

Eastern Caribbean Central Bank



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EASTERN CARIBBEAN CENTRAL BANK

PARTICIPATING GOVERNMENTS

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

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REGIONAL ECONOMY

Overview

The available economic indicators for the fourth quarter of 2002 suggest that activity in the Eastern Caribbean currency union contracted compared with the performance in the corresponding quarter of 2001. This outturn was influenced in part by a decline in agricultural production and construction activity. Performance in the tourism industry was mixed, as the number of cruise ship passengers fell while growth in stay-over visitors was recorded. The fiscal operations of the central governments combined realised a current account deficit below that in the fourth quarter of 2001. In the external sector it is likely that the merchandise trade deficit widened. Liquidity in the commercial banking system improved, while some changes in interest rates were observed. The growth in monetary liabilities was higher than the rate in the corresponding quarter of 2001.

Based on the performance of the key productive sectors in the individual member countries during the period January to December 2002, it is likely that economic activity in the currency union grew marginally, following the contraction in 2001. The improvement was influenced by an increase in value added in the agricultural and hotel and restaurant sectors. Performance in the agricultural sector improved, reflecting an increase in production of the traditional crops such as bananas, sugar cane, cocoa, nutmeg and mace. Value added in the hotel and restaurant sector was estimated to have increased based on growth in stay-over visitors. During 2002 the current account deficit of the central governments combined expanded, largely reflecting growth in current expenditure.

Output and Prices

During the fourth quarter of 2002 agricultural output for the currency union was estimated to have declined, partly as a result of damage to banana crops by tropical storm Lili in September 2002. According to data from the Windward Islands Banana Development and Exporting Company (WIBDECO) banana production fell by 8.8 per cent to 18,763 tonnes. Of the other traditional crops, output of cocoa, nutmeg and mace increased.

For the period January to December 2002 value added in the agricultural sector was estimated to have expanded compared with the performance in 2001, based on an increase in sugar cane and banana production. Output of sugar cane in St Kitts and Nevis rose by 7.6 per cent to 227,650 tons, while banana production was up by 19.6 per cent to 98,894 tonnes. Of the other traditional crops, production of cocoa, nutmeg and mace rose by 27.3 per cent, 40.8 per cent, and 9.9 per cent respectively.

The pace of activity in the construction sector appeared to have slowed during the last quarter of 2002 compared with the level for the corresponding quarter of 2001, as a result of the completion or near completion of some major projects in a number of countries. In the private sector, activity was led by ongoing residential and commercial construction as well as hotel development. This assessment was partly based on a 1.8 per cent increase in commercial bank credit extended to the personal sector for home construction and renovation. In the public sector, work continued on the upgrading of roads and port facilities



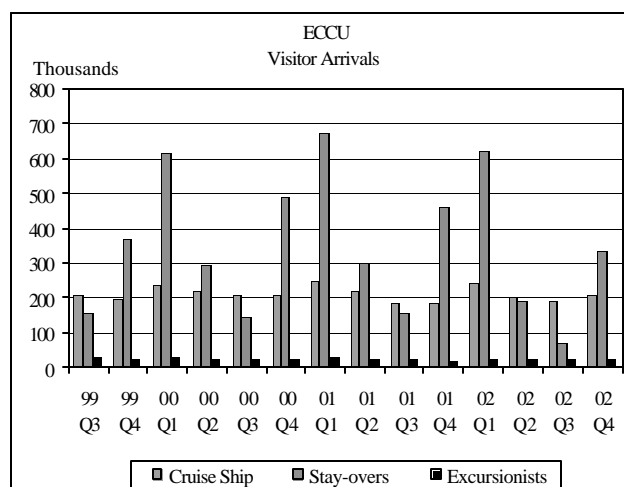
as well as the social infrastructure. For the period January to December 2002 activity in the construction sector was below the level in 2001. The available data suggest that activity in the sector contracted in Anguilla, Grenada, St Kitts and Nevis, and St Lucia. This performance was partly associated with the completion of some public sector projects.

During the fourth quarter of 2002 activity in the tourism industry was driven by growth in stay-over visitors as the number of cruise ship passengers fell. Stay-over visitors to the region rose by 12.2 per cent to 204,802 in contrast to the decline in the fourth quarter of 2001 in the wake of September 11. All member countries with the exception of Montserrat and St Kitts and Nevis experienced increases in the number of stay-over arrivals, partly attributable to additional airlift services. Rates of growth ranged from 8.1 per cent in Anguilla to 20.1 per cent in St Vincent and the Grenadines. St Kitts and Nevis recorded a reduction of 2.5 per cent, reflecting the closure of an hotel and the cancellation of a weekly charter flight from Canada in early December. In Montserrat stay-over visitors were lower by 16.6 per cent due in part to the ongoing volcanic activity that led to the closure of an hotel and some villas in October 2002. Fourth quarter comparisons of market performance indicated that the USA continued to be the dominant market with visitors from that source increasing by 18.3 per cent and its share rising by 1.6 percentage points to 32.1 per cent. Visitors from the Caribbean and the UK, the other major markets, were up by 9.2 per cent and 6.0 per cent respectively.

During the quarter under review the number of cruise ship visitors to the region, excluding Anguilla and Montserrat totalled 332,209, a decline of 27.7 per cent over the number in the corresponding quarter of 2001. Five of the six countries that received cruise ships recorded a fall in the number of passengers. The

largest decline was recorded for St Kitts and Nevis (63.3 per cent) followed by St Vincent and the Grenadines (33.5 per cent), St Lucia (21.6 per cent), Dominica (19.3 per cent) and Antigua and Barbuda (15.4 per cent). The number of cruise ship passengers to Grenada increased by 0.3 per cent to 44,750. The available data indicated a fall in the number of cruise ship calls to the currency union, influenced by the discontinuation of weekly visits to some of the member countries by major cruise liners. Total visitor arrivals were down by 13.3 per cent to 593,841, largely due to a contraction in the number of cruise ship passengers.

Chart 1



During the period January to December 2002 the number of visitors to the currency union amounted to 2.3 million, representing a 13.8 per cent decline over the 2001 total. The decrease was largely associated with a 23.6 per cent decline in the number of cruise ship passengers to 1.2 million. Stay-over visitors to the region grew by 1.0 per cent to 840,374. With the exception of Anguilla, Montserrat and St Kitts and Nevis, all the member countries realised expansions in the number of stay-over arrivals.

The available data on the manufacturing sector in the currency union suggest a weak performance during



the fourth quarter of 2002 compared with the corresponding period in 2001, partly attributable to increased competition on the export market. In Dominica output of soap fell by 11.5 per cent to 2,786 tonnes and that of dental cream declined by 18.5 per cent to 313 tonnes. Output of flour fell by 21.6 per cent in Grenada. There were decreases in production of rice (22.9 per cent) and flour (27.0 per cent) in St Vincent and the Grenadines. In St Kitts and Nevis the output of electronic components appeared to have been above the level in the fourth quarter of 2001 when production fell as a result of the September 11 attacks. During the period January to December 2002 performance in the manufacturing sector was weak compared with the outturn in the corresponding period of 2001, partly reflecting decreases in the output of soap, dental cream, sugar and flour.

Trade and Payments

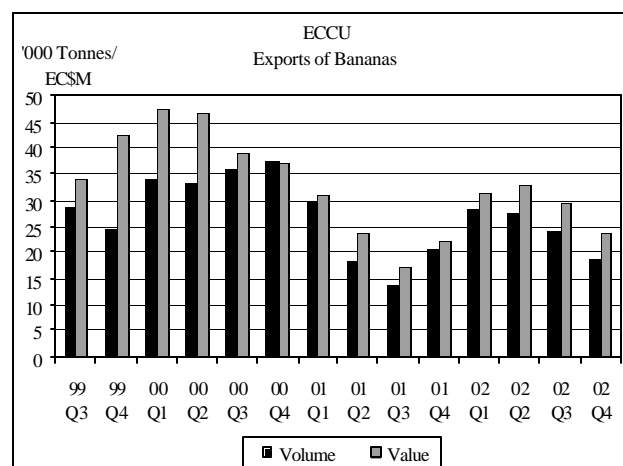
Complete trade data were not available for the quarter under review. Data on banana exports to the UK indicated that receipts rose by 6.1 per cent to \$23.8m. Individual country performance indicated that in St Lucia, the region's largest banana producer, earnings from banana exports were up by 22.2 per cent to \$12.4m. Data on other agricultural exports showed receipts from nutmeg exports rose by 86.5 per cent to \$12.7m, while export receipts from mace fell by 2.5 per cent to \$1.2m. Export earnings from cocoa amounted to \$0.6m; in the corresponding quarter of 2001 receipts were negligible. In the case of manufactured exports, earnings from soap increased by 16.1 per cent, while receipts from dental cream declined by 25.7 per cent. Complete data on imports were not available during the quarter under review. It is likely that the import bill was higher relative to the level in the corresponding quarter of 2001, partly attributable to the increase in oil prices on the international market and higher imports of furnishings

for some hotels and government offices in at least two of the member countries.

In the capital and financial account, commercial bank transactions resulted in net outflows of \$47.4m in contrast to net inflows of \$10.8m in the fourth quarter of 2001. Gross inflows of official loans, including bonds, were \$176.4m, while the combined central governments made official payments of \$58.5m. These transactions contributed to an overall balance of payments surplus of \$12.9m.

For the period January to December 2002 banana export receipts amounted to \$117.7m, roughly 24.6 per cent above the total in 2001. The increase in earnings reflected a 19.6 per cent rise in the volume of banana exported to the UK to 98,894 tonnes. St Lucia, which accounted for 49.9 per cent of the total export receipts, recorded a 44.2 per cent increase in earnings from banana exports.

Chart 2



With regard to trade in services, gross inflows from travel were estimated to have increased by 9.3 per cent to \$542.1m, consistent with the growth in stay-over visitors during the quarter under review. All member countries except Montserrat and St Kitts and



Nevis recorded increases in gross receipts from travel. Gross inflows fell by 13.0 per cent in Montserrat and by 15.8 per cent St Kitts and Nevis. In the period January to December 2002 gross visitor expenditure fell by 1.0 per cent to \$2,216.5m compared with the total in 2001.

Central Government Fiscal Operations

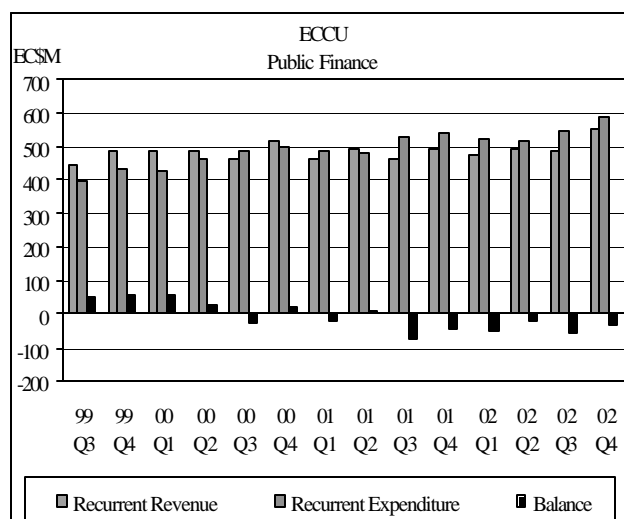
During the fourth quarter of 2002 the fiscal operations of the combined central governments in the currency union resulted in an overall deficit of \$113.5m compared with the deficit of \$168.6m recorded in the corresponding quarter of 2001. The fall in the overall deficit reflected a narrowing of the current account deficit combined with a decrease in capital expenditure and higher inflows of grants. The current account deficit fell by 27.3 per cent to \$33.2m relative to the deficit in the last quarter of 2001, as a result of a higher rate of growth in current revenue compared with the increase in current expenditure. Three of the member countries of the currency union reported current account surpluses, ranging from \$7.1m in Anguilla to \$19.2m in St Vincent and the Grenadines. In St Kitts and Nevis a current account surplus of \$11.1m was realised, which showed an improvement on the deficit of \$12.9m recorded in the corresponding quarter of 2001. The other five member countries posted current account deficits ranging from \$3.0m in St Lucia to \$33.9m in Antigua and Barbuda. Relatively larger deficits were posted in Antigua and Barbuda, Dominica and Montserrat. In St Lucia the deficit contracted while in Grenada a current account deficit was recorded in contrast to the surplus in the fourth quarter of 2001.

Current revenue for the central governments combined amounted to \$554.2m during the quarter under review, approximately 12.8 per cent above the total collected during the fourth quarter of 2001. Current revenue rose in five of the member countries

at rates ranging from 5.0 per cent in Grenada to 82.5 per cent in Anguilla. The increase in current revenue largely reflected improved collections of tax revenue, which rose by 14.0 per cent to \$472.2m. The yield from taxes on international trade and transactions, which accounted for 56.7 per cent of tax revenue, grew by 10.0 per cent to \$268.0m. This outturn was associated with increased earnings, particularly from the consumption tax (10.5 per cent) and import duty (9.4 per cent). Revenue from taxes on international trade and transactions grew in all the member countries except Antigua and Barbuda and Dominica.

Taxes on domestic goods and services yielded \$87.9m, an increase of 26.5 per cent on receipts for the quarter ended December 2001, due in part to growth in proceeds from stamp duties. An analysis of the individual country performances indicated that revenue from taxes on domestic goods and services rose in all member countries with the exception of St Vincent and the Grenadines.

Chart 3



Revenue from taxes on income and profits amounted to \$103.3m during the quarter under review in comparison to \$95.8m in the fourth quarter of 2001.



Excluding Anguilla, which has no tax on income and profits, growth in revenue from that category was highest in St Vincent and the Grenadines (49.4 per cent) followed by St Kitts and Nevis (25.0 per cent), Dominica (7.1 per cent) and St Lucia (0.2 per cent). In the remaining three countries revenue from taxes on income and profits fell at rates ranging from 23.0 per cent in Grenada to 39.4 per cent in Antigua and Barbuda.

Receipts from the property tax more than doubled to \$13.0m, largely influenced by growth in revenue from that category in Grenada due to improved tax administration. Non-tax revenue combined increased by 6.3 per cent to \$81.9m.

During the fourth quarter of 2002 the combined current expenditure of the central governments expanded by 9.4 per cent to \$587.3m compared with the total recorded in the corresponding quarter of 2001. All components of current expenditure rose during the quarter under review. Six of the member countries experienced growth in current expenditure at rates ranging from 3.8 per cent in Dominica to 44.0 per cent in Montserrat. Declines of 5.9 per cent and 10.7 per cent were recorded in St Kitts and Nevis and Anguilla respectively.

Outlays on personal emoluments were up by 5.4 per cent to \$283.7m during the last quarter of 2002 compared with expenditure in the corresponding quarter of 2001. Expenditure on personal emoluments rose in all the member countries except Anguilla and Grenada. St Vincent and the Grenadines, with an increase of 22.8 per cent (\$7.5m), was the largest contributor to growth in expenditure on personal emoluments, as a result of the payment of a half-month salary bonus in December.

Expenditure on goods and services stood at \$137.3m during the quarter under review, 16.0 per cent more than the total during the fourth quarter of 2001. This performance was partly attributed to increased spending by the central government of Antigua and Barbuda on office supplies, furniture and fittings for the new government office complex. Increases in expenditure were also recorded in five of the other member countries ranging from 4.8 per cent in St Kitts and Nevis to 51.3 per cent in Grenada. In Anguilla and Dominica outlays on goods and services fell by 23.5 per cent and 14.6 per cent respectively.

Of the other expenditure categories, interest payments rose by 12.8 per cent to \$79.8m, largely reflecting an increase in external interest payments. The growth in interest payments was substantial in Grenada, associated with the issue of a bond overseas. Outlays on transfers and subsidies were up by 10.1 per cent to \$86.6m, largely reflecting an increase in expenditure in relation to transfers.

During the quarter under review capital expenditure totalled \$145.4m, roughly 18.7 per cent less than the total in the last quarter of 2001. This outcome was influenced by declines in capital expenditure in all member countries with the exception of Dominica and St Lucia, partly reflecting a lower rate of implementation of the PSIP. Also contributing to the outcome was the completion and winding down of some projects including hospital development in Antigua and Barbuda and Grenada, and road rehabilitation and construction of the general hospital and fisheries complex in St Kitts and Nevis. Inflows of grants totalled \$76.1m, roughly 50.1 per cent more than the total in the fourth quarter of 2001 and were associated with funding for the construction of fisheries complexes.



For the period January to December 2002 an overall deficit of \$449.4m was realised compared with the deficit of \$500.3m in 2001. The decline was associated with a reduction in capital expenditure and increases in capital revenue and grants. A current account deficit of \$160.1m was recorded, up from \$127.5m in 2001, reflecting higher growth in current expenditure (6.6 per cent) relative to the increase in current revenue (5.3 per cent).

Money and Credit

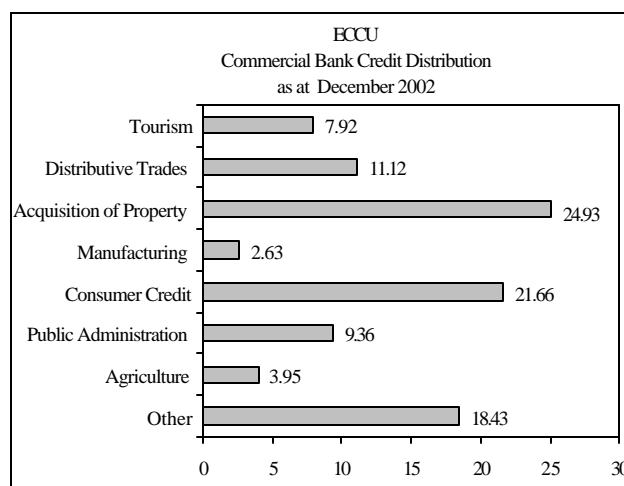
At the end of the quarter under review the broad money supply (M2) rose by 3.1 per cent to \$6,710.9m compared with growth of 2.4 per cent in the corresponding period of 2001, reflecting increases in both quasi money and the narrow money supply (M1). Quasi money, which accounted for 80.3 per cent of M2, was up by 1.9 per cent to \$5,391.7m, reflecting increases in private sector time deposits (1.5 per cent), savings deposits (1.9 per cent) and foreign currency deposits (2.3 per cent). The narrow money supply expanded by 8.3 per cent, influenced by increases of 12.4 per cent and 6.6 per cent in currency with the public and private sector demand deposits. Compared with the level at the end of December 2001, M2 grew by 6.2 per cent at the end of December 2002.

Domestic credit contracted by 0.7 per cent to \$5,876.6m in contrast to an increase of 4.0 per cent in the corresponding quarter of 2001. The decline in the quarter under review was attributed to reductions in lending to the private sector and the central governments. Credit extended by the commercial banks to the private sector fell by 0.6 per cent, largely reflecting a decrease in lending to households.

Borrowings by the central governments from the banking system declined by 5.6 per cent to \$1,203.5m, influenced primarily by a reduction in their stock of

debt with the commercial banks. Credit extended by the commercial banks fell by 5.9 per cent, while borrowings from the Central Bank fell by 0.8 per cent to \$71.9m. Central governments' deposits in the banking system were lower by 7.7 per cent. Those developments resulted in a 3.9 per cent decrease to \$678.0m in net credit to the central governments. Relative to the position at the end of December 2001 net credit to the central governments declined by 2.6 per cent, reflecting an expansion in deposits.

Chart 4



The allocation of credit by economic activity indicated that lending to the tourism industry was lower by 1.0 per cent, while that to the other productive sectors - agriculture and manufacturing - grew by 1.2 per cent and 1.3 per cent respectively. Lending for personal use increased by 1.1 per cent.

The consolidated net foreign assets of the banking system in the currency union grew by 3.4 per cent to \$1,847.4m during the quarter under review, well below the rate of 7.6 per cent in the fourth quarter of 2001. The increase was mainly reflected in the commercial banking sector, which recorded growth of 10.7 per cent in net foreign assets. This development was attributable to a 5.2 per cent increase in foreign assets



as foreign liabilities rose by 3.6 per cent. The international reserves of the Central Bank increased by 0.6 per cent to \$1,355.2m.

Liquidity in the commercial banking system increased during the quarter under review. The ratio of liquid assets to total deposits plus liquid liabilities went up by 1.3 percentage points to 31.2 per cent, while the ratio of loans and advances to deposits decreased by 1.7 percentage points to 77.8 per cent. Commercial banks were also more liquid relative to the position at the end of December 2001. During the quarter under review interest rates remained relatively unchanged, with the exception of the maximum rate offered on time deposits over one year, which fell to 8.5 per cent from 9.0 per cent. Relative to the position at the end of December 2001 the minimum prime lending rate fell to 8.5 per cent from 9.0 per cent.

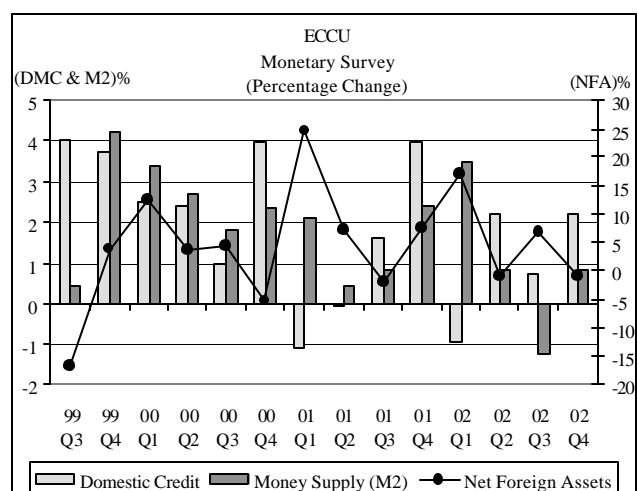
Prospects

Economic prospects for the Eastern Caribbean currency union in 2003 are expected to be influenced by developments in the international economy, particularly in relation to the possible US-led war against Iraq. The tourism industry, the largest foreign exchange earner and engine of growth, is likely to be adversely affected in the event of a war. Construction activity is expected to improve as countries increase the implementation rate of the PSIP. During 2003 ongoing and new public sector projects include the construction of fisheries complexes and improvement to air and sea ports, hospitals and schools. In the agricultural sector efforts to increase productivity in the banana industry are likely to bear fruit, improving the overall performance of the sector.

Consumer price inflation is projected to increase based on a likely increase in oil prices and new budgetary measures that are expected to result in higher prices for some goods.

The current operations of the central governments combined will likely result in a smaller current account deficit, reflecting efforts to control expenditure and an increase in revenue as a result of new fiscal measures introduced in some member countries. These measures include increases in the rate of the customs service charge and consumption tax and the introduction of an environmental levy. Monetary liabilities are projected to increase, broadly in line with growth in nominal GDP.

Chart 5



ANGUILLA

Overview

During the fourth quarter of 2002 economic activity was estimated to have increased relative to the outturn in the corresponding period of the previous year. This assessment was based on an upturn in tourism, a major activity in Anguilla. The fiscal operations of the central government improved, as a current account surplus was realised in contrast to the deficit reported for the corresponding quarter in 2001. In the banking sector domestic credit expanded, while monetary liabilities increased in contrast to the decline in the fourth quarter of 2001. Liquidity in the commercial banking system increased, while interest rates fell.

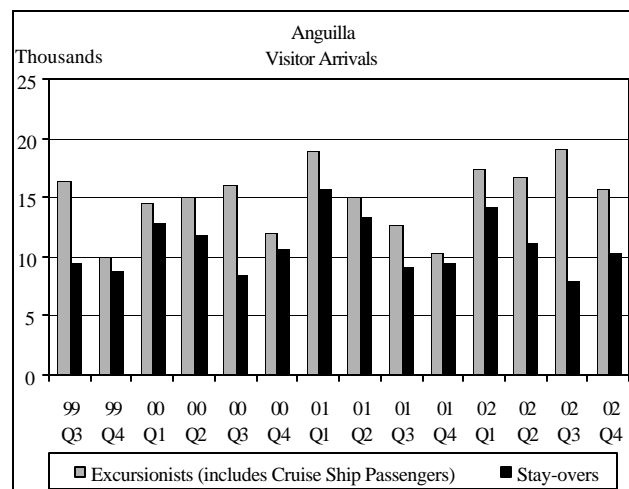
For the period January to December 2002 economic activity was estimated to have decreased, following growth in 2001. This outturn was attributed to a weak performance in tourism in the first three quarters of 2002 and a decline in activity in the construction sector. The fiscal operations of the central government resulted in an overall surplus in contrast to the deficit in 2001, reflecting an improvement in the current account balance and a reduction in capital expenditure.

Output and Prices

During the fourth quarter of 2002 activity in the tourism industry increased as evidenced by a 31.2 per cent expansion in total visitors to 26,109. This contrasted with the 12.4 per cent decline in visitors in the corresponding quarter of 2001 when the tourism industry was adversely affected by the September 11 attacks on the US. The growth in arrivals was attributed to increases in excursionists and stay-over visitors. The number of excursionists increased by 52.6 per cent to 15,778, reflecting an improvement in

tourism activity in the neighbouring island, St Maarten, the major source of these visitors. Stay-over visitors were estimated to have increased by 8.1 per cent to 10,331, largely attributable to growth of 10.4 per cent in arrivals from the USA - the major market. The number of visitors from the Caribbean, the second largest market, grew by 0.5 per cent to 1,623.

Chart 6



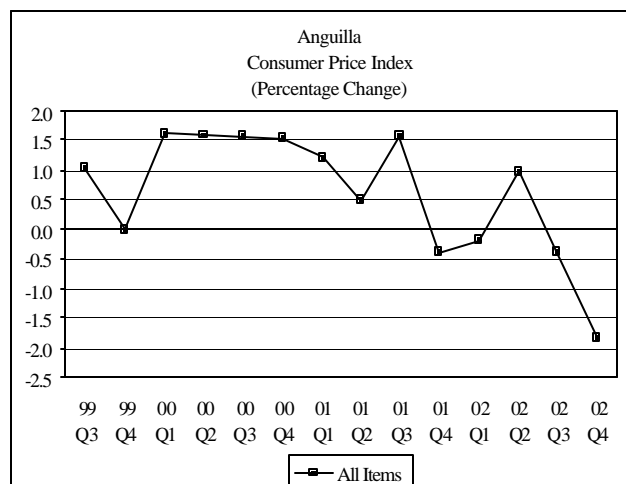
For the period January to December 2002 total visitor arrivals expanded by 7.7 per cent to 113,098 compared with the number in 2001, reflecting an increase in excursionists. Excursionist arrivals rose by 21.6 per cent to 69,338, following a decline in 2001. The higher-spending stay-over visitor category showed an 8.7 per cent decline in visitors to 43,760, largely reflecting a 4.8 per cent decrease in arrivals from the USA, the major market. The number of visitors from Italy fell, partly due to the closure of an hotel that catered to visitors from that market. Arrivals from the Caribbean, the second largest market, rose by 1.9 per cent to 7,510 in 2002.

The pace of activity in the construction sector appeared to have slowed during the quarter under



review compared with the performance in the corresponding quarter of 2001. This assessment was based on a slowdown in the rate of growth in commercial bank credit for home construction and renovation. Commercial bank loans for that purpose rose by 5.5 per cent during the quarter under review compared with growth of 13.0 per cent in the fourth quarter of 2001. In the public sector there was a contraction in the level of capital expenditure as work on a major project - the Welches Polyclinic - neared completion.

Chart 7



Over the period January to December 2002 construction activity was estimated to have declined relative to the performance in 2001, based on a reduction in the rate of implementation of the public sector investment programme (PSIP).

Based on the new consumer price index, consumer prices fell on average by 1.8 per cent during the quarter under review. The major contributors to this decline were the sub-indices "housing" and "food" which fell by 5.9 per cent and 0.7 per cent respectively. The fall in the housing sub-index was influenced by a decrease in the price of accommodation.

Trade and Payments

The merchandise trade deficit was estimated to have widened by 26.1 per cent to \$50.8m during the quarter under review compared with the outturn in the corresponding quarter of 2001. This development was influenced by a 26.3 per cent increase in imports to \$54.2m, reflecting in part the expansion in activity, particularly in the tourism industry. Exports grew by 30.2 per cent to \$3.4m, mainly reflecting an increase in re-exports.

For the period January to December 2002 the merchandise trade deficit narrowed to \$182.9m from \$201.2m in 2001. This performance was attributed to a 6.4 per cent contraction in imports combined with growth of 55.6 per cent in export earnings. The contraction in imports was largely related to the decline in economic activity, while the expansion in exports was associated with an increase in the re-export of heavy equipment.

In the services account, gross inflows from travel were estimated to have expanded by 9.7 per cent to \$36.8m compared with the total in the fourth quarter of 2001, reflecting the increase in all categories of visitors. For the period January to December 2002, however, gross inflows from travel fell by 8.3 per cent to \$154.7m, mainly attributable to an 8.7 per cent decrease in stay-over visitors.

Central Government Fiscal Operations

During the fourth quarter of 2002 the operations of the central government resulted in an overall surplus of \$7.0m in contrast to the deficit of \$7.5m in the corresponding quarter of 2001, reflecting an improvement in the current account balance. The



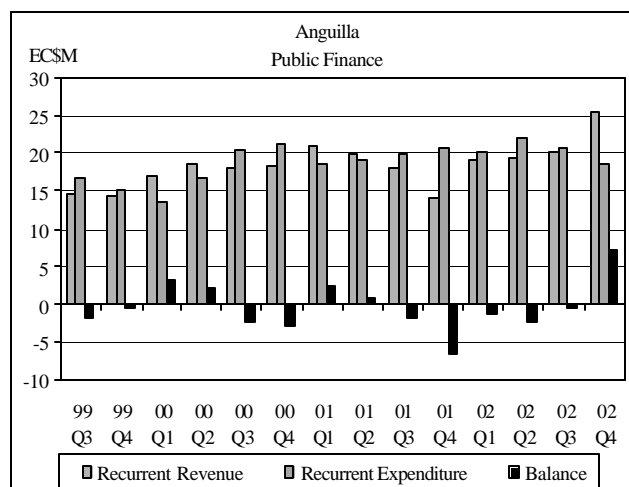
current account operations resulted in a surplus of \$7.1m in contrast to the deficit of \$6.7m during the fourth quarter of 2001. Current revenue amounted to \$25.6m, representing an 82.5 per cent increase over the total for the fourth quarter of 2001. The increase was attributed to higher receipts from tax and non-tax sources.

Tax revenue grew by 73.9 per cent to \$18.6m. This outturn largely reflected an increase in revenue from taxes on domestic goods and services which almost tripled to \$8.8m, associated with higher receipts from stamp duties. Collections from stamp duties amounted to \$5.3m compared with \$0.4m in the fourth quarter of 2001, attributable to the payment of duties associated with hotel development activities. The yield from the accommodation tax grew by 81.0 per cent (\$0.5m), reflecting growth in visitors staying in hotels during the period under review. Receipts from taxes on international trade and transactions grew by 29.4 per cent to \$9.7m, influenced by a 50.0 per cent (\$0.2m) rise in embarkation tax and a 32.5 per cent (\$2.1m) increase in import duties, consistent with the growth in imports. Non-tax revenue doubled to \$7.0m, partly the result of improved collections by government departments.

Current expenditure declined by 10.7 per cent to \$18.5m, due to a 23.5 per cent (\$2.1m) fall in outlays on goods and services and a decrease of 3.4 per cent (\$0.4m) in expenditure on personal emoluments. Transfers and subsidies were 32.7 per cent (\$0.2m) higher than the total in the comparable quarter in 2001. During the quarter under review capital expenditure contracted by 55.2 per cent to \$0.9m and capital grants fell by 30.8 per cent to \$0.9m, reflecting the completion of construction work on some projects in the PSIP.

For the period January to December 2002 current revenue grew by 15.5 per cent to \$83.9m, while current expenditure increased by 3.7 per cent to \$81.0m. Consequently, a current account surplus of \$2.9m was recorded in contrast to the deficit of \$5.5m in 2001. The growth in current revenue resulted from increased yields from taxes on domestic goods and services and non-tax revenue. The yield from taxes on international trade and transactions fell marginally, reflecting the fall in imports as a result of the contraction in economic activity. The growth in current expenditure was mainly influenced by an 82.2 per cent increase in interest payments to \$3.4m. Capital expenditure declined by 73.5 per cent to \$3.3m, and capital grants decreased by 68.4 per cent to \$2.1m. An overall surplus of \$1.6m was realised in contrast to the deficit of \$11.7m during 2001.

