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The ECCB welcomes your questions and comments on this publication.

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The Eastern Caribbean Central Bank prepares a quarterly Economic and Financial Review for the Eastern Caribbean Currency Union and each individual member territory for the periods ending March, June, September and December of each year.

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DOMESTIC ECONOMIC DEVELOPMENTS

Overview

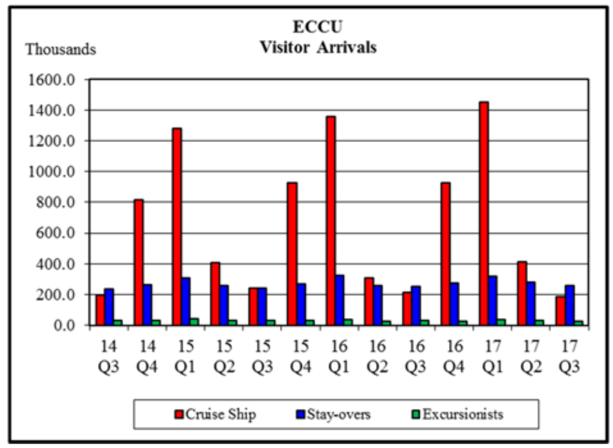
There was an upswing in overall economic activity at the ECCU level in the first nine months of 2017 relative to the performance in the corresponding period of 2016. The Currency Union remained resilient following the passage of hurricanes Irma and Maria in September 2017. Stronger economic activity was recorded in most territories, excluding St Vincent and the Grenadines. Growth was mainly driven by robust construction activity and higher tourist arrivals. There were mild inflationary pressures across the majority of member states in the Currency Union during the review period. **The consolidated accounts of the central governments resulted in a smaller overall fiscal surplus relative to the fiscal balance in the comparable period of 2016, largely associated with developments on the current account.** The outstanding debt stock of the public sector rose during the period under review. The merchandise trade deficit is estimated to have widened, principally due to higher import payments, coupled with lower export receipts. Within the banking sector, monetary liabilities (M2) and net foreign assets increased, while domestic credit declined. Meanwhile, commercial banks' liquidity improved and the spread between the weighted average interest rates on loans and deposits remained unchanged.

Projected real GDP growth for the ECCU in 2017 was downgraded following the impact of the hurricanes. Growth is expected to be uneven across member states of the Currency Union for the year. The outlook is predicated on a global economic upswing as well as a sustained momentum in the construction sector and tourism industry of the ECCU. Inflationary pressures are forecasted to remain moderate during the remainder of the year. While external balances are likely to improve, the overall fiscal surplus for the ECCU is projected to narrow in 2017. **Risks are tilted towards the downside and include increasing crime levels; further adverse weather; a protracted decline in Citizenship by Investment inflows; and an unexpected deterioration in the global economy.**

Output

The positive outcome in the construction sector was on account of developments in Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis and Saint Lucia, due to ongoing works in both the private and public sectors. Private sector construction in the ECCU focused on hotel and resort properties, residential homes and commercial establishments. Meanwhile, public sector activity concentrated on roads, schools and housing developments. There was a 14.0 per cent expansion in capital expenditure, influenced in part by reconstruction work in Dominica, associated with the passage of tropical storm Erika in August 2015. Positive spill overs from the construction sector supported growth in the mining and quarrying sector.

Growth in the tourism industry was largely broad based across the different categories of visitors. There was a rebound in total visitor arrivals, which grew by 6.6 per cent to 3.1m, in contrast to a decline of 1.7 per cent in the corresponding period of 2017. Cruise ship visitor arrivals, which accounted for the bulk of total visitors, rose by 9.5 per cent to 2.1m, representing a turnaround from the contraction of 3.1 per cent recorded in the prior year. This outturn was boosted by an increase of 75 to 1,298 in the number of cruise ship calls. The maximum increase in cruise passenger arrivals was recorded for St Kitts and Nevis (12.7 per cent), supported by growth in other territories, with the exception of Dominica and Grenada.



The number of stay-over visitors rose by 2.1 per cent to 854,150, decelerating from the pace of 3.2 per cent observed in the January to September period of 2016. Key source markets registering gains were Canada (6.4 per cent), Caribbean (1.4 per cent) and the USA (1.2 per cent). By exception, arrivals from the UK were down by 1.6 per cent, presumably impacted by the weakened pound sterling relative to the US dollar which increased the cost of travel for this source market. Four of the ECCU member states recorded an increase in stay-over arrivals, ranging from 0.5 per cent in Anguilla to 9.3 per cent in Saint Lucia. By contrast, reductions were observed in Antigua and Barbuda (7.1 per cent), St Vincent and the Grenadines (3.9 per cent), St Kitts and Nevis (3.3 per cent), and Montserrat (2.9 per cent).

In the remainder of the tourism industry, there was a 0.9 per cent rise to 94,165 in the number of excursionists. This outturn signalled a recovery from a decline of 10.0 per cent recorded in the first nine months of 2016. The overall performance of the industry was tempered by a decline of 2.9 per cent to 119,970 in yacht passenger arrivals, representing a deceleration from the contraction of 3.6 per cent observed in the corresponding period of 2016.

Available indicators point to a marginal improvement in total manufacturing activity in the Currency Union in the review period. Across the member states, St Kitts and Nevis dominated with growth in volumes of electronic components and alcoholic beverages. An upswing was also registered in Grenada, where the sector benefitted from an expansion in the output of most beverages. On the contrary, dismal performances in the sector were observed in Dominica, Saint Lucia and St Vincent and the Grenadines.

The progressive momentum in the construction sector and tourism industry, and to a lesser extent the manufacturing sector, augured well for total value added in sectors such as wholesale and retail trade; transport, storage and communications; and real estate, renting and business activities.

Output in the agricultural sector is estimated to have remained relatively flat in the first nine months of 2017. Non-banana crop production is estimated to have risen in Dominica, St Kitts and Nevis and St Vincent and the Grenadines, tempering declines in Grenada and Saint Lucia. Banana production also did not fare well as it contracted by 6.0 per cent to 13,547.7 tonnes, in contrast to growth of 1.1 in the first nine months of 2016. There was lower banana output in Saint Lucia and St Vincent and the Grenadines which offset increases in Dominica and Grenada.

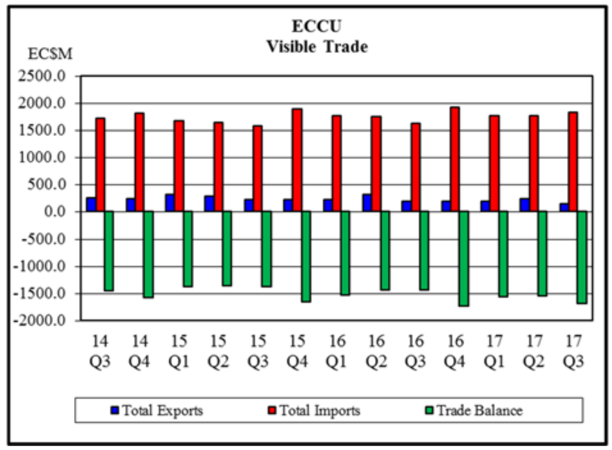
Prices

Most member countries experienced an increase in their overall price level, with the exception of Anguilla, which registered a mild decline of 0.5 per cent during the review period. Growth in the consumer price index peaked at 2.2 per cent for both Antigua and Barbuda and St Vincent and the Grenadines, while the minimum increase of 0.6 per cent was registered in Dominica, Grenada and

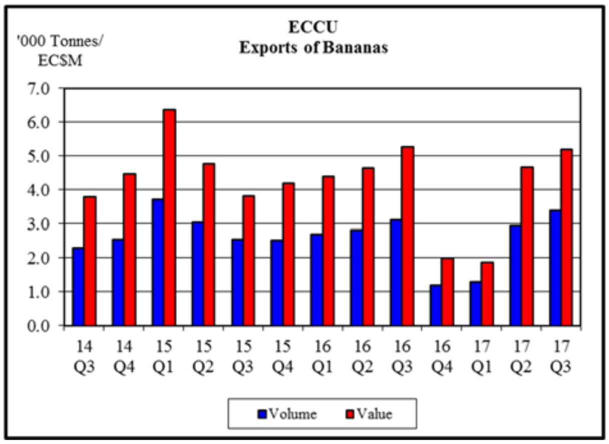
Saint Lucia. Higher food and fuel prices were major sources of the inflationary pressures. The food related sub-index rose for five countries, with growth ranging from 0.4 per cent in Anguilla to 2.7 per cent in both St Kitts and Nevis and St Vincent and the Grenadines. The fuel related sub-index advanced in five countries, with the increase being more extreme in Saint Lucia (5.5 per cent) and less pronounced in Grenada (0.1 per cent). The average price of gasoline (per gallon) in the ECCU member territories was estimated at $12.48, up from $11.49 recorded during the comparable period of 2016.

Trade and Payments

The merchandise trade widened to $4,795.5m from $4,403.2m primarily attributed to higher import payments and exacerbated by lower export receipts. Import payments grew by 4.4 per cent ($224.5m) to $5,364.2m, almost on par with the rate of growth observed in the corresponding period of 2016. The largest increases in import payments were for machinery and transport equipment ($70.7m), miscellaneous manufactured articles ($69.6m) and manufactured goods ($53.0m), reflective of intensified activity in sectors such as construction as well as wholesale and retail trade.



Higher import bills were incurred by Grenada ($121.3m), Antigua and Barbuda ($106.4m), Saint Lucia ($57.2m) and Dominica ($29.0m). The remaining countries recorded declines – St Kitts and Nevis ($31.9m), St Vincent and the Grenadines ($36.3m), Anguilla ($11.2m) and Montserrat ($9.9m). Export receipts were down by 22.8 per cent ($168.0m) to $568.6m, reflecting a larger contraction in re-exports relative to that of domestic exports. The value of re-exports decreased by 36.8 per cent ($112.0m), stemming mainly from a reduction in Antigua and Barbuda ($106.2m). The value of domestic exports dipped by 12.5 per cent ($53.9m), with declines being more pronounced in Saint Lucia ($30.1m) and St Vincent and the Grenadines ($16.5m). The export earnings generated from bananas contracted by 17.9 per cent ($2.6m) to $11.8m, indicative of declines in production in Saint Lucia and St Vincent and the Grenadines.

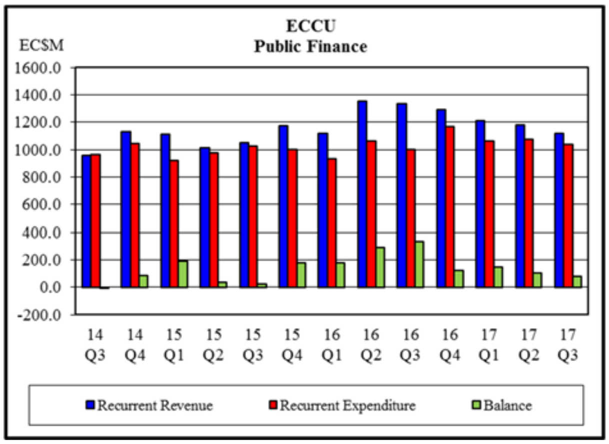


Gross travel receipts grew by 8.4 per cent to $3,713.6m, a turnaround from the decline of 2.8 per cent experienced in the January-September period of 2016. The outturn was consistent with an expansion in total visitor arrivals, especially stay-over visitors. The external transactions of commercial banks led to a net outflow of $728.8m in short-term capital, up from one of $348.5m during the corresponding period of 2016. Disbursements of foreign loans to central governments amounted to $413.8m, representing an expansion of 63.0 per cent from the level registered at the end of September 2016. Meanwhile, loan amortisation grew by 37.2 per cent to $419.6m. Consequently, the Currency Union was in an external net amortization position of $5.8m, below that of $51.8m in the first nine months of 2016. Gross inflows of official grants rose by 34.6 per cent to $314.2m, predominantly the result of higher inflows to Anguilla and Montserrat.

Central Government Fiscal Operations

The aggregated fiscal operations of the central governments led to an overall surplus of $69.0m in the first nine months of 2017, well below that of $591.7m in the comparable period of the prior year. The lower surplus was primarily on account of a reduction in the current account surplus, compounded by higher capital expenditure. The fiscal position in five member countries worsened. Antigua and Barbuda registered a larger deficit; Dominica, Saint Lucia and St Vincent and the Grenadines each moved from a surplus position to a deficit; and St Kitts and Nevis recorded a smaller surplus. Enhancements were observed for the remaining countries – Montserrat's position shifted from a deficit to a surplus while Anguilla and Grenada progressed with larger surpluses.

The central governments' operations yielded a current account surplus of $331.9m, lower than that of $807.9m in the corresponding period of 2016. A reduction in current revenue, coupled with higher current expenditure led to the outturn. Anguilla observed an improvement in its current account balance, while Grenada's remained relatively flat. Dominica, St Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines registered lower current account surpluses. Furthermore, Antigua and Barbuda transitioned into a deficit from a surplus, while Montserrat incurred a wider deficit.



Current revenue declined by 7.7 per cent to $3,514.2m, owing to a 37.0 per cent ($365.9m) contraction in non-tax revenue which fell in most countries, excluding Montserrat and Saint Lucia. This outturn contrasts an expansion of 19.5 per cent ($621.8m) in current revenue in the first nine months of the 2016, when receipts were enhanced by higher non-tax collections.

Tax revenue, the largest component of current revenue, increased by 2.5 per cent to $2,891.9m, decelerating from the pace of growth of 7.6 per cent in the corresponding period of 2016. The enhanced tax collections were boosted by higher receipts in Grenada, Dominica, St Vincent and the Grenadines, Anguilla and, to a lesser extent, Saint Lucia. There were improvements across all of the major categories of taxes in the Currency Union. Property tax posted a gain of 22.3 per cent ($21.6m) principally due to developments in St Vincent and the Grenadines. Collections from taxes on international trade and transactions advanced by 2.7 per cent ($21.6m) buoyed by growth in revenue from the customs service charge ($6.6m) and import duties ($3.7m). The yield from taxes on income and profits rose by 2.6 per cent ($16.9m), as a higher intake from the company tax ($31.8m) offset a reduction of $14.0m in collections from the personal income tax. Revenue from taxes on domestic goods and services advanced by 0.9 per cent ($11.6m), partly the result of increases in receipts from the accommodation tax ($3.2m) and stamp duties ($0.1m).

Current expenditure was up by 6.1 per cent to $3,182.2m, accelerating from growth of 2.5 per cent in the corresponding period of 2016. Current expenditure escalated in every member state, with increases ranging from $2.1m in St Kitts and Nevis to $61.4m in Saint Lucia. Outlays on transfers and subsidies were up by

11.3 per cent ($81.6m), resulting from higher payments in seven territories, particularly Saint Lucia where these payments rose by $36.3m. By exception, the amount spent on transfers and subsidies fell by 2.6 per cent ($4.3m) in Antigua and Barbuda. Spending on goods and services grew by 6.3 per cent ($38.0m), largely attributed to the outturn in Dominica, which had the largest increase ($24.5m), followed by Saint Lucia ($10.9m) and Grenada ($4.1m). St Kitts and Nevis was the sole country to record a contraction in expenditure on goods and service of 5.3 per cent ($5.7m). Growth of 8.9 per cent ($29.4m) was observed in outlays for interest payments, as these obligations surged in five member territories, predominantly Saint Lucia ($12.6m), Antigua and Barbuda ($6.7m) and St Kitts and Nevis ($5.8m). Outlays on personal emoluments rose by 1.6 per cent ($21.9m), principally on account of an increase in Grenada ($15.6m) where increments and salary increases were awarded to public officers.

There was a decrease of 5.3 per cent ($4.5m) to $78.9m in current grants, relative to the rate of reduction of 10.5 per cent ($9.8m) in the first nine months of 2016. Among the three countries which received this financing in the review period, there were reductions in Grenada ($7.0m) and Montserrat ($2.0m) which offset an increase of $4.5m in St Kitts and Nevis.

On the capital account, grants surged by 56.8 per cent ($85.2m), in stark contrast to a decline of 15.8 per cent ($28.1m) in the first nine months of last year. Capital grant receipts were predominantly larger in the British Overseas Territories which witnessed average growth of $36.6m in inflows. Against this backdrop, capital expenditure expanded by 14.0 per cent ($73.4m) to $597.0m, in contrast to a reduction of 5.4 per cent ($30.1m) in the first three quarters of 2016. Growth in capital expenditure was observed in four member territories, chiefly in Dominica ($121.0m) which underwent reconstruction and rehabilitation activity associated with the passage of tropical storm Erika in 2015.

Public Sector Debt

Against the backdrop of a lower overall fiscal surplus, the total disbursed outstanding public sector debt grew by 1.5 per cent to $13,364.0m. On a country basis, increases were recorded in the total public debt of the majority of member states, excluding Anguilla, Dominica and Grenada. The outturn for the ECCU was characterized by growth in the debt of both central government and public corporations. Central governments' outstanding debt rose by 0.9 per cent ($104.0m) to $11,788.3m, due to increases in the external debt ($90.6m) and the domestic debt ($13.4m). Meanwhile, the debt of public corporations was up by 6.4 per cent ($93.9m) to $1,575.7m as growth of $126.5m in their domestic obligations offset a reduction of $32.6m in their external debt.

Consistent with the elevated debt level, debt service payments were up by 8.8 per cent to $1,064.3m during the first nine months of 2017. This development was on account of principal repayments which grew by 8.7 per cent ($56.3m), coupled with growth of 8.9 per cent ($29.4m) in interest payments. Principal repayments accounted for 66.4 per cent of total debt servicing while interest payments represented the residual 33.6 per cent. Higher debt service payments were recorded for all countries, except the British Overseas Territories.

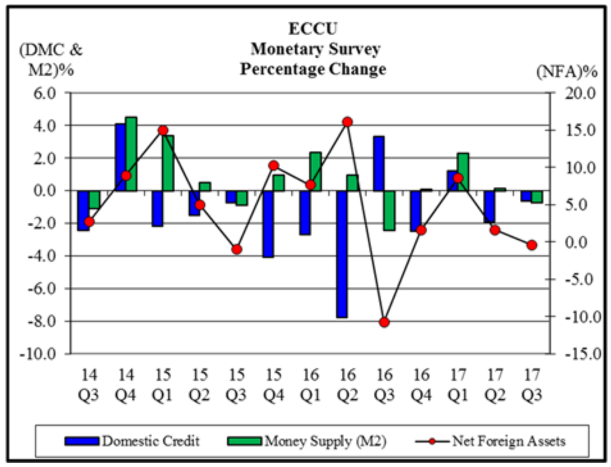
Monetary and Financial Developments

Money and Credit

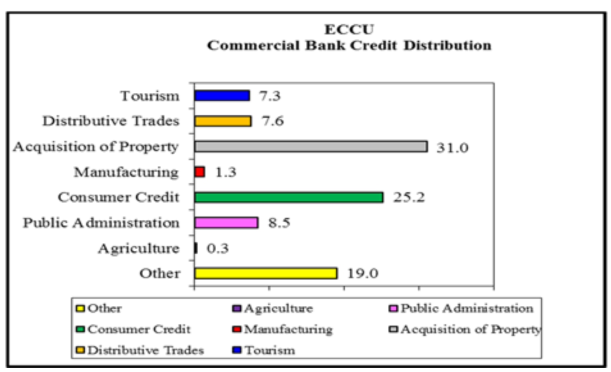
Monetary liabilities (M2) rose by 1.7 per cent to $16,122.3m during the first nine months of 2017, compared with growth of 0.8 per cent during the comparable period of 2016. This development reflected growth in quasi money and narrow money (M1). Quasi money rose by 1.6 per cent ($190.3m) to $12,257.8m. This improvement was a consequence of increases in private sector savings deposits (4.5 per cent) and private sector foreign currency deposits (3.0 per cent), which offset a decline of 9.1 per cent in private sector time deposits. M1 grew by 2.0 per cent ($76.8m), as growth of 3.5 per cent ($99.4m) in private sector demand deposits and 8.0 per cent in EC dollar Cheques and Drafts Issued outweighed a decrease of 3.4 per cent in currency with the public.

The net foreign assets of the ECCU banking system grew by 9.9 per cent to $8,129.1m during the period under review, decelerating from an increase of 11.5 per cent during the comparable period of 2016. This outturn was principally due to an expansion of 25.6 per cent in the net foreign assets of the commercial banks, as the net foreign assets position of the Central Bank remained relatively flat. The commercial banks raised their foreign assets by 13.6 per cent while concurrently increasing their external liabilities by 3.3 per cent. An almost doubling of the Central Bank's foreign liabilities and a 0.2 per cent rise in its foreign assets, lead to the institution's net foreign asset position totalling $4,557.8m.

Domestic credit declined by 1.4 per cent to $9,880.4m during the first three quarters of 2017, decelerating from the pace of contraction of 7.3 per cent during the corresponding period of the prior year. A reduction of 13.3 per cent in the net credit position of the general government, largely contributed to this outturn. Credit to the general government was down by 1.8 per cent, while deposits grew by 5.9 per cent. The net deposit position of non-financial public enterprises grew by 1.2 per cent, also contributing to the lower level of domestic credit. Credit to the private sector increased marginally (0.1 per cent), bottoming out following a contraction of 4.9 per cent during the corresponding period of last year. Among the constituents of private sector credit, there were increases in credit to non-bank financial institutions (27.2 per cent) and households (3.0 per cent), which were partially offset by reductions in loans and advances to businesses (6.1 per cent) and subsidiaries and affiliates (3.9 per cent).



The sectoral analysis of credit revealed that the most significant increases in credit were for financial institutions (42.4 per cent), public administration (3.8 per cent), personal use (2.5 per cent), and transportation and storage (1.9 per cent). By contrast, reductions were observed in credit for manufacturing, mining and quarry (18.5 per cent); professional and other services (16.9 per cent); utilities, electricity and water (12.7 per cent); agriculture and fisheries (9.6 per cent); tourism (6.0 per cent); construction (3.1 per cent); and distributive trades (0.8 per cent).



Liquidity in the commercial banking system rose during the review period. The ratio of liquid assets to total deposits plus liquid liabilities advanced by 2.0 percentage points to 46.6 per cent, above the stipulated floor of 25.0 per cent. The loans and advances to total deposits ratio was down by 1.4 percentage points to 59.0 per cent, within the ECCB's outer limit of 85.0 per cent.

The weighted average deposit rate moved down to 1.65 per cent at the end of September 2017, from 1.71 per cent at the end of December 2016. This rate fell over consecutive quarters up until June 2017, in light of the reduction of the minimum savings deposit rate by the Monetary Council of the Eastern Caribbean Central Bank to 2.0 per cent from 3.0 per cent from 01 May 2015. The weighted average lending rate fell to 8.46 per cent from 8.53 per cent. Consequently, the spread between the average weighted interest rate on deposits and loans was 6.81 per cent at the end of September 2017, the same level recorded at the end of December 2016.

Developments on the RGSM

Activity on the primary market for government securities increased during the first nine months of 2017. Gross funds issuance totalled $753.3m, above the level of $680.0m recorded during the corresponding period of 2016. The total for the review period constituted the issuance of thirty-eight (38) securities, up from thirty-six (36) during the first nine months of 2016. Of the thirty-eight (38) instruments, there was one (1) seven-year bond, one (1) five-year bond, and thirty-six (36) Treasury bills – twenty-six (26) of which were 91 days, six (6) were 180 days and four (4) were 365 days. This outturn compared with the issuance of one (1) ten-year bond, one (1) six-year bond, one (1) three-year bond and thirty-three (33) Treasury bills - twenty-four (24) of which were 91 days, six (6) were 180 days and three (3) were 365 days, during the first nine months of 2016.

Three of the issuing member states registered growth in the total value of securities issued during the period under review – St Vincent and the Grenadines ($52.0m), Antigua and Barbuda ($25.3m) and Grenada ($10.0m). Meanwhile, the value of Dominica's issuance remained unchanged, while Saint Lucia observed a decline of $14.0m.

In regard to the longer end of the market, the seven-year bond valued at $25m was issued by St Vincent and the Grenadines, and the five-year bond valued at $20.3m was issued by the government of Antigua and Barbuda. By comparison, there was a ten-year bond valued at $17.0m and a six-year bond worth $27.0m issued by Saint Lucia, in addition to a three-year bond valued at $15.0m issued by the government of Antigua and Barbuda during the first three quarters of 2016. On the shorter end of the market, the total value of Treasury bills issued grew by 14.0 per cent to $708.0m during the period January-September 2017. Increases were observed in the total value of these short term instruments for the governments of Saint Lucia ($30.0m), St Vincent and the Grenadines ($27.0m), Antigua and Barbuda ($20.0m) and Grenada ($10.0m). The value of such investments remained unchanged for Dominica.

There was a marginal increase in investor sentiment in the market, as evidenced by growth in the bid-to-cover ratio to 1.35 from 1.32. The bid-to-cover ratio refers to the proportion of the value of bids received in an auction to the value of bids accepted. The value of bids received rose by 8.1 per cent to $1,127.9m, while the value of bids accepted grew by 5.7 per cent to $832.7m. There were four under-subscriptions during the period under review experienced by the governments of Grenada and Saint Lucia. In Grenada's case, two 91-day T-bills valued at $10.0m each only produced $4.0m and $9.7m, while one 365-day T-bill valued at $30.0m was under-subscribed by $2.1m. For Saint Lucia, one 180-day T-bill valued at $25.0m raised $24.9m. By contrast, there were no under-subscriptions during the first nine months of 2016.

