in the first half of 2002. For the period January to June 2003 gross travel receipts were estimated at \$54.2m, roughly 7.8 per cent above the total in the corresponding period of 2002.

Chart 15



Central Government Fiscal Operations

During the quarter under review the fiscal operations improved, largely influenced by the implementation of measures associated with the IMF stand-by programme. Preliminary data for the second quarter of 2003 revealed that the central government's fiscal operations resulted in an overall surplus of \$0.8m in contrast to the deficit of \$7.5m in the corresponding quarter of 2002. Reduced current expenditure as well as an increase in current revenue influenced the overall fiscal outcome.

Current expenditure fell by 5.8 per cent to \$52.1m, reflecting decreases in spending in all the categories with the exception of transfers and subsidies. Outlays on personal emoluments declined by 1.0 per cent (\$0.3m), while spending on goods and services contracted by 26.5 per cent (\$2.6m), largely as a result of expenditure control measures. Interest payments decreased by 20.0 per cent (\$1.1m), mainly reflecting the timing of payments. By contrast, transfers and subsidies rose by 8.5 per cent (\$0.8m), largely associated with contributions to local institutions.



Current revenue increased by 1.6 per cent to \$51.6m compared with receipts in the second quarter of 2002, mainly attributable to higher tax receipts. Of tax revenue, receipts from taxes on international trade and transactions rose by 10.9 per cent (\$2.3m). This performance largely reflected higher collections from consumption tax (\$1.0m), particularly on petroleum related taxes, as a result of an increase in the rates effective February 2003. The yield from taxes on domestic goods and services was up by 16.9 per cent (\$1.3m). This performance was largely attributed to higher collections from the sales tax (\$0.9m), due in part to the broadening of the base in July 2002 to include telecommunication services. Receipts from taxes on income and profit rose by 8.2 per cent (\$1.0m), mainly representing receipts of \$2.7m from the stabilisation levy introduced in July 2002. By contrast, non-tax receipts contracted by 41.3 per cent (\$3.8m), primarily reflecting the timing of collections. These developments led to a current account deficit of \$0.4m during the second quarter of 2003, well below the deficit of \$4.4m in the corresponding quarter of 2002.

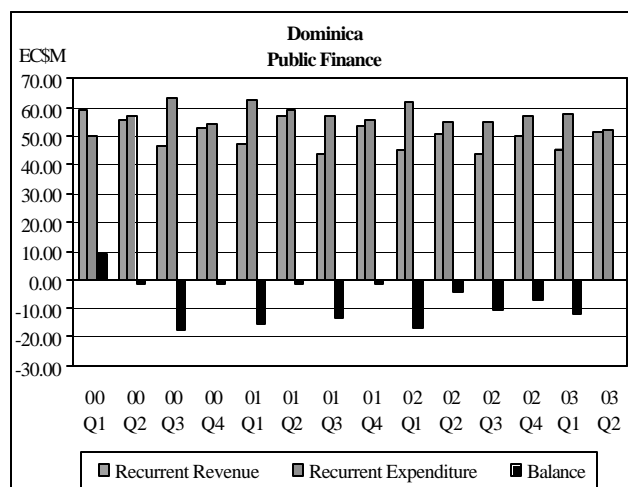
During the second quarter of 2003 capital expenditure amounted to \$9.5m compared with \$8.4m in the corresponding quarter of 2002.

For the period January to June 2003 an overall deficit of \$16.8m was recorded, roughly 56.1 per cent below the deficit for the first half of 2002. This outcome was largely influenced by decreases in current expenditure (\$7.6m) and capital expenditure (\$6.2m) and growth in current revenue (\$1.3m).

Money and Credit

Total monetary liabilities (M2) of the banking system declined by 0.2 per cent to \$532.6m during the second quarter of 2003 compared with the 0.8 per cent decrease in the corresponding period of 2002. The fall in M2 was associated with a 1.1 per cent contraction in quasi money to \$434.7m, reflecting a 5.0 per cent (\$8.0m) reduction in private sector time deposits. Of the other components, savings deposits and foreign currency deposits rose by 1.0 per cent (\$2.8m) and 4.2 per cent (\$0.4m) respectively. The narrow money supply (M1) increased by 3.9 per cent to \$97.9m, attributable to growth of 6.1 per cent (\$3.9m) in private sector demand deposits. This figure was partly offset by a 0.7 per cent decrease in currency with the public. Compared with the position at the end of December 2002, total monetary liabilities fell by 3.0 per cent (\$16.6m), reflecting a contraction in both quasi money (\$7.9m) and the narrow money supply (\$8.7m).

Chart 16

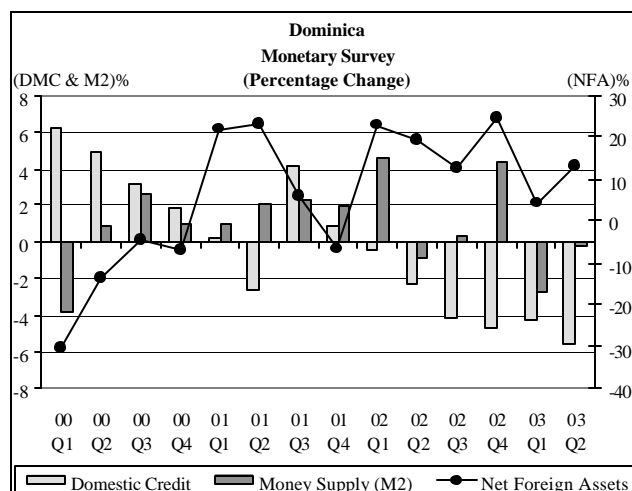


Corresponding with the decline in M2, domestic credit fell by 5.6 per cent to \$404.2m during the second quarter of 2003, largely influenced by a contraction in lending to the private sector. Outstanding credit to the

private sector decreased by 1.9 per cent to \$422.2m, marked by declines in lending to households (2.7 per cent) and businesses (0.8 per cent).

The central government's net indebtedness to the banking system rose by 16.7 per cent to \$55.2m. A 2.3 per cent increase in commercial bank credit to \$106.3m and a 9.0 per cent decrease in total deposits contributed to the growth in net lending. In the rest of the public sector, borrowing by the non-financial public enterprises fell by 8.1 per cent (\$1.9m), while their deposits rose by 29.0 per cent (\$5.2m). Consequently, non-financial public enterprises moved to a net deposits position of \$1.7m at the end of June 2003 from a net credit position of \$5.4m at the end of the previous quarter. The non-bank financial institutions continued to be net depositors in the banking system as their net deposits grew by 36.8 per cent to \$75.0m.

Chart 17



An analysis of credit by economic activity during the quarter under review revealed declines in lending for agriculture (3.8 per cent), manufacturing (1.5 per cent), distributive trades (1.4 per cent), tourism (0.3 per cent) and personal use (3.0 per cent). Credit for construction increased by 1.4 per cent (\$0.2m).

During the six-month period January to June 2003 lending for agriculture, manufacturing and tourism declined, while credit to the construction sector and for personal use - particularly home construction and renovation - increased.

During the second quarter of 2003 the net foreign assets of the banking system expanded by 13.1 per cent to \$237.5m, largely reflecting developments in the commercial banking sector. The net external assets of commercial banks rose by 23.9 per cent (\$22.3m), associated with growth in net assets held outside the Eastern Caribbean currency union (ECCU). This outturn was partly as a result of an increase in liquidity, associated with growth in deposits and with the lower demand for credit. Dominica's imputed share of the Central Bank's reserves increased by 4.4 per cent to \$121.8m. Compared with the position at the end of 2002, the net foreign assets rose by 17.7 per cent (\$35.8m), influenced by growth in the net foreign assets of commercial banks.

Liquidity in the commercial banking system increased during the second quarter of 2003. The ratio of liquid assets to total deposits plus liquid liabilities rose by 3.6 percentage points to 42.3 per cent, while the ratio of loans and advances to deposits fell by 2.5 percentage points to 68.3 per cent. Relative to the position at the end of 2002, the ratio of liquid assets to deposits plus liquid liabilities increased by 5.9 percentage points, while the ratio of loans and advances to total deposits fell by 3.3 percentage points.

During the quarter under review the maximum interest rate on savings deposits increased to 4.0 per cent from 3.5 per cent in the previous quarter of 2003. Consequently the rates on savings deposits ranged from 3.0 per cent to 4.0 per cent. Interest rates on time deposits ranged from 2.5 per cent to 8.0 per cent and



prime lending rates ranged from 8.5 per cent to 10.0 per cent.

Prospects

During the second half of 2003 the economy is expected to expand compared with performance in the corresponding period of 2002, based largely on anticipated developments in construction and tourism. In the construction sector activity is likely to be led by private sector investment in commercial properties. Public sector activity is projected to be flat relative to the level in the second half of 2002. Although efforts are being made to improve the management of the public sector investment programme, it is not likely that the impact will be fully realised during the second half of 2003. Activity in the tourism industry is projected to be above the level of the corresponding period of 2002, based largely on an anticipated increase in the number of cruise ship calls during the latter half of 2003. Performance in the agricultural sector is likely to be weak as a result of developments with respect to bananas, the major crop. The exit of some farmers from the banana industry as well as the reduced acreage under cultivation is likely to have an adverse impact on banana production.

The central government's fiscal operations are likely to be influenced by the new measures incorporated in the budget for the fiscal year July 2003 to June 2004. Key fiscal measures include increases in the sales tax from 5.0 per cent to 7.5 per cent and in the customs service charge from 2.0 per cent to 3.0 per cent; the introduction of a tax on travel tickets at a rate of 7.5 per cent; a 5.0 per cent reduction in salaries and allowances. These new measures are expected to lead to an improvement in the current account balance during the latter half of 2003. In addition, the extension of the IMF Stand-By Arrangement to February 27, 2004 is likely to contribute to an overall improvement in the fiscal operations. It is expected that the amount available under the original Stand By Arrangement would be disbursed in four equal tranches (SDR 0.3m each). This will however depend on whether the performance criteria agreed to in a Technical Memorandum of Understanding are met by the test dates at the end of July, September and December 2003, subject to the approval of the IMF Board.

Growth in monetary liabilities and net foreign assets is projected based on higher export receipts from soap and dental cream and an increase in capital inflows associated with the IMF supported extended Stand-By Arrangement.



GRENADA

Overview

During the second quarter of 2003 economic activity improved compared with the performance in the corresponding quarter of 2002, largely driven by expansions in tourism and construction activity. Output in the agricultural and manufacturing sectors was estimated to have declined. The central government's fiscal operations resulted in a contraction in the current account surplus and an increase in the overall deficit. Total monetary liabilities rose during the quarter under review, driven by increases in net foreign assets and domestic credit. Commercial bank liquidity increased as reflected in improvements in the liquidity ratios. The consumer price index rose by 0.2 per cent during the quarter under review. On the external account the merchandise trade deficit was estimated to have widened. Activity on the capital and financial account was characterised by a net outflow of short term capital by commercial banks and an inflow of funds to central government.

For the period January to June 2003 economic activity was estimated to have been above the level in the corresponding period of 2002. This assessment was partly based on buoyant activity in the construction sector and growth in stay-over visitors. The overall position of the central government deteriorated, largely influenced by growth in capital expenditure. In the external sector, the merchandise trade deficit widened, while commercial bank activity resulted in a net outflow of funds.

Output and Prices

During the second quarter of 2003 activity in the construction sector was estimated to have increased compared with the level in the corresponding period of

2002. This performance was partly attributed to an increase in activity in the public sector, largely associated with ongoing work on the Melville Street cruise terminal and phase II of the new general hospital. In the private sector, construction activity focussed on ongoing work on the Levera development project, St Georges University dormitories and a commercial complex. Private sector residential construction activity appeared to have been sluggish, based on commercial bank data which showed a 0.6 per cent decline in lending for home construction and renovation.

For the period January to June 2003 construction activity was above the level in the first half of 2002, driven by ongoing public sector projects. Major projects include the construction of phase II of the new general hospital and the Melville Street cruise terminal.

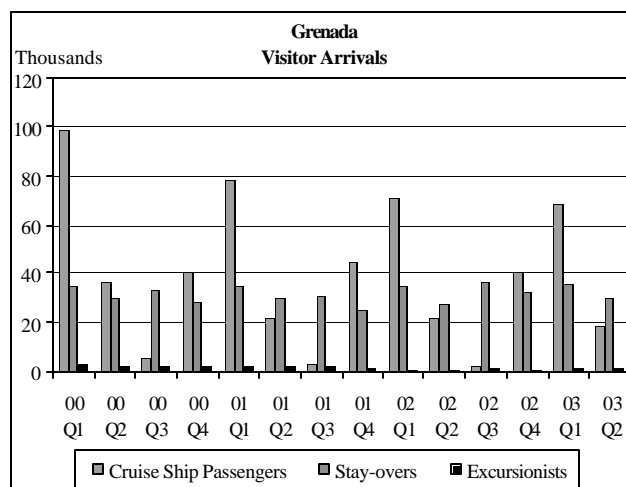
During the quarter under review value added in the hotel and restaurant sector is estimated to have increased relative to the performance in the corresponding quarter of 2002. The number of stay-over visitors, the most important category of visitors in terms of their length of stay and average daily expenditure, rose by 9.9 per cent to 30,207. Increases in arrivals from the Caribbean and the UK were largely responsible for the growth in stay-over visitors. The number of Caribbean visitors grew by 28.9 per cent, partly on account of target marketing and the island's hosting of two one-day international cricket matches. Visitors from the UK rose by 12.4 per cent as a result of an increase in airline services. The number of visitors from Canada also grew, by 5.5 per cent. Visitors from the USA, who accounted for 21.9 per cent of the total stay-overs, fell by 14.4 per cent. In the case of cruise ship visitors, the number of passengers was 14.0 per cent below the total for the second quarter of 2002. The growth in stay-over visitors was partly offset by



the fall in cruise ship passengers. Consequently, total visitor arrivals were estimated to have increased by 1.0 per cent to 50,161.

During the first half of 2003 performance in the tourism industry appeared to have improved compared with the outcome in the corresponding period of 2002. The numbers of stay-over visitors and excursionists are estimated to have increased by 3.0 per cent and 82.1 per cent respectively. Stay-over visitors from the Canadian and European markets grew by 38.3 per cent and 11.4 per cent respectively, while the number from the USA, the principal market, contracted by 12.1 per cent. Cruise ship passengers fell by 6.1 per cent; the decline was mainly responsible for the 1.5 per cent decrease in total visitor arrivals.

Chart 18



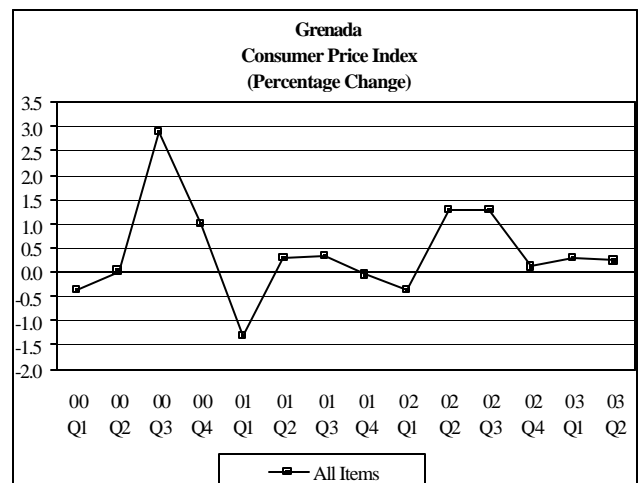
The performance of the agricultural sector was estimated to have deteriorated during the second quarter of 2003 relative to the outturn in the corresponding period of 2002. This development was attributed to decreases in the production of nutmeg (41.6 per cent) and mace (11.8 per cent). The fall in nutmeg production was mainly on account of a decrease in yield, reflecting the cyclical nature of the crop. The output of cocoa more than doubled to 200 tonnes; in

the second quarter of 2002 production fell substantially due to the incidence of black pod infestation. Banana production fell by 3.6 per cent.

For the first six months of 2003 agricultural production was estimated to have contracted compared with the total in the corresponding period of 2002. The decline was attributed to a fall in the production of banana (18.0 per cent), cocoa (27.4 per cent) and nutmeg (4.7 per cent). The output of mace increased by 34.5 per cent, as a result of favourable weather.

Output in the manufacturing sector appeared to have been below the level in the second quarter of 2002, largely influenced by a fall in the production of electronic components, as a major producer scaled down his operations in the wake of lower export demand. There were also decreases in the production of flour (13.1 per cent), oxygen (2.9 per cent) and paint (2.4 per cent), while increases were recorded in the output of stout (31.5 per cent), beer (15.2 per cent) and poultry feed (1.2 per cent). For the first half of 2003 manufacturing output was estimated to have contracted, largely reflecting a reduction in the output of electronic components.

Chart 19



During the second quarter of 2003 the consumer price index increased by 0.2 per cent compared with 1.3 per cent in the corresponding quarter of 2002. The "food" sub index, which has the highest weight in the goods and services basket, rose by 0.4 per cent, attributable to higher prices of some vegetables. Increases were also recorded for the sub-indices "housing" (1.0 per cent) and education (1.4 per cent), but these were partly offset by declines in the sub-indices "fuel and light" (1.4 per cent) and "transport and communication" (0.2 per cent).

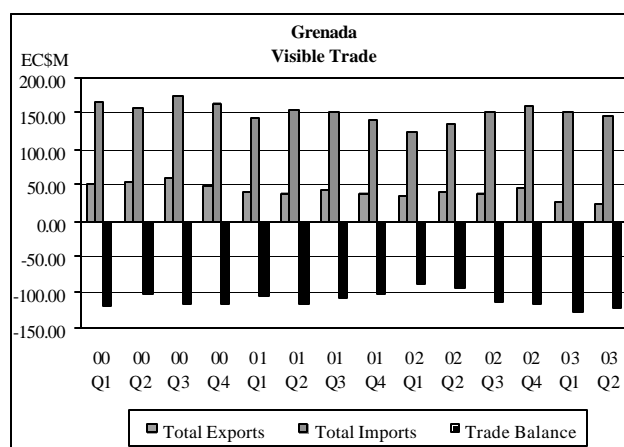
Trade and Payments

Preliminary data for the quarter under review indicated a widening of the merchandise trade deficit compared with the outturn in the corresponding quarter in 2002. The trade deficit was estimated at \$122.5m compared with one of \$95.8m recorded in the corresponding quarter of 2002. The widening of the deficit largely reflected a 50.3 per cent decline in domestic export receipts to \$18.8m, influenced by a contraction in the export of electronic components. Receipts from nutmeg exports contracted by 22.8 per cent (\$1.8m) due to a reduction in the volume exported. Import payments increased by 7.4 per cent (\$10.0m) in line with the expansion in the economy. In the services sector, gross travel receipts rose by 9.6 per cent to \$55.7m relative to the total in the second quarter of 2002. The increase in travel inflows reflected the growth in stay-over visitors. On the capital and financial account there were net inflows of funds to the central government of \$20.4m, compared with net inflows of \$7.3m in the second quarter of 2002. The commercial banks' transactions resulted in a net outflow of \$24.1m in short term capital.

During the period January to June 2003 imports were 15.5 per cent above the total in the corresponding period of 2002, while exports fell by 33.2 per cent.

Consequently, a trade deficit of \$250.0m was recorded, up from one of \$185.1m in the first half of 2002. Gross travel receipts were estimated at \$124.5m, which represented a 2.7 per cent increase over the total in the corresponding period of 2002, driven by an expansion in the number of stay-over visitors. On the external sector, commercial bank transactions resulted in a net outflow of \$44.9m in contrast to the net inflow of \$20.1m in the corresponding period of 2002.

Chart 20



Central Government Fiscal Operations

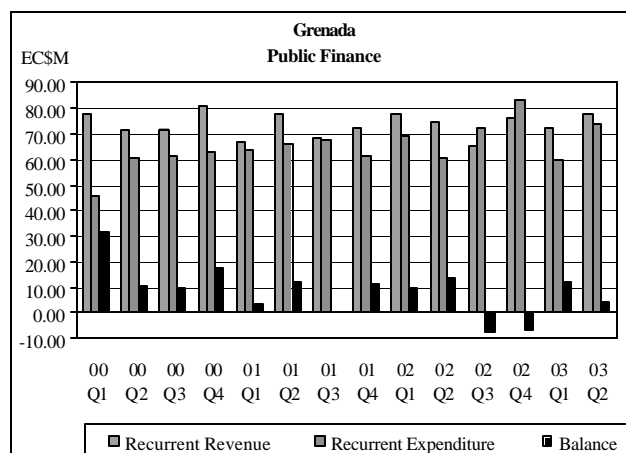
During the quarter under review the fiscal operations of the central government resulted in a current account surplus of \$3.9m, substantially below the surplus of \$13.8m in the corresponding period of 2002. This contraction was attributed primarily to growth of 21.2 per cent to \$73.3m in current expenditure. Of current outlays, interest payments more than tripled to \$19.6m, largely associated with a US\$100.0m bond issued in July 2002. There was a 1.1 per cent (\$0.3m) increase in expenditure on personal emoluments and growth of 1.2 per cent (\$0.1m) in outlays on goods and services.

Current revenue rose by 4.0 per cent to \$77.2m in the second quarter of 2003 compared with the total in



the corresponding period of 2002, reflecting increases in both tax and non-tax revenue. Receipts from taxes, which accounted for 93.1 per cent of current revenue, grew by 2.3 per cent to \$71.9m. The increase in tax revenue was largely reflected in growth of 7.0 per cent (\$2.6m) in receipts from taxes on international trade and transactions, consistent with the higher import bill. Revenue from taxes on property grew by 34.7 per cent (\$1.4m), reflecting an increase in receipts from the land transfer tax. Revenue from taxes on income and profit contracted by 20.1 per cent (\$3.0m), largely associated with a fall in receipts from company tax. Non-tax revenue increased by 35.2 per cent (\$1.4m). The growth in non-tax revenue reflected higher receipts from miscellaneous fees and charges.

Chart 21



Capital expenditure was 68.5 per cent (\$12.8m) above the level in the second quarter of 2002, attributable to ongoing public sector investment activities, particularly the construction of the cruise terminal facility and phase II of the general hospital. Grant receipts contracted by 72.0 per cent (\$2.2m). These developments contributed to an overall deficit of \$26.5m, substantially above the deficit of \$1.8m in the corresponding quarter of 2002. The overall deficit was largely financed by borrowing from domestic and external sources.

For the first half of 2003 a current account surplus of \$16.1m was recorded compared with one of \$23.2m in the corresponding period of 2002. The lower surplus was attributed to a 54.1 per cent (\$10.8m) contraction in non-tax revenue coupled with 3.4 per cent growth in current expenditure. An overall deficit of \$29.2m was realised compared with one of \$3.9m in the first half of 2002.

Money and Credit

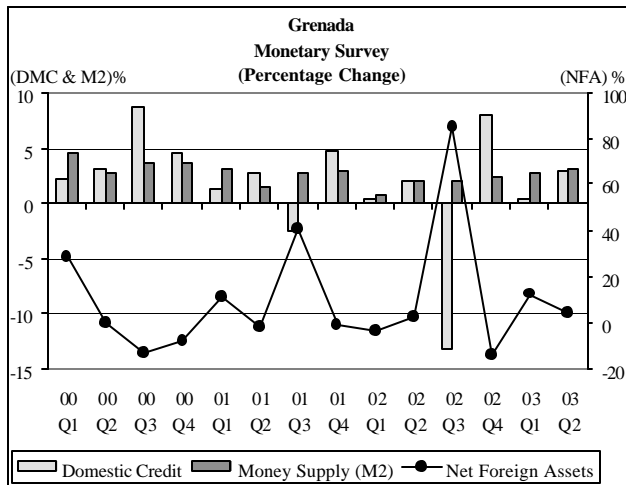
During the second quarter of 2003 total monetary liabilities (M2) grew by 3.1 per cent to \$1,234.3m in comparison with the increase of 1.9 per cent in the corresponding period of 2002, consistent with the expansion in economic activity. The expansion in M2 was reflected in increases of 0.5 per cent and 3.6 per cent in narrow money (M1) and quasi money respectively. The increase in M1 was driven by growth of 1.6 per cent in currency with the public. Of the components of quasi money, savings deposits and foreign currency deposits rose by 2.4 per cent and 31.1 per cent respectively, while time deposits contracted by 2.7 per cent. The increase in foreign currency deposits was partly associated with foreign direct investment inflows for construction of the student dormitories referred to earlier.

Domestic credit grew by 2.9 per cent to \$958.9m during the quarter under review, largely driven by increased loans to the private sector and the central government. Outstanding credit to the private sector expanded by 2.1 per cent on account of growth of 4.2 per cent in lending to households. Credit to private businesses contracted by 1.4 per cent.

During the quarter under review the net indebtedness of the central government increased by 42.2 per cent to \$91.4m, substantially above the 13.6 per cent rate of growth recorded in the second quarter

of 2002. This development was attributed primarily to a 34.7 per cent (\$24.9m) contraction in deposits as the central government drew down on its deposits to finance its operations.

Chart 22



An analysis of the distribution of credit by economic activity revealed that lending for personal use rose by 3.1 per cent, reflecting increased borrowings for the purchase of house and land and durable consumer goods. In the corresponding quarter of 2002 lending for personal use rose by 0.3 per cent. Lending for agriculture and manufacturing purposes contracted by 5.8 per cent and 7.5 per cent respectively, while credit for tourism and construction activities grew by 8.4 per cent and 2.4 per cent respectively.

The net foreign assets of the banking system expanded by 4.0 per cent to \$383.1m during the quarter under review, in comparison with growth of 2.6 per cent in the corresponding quarter of 2002. This outturn was reflected in growth of 21.7 per cent in commercial banks' net foreign assets, largely influenced by a 10.0 per cent increase in assets held with banks and other institutions outside the Eastern Caribbean currency union. Grenada's imputed share of the Central Bank's reserves contracted by 3.6 per cent (\$9.4m).

Liquidity in the commercial banking system increased during the second quarter of 2003. The ratio of liquid assets to total deposits plus liquid liabilities increased by 3.0 percentage points to 33.4 per cent. The loans and advances to total deposits ratio fell by 0.8 percentage point to 69.3 per cent at the end of June 2003, as deposits grew by 1.7 per cent while loans and advances expanded by 0.7 per cent. The cash reserves to deposits ratio decreased by 0.2 percentage point to 10.1 per cent.

There were some changes in interest rates at commercial banks during the quarter under review. The maximum rate on demand deposits decreased from 3.75 per cent at the beginning of the quarter to 2.5 per cent, while the maximum special rate offered on savings deposits moved from 7.5 per cent to 5.5 per cent. The maximum rates on time deposits of up to three months and over three months to six months fell by 2.0 percentage points and 2.25 percentage points respectively and that on deposits over six months to twelve months fell by 0.5 percentage point. Interest rates on time deposits over one year to two years moved from a range of 2.0 per cent to 4.75 per cent to one of 1.5 per cent to 4.5 per cent. For time deposits over 2 years, the minimum rate fell by 0.5 percentage point, while the maximum rate increased by 0.5 percentage point.

Prospects

During the second half of 2003 economic activity is projected to expand based on likely developments in construction and tourism. The construction sector is expected to be buoyed by ongoing work on public and private sector projects, including phase II of the new general hospital, the Melville Street cruise terminal facility, a marina on the sister island of Carriacou and the refurbishment of a group of hotels. Growth in visitor arrivals, primarily from the European market, is



anticipated based on new direct airlift services by one major airline out of the UK and the likely scheduling of additional flights by another airline. Output in the agricultural sector is projected to fall, attributable to declines in the production of nutmeg and cocoa. In the case of manufacturing, the processing of nutmeg into pharmaceutical products, primarily for the US market, and the start of operations of an agro-processing plant are expected to stimulate activity in that sector.

The central government's current account balance is projected to record a smaller surplus as a result of increased outlays for personal emoluments and interest payments. Liquidity in the commercial banking system is projected to remain at a high level. In the external sector, the merchandise trade deficit is expected to widen due to an anticipated increase in imports associated with the growth in tourism and construction activities. Export receipts are projected to decline, partly as a result of the fall in nutmeg demand on the European market.



MONTSERRAT

Overview

During the second quarter of 2003 the Montserrat economy appeared to have contracted compared with the performance in the second quarter of 2002. This assessment is largely based on an estimated decline in construction activity. In the tourism industry stay-over visitors declined while the number of excursionists increased. On the central government's fiscal accounts the current account deficit before grants was above that in the second quarter of 2002, attributable to an increase in current expenditure. In the external sector the merchandise trade deficit narrowed, influenced by lower import payments. Gross inflows from travel fell marginally. Liquidity in the commercial banking system was at a high level, while interest rates remained stable. The consumer price index declined by 0.6 per cent.

During the first half of 2003 economic activity was estimated to have contracted, based on decreased construction and tourism activity. The fiscal operations of the central government resulted in a higher current account deficit when compared with the position in the corresponding period of 2002.

Output and prices

During the quarter under review activity in the construction sector was below the level in the corresponding quarter of 2002, based in part on developments in the private sector. Residential construction activity was estimated to have contracted. This assessment is based on commercial bank data which showed a 10.9 per cent decrease in lending for home construction and renovation, in contrast to the 2.2 per cent increase in the second quarter of 2002. Private sector commercial activity focussed on the ongoing construction of the credit union headquarters.

In the public sector the pace of activity slowed as a result of the near completion of some projects. The focus of activity was ongoing construction of the airport terminal building and development of the seaport.