Chart 8



Money and Credit

Total monetary liabilities increased by 2.6 per cent to \$545.6m during the quarter under review in contrast to the decline of 2.1 per cent during the comparable quarter of 2001, reflecting the expansion in economic activity. The narrow money supply (M1) expanded by 6.2 per cent (\$1.1m), attributable to increases in demand deposits (8.1 per cent) and currency with the public (3.6 per cent). Quasi money increased by 2.5 per cent (\$12.7m) largely reflecting growth of 2.7 per



cent (\$11.0m) in private sector foreign currency deposits. Compared with the position at the end of December 2001, monetary liabilities rose by 12.7 per cent (\$61.3m), influenced by a 13.4 per cent (\$62.2m) expansion in quasi money.

During the quarter under review domestic credit expanded by 3.0 per cent to \$431.6m, compared with the increase of 0.8 per cent in the corresponding quarter of 2001. This performance was reflected in increases in private sector credit and net lending to subsidiaries and affiliates. Credit to the private sector grew by 1.6 per cent to \$479.2m, due to increased lending to businesses (2.1 per cent) and households (1.2 per cent). Net lending to subsidiaries and affiliates more than doubled to \$10.2m. Meanwhile, net credit to the central government contracted by 19.8 per cent to \$19.1m, reflecting a doubling of deposits and a reduction in borrowing (75.1 per cent).

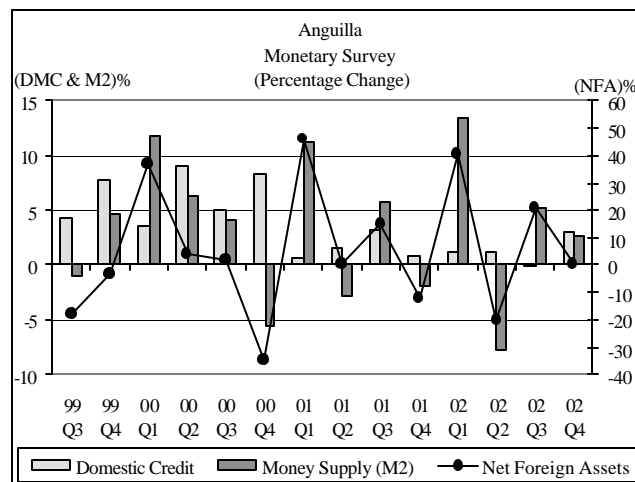
Compared with the position at the end of 2001, domestic credit grew by 5.3 per cent (\$21.9m). Credit to the private sector expanded by 4.7 per cent (\$21.5m), while net credit to the central government contracted by 3.5 per cent (\$0.7m).

An analysis of credit by economic activity revealed that during the fourth quarter of 2002 there was an increase in credit for all activities, except for construction, which fell by 0.3 per cent to \$19.6m. Compared with the positions at the end of 2001, credit to all areas of activity increased, with the exception of agriculture and construction.

In the fourth quarter of 2002 the net foreign assets of the banking system declined by 0.1 per cent to \$203.4m compared with the decrease of 11.6 per cent (\$20.0m) during the corresponding quarter of 2001. Anguilla's imputed share of the reserves at the Central

Bank fell by 24.0 per cent to \$70.8m, while commercial banks' net foreign assets grew by 19.9 per cent to \$132.7m. The growth in net foreign assets of the commercial banks was reflected mainly in a 15.5 per cent increase in assets held with institutions outside the Eastern Caribbean currency union.

Chart 9



Compared with the position at the end of 2001, net foreign assets expanded by 34.1 per cent (\$51.7m), largely reflecting growth of 53.5 per cent (\$46.3m) in commercial banks' net foreign assets. This development was influenced in part by offshore-related activities.

Liquidity in the commercial banking system remained at a high level during the fourth quarter of 2002. The ratio of liquid assets to total deposits plus liquid liabilities rose by 0.1 percentage point to 45.5 per cent at the end of December. The loans and advances to deposits ratio fell by 1.1 percentage points to 66.4 per cent. Relative to the end of December 2001, liquidity improved, as reflected in a 2.4 percentage point increase in the liquid assets to deposits plus liquid liabilities ratio. The loans and advances to deposits ratio declined by 5.5 percentage points.



During the quarter under review there were some downward movements in the maximum interest rates on time deposits. The maximum rate on time deposits up to three months fell by 0.7 percentage point to 4.5 per cent. The maximum rate on time deposits over three months to six months was reduced by 0.7 percentage point to 4.7 per cent and that on time deposits over six months to twelve months fell by 0.5 percentage point to 5.2 per cent.

Compared with the position at the end of 2001 the minimum rate on savings deposits fell by 1.0 percentage point, as a result of the decision by the Monetary Council to reduce the rate to 3.0 per cent effective 1 September 2002. Prime lending rates remained stable during the period.

Prospects

Real GDP is projected to expand during 2003, partly on account of an anticipated increase in construction activity based on scheduled public sector projects. Construction activity in the private sector is expected to be influenced by the start of work on a major resort and golf course project during 2003. Growth in value added in the hotel and restaurant sector is projected,

driven by an anticipated increase in stay-over arrivals. Consumer price changes are expected to be influenced by inflation rates in the US, the major trading partner. Liquidity in the banking system is expected to remain high.

An improvement in the current operations of the central government is likely, based on a projected increase in revenue associated with measures implemented in the 2003 budget. These measures include the introduction of an environmental levy and a customs service charge. A weakening in the overall fiscal position is expected, based on an increase in capital expenditure mainly associated with road development and extension of the airport runway. Monetary liabilities (M2) and commercial bank credit to the private sector are projected to increase based on the expected growth in economic activity.

The projections as discussed above are likely to be revised downwards in the event of a US led war against Iraq. A likely impact is an increase in oil prices and a disruption in travel, which can have an adverse impact on consumer prices, tourism, the fiscal performance and the general level of economic activity in Anguilla.



ANTIGUA AND BARBUDA

Overview

Economic activity in Antigua and Barbuda remained flat during the fourth quarter of 2002 relative to the corresponding period of the previous year. This assessment was based on developments in the construction sector and the tourism industry. Activity in the construction sector decreased due to the completion of some public and private sector projects. Value added in the hotel and restaurant sector was estimated to have increased, mainly attributable to growth in the number of stay-over visitors as cruise ship visitors contracted. The fiscal operations of the central government resulted in a widening of the current account deficit as growth in current expenditure outpaced that in current revenue. Liquidity in the commercial banking system improved. There were some movements in interest rates during the quarter under review.

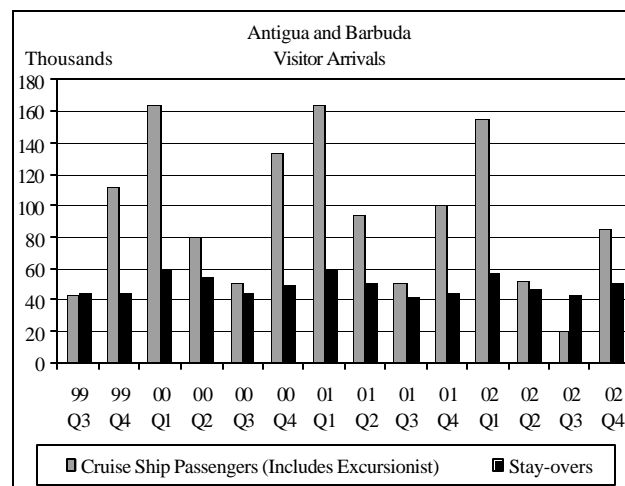
During the period January to December 2002 the economy was estimated to have expanded, attributable to increased activity in the tourism industry and the construction sector. The improvement in tourism was influenced by growth in the number of stay-over arrivals. Value added in the construction sector increased due to expansions in both public and private sector activity. The fiscal position of the central government deteriorated, largely due to an increase in current expenditure.

Output and Prices

During the quarter under review activity in the tourism industry was driven by growth in the number of stay-over arrivals. Stay-over visitors, whose contribution to the industry is the largest, were estimated to have increased by 14.9 per cent to 50,390,

reflecting growth in arrivals from the UK, USA, and the Caribbean - the three major markets. Arrivals from the UK, which accounted for 41.0 per cent of the total stay-over visitors, were estimated to have increased by 12.0 per cent to 20,711 compared with growth of 3.4 per cent during the corresponding quarter of 2001. The growth in arrivals from that market was mainly attributed to an increase in the number of scheduled flights from the UK. Visitors from the USA rose by 23.0 per cent to 14,009 in contrast to the performance during the fourth quarter of 2001 when arrivals fell by 17.8 per cent, partly as a result of the September 11 attacks on the US. The number of visitors from the Caribbean grew by 16.4 per cent to 9,001. During the quarter under review cruise ship passenger arrivals fell by 15.4 per cent to 84,478. This decline was consistent with a decrease in the number of cruise ship calls to 44 compared with the total of 70 in the corresponding quarter of 2001. The fall in cruise ship visitors contributed to a 6.2 per cent decline in total visitor arrivals to 134,868.

Chart 10



For the period January to December 2002 value added in the hotel and restaurant sector was estimated



to have increased on account of growth of 2.5 per cent in the number of stay-over visitors to 198,085. There was a 23.6 per cent decline in cruise ship passengers to 312,241. As a consequence, total visitor arrivals fell by 15.2 per cent to 510,326.

Based on preliminary information, activity in the construction sector declined during the quarter under review compared with the performance in the fourth quarter of 2001. This outturn was as a result of the completion of work on the Mount St John hospital and on the first phase of the Heritage Quay development project. In the private sector expansion work on an hotel was completed during the fourth quarter of 2002. For the period January to December 2002 activity in the construction sector was estimated to have been above the level in 2001. This performance was partly attributable to private sector investment in hotel room expansion and reconstruction, particularly in the first half of 2002. In the public sector, activity focussed on the ongoing construction of the hospital and the first phase of Heritage Quay development project.

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

Trade and Payments

Complete trade statistics were not available for the fourth quarter of 2002. The available data on cargo throughput revealed an expansion of 6.5 per cent in the volume of imports compared with the total in the corresponding quarter in 2001, attributable in part to increases in imports of general cargo, fuel and vehicles. The volume of exports declined by 16.4 per cent, reflecting a contraction in the export of general cargo. For the period January to December 2002 the volume of imports rose by 9.1 per cent to 546,016 tonnes, and exports increased by 5.6 per cent to 13,350 tonnes.

During the quarter under review gross inflows from travel were estimated to have increased by 12.0 per cent to \$164.2m, attributable to the growth in stay-over arrivals, the higher spending category of visitors. For the period January to December 2002 gross inflows from travel were estimated to have increased by 1.0 per cent to \$650.0m, reflecting the expansion in stay-over arrivals. Commercial banks recorded short-term capital outflows of \$101.8m during the quarter under review, compared with short-term capital outflows of \$105.3m in the corresponding quarter of 2001.

Central Government Fiscal Operations

Preliminary data on the fiscal operations of the central government revealed that performance improved during the fourth quarter of 2002 compared with the outturn in the corresponding period of 2001. An overall deficit of \$26.0m was recorded compared with one of \$45.5m in the corresponding quarter of 2001. This performance was attributed to increased inflows of capital grants. Receipts of capital grants amounted to \$18.1m, associated with the construction of two fisheries complexes. A current account deficit of \$33.9m was recorded compared with the deficit of \$19.2m in the fourth quarter of 2001. The widening of the deficit was largely associated with a contraction in current revenue and an expansion in current expenditure.

Current revenue declined by 5.3 per cent to \$99.2m, largely reflecting a decline in tax revenue. Tax revenue, which accounted for 87.8 per cent of current revenue, fell by 4.7 per cent to \$87.1m. Revenue from non-tax sources contracted by 9.7 per cent. The decline in tax revenue was partly attributed to a 39.3 per cent (\$4.8m) decrease in the yield from taxes on income and profits. This performance was largely influenced by a 34.3 per cent fall in receipts from corporation tax associated with the timing of payments. There was a



3.3 per cent (\$2.0m) reduction in collections from taxes on international trade and transactions, partly attributable to declines in revenue from the customs service charge and the consumption tax.

The yield from taxes on domestic goods and services rose by 15.2 per cent (\$2.5m), associated with increases in receipts from stamp duties (\$1.0m) and overseas calls (\$1.1m). In addition, receipts from the hotel room tax were up by \$0.5m, reflecting the increase in stay-over visitors.

Current expenditure increased by 7.4 per cent to \$133.0m relative to the total for the fourth quarter of 2001. The growth in current expenditure was largely associated with increases in outlays on goods and services (41.6 per cent) and personal emoluments (6.1 per cent). These increases were partly offset by reductions in interest payments and in expenditure associated with transfers and subsidies. The growth in expenditure on goods and services was attributed to the purchase of office supplies, furniture and equipment for a newly built office complex. The increase in outlays on personal emoluments partly reflected the payment of a bonus to the staff of the revenue collection departments.

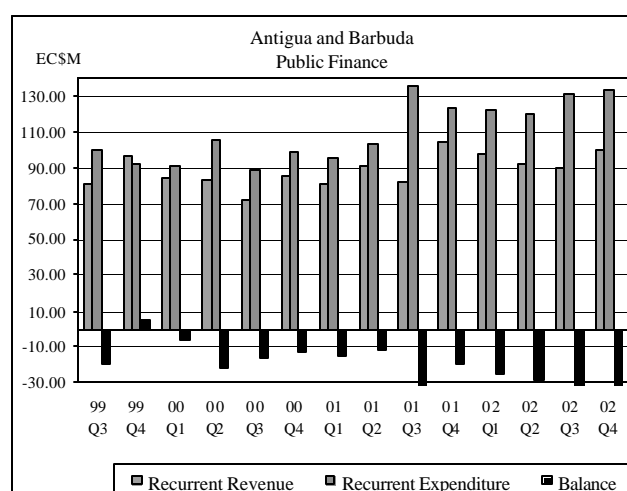
Capital expenditure was estimated to have decreased by 61.9 per cent (\$16.5m) relative to the amount in the fourth quarter of 2001 as a result of the completion of two major projects. Capital spending was associated with the hospital construction project and the first phase of the Heritage Quay expansion.

During the period January to December 2002 the fiscal position of the central government remained weak. A current account deficit of \$128.1m was realised compared with one of \$99.6m during 2001, due to increased spending which surpassed the growth in current revenue. Current expenditure expanded by 10.9 per cent to \$507.3m, reflecting increased outlays on goods and services. Increases were recorded in outlays on personal emoluments (\$13.2m), goods and services (\$37.7m) and transfers and subsidies (\$5.7m). An overall deficit of \$138.9m was realised compared with one of \$143.1m in 2001. The decrease in the overall deficit was attributed to a contraction in capital spending, as some of the major projects were in the completion stage.

Money and Credit

Total monetary liabilities (M2) rose by 2.7 per cent to \$1,522.1m during the fourth quarter of 2002 compared with growth of 3.4 per cent in the corresponding quarter of 2001, reflecting the increase in economic activity. The expansion in M2 was reflected in increases of 7.1 per cent and 1.6 per cent in the narrow money supply (M1) and quasi money respectively. Increases of 14.1 per cent in currency with the public and 4.5 per cent in private sector demand deposits accounted for the expansion in M1. Of the components of quasi money, decreases were recorded in private sector savings deposits (1.6 per cent) and foreign currency deposits (0.1 per cent). Time deposits expanded by 4.9 per cent.

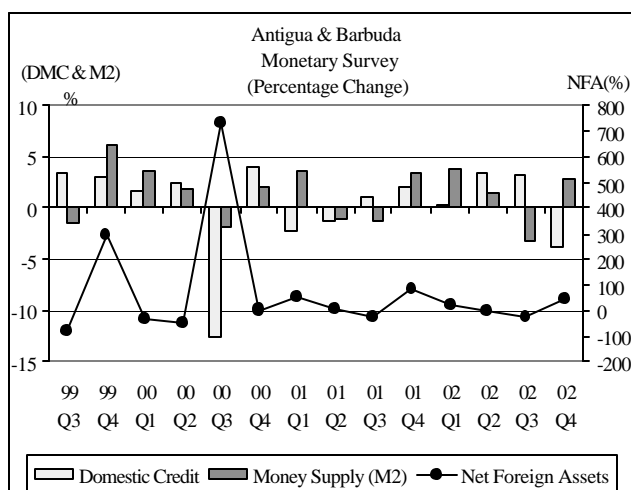
Chart 11



During the quarter under review domestic credit declined by 3.8 per cent to \$1,365.4m, in contrast to growth of 2.2 per cent in the fourth quarter of 2001. The contraction was attributed mainly to a fall in private sector credit. Outstanding credit to the private sector fell by 4.0 per cent to \$1,395.5m, associated with declines in lending to households (5.2 per cent) and businesses (2.8 per cent). The central government's net indebtedness to the banking system increased by 4.1 per cent to \$301.0m, largely associated with growth of 3.3 per cent (\$8.2m) in loans and advances from the commercial banking system.

An analysis of credit by economic activity revealed that credit for construction rose by 1.4 per cent (\$1.8m). Lending for personal use grew by 1.8 per cent (\$13.8m), while credit for manufacturing and distributive trades fell by 5.7 per cent (\$3.3m) and 1.4 per cent (\$2.9m) respectively.

Chart 12



The net foreign assets of the banking system rose by 40.0 per cent to \$385.0m compared with the increase of 83.6 per cent in the corresponding quarter of 2001, largely reflecting developments in the commercial banking sector. The net foreign assets of the commercial banks more than tripled. This

performance reflected growth in their net external assets held with institutions outside the Eastern Caribbean currency union (ECCU) combined with a decline in their net liabilities to institutions in the rest of the ECCU. Antigua and Barbuda's imputed share of the Central Bank's reserves grew by 3.7 per cent to \$236.6m.

Liquidity in the commercial banking system increased during the quarter under review. The ratio of liquid assets to total deposits plus liquid liabilities rose by 1.6 percentage points to 31.6 per cent. The loans and advances to deposits ratio decreased by 2.3 percentage points to 81.7 per cent. During the period under review there were some changes in interest rates. The maximum interest rate on time deposits from one to two years declined to 7.0 per cent from 9.0 per cent at the end of the previous quarter. The minimum prime lending rate increased by 0.5 percentage point to 10.5 per cent, while the maximum rate fell by 1.0 percentage point to 11.0 per cent. Interest rates on savings deposits remained stable and ranged from 3.0 per cent to 8.0 per cent.

Prospects

Economic activity in Antigua and Barbuda is expected to strengthen in 2003, based on anticipated developments in the construction sector and the tourism industry. The forecast is for value added in the construction sector to increase. Public sector activity is expected to focus on the construction of two fisheries complexes, while work on some private sector projects that began in the latter half of 2002 is likely to intensify in 2003. Growth in activity is also projected for the tourism industry, based on an anticipated increase in stay-over visitors as a result of additional airlift services. However, the threat of a US led war with Iraq could dampen consumer confidence and lead to a fall in visitor arrivals from some of the major markets.



The overall fiscal deficit of the central government is expected to widen in 2003, largely as a result of an anticipated increase in capital expenditure associated with the implementation of the public sector investment

programme. In the banking sector, an expansion in net foreign assets is projected and broad money is expected to increase in 2003 based on growth in economic activity.



DOMINICA

Overview

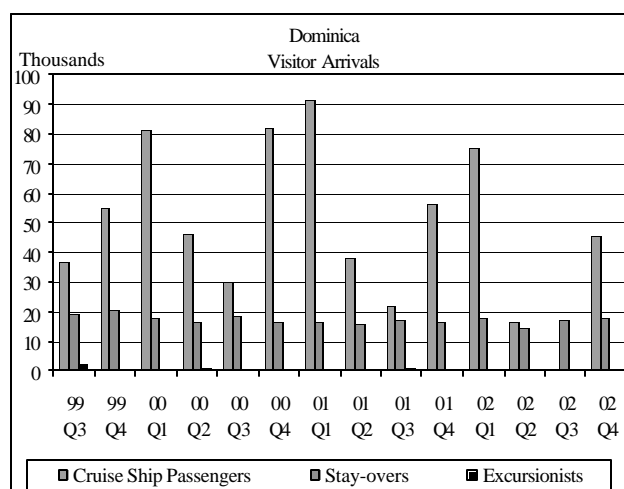
Economic activity was estimated to have contracted during the fourth quarter of 2002 compared with the level in the corresponding period in 2001, based on the performance in the main productive sectors. Output in the manufacturing sector fell as a result of competition on the export market. In the tourism industry total visitor arrivals fell, largely reflecting a decline in cruise ship arrivals as stay-over visitors increased. There was some improvement in performance in the agricultural and construction sectors. The fiscal performance of the central government continued to deteriorate, as reflected in a widening of the current account deficit compared with the position in the fourth quarter of 2001. On the external accounts, the merchandise trade deficit narrowed while gross inflows from travel services increased marginally. In the banking sector, total monetary liabilities rose at a faster rate than in the comparable period of 2001, while domestic credit fell, largely attributable to a decline in net borrowing by the central government. Commercial bank liquidity increased during the fourth quarter of 2002, mainly as a result of an increase in deposits associated with the inflow of funds in support of the IMF Stand-By Arrangement.

During the period January to December 2002 economic activity was estimated to have been below the level in 2001. Output in the agricultural and manufacturing sectors fell, while performance in the tourism industry weakened. The central government's fiscal accounts deteriorated, as reflected in a widening of the current account deficit. The overall balance of payments position was estimated to have improved in 2002 compared with the performance in 2001.

Output and Prices

Activity in the manufacturing sector was estimated to have declined during the fourth quarter of 2002 relative to the level for the corresponding period of 2001, largely as a result of competition on the export market. Soap production - the major activity in the sector - fell by 11.5 per cent to 2,786 tonnes and output of dental cream decreased by 18.5 per cent to 313 tonnes. These decreases more than offset a 46.5 per cent increase in output of beverages to 87,302 cases. During the period January to December 2002 performance in the manufacturing sector was weak compared with the outturn in the corresponding period of 2001. Production of soap decreased by 13.8 per cent to 9,171 tonnes. Output of dental cream fell by 16.5 per cent to 1,324 tonnes, while the production of beverages increased by 3.5 per cent to 235,434 cases.

Chart 13



Performance in the tourism industry was mixed during the fourth quarter of 2002 relative to the outturn in the corresponding period of 2001. Stay-over visitors, the highest spending category of visitors, increased by



8.4 per cent to 17,686 compared with the total in the fourth quarter of 2001 when arrivals fell as a result of the events of September 11. There was growth in arrivals from the USA (16.3 per cent), Canada (41.6 per cent) and the UK (8.4 per cent). Total visitor arrivals were estimated to have decreased by 13.1 per cent to 63,238, largely attributable to a 19.3 per cent fall in cruise ship passengers to 45,260, partly reflecting a fall in cruise ship calls.

For the period January to December 2002 total visitor arrivals contracted by 25.7 per cent to 204,999. This outturn reflected a fall in the number of cruise ship passengers by 34.1 per cent to 136,859, partly attributable to the discontinuation of visits by a major cruise line. The number of cruise ship calls fell to 186 from 231 in 2001. Stay-over visitors rose by 1.1 per cent to 67,108 compared with the total in 2001, influenced by increases in arrivals from the USA (1.7 per cent) and Canada (6.3 per cent). Visitors from the rest of the Caribbean, the largest market, fell by 0.8 per cent.

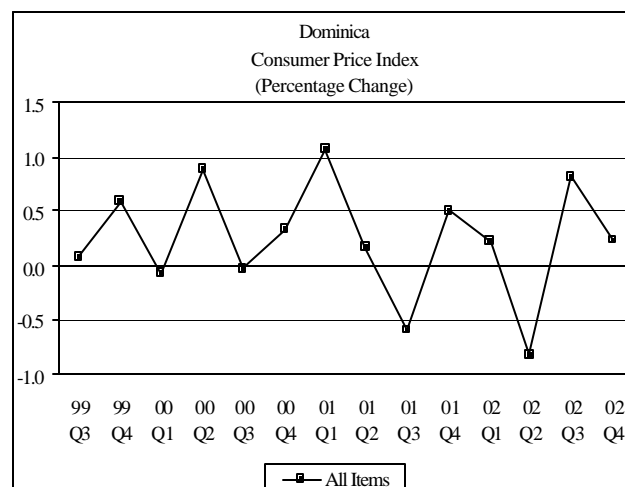
Output in the agricultural sector increased during the fourth quarter of 2002 compared with production in the corresponding period of 2001, attributable to developments in the banana industry. The production of banana - the major crop - rose by 0.9 per cent to 3,507 tonnes. During the period January to December 2002 banana output fell by 3.4 per cent to 16,985 tonnes, with most of the decline occurring in the first half of 2002, associated with the lingering effect of drought experienced in 2001.

During the fourth quarter of 2002 activity in the construction sector appeared to have expanded relative to the level for the corresponding period of the previous year. This assessment was based on an increase in the number of construction starts to 35 compared with 13 during the fourth quarter of 2001. The value of

construction starts amounted to \$7.9m during the period under review compared with \$2.7m in the corresponding period of 2001. Construction activity was driven in part by private sector investment in housing development.

For the period January to December 2002 the pace of construction activity was higher than that of 2001. The number of construction starts rose by 45.1 per cent to 132 compared with the total in 2001, while the value rose to \$31.8m from \$22.9m in 2001. This performance was largely associated with private sector foreign direct investment. Activity in the public sector declined as reflected by a 38.9 per cent fall in central government's capital expenditure, indicative of a low rate of implementation of the public sector investment programme.

Chart 14



Based on the new consumer price index consumer prices rose by 0.2 per cent on average during the fourth quarter of 2002 compared with the increase of 0.5 per cent in the corresponding period of 2001. This performance was reflected in increases in the "food" sub-index (0.2 per cent), which has the highest weight in the basket of consumer goods and services, and the "transport and communication" sub-index (0.8 per cent).

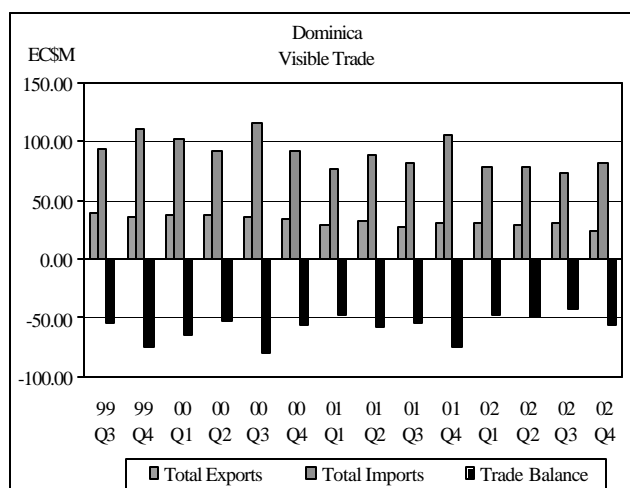


The increases were partly offset by declines in the sub-indices "clothing and footwear" (0.1 per cent) and "household and furniture equipment" (0.1 per cent).

Trade and Payments

In the fourth quarter of 2002 a merchandise trade deficit of \$57.5m was recorded, compared with one of \$75.5m during the corresponding period of 2001. The narrowing of the deficit was partly attributed to a 23.0 per cent decline in the import bill to \$81.2m, reflecting the contraction in economic activity. Export earnings fell by 20.8 per cent to \$23.8m, largely as a result of an 18.8 per cent decrease in earnings from domestic exports to \$22.9m. Of domestic exports, receipts from dental cream declined by 25.7 per cent (\$0.9m), while revenue from banana and soap exports increased by 6.9 per cent (\$0.3m) and 16.1 per cent (\$0.9m) respectively.

Chart 15



For the period January to December 2002 the merchandise trade deficit fell to \$198.2m from \$236.6m in 2001. This development was largely as a result of a 12.1 per cent decrease in the import bill to \$311.0m, consistent with the decline in economic activity. Export earnings declined by 3.7 per cent to \$112.8m, partly

reflecting lower receipts from dental cream and banana.

In the services account, gross inflows from travel were estimated to have increased by 0.2 per cent to \$25.6m during the fourth quarter of 2002 compared with the total in the corresponding period of 2001. This outturn was attributed to the increase in stay-over visitors. For the period January to December 2002 gross inflows from travel fell by 5.9 per cent to \$97.8m compared with the total in 2001, mainly attributable to a 34.1 per cent decrease in cruise ship passengers.

Central Government Fiscal Operations

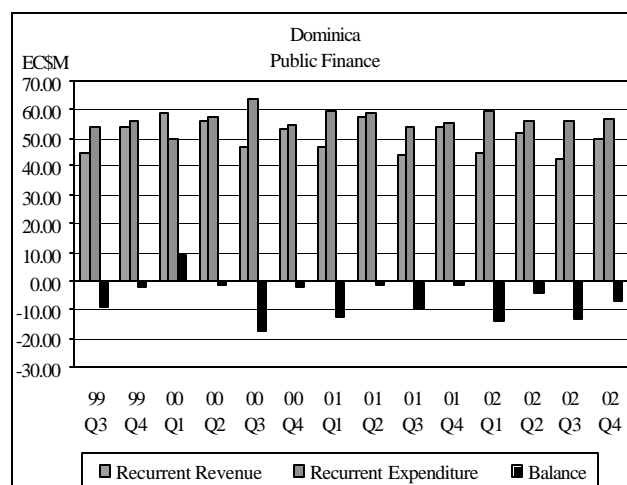
During the quarter under review the fiscal accounts of the central government deteriorated relative to the performance in the corresponding period of 2001. The current account operations resulted in a deficit of \$7.0m compared with one of \$1.4m in the fourth quarter of 2001. The widening of the deficit reflected a decline in revenue combined with an increase in expenditure. Current revenue declined by 6.7 per cent to \$49.9m, mainly attributable to a contraction of 37.4 per cent (\$4.2m) in non-tax revenue. Receipts from taxes rose by 1.3 per cent to \$42.9m, reflecting increases in revenue from taxes on income and profits of 7.1 per cent (\$0.7m) and taxes on domestic goods and services of 26.5 per cent (\$1.7m). The higher collections from taxes on domestic goods and services was influenced by growth of 26.9 per cent (\$1.1m) in receipts from the sales tax, as a result of the broadening of the base to include telecommunication services. Revenue from taxes on international trade and transactions fell by 8.8 per cent to \$23.4m, largely associated with a contraction of 12.0 per cent (\$1.9m) in receipts from consumption tax. This performance reflected in part a decline in receipts from petroleum related taxes, as government absorbed the increase in international fuel prices to keep the domestic price for fuel stable.



Current expenditure rose by 3.8 per cent to \$56.9m during the fourth quarter of 2002 relative to the total for the corresponding period in 2001. A 53.7 per cent (\$2.4m) rise in interest payments, largely external payments, contributed to the growth in current expenditure. Outlays on personal emoluments increased by 0.7 per cent (\$0.2m), while expenditure on transfers and subsidies expanded by 7.3 per cent (\$0.7m). By contrast expenditure on goods and services fell by 14.6 per cent (\$1.3m), indicative of the central government's efforts to reduce spending.

During the fourth quarter of 2002 capital expenditure and net lending doubled to \$11.5m compared with the total in the corresponding period of 2001. Capital revenue and grants amounted to \$7.6m compared with \$5.2m during the corresponding quarter of 2001. The developments in the current and capital accounts resulted in an overall deficit of \$10.9m, well above the deficit of \$1.9m during the fourth quarter 2001.

Chart 16



For the period January to December 2002 the overall deficit narrowed to \$48.5m from \$58.4m in 2001 as a result of lower capital expenditure. Capital expenditure and net lending amounted to \$36.5m

compared with \$62.4m during 2001, reflecting a decline in the rate of implementation of the public sector investment programme. Current revenue fell by 6.1 per cent to \$189.4m, while current expenditure rose by 0.7 per cent to \$228.5m. Consequently, a current account deficit of \$39.1m was realised compared with one of \$25.2m in 2001. The contraction in current revenue was mainly attributed to a decline in the yield from non-tax revenue (\$11.5m). Capital revenue and grant receipts decreased by 7.1 per cent to \$27.1m.