The weighted average interest rate on 91-day Treasury bills fell to 3.00 per cent from 4.00 per cent. The average yield for 180-day Treasury bills was 2.78 per cent, down from 4.03 per cent. The yield for 365-day Treasury bills decreased to 4.60 per cent from 4.88 per cent. The yields for the 5-year bond and 7-year bond were 7.0 per cent and 7.5 per cent respectively. This compares with yields of 6.5 per cent, 7.0 per cent, and 7.5 per cent for the 3-year bond, 6-year bond, and 10-year bond respectively during the January- September period of 2016.

Trading activity on the secondary market for government securities fell during the period under review. The value of secondary trading contracted to $8.6m from $13.5m during the first nine months of the previous year.

Prospects

Prior to the passage of hurricanes Irma and Maria, growth in the ECCU was forecasted

to strengthen in 2017 relative to the previous year. Macroeconomic conditions, however, are expected to weaken in the last quarter since the natural disasters impacted the islands of Anguilla, Antigua and Barbuda, Dominica and to a lesser extent St Kitts and Nevis. Growth is expected to be uneven across member states - positive, at varying strengths, in most of the countries with the exception of Dominica, where a downturn is anticipated. The outlook is predicated on a global economic upswing accompanied by positive developments in the USA, UK and Euro Area economies. According to the IMF's World Economic Outlook released in October 2017, global growth is forecasted to rise by 3.6 per cent in 2017, following growth of 3.2 per cent in 2016.

The upswing in the world economy is likely to continue to be transmitted through tourism and investment inflows. In the tourism industry, overall cruise activity in the Currency Union is expected to be buoyant in the last quarter, as cruise ports in many Northern Caribbean countries remain impacted by the passage of the hurricanes. Additionally, stay-over arrivals are likely to continue on an upward trajectory, bolstered by the opening of new accommodation properties, intensified marketing and new airlift. Additional investments in tourism related construction projects will bode well for the construction sector.

Inflationary pressures will be contained as oil prices may increase incrementally. Notably, hurricane afflicted countries in the region are likely to face upward price movements for items such as food during the last quarter of the year.

The external balance is likely to benefit particularly from potential inflows of remittances and foreign grants in the aftermath of the hurricanes. Of note, since the passage of the recent hurricanes the region has reiterated its focus on development financing and aid to deal with issues such as climate change, economic resilience and disaster mitigation. Other sources are likely to be foreign direct investment in the tourism sector and further equity investment associated with the Citizenship by Investment Programmes.

On the fiscal front, the overall fiscal surplus for the ECCU is projected to narrow in 2017, partly attributed to an expected surge in expenditure following the impact of the hurricanes. Furthermore, recent developments which have been characterised by reductions in Citizenship by Investment inflows and increasing expenditure, suggest that there may be further stress on government finances, threatening the convergence towards the 2030 debt to GDP target of 60.0 per cent.

The outlook is generally favourable for the financial sector. The recent increase in private sector credit portends improving money and credit conditions. Notably, at the financial institutions in the countries impacted by the hurricanes, there are likely to be additional challenges related to non-performing loans, loss of interest income and reduced value of collateral.

Risks to the economic outlook include increasing crime levels adverse weather and a protracted decline in citizenship by investment inflows. Additional risks emanate from growth and policy developments in the global economy, as well as escalating geo-political tensions, which may adversely impact the ECCU.

A N G U I L L A

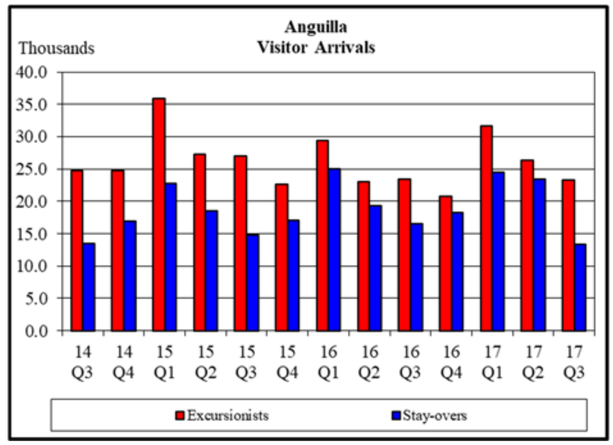
Overview

Economic activity in Anguilla is estimated to have expanded in the first three quarters of 2017 compared with the performance in the corresponding period of 2016. The outturn was mainly influenced by an expansion in key sectors including hotels and restaurants, and financial intermediation. Consumer prices fell by 0.5 per cent on an end-of-period basis. In the external sector, the merchandise trade deficit is estimated to have narrowed on account of a larger decline in imports relative to exports. **The fiscal operations of the central government resulted in a larger overall surplus and the total outstanding public sector debt declined during the review period**. In the banking system, net foreign assets and monetary liabilities increased, while domestic credit declined. Commercial bank liquidity improved and the weighted average interest rate spread between loans and deposits widened.

Following the catastrophic impact of hurricane Irma on 6 September 2017, Anguilla is projected to record a decline in economic output of approximately 3.5 per cent for the year, before returning to growth in 2018. This is largely predicated on reduced activity in the tourism industry, stemming from the damage caused to the island's tourism plant as well as its key ports of entry. Preliminary figures indicate that Anguilla's available room stock is likely to decrease by approximately 60.0 per cent to 70.0 per cent in the fourth quarter of 2017, mainly attributable to the closure of its six largest resorts for renovation and repairs. In addition, the number of excursionists to the island in the fourth quarter is expected to decline significantly, largely attributable to damage sustained by Sint Maarten/St Martin, Anguilla's main hub for this category of tourists. Contractions are also anticipated for other sectors such as electricity and water; and real estate, renting and business activities. However, the decline in economic output is expected to be mitigated by greater activity in sectors such as, construction; wholesale and retail trade; financial intermediation; and public administration, defense and compulsory social security.

Output

Activity in the hotels and restaurants sector, a proxy for the tourism industry, is estimated to have increased in the first nine months of 2017, compared with the corresponding period of 2016. This outturn was mainly attributable to a 7.1 per cent (5,374) increase in the number of excursionists to 81,310, coupled with growth of 0.5 per cent (318) in stay-over arrivals to 61,228. The increase in stay-over visitor arrivals was led by the key source markets of the USA, the UK and Canada which saw growth of 4.9 per cent (1,877), 23.4 per cent (529) and 4.2 per cent (107) respectively. Together, these three markets accounted for 75.0 per cent of total stay-over visitors. By contrast, Anguilla's second largest source market, the Caribbean, recorded a decline of 21.8 per cent in stay-over visitor arrivals over the review period. Contractions were also observed for Germany (27.4 per cent) and Italy (3.1 per cent). As a result of the increase in both visitor categories, total visitor arrivals grew by 4.2 per cent (5,692) over the review period.

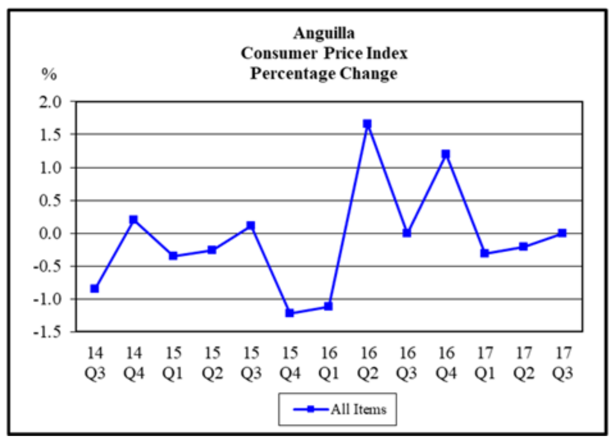


Data regarding the level of construction activity in the first three quarters of 2017 generally point to a contraction relative to the outturn in the corresponding period of 2016. This estimate is premised on the decline in the number of building permit applications approved by the Department of Physical Planning. Based on data for the year to July 2017, total approved applications fell by 15.2 per cent to 72, compared with 79 approvals over the corresponding period of 2016. Additionally, the number of approved building permits fell across all the major categories, including residential apartments, hotels and villas, and business/commercial buildings. On the positive side, and potentially mitigating the decline in construction activity, credit for construction and land development rose by 17.6 per cent ($11.1m) in the review period. This outturn was also supported by an increase in credit outlays for home construction and renovation. Moreover, government expenditure on capital projects increased by $3.8m to $7.1m relative to the $3.4m spent in the comparable period of 2016.

Activity in the financial intermediation sector is estimated to have expanded in the first three quarters of 2017, on account of a 5.2 per cent increase ($32.7m) in the value of loans and advances extended by commercial banks. This result was supported by the ongoing recovery of the largest financial institution, the National Commercial Bank of Anguilla (NCBA), as well as the general improvement in economic activity over the review period.

Prices

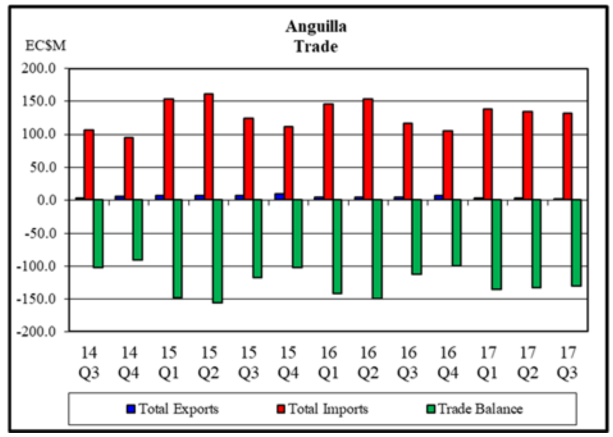
The consumer price index fell by 0.5 per cent on an end-of-period basis during the first nine months of 2017, in contrast to an increase of the same magnitude during the corresponding period of 2016. The main sub-indices contributing to the contraction in prices were transport (3.2 per cent), clothing and footwear (2.4 per cent), hotels and restaurants (1.2 per cent), housing, utilities, gas and fuels (0.8 per cent) and health (0.3 per cent). The reduction in the transport sub-index was largely due to a decline in airfares to the United States of America, the Dominican Republic and the British Virgin Islands, while a 10.5 per cent decrease in women's clothing in the first quarter drove the decline in the clothing and footwear sub-index during the review period. Similarly, the downward movement in prices for the hotels and restaurants sub-index was influenced by a decline in the average accommodation costs in St Martin/ Sint Maarten, a key shopping destination for residents. The housing, utilities, gas and fuels sub-index fell owing to a contraction in housing rental prices, while the health sub-index was impacted by a decline in the average cost of over-the-counter products.



The contraction in the aforementioned sub-indices was tempered by increases in the sub-indices for alcoholic beverages, tobacco and narcotics (1.5 per cent), recreation and culture (1.4 per cent), communication (1.2 per cent) and food and non-alcoholic beverages (0.4 per cent). An increase in the price of alcoholic beverages, wine and spirits drove the higher reading for the alcoholic beverages, tobacco and narcotics sub-index, while increased prices for recreational items, garden equipment and pet services influenced the increase in the recreation and culture sub-index.

Trade and Payments

A merchandise trade deficit of $398.2m was estimated in the first nine months of 2017, representing a 1.3 per cent improvement over the $403.3m deficit recorded in the corresponding period of 2016. The lower provisional trade deficit was influenced by an $11.2m decline in import payments, while export receipts are estimated to have contracted by $6.1m. Gross travel receipts are estimated to have increased by 2.7 per cent to $278.9m over the review period, consistent with the gains in the number of excursionists and stay-over arrivals over the review period. The transactions of commercial banks resulted in a net inflow of $28.7m in short term capital during the review period, in contrast to an outflow of $83.3m during the corresponding period of 2016. There were no external disbursements received in the first three quarters of the year and external principal repayments amounted of $9.9m.



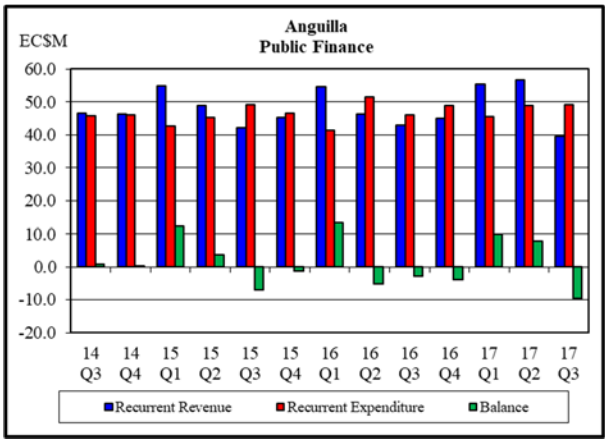
Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall surplus of $31.6m in the first three quarters of 2017, compared with one of $2.1m in the corresponding period of 2016. The outturn was largely influenced by a $30.0m increase in grant funding, associated with inflows from the Caribbean Catastrophe Risk Insurance Facility (CCRIF), triggered by the effects of hurricane Irma on Anguilla. In addition, the release of the first tranche of the 11th European Development Fund (EDF) would have positively impacted grant inflows over the review period. Further influencing the improvement in the government's overall fiscal position was a widening of the current account surplus to $8.2m, from $5.0m one year ago, as growth in current revenue outpaced that of current expenditure. A primary surplus (after grants) of $43.5m was recorded, compared with one of $10.9m realised over the corresponding period in 2016.

Current revenue increased by 5.5 per cent ($7.9m) to $151.6m, mainly attributable to greater tax receipts on properties and domestic goods and services. Tax revenue totalled $131.7m, which was 7.2 per cent higher than the amount collected in the comparable period of 2016. Tax receipts on domestic goods and services grew by 29.8 per cent ($14.3m) to $62.2m, reflective of higher inflows from stamp duties ($9.5m), accommodation tax ($2.8m), and the bank deposit levy ($1.7m). The increased yield from stamp duties was largely associated with the sale of the Cap Juluca property to the Belmond Group in May of 2017. The higher tax inflows from domestic goods and services was moderated by lower receipts for international trade, driven by declines of $5.4m for the import duty, $1.2m for the customs service charge and $1.1m for the embarkation tax. The aforementioned contractions were consistent with the reduced import volumes in Anguilla over the review period. Non-tax revenue declined by 5.0 per cent ($1.0m) to $20.0m compared with the outturn in the same period of 2016.

Current expenditure increased by 3.4 per cent ($4.7m) to $143.4m, compared with growth of 1.3 per cent ($1.8m) in the corresponding period of 2016. The expansion in current expenditure was primarily driven by a 37.2 per cent ($3.3m) increase in interest payments, consistent with higher levels of domestic public sector debt, associated with the resolution of the domestic banks. In addition, current expenditure growth was partially supported by larger outlays on goods and services and transfers and subsidies which rose by 3.5 per cent ($1.1m) and 3.3 per cent ($1.2m), respectively. Of note, spending on personal emoluments declined by 2.3 per cent ($1.3m) over the review period.

Capital expenditure more than doubled to $7.1m in the review period, compared with an outlay of $3.4m one year earlier, largely explained by public outlays for the ongoing construction of the new fire hall facility at the Clayton J. Lloyd International Airport. In addition, the government of Anguilla would have commenced spending on reconstruction efforts in the wake of hurricane Irma in September of 2017.



Public Sector Debt

The total disbursed outstanding public sector debt was estimated at $473.1m at the end of September 2017, approximately 4.5 per cent ($22.1m) lower than that recorded at the end of 2016. The reduction in the total debt stock is attributed to ongoing debt amortisation coupled with a virtual freeze on new debt by the central government, in keeping with the Framework for Fiscal Sustainability and Development (FFSD). Central government debt accounted for 97.7 per cent of total disbursed outstanding debt, with domestic debt making up 58.4 per cent of the total, while external debt accounted for the remaining 41.6 per cent. The outstanding debt of statutory bodies fell by 11.9 per cent to $10.8m.

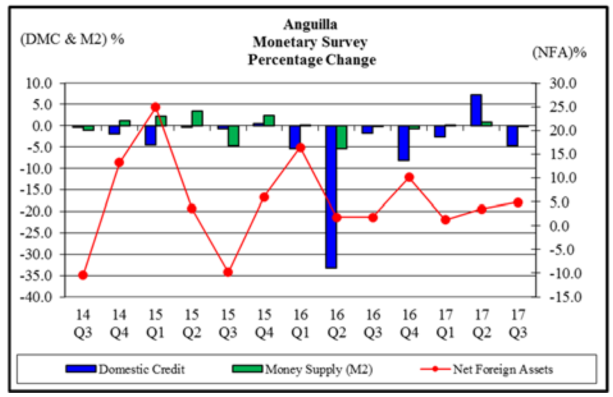
Money and Credit

Monetary liabilities (M2) increased by 1.5 per cent to $1,025.9m during the first nine months of 2017, in contrast to a decline of 5.2 per cent during the corresponding period of 2016. The expansion in M2 was attributable to a 0.9 per cent increase in quasi money to $954.9m, coupled with a 10.7 per cent expansion in narrow money (M1) to $71.0m. Quasi money rose on account of growth in private sector savings deposits (5.1 per cent) and time deposits (2.0 per cent). Meanwhile, the increase in M1 reflected growth in all of the major subcomponents - currency with the public (11.2 per cent), private sector demand deposits (10.5 per cent) and EC cheques and drafts issued (10.3 per cent).

Domestic credit fell marginally to $529.4m, following a decline of 38.0 per cent during the comparable period of 2016. The contraction in credit was largely attributable to an increase in the net deposit positions of the central government and the non-financial public enterprises. The net deposit position of the central government rose by 26.1 per cent ($20.0m), owing to an inflow of funds from the CCRIF facility as well as the disbursement of the first tranche of EDF funds, held at commercial banks. In the rest of the public sector, the net deposit position of non-financial public enterprises increased by 33.9 per cent ($13.3m), also reflecting an expansion in their deposits at commercial banks. **Despite the overall decline in domestic credit, private sector credit grew by 4.7 per cent to $678.4m, largely attributable to increases in credit of 9.0 per cent and 1.5 per cent to businesses and households, respectively.**

An analysis of changes in the distribution of credit across the sectors indicates that credit flows increased most notably for distributive trades (38.7 per cent), construction and land development (17.6 per cent), and professional and other services (11.6 per cent). Within the personal use category, a 4.3 per cent ($7.4m) increase was observed for the acquisition of property, further broken down between home construction and renovation ($4.3m) and house and land purchases ($3.1m). By contrast, credit flows declined for tourism (3.4 per cent), manufacturing (53.0 per cent) and transportation and storage (4.3 per cent), among other sectors.

The net foreign assets of the banking system grew by 9.9 per cent to $475.2m, compared with growth of 20.5 per cent during the first three quarters of 2016. The increase was primarily driven by a 47.8 per cent ($71.7m) expansion in Anguilla's imputed share of ECCB reserves, which was moderated by a 10.2 per cent ($28.7m) decline in commercial banks' net foreign assets. The latter development was mainly influenced by a reduction in assets held within the ECCU, coupled with an increase in liabilities within the region.



The liquidity situation in the commercial banking system improved during the review period, partly on account of the heightened level of risk aversion among financial institutions. The ratio of liquid assets to total deposits plus liquid liabilities rose by 6.7 percentage point to 49.6 per cent, while the loans and advances to deposits ratio declined by 6.3 percentage points to 49.3 per cent, which is below the ECCB prudential benchmark of 75.0 - 85.0 per cent.

The spread between the weighted average interest rate on loans and deposits grew by 1.1

percentage points to 7.51 per cent, compared with a spread of 6.43 per cent as at December 2016. The increase in the interest rate spread was mainly attributable to a 1.1 percentage point gain in the weighted average lending rate to 9.87 per cent. The weighted average deposit rate increased marginally by 0.01 percentage point to 2.36 per cent in the review period.

Prospects

Based on the October 2017 update of the World Economic Outlook (WEO), global growth is projected to accelerate to 3.6 per cent and 3.7 per cent in 2017 and 2018 respectively according to the International Monetary Fund (IMF). Importantly, growth projections for the United States of America - a major trading partner, are 2.2 per cent for 2017 and 2.3 per cent for 2018. Notwithstanding positive global growth prospects, **the Anguillian economy, which was earlier projected to expand at a moderate pace in 2017, is now forecast to contract in the wake of the destruction caused by hurricane Irma.** This revision is largely attributable to the significant damage to the tourism stock on the island, with the six largest resorts being closed for business over the fourth quarter of 2017. As a direct consequence of these closures, initial figures indicate that Anguilla's room stock is likely to decline by approximately 60.0 per cent over the upcoming tourism season. Additionally, the number of excursionists is projected to contract significantly, due to the damage inflicted on neighbouring St Maarten, a critical hub for excursionists to Anguilla.

Inflationary pressures are expected to be contained as oil prices are not projected to increase appreciably in 2017, given that the production cuts employed by OPEC and other oil-producing countries have been mitigated somewhat by a ramping up of production among US shale oil producers. In addition, oil stocks remain above their five-year averages, ensuring adequate supply for the world economy over the medium term.

Despite the devastation caused by hurricane Irma and the attendant impact on the central government's revenues, the fiscal operations of the government are expected to generate a small overall surplus in 2017. This outturn is likely based on the strong fiscal performance over the first three quarters of the year, which would be offset somewhat by depressed revenue inflows in the last three months. However, some support would be provided by the CCRIF hurricane-related funds as well as the first disbursement of the 11th

EDF, which are essential sources of funding for capital reconstruction efforts. Despite the aforementioned, fiscal stresses are likely to intensify as debt servicing costs increase due to larger interest payments in 2017 associated with the debt incurred in stabilising the domestic banking system in 2016. Moreover, the government's ability to meet its amortisation obligations will be severely challenged, owing to the depressed revenue environment in the aftermath of hurricane Irma.

On the external front, the merchandise trade deficit is expected to widen, consistent with a projected increase in imports as the reconstruction efforts gain traction. Grant inflows are expected to increase, associated with post Irma relief efforts, however, gross inflows from travel are projected to decline in 2017, largely attributable to the significant damage sustained by key tourism assets following the passage of hurricane Irma.

Compounding the gloomy economic picture are some very important risks which relate to the quantum of aid to be received by Anguilla, coupled with the ramping up of debt servicing costs to the central government. Based on the assessment by the Economic Commission for Latin America and the Caribbean (ECLAC), the cost of the damages and losses occasioned by hurricane Irma is estimated at EC$852.8m. To the extent that the central government will have to borrow significant sums to repair critical infrastructure and restore social services, the debt situation in Anguilla is likely to deteriorate. Such a development will serve to increase the pressure already placed on the government of Anguilla as it seeks to find ways to honour its increased obligations falling due in 2017.

It is encouraging that the UK government has signalled its intention to fund a significant portion of Anguilla's capital financing needs over the 2018 to 2020 period. Should this aid materialise, it would alleviate pressure on government's finances enabling the central government to manage its recurrent responsibilities and possibly lay the foundation for stronger and more resilient growth going forward.

Given that construction activity is expected to boom in 2018, the fiscal authorities are encouraged to devote a sufficiency of resources to ensure that a greater proportion of construction workers fall within the tax net in order to offset the projected losses in tourism-related taxes.

Any favourable developments on the upside in respect of tax receipts would be critical to closing any projected recurrent deficits and paving the way for more sustainable debt dynamics.

A N T I G U A A N D B A R B U D A

Overview

The pace of economic activity is estimated to have decelerated in Antigua and Barbuda in the first nine months of 2017, relative to that recorded in the corresponding period in 2016. This outturn was largely on account of a contraction in the hotels and restaurants sector and lower growth in the real estate, renting and business activities sector. These were tempered by increases in the construction; wholesale and retail trade; and transport, storage and communications sectors. The Consumer Price Index rose by 2.2 per cent, on an end of period basis. The fiscal operations of the central government resulted in a widening of the overall fiscal deficit, largely due to the underperformance of revenue. Consequently, the public sector debt level increased at the end of September 2017, when compared with the amount at the end of December 2016. In the banking system, all major monetary indicators increased during the period under review. Commercial bank liquidity eased and the spread between the weighted average interest rates on loans and on deposits narrowed.

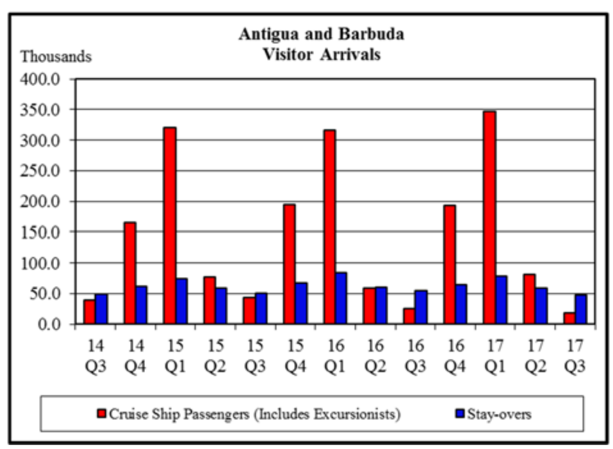
Relative to the first three quarters of 2017, the pace of economic activity in the last quarter is expected to inch up slightly. The uptick will be driven predominately by cruise tourism which will enhance growth in the wholesale and retail trade; and transport, storage and communications sectors. Meanwhile, activity in the construction sector will be lower than initially anticipated as major road projects are delayed. However, this performance will be somewhat tempered by reconstruction in Barbuda, notably the rehabilitation of damaged public infrastructure and the housing stock, after the passage of hurricane Irma, a Category 5 storm on 6 September 2017. Consumer prices are forecasted to rise incrementally as global oil prices climb. The fiscal position of the government is expected to deteriorate based on shortfalls in revenue, coupled with increasing expenditures.