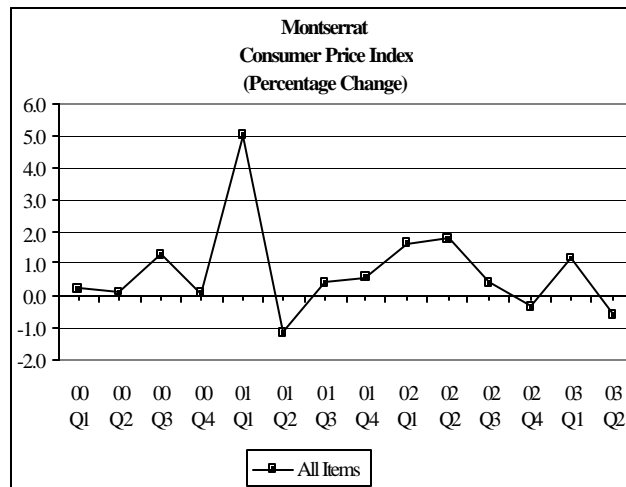
For the period January to June 2003 construction activity appeared to have contracted compared with the performance in the corresponding period of 2002. There were 31 new building starts at a total value of \$9.9m, compared with 41 at a value \$16.3m in the corresponding period of 2002. The thrust of construction activity in the first half of the year was on upgrading and replenishing the housing stock.

In the tourism industry total visitor arrivals increased by 8.0 per cent to 3,304 in the quarter under review, in contrast to the 25.7 per cent decrease in the corresponding quarter of 2002. A 20.9 per cent increase in excursionists to 1,481 largely accounted for the growth in total visitor arrivals. The number of stay-over visitors, the higher spending category, declined by 0.5 per cent to 1,823, reflecting a contraction in arrivals from all major markets with the exception of the Caribbean. Arrivals from that source increased by 13.9 per cent to 1,010. Of the other major markets, the number of visitors from the UK and the USA fell by 9.6 per cent and 9.9 per cent respectively.

The consumer price index declined by 0.6 per cent in the period under review, reflecting declines in all the sub-indices. The largest decline was recorded for the sub-index "gas, electricity and water" (3.2 per cent) followed by the "alcohol and tobacco" sub-index (1.2 per cent) and the "food" sub-index (1.0 per cent). The relatively large decline in the "gas, electricity and water" sub-index was the result of a lowering in the fuel surcharge on electricity in April 2003.



Chart 23



Trade and Payments

During the quarter under review the merchandise trade deficit narrowed to \$12.8m compared with the deficit of \$13.5m in the corresponding period of 2002. The lower trade deficit was largely attributed to a 4.9 per cent (\$0.7m) contraction in import payments, consistent with the decline in economic activity. Receipts from exports fell marginally to \$1.3m. On the services account, gross inflows from travel declined by 5.1 per cent to \$4.1m compared with the corresponding quarter of 2002, reflecting the fall in stay-over visitors. On the capital and financial account, the transactions of the commercial banks resulted in a net outflow of \$4.4m compared with one of \$3.2m in the second quarter of 2002. Receipts of official capital grants amounted to \$9.4m compared with \$10.1m in the second quarter of 2002. The transactions on the current account and the capital and financial account resulted in an overall balance of payments surplus of \$19.0m.

During the first half of 2003 the merchandise trade account recorded a deficit of \$25.1m, down from one of \$30.3m in the first half of 2002. There was a 12.3 per cent decline in import payments, while export

receipts, mainly re-exports, increased by 56.3 per cent (\$1.3m). Gross receipts from travel amounted to \$8.8m, compared with \$11.1m in the first half of 2002. On the capital and financial account, commercial bank transactions resulted in a net outflow of \$2.5m and inflows of capital grants fell by 33.1 per cent to \$13.5m. An overall balance of payments surplus of \$22.2m was realised.

Central Government Fiscal Operations

During the quarter under review the fiscal operations of the central government resulted in a current account deficit (before grants) of \$12.0m, compared with one of \$8.7m in the corresponding quarter of 2002. The deterioration in the current account balance was largely attributed to a 21.5 per cent increase in current expenditure.

Of current expenditure, outlays associated with transfers and subsidies were 52.2 per cent (\$2.8m) above the total in the second quarter of 2002. This outcome was largely attributed to increases in subventions in relation to overseas missions and the operations of the helicopter and ferry services. Expenditure on personal emoluments rose by 5.7 per cent (\$0.3m). Interest payments fell by 47.8 per cent, (\$0.1m), reflecting a decrease in payments on external debt.

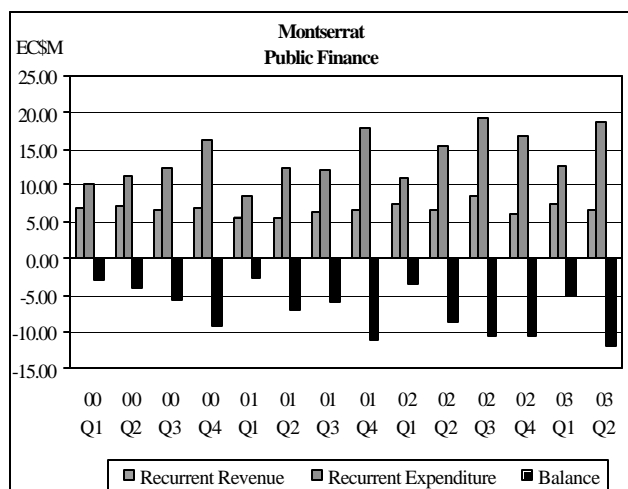
Current revenue remained virtually unchanged at \$6.7m compared with the level in the second quarter of 2002. There was a 5.4 per cent increase in tax revenue, but this was offset by a 47.3 per cent decline in non-tax revenue. The growth in tax revenue was largely influenced by a 15.2 per cent (\$0.3m) increase in receipts from taxes on income and profits. The yield from taxes on international trade and transactions declined by 2.7 per cent, (\$0.1m), reflecting lower receipts from import duties and the consumption tax,



partly as a result of tariff adjustments and the fall in imports. Effective 1 May 2003, all duties, consumption tax and the customs service tax on poultry were removed. Effective 10 June 2003, a 13.0 per cent reduction was granted on the consumption tax on all imported furniture items. The decline in non-tax revenue was largely attributed to a decrease in collections of fees and fines.

For the period January to June 2003 the fiscal operations of the central government weakened compared with the performance in the corresponding period of 2002. The current account deficit (before grants) rose by 39.4 per cent to \$17.2m, due to a 19.1 per cent increase in current expenditure. Current revenue rose by 1.1 per cent (\$0.2m).

Chart 24



Capital expenditure in the period under review amounted to \$9.4m, roughly 7.2 per cent above the level in 2002. Expenditure in the second quarter of 2003 was largely associated with ongoing projects including the construction of residential units and development work at Little Bay.

An overall surplus of \$15.3m was recorded, well above the surplus of \$1.0m in the corresponding period of 2002, influenced by higher grant receipts. Current grants amounted to \$27.3m compared with \$9.7m in 2002. The increase in current grants is due to a new policy introduced in 2003, whereby the government makes a claim for budgetary aid in advance, rather than subsequent to the expenditure being incurred.

Money and Credit

During the quarter under review total monetary liabilities (M2) increased by 2.8 per cent to \$98.5m compared with the total at the end of the first quarter of 2003. An 8.4 per cent increase in the narrow money supply (M1) was largely responsible for the growth in M2. Of M1, currency held with the public increased by 25.3 per cent, while private sector demand deposits fell by 2.6 per cent. Quasi money increased by 1.1 per cent to \$74.2m, reflecting growth of 1.8 per cent in private sector savings deposits. Private sector time deposits and foreign currency deposits contracted by 2.7 per cent and 7.6 per cent respectively.

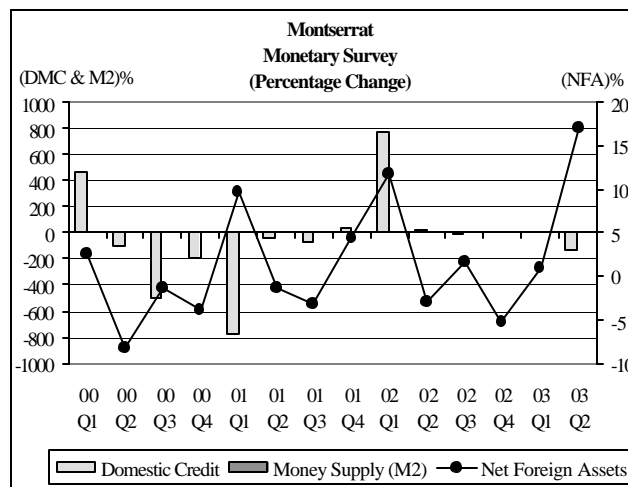
The net deposits of the central government increased by 92.6 per cent during the quarter under review, mainly attributable to growth of 84.1 per cent in total deposits. The increase in deposits was largely associated with grant receipts from the UK government. The central government's indebtedness to the banking system increased by 0.5 per cent. The net deposits of the non-financial public enterprises increased by 19.4 per cent, and those of the non-bank financial institutions rose by 11.7 per cent. Private sector credit fell by 4.5 per cent, largely reflecting a 5.4 per cent decrease in lending to households.

A breakdown of credit by economic activity showed that loans for personal use, the major category,



decreased, while credit for construction increased during the quarter under review. Lending for personal use, which accounted for 74.9 per cent of total credit, decreased by 7.8 per cent, reflecting a decline in loans for the acquisition of property. Credit for construction activity increased by 19.7 per cent (\$0.1m), while tourism remained virtually unchanged.

Chart 25



The net foreign assets of the banking system stood at \$161.1m at the end of the quarter under review, representing a 17.0 per cent increase over the amount at the end of the previous quarter. The increase in net foreign assets largely reflected growth of 45.2 per cent in Montserrat's imputed share of the reserves held by the ECCB. The net foreign assets of the commercial banks increased by 4.6 per cent. This performance largely reflected a 46.4 per cent increase in net assets held with institutions outside the Eastern Caribbean currency union. The increase was partly offset by a 12.8 per cent decrease in net assets held in the rest of the currency union.

Liquidity in the commercial banking system remained at a high level in the quarter under review. The ratio of liquid assets to total deposits plus liquid liabilities stood at 78.6 per cent, roughly 0.7 percentage

point above the level at the end of the preceding quarter. The loans and advances to total deposits ratio fell by 3.2 percentage points to 14.1 per cent.

During the quarter under review interest rates remained stable. The rates on savings deposits ranged from 3.0 per cent to 4.5 per cent. Interest rates on time deposits ranged from 2.0 per cent to 5.3 per cent, and the prime lending rate was 9.5 per cent.

Prospects

Performance in Montserrat during the second half of 2003 is likely to be adversely affected by the volcanic eruption in July 2003, which was reported as the worst since the onset of volcanic activity in 1995. The eruption affected the agricultural sector, including crops and livestock.

The construction sector is expected to be the main contributor to economic activity in the second half of the year, as the sector is not likely to be hampered by the recent volcanic eruption. Major public sector projects likely to be implemented in the second half of 2003 include the airstrip, community college and the extension of the prison. Developmental work on the town of Little Bay is expected to intensify in the second half of the year. Private sector projects include the Bank of Montserrat headquarters and residential units.

Performance in the tourism industry is anticipated to be weak as a result of the disruptions caused by volcanic activity. In the stay-over visitor category, the declining trend observed in the first half of 2003 is expected to continue into the second half of the year. The contraction in arrivals for the first half of the year coupled with the expected decline in stay-over visitors in the second half, points to a likely fall in visitor expenditure for 2003.

The fiscal position of the central government is expected to remain weak due to the anticipated increase in current and capital expenditure. Current revenue is expected to remain stable. The growth in current expenditure is likely to be influenced by increases in expenditure on personal emoluments and goods and

services. Capital expenditure is projected to increase in line with the implementation of capital projects. In the external sector, the merchandise trade deficit is likely to widen due to an expected increase in imports associated with the expansion in construction activity.



ST KITTS AND NEVIS

Overview

Economic activity during the second quarter of 2003 was below the level in the corresponding quarter of 2002. This assessment was based in part on a decrease in output in the agricultural and manufacturing sectors, largely attributable to the weak performance of the 2003 sugar cane crop. Activity in the construction sector contracted compared with the performance in the second quarter of 2002, as a result of the completion of major projects in the private and public sectors. Performance in the tourism industry appeared to have improved based on a likely increase in stay-over visitors. The overall fiscal deficit contracted as a result of a reduction in capital spending and net lending. However, the current operations of the central government deteriorated as current revenue declined while current expenditure rose. Liquidity in the commercial banking system remained high although a slight decrease was evident. Interest rates remained relatively stable. Consumer prices were up by 1.8 per cent, due largely to an increase in telecommunication rates.

Economic activity for the first six months of 2003 contracted compared with the level in the first half of 2002, driven by decreases in value added in the construction, manufacturing and agricultural sectors. Performance in the agricultural and manufacturing sectors was adversely affected by a 13.4 per cent decrease in sugar cane production. It is likely that activity in the tourism industry increased as a result of growth in the number of stay-over arrivals. The overall fiscal deficit of the central government narrowed, reflecting improvements in both the current and capital accounts.

Output and Prices

Output in the agricultural sector contracted during the second quarter of 2003 compared with the total in the corresponding quarter of 2002. Sugar cane production, the major agricultural activity, decreased by 32.7 per cent to 92,610 tons, partly as a result of drought and a fall in acreage under cultivation. This level of output is the lowest recorded in the second quarter over the past ten years. Output of vegetable and root crops fell by 8.4 per cent to 475,992 pounds, in contrast to the 39.3 per cent increase in the second quarter of 2002. There were significant declines in the production of watermelon, white potato and peanuts, while output of cabbage, carrots and tomatoes increased. Output in the livestock sub-sector expanded, reflecting higher production of beef, goat meat and pork. Output of eggs and fish contracted.

For the period January to June 2003 sugar cane production was down by 13.4 per cent to 169,251 tons compared with the total in the first half of 2002. Output of food crops and vegetables rose by 8.9 per cent to 985,600 pounds. Growth was also realised for the livestock sub-sector, while output of eggs and fish fell.

The available data indicated that activity in the manufacturing sector declined compared with the level in the corresponding period of 2002. Sugar production declined by 34.3 per cent to 8,775 tons, in contrast to the 0.5 per cent increase during the second quarter of 2002. The decrease was attributed to the contraction in sugar cane reaped, and a fall in the sucrose content of the cane. During the quarter under review the volume of cane required to produce one ton of sugar



increased to 10.6 tons from 10.3 tons during the second quarter of 2002. For the first six months of 2003 output of sugar fell by 13.7 per cent to 16,255 tons compared with the decline of 16.2 per cent during the corresponding period of 2002.

Data on non-sugar manufacturing activity were not available for the second quarter of 2003. However, based on information from some major manufacturing companies it is likely that the output of electronic components fell as a result of lower demand from the USA, the main market, and the scaling down of operations by a company.

During the second quarter of 2003 activity in the construction sector declined compared with the performance in the second quarter of 2002. This outturn was as a result of the completion of a number of major public and private sector projects, including an hotel. Public sector projects completed in late 2002 or early 2003 include the reconstruction of Port Zante, expansion to the main hospitals in St Kitts and Nevis, construction of a fisheries complex and the Development Bank headquarters, the Newcastle airport terminal building and the island main road in Nevis. During the second quarter of 2003 construction activity focussed on ongoing work on credit union headquarters, the Clarence Fitzroy Bryant Hospitality Unit, expansions to schools, road upgrading and the construction of commercial and residential properties. Partly reflecting the decline in construction activity, the volume of sand and stones sold at the government quarry, an indicator of the level of activity in the sector, decreased by 85.4 per cent and 39.1 per cent respectively. The trade data also indicated a 31.3 per cent decrease in the value of construction related imports, in particular cement, tiles, screws and bolts.

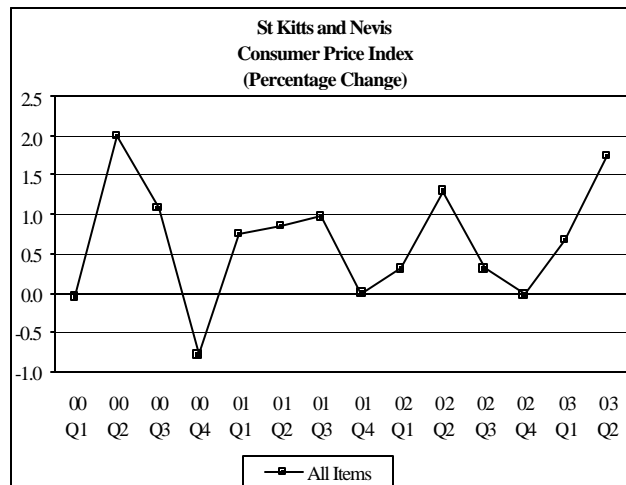
For the first six months of 2003 value added in the construction sector is estimated to have contracted compared with the performance in the first six months of 2002. Supporting this assessment was a 21.5 per cent decrease in the importation of construction related materials and declines in the volume of sand (85.4 per cent) and stones (43.9 per cent) sold by the government quarry.

Complete data on visitor arrivals were not available for the second quarter of 2003. Based on developments in the industry it is likely that the number of stay-over visitors increased. Based on data from a survey undertaken in June there was a more than twofold increase in the number of visitors for the annual music festival compared with the total reported for the second quarter of 2002. Additionally, the Federation of St Kitts and Nevis was host to the Caribbean Development Bank Board of Governors' meeting and a regional softball tournament, which together attracted over 600 visitors. The number of visitors from the UK and USA markets is also likely to have increased as a result of the additional weekly direct flights from those markets.

Preliminary data from the Port Authority for the second quarter of 2003 revealed that the number of cruise ship passengers totalled 13,591 compared with 20,658 during the corresponding period of 2002. The lower number of cruise ship passengers was consistent with a 37.5 per cent decline in cruise ship calls to 25. The decrease was attributed primarily to the cancellation of visits by a major cruise ship during the period under review as a result of competition from other tourist destinations. For the first six months of 2003 there was a 36.4 per cent decrease in the number of cruise ship passengers to 75,560. The number of cruise ship calls was 117 compared with 193 recorded for the first six months of 2002.



Chart 26



During the quarter under review consumer prices rose by 1.8 per cent on average, as reflected by the change in the consumer price index. This performance was partly influenced by a 7.2 per cent increase in the sub-index "transportation and communication" as a result of higher telephone rates. Increases were also recorded for the sub-indices "food" (1.4 per cent), "housing" (0.9 per cent) and "clothing and footwear" (0.6 per cent). The increase in the "food" sub-index was mainly due to higher prices for fruits and vegetables. The sub-indices "alcohol and tobacco" and "household furnishings and supplies" fell by 0.3 per cent and 1.2 per cent respectively.

Trade and Payments

The available data on merchandise trade indicated that the deficit fell by 2.3 per cent to \$84.3m in the period under review, in contrast to the 12.8 per cent increase in the second quarter of 2002. Import payments fell by 2.0 per cent to \$136.7m and export earnings declined by 1.4 per cent to \$52.4m. The lower import bill resulted largely from a reduction in the importation of machinery, equipment, cement and building materials, consistent with the decline in construction activity. The import of inputs for the

manufacture of electronic components also contracted, reflecting the fall in production. In the case of exports, the decline reflected a 25.4 per cent contraction in receipts from electronic components. Receipts from sugar grew by 52.0 per cent to \$21.1m, due mainly to the timing of shipments. In 2003 most of the sugar produced was shipped during the second quarter, unlike 2002 when the shipment was spread over the second and third quarters.

On the capital and financial account commercial banks recorded short-term capital net inflows of \$14.0m compared with net inflows of \$41.8m in the corresponding quarter of 2002. Preliminary data on official capital grants showed inflows of \$2.3m, up from \$0.5m received during the second quarter of 2002. There were net official outflows of \$3.3m associated with external loans of the central government and the Nevis Island Administration, in contrast to net inflows of \$1.2m during the corresponding quarter of 2002.

For the period January to June 2003 a trade deficit of \$188.7m was recorded compared with one of \$168.5m during the corresponding period of 2002. The import bill increased by 9.9 per cent to \$274.4m, partly associated with the importation of furnishings for the new hotel. Export earnings rose by 5.4 per cent to \$85.7m. Commercial banks recorded short-term net outflows of \$70.1m compared with outflows of \$54.4m at the end of the corresponding period of 2002. Net official inflows amounted to \$115.8m, up from \$78.0m obtained for the first six months of 2002, largely representing proceeds from external bonds. Capital grant receipts amounted to \$2.2m compared with \$7.3m during the first half of 2002.

Central Government Fiscal Operations

During the second quarter of 2003 the fiscal operations of the central government, including the



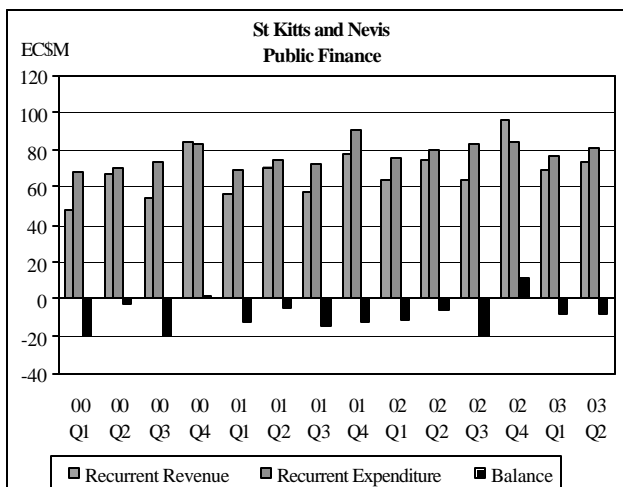
Nevis Island Administration (NIA), resulted in an overall deficit of \$20.7m compared with one of \$35.7m in the second quarter of 2002. The decrease in the overall deficit was attributed to a reduction in capital spending; the current account deficit widened. The overall deficit was financed primarily through domestic borrowing.

In the quarter under review capital expenditure amounted to \$9.9m, down from \$19.3m during the second quarter of 2002, reflecting the fall in public sector construction activity. Major expenditure items included the purchase of equipment for the upgrade of electricity and water supply (\$2.9m), emergency recovery and disaster management (\$1.9m), refurbishing of schools and other government buildings (\$0.8m), phase III of the JNF General Hospital development (\$0.4m) and road construction (\$0.6m).

per cent (\$2.3m) increase in outlays on goods and services, partly reflecting expenses associated with the hosting of a regional meeting. The increase was partly offset by declines in interest payments (\$0.2m), as well as in outlays on personal emoluments (\$0.2m) and transfers and subsidies (\$0.2m).

Current revenue declined by 0.3 per cent to \$73.5m compared with the total in the second quarter of 2002. This outcome was mainly influenced by a 4.9 per cent (\$1.1m) contraction in non-tax revenue, largely reflecting a timing difference in the receipt of dividends. Revenue from taxes rose by 1.5 per cent (\$0.8m), largely attributable to growth in receipts from taxes on international trade and transactions (\$0.9m) and taxes on property (\$0.4m). Receipts from taxes on domestic goods and services fell by 1.8 per cent (\$0.2m), reflecting lower earnings from the gasoline levy (\$1.5m) as a result of higher oil prices. Revenue from taxes on income and profits contracted by 1.9 per cent (\$0.3m), attributable to a decrease in earnings from the social services levy.

Chart 27



A current account deficit of \$8.2m was recorded compared with one of \$6.2m during the second quarter of 2002, largely reflecting growth in current expenditure. Current expenditure rose by 2.2 per cent to \$81.7m compared with growth of 6.3 per cent in the corresponding quarter of 2002. The main contributor to the expansion in current expenditure was an 11.9

For the first six months of 2003 a current account deficit of \$15.9m was recorded, down from one of \$17.9m in the corresponding period of 2002. Current revenue expanded by 3.5 per cent to \$142.3m, representing 45.0 per cent of the budgeted amount for 2003. The growth in current revenue was primarily due to an increase in receipts from taxes on international trade and transactions (13.2 per cent), consistent with the higher import bill. Current expenditure rose by 1.8 per cent to \$158.3m, representing 48.8 per cent of the budgeted amount for 2003. The increase in current expenditure reflected in part a 7.3 per cent (\$2.4m) expansion in interest payments. Capital expenditure amounted to \$20.5m, which was 42.6 per cent below the total for the first six months of 2002. Net lending was down to \$6.6m from \$18.8m during the corresponding period of 2002. The lower current



account deficit combined with the reduction in capital expenditure and net lending resulted in an overall deficit of \$39.5m compared with one of \$59.1m during the first half of 2002.

The disaggregated fiscal accounts revealed that the operations of the central government (excluding the NIA) resulted in an overall fiscal deficit of \$19.4m compared with one of \$35.0m during the second quarter of 2002. This was attributed to reductions in capital expenditure (\$9.8m) and net lending (\$11.1m). The current account recorded a deficit of \$9.9m compared with one of \$8.1m during the second quarter of 2002. Current expenditure rose by 4.8 per cent to \$68.3m, associated with a \$2.6m increase in outlays on goods and services. Current revenue grew by 1.8 per cent to \$58.4m, as a result of higher tax revenue. Growth was recorded in collections from taxes on international trade and transactions (\$0.9m), taxes on domestic goods and services (\$0.9m) and taxes on property (\$0.7m). The increase in tax revenue was partly offset by a 6.9 per cent (\$1.2m) decline in non-tax revenue.

For the period January to June 2003 an overall deficit of \$38.9m was recorded compared with one of \$58.3m for the corresponding period of 2002. The lower deficit resulted from a 55.6 per cent reduction in capital expenditure and net lending to \$21.8m. A current account deficit of \$20.6m was recorded, down from one of \$22.4m in the first six months of 2002. The lower deficit was influenced by a 5.0 per cent increase in current revenue to \$110.1m, representing 45.7 per cent of the budgeted amount. Current expenditure rose by 2.7 per cent to \$130.7m, or 50.3 per cent of the budgeted total, associated mainly with higher outlays on goods and services.

An analysis of the finances of the Nevis Island Administration indicated an overall deficit of \$1.3m in the second quarter of 2003, in comparison with one of

\$0.7m during the corresponding quarter of 2002. The current operations resulted in a surplus of \$1.6m, slightly below the surplus of \$1.8m recorded during the corresponding quarter of 2002. There was an 8.0 per cent (\$1.3m) decrease in current revenue to \$15.0m, largely associated with a \$1.1m decline in collections from taxes on domestic goods and services. This reduction represented to a large extent lower receipts from stamp duties and gasoline levy. Current expenditure also fell, by 7.8 per cent (\$1.1m) to \$13.4m, reflecting declines in all categories of expenditure with the exception of outlays on personal emoluments, which remained virtually stable. Capital expenditure amounted to \$3.0m, up from the \$2.5m recorded during the second quarter of 2002.

For the first six months of 2003 the fiscal operations resulted in a current account surplus that remained constant at \$4.7m. Current expenditure contracted by 2.2 per cent to \$27.6m, representing 42.6 per cent of the budgeted amount. There was a 14.2 per cent (\$0.7m) reduction in interest payments, due to the refinancing of a portion of the overdraft. Current revenue declined by 2.3 per cent to \$32.3m, roughly 42.9 per cent of the total budgeted for 2003. Capital expenditure fell marginally to \$5.3m. An overall deficit of \$0.6m was recorded for the six-month period compared with the deficit of \$0.8m in the first half of 2002.

Money and Credit

Total monetary liabilities (M2) declined marginally, by 0.4 per cent to \$837.3m during the second quarter of 2003 in contrast to growth of 3.9 per cent during the corresponding quarter of 2002. This performance was consistent with the lower level of economic activity. The reduction in M2 reflected a 1.8 per cent decline in quasi money to \$711.4m. Foreign currency deposits fell by 10.0 per cent (\$23.4m), but the overall decrease



in M2 was partly moderated by a 2.6 per cent (\$8.9m) increase in savings deposits. Time deposits rose by 1.2 per cent (\$1.8m). The narrow money supply (M1) grew by 7.9 per cent to \$125.9m, largely attributable to a 10.9 per cent increase in demand deposits.

During the quarter under review domestic credit rose by 3.8 per cent to \$670.5m compared with growth of 8.8 per cent in the second quarter of 2002. The expansion was partly associated with increased borrowing by the public sector. The central government's net indebtedness to the banking system rose by 3.3 per cent to \$187.4m, mainly associated with an increase in commercial bank holdings of treasury bills. Credit from the Central Bank fell by 18.7 per cent (\$1.1m) during the quarter under review. In the rest of the public sector the net deposits of the non-financial public enterprises decreased by 10.2 per cent to \$123.6m. This development was influenced by a 9.8 per cent (\$23.3m) increase in credit, largely in the form of investment in one of those enterprises by a commercial bank.

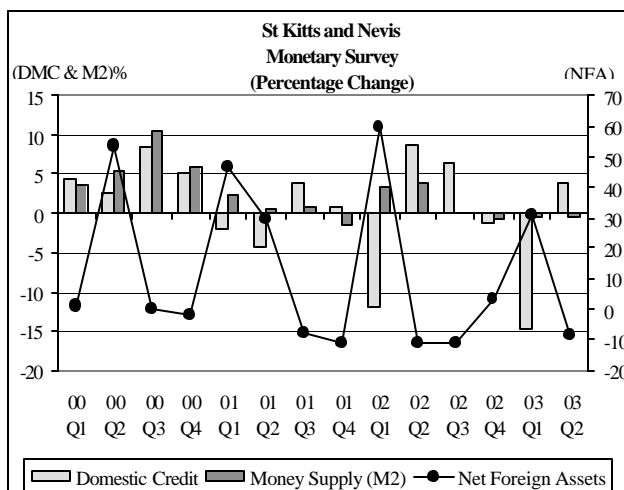
in lending to households (\$8.0m). There was a marginal decline in credit to businesses.