Money and Credit

Total monetary liabilities (M2) rose by 4.4 per cent to \$549.3m during the quarter under review compared with the increase of 1.9 per cent in the corresponding quarter of 2001. This development reflected growth of 1.0 per cent (\$4.4m) in quasi money and 21.2 per cent (\$18.6m) in the narrow money supply (M1). Of the components of quasi money, foreign currency deposits rose by 42.8 per cent (\$6.7m), while savings deposits and time deposits fell by 0.1 per cent (\$0.4m) and 1.2 per cent (\$1.9m) respectively. Of M1, demand deposits increased by 26.1 per cent (\$14.7m) and currency with the public grew by 12.4 per cent (\$3.9m). Compared with the position at the end of December 2001, total monetary liabilities expanded by 8.5 per cent (\$43.3m), reflecting growth in both quasi money (\$28.2m) and the narrow money supply (\$15.1m).

Domestic credit fell by 4.7 per cent to \$447.3m during the fourth quarter of 2002, in contrast to growth of 0.8 per cent in the corresponding quarter of 2001. This performance was influenced by a 26.1 per cent decline in net borrowing by the central government, attributable to an increase in deposits. The central government's deposits held at commercial banks increased by 44.6 per cent (\$18.8m), largely associated with the inflow of funds in support of the IMF Stand-By Arrangement. Credit to the central government



fell by 1.7 per cent (\$1.9m) largely reflecting a contraction in commercial bank loans and advances (\$1.8m).

During the fourth quarter of 2002 outstanding credit to the private sector increased by 0.8 per cent, in contrast to the decline of 0.6 per cent in the corresponding period of 2001. This development was mainly attributed to growth of 2.3 per cent (\$3.9m) in credit to businesses, as lending to households decreased by 0.1 per cent (\$0.3m).

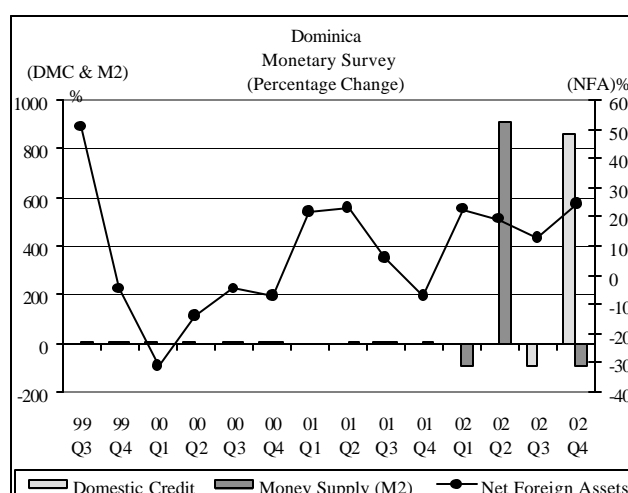
Compared with the position at the end of 2001 domestic credit declined by 11.2 per cent (\$56.4m), largely influenced by a 43.2 per cent (\$39.0m) contraction in net credit to the central government and a 1.4 per cent (\$6.4m) decrease in lending to the private sector.

An analysis of credit by economic activity for the fourth quarter of 2002 revealed declines in credit for construction (7.4 per cent), distributive trades (0.3 per cent), tourism (1.0 per cent) and for personal use (0.2 per cent). Lending for manufacturing increased by 13.2 per cent (\$2.8m). Compared with levels at the end of December 2001 credit for construction, tourism, distributive trades and personal use declined, indicative of the contraction in economic activity.

The counterpart to the growth in M2 was an expansion in net foreign assets. During the quarter under review the net foreign assets of the banking system increased by 24.5 per cent to \$201.8m in contrast to the decrease of 6.8 per cent in the corresponding period of 2001, partly associated with inflows in support of the stand-by programme. Dominica's imputed share of the reserves held at the Central Bank rose by 22.1 per cent to \$122.8m, while the net foreign assets of commercial banks expanded by 28.5 per cent to \$79.0m. The growth in the net

foreign assets of commercial banks was reflected in an increase of 16.4 per cent (\$22.4m) in assets held with banks and other institutions outside the Eastern Caribbean currency union. This development reflected excess liquidity as a result of the contraction in credit demand combined with growth in deposits. Compared with the position at the end of 2001, net foreign assets expanded by \$103.5m, reflecting growth in the net foreign assets of the commercial banks and Dominica's imputed share of ECCB reserves.

Chart 17



Liquidity in the commercial banking system increased during the fourth quarter of 2002 primarily as a result of the inflow of funds associated with the IMF Stand-By Arrangement. The liquid assets to total deposits plus liquid liabilities ratio increased by 4.2 percentage points to 36.3 per cent, while the loans and advances to deposits ratio fell by 5.8 percentage points to 71.6 per cent. The cash reserve to deposits ratio rose to 13.3 per cent from a revised figure of 10.8 per cent at the end of September 2002. Compared with the position at the end of 2001, liquidity improved. This was reflected in a 9.3 percentage point increase in the liquid assets to deposits plus liquid liabilities ratio and a 12.4 percentage point decrease in the loans and advances to total deposits ratio.



Following the reduction of the minimum rate on savings deposits by one percentage point to 3.0 per cent in the third quarter of 2002, the maximum rate on savings deposits fell by 2.0 percentage points to 3.5 per cent during the fourth quarter of 2002. The maximum rate on time deposits contracted by 0.5 percentage point to 8.0 per cent, while the maximum prime lending rate declined by 0.5 percentage point to 10.0 per cent. Consequently interest rates on time deposits ranged from 2.5 per cent to 8.0 per cent, while prime lending rates ranged from 8.5 per cent to 10.0 per cent.

Prospects

The prospects for growth in the economy of Dominica depend on the success of measures to stimulate economic activity, to be implemented under the stand-by arrangement. Activity in the construction sector is projected to expand, based in part on an anticipated increase in the rate of implementation of the PSIP. Output in the agricultural sector is projected to increase as a result of an improvement in farming and management techniques. Banana production is likely to increase as a result of measures introduced in 2002 to rehabilitate the industry and stimulate organic banana production. Growth in activity in the tourism industry is projected, based on a likely increase in cruise passenger arrivals. This projection is partly based on the cruise ship schedule for 2003, which shows an increase compared with 2002. However, in the event of a US led war with Iraq, visitor arrivals, particularly from the US, a major market, are likely to decline, assuming higher oil prices and a fall in consumer confidence which could dampen tourist traffic.

The current account deficit of the central government is expected to contract as revenue is projected to increase at a rate higher than that of expenditure. Revenue is projected to expand based

on the measures implemented in the latter half of 2002 in relation to the stabilisation programme. A higher intake is anticipated from consumption tax, particularly on oil products, based on an increase in fuel prices at the pump. Current expenditure is likely to increase as a result of higher interest payments. Spending on personal emoluments is projected to decline based on proposals to reduce the wage bill to a level consistent with the performance criteria under the IMF Stand-By Arrangement. Capital expenditure is projected to increase based on plans by the government to stimulate economic activity through the implementation of employment and income generating projects. Consequently the overall deficit is projected to widen.

Central government borrowing from the banking system and other domestic sources is likely to decline as government attempts to reduce its indebtedness and clear arrears. However, external borrowing is likely to increase to meet financing requirements. Given the IMF Stand-By Arrangement it is anticipated that the debt would be contracted on highly concessional terms.

The broad money supply is projected to increase in 2003, in line with the anticipated increase in economic activity. Domestic credit is expected to rise, influenced by growth in credit to the private sector. The net foreign assets of the banking sector are projected to fall.

In the external sector, the merchandise trade deficit is projected to widen based on an anticipated increase in the import bill associated with the likely expansion in the economy. Growth in gross travel receipts is projected, mainly as a result of an anticipated rebound in cruise ship visitors. A net inflow of commercial bank short-term capital is expected, based on a likely increase in demand for credit. Inflows of capital grants and external loan disbursements are expected, associated with the implementation of the PSIP.



GRENADA

Overview

During the fourth quarter of 2002 economic activity was estimated to have increased relative to the level in the comparable period in 2001. This outturn was influenced by expansions in activity in the tourism industry and agricultural sector. Performance in the manufacturing sector appeared to have weakened, while activity in the construction sector declined. The consumer price index increased during the period under review. The fiscal operations of the central government deteriorated, as reflected by the current account balance which showed a deficit of \$7.6m in contrast to the surplus of \$11.1m in the fourth quarter of 2001. In the banking sector, domestic credit grew at a higher rate compared with the increase in the fourth quarter of 2001. Total monetary liabilities (M2) increased, while net foreign assets contracted. Commercial bank liquidity remained high. There were some downward movements in interest rates during the quarter under review.

For the period January to December 2002 economic activity appeared to have contracted compared with the level in 2001. In the tourism industry total visitor arrivals fell by 3.0 per cent, largely reflecting a decline in cruise ship visitors. Activity in the construction and manufacturing sectors was estimated to have declined. Output in the agricultural sector was estimated to have expanded, attributable to growth in the output of nutmeg, mace and cocoa. The fiscal operations of the central government resulted in a narrowing of the overall deficit, due to a reduction in capital expenditure as the current account balance deteriorated.

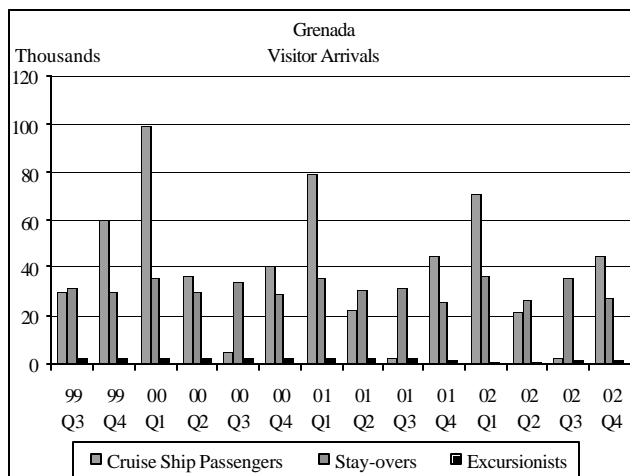
Output and Prices

During the fourth quarter of 2002 performance in the agricultural sector improved compared with the outturn in the corresponding period of 2001. This development was influenced by an increase in the production of traditional crops. Output of nutmeg more than tripled to 668 tonnes, reflecting an improvement in the yield. Production of mace and cocoa also rose substantially, to 30 tonnes and 139 tonnes respectively. Banana production increased by 1.7 per cent to 119 tonnes as a result of favourable weather. For the period January to December increases were recorded in output of nutmeg (40.8 per cent), mace (9.9 per cent) and cocoa (27.3 per cent). Banana production fell by 9.3 per cent to 514 tonnes with most of the decline occurring in the first half of 2002, partly reflecting the lingering effects of drought in 2001.

Tourism activity was estimated to have increased in the fourth quarter of 2002 relative to the outturn in the corresponding period of 2001 when the industry was adversely affected by the September 11 attack on the US. Total visitor arrivals increased by 3.2 per cent to 73,967, primarily reflecting an increase of 8.5 per cent in the number of stay-over visitors to 27,930. The increase in stay-over arrivals was influenced largely by growth in visitors from Europe (10.7 per cent) and the USA (8.0 per cent), as a result of additional airlift services from those markets during the quarter under review. The number of cruise ship passengers was estimated to have increased by 0.3 per cent to 44,750, while excursionists declined by 4.9 per cent to 1,287.



Chart 18



During the period January to December 2002 total visitor arrivals fell by 3.0 per cent to 269,192. This performance reflected a 5.8 per cent decline in cruise ship passengers to 138,850 as a result of the cancellation of visits by a major cruise line. There was a 2.1 per cent increase in stay-over visitors to 125,977, reflecting growth in visitors from the USA (14.6 per cent) and the Caribbean (14.0 per cent).

In the manufacturing sector performance appeared to have been weak, partly due to competition on the export market. There were contractions in the output of flour (21.6 per cent), beer (5.3 per cent), rum (11.2 per cent) and soft drinks (6.4 per cent). Production of stout increased by 37.8 per cent.

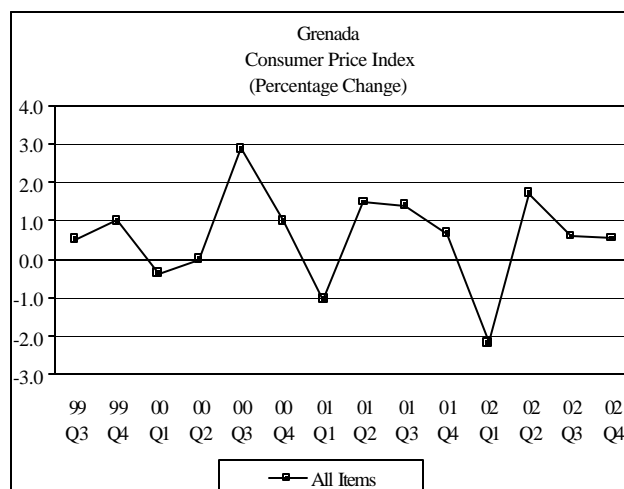
Data for the period January to December 2002 indicated increases in the production of beer (2.7 per cent), rum (29.5 per cent) and stout (23.9 per cent). Output of soft drinks decreased by 6.0 per cent, associated in part with a fall in demand on the regional market. Production of flour contracted by 9.9 per cent.

During the quarter under review construction activity appeared to have decreased relative to the level

in the corresponding period of 2001. Information on retail sales of building materials, an indicator of construction activity, revealed a 1.5 per cent reduction in sales during the quarter under review. The pace of construction activity in the public sector appeared to have slowed as a result of the completion of phase I of the new general hospital. Ongoing public sector projects during the period included road rehabilitation, bridge maintenance and low cost housing development. Based on commercial bank data private sector residential construction activity appeared to have contracted. Commercial bank lending for home construction and renovation fell by 0.2 per cent in contrast to growth of 1.2 per cent in the fourth quarter of 2001.

Over the period January to December 2002 construction activity was estimated to have declined compared with the performance in 2001, partly as a result of the completion of phase I of the new general hospital and a major road rehabilitation project in the public sector. The number of construction starts amounted to 553 compared with 561 during 2001. Retail sales of building materials were estimated at \$33.2m compared with \$34.7m in 2001.

Chart 19

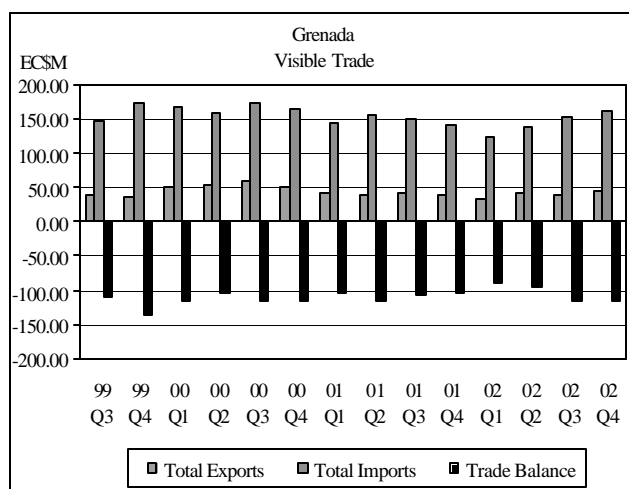


Based on the old consumer price index, consumer prices rose by 0.5 per cent on average during the quarter under review compared with the 0.7 per cent increase recorded in the corresponding period of 2001. The "food, drink and tobacco" sub-index which has the highest weight rose by 0.8 per cent compared with 1.5 per cent in the fourth quarter of 2001. Prices in the "housing and household expenses" sub-index fell by 0.1 per cent, in contrast to the increase of 0.1 per cent in the fourth quarter of 2001.

Trade and Payments

Preliminary data for the fourth quarter of 2002 indicated that the merchandise trade deficit increased, reflecting growth in imports. A trade deficit of \$116.5m was recorded compared with one of \$102.4m during the corresponding period in 2001. The value of imports expanded by 14.2 per cent, partly reflecting the increase in economic activity. Earnings from exports rose by 15.5 per cent to \$44.4m, associated with an increase in nutmeg earnings.

Chart 20



During the period January to December 2002 a visible trade deficit of \$416.5m was recorded compared

with one of \$431.1m in 2001. Export revenues decreased by 2.1 per cent to \$157.3m, while the import bill fell by 3.0 per cent to \$573.8m.

Gross visitor expenditure was estimated at \$49.2m for the fourth quarter of 2002, representing an increase of 2.8 per cent compared with the total in the corresponding period of 2001, influenced by the growth in stay-over visitors. For the period January to December 2002 gross visitor expenditure was estimated to have increased by 0.6 per cent to \$226.6m, reflecting the growth in stay-over arrivals. In the capital and financial account net inflows of portfolio investment increased, reflecting receipts from the issue of a US\$100m bond by the central government to restructure debt. Inflows of official loans amounted to \$3.4m compared with \$7.6m in the fourth quarter of 2001. Outflows in relation to principal repayments rose to \$7.9m from \$4.0m in the fourth quarter of 2001, as government retired some of its debt. The commercial banks' transactions resulted in a net inflow of \$14.0m compared with one of \$21.5m in the fourth quarter of 2001. The transactions on the current and capital account of the balance of payments resulted in an overall surplus of \$38.9m compared with one of \$20.1m in 2001.

Central Government Fiscal Operations

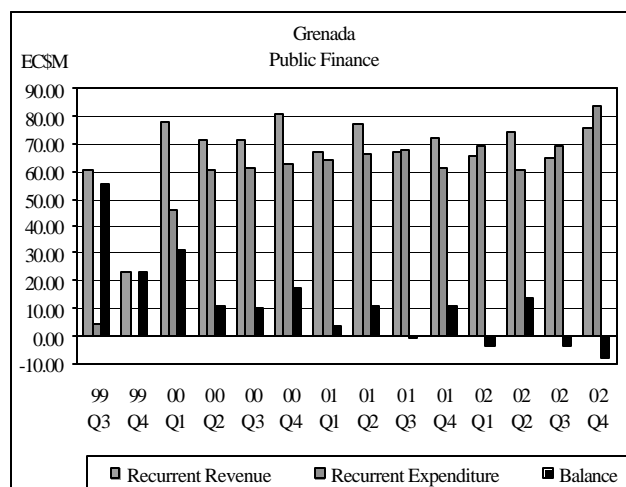
During the quarter under review the central government recorded a current account deficit of \$7.6m in contrast to the surplus of \$11.1m in the corresponding period of 2001. The deterioration in the current account position was attributed primarily to growth of 36.6 per cent in current expenditure to \$83.1m, associated with an increase in external interest payments. Interest payments amounted to \$20.1m compared with \$4.7m in the fourth quarter of 2001, largely reflecting an increase in external interest payments associated with



the bond issue. Outlays on goods and services increased by 51.3 per cent to \$17.1m, reflecting payments to the local water and sewage authority.

During the fourth quarter of 2002 current revenue increased by 5.0 per cent to \$75.5m in contrast to the decline of 10.6 per cent in the corresponding period of 2001. Receipts from taxes increased by 8.5 per cent to \$68.5m, primarily associated with collections from taxes on property which increased nearly fivefold to \$7.8m, partly reflecting an improvement in tax administration. The yield from taxes on international trade and transactions rose by 3.8 per cent to \$41.1m, attributable to an increase of 7.5 per cent in import duty to \$9.8m, reflecting the growth in imports.

Chart 21



During the fourth quarter capital expenditure amounted to \$36.3m, roughly 25.2 per cent below the level in the corresponding period of 2001, due in part to a lower rate of implementation of the PSIP. Grant receipts totalled \$6.6m compared with \$16.9m in the fourth quarter of 2001. An overall fiscal deficit of \$37.1m was recorded compared with the deficit of \$20.5m in the corresponding period of 2001. The deficit was financed from the proceeds of the US\$100.0m bond floated in 2001.

For the period January to December 2002 an overall deficit of \$91.3m was recorded compared with one of \$92.4m during 2001. A current account deficit of \$1.1m was recorded in contrast to the surplus of \$24.6m in 2001. This deterioration in the current account balance was partly attributed to growth of 8.8 per cent in current expenditure to \$280.8m, reflecting an increase in external interest payments associated with the settlement of some debts. Current revenue fell by 1.0 per cent to \$279.8m, largely attributable to a decrease in non-tax revenue. There were declines of 28.4 per cent and 47.9 per cent in capital expenditure and grants respectively, partly reflecting the completion of phase I of the general hospital and the slowdown in the rate of implementation of the PSIP.

Money and Credit

During the quarter under review total monetary liabilities (M2) grew by 2.4 per cent to \$1,167.4m, reflecting in part the expansion in economic activity. Of the components of M2, the narrow money supply increased by 8.0 per cent (\$15.7m), influenced by growth in both currency with the public and demand deposits. Quasi money, which accounted for 81.8 per cent of M2, rose by 1.2 per cent (\$11.1m), reflecting a 4.5 per cent (\$27.2m) increase in private sector savings deposits. There were declines of 4.5 per cent (\$11.4m) and 5.6 per cent (\$4.7m) in private sector time deposits and foreign currency deposits respectively.

During the fourth quarter of 2002 domestic credit grew by 7.9 per cent to \$928.2m compared with the increase of 4.7 per cent in the corresponding period of 2001. The growth in domestic credit was primarily associated with a near sixfold increase in net credit to the central government, reflecting a contraction in deposits. During the period under review the central government's deposits at the Central Bank decreased by 73.2 per cent to \$27.6m compared with growth of



9.9 per cent during the corresponding period of 2001. The decrease in deposits reflected a drawdown of proceeds from the bond for debt repayments. Credit from the commercial banking sector to the central government decreased by 9.6 per cent to \$115.6m, reflecting a reduction in loans and advances. The central government's stock of debt with the Central Bank fell by 36.1 per cent to \$5.6m. In the rest of the public sector the net deposits of the non-financial public enterprises decreased by 26.0 per cent to \$31.9m, reflecting a 9.1 per cent increase in credit.

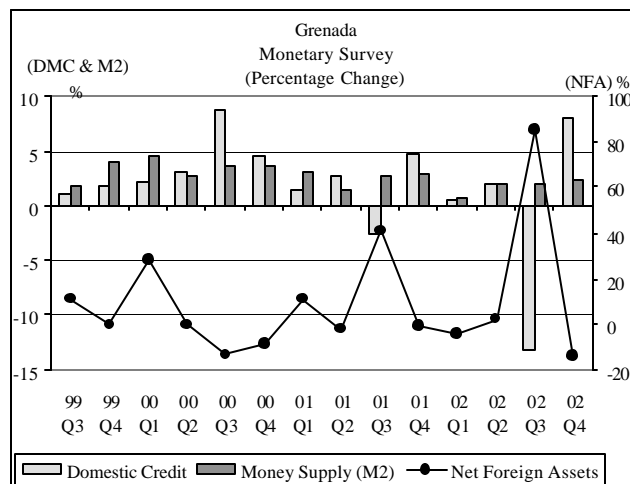
Credit to the private sector increased marginally by 0.1 per cent to \$896.2m, attributable to a 2.3 per cent expansion in loans to households as credit to businesses contracted by 3.4 per cent. An analysis of commercial bank credit by economic activity indicated that lending to the agricultural sector including fisheries increased by 35.0 per cent in contrast to the 0.9 per cent decline in the fourth quarter of 2001. Loans for tourism fell by 2.9 per cent, while credit for manufacturing and construction rose by 3.4 per cent and 3.8 per cent respectively. Credit extended for personal use expanded by 2.2 per cent, partly reflecting increased lending for home construction and renovation.

The net foreign assets of the banking system declined by 13.9 per cent to \$327.7m, during the quarter under review, attributable to a contraction in the commercial banks' net foreign assets and Grenada's imputed share of the Central Bank's reserves. Commercial banks' net foreign assets declined by 13.4 per cent to \$90.6m, partly associated with a 10.0 per cent (\$30.4m) reduction in assets held with institutions outside the Eastern Caribbean currency union. Grenada's imputed share of the reserves held at the Central Bank decreased by 14.1 per cent to \$237.2m.

Over the quarter under review liquidity within the banking system remained fairly high. The ratio of liquid

assets to total deposits plus liquid liabilities was 28.3 per cent, roughly 0.6 percentage point below the level at the beginning of the quarter. The ratio of loans and advances to total deposits decreased by 1.9 percentage points to 72.5 per cent due to a contraction of 0.6 per cent in credit.

Chart 22



During the fourth quarter of 2002 there were some changes in interest rates. The maximum rates on savings and demand deposits declined by 1.0 percentage point and 1.8 percentage points respectively. The maximum rate on time deposits in the 6 to 12 months category decreased by 1.5 percentage points.

Prospects

Economic activity in Grenada is expected to improve in 2003, fuelled by an anticipated increase in value added in the construction and agricultural sectors. Tourism activity will depend on the resolution of the conflict between the US and Iraq.

Activity in the construction sector is expected to include work on a new cruise ship terminal estimated to cost US\$26.5m, phase II of the general hospital



(estimated cost \$30.5m), as well as on ongoing improvements to bridges and roads. Major private sector investment projects likely to spur activity in the construction sector in 2003 include the Levera Project in St Patrick's and the Lagoon marina and hotel project in St George's. Agricultural production is expected to benefit from irrigation development, the start of a rural credit scheme and a government guaranteed loan for organic farming.

The overall financial position of the central government is likely to remain in a deficit position due to an anticipated increase in capital expenditure associated with the implementation of the public sector investment programme. With the anticipated increase in economic activity, the merchandise trade deficit is expected to widen as a result of growth in imports. Liquidity within the banking system is projected to decrease, due in part to an anticipated increase in private sector borrowing as a result of the likely expansion of the economy.



MONTSERRAT

Overview

Based on preliminary reports on developments in the construction sector, economic activity was estimated to have increased during the fourth quarter of 2002 in comparison with the level in the corresponding quarter of 2001. In the external sector the merchandise trade deficit widened. The fiscal operations of the central government resulted in a larger current account deficit compared with the position in the fourth quarter of 2001. Total monetary liabilities and net foreign assets declined. Liquidity in the commercial banking system remained at a high level.

For the period January to December 2002 economic activity was estimated to have increased, driven in part by an expansion in the construction sector. The fiscal operations of the central government resulted in a widening of the current account deficit. The net foreign assets of the banking system rose, while a decline was recorded in monetary liabilities.

Output and Prices

Construction activity increased during the fourth quarter of 2002 relative to the corresponding quarter of 2001. This performance was influenced by a higher level of activity in both the public and private sectors, largely associated with ongoing projects including the construction of a mortuary, port development and a building for the Red Cross. Residential construction activity appeared to have also increased. This assessment was based on commercial bank data, which showed that lending for home construction and renovation rose by 11.9 per cent. During the quarter under review the number of building starts was 22 compared with 2 in the fourth quarter of 2001. For the

period January to December 2002 construction activity was above the level in 2001, driven by increased investment by the public and private sectors.

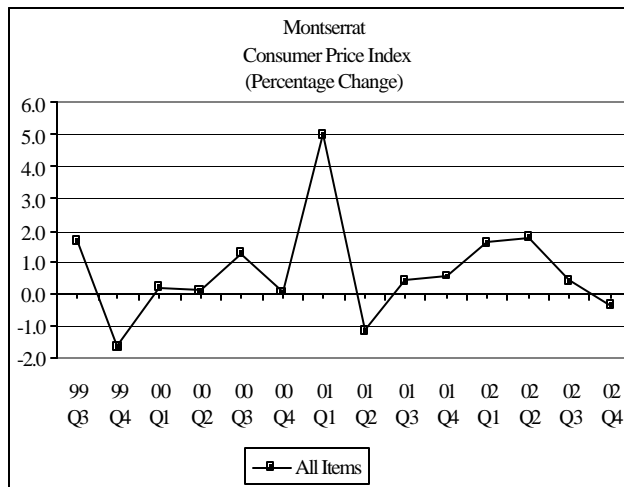
Provisional data on the tourism industry indicated a weak performance during the fourth quarter of 2002 compared with the outturn in the corresponding quarter of 2001. Total visitor arrivals fell by 18.2 per cent to 3,272, reflecting declines in stay-over visitors and excursionists. The number of stay-over visitors fell by 16.6 per cent to 2,317 and excursionists decreased by 21.7 per cent to 955. During the quarter under review the tourism industry continued to be adversely affected by the ongoing volcanic activity. In October 2002 a major hotel and some villas on the fringe of the unsafe zone were forced to close their operations after receiving a relocation notice. Of stay-over visitors, decreases were recorded in arrivals from two of the major markets - the UK (2.9 per cent) and the Caribbean (30.8 per cent). Stay-over visitors from the USA rose by 1.5 per cent.

For the period January to December 2002 total visitors contracted by 10.7 per cent to 13,947. Stay-over visitors amounted to 8,816, roughly 10.0 per cent below the total for 2001. Excursionists fell by 11.8 per cent to 5,131. The decrease in stay-over visitors was reflected in declines in visitors from the UK (2.0 per cent) and the Caribbean (20.7 per cent). Stay-over visitors from the USA rose by 8.8 per cent.

Based on the old consumer price index, consumer prices fell by 0.4 per cent on average during the quarter under review. The decline was influenced by decreases in the sub-indices "food" (0.7 per cent) and "gas, electricity and water" (1.0 per cent).



Chart 23



Trade and Payments

During the fourth quarter of 2002 the merchandise trade deficit widened. A deficit of \$17.2m was recorded compared with one of \$13.6m in the corresponding quarter of 2001. This outcome reflected growth of 25.7 per cent in imports, largely attributable to an increase in fuel imports and the expansion in construction activity. Earnings from exports rose by 13.6 per cent (\$0.1m). On the services account, gross travel receipts were estimated to have decreased by 13.0 per cent to \$5.5m, consistent with the fall in visitor arrivals. Consequently, the current account deficit on the balance of payments was estimated to have widened. On the capital and financial account the transactions of the commercial banks resulted in a net inflow of \$9.7m. Capital grants amounted to \$9.1m compared with \$11.7m in the fourth quarter of 2001. The inflows in the capital and financial account contributed to an overall balance of payments surplus of \$2.2m.

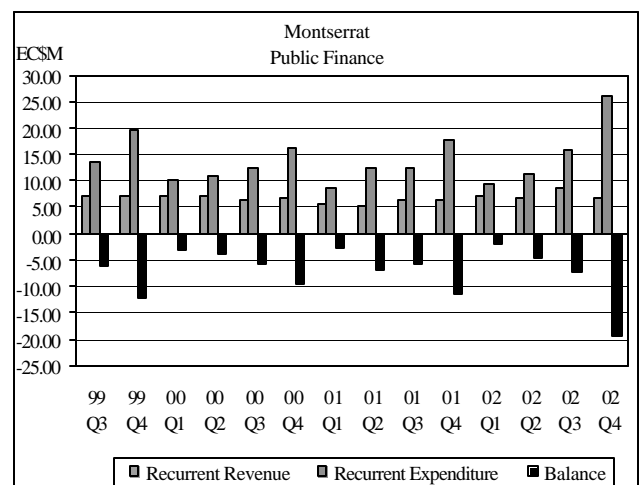
For the period January to December 2002 the trade deficit widened to \$64.8m from \$50.3m in 2001, because of a higher import bill. Import payments rose by 31.4 per cent to \$68.7m. Export earnings more

than doubled to \$4.0m. Gross inflows from travel were estimated to have decreased by 6.5 per cent to \$21.4m. Commercial banks' transactions resulted in a net outflow of \$1.0m in short-term capital, while inflows of capital grants fell by 23.3 per cent to \$35.8m.

Central Government Fiscal Operations

Complete fiscal data were not available for the period under review. Estimates revealed that the fiscal operations of the central government resulted in a current account deficit before grants of \$19.1m compared with one of \$11.3m in the corresponding quarter of 2001. The widening of the deficit was attributed to a 44.0 per cent increase in current expenditure to \$25.8m, that was partly offset by a marginal increase of 1.5 per cent in current revenue.

Chart 24



The increase in current expenditure was broad based. Outlays on personal emoluments rose by 47.5 per cent (\$3.5m), largely as a result of a 10.0 per cent salary increase awarded to civil servants during the year. Expenditure on goods and services was 22.4 per cent above the total in the fourth quarter of 2001. Outlays associated with transfers and subsidies more than doubled to \$4.6m. The increase largely reflected

the operational and maintenance expenses of the ferry and helicopter, which became the responsibility of the government in the early months of 2002.