There are a number of potential threats to development and economic growth in Antigua and Barbuda. These include, but are not limited to, vulnerabilities to natural disasters and adverse global economic developments; the underperformance of fiscal revenue and the ability to raise financing; the loss of correspondent banking relationships; and rising crime level. These threats can be lessened by building resilience to both natural disasters and global externalities; appropriate and timely fiscal planning and debt management; diversification of the economy and continuous improvements to the justice system.

Output

Preliminary economic indicators for the first nine months of 2017 point to a deceleration in the pace of economic activity. Value added in the tourism industry is estimated to have declined, despite a 5.5 per cent increase in the total number of visitors to 649,058. Stay-over arrivals fell by 7.1 per cent to 186,009 in contrast to an increase of 9.0 per cent in the comparable period of 2016. There were declines in all the major source markets. Visitor arrivals from the USA fell by 10.9 per cent, reversing growth of 18.7 per cent recorded in the first nine months of 2016. The European market recorded a decline of 3.4 per cent largely driven by a 5.2 per cent fall in visitor arrivals from the UK on account of ramifications stemming from Brexit including uncertainty and the depreciation of the pound. This performance was mitigated by an 8.1 per cent increase in stayover arrivals from Italy, benefiting from the continued non-stop charter Alitalia service. Other European markets which experienced growth include France (6.1 per cent) and Switzerland (4.8 per cent). The number of stay-over visitors from the Caribbean fell by 9.9 per cent, reversing growth of 15.3 per cent recorded in the comparable period of 2016.

Cruise tourism, which is a significant component of the industry, recorded solid growth in the first nine months of the year. The number of cruise ship passengers rose by 11.8 per cent to 447,978 in contrast to a contraction of 9.2 per cent in the corresponding period of 2016. This performance reflected gains from the investment made in the cruise ship pier infrastructure which contributed to an increase in cruise ship calls by 40 to 242. The number of yacht calls rose by 10.8 per cent to 3,539 with a contemporaneous 6.2 per cent increase in the number of yacht passengers to 15,071.

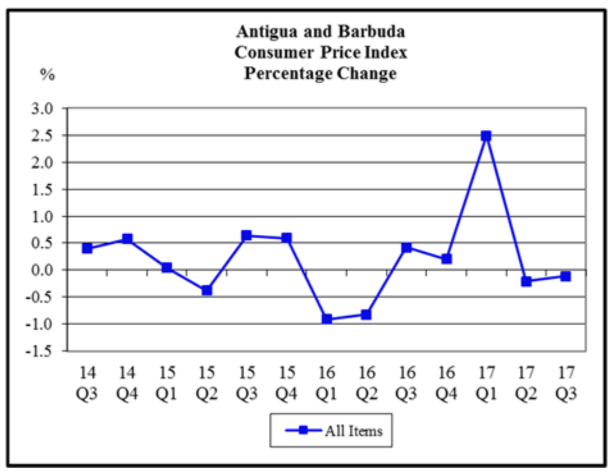


Activity in the construction sector is estimated to have increased in the first three quarters of 2017 relative to the corresponding period in 2016. This expansion was evidenced by a 22.5 per cent increase in the total importation of construction materials, a major indicator of construction activity. Furthermore, the volume of cement imports is estimated to have grown by 2.9 per cent, albeit at a slower pace than the 14.8 per cent recorded in the comparable period of 2016. In the public sector, activity focused on the construction of a new secondary school and upgrades and expansions of three (3) secondary schools; the Government Affordable Housing Development, and completion of the Department of Marine Services and Merchant Shipping building (ADOMS). In the private sector works progressed on several hotel projects and CIP funded developments.

The upsurge in cruise tourism and increased construction activity filtered positively to the transport, storage and communications; and wholesale and retail trade sectors. Value added in public administration is also estimated to have increased in the period under review.

Prices

The consumer price index (CPI) rose by 2.2 per cent during the first nine months of 2017, in contrast to a decline of 1.3 per cent during the corresponding period of 2016. The increase in consumer prices was attributable to higher costs related to the housing and transport and communications sub-indices, two of the highest weighted indices. The housing sub-index, which was updated in January 2017, rose by 7.4 per cent due to an escalation in the costs for repairs and maintenance, lawn cutting services and rents. Higher airline fares to Puerto Rico and the operation of personal transportation were the main factors which influenced a 2.4 per cent increment in the transport and communications index.

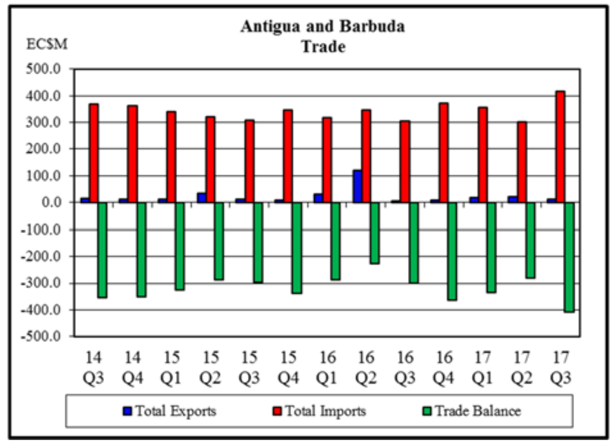


Trade and Payments

Preliminary trade statistics for the first three quarters of 2017 indicated that the trade deficit widened by 26.0 per cent to

$1,025.6m, largely due to the dual impact of higher import payments and lower re-exports. Import payments rose by 11.0 per cent to $1,076.1m on account of increases in the importation of mineral fuels and related materials; machinery and transport equipment; and miscellaneous manufactured articles. Meanwhile, re-exports fell by 70.0 per cent to $46.0m mirroring a reduction in the re-exports of machinery and transport equipment, previously related to yachting activity in 2016.

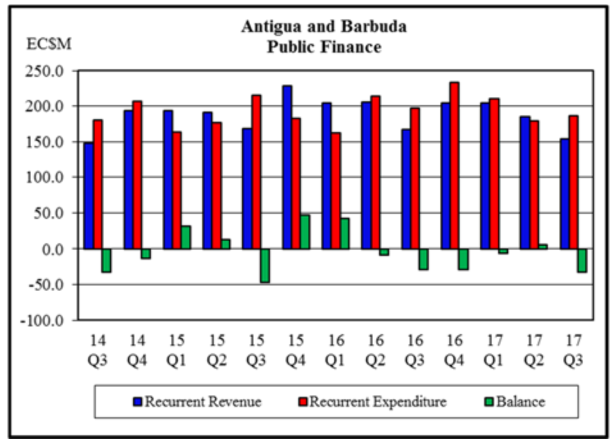
Reflecting the downturn in the number of overnight visitors, gross travel receipts are estimated to have fallen by 5.9 cent to $642.8m. Commercial banks' transactions resulted in a net outflow of $376.9m in short-term capital in contrast to a net inflow of $245.2m during the first three quarters of 2016. External loan disbursements to the central government rose by 44.8 per cent to $60.8m at the end of September 2017 while external principal payments nearly doubled to $147.3m on account of increases in payments to the International Monetary Fund (IMF) and investors on the Regional Government Securities Market (RGSM). These transactions contributed to a net amortization position of $86.5m, relative to one of $32.6m in the comparable period of 2016.



Central Government Fiscal Operations

Preliminary fiscal data indicate that the fiscal position of the central government deteriorated in the period under review. The overall deficit widened to $55.8m from $38.4m at the end of September 2016, largely driven by a reduction in total revenue. Consequently, the primary surplus narrowed to $26.6m from $37.3m. The overall deficit was largely financed by the issuance of debt on the RGSM and an accumulation of arrears.

The current account balance moved to a deficit of $32.4m for the nine-month period ended September 2017, from a surplus of $5.0m in the corresponding period in 2016, mainly on account of shortfalls in revenue, while expenditure inched up moderately. Current revenue fell by 5.9 per cent ($34.3m) to $543.7m predominately due to lower non-tax revenue. Non-tax revenue contracted by 32.6 per cent ($27.7m) to $57.3m primarily associated with lower inflows from the Citizenship by Investment Programme (CIP) into the National Development Fund. Tax revenue, which amounted to 89.5 per cent of current revenue, fell by 1.4 per cent to $486.4m due to declines in tax receipts from international trade and transactions and income and profits. Tax receipts from international trade and transactions contracted by 5.9 per cent to $174.2m chiefly due to a decline in the consumption tax (20.7 per cent), consistent with an increase in global oil prices. There was also a 2.1 per cent ($1.1m) decline in the revenue recovery charge. These decreases were tempered by a 5.2 per cent ($3.1m) increase in import duty. Tax receipts on income and profits fell by 7.5 per cent to $56.4m largely due to the removal of the personal income tax on 1 July 2016. However, corporate income tax rose at a substantial rate of 47.3 per cent ($17.8m) due to a greater frequency in audits by the Inland Revenue Department. Receipts from taxes on domestic goods and services rose at a rate of 2.5 per cent to $236.9m reflecting increases in stamp duties while the Antigua and Barbuda Sales Tax (ABST) underperformed. Revenue flows from stamp duties increased by 27.2 per cent to $40.8m while revenue from the ABST fell by 3.1 per cent to $187.1m, consistent with the slowdown in the pace of economic activity. Receipts from property taxes rose by 19.2 per cent ($3.0m) to $18.9m reflecting an increase in the compliance rate.



Current expenditure increased at a marginal rate of 0.6 per cent ($3.1m) to $576.1m, mirroring higher interest payments. Interest payments rose by 8.9 per cent ($6.7m) to $82.4m mainly associated with domestic debt servicing. There was also a moderate increase of 1.3 per cent ($1.1m) to $92.0m in spending on goods and services. Meanwhile, there were declines in the largest expenditure item, personal emoluments, by 0.1 per cent (0.4m) to $241.1m; and transfers and subsidies by 2.6 per cent ($4.3m) to $160.7m.

On the capital account, capital revenue amounted to $10.3m at the end of September 2017, compared with $42.3m in the corresponding period of 2016, when forfeiture funds were received. Consequently, capital expenditure also contracted to $34.8m from $85.7m at the end of September 2016. Capital spending reflected works on the completion of the ADOMS building; upgrades to three secondary schools; construction of homes under the Government Affordable Homes Programme; and upgrade of the national passport to Biometrics.

Public Sector Debt

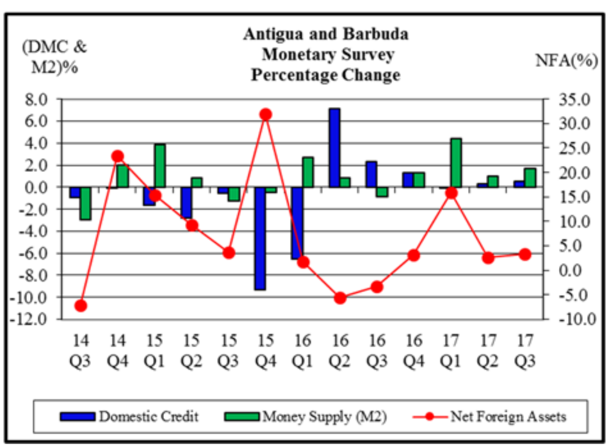
The total disbursed outstanding debt of the public sector inched up by 2.3 per cent to $3,100.2m at the end of September 2017, from $3,030.7m at the end of December 2016. Central government debt, the largest component, rose by 0.7 per cent to $2,615.3m reflecting an increase in overdraft facilities with commercial banks, exchange rate movements and the issuance of debt securities on the Regional Government Securities Market. There was also an acceleration in the debt position of public corporations by 11.7 per cent to $484.9m. This expansion was associated with a higher levels of borrowing from the domestic banking system. The debt stock according to source of financing, revealed that the domestic stock of debt rose by 5.0 per cent to $1,744.0m while the external debt stock contracted by 1.0 per cent to $1,356.2m.

Money and Credit

In the banking sector, monetary liabilities (M2) increased by 7.3 per cent to $3,458.4m during the first nine months of 2017, more than doubling the rate of growth recorded in the corresponding period of 2016. The expansion in M2 was attributable to increases in both the narrow money supply (M1) and quasi money. Quasi money, the largest component of M2, grew by 7.3 per cent to $2,611.0m, reflecting a 7.1 per cent increase in private sector savings deposits and a 35.9 per cent increase in private sector foreign currency deposits. Meanwhile, private sector time deposits contracted by 8.0 per cent. M1 rose by 7.1 per cent to $847.3m marked by a 9.4 per cent expansion in private sector demand deposits while currency with the public contracted by 2.3 per cent.

The stock of domestic credit increased at a decelerated pace during the first nine months of 2017. Domestic credit rose by 0.7 per cent to $2,353.8m compared with growth of 2.5 per cent during the corresponding period in 2016. Credit growth to the private sector turned negative, contracting by 1.6

per cent, following an increase of 1.5 per cent up to September 2016, due to factors including the overt risk averseness of commercial banks or the perceived lack of bankable projects. Household credit, which forms 63.0 per cent of private sector credit, grew by 0.9 per cent, while credit to businesses fell by 9.7 per cent. Net credit to the government rose marginally by 1.2 per cent to $398.5m largely due to an increase in credit at the Eastern Caribbean Central Bank. Central bank credit to the government rose by 14.2 per cent to $83.0m, reflecting an increase in treasury bill holdings. Meanwhile, credit from commercial banks were less robust increasing by 0.7 per cent to $419.4m. The increase in credit was partly offset by an uptick in government deposits, which rose by 8.8 per cent ($8.4m) to $103.8m. Net credit to Non-Financial Public Enterprises increased to $57.2m at the end of September 2017 from $14.7m largely due to higher borrowing from commercial banks.



The outstanding stock of credit disaggregated by economic activity grew marginally by 0.3 per cent to $2,435.4m, in contrast to a contraction of 0.1 per cent during the corresponding period of 2016. Of the major sectors, credit increased for transportation and storage (8.1 per cent); distributive trades (6.7 per cent); public administration (5.5 per cent); and entertainment and catering (5.2 per cent). Credit for personal loans, which is the highest category, rose by 0.7 per cent - particularly loans for house and land purchase, durable consumer goods and other personal uses. These increases were moderated by declines in outstanding credit for tourism (24.0 per cent); manufacturing (12.9 per cent); utilities, electricity and water (12.9 per cent; construction (9.4 per cent); and professional and other services (11.1 per cent).

The net foreign assets of the banking system increased by 23.0 per cent to $1,796.9m during the first nine months of 2017, in contrast to a 7.1 per cent contraction during the corresponding period of 2016. This development was on account of a significant increase in commercial banks net foreign assets. Commercial banks net foreign assets rose by 66.0 per cent ($376.9m) to $947.6m at the end of September 2017, relative to the amount recorded at the end of December 2016, largely on account of increased external assets with institutions outside the Currency Union. In addition, commercial banks' net foreign assets with institutions within the Currency Union rose by 22.8 per cent to $485.2m, mainly on account of a higher asset position. Meanwhile, Antigua and Barbuda's share of the imputed reserves at the Central Bank fell by 4.6 per cent to $849.4m mirroring a decline in banker's reserves and notes in circulation.

Commercial banks liquidity in Antigua and Barbuda eased slightly. The ratio of liquid assets to total deposits plus liquid liabilities increased by 3.2 percentage points to 66.3 per cent, above the ECCB prudential limit of 20.0 - 25.0 per cent. The loans and advances to total deposits ratio fell to 66.2 per cent at the end of September 2017 from 69.8 per cent at the end of December 2016, still below the ECCB's benchmark of 75.0 - 85.0 per cent.

The spread between the weighted average interest rates on loans and on deposits narrowed to 7.34 percentage points at the end of September 2017 from 7.43 percentage points at the end of December 2016. The reduction in the interest rate spread was largely attributable to a contraction in the weighted average lending rates which surpassed the decline in weighted average deposits rates. The weighted average deposit rate fell by 7 basis points to 1.61 per cent, principally due to a reduction in interest rates on time deposits. The weighted average lending rate fell by 16 basis points to 8.95 per cent associated with a decrease in the lending rates on loans issued in national currency, tempered partly by an increase in interest rates on loans in foreign currency.

Prospects

The pace of economic activity in Antigua and Barbuda is expected to improve in the last quarter of the year. Concomitant with the performance of the economy in the first three quarters, overall economic growth for 2017 is expected to be lower than that of 2016. More specifically, the downturn in stay–over arrivals, the destruction of Barbuda due to hurricane Irma and less than initially anticipated construction activity are some of the reasons for the lower outturn projected. This forecast is further dependent on both global and other domestic developments. The IMF World Economic Outlook (October 2017) projects that global growth should accelerate to 3.6 per cent in 2017 from 3.2 per cent in 2016. This uptick in global growth could translate to higher travel demand, if taken advantage of through strategic and focused sales and marketing, along with improvements in the hotel stock. On the domestic side, economic growth in 2017 will continue to be fuelled by activity in the non-tradeable sectors such as construction; wholesale and retail trade; and real estate, renting and business activities. The latter two sectors will be particularly impacted by the positive and significant upturn expected in cruise tourism. Inflationary pressures are likely to increase at a marginal rate as global oil prices rise incrementally.

A larger overall deficit is expected to be reported in 2017. The deficit expansion will be driven by lower revenue intake, as the new taxes that replaced the personal income tax such as the Unincorporated Business Tax, the Gambling tax and the offshore bank tax underperform. Furthermore, the loss of visa access to Canada along with steeper competition from other ECCU countries will continue to adversely impact revenue inflows from the CIP. On the expenditure side, increases are expected to be incurred for personal emoluments owing to larger stipends related to the National Employment Programme, in addition to greater outlays on goods and services; and transfers and subsidies. Unforeseen expenditure costs to reconstruct and rebuild damaged infrastructure in Barbuda, as a consequence of the destruction inflicted by hurricane Irma, will contribute further to the expansion in the overall deficit. On the upside, increased grants will partly offset the shortfall from tax and non-tax revenue and the reconstruction costs for the rehabilitation of Barbuda. Furthermore, there may be some marginal gains from efforts being implemented to improve tax administration and compliance; and contain tax concessions.

In the external sector, the merchandise trade deficit is projected to widen in line with higher import payments to support construction activity, and the wholesale and retail trade sector. Gross travel receipts are forecasted to be below the levels of 2016, due to an overall downturn in tourism activity. On the capital and financial account, higher inflows for real estate investment in the CIP and some tourism projects are likely to increase the surplus.

The above macroeconomic forecasts could be impacted by a number of factors. On the downside, slower than anticipated global growth, either due to the effects of Brexit, geopolitical tensions, and terrorist attacks, among others, could negatively influence growth in Antigua and Barbuda. Further, the islands remain vulnerable to adverse weather systems like tropical storms and hurricanes. Hurricane Irma which struck and disseminated Barbuda on 6 September provides a vivid example of this vulnerability. The country is also faced with a number of challenges including the underperformance of tax revenue despite reasonable rates of growth; a double digit unemployment rate according to a 2015 Labour survey; a slowdown in revenue intake from the CIP; high debt servicing and limited financing options; reconstructing Barbuda which is currently estimated at US$220.0m; increasing crime; and the implications of the loss of correspondent banking.

These risks and challenges highlight the need for effective fiscal planning and debt management aimed at containing any negative effects on growth and employment. Efforts focused on disaster mitigation through the implementation of robust building codes for both residential and commercial properties could reduce vulnerability to natural disasters.

Tackling crime should also feature high on the agenda with particular attention placed on investments in crime fighting technology, adequate training for security forces and continuous improvements to the judicial system. On the upside, there are many opportunities for growth in the agricultural sector and the tourism industry if the projects that are in the pipeline come on stream. Investments in physical infrastructure, telecommunications and human resources are encouraged to support the private sector and the business environment.

DOMINICA

Overview

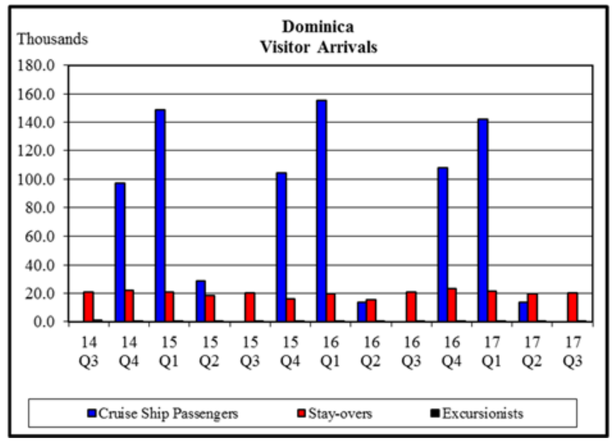
Preliminary estimates indicate that economic activity in Dominica for the first nine months of 2017 expanded, though tempered by the passage of hurricane Maria in September 2017. This assessment is largely based on improvements in the construction and agricultural sectors and the tourism industry, notwithstanding the subdued performance in the manufacturing sector. In the external sector, the merchandise trade deficit is estimated to have widened as a result of growth in imports coupled with a contraction in exports. The central government's fiscal operations resulted in an overall deficit, in contrast to a surplus recorded in the corresponding period of the previous year. However, the total disbursed outstanding debt is estimated to have decreased. Monetary liabilities and net foreign assets in the banking system expanded, while domestic credit declined. The commercial banking system remained highly liquid, while the weighted average interest rate spread narrowed during the review period.

Economic activity is expected to contract in the remainder of 2017 based on the damage to the productive sectors and supporting infrastructure by hurricane Maria. Furthermore, the overall fiscal balance is anticipated to deteriorate owing to an increase in expenditure for the recovery effort, coupled with a decline in tax revenue. The merchandise trade deficit is expected to widen, reflecting increased imports of construction materials and; a reduction in export receipts. Risks to this outlook are skewed to the downside and include a deceleration in the Citizenship by Investment programme inflows; the receipt of fewer grants than expected that can slow down the pace of recovery and rehabilitation efforts; and adverse weather.

Output

On 18 September 2017, hurricane Maria made landfall on Dominica as a category five storm, affecting the entire population's wellbeing and halting economic activity. All productive sectors were severely compromised as well as supporting sectors such as transport and storage; electricity and water and wholesale and retail. Prior to the hurricane, Dominica was on the path to recovery from tropical storm Erika in August 2015. Accordingly, preliminary estimates indicate that economic activity in the first nine months of 2017 expanded, though tempered by the passage of hurricane Maria at the end of the period.

Construction activity is estimated to have expanded in the first three quarters of 2017, reflecting developments in the public and private sectors. Capital spending by the central government increased by $121.0m to $244.2m, largely associated with a pickup in reconstruction and rehabilitation activity, associated with the passage of tropical storm Erika in August 2015; housing renovation and sanitation as well as other infrastructural improvements including works at the Douglas-Charles Airport. Private sector projects, particularly the construction of the Range Developments' Cabrits Resort Kempinski and the Jungle Bay Resort also supported the increase in construction activity. Private sector construction was however tempered by an estimated decline in residential building. Accordingly, a $7.5m decrease in the value of residential housing starts to $18.5m was observed in the period under review.



In the tourism industry, overall visitor arrivals are estimated to have decreased by 3.3 per cent to 229,046 compared with a 5.0 per cent decline in the first nine months of 2016. Arrivals in September were affected by the passage of hurricane Maria. The reduction in arrivals was driven by a 7.7 per cent fall in the number of cruise ship passengers to 156,026, consistent with a decrease in the number of cruise ship calls to 102 from 105. A 31.5 per cent decline in the number of excursionists also contributed to the decrease in total visitor arrivals. Alleviating the downturn in cruise passengers and excursionists, the number of stay-over visitors rose by 8.9 per cent to 61,678, influenced by an uptick in visitor arrivals from all major source markets namely Europe, most notably France (41.7 per cent) and the United Kingdom (14.6 per cent); Canada (13.9 per cent); Caribbean (5.0 per cent); the USA (2.6 per cent).

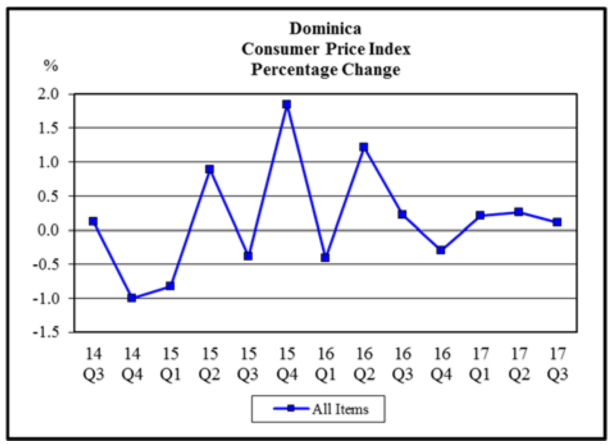
The enhancement in the number of stay-over visitors was partially influenced by improved flight connections to Dominica and an improvement in marketing and promotion. An increase was also observed in the number of yacht passengers (5.1 per cent) visiting the island.

In the manufacturing sector, output is estimated to have contracted in the first three quarters of 2017, associated with a decline in the production of paints and beverages. The production of paints decreased by 29.4 per cent to 85,802 gallons, partially on account of a reduction in the local company's production budget. Additionally, the production of beverages fell by 20.5 per cent.

Activity in the agricultural sector is estimated to have improved modestly in the period under review. Total banana production amounted to 364 tonnes, 1.6 per cent more than the output recorded in the first three quarters of 2016. The output of non-banana crops and livestock are provisionally estimated to have increased.