The counterpart to the decline in M2 was an 8.5 per cent contraction in net foreign assets to \$377.4m, largely reflecting a reduction in the external assets of the commercial banking sector. The net foreign assets of the commercial banks fell by 14.0 per cent to \$208.0m. This performance was attributed to a 4.5 per cent (\$29.2m) decrease in assets held with financial institutions outside the Eastern Caribbean currency union, and a 6.9 per cent (\$4.9m) decline in assets held with institutions in other ECCB territories. St Kitts and Nevis' imputed share of the reserves held by the Central Bank fell by 0.7 per cent to \$169.4m.

An analysis of credit by economic activity indicated that borrowing for personal use rose by 2.3 per cent (\$9.8m), reflecting increases in lending for home construction and renovation (\$3.1m) and house and land purchase (\$15.4m). These increases were partly offset by declines in credit for durable consumer goods (\$1.1m) and other personal services (\$7.7m). Credit for agriculture including fisheries and for distributive trade rose by 2.7 per cent and 1.4 per cent respectively, while lending for manufacturing declined by 2.9 per cent.

Liquidity in the commercial banking system decreased slightly during the quarter under review, but remained at a high level. The ratio of total liquid assets to total deposits plus liquid liabilities fell to 50.4 per cent from 52.3 per cent at the end of the previous quarter. The loans and advances to deposits ratio rose by 0.7 percentage point to 69.0 per cent, reflecting a 2.4 per cent increase in total loans and advances. During the period under review interest rates at commercial banks remained generally stable, except for the maximum rate on time deposits. Interest rates

Chart 28



Outstanding credit to the private sector rose by 1.3 per cent to \$632.2m, mainly reflecting an increase



on time deposits held for three, six and twelve months ranged from 2.5 per cent to 7.0 per cent, compared with the range of 2.5 per cent to 6.0 per cent during the first quarter of 2003. The rates on savings deposits ranged from 3.0 per cent to 5.5 per cent. Lending rates ranged from 8.5 per cent to 15.0 per cent.

Prospects

Economic activity for the second half of 2003 is likely to remain flat compared with the performance during the corresponding period of 2002. Growth in activity is projected for the tourism industry. This projection is based partly on an anticipated increase in stay-over visitors as a number of regional meetings are scheduled to take place in the Federation during the period. The industry is also likely to benefit from the recent opening of a large resort and casino in St Kitts, an increase in airlift services from the USA, in particular direct flights from Philadelphia and New York, and the introduction of a direct daily flight from San Juan to Nevis. Visitors from the UK market are projected to increase based on the re-introduction of weekly direct flights in early May 2003.

Activity in the construction sector is likely to be below the level in the corresponding period in 2002 given the completion of major public sector projects at the end of 2002 and a large hotel in early 2003. Activity during the latter half of 2003 is expected to focus on the expansion of schools and the construction of a new school under the Basic Education and the Secondary Education Development Projects, construction of community centres and sporting complexes, and the drilling of wells. In the private sector work is likely to start on three housing projects and an headquarters for an airline company during the period.

In the agricultural and manufacturing sectors output is likely to decline, partly associated with developments in the sugar industry. During 2002 the harvesting of sugar cane and the production of sugar were extended into the third quarter as a result of mechanical problems experienced during the first half of the year. In 2003 sugar cane harvesting and sugar manufacturing ended in June. Output of electronic components is projected to fall, partly due to the scale down of operations by a manufacturing company, as a result of competition in the external market.

The consolidated fiscal position of the central government and the NIA is projected to improve during the last six months of 2003 compared with the performance in the corresponding period in 2002. An increase in current revenue is anticipated as a result of an improvement in tax administration and collection and the start of audits on professionals. Current expenditure is likely to increase, but at a slower rate as a result of expenditure control measures, particularly on goods and services and on personal emoluments. The growth rate in debt service payments is expected to slow down, as a result of the refinancing of a portion of the overdrafts of both the central government and the NIA during the first half of 2003, and a reduction in interest rates on treasury bills. Capital expenditure and net lending are also projected to decline based on the completion of some major projects and a reduction in lending to public enterprises.

Domestic credit is projected to decrease, based on an anticipated fall in borrowing by the central government and the NIA, reflecting an improvement in the fiscal position. Liquidity in the commercial banking system is expected to remain at a high level. In the external sector, the merchandise trade deficit is projected to narrow, partly based on a reduction in imports. Gross travel receipts are projected to grow in line with the increase in stay-over arrivals.



ST LUCIA

Overview

During the second quarter of 2003 economic activity was estimated to have increased compared with the level in the corresponding period of 2002, based in part on improved performances in tourism and manufacturing. The improvement in tourism was influenced by growth in stay-over visitors - the largest spending category of visitors. Manufacturing activity was estimated to have been above the level in the comparable quarter of 2002, reflecting higher output of food products and beverages. Value added in the agricultural sector contracted, associated with a decrease in the output of bananas. Construction activity appeared to have been below the level recorded in the second quarter of 2002. The fiscal operations of the central government resulted in an overall surplus, in contrast to the deficit in the comparable period of the previous year. The overall balance of payments surplus was below the level recorded in the second quarter of 2002. Liquidity in the banking system increased. There were some downward movements in interest rates. The consumer price index rose by 0.2 per cent.

For the first half of 2003 real output was estimated to have been above the level in the corresponding period of 2002, partly based on expanded tourism and manufacturing activity. The central government recorded an overall fiscal deficit of \$22.0m, slightly below the deficit in the comparable period of 2002. In the external sector, the merchandise trade deficit is estimated to have widened. Gross inflows from travel were above the level in the comparable period of 2002.

Output and Prices

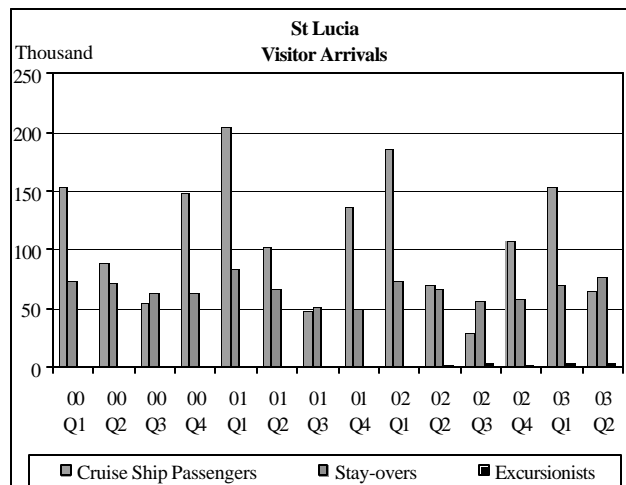
During the quarter under review the performance of the tourism industry improved compared with the outcome in the second quarter of 2002. Preliminary data showed that total visitor arrivals increased by 2.8 per cent to 142,908 in contrast to the contraction of 18.4 per cent in the comparable quarter of 2002. The growth in arrivals was largely attributed to increases in stay-over visitors and excursionists. The number of cruise passengers declined. Stay-over arrivals increased by 12.7 per cent to 75,869, substantially above the growth rate of 0.5 per cent recorded in the second quarter of 2002. This performance was partly attributable to the reopening of a large hotel, aggressive marketing by the Tourist Board and the hosting by St Lucia of OECS cricket matches and a regional swimming championship. There were increases in arrivals from all the major markets. The highest growth was recorded for arrivals from the UK (12.3 per cent), followed by the USA (10.2 per cent) and the Caribbean (6.8 per cent). During the quarter under review the number of cruise ship passengers fell by 7.9 per cent to 64,597, although the number of cruise ship calls remained stable at 39 compared with the level in the second quarter of 2002. The number of excursionists increased by 52.9 per cent to 2,442 as a result of additional ferry trips to and from the neighbouring island of Martinique.

For the period January to June 2003 the number of stay-over arrivals increased by 4.7 per cent and excursionists rose by 79.2 per cent. However, these



increases were more than offset by a 12.9 per cent decrease in cruise ship passengers. Consequently, total visitor arrivals contracted by 5.8 per cent to 371,369 relative to the number recorded in the first half of 2002.

Chart 29



Manufacturing activity was estimated to have increased during the second quarter of 2003. Production of food and beverages, major activities in the manufacturing sector, was above the level in the comparable quarter of 2002. Output of electrical products and wearing apparel was estimated to have contracted. For the first six months of 2003 output of food and beverages remained relatively stable, while production of electrical products and wearing apparel fell.

The decline in agricultural production observed in the first quarter of 2003 is likely to have continued during the second quarter, based on developments in the banana industry. Banana production, the major agricultural activity, fell by 33.6 per cent to 9,222, during the quarter under review in contrast to growth of 86.3 per cent recorded in the comparable period of 2002. The fall in production was partly attributable to unfavourable weather and the lingering effects of tropical storm Lili. For the first half of 2003 banana production declined

by 30.9 per cent to 18,512 tonnes compared with the total for the first six months of 2002. The available data on non-banana agricultural crops indicated that during the quarter under review output of some of the major crops, increased particularly that of plantain and mango.

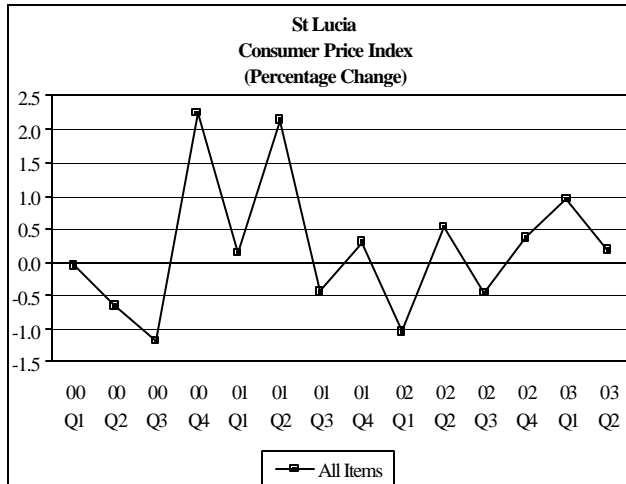
Construction activity appeared to have declined during the second quarter of 2003 compared with the performance in the corresponding quarter of 2002, based on developments in the private and public sectors. Private sector construction activity was below the level in the second quarter of 2002, as expansion work ended on a large hotel that reopened in the last quarter of 2002. Private sector residential construction activity appeared to have contracted, based on commercial bank data that showed a 2.1 per cent decrease in lending for home construction and renovation, in contrast to growth of 6.0 per cent in the second quarter of 2002. In the public sector the major focus was ongoing road construction and renovations to some schools and health centres. For the first six months of 2003 construction activity is likely to have been below the level in the corresponding period of 2002.

The consumer price index increased by 0.2 per cent during the quarter under review compared with the 0.5 per cent rate of growth in the same period of 2002. The rise in the index was attributed to a 0.3 per cent expansion in the "food" sub-index, which carries the highest weight in the basket of consumer goods and services. Increases were also recorded for the sub-indices "medical care and health" (0.6 per cent), "transportation and communication" (0.7 per cent), "recreation and entertainment" (0.4 per cent) and "miscellaneous goods and services" (0.9 per cent). The sub-indices "alcoholic beverages and tobacco", "clothing and footwear" and "housing" remained unchanged, while the "fuel and light" sub-index fell by 3.8 per cent. The decline was partly attributed to a decrease in the



electricity surcharge, associated with a fall in oil prices on the international market.

Chart 30



Trade and Payments

Complete data on merchandise trade were not available for the quarter under review. Actual data on banana exports showed that earnings declined by 29.2 per cent to \$12.1m during the second quarter of 2003 compared with the total for the same period in 2002, reflecting lower export volume. It is likely that imports increased in line with the expansion in the economy. For the period January to June 2003, receipts from banana exports declined by 25.6 per cent to \$23.7m compared with the total in the corresponding period of 2002.

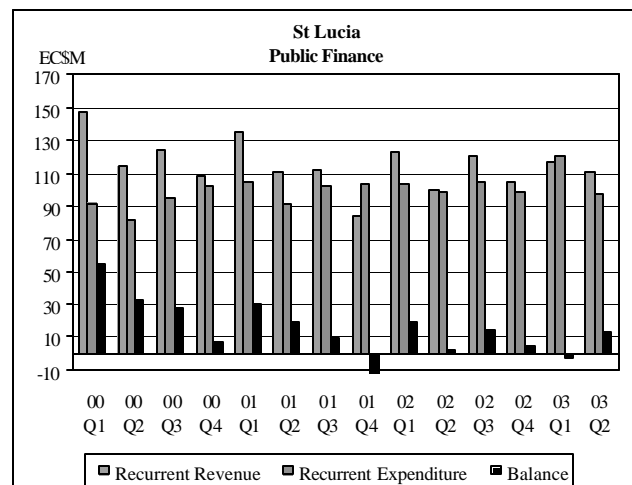
In the services account, gross inflows from travel increased by 11.6 per cent to \$199.8m, associated with the growth in stay-over visitors. For the period January to June 2003 gross travel receipts were estimated at \$398.2m, roughly 3.2 per cent above the level in the first half of 2002.

In the capital and financial account, commercial banks recorded net outflows of short term capital of \$50.3m during the second quarter of 2003, up from net outflows of \$21.5m in the corresponding quarter of 2002. Net inflows of official loans amounted to \$4.1m, compared with \$5.2m in the second quarter of 2002. These flows contributed to an overall balance of payments surplus, as indicated by an increase in St Lucia's imputed share of the reserves held at the Central Bank.

Central Government Fiscal Operations

Preliminary data on the fiscal operations of the central government revealed that during the second quarter of 2003 an overall surplus of \$21.8m was recorded in contrast to the deficit of \$5.0m in the corresponding quarter of 2002. This performance largely reflected an increase in capital grants. A current account surplus of \$13.6m was realised compared with one of \$2.2m in the second quarter of 2002. The increase in savings was largely associated with growth in current revenue coupled with a fall in current expenditure.

Chart 31



Current revenue increased by 10.5 per cent to \$110.5m in the second quarter of 2003, reflecting expansions in both tax and non-tax revenue. Receipts from taxes grew by 11.0 per cent to \$104.2m. The growth in tax revenue was largely attributed to a 35.8 per cent (\$16.2m) increase in the yield from taxes on international trade and transactions, associated with higher imports and new budgetary measures. Of the components of taxes on international trade and transactions, receipts from import duty increased by 40.1 per cent (\$5.3m), the service charge on imports grew by 31.3 per cent (\$2.1m) and consumption tax rose by 13.6 per cent (\$3.0m). Revenue from taxes on domestic goods and services fell by 15.7 per cent to \$15.5m, largely reflecting a 70.0 per cent (\$3.7m) decline in the yield from the excise tax. The yield from taxes on income and profits fell by 8.9 per cent to \$26.7m, largely attributable to lower receipts from personal income tax as the threshold was increased to \$16,000 from \$14,000. Non-tax revenue grew by 2.9 per cent (\$0.2m).

Current expenditure decreased by 0.9 per cent to \$96.9m during the quarter under review relative to the total for the second quarter of 2002. The contraction was partly associated with declines of 15.8 per cent and 4.0 per cent in outlays on transfers and subsidies and interest payments, mainly domestic interest payments as external interest payments rose by 3.8 per cent. The fall in domestic interest payments was largely on account of loan repayment using funds from an external bond issued in the last quarter of 2002. These decreases were partly offset by growth of 5.2 per cent in expenditure on personal emoluments, associated with the hiring of teachers and policemen as well as contractual workers. Outlays on goods and services rose by 1.8 per cent.

Capital grants, largely associated with the low income housing facility and the rural credit facility, amounted to \$17.4m during the quarter under review. Capital expenditure fell by 30.7 per cent to \$9.3m.

For the period January to June 2003 a current account surplus of \$10.5m was realised in comparison with one of \$21.4m in the corresponding period of 2002. The lower surplus was attributed to a 7.8 per cent rise in current expenditure to \$216.9m, which was partly offset by a 2.2 per cent expansion in current revenue to \$227.4m.

Money and Credit

During the second quarter of 2003 total monetary liabilities of the banking system expanded by 1.5 per cent to \$1,336.5m in comparison with the increase of 2.2 per cent in the corresponding period of 2002. The growth in M2 was reflected in increases of 1.4 per cent and 1.9 per cent in quasi money and the narrow money supply respectively. Of the components of quasi money, savings deposits and foreign currency deposits expanded by 4.3 per cent (\$28.8m) and 12.0 per cent (\$3.5m) respectively, while time deposits contracted by 5.8 per cent (\$17.9m). Of M1, private sector demand deposits grew by 1.2 per cent (\$2.8m) and currency with the public increased by 3.8 per cent (\$3.0m).

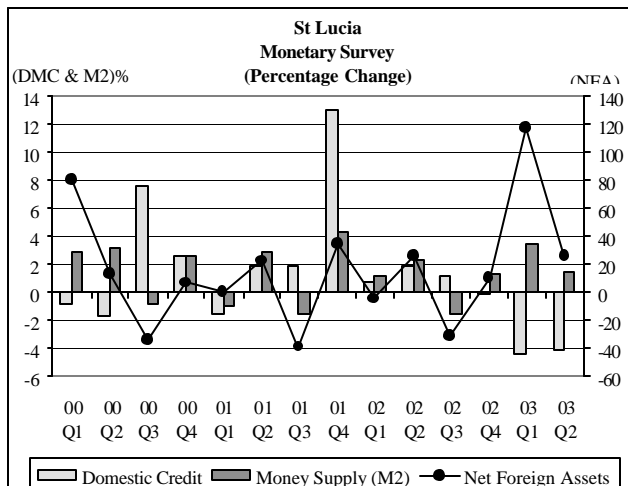
Domestic credit declined by 4.1 per cent to \$1,311.9m during the quarter under review in contrast to the increase of 1.9 per cent in the corresponding quarter of 2002, reflecting in part reduced borrowing by the private sector and the central government. Credit to the private sector fell by 2.1 per cent (\$32.1m) in contrast to growth of 0.3 per cent in the second quarter of 2002. This performance was influenced by



a 5.7 per cent (\$46.2m) decrease in lending to business entities, which was partly offset by growth of 1.9 per cent (\$14.1m) in credit to households.

Loans to the central government were 3.2 per cent below the level at the beginning of the quarter under review, reflecting the improvement in the fiscal accounts. The central government's deposits rose by 0.7 per cent during the quarter. Those developments led to a 5.0 per cent increase in the net deposits of the central government to \$123.5m. In the rest of the public sector, the net deposits of the non-financial public enterprises increased by 9.6 per cent to \$189.0m, associated with a 7.6 per cent expansion in their deposits.

Chart 32



An analysis of the distribution of credit by economic activity indicated decreases in loans for construction (2.8 per cent), agriculture (1.9 per cent) and manufacturing (0.2 per cent), while lending for tourism increased by 0.8 per cent. Loans for distributive trades fell by 6.2 per cent, and credit for personal use contracted by 1.3 per cent.

The net foreign assets of the banking system increased by 25.1 per cent to \$285.5m during the second quarter of 2003, slightly below the 25.9 per cent rate recorded in the corresponding quarter of 2002. The growth in net foreign assets was largely driven by developments in the commercial banking sector. The net foreign liabilities of the commercial banks fell to \$20.2m from \$70.4m at the end of the previous quarter, largely reflecting a 47.6 per cent decrease in liabilities to institutions in the rest of the Eastern Caribbean currency union combined with a 32.0 per cent increase in assets held in those institutions. Commercial banks' net liabilities to banks and other institutions outside the currency union grew by 8.4 per cent (\$10.8m). St Lucia's imputed share of the Central Bank's reserves expanded by 2.4 per cent (\$7.0m). This increase indicated an overall balance of payments surplus during the second quarter of 2003.

Liquidity in the commercial banking system increased during the quarter under review. The ratio of liquid assets to total deposits plus liquid liabilities increased to 25.3 per cent from 23.7 per cent at the end of the previous quarter. The loans and advances to deposits ratio fell by 2.8 percentage points to 83.8 per cent, reflecting in part a 2.2 per cent decline in loans and advances. However, the cash reserve to deposits ratio contracted by 0.1 percentage point to 10.3 per cent. There were some decreases in interest rates at commercial banks during the quarter under review. The maximum rate offered on savings deposits declined by 0.75 percentage point to 4.75 per cent, while the minimum rate on demand deposits was reduced by 1.0 percentage point to 1.0 per cent. The maximum rate offered on time deposits of three months to six months fell by 0.25 percentage point, while that offered for the period six months to twelve months declined by 0.5 percentage point. Prime lending rates remained unchanged during the quarter under review.



Prospects

During the second half of 2003 the level of economic activity is expected to increase compared with the performance in the corresponding period of 2002, partly influenced by likely developments in the tourism industry. Tourism activity is projected to increase in the latter part of 2003, based on additional airlift, the reopening of a hotel and the likely success of initiatives undertaken by the St Lucia Tourist Board in 2002. These initiatives include continued marketing and promotion to boost arrivals from the USA and UK. However, performance in tourism will be influenced by developments in the international economy, particularly the USA and UK - the major tourist markets. The cruise industry in St Lucia is expected to benefit from the commencement of visits by a major cruise line in October 2003.

In the public sector, construction activity is likely to be buoyed by ongoing projects, in particular the road development and the rehabilitation of a number of schools and health centres. Private sector construction activity is expected to focus on renovations to two hotels and on residential construction facilitated through the low cost housing credit facility. In the agricultural sector output is projected to contract, reflecting the lingering effects of tropical storm Lili in September 2002 and drought during the first half of 2003.

The overall fiscal deficit of the central government is projected to increase based on a likely expansion in capital spending associated largely with the implementation of the PSIP. Current revenue is projected to increase in light of improved tax administration and new measures outlined in the budget including a 1.0 per cent increase in the customs service charge on imports, an upward adjustment on the consumption tax rate for some goods, and an increase in drivers' licence fees. Current expenditure is expected to increase, but at a lower rate, based on the government's effort to contain the growth in expenditure.

Monetary liabilities are projected to increase based on the anticipated expansion in economic activity. Growth in domestic credit is likely, influenced by an expansion in private sector borrowing as a result of government's policy to facilitate land and house acquisition by individuals effective April 2003. There is likely to be a net inflow of commercial bank short-term capital based on an anticipated increase in credit demand as economic activity expands. In the external sector, the merchandise trade deficit is likely to widen as a result of a fall in banana exports and higher imports associated with the expansion in the economy. Gross travel receipts are expected to increase in line with the projected expansion in stay-over visitors. Consumer prices are expected to remain stable.



ST VINCENT AND THE GRENADINES

Overview

Economic performance in St Vincent and the Grenadines appeared to have improved during the second quarter of 2003 compared with the corresponding period of 2002. Expanded activity in the tourism industry and the construction and manufacturing sectors contributed largely to the improvement. Output in the agricultural sector was estimated to have contracted. The central government realised a current account surplus of \$9.9m compared with one of \$10.5m in the corresponding period of 2002. Liquidity in the commercial banking system remained at a high level during the quarter under review. Monetary liabilities and domestic credit contracted, while net foreign assets increased. Interest rates remained fairly stable. The consumer price index (CPI) increased during the quarter under review.

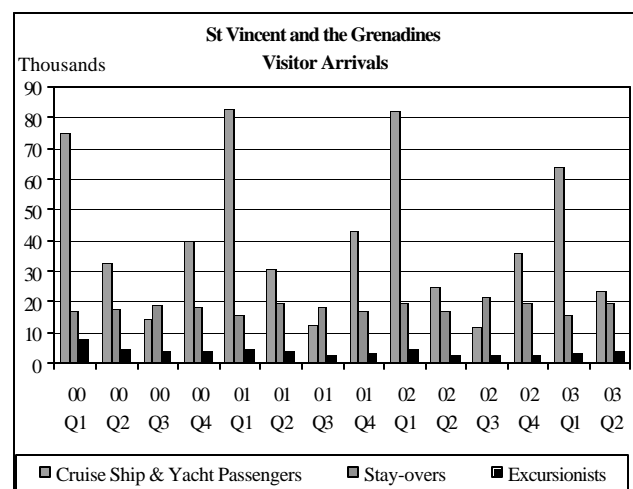
For the period January to June 2003 the level of economic activity increased marginally, relative to the performance in the corresponding period of 2002. The expansion in the economy was largely influenced by developments in the manufacturing and construction sectors and the tourism industry. The current account operations of the central government improved, as a surplus was realised in contrast to the deficit in the first half of 2002.

Output and Prices

Output of goods and services was estimated to have increased during the second quarter of 2003 compared with the outturn in the corresponding quarter of 2002.

In the tourism industry, total visitor arrivals were estimated to have increased by 4.8 per cent to 47,034

during the quarter under review compared with the corresponding quarter of 2002. The increase in arrivals was largely reflected in the stay-over visitors category which showed growth of 16.6 per cent in the number of arrivals, in contrast to the 13.3 per cent decline in the second quarter of 2002. This performance was partly associated with the hosting of an international cricket match and the timing of the Easter Regatta. In 2003 the regatta took place during the second quarter, as opposed to the first quarter in 2002. Of stay-over visitors, arrivals from all the major markets registered increases. Visitors from the rest of the Caribbean, who accounted for 42.3 per cent of stay-over visitors, increased by 35.8 per cent. Stay-over visitors from the USA, the second largest source, grew by 10.6 per cent and those from the UK and the Canada were up by 11.8 per cent and 9.6 per cent respectively. The number of excursionists rose by 23.3 per cent. Yacht passengers, who accounted for 36.9 per cent of total visitors, were estimated to have increased by 3.7 per cent while cruise ship passengers fell by 24.1 per cent, partly as a result of the discontinuation of visits by a major cruise line.

Chart 33

During the period January to June 2003 total visitor arrivals were estimated to have contracted by 13.8 per cent to 130,152 compared with the number in the first half of 2002. Stay-over visitors fell by 3.2 per cent, mainly reflecting a decline in arrivals in the first quarter. Despite the decline in stay-over visitors in the first quarter, occupancy rates at tourist accommodation were reported to have been above the levels in the first quarter of 2002. This was partly on account of the presence of a film production crew from the US. The scarcity of available hotel rooms, mainly attributable to the extended stay of the Disney film production crew, might have curbed the flow of visitors during the period under review. The number of cruise ship passengers fell by 33.7 per cent. Excursionists and yacht passengers declined by 2.6 per cent and 3.4 per cent respectively.

Activity in the construction sector was estimated to have been above the level in the second quarter of 2002. The sector benefited from public sector construction activity associated with the start of the Peter's Hope low-income housing project. Construction work continued on phase I of the Windward Highway rehabilitation project, the Canouan Health Centre and the replacement bridge at South River Road in Kingstown. In the private sector, residential construction activity appeared to have contracted. This assessment is based on commercial bank data which showed a 3.8 per cent decline in lending for home construction and renovation, in contrast to the increase of 3.6 per cent in the second quarter of 2002.

During the period January to June 2003 construction activity was driven largely by public sector investment in infrastructure development. Commercial bank lending to the private sector for home construction and renovation fell by 9.6 per cent.

In the agricultural sector, output was likely to have contracted. Banana production, the dominant activity in the agricultural sector, fell by 45.6 per cent to 5,018 tonnes in contrast to the 40.1 per cent increase in the second quarter of 2002. The fall in output was as a result of drought in the first half of 2003 as well as the lingering effects of tropical storm Lili in September 2002. For the period January to June 2003 banana production totalled 10,419 tonnes, roughly 46.5 per cent below the level in the first half of 2002.

Performance in the manufacturing sector improved during the second quarter of 2003 compared with the outturn in the corresponding period in 2002. This development was largely attributed to increases in the production of galvanized sheets (17.6 per cent), flour (4.6 per cent) and animal and poultry feeds (4.0 per cent). The production of rice, and beer and malt decreased by 17.6 per cent and 9.2 per cent respectively.

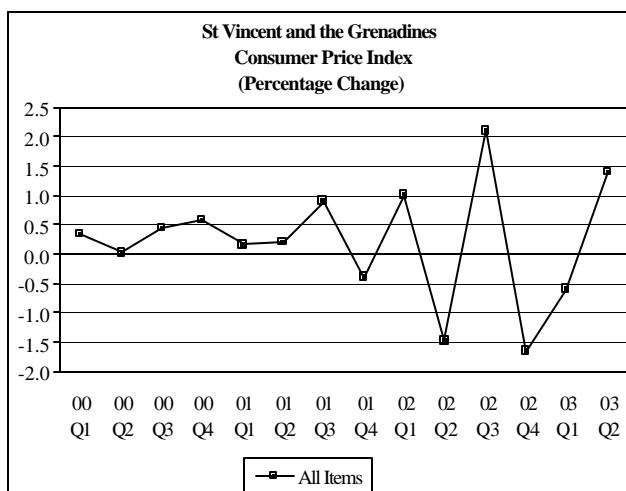
For the first six months of 2003 activity in the manufacturing sector was estimated to have been above the level for the corresponding period of 2002, largely reflecting increases in output of flour, animal and poultry feeds and galvanized sheets. Rice production decreased and output of beer and malt contracted, attributable in part to a fall in export demand.