The increase in current revenue was largely attributed to an expansion in receipts from taxes on international trade and transactions. Of this component, higher receipts were recorded from import duties, consumption tax and the customs service charge reflecting the growth in imports. Of the other tax categories, there was a 72.7 per cent (\$0.3m) decline in revenue from property tax and a 71.4 per cent (\$1.0m) decrease in receipts from company taxes. In the corresponding quarter of 2001 a lump sum payment for company tax was made. Non-tax revenue fell by 60.0 per cent (\$0.3m).

Capital expenditure fell by 21.8 per cent to \$9.1m. Total grants amounted to \$14.5m compared with receipts of \$19.0m in the fourth quarter of 2001. The developments in the current account contributed to a deterioration of the overall balance, which recorded a deficit of \$13.7m up from the deficit of \$4.0m in the fourth quarter of 2001.

Estimates for the period January to December 2002 revealed a current account deficit of \$33.4m before grants compared with one of \$27.0m in 2001. The higher current account deficit resulted from a 22.4 per cent (\$11.4m) increase in expenditure. Current revenue grew by 21.0 per cent to \$29.3m, largely reflecting an increase in non-tax revenue and higher receipts from taxes on international trade and transactions.

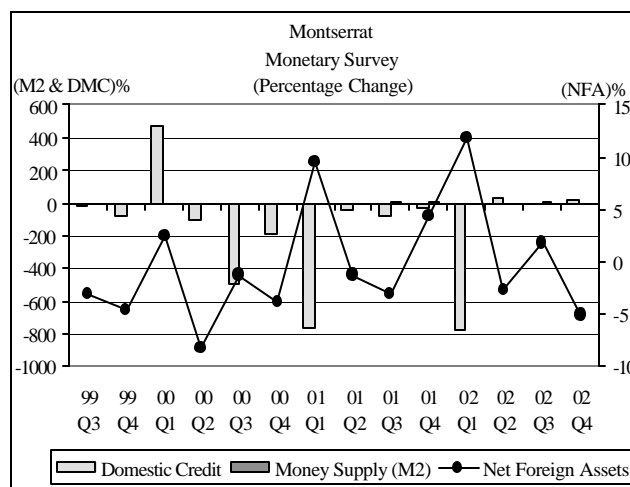
Money and Credit

During the fourth quarter of 2002 total monetary liabilities (M2) fell by 1.4 per cent to \$99.8m, in contrast

to growth of 2.4 per cent in the corresponding quarter of 2001. This performance was attributed to a contraction of 4.0 per cent in quasi money to \$73.5m, reflecting declines in all its sub-categories. Private sector savings deposits fell by 2.9 per cent (\$2.0m), largely attributable to a withdrawal by a single entity. Time and foreign currency deposits decreased by 15.1 per cent (\$0.7m) and 12.2 per cent (\$0.4m) respectively. The narrow money supply (M1) grew by 7.0 per cent to \$26.3m. Of the components of M1, currency with the public was higher by 12.3 per cent, and private sector demand deposits rose by 3.5 per cent to \$15.5m.

During the quarter under review the net deposits of the central government expanded by 2.2 per cent (\$0.5m) compared with the position at the end of the previous quarter. The central government's deposits with the banking system rose by 7.2 per cent (\$24.9m), while its indebtedness grew by 64.1 per cent to \$3.1m. The net deposits of the non-financial public enterprises were lower by 0.9 per cent (\$0.1m). Credit to the private sector rose 4.0 per cent (\$0.9m) during the quarter under review, largely influenced by growth in lending to households.

Chart 25



An analysis of credit by economic activity revealed a 6.7 per cent (\$1.2m) expansion in lending for personal use, mainly reflecting a 20.1 per cent (\$0.2m) increase in credit for durable consumer goods and growth of 11.9 per cent (\$1.2m) in credit for home construction and renovation.

The net foreign assets of the banking system fell by 5.2 per cent to \$136.3m, reflecting developments in the commercial banking system. At the end of December 2002 commercial banks recorded net foreign assets of \$97.4m, down from \$107.1m at the end of the previous quarter. This performance reflected an 11.3 per cent decline in assets held with banks and other institutions in the rest of the Eastern Caribbean currency union. Montserrat's imputed share of the reserves held by the ECCB increased by 6.1 per cent to \$38.9m.

The commercial banking system continued to experience a high level of liquidity during the quarter under review. The ratio of liquid assets to total deposits plus liquid liabilities stood at 76.4 per cent at the end of the quarter under review. The loans and advances to deposits ratio increased by 1.7 percentage points to 17.0 per cent.

In the quarter under review interest rates remained relatively unchanged with the exception of the rates offered on time deposits. The minimum rate offered on all time deposits fell by 1.0 percentage point to 2.0 per cent. Interest rates on saving deposits ranged from 3.0 per cent to 4.5 per cent, while time deposit rates ranged from 2.0 per cent to 5.3 per cent.

Prospects

Economic activity is projected to increase in 2003. This outlook is based on an anticipated expansion in construction activity associated with ongoing and planned public sector projects. These include airport development, ongoing work on the seaport, housing and infrastructural work at Little Bay. The central government's fiscal position is expected to remain weak in 2003 given the newly acquired responsibility of maintaining the helicopter and ferry services and the volcano observatory. The banking system is expected to continue to exhibit a high level of liquidity. Monetary liabilities are projected to increase, based on the anticipated expansion in economic activity.



ST KITTS AND NEVIS

Overview

Based on preliminary information on performance of the main productive sectors, economic activity during the fourth quarter of 2002 appeared to have been below the level in the corresponding quarter of 2001. Activity in the tourism industry was estimated to have declined, reflecting a reduction in both stay-over visitors and cruise ship passengers. Value added in the construction sector was below that in the fourth quarter of 2001, as a result of the winding down or completion of some public and private sector projects. Output in the agricultural sector was estimated to have decreased, partly as a result of a decline in acreage under crop production. The fiscal performance of the central government including the Nevis Island Administration (NIA) improved, as reflected in a narrowing of the overall deficit. The commercial banking system was very liquid. Interest rates on savings deposits remained stable during the quarter under review. The consumer price index remained relatively flat.

The weak economic performance in the last quarter contributed to a slowdown in the pace of activity in 2002, as real GDP growth for the period January to December 2002 was estimated to be below the rate for 2001. Growth in 2002 was driven by increases in value added in the agricultural and wholesale and retail trade sectors. In the tourism industry, visitor arrivals fell, partly reflecting the fallout from the events of September 11 and the temporary closure of a major hotel from early December. There was a decline in construction activity, partly as a result of the completion of some major projects that commenced in 2001. The overall deficit on the central government's fiscal accounts narrowed.

Output and Prices

During the fourth quarter of 2002 performance in the tourism industry appeared to have weakened compared with the outturn in 2001. Total visitor arrivals were estimated to have decreased by 52.8 per cent to 58,032. Stay-over visitors, the largest spending category, were estimated to have declined by 2.5 per cent to 17,923 during the fourth quarter of 2002 compared with the decrease of 10.0 per cent during the corresponding quarter of 2001. The contraction in stay-over arrivals was attributed to a fall in arrivals from Canada (60.2 per cent) and the UK (35.5 per cent). The decline in arrivals from Canada was associated with the cancellation of a weekly charter flight from that market in December, largely as a result of the temporary closure of a major hotel. Arrivals from the UK continued to experience declines, partly due to the unavailability of direct airlift services from that market. Arrivals from the USA, the major market, were estimated to have increased by 4.5 per cent during the quarter under review in contrast to the decline of 10.6 per cent during the corresponding quarter of 2001, when the industry was adversely affected by the events of September 11. Visitors from the Caribbean market rose by 17.9 per cent, partly associated with the hosting of regional workshops and conferences by organisations and institutions in St Kitts and Nevis.

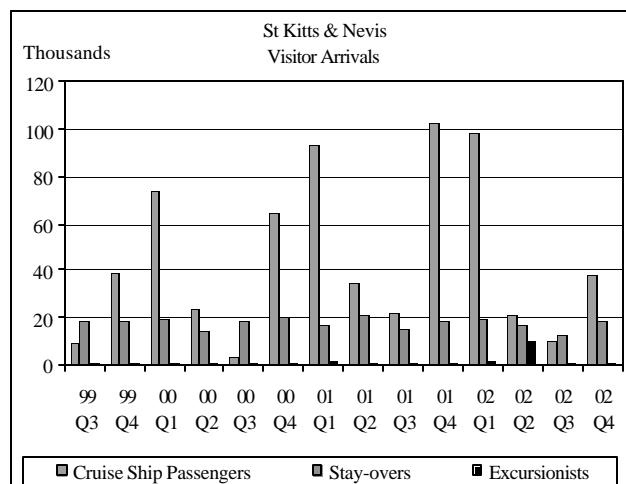
The number of cruise ship passengers fell by 63.3 per cent to 37,538 during the fourth quarter of 2002 compared with the total during the corresponding period of 2001. This performance was consistent with a 51.7 per cent decline in the number of cruise ship calls.



The reduction was mainly attributed to the discontinuation of weekly visits by a major cruise line. Yacht passengers rose by 16.4 per cent to 1,749.

For the period January to December 2002 total visitors arrivals fell by 27.0 per cent to 243,198, largely on account of a 33.9 per cent reduction in cruise ship passengers. Stay-over visitors declined by 4.3 per cent to 67,531. Excursionists rose by 5.2 per cent, while yacht passengers decreased by 25.4 per cent.

Chart 26



Activity in the construction sector declined during the fourth quarter of 2002 compared with the performance in the fourth quarter of 2001. This outturn was a result of the completion or near completion of a number of public sector projects, in particular the Basseterre Fisheries Complex, reconstruction of the berthing facilities at Port Zante, rehabilitation work at the Alexandra Hospital and reconstruction of the island main road in Nevis. During the quarter under review ongoing work included reconstruction of the general hospital in St Kitts, construction of an hotel training school and expansion of some schools. In the private sector work continued on a US\$400.0m hotel resort and casino scheduled to be opened in the first quarter of 2003, and expansion of a major hotel in Nevis.

Partly reflecting the decline in construction activity during the quarter was a 53.0 per cent fall in the volume of quarry aggregates sold to 17,485.6 tonnes compared with the total in the fourth quarter of 2001.

In the period January to December 2002 value added in the construction sector was estimated to have contracted following growth of 4.3 per cent in 2001. The contraction was attributed to the completion or near completion of work on a number of public and private sector projects. In 2002 work was completed on the hospital rehabilitation, reconstruction of the island main road and construction of the Vance Amory Airport terminal building in Nevis, the Basseterre Fisheries Complex and headquarters for a development bank and for a credit card company in St Kitts.

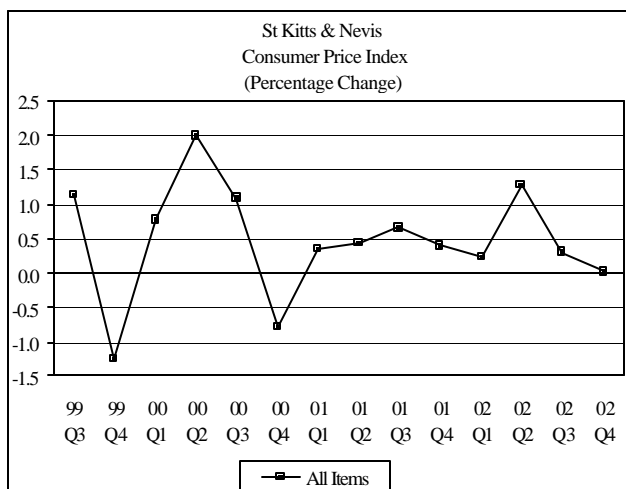
Output in the agricultural sector contracted during the quarter under review compared with the outturn in 2001. This performance was attributed to a 32.9 per cent fall in output of vegetable and root crops to 124,740 pounds, associated with reduced production of watermelon (71,720 pounds) and peanut (9,460 pounds). The reductions were the result of decreases in acreage under cultivation. In the livestock sub-sector output of beef, mutton and pork increased, partly attributable to intensified marketing by the Department of Agriculture.

For the period January to December 2002 value added in the agricultural sector was estimated to have expanded compared with the performance in 2001, based in part on an increase in sugar cane production. Output of sugar cane rose by 7.6 per cent to 227,650 tons. Output of food crops and vegetables increased by 24.4 per cent to 1,282,600 pounds, largely attributed to growth in tomatoes, carrots, sweet peppers and cabbage. The expansion in crop production was attributed to favourable weather, improved extension services and insect pest control.



Complete data on activities in the manufacturing sector were not available for the fourth quarter of 2002. The available data indicate that output of blocks fell by 5.1 per cent, while production of premix concrete rose by 16.8 per cent compared with the totals in the fourth quarter of 2001. Production of aerated drinks and beverages rose by 6.6 per cent. Based on data and information from some of the manufacturing companies, the output of electronic components appeared to have been above the level in the fourth quarter of 2001.

Chart 27



During the quarter under review consumer prices, based on the new price index, remained relatively stable. There were increases in the sub-indices "alcoholic drinks and beverages" (0.1 per cent), "clothing and footwear" (0.8 per cent), "education" (0.2 per cent) and "household furnishings and supplies" (1.1 per cent). However, these increases were largely offset by decreases in the cost of food items (0.7 per cent) and transportation (0.3 per cent). For the period January to December 2002 consumer prices rose by 1.9 per cent on average. This performance was partly associated with growth of 31.0 per cent in the sub-index "medical care and expenses", attributable to an increase in the cost of hospital services. Prices in the

sub-index "household furnishings and supplies" rose by 2.0 per cent on average.

Trade and Payments

Complete trade data were unavailable for the quarter under review. The available data for October and November showed a 25.3 per cent widening in the trade deficit compared with the position in the corresponding period of 2001. This performance was associated with a 26.3 per cent expansion in the import bill to \$110.5m. The growth in imports was largely due to the importation of furniture and equipment for the new hotel as well as stocks for two retail stores that were opened during the quarter under review. Export earnings grew by 32.7 per cent (\$4.0m), partly reflecting higher receipts from electronic components. For the period January to December 2002 it is likely that the trade deficit widened as a result of an increase in the import bill.

During the quarter under review gross visitor expenditure was estimated to have decreased by 15.8 per cent to \$37.8m compared with the total in the corresponding quarter of 2001. The decline in visitor expenditure was consistent with the reduction in total visitor arrivals. For the period January to December 2002 gross visitor expenditure fell by 5.3 per cent to \$154.4m.

Central Government Fiscal Operations

During the quarter under review there was an improvement in the fiscal position of the central government, including the Nevis Island Administration (NIA). The fiscal operations resulted in an overall deficit of \$14.6m compared with one of \$39.5m during the fourth quarter of 2001. The narrowing of the overall deficit was partly attributed to an expansion in current revenue, reflecting to some extent an improvement in



tax administration. The deficit was financed partly by a \$75.0m bond issued on the Regional Government Securities Market (RGSM).

A current account surplus of \$11.1m was realised in contrast to the deficit of \$12.9m during the corresponding quarter of 2001, largely reflecting a 24.1 per cent (\$18.7m) increase in current revenue to \$96.2m. The growth in current revenue reflected increased collections from both tax (22.1 per cent) and non-tax revenue (30.2 per cent). Of tax revenue, receipts from taxes on international trade and transactions grew by 24.6 per cent (\$6.6m), largely reflecting higher collections from consumption tax (\$4.4m) and the customs service charge (\$1.1m), consistent with the increase in imports.

During the fourth quarter of 2002 revenue from taxes on income and profits grew by 25.0 per cent (\$5.0m), reflecting to a large extent a \$3.3m increase in collections from corporation tax. The yield from taxes on domestic goods and services rose by 10.6 per cent (\$1.1m), associated with higher receipts from stamp duties. Non-tax revenue grew by 30.2 per cent (\$5.9m), due mainly to higher collections from electricity services and an increase in profits.

Current expenditure fell by 5.9 per cent to \$85.0m during the quarter under review in contrast to the 9.2 per cent expansion during the corresponding quarter of 2001. The main contributor to this reduction was a 22.3 per cent (\$4.4m) decrease in interest payments, largely domestic interest payments, as government reduced its overdraft with the commercial banking system through a bond issue. Outlays on goods and services and on personal emoluments rose by 4.8 per cent and 0.6 per cent respectively.

The completion of work on major public sector projects resulted in a 38.6 per cent decline in capital

expenditure to \$21.0m. Net lending, largely to public corporations for upgrading of seaport facilities, amounted to \$18.2m. Capital grants of \$12.9m were received compared with \$3.7m recorded in the fourth quarter of 2002. A portion of these grants was used to finance the Basseterre Fisheries Complex.

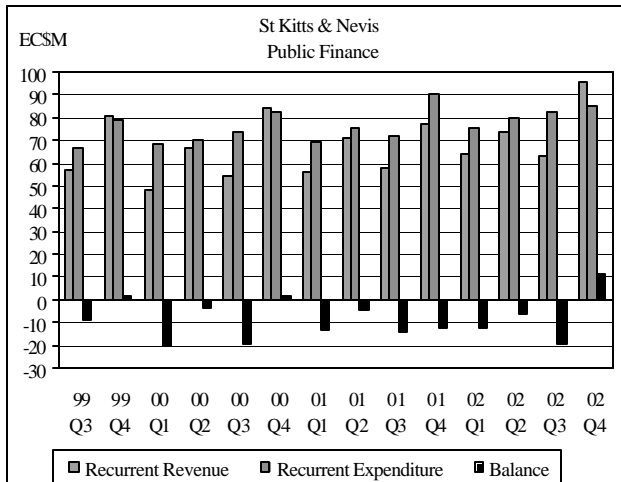
During the period January to December 2002 the current account deficit narrowed to \$26.3m from \$45.0m in 2001. Current revenue expanded by 13.5 per cent to \$297.4m, reflecting increased receipts from taxes on international trade and transactions (10.6 per cent), taxes on income and profits (7.3 per cent) and taxes on domestic goods and services (8.1 per cent). Current expenditure rose by 5.4 per cent to \$323.6m, associated with growth in outlays on personal emoluments (1.9 per cent) and an increase in interest payments (27.9 per cent). Capital expenditure amounted to \$80.9m, which was 3.1 per cent above the total for 2001. Net lending, largely for the development of seaport facilities, was \$51.6m. Capital grants increased to \$30.1m from \$4.0m in 2001. Consequently an overall deficit of \$121.8m was recorded compared with one of \$115.1m during 2001. The deficit was financed by external borrowing as well as proceeds from the issue of treasury bills and bonds.

The fiscal accounts of the central government (excluding the NIA) realised a current account surplus of \$9.7m in the quarter under review, in contrast to the deficit of \$11.0m during the fourth quarter of 2001. The improvement was attributed to a 27.9 per cent expansion in current revenue to \$79.4m and a 4.6 per cent reduction in current expenditure to \$70.0m. Capital expenditure rose by 7.3 per cent to \$16.6m, while net lending to two public corporations amounted to \$18.2m. Capital grants were estimated at \$12.9m compared with \$1.2m in the fourth quarter of 2001. An overall deficit of \$11.6m was recorded compared with one of \$22.0m in the fourth quarter of 2001. For



the period January to December 2002 the fiscal position worsened, as reflected in an increase in the overall deficit to \$109.5m from \$76.2m in 2001. The higher fiscal deficit mirrored developments on the capital account, as there was a narrowing of the current account deficit to \$31.4m from \$48.4m in 2001.

Chart 28



The Nevis Island Administration recorded an overall deficit of \$3.0m in the fourth quarter of 2002 in comparison with one of \$17.5m during the corresponding quarter of 2001. The reduction in the deficit was attributed to a decline in capital spending following the completion of a number of infrastructure development projects. The current operations resulted in a surplus of \$1.4m in contrast to the deficit of \$2.0m during the corresponding quarter of 2001. During the period January to December 2002 a current account surplus of \$5.2m was realised, up from \$3.4m during the corresponding period of 2001. The improvement in the current operations of the NIA reflected a 7.4 per cent expansion in current revenue to \$64.3m. Capital expenditure fell by 65.8 per cent to \$15.6m, resulting in a contraction in the overall deficit to \$12.3m from \$38.9m in 2001.

Money and Credit

Total monetary liabilities (M2) of the banking sector decreased by 0.8 per cent to \$844.8m during the fourth quarter of 2002 compared with the decline of 1.4 per cent during the corresponding quarter of 2001. The reduction in M2 was reflected in a 6.0 per cent decline in the money supply to \$119.9m, associated with an 11.9 per cent decrease in private sector demand deposits. Quasi money grew marginally by 0.1 per cent to \$724.9m. Of quasi money, savings and time deposits rose by 0.8 per cent (\$2.6m) and 2.5 per cent (\$3.7m) respectively. Foreign currency deposits declined by 2.4 per cent (\$5.9m).

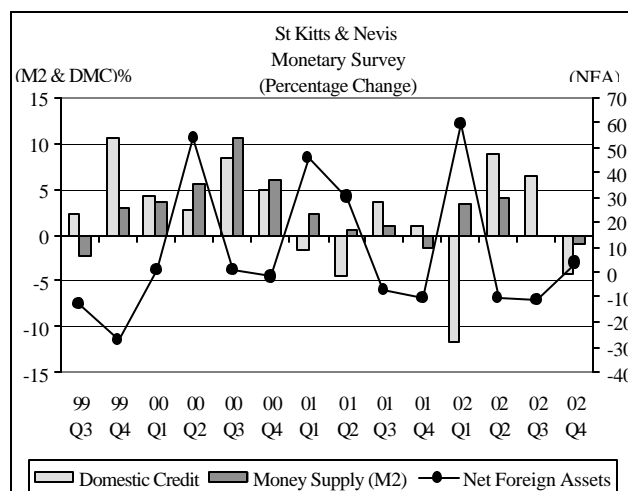
Corresponding with the contraction in M2 was a decline in domestic credit. During the quarter under review domestic credit fell by 4.3 per cent to \$734.6m, associated with a reduction in net credit to the central government. Central government's net indebtedness to the banking system fell by 14.3 per cent to \$267.7m. This performance was attributed to a decline in loans and advances from the commercial banking system, as part of the proceeds of a \$75.0m bond issued by the central government was used to finance the overdraft. In the rest of the public sector, the net deposits of the non-financial public enterprises decreased by 18.4 per cent to \$122.6m, mainly reflecting a 6.9 per cent (\$26.1m) decline in their deposits. Outstanding credit to the private sector grew by 2.5 per cent to \$658.9m. Of private sector credit, lending to households and businesses increased by 2.7 per cent and 2.3 per cent respectively. The growth in credit to the private sector was concentrated in the manufacturing and distributive trades sectors, which showed increases of 5.9 per cent and 4.7 per cent respectively. Credit for the purchase of durable consumer goods increased by 5.1 per cent during the quarter under review.

The net foreign assets of the banking system rose by 3.9 per cent to \$315.1m during the fourth quarter of



2002, largely reflecting a 10.1 per cent increase to \$177.2m in St Kitts and Nevis' imputed share of the reserves held by the Central Bank. The net foreign assets of the commercial banks fell by 3.2 per cent to \$137.9m compared with the level at the end of September 2002. This outturn was attributed to a 15.8 per cent (\$34.7m) increase in liabilities to financial institutions outside the Eastern Caribbean currency union.

Chart 29



The commercial banking system remained very liquid during the quarter under review. The ratio of liquid assets to total deposits plus liquid liabilities increased to 43.9 per cent from 43.1 per cent at the end of the previous quarter. The loans and advances to deposits ratio remained fairly stable at 79.0 per cent. The cash reserve ratio was 9.5 per cent compared with 8.9 per cent in the previous quarter. Interest rates on deposits remained stable during the fourth quarter of 2002. The rates on savings ranged from 3.0 per cent to 5.0 per cent. Prime lending rates remained stable and ranged from 8.5 per cent to 11.0 per cent.

Prospects

Economic activity is projected to expand in 2003 based on the forecast for the advanced countries,

particularly the US, a major market for tourism and manufacturing. However, the projection for growth in the economy could be adversely affected in the event of a US-led war with Iraq as this is likely to result in higher oil prices and reduced tourist traffic. Growth in the hotel and restaurant sector is projected on an increase in airlift services from the USA, the planned re-introduction of weekly flights from the UK and the opening of a large hotel in 2003. Activity in the construction sector is likely to pick up in the latter half of 2003 based on projects to be implemented. Construction activity in 2003 is expected to focus on ongoing work on the hotel training school, expansions to schools and the hospital renovation. New development projects include the upgrading of the water and electricity supply and airport facilities, and the building of an headquarters for an airline company.

The consolidated overall fiscal deficit is projected to decline in 2003, based on a likely improvement in the current account operations as a result of the measures in the 2003 budget. These measures include an increase in the rate of customs service charge payable in respect of imported goods from 5.0 per cent to 6.0 per cent; an increase in consumption tax payable in respect of goods imported into the Federation, from the current rate of 20.0 per cent to 22.5 per cent; the abolition of the Mercantile Tax Act under which duty free shops currently operate; and a change in the basis of computing consumption taxes on the importation of tobacco and alcohol from a specific basis to an ad valorem basis. Consumer prices are projected to increase based in part on the new budgetary measures and a likely rise in oil prices on the international market. M2 is projected to increase based on the anticipated expansion in economic activity. Growth in net foreign assets is expected, associated in part with an anticipated inflow of loan funds and higher receipts from travel. Domestic credit is projected to increase based on a likely expansion in borrowing by the private sector.



ST LUCIA

Overview

Economic activity is estimated to have expanded during the last quarter of 2002 compared with the corresponding quarter of 2001 based on the performance of the major productive sectors. Output in the agricultural sector rose, reflecting growth in banana production. In the tourism industry there was an increase in stay-overs, the highest spending category of visitors. The number of cruise ship passengers declined. Value added in the construction sector appeared to have increased based on growth in expenditure associated with the public sector investment programme and higher commercial bank lending for home construction and renovation. The overall fiscal performance of the central government improved, reflecting an expansion in current revenue. The overall surplus on the balance of payments was above the level in the fourth quarter of 2001. Liquidity in the commercial banking system remained tight, while interest rates were relatively stable. The consumer price index declined during the quarter under review.

During the period January to December 2002 economic activity was estimated to have contracted compared with the level in the corresponding period in 2001. In the tourism industry total visitors declined reflecting a decrease in the number of cruise ship passengers. There was an expansion in the number of stay-over visitors. Construction activity contracted. Performance in the agricultural sector improved, associated with growth in banana production. The overall fiscal position of the central government improved, attributable to an increase in total revenue including capital grants.

Output and Prices

During the last quarter of 2002 agricultural production was estimated to have increased relative to the level in the corresponding period of 2001 despite damage to banana plants by tropical storm Lili in September. Output of banana rose by 15.3 per cent to 9,830 tonnes, in contrast to the decline of 53.3 per cent during the last quarter of 2001. The increase in output was attributed to the irrigation of farms as part of the ongoing banana emergency recovery programme coupled with favourable weather during the first half of the year. During the period January to December 2002 banana production expanded by 41.5 per cent to 48,160 tonnes.

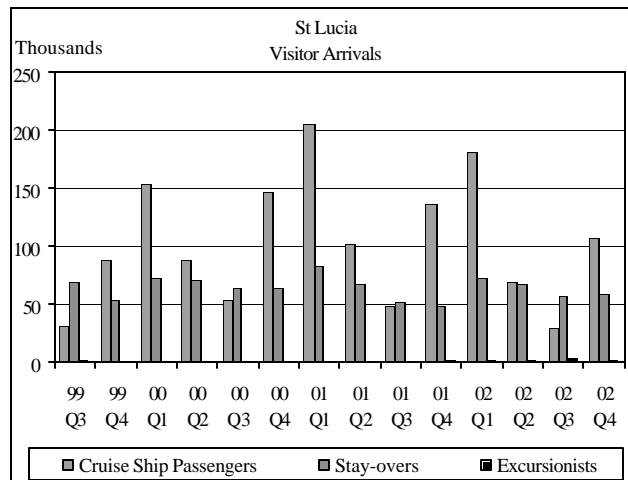
Construction activity was estimated to have increased during the last quarter of 2002 compared with the level in the corresponding period of 2001. This performance was partly attributed to a rise in activity in the public sector, associated with the implementation of projects in the public sector investment programme. These projects include the northern water supply, fish landing complexes and road development. Private sector residential construction appeared to have increased. This assessment is based on commercial bank data which show that lending for home construction and renovation rose by 1.8 per cent during the quarter under review. For the period January to December 2002 construction activity was estimated to have been below the level recorded during 2001, reflecting the completion of some projects.

Performance in the tourism industry was mixed during the quarter under review compared with the



corresponding quarter of 2001. Stay-over visitors increased by 18.1 per cent to 57,868, in contrast to the decline of 22.7 per cent in the fourth quarter of 2001. The expansion in stay-over visitors reflected growth in arrivals from the USA, Canada and the Caribbean. Visitors from the USA, the major market, grew by 25.1 per cent, attributable to an increase in airlift from Philadelphia and additional marketing by the St Lucia Tourist Board. The number of visitors from Canada and the Caribbean expanded by 36.2 per cent and 33.4 per cent respectively, while visitors from the United Kingdom declined by 4.7 per cent. In the case of cruise ship passengers, the number declined by 21.6 per cent to 106,452, partly reflecting the discontinuation of visits by a cruise line. There were 70 cruise ship calls during the quarter under review compared with 96 in the corresponding quarter of 2001. The fall in cruise ship arrivals led to a 10.8 per cent contraction in total visitor arrivals to 166,095 during the quarter under review compared with the total for the corresponding period of 2001.

Chart 30

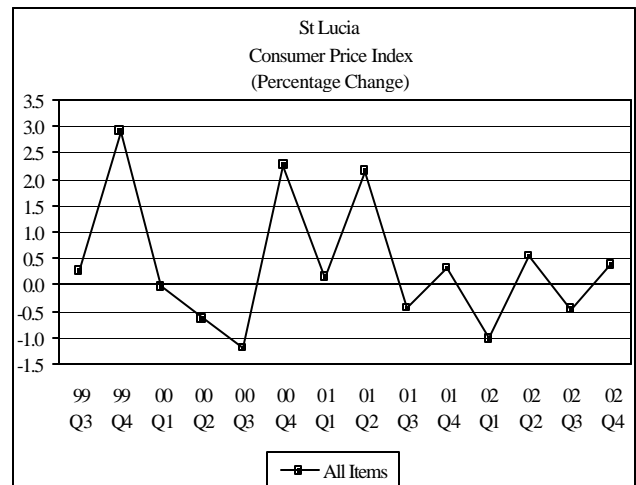


For the period January to December 2002 total visitors arrivals contracted by 13.2 per cent to 648,355, reflecting a decline in the number of cruise ship passengers. The number of cruise ship passengers

fell by 21.0 per cent to 387,180. This decline was partly offset by improvements in performance in the stay-over visitor and excursionist categories. Stay-over visitors increased by 1.3 per cent to 253,463 and the number of excursionists expanded by 8.1 per cent to 7,712 compared with the totals in 2001.

Based on the old consumer price index, consumer prices rose by 0.4 per cent on average during the fourth quarter of 2002, compared with the level at the end of the previous quarter. The increase in the index largely reflected growth of 0.3 per cent in the food sub-index, which carries the highest weight in the basket of consumer goods and services. The fuel and light sub-index grew by 1.1 per cent, partly reflecting the impact of higher international oil prices during the period.

Chart 31



Trade and Payments

Complete data on merchandise trade were not available during the quarter under review. Preliminary data on banana exports showed that earnings grew by 22.6 per cent to \$12.4m compared with the total in the fourth quarter of 2001, reflecting an increase in the volume exported. For the period January to December 2002 banana revenue was estimated at \$58.8m, roughly



44.0 per cent above the total in 2001. Merchandise imports are likely to have declined during 2002 based on the available data on the volume of cargo landed.

In the services account gross inflows from travel rose by 12.8 per cent to \$160.5m in contrast to the decline of 26.9 per cent in the corresponding quarter of 2001, attributable mainly to the increase in the number of stay-over visitors. For the period January to December 2002 gross travel receipts were estimated to have declined by 0.9 per cent to \$691.7m, reflecting the fall in the number of cruise ship passengers.