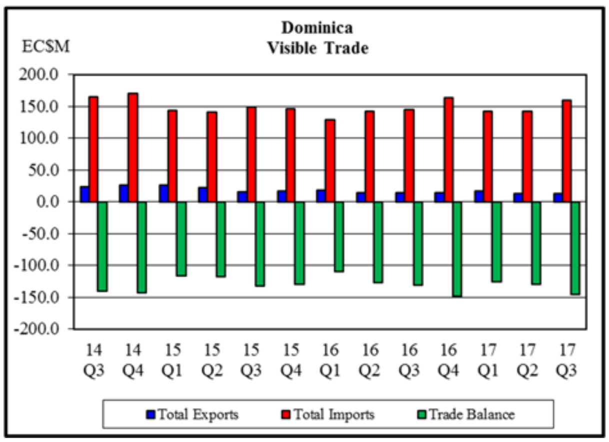
Prices

The consumer price index is estimated to have increased by 0.6 per cent during the first nine months of 2017, compared with a 1.0 per cent rise during the corresponding period of 2016. The inflationary pressures were largely attributable to a 1.7 per cent upturn in the housing, utilities, gas and fuels sub-index, which has the heaviest weighting, mainly on account of an upsurge in the prices of water supply and miscellaneous services related to the dwelling and the price of gas. The general rise in prices was also supported by an increase in the sub-index for transport (0.7 per cent).



Trade and Payments

Preliminary estimates indicate that the trade deficit widened by 9.2 per cent to $402.3m in the first three quarters of 2017. This development was attributed to an increase in import payments coupled with a decline in export receipts. The value of imports rose by 7.0 per cent to $443.9m mainly associated with upticks in the import of mineral fuels and related materials, manufactured good and food and live animals. The value of exports fell by 10.5 per cent to $41.6m partly reflecting a 34.0 per cent reduction in the export receipts from paints.



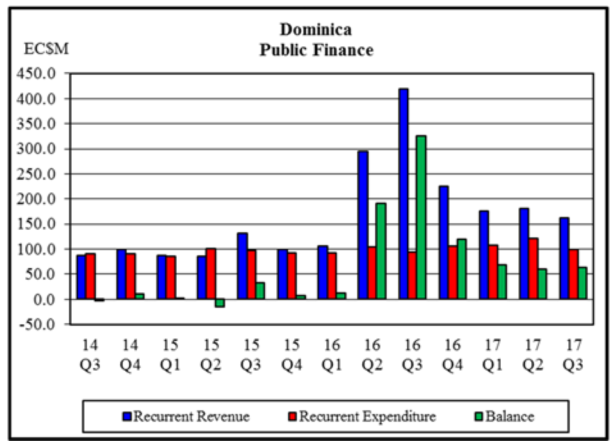
Gross travel receipts were estimated to have risen by 7.9 per cent to $280.0m, partially on account of increased stayover arrivals. Commercial banks' transactions resulted in a net outflow of $166.9m in short term capital compared with one of $97.2m in the first nine months of 2016. In the public sector, external loan disbursements to the central government totalled $54.9m compared with $8.3m in the corresponding period of the previous year. On the other hand, external principal repayments amounted to $69.9m, up from $37.2m at the end of September 2016. These transactions led to a net outflow of $15.0m compared with an outflow of $28.9m in the first three quarters of 2016.

Central Government Fiscal Operations

In the period under review, the fiscal operations of the central government resulted in an overall deficit of $23.4m, in contrast to a surplus of $426.6m in the comparable period of 2016. The overall deficit was mainly financed by domestic sources, particularly from central government's deposits. A primary deficit of $2.3m was realised, a deterioration from the surplus of $448.1m recorded in the first nine months of the previous year. The deficits were driven by developments on both the current and capital accounts. Non-tax revenue fell by $318.0m to $239.9m, driving downward the collection of current revenue by $298.6m to $519.7m. The decline in current revenue was however moderated by an expansion in tax revenue of $19.4m to $279.8m, reflecting an increase in the government's intake from all categories of taxes. Receipts from taxes on domestic goods and services, the largest source of tax revenue, rose by $8.3m to $156.8m largely attributed to an uptick in earnings from the value added tax, excise tax and licenses. An upturn of $5.5m to $57.7m was observed for taxes on international trade and transactions, mainly associated with improved collections from the customs service tax and embarkation tax. Expansions in property tax revenue ($3.1m) and taxes on income, profit and capital gains ($2.5m) also contributed to increase in tax revenue.

Current expenditure grew by $38.8m to $328.5m in the period under review, reflecting increases in spending on all subcategories with the exception of interest payments which fell by $0.4m to $21.1m. Payments for goods and services rose by $24.5m to $109.9m partially associated with an uptick in professional and consultancy fees. Also contributing to the overall expansion in current expenditure, outlays for transfers and subsidies surged by $14.4m to $83.0m, reflecting a rise in contributions to local and regional institutions. An increase of $0.3m was observed in spending on personal emoluments. These developments on the current account resulted in a surplus of $191.3m.

Capital grants amounted to $28.9m, an $8.2m improvement from the corresponding period of 2016. Concurrently, capital expenditure rose by $121.0m to $244.2m, mainly associated with recovery and reconstruction activities. Other infrastructural improvements such as works at the Douglas-Charles Airport; the dredging of rivers; the construction of the new West Bridge in the capital city and investments in human capital and housing; all of which were primarily funded by the Government of Dominica, also contributed to the rise in capital expenditure.



Public Sector Debt

The total disbursed outstanding debt of the public sector is estimated to have declined by 2.6 per cent to $1,034.8m at the end of September 2017. This outturn resulted from a reduction in both central government and public corporations' debt. The debt of public corporations decreased by 3.8 per cent, largely reflecting a decline in their external component (9.1 per cent) but partially offset by an increase in their domestic component (4.2 per cent). A

2.3 per cent fall was recorded in central government's debt, associated with lower domestic (5.9 per cent) and external debt (0.8 per cent).

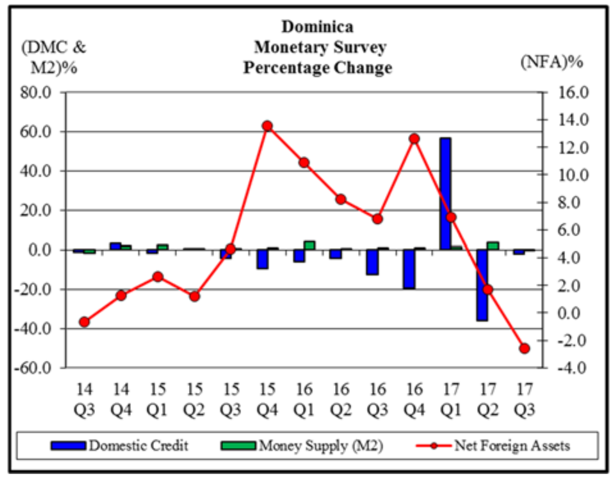
Money and Credit

Monetary liabilities (M2) expanded by 4.6 per cent to $1,438.8m during the first three quarters of 2017, compared with growth of 5.1 per cent during the corresponding period of 2016. Growth in M2 reflected increases in both quasi money, the larger component of M2, and narrow money. Quasi money rose by 4.7 per cent to $1,123.9m, reflecting a 7.7 per cent upsurge in private sector savings deposits. This increase was however moderated by declines in private sector foreign currency deposits (18.5 per cent) and private sector time deposits (3.3 per cent). Growth in monetary liabilities was also supported by a 4.1 per cent expansion in narrow money. This outturn was associated with a more than doubling of EC$ Cheques and Drafts and upticks in private sector demand deposits (3.6 per cent) and currency with the public (1.8 per cent).

Meanwhile, domestic credit fell by 1.6 per cent to $395.6m during the period under review, largely influenced by a reduction in private sector credit and an increase in the net deposit position of non-financial public enterprises. Private sector credit, which constitutes the largest proportion of credit in the economy, decreased by 2.1 per cent to $781.0m, reflecting declines in credit to businesses (4.6 per cent); non-bank financial institutions (1.3 per cent); and households (0.8 per cent). Also supporting the fall in domestic credit, the net deposit position of non-financial public enterprises improved by 9.6 per cent on account of growth in deposits and a decrease in credit extended. The contraction in domestic credit was however moderated by a 6.6 per cent downturn in the net deposit position of central government to $279.8m as the government withdrew its deposits to fund expenditure.

An analysis of the distribution of commercial bank credit by economic activity revealed that total outstanding loans and advances decreased during the period under review. Contractions in lending were observed in all major sectors with the exception of distributive trades which recorded a 1.0 per cent increase in credit. More specifically, there were declines in credit extended to agriculture and fisheries (25.1 per cent); manufacturing and mining and quarrying (14.9 per cent); personal use (0.8 per cent); tourism (0.7 per cent) and; construction (0.4 per cent). Downturns in credit were also recorded for other services including transportation and storage (32.6 per cent); professional and other services (13.7 per cent); utilities, electricity and water (11.1 per cent); public administration (9.5 per cent); entertainment and catering (8.4 per cent) and; financial institutions (1.7 per cent).

The net foreign assets position of the banking system stood at $1,155.0m at the end of September 2017, registering an increase of 5.9 per cent from the corresponding period of the previous year. This development was mainly the result of a 33.8 per cent expansion in the net foreign assets position of commercial banks, associated with growth in their net assets position with institutions outside of the ECCU territories which was partially offset by a decline in their net asset position in other ECCU territories. The overall upsurge in net foreign assets was however moderated by a 17.1 per cent decline in Dominica's imputed share of the Central Bank's reserves.



The commercial banking system remained highly liquid during the first three quarters of 2017. The ratio of liquid assets to total deposits plus liquid liabilities rose by 2.1 percentage points to 59.5 per cent at the end of September 2017. However, the loans and advances to total deposits ratio fell by 2.2 percentage points to 45.6 per cent, still considerably below the ECCB's benchmark of 75.0 to 85.0 per cent.

The weighted average total deposits rate fell by 2.0 basis points to 1.68 per cent at the end of September 2017. Concomitantly, the weighted average lending rate declined by 10 basis points to 8.02 per cent in the period under review. Consequently, the spread between the weighted average interest rate on loans and deposits narrowed to 6.34 percentage points at the end of September 2017 from 6.42 percentage points at the end of December 2016.

Prospects

The economy was forecasted to expand in the remainder of 2017 prior to the passage of hurricane Maria. However, given the colossal impact of the hurricane on the productive and supporting sectors of the economy, a decline in the overall level of economic activity is expected. Accordingly, the World Bank has estimated total damage and losses from hurricane Maria to be 226.0 per cent of Dominica’s 2016 gross domestic product (GDP) or $3,539.0m.

The agricultural sector is expected to contract owing to significant damage to farming infrastructure, crop and livestock production. Similarly, activity in the tourism industry is also likely to deteriorate. The number of stay-over visitors is expected to decline as a result of significant damage to tourism infrastructure, with about half of the accommodation properties severely damaged by the passage of the hurricane. The cancellation of the World Creole Music Festival as well as the departure of the Ross University students following the hurricane, would also contribute to the expected decline in stay-over visitors and arrivals. The number of cruise ship passengers are also predicted to decrease, on account of the anticipated cancellations of cruise calls following the devastation caused by the hurricane. In the construction sector, activity is expected to continue, albeit at a decelerated pace. Efforts are now focused on clean up and relief as well as plans for long term recovery following the passage of hurricane Maria. Manufacturing output is expected to remain subdued for the remainder of the year, as the productive capacity of facilities in the sector were considerably reduced following the hurricane.

The overall fiscal balance is anticipated to deteriorate in the remainder of 2017, mainly as a consequence of increased expenditure on the clean-up, relief and recovery effort; coupled with lower tax revenue, influenced by a decline in economic activity and concessions granted on relief supplies. This deterioration is expected to be partially mitigated by an increase in grants. In the external sector, the merchandise trade deficit is expected to widen, partially reflecting increased imports of construction materials in addition to depressed exports.

Risks to this outlook are skewed to the downside. A deceleration in inflows from the Citizenship by Investment Programme, the receipt of fewer grants than expected and/or delays in the disbursement of loan or grant funds at this critical time, could slow down the implementation of the impending recovery and reconstruction effort and worsen debt implications.

The recovery process could be additionally affected by administrative and implementation capacity constraints. In addition, Dominica remains vulnerable to external shocks such as adverse weather and a weakening of growth prospects of trading partners and friendly governments, which would compound the unfavourable economic outlook.

G R E N A D A

Overview

Grenada recorded a stronger growth performance in the first nine months of 2017, relative to that in the corresponding period of 2016. The elevated economic activity stemmed mainly from increases in construction activity and stay-over visitor arrivals. Consumer prices advanced by 0.6 per cent, on an end of period basis. **The central government registered an overall surplus, above the one attained in the first nine months of 2016.** The disbursed outstanding public sector debt fell from the level at the end of December 2016. In the banking sector, there was growth in monetary liabilities and net foreign assets, while domestic credit contracted. Commercial bank liquidity increased and the spread between the weighted average deposit and lending interest rates narrowed.

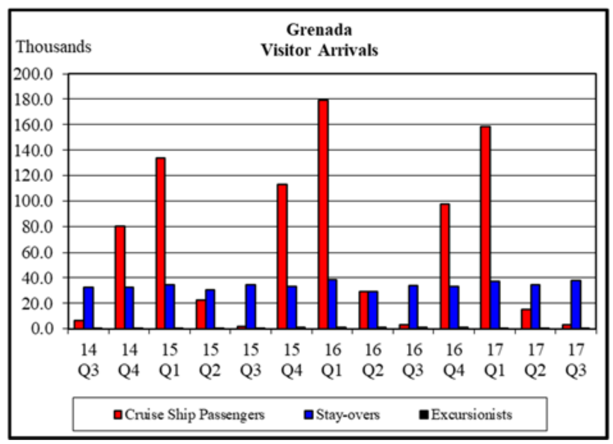
Near term macro-economic prospects are positive for Grenada. Growth is anticipated in the construction sector and in stay-over tourist arrivals, with positive spin offs in auxiliary sectors in 2017. Inflation is likely to be positive but moderate for the year. The merchandise trade deficit is forecasted to widen premised largely on increased imports. A larger fiscal overall surplus is projected in 2017 buoyed by increased revenue collections which would outweigh growth in expenditure. The public sector debt level is likely to remain on a downward trajectory until the end of 2017, supported by the application of previously agreed haircuts in the last quarter of the year. **While continued progress is envisaged for the country in the short term, there are challenges and downside risks. These relate to structural issues like improving the doing business environment and expenditure pressures on the fiscal side. The country also remains vulnerable to further adverse weather; unanticipated deterioration in the global economy; and a surge in geo-political tensions in more advanced economies.**

Output

Construction activity strengthened in the period under review, evidenced by growth of 24.2 per cent in the volume of imported construction materials. Ongoing tourism-related and commercial investments in the private sector were complemented by the continued implementation of major public sector projects including Phase I of the

Grenada Houses of Parliament, roads, and schools. Strengthened construction work is likely to have spurred activity in sectors such as transport, storage and communications; mining and quarrying; and wholesale and retail trade.

Activity in the tourism industry is estimated to have increased in the first three quarters of 2017, principally on account of a higher level of stay-over visitor arrivals. Data for the January to September period of 2017 indicated growth of 6.9 per cent in the number of stay-over visitors to 109,289, accelerating from the pace of growth of 2.8 per cent in the comparable period of 2016. The arrivals were enhanced by Grenada's hosting of regional and international events including the 2017 Windward Islands Tournament (football) and the inaugural Grenada Invitational Track and Field Meet. Arrivals from the USA, expanded by 16.2 per cent, aided by increased airlift. Canadian arrivals grew by 8.9 per cent, partly influenced by strong marketing efforts. Regional travel also contributed significantly to the outturn, as arrivals from the Caribbean were up by 8.6 per cent. Among the European source markets, arrivals from the UK fell by 6.3 per cent, offsetting increases in arrivals from Germany and Italy of 29.9 per cent and 6.4 per cent respectively. Cruise arrivals totalled 176,648, representing a 16.5 per cent contraction relative to the level in the comparable period of 2016. Notwithstanding the upturn in the number of cruise calls to 188 from 175, reduced load factors constrained arrivals. Among the other types of visitors, the number of excursionists fell by 67.8 per cent to 827 while the number of yacht passengers grew by 1.8 per cent to 16,878. Accordingly, total visitor arrivals decreased by 8.8 per cent to 303,642 in the period under review, in contrast to an expansion of 20.8 per cent in the comparable period of 2016.



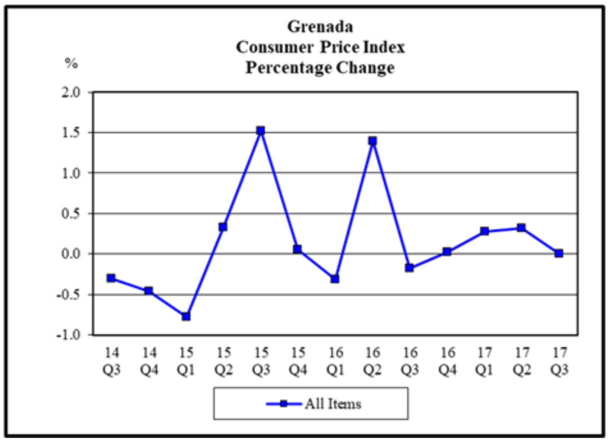
Overall output in the manufacturing sector increased in the first three quarters of 2017, fuelled by improvements in the production of the majority of beverages, excluding rum which registered a decline of 14.0 per cent. The output of soft drinks doubled to 271,231 cases, following the resumption of production of a particular soft drink in the third quarter of 2016, after a hiatus from early 2015. Increases were recorded in the manufactured volumes of beer (10.7 per cent), malt (1.9 per cent) and stout (0.6 per cent). In the chemicals and paints industry, there were declines in the output levels of acetylene (18.4 per cent) and oxygen (5.7 per cent), while paint production advanced by 3.3 per cent. Among the animal feed producers, contractions were observed in the manufacturing yield of wheat bran (12.5 per cent) and poultry feed (2.0 per cent). Additionally, the production of flour dropped by 14.8 per cent, and there was no output of macaroni as its producer ceased operations during the period under review.

Value added in the agricultural sector remained weak since factors including unfavourable weather, pests and diseases affected yields. The total output of other crops, including fruits, vegetables, and ground provisions is estimated to have decreased by 24.4 per cent to 1,846,110 pounds, registering a more pronounced contraction from the rate of 18.8 per cent in the first nine months of 2016. Challenges in the sub-sector related to the lack of inputs such as seeds; and pests such as the mango seed weevil. The overall outturn was also dampened by a reduction of 3.2 per cent in cocoa production which was impacted by black pod disease coupled with adverse weather. By contrast, increases were observed in the production of mace (33.6 per cent) and nutmeg (33.4 per cent). Despite falling international prices in the review period, mace and nutmeg production recovered from the declines of 33.8 per cent and 21.5 per cent respectively in the corresponding period of 2016. Growth in banana output decelerated to 2.5 per cent relative to the rate of 16.8 per cent that was posted in the first nine months of 2016, reflecting the lingering effects of black sigatoka.

Output of the fishing sector fell by 8.8 per cent to 4,370 tonnes, relative to a decline of 0.7 per cent in the first nine months of 2016.

Prices

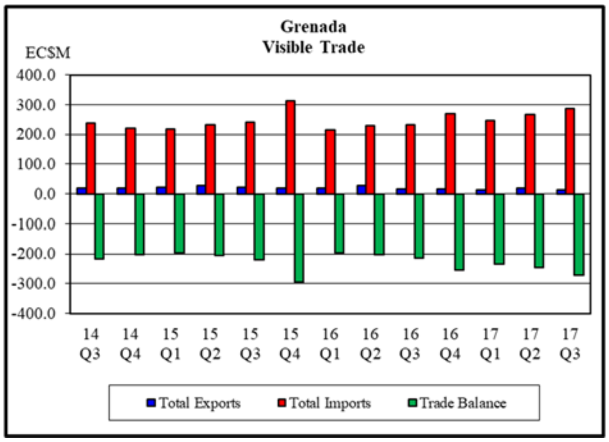
The consumer price index (CPI) is estimated to have risen by 0.6 per cent during the first nine months of 2017, relative to growth of 0.9 per cent during the corresponding period of 2016. There were increases in two of the largest sub-indices housing, utilities, gas and fuels (0.1 per cent) and food and non-alcoholic beverages (1.3 per cent). The education sub-index posted the highest growth of 6.3 per cent, influenced by higher costs for pre-primary, primary and tertiary education. Other indices which registered growth were communication (3.2 per cent), recreation and culture (1.1 per cent), alcoholic beverages, tobacco and narcotics (0.1 per cent).



Trade and Payments

The merchandise trade deficit widened to $749.6m from $613.0m in the comparable period of 2016. The larger deficit was primarily an account of an increase in the value of imports, exacerbated by a lower value of exports. Import payments rose by 17.9 per cent ($121.3m) partly influenced by higher construction-related imports. The key categories driving the upward movement were machinery and transport equipment; beverages and tobacco; and manufactured goods as well as articles. Exports earnings are estimated to have contracted by 23.8 per cent ($15.3m), reflecting lower values for domestic and re-exports. Revenue from domestic exports was down by 19.0 per cent ($10.5m) to $44.9m, principally due to reductions in the earnings from agricultural (23.1 per cent) and manufactured (13.2 per cent) goods. With regard to agricultural exports, receipts grew for mace and fruits and vegetables, but it contracted for cocoa and nutmeg for which there were lower external prices. The export value fell for the majority of manufactured exports including flour, clothing, paper products, and animal feed. By exception, export proceeds from paints and varnishes rose modestly. Receipts from re-exports declined by 53.5 per cent ($4.7m) to $4.1m.

Gross travel receipts expanded by 27.2 per cent to $353.5m, boosted by increased arrivals from North America, the largest spending category, and an increase in the average daily expenditure of UK visitors. Commercial bank transactions resulted in a net outflow of $139.4m, up from one of $65.4m during the first nine months of 2016. External loan disbursements doubled to $41.4m in the first nine months of 2017, while external amortization grew by 10.2 per cent to $56.5m. As a result, the central government was in a net amortization position of $15.1m, down from one of $30.3m in the comparable period of 2016.

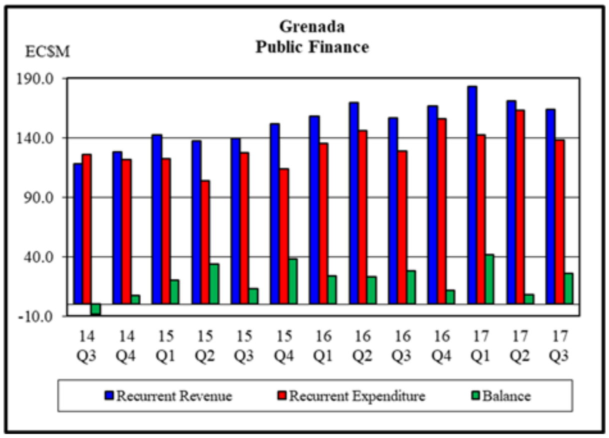


Central Government Fiscal Operations

The central government operations resulted in an overall fiscal surplus of $73.2m in the first nine months of 2017, above that of $58.8m in the corresponding period of 2016. A primary surplus of $120.9m was realised, roughly 12.2 per cent above the surplus recorded in the comparable period of last year. The improvement in public finances was supported by increased economic activity; improved tax administration and collections; and continued fiscal discipline in light of the implementation of fiscal responsibility legislation from January 2016.

The current account surplus reached $74.6m, relatively on par with the surplus attained in the first three quarters of 2016. Growth in current expenditure decelerated to 8.1 per cent from 16.0 per cent, mirroring expenditure restraint. Meanwhile, the pace of growth in current revenue decelerated to 6.8 per cent from 15.5 per cent, partly on account of the levelling out of the effect of tax adjustment measures implemented from 2014.

Current revenue totalled $517.5m, boosted solely by tax receipts which grew by 7.6 per cent to $493.8m. There were improved yields across all the key tax heads. Receipts from taxes on domestic goods and services grew by 6.1 per cent ($11.8m), primarily associated with an increase in revenue of $9.6m from the Value Added Tax. Revenue from taxes on income and profits climbed up by 11.9 per cent ($11.4m), on account of higher collections primarily from company tax as well as personal income tax. The yield from taxes on international trade and transactions rose by 7.1 per cent ($10.5m) largely underpinned by revenue gains from import duty, customs service charge and petrol tax. Receipts from taxes on property grew by 5.3 per cent ($1.1m). The overall tax revenue outturn was dampened by weaker non-tax revenue which fell by 7.6 per cent ($1.9m), primarily attributed to lower dividends.



Current expenditure amounted to $442.9m, reflecting growth in the largest sub-items. Expenditure on personal emoluments rose by 8.4 per cent ($15.6m), influenced by salary increments and increases made to public officers during the period under review. The total payment for transfers and subsidies was up by 16.9 per cent ($14.7m), largely attributed to increased transfers made abroad and for pensions. Spending on goods and services was 4.6 per cent ($4.1m) above the level incurred in the first nine months of 2016. By contrast, interest payments fell by 2.4 per cent ($1.2m), resulting from a contraction of $1.8m to $12.9m in domestic interest obligations. Meanwhile, grant financing for current expenditure totalled $9.9m, below that of $16.9m in the first nine months of 2016.

With respect to the capital account, the central government reduced its capital expenditure by 25.8 per cent to $55.1m amid lower grant financing. Capital grants fell by 14.3 per cent to $43.8m.

Public Sector Debt

Amid the backdrop of the improved fiscal performance, the disbursed outstanding debt of the public sector fell by 0.5 per cent ($10.5m) to $2,282.4m at the end of September 2017. The outstanding debt of the central government, which was the main source of the reduction, is estimated to have contracted by 0.4 per cent ($9.5m) to $2,161.3m. The debt of public corporations fell by 0.8 per cent ($1.0m) to $121.1m. Total external debt was down by 0.3 per cent ($5.5m) to $1,620.7m, aided by scheduled repayments and favourable exchange rate movements. Meanwhile, total domestic debt decreased by 0.7 per cent ($5.0m), in light of scheduled repayments.