The consumer price index rose by 1.4 per cent during the quarter under review in contrast to the 1.5 per cent decline during the second quarter of 2002. The outturn reflected increases in the sub-indices "food" (2.7 per cent), "transport and communications" (2.1 per cent), "clothing and footwear" (1.3 per cent) and "household furnishings and supplies" (0.9 per cent). The increase in the "food" sub-index, was partly due to higher



prices of bananas on the local market in light of the fall in banana production. Increased rental rates on telephone lines were largely responsible for the upward movement in the "transport and communications" sub-index. The "fuel and light" sub-index fell by 3.0 per cent, largely attributable to a decrease in the fuel surcharge. The "personal services" and "alcoholic beverages and tobacco" sub-indices declined by 0.5 per cent and 0.1 per cent respectively.

Chart 34



Trade and Payments

Complete trade data were not available for the period under review. Data on merchandise trade indicated a deficit of \$143.9m compared with one of \$78.2m recorded in the second quarter of 2002. The widening of the deficit was the result of a 57.6 per cent increase in the import bill and a 22.9 per cent contraction in total exports.

The growth in imports was partly driven by an increase in machinery and telephone equipment, associated with the start of operations of a new telephone company. Export earnings fell, attributable

in part to a 33.7 per cent decline in earnings from domestic exports. Of domestic exports, receipts from the export of bananas were down by 35.6 per cent to \$6.6m, while earnings from rice declined by 31.3 per cent to \$1.7m. These decreases were partly offset by a 5.6 per cent increase in receipts from flour exports. Re-exports were estimated to have more than doubled to \$3.9m. In the services account, net inflows from travel are likely to have been above the level in the second quarter of 2002, as gross travel receipts were estimated to have increased by 6.1 per cent to \$48.3m. This performance was in contrast to the decline of 12.5 per cent in the corresponding quarter of 2002. The growth in gross travel receipts was associated with an increase in visitor arrivals.

In the capital and financial account net outflows of commercial bank short-term capital amounted to \$35.3m compared with \$8.1m in the second quarter of 2002. In addition there were net outflows of official capital associated with loan repayments by the central government. Those developments contributed to a deficit on the overall balance of payments, as reflected in a \$6.8m decline in St Vincent and the Grenadines' imputed share of the reserves held by the Central Bank.

For the first half of 2003 the current account of the balance of payments worsened compared with the performance in the corresponding period of 2002. The deterioration was attributed to an increase in the merchandise trade deficit, reflecting a 40.7 per cent increase in imports and a 21.3 per cent decline in exports. Receipts from banana exports fell by 35.3 per cent. Export revenue from rice contracted by 30.8 per cent, while earnings from flour exports grew by 0.5 per cent. Gross travel receipts for the first six months of 2003 were estimated at \$121.5m compared with \$120.2m in the corresponding period of 2002.



Central Government Fiscal Operations

During the second quarter of 2003 the fiscal operations of the central government resulted in a current account surplus of \$9.9m compared with one of \$10.5m in the corresponding quarter of 2002. The lower surplus was the result of a contraction in current revenue, as current expenditure declined.

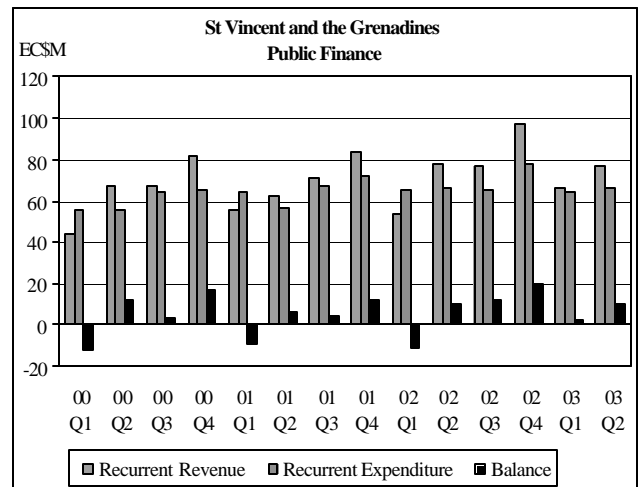
Current revenue fell by 1.0 per cent to \$76.5m relative to the total for the second quarter of 2002. The decline in current revenue reflected a 3.3 per cent (\$2.3m) decline in tax revenue that was partly offset by a 17.7 per cent (\$1.5m) increase in non-tax revenue. Of tax revenue, receipts from taxes on income and profit declined by 21.2 per cent to \$19.2m, largely on account of a 22.5 per cent reduction in revenue from company tax. The decline in the yield from company tax was partly the result of the timing of payment by a large company. In 2002 this company paid its taxes in the second quarter, whereas in 2003 it paid its taxes in the first quarter. The yield from taxes on domestic goods and services decreased by 19.6 per cent to \$8.9m, largely reflecting a 23.5 per cent (\$1.3m) decline in stamp duties, the largest component in this category. Receipts from consumption duties declined by 24.6 per cent (\$0.4m).

Revenue from taxes on international trade and transactions increased by 15.3 per cent to \$37.9m, mainly influenced by a 12.7 per cent (\$2.6m) expansion in receipts from consumption tax. Of the other components, receipts from import duties expanded by 25.7 per cent (\$1.7m) and revenue from the customs service charge grew by 19.5 per cent (\$0.9m), reflecting the increase in import payments.

Current expenditure fell by 0.1 per cent to \$66.6m relative to the total for the second quarter of 2002. The reduction in expenditure was associated with

decreases of 9.0 per cent (\$1.2m) and 4.2 per cent (\$0.7m) in transfers and subsidies, and goods and services respectively. These decreases were almost offset by a 2.8 per cent (\$0.9m) increase in outlays on personal emoluments and growth of 19.4 per cent (\$0.9m) in interest payments, largely reflecting domestic interest payments.

Chart 35



Capital expenditure and net lending grew by 4.6 per cent to \$16.2m, largely associated with the implementation of the public sector investment programme (PSIP). Capital grants remained relatively stable, while capital revenue grew by 57.9 per cent to \$0.3m compared with the total in the second quarter of 2002. The transactions in the current and capital accounts contributed to an overall deficit of \$5.8m, which was 25.9 per cent above the deficit in the second quarter of 2002. The deficit was financed largely by borrowing from domestic sources.

For the first six months of 2003 the central government realised a current account surplus of \$12.4m in contrast to the deficit of \$0.2m in the corresponding period of 2002. This performance resulted from a 9.1 per cent increase in current revenue to \$143.1m combined with a 0.5 per cent decline in



current expenditure to \$130.7m. Capital expenditure and net lending for the period January to June 2003 amounted to \$22.7m, roughly 21.1 per cent below the level in the corresponding period of 2002.

Money and Credit

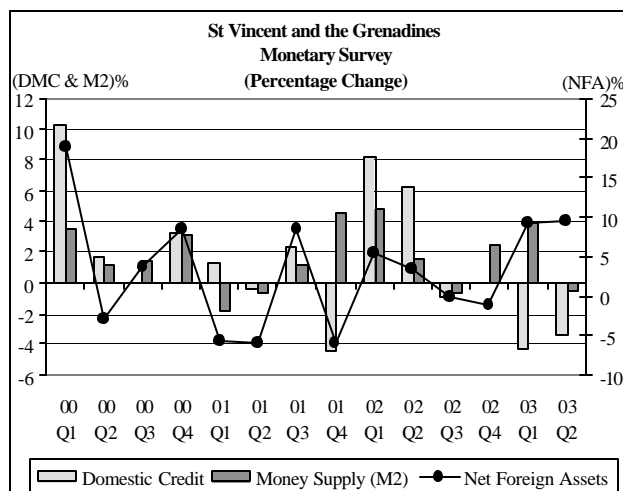
During the second quarter of 2003 total monetary liabilities (M2) of the banking system fell by 0.6 per cent to \$732.8m, in contrast to growth of 1.6 per cent in the corresponding period of 2002. The decrease in M2 was reflected in a 4.6 per cent decline in the narrow money supply (M1) to \$249.5m. Of the components of M1, private sector demand deposits contracted by 5.3 per cent (\$11.1m), while currency with the public decreased by 1.7 per cent (\$0.9m). Quasi money, comprising private sector savings, time and foreign currency deposits, rose by 1.7 per cent to \$483.3m. This performance was largely associated with a 33.0 per cent (\$2.3m) expansion in foreign currency deposits and 4.3 per cent (\$13.4m) growth in savings deposits. Partly offsetting these increases was a 5.1 per cent (\$7.9m) contraction in time deposits. Compared with the position at the end of 2002, M2 grew by 3.1 per cent, attributable to growth in both M1 and quasi money.

Domestic credit contracted by 3.4 per cent to \$493.8m during the quarter under review, contributing to the decline in monetary liabilities. There were declines in lending to both the public and private sectors. In the case of the public sector, net credit to the central government was down by 7.2 per cent to \$60.6m, attributable to a 6.5 per cent contraction in credit, mainly from the commercial banking system. The central government's deposits with the banking system fell by 6.1 per cent to \$112.7m, largely reflecting a reduction in deposits held at the Central Bank. In the rest of the public sector, the non-financial public enterprises registered a 5.7 per cent increase in net deposits,

reflecting a reduction in credit as well as an increase in deposits.

Credit to the private sector fell by 1.8 per cent to \$607.5m during the quarter under review as credit to businesses and households contracted. The net deposits of the non-bank financial institutions fell by 10.6 per cent, largely reflecting an increase in loans. Relative to the position at the end of 2002, domestic credit contracted by 7.5 per cent, as credit to both the public and private sectors declined.

Chart 36



An analysis of credit by economic activity indicated a 43.6 per cent (\$12.6m) fall in credit for tourism. Lending for agriculture and construction fell by 9.0 per cent and 2.8 per cent respectively, while loans for manufacturing rose by 0.2 per cent. There was a 1.4 per cent (\$5.9m) contraction in lending for personal use. Of lending for personal use, credit for home construction and renovation declined by 3.8 per cent (\$6.3m) and loans for other personal use decreased by 7.2 per cent (\$9.5m).

The net foreign assets of the banking system grew by 9.6 per cent to \$326.6m during the quarter under review compared with the increase of 3.3 per cent in



the corresponding period of 2002. The increase was reflected in a 25.0 per cent expansion in the net foreign assets of the commercial banks. St Vincent and the Grenadines' imputed share of the reserves of the Central Bank fell by 4.3 per cent to \$150.0m. Compared with the position at the end of December 2002 the net foreign assets of the banking system grew by 19.7 per cent (\$53.7m), largely influenced by an increase in commercial banks' foreign assets.

During the quarter under review the commercial banking system continued to experience a high level of liquidity. The liquid assets to total deposits plus liquid liabilities ratio rose to 39.3 per cent from 34.6 per cent at the end of March 2003, while the loans and advances to deposits ratio fell by 2.0 percentage points to 67.5 per cent.

Interest rates remained relatively stable, except for time deposits of up to 3 months which moved to a range of 3.1 per cent to 6.0 per cent from a range of 2.0 per cent to 4.75 per cent at the end of the previous quarter. The rates on savings deposits ranged from 3.0 per cent to 5.0 per cent. The rates offered on time deposits over three months to six months ranged from 2.5 per cent to 5.0 per cent, and those over six months to twelve months from 2.0 per cent to 7.0 per cent. The maximum rate for time deposits over one year to two years was 6.3 per cent. Prime lending rates ranged from 9.0 per cent to 11.0 per cent.

Prospects

During the second half of 2003 economic activity is likely to improve compared with the performance during the second half of 2002. This assessment is based largely on ongoing construction activity and the prospects of improved performance in the banana and tourism industries. Construction activity is likely to be boosted by activity in the public sector with the

intensification of work on the Peter's Hope low-income housing project. Local financial institutions are providing hundred per cent mortgages at 8.0 per cent per annum to purchasers of these homes. The output of banana is likely to increase as the industry is expected to recover from the effects of tropical storm Lili as well as the drought experienced in the first half of 2003. Activity in the tourism industry is likely to expand, partly based on increased marketing as well as an anticipated improvement in economic conditions in the major markets. The reopening of one of the larger resorts on the Grenadines is expected to contribute to the growth in tourism. In addition, cruise ship visitors are projected to increase as a major cruise ship is expected to start calls in the latter part of 2003. In the manufacturing sector, output of flour, feeds, beer and malt is projected to increase. The production of rice is likely to remain flat as a result of competition.

A current account surplus on the central government's fiscal operations is anticipated during the second half of 2003, based on ongoing measures to increase revenue. Capital expenditure is anticipated to increase, associated with the implementation of the public sector investment programme (PSIP). Consequently a higher overall deficit is projected. In the external sector, gross inflows from travel are likely to increase based on the growth in visitor arrivals. In the merchandise trade account, imports are projected to increase as economic activity expands. In the banking system, domestic credit is projected to decrease, influenced by a likely reduction in borrowing by the central government as a result of a recent bond issue as well as the planned issue of treasury bills on the Eastern Caribbean Securities Exchange during the period. Commercial bank liquidity is likely to remain high. Interest rates are expected to remain stable, while the general level of consumer prices is likely to remain low, partly based on inflation expectations in the major trading partner countries.



NOTES ON STATISTICAL TABLES

GENERAL

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 'negligible' or 'nil'
..	denotes 'not applicable'
n.a	denotes 'not available'
n.i.e	denotes 'not included elsewhere'
n.e.s	denotes 'not elsewhere specified'
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.

NOTES TO THE 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 with the Public = total currency liabilities of the Central Bank less commercial banks' holdings of local currency cash.
5. Demand Deposits = total business and household demand deposits of residents.
6. Savings Deposits = total business and household savings deposits of residents.
7. Time Deposits = total business and household time deposits of residents.
8. Foreign Currency Deposits = total business and household foreign currency deposits of residents.

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Table 1
ECCB Area
Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 ^R 4 th Qr	2003 ^R 1 st Qr	2003 2 nd Qr	2002 ^R Jan - June	2003 Jan - June
Current Revenue	494.19	488.69	554.05	507.66	510.97	981.71	1,018.63
Tax Revenue	429.93	423.73	473.08	444.22	449.44	834.36	893.66
Taxes on Income & Profits ¹	110.99	98.85	103.32	107.42	101.93	203.10	209.36
Of which:							
Personal Tax ²	38.78	33.68	40.23	39.42	36.48	76.39	75.90
Company Tax	61.77	57.47	53.63	59.06	55.56	111.10	114.61
Taxes on Property	9.45	8.33	13.04	11.00	10.99	21.97	21.99
Taxes on Domestic Goods & Services	86.29	90.97	87.70	94.77	82.00	177.62	176.77
Of which:							
Accommodation Tax	19.41	11.71	11.36	20.99	18.17	39.77	39.16
Licences ³	12.03	8.78	11.35	17.15	11.65	33.56	28.80
Sales Tax ⁴	4.09	4.11	5.00	5.15	4.95	8.43	10.10
Consumption Tax ⁵	11.30	10.04	10.29	11.80	12.09	21.78	23.89
Taxes on International Trade & Transactions	223.20	225.58	269.02	231.03	254.52	431.66	485.55
Of which:							
Import Duty	60.25	58.59	77.22	65.13	69.75	112.66	134.88
Foreign Exchange Tax ⁶	1.70	2.84	1.50	2.81	2.67	4.22	5.48
Consumption Tax ⁷	109.50	112.43	134.71	105.09	117.11	214.66	222.20
Customs Service Charge ⁷	35.88	34.94	38.71	36.19	41.26	66.84	77.45
Non-Tax Revenue	64.26	64.95	80.98	63.43	61.53	147.36	124.96
Current Expenditure	517.77	551.32	569.90	532.80	540.60	1,027.36	1,073.40
Personal Emoluments	259.76	265.64	277.56	262.70	270.29	514.07	532.99
Goods & Services	114.01	118.90	121.16	105.15	104.21	224.83	209.36
Interest Payments	60.31	82.16	78.97	79.67	79.30	128.00	158.97
Domestic	31.44	38.90	35.11	36.14	34.22	70.12	70.36
External	28.87	43.26	43.87	43.53	45.07	57.87	88.61
Transfers & Subsidies	83.69	84.61	92.24	85.28	86.80	160.46	172.08
Of which: Pensions	27.32	26.33	25.26	25.27	24.92	50.94	50.19
Current Account Balance	(23.58)	(62.63)	(15.85)	(25.14)	(29.63)	(45.65)	(54.77)
Capital Revenue	13.57	15.35	1.14	1.83	1.22	19.01	3.06
Grants	27.63	59.62	82.68	27.23	69.64	69.06	98.87
Capital Expenditure and Net Lending	105.83	222.60	215.33	108.40	99.05	232.33	207.45
Of which: Capital Expenditure	90.39	209.64	197.48	107.53	93.91	214.65	201.44
Overall Balance	(88.21)	(210.26)	(147.29)	(104.47)	(57.82)	(189.91)	(162.29)
Financing	88.21	210.26	147.29	104.47	57.82	189.91	162.29
Domestic	20.20	(190.07)	82.25	(104.35)	32.33	14.46	(72.02)
ECCB (net)	(6.42)	(117.27)	74.31	(27.43)	7.65	(6.03)	(19.79)
Commercial Banks (net)	91.18	28.00	(85.35)	(109.27)	9.59	85.54	(99.69)
Other	(64.56)	(100.80)	93.29	32.35	15.09	(65.06)	47.46
External	9.44	357.54	59.08	156.64	(3.67)	109.24	152.98
Net Amortisation	9.50	356.34	88.04	263.13	(4.07)	106.18	259.07
Disbursements	34.75	382.22	165.63	331.68	35.86	152.01	367.55
Amortisation	(25.25)	(25.88)	(77.59)	(68.55)	(39.93)	(45.83)	(108.48)
Change in Govt. Foreign Assets	(0.06)	(0.15)	(56.52)	(109.19)	0.40	0.36	(108.79)
Arrears ³	58.56	42.79	5.95	52.17	29.16	66.21	81.33
Domestic	31.50	23.81	(20.52)	26.42	8.57	40.08	34.99
External	27.06	18.99	26.47	25.75	20.59	26.14	46.34

Source: Ministry of Finance and ECCB Estimates

¹ For all territories except Anguilla, Antigua and Barbuda & Montserrat

² Taxes on income and profits are not collected in Anguilla

⁶ For the territories of Anguilla, Antigua and Barbuda & Montserrat

³ Includes a Social Services Levy which is applied in St Kitts & Nevis.

⁷ For all Territories except Anguilla

⁴ Excludes St Vincent and the Grenadines

⁵ Dominica is the only territory with a Sales Tax

Data available at 9 September 2003

Table 2
ECCB Area
Monetary Survey
(EC\$M at end of period)

	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 ^P 2 nd Qr
Net Foreign Assets	1,689.76	1,671.48	1,787.11	1,820.13	2,256.14	2,296.74
Central Bank (net)	1,191.50	1,262.57	1,342.28	1,355.15	1,448.55	1,459.96
External Assets	1,210.89	1,273.93	1,354.42	1,362.92	1,455.16	1,466.93
External Liabilities	19.39	11.36	12.14	7.77	6.61	6.97
Commercial Banks (net)	498.27	408.90	444.83	464.99	807.58	836.78
External Assets	1,941.51	1,847.61	1,948.11	2,022.15	2,404.30	2,476.95
External Liabilities	1,443.24	1,438.71	1,503.29	1,557.16	1,596.71	1,640.17
Net Domestic Assets	4,848.30	4,932.92	4,796.33	4,914.35	4,822.13	4,844.15
Domestic Credit	5,752.44	5,934.13	5,882.00	5,890.37	5,798.85	5,794.50
Central Government (net)	691.05	778.38	664.95	677.97	541.25	558.50
Other Public Sector (net)	(722.71)	(726.85)	(766.70)	(724.36)	(755.53)	(789.69)
Non-Bank Financial Institutions (net)	(239.92)	(258.70)	241.66	(255.12)	(187.05)	(197.40)
Subsidiaries and Affiliates (net)	90.64	111.71	118.27	101.58	108.95	154.47
Private Sector	5,933.38	6,029.60	6,107.14	6,090.29	6,091.24	6,068.62
Other Items (net)	(904.14)	(1001.22)	(1,085.68)	(976.02)	(976.72)	(950.35)
Money Supply (M2)	6,538.07	6,604.40	6,583.43	6,734.48	7,078.27	7,140.89
Money Supply (M1)	1,259.73	1,279.97	1,243.79	1,319.16	1,357.25	1,363.35
Currency with the Public	373.49	368.50	349.72	393.22	371.84	379.44
Demand Deposits	886.24	911.47	894.07	925.94	985.41	983.92
Quasi Money	5,278.33	5,324.43	5,339.64	5,415.31	5,721.01	5,777.54
Savings Deposits	2,689.13	2,759.10	2,788.65	2,827.21	2,921.69	3,003.22
Time Deposits	1,664.87	1,689.03	1,671.39	1,669.45	1,840.39	1,857.12
Foreign Currency Deposits	924.34	876.29	879.60	918.66	958.94	917.21

Source: Eastern Caribbean Central Bank

Data available at 9 September 2003

Table 3
ECCB Area
Selected Tourism Statistics*

	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 ^P 2 nd Qr	2002 ^R Jan - Jun	2003 ^P Jan - Jun
Total Visitor Arrivals	395,657	299,691	817,971	736,101	433,081	1,207,331	1,169,182
Stay-Over Arrivals	186,440	198,599	208,765	212,583	206,772	406,040	419,355
USA	63,223	60,390	66,943	77,563	68,167	143,663	145,730
Canada	6,482	5,983	9,629	14,976	7,494	22,326	22,470
UK	44,847	42,703	50,339	53,247	49,266	97,389	102,513
Caribbean	55,418	71,386	61,216	42,047	60,539	100,016	102,586
Other Countries	16,470	18,137	20,638	24,750	21,306	42,646	46,056
Excursionists	24,343	25,716	21,958	27,256	25,008	52,041	52,264
Cruise Ship Passengers ¹	168,120	63,774	329,101	460,830	184,107	694,679	644,937
Yacht Passengers ²	16,754	11,602	23,126	35,405	17,373	54,618	52,778
Number of Cruise Ship Calls ³	137	66	306	443	163	589	606
Total Visitor Expenditure (EC\$M)	495.06	481.62	546.95	616.47	540.33	1,174.41	1,156.79

Source: Ministry of Tourism and ECCB Estimates

^RExcludes St Kitts and Nevis Excursionists excludes sea arrivals for Antigua and Barbuda and includes St Lucia¹ Excludes Anguilla and Montserrat ² Represents - St Kitts and Nevis and St Vincent and the Grenadines ³ Excludes Anguilla, Montserrat and St Vincent and the Grenadines

Data available at 9 September 2003

Table 4
Liabilities of the Eastern Caribbean Central Bank
(In thousands of Eastern Caribbean dollars)

Period Ended	Demand Liabilities					Bankers' Fixed Deposits	General Reserve	Other Liabilities	Total Liabilities
	Currency in Circulation ¹	Bankers Reserves	Foreign Reserves	Other Demand Liabilities	Total				
1986 Dec	211,566	133,371	5,421	581	350,539	134,929	22,630	39,404	547,902
1987 Dec	235,862	156,156	8,021	581	400,620	127,739	27,649	32,488	588,496
1988 Dec	274,051	187,025	8,840	10,937	480,853	54,392	27,798	21,436	584,479
1989 Dec.	313,546	205,576	16,739	9,019	544,880	25,339	32,112	48,666	650,997
1990 Dec.	330,020	224,373	13,657	16,986	585,036	62,060	33,527	54,324	734,947
1991 Dec.	344,636	241,611	27,268	30,380	643,895	42,574	41,960	52,165	780,594
1992 Dec.	350,279	325,656	27,953	53,777	757,665	34,177	45,825	63,356	901,023
1993 Dec.	365,832	308,363	12,496	46,707	733,398	34,173	51,941	64,221	883,733
1994 Dec.	381,101	306,510	12,788	58,141	758,540	28,388	51,941	40,534	879,403
1995 Dec.	417,505	308,187	18,084	61,947	805,723	63,084	51,941	85,220	1,005,968
1996 Dec.	420,211	309,173	19,879	79,289	828,552	14,447	51,941	59,474	954,414
1997 Dec.	439,669	321,560	7,919	94,098	863,246	12,901	51,941	64,848	992,936
1998 Dec.	478,207	418,196	4,291	92,974	993,668	30,563	51,941	65,007	1,141,179
1999 Dec.	575,278	388,412	8,507	93,744	1,065,940	28,977	51,941	38,963	1,185,822
2000 Dec.	538,574	462,568	17,105	102,438	1,120,685	19,590	51,941	70,351	1,262,567
2001 Jan.	456,822	505,240	16,304	110,157	1,088,524	19,590	51,941	75,475	1,235,530
Feb.	458,514	494,327	18,976	108,697	1,080,515	19,590	51,941	77,127	1,229,172
Mar.	458,732	495,567	18,966	102,720	1,075,984	19,590	51,941	72,982	1,220,497
Apr.	452,947	546,988	12,358	93,124	1,105,416	19,590	51,941	78,889	1,255,836
May	451,882	545,592	15,534	113,401	1,126,409	26,652	51,941	73,718	1,278,719
Jun.	448,062	546,591	16,342	92,375	1,103,370	25,302	51,941	74,224	1,254,837
Jul.	448,835	553,876	16,888	97,721	1,117,320	25,302	51,941	67,135	1,261,698
Aug.	444,290	594,181	15,722	92,764	1,146,956	25,302	51,941	70,845	1,295,043
Sep.	431,845	590,187	16,724	99,198	1,137,954	25,302	51,941	83,434	1,298,632
Oct.	438,405	627,445	11,866	85,241	1,162,956	21,252	51,941	81,348	1,317,497
Nov.	445,988	644,438	12,105	93,285	1,195,817	21,252	51,941	72,930	1,341,940
Dec.	539,974	610,805	11,921	100,335	1,263,034	20,252	51,941	69,377	1,404,605
2002 Jan.	459,654	667,795	12,602	115,889	1,255,941	20,252	51,941	68,616	1,396,750
Feb.	457,075	669,779	15,980	112,624	1,255,458	20,252	51,941	78,142	1,405,793
Mar.	465,253	659,817	19,389	130,603	1,275,063	19,502	51,664	49,571	1,405,800
Apr.	453,963	701,772	8,428	129,979	1,294,143	19,502	51,941	77,120	1,442,706
May	458,311	698,887	8,655	147,989	1,313,843	17,824	57,694	73,518	1,462,879
Jun.	457,767	693,176	11,361	114,584	1,306,887	19,230	61,664	84,989	1,472,770
Jul.	468,170	720,072	8,989	302,998	1,500,201	19,230	61,664	93,156	1,674,250
Aug.	465,275	673,450	12,480	229,069	1,380,275	19,230	61,664	98,877	1,560,046
Sep.	449,295	650,306	12,140	240,432	1,352,172	32,730	61,664	94,286	1,540,851
Oct.	462,806	651,253	13,700	259,113	1,386,872	19,230	61,664	82,481	1,550,247
Nov.	469,098	671,200	7,914	242,869	1,391,081	17,832	61,664	75,260	1,545,837
Dec.	561,149	644,468	7,771	157,851	1,371,238	17,832	61,664	86,875	1,537,609
2003 Jan.	483,336	749,767	8,943	187,431	1,429,478	20,532	61,664	82,570	1,594,244
Feb.	478,668	795,340	10,293	166,511	1,450,831	24,582	61,664	84,956	1,622,014
Mar.	478,899	760,789	6,606	193,207	1,439,500	24,582	73,834	76,460	1,614,375
Apr.	492,898	813,427	6,296	156,666	1,469,288	24,582	73,834	78,914	1,646,618
May	486,791	809,236	6,719	196,096	1,498,843	24,582	61,664	91,586	1,676,674
Jun.	483,357	772,255	6,975	179,569	1,442,156	23,176	68,057	81,350	1,614,738

Source: Eastern Caribbean Central Bank

¹ See Tables 6 and Table 7 for separate totals for Notes and Coins issued. Proof Sets not included in total

Data available at 8 September 2003

Table 5
Assets of the Eastern Caribbean Central Bank
(In thousands of Eastern Caribbean dollars)