In the capital and financial account there were net inflows of \$30.7m in short term capital from the commercial banking system. Gross inflows of official loans, including bonds, rose during the quarter under review compared with the total in the fourth quarter of 2001, associated in part with the issue of bonds overseas to repay debt. An overall balance of payments surplus of \$33.2m was recorded during the fourth quarter of 2002 compared with one of \$25.8m in 2001.

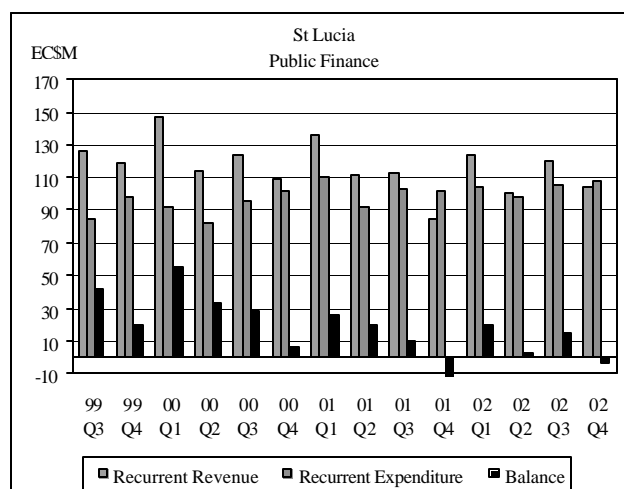
Central Government Fiscal Operations

During the last quarter of 2002 the operations of the central government resulted in an overall deficit of \$40.2m, slightly below the deficit of \$44.5m recorded in the corresponding period of 2001. This improved position reflected an expansion in current revenue, coupled with a rise in capital grants associated with the ongoing construction of two fisheries complexes.

Current revenue expanded by 24.1 per cent to \$104.0m in the fourth quarter of 2002 compared with the total in the same period of 2001, reflecting an increase in tax revenue. Receipts from taxes rose by 26.7 per cent to \$95.7m. Of the components of tax revenue, collections from taxes on international trade and transactions grew by 21.3 per cent to \$55.9m.

Revenue from consumption duty on imports rose by 26.7 per cent to \$28.2m. This outturn reflected higher receipts from petroleum products as the price of oil increased. Collections from import duty amounted to \$15.0m, roughly 9.8 per cent above the level in the fourth quarter of 2001, and receipts from the service charge on imports grew by 23.0 per cent to \$8.4m. Receipts from taxes on domestic goods and services increased by 70.4 per cent to \$22.4m. This increase was reflected in higher collections from stamp duty, associated with the sale of an hotel.

Chart 32



Current expenditure increased by 5.1 per cent to \$107.0m during the period under review, partly reflecting an expansion in outlays on personal emoluments and goods and services. Spending on the remuneration of civil servants grew by 2.2 per cent to (\$1.1m) while expenditure on goods and services rose by 10.6 per cent to (\$1.9m). By contrast, interest payments declined by 5.3 per cent (\$0.8m), reflecting lower domestic interest payments.

The developments in the current account during the fourth quarter of 2002 resulted in a deficit of \$3.0m, well below the deficit of \$18.0m recorded in the corresponding period of 2001. Capital expenditure



increased by 55.7 per cent (\$16.9m) associated with the implementation of the public sector investment programme (PSIP). Ongoing projects included the upgrading of a number of police stations and schools around the island as well as road development.

For the period January to December 2002 the central government realised a current account surplus of \$33.6m compared with one of \$36.7m in 2001. There was a 1.2 per cent expansion in current revenue to \$447.2m. Current expenditure rose by 2.1 per cent to \$413.6m. The overall fiscal position of the central government improved, reflecting an increase in capital grants and revenue during 2002. Capital expenditure increased by 7.4 per cent to \$132.0m, reflecting spending on the northern water supply project, two fish landing complexes and the Bordelais correctional facility.

Money and Credit

During the fourth quarter of 2002 total monetary liabilities (M2) increased by 4.2 per cent to \$1,272.7m compared with growth of 4.3 per cent in the corresponding period of 2001, influenced by the expansion in economic activity. The growth in M2 was reflected in increases in both the narrow money supply (M1) and quasi money. M1 rose by 12.7 per cent to \$287.7m compared with growth of 8.9 per cent in the fourth quarter of 2001, largely reflecting an increase of 13.9 per cent in private sector demand deposits. Quasi money rose by 2.0 per cent to \$985.0m, attributable to increases in private sector savings deposits (2.5 per cent) and foreign currency deposits (89.8 per cent) as time deposits fell by 2.5 per cent.

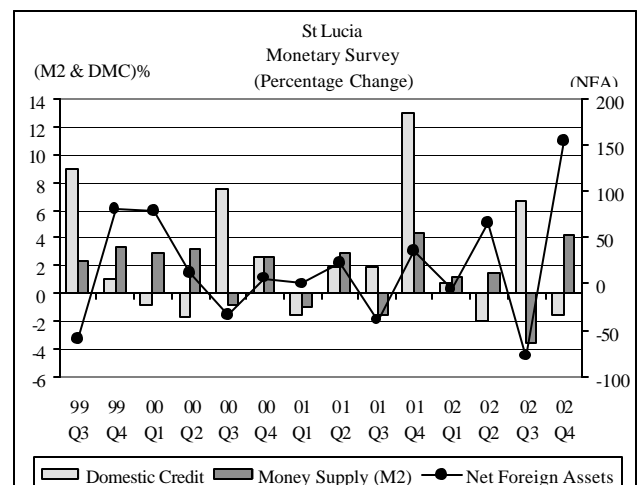
Domestic credit declined by 1.5 per cent to \$1,431.8m during the quarter under review, partly attributable to a fall in commercial bank loans to the private sector. Lending to the private sector fell by

0.5 per cent to \$1,553.5m in contrast to growth of 0.6 per cent in the fourth quarter of 2001. This performance reflected a decline of 3.7 per cent in credit to households, as lending to businesses increased by 2.5 per cent.

The distribution of credit by economic activity revealed that loans for tourism and agriculture fell by 2.3 per cent and 4.8 per cent respectively and lending for personal use decreased by 1.6 per cent. These declines were partly offset by increases in loans for construction (6.9 per cent), distributive trades (2.1 per cent) and manufacturing (0.8 per cent).

In the public sector the net deposits of the central government amounted to \$96.3m, representing a 2.4 per cent increase on the level at the end of the previous quarter. This performance reflected a 5.9 per cent decrease in credit to \$153.4m. The deposits of central government fell by 2.8 per cent to \$249.8m, in contrast to growth of 0.3 per cent in the fourth quarter of 2001.

Chart 33



During the quarter under review the net foreign assets more than doubled to \$105.3m. The increase was partly reflected in an expansion in commercial banks' net assets held with institutions in the rest of

the Eastern Caribbean currency union to \$48.4m from \$1.8m at the beginning of the quarter. St Lucia's imputed share of the reserves held by the Central Bank increased by 15.4 per cent to \$248.1m, compared with growth of 12.3 per cent in the fourth quarter of 2001.

Liquidity in the commercial banking system remained tight during the quarter under review. The liquid assets to total deposits plus liquid liabilities ratio declined by 0.5 percentage point to 19.0 per cent. The loans and advances to deposits ratio fell by 1.3 percentage points to 92.0 per cent, reflecting a 1.8 per cent decline in total loans and advances. Interest rates on savings deposits and loans remained unchanged during the quarter under review. The rates on savings deposits ranged from 3.0 per cent to 5.5 per cent. The maximum rate offered on time deposits was 8.5 per cent. Prime lending rates ranged from 9.5 per cent to 10.5 per cent.

Prospects

During 2003 the level of economic activity is projected to increase, influenced by likely developments in the agricultural and construction sectors and the tourism industry. The increase in tourism is based on initiatives being undertaken by the St Lucia Tourist Board and the Government of St Lucia. These include the securing of additional airlift services, the targeting of individual tourist markets and the use of the new sports infrastructure to promote sports tourism as part of the overall tourism product. The cruise industry is expected to benefit from the commencement of visits by a cruise line. However, these projections would be adjusted downwards in the event of a US led war with Iraq, as this can have an adverse impact on the tourism industry and the level of economic activity. The anticipated growth in construction activity is expected to be influenced by public sector projects, including ongoing work on the road rehabilitation project. In the

agricultural sector banana production is projected to increase, particularly during the latter half of 2003, as the industry is expected to recover from the effects of tropical storm Lili, and assuming favourable weather.

The overall fiscal deficit of the central government is projected to increase in 2003, based on a likely expansion in capital spending and a fall in capital revenue. Capital expenditure is expected to be associated largely with PSIP projects including road rehabilitation and development of the social infrastructure. The central government is likely to contract additional debt as well as seek grant funding to finance the PSIP. Current revenue is projected to increase in 2003, partly based on improved tax administration. Current expenditure is expected to increase marginally, based on efforts to contain the growth in expenditure.

Monetary liabilities are projected to increase based on historical trends and the anticipated expansion in economic activity. Growth in domestic credit is likely, influenced by an expansion in private sector borrowing. The net foreign assets are projected to increase, partly based on likely growth in gross inflows from tourism and higher receipts from agricultural exports.

The overall balance of payments of St Lucia is likely to remain in surplus during 2003 as a result of the anticipated increase in activity in the major foreign exchange earning sectors of the economy, and anticipated inflows associated with the implementation of the PSIP. Receipts from agricultural exports are projected to increase. Gross inflows from travel are expected to grow in line with the expansion in the tourism industry. There is likely to be a net inflow of commercial bank short-term capital, as a result of an increase in credit demand based on the anticipated expansion in economic activity.



ST VINCENT AND THE GRENADINES

Overview

During the fourth quarter of 2002 economic activity was estimated to have been above the level in the corresponding period of 2001, based on improved performances in construction and tourism. In the external sector the merchandise trade deficit widened. Preliminary data indicated that the fiscal operations of the central government resulted in an increase in the current account surplus. Liquidity in the commercial banking system increased, while interest rates remained relatively stable. Monetary liabilities expanded while domestic credit fell.

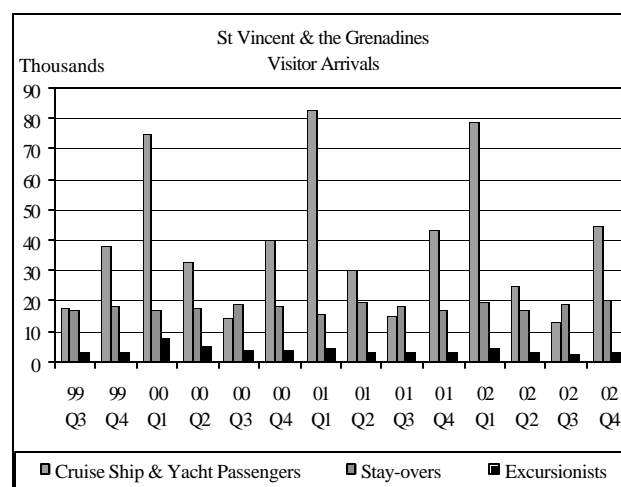
During the period January to December 2002 it is likely that economic activity continued to expand, following growth in 2001. The increase was influenced by expansions in agriculture and tourism. The fiscal operations of the central government were estimated to have resulted in a doubling of the current account surplus over the 2001 figure.

Output and Prices

Agricultural output was estimated to have contracted in the quarter under review compared with the total in the fourth quarter of 2001. This performance was influenced by a fall in banana production, the major agricultural activity. Output of banana declined by 30.4 per cent to 7,158 tonnes, reflecting a decrease in the yield per acre as a result of tropical storm Lili. Data on non-banana agricultural production were unavailable for the quarter under review. For the period January to December 2002 banana production totalled 37,476 tonnes, roughly 10.9 per cent above the level in the comparable period in 2001.

Provisional estimates of visitor arrivals indicated that the number of visitors grew by 7.5 per cent to 68,260 during the quarter under review compared with the total for the fourth quarter in 2001. Stay-over visitors increased by 20.1 per cent to 20,357, largely reflecting growth in the number of visitors from the UK (55.6 per cent) and the USA (28.9 per cent). The increase in arrivals from the USA was attributed in part to filming for a Disney production. The number of yacht passengers rose by 37.3 per cent, while cruise ship passengers fell by 33.5 per cent.

Chart 34



For the period January to December 2002 total visitor arrivals fell by 2.3 per cent to 250,971 compared with the total in 2001. This performance reflected declines in excursionists (8.7 per cent) and cruise ship passengers (13.8 per cent). Stay-over visitors and yacht passengers grew by 7.0 per cent and 2.5 per cent respectively.

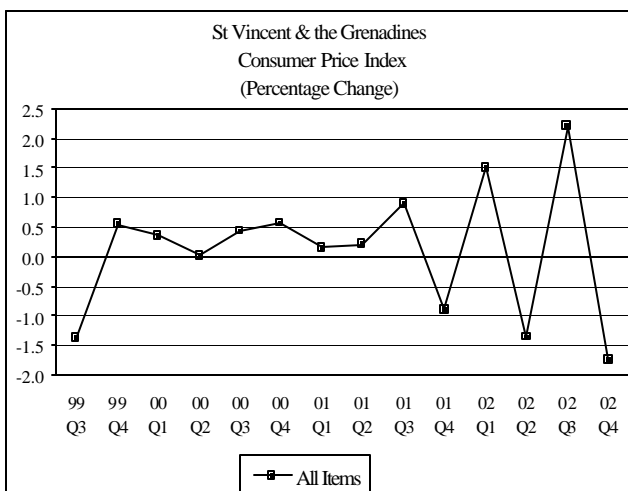
Construction activity was estimated to have increased during the fourth quarter of 2002 compared with the performance in 2001. The expansion was driven by private sector investment activity.



Based on commercial bank data there was a 3.3 per cent increase in credit for home construction and renovation, compared with growth of 1.4 per cent in the fourth quarter of 2001. In the public sector, work focussed on the Grenadines' multi-project and the Murray's Road rehabilitation.

Data on the manufacturing sector revealed that activity was sluggish during the quarter under review. There were declines in the production of rice (22.9 per cent) and flour (27.0 per cent). The declines were partially associated with a fall in export demand and increased competition from imports on the domestic market.

Chart 35



Based on the new consumer price index, consumer prices decreased by 1.8 per cent on average during the fourth quarter of 2002 compared with the decline of 0.9 per cent in the corresponding period of 2001. This outturn was largely associated with a fall in the sub-index "food" (3.4 per cent), reflecting decreases in prices of poultry, fish, fruit and vegetables. There were also decreases in the sub-indices "education" (1.3 per cent) and "household furnishings and supplies" (0.3 per cent). The decreases were partially offset by increases in the sub-indices "clothing and footwear"

(0.4 per cent) and "alcoholic beverages and tobacco" (0.7 per cent).

Trade and Payments

During the fourth quarter of 2002 a visible trade deficit of \$135.8m was recorded compared with a deficit of \$103.7m during the fourth quarter of 2001. The widening of the deficit was attributed to growth of 25.7 per cent in imports to \$162.2m, reflecting an increase in imports of machinery and transport equipment associated with the production of the Disney movie and the commencement of operations by a telephone company. Export receipts during the quarter under review grew by 4.1 per cent to \$26.4m compared with earnings in the fourth quarter of 2001. The growth in export receipts was associated with a 94.5 per cent increase in the re-export of machinery and equipment following the completion of rehabilitation work on a hotel in Canouan. There were declines in export receipts from banana (13.9 per cent), flour (21.4 per cent) and rice (7.2 per cent), reflecting a contraction in export demand.

For the period January to December 2002 the visible trade deficit widened to \$375.0m from \$343.6m in 2001. This performance was attributable to an increase in imports largely associated with developments in the fourth quarter. Export receipts fell by 12.6 per cent compared with the total in 2001. Declines in export earnings were recorded for flour (24.9 per cent), rice (2.6 per cent) and beer and malt (25.3 per cent). Receipts from banana exports grew by 16.0 per cent as a result of an increase in the volume exported.

During the fourth quarter gross visitor expenditure was estimated at \$62.6m, approximately 27.8 per cent above the total in the comparable period in 2001. The increase was largely attributed to growth in stay-over

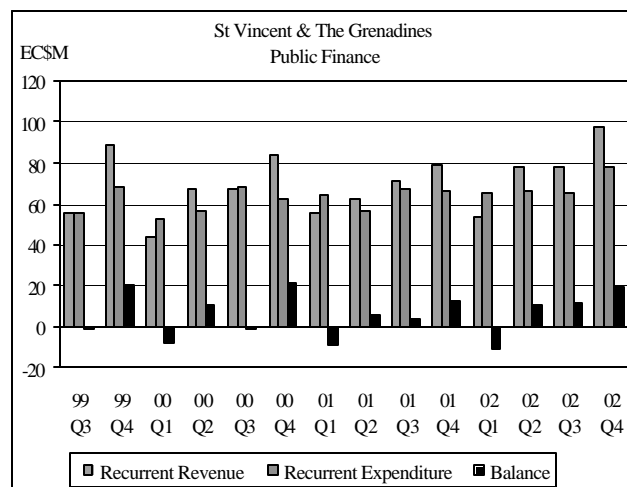


visitors. For the period January to December 2002 visitor expenditure was estimated at \$219.8m, representing a 2.9 per cent increase on the total for 2001.

Central Government Fiscal Operations

The fiscal operations of the central government resulted in a current account surplus of \$19.2m during the fourth quarter of 2002, compared with the surplus of \$12.8m in the corresponding quarter of 2001. The improvement in the current account balance was attributed to a 22.7 per cent increase in current revenue to \$97.1m. The growth in current revenue was attributed to higher collections from taxes on income and profit (49.4 per cent), taxes on international trade and transactions (20.7 per cent) and non-tax revenue (23.1 per cent). Revenue from taxes on domestic goods and services fell by 25.5 per cent to \$7.7m, attributable to a decline in receipts from consumption taxes.

Chart 36



Current expenditure grew by 17.4 per cent to \$77.9m. The growth in current expenditure reflected higher outlays on all categories of expenditure. Expenditure on personal emoluments rose by 22.8 per cent to \$40.5m, attributable to the payment of a half

month's salary bonus to civil servants in December. Interest payments rose by 21.1 per cent (\$1.1m), reflecting higher domestic interest payments.

Preliminary data for the period January to December 2002 show a current account surplus of \$31.3m compared with one of \$13.6m in the corresponding period of 2001. Current revenue grew by 14.3 per cent (\$38.4m), attributable to an increase in the yield from taxes on international trade and transactions (13.5 per cent) and non-tax sources (16.8 per cent). The growth in non-tax revenue partly reflected the introduction of licences for some professional services. The increase in receipts from taxes on international trade and transactions was partly attributed to a change in the method of calculating the consumption tax. Current expenditure increased by 8.1 per cent (\$20.6m), reflecting in the main growth in outlays on personal emoluments and goods and services.

Money and Credit

During the fourth quarter of 2002 the broad money supply (M2) increased by 5.7 per cent to \$709.3m compared with growth of 4.5 per cent in the corresponding period in 2001, reflecting the expansion in economic activity. The narrow money supply (M1) expanded by 8.4 per cent to \$239.2m, attributable to growth in demand deposits and currency with the public. Quasi money grew by 4.3 per cent to \$470.1m, largely associated with increases in private sector time deposits (10.3 per cent) and savings deposits (1.0 per cent).

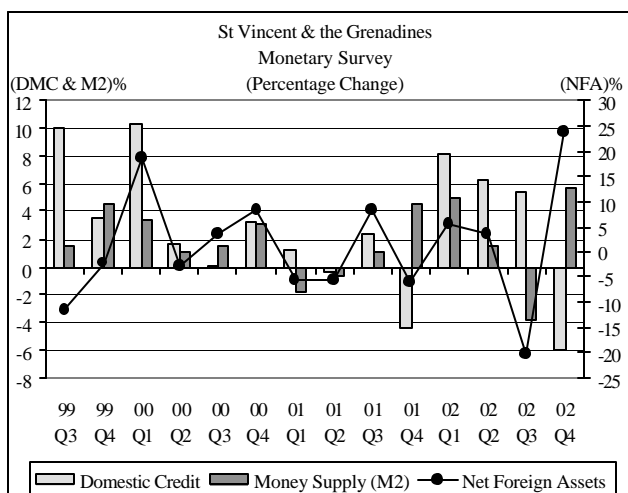
Domestic credit fell by 6.0 per cent to \$534.0m during the quarter under review, compared with the 4.5 per cent rate of decline in the corresponding period in 2001. The reduction was partly attributed to a 24.5 per cent fall in net credit to the central government, reflecting a decrease in commercial bank loans and



advances. Credit to the private sector grew by 0.4 per cent to \$633.4m.

An analysis of credit by economic activity indicated increases in outstanding credit to agriculture and fisheries (0.5 per cent), manufacturing (2.3 per cent) and tourism (5.9 per cent). Credit extended to the construction and distributive trades sectors declined by 7.3 per cent and 2.0 per cent respectively.

Chart 37



The net foreign assets of the banking system expanded by 23.8 per cent to \$272.8m during the quarter under review, in contrast to the 6.0 per cent decline for the corresponding period in 2001. The increase reflected growth of 74.1 per cent in the net foreign assets of the commercial banks to \$131.1m, which more than offset a 2.3 per cent fall in St Vincent and the Grenadines' imputed share of ECCB reserves. The commercial banks' transactions with banks and other institutions in the rest of the Eastern Caribbean currency union resulted in a 70.7 per cent increase in net foreign assets to \$134.7m compared with the total at the end of the previous quarter, reflecting a decline in liabilities.

During the fourth quarter of 2002 there was an increase in liquidity in the commercial banking system. The ratio of liquid assets to total deposits plus liquid liabilities increased by 1.1 percentage points to 36.0 per cent at the end of December, while the ratio of loans to deposits declined by 1.2 percentage points to 72.1 per cent.

In the quarter under review interest rates remained relatively unchanged. Prime lending rates ranged from 9.0 per cent to 11.0 per cent. Time deposit rates ranged from 2.5 per cent to 7.0 per cent, while savings deposits earned interest at rates ranging from 3.0 per cent to 5.0 per cent.

Prospects

Economic activity is projected to grow in 2003, based on likely increases in the agricultural, construction and hotel and restaurant sectors. In the agricultural sector, efforts to rehabilitate banana and arrowroot production are expected to contribute to an increase in output. Construction activity is likely to be driven by the implementation of projects in the public sector investment programme (PSIP). These projects include rehabilitation of the Windward highway and construction of a number of learning resource centres and schools. In the tourism industry an increase in promotional activities and the visit of the film production crew are expected to contribute to growth in visitor arrivals.

The overall fiscal position of the central government is likely to remain weak, associated with a projected increase in capital expenditure to \$84.7m, in relation to the PSIP implementation. The banking system is expected to exhibit a high level of liquidity. Some increase in consumer prices is expected.



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)

	2001 ^R 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 ^R Jan – Dec	2002 Jan – Dec
Current Revenue	492.55	474.74	494.80	488.02	554.15	1,910.20	2,011.71
Tax Revenue	415.47	404.29	429.88	424.26	472.21	1,636.48	1,730.65
Taxes on Income & Profits ¹	97.53	92.11	110.98	98.81	103.31	420.91	405.22
Of which:							
Personal Tax ²	37.25	36.64	39.74	33.66	40.22	148.28	150.26
Company Tax	54.56	49.33	61.76	57.48	53.63	241.34	222.20
Taxes on Property	4.96	12.53	9.44	8.33	13.04	28.82	43.33
Taxes on Domestic Goods & Services	69.47	91.32	86.27	90.95	87.91	322.97	356.44
Of which:							
Accommodation Tax	8.78	20.38	19.41	11.70	10.66	67.69	62.15
Licences ³	9.68	22.69	12.03	8.78	11.55	46.63	55.05
Sales Tax ⁴	3.94	4.33	4.08	4.10	5.00	16.74	17.51
Consumption Tax ⁵	9.99	10.48	11.29	10.05	10.28	43.08	42.10
Taxes on International Trade & Transactions	243.50	208.24	223.19	226.17	267.96	863.79	925.66
Of which:							
Import Duty	70.42	52.40	60.24	58.60	77.08	251.01	248.32
Foreign Exchange Tax ⁶	1.43	2.52	1.70	2.84	1.40	8.33	8.46
Consumption Tax ⁷	121.90	105.16	109.49	112.44	134.71	415.41	461.80
Customs Service Charge ⁷	37.30	30.97	35.89	34.93	38.58	132.49	140.36
Non-Tax Revenue	77.08	70.45	64.92	63.77	81.93	273.72	281.07
Current Expenditure	536.84	523.76	514.68	546.03	587.34	2,037.64	2,171.81
Personal Emoluments	269.13	254.30	257.51	263.68	283.67	1,033.85	1,059.16
Goods & Services	118.37	128.01	114.40	119.27	137.34	456.34	499.01
Interest Payments	70.74	67.88	60.94	80.56	79.79	255.08	289.17
Domestic	44.33	37.60	32.30	38.41	34.85	155.23	143.16
External	26.41	30.28	28.64	42.15	44.93	99.85	146.00
Transfers & Subsidies	78.60	73.58	81.83	82.52	86.55	292.38	324.48
Of which: Pensions	24.69	23.51	27.03	26.33	24.72	101.94	101.58
Current Account Balance	(44.29)	(49.02)	(19.88)	(58.01)	(33.19)	(127.45)	(160.10)
Capital Revenue	4.69	5.51	13.87	16.03	6.87	11.19	42.28
Grants	50.67	41.43	26.92	60.06	76.07	181.09	204.48
Capital Expenditure and Net Lending ⁸	178.25	128.29	105.08	139.34	163.29	565.15	536.00
Of which: Capital Expenditure ³	178.88	126.04	89.64	126.39	145.43	567.67	487.50
Overall Balance	(168.56)	(130.38)	(87.17)	(121.26)	(113.54)	(500.31)	(449.35)
Financing	168.56	130.38	87.17	121.26	113.54	500.31	449.35
Domestic	42.85	12.24	19.44	(175.02)	(64.24)	108.39	(207.58)
ECCB (net)	6.08	(0.39)	(6.41)	(117.25)	74.31	7.90	(48.96)
Commercial Banks (net)	34.73	(5.64)	98.21	35.69	(101.41)	36.88	26.85
Other	2.04	17.48	(72.37)	(93.46)	(37.14)	63.61	(185.47)
External	116.28	82.86	6.17	253.49	172.07	285.77	514.59
Net Amortisation	121.63	88.09	6.54	253.49	117.61	299.01	465.73
Disbursements	159.90	110.70	30.00	366.86	176.36	438.86	683.92
Amortisation	(35.27)	(22.61)	(23.47)	(113.37)	(58.75)	(139.85)	(218.20)
Change in Govt. Foreign Assets	(5.35)	(5.23)	(0.37)	--	(54.46)	(13.24)	48.86
Arrears ³	9.43	35.28	58.56	42.79	5.71	106.15	142.34
Domestic	(0.66)	22.41	31.50	23.81	(19.82)	84.81	57.90
External	10.09	12.88	27.06	18.99	25.53	21.34	84.46

Source: Ministry of Finance and ECCB Estimates

¹ Taxes on income and profits are not collected in Anguilla² Includes a Social Services Levy which is applied in St Kitts & Nevis. Not collected in Antigua³ Excludes St Vincent and the Grenadines⁴ Dominica is the only territory with a Sales Tax⁵ For all territories except Anguilla, Antigua and Barbuda & Montserrat⁶ For the territories of Anguilla, Antigua and Barbuda & Montserrat⁷ For all Territories except Anguilla⁸ For all territories except Anguilla and St Kitts and Nevis
Data available at 14 March 2003

Table 2
ECCB Area
Monetary Survey
(ECSM at end of period)

	2001 3 rd Qr	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr
Net Foreign Assets	1,341.46	1,443.31	1,689.76	1,671.48	1,787.11	1,847.38
Central Bank (net)	1,079.55	1,192.18	1,191.50	1,262.57	1,342.28	1,355.15
External Assets	1,096.27	1,204.10	1,210.89	1,273.93	1,354.42	1,362.92
External Liabilities	16.72	11.92	19.39	11.36	12.14	7.77
Commercial Banks (net)	261.91	251.13	498.27	408.90	444.83	492.24
External Assets	1,669.35	1,668.90	1,941.51	1,847.61	1,948.11	2,049.40
External Liabilities	1,407.44	1,417.77	1,443.24	1,438.71	1,503.29	1,557.16
Net Domestic Assets	4,830.36	4,876.34	4,848.30	4,922.20	4,724.85	4,863.47
Domestic Credit	5,585.61	5,807.41	5,752.44	5,878.71	5,920.97	5,876.62
Central Government (net)	649.93	696.30	691.05	785.41	705.13	677.97
Other Public Sector (net)	(749.23)	(723.26)	(722.71)	(726.85)	(766.70)	(725.04)
Non-Bank Financial Institutions (net)	(200.80)	(230.79)	(239.92)	(262.67)	(228.27)	(255.12)
Subsidiaries and Affiliates (net)	(54.01)	86.40	90.64	111.71	103.67	107.54
Private Sector	5,939.72	5,978.76	5,933.38	5,971.11	6,107.14	6,071.27
Other Items (net)	(755.24)	(931.07)	(904.14)	(956.51)	(1,196.13)	(1,013.16)
Money Supply (M2)	6,171.82	6,319.65	6,538.07	6,593.68	6,511.95	6,710.85
Money Supply (M1)	1,158.65	1,246.01	1,259.73	1,279.97	1,218.22	1,319.16
Currency with the Public	348.30	373.44	373.49	368.50	349.72	393.22
Demand Deposits	810.35	872.57	886.24	911.47	868.50	925.94
Quasi Money	5,013.18	5,073.63	5,278.33	5,313.71	5,293.73	5,391.69
Savings Deposits	2,564.65	2,591.55	2,689.13	2,759.10	2,773.99	2,827.21
Time Deposits	1,632.14	1,680.58	1,664.87	1,678.31	1,643.86	1,668.77
Foreign Currency Deposits	816.39	801.50	924.34	876.29	875.89	895.71

Source: Eastern Caribbean Central Bank

Data available at 20 February 2003

Table 3
ECCB Area
Selected Tourism Statistics

	2001 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 ^R Jan - Dec	2002 Jan - Dec
Total Visitor Arrivals	684,798	926,796	434,236	299,213	593,841	2,613,460	2,254,086
Stay-Over Arrivals	182,566	239,038	202,245	194,289	204,802	832,047	840,374
USA	55,680	90,282	69,860	59,638	65,889	274,807	285,669
Canada	9,243	18,120	7,516	5,774	9,414	43,156	40,824
UK	47,390	54,864	46,461	43,011	50,219	194,062	194,555
Caribbean	50,897	50,668	62,795	69,134	55,563	228,110	238,160
Other Countries	19,356	25,104	15,613	16,732	23,717	91,912	81,166
Excursionists	19,042	27,529	24,794	28,367	24,257	97,258	104,947
Cruise Ship Passengers ¹	459,238	621,730	188,778	71,701	332,209	1,590,207	1,214,418
Yacht Passengers	23,952	38,499	18,419	4,856	32,573	93,948	94,347
Number of Cruise Ship Calls ²	414	605	177	66	299	1,526	1,147
Total Visitor Expenditure (ECSM)	496.02	679.69	530.39	464.25	542.12	2,239.10	2,216.45

Source: Ministry of Tourism and ECCB Estimates

Excludes Montserrat and St Lucia Excursionists excludes sea arrivals for Antigua and Barbuda

¹ Excludes Anguilla ² Excludes Anguilla and St Vincent and the Grenadines

Data available at 13 March 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 ²	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 Mar.	448,813	532,627	10,130	79,147	1,070,717	27,897	51,941	38,335	1,188,890
Jun.	450,893	480,895	11,665	85,058	1,028,511	30,241	51,941	53,641	1,164,334
Sep.	433,603	451,800	18,329	82,911	986,643	28,707	51,941	50,592	1,117,883
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

Source: Eastern Caribbean Central Bank

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

² Statutory Required Reserves and Bankers' Balances were consolidated into a single account referred to as Bankers' Reserves
 Data available at 22 January 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	Mar.	388,050	547,644	54,314	990,008	40,696	10,224	126,684	1,167,613	97.46
	Jun.	246,566	653,131	36,469	936,165	40,696	10,224	141,054	1,128,140	96.06
	Sep.	177,644	652,613	34,034	864,292	40,696	10,224	134,413	1,049,625	94.63
	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