Money and Credit

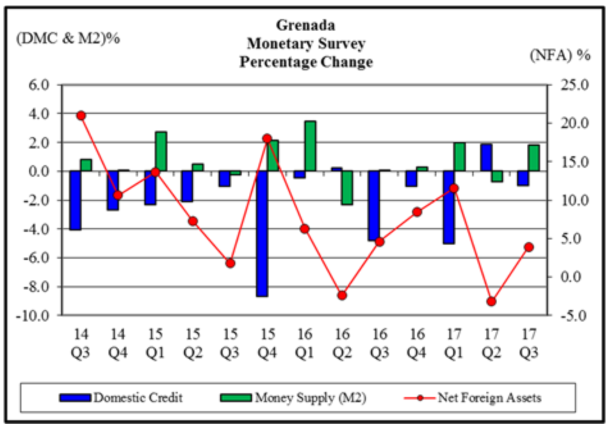
Monetary liabilities (M2) expanded by 3.1 per cent to $2,217.2m during the first nine months of 2017, accelerating from the rate of growth of 1.1 per cent observed in the first three quarters of 2016. This development resulted from growth in both quasi money (2.8 per cent or $44.5m) and narrow money or M1 (3.7 per cent or $21.6m). Within quasi money, there were increases in private sector foreign currency deposits (23.8 per cent) and savings deposits (2.5 per cent), which outweighed a reduction of 8.8 per cent in private sector time deposits. Among the components of M1, increases in EC$ cheques and drafts issued (8.2 per cent) and private sector demand deposits (5.5 per cent) offset a decline of 2.4 per cent in currency with the public.

The net foreign assets of the banking system grew by 12.2 per cent to $1,125.4m, accelerating from the pace of growth of 8.6 per cent during the first three quarters of 2016. This outturn was fuelled by an expansion of 30.3 per cent in the net foreign assets of commercial banks. The commercial banks increased their net foreign asset positions with financial institutions outside the Currency Union and with those in other ECCU territories by 65.5 per cent and 13.0 per cent respectively. Grenada's imputed share of the Central Bank's reserves fell by 3.2 per cent to $526.5m.

Domestic credit continued to exhibit a declining trend, posting a decline of 4.2 per cent to $1,189.0m during the period of review, compared with one of 5.0 per cent in the comparable period of 2016. The transactions of the central government were primarily responsible for this outturn, as its net deposit position doubled to $122.5m. The central government's total credit from the entire banking system fell by 13.9 per cent to $62.5m, while its deposits advanced by 40.7 per cent to $185.0m. There was an uptick of 0.3 per cent in private sector credit, reflecting growth of 5.6 per cent in business credit which offset decreases in outstanding loans to households (1.9 per cent) and to non-bank financial institutions (25.3 per cent). Also mitigating the reduction in domestic credit was a fall of 3.0 per cent in the net deposits position of non-financial public enterprises, whereby growth in credit outpaced that of deposits.

The total amount for loans and advances was down by 0.3 per cent to $1,630.6m at the end of September 2017, in contrast to an increase of 0.1 per cent during the first three quarters of 2016. The largest reductions were observed in credit for personal use ($13.4m); public administration ($9.8m); and utilities, electricity and water ($8.0m). Declines were also observed in loans and advances to economic sectors namely manufacturing, mining and quarry ($3.2m); agriculture and fisheries ($1.2m); and construction ($0.1m). By contrast, credit growth was most significant in the following sectors: transportation and storage ($14.6m); tourism ($7.1m); distributive trades ($4.9m); and professional and other services ($3.6m).

Liquidity in the commercial banking system grew during the review. The liquid assets to total deposits plus liquid liabilities ratio was up by 1.6 percentage points to 46.5 per cent. The ratio of loans and advances to total deposits contracted by 3.0 percentage points to 55.8 per cent.



The weighted average interest rate on deposits fell by 0.12 percentage points to 1.32 per cent at the end of September 2017. This rate dropped for the ninth consecutive quarter since the minimum savings rate was lowered to 2.0 per cent from 3.0 per cent effective 01 May 2015. The weighted average interest rate on loans declined by 0.31 percentage points to 8.12 per cent. Consequently, the interest rate spread narrowed to 6.79 per cent from 6.99 per cent at the end of December 2016.

Prospects

Grenada's economy is well poised to achieve growth in 2017, above that recorded in 2016. Robust expansions are anticipated in the construction sector and in stay-over visitor arrivals, with positive spin offs in auxiliary sectors. Moderate growth is forecasted in the manufacturing sector while the performances of the agricultural and fishing sectors are likely to be lacklustre. Ongoing private and public investments are expected to support heightened construction activity. Stay-over visitor arrivals are projected to increase, benefitting from new promotions and marketing. Furthermore, the strengthening upswing in global economic activity, as highlighted in the World Economic Outlook Report of October 2017, bodes well for the tourism outlook. Additionally, Grenada may benefit from a shift by stay-over visitors from destinations that have been impacted the hurricanes. Notably, in the tourism industry, some cruise vessels are likely to be diverted to Grenada during October through to early 2018, in the aftermath of hurricanes Irma and Maria in the northern Caribbean. This would soften the anticipated drop in cruise arrivals for the entire year. The manufacturing sector is likely to continue to progress from increased production of beverages which are highly demanded in the last quarter of the year. The agricultural sector performance in 2017 is likely to be characterised by subdued production of other crops and cocoa, with improved outturns for bananas, nutmeg and mace. Fish output may be impacted by the re-emergence of seaweed on the east coast of the country. A positive but moderate increase is forecasted in the consumer price index, with anticipated growth in global food and fuel prices in the last quarter of the year.

In the external sector, the merchandise trade deficit is projected to widen, fueled by construction and tourism related imports. No major turnaround is expected in export revenue in the remainder of the year.

The baseline fiscal projections suggest a larger overall surplus for the central government in 2017. Improved tax administration and collections are expected to lead to growth in total revenue that will be more than adequate to offset an increase in total expenditure. These forecasts are premised on the commitment by the authorities to prudent fiscal management. Public sector employment is likely to be contained from the continued implementation of the attrition policy, thereby keeping the wage bill controlled. Based on the current and projected macroeconomic framework, public sector debt is expected to contract in 2017 relative to 2016. The reduction would be reinforced by the application of the final haircuts of 25.0 per cent and 3.0 per cent for international bonds and Taiwan debt respectively, in the last quarter of 2017.

While continued progress is envisaged for the country in the remainder of 2017, attention must be focused on the ongoing challenges and downside risks. Inclusive and higher growth remains a policy issue confronting the economy. Short to medium term annual growth projections are below 5.0 per cent which is the regional growth target. The constraints to higher growth, on the domestic side, include high unemployment and weaknesses in the doing business environment. Additionally, there is a lack of updated socio-economic indicators which are essential to fully inform macroeconomic assessments and adequately target programmes and policies. Growth in the economy may not necessarily translate to development, and relevant up-to-date indicators on poverty and equality are needed to assess how growth has trickled down in the economy. Also on the issue of growth, continued efforts have to be geared at improving climate resilience in the country.

One of the downside risks is the potential for the recent hurricanes in the northern Caribbean to reduce the demand for travel to the entire Caribbean, including Grenada in the short term, thereby dampening growth prospects.

On the fiscal side, expenditure pressures are likely to remain in the last quarter of 2017 as the unions demand higher additional increments payments relative to what is being proposed by the government.

Further downside risks can emerge from more adverse weather; unanticipated deterioration in the global economy; and rising geo-political tensions in more advanced economies.

MONTSERRAT

Overview

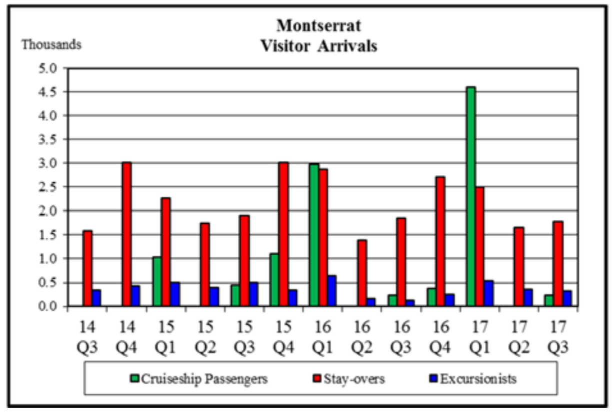
Economic activity in Montserrat is provisionally estimated to have expanded in the first nine months of 2017 relative to that in the corresponding period of 2016. The main sectors contributing to the performance were public administration and tourism. The consumer price index grew by 0.7 per cent, on an end of period basis and the merchandise trade deficit improved, as the value of exports increased. The fiscal operations of the central government resulted in an overall surplus, as grant flows increased. In the banking system, total monetary liabilities remained relatively unchanged, net foreign assets decreased and commercial banks moved from a net deposit position to a net credit position. Overall, liquidity conditions remained relatively stable and high, while the spread between the weighted average interest rate on loans and deposits narrowed.

Growth for 2017 has been revised downwards from what was estimated at the beginning of the year given the lacklustre performance of the economy in the first nine months of the year. The most significant challenge is related to the United Kingdom's Brexit negotiations, which are likely to result in greater uncertainty for Montserrat's economy. Moreover, the depreciation of the Sterling may also have adverse implications for the level of budgetary support received by the government and thus, its fiscal balance. Concurrently, improvements related to value added in government services and the construction sector may not be realized until the latter part of the year, as it is contingent upon the resumption of a number of public sector infrastructural projects. An enhanced performance is expected in the construction sector, in light of the announcements in the 2017-2018 budget for duty-free concessions on building materials for the construction of selected homes. Given the recent improvement in access to the island, an increase in stay-over visitor arrivals and key auxiliary sectors such as transport, storage and communications and wholesale and retail trade is expected. However, a number of downside risks persist, including adverse weather, disruptions related to access to the island and the slow mobilisation of budgetary support.

Output

Value added by public sector administration, defence and compulsory social security, the largest contributor to economic output, is estimated to have risen in the first nine months of 2017. This outturn was evidenced by increased remuneration to public servants (central government employees).

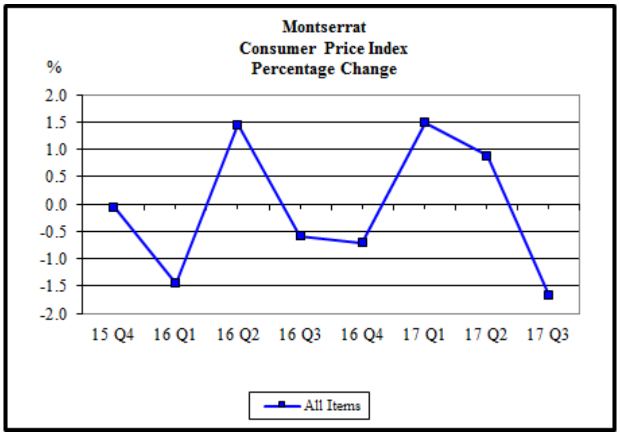
Value added in the tourism industry, as proxied by the hotels and restaurants sector, rose in the first nine months of 2017 relative to output in the corresponding period of 2016. Total visitor arrivals increased by 10.9 per cent to 13,065, compared with a 33.8 per cent rise in the comparable period of the previous year. This performance was fuelled by an increase of 50.1 per cent (1,614) in cruise ship passenger arrivals. Additionally, the number of excursionists grew by 32.5 per cent (296) in contrast to a 34.6 per cent decline in the corresponding period of the prior year. However, stay-over visitor arrivals declined by 2.9 per cent to 5,948, indicative of a decrease in the number of tourist from the, USA (9.6 per cent) and the UK (7.9 per cent). These declines were however tempered by increases in visitor arrivals from Canada (13.4 per cent) and the Caribbean (2.5 per cent). Although the number of yacht calls to Montserrat more than doubled in the review period, yacht passenger arrivals fell by 29.6 per cent to 1,071, attributable to smaller yachts visiting the island.



In the construction sector value added is provisionally estimated to have declined in the January to September period of 2017. This performance was driven by a fall in commercial and residential construction activity as credit to the sector decreased by 9.9 per cent. In the public sector, there was a reduction in spending in the review period, primarily reflecting a lack of finance for public sector projects.

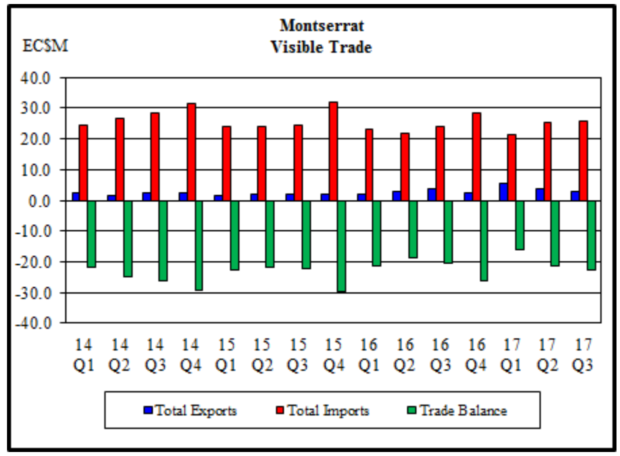
Prices

The consumer price index rose by 0.7 per cent, in contrast to a decrease of 0.6 per cent during the first nine months of 2016. The rise in prices reflected higher cost in the sub-indices of housing, water, electricity, gas and other fuels (1.0 per cent) and transport (3.4 per cent). Inflationary pressure was moderated by lower prices in the sub-indices of communication (4.8 per cent) and food and non-alcoholic beverages (1.4 per cent).



Trade and Payments

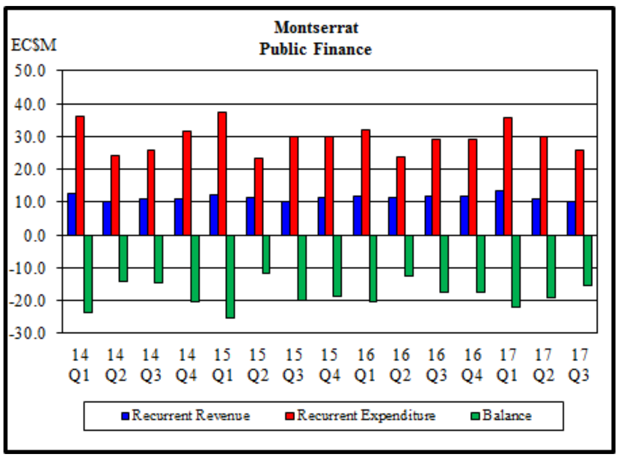
The trade deficit narrowed over the first nine months of the year by 0.4 per cent to $60.2m. This outturn was mainly captured in an increase in exports of 42.4 per cent to $12.0m, associated with a more than doubling of re-exports, largely miscellaneous manufactured articles and machinery and transport equipment. Further, the value of domestic exports rose by 11.4 per cent. However, the import bill rose to $72.2m in the period under review, from $68.9m one year ago. A 55.2 per cent increase in import payments for mineral fuels and other related material was the main reason for the increase in the import bill.



Central Government Fiscal Operations

The overall fiscal performance of the central government improved in the period under review. The overall surplus (after grants) totalled $43.2m in contrast to a deficit of $1.3m in the corresponding period of 2016. This outturn was driven by increased access to grants after the passing of the budget in June 2017. Capital grants totalled $56.4m for the first nine months of 2017 versus $13.1m in the corresponding period of 2016.

Current expenditure increased by 7.8 per cent to $91.6m, due to payment for transfers and subsidies rising by 23.4 per cent to $26.9m. The increase in outlays on transfers and subsidies was due to the subsidisation of the ferry service between Montserrat and Antigua by the government. Spending on personal emoluments increased by 4.0 per cent to $32.7m and outlays for goods and services rose by 1.1 per cent to $32.1m. Meanwhile, interest payments, solely on external debt, remained relatively unchanged. Capital expenditure declined by 69.0 per cent to $5.5m in the current period in contrast to $17.7m spent in the corresponding nine months of 2016, in the absence of large investments for major public infrastructural projects.



Current revenue remained relatively unchanged in the period under review as a 1.0 per cent drop in tax revenue was balanced by a 7.4 per cent rise in non-tax revenue. The drop in tax earnings was driven by reductions in collections from taxes on international trade and transactions ($0.7m) and taxes on property ($0.6m). This decline was tempered by increases in revenue collected from taxes on income and profits ($0.8m) and taxes on domestic goods and services ($0.1m).

Public Sector Debt

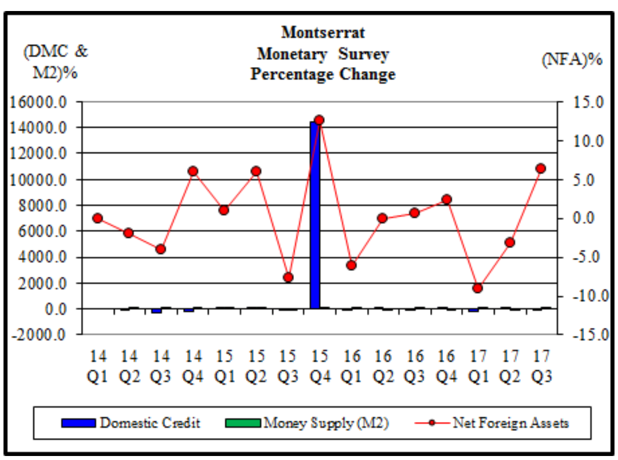
The stock of public sector external debt stood at $10.6m at the end of September 2017, compared with a balance of $8.6m at the end of December 2016. The increase in debt is attributable to a Caribbean Development Bank (CDB) loan to allow the authorities to increase power generating capacity to attract light manufacturing firms. Of the $10.6m total debt, $6.8m was held by the central government, while the public corporation accounted for $3.8m.

Money and Credit

The stock of monetary liabilities (M2) reflected a decline of 0.1 per cent to $247.1m during the first nine months of the year in contrast to an increase of 1.8 per cent during the comparable period in 2016. The reduction observed in the overall money supply was mainly influenced by a 1.2 per cent decrease in narrow money (M1) to $61.4m, which resulted from a 2.3 per cent ($0.5m) decline in currency with the public. The reduction in the money supply was tapered by an increase in quasi money of 0.3 per cent

($0.5m) to $185.6m in comparison to growth of 0.4 per cent during the corresponding period in 2016. Growth was recorded for both private sector savings deposits (0.5 per cent) and private sector time deposits (0.3 per cent), while private sector foreign currency deposits declined by 2.2 per cent.

The banking system realized a net credit position of $5.5m, in contrast to a net deposit position of $14.6m recorded at the end of December 2016. This outturn was influenced by a 17.7 per cent contraction in the net deposit position of the central government to $62.9m, associated with a drawdown in deposits to meet current obligations. Credit to the private sector rose by 4.6 per cent to $84.0m, due to an expansion in household sector credit (5.6 per cent), while the business sector borrowing declined by 2.3 per cent.



An assessment of the sectorial distribution of credit for the period showed a 4.6 per cent increase in personal credit to $83.6m, which accounted for 86.5 per cent of total credit. The major contributor to this overall outturn was an increase of 2.5 per cent ($1.6m) in lending for acquisition of property, with further increases in credit for house and land purchase (3.1 per cent) and home construction and renovation (2.2 per cent). Also, there was an increase in credit for durable consumer goods of 43.9 per cent. As it relates to the private sector, there was an increase in credit extended to the manufacturing, mining and quarry sector of 14.7 per cent ($0.2m). However, declines were recorded in key economic sectors such as agriculture and fisheries (42.9 per cent), tourism (3.6 per cent) and construction (2.9 per cent).

The net foreign assets in the banking system declined by 6.4 per cent to $290.3m at the end of September 2017, in comparison with a 5.5 per cent decrease noted during the comparable period last year. The main contributor to this outturn was a decline of 9.3 per cent to $120.8m in Montserrat's imputed share of reserves held with the Central Bank. In addition, commercial banks' transactions resulted in a net inflow of $7.4m; thus reducing their net foreign assets to $169.5m.

The banking system continued to operate in excess liquidity conditions as highlighted by the ratio of liquid assets to total deposits and liquid liabilities of 84.2 per cent. This level of liquidity is consistently in excess of the ECCB's prudential benchmark of 25.0 per cent. Meanwhile, the ratio of loans and advances to total deposits stood at 28.1 per cent, which is substantially below the minimum prudential requirement of 75.0 per cent.

The spread between the weighted average interest rate on deposits and loans narrowed by 21 basis points to 5.75 per cent during the review period. The weighted average lending rate fell to 6.90 per cent, 17 basis points from the level recorded at the end of December 2016. However, the weighted average interest rate on deposits rose to 1.14 per cent from 1.10 per cent at the end of December 2016.

Prospects

Growth for the country is projected to be lower than what was projected at the beginning of the year given the lacklustre performance of the economy in the first nine months of the year. Additionally, with the triggering of Article 50 setting the stage for Brexit, there will be some uncertainty for the economies of both the UK and Montserrat. Moreover, the depreciation of the Sterling may also have adverse implications for the level of budgetary support received by the government and thus, its fiscal balance.

Improvements in the tourism industry are likely for the remainder of 2017 as a ferry has commenced operations between Montserrat and Antigua at least four times per week. With enhanced access and marketing, there should be a recovery in the number of stay-over visitors and excursionists to the country. These developments are likely to positively contribute to improvements in the ancillary sectors such as wholesale and retail trade and transport, storage and communications.

Improvement in tax collection and compliance, and enforcement of tax legislative requirements should provide for gains in revenues collected for the remainder of 2017. Expenditure is also expected to increase during the year as the government announced the following projects: refurbishment of the Golden Years' home; repairs to the roof and external canopies of the Montserrat Port Authority's (MPA) ferry terminal and refurbishment of the Brades and Salem Primary Schools.

The economic performance of Montserrat for the remainder of 2017 is largely dependent on the availability and timeliness of budgetary aid, positive developments in the global macro-economic environment and access to the country.

The downside risks are the Brexit negotiations, limited air and sea access, natural disasters and possible disruptions in the implementation of development projects to restore the island's infrastructure.

ST KITTS AND NEVIS

Overview

Data for the first nine months of 2017 indicate that the expansion in the economy of St Kitts and Nevis slowed when compared with the performance of the corresponding period of 2016. Notwithstanding the deceleration, economic activity was buoyed by developments in the construction, hotels and restaurants; transport, storage and communications and real estate, renting and business activities sectors. Likewise, value added in the manufacturing and agricultural sectors is also estimated to have increased. Consumer prices rose by 1.2 per cent on an end of period basis. **The Federal Government recorded a smaller overall fiscal surplus and the total outstanding public sector debt was marginally higher than that of the previous year.** Developments in the banking system reflected decreases in net foreign assets, domestic credit and monetary liabilities. Commercial banks' liquidity increased, and the spread between the weighted average interest rates on loans and deposits widened.

The economy of St Kitts and Nevis is forecasted to expand in 2017, underpinned by buoyant activity in the major economic drivers including construction and hotels and restaurants, supplemented by higher manufacturing output. In contrast, agricultural output is forecasted to contract. Developments in the major productive sectors are expected to have positive spill-over effects on the ancillary sectors - wholesale and retail trade; transport, storage and communications; and real estate, renting and business activities. Inflationary pressure will continue to mount as reflected in the upward movement of the CPI, owing to buoyancy in the real sector coupled with accelerated global economic growth and recovery in energy prices. Deceleration in the pace of expansion in the domestic economy, combined with the subdued performance of Citizenship by Investment (CBI) related inflows will curtail the fiscal performance of the Federal Government. Other major impacts to the fiscal performance are the recovery costs associated with damages inflicted by the passages of two category 5 hurricanes - Irma and Maria, which grazed the Federation on 6 and 19 September 2017, respectively.

Downside risks to the outlook for 2017 include a possible accelerated decline in

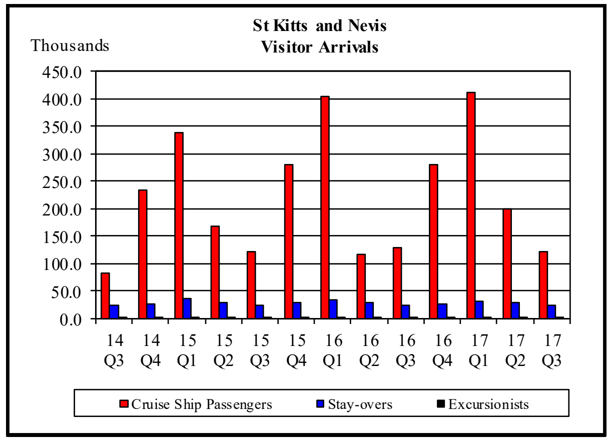
inflows from the CBI programme largely influenced by increased regional and international competition from comparable products offered in other regional and international jurisdictions. Lower activity in the CBI programme also threatens the sustainability of a number of ongoing tourism related construction projects and the prospects for new projects. Other risks on the downside include; lower visitor arrivals from the two major markets the USA and the UK and weather related threats such as hurricane and flood damage to the country's productive sectors and physical infrastructure.

On the upside, the re-branded CBI programme now dubbed "The Platinum Brand", could lead to a differentiation of the product, compared to regional and international competitors and possibly increase non-tax revenue inflows. Recent reforms and refinements made to the delivery of services under the CBI programme, paired with enhancements in operational efficiency and due diligence procedures have been marketed as some of the programme's superior attributes. More recently with the establishment of an additional platform to the CBI, dubbed the Hurricane Relief Fund (HRF) a lower price of entry (US$150,000), could enhance the relative price competitiveness of the programme.