Period Ended	External Assets				Local Government Debentures	Local Treasury Bills	Other Assets	Total Assets	External Assets to Demand Liabilities	
	Fixed & Call Deposits	Securities	Foreign Balances	Total External Assets						
1986	Dec.	142,915	205,086	39,902	387,903	26,219	41,440	100,223	555,785	93.11
1987	Dec.	151,195	234,985	36,892	423,072	28,219	41,440	104,768	597,499	103.53
1988	Dec.	115,315	270,289	35,098	420,702	30,337	26,837	113,548	591,424	110.88
1989	Dec.	196,099	259,601	34,250	489,950	33,037	29,407	105,516	657,910	86.00
1990	Dec.	212,877	289,667	41,279	543,823	34,047	48,780	116,889	743,539	122.42
1991	Dec.	180,848	355,118	54,147	590,113	34,047	50,259	115,774	790,193	87.07
1992	Dec.	162,344	534,208	50,088	746,640	32,426	11,020	121,793	911,879	97.49
1993	Dec.	166,814	498,788	53,869	719,471	37,708	15,154	111,400	883,733	98.91
1994	Dec.	171,387	477,940	48,813	698,140	33,402	10,004	137,857	879,403	92.75
1995	Dec.	268,990	521,126	46,209	836,326	36,549	7,055	126,038	1,005,968	99.47
1996	Dec.	201,196	522,770	54,686	778,652	41,549	13,007	121,206	954,414	97.93
1997	Dec.	288,501	465,679	69,523	823,702	41,549	10,055	117,630	992,936	98.67
1998	Dec.	389,649	513,282	53,534	956,465	40,696	10,055	133,963	1,141,179	98.52
1999	Dec.	256,812	679,380	48,193	984,385	40,696	11,405	149,336	1,185,822	93.35
2000	Mar.	283,980	672,166	36,128	992,274	40,696	10,224	145,696	1,188,890	93.58
	Jun.	277,542	654,510	30,639	962,690	40,696	10,224	150,724	1,164,334	94.41
	Sep.	206,084	680,115	27,205	913,404	40,696	10,224	153,558	1,117,883	93.48
	Dec.	347,835	657,418	30,681	1,035,934	43,196	10,224	173,213	1,262,567	94.08
2001	Jan.	262,176	684,401	47,895	994,472	43,196	24,296	173,566	1,235,530	93.00
	Feb.	289,210	669,349	43,351	1,001,910	43,196	10,519	173,547	1,229,172	94.44
	Mar.	268,824	705,344	39,429	1,013,596	43,196	10,519	153,186	1,220,497	96.05
	Apr.	326,798	670,771	44,106	1,041,675	43,196	10,519	160,445	1,255,836	95.93
	May	335,251	683,696	47,768	1,066,715	43,196	10,519	158,289	1,278,719	95.74
	Jun.	306,928	701,547	34,008	1,042,484	40,196	10,519	161,638	1,254,837	95.66
	Jul.	320,190	709,924	28,115	1,058,228	40,196	10,519	152,754	1,261,698	95.98
	Aug.	373,390	694,810	25,398	1,093,598	40,196	10,519	150,730	1,295,043	96.62
	Sep.	370,714	706,312	19,250	1,096,275	40,196	7,350	154,811	1,298,632	97.67
	Oct.	354,783	744,218	25,822	1,124,823	40,196	7,055	145,424	1,317,497	98.42
	Nov.	354,301	758,308	34,389	1,146,999	40,196	7,054	147,691	1,341,940	97.53
	Dec.	406,985	764,562	32,555	1,204,102	40,196	7,054	153,252	1,404,605	95.33
2002	Jan.	421,725	734,064	42,883	1,198,672	40,196	7,054	150,828	1,396,750	93.40
	Feb.	401,127	763,879	39,617	1,204,623	40,196	7,054	153,920	1,405,793	97.56
	Mar.	379,636	791,377	39,874	1,210,886	37,296	7,054	150,564	1,405,800	96.55
	Apr.	376,381	792,312	76,787	1,245,480	37,296	7,054	152,876	1,442,706	97.89
	May	408,855	809,410	46,679	1,264,944	37,296	7,054	153,585	1,462,879	98.03
	Jun.	424,154	820,947	28,834	1,273,935	37,296	7,054	154,485	1,472,770	98.45
	Jul.	330,694	928,419	35,232	1,486,613	37,296	7,054	143,287	1,674,250	99.99
	Aug.	329,392	914,384	31,271	1,376,709	37,296	7,054	138,987	1,560,046	100.36
	Sep.	311,065	913,798	31,358	1,354,420	37,296	7,054	142,081	1,540,851	99.78
	Oct.	366,011	924,175	30,116	1,375,853	37,296	7,054	130,044	1,550,247	92.69
	Nov.	369,844	903,210	52,115	1,376,558	37,296	3,923	128,060	1,545,837	98.96
	Dec.	354,165	948,848	35,475	1,362,917	37,296	3,923	133,473	1,537,609	99.39
2003	Jan.	441,627	929,076	35,758	1,429,003	37,296	3,923	124,022	1,594,244	98.02
	Feb.	474,387	933,032	30,481	1,460,157	37,296	3,923	120,638	1,622,014	100.64
	Mar.	460,028	941,453	33,454	1,475,387	37,296	3,923	119,741	1,636,347	101.13
	Apr.	549,908	902,099	41,492	1,513,745	37,296	3,923	118,164	1,673,128	101.20
	May	558,046	918,575	39,727	1,536,613	37,296	3,923	121,304	1,699,136	101.01
	Jun.	388,910	1,026,375	32,864	1,466,934	37,296	3,923	127,472	1,635,625	100.37

Source: Eastern Caribbean Central Bank
Data available at 8 September 2003

Table 6
Eastern Caribbean Central Bank
Net Issue of Notes in Each Territory
(In thousands of Eastern Caribbean dollars)

Period Ended	Anguilla	Antigua and Barbuda	Dominica	Grenada	Montserrat	St Kitts and Nevis	St Lucia	St Vincent and the Grenadines	Total
1986 Dec.	--	38,027	10,422	36,317	5,251	15,633	46,758	46,480	198,888
1987 Dec.	--	44,016	25,389	40,926	4,209	18,717	61,479	29,150	223,886
1988 Dec.	4,403	54,861	28,285	43,283	6,398	22,561	65,532	33,699	259,022
1989 Dec.	7,923	65,325	26,065	43,530	6,568	27,508	78,902	38,700	294,521
1990 Dec.	8,513	64,506	31,131	47,389	10,603	27,474	83,130	34,573	307,319
1991 Dec.	7,994	67,054	36,869	50,650	10,105	28,075	82,138	31,145	314,030
1992 Dec.	7,702	68,384	35,017	53,755	8,706	27,088	82,138	40,842	323,632
1993 Dec.	6,988	68,218	36,841	59,893	8,153	33,351	86,239	38,018	337,701
1994 Dec.	6,698	72,852	32,364	64,148	8,698	35,656	86,379	42,150	348,945
1995 Dec.	9,287	88,849	38,803	66,748	8,940	37,844	93,722	38,795	382,989
1996 Dec.	9,345	79,005	39,844	70,057	10,217	40,878	93,951	42,010	385,307
1997 Dec.	9,570	76,867	39,538	76,508	18,280	40,727	91,671	49,332	402,494
1998 Dec.	11,034	89,505	37,756	80,182	14,454	42,553	111,608	51,395	438,487
1999 Dec.	12,547	108,183	52,025	94,643	16,168	54,631	113,808	80,195	532,199
2000 Mar.	9,056	88,225	41,261	72,116	11,667	40,875	89,745	52,428	405,372
Jun.	8,688	90,390	40,200	71,179	10,502	41,700	89,433	54,776	406,867
Sep.	9,473	85,513	36,590	67,783	9,819	40,690	82,538	56,646	389,053
Dec.	10,176	101,527	45,405	96,393	11,321	52,153	110,519	65,247	492,742
2001 Jan.	9,237	89,705	37,179	77,587	10,895	40,499	87,984	57,804	410,891
Feb.	8,977	89,988	38,967	76,731	9,944	40,061	90,578	57,246	412,493
Mar.	9,086	89,512	38,608	76,893	9,896	41,889	89,940	56,822	412,646
Apr.	9,436	91,628	37,433	74,327	10,471	40,038	87,910	55,356	406,599
May	8,758	89,887	37,287	77,572	10,475	40,851	87,289	53,283	405,402
Jun.	9,259	89,041	35,491	77,596	10,299	40,860	85,805	53,135	401,486
Jul.	8,987	87,473	36,756	79,066	10,530	42,397	85,220	51,790	402,219
Aug.	9,262	87,631	36,736	77,831	11,279	40,263	83,295	51,216	397,512
Sep.	10,096	81,641	35,558	75,547	12,123	40,942	78,426	50,599	384,933
Oct.	10,056	83,801	35,785	78,605	11,840	36,891	82,612	51,803	391,393
Nov.	9,922	84,483	37,966	77,258	10,751	39,453	85,356	53,759	398,948
Dec.	11,124	99,009	44,662	97,674	13,137	49,176	107,317	70,325	492,423
2002 Jan.	9,792	85,765	40,105	80,179	12,107	37,810	86,889	59,338	411,984
Feb.	9,345	87,994	40,791	78,853	11,633	37,772	85,415	57,496	409,300
Mar.	8,914	93,379	38,752	79,235	10,673	40,653	86,393	59,375	417,374
Apr.	9,302	87,987	37,034	79,737	10,637	38,127	83,424	59,670	405,918
May	9,812	89,910	39,768	78,746	10,486	38,902	84,371	58,130	410,126
Jun.	9,396	90,620	37,395	79,353	10,413	40,042	83,896	58,359	409,476
Jul.	10,809	91,299	39,599	81,876	11,111	40,676	87,850	59,428	419,649
Aug.	10,173	93,695	37,917	79,743	10,740	40,016	88,626	55,608	416,518
Sep.	9,296	85,618	39,337	76,197	10,830	39,404	85,474	54,269	400,424
Oct.	9,103	92,638	41,221	78,795	10,058	39,325	86,242	56,448	413,829
Nov.	9,138	94,483	39,201	81,673	9,507	41,193	87,360	57,418	419,972
Dec.	10,790	107,880	48,656	98,645	12,445	47,073	112,417	73,691	511,598
2003 Jan.	9,558	99,504	38,625	81,985	10,763	39,757	90,517	62,957	433,667
Feb.	8,846	97,909	39,233	79,981	10,727	39,770	89,055	63,383	428,904
Mar.	9,277	99,282	38,275	81,019	9,367	40,442	88,950	62,407	429,018
Apr.	10,280	103,110	38,759	84,430	9,666	42,434	92,088	62,043	442,811
May	100,007	101,611	38,874	84,950	9,714	40,520	90,851	59,985	436,511
Jun.	9,894	99,839	37,496	82,385	10,599	42,097	89,585	60,916	432,810

Source: Eastern Caribbean Central Bank
Data available at 8 September 2003

Table 7
Eastern Caribbean Central Bank
Net Issue of Coins in Each Territory
(In thousands of Eastern Caribbean dollars)

Period Ended	Anguilla	Antigua and Barbuda	Dominica	Grenada	Montserrat	St Kitts and Nevis	St Lucia	St Vincent and the Grenadines	Sub-Total	Former ECCB/ECCA Members	Proof Sets	Net Total
1986 Dec.	--	2,627	709	1,699	386	1,158	2,167	1,344	10,090	2,588	117	12,795
1987 Dec.	--	2,931	814	1,825	423	1,277	2,408	1,461	11,139	2,585	117	13,841
1988 Dec.	67	3,248	932	1,958	494	1,411	2,727	1,607	12,444	2,585	117	15,146
1989 Dec.	108	3,920	1,376	2,175	567	2,056	4,132	2,105	16,439	2,585	117	19,141
1990 Dec.	139	4,627	1,827	2,872	831	2,339	4,786	2,694	20,115	2,585	117	22,817
1991 Dec.	188	5,126	1,927	3,262	892	2,524	6,035	2,858	22,812	2,585	117	25,514
1992 Dec.	322	5,612	1,933	3,439	894	2,727	6,035	3,112	24,074	2,572	117	26,763
1993 Dec.	380	5,997	1,973	3,619	854	2,940	6,603	3,172	25,537	2,593	117	28,247
1994 Dec.	448	6,695	2,064	3,970	870	3,221	7,398	3,289	27,955	2,593	117	30,665
1995 Dec.	527	7,339	2,211	4,269	945	3,466	7,996	3,616	30,369	2,573	117	33,059
1996 Dec.	616	7,814	2,340	4,636	852	3,742	8,520	3,831	32,352	2,551	117	35,020
1997 Dec.	665	8,316	2,564	5,144	890	4,088	8,954	4,009	34,629	2,546	117	37,293
1998 Dec.	775	8,938	2,744	5,596	849	4,236	9,693	4,347	37,180	2,540	117	39,837
1999 Dec.	917	9,590	2,944	6,209	885	4,597	10,605	4,799	40,547	2,532	117	43,196
2000 Mar.	922	9,719	2,932	6,265	895	4,611	10,758	4,814	40,916	2,525	117	43,559
Jun.	957	9,904	2,912	6,383	912	4,695	10,848	4,874	41,483	2,542	117	44,143
Sep.	976	9,968	2,921	6,566	914	4,761	10,994	4,908	42,008	2,542	117	44,667
Dec.	1,019	10,172	3,060	6,786	913	4,914	11,364	5,063	43,290	2,542	117	45,949
2001 Jan.	1,026	10,196	3,042	6,825	913	4,927	11,383	5,082	43,395	2,536	117	46,048
Feb.	1,045	10,236	3,012	6,863	913	4,940	11,391	5,084	43,485	2,536	117	46,138
Mar.	1,045	10,253	3,019	6,885	913	4,957	11,387	5,089	43,549	2,536	117	46,202
Apr.	1,055	10,333	3,022	6,950	913	4,999	11,422	5,116	43,811	2,536	117	46,465
May	1,067	10,376	3,026	6,979	913	5,017	11,449	5,124	43,952	2,529	117	46,598
Jun.	1,079	10,386	3,006	7,008	913	5,034	11,496	5,130	44,053	2,522	117	46,692
July	1,083	10,400	3,008	7,022	913	5,070	11,510	5,136	44,142	2,475	117	46,734
Aug.	1,090	10,438	3,022	7,070	913	5,103	11,520	5,147	44,302	2,475	117	46,895
Sep.	1,093	10,459	3,046	7,111	914	5,116	11,539	5,159	44,437	2,475	117	47,029
Oct.	1,095	10,484	3,053	7,122	914	5,138	11,565	5,165	44,536	2,475	117	47,128
Nov.	1,062	10,508	3,055	7,141	916	5,144	11,571	5,167	44,565	2,475	117	47,157
Dec.	1,062	10,569	3,144	7,155	916	5,243	11,775	5,213	45,076	2,475	117	47,668
2002 Jan.	1,067	10,603	3,144	7,199	916	5,257	11,786	5,223	45,195	2,475	117	47,787
Feb.	1,080	10,636	3,163	7,233	916	5,280	11,794	5,207	45,309	2,466	117	47,892
Mar.	1,081	10,668	3,165	7,282	917	5,289	11,800	5,212	45,413	2,466	117	47,996
Apr.	1,098	10,698	3,169	7,351	922	5,314	11,804	5,218	45,575	2,471	117	48,162
May	1,100	10,740	3,184	7,375	922	5,336	11,829	5,230	45,714	2,471	117	48,302
Jun.	1,116	10,758	3,185	7,403	922	5,344	11,848	5,244	45,821	2,471	117	48,408
Jul.	1,116	10,832	3,191	7,460	922	5,379	11,855	5,296	46,051	2,470	117	48,638
Aug.	1,118	10,901	3,253	7,525	924	5,382	11,869	5,315	46,287	2,470	117	48,874
Sep.	1,118	10,923	3,289	7,552	924	5,363	11,881	5,322	46,372	2,498	117	48,987
Oct.	1,118	10,957	3,300	7,581	927	5,381	11,885	5,331	46,479	2,498	117	49,094
Nov.	1,107	11,021	3,304	7,619	927	5,400	11,887	5,364	46,628	2,498	117	49,243
Dec.	1,122	11,103	3,365	7,648	927	5,468	11,975	5,444	47,052	2,498	117	49,667
2003 Jan.	1,122	11,131	3,371	7,669	927	5,474	11,975	5,501	47,171	2,498	117	49,786
Feb.	1,152	11,183	3,372	7,663	927	5,480	11,975	5,515	47,266	2,498	117	49,881
Mar.	1,152	11,244	3,373	7,669	927	5,516	11,983	5,519	47,383	2,498	117	49,998
Apr.	1,158	11,319	3,375	7,690	928	5,524	12,062	5,532	47,589	2,498	117	50,204
May	1,163	11,424	3,379	7,699	928	5,529	12,104	5,556	47,782	2,498	117	50,397
Jun.	1,182	11,491	3,387	7,719	928	5,535	12,169	5,637	48,049	2,498	117	50,664

Source: Eastern Caribbean Central Bank
Data available at 8 September 2003

Table 8
ECCB Area
Commercial Banks' Liabilities
(In thousands of Eastern Caribbean dollars)

Period Ended	Deposits					Balances Due to			Foreign Liabilities	Other Liabilities	Total Liabilities	
	Demand	Time	Savings	Foreign Currency	Total Deposits	ECCB	Other Local Banks	Other ECCB Area Banks				
1986	Dec.	297,025	731,494	627,407	128,084	1,784,010	6,012	49,123	41,727	98,225	339,251	2,318,348
1987	Dec.	358,090	804,098	789,661	147,225	2,099,074	6,276	15,622	66,122	136,790	382,083	2,705,966
1988	Dec.	441,115	943,706	968,992	151,861	2,505,674	7,163	22,930	78,430	102,831	427,528	3,144,556
1989	Dec.	517,511	1,034,168	1,133,595	181,679	2,866,953	9,212	29,447	67,061	118,135	460,171	3,550,979
1990	Dec.	541,383	1,229,472	1,209,788	204,214	3,184,857	3,509	29,403	48,100	147,097	513,071	3,926,037
1991	Dec.	477,383	1,413,736	1,308,981	257,801	3,457,901	4,647	15,408	54,401	138,282	528,229	4,198,868
1992	Dec.	615,289	1,441,961	1,492,213	268,296	3,817,759	1,425	17,142	98,132	221,343	545,014	4,700,815
1993	Dec.	658,841	1,484,685	1,727,798	322,671	4,193,995	22,881	22,637	133,493	216,855	593,921	5,183,782
1994	Dec.	713,348	1,520,847	1,960,821	368,712	4,563,728	15,129	42,610	132,848	258,852	577,486	5,590,653
1995	Dec.	837,357	1,707,660	2,170,099	468,891	5,184,007	6,925	38,992	131,564	233,999	636,609	6,232,096
1996	Dec.	836,811	1,861,007	2,293,815	504,741	5,496,374	11,868	21,857	199,797	353,531	670,955	6,754,382
1997	Dec.	929,221	2,026,049	2,446,297	630,815	6,032,382	10,826	29,064	265,964	397,511	734,902	7,470,649
1998	Dec.	1,072,583	2,325,523	2,726,487	732,452	6,857,045	33,273	65,467	261,778	360,872	870,041	8,448,476
1999	Dec.	1,139,743	2,659,850	2,827,501	1,074,748	7,701,842	22,960	54,808	321,655	453,435	970,929	9,525,629
2000	Mar.	1,171,714	2,750,386	2,897,243	1,129,108	7,948,451	36,683	69,613	337,838	399,182	1,006,217	9,797,984
	Jun.	1,168,146	2,839,086	2,946,560	1,200,984	8,154,776	51,022	83,683	388,919	386,681	1,038,781	10,103,862
	Sep.	1,132,068	2,916,033	2,932,144	1,291,841	8,272,086	45,813	54,533	405,600	451,167	1,032,781	10,261,980
	Dec.	1,136,246	2,996,261	2,949,685	1,315,030	8,397,222	48,382	47,458	424,599	481,029	1,087,839	10,486,529
2001	Jan.	1,125,909	3,025,843	2,964,353	1,335,635	8,451,740	47,907	46,164	448,812	458,877	1,064,233	10,517,733
	Feb.	1,164,765	3,051,205	2,979,422	1,362,119	8,557,511	49,216	51,616	382,663	427,081	1,089,820	10,557,907
	Mar.	1,198,165	3,068,215	2,996,821	1,384,568	8,647,769	59,939	55,374	406,115	409,327	1,078,276	10,656,800
	Apr.	1,190,402	3,119,285	3,010,600	1,415,616	8,735,903	54,354	50,549	394,737	412,420	1,117,853	10,765,816
	May	1,187,400	3,154,340	3,021,609	1,354,559	8,717,908	55,488	53,389	373,987	407,711	1,137,518	10,746,001
	Jun.	1,172,432	3,199,871	3,039,226	1,359,751	8,771,280	81,657	53,721	392,207	460,628	1,128,082	10,887,575
	Jul.	1,185,535	3,210,956	3,047,237	1,395,649	8,839,377	92,829	60,322	389,474	514,141	1,265,294	11,161,437
	Aug.	1,184,293	3,215,539	3,043,833	1,385,741	8,829,406	74,607	59,898	406,267	531,368	1,302,594	11,204,140
	Sep.	1,177,128	3,232,390	3,073,054	1,365,241	8,847,813	70,887	59,810	407,659	548,210	1,319,926	11,254,305
	Oct.	1,190,581	3,234,015	3,100,612	1,348,521	8,873,729	32,209	65,032	316,418	528,168	1,239,531	11,055,087
	Nov.	1,210,597	3,260,899	3,099,092	1,361,610	8,932,198	43,271	72,170	301,269	527,563	1,241,945	11,118,416
	Dec.	1,254,204	3,264,232	3,129,019	1,352,390	8,999,845	43,754	69,002	332,748	537,625	1,277,510	11,260,484
2002	Jan.	1,240,233	3,289,428	3,200,553	1,373,930	9,104,144	47,163	73,797	317,102	554,952	1,258,675	11,355,833
	Feb.	1,297,313	3,269,718	3,232,562	1,375,671	9,175,264	21,516	103,672	340,664	548,224	1,263,589	11,452,929
	Mar.	1,303,911	3,270,768	3,248,521	1,478,515	9,301,715	16,827	100,901	316,139	545,612	1,297,391	11,578,585
	Apr.	1,303,756	3,313,799	3,274,620	1,440,838	9,333,013	13,254	102,118	371,116	539,955	1,278,798	11,638,254
	May	1,301,148	3,345,031	3,328,770	1,433,082	9,408,031	13,282	116,900	413,388	519,924	1,297,818	11,769,343
	Jun.	1,290,718	3,337,798	3,361,052	1,444,947	9,434,515	24,449	114,301	439,688	512,554	1,367,676	11,893,183
	Jul.	1,335,113	3,351,335	3,337,408	1,447,996	9,511,852	16,368	113,017	432,100	527,477	1,339,865	11,940,679
	Aug.	1,339,247	3,387,034	3,395,542	1,442,499	9,564,322	15,075	136,640	427,756	572,129	1,350,534	12,066,456
	Sep.	1,358,099	3,372,475	3,404,606	1,471,085	9,606,265	18,095	112,928	450,392	548,362	1,363,870	12,099,912
	Oct.	1,349,968	3,356,753	3,438,292	1,455,339	9,600,352	16,977	117,285	412,889	587,309	1,378,355	12,113,167
	Nov.	1,375,914	3,391,728	3,422,742	1,494,088	9,684,472	15,772	128,279	395,555	573,541	1,365,324	12,162,943
	Dec.	1,376,864	3,391,905	3,434,458	1,507,493	9,710,750	16,915	126,778	445,377	587,684	1,368,866	12,256,370
2003	Jan.	1,416,389	3,400,638	3,473,833	1,567,050	9,857,880	15,264	100,828	410,576	579,351	1,399,550	12,363,449
	Feb.	1,428,286	3,526,847	3,511,451	1,546,981	10,013,565	15,647	93,658	397,373	592,962	1,445,032	12,558,237
	Mar.	1,482,360	3,538,469	3,554,609	1,589,815	10,165,253	20,941	97,380	405,945	587,130	1,438,084	12,714,733
	Apr.	1,519,112	3,566,936	3,620,620	1,558,927	10,265,595	18,205	74,730	307,810	595,748	1,460,339	12,722,427
	May	1,492,544	3,578,979	3,642,114	1,544,999	10,258,636	15,233	49,912	299,394	601,334	1,492,751	12,717,260
	Jun.	1,513,580	3,540,076	3,649,501	1,554,039	10,257,196	15,420	54,754	372,907	613,900	1,495,296	12,809,473

Source: Eastern Caribbean Central Bank
Data available at 8 September 2003

Table 9
ECCB Area
Commercial Banks' Assets
(In thousands of Eastern Caribbean dollars)

Period Ended	Claims On				Loans and Advances	Investments		Foreign Assets	Other Assets	Total Assets	
	ECCB		Other Local Banks	Other ECCB Area Banks		Treasury Bills	Securities				
	Cash	Deposits ¹									
1986	Dec.	43,264	253,933	90,886	45,028	1,355,758	22,751	30,502	322,376	153,850	2,318,348
1987	Dec.	48,804	282,861	52,665	64,744	1,533,823	28,523	45,910	488,690	159,946	2,705,966
1988	Dec.	56,719	233,681	42,529	69,120	1,868,391	29,494	54,984	600,926	188,712	3,144,556
1989	Dec.	64,769	231,971	49,319	52,824	2,314,801	40,882	58,673	504,916	232,824	3,550,979
1990	Dec.	82,221	274,066	52,747	54,467	2,629,932	33,586	62,356	472,194	264,468	3,926,037
1991	Dec.	88,198	285,741	54,991	61,517	2,877,521	34,798	57,448	520,894	217,760	4,198,868
1992	Dec.	75,000	375,802	44,087	97,799	3,180,644	81,762	75,105	553,825	216,791	4,700,815
1993	Dec.	93,098	352,074	45,772	106,283	3,544,569	94,380	76,853	588,803	281,950	5,183,782
1994	Dec.	95,556	334,734	47,149	167,795	3,766,254	97,476	80,094	631,488	370,107	5,590,653
1995	Dec.	105,925	363,339	36,811	151,869	4,232,406	100,852	78,321	724,952	437,621	6,232,096
1996	Dec.	121,851	329,480	24,207	210,991	4,760,786	114,565	79,321	700,801	412,380	6,754,382
1997	Dec.	124,360	376,564	41,088	284,504	5,343,260	125,598	81,721	715,947	377,607	7,470,649
1998	Dec.	131,183	484,983	72,001	255,744	5,898,557	119,603	80,989	914,795	490,624	8,448,476
1999	Dec.	183,813	447,743	71,337	341,251	6,452,778	139,517	136,962	1,183,025	569,203	9,525,629
2000	Dec.	149,101	513,979	46,275	456,613	7,094,459	207,631	207,935	1,140,134	670,402	10,486,529
2001	Jan.	114,004	557,198	45,633	466,850	7,049,002	207,631	197,351	1,241,046	639,018	10,517,733
	Feb.	109,281	567,609	44,651	413,721	7,099,807	232,919	188,958	1,286,608	614,353	10,557,907
	Mar.	89,354	561,673	53,197	421,974	7,126,066	232,306	191,145	1,356,331	624,754	10,656,800
	Apr.	95,079	607,812	55,126	425,840	7,127,254	232,306	192,525	1,393,356	636,518	10,765,816
	May	110,717	617,371	50,035	406,431	7,139,910	232,250	193,021	1,371,233	625,033	10,746,001
	Jun.	84,769	629,667	51,135	408,006	7,192,953	232,250	193,384	1,489,938	605,473	10,887,575
	Jul.	105,957	628,542	56,004	400,031	7,393,334	232,250	192,087	1,499,472	653,760	11,161,437
	Aug.	84,694	661,118	57,438	414,131	7,249,232	267,709	192,297	1,461,732	815,789	11,204,140
	Sep.	81,072	734,208	57,213	438,858	7,251,587	270,713	192,295	1,486,092	742,267	11,254,305
	Oct.	105,344	673,508	69,956	358,974	7,306,950	270,915	194,820	1,394,422	680,198	11,055,087
	Nov.	84,972	707,910	79,223	336,815	7,307,908	292,951	191,848	1,466,996	649,793	11,118,416
	Dec.	164,057	681,876	77,586	367,919	7,297,589	308,733	184,217	1,480,303	698,204	11,260,484
2002	Jan.	116,074	720,971	78,641	402,005	7,342,310	310,732	182,830	1,506,384	695,886	11,355,833
	Feb.	108,492	756,542	90,891	409,085	7,344,294	312,612	181,170	1,587,593	662,250	11,452,929
	Mar.	89,294	756,484	88,805	385,869	7,324,583	297,990	199,942	1,729,817	705,502	11,578,285
	Apr.	102,295	781,563	89,348	426,917	7,350,310	312,220	205,751	1,685,424	683,796	11,638,254
	May	89,723	785,833	105,752	446,621	7,411,631	312,097	214,253	1,692,582	710,851	11,769,343
	Jun.	86,797	797,343	106,205	497,955	7,477,298	319,597	194,579	1,657,512	755,897	11,893,183
	Jul.	113,923	793,286	103,093	485,642	7,531,760	323,036	194,033	1,707,658	688,248	11,940,679
	Aug.	90,764	783,065	108,934	507,227	7,616,254	325,828	196,577	1,720,700	717,107	12,066,456
	Sep.	97,076	772,403	98,194	511,634	7,632,991	325,761	201,666	1,758,656	701,531	12,099,912
	Oct.	107,935	784,930	96,162	437,638	7,630,957	328,732	215,468	1,771,217	740,128	12,113,167
	Nov.	93,599	790,116	95,774	483,297	7,581,476	319,260	424,088	1,824,836	732,497	12,162,943
	Dec.	165,426	753,976	92,451	489,697	7,551,940	329,672	241,018	1,857,577	774,613	12,256,370
2003	Jan.	98,740	867,835	84,869	434,305	7,598,411	327,032	244,882	1,912,062	786,286	12,363,449
	Feb.	88,879	923,238	82,458	431,122	7,634,213	327,619	260,313	1,953,362	857,033	12,558,237
	Mar.	104,560	907,993	82,308	394,112	7,516,493	341,948	261,945	2,210,232	895,142	12,714,733
	Apr.	123,416	952,269	55,872	345,382	7,491,229	348,781	255,187	2,244,177	906,114	12,722,427
	May	98,688	952,265	51,796	360,965	7,507,122	395,948	256,013	2,214,068	880,395	12,717,260
	Jun.	101,423	957,589	60,095	353,350	7,513,296	362,987	261,068	2,280,020	919,645	12,809,473

Source: Eastern Caribbean Central Bank

¹ Includes Statutory Reserve Requirements

Data available at 8 September 2003

Table 10
ECCB Area
Money Supply
(In thousands of Eastern Caribbean dollars)