Source: Eastern Caribbean Central Bank
 Data available at 22 January 2003

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

Period Ended	Anguilla	Antigua & Barbuda	Dominica	Grenada	Montserrat	St Kitts & 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

Source: Eastern Caribbean Central Bank
Data available at 22 January 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 & 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	Mar.	794	9,105	2,745	5,638	852	4,270	9,846	4,387	37,637	2,545	117	40,299
	Jun.	823	9,296	2,712	5,803	860	4,296	10,009	4,544	38,343	2,532	117	40,992
	Sep.	864	9,412	2,709	5,944	875	4,398	10,190	4,615	39,007	2,532	117	41,656
	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

Source: Eastern Caribbean Central Bank
Data available at 22 January 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 Mar.	1,079,858	2,427,340	2,806,623	777,132	7,090,953	20,227	70,804	239,445	369,075	856,696	8,647,200
1999 Jun.	1,139,510	2,489,892	2,839,479	792,111	7,260,992	8,658	58,904	302,447	393,373	886,463	8,910,837
1999 Sep.	1,113,770	2,594,114	2,775,705	815,305	7,298,894	36,297	49,450	340,188	433,491	948,586	9,106,906
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
2000 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
2000 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
2000 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
2001 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
2001 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
2001 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
2001 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
2001 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
2001 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
2001 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
2001 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
2001 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
2001 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
2001 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
2002 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
2002 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
2002 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
2002 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
2002 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
2002 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
2002 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
2002 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
2002 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
2002 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
2002 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

Source: Eastern Caribbean Central Bank
Data available at 7 March 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	
	Central Bank		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	Mar.	89,118	585,187	69,972	373,467	6,583,274	147,431	163,713	1,225,259	560,563	9,797,984
	Jun.	81,312	553,092	78,898	405,191	6,680,366	200,402	191,319	1,283,087	630,195	10,103,862
	Sep.	80,538	500,057	52,427	430,136	6,926,061	200,402	204,832	1,236,482	631,045	10,261,980
	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

Source: Eastern Caribbean Central Bank

¹ Includes Statutory Reserve Requirements

Data available at 7 March 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 Mar.	389,930	40,182	100,338	329,774	745,160	1,074,934	3,998,358	5,073,292
Jun.	390,242	40,875	104,412	326,705	793,681	1,120,386	4,037,253	5,157,639
Sep.	370,912	41,539	98,041	314,410	775,386	1,089,796	4,090,547	5,180,343
Dec.	532,199	43,079	183,813	391,465	802,023	1,193,488	4,205,830	5,399,318
2000 Mar.	405,372	43,442	89,118	359,695	827,932	1,187,627	4,393,715	5,581,342
Jun.	406,867	44,026	81,312	369,581	833,099	1,202,680	4,529,532	5,732,212
Sep.	389,053	44,550	80,538	353,065	799,692	1,152,757	4,682,169	5,834,926
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. ^R	409,476	48,291	86,797	370,970	911,471	1,282,441	5,324,425	6,606,866
Jul. ^R	419,649	48,521	113,923	354,247	897,589	1,251,836	5,272,640	6,524,476
Aug. ^R	416,518	48,757	90,764	374,511	882,135	1,256,646	5,336,174	6,592,820
Sep. ^R	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

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 7 March 2003

Table 11
ECCB Area
Sectoral Distribution of Loans and Advances

	Sep 98	Dec 98	Mar 99	Jun 99	Sep 99	Dec 99	Mar 00	Jun 00	Sep 00
Agriculture	182,164	151,312	163,592	180,080	189,722	181,274	205,726	209,482	221,944
Fisheries	8,664	7,730	9,017	9,335	8,875	10,897	12,718	13,985	11,759
Manufacturing	207,592	209,610	210,948	216,994	214,803	214,509	210,222	214,927	213,295
Food & Non-Alcoholic Bev.	46,374	50,252	48,045	50,504	51,020	50,642	50,688	50,809	47,603
Clothing & Accessories	18,863	19,535	19,457	19,226	20,208	20,036	20,231	22,550	21,988
Other Industries ¹	142,355	139,823	143,446	147,264	143,575	143,831	139,303	50,809	141,568
Distributive Trades	762,360	755,177	752,849	765,259	786,952	762,138	781,496	804,536	855,773
Tourism	442,734	456,958	440,109	447,179	476,707	501,491	489,061	513,548	533,058
Entertainment	76,043	78,116	75,969	75,800	80,853	78,641	79,763	82,600	78,926
Transport	157,470	156,337	148,456	155,363	163,498	180,020	178,467	184,713	186,065
Public Utilities	117,102	128,658	132,470	127,574	120,832	132,699	145,383	156,589	161,593
Construction & Land Dev.	298,448	295,043	313,661	330,268	337,370	326,626	329,814	297,722	304,529
Government & Statutory Bodies	521,112	601,021	589,310	577,942	581,856	612,471	643,606	613,217	675,066
Professional Services	294,601	311,692	310,648	377,292	389,933	406,794	412,197	418,418	406,726
Financial Institutions	77,615	86,658	84,489	84,561	92,869	94,839	88,975	94,609	88,364
Personal	2,555,131	2,660,245	2,724,647	2,782,900	2,864,099	2,950,379	3,005,846	3,076,020	3,188,963
Acquisition of Property ²	1,422,328	1,401,637	1,433,875	1,541,099	1,570,627	1,572,533	1,615,377	1,659,173	1,712,007
Durable Consumer Goods	289,700	400,989	413,877	342,271	349,188	364,039	356,505	359,477	360,720
Other Personal Loans	843,103	857,619	876,895	899,530	944,284	1,013,807	1,033,964	1,057,370	1,116,236
TOTAL	5,701,036	5,898,557	5,956,165	6,130,547	6,308,369	6,452,778	6,583,274	6,680,366	6,926,061
% of Long Term Loans to Total Loans & Advances	48.25	49.11	49.73	51.13	51.39	52.33	53.47	54.09	53.88
	Dec 00	Mar 01	Jun 01	Sep 01	Dec 01	Mar 02	Jun 02	Sep 02	Dec 02
Agriculture	229,624	240,632	247,073	263,629	265,455	282,193	282,967	293,078	298,509
Fisheries	12,128	12,585	13,352	16,149	15,809	15,901	16,622	16,854	14,982
Manufacturing	218,404	218,383	203,343	209,140	211,372	216,047	216,539	224,139	226,930
Food & Non-Alcoholic Bev.	46,045	45,820	44,408	42,355	43,217	45,263	44,890	41,362	46,653
Clothing & Accessories	20,235	19,477	18,986	18,885	18,205	18,943	18,735	18,697	17,906
Other Industries ¹	152,124	153,086	139,949	147,900	149,950	151,841	152,914	164,080	162,371
Distributive Trades	856,191	852,922	849,941	844,319	819,307	830,488	847,383	835,057	839,301
Tourism	563,482	541,621	520,759	556,547	547,880	538,294	540,361	604,295	598,490
Entertainment	84,847	90,139	78,539	83,299	88,798	82,791	83,646	85,632	81,763
Transport	188,285	192,913	190,886	195,274	230,509	216,304	207,067	209,135	207,981
Public Utilities	159,301	174,531	173,108	176,041	160,654	144,790	164,250	156,842	166,697
Construction & Land Dev.	313,650	310,031	329,468	336,761	350,976	347,381	351,759	362,186	369,049
Government & Statutory Bodies	708,311	691,896	710,666	683,892	657,670	671,299	768,083	817,398	706,159
Professional Services	419,953	418,607	438,515	441,928	457,645	460,202	455,618	468,655	442,624
Financial Institutions	82,742	85,016	81,632	87,074	88,689	86,650	78,273	80,140	80,996
Personal	3,257,541	3,296,790	3,360,128	3,358,648	3,402,824	3,432,242	3,464,730	3,479,579	3,518,459
Acquisition of Property ²	1,752,847	1,759,171	1,805,573	1,755,501	1,795,561	1,821,242	1,838,642	1,852,788	1,882,356
Durable Consumer Goods	362,636	348,253	344,098	351,944	327,576	306,214	300,161	274,352	261,509
Other Personal Loans	1,142,058	1,189,366	1,210,457	1,251,203	1,279,687	1,304,233	1,325,927	1,352,439	1,374,949
TOTAL	7,094,459	7,126,066	7,197,410	7,256,044	7,297,589	7,324,582	7,477,298	7,632,991	7,551,940
% of Long Term Loans to Total Loans & Advances	54.01	55.16	55.87	56.99	58.00	58.56	58.62	60.09	60.59

Source: Eastern Caribbean Central Bank

¹ Includes Mining & Quarrying ² Includes House & Land Purchase and Home Construction

Data available at 13 February 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 Mar.	5.08	6.89	5.35	28.32	11.86	8.20
Jun.	5.01	7.10	5.80	26.93	11.92	8.00
Sep.	4.88	7.12	5.61	23.61	11.94	8.40
Dec.	4.31	6.18	5.68	23.73	11.98	8.80
1999 Mar.	4.42	5.08	5.67	22.05	11.02	11.33
Jun.	4.46	4.86	5.80	21.16	10.32	12.10
Sep.	4.70	4.90	5.92	19.96	10.17	10.88
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	n.a.	4.01
Nov.	1.25	3.80	1.76	16.89	n.a.	n.a.
Dec.	1.20	n.a.	n.a.	17.01	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 7 March 2003

Table 13
Anguilla – Central Government Fiscal Operations
(ECSM)

	2001 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 ^P 4 th Qr	2001 ^R Jan - Dec	2002 ^P Jan - Dec
Current Revenue	14.02	18.94	19.33	20.07	25.59	72.67	83.93
Tax Revenue	10.68	15.37	14.92	14.94	18.57	58.32	63.80
Taxes on Property	0.11	0.12	0.14	0.10	0.13	0.63	0.49
Taxes on Domestic Goods & Services	3.08	7.22	6.83	6.14	8.75	23.05	28.94
Of which:							
Accommodation Tax	0.58	3.31	3.76	1.12	1.05	7.75	9.24
Bank Deposit Levy	--	--	0.64	1.90	--	2.36	2.54
Licences	2.09	2.64	1.73	1.49	2.35	7.83	8.21
Stamp Duties	0.38	1.20	0.65	1.59	5.31	4.84	8.75
Taxes on International Trade & Transactions	7.49	8.03	7.95	8.70	9.69	34.64	34.37
Of which:							
Import Duty	6.46	7.04	6.85	7.34	8.56	30.13	29.79
Export Duty	--	--	--	--	--	--	--
Foreign Exchange Tax	0.33	0.20	0.15	0.37	0.19	1.12	0.91
Embarkation Tax	0.48	0.63	0.67	0.78	0.72	2.45	2.80
Non-Tax Revenue	3.34	3.57	4.41	5.13	7.02	14.35	20.13
Current Expenditure	20.75	20.11	21.80	20.58	18.52	78.14	81.01
Personal Emoluments	10.73	10.20	10.28	10.25	10.36	34.14	33.77
Goods & Services	8.78	8.40	10.65	8.00	6.72	39.60	41.08
Interest Payments	0.69	0.95	0.46	1.25	0.71	1.85	3.37
Domestic	0.48	0.73	0.45	0.97	0.61	1.44	2.76
External	0.21	0.22	0.01	0.28	0.10	0.41	0.61
Transfers & Subsidies	0.55	0.57	0.41	1.08	0.73	2.55	2.79
Of which: Pensions & Gratuity	0.36	0.35	0.36	0.36	0.56	1.49	1.63
Current Account Balance	(6.73)	(1.17)	(2.47)	(0.51)	7.07	(5.47)	2.92
Capital Revenue	--	--	--	--	--	--	--
Grants	1.30	0.50	0.30	0.35	0.90	6.17	2.05
Capital Expenditure & Net Lending	2.10	1.09	0.77	0.49	0.94	12.40	3.29
Overall Balance	(7.53)	(1.76)	(2.94)	(0.65)	7.03	(11.70)	1.68
Financing	7.53	1.76	2.94	0.65	(7.03)	11.70	(1.68)
Domestic	7.58	1.70	3.04	0.77	(7.20)	10.64	(1.69)
ECCB (net)	4.75	(0.89)	(0.84)	(1.50)	(1.22)	4.98	(4.45)
Commercial Banks (net)	1.73	2.84	1.96	2.44	(3.49)	3.28	3.75
Other	1.10	(0.25)	1.92	(0.17)	(2.49)	2.38	(0.99)
External	(0.05)	0.06	(0.10)	(0.12)	0.17	1.06	0.01
Net Amortisation	(0.05)	0.06	(0.10)	(0.12)	0.17	1.06	0.01
Disbursements	0.10	0.19	0.01	0.01	0.30	1.39	0.51
Amortisation	(0.15)	(0.13)	(0.11)	(0.13)	(0.13)	(0.33)	(0.50)
Change in Govt. Foreign Assets	--	--	--	--	--	--	--

Source: Ministry of Finance
Data available at 21 February 2003

Table 14
Anguilla - Selected Tourism Statistics

	2001 ^R 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 4 th Qr	2001 ^R Jan - Dec	2002 Jan - Dec
Total Visitors	19,897	31,743	28,089	27,157	26,109	104,974	113,098
Stay-Over Visitors	9,560	14,203	11,206	8,020	10,331	47,944	43,760
USA	6,053	10,451	7,590	3,930	6,682	30,099	28,653
Canada	361	429	253	216	394	1,258	1,292
UK	603	741	619	493	654	2,789	2,507
Italy	118	144	124	308	177	2,746	753
Germany	166	130	112	67	162	546	471
Caribbean	1,615	1,649	1,886	2,352	1,623	7,369	7,510
Other Countries	644	659	622	654	639	3,137	2,574
Excursionists	10,337	17,540	16,883	19,137	15,778	57,030	69,338
Total Visitor Expenditure (EC\$M)	33.56	49.30	39.98	28.63	36.80	168.73	154.71

Source: Ministry of Finance, Statistical Unit
Data available at 21 February 2003

Table 15
Anguilla - Consumer Price Index
December 2000 = 100

	Weight	Index Dec 2002	Percentage Change*				
			2001 4 th Qr	2002 ^R 1 st Qr	2002 2 nd Qr	2002 ^R 3 rd Qr	2002 4 th Qr
All Items	1000.00	101.40	(0.39)	(0.19)	0.97	(0.39)	(1.84)
Food	321.2	101.70	0.10	(0.59)	1.77	(1.16)	(0.68)
Alcohol and Tobacco	3.0	98.50	-	(0.80)	0.10	-	(0.81)
Housing	171.5	99.70	0.09	(0.27)	0.28	(2.84)	(5.94)
Fuel & Light	68.6	94.10	-	(5.80)	0.11	-	(0.21)
Clothing & Footwear	30.7	108.30	0.10	13.02	0.86	(2.81)	(5.00)
Transport and Communications	235.3	100.50	(1.45)	(1.57)	1.20	0.39	0.38
Household Furnishings and Supplies	97.3	105.40	(0.40)	1.29	0.29	2.94	(1.37)
Medical Care & Expenses	30.9	98.20	-	(2.20)	0.10	0.20	0.10
Education	9.9	110.50	0.10	7.33	-	13.75	(10.38)
Personal Services	16.4	114.60	-	14.80	(0.17)	(0.09)	0.09
Miscellaneous	15.3	105.30	3.18	1.06	0.95	(2.27)	1.84

Source: Ministry of Finance, Anguilla
*at end of period
Data available at 21 February 2003

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

	2001 3 rd Qr	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr
Net Foreign Assets	171.73	151.74	213.34	169.04	203.71	203.43
Central Bank (net)	67.62	65.31	59.65	63.78	93.08	70.75
Commercial Banks (net)	104.12	86.42	153.69	105.25	110.64	132.68
External (net)	75.33	50.75	109.26	55.82	67.06	92.04
Assets	264.52	229.62	303.94	255.68	247.03	284.73
Liabilities	189.19	178.87	194.68	199.86	179.98	192.69
Other ECCB Territories	28.79	35.67	44.43	49.44	43.58	40.64
Assets	43.30	49.90	59.86	62.38	61.62	59.85
Liabilities	14.51	14.22	15.43	12.94	18.04	19.21
Net Domestic Assets	322.72	332.51	335.59	336.74	328.06	342.15
Domestic Credit	406.38	409.75	414.34	419.59	419.03	431.63
Central Government (net)	13.34	19.82	21.78	22.90	23.83	19.12
Other Public Sector (net)	(55.93)	(56.95)	(60.33)	(66.53)	(68.28)	(65.82)
Non-Bank Financial Institutions (net)	(9.03)	(13.89)	(12.63)	(12.61)	(12.04)	(11.07)
Subsidiaries and Affiliates (net)	6.42	3.11	3.60	3.62	4.01	10.22
Private Sector	451.57	457.66	461.91	472.22	471.51	479.17
Other Items (net)	(83.66)	(77.24)	(78.75)	(82.85)	(90.97)	(89.49)
Money Supply (M2)	494.45	484.25	548.93	505.78	531.77	545.58
Money Supply (M1)	20.66	20.35	18.03	19.29	18.37	19.51
Currency with the Public	8.72	8.98	7.47	7.99	7.96	8.25
Demand Deposits	11.94	11.38	10.56	11.30	10.42	11.26
Quasi Money	473.79	463.90	530.89	486.49	513.40	526.07
Savings Deposits	46.71	46.87	46.97	48.97	49.02	50.02
Time Deposits	43.84	44.45	45.13	46.27	48.57	49.22
Foreign Currency Deposits	383.24	372.58	438.79	391.26	415.80	426.83

Source: Eastern Caribbean Central Bank
 Data available at 21 February 2003

Table 17
Antigua and Barbuda - Selected Tourism Statistics

	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 ^R 3 rd Qr	2002 ^P 4 th Qr	2001 Jan - Dec	2002 ^P Jan - Dec
Total Visitors	143,758	212,049	99,153	64,256	134,868	601,988	510,326
Stay-Over Visitors	43,869	56,891	47,048	43,756	50,390	193,176	198,085
USA	11,386	20,159	14,654	11,857	14,009	60,176	60,679
Canada	2,449	4,798	2,060	1,233	2,093	12,839	10,184
Europe	20,702	22,522	18,901	17,016	23,368	78,115	81,807
UK	18,500	19,690	16,759	15,241	20,711	67,785	72,401
Germany	468	429	513	296	537	2,763	1,775
Switzerland	253	259	153	113	238	878	763
Italy	552	1,221	654	668	837	3,027	3,380
France	280	299	219	211	332	1,168	1,061
Other Europe	649	624	603	487	713	2,494	2,427
Caribbean	7,730	7,593	9,487	11,291	9,001	34,260	37,372
South America	1,079	1,172	1,224	1,780	1,402	5,089	5,578
Other Countries	523	647	722	579	517	2,697	2,465
Cruise Ship Passengers ¹	99,889	155,158	52,105	20,500	84,478	408,812	312,241
Number of Cruise Ship Calls	70	114	32	10	44	271	200
Total Visitor Expenditure (EC\$M)	146.60	192.22	153.20	140.37	164.17	643.66	649.97

Source: Department of Tourism and Eastern Caribbean Central Bank

¹ Includes excursionists

Data available at 17 February 2003

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

	2001 3 rd Qr	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 ^R 3 rd Qr	2002 4 th Qr
Net Foreign Assets	174.26	320.01	377.80	356.26	274.69	384.99
Central Bank (net)	174.80	215.23	215.65	202.22	228.16	236.62
Commercial Banks (net)	(0.54)	104.79	162.15	154.04	46.60	148.36
External (net)	173.09	205.37	276.51	245.27	214.53	272.13
Assets	428.12	466.12	535.94	482.55	477.07	544.51
Liabilities	255.04	260.75	259.42	237.28	262.55	272.38
Other ECCB Territories	(173.62)	(100.58)	(114.36)	(91.23)	(167.92)	(123.77)
Assets	43.87	39.71	36.08	104.44	103.77	167.96
Liabilities	217.49	140.30	150.44	195.67	271.70	291.73
Net Domestic Assets	1,231.95	1,133.56	1,131.79	1,174.40	1,207.77	1,137.16
Domestic Credit	1,299.02	1,327.23	1,331.70	1,376.56	1,419.91	1,365.44
Central Government (net)	289.44	289.27	293.17	285.14	289.31	301.03
Other Public Sector (net)	(216.93)	(213.85)	(224.15)	(226.10)	(217.32)	(214.40)
Non-Bank Financial Institutions (net)	(56.39)	(63.48)	(64.78)	(81.41)	(85.37)	(82.91)
Subsidiaries and Affiliates (net)	(28.89)	(33.41)	(36.79)	(24.29)	(20.79)	(33.79)
Private Sector	1,311.79	1,348.71	1,364.25	1,423.21	1,454.09	1,395.50
Other Items (net)	(67.07)	(193.67)	(199.91)	(202.17)	(212.14)	(228.28)
Money Liabilities (M2)	1,406.21	1,453.58	1,509.59	1,530.66	1,482.53	1,522.14
Money Supply (M1)	260.85	307.13	300.89	303.36	287.64	308.01
Currency with the Public	75.65	78.13	85.45	84.15	77.33	88.20
Demand Deposits	185.20	229.00	215.44	219.20	210.31	219.81
Quasi Money	1,145.36	1,146.45	1,208.70	1,227.30	1,194.89	1,214.13
Savings Deposits	505.43	511.55	533.72	537.89	533.15	524.78
Time Deposits	560.77	554.29	558.17	587.66	567.11	594.83
Foreign Currency Deposits	79.16	80.61	116.81	101.75	94.63	94.52

Source: Eastern Caribbean Central Bank

Data available at 12 March 2003

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

	2001 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 ^P 4 th Qr	2001 Jan - Dec	2002 ^P Jan - Dec
Current Revenue	104.70	97.82	92.22	90.00	99.16	357.77	379.20
Tax Revenue	91.34	86.65	82.41	83.15	87.09	318.44	339.30
Taxes on Income & Profits	12.25	14.10	14.51	15.93	7.43	47.71	51.97
Of which:							
Company	11.16	12.10	13.24	14.70	7.33	42.96	47.37
Business Tax	0.20	0.64	0.19	0.25	0.10	1.15	1.18
Turnover Tax	0.88	1.33	1.03	0.92	0.00	3.45	3.28
Taxes on Property	0.70	4.23	1.56	0.84	0.80	5.95	7.43
Taxes on Domestic Goods & Services	16.57	20.33	16.24	19.32	19.08	69.22	74.97
Of which:							
Stamp Duties	5.03	3.03	3.14	4.26	5.98	16.09	16.41
Hotel and Guest Tax	3.76	6.70	5.51	3.52	4.23	23.06	19.96
Telecommunications Tax	2.06	2.33	2.23	2.07	3.12	9.56	9.75
Taxes on International Trade & Transactions	61.82	47.99	50.10	47.06	59.78	195.56	204.93
Of which:							
Import Duty	15.63	10.99	12.97	11.92	16.82	55.88	52.70
Consumption Tax	28.19	19.48	19.90	17.51	26.71	76.84	83.60
Customs Service Charge	13.10	9.81	11.69	11.04	10.14	38.90	42.68
Foreign Currency Levy	0.98	2.12	1.36	2.19	1.01	6.52	6.68
Non-Tax Revenue	13.36	11.17	9.81	6.85	12.07	39.33	39.90
Current Expenditure	123.89	122.71	120.42	131.15	133.01	457.39	507.29
Personal Emoluments	63.37	58.65	61.58	64.93	67.23	239.20	252.39
Goods & Services	24.47	41.90	34.10	34.65	34.66	107.61	145.31
Interest Payments	21.22	14.44	13.98	17.68	16.54	69.37	62.64
Domestic	14.72	7.22	7.09	10.00	10.19	47.30	34.50
External	6.50	7.22	6.89	7.68	6.35	220.7	28.14
Transfers & Subsidies	14.83	7.72	10.76	13.89	14.58	41.21	46.95
Of which: Pensions	3.86	3.78	4.43	4.80	3.18	16.81	16.19
Current Account Balance	(19.19)	(24.89)	(28.20)	(41.15)	(33.85)	(99.62)	(128.09)
Capital Revenue	0.37	1.20	0.73	0.44	0.00	1.36	2.37
Grants	--	--	--	--	18.05	--	18.05
Of which: Capital Grants	--	--	--	--	18.05	--	18.05
Capital Expenditure & Net Lending	26.66	2.73	4.30	14.00	10.17	44.87	31.20
Overall Balance	(45.48)	(26.42)	(31.77)	(54.71)	(25.97)	(143.13)	(138.87)
Financing	45.48	26.42	31.77	54.71	25.97	143.13	138.87
Domestic	(24.78)	(7.31)	(21.86)	(31.29)	(9.19)	16.99	(69.65)
ECCB (net)	0.49	0.12	(0.06)	(9.21)	0.72	(1.59)	(8.43)
Commercial Banks (net)	(0.65)	3.78	(7.97)	13.37	11.00	(12.63)	20.18
Other	(24.62)	(11.21)	(13.83)	(35.45)	(20.91)	31.21	(81.40)
External	54.66	1.53	(1.20)	41.79	(1.04)	57.19	41.08
Net Amortisation	54.66	1.53	(1.20)	41.79	(1.04)	57.19	41.08
Disbursements	65.39	6.59	2.59	43.03	5.23	90.16	57.44
Amortisation	(10.73)	(5.06)	(3.79)	(1.24)	(6.27)	(32.97)	(16.36)
Change in Govt. Foreign Assets	--	--	--	--	--	--	--
Arrears	15.60	32.20	54.83	44.21	36.20	68.95	167.44
Domestic	4.57	18.40	28.13	20.21	7.10	56.82	73.84
External	11.03	13.80	26.70	24.00	29.10	12.13	93.60

Source: Ministry of Finance, Treasury Department and ECCB Estimates
Data available at 12 March 2003

Table 20
Dominica - Selected Tourism Statistics

	2001 ^R 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 ^E 4 th Qr	2001 ^R Jan - Dec	2002 ^E Jan - Dec
Total Visitors	72,789	92,710	31,133	17,918	63,238	275,999	204,999
Stay-Over Visitors	16,308	17,643	14,686	17,093	17,686	66,393	67,108
USA	2,928	4,622	3,479	3,233	3,405	14,493	14,739
Canada	423	668	369	351	599	1,870	1,987
UK	1,579	1,583	1,178	1,367	1,711	5,967	5,839
Caribbean	10,051	8,272	8,393	10,845	10,043	37,851	37,553
Other Countries	1,327	2,498	1,267	1,297	1,928	6,212	6,990
Excursionists	380	102	204	434	292	1,979	1,032
Cruise Ship Passengers	56,101	74,965	16,243	391	45,260	207,627	136,859
Number of Cruise Ship Calls	62	98	24	3	61	231	186
Total Visitor Expenditure (EC\$M)	25.54	28.24	22.08	21.90	25.60	104.00	97.82

Source: Central Statistical Office, Dominica
Data as at 17 February 2003

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

	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 ^R 3 rd Qr	2002 4 th Qr	2001 Jan - Dec	2002 Jan - Dec
Visible Trade Balance	(75.50)	(48.50)	(49.10)	(43.12)	(57.49)	(236.55)	(198.21)
Total Imports	105.48	78.16	77.91	73.72	81.24	353.73	311.03
Total Exports	29.98	29.66	28.81	30.60	23.75	117.18	112.82
Re-Exports	1.84	1.59	3.67	2.74	0.89	5.51	8.89
Domestic Exports	28.14	28.07	25.14	27.86	22.86	111.67	103.93
Of which:							
Bananas							
Value	4.04	5.42	5.47	4.45	4.32	20.00	19.66
Volume	3,475	5,056	4,594	3,828	3,507	17,575	16,985
Soap							
Value	5.70	7.13	5.12	7.67	6.62	26.19	26.54
Volume	1,261	2,221	1,858	2,625	2,272	8,954	8,976
Dental Cream							
Value	3.43	3.42	3.79	3.10	2.55	16.50	12.86
Volume	323	314	376	320	261	1,516	1,271

Source: Central Statistical Office, Dominica Coconut Products and WIBDECO
Data as at 17 February 2003

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

	2001 ^R 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 ^E 4 th Qr	2001 ^R Jan - Dec	2002 ^E Jan - Dec
Current Revenue	53.51	45.12	51.49	42.85	49.91	201.67	189.37
Tax Revenue	42.35	39.50	41.66	38.03	42.92	162.91	162.10
Taxes on Income & Profits	9.71	8.57	12.21	10.41	10.40	44.48	41.59
Of which:							
Personal Tax	6.64	7.01	8.28	6.47	6.63	30.11	28.38
Company Tax	3.58	1.85	4.38	2.23	1.33	15.98	9.80
Stabilisation Levy	-	-	-	1.99	2.88	-	4.87
Taxes on Property	0.55	0.52	0.64	0.42	0.99	2.41	2.57
Taxes on Domestic Goods & Services	6.42	9.30	7.74	7.20	8.12	30.31	32.35
Of which:							
Sales Tax	3.94	4.33	4.08	4.10	5.00	16.74	17.51
Licences	1.24	3.42	2.29	1.63	1.76	7.68	9.09
Consumption Tax	1.07	1.37	1.16	1.30	1.19	5.04	5.03
Hotel Occupancy Tax	0.10	0.13	0.15	0.11	0.11	0.59	0.49
Taxes on International Trade & Transactions	25.67	21.11	21.07	19.99	23.41	85.70	85.59
Of which:							
Import Duty	6.33	4.51	4.77	4.23	13.87	49.64	51.62
Consumption Tax	15.76	12.86	12.46	12.44	6.03	21.28	19.55
Customs Service Charge	1.75	1.47	1.59	1.36	1.57	6.52	5.98
Non-Tax Revenue	11.17	5.62	9.84	4.82	6.99	38.76	27.27
Current Expenditure	54.87	59.31	56.11	56.13	56.94	226.86	228.50
Personal Emoluments	32.03	30.40	30.57	30.13	32.27	123.74	123.37
Goods & Services	8.59	7.55	9.77	5.12	7.34	32.33	29.78
Interest Payments	4.38	12.41	6.38	11.82	6.73	33.06	37.33
Domestic	3.49	8.26	4.29	4.87	3.08	21.80	20.50
External	0.89	4.14	2.09	6.95	3.65	11.27	16.84
Transfers & Subsidies	9.88	8.96	9.40	9.05	10.60	37.73	38.01
Of which: Pensions	2.77	2.69	2.73	2.65	2.77	10.14	10.84
Current Account Balance	(1.36)	(14.19)	(4.62)	(13.28)	(7.03)	(25.20)	(39.12)
Capital Revenue	0.34	0.08	0.79	0.61	0.35	3.35	1.84
Grants	4.87	1.24	3.03	13.75	7.29	25.86	25.30
Of which: Capital Grants	4.87	1.24	3.03	13.75	7.29	25.86	25.30
Capital Expenditure & Net Lending	5.73	15.31	6.89	2.84	11.49	62.39	36.54
Overall Balance	(1.88)	(28.19)	(7.68)	(1.77)	(10.88)	(58.37)	(48.52)
Financing	1.88	28.19	7.68	1.77	10.88	58.37	48.52
Domestic	(11.02)	19.14	(0.43)	(13.45)	3.52	(7.13)	8.78
ECCB (net)	(0.37)	4.00	0.31	(6.59)	2.63	(1.74)	0.35
Commercial Banks (net)	6.06	(2.67)	(5.66)	(11.66)	(20.67)	22.64	(40.66)
Other	(16.71)	17.81	4.92	4.80	21.56	(28.03)	49.09
External	8.19	3.69	3.66	7.75	28.74	46.08	43.84
Net Amortisation	10.54	4.42	4.03	7.75	29.27	51.82	45.47
Disbursements	11.91	6.36	5.11	9.79	30.02	57.75	51.28
Amortisation	(1.37)	(1.94)	(1.08)	(2.04)	(0.75)	(5.93)	(5.81)
Change in Govt. Foreign Assets	(2.35)	(0.73)	(0.37)	--	(0.53)	(5.74)	(1.63)
Arrears	4.71	5.36	4.45	7.47	(21.38)	19.42	(4.10)
Domestic	4.04	4.89	3.95	8.37	(20.18)	17.15	(2.97)
External	0.67	0.47	0.50	(0.90)	(1.20)	2.27	(1.13)