Output

Value added in the construction sector rose in the first nine months of 2017 compared with the performance in the corresponding period of 2016, attributable to capital investment by the private and public sectors. In the private sector, activity was centred on final completion work on the Park Hyatt St Kitts, Christophe Harbour, a 126 room beach side resort scheduled to have a soft-opening opening in the last quarter of 2017. Work continued on a number of other hospitality properties including the Koi Resort and Residences, the T-Loft Pirates' Nest development to be managed by Radisson in Frigate Bay and the Heldens Estate Condominium Resort and Residences to be managed by Ramada in the north of St Kitts. Other tourism related construction projects included; final work on the Customs House at the Christophe Harbour marina and retail spaces adjacent to the Royal St Kitts Hotel, Frigate Bay. Meanwhile, ongoing work on phase I of the Kittitian Hill development and intensified building activity on a small accommodation facility in downtown Basseterre as well as a number of commercial buildings and private residential homes continued. In Nevis, private sector construction centred on the Four Seasons Estates, the Candy Resort, the Nevisian Sunset development and private residential properties.

The expansion in construction was further underpinned by significant public sector investment. Capital expenditure was, largely driven by enhancements to public infrastructure on both islands. In St Kitts, work intensified on the refurbishment of the Coast Guard Headquarters at Bird Rock, a police training facility at Lime Kiln, the National Heroes Park and refurbishment work on the Robert L Bradshaw International Airport and Ferry terminal in Basseterre. In Nevis, public investment consisted mainly of outlays on sporting and recreational facilities including an athletics track, intensified work on the communications network including roads and culverts, the Vance Amory International Airport, the Alexandra hospital, the reconstruction of the Treasury Building and work on a Caribbean Development Bank (CDB) funded water project.



Further support of an assessment of higher construction activity was an estimated 5.3 per cent increase in the volume of sand mined from the government quarry to 60,582 cubic yards and an estimated 1.4 per cent increase to 34,673 cubic yards, in the volume of stones mined. However, higher construction activity was moderated by a 7.0 per cent reduction in the volume of imports of construction related materials, compared with a 41.3 per cent decrease in the volume of imports over the corresponding period in 2016.

Value added in the hotels and restaurants sector, a proxy of developments in the tourism industry, is estimated to have also expanded in the first nine months of 2017. The major impetus to the expansion was an increase in cruise passenger arrivals constrained by a decrease in the number of stay-over visitors. The number of stay-over visitors is estimated to have declined by 3.3

per cent to 84,755 compared with a 0.8 per cent decrease in the corresponding period of 2016. This contraction reflected reductions in all of the major source markets, including the USA (3.6 per cent), the Caribbean (2.2 per cent), the UK (2.9 per cent) and Canada (3.8 per cent). The lower performance of the Caribbean source market was attributable to limited options and consequently the elevated cost of inter-regional travel. Likewise, the underperformance of the UK market was attributable to ongoing uncertainty surrounding trade relations between the UK and the European Union post the Brexit vote. The impact of the reduction in the number of stay-over visitors was lessened by the heightened performance of the cruise sub-sector. The rate of expansion in cruise passenger arrivals outpaced that in the previous year, expanding by 12.7 per cent to 734,731, in the first nine months of 2017, compared with a 3.5 per cent (21,768) increase in the corresponding period of 2016. The improvement was largely attributable to larger cruise ships making calls, as the rise in the number of cruise ships was negligible. The number of passengers visiting by yacht rose by 41.9 per cent to 3,629, in contrast to a 25.4 per cent decline in the corresponding period in 2016. In contrast, the number of excursionists decreased by 9.9 per cent to 2,722, reversing a 13.2 per cent rise in the first three quarters of 2016. As a consequence of the foregoing developments in the stay-overs, cruise, yacht and excursionists' categories, total visitor arrivals rose by 10.9 per cent to 825,837 compared with a 2.8 per cent increase in the corresponding nine months of 2016.

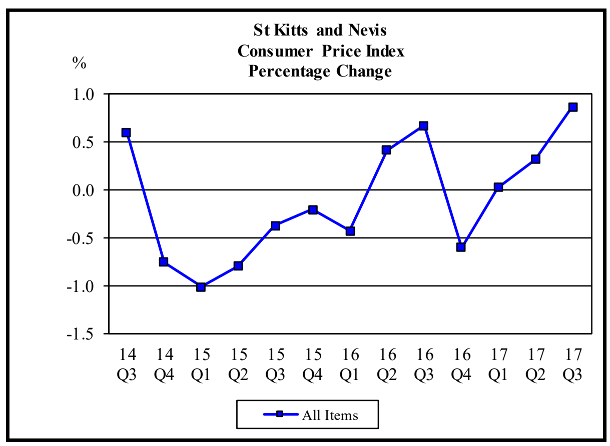
Value added in the manufacturing sector expanded further, with the increase sustained by a near trebling in the volume of exports of electronic components, as demand in the USA, the major source market, rebounded after depressed demand leading up to the November 2016 Federal elections. Activity in manufacturing also reflected buoyancy in the production of alcoholic beverages as the volume of exports of alcoholic beverages rose by 8.5 per cent in contrast to a 31.0 per cent decline in the first nine months of 2016.

Value added in the agriculture, livestock and forestry sector is also estimated to have increased, buoyed by higher crop production. The increase in crop production was spurred on by a doubling in the production of onions and cucumber, buttressed by increases in pumpkins (12.7 per cent), watermelons (14.6 per cent) sweet peppers (22.0 per cent) and tomato (6.7 per cent). Other major contributors to the outturn include increases in carrots and peanuts of 5.2 per cent and 34.0 per cent respectively. The performance of the agricultural sector however, was constrained by lower output in the livestock subsector, which registered a decrease, influenced for the most part by declines in the production of beef and pork of 16.6 per cent and 0.5 per cent respectively. The decline however, was mitigated by an increase in the output of eggs of 2.4 per cent.

Consistent with the improvement in value added for the construction, hotels and restaurants, manufacturing and the agricultural sectors, positive externalities were generated favourably impacting the transport, storage, and communications; real estate, renting and business activities and wholesale and retail trade sectors, further bolstering economic activity.

Prices

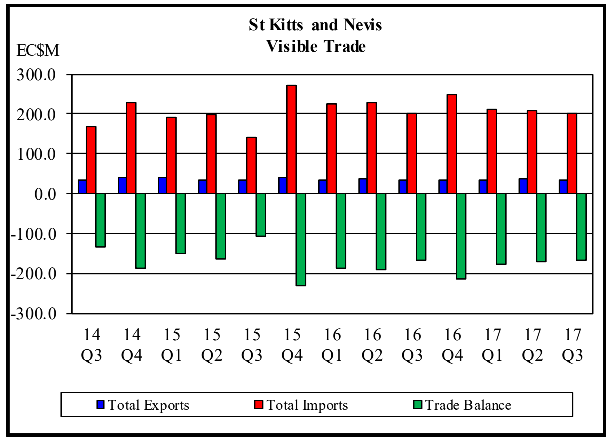
Consumer price inflation edged up during the first nine months of 2017, as indicated by the consumer price index, which increased by 1.2 per cent, compared with a 0.6 per cent rise during the corresponding period of 2016. The increase in the index was attributable to higher prices for the transport; food and non-alcoholic beverages; household furnishings, supplies and maintenance and the clothing and footwear sub-indices, which accounted for approximately 44.7 per cent of the total weight of the goods and services basket. The transport sub-index rose by 3.0 per cent, attributable to higher prices for fuels and lubricants for personal transport and air transport. The increase in the sub-index for food and non-alcoholic beverages reflected increased prices for meat and fruit. An assessment by individual territory indicates that there was on average a 1.9 per cent increase in prices in St Kitts, which influenced the combined CPI for the Federation, as the overall price level in Nevis declined by 0.1 per cent during the period under review.



Trade and Payments

A merchandise trade deficit of $518.1m was recorded on the visible trade account in the first nine months of 2017, below a deficit of $547.5m in the corresponding period of 2016. The lower trade imbalance was influenced by a decline in import payments. The value of imports fell by 4.9 per cent to $618.8m, constrained primarily by decreases in the value of machinery and transport equipment; and manufactured goods. Total exports were valued at $100.8m compared with $103.2m recorded in the first three quarters of 2016, attributable to an increase in the value of electronic components and alcoholic beverages exported. Domestic exports however, rose by 5.8 per cent to $80.6m, while re-exports fell by 25.4 per cent ($6.9m). The volume of trade in goods (both exports and imports) is estimated to have risen by 11.1 per cent to 578,299 tonnes.

Gross travel receipts are estimated to have increased by 12.0 per cent to $308.5m in the first nine months of 2017, largely influenced by higher cruise passenger arrivals. The transactions of commercial banks resulted in a net inflow of $237.8 in short-term capital, compared with an inflow of $29.5m in the corresponding period in 2016. Government's transactions resulted in a reduction in the net outflow of funds attributable to lower external principal repayments ($21.9m), compared with $45.2m in the comparable period of 2016. Loan disbursements amounted to approximately $0.2m the first nine months of 2017, less than the $1.1m drawn down in the corresponding period last year.

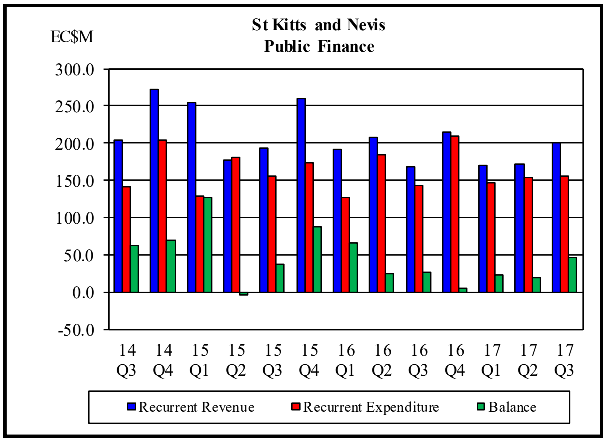


Federal Government Operations

The fiscal operations of the Federal Government resulted in an overall surplus (after grants) of $62.5m in the first nine months of 2017 compared with a surplus of $121.1m in the corresponding period of 2016. Likewise, a smaller primary surplus (after grants) of $97.6m was recorded, compared with one of $150.4m in the corresponding period of 2016. The smaller overall fiscal surplus reflected a decline in the current account balance coupled with an increase in capital expenditure.

Current revenue fell by 4.8 per cent to $541.5m compared with a 9.2 per cent decline in the corresponding period of 2016. Current revenue declined on account of reductions in both tax and non-tax receipts. Tax revenue fell by 0.3 per cent to $356.8m, associated with declines in collections for taxes on domestic goods and services and property. Receipts of taxes on domestic goods and services fell (4.1 per cent), primarily influenced by a decrease of 42.8 per cent in the collection of stamp duties consistent with lower land sales. However, lower receipts of taxes on domestic goods and services were moderated by a rebound in the collection of value added tax (VAT) by 1.3 per cent, in contrast to a 1.4 per cent decline in the first nine months of 2016. Receipts of VAT, the largest revenue category under taxes on domestic goods and services, remained buoyant totalling $105.9m and contributed 29.7 per cent of tax revenue. Reduced inflows for property taxes (16.5 per cent), reflected a 75.1 per cent decline in receipts from the condominium tax, moderated somewhat by higher inflows from the house tax (15.0 per cent). The decline in the aforementioned tax categories was moderated by higher receipts from the remaining tax categories - income and profits (5.7 per cent) and international trade and transactions (2.8 per cent). In relation to increased collections of taxes on income and profits, the major contributor was an increase in corporation tax receipts by 12.6 per cent, indicative of higher corporate profits. An improvement in the collection of social services levy (1.7 per cent) also contributed to the higher outturn for taxes on income and profits. The higher outturn for taxes on international trade and transactions was buoyed by increases in collections from the customs service charge and the non-refundable duty free store levy of 2.9 per cent and 23.9 per cent, respectively. Non-tax revenue receipts fell by 12.4 per cent to $184.7m, largely due to a decline in inflows associated with the Citizenship by Investment (CBI) Programme.

Current expenditure rose by 0.5 per cent to $454.9m, in contrast to a decrease of 2.7 per cent in the first nine months of 2016. The factor accounting for this development was increased outlays from all of the major expenditure categories except goods and services. Increases were recorded for interest payments (19.8 per cent) and outlays on transfers and subsidies (1.1 per cent) and personal emoluments (0.4 per cent). Larger interest payments were attributable to increases in the disbursed outstanding domestic debt of the Federal government, primarily the Nevis Island Administration (NIA) mainly associated with greater use of an overdraft facility by the NIA. The increase in spending on transfers and subsidies was attributable to a rise (11.1 per cent) in pension payments. The increase in current expenditure was moderated by lower outlays for goods and services (5.3 per cent).



Capital expenditure outlays rose by 30.2 per cent to $87.6m, fuelled for the most part by ongoing capital improvements consisting of road resurfacing works, the construction of an athletic track, enhancements to the Alexandra hospital and reconstruction of the Treasury building in Nevis. Work also continued on the Caribbean Development Bank (CDB) financed water distribution project. In St Kitts, capital works included the maintenance of roads, upgrades to the airport terminal, tourism sites in Black Rocks, Bell View and The Frigate Bay Strip as well as the refurbishment of the Coast Guard facility in St Kitts.

Inflows of official assistance (grants) rose to $57.2m, from $47.8m in the corresponding nine months of 2016. This outcome was driven by higher inflows of both capital grants and current grants to $39.4m and $17.8m respectively. This development was largely associated with an expansion in grant funding to the Nevis Island Administration (NIA).

The activities of the Central Government resulted in an overall surplus of $72.4m, compared with one of $120.7m in the first nine months of 2016. This outcome was largely attributable to an increase in net lending and a reduction in non-tax revenue. Recurrent revenues fell by 5.0 per cent to $448.0m, attributable to lower non-tax receipts of 13.7 per cent. The decline in recurrent revenues was moderated by a 0.7 per cent recovery in the collection of tax revenue, in contrast to a 2.4 per cent decline in the corresponding period of 2016. Tax revenues rose on account of higher collections of taxes on income and profits, and international trade. The improved performance of taxes on income and profits was motivated by an increase in corporate tax receipts (16.5 per cent) and the collection from the social services levy (7.0 per cent). Meanwhile, the performance of taxes on international trade and transactions was buoyed by increased collections of the excise duty and the customs service charge of 23.3 per cent and 3.6 per cent respectively. The rise in tax revenue, however, was constrained by lower receipts from taxes on domestic goods and services and property. Receipts of taxes on domestic goods and services contracted by 3.8 per cent mainly reflecting lower collections for stamp duty (47.4 per cent), while a decline in property tax collections was associated with a 75.1 per cent reduction in the condominium tax.

Non-tax revenues fell to $161.2m compared with $186.9m in the first nine months of 2016, largely influenced by a 22.1 per cent reduction to $115.2m in revenue inflows from the CBI programme.

Recurrent expenditure fell by 0.6 per cent to $356.3m in the review period, compared with a 4.7 per cent decline the comparable period last year. The performance, for the most part reflected lower spending on some of the most significant expenditure categories including goods and services, which was reduced by 9.0 per cent, and personal emoluments which contracted by 0.6 per cent. In contrast, interest payments rose by 26.7 per cent to $22.8m, attributed to higher domestic payments (43.9 per cent), in line with developments in the domestic debt portfolio.

Outlays on capital expenditure fell by 7.9 per cent to $39.1m, compared with a decrease of 46.2 per cent in the corresponding period of 2016. In addition, the central government reduced its net lending position to $0.3m from one of $21.4m as statutory bodies reduced their liability on outstanding loans previously advanced to them by the central government.

The fiscal operations of the Nevis Island Administration (NIA) resulted in an overall deficit of $9.9m, compared with a deficit of $0.5m recorded in the corresponding period of 2016.

Current revenue declined by 3.5 per cent to $93.5m, compared with an increase of 0.2 per cent decrease to $97.0m in the corresponding period of 2016. Lower current revenue collections were attributable to reductions in tax and non-tax receipts. Tax revenues fell by 4.1 per cent ($3.0m) compared with collections in the corresponding nine months of 2016, attributable to declines in receipts from taxes on income and profits (16.5 per cent) and domestic goods and services (1.9 per cent). Lower inflows from taxes on income and profits reflected declines in both the social service levy (18.3 per cent) and corporate taxes (14.1 per cent). Reductions in inflows of taxes on domestic goods and services were attributable to declines in stamp duty collections (29.8 per cent) and licence fee collections (15.3 per cent). The decrease in tax revenue was moderated by higher collections from taxes on international trade and transactions (4.9 per cent) and taxes on property (7.8 per cent). Meanwhile, non-tax revenue fell by 1.8 per cent ($0.4m) to $23.5m, largely attributable to decreases in inflows from financial services (7.9 per cent), the largest component of non-tax revenue and water services (7.3 per cent). Official assistance amounted to $43.6m in grants, in the period under review, compared with $22.6m in the corresponding nine months of 2016.

Current expenditure rose by 4.5 per cent to $98.5m, compared with a 5.4 per cent increase to $94.3m in the corresponding period of 2016. Higher current expenditure was attributable to increased spending on goods and services, personal emoluments and wages and interest payments of 10.6 per cent, 3.1 per cent and 8.9 per cent respectively. The increase in current expenditure was tempered by a 4.4 per cent reduction in transfers and subsidies. Capital expenditure nearly doubled to $48.6m from $24.9m spent in the corresponding period of 2016.

Public Sector Debt

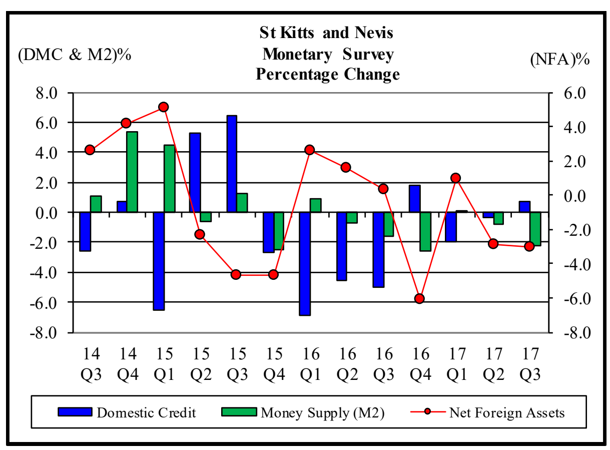
The total disbursed outstanding debt of the Federal Government edged up by 1.5 per cent to $1,577.3m during the first nine months of 2017 compared with $1,553.5m at the end of December 2016. Increases in the outstanding debt of both public enterprises and the federal government contributed to the rise in the outstanding debt. The outstanding debt of public corporations rose by 4.6 per cent to $309.1m, and the indebtedness of the federal government amounted to $1,268.2m, an increase of 0.8 per cent. A rise in the domestic component of the debt portfolios of both the central government and public enterprises accounted for higher outstanding debt. The Federal government remained the major component of the debt portfolio accounting for 80.4 per cent of total debt while statutory bodies accounted for the remaining 19.6 per cent.

Money and Credit

Monetary liabilities (M2) contracted by 3.0 per cent to $2,821.9m compared with a decrease of 1.4 per cent during the corresponding period of 2016. The downward movement was attributable to a 2.9 per cent reduction in quasi money to $2,273.6m combined with a 3.4 per cent contraction in narrow money to $548.3m. Quasi money fell, associated with declines in foreign currency deposits (8.0 per cent) and time deposits (7.6 per cent). Meanwhile, the decrease in narrow money was largely related to a 5.5 per cent reduction in demand deposits.

Domestic credit declined by 1.6 per cent to $872.9m compared with a decrease of 15.6 per cent during the first nine months of 2016, largely attributable to a lower net credit position of the Federal government combined with an increase in the net deposit position of nonfinancial public enterprises (NFPE). Net credit to the Federal Government fell by 4.3 per cent ($18.8m) to $417.9m, largely driven by a 6.1 per cent ($42.2m) increase in deposits held, primarily at commercial banks. The reduction in the federal government's net credit position was slowed by a 12.1 per cent ($23.9m) increase in commercial banks' lending to the Nevis Island Administration (NIA). Meanwhile, the other major contributor to the decline in domestic credit was a 1.1 per cent rise in the net deposits of non-financial public enterprises (NFPE) to $1,022.4m, fuelled largely by a 1.1 per cent ($11.5m) increase in deposits held at commercial banks. Another contributor to the reduction in domestic credit was a decline of $9.3m in credit to households. In contrast, lending to businesses rose by 1.6 per cent ($8.2m).

The distribution of credit by economic sector revealed that lending for public administration and professional and other services increased by 9.9 per cent and 6.5 per cent, respectively. Further increases were also recorded for credit to distributive trades (4.7 per cent) and manufacturing, mining and quarrying (5.7 per cent). By contrast, reductions in outstanding credit were recorded for personal uses (0.5 per cent), influenced by a 6.6 per cent decline in lending for durable consumer goods. Other contributors to the moderation in outstanding credit were declines in credit to construction; tourism and agriculture and fisheries of 3.0 per cent, 1.7 per cent and 4.5 per cent respectively.



The net foreign assets of the banking system fell by 4.9 per cent to $2,060.1m, in contrast to an increase of 4.6 per cent during the corresponding period of 2016. The reduction in the net foreign assets position reflected an 18.0 per cent ($237.8m) decline in commercial bank's net foreign assets to $1,084.6m, largely on account of an increase in the net liabilities position with financial institutions within the Currency Union. This development was moderated by a 7.2 per cent ($121.8m) increase in commercial banks' net holdings outside of the currency union, coupled with a 15.5 per cent increase to $975.6m in St Kitts and Nevis' imputed share of the Central Bank's reserves.

Commercial bank liquidity rose during the review period as evidenced by an increase in the ratio of liquid assets to total deposits by 6.3 percentage points to 79.2 per cent, above the ECCB prudential limit of 20.0 – 25.0 per cent. Likewise, the ratio of loans and advances to total deposits rose by 1.4 percentage points to 39.2 per cent at the end of September 2017. The assessment of an improvement in liquidity conditions was further supported by a reduction in the ratio of liquid assets to total deposits plus liquid liabilities which rose to 56.0 from 55.3 at the end of December 2016.

The weighted average interest rate spread between loans and deposits remained unchanged at 6.71 percentage points at the end of September 2017, compared with spreads at the end of December 2016. This development was the result of identical (10 basis points) declines in both the weighted average deposit and lending rates to 1.75 per cent, and 8.46 per cent respectively.

Prospects

The global macroeconomic indicators point to an improvement in the global outlook according to the October 2017 update to the International Monetary Fund's World Economic Outlook (WEO). The economic performance of the USA, the Federation's major trading partner, is forecasted to improve relative to 2016, a development that should strengthen prospects for St Kitts and Nevis.

Real sector prospects appear positive and will be largely influenced by major developments in the tourism industry and buoyancy in the construction sector. Enhancements to the infrastructure on both islands will consist of the maintenance of roadways, repairs to public buildings, especially those impacted by the passage of the two category 5 storms and the further development of existing touristic sites. Construction activity will also continue on the Koi Resort and Residences, the T-Loft, Pirates' Nest Resort, the Heldens Condominium Resort and Residences and a number of hospitality and commercial developments. In Nevis, work continues on the Four Seasons Estates, Candy Resort and Nevisian Sunset development. Construction activity will likely be impacted by the recent passage of hurricanes Irma and Maria. Although the Federation did not sustain a direct hit from the Category 5 storms, there was considerable costal damage and impairment to some public infrastructure and a limited number of commercial buildings and private residences which will require replacement. The recent announcement (29 November 2017) of the temporary granting of duty-free concessions on the importation of building materials for first time home owners and individuals adversely impacted by the passage of hurricanes Irma and Maria could represent a significant stimulus to the sector.

The performance of the tourism industry is estimated to improve in the remainder of 2017, largely fuelled by the opening of the Park Hyatt St Kitts, Christophe Harbour resort early in November, complemented by robust activity in the cruise industry and developments with respect to increased airlift. Sustained marketing in the traditional visitor sources and forays into sports tourism specifically targeting the Canadian and UK markets are among the initiatives being pursued to raise the profile of the destination. The completion and subsequent opening of the Park Hyatt luxury resort on 1 November 2017 has increased optimism about the prospects for tourism in the Federation. This development should complement recent investments at securing increased airlift into the destination from United Airlines as well as an announcement on 17 November 2017 that American Airlines starting on 6 December 2017 will provide twice daily non-stop service to St Kitts from Miami, Florida five days a week. Other pre-existing seasonal airlift arrangements include; jet service from Miami and New York by American Airlines, weekly service from Delta Airlines and winter service from Air Canada Rouge. The favourable outlook for stay-over visitors is eclipsed by more positive prospects for the cruise sub-sector which continues to expand exponentially. Coupled with continued enhancements to the cruise product, the repositioning of ships to St Kitts and Nevis from storm impacted destinations have positioned the Federation to anticipate cruise arrivals in excess of 1.5m. Consequently, the combination of developments in both construction and the hotels and restaurants sectors will generate positive spin-offs for wholesale and retail trade; transport, storage and communications and the real estate, renting and business activities sectors. Prospects for the manufacturing sector, particularly in the area of electronics, remain generally favourable, buoyed by exports to regional markets. The nascent recovery seen in the agricultural sector was halted by the destruction brought on by the passage of hurricanes in September 2017. The two category five storms inflicted damage in excess of $10.0m, with much of the damage done to the crops sub-sector.