Period Ended	ECCB Notes in Circulation	ECCB ¹ Coins in Circulation	Cash at Commercial Banks	Notes & Coins Held by Public	Demand Deposits	Money Supply (M1)	Quasi ² Money	Money Supply (M2)	
1986	Dec.	198,888	12,678	41,705	169,861	177,702	347,563	935,833	1,283,396
1987	Dec.	222,116	13,746	47,746	188,116	215,594	403,710	1,120,487	1,524,197
1988	Dec.	259,022	15,029	56,098	217,953	272,176	490,129	1,379,885	1,870,014
1989	Dec.	294,521	19,025	64,769	248,777	321,104	569,881	1,657,368	2,227,249
1990	Dec.	307,319	22,701	82,221	247,799	343,222	591,021	1,861,124	2,452,145
1991	Dec.	319,763	24,873	88,198	256,438	335,171	591,609	2,073,827	2,665,436
1992	Dec.	323,633	26,646	75,000	275,279	444,646	719,925	2,150,802	2,870,727
1993	Dec.	337,701	28,131	93,098	272,734	475,244	747,978	2,400,061	3,148,039
1994	Dec.	350,553	30,548	95,556	285,545	507,658	793,203	2,602,057	3,395,260
1995	Dec.	384,563	32,942	105,925	311,580	601,276	912,856	2,961,530	3,874,386
1996	Dec.	385,308	34,904	121,851	298,360	584,536	882,896	3,065,536	3,948,432
1997	Dec.	402,494	37,176	124,360	315,310	648,632	963,941	3,361,407	4,325,348
1998	Dec.	438,487	39,720	131,183	347,023	744,032	1,091,056	3,790,630	4,881,686
1999	Dec.	532,199	43,079	183,813	391,465	802,023	1,193,488	4,205,830	5,399,318
2000	Dec.	492,742	45,832	149,101	389,473	824,763	1,214,236	4,756,951	5,971,187
2001	Jan.	410,891	45,931	114,004	342,818	807,503	1,150,321	4,794,337	5,944,658
	Feb.	412,493	46,021	109,281	349,233	828,827	1,178,060	4,844,188	6,022,248
	Mar.	412,646	46,085	89,354	369,378	826,200	1,195,578	4,900,217	6,095,795
	Apr.	406,599	46,348	95,079	357,868	836,047	1,193,915	4,957,443	6,151,358
	May	405,402	46,481	110,717	341,165	842,899	1,184,064	4,918,910	6,102,974
	Jun.	401,486	46,575	84,769	363,293	824,119	1,187,412	4,936,764	6,124,176
	Jul.	402,219	46,617	105,957	342,878	828,998	1,171,876	4,997,324	6,169,200
	Aug.	397,512	46,778	84,694	359,596	820,898	1,180,494	5,002,403	6,182,897
	Sep.	384,933	46,912	81,072	350,773	810,347	1,161,120	5,013,179	6,174,299
	Oct.	391,393	47,011	105,344	333,061	816,595	1,149,656	5,012,180	6,161,836
	Nov.	398,948	47,040	84,972	361,016	834,681	1,195,697	5,077,643	6,273,340
	Dec.	492,423	47,551	164,057	375,917	872,572	1,248,489	5,073,632	6,322,121
2002	Jan.	411,984	47,670	116,074	343,580	854,815	1,198,395	5,100,946	6,299,341
	Feb.	409,300	47,775	108,492	348,583	883,141	1,231,724	5,159,185	6,390,909
	Mar.	417,374	47,879	89,294	375,959	886,241	1,262,200	5,278,333	6,540,533
	Apr.	405,918	48,045	102,925	351,038	893,946	1,244,984	5,273,912	6,518,896
	May	410,126	48,185	89,723	368,588	914,965	1,283,553	5,308,699	6,592,252
	Jun.	409,476	48,291	86,797	370,970	911,471	1,282,441	5,324,425	6,606,866
	Jul.	419,649	48,521	113,923	354,247	897,589	1,251,836	5,272,640	6,524,476
	Aug.	416,518	48,757	90,764	374,511	882,135	1,256,646	5,336,174	6,592,820
	Sep.	400,424	48,870	97,076	352,219	894,073	1,246,292	5,339,639	6,585,931
	Oct.	413,829	48,977	107,935	354,871	866,182	1,221,053	5,356,523	6,577,576
	Nov.	419,972	49,126	93,599	375,499	904,161	1,279,660	5,388,335	6,667,995
	Dec.	511,598	49,550	165,426	395,723	925,940	1,321,663	5,391,686	6,713,349
2003	Jan.	433,667	49,669	98,740	384,596	931,196	1,315,792	5,456,799	6,772,591
	Feb.	428,904	49,764	88,879	389,789	959,348	1,349,137	5,693,300	7,042,437
	Mar.	429,018	49,881	104,560	374,339	985,413	1,359,752	5,721,041	7,080,793
	Apr.	442,811	50,087	123,416	369,482	1,023,451	1,392,933	5,755,935	7,148,868
	May	436,511	50,280	98,688	388,103	990,319	1,378,422	5,769,544	7,147,966
	Jun.	432,810	50,547	101,423	381,934	983,916	1,365,850	5,778,640	7,144,490

Source: Eastern Caribbean Central Bank

¹ Includes coins of the former British Caribbean Currency Board (BCCB) and the Eastern Caribbean Currency Authority (ECCA)

² Includes Time, Savings, and Foreign Currency Deposits of the Private Sector

Data available at 8 September 2003

Table 11
ECCB Area
Sectoral Distribution of Loans and Advances
(In thousands of Eastern Caribbean dollars)

	Mar 99	Jun 99	Sep 99	Dec 99	Mar 00	Jun 00	Sep 00	Dec 00	Mar 01
Agriculture	163,592	180,080	189,722	181,274	205,726	209,482	221,944	229,624	240,632
Fisheries	9,017	9,335	8,875	10,897	12,718	13,985	11,759	12,128	12,585
Manufacturing	210,948	216,994	214,803	214,509	210,222	214,927	213,295	218,404	218,383
Food & Non-Alcoholic Bev.	48,045	50,504	51,020	50,642	50,688	50,809	47,603	46,045	45,820
Clothing & Accessories	19,457	19,226	20,208	20,036	20,231	22,550	21,988	20,235	19,477
Other Industries ¹	143,446	147,264	143,575	143,831	139,303	50,809	141,568	152,124	153,086
Distributive Trades	752,849	765,259	786,952	762,138	781,496	804,536	855,773	856,191	852,922
Tourism	440,109	447,179	476,707	501,491	489,061	513,548	533,058	563,482	541,621
Entertainment	75,969	75,800	80,853	78,641	79,763	82,600	78,926	84,847	90,139
Transport	148,456	155,363	163,498	180,020	178,467	184,713	186,065	188,285	192,913
Public Utilities	132,470	127,574	120,832	132,699	145,383	156,589	161,593	159,301	174,531
Construction & Land Dev.	313,661	330,268	337,370	326,626	329,814	297,722	304,529	313,650	310,031
Government & Statutory Bodies	589,310	577,942	581,856	612,471	643,606	613,217	675,066	708,311	691,896
Professional Services	310,648	377,292	389,933	406,794	412,197	418,418	406,726	419,953	418,607
Financial Institutions	84,489	84,561	92,869	94,839	88,975	94,609	88,364	82,742	85,016
Personal	2,724,647	2,782,900	2,864,099	2,950,379	3,005,846	3,076,020	3,188,963	3,257,541	3,296,790
Acquisition of Property ²	1,433,875	1,541,099	1,570,627	1,572,533	1,615,377	1,659,173	1,712,007	1,752,847	1,759,171
Durable Consumer Goods	413,877	342,271	349,188	364,039	356,505	359,477	360,720	362,636	348,253
Other Personal Loans	876,895	899,530	944,284	1,013,807	1,033,964	1,057,370	1,116,236	1,142,058	1,189,366
TOTAL	5,956,165	6,130,547	6,308,369	6,452,778	6,583,274	6,680,366	6,926,061	7,094,459	7,126,066
% of Long Term Loans to Total Loans & Advances	49.73	51.13	51.39	52.33	53.47	54.09	53.88	54.01	55.16
	Jun 01	Sep 01	Dec 01	Mar 02	Jun 02	Sep 02	Dec 02	Mar 03	Jun 03
Agriculture	247,073	263,629	265,455	282,193	282,967	293,078	298,509	296,991	298,086
Fisheries	13,352	16,149	15,809	15,901	16,622	16,854	14,982	15,198	14,342
Manufacturing	203,343	209,140	211,372	216,047	216,539	224,139	226,930	225,752	233,312
Food & Non-Alcoholic Bev.	44,408	42,355	43,217	45,263	44,890	41,362	46,653	45,528	45,603
Clothing & Accessories	18,986	18,885	18,205	18,943	18,735	18,697	17,906	18,066	17,715
Other Industries ¹	139,949	147,900	149,950	151,841	152,914	164,080	162,371	162,158	169,994
Distributive Trades	849,941	844,319	819,307	830,488	847,383	835,057	839,301	817,201	800,389
Tourism	520,759	556,547	547,880	538,294	540,361	604,295	598,490	573,042	567,997
Entertainment	78,539	83,299	88,798	82,791	83,646	85,632	81,763	80,872	76,143
Transport	190,886	195,274	230,509	216,304	207,067	209,135	207,981	160,505	192,154
Public Utilities	173,108	176,041	160,654	144,790	164,250	156,842	166,697	157,562	169,186
Construction & Land Dev.	329,468	336,761	350,976	347,381	351,759	362,186	369,049	345,582	362,353
Government & Statutory Bodies	710,666	683,892	657,670	671,299	768,083	817,398	706,159	689,597	346,129
Professional Services	438,515	441,928	457,645	460,202	455,618	468,655	442,624	490,129	490,277
Financial Institutions	81,632	87,074	88,689	86,650	78,273	80,140	80,996	115,367	141,275
Personal	3,360,128	3,358,648	3,402,824	3,432,242	3,464,730	3,479,579	3,518,459	3,548,695	3,518,653
Acquisition of Property ²	1,805,573	1,755,501	1,795,561	1,821,242	1,838,642	1,852,788	1,882,356	1,914,394	1,986,676
Durable Consumer Goods	344,098	351,944	327,576	306,214	300,161	274,352	261,509	252,829	282,987
Other Personal Loans	1,210,457	1,251,203	1,279,687	1,304,233	1,325,927	1,352,439	1,374,949	1,381,472	1,248,990
TOTAL	7,197,410	7,256,044	7,297,589	7,324,582	7,477,298	7,632,991	7,551,940	7,516,493	7,513,296
% of Long Term Loans to Total Loans & Advances	55.87	56.99	58.00	58.56	58.62	60.09	60.59	61.99	62.12

Source: Eastern Caribbean Central Bank

¹ Includes Mining & Quarrying ² Includes House & Land Purchase and Home Construction**Data available at 8 September 2003**

Table 12
Comparative Treasury Bills Monthly Discount Rates

Period Ended	USA ¹	UK ¹	Barbados ²	Jamaica ³	Trinidad ²	Guyana ²
1986 Dec.	5.49	10.68	4.34	15.93	4.42	12.75
1987 Dec.	5.80	8.19	4.99	19.61	4.74	10.36
1988 Dec.	8.09	12.55	4.71	18.03	7.13	11.00
1989 Dec.	8.11	13.28	4.90	19.10	7.13	15.20
1990 Dec.	7.51	14.09	7.07	26.21	7.50	30.00
1991 Dec.	5.41	10.85	9.34	25.56	7.67	30.90
1992 Dec.	3.46	8.94	10.88	34.36	9.26	22.57
1993 Dec.	3.02	5.25	5.44	28.25	9.45	16.80
1994 Dec.	4.27	5.15	7.26	42.98	10.00	17.66
1995 Dec.	5.51	6.33	8.01	27.65	8.41	17.51
1996 Dec.	5.02	5.77	6.85	37.95	10.44	11.35
1997 Dec.	5.07	6.48	3.61	21.14	9.83	8.91
1998 Dec.	4.31	6.18	5.68	23.73	11.98	8.80
1999 Dec.	5.06	5.31	5.94	19.81	10.07	10.93
2000 Mar.	5.72	5.86	6.10	17.96	10.24	10.64
Jun.	5.74	5.85	5.68	17.47	10.87	10.23
Sep.	5.99	5.80	4.46	17.13	10.74	9.06
Dec.	5.83	5.63	3.85	20.16	10.79	9.20
2001 Jan.	5.27	5.49	3.72	19.41	10.60	8.91
Feb.	4.93	5.46	3.73	18.27	10.26	8.86
Mar.	4.50	5.23	3.69	16.88	10.46	9.40
Apr.	3.91	5.12	3.65	16.50	10.27	9.14
May	3.66	4.98	3.63	15.46	9.47	8.90
Jun.	3.48	4.98	3.64	16.20	9.53	8.45
Jul.	3.54	5.01	3.42	16.65	9.22	7.65
Aug.	3.39	4.72	3.02	16.04	7.38	6.73
Sep.	2.87	4.43	2.71	15.10	6.41	6.43
Oct.	2.22	4.16	2.33	15.11	5.92	6.17
Nov.	1.93	3.78	2.16	17.82	6.37	6.44
Dec.	1.72	3.83	1.97	17.03	6.70	6.25
2002 Jan.	1.66	3.83	1.50	17.08	6.10	6.12
Feb.	1.73	3.87	1.38	15.93	5.60	5.88
Mar.	1.81	3.97	1.16	14.30	5.70	5.88
Apr.	1.72	3.97	2.53	13.84	5.31	5.74
May	1.74	3.95	2.86	13.79	4.83	5.49
Jun.	1.71	3.98	2.81	13.81	4.67	5.49
Jul.	1.68	3.84	2.63	13.79	4.57	4.45
Aug.	1.63	3.77	2.59	13.78	4.27	4.45
Sep.	1.63	3.79	2.51	16.69	4.18	3.93
Oct.	1.59	3.75	1.92	19.54	4.08	4.01
Nov.	1.25	3.80	1.76	16.89	4.21	3.91
Dec.	1.20	3.84	1.51	17.01	4.39	3.91
2003 Jan.	1.17	3.80	1.09	18.45	4.60	2.88
Feb.	1.16	3.50	n.a	n.a	n.a	n.a
Mar.	1.12	3.47	n.a	33.47	n.a	n.a
Apr.	1.14	3.45	n.a	30.34	4.54	3.00
May	1.08	3.44	n.a	n.a	n.a	2.99
Jun.	0.94	n.a.	n.a	29.92	n.a	n.a

Source: IMF - International Monetary Fund
Quarterly and Annual data are period averages

¹ Arithmetic average of daily market yields

² Average tender rate for three months

³ Average yield of bills issued during the month with maturities closest to 180 days

Data available at 15 September 2003

Table 13
Anguilla – Central Government Fiscal Operations
(ECSM)

	2002 2 nd Qr	2002 3 rd Qr	2002 ^R 4 th Qr	2003 1 st Qr	2003 2 nd Qr	2002 Jan - June	2003 Jan - June
Current Revenue	19.33	20.07	25.60	21.86	20.33	38.27	42.19
Tax Revenue	14.92	14.94	18.58	17.09	15.51	30.29	32.60
Taxes on Property	0.14	0.10	0.13	0.11	0.18	0.26	0.29
Taxes on Domestic Goods & Services	6.83	6.14	8.76	8.47	5.83	14.05	14.30
Of which:							
Accommodation Tax	3.76	1.12	1.05	4.05	2.69	7.07	6.74
Bank Deposit Levy	0.64	1.90	--	--	0.51	0.64	0.51
Licences	1.73	1.49	2.35	2.70	1.53	4.37	4.23
Stamp Duties	0.65	1.59	5.32	1.60	1.01	1.85	2.61
Taxes on International Trade & Transactions	7.95	8.70	9.69	8.51	9.50	15.98	18.01
Of which:							
Import Duty	6.85	7.34	8.57	7.08	7.82	13.89	14.90
Export Duty	--	--	--	--	--	--	--
Foreign Exchange Tax	0.15	0.37	0.19	0.30	0.20	0.35	0.50
Embarkation Tax	0.67	0.78	0.72	0.94	0.89	1.30	1.83
Non-Tax Revenue	4.41	5.13	7.02	4.77	4.81	7.98	9.59
Current Expenditure	21.80	20.58	18.48	18.55	21.16	41.91	39.72
Personal Emoluments	10.28	10.25	10.34	10.36	10.55	20.47	20.91
Goods & Services	10.65	8.00	6.71	6.75	8.73	19.05	15.48
Interest Payments	0.46	1.25	0.71	0.64	1.24	1.41	1.88
Domestic	0.45	0.97	0.61	0.63	0.83	1.18	1.46
External	0.01	0.28	0.10	0.01	0.40	0.23	0.41
Transfers & Subsidies	0.41	1.08	0.72	0.80	0.65	0.98	1.45
Of which: Pensions	0.36	0.36	0.55	0.52	0.27	0.71	0.79
Current Account Balance	(2.47)	(0.51)	7.12	3.31	(0.84)	(3.64)	2.47
Capital Revenue	--	--	--	--	--	--	--
Grants	0.30	0.35	0.90	0.38	--	0.70	1.92
Of which: Capital Grants	0.30	0.35	0.90	0.38	--	0.70	1.92
Capital Expenditure & Net Lending	0.77	0.49	0.94	0.19	2.10	1.86	2.29
Of which: Capital Expenditure	0.77	0.49	0.94	0.19	2.10	1.86	2.29
Overall Balance	(2.94)	(0.65)	7.08	3.50	(1.40)	(4.70)	2.10
Financing	2.94	0.65	(7.08)	(3.50)	1.40	4.70	(2.10)
Domestic	3.04	0.77	(7.25)	(3.37)	0.79	4.74	(2.58)
ECCB (net)	(0.84)	(1.50)	(1.22)	(0.20)	(0.15)	(1.73)	(0.35)
Commercial Banks (net)	1.96	2.44	(3.49)	0.42	0.42	4.80	0.84
Other	1.92	(0.17)	(2.54)	(3.59)	0.52	1.67	(3.07)
External	(0.10)	(0.12)	0.17	(0.13)	0.61	(0.04)	0.48
Net Amortisation	(0.10)	(0.12)	0.17	(0.13)	0.61	(0.04)	0.48
Disbursements	0.01	0.01	0.30	0.00	1.10	0.20	1.10
Amortisation	(0.11)	(0.13)	(0.13)	(0.13)	(0.49)	(0.24)	(0.62)
Change in Govt. Foreign Assets	--	--	--	--	--	--	--

Source: Ministry of Finance

Data available at 20 August 2003

Table 14
Anguilla - Selected Tourism Statistics

	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 ^R 4 th Qr	2003 ^R 1 st Qr	2003 2 nd Qr	2002 ^R Jan - June	2003 Jan - June
Total Visitors	28,748	24,734	24,591	30,165	27,477	61,793	57,642
Stay-Over Visitors	11,252	8,094	10,376	13,449	12,075	25,499	25,524
USA	7,606	3,956	6,705	9,798	8,253	18,094	18,051
Canada	259	216	397	493	298	688	791
UK	623	498	665	704	809	1,366	1,513
Italy	125	313	125	196	165	269	361
Germany	115	67	220	256	122	250	378
Caribbean	1,862	2,353	1,576	1,267	1,595	3,526	2,862
Other Countries	662	691	688	735	833	1,306	1,568
Excursionists	17,496	16,640	14,215	16,716	15,402	36,294	32,118
Total Visitor Expenditure (EC\$M)	40.13	29.49	36.80	50.11	42.62	90.50	90.02

Source: Ministry of Finance, Statistical Unit
Data available at 20 August 2003

Table 15
Anguilla - Consumer Price Index
December 2000 = 100

	Weight	Index June 2003	Percentage Change*				
			2002 2 nd Qr	2002 3 rd Qr	2002 ^R 4 th Qr	2003 ^R 1 st Qr	2003 2 nd Qr
All Items	1000.00	106.9	0.97	(0.39)	(1.84)	(0.10)	5.53
Food	321.2	98.70	1.77	(1.16)	(0.68)	(2.06)	(0.90)
Alcohol and Tobacco	3.0	98.20	0.10	--	(0.81)	(0.10)	(0.20)
Housing	171.5	90.20	0.28	(2.84)	(5.94)	(8.83)	(0.77)
Fuel & Light	68.6	99.30	0.11	--	(0.21)	5.53	--
Clothing & Footwear	30.7	115.00	0.86	(2.81)	(5.00)	6.19	--
Transport and Communications	235.3	128.60	1.20	0.39	(1.37)	2.79	24.49
Household Furnishings and Supplies	97.3	105.10	0.29	2.94	0.38	0.28	(0.57)
Medical Care & Expenses	30.9	128.60	0.10	0.20	0.10	30.96	--
Education	9.9	111.60	--	13.75	(10.38)	1.00	--
Personal Services	16.4	117.00	(0.17)	(0.09)	0.09	2.09	--
Miscellaneous	15.3	103.30	0.95	(2.27)	1.84	(7.50)	6.06

Source: Ministry of Finance, Anguilla
*at end of period

Data available at 20 August 2003

Table 16
Anguilla - Monetary Survey
(EC\$M at end of period)

	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr
Net Foreign Assets	213.34	169.04	203.71	209.39	257.64	230.90
Central Bank (net)	59.65	63.78	93.08	70.75	80.44	84.90
Commercial Banks (net)	153.69	105.25	110.64	138.64	177.21	146.10
External (net)	109.26	55.82	67.06	92.04	135.93	103.60
Assets	303.94	255.68	247.03	284.73	317.07	290.40
Liabilities	194.68	199.86	179.98	192.69	181.13	186.80
Other ECCB Territories	44.43	49.44	43.58	46.60	41.27	42.42
Assets	59.86	62.38	61.62	65.80	64.29	67.32
Liabilities	15.43	12.94	18.04	19.21	23.01	24.90
Net Domestic Assets	335.59	336.74	328.06	336.19	332.30	335.70
Domestic Credit	414.34	419.59	419.03	425.67	421.92	434.80
Central Government (net)	21.78	22.90	23.83	19.12	19.34	19.60
Other Public Sector (net)	(60.33)	(66.53)	(68.28)	(65.82)	(67.68)	(66.70)
Non-Bank Financial Institutions (net)	(12.63)	(12.61)	(12.04)	(11.07)	(10.16)	21.00
Subsidiaries and Affiliates (net)	3.60	3.62	4.01	4.26	5.27	5.00
Private Sector	461.91	472.22	471.51	479.17	475.15	487.20
Other Items (net)	(78.75)	(82.85)	(90.97)	(89.49)	(89.63)	(99.20)
Money Supply (M2)	548.93	505.78	531.77	545.58	589.94	566.59
Money Supply (M1)	18.03	19.29	18.37	19.51	19.32	20.93
Currency with the Public	7.47	7.99	7.96	8.25	7.94	8.46
Demand Deposits	10.56	11.30	10.42	11.26	11.34	12.46
Quasi Money	530.89	486.49	513.40	526.07	570.62	545.66
Savings Deposits	46.97	48.97	49.02	50.02	51.20	51.85
Time Deposits	45.13	46.27	48.57	49.22	52.21	54.46
Foreign Currency Deposits	438.79	391.26	415.80	426.83	467.21	439.35

Source: Eastern Caribbean Central Bank
Data available at 24 September 2003

Table 17
Antigua and Barbuda - Selected Tourism Statistics

	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 ^P 2 nd Qr	2002 Jan - June	2003 ^P Jan - June
Total Visitors	99,153	64,256	134,868	191,208	125,422	311,202	316,630
Stay-Over Visitors	47,048	43,756	50,390	58,113	50,358	103,939	108,471
USA	14,654	11,857	14,009	20,313	16,600	34,813	36,913
Canada	2,060	1,233	2,093	4,021	2,696	6,858	6,717
Europe	18,901	17,016	23,368	24,605	21,603	41,423	46,208
UK	16,759	15,241	20,711	20,384	17,691	36,449	38,075
Germany	513	296	537	644	660	942	1,304
Switzerland	153	113	238	245	223	412	468
Italy	654	668	837	2,184	1,782	1,875	3,966
France	219	211	332	316	425	518	741
Other Europe	603	487	713	832	822	1,227	1,654
Caribbean	9,487	11,291	9,001	7,207	7,638	17,080	14,845
South America	1,224	1,780	1,402	1,225	1,172	2,396	2,397
Other Countries	722	579	517	742	649	1,369	1,391
Cruise Ship Passengers ¹	52,105	20,500	84,478	133,095	75,064	207,263	208,159
Number of Cruise Ship Calls	32	10	44	113	48	146	161
Total Visitor Expenditure (EC\$M)	153.20	140.37	164.17	194.42	165.45	345.43	359.87

Source: Department of Tourism and Eastern Caribbean Central Bank

¹ Includes excursionists

Data available at 19 August 2003

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

	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr
Net Foreign Assets	377.80	356.26	274.69	365.26	435.84	417.52
Central Bank (net)	215.65	202.22	228.16	236.62	242.46	236.46
Commercial Banks (net)	162.15	154.04	46.60	128.64	193.38	181.06
External (net)	276.51	245.27	214.53	244.46	273.41	260.70
Assets	535.94	482.55	477.07	516.84	556.22	565.36
Liabilities	259.42	237.28	262.55	272.38	282.80	304.66
Other ECCB Territories	(114.36)	(91.23)	(167.92)	(115.82)	(80.04)	(79.64)
Assets	36.08	104.44	103.77	175.91	103.87	67.84
Liabilities	150.44	195.67	271.70	291.73	183.91	147.48
Net Domestic Assets	1,131.79	1,174.40	1,207.77	1,179.83	1,331.23	1,384.77
Domestic Credit	1,331.70	1,376.56	1,419.91	1,383.64	1,509.52	1,561.10
Central Government (net)	293.17	285.14	289.31	301.03	301.34	307.31
Other Public Sector (net)	(224.15)	(226.10)	(217.32)	(214.40)	(223.90)	(221.79)
Non-Bank Financial Institutions (net)	(64.78)	(81.41)	(85.37)	(82.91)	(13.04)	(19.57)
Subsidiaries and Affiliates (net)	(36.79)	(24.29)	(20.79)	(33.79)	(49.53)	(20.79)
Private Sector	1,364.25	1,423.21	1,454.09	1,413.70	1,494.65	1,515.93
Other Items (net)	(199.91)	(202.17)	(212.14)	(203.80)	(178.29)	(176.33)
Money Liabilities (M2)	1,509.59	1,530.66	1,482.53	1,545.09	1,767.07	1,802.29
Money Supply (M1)	300.89	303.36	287.64	308.01	322.19	317.10
Currency with the Public	85.45	84.15	77.33	88.20	86.66	88.16
Demand Deposits	215.44	219.20	210.31	219.81	235.52	228.94
Quasi Money	1,208.70	1,227.30	1,194.89	1,237.08	1,444.88	1,485.19
Savings Deposits	533.72	537.89	533.15	524.78	554.14	564.54
Time Deposits	558.17	587.66	567.11	594.83	770.44	823.72
Foreign Currency Deposits	116.81	101.75	94.63	117.47	120.30	96.94

Source: Eastern Caribbean Central Bank

Data available at 15 August 2003

Table 19
Antigua and Barbuda - Central Government Fiscal Operations
(In millions of Eastern Caribbean Dollars)

	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 ^R 1 st Qr	2003 2 nd Qr	2002 Jan – June	2003 Jan – June
Current Revenue	92.22	90.00	99.16	108.06	94.75	190.14	202.81
Tax Revenue	82.41	83.15	87.09	98.80	85.98	169.16	184.78
Taxes on Income & Profits	14.51	15.93	7.43	21.84	15.15	28.61	36.99
Of which:							
Company	13.24	14.70	7.33	20.32	13.87	25.34	34.19
Business Tax	0.19	0.25	0.10	0.16	0.18	0.83	0.34
Turnover Tax	1.03	0.92	0.00	1.35	1.04	2.36	2.39
Taxes on Property	1.56	0.84	0.80	4.96	1.56	5.79	6.52
Taxes on Domestic Goods & Services	16.24	19.32	19.08	21.56	16.37	36.57	37.93
Of which:							
Stamp Duties	3.14	4.26	5.98	4.76	3.73	6.17	8.49
Hotel and Guest Tax	5.51	3.52	4.93	6.80	5.84	12.21	12.64
Telecommunications Tax	2.23	2.07	3.12	2.29	2.27	4.56	4.56
Taxes on International Trade & Transactions	50.10	47.06	59.78	50.44	52.90	98.19	103.34
Of which:							
Import Duty	12.97	11.92	16.82	13.90	13.51	23.96	27.41
Consumption Tax	19.90	17.51	26.71	16.98	18.78	39.38	35.76
Customs Service Charge	11.69	11.04	10.14	10.42	12.74	21.50	23.16
Foreign Currency Levy	1.36	2.19	1.01	2.29	1.40	3.48	3.69
Non-Tax Revenue	9.81	6.85	12.07	9.26	8.77	20.98	18.03
Current Expenditure	120.42	131.15	133.01	123.42	130.19	225.12	253.61
Personal Emoluments	61.58	64.93	67.23	64.16	68.00	120.17	132.16
Goods & Services	34.10	34.65	34.66	21.10	26.60	58.86	47.70
Interest Payments	13.98	17.68	16.54	22.36	19.69	25.80	42.05
Domestic	7.09	10.00	10.19	9.85	9.20	16.70	19.05
External	6.89	7.68	6.35	12.51	10.49	9.10	23.00
Transfers & Subsidies	10.76	13.89	14.58	15.80	15.90	20.29	31.70
Of which: Pensions	4.43	4.80	3.18	6.80	6.30	8.43	13.10
Current Account Balance	(28.20)	(41.15)	(33.85)	(15.36)	(35.44)	(34.98)	(50.80)
Capital Revenue	0.73	0.44	0.00	0.49	0.24	1.93	0.73
Grants	--	--	18.05	--	--	--	--
Of which: Capital Grants	--	--	18.05	--	--	--	--
Capital Expenditure & Net Lending	4.30	14.00	10.17	4.10	6.14	7.03	10.24
Of which: Capital Expenditure	4.30	14.00	10.17	4.10	6.14	7.03	10.24
Overall Balance	(31.77)	(54.71)	(25.97)	(18.97)	(41.34)	(40.08)	(60.31)
Financing	31.77	54.71	25.97	18.97	41.34	40.08	60.31
Domestic	(21.86)	(31.29)	(9.19)	15.23	31.59	(30.52)	46.82
ECCB (net)	(0.06)	(9.21)	0.72	0.06	0.50	0.06	0.56
Commercial Banks (net)	(7.97)	13.37	11.00	0.25	5.47	(4.19)	5.72
Other	(13.83)	(35.45)	(20.91)	14.92	25.62	(26.39)	40.54
External	(1.20)	41.79	(1.04)	(23.46)	(14.25)	11.20	(37.71)
Net Amortisation	(1.20)	41.79	(1.04)	(23.46)	(14.25)	11.20	(37.71)
Disbursements	2.59	43.03	5.23	15.40	0.00	18.98	15.40
Amortisation	(3.79)	(1.24)	(6.27)	(38.86)	(14.25)	(7.78)	(53.11)
Change in Govt. Foreign Assets	--	--	--	--	--	--	--
Arrears	54.83	44.21	36.20	27.20	24.00	59.40	51.20
Domestic	28.13	20.21	7.10	3.50	3.60	32.70	7.10
External	26.70	24.00	29.10	23.70	20.40	26.70	44.10