Source: Ministry of Finance
Data available at 17 February 2003

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

	2001 3 rd Qr	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 ^R 3 rd Qr	2002 4 th Qr
Net Foreign Assets	105.53	98.31	120.67	143.80	162.03	201.76
Central Bank (net)	82.79	84.28	94.75	81.29	100.56	122.80
Commercial Banks (net)	22.74	14.03	25.92	62.51	61.47	78.96
External (net)	28.00	15.58	21.68	39.61	39.59	64.06
Assets	114.00	105.70	112.43	132.11	136.74	159.17
Liabilities	86.00	90.12	90.75	92.50	97.15	95.11
Other ECCB Territories	(5.26)	(1.55)	4.25	22.90	21.88	14.90
Assets	26.11	32.64	37.10	55.36	54.71	48.76
Liabilities	31.37	34.19	32.86	32.46	32.83	33.86
Net Domestic Assets	390.88	407.68	408.39	380.86	364.19	347.49
Domestic Credit	499.59	503.71	501.47	489.81	469.47	447.29
Central Government (net)	84.45	90.14	91.47	86.12	69.20	51.16
Other Public Sector (net)	6.69	10.03	10.74	9.59	11.21	10.62
Non-Bank Financial Institutions (net)	(35.73)	(37.65)	(43.31)	(44.87)	(40.83)	(46.57)
Subsidiaries and Affiliates (net)	1.95	1.61	3.06	2.33	0.19	(1.15)
Private Sector	442.22	439.58	439.51	436.64	429.70	433.23
Other Items (net)	(108.71)	(96.03)	(93.08)	(108.95)	(105.28)	(99.80)
Money Supply (M2)	496.41	505.99	529.07	524.66	526.22	549.25
Money Supply (M1)	94.09	91.58	100.86	85.07	88.01	106.25
Currency with the Public	30.64	34.61	32.29	31.25	31.58	35.51
Demand Deposits	63.45	56.97	68.56	53.82	56.42	71.13
Quasi Money	402.32	414.41	428.21	439.58	438.22	442.60
Savings Deposits	259.10	258.98	268.61	263.60	262.56	262.17
Time Deposits	131.16	139.51	140.17	158.51	160.06	158.16
Foreign Currency Deposits	12.07	15.92	19.44	17.48	15.60	22.28

Source: Eastern Caribbean Central Bank
 Data available at 6 February 2003

Table 24
Dominica - Consumer Price Index
January 2001 = 100

	Weight	Index Dec 2002	Percentage Change*				
			2001 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 4 th Qr
All Items	1,000.00	101.10	0.50	0.23	(0.81)	0.81	0.24
Food	328.80	102.54	1.03	0.13	0.21	(0.16)	0.20
Alcohol and Tobacco	9.50	101.41	1.41	0.23	0.09	(0.24)	(0.25)
Housing	111.70	100.00	(1.13)	0.01	--	--	--
Fuel & Light	58.60	105.71	(8.56)	11.08	1.81	3.49	0.48
Clothing and Footwear	82.10	97.86	0.84	(0.77)	0.37	0.09	(0.14)
Transport and Communication	194.30	98.12	3.23	(2.33)	(5.69)	2.55	0.80
Household Furnishings & Supplies	93.50	100.03	0.29	(0.07)	0.06	(0.07)	(0.05)
Medical Care and Expenses	31.60	100.47	0.04	--	0.12	0.13	0.12
Education	29.00	105.39	0.56	2.30	2.05	0.78	0.09
Personal Services	42.50	103.58	--	--	--	3.58	--
Miscellaneous	18.40	102.75	1.10	0.10	0.34	0.64	0.20

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

Data as at 13 February 2003

Table 25
Grenada - Selected Agricultural Production

	Unit	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 Jan – Dec	2002 Jan – Dec
Bananas	(tonnes)	117	145	111	139	119	567	514
Cocoa	(tonnes)	36	618	82	37	139	688	876
Nutmeg	(tonnes)	181	472	1,032	896	668	2,179	3,068
Mace	(tonnes)	7	24	85	50	30	172	189

Source: Central Statistical Office
 Data available at 20 February 2003

Table 26
Grenada - Selected Tourism Statistics

	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 ^E 4 th Qr	2001 Jan – Dec	2002 ^E Jan – Dec
Total Visitors	71,708	108,414	48,482	38,329	73,967	277,512	269,192
Stay-over Visitors	25,732	36,673	26,309	35,065	27,930	123,351	125,977
USA	6,346	12,414	7,941	9,722	6,851	32,219	36,928
Canada	861	1,589	756	1,362	1,156	5,442	4,863
Europe	9,082	13,097	8,137	8,413	10,053	40,182	39,700
Of which							
Germany	960	1,353	426	256	1,211	3,665	3,246
UK	6,192	9,024	6,660	7,205	6,652	28,488	29,541
Caribbean	5,485	7,386	7,435	11,848	4,715	27,540	31,384
Other	3,958	2,187	2,040	3,720	5,155	17,968	13,102
Excursionists	1,353	897	760	1,421	1,287	6,825	4,365
Cruise Ship Passengers	44,623	70,844	21,413	1,843	44,750	147,336	138,850
No. of Cruise Ship Calls	70	114	42	28	68	288	252
Total Visitor Expenditure (EC\$M)	47.91	68.66	47.35	61.38	49.23	225.33	226.62

Source: Grenada Board of Tourism
 Data available at 5 March 2003

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

	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 Jan - Dec	2002 Jan - Dec
Visible Trade Balance	(102.41)	(89.28)	(95.79)	(114.97)	(116.48)	(431.10)	(416.53)
Total Imports	140.85	123.48	136.01	153.46	160.88	591.82	573.83
Total Exports	38.44	34.20	40.22	38.49	44.40	160.72	157.31
Re-Exports	5.78	2.10	2.32	3.96	6.26	12.48	14.64
Domestic Exports	32.66	32.10	37.90	34.53	38.14	148.24	142.67
Of which:							
Bananas*							
Volume	116.71	145.70	111.18	139.25	111.99	562.64	508.12
Value	0.09	0.12	0.12	0.15	0.14	0.46	0.53
Nutmeg							
Volume	443.68	304.59	579.88	608.14	805.09	2,463.37	2,297.70
Value	6.80	4.16	7.98	8.76	12.68	36.88	33.58
Mace							
Volume	86.50	35.56	62.23	23.04	86.77	195.50	207.60
Value	1.19	0.47	1.02	0.40	1.16	2.88	3.05
Cocoa							
Volume	--	402.16	292.52	31.98	118.89	--	845.55
Value	--	1.82	1.32	0.14	0.61	--	3.89
Manufactured Exports							
Volume	--	--	--	--	--	--	--
Value	22.04	21.31	21.34	21.53	n.a	89.28	n.a

Source: Central Statistical Office

* Includes exports to the Caribbean countries

Data available at 20 February 2003

Table 28
Grenada - Retail Price Index
1987 = 100

	Weight	Index Dec 2002	Percentage Change*				
			2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr
All Items	100.0	148.80	0.68	(2.17)	1.73	0.61	0.54
Food, Drink & Tobacco	40.7	161.90	1.51	(5.02)	3.52	1.20	0.81
Housing & Fuel Supplies	9.5	127.70	(0.40)	(0.72)	0.80	0.48	1.35
Housing & Household Expenses	17.3	129.40	0.08	--	0.47	--	(0.08)
Housing, Furniture & Fittings, etc	2.7	125.20	--	(0.32)	0.16	(0.16)	--
Clothing & Accessories	5.2	115.60	--	(0.86)	0.17	(0.26)	0.26
Transport Equipment, Vehicles, etc	9.1	176.40	--	0.74	--	--	--
Personal Care & Health Expenses	8.6	139.60	(0.07)	(0.07)	0.22	0.36	0.22
Recreational, Reading & Educational Expenses	4.6	171.90	0.13	2.85	4.06	(0.53)	2.20
Miscellaneous Expenses	2.3	166.00	0.12	(0.30)	0.42	--	0.06

Source: Statistical Department, Ministry of Finance

* at end of period

Data available at 20 February 2003

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

	2001 ^R 4 th Qr	2002 ^R 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 ^R Jan – Dec	2002 Jan – Dec
Current Revenue	71.93	65.25	74.22	64.78	75.51	282.72	279.76
Tax Revenue	63.15	61.97	70.30	61.51	68.54	254.48	262.32
Taxes on Income & Profits	12.38	9.02	14.87	10.05	9.53	57.21	43.47
Of which:							
Personal	1.97	2.54	2.40	1.96	1.90	8.41	8.80
Company	10.02	6.07	11.84	7.20	7.40	46.41	32.51
Taxes on Property	1.64	2.42	4.04	3.81	7.76	10.04	18.03
Taxes on Domestic Goods & Services	9.51	15.45	13.87	10.16	10.14	44.89	49.62
Of which:							
Consumption Tax	5.80	6.48	6.95	6.04	6.14	25.89	25.61
Stamp Duties	0.80	0.87	1.05	0.73	0.78	2.84	3.43
Licenses	0.53	6.39	2.46	1.05	1.07	5.60	10.97
Taxes on International Trade & Transactions	39.62	35.08	37.52	37.49	41.11	142.34	151.20
Of which:							
Import Duty	9.13	7.07	7.24	7.52	9.81	31.93	31.64
Consumption Tax	23.23	19.10	20.74	20.84	23.01	83.72	83.69
Customs Service Charge	6.76	5.48	6.32	6.93	6.73	25.21	25.46
Non-Tax Revenue	8.78	3.28	3.85	3.27	6.97	28.24	17.44
Current Expenditure	60.85	68.52	60.39	68.80	83.10	258.12	280.81
Personal Emoluments	34.40	29.90	30.70	31.30	32.80	127.62	124.70
Goods & Services	11.30	16.84	9.10	8.40	17.10	52.60	51.44
Interest Payments	4.70	8.38	6.09	15.10	20.10	27.90	49.67
Domestic	2.06	3.34	2.78	4.20	2.30	13.29	12.62
External	2.59	5.04	3.31	10.90	17.80	14.61	37.05
Transfers & Subsidies	10.50	13.40	14.50	14.00	13.10	50.00	55.00
Of which: Pensions	2.79	3.38	3.61	3.56	3.56	14.19	14.11
Current Account Balance	11.08	(3.27)	13.83	(4.02)	(7.59)	24.60	(1.05)
Capital Revenue	0.05	2.50	0.07	0.02	0.15	0.46	2.74
Grants	16.90	3.95	3.03	9.94	6.62	45.16	23.54
Of which: Capital Grants	14.20	4.52	0.85	14.30	3.69	33.59	19.51
Capital Expenditure & Net Lending	48.52	19.80	18.60	41.80	36.29	162.60	116.49
Overall Balance	(20.49)	(16.62)	(1.67)	(35.86)	(37.11)	(92.38)	(91.26)
Financing	20.49	16.62	1.67	35.86	37.11	92.38	91.26
Domestic	27.80	19.78	2.88	(146.00)	34.94	30.31	(88040)
ECCB (net)	1.12	(1.15)	(2.07)	(99.54)	72.00	1.01	(30.76)
Commercial Banks (net)	34.95	12.99	16.60	(9.54)	(12.90)	33.88	7.15
Other	(8.27)	7.94	(11.65)	(36.92)	(24.16)	(4.58)	(64.79)
External	3.57	(0.88)	(0.49)	190.75	11.28	44.29	200.66
Net Amortisation	3.57	(0.88)	(0.49)	190.75	11.28	44.29	200.66
Disbursements	7.59	4.46	3.00	283.00	3.40	63.16	293.86
Amortisation	(4.02)	(5.34)	(3.49)	(92.25)	7.88	(18.87)	(93.20)
Change in Govt. Foreign Assets	--	--	--	--	--	--	--
Arrears	(10.88)	(2.28)	(0.72)	(8.89)	(9.11)	17.78	(21.00)
Domestic	(9.27)	(0.88)	(0.58)	(4.77)	(6.74)	10.84	(12.97)
External	(1.61)	(1.39)	(0.14)	(4.11)	(2.37)	6.94	(8.01)

Source: Ministry of Finance
Data available at 20 February 2003

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

	2001 3 rd Qr	2001 4 th Qr	2002 ^R 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr
Net Foreign Assets	209.87	208.53	200.45	205.72	380.64	327.74
Central Bank (net)	152.53	172.64	174.52	189.94	276.05	237.16
Commercial Banks (net)	57.34	35.89	25.93	15.78	104.60	90.57
External (net)	(11.98)	(33.81)	(27.05)	(26.18)	39.39	2.66
Assets	238.48	224.51	226.24	234.50	303.31	272.87
Liabilities	250.46	258.32	253.29	260.68	263.92	270.21
Other ECCB Territories	69.31	69.70	52.98	41.96	65.21	87.91
Assets	79.83	81.22	69.97	77.96	88.73	99.56
Liabilities	10.52	11.52	16.99	36.00	23.51	11.65
Net Domestic Assets	849.66	881.84	896.65	912.36	759.86	839.64
Domestic Credit	924.64	967.96	972.00	990.69	860.47	928.18
Central Government (net)	58.63	94.70	106.54	121.07	11.99	71.07
Other Public Sector (net)	(12.77)	(5.54)	(9.29)	(11.16)	(43.04)	(31.86)
Non-Bank Financial Institutions (net)	(14.98)	(7.61)	(9.87)	(9.57)	(3.86)	(7.28)
Subsidiaries and Affiliates (net)	--	--	--	--	--	--
Private Sector	893.77	886.41	884.62	890.36	895.38	896.24
Other Items (net)	(74.99)	(86.11)	(75.35)	(78.34)	(100.61)	(88.54)
Money Supply (M2)	1,059.53	1,090.37	1,097.10	1,118.07	1,140.50	1,167.38
Money Supply (M1)	183.86	192.34	191.44	201.20	196.24	211.98
Currency with the Public	65.37	70.20	68.14	69.75	65.17	75.15
Demand Deposits	118.49	122.14	123.30	131.46	131.07	136.82
Quasi Money	875.66	898.03	905.66	916.87	944.26	955.40
Savings Deposits	521.50	539.96	565.99	584.87	604.87	632.05
Time Deposits	279.29	283.31	250.44	244.27	255.27	243.91
Foreign Currency Deposits	74.87	74.76	89.23	87.73	84.12	79.44

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

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

	2001 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 Jan – Dec	2002 Jan – Dec
Current Revenue	6.64	7.24	6.70	8.57	6.74	24.17	29.25
Tax Revenue	6.14	6.92	5.96	6.93	6.54	22.51	26.34
Taxes on Income & Profits	3.73	3.04	2.24	2.85	2.67	10.31	10.80
Of which:							
Personal Tax	2.02	1.92	2.02	2.56	2.10	7.36	8.60
Company Tax	1.33	0.95	0.06	0.25	0.38	2.55	1.64
Taxes on Property	0.44	0.13	0.03	0.54	0.12	0.70	0.82
Taxes on Domestic Goods & Services	0.51	1.18	0.70	0.54	0.77	3.09	3.19
Of which:							
Hotel Occupancy Tax	--	--	--	--	--	--	--
Insurance Company Tax	0.02	0.05	0.03	0.04	0.05	0.24	0.17
Licences & Stamp Duty	0.33	0.65	0.51	0.10	0.54	1.86	1.80
Taxes on International Trade & Transactions	1.46	2.57	2.98	3.00	2.98	8.41	11.53
Of which:							
Import Duty	0.31	0.59	0.65	0.54	0.56	1.78	2.34
Consumption Tax	0.51	0.83	1.15	1.04	1.13	2.84	4.15
Customs Service Charge	0.48	0.97	0.91	1.01	0.96	2.82	3.85
Foreign Currency Levy	0.12	0.20	0.19	0.28	0.20	0.69	0.87
Non-Tax Revenue	0.50	0.32	0.74	1.64	0.20	1.66	2.91
Current Expenditure	17.94	9.45	11.54	15.78	25.84	51.17	62.61
Personal Emoluments	7.46	5.31	3.13	5.76	11.00	22.93	25.20
Goods & Services	8.38	2.90	4.83	4.47	10.26	22.24	22.46
Interest Payments	--	--	--	--	--	--	--
Domestic	--	--	--	--	--	--	--
External	--	--	--	--	--	--	--
Transfers & Subsidies	2.10	1.24	3.58	5.55	4.58	6.00	14.95
Of which: Pensions	1.83	1.38	1.57	1.69	1.72	4.60	6.36
Current Account Balance	(11.30)	(2.21)	(4.84)	(7.21)	(19.10)	(27.00)	(33.36)
Capital Revenue	--	--	--	--	--	--	--
Grants	19.00	19.68	19.77	16.87	14.54	75.97	70.86
Of which: Capital Grants	11.65	10.10	10.10	6.45	9.11	46.60	35.76
Capital Expenditure & Net Lending	11.65	10.10	10.10	6.45	9.11	46.60	35.76
Overall Balance	(3.95)	7.37	4.83	3.21	(13.67)	2.37	1.74
Financing	3.95	(7.37)	(4.83)	(3.21)	13.67	(2.37)	(1.74)
Domestic	3.95	(7.27)	(4.78)	(3.21)	13.67	(2.20)	(1.69)
ECCB (net)	0.17	(0.83)	0.18	(0.08)	0.17	0.65	(0.56)
Commercial Banks (net)	(1.90)	(13.07)	7.67	(1.67)	(0.63)	25.79	(7.70)
Other	5.68	6.63	(12.63)	(1.46)	14.03	(28.64)	6.57
External	--	(0.10)	(0.05)	--	0.10	(0.17)	(0.05)
Net Amortisation	--	(0.10)	(0.05)	--	(0.11)	(0.17)	(0.26)
Disbursements	--	--	--	--	--	--	--
Amortisation	--	(0.10)	(0.05)	--	0.11	(0.17)	(0.04)
Change in Govt Foreign Assets	--	--	--	--	0.21	--	0.21

Source: Treasury Department, Ministry of Finance
Data available at 6 March 2003

Table 32
Montserrat – Consumer Price Index
1982 = 100

	Weight	Index Dec 2002	Percentage Change*				
			2001 4 th Qr	2002 1 st Qr	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr
All Items	1,000.0	199.00	0.58	1.61	1.79	0.40	(0.35)
Food	495.0	190.30	0.16	2.69	0.05	0.37	(0.73)
Alcohol & Tobacco	46.0	189.90	2.24	(1.92)	7.79	(4.65)	0.64
Household Goods	102.0	154.20	(1.49)	0.85	(0.85)	0.92	0.46
Gas, Electricity & Water	18.0	162.20	(0.50)	(2.58)	4.58	0.99	(0.98)
Rent	7.0	540.10	--	--	--	--	--
Clothing and Footwear	179.0	204.20	2.86	0.82	8.33	2.00	0.00
Services	153.0	244.60	0.25	1.33	0.08	0.00	0.00

Source: Central Statistical Office, Ministry of Finance

* at end of period

Data available at 21 February 2003

Table 33
Montserrat – Monetary Survey
(ECSM at end of period)

	2001 3 rd Qr	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr
Net Foreign Assets	124.67	130.16	145.47	141.32	143.75	136.30
Central Bank (net)	31.24	33.74	41.94	34.55	36.66	38.88
Commercial Banks (net)	93.44	96.42	103.53	106.77	107.09	97.42
External (net)	0.30	3.98	1.86	7.49	9.29	10.86
Assets	21.72	26.73	26.59	32.24	34.75	36.37
Liabilities	21.41	22.75	24.73	24.75	25.46	25.51
Other ECCB Territories (net)	93.13	92.44	101.67	99.29	97.80	86.56
Assets	101.81	94.61	104.18	100.56	98.87	87.65
Liabilities	8.67	2.17	2.51	1.27	1.08	1.09
Net Domestic Assets	(25.00)	(28.13)	(48.93)	(43.22)	(42.58)	(36.50)
Domestic Credit	(2.48)	(3.24)	(28.58)	(20.79)	(22.39)	(18.75)
Central Government (net)	(11.77)	(13.51)	(27.41)	(19.56)	(21.31)	(21.77)
Other Public Sector (net)	(12.90)	(13.22)	(12.63)	(13.59)	(14.47)	(14.35)
Non-Bank Financial Institutions (net)	(1.71)	(0.40)	(8.26)	(8.02)	(7.99)	(4.87)
Subsidiaries and Affiliates (net)	--	--	--	--	--	--
Private Sector	23.90	23.88	19.71	20.38	21.38	22.24
Other Items	(22.52)	(24.88)	(20.35)	(22.43)	(20.19)	(17.75)
Money Supply (M2)	99.67	102.03	96.55	98.10	101.17	99.80
Money Supply (M1)	24.24	25.45	22.99	23.47	24.62	26.36
Currency with the Public	11.61	11.83	9.87	9.56	9.62	10.81
Demand Deposits	12.63	13.62	13.12	13.91	15.00	15.53
Quasi Money	75.43	76.58	73.56	74.63	76.55	73.47
Savings Deposits	68.34	69.90	66.15	66.41	68.93	66.91
Time Deposits	4.17	4.25	4.29	4.31	4.36	3.70
Foreign Currency Deposits	2.92	2.43	3.12	3.91	3.26	2.86

Source: Eastern Caribbean Central Bank

Data available at 24 February 2003

Table 34
Montserrat - Selected Tourism Statistics

	2001 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 4 th Qr	2001 Jan - Dec	2002 Jan - Dec
Total Visitors	3,998	3,980	3,061	3,634	3,272	15,618	13,947
Stay-Over Visitors	2,779	2,442	1,836	2,221	2,317	9,800	8,816
USA	460	548	353	429	467	1,652	1,797
Canada	113	156	74	30	61	368	321
UK	783	578	449	584	760	2,419	2,371
Caribbean	1,377	1,099	887	1,121	953	5,123	4,060
Other Countries	46	61	73	57	76	238	267
Excursionists	1,219	1,538	1,225	1,413	955	5,818	5,131
Gross Visitor Expenditure (EC\$M)	6.29	6.69	4.32	4.92	5.47	22.89	21.41

Source: Statistics Department, Montserrat and ECCB
 Data available at 13 March 2003

Table 35
Montserrat - Selected Trade Statistics
(Volume - Tonnes; Value - EC\$M)

	2001 4 th Qtr	2002 1 st Qr	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 Jan - Dec	2002 Jan - Dec
Visible Trade Balance	(13.64)	(16.85)	(13.46)	(17.22)	(17.24)	(50.33)	(64.77)
Total Imports	14.44	17.72	14.81	18.04	18.15	52.29	68.72
Total Exports	0.80	0.87	1.35	0.82	0.91	1.96	3.95
Total Domestic Exports	--	--	--	--	--	--	--
Total Re-Exports	0.80	0.87	1.35	0.82	0.19	1.96	3.95

Source: Statistics Department, Montserrat
 Data available at 21 February 2003

Table 36
St Kitts and Nevis - Selected Tourism Statistics

	2001	2002	2002 ^P	2002 ^P	2002 ^E	2001	2002 ^P
	4 th Qr	1 st Qr	2 nd Qr	3 rd Qr	4 th Qr	Jan - Dec	Jan - Dec
Total Visitors	122,950	119,414	40,364	25,388	58,032	333,361	243,198
Stay-Over Visitors	18,391	19,436	16,977	13,195	17,923	70,565	67,531
USA	6,540	9,159	6,455	5,079	6,832	25,558	27,525
Canada	1,757	2,143	997	512	700	5,237	4,352
UK	2,101	1,586	1,463	1,060	1,355	8,726	5,464
Caribbean	7,249	5,892	7,564	6,143	8,547	287,490	28,146
Other Countries	744	656	498	401	489	2,554	2,044
Excursionists	872	1,149	1,064	818	822	3,662	3,853
Cruise Ship Passengers	102,185	98,194	20,658	10,229	37,538	252,172	166,619
Yacht Passengers	1,502	635	1,665	1,146	1,749	6,962	5,195
Number of Cruise Ship Calls	116	153	40	15	56	358	264
Total Visitor Expenditure (EC\$M)	44.90	49.51	38.91	28.18	37.82	163.08	154.42

Source: Planning Unit, Ministry of Finance
 Data available at 27 February 2003

Table 37
St Kitts and Nevis - Consumer Price Index +
January 2001 = 100

	Weight	Index Dec 2002	Percentage Change*				
			2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr
All Items	1000.00	103.63	0.39	0.23	1.28	0.31	0.02
Food	280.50	102.13	(0.06)	0.43	0.61	0.11	(0.65)
Alcohol and Tobacco	7.10	102.62	0.01	--	(0.85)	1.23	0.11
Housing	129.90	100.11	--	--	0.07	--	0.04
Fuel & Light	43.70	100.07	--	--	0.07	--	--
Clothing and Footwear	92.90	106.54	3.32	(0.63)	0.03	0.38	0.81
Transport and Communication	192.70	100.79	--	0.15	0.89	0.06	0.18
Household Furnishings & Supplies	140.50	107.21	0.62	0.10	(0.50)	1.36	--
Medical Care and Expenses	37.20	130.95	--	3.37	26.68	--	1.05
Education	21.40	100.58	0.08	--	0.17	--	(0.31)
Personal Services	19.90	100.00	--	--	--	--	--
Miscellaneous	34.20	101.87	0.06	(0.03)	0.20	0.88	0.65

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 26 February 2003

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

	2001 ^R 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 ^R Jan – Dec	2002 Jan – Dec
Current Revenue	77.45	63.85	73.71	63.64	96.15	262.02	297.35
Tax Revenue	57.97	45.24	52.14	43.91	70.78	194.61	212.07
Taxes on Income & Profits	20.20	12.72	13.42	10.55	25.24	57.72	61.93
Of which:							
Company	13.37	7.23	7.74	7.15	16.62	36.41	38.74
Social Services Levy	6.69	5.25	5.28	3.26	8.23	20.30	22.02
Taxes on Property	1.10	0.86	1.84	0.61	1.25	4.42	4.56
Taxes on Domestic Goods & Services	9.92	10.27	11.40	8.66	10.97	38.21	41.30
Of which:							
Hotel Room Tax	1.53	2.85	2.61	1.70	1.09	9.99	8.25
Licences	2.04	1.32	0.81	0.82	2.42	4.84	5.37
Gasoline Levy	1.72	1.45	1.81	1.04	1.29	3.66	5.59
Taxes on International Trade & Transactions	26.75	21.39	25.48	24.09	33.32	94.26	104.28
Of which:							
Import Duty	10.67	6.60	8.01	7.83	11.27	31.24	33.71
Consumption Tax	11.71	10.42	12.50	11.72	16.15	44.01	50.79
Customs Service Charge	3.38	3.66	4.25	3.34	4.49	13.73	15.74
Non-Tax Revenue	19.48	18.61	21.57	19.73	25.37	67.41	85.28
Current Expenditure	90.38	75.63	79.96	82.97	85.04	306.97	323.60
Personal Emoluments	37.30	34.32	35.60	35.54	37.51	140.28	142.97
Goods & Service	22.57	16.62	19.24	20.76	23.65	79.51	80.27
Interest Payments	19.86	16.20	16.53	18.89	15.44	52.44	67.06
Domestic	13.08	8.59	9.06	8.46	9.37	33.98	35.48
External	6.78	7.61	7.47	10.43	6.07	18.46	31.58
Transfers & Subsidies	10.65	8.49	8.59	7.78	8.44	34.74	33.30
Of which: Pensions	4.21	4.69	5.27	4.49	4.99	17.08	19.44
Current Account Balance	(12.93)	(11.78)	(6.25)	(19.33)	11.11	(44.95)	(26.25)
Capital Revenue	3.22	0.11	5.59	0.38	0.44	3.69	6.52
Grants	4.30	7.10	0.49	9.92	12.96	4.60	30.47
Of which: Capital Grants	3.69	7.00	0.28	9.83	12.92	3.99	30.03
Capital Expenditure & Net Lending	34.08	19.03	35.53	38.87	39.11	78.46	132.54
Of which: Capital Expenditure	34.08	16.43	19.31	24.22	20.95	78.46	80.91
Overall Balance	(39.49)	(23.60)	(35.70)	(47.90)	(14.60)	(115.12)	(121.80)
Financing	39.49	23.60	35.70	47.90	14.60	115.12	121.80
Domestic	39.53	(53.27)	34.53	40.71	16.43	9.52	38.40
ECCB (net)	(1.88)	3.62	(0.74)	1.60	(3.42)	(0.73)	1.07
Commercial Banks (net)	28.29	(49.75)	35.50	37.06	(41.12)	14.72	(18.30)
Other	13.12	(7.14)	(0.23)	2.05	60.96	(4.47)	55.64
External	(0.04)	76.87	1.16	7.19	(1.83)	105.60	83.39
Net Amortisation	(0.04)	76.87	1.16	7.19	(1.83)	105.60	83.39
Disbursements	8.45	81.90	8.21	14.90	5.77	124.01	110.78
Amortisation	(8.49)	(5.03)	(7.05)	(7.71)	(7.60)	(18.41)	(27.39)
Change in Govt. Foreign Assets	--	--	--	--	--	--	--

Source: Ministry of Finance
Data available at 27 February 2003

Table 39
St Kitts and Nevis - Monetary Survey
(EC\$M at end of period)

	2001 3 rd Qr	2001 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr
Net Foreign Assets	268.08	239.28	381.48	340.58	303.37	315.08
Central Bank (net)	155.77	153.29	140.36	200.21	161.01	177.22
Commercial Banks (net)	112.30	85.99	241.12	140.37	142.36	137.86
External (net)	202.91	196.88	308.12	269.78	253.94	245.67
Assets	380.93	373.55	503.72	482.85	474.06	500.48
Liabilities	178.02	176.67	195.60	213.07	220.12	254.81
Other ECCB Territories	(90.61)	(110.89)	(67.00)	(129.41)	(111.58)	(107.81)
Assets	92.44	73.52	100.55	112.24	100.07	99.22
Liabilities	183.05	184.40	167.54	241.64	211.65	207.03
Net Domestic Assets	537.79	554.95	439.43	512.16	548.62	529.72
Domestic Credit	744.33	751.53	663.56	721.77	767.83	734.62
Central Government (net)	260.06	284.95	238.82	273.59	312.25	267.71
Other Public Sector (net)	(148.49)	(154.23)	(151.63)	(146.87)	(150.37)	(122.63)
Non-Bank Financial Institutions (net)	(12.68)	(4.45)	(10.36)	(10.01)	(7.37)	(15.97)
Subsidiaries and Affiliates (net)	(34.26)	(50.01)	(41.16)	(32.77)	(29.39)	(30.17)
Private Sector	679.70	675.26	627.88	637.83	642.71	658.86
Other Items (net)	(206.53)	(196.58)	(224.13)	(209.62)	(219.21)	(204.90)
Money Supply (M2)	805.87	794.23	820.91	852.74	851.99	844.80
Money Supply (M1)	110.39	106.17	115.25	119.73	127.56	119.91
Currency with the Public	36.83	36.10	36.65	35.97	34.28	37.69
Demand Deposits	73.57	70.07	78.60	83.76	93.28	82.22
Quasi Money	695.48	688.07	705.66	733.01	724.44	724.89
Savings Deposits	304.19	305.95	321.13	327.76	332.38	334.96
Time Deposits	143.50	147.30	150.04	153.50	149.90	153.61
Foreign Currency Deposits	247.79	234.82	234.50	251.75	242.16	236.31

Source: Eastern Caribbean Central Bank
 Data available at 26 February 2003

Table 40
St Lucia - Selected Tourism Statistics

	2001 ^R 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 ^R Jan - Dec	2002 Jan - Dec
Total Visitor Arrivals	186,196	255,353	139,018	87,889	166,095	747,181	648,355
Stay-Over Visitors	48,979	72,198	67,324	56,073	57,868	250,132	253,463
Of Which:							
USA	17,616	26,714	24,264	21,030	22,036	91,248	94,044
Canada	2,229	6,607	2,062	1,221	3,037	12,213	12,927
UK	15,034	18,132	16,619	14,193	14,333	67,046	63,277
France	538	1,130	660	710	905	5,091	3,405
Germany	1,042	1,844	929	316	840	4,818	3,929
Caribbean	10,954	13,713	21,034	17,044	14,618	61,047	66,409
Excursionists	1,427	1,941	1,597	2,399	1,775	7,137	7,712
Cruise Ship Passengers	135,790	181,214	70,097	29,417	106,452	489,912	387,180
No. of Cruise Ship Calls	96	126	39	10	70	378	245
Total Visitor Expenditure (EC\$M)	142.25	206.99	179.05	145.17	160.46	697.73	691.67