A narrowing in the overall fiscal surplus for the remainder of 2017 is estimated based on the slower performance of tax and non-tax revenue collections, combined with a projected increase in current expenditure associated with a rise in the public wage bill. The major policy initiative influencing the fiscal outcome is the announcement that all public servants would be granted an additional month's salary on 15 December 2017. Other pressures are likely to emanate from the non-tax revenue category as a continued reduction in inflows from the CBI programme is estimated to further constrain total revenue collections for the remainder of 2017. The performance of non-tax may be moderated by possible strengthening in tax revenue receipts as real sector activity increases fuelled by consumer optimism and higher disposable income. Higher current expenditure is estimated, particularly outlays on wages and salaries and goods and services, driven by a number of announced policy initiatives including the 13th month salary payment in December 2017. Higher capital expenditure is also anticipated based on rehabilitation efforts in response to the effects of the recent natural disasters.

A widening of the deficit on the current account of the balance of payments is projected, in line with sustained demand for construction related imports as well as inputs needed in the expanding tourism industry and manufacturing sector. The imbalance on the current account will be constrained by higher export earnings.

The major downside risks to the projections include a continued decline in receipts from the Citizenship by Investment Programme, due to regional and international competition. The close relationship between the level of activity in the CBI programme and major tourism-related construction projects, directly impacts progress on on-going and planned FDI construction

projects. The establishment of a Hurricane Relief Fund (HRF) on 23 September, 2017, to be hosted by the Citizenship by Investment Unit, has created concerns in some quarters that these actions may precipitate a "race to the bottom". The HRF grants applicants access to the CBI programme at a lower introductory price, thereby enabling CBI applicants to make a non-refundable contribution of US$150,000 which will go into the HRF.

Escalating geo-political rhetoric between the USA and North Korea and increased military exercises by both countries continue to threaten relations and ratchet up concerns about global uncertainty. Such an environment could dampen consumer sentiment in the major tourist markets and impair tourism prospects for the Federation. The continued threat of adverse weather also represents another major downside risk.

On the upside, reforms to the CBI programme implemented in January 2017 and targeted improvements in the administration, security robustness and user-friendliness of the programme could increase its attractiveness and reverse the decline in inflows. The re-branded programme dubbed 'Platinum Standard' promises to deliver a product and service at a higher level.

SAINT LUCIA

Overview

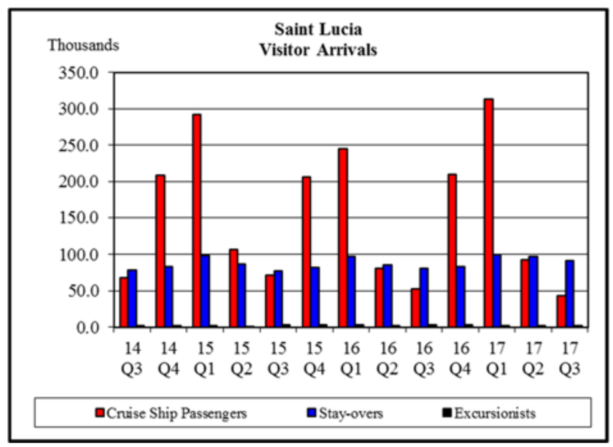
Preliminary assessment of data available for the first three quarters of 2017 point to an expansion in economic activity in Saint Lucia, when compared with the outturn in the corresponding period of the prior year. The improvement emanated primarily from positive developments in a number of sectors, mainly construction and hotels and restaurants. The consumer price index (CPI) grew by 0.6 per cent, on an end of period basis. Due primarily to developments on the current account, **the central government's operations yielded an overall deficit, in contrast to a surplus position of the previous year**. In the external sector, the merchandise trade deficit widened on account of declining export earnings, coupled with an increase in the value of imports. The total disbursed outstanding public sector debt grew, driven primarily by an expansion in external indebtedness of the central government. In the banking system, net foreign assets increased, while monetary liabilities (M2) and domestic credit declined. The commercial banking system remained relatively liquid and the interest rate spread between loans and deposits widened during the period under review.

Notwithstanding downside risks, developments thus far point to an expansion in the economy of Saint Lucia in 2017. The improvement is largely premised on positive expectations for the construction sector and the tourism industry. The private sector is expected to fuel acceleration in the pace of construction activity for the remainder of the year and into the medium term, supported by work on some key public sector infrastructural development. The improved performance in the tourism industry is_expected to continue, thereby providing an impetus to the hotels and restaurants sector. The government's fiscal operations are projected to result in a larger deficit, notwithstanding expected inflows from the Citizenship by Investment Programme. Some inflationary pressure is anticipated, primarily dependent on developments in global commodity prices. Risks remain tilted to the downside, due in part to external shocks and vulnerabilities to climate change and natural disasters. Improving competiveness and achieving a sustainable level of growth, coupled with fiscal management and debt sustainability are imperative to the overall welfare of Saint Lucia.

Output

Construction activity is estimated to have expanded in the first nine months of 2017, in comparison with the level in the first three quarters of the previous year. This assessment is partially supported by an increase in the value of imported construction materials, despite a decline in commercial bank lending to the construction sector. The improvement in value added in the construction sector was largely the result of developments in the private sector, as work progressed on a number of projects, mainly tourism-related plants, such as the Royalton Property, Coconut Bay, Harbour Club and Sandals Resort. Public sector construction activity also picked up, reflective of an increase in capital expenditure recorded in the period under review. Construction work undertaken by the government focused mainly on infrastructural development, including rehabilitation and reconstruction of roads.

In the tourism industry, activity accelerated in the first nine months of 2017, as indicated by an increase in the total number of visitors, supported by an expansion in the stay-over visitors' category. Total visitor arrivals grew by 12.6 per cent to 781,743, in contrast to a contraction of 11.6 per cent in the comparable period of 2016. This outturn was largely attributable to a turn-around in activity in the cruise ship visitor category. The number of cruise ship passengers grew by 18.9 per cent to 449,884 in contrast to a contraction of 19.7 per cent in the corresponding nine months of the prior year. The expansion in cruise ship passenger arrivals largely reflected a 17.3 per cent rise in the number of cruise ship calls from 254 to 298.



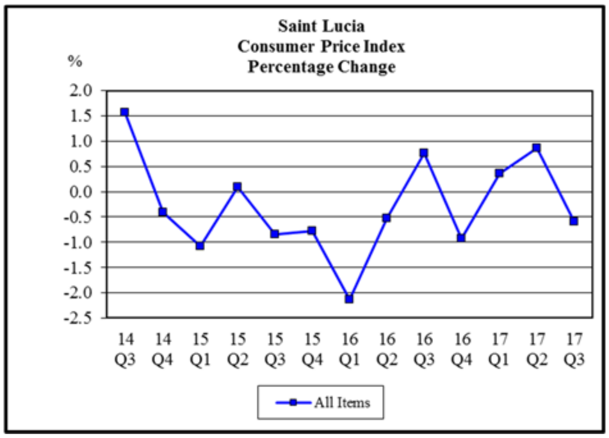
An increase of 9.3 per cent to 289,288 was recorded in the number of stay-over visitors to the island, compared with marginal growth (0.6 per cent) in the first three quarters of 2016. The improvement in the stay-over visitors' category mainly reflected strong performances in all of its sub-categories. The number of stay-over visitors from Europe, the second largest source market, increased by 14.4 per cent to 66,848, largely the result of growth in arrivals from the UK and France. Stay-over arrivals from Canada rose by 12.6 per cent to 32,134, which contrasts a 6.6 per cent decline in that market in the comparable period of the previous year. Growth of 7.7 per cent to 56,343 in arrivals from the Caribbean also contributed to the overall improvement in stay-overs. The number of stay-over arrivals from the USA, the major source market, grew by 6.2 per cent to 129,014, an acceleration from growth of 2.8 per cent recorded in the January to September period last year, largely on account of an increase in airlift from that market. Of the other categories, yacht visitor arrivals and the number of excursionists fell by 14.4 per cent (6,084) and 29.9 per cent (2,717) respectively.

Manufacturing output is estimated to have contracted in the period under review, compared with the level in the first three quarters of the previous year. This assessment is supported by an estimated contraction of 18.0 per cent in domestic exports, reflective of a decline in the production and export volume and value of a number of manufactured goods. These items include fabricated metal and products made of rubber, plastic and paper. In addition, commercial banks' lending to the manufacturing sector contracted by 30.7 per cent in the first nine months of 2017.

Output in the agricultural sector is provisionally estimated to have decreased in the first nine months of 2017, in line with a decline in the production of bananas. Production of crops fell, hence lower purchases from hotels and supermarkets. In the non-crop sub-sector, a decline was recorded in the production of chicken and eggs, while pork production increased. Banana production is estimated to have fallen by 8.3 per cent to 5,977 tonnes, in contrast to a slight expansion recorded in the comparable period of 2016.

Prices

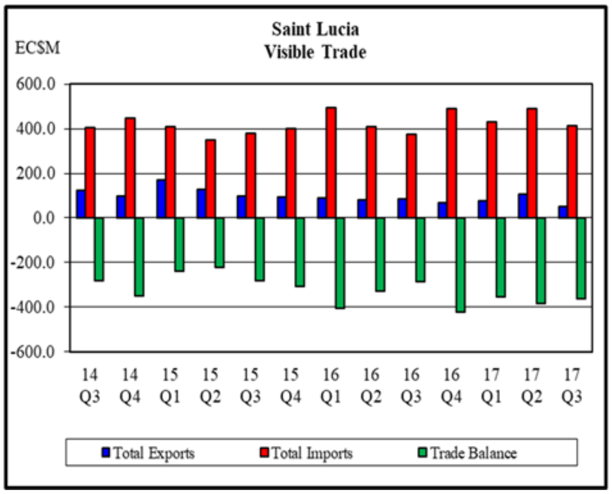
During the first nine months of 2017, prices of goods and services in the economy, as indicated by movements in the consumer price index, were estimated to have increased, on average, by 0.6 per cent. This outturn contrasts the 1.9 per cent contraction recorded during the corresponding period of the prior year. Price developments during the review period were influenced largely by increases in the sub-indices of communication (8.8 per cent), transport (6.2 per cent) and housing, utilities gas and fuels (5.5 per cent). The overall increase in the consumer price index however, was tempered by declines in the sub-indices for household furnishings, supplies and maintenance (6.5 per cent), alcoholic beverages, tobacco and narcotics (2.8 per cent), clothing and footwear (2.7 per cent), recreation and culture (2.6 per cent), health (2.5 per cent) and food and non-alcoholic beverages (0.7 per cent).



Trade and Payments

A merchandise trade deficit of $1,103.6m was estimated for the first nine months of 2017, compared with one of $1,022.3m recorded in the corresponding period of the prior year. The larger deficit was mainly attributable to a 9.5 per cent fall in the value of exports to $230.1m, supported by an increase in import payments. The decline in total export earnings largely reflected developments in the domestic exports sub-category, where receipts fell by 18.0 per cent ($30.1m) in the review period. Revenue from banana exports was 17.3 per cent below the level recorded in the corresponding period of the prior year. By contrast, re-export receipts grew by 6.9 per cent to $92.7m. Import payments rose by 4.5 per cent to $1,333.7m, largely influenced by higher outlays for manufactured goods (17.9 per cent), machinery and transport equipment (13.9 per cent), miscellaneous manufactured articles (12.5 per cent), beverages and tobacco (11.5 per cent) and food and live animals (8.3 per cent).

Gross travel receipts were estimated to have risen by 14.2 per cent to $1,649.2m consistent with growth in the number of stay-over visitors. Commercial banks' transactions resulted in a net outflow of $337.2m in short-term capital during the first nine months of 2017, compared with an outflow of $211.8m recorded during the corresponding period of the previous year. External loan disbursements to the central government totalled $204.3m in the period under review, up from $133.8m in the comparable period of 2016. Principal repayments by the central government increased by 27.5 per cent to $68.2m. Consequently, the central government recorded a net inflow position of $136.1m, which was higher than a net disbursement position of $80.3m in the first nine months of 2016.



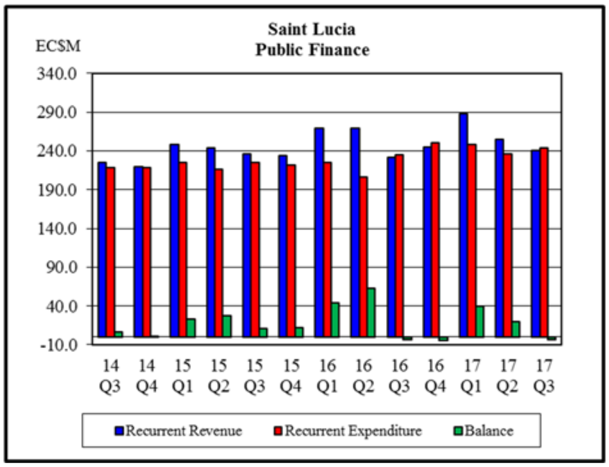
previous year. The expansion in capital spending reflected higher capital grant receipts, which amounted to $21.5m, from $12.9m at the end of September last year.

A current account surplus of $55.8m was recorded in the first three quarters of 2017, compared with one of $103.9m in the corresponding period of 2016. The smaller surplus was the result of an expansion in current expenditure, which more than offset an increase in current revenue. Current expenditure grew by 9.2 per cent to $727.9m, influenced by growth in all sub-categories of spending. Outlays for transfers and subsidies, which account for the second largest portion of current spending, grew by 25.0 per cent ($36.3m), largely due to an increase in transfers ($29.2m), with support from pension payments ($6.2m). Interest payments were 11.1 per cent ($12.6m) above the amount recorded for the first three quarters of 2016, reflecting higher commitments towards external financing. Spending for goods and services was 8.8 per cent ($10.9m) higher than the January to September period of the previous year. A marginal increase in outlays for personal emoluments ($1.5m), also contributed to growth in current expenditure.

Central Government Fiscal Operations

The central government recorded an overall fiscal deficit of $45.6m, in contrast to a surplus of $11.5m in the first nine months of 2016. The worsening fiscal position was primarily attributed to developments on both the current and capital accounts. A primary surplus of $80.8m was recorded, compared with one of $125.3m realized in the comparable nine months of the prior year. The overall deficit was financed predominantly through external disbursements.

The capital account operations resulted in a deficit of $101.5m, compared with one of $92.4m in the corresponding period of 2016. The larger deficit was largely a consequence of 16.6 per cent growth in capital expenditure, in contrast to a contraction of 34.3 per cent recorded in the first nine months of the



Current revenue grew by 1.7 per cent to $783.7m, buoyed by growth in receipts from the non-tax sub-category. An increase of 45.8 per cent ($12.5m) was recorded for non-tax revenue, attributed primarily to growth of 56.3 per cent in fees, fines and sales, associated mainly with receipts from the Citizenship by Investment Programme (CIP). There was a marginal increase (0.1 per cent) to $744.1m in revenue from taxes, as falling receipts from taxes on domestic goods and services negatively affected improvements in the other tax categories. Revenue from taxes on international trade and transactions increased by 13.0 per cent ($26.4m), influenced by larger collections from the excise tax on imports ($11.0m), the import duty ($6.5m), the service charge ($3.8m), the airport tax ($3.4m), the airport service charge ($1.0m) and throughput charges ($0.9m).

Yields from taxes on income and profits grew marginally ($1.0m), largely reflecting an improvement in the intake from the corporation tax ($2.7m) and the collection of arrears ($2.4m). Receipts from the property tax continued on an upward trend, and recorded a total of $10.0m in the review period from $9.5m one year earlier. By contrast, proceeds from taxes on domestic goods and services were 8.4 per cent ($27.0m) below the amount collected in the corresponding period of 2016, largely attributable to lower yields from the VAT ($22.3m) and licenses ($3.6m), as both rates were adjusted downwards in the first quarter of 2017.

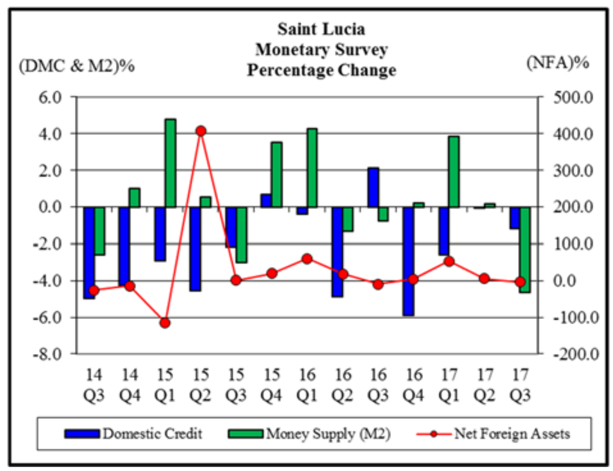
Public Sector Debt

According to preliminary data, the disbursed outstanding debt of the public sector rose by 3.9 per cent to $3,134.7m, during the first nine months of 2017, fuelled by growth of 2.5 per cent ($73.4m) and 38.3 per cent ($44.3m) in the borrowing of central government and public corporations, respectively. The increase in central government’s total debt reflected growth of 10.1 per cent ($140.7m) in its stock of external debt, while its domestic stock declined by 4.4 per cent to $1,446.0m.

Money and Credit

Monetary liabilities (M2) were estimated to have contracted marginally (0.8 per cent) to $3,099.9m during the first nine months of 2017, in contrast to growth of 2.1 per cent during the comparable period of 2016. The slight contraction in M2 reflected developments in quasi money, which more than offset the gains recorded in the narrow money supply (M1). Quasi money fell by 1.2 per cent to $2,237.4m, reflecting declines in private sector time deposits (14.1 per cent) and private sector foreign currency deposits (5.9 per cent), partially offset by a 2.6 per cent increase in private sector savings deposits. By contrast, narrow money (M1) grew by 0.3 per cent to $862.5m, mainly attributable to growth of 3.3 per cent in private sector demand deposits.

Domestic credit fell by 3.9 per cent to $2,862.2m compared with a decline of 3.2 per cent during the corresponding period of 2016. The contraction in credit was largely influenced by transactions of the non-financial public enterprises, which recorded an increase of 6.8 per cent ($35.5m) in their deposits; resulting in a net deposit position of $524.1m. Private sector borrowing fell by 1.0 per cent, reflecting a decline of 13.1 per cent ($202.8m) in loans to businesses. On the contrary, household credit increased by 10.4 per cent to $1,858.8m. The transactions of the central government resulted in a net credit position of $169.5m, which was 17.3 per cent below the amount recorded at the end of December 2016. The decline in credit to central government was partially attributed to a $17.3m fall in commercial banks' credit to government, coupled with an increase of $30.8m in its deposits at these financial institutions.



An analysis of the distribution of credit by economic activity suggests that outstanding loans and advances declined by 4.1 per cent, associated with decreases in lending for all categories, except for personal use. Lending for professional and other uses fell by 29.2 per cent ($165.1m). Outstanding credit for manufacturing and mining and quarrying contracted by 30.7 per cent ($28.5m), as manufacturing activity remained subdued. Declines were also recorded in lending to agriculture and fisheries (11.2 per cent), distributive trades (9.0 per cent), tourism (6.6 per cent) and construction (6.0 per cent). Those declines were partly offset by an increase of 8.5 per cent ($146.8m) in credit for personal uses.

The banking system was in a net foreign assets position of $764.0m at the end of September 2017, in comparison with one of $486.3m at the end of December 2016. The positive outturn was attributable to a turnaround by the commercial banks, to a net asset position of $43.1m from a net liabilities position of $294.1m at the end of last year. Assets held with institutions within the ECCU increased by 54.4 per cent ($212.3m) and those outside the region fell marginally ($6.8m). Foreign liabilities held within and outside the ECCU contracted by 9.4 per cent ($83.8m) and 6.3 per cent ($47.8m), respectively. Saint Lucia's imputed share of the reserves of the Central Bank contracted by 7.6 per cent ($59.5m).

Liquidity in the commercial banking system improved during the review period. At the end of September 2017, the ratio of liquid assets to total deposits plus liquid liabilities stood at 40.9 per cent, which was above the recommended minimum of 25.0 per cent and approximately 3.3 percentage points higher than the level recorded at the end of December 2016. The loans and advances to total deposits ratio fell by 2.7 percentage points to 85.1 per cent, marginally above the ECCB's recommended ceiling of 85.0 per cent.

The weighted average interest rate on deposits persisted on its path of decline following the Monetary Council's decision to reduce the minimum savings rate on deposits to 2.0 per cent. That rate decreased to 1.53 per cent, from 1.62 per cent at the end of December 2016. The weighted average lending rate fell to 8.08 per cent from 8.15 per cent. Consequently, the spread between the weighted average interest rates on loans and deposits widened marginally (2 basis points) during the first three quarters of the year.

Prospects

The International Monetary Fund (IMF) in its October 2017 update of the World Economic Outlook (WEO) revised projections for global growth in 2017 and 2018 slightly upwards to 3.6 per cent and 3.7 per cent, respectively. Forecasts for the advanced economies, and the USA are both for expansions of 2.2 per cent in 2017. Additionally, growth of 1.7 per cent is projected for the UK and a more robust rate of

3.0 per cent for Canada. Concomitant with the expected strengthening of activity in the global economy in the near-term, and the favourable performance thus far, economic activity in Saint Lucia is forecasted to expand in the short to medium term. This expansion is expected to be driven mainly by robust activity in the construction sector, with support from the other productive sectors and the tourism industry.

The construction sector is expected to provide the boost to growth in the Saint Lucian economy, driven by robust private sector activity and supported by road and other infrastructural developments in the public sector. In the private sector, activity is likely to be driven by ongoing work on tourism-related plants, including the Harbour Club, the Coconut Bay Resort, Sandals Resort and new projects to come on-stream under the Citizenship by Investment Programme. Other private projects, such as a new commercial building and residential properties are expected to add further value to the construction sector.

Another principal factor affecting the short-term outlook is the prospect for tourism. Consequent to an improvement in airlift, as well as new and intensified marketing initiatives, it is anticipated that stay-over arrivals and cruise visitors will boost activity in the hotels and restaurants sector. Prospects for tourism are enhanced by an expected expansion in the hotel room stock, improvement in the quality of the tourism product offered and positive reviews for Saint Lucia as a destination.

In addition, the favourable growth forecasts for the USA, the major source market, as well as the UK and Canada may have a positive impact on the stay-over arrivals to the island. Support to the tourism industry is likely to come from a boost in airlift through the increased presence of Delta Airlines, United Airlines, JetBlue, British Airways, Virgin Atlantic and the Sun Wing. Further collaboration with the French West Indies, Martinique in particular, is expected to supplement arrivals from the Caribbean region. As the performance in the tourism industry advances, spill-over effects to the other auxiliary sectors, like wholesale and retail, transport and distributive trades are plausible.

In the agricultural sector, increased production is anticipated, based on further improvement in the output of crops, livestock and poultry and possible recovery in the banana industry, as a banana productivity improvement project materializes. On-going efforts at strengthening diversification within the sector and linkages with other sectors, particularly tourism, augur well for increased agricultural output.

The government's policies on fiscal and debt consolidation are critical to the overall growth thrust. These include the reduction of the VAT rate, the deferral of the VAT for particular sectors, income tax reform and a change in the excise tax on fuel. Revenue from taxes has been challenged and expenditure continues to grow, hence increasing the likelihood of a widening fiscal deficit, if counteracting measures are not implemented. The overall fiscal outturn depends on the outcome of these measures and the success of the Citizenship by Investment Programme. On the capital side, expenditure is projected to increase on account of expeditious implementation of a number of pipe-lined projects. Concerns remain over the debt overhang and the continued use of debt to finance necessary budgeted expenditure. Greater borrowing needs are likely to result in higher central government debt, with a consequent strain on overall debt servicing. A medium term debt strategy was developed to address the borrowing plan going forward, but the risks associated in part with over $300m in bonds due next year, remain a challenge that the authorities need to address.

In the external sector, the merchandise trade deficit is likely to narrow in the short term based on an anticipated increase in earnings from exports, which may offset projected growth in import payments, related in part to construction activity. Inflows from travel are expected to increase, consistent with the performance of the stay-over visitor sub-category. Inflationary pressures may persist, emanating largely from developments in global commodity prices, especially fuel.

In spite of inherent risks, the economy of Saint Lucia is expected to continue on a path of expansion for the rest of the year and into the medium term. **Downside risks to the economy include slow implementation of important policies related to growth, competitiveness and fiscal and debt sustainability. Other challenges include a sudden stop in foreign direct investments, any change to growth prospects for the advanced economies, vulnerability to external shocks, the negative impact of global warming and climate change and the chronic high rate of unemployment, poverty and crime. Towards the upside, the effective management of the Citizenship by Investment Programme provides many opportunities for economic growth.**

S T V I N C E N T A N D T H E G R E N A D I N E S

Overview

Preliminary indicators suggest that economic activity in St Vincent and the Grenadines declined in the first three quarters of 2017, relative to that in the corresponding period of 2016. This assessment is based on subdued performances in the construction, agricultural and manufacturing sectors and the tourism industry. The consumer price index increased by 2.2 per cent, on an end of period basis. The merchandise trade deficit is preliminarily estimated to have narrowed, mainly attributed to falling import payments. The operations of the central government resulted in an overall deficit, while the outstanding stock of public sector debt was higher relative to that at the end of December 2016. The banking sector was characterised by a decrease in net foreign assets and growth in domestic credit and monetary liabilities. Liquidity in the commercial banking system declined and the interest rate spread narrowed.

Economic activity in St Vincent and the Grenadines for the balance of 2017 is expected to improve, but remain subdued for the entire year based on weak performances in the productive sectors in the first nine months of 2017. The tourism industry is expected to benefit from the introduction of international flight services and a projected increase in the number of cruise ship calls. On the other hand, the outlook for the manufacturing and the agricultural sectors remain mixed. The fiscal balance is expected to yield a deficit for the remainder of the year as the government advances its capital programme. Downside risks to this outlook include weaker than expected growth from the operationalisation of the airport, agricultural diseases and adverse weather. On the upside, projected economic growth in the economies of major trading partners could have positive knock-on effects in St Vincent and the Grenadines.