Source: Ministry of Finance, Treasury Department and ECCB Estimates

Data available at 14 August 2003

Table 20
Dominica - Selected Tourism Statistics

	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 ^E 2 nd Qr	2002 Jan - June	2003 ^E Jan - June
Total Visitors	31,133	17,918	63,238	94,488	36,775	123,843	131,263
Stay-Over Visitors	14,686	17,093	17,686	17,672	16,827	32,329	34,499
USA	3,479	3,233	3,405	4,639	3,971	8,101	8,610
Canada	369	351	599	628	464	1,037	1,092
UK	1,178	1,367	1,711	1,833	1,355	2,761	,188
Caribbean	8,393	10,845	10,043	8,678	9,594	16,665	18,272
Other Countries	1,267	1,297	1,928	1,894	1,443	3,765	3,337
Excursionists	204	434	292	295	364	306	659
Cruise Ship Passengers	16,243	391	45,260	76,521	19,584	91,208	96,105
Number of Cruise Ship Calls	24	3	61	98	28	122	126
Total Visitor Expenditure (EC\$M)	22.08	21.90	25.60	29.48	24.76	50.32	54.23

Source: Central Statistical Office, Dominica

Data available at 25 August 2003

Table 21
Dominica - Selected Trade Statistics
(Volume - Tonnes; Value - EC\$M)

	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 ^R 4 th Qr	2003 ^R 1 st Qr	2003 2 nd Qr	2002 ^R Jan - June	2003 Jan - June
Visible Trade Balance	(49.66)	(43.67)	(58.56)	(51.29)	(57.10)	(98.43)	(108.39)
Total Imports	78.47	74.44	82.49	77.12	84.76	156.91	161.88
Total Exports	28.81	30.76	23.93	25.83	27.66	58.48	53.49
Re-Exports	3.67	2.74	0.89	1.05	1.12	5.26	2.17
Domestic Exports	25.14	28.02	23.04	24.78	26.54	53.22	51.32
Of which:							
Bananas							
Value	5.47	4.45	4.32	3.31	3.40	10.89	6.71
Volume	4,594	3,828	3,507	2,791	2,636	9,650	5,427
Soap							
Value	5.12	7.67	6.62	7.15	7.84	12.25	14.99
Volume	1,858	2,625	2,272	2,484	2,509	4,079	4,993
Dental Cream							
Value	3.79	3.10	2.55	4.15	4.11	7.21	8.26
Volume	376	320	261	404	372	690	776

Source: Central Statistical Office, Dominica Coconut Products and WIBDECO

Data available at 21 August 2003

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

	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 ^R 4 th Qr	2003 ^R 1 st Qr	2003 ^P 2 nd Qr	2002 ^R Jan - June	2003 Jan - June
Current Revenue	50.83	44.10	49.69	45.68	51.64	95.96	97.32
Tax Revenue	41.67	38.10	42.72	41.74	46.24	81.19	87.98
Taxes on Income & Profits	12.22	10.45	10.40	10.88	13.22	20.78	24.10
Of which:							
Personal Tax	8.28	6.49	6.63	7.22	7.79	15.29	15.01
Company Tax	4.38	2.24	1.33	1.25	3.08	6.23	4.33
Stabilisation Levy	-	2.00	2.88	2.66	2.69	--	5.35
Taxes on Property	0.64	0.43	0.99	0.47	0.64	1.16	1.11
Taxes on Domestic Goods & Services	7.74	7.23	8.12	9.55	9.01	17.06	18.56
Of which:							
Sales Tax	4.09	4.11	5.00	5.15	4.95	8.43	10.10
Licences	2.28	1.63	1.75	2.86	2.64	5.71	5.50
Consumption Tax	1.16	1.31	1.20	1.36	1.20	2.53	2.56
Hotel Occupancy Tax	0.15	0.12	0.11	0.12	0.16	0.27	0.28
Taxes on International Trade & Transactions	21.08	19.99	23.21	20.84	23.37	42.19	44.21
Of which:							
Import Duty	4.77	4.22	6.06	4.88	5.28	9.29	10.16
Consumption Tax	12.46	12.44	13.62	11.70	13.53	25.31	25.23
Customs Service Charge	1.59	1.36	1.59	1.49	1.80	3.05	3.29
Non-Tax Revenue	9.16	6.00	6.97	3.94	5.40	14.77	9.34
Current Expenditure	55.26	54.98	57.06	57.56	52.07	117.18	109.63
Personal Emoluments	30.57	30.52	32.44	29.67	30.29	60.97	59.96
Goods & Services	9.78	5.13	7.49	7.14	7.20	17.32	14.34
Interest Payments	5.51	10.31	6.52	11.45	4.39	20.55	15.84
Domestic	3.42	5.32	3.08	5.86	2.96	10.60	8.82
External	2.09	4.99	3.44	5.59	1.43	9.95	7.02
Transfers & Subsidies	9.40	9.02	10.61	9.31	10.19	18.35	19.50
Of which: Pensions	2.73	2.65	2.76	2.84	2.94	5.42	5.78
Current Account Balance	(4.43)	(10.88)	(7.37)	(11.89)	(0.43)	(21.22)	(12.32)
Capital Revenue	0.79	0.60	0.35	0.21	0.16	0.88	0.37
Grants	3.75	13.31	7.29	1.90	10.55	4.98	12.45
Of which: Capital Grants	3.75	13.31	7.29	1.90	10.55	4.98	12.45
Capital Expenditure & Net Lending	7.61	1.50	2.80	7.87	9.45	22.91	17.32
Of which: Capital Expenditure	8.39	3.19	3.11	8.48	9.45	24.05	17.93
Overall Balance	(7.49)	1.53	(2.53)	(17.65)	0.83	(38.27)	(16.82)
Financing	7.49	(1.53)	2.53	17.65	(0.83)	38.27	16.82
Domestic	(1.42)	(25.64)	(5.94)	6.81	(4.73)	11.94	2.08
ECCB (net)	0.31	(6.60)	2.63	1.25	(0.59)	4.31	0.66
Commercial Banks (net)	(5.66)	(10.31)	(20.67)	(5.13)	8.47	(8.33)	3.34
Other	3.93	(8.73)	12.10	10.69	(12.61)	15.47	(2.17)
External	4.46	16.64	29.61	5.12	(0.51)	16.52	4.61
Net Amortisation	4.52	16.79	29.68	4.59	(0.80)	11.66	3.79
Disbursements	5.60	18.60	31.63	6.43	0.50	14.68	6.93
Amortisation	(1.08)	(1.81)	(1.95)	(1.84)	(1.30)	(3.02)	(3.14)
Change in Govt. Foreign Assets	(0.06)	(0.15)	(0.07)	0.53	0.29	4.86	0.82
Arrears	4.45	7.47	(21.14)	5.72	4.41	9.81	10.13
Domestic	3.95	8.37	(20.88)	7.01	2.07	8.84	9.08
External	0.50	(0.90)	(0.26)	(1.29)	2.34	0.97	1.05

Source: Ministry of Finance

Data available at 22 August 2003

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

	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr
Net Foreign Assets	120.67	143.80	162.03	201.76	210.01	237.52
Central Bank (net)	94.75	81.29	100.56	122.80	116.62	121.78
Commercial Banks (net)	25.92	62.51	61.47	78.96	93.40	115.74
External (net)	21.68	39.61	39.59	64.06	83.43	105.78
Assets	112.43	132.11	136.74	159.17	175.04	202.03
Liabilities	90.75	92.50	97.15	95.11	91.61	96.25
Other ECCB Territories	4.25	22.90	21.88	14.90	9.97	9.96
Assets	37.10	55.36	54.71	48.76	24.23	23.05
Liabilities	32.86	32.46	32.83	33.86	14.26	13.10
Net Domestic Assets	408.39	380.86	364.19	347.49	323.77	295.10
Domestic Credit	501.47	489.81	469.47	447.29	428.07	404.19
Central Government (net)	91.47	86.12	69.20	51.16	47.28	55.16
Other Public Sector (net)	10.74	9.59	11.21	10.62	5.39	(1.71)
Non-Bank Financial Institutions (net)	(43.31)	(44.87)	(40.83)	(46.57)	(54.81)	(75.00)
Subsidiaries and Affiliates (net)	3.06	2.33	0.19	(1.15)	(0.24)	3.52
Private Sector	439.51	436.64	429.70	433.23	430.45	422.23
Other Items (net)	(93.08)	(108.95)	(105.28)	(99.80)	(104.30)	(109.09)
Money Supply (M2)	529.07	524.66	526.22	549.25	533.78	532.62
Money Supply (M1)	100.86	85.07	88.01	106.65	94.28	97.92
Currency with the Public	32.29	31.25	31.58	35.51	30.82	30.60
Demand Deposits	68.56	53.82	56.42	71.13	63.46	67.32
Quasi Money	428.21	439.58	438.22	442.60	439.51	434.70
Savings Deposits	268.61	263.60	262.56	262.17	269.95	272.75
Time Deposits	140.17	158.51	160.06	158.16	159.41	151.38
Foreign Currency Deposits	19.44	17.48	15.60	22.28	10.15	10.58

Source: Eastern Caribbean Central Bank
Data available at 20 August 2003

Table 24
Dominica - Consumer Price Index
January 2001 = 100

	Weight	Index June 2003	Percentage Change*				
			2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 ^R 1 st Qr	2003 2 nd Qr
All Items	1,000.00	100.47	(0.81)	0.81	0.24	0.21	(0.83)
Food	328.80	101.50	0.21	(0.16)	0.20	(0.68)	(0.33)
Alcohol and Tobacco	9.50	99.01	0.09	(0.24)	(0.25)	(1.67)	(0.71)
Housing	111.70	101.61	--	--	--	--	1.61
Fuel & Light	58.60	105.37	1.81	3.49	0.48	6.48	(6.39)
Clothing and Footwear	82.10	96.10	0.37	0.09	(0.14)	(0.82)	(0.99)
Transport and Communication	194.30	97.41	(5.69)	2.55	0.80	0.58	(1.30)
Household Furnishings & Supplies	93.50	99.22	0.06	(0.07)	(0.05)	(0.42)	(0.39)
Medical Care and Expenses	31.60	98.48	0.12	0.13	0.12	(0.91)	(1.08)
Education	29.00	107.40	2.05	0.78	0.09	1.95	(0.05)
Personal Services	42.50	103.58	--	3.58	--	--	--
Miscellaneous	18.40	103.99	0.34	0.64	0.20	0.92	0.28

Sources: Central Statistical Office and Eastern Caribbean Central Bank
 *at end of period

Data available at 19 August 2003

Table 25
Grenada - Selected Agricultural Production

	Unit	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 ^R 1 st Qr	2003 ^E 2 nd Qr	2002 Jan - June	2003 Jan - June
Bananas	(tonnes)	111	139	111	103	107	256	210
Cocoa	(tonnes)	82	37	139	308	200	700	508
Nutmeg	(tonnes)	1,032	896	668	852	603	1,526	1,455
Mace	(tonnes)	85	50	30	73	75	110	148

Source: Central Statistical Office
Data available at 18 August 2003

Table 26
Grenada - Selected Tourism Statistics

	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 ^R 4 th Qr	2003 ^R 1 st Qr	2003 ^E 2 nd Qr	2002 ^R Jan - June	2003 ^E Jan - June
Total Visitors	49,653	39,837	73,572	105,469	50,161	157,985	155,630
Stay-over Visitors	27,480	36,573	31,772	35,804	30,207	64,071	66,011
USA	7,743	9,034	8,042	10,461	6,626	19,432	17,087
Canada	713	1,193	1,326	2,243	752	2,165	2,995
Europe	7,732	8,276	9,443	12,833	8,769	19,386	21,602
Of which							
Germany	447	276	916	1,498	544	1,789	2,042
UK	6,505	7,093	7,886	8,587	7,309	14,781	15,896
Caribbean	7,648	12,064	7,575	6,545	9,861	14,824	16,406
Other	3,644	6,006	5,386	3,722	4,199	8,264	7,921
Excursionists	760	1,421	839	1,472	1,546	1,657	3,018
Cruise Ship Passengers	21,413	1,843	40,961	68,193	18,408	92,257	86,601
No. of Cruise Ship Calls	42	28	75	119	46	156	165
Total Visitor Expenditure (EC\$M)	50.81	65.87	59.84	68.82	55.71	121.31	124.53

Source: Grenada Board of Tourism
Data available at 18 August 2003

Table 27
Grenada - Selected Trade Statistics
(Volume - Tonnes; Value - EC\$M)

	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 ^R 1 st Qr	2003 ^E 2 nd Qr	2002 Jan - June	2003 ^E Jan - June
Visible Trade Balance	(95.79)	(114.97)	(116.48)	(127.51)	(122.48)	(185.07)	(249.99)
Total Imports	136.01	153.46	160.88	153.71	146.02	259.49	299.73
Total Exports	40.22	38.49	44.40	26.20	23.54	74.42	49.74
Re-Exports	2.32	3.96	6.26	6.31	4.70	4.42	11.01
Domestic Exports	37.90	34.53	38.14	19.89	18.84	70.00	38.73
Of which:							
Bananas*							
Volume	111.18	139.25	111.99	92.40	91.49	256.88	183.89
Value	0.12	0.15	0.14	0.11	0.64	0.24	0.75
Nutmeg							
Volume	579.88	608.14	805.09	462.44	401.20	884.47	863.64
Value	7.98	8.76	12.68	7.10	6.16	12.14	13.26
Mace							
Volume	62.23	23.04	86.77	67.63	67.60	97.79	135.23
Value	1.02	0.40	1.16	0.84	0.84	1.49	1.68
Cocoa							
Volume	292.52	34.48	118.88	274.43	257.00	694.67	531.43
Value	1.32	0.14	0.61	1.55	1.60	3.14	3.15
Manufactured Exports							
Volume	--	--	--	--	--	--	--
Value	21.34	21.53	21.50	5.49	5.49	42.65	10.98

Source: Central Statistical Office

* Includes exports to the Caribbean countries

Data available at 19 August 2003

Table 28
Grenada - Consumer Price Index⁺
January 2001 = 100

	Weight	Index June 2003	Percentage Change*				
			2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr
All Items	1,000.0	103.03	1.27	1.27	0.10	0.29	0.22
Food	377.50	99.74	0.23	0.23	(0.17)	(0.19)	0.44
Alcoholic Beverages and Tobacco	8.60	103.64	0.10	0.54	0.14	(0.06)	0.20
Housing	102.00	101.92	(0.34)	(0.73)	(0.25)	1.92	1.02
Fuel & Light	55.00	101.92	1.69	0.19	2.35	2.33	(1.44)
Clothing and Footwear	97.70	99.60	(0.19)	--	0.13	(0.05)	(0.51)
Transport and Communication	156.50	100.27	7.21	0.42	(0.19)	0.18	(0.21)
Household Furnishings & Supplies	95.30	106.27	0.03	5.89	0.16	0.20	(0.01)
Medical Care and Expenses	46.50	108.74	(0.02)	12.90	0.78	(0.04)	0.82
Education	37.40	115.91	--	0.21	0.44	--	1.42
Personal Services	16.00	103.02	--	--	--	--	--
Miscellaneous	17.50	102.45	0.14	0.74	0.17	0.28	0.66

Source: Statistical Department, Ministry of Finance

+ The categories and weights of the consumer price index were revised and the base year of the index was changed to January 2001.

* at end of period

Data available at 19 August 2003

Table 29
Grenada - Central Government Fiscal Operations
(In millions of Eastern Caribbean Dollars)

	2002 2 nd Qr	2002 3 rd Qr	2002 ² 4 th Qr	2003 1 st Qr	2003 2 nd Qr	2002 Jan - June	2003 Jan - June
Current Revenue	74.22	64.78	75.60	72.21	77.19	152.14	149.40
Tax Revenue	70.30	61.51	68.63	68.39	71.89	132.27	140.28
Taxes on Income & Profits	14.87	10.05	9.53	12.29	11.88	23.8	24.17
Of which:							
Personal	2.40	1.96	1.90	3.06	2.38	4.94	5.44
Company	11.84	7.20	7.40	8.94	9.00	17.61	17.94
Taxes on Property	4.04	3.81	7.76	2.94	5.44	6.46	8.38
Taxes on Domestic Goods & Services	13.87	10.16	10.14	14.25	14.44	29.32	28.69
Of which:							
Consumption Tax	6.95	6.04	6.14	7.43	7.43	13.43	14.86
Stamp Duties	1.05	0.73	0.78	0.90	0.84	1.92	1.74
Licenses	2.46	1.05	1.07	3.49	2.79	8.85	6.28
Taxes on International Trade & Transactions	37.52	37.49	41.20	38.91	40.13	72.60	79.04
Of which:							
Import Duty	7.26	7.52	9.81	9.28	7.93	14.33	17.21
Consumption Tax	20.74	20.84	23.01	20.46	22.69	39.84	43.15
Customs Service Charge	6.32	6.93	6.73	7.64	7.53	11.80	15.17
Non-Tax Revenue	3.92	3.27	6.97	3.82	5.30	19.87	9.12
Current Expenditure	60.45	71.85	82.48	60.05	73.26	128.96	133.31
Personal Emoluments	30.66	31.31	32.80	30.70	31.00	60.53	61.70
Goods & Services	9.21	8.40	13.10	9.30	9.32	26.04	18.62
Interest Payments	6.09	18.14	19.18	8.35	19.64	14.46	27.99
Domestic	2.78	4.24	2.34	3.08	2.66	6.11	5.74
External	3.31	13.90	16.84	5.27	16.98	8.35	22.25
Transfers & Subsidies	14.49	14.00	17.40	11.70	13.30	27.93	25.00
Of which: Pensions	3.61	3.56	3.56	3.36	3.58	6.89	6.94
Current Account Balance	13.77	(7.07)	(6.88)	12.16	3.93	23.18	16.09
Capital Revenue	0.07	0.02	0.14	--	0.16	2.57	0.16
Grants	3.03	9.94	6.62	1.77	0.85	6.98	2.62
Of which: Capital Grants	3.03	5.91	6.62	1.77	0.85	6.98	2.62
Capital Expenditure & Net Lending	18.63	126.40	81.40	16.70	31.40	36.65	48.10
Of which: Capital Expenditure	18.63	126.40	81.40	16.70	31.40	36.65	48.10
Overall Balance	(1.76)	(123.51)	(81.52)	(2.77)	(26.46)	(3.92)	(29.23)
Financing	1.76	123.51	81.52	2.77	26.46	3.92	29.23
Domestic	0.49	(153.77)	81.77	(12.08)	13.47	8.11	1.39
ECCB (net)	(2.07)	(99.54)	72.00	2.82	2.89	(3.22)	5.71
Commercial Banks (net)	16.60	(9.54)	(12.90)	(9.63)	24.20	29.59	14.57
Other	(14.04)	(44.69)	22.67	(5.27)	(13.62)	(18.26)	(18.89)
External	1.99	286.17	8.86	(4.40)	13.74	(1.19)	9.34
Net Amortisation	1.99	286.17	8.86	(4.40)	13.65	(1.19)	9.25
Disbursements	7.26	290.90	18.62	0.30	20.40	8.46	20.70
Amortisation	(5.27)	(4.73)	(9.76)	(4.70)	(6.75)	(9.65)	(11.45)
Change in Govt. Foreign Assets	--	--	--	--	0.09	--	0.09
Arrears	(0.72)	(8.89)	(9.11)	19.25	0.75	(3.00)	20.00
Domestic	(0.58)	(4.77)	(6.74)	15.91	2.90	(1.46)	18.81
External	(0.14)	(4.11)	(2.37)	3.34	(2.15)	(1.53)	1.19

Source: Ministry of Finance
 Data available at 19 August 2003

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

	2002 ^R 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr
Net Foreign Assets	200.45	205.72	380.64	327.74	368.31	383.09
Central Bank (net)	174.52	189.94	276.05	237.16	257.02	247.66
Commercial Banks (net)	25.93	15.78	104.60	90.57	111.29	135.43
External (net)	(27.05)	(26.18)	39.39	2.66	30.88	53.00
Assets	226.24	234.50	303.31	272.87	306.87	337.51
Liabilities	253.29	260.68	263.92	270.21	275.99	284.52
Other ECCB Territories	52.98	41.96	65.21	87.91	80.41	82.44
Assets	69.97	77.96	88.73	99.56	92.75	95.45
Liabilities	16.99	36.00	23.51	11.65	12.34	13.01
Net Domestic Assets	896.65	912.36	759.86	839.64	829.37	851.22
Domestic Credit	972.00	990.69	860.47	928.18	931.62	958.92
Central Government (net)	106.54	121.07	11.99	71.07	64.26	91.35
Other Public Sector (net)	(9.29)	(11.16)	(43.04)	(31.86)	(23.00)	(40.83)
Non-Bank Financial Institutions (net)	(9.87)	(9.57)	(3.86)	(7.28)	(0.99)	(21.80)
Subsidiaries and Affiliates (net)	--	--	--	--	--	19.88
Private Sector	884.62	890.36	895.38	896.24	891.35	910.32
Other Items (net)	(75.35)	(78.34)	(100.61)	(88.54)	(102.25)	(107.69)
Money Supply (M2)	1,097.10	1,118.07	1,140.50	1,167.38	1,197.68	1,234.31
Money Supply (M1)	191.44	201.20	196.24	211.98	214.14	215.16
Currency with the Public	68.14	69.75	65.17	75.15	69.69	70.80
Demand Deposits	123.30	131.46	131.07	136.82	144.45	144.36
Quasi Money	905.66	916.87	944.26	955.40	983.53	1,019.15
Savings Deposits	565.99	584.87	604.87	632.05	650.36	665.79
Time Deposits	250.44	244.27	255.27	243.91	246.61	239.90
Foreign Currency Deposits	89.23	87.73	84.12	79.44	86.56	113.46

Source: Eastern Caribbean Central Bank
Data available at 19 August 2003

Table 31
Montserrat - Central Government Fiscal Operations
(In millions of Eastern Caribbean Dollars)

	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr	2002 Jan - June	2003 Jan - June
Current Revenue	6.70	8.57	6.15	7.43	6.67	13.94	14.10
Tax Revenue	5.96	6.93	6.90	7.06	6.28	12.88	13.34
Taxes on Income & Profits	2.24	2.85	2.66	3.38	2.58	5.28	5.96
Of which:							
Personal Tax	2.02	2.56	2.11	3.20	2.50	3.94	5.70
Company Tax	0.06	0.25	0.38	0.09	--	1.01	0.09
Taxes on Property	0.03	0.54	0.12	0.06	0.07	0.16	0.13
Taxes on Domestic Goods & Services	0.71	0.54	0.56	0.91	0.73	1.89	1.64
Of which:							
Hotel Occupancy Tax	--	--	--	--	--	--	--
Insurance Company Tax	0.03	0.04	0.05	0.05	0.02	0.08	0.07
Licences & Stamp Duty	0.51	0.10	0.34	0.68	0.54	1.16	1.22
Taxes on International Trade & Transactions	2.98	3.00	3.56	2.71	2.90	5.55	5.61
Of which:							
Import Duty	0.65	0.54	0.68	0.64	0.55	1.24	1.19
Consumption Tax	1.15	1.04	1.37	0.92	1.01	1.98	1.93
Customs Service Charge	0.91	1.01	1.08	0.93	0.92	1.88	1.85
Foreign Currency Levy	0.19	0.28	0.30	0.22	1.07	0.39	1.29
Non-Tax Revenue	0.74	1.64	(0.75)	0.37	0.39	1.06	0.76
Current Expenditure	15.40	19.16	16.74	12.56	18.71	26.26	31.27
Personal Emoluments	5.41	7.32	4.74	5.97	5.72	10.72	11.69
Goods & Services	4.32	4.53	6.05	3.19	4.59	7.22	7.78
Interest Payments	0.23	0.09	0.10	0.23	0.12	0.28	0.35
Domestic	--	--	--	0.05	0.05	0.05	0.10
External	0.23	0.09	0.10	0.18	0.07	0.23	0.25
Transfers & Subsidies	5.44	7.22	5.85	3.17	8.28	8.03	11.45
Of which: Pensions	1.86	1.69	2.27	1.36	1.66	3.24	3.02
Current Account Balance	(8.70)	(10.59)	(10.59)	(5.13)	(12.04)	(12.32)	(17.17)
Capital Revenue	--	--	--	--	--	--	--
Grants	19.77	16.87	19.58	6.79	36.67	39.45	43.46
Of which: Capital Grants	10.10	6.45	9.11	4.14	9.37	20.20	13.51
Capital Expenditure & Net Lending	10.10	6.45	9.11	4.14	9.37	20.20	13.51
Of which: Capital Expenditure	10.10	6.45	9.11	4.14	9.37	20.20	13.51
Overall Balance	0.97	(0.17)	(0.12)	(2.48)	15.26	6.94	12.78
Financing	(0.97)	0.17	0.12	2.48	(15.26)	(6.94)	(12.78)
Domestic	(0.92)	0.43	0.21	2.57	(13.44)	(6.79)	(10.87)
ECCB (net)	0.18	(0.08)	0.17	(0.57)	(0.61)	(0.65)	(1.18)
Commercial Banks (net)	7.67	(1.67)	(0.63)	2.38	(17.87)	(5.40)	(15.49)
Other	(8.77)	2.18	0.67	0.76	5.04	(0.74)	5.80
External	(0.05)	(0.26)	(0.09)	(0.09)	(1.82)	(0.15)	(1.91)
Net Amortisation	(0.05)	(0.26)	(0.11)	(0.37)	(1.84)	(0.15)	(2.21)
Disbursements	--	--	--	--	--	--	--
Amortisation	(0.05)	(0.26)	0.11	(0.37)	(1.84)	(0.15)	(2.21)
Change in Govt Foreign Assets	--	--	0.02	0.28	0.02	--	0.30

Source: Treasury Department, Ministry of Finance
 Data available at 22 August 2003

Table 32
Montserrat – Consumer Price Index
1982 = 100

	Weight	Index June 2003	Percentage Change*				
			2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr
All Items	1,000.0	200.10	1.79	0.40	(0.35)	1.16	(0.60)
Food	495.0	185.80	0.05	0.37	(0.73)	(1.42)	(0.96)
Alcohol & Tobacco	46.0	187.00	7.79	(4.65)	0.64	(0.32)	(1.22)
Household Goods	102.0	156.50	(0.85)	0.92	0.46	2.40	(0.89)
Gas, Electricity & Water	18.0	166.00	4.58	0.99	(0.98)	5.73	(3.21)
Rent	7.0	955.70	--	--	--	43.49	--
Clothing and Footwear	179.0	204.20	8.33	2.00	0.00	0.00	--
Services	153.0	245.60	0.08	0.00	0.00	0.16	0.24

Source: Central Statistical Office, Ministry of Finance

* at end of period

Data available at 22 August 2003

Table 33
Montserrat – Monetary Survey
(EC\$M at end of period)

	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr
Net Foreign Assets	145.47	141.32	143.75	136.30	137.69	161.05
Central Bank (net)	41.94	34.55	36.66	38.88	42.07	61.08
Commercial Banks (net)	103.53	106.77	107.09	97.42	95.62	99.97
External (net)	1.86	7.49	9.29	10.86	8.47	23.94
Assets	26.59	32.24	34.75	36.37	34.07	49.88
Liabilities	24.73	24.75	25.46	25.51	25.60	25.95
Other ECCB Territories (net)	101.67	99.29	97.80	86.56	87.15	76.04
Assets	104.18	100.56	98.87	87.65	88.30	77.36
Liabilities	2.51	1.27	1.08	1.09	1.16	1.33
Net Domestic Assets	(48.93)	(43.22)	(42.58)	(36.50)	(41.90)	(62.54)
Domestic Credit	(28.58)	(20.79)	(22.39)	(18.75)	(17.64)	(40.80)
Central Government (net)	(27.41)	(19.56)	(21.31)	(21.77)	(19.96)	(38.44)
Other Public Sector (net)	(12.63)	(13.59)	(14.47)	(14.35)	(15.55)	(18.57)
Non-Bank Financial Institutions (net)	(8.26)	(8.02)	(7.99)	(4.87)	(5.37)	(6.00)
Subsidiaries and Affiliates (net)	--	--	--	--	--	--
Private Sector	19.71	20.38	21.38	22.24	23.25	22.21
Other Items	(20.35)	(22.43)	(20.19)	(17.75)	(24.26)	(21.74)
Money Supply (M2)	96.55	98.10	101.17	99.80	95.79	98.51
Money Supply (M1)	22.99	23.47	24.62	26.33	22.44	24.32
Currency with the Public	9.87	9.56	9.62	10.81	8.77	10.99
Demand Deposits	13.12	13.91	15.00	15.53	13.67	13.32
Quasi Money	73.56	74.63	76.55	73.47	73.35	74.19
Savings Deposits	66.15	66.41	68.93	66.91	66.21	67.41
Time Deposits	4.29	4.31	4.36	3.70	3.74	3.64
Foreign Currency Deposits	3.12	3.91	3.26	2.86	3.40	3.14

Source: Eastern Caribbean Central Bank

Data available at 22 August 2003

Table 34
Montserrat - Selected Tourism Statistics

	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr	2002 ^R Jan - June	2003 Jan - June
Total Visitors	3,058	3,634	4,058	3,192	3,304	7,087	6,496
Stay-Over Visitors	1,833	2,221	3,091	1,752	1,823	4,311	3,575
USA	353	429	615	335	318	906	653
Canada	74	30	111	92	47	234	139
UK	449	584	960	454	406	1,037	860
Caribbean	887	1,121	1,329	810	1,010	2,003	1,820
Other Countries	70	57	76	61	42	131	103
Excursionists	1,225	1,413	967	1,440	1,481	2,776	2,921
Gross Visitor Expenditure (ECSM)	4.32	4.92	7.20	4.70	4.10	11.1	8.8

Source: Statistics Department, Montserrat and ECCB

Data available at 22 August 2003

Table 35
Montserrat - Selected Trade Statistics
(Volume - Tonnes; Value - ECSM)

	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr	2002 Jan - June	2003 Jan - June
Visible Trade Balance	(13.46)	(17.22)	(17.24)	(12.28)	(12.78)	(30.31)	(25.06)
Total Imports	14.81	18.04	18.15	14.44	14.09	32.53	28.53
Total Exports	1.35	0.82	0.91	2.16	1.31	2.22	3.47
Total Domestic Exports	--	--	--	--	--	--	--
Total Re-Exports	1.35	0.82	0.19	2.16	1.31	2.22	3.47

Source: Statistics Department, Montserrat

Data available at 22 August 2003

Table 36
St Kitts and Nevis - Consumer Price Index +
January 2001 = 100

	Weight	Index June 2003	Percentage Change*				
			2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr
All Items	1000.00	106.10	1.29	0.31	(0.02)	0.67	1.75
Food	280.50	103.92	0.61	0.11	(0.64)	0.31	1.43
Alcohol and Tobacco	7.10	102.69	(0.85)	1.23	0.11	0.33	(0.26)
Housing	129.90	101.02	0.07	--	0.04	--	0.91
Fuel & Light	43.70	100.11	0.07	--	--	--	0.04
Clothing and Footwear	92.90	107.78	0.03	0.38	0.80	0.58	0.58
Transport and Communication	21.40	108.68	0.89	0.06	(0.31)	0.61	7.18
Household Furnishings & Supplies	37.20	108.02	(0.50)	1.36	1.06	1.97	(1.19)
Medical Care and Expenses	140.50	131.02	26.68	--	--	0.05	--
Education	192.70	100.58	0.17	--	0.18	--	--
Personal Services	19.90	103.40	--	--	--	3.04	0.35
Miscellaneous	34.20	102.73	0.20	0.88	0.64	0.58	0.26

Source: Planning Unit, Ministry of Finance

+ The categories and weights of the consumer price index were revised and the base year of the index was changed to January 2001.