Source: St Lucia Tourist Board
Data available at 20 February 2003

Table 41
St Lucia - Retail Price Index
1982 = 100

	Weight	Index Dec 2002	Percentage Change*				
			2002 4 th Qr	2002 1 st Qtr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr
All Items	1,000.0	170.70	0.29	(1.05)	0.53	(0.47)	0.35
Food	467.5	174.00	(0.17)	(1.64)	0.52	(0.97)	0.29
Alcohol and Tobacco	28.2	158.90	0.91	--	(0.06)	2.38	--
Housing	135.3	110.70	--	--	--	(0.09)	--
Fuel and Light	45.0	134.10	(2.55)	(1.00)	2.95	0.08	1.06
Clothing and Footwear	64.0	237.00	--	--	--	--	--
Transport and Communication	63.5	188.50	0.39	0.28	3.79	0.16	1.13
Household Furnishings and Supplies	57.7	178.00	--	--	(1.87)	0.06	(0.06)
Medical Care and Expenses	22.8	246.70	10.51	(7.19)	1.08	2.78	2.71
Recreation, Entertainment and Education	22.4	245.30	--	--	0.57	(1.45)	0.20
Miscellaneous	82.7	153.10	1.77	(0.39)	(0.06)	(1.23)	0.07

Source: Statistics Department, Ministry of Finance
*at end of period
Data as at 18 February 2003

Table 42
St Lucia - Monetary Survey
(EC\$M at end of period)

	2001 3 rd Qr	2001 4 th Qr	2002 1 st Qr	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 4 th Qr
Net Foreign Assets	86.86	117.41	111.86	185.53	41.37	105.25
Central Bank (net)	209.35	235.17	251.70	259.14	214.90	248.08
Commercial Banks (net)	(122.48)	(117.75)	(139.84)	(73.61)	(173.54)	(142.84)
External (net)	(176.37)	(165.16)	(173.65)	(180.98)	(175.36)	(191.18)
Assets	86.92	100.07	88.61	84.91	126.77	108.33
Liabilities	263.29	265.22	262.26	265.89	302.12	299.51
Other ECCB Territories	53.89	47.40	33.81	107.37	1.82	48.35
Assets	82.12	76.00	80.32	181.93	116.73	119.78
Liabilities	28.23	28.60	46.51	74.56	114.91	71.43
Net Domestic Assets	1,096.38	1,116.91	1,137.31	1,080.75	1,179.85	1,167.44
Domestic Credit	1,223.42	1,381.87	1,391.20	1,362.37	1,453.25	1,431.81
Central Government (net)	(118.08)	(113.07)	(95.63)	(90.51)	(94.06)	(96.34)
Other Public Sector (net)	(171.47)	(168.56)	(165.08)	(141.05)	(147.91)	(155.00)
Non-Bank Financial Institutions (net)	(21.13)	(43.42)	(35.19)	(39.41)	(30.70)	(32.74)
Subsidiaries and Affiliates (net)	0.77	165.10	161.92	162.81	164.25	162.42
Private Sector	1,533.35	1,541.82	1,525.17	1,470.54	1,561.68	1,553.47
Other Items (net)	(127.05)	(264.96)	(253.89)	(281.62)	(273.40)	(264.38)
Money Supply (M2)	1,183.24	1,234.33	1,249.17	1,266.28	1,221.22	1,272.68
Money Supply (M1)	260.65	283.83	280.43	292.71	255.16	287.69
Currency with the Public	73.58	82.09	80.63	78.63	76.02	83.59
Demand Deposits	187.06	201.74	199.80	214.08	179.14	204.10
Quasi Money	922.59	950.50	968.75	973.57	966.06	984.99
Savings Deposits	572.94	573.30	594.79	629.46	636.73	652.33
Time Deposits	339.43	364.40	358.34	329.81	316.79	308.88
Foreign Currency Deposits	10.22	12.80	15.62	14.31	12.53	23.78

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

Table 43
St Lucia - Banana Exports

	2001 4 th Qr	2002 ^R 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 Jan - Dec	2002 Jan - Dec
Volume (tonnes)	8,525	12,923	13,879	11,528	9,830	34,043	48,160
Value (EC\$M)	10.11	14.74	17.14	14.49	12.39	40.76	58.76
Unit Price (EC\$/tonne)	1,186	1,141	1,235	1,257	1,260	4,933	4,893

Source: WIBDECO
 Data as 14 January 2003

Table 44
St Lucia - Central Government Fiscal Operations
(In millions of Eastern Caribbean Dollars)

	2001 ^R 4 th Qr	2002 1 st Qr	2002 ^R 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 ^R Jan - Dec	2002 Jan - Dec
Current Revenue	83.81	122.61	99.94	120.66	104.03	441.91	447.23
Tax Revenue	75.55	107.81	93.89	107.52	95.73	397.19	404.95
Taxes on Income & Profits	16.21	32.21	29.32	29.82	16.24	133.74	107.60
Of which:							
Personal Tax	10.61	12.45	11.83	11.02	12.12	49.19	47.41
Company Tax	1.61	17.23	12.18	15.79	0.56	62.60	45.76
Taxes on Property	0.11	3.96	0.90	0.87	1.18	1.26	6.92
Taxes on Domestic Goods & Services	13.14	20.35	18.42	22.20	22.39	70.93	83.36
Of which:							
Consumption Duties	1.00	1.40	1.46	1.14	0.94	5.26	4.94
Excise Tax	4.81	5.48	5.34	5.07	5.86	22.18	21.75
Hotel Occupancy Tax	2.38	5.72	5.74	4.64	3.63	20.90	19.74
Taxes on International Trade & Transactions	46.10	51.28	45.25	54.63	55.92	191.26	207.08
Of which:							
Consumption Tax	22.25	29.66	22.43	29.72	28.20	93.77	110.01
Import Duty	13.62	11.73	13.23	13.10	14.95	53.73	53.01
Service Charge (Imports)	6.84	6.41	6.56	7.11	8.41	28.77	28.48
Non-Tax Revenue	8.26	14.80	6.05	13.13	8.30	44.72	42.28
Current Expenditure	101.83	103.40	97.76	105.47	107.01	405.27	413.64
Personal Emoluments	50.83	52.93	53.12	53.15	51.95	213.64	211.15
Goods & Services	18.04	20.65	10.87	21.47	19.96	73.45	72.95
Interest Payments	14.67	8.13	13.02	8.59	13.90	45.83	43.63
Domestic	7.71	4.90	6.62	5.49	5.11	24.87	22.11
External	6.97	3.24	6.40	3.10	8.78	20.96	21.52
Transfers & Subsidies	18.29	21.68	20.75	22.27	21.21	72.36	85.91
Of which: Pensions	8.88	7.24	9.06	8.78	7.95	32.61	33.02
Current Account Balance	(18.02)	19.21	2.18	15.19	(2.98)	36.65	33.59
Capital Revenue	0.62	1.42	6.20	13.65	--	1.30	21.26
Grants	3.21	8.88	--	8.55	9.99	17.51	27.43
Of which: Capital Grants	3.21	8.88	--	8.55	9.99	17.51	27.43
Capital Expenditure & Net Lending	30.32	47.02	13.38	24.40	47.21	122.86	132.01
Overall Balance	(44.52)	(17.51)	(5.01)	12.99	(40.20)	(67.41)	(49.73)
Financing	44.52	17.51	5.01	(12.99)	40.20	67.41	49.73
Domestic	14.45	9.85	(0.21)	(26.46)	(92.85)	58.45	(0.11)
ECCB (net)	(0.54)	(1.48)	(0.30)	(2.23)	(3.77)	7.40	(7.78)
Commercial Banks (net)	5.55	18.92	5.41	(1.31)	1.49	(34.70)	24.51
Other	9.44	(7.59)	(5.33)	(22.92)	(90.57)	85.75	(16.48)
External	30.07	7.66	5.22	13.47	133.05	8.96	49.84
Net Amortisation	30.07	7.66	5.22	13.47	78.27	8.96	104.62
Disbursements	36.77	9.38	8.77	16.13	114.54	58.97	148.82
Amortisation	(6.70)	(1.72)	(3.56)	(2.66)	(36.27)	(50.01)	(44.21)
Change in Govt. Foreign Assets	--	--	--	--	(54.78)	--	(54.78)

Source: Ministry of Finance and Eastern Caribbean Central Bank
 Data available at 20 February 2003

Table 45
St Vincent and the Grenadines - Selected Tourism Statistics

	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 Jan - Dec	2002 Jan - Dec
Total Visitors	63,502	103,133	44,936	34,642	68,260	256,827	250,971
Stay-Over Visitors	16,948	19,552	16,859	18,866	20,357	70,686	75,634
USA	4,351	6,215	5,124	4,358	5,607	19,362	21,304
Canada	1,050	1,730	945	849	1,374	3,929	4,898
UK	2,598	3,530	2,714	2,868	4,043	10,842	13,155
Caribbean	6,436	5,064	6,109	8,490	6,063	26,430	25,726
Other Countries	2,513	3,013	1,967	2,301	3,270	10,123	10,551
Excursionists	3,454	4,362	3,061	2,745	3,348	14,807	13,516
Yacht Passengers	22,450	37,864	16,754	3,710	30,824	86,986	89,152
Cruise Ship Passengers	20,650	41,355	8,262	9,321	13,731	84,348	72,669
Total Visitor Expenditure (EC\$M)	48.97	78.07	45.50	33.70	62.57	213.68	219.84

Source: Department of Tourism and ECCB Estimates
 Data available at 5 February 2003

Table 46
St Vincent and the Grenadines - Selected Trade Statistics
(Volume: 000 tonnes; Value: EC\$M)

	2001 4 th Qr	2002 ^R 1 st Qr	2002 ^R 2 nd Qr	2002 ^R 3 rd Qr	2002 4 th Qr	2001 Jan - Dec	2002 Jan - Dec
Visible Trade Balance	(103.74)	(77.36)	(78.35)	(83.45)	(135.84)	(343.58)	(375.00)
Total Imports	129.06	103.17	103.89	110.97	162.21	464.00	480.23
Total Exports	25.32	25.81	25.54	27.52	26.37	120.42	105.23
Re-Exports	1.46	1.21	1.65	2.52	2.84	16.15	8.23
Domestic Exports	23.86	24.60	23.88	24.99	23.52	104.27	97.00
Of which:							
Bananas							
Volume	10.29	10.48	10.29	9.54	7.16	33.80	37.47
Value	9.85	11.52	10.78	11.98	8.48	36.86	42.76
Flour							
Volume	3.11	2.51	2.40	2.29	2.27	13.59	9.46
Value	4.16	3.61	3.42	3.21	3.27	18.00	13.51
Rice							
Volume	1.44	1.43	1.38	1.17	1.11	5.04	5.09
Value	2.51	2.22	2.52	2.33	2.33	9.66	9.41

Source: Statistical Office and ECCB Estimates
 Data available at 27 February 2003

Table 47
St Vincent and the Grenadines - Consumer Price Index⁺
January 2001 = 100

	Weight	Index Dec 2002	Percentage Change*				
			2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr
All Items	1000.00	100.61	(0.89)	1.50	(1.38)	2.20	(1.75)
Food	536.1	99.20	(1.76)	1.79	(2.15)	2.50	(3.41)
Alcohol and Tobacco	9.5	103.20	0.50	2.08	0.10	(0.58)	0.68
Housing	97.9	103.60	1.10	1.48	--	0.97	--
Fuel & Light	29.8	100.50	0.91	(0.50)	2.21	(0.10)	(1.08)
Clothing and Footwear	88.7	98.00	(0.71)	0.20	(0.10)	(0.51)	0.41
Household Furnishings & Supplies	61.5	92.80	(4.84)	2.60	(2.63)	(3.22)	(0.32)
Transport and Communication	68.5	100.10	--	--	--	--	(0.30)
Medical Care & Expenses	10.1	104.20	4.10	0.10	--	--	--
Education	34.3	121.70	--	1.84	(6.34)	32.44	(1.30)
Personal Services	33.5	99.00	(13.82)	(0.31)	1.43	--	--
Miscellaneous	30.1	111.40	(0.89)	10.49	--	0.27	0.45

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 3 March 2003

Table 48
St Vincent and the Grenadines - Monetary Survey
(ECSM at end of period)

	2001 3 rd Qr	2001 4 th Qr	2002 1 st Qr	2002 ^k 2 nd Qr	2002 3 rd Qr	2002 4 th Qr
Net Foreign Assets	270.16	253.95	267.79	276.54	220.31	272.83
Central Bank (net)	138.55	164.07	154.70	155.30	145.02	141.73
Commercial Banks (net)	131.61	89.88	113.09	121.24	75.29	131.10
External (net)	(29.38)	(22.47)	(18.46)	(1.89)	(3.61)	(3.58)
Assets	134.66	142.61	144.06	142.78	148.39	143.36
Liabilities	164.04	165.07	162.52	144.67	152.00	146.36
Other ECCB Territories	160.99	112.34	131.55	123.13	78.90	134.67
Assets	181.79	141.49	148.84	150.48	173.12	170.23
Liabilities	20.80	29.15	17.28	27.36	94.22	35.56
Net Domestic Assets	356.29	400.91	418.97	420.84	450.90	436.43
Domestic Credit	490.50	468.61	506.76	538.70	568.00	534.03
Central Government (net)	73.76	43.98	62.30	106.66	113.93	85.98
Other Public Sector (net)	(137.44)	(120.93)	(110.34)	(131.13)	(136.52)	(131.62)
Non-Bank Financial Institutions	(49.16)	(59.88)	(55.52)	(56.78)	(40.11)	(53.73)
Subsidiaries and Affiliates (net)	0.00	0.00	0.00	0.00	0.00	0.00
Private Sector	603.42	605.45	610.32	619.93	630.71	633.38
Other Items (net)	(134.30)	(67.70)	(87.79)	(117.85)	(117.10)	(97.59)
Money Supply (M2)	626.45	654.87	686.76	697.39	671.21	709.26
Money Supply (M1)	203.90	219.16	229.85	235.13	220.62	239.16
Currency with the Public	45.89	51.51	53.00	51.19	47.75	54.02
Demand Deposits	158.01	167.65	176.84	183.94	172.87	185.14
Quasi Money	422.55	435.70	456.91	462.25	450.59	470.10
Savings Deposits	286.44	285.03	291.77	300.15	301.01	303.99
Time Deposits	129.98	143.08	158.30	153.99	141.80	156.42
Foreign Currency Deposits	6.13	7.59	6.84	8.11	7.78	9.69

Source: Eastern Caribbean Central Bank

Data available at 14 February 2003

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

	2001 4 th Qr	2002 1 st Qr	2002 2 nd Qr	2002 3 rd Qr	2002 4 th Qr	2001 Jan - Dec	2002 Jan - Dec
Current Revenue	79.11	53.91	77.19	77.46	97.06	267.27	305.62
Tax Revenue	66.92	40.83	68.61	68.27	82.05	228.02	259.76
Taxes on Income & Profits	21.29	12.45	24.41	19.20	31.80	69.73	87.86
Of which:							
Individual	7.19	7.48	9.93	8.39	9.24	32.91	35.04
Company Tax	13.27	3.26	12.13	9.90	19.91	33.29	45.20
Taxes on Property	0.71	0.28	0.29	1.13	0.81	3.41	2.51
Taxes on Domestic Goods & Services	10.32	7.21	11.07	16.73	7.69	43.26	42.70
Of which:							
Consumption Duties	1.95	1.06	1.62	1.44	1.79	6.31	5.91
Hotel Turnover Tax	0.43	1.67	1.64	0.61	0.55	5.39	4.47
Taxes on International Trade & Transactions	34.60	20.89	32.84	31.21	41.75	111.62	126.69
Of which:							
Import Duty	8.27	3.87	6.51	6.12	9.07	25.04	25.57
Consumption Tax	20.26	12.81	20.32	19.17	25.64	64.59	77.94
Customs Service Charge	4.99	3.18	4.56	4.15	6.28	16.54	18.17
Non-Tax Revenue	12.19	13.08	8.58	9.19	15.01	39.25	45.86
Current Expenditure	66.32	64.63	66.70	65.15	77.87	253.72	274.35
Personal Emoluments	33.01	32.60	32.53	32.62	40.53	126.84	138.28
Goods & Services	16.24	13.14	15.84	16.40	17.66	54.46	63.04
Interest Payments	5.27	7.37	4.49	7.23	6.38	24.63	25.47
Domestic	2.79	4.56	2.02	4.42	4.19	12.56	15.19
External	2.48	2.81	2.47	2.81	2.19	12.07	10.28
Transfers & Subsidies	11.80	11.52	13.84	8.90	13.30	47.79	47.56
Of which: Pensions	--	--	--	--	--	5.02	--
Current Account Balance	12.79	(10.72)	10.49	12.31	19.19	13.55	31.27
Capital Revenue	0.09	0.20	0.49	0.93	5.93	1.03	7.55
Grants	1.09	0.08	0.30	0.68	5.72	5.82	6.78
Of which: Capital Grants	1.09	0.08	0.30	0.68	5.72	5.82	6.78
Capital Expenditure & Net Lending	19.19	13.21	15.51	10.49	8.94	34.97	48.15
Overall Balance	(5.22)	(23.65)	(4.23)	3.43	21.90	(14.57)	(2.55)
Financing	5.22	23.65	4.23	(3.43)	(21.90)	14.57	2.55
Domestic	(14.66)	29.62	6.26	3.91	(23.50)	(8.36)	16.29
ECCB (net)	2.34	(3.00)	(2.90)	0.30	7.20	(2.08)	1.60
Commercial Banks (net)	(39.30)	21.32	44.70	7.00	(35.10)	(16.10)	37.92
Other	22.30	11.30	(35.54)	(3.39)	4.40	9.82	(23.23)
External	19.88	(5.97)	(2.03)	(7.34)	1.60	22.93	(13.74)
Net Amortisation	22.88	(1.47)	(2.03)	(7.34)	1.60	30.43	(9.24)
Disbursements	26.69	1.82	2.31	0.00	17.10	43.59	21.23
Amortisation	(3.81)	(3.29)	(4.34)	(7.34)	(15.50)	(13.16)	(30.47)
Change in Govt. Foreign Assets	(3.00)	(4.50)	0.00	0.00	0.00	(7.50)	(4.50)

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

THE RELEVANCE OF THE VALUE ADDED TAX TO ECCU MEMBER COUNTRIES

by Laurel Bain, Adviser, ECCB

INTRODUCTION

The member countries of the Eastern Caribbean currency union (ECCU) depend on indirect taxes, in particular taxes on international trade and transactions as their main source of revenue. However, the international trend towards trade liberalisation has threatened this traditional revenue source. The introduction of the Common External Tariff (CET) in most ECCU countries has resulted in the gradual reduction in the maximum rate of import duty from 45.0 per cent to 25.0 per cent.

ECCU countries have adopted policies to neutralise the loss in revenue from the reduction in import duty. The consumption tax on selected items has been adjusted upwards and some countries have adjusted the rate of the customs service charge. Constrained by an already narrow tax base, the avenues for adjusting existing taxes without distortionary effects on the economy would be exhausted.

International institutions such as the World Bank and the IMF are encouraging countries, particularly those undergoing structural adjustment programmes, to implement the value added tax (VAT) as a means of simplifying the tax structure and enhancing revenue in the medium term. Within CARICOM, three countries - Trinidad and Tobago, Grenada and Barbados - have implemented the VAT. In this context, the pressure will intensify on ECCU countries to implement the VAT, especially in light of the impending CARICOM single market and economy.

THEORETICAL ASPECTS OF THE VALUE ADDED TAX

A value added tax is levied on the value that a producer or retailer adds to his raw material or purchases, excluding labour, before selling the new product or service. It is collected at each stage in the production and distribution process and the burden is expected to be borne by the consumer. It is a broad based tax and should be implemented with few exemptions and zero rated goods.

There are three types of VAT, namely *gross product, income* and *consumption*. The various types of value added taxes are influenced primarily by the treatment of capital goods in the tax base. Of the three, the consumption based variant is most widely used.

The consumption type VAT allows deductions for all inputs including capital assets in calculating the tax. Therefore, gross investment is deductible and the tax base is equivalent to total private consumption.

The consumption type tax is neutral in respect to the production technique, be it labour or capital. This is because both factors of production are excluded from the tax base. In addition, the tax favours the development of an export sector as all exports are totally exempt from taxation. The consumption based value added tax is also said to be more administratively feasible.

CURRENT DEBATES ON THE VALUE ADDED TAX

The merits and demerits of the VAT are widely debated. Four arguments have been put forward in favour of the tax:



- Revenue Potential;
- Neutrality in Implementation
- Efficiency;
- Simplification of the Tax System.

Revenue Potential

The VAT is appropriately described as a broad based tax. In its pure form, the tax is implemented with few zero-rated items and exemptions, which ensure that the tax base is comprehensive. Because the tax is levied on a buoyant base, it creates a valuable source of revenue, particularly for countries with a limited income tax base and countries that encounter problems with the implementation of the property tax.

Neutrality in Implementation

A single rate value added tax with few exemptions and zero rated goods is considered non-distortionary or neutral with respect to economic behaviour. Consumers are not encouraged to change their pattern of consumption as the tax is applied on a comprehensive base. Additionally, if VAT on capital goods is fully credited, firms are not encouraged to change their method of production.

Efficiency

The tax is economically efficient as it is levied on the value added and avoids the cascading effects of some indirect taxes. It replaces numerous inefficient, distortionary and badly administered taxes. The introduction of an entirely new tax system creates the opportunity to revamp the administrative mechanism for the existing tax system.

Simplification of the Tax System

The VAT replaces complicated systems of indirect taxes levied at various rates and administered by various institutions. In addition, the VAT helps with the reduction in tax evasion because the invoice system is used as a control mechanism through the audit trail it creates.

The disadvantages of the VAT are generally related to the difficulties of administering the tax and the distributional effects of the tax.

In relation to the macroeconomic variables, VAT has a favourable impact on export earnings, but contributes to higher prices during the period of implementation.

VAT and Macroeconomic Variables

Inflation

Countries have experienced higher rates of inflation with the introduction of VAT, generally associated with the higher dependence on indirect taxes and the process of shifting the burden of indirect taxes to the consumers. Ignoring variations in price and demand elasticities, it is generally argued that price rises by the net effect of the VAT. This rarely occurs in practice. The impact on price is further complicated as businesses may take the opportunity to increase prices for reasons not associated with the VAT.

Exports

Exports are zero-rated in the VAT systems, which means that they are completely free from taxes. It is



therefore argued that the VAT has a favourable impact on exports and could improve the country's balance of payments.

Some CARICOM countries have experimented with the implementation of VAT with varying degrees of success.

THE VAT IN TRINIDAD AND TOBAGO

The introduction of the VAT in Trinidad and Tobago was an integral part of comprehensive tax reform accompanied by the elimination of a number of indirect taxes.

The tax was levied at 15.0 per cent, after taking into consideration the rates of value added tax existing in other countries. The VAT was expected to be a broad based consumption tax, levied on domestic consumption as exports are zero-rated. In consideration of the distributional impact of the tax and for administrative reasons, some goods and services were exempt or zero-rated, among them staples such as flour, rice, milk, bread and cheese.

To eliminate the small firms that do not maintain proper records, the threshold for the VAT was initially established at TT\$75,000 and later raised to \$150,000. Services considered difficult to tax were excluded from the tax base, including insurance and banking services, and legal services. Medical and dental services were exempt. In addition to the exempt and zero rated goods, the sale of land and intangible assets such as stocks and securities, which do not constitute consumption, were excluded from the tax base. A number of taxes on domestic transactions were maintained. These include the hotel accommodation tax, the insurance premium tax, the financial services tax and the property tax.

The VAT office, within the Board of Inland Revenue, was established to administer the tax, which was implemented in January 1990. Prior to implementation extensive publicity campaigns were undertaken. The VAT office conducted training programmes for taxpayers, who were given the responsibility for collecting the VAT.

As a result of the tax credit system, there is need for refunds. The VAT office administers the tax refunds. The proportion of tax refunds as a percentage of VAT collected, continues to be an area of concern to the administration. Tax refunds are estimated to be approximately 30.0 per cent to 45.0 per cent of tax collection, which is considered high by international standards. A portion of the refund is related to tax credit granted on investment by petroleum companies.

The tax threshold of \$150,000 exempts many small businesses. They are not required to register and although VAT is paid on purchases, they cannot claim the VAT paid on purchases and cannot charge VAT on sales. In the case of farmers, their products are zero-rated in the VAT system and they are granted a credit for taxes paid on their purchases.

The possibility of claiming taxes on input may have been an incentive for small enterprises and farmers to register. The large number of small taxpayers seems to be a burden to the tax administration, and the VAT office is now trying to eliminate some of the small taxpayers.

Construction is considered a taxable service. Therefore, contractors are required to pay VAT on input and charge VAT on output. The nature of the service is such that the value added is not easily verified and hence the output tax may be estimated to be significantly lower than the input tax, requiring the department to pay refunds to the contractors. The



construction of residential homes is exempt from VAT and while the contractors pay taxes on input, they cannot claim the tax paid or charge tax on the sale of homes.

The yield from the VAT in Trinidad and Tobago has been generally higher than budgeted. However, the buoyancy of the tax system, which measures the growth in tax revenue as the economy expands, has been lower than anticipated. The high element of tax refunds, which is estimated at 30.0 per cent to 40.0 per cent of collections, may have contributed to the low tax buoyancy. In addition, capital goods and exports are zero-rated. To the extent that investment and exports contribute to economic growth, the buoyancy of the tax is significantly reduced.

THE VAT IN GRENADA

In Grenada the consumption type VAT, based on the credit system, was introduced in 1986 as part of a comprehensive redesign of the tax system. A number of arguments were put forward for the tax reform, namely:

- The existing tax system was complex;
- There was a haphazard distribution of tax burden among the population;
- Difficulties were encountered in effectively administering the tax system.

The Laffer Curve Theory that “lower taxes leads to higher revenue yield” was the foundation of the fiscal reform.

Among the fundamental changes to the tax system was the abolition of personal and corporate income taxes. In the new tax system, a business levy replaced the corporate income tax, and a value added tax, a modified land value tax and a petrol levy were

introduced. The following taxes were maintained as part of the new tax system.

- The common external tariff
- The foreign exchange tax
- The motor vehicle tax
- Licences.

Reacting to the loopholes in the VAT legislation, the VAT was constantly amended. In 1988 the tax legislation was amended in an attempt to simplify the tax and the administrative mechanism for assessment and collection was strengthened. In that year a separate office was established for the implementation of the tax. In the following year the VAT was removed at the wholesale and retail levels and placed on importers and manufacturers. This was due to the difficulties experienced by the Inland Revenue Department in collecting the tax at both wholesale and retail levels. Eventually, the authorities resorted to the implementation of the tax at the port, in a manner similar to the previous consumption tax.

The VAT in Grenada was a failure. This was primarily related to the poor planning for the implementation of the tax. In addition, the granting of concessions to various interest groups complicated the administration of the tax.

The VAT is administratively demanding. Its implementation should be preceded by:

- Extensive education campaigns;
- The training of tax administrators;
- Proper tax administration;
- A comprehensive registration system;
- Appropriate legislation.

The lack of preparatory work, accompanied by constant amendments to the system, accounted for the



failure of the VAT in Grenada. The VAT was not properly implemented and therefore conclusions cannot be made on its performance. In a system where the tax administrators and the public are not prepared for the implementation of the tax, the policy is almost doomed to fail.

HOW RELEVANT IS THE VALUE ADDED TAX TO THE ECCB TERRITORIES?

The relevance of the VAT to ECCU member countries is examined in the context of the planned movement towards a single market and economy. This requires the elimination of distortionary taxes and the harmonisation of tax bases among the member countries.

Within the direct tax structure, income tax and property tax need to be harmonised. The indirect tax structure also varies in the member countries of the ECCU. The variation in rates is accompanied by differences in administrative procedures. The consumption tax is a major source of revenue. However, in relation to exports, member countries do not have an efficient system for rebate on taxes paid on inputs into production. This is in the context of free trade within CARICOM where some countries have implemented a VAT and their exports are zero-rated. This development implies that the exports, in particular manufactured exports from ECCU countries, have a cost disadvantage relative to their CARICOM partners.

The existing consumption tax in most ECCU member countries is generally applied to goods. The services sector, which is the growing sector in the ECCU, is generally outside the tax net. Among the productive sectors the contribution of agriculture to GDP has been declining, while the contribution of the

manufacturing sector to GDP has remained relatively small. In contrast, there has been an expansion in the tourism industry and other service industries such as informatics, banking and financial services and other professional services.

Specific taxes are applied to services and these include the hotel accommodation tax, the insurance premium tax, entertainment tax and the ticket tax. The indirect tax system is not applied on a comprehensive tax base of goods and services. The introduction of the VAT will broaden the tax base.

In this context, ECCU countries face the alternatives of either adopting tax regimes similar to their CARICOM partners, or establishing regimes with features similar to the other CARICOM countries. They can either introduce a VAT or modify the consumption tax. Modification of the consumption tax will involve broadening the tax base and incorporating an efficient system for the rebate on taxes paid on exports and capital goods. On theoretical grounds, the adoption of a VAT is ideal. However, an examination of the nature of the economies in conjunction with the main features of the tax, and in particular, the difficult aspects of administering the tax, suggests the need to strengthen tax administration prior to the implementation of the tax. In addition, extensive education campaigns will need to be undertaken.

Another consideration in the implementation of the VAT is the regressive nature of the VAT system. The introduction of the VAT should be accompanied by a comprehensive review of the tax system to ensure that it is not too burdensome on the poorer section of the population.

Given the administrative systems in ECCU countries and the nature of the economies, a minimum



planning period of three years is required prior to implementing the tax. The following are preconditions for the successful implementation of the VAT:

- Strong political will;
- Extensive and effective education campaigns;
- Appropriate legislation;
- Skilled tax administrators;
- Adequate computer system; and
- An effective tax auditing system.

RECOMMENDATIONS FOR ECCU COUNTRIES

The following general features of the tax structure are recommended for member countries of the ECCB.

Taxes on Income and Profits

Personal Income Tax: should be levied with a basic threshold with approximately three tax brackets and minimum exemptions and deductions. The maximum income tax rate should be approximately 35.0 per cent.

Corporate Income Tax: levied at a maximum rate of 35.0 per cent and integrated with the tax on personal income.

Taxes on Property

Levied on the market value of property

Taxes on Domestic Goods and Services

The General Consumption Tax or The Value Added Tax: levied at a basic rate of 10.0 or 15.0 per cent. The tax will include the hotel accommodation tax, travel tax and other domestic goods and services. (The financial sector should be exempt).

Licences: Generally granted on the permission to use goods and perform services.

Taxes on International Trade and Transactions

Import Duty: in keeping with regional and international agreements.

Customs Service Charge: levied on all imports at a rate that is less than 5.0 per cent.

Embarkation Tax: Paid by persons departing from the airport.

Cruise ship Passenger Tax: Levied on cruise ship passengers.

IMPROVEMENT IN ADMINISTRATIVE SYSTEMS

The existing system of tax collection could be improved by:

1. Ensuring comprehensive taxpayer registration;
2. Issuing a tax number which can be used for paying all taxes and for other government transactions;
3. Greater use of third party information such as banks, national insurance schemes to improve the coverage of taxpayers;
4. Greater collaboration among the tax collecting agencies;
5. Continued emphasis on improving tax administration.



CONCLUSION

A comprehensive value added tax is economically efficient and hence desirable. The main constraint to the implementation of the tax is its administrative demands. Firstly, a cadre of trained personnel is needed to effectively implement the tax. The tax is based to a large extent on self-assessment. Taxpayers must be acquainted with the calculation of tax liability and must be willing to pay their fair share. This requires extensive consultation and effective education and

publicity campaigns aimed at ensuring tax compliance. The record keeping demand is tremendous but this is required to accurately determine tax liability. The tax is technically sound. However, public education is important and the tax administration needs to be thoroughly prepared to implement the tax. In particular, it requires strong political will and very skilled tax administrators. It is also necessary to calculate the potential yield from the VAT compared with the existing system of indirect taxes.

The views expressed in the preceding article are those of the author and do not necessarily reflect the ECCB's position.