*at end of period

Data available at 20 August 2003

Table 37
St Kitts and Nevis - Monetary Survey
(EC\$M at end of period)

	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr
Net Foreign Assets	381.48	340.58	303.37	315.08	412.32	377.37
Central Bank (net)	140.36	200.21	161.01	177.22	170.56	169.36
Commercial Banks (net)	241.12	140.37	142.36	137.86	241.76	208.00
External (net)	308.12	269.78	253.94	245.67	389.25	336.29
Assets	503.72	482.85	474.06	500.48	656.33	627.10
Liabilities	195.60	213.07	220.12	254.81	267.08	290.82
Other ECCB Territories	(67.00)	(129.41)	(111.58)	(107.81)	(147.49)	(128.29)
Assets	100.55	112.24	100.07	99.22	71.53	66.59
Liabilities	167.54	241.64	211.65	207.03	219.02	194.87
Net Domestic Assets	439.43	512.16	548.62	529.72	428.50	459.91
Domestic Credit	663.56	721.77	767.83	757.81	645.90	670.54
Central Government (net)	238.82	273.59	312.25	267.71	181.37	187.38
Other Public Sector (net)	(151.63)	(146.87)	(150.37)	(122.63)	(137.69)	(123.60)
Non-Bank Financial Institutions	(10.36)	(10.01)	(7.37)	(15.97)	(12.51)	(11.51)
Subsidiaries and Affiliates (net)	(41.16)	(32.77)	(29.39)	(30.17)	(9.60)	(13.88)
Private Sector	627.88	637.83	642.71	658.86	624.32	632.15
Other Items (net)	(224.13)	(209.62)	(219.21)	(228.08)	(217.40)	(210.63)
Money Supply (M2)	820.91	852.74	851.99	844.80	840.82	837.28
Money Supply (M1)	115.25	119.73	127.56	119.91	116.70	125.90
Currency with the Public	36.65	35.97	34.28	37.69	35.25	35.59
Demand Deposits	78.60	83.76	93.28	82.22	81.45	90.30
Quasi Money	705.66	733.01	724.44	724.89	724.12	711.38
Savings Deposits	321.13	327.76	332.38	334.96	343.06	351.91
Time Deposits	150.04	153.50	149.90	153.61	146.00	147.80
Foreign Currency Deposits	234.50	251.75	242.16	236.31	235.06	211.67

Source: Eastern Caribbean Central Bank

Data available at 20 August 2003

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

	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr	2002 ^R Jan – June	2003 Jan – June
Current Revenue	73.72	63.63	96.19	68.87	73.47	137.57	142.34
Tax Revenue	52.15	43.89	70.80	47.67	52.94	97.38	100.62
Taxes on Income & Profits	13.42	10.55	25.25	9.61	13.17	26.15	22.77
Of which:							
Company	7.74	7.15	16.63	4.66	8.43	14.98	13.09
Social Services Levy	5.28	3.26	8.24	4.80	4.44	10.53	9.24
Taxes on Property	1.84	0.59	1.26	0.76	2.19	2.70	2.95
Taxes on Domestic Goods & Services	11.41	8.66	10.98	10.62	11.20	21.66	21.81
Of which:							
Hotel Room Tax	2.60	1.70	1.09	2.99	2.84	5.45	5.82
Licences	0.81	0.82	2.42	1.58	0.74	2.12	2.32
Gasoline Levy	1.81	1.04	1.29	0.98	0.31	3.27	1.30
Taxes on International Trade & Transactions	25.49	24.10	33.32	26.70	26.39	46.88	53.08
Of which:							
Import Duty	8.01	7.83	11.27	7.61	7.93	14.61	15.54
Consumption Tax	12.50	11.72	16.14	12.44	12.73	22.93	25.17
Customs Service Charge	4.24	3.34	4.49	3.94	4.21	7.90	8.14
Non-Tax Revenue	21.58	19.74	25.39	21.20	20.53	40.19	41.72
Current Expenditure	79.96	82.97	85.11	76.57	81.70	155.44	158.26
Personal Emoluments	35.60	35.54	37.51	35.01	35.40	70.03	70.41
Goods & Service	19.24	20.76	23.64	14.74	21.52	35.86	36.26
Interest Payments	16.53	18.89	15.51	18.47	16.38	32.47	34.84
Domestic	9.06	8.46	9.44	7.59	9.44	17.38	17.03
External	7.47	10.43	6.07	10.87	6.94	15.09	17.81
Transfers & Subsidies	8.59	7.78	8.44	8.36	8.40	17.08	16.76
Of which: Pensions	5.27	4.48	4.99	3.96	3.47	9.96	7.43
Current Account Balance	(6.23)	(19.34)	11.08	(7.70)	(8.23)	(17.86)	(15.92)
Capital Revenue	5.59	0.38	0.44	0.95	0.30	5.70	1.25
Grants	0.49	9.92	12.96	--	2.27	7.59	2.27
Of which: Capital Grants	0.28	9.83	12.92	--	2.22	7.28	2.22
Capital Expenditure & Net Lending	35.53	38.87	39.11	12.06	15.08	54.56	27.13
Of which: Capital Expenditure	19.31	24.22	20.95	10.59	9.94	35.74	20.52
Overall Balance	(35.69)	(47.91)	(14.63)	(18.80)	(20.74)	(59.14)	(39.54)
Financing	35.69	47.91	14.63	18.80	20.74	59.14	39.54
Domestic	34.53	40.72	16.46	(100.28)	24.00	(18.89)	(76.28)
ECCB (net)	(0.74)	1.60	(3.42)	(1.28)	(1.10)	2.89	(2.38)
Commercial Banks (net)	35.50	37.06	(41.11)	(85.06)	7.10	(14.25)	(77.96)
Other	(0.24)	2.06	60.99	(13.94)	17.99	(7.53)	4.05
External	1.16	7.19	(1.83)	119.08	(3.26)	78.03	115.82
Net Amortisation	1.16	7.19	(1.83)	119.08	(3.26)	78.03	115.82
Disbursements	8.21	14.90	5.77	132.55	4.63	90.11	137.18
Amortisation	(7.05)	(7.71)	(7.60)	(13.57)	(7.89)	(12.08)	(21.36)
Change in Govt. Foreign Assets	--	--	--	--	--	--	--

Source: Ministry of Finance
Data available at 22 August 2003

Table 39
St Lucia - Selected Tourism Statistics

	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr	2002 Jan - June	2003 Jan - June
Total Visitor Arrivals	139,018	87,889	166,095	228,461	142,908	394,371	371,369
Stay-Over Visitors	67,324	56,073	57,868	70,192	75,869	139,522	146,061
Of which:							
USA	24,264	21,030	22,036	26,328	26,732	50,978	53,060
Canada	2,062	1,221	3,037	6,272	2,201	8,669	8,473
UK	16,619	14,193	14,333	18,814	18,662	34,751	37,476
France	660	710	905	1,635	1,044	1,790	2,679
Germany	929	316	840	1,494	705	2,773	2,199
Caribbean	21,034	17,044	14,618	13,279	22,460	34,747	35,739
Excursionists	1,597	2,399	1,775	3,899	2,442	3,538	6,341
Cruise Ship Passengers	70,097	29,417	106,452	154,370	64,597	251,311	218,967
No. of Cruise Ship Calls	39	10	70	113	39	165	152
Total Visitor Expenditure (EC\$M)	179.05	145.17	160.46	198.41	199.82	386.04	398.23

Source: St Lucia Tourist Board
Data available at 21 July 2003

Table 40
St Lucia - Retail Price Index
1982 = 100

	Weight	Index June 2003	Percentage Change*				
			2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr
All Items	1,000.0	172.6	0.53	(0.47)	0.35	0.94	0.17
Food	467.5	178.0	0.52	(0.97)	0.29	2.01	0.28
Alcohol and Tobacco	28.2	159.2	(0.06)	2.38	--	0.19	--
Housing	135.3	110.7	--	(0.09)	--	--	--
Fuel and Light	45.0	134.9	2.95	0.08	1.06	4.55	(3.78)
Clothing and Footwear	64.0	237.0	--	--	--	--	--
Transport and Communication	63.5	188.9	3.79	0.16	1.13	(0.48)	0.69
Household Furnishings and Supplies	57.7	178.0	(1.87)	0.06	(0.06)	--	--
Medical Care and Expenses	22.8	236.9	1.08	2.78	2.71	(4.50)	0.55
Recreation, Entertainment and Education	22.4	246.5	0.57	(1.45)	0.20	0.08	0.41
Miscellaneous	82.7	154.6	(0.06)	(1.23)	0.07	0.07	0.91

Source: Statistics Department, Ministry of Finance
*at end of period

Data available at 12 August 2003

Table 41
St Lucia - Monetary Survey
(EC\$M at end of period)

	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 ^R 1 st Qr	2003 2 nd Qr
Net Foreign Assets	111.86	140.82	96.19	105.25	228.21	285.46
Central Bank (net)	251.70	259.14	214.90	248.08	298.65	305.65
Commercial Banks (net)	(139.84)	(118.32)	(118.71)	(142.84)	(70.44)	(20.19)
External (net)	(173.65)	(180.98)	(175.36)	(191.18)	(127.60)	(138.35)
Assets	88.61	84.91	126.77	108.33	186.13	186.50
Liabilities	262.26	265.89	302.12	299.51	313.73	324.85
Other ECCB Territories	33.81	62.66	56.64	48.35	57.16	118.16
Assets	80.32	108.13	116.73	119.78	110.81	146.27
Liabilities	46.51	45.47	60.09	71.43	53.65	28.11
Net Domestic Assets	1,137.31	1,136.18	1,160.50	1,168.07	1,088.14	1,051.07
Domestic Credit	1,391.20	1,417.80	1,433.90	1,432.49	1,368.53	1,311.95
Central Government (net)	(95.63)	(97.54)	(110.12)	(96.34)	(117.66)	(123.49)
Other Public Sector (net)	(165.08)	(141.05)	(147.91)	(154.32)	(172.53)	(189.01)
Non-Bank Financial Institutions (net)	(35.19)	(35.44)	(33.99)	(32.74)	(37.79)	(37.62)
Subsidiaries and Affiliates (net)	161.92	162.81	164.25	162.42	163.05	160.73
Private Sector	1,525.17	1,529.02	1,561.68	1,553.47	1,533.46	1,501.34
Other Items (net)	(253.89)	(281.62)	(273.40)	(264.42)	(280.40)	(260.87)
Money Supply (M2)	1,249.17	1,277.00	1,256.69	1,273.32	1,316.35	1,336.54
Money Supply (M1)	280.43	292.71	276.61	287.62	306.75	312.57
Currency with the Public	80.63	78.63	76.02	83.59	79.23	82.27
Demand Deposits	199.80	214.08	200.59	204.03	227.52	230.30
Quasi Money	968.75	984.29	980.08	985.70	1,009.60	1,023.97
Savings Deposits	594.79	629.46	636.73	652.33	673.73	702.50
Time Deposits	358.34	340.53	327.15	309.59	306.66	288.77
Foreign Currency Deposits	15.62	14.31	16.19	23.78	29.20	32.70

Source: Eastern Caribbean Central Bank
Data available at 11 August 2003

Table 42
St Lucia - Banana Exports

	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr	2002 Jan - June	2003 Jan - June
Volume (tonnes)	13,879	11,528	9,830	9,290	9,222	26,802	18,512
Value (EC\$M)	17.14	14.49	12.35	11.57	12.14	31.88	23.71
Unit Price (EC\$/tonne)	1,235	1,257	1,256	1,245	1,316	2,376	2,561

Source: WIBDECO
Data available at 22 July 2003

Table 43
St Lucia - Central Government Fiscal Operations
(In millions of Eastern Caribbean Dollars)

	2002 2 nd Qr	2002 3 rd Qr	2002 ^R 4 th Qr	2003 ^R 1 st Qr	2003 2 nd Qr	2002 Jan - June	2003 Jan - June
Current Revenue	99.94	120.66	104.07	116.95	110.45	222.56	227.40
Tax Revenue	93.89	107.52	95.76	108.27	104.23	201.72	212.50
Taxes on Income & Profits	29.32	29.82	16.26	29.97	26.70	61.54	56.67
Of which:							
Personal Tax	11.83	11.02	12.12	12.43	10.64	24.28	23.07
Company Tax	12.18	15.79	0.56	13.65	11.60	29.41	25.24
Taxes on Property	0.90	0.87	1.18	1.42	0.55	4.87	1.96
Taxes on Domestic Goods & Services	18.42	22.20	22.39	20.16	15.52	38.78	35.68
Of which:							
Consumption Duties	1.46	1.14	0.94	1.39	2.03	2.86	3.41
Excise Tax	5.34	5.07	5.86	6.15	1.60	10.82	7.75
Hotel Occupancy Tax	5.74	4.64	3.63	5.47	5.35	11.46	10.83
Taxes on International Trade & Transactions	45.25	54.63	55.93	56.72	61.46	96.54	118.19
Of which:							
Consumption Tax	22.43	29.72	28.20	27.41	25.47	52.09	52.87
Import Duty	13.23	13.10	14.95	16.13	18.54	24.96	34.67
Service Charge (Imports)	6.56	7.11	8.41	8.09	8.61	12.97	16.71
Non-Tax Revenue	6.05	13.13	8.31	8.68	6.23	20.85	14.91
Current Expenditure	97.76	105.47	98.86	119.99	96.89	201.17	216.88
Personal Emoluments	53.12	53.15	51.95	53.41	55.86	106.05	109.26
Goods & Services	10.87	21.47	11.68	31.57	11.07	31.53	42.64
Interest Payments	13.02	8.59	14.03	10.96	12.50	21.16	23.46
Domestic	6.62	5.49	5.25	4.53	5.85	11.52	10.38
External	6.40	3.10	8.78	6.43	6.65	9.64	13.08
Transfers & Subsidies	20.75	22.27	21.21	24.05	17.47	42.44	41.52
Of which: Pensions	9.06	8.78	7.95	6.43	6.71	16.30	13.14
Current Account Balance	2.18	15.18	5.20	(3.04)	13.56	21.39	10.52
Capital Revenue	6.20	13.65	--	--	0.06	7.62	0.06
Grants	--	8.55	11.57	16.17	17.44	8.88	33.61
Of which: Capital Grants	--	8.55	11.57	16.17	17.44	8.88	33.61
Capital Expenditure & Net Lending	13.38	24.40	53.31	56.93	9.28	60.40	66.20
Of which: Capital Expenditure	13.38	24.40	53.31	56.93	9.28	60.40	66.20
Overall Balance	(5.01)	12.99	(36.55)	(43.79)	21.78	(22.51)	(22.01)
Financing	5.01	(12.99)	36.55	43.79	(21.78)	22.51	22.01
Domestic	(0.21)	(26.46)	14.75	0.05	(25.91)	9.64	(25.86)
ECCB (net)	(0.30)	(2.24)	(3.77)	(10.56)	(10.26)	(1.78)	(20.82)
Commercial Banks (net)	(1.62)	(10.35)	17.55	(10.76)	4.43	17.30	(6.33)
Other	1.71	(13.88)	0.97	21.37	(20.08)	(5.88)	1.29
External	5.22	13.47	21.81	43.74	4.13	12.87	47.87
Net Amortisation	5.22	13.47	78.27	153.74	4.13	12.87	157.87
Disbursements	8.77	16.13	114.54	158.33	8.97	18.15	167.30
Amortisation	(3.56)	(2.66)	(36.27)	(4.59)	(4.48)	(5.28)	(9.43)
Change in Govt. Foreign Assets	--	--	(56.47)	110.00	--	--	(110.00)

Source: Ministry of Finance and Eastern Caribbean Central Bank
Data available at 14 August 2003

Table 44
St Vincent and the Grenadines - Selected Tourism Statistics

	2002 2 nd Qr	2002 ^R 3 rd Qr	2002 4 th Qr	2003 ^R 1 st Qr	2003 ^E 2 nd Qr	2002 Jan - June	2003 ^E Jan - June
Total Visitors	44,894	36,035	58,496	83,118	47,034	151,050	130,152
Stay-Over Visitors	16,817	21,594	19,659	15,601	19,613	36,369	35,214
USA	5,124	5,772	5,299	5,689	5,667	11,339	11,356
Canada	945	1,227	1,366	1,227	1,036	2,675	2,263
UK	2,714	2,667	2,718	2,471	3,034	6,244	5,505
Caribbean	6,107	10,525	8,527	4,139	8,292	11,171	12,431
Other Countries	1,927	1,043	1,749	2,075	1,584	4,940	3,659
Excursionists	3,061	2,591	3,048	3,461	3,773	7,423	7,234
Yacht Passengers	16,754	10,456	21,377	35,405	17,373	54,618	52,778
Cruise Ship Passengers	8,262	1,394	14,412	28,651	6,275	52,640	34,926
Total Visitor Expenditure (EC\$M)	45.46	45.81	55.11	73.24	48.25	120.19	121.49

Source: Department of Tourism and ECCB Estimates

Data available at 22 August 2003

Table 45
St Vincent and the Grenadines - Selected Trade Statistics
(Volume: 000 tonnes; Value: EC\$M)

	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 ^R 4 th Qr	2003 1 st Qr	2003 ^E 2 nd Qr	2002 Jan - June	2003 ^E Jan - June
Visible Trade Balance	(78.17)	(83.11)	(135.46)	(106.95)	(143.85)	(155.50)	(250.80)
Total Imports	103.89	110.97	162.13	127.68	163.68	207.06	291.36
Total Exports	25.72	27.86	26.67	20.73	19.83	51.56	40.56
Re-Exports	1.65	2.52	2.84	3.63	3.87	2.87	7.50
Domestic Exports	24.06	25.34	23.83	17.10	15.96	48.69	33.06
Of which:							
Bananas							
Volume	9.22	8.45	5.32	5.40	5.02	19.47	10.42
Value	10.27	10.43	7.02	7.24	6.61	21.40	13.85
Flour							
Volume	2.40	2.29	2.27	2.43	2.57	4.91	5.00
Value	3.42	3.21	3.27	3.46	3.61	7.03	7.07
Rice							
Volume	1.38	1.17	1.11	0.75	0.92	2.80	1.67
Value	2.52	2.33	2.33	1.55	1.73	4.75	3.29

Source: Statistical Office and ECCB Estimates

Data available at 22 August 2003

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

	Weight	Index June 2003	Percentage Change*				
			2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 1 st Qr	2003 2 nd Qr
All Items	1000.00	101.30	(1.48)	2.10	(1.66)	(0.60)	1.40
Food	536.1	100.70	(2.15)	2.50	(3.41)	(1.11)	2.65
Alcohol and Tobacco	9.5	103.00	0.10	(0.58)	0.68	(0.10)	(0.10)
Housing	97.9	103.60	--	0.97	--	--	--
Fuel & Light	29.8	102.00	2.21	(0.10)	(1.08)	4.58	(2.95)
Clothing and Footwear	88.7	97.50	(0.10)	(0.51)	0.41	(1.73)	1.25
Household Furnishings & Supplies	61.5	94.20	(2.63)	(3.22)	(0.32)	0.65	0.86
Transport and Communication	68.5	102.50	--	--	(0.30)	0.30	2.09
Medical Care & Expenses	10.1	104.20	--	--	--	--	--
Education	34.3	121.70	(6.34)	32.44	(1.30)	--	--
Personal Services	33.5	94.40	1.43	--	--	(4.14)	(0.53)
Miscellaneous	30.1	110.40	--	0.27	0.45	(1.08)	0.18

Source: Statistical Office, Ministry of Finance

+ The categories and weights of the consumer price index were revised and the base year of the index was changed to January 2001.

*at end of period

Data available at 22 August 2003

Table 47
St Vincent and the Grenadines - Monetary Survey
(EC\$M at end of period)

	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 ^R 1 st Qr	2003 2 nd Qr
Net Foreign Assets	267.79	276.54	275.88	272.83	298.09	326.58
Central Bank (net)	154.70	155.30	145.02	141.73	156.83	150.03
Commercial Banks (net)	113.09	121.24	130.86	131.10	141.26	176.55
External (net)	(18.46)	(1.89)	(3.61)	(3.58)	13.81	91.78
Assets	144.06	142.78	148.39	143.36	172.57	218.15
Liabilities	162.52	144.67	152.00	146.94	158.76	126.37
Other ECCB Territories	131.55	123.13	134.46	134.67	127.46	84.77
Assets	148.84	150.48	173.12	170.23	163.83	158.19
Liabilities	17.28	27.36	38.66	35.56	36.38	73.42
Net Domestic Assets	418.97	420.84	416.69	436.43	438.78	406.18
Domestic Credit	506.76	538.70	533.78	534.03	510.96	493.76
Central Government (net)	62.30	106.66	89.81	85.98	65.29	60.57
Other Public Sector (net)	(110.34)	(131.13)	(136.52)	(131.62)	(120.57)	(127.46)
Non-Bank Financial Institutions	(55.52)	(56.78)	(50.22)	(53.73)	(52.39)	(46.86)
Subsidiaries and Affiliates (net)	0.00	0.00	0.00	0.00	0.00	0.00
Private Sector	610.32	619.93	630.71	633.38	618.63	607.52
Other Items (net)	(87.79)	(117.85)	(117.10)	(97.59)	(72.18)	(87.59)
Money Supply (M2)	686.76	697.39	692.56	709.26	736.87	732.75
Money Supply (M1)	229.85	235.13	224.75	239.16	261.44	249.46
Currency with the Public	53.00	51.19	47.75	54.02	53.47	52.56
Demand Deposits	176.84	183.94	176.99	185.14	207.98	196.90
Quasi Money	456.91	462.25	467.82	470.10	475.43	483.29
Savings Deposits	291.77	300.15	301.01	303.99	313.04	326.46
Time Deposits	158.30	153.99	158.97	156.42	155.34	147.45
Foreign Currency Deposits	6.84	8.11	7.83	9.69	7.05	9.38

Source: Eastern Caribbean Central Bank

Data available at 22 August 2003

Table 48
St Vincent and the Grenadines - Central Government Fiscal Operations
(In millions of Eastern Caribbean Dollars)

	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2003 ^R 1 st Qr	2003 2 nd Qr	2002 Jan - June	2003 Jan - June
Current Revenue	77.22	76.87	97.64	66.60	76.48	131.13	143.08
Tax Revenue	68.63	67.67	82.63	55.20	66.37	109.46	121.57
Taxes on Income & Profits	24.41	19.19	31.80	19.46	19.23	36.86	38.69
Of which:							
Individual	8.97	8.39	9.24	8.71	8.73	17.41	17.44
Company Tax	12.14	9.89	19.91	9.99	9.41	15.39	19.40
Taxes on Property	0.29	1.13	0.81	0.29	0.36	0.57	0.64
Taxes on Domestic Goods & Services	11.07	16.73	7.69	9.26	8.90	18.29	18.16
Of which:							
Stamp Duties	5.56	5.55	3.56	3.42	4.25	8.05	7.67
Consumption Duties	1.62	1.43	1.80	1.48	1.22	2.68	2.71
Hotel Turnover Tax	1.64	0.61	0.55	1.57	1.29	3.31	2.86
Taxes on International Trade & Transactions	32.85	30.62	42.33	26.20	37.87	53.74	64.08
Of which:							
Import Duty	6.51	6.12	9.07	5.62	8.18	10.38	13.80
Consumption Tax	20.33	19.16	25.65	15.18	22.91	33.13	38.09
Customs Service Charge	4.55	4.15	6.27	3.69	5.45	7.74	9.13
Non-Tax Revenue	8.59	9.19	15.02	11.40	10.11	21.66	21.51
Current Expenditure	66.72	65.15	78.15	64.10	66.62	131.32	130.72
Personal Emoluments	32.54	32.62	40.53	33.42	33.47	65.13	66.89
Goods & Services	15.84	15.96	17.81	11.37	15.18	28.97	26.54
Interest Payments	4.49	7.23	6.39	7.22	5.36	11.86	12.57
Domestic	2.02	4.42	4.20	4.54	3.24	6.58	7.78
External	2.47	2.81	2.19	2.68	2.12	5.28	4.79
Transfers & Subsidies	13.85	9.34	13.42	12.09	12.61	25.36	24.71
Of which: Pensions	--	--	--	--	--	--	--
Current Account Balance	10.51	11.72	19.50	2.50	9.86	(0.20)	12.37
Capital Revenue	0.19	0.26	0.21	0.19	0.30	0.31	0.49
Grants	0.30	0.68	5.72	0.22	0.32	0.38	0.54
Of which: Capital Grants	0.30	0.68	5.72	0.22	0.32	0.38	0.54
Capital Expenditure & Net Lending	15.51	10.49	18.49	6.42	16.23	28.72	22.65
Of which: Capital Expenditure	15.51	10.49	18.49	6.42	16.23	28.72	22.65
Overall Balance	(4.52)	2.17	6.95	(3.51)	(5.75)	(28.23)	(9.26)
Financing	4.52	(2.17)	(6.95)	3.51	5.75	28.23	15.23
Domestic	6.55	5.17	(8.55)	7.17	8.06	36.23	9.26
ECCB (net)	(2.90)	0.30	7.20	(18.95)	16.96	(5.90)	(1.99)
Commercial Banks (net)	44.70	7.00	(35.10)	(1.74)	(21.69)	66.02	(23.43)
Other	(35.25)	(2.13)	19.35	7.42	12.79	(23.89)	20.20
External	(2.03)	(7.34)	1.60	(3.66)	(2.30)	(8.00)	(5.96)
Net Amortisation	(2.03)	(7.34)	1.60	(3.66)	(2.30)	(3.50)	(5.96)
Disbursements	2.31	0.00	17.10	21.37	0.27	4.13	21.64
Amortisation	(4.34)	(7.34)	(15.50)	4.59	(2.57)	(7.63)	(7.16)
Change in Govt. Foreign Assets	0.00	0.00	0.00	0.00	0.00	(4.50)	0.00

Source: Ministry of Finance and Eastern Caribbean Central Bank
Data available at 22 August 2003