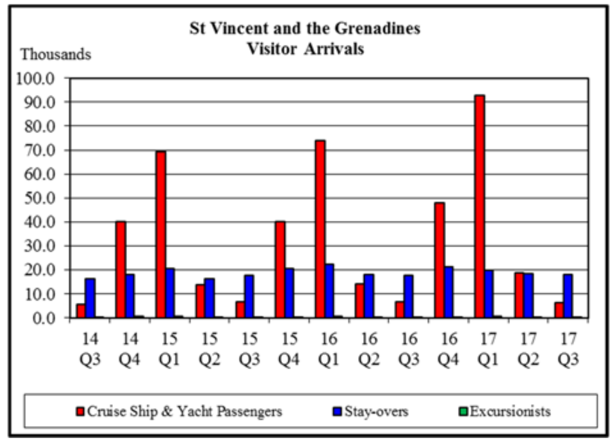
Output

Construction activity is estimated to have declined in the first nine months of 2017, from the corresponding period in 2016. This outturn was largely driven by developments in the public sector. Public sector construction, proxied by capital expenditure, fell by 15.0

per cent to $39.8m partly reflecting the completion of the Argyle International Airport, which dominated much of the capital programme in previous years. In the residential sub-sector, the construction of private dwellings grew at a slower pace than in the previous year. This deceleration was evidenced by credit extended by commercial banks for residential construction and renovation, which grew at 3.3 per cent relative to a rate of 4.4 per cent in the corresponding period of 2016.

Preliminary indicators suggest that output in the agricultural sector was subdued in the first three quarters of 2017, largely on account of lower banana exports. Specifically, banana production is estimated to have fallen by 25.4 per cent in the period under review. Anecdotal information related to the non-traditional segments suggested that non-banana crop production may have improved tentatively, as the Ministry continued to promote diversification through several initiatives under the Banana Accompanying Measures (BAM), while supporting the cultivation of arrowroot among selected farmers.

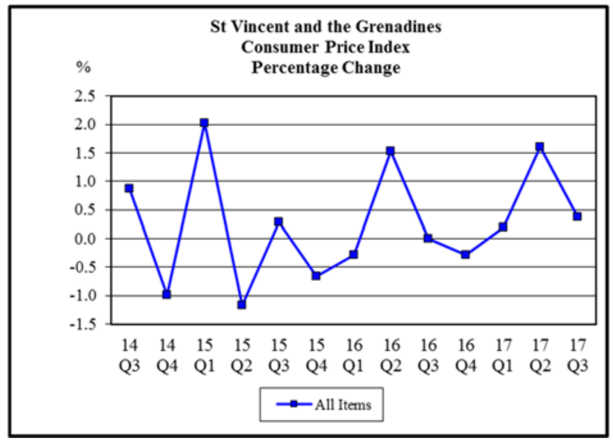
Output in the manufacturing sector is estimated to have contracted in the first nine months of 2017, relative to that in the corresponding period in the preceding year. This outturn was influenced by reductions in the production of beer (14.1 per cent), feeds (5.2 per cent) and flour (4.6 per cent).



Despite the improved performance in cruise tourism, activity in the tourism industry is preliminarily estimated to have moderated in the first three quarters of 2017 relative to the performance in the corresponding period of 2016. The number of stay-over visitors fell by 3.9 per cent and contributed to a 7.2 per cent decline in total visitor expenditure. Total visitor arrivals, however, increased by 13.9 per cent to 174,995, mainly reflecting a 40.0 per cent upsurge in cruise passengers to 81,534. Expansions were also observed in the number of excursionists (11.6 per cent) and yacht passengers (0.5 per cent) visiting the island. In the stay-over category, a 31.3 per cent decrease was recorded in visitors from the United Kingdom which more than offset the increases recorded in all other major source markets. Visitor arrivals from the United States of America, the island's largest source market, rose by 1.6 per cent while the number of visitors from Canada and the Caribbean increased by 10.4 per cent and 2.9 per cent respectively.

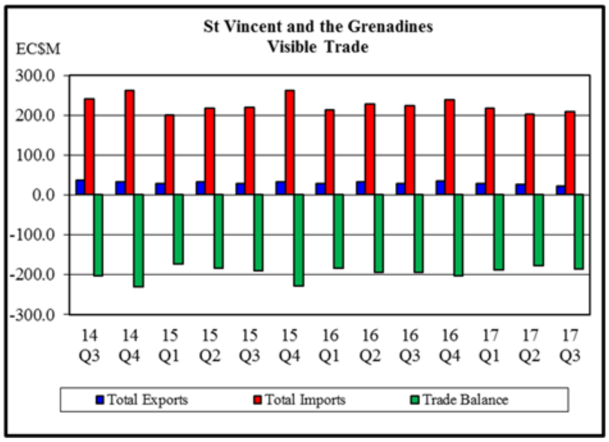
Prices

The consumer price index rose by 2.2 per cent in comparison with growth of 1.2 per cent during the corresponding period of 2016. The general rise in prices was broad-based across the sub-categories. Notably, the price of housing, water, electricity, gas and other fuels sub-index, which has the highest weight, moved by 0.8 per cent as a result of higher prices for nails, oil paints, and electricity. Upward movements were also recorded in the second and third weighted sub-indices comprising food and non-alcoholic beverages and transport at 2.7 per cent and 2.5 per cent respectively. Inflationary pressures were also influenced by an upsurge in the communication sub-index (12.3 per cent) due to a rise in mobile rates and furnishing, household equipment and routine household maintenance (6.0 per cent) which reflected an increase in the wages of domestic workers.



Trade and Payments

A merchandise trade deficit of $551.5m was recorded in the first three quarters of 2017, which was 4.0 per cent below that observed in the corresponding period of the previous year. The narrowing of the deficit was mainly attributable to a 5.5 per cent reduction in import payments to $629.2m, as the import of mineral fuels and related materials and machinery and transport equipment declined. The fall in import payments was moderated by a 14.7 per cent decrease in export receipts to $77.7m. Notable reductions in export earnings were recorded in beer (40.1 per cent); bananas (23.0 per cent) and flour (22.4 per cent).

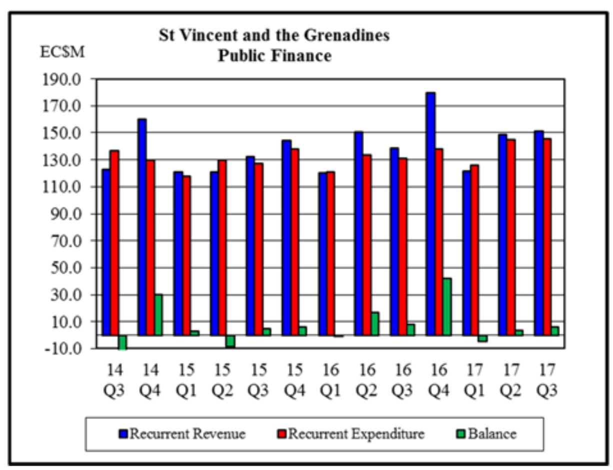


Gross travel receipts fell by 7.2 per cent to $185.0m, consistent with the decline in stayover arrivals. The transactions of commercial banks resulted during a net inflow of $16.8m in short-term capital in the first three quarters of 2017, compared with an outflow of $79.5m during the corresponding period of 2016. External loan disbursements to the central government increased by $2.3m to $50.0m while external principal repayments grew by $11.9m to $45.9m. These transactions led to a net inflow of $4.1m relative to one of $13.8m in the first nine months of 2016.

Central Government Fiscal Operations

The fiscal operations of the central government yielded an overall deficit of $16.7m in the first nine months of 2017, a reversal of the surplus of $11.3m recorded in the corresponding period of the previous year. The deficit was primarily financed by domestic sources. This deterioration in the fiscal balance was driven by developments on the current and capital accounts. The primary surplus narrowed to $16.4m from one of $41.9m in the corresponding period of 2016.

A current account surplus of $4.4m was recorded, $20.0m less than in the comparable period of the previous year. This outturn was largely associated with an increase in current expenditure by $31.8m to $417.0m, reflecting higher spending in all sub-categories. Most notably, transfers rose by $13.1m, on account of higher outlays for employment related social benefit and grants and contributions other than to local authority. Smaller increases were also observed in payments for compensation to employees ($3.7m), goods and services ($1.7m) and other expenses ($10.8m).



Moderating the expansion in current expenditure, current revenue rose by $11.8m to $421.4m in the first nine months of 2017. The increase in current revenue was mainly driven by higher collections for taxes on property, which rose by $13.9m, largely due to upturns in collections from stamp duty on property and the alien land holding licence. Taxes on goods and services also grew by $4.5m to $179.1m, partially on account of an increase in the value added tax collected. Higher intakes for taxes on income and profits ($1.3m) and property income ($0.5m) were also observed. These expansions in revenue were however tempered by a decline in taxes on international trade ($3.4m), consistent with the decline in imports, the sale of goods and services ($0.4m) and other current revenue ($4.0m).

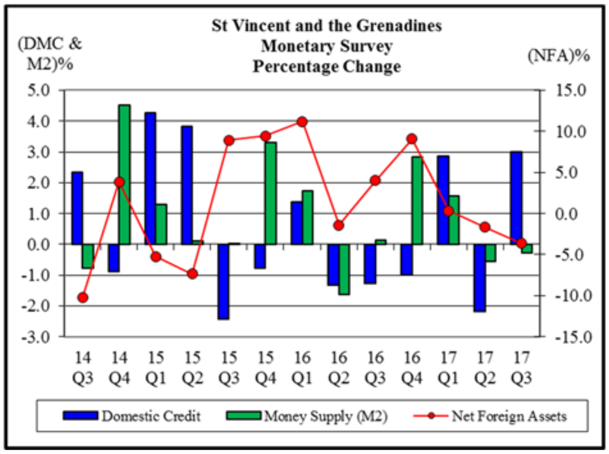
On the capital account, expenditure declined by $7.0m to $39.8m in the period under review. The decline was consistent with the culmination of construction activity associated with a number of projects including the Argyle International Airport, which was operationalized in February 2017 and the modern medical complex. The capital programme was partially funded by capital revenue and grants totalling $18.7m, about $14.9m less than the intake in the first three quarters of 2016.

Public Sector Debt

The total outstanding debt of the public sector stood at $1,751.0m at the end of September 2017, roughly 2.6 per cent higher than the stock at the end of December 2016. Central government's outstanding debt, advanced by 3.6 per cent to $1,427.3m reflecting an expansion in domestic debt (19.5 per cent) but partially moderated by a decline in external debt (2.3 per cent). Meanwhile, debt incurred by statutory corporations decreased by 1.6 per cent to $323.7m, mainly attributable to a fall in their domestic debt (7.8 per cent).

Money and Credit

Monetary liabilities (M2) increased by 0.7 per cent to $1,531.2m, an acceleration from the growth rate of 0.2 per cent recorded during the corresponding period of 2016. This outturn was primarily attributable to growth of 2.6 per cent in quasi money to $1,067.7m, influenced by an increase in private sector savings deposits (4.4 per cent) but moderated by declines in private sector time deposits (4.9 per cent) and private sector foreign currency deposits (6.0 per cent). The uptick in M2 was however tempered by a contraction in the money supply by 3.4 per cent to $463.5m as decreases in currency with the public (9.9 per cent) and private sector demand deposits (2.2 per cent) more than offset an 11.0 per cent rise in EC$ cheques and drafts issued.



Domestic credit expanded by 3.7 per cent to $1,083.6m during the period under review, mainly influenced by growth in credit to the private sector and in the government's net credit position. Private sector credit increased by 1.8 per cent to $1,103.4m on account of growth in household credit (3.3 per cent) which was largely offset by a decline in credit to businesses (10.1 per cent). The government's net credit position stood at $80.5m, roughly 33.2 per cent higher than the position during the comparable period of the previous year as growth in credit extended (9.8 per cent) more than offset a 4.7 per cent decline in its deposits. Moderating the increase in domestic credit, the net deposit position of non-financial public enterprises rose by 1.2 per cent to $100.2m, as deposits increased.

A sectorial analysis indicated that there was an upturn in credit extended for personal use (3.1 per cent); which constitutes the largest proportion of credit extended. Increases were also recorded in lending to the tourism industry (15.8 per cent) and other sectors (24.5 per cent), most notably financial institutions, which more than tripled and public administration (27.7 per cent). These upticks were however moderated by declines in lending to construction (26.5 per cent), distributive trades (20.0 per cent), agriculture and fisheries (13.7 per cent) and manufacturing and mining and quarrying (2.0 per cent).

During the first nine months of 2017, the net foreign assets of the banking system declined by 4.9 per cent to $629.3m, in contrast to an increase of 14.1 per cent during the comparable period of the previous year. This outturn was driven in part by an 11.5 per cent decrease in the net foreign asset position of commercial banks, which was largely attributable to an 18.4 per cent reduction in assets held with institutions outside the ECCU. Meanwhile, the country's imputed share of Central Bank reserves fell by 3.1 per cent to $500.5m.

Liquidity in the commercial banking sector fell during the first nine months of 2017 but remained at a relatively high level. The ratio of liquid assets to total deposits plus liquid liabilities decreased to 42.2 per cent at the end of September 2017 from 46.2 per cent at end December 2016. Meanwhile, the loans and advances to deposits ratio rose by 2.3 percentage points to 69.7 per cent, below the prudential threshold of 75.0 to 85.0 per cent.

The spread between the weighted average interest rate on loans and deposits narrowed to 6.89 percentage points at the end of September 2017. This narrowing reflected an adjustment in the weighted average interest rate on loans from 8.90 to 8.71 per cent. Concurrently, the weighted average deposit rate increased marginally by 1 basis point to 1.83 per cent.

Prospects

Economic activity in St Vincent and the Grenadines for the balance of 2017 is expected to improve, but remain subdued for the entire year based on weak performances in the construction, agricultural and manufacturing sectors and the tourism industry. For the remainder of the year, the tourism industry is expected to improve based on the introduction of direct services by Caribbean Airlines Limited and Sunwing Airlines as well as the expected launch of international travel services by Air Canada for the upcoming tourist season. These additional flight services are anticipated to boost stay-over visitors. The number of cruise ship passengers are also expected to increase based on anticipated growth in the number of cruise calls for the upcoming season, partially reflecting a re-routing of some cruise ships following the devastation suffered by other Caribbean islands from hurricanes Irma and Maria. Additionally, the yachting subsector could benefit from the expected opening of the Glossy Bay marina in Canouan by the end of 2017.

The outlook for the agricultural and manufacturing sectors is mixed. The agricultural sector continues to be negatively impacted by a number of challenges including adverse weather, inconsistent markets for produce, rigorous food safety requirements of destination markets, and the difficulties faced by hucksters in remitting their funds to St Vincent and the Grenadines after selling their agricultural produce to selected regional markets. Notwithstanding these challenges, some recovery in the agricultural sector is expected in the last quarter of 2017, supported by ongoing initiatives related to the Banana Accompanying Measures (BAM), which are likely to enhance the output in crops and livestock. Reports also indicate that the Ministry of Agriculture continued to encourage replanting among banana farmers. Moreover, the Ministry has partnered with a few designated agencies to conduct trials on banana farms aimed at controlling the Black Sigatoka disease, which has affected the banana industry. Unfortunately, output in the manufacturing sector is unlikely to improve substantially in light of greater competitive pressure in the grains and beverages sub-sectors.

Construction activity is projected to intensify with additional anticipated spending by the private and public sectors. Private sector activity includes recent investments in tourism properties, while activity in the public sector relates to the construction and rehabilitation of roads and bridges.

An anticipated increase in expenditure may be partly mitigated by the fiscal measures introduced in the 2017 budget including a 1.0 percentage point rise in the Value-Added Tax, along with increases in the departure tax and professional fees.

Risks to this outlook are skewed to the downside. Domestically, the operationalisation of the airport may not facilitate the sustained recovery in tourism as is generally expected, particularly if there is an extended closure of Buccament Bay Resort. Enhancements in major visitor sites and improved room stock may have to complement this major development. **On the upside, projected growth in the economies of major trading partners could have positive knock-on effects on the economies of the ECCU, including St Vincent and the Grenadines.**

NOTES FOR STATISTICAL TABLES AND MONETARY SURVEY

STATISTICAL TABLES

All figures have been rounded to either the nearest whole number or the first decimal place (except in cases where values are small and need to be rounded off at two decimal places instead).

--	denotes 'nil'
0.0	denotes 'negligible'
n.a.	denotes 'not available'
**	denotes 'not applicable'
R	denotes 'revised'
P	denotes 'provisional'
E	denotes 'ECCB estimates'

Some figures may differ from those in previous publications because of subsequent revision based on more accurate data.

MONETARY SURVEY

1. Central government represents central and local government.
   1.1 Domestic Credit to Central Government (net)
   Central Bank and commercial banks' total holdings of Treasury Bills and Debentures
   plus Central Bank and commercial banks' loans and advances to central government
   plus Central Bank interest due on Securities
   minus Total central government deposits held with the Central Bank and commercial banks
   minus Sinking Fund Call Account and Government Operating Account held with the Central Bank
2. Other Public Sector represents national insurance (social security scheme) and non-financial public enterprises.
3. Private Sector represents households, private businesses, non-bank financial institutions, and subsidiaries and affiliates.
4. Money Supply (M1) = currency plus total private sector demand deposits plus EC cheques and drafts issued.
5. Currency = total currency liabilities of the Central Bank less commercial banks' holdings of local currency cash.
6. Demand Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' demand deposits.
7. Savings Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' savings deposits.
8. Time Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' time deposits.
9. Foreign Currency Deposits = total private businesses, households, non-bank financial institutions, and subsidiaries and affiliates residents' foreign currency deposits.

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Table 1
ECCU - Selected Tourism Statistics

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017^{P} 3rd Qr	2016 Jan - Sept	2017 Jan - Sept
Total Visitors	515,054	1,263,953	1,872,338	758,967	488,619	2,926,556	3,119,924
Stay-Over Visitors	252,535	274,361	316,704	281,982	255,464	836,574	854,150
Of which:							
USA	99,127	109,642	134,893	129,336	101,713	361,576	365,942
Canada	12,979	23,037	40,523	18,971	13,075	68,202	72,569
UK	41,300	54,251	58,470	45,973	41,524	148,349	145,967
Caribbean	71,153	55,245	43,227	57,798	70,595	169,198	171,620
Other Countries	27,976	32,186	39,591	29,904	28,557	89,249	98,052
Excursionists \1	28,832	27,023	37,279	29,871	27,015	93,371	94,165
Cruise Ship Passengers \2	211,988	925,408	1,450,136	413,474	188,029	1,873,049	2,051,639
Yacht Passengers \4	21,699	37,161	68,219	33,640	18,111	123,562	119,970
Number of Cruise Ship Calls \3	110	581	947	243	108	1,223	1,298
Total Visitor Expenditure (EC$M)	**1,028.49**	**1,229.77**	**1,459.51**	**1,232.43**	**1,021.62**	**3,426.94**	**3,713.57**

Sources: ECCU Central Statistics Offices and Eastern Caribbean Central Bank

[1] Excursionists includes Sea Arrivals for Saint Lucia and excludes Antigua and Barbuda.

[2] Cruise ship passengers excludes Anguilla but includes Antigua and Barbuda.

[3] Cruise ship calls excludes Anguilla and St Vincent and the Grenadines.

[4] Yacht passengers includes St Kitts and Nevis and St Vincent and the Grenadines.

Data as at 13 December 2017

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

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr[P]
Net Foreign Assets	**7,133.23**	**7,286.08**	**7,399.67**	**8,031.40**	**8,162.16**	**8,129.09**
Central Bank (Net)	**4,711.83**	**4,610.64**	**4,557.25**	**4,612.23**	**4,624.29**	**4,557.84**
External Assets	4,715.80	4,616.90	4,565.64	4,624.35	4,639.37	4,573.51
External Liabilities	(3.97)	(6.26)	(8.39)	(12.12)	(15.07)	(15.67)
Commercial Banks (Net)	**2,421.40**	**2,675.44**	**2,842.42**	**3,419.17**	**3,537.86**	**3,571.26**
External Assets	5,825.57	5,921.09	6,159.17	6,745.31	6,865.85	6,996.30
External Liabilities	(3,404.18)	(3,245.65)	(3,316.75)	(3,326.14)	(3,327.99)	(3,425.04)
Net Domestic Assets	8,811.93	8,556.28	8,458.32	8,187.80	8,080.47	7,988.76
Domestic Credit	**10,387.45**	**10,272.77**	**10,017.41**	**10,139.75**	**9,944.53**	**9,883.20**
Central Government (Net)	1,017.13	970.04	920.45	1,107.12	928.76	798.42
Other Public Sector (Net)	(1,948.72)	(1,957.98)	(1,968.75)	(1,996.13)	(2,032.11)	(1,991.47)
Private Sector	11,319.05	11,260.71	11,065.71	11,028.77	11,047.88	11,076.24
Household	6,629.08	6,625.78	6,543.74	6,694.90	6,726.40	6,736.73
Business	4,322.07	4,262.30	4,150.23	3,917.79	3,909.51	3,898.13
Non-Bank Financial Institutions	225.16	230.27	270.55	319.06	314.96	343.85
Subsidiaries & Affiliates	142.74	142.37	101.19	97.02	97.01	97.54
Other Items (Net)	**(1,575.52)**	**(1,716.49)**	**(1,559.09)**	**(1,951.95)**	**(1,864.06)**	**(1,894.43)**
Monetary Liabilities (M2)	**15,945.16**	**15,842.36**	**15,857.99**	**16,219.20**	**16,242.63**	**16,117.86**
Money Supply (M1)	**3,708.19**	**3,682.11**	**3,787.66**	**3,918.26**	**3,920.93**	**3,857.23**
Currency with the Public	749.88	762.98	833.99	810.25	806.25	805.31
Demand Deposits	2,884.17	2,831.23	2,877.44	3,030.19	3,028.10	2,976.79
EC$ Cheques and Drafts Issued	74.15	87.90	76.23	77.83	86.58	75.13
Quasi Money	**12,236.97**	**12,160.26**	**12,070.32**	**12,300.94**	**12,321.70**	**12,260.63**
Savings Deposits	7,165.17	7,161.39	7,201.48	7,354.66	7,449.67	7,527.67
Time Deposits	2,500.07	2,409.64	2,349.61	2,278.15	2,205.48	2,137.43
Foreign Currency Deposits	2,571.72	2,589.22	2,519.24	2,668.13	2,666.56	2,595.52

Source: Eastern Caribbean Central Bank
Data as at 30 NOV 2017

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

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017P 3rd Qr	2016 Jan - Sept	2017 Jan - Sept
Current Revenue	1,337.40	1,293.44	1,212.77	1,180.80	1,120.58	3,808.39	3,514.15
Tax Revenue	878.77	941.37	1,016.91	981.82	893.16	2,820.24	2,891.90
Taxes on Income and Profits \1	184.63	185.79	256.19	209.51	191.63	640.41	657.33
Of which:							
Personal /1	81.95	86.55	96.51	84.71	84.75	279.97	265.97
Company/Corporation /2	83.46	80.83	132.61	99.17	90.39	290.40	322.17
Taxes on Property	26.06	31.32	26.35	47.67	44.74	97.14	118.76
Taxes on Domestic Goods and Services	402.90	417.09	455.44	436.55	395.30	1,275.73	1,287.29
Of which:							
Accommodation Tax	2.32	0.84	9.83	6.95	3.25	16.84	20.03
Licences	17.35	25.85	29.77	22.76	17.67	71.66	70.20
Sales Tax \3	56.11	57.79	73.41	64.29	49.45	193.18	187.15
Value Added Tax \5	237.17	254.41	253.21	250.08	233.56	738.65	736.84
Consumption Tax \4	0.02	0.04	0.00	0.03	0.00	0.08	0.03
Stamp Duties	31.89	23.21	24.24	36.23	26.43	86.85	86.90
Taxes on International Trade and Transac	265.18	307.16	278.93	288.09	261.50	806.96	828.53
Of which:							
Import Duties	119.53	142.81	120.48	124.90	113.72	355.37	359.10
Consumption Tax \6	21.38	21.98	20.01	17.71	17.37	67.91	55.09
Customs Service Charge	57.58	67.96	56.97	60.76	56.03	167.13	173.76
Non-Tax Revenue	458.63	352.07	195.86	198.97	227.42	988.15	622.25
Current Expenditure	1,004.02	1,171.06	1,062.58	1,077.86	1,041.76	3,000.54	3,182.21
Personal Emoluments	444.87	509.77	456.60	452.86	448.56	1,336.13	1,358.01
Goods and Services	205.18	234.40	214.00	223.49	204.54	604.02	642.03
Interest Payments	113.66	121.24	114.17	132.09	111.56	328.44	357.82
Domestic	70.52	61.52	70.96	69.00	63.31	185.03	203.27
External	43.14	59.72	43.21	63.09	48.26	143.42	154.55
Transfers and Subsidies	236.96	299.54	275.67	260.26	270.08	724.39	806.01
Of which: Pensions	73.52	97.99	87.64	78.68	83.91	224.20	250.23
Current Account Balance	333.37	122.39	150.19	102.93	78.82	807.85	331.94
Capital Revenue	13.18	138.01	11.60	2.15	7.63	62.12	21.38
Grants	91.34	86.58	57.15	65.16	191.93	233.49	314.23
Of which: Capital Grants	64.29	56.16	52.57	40.45	142.32	150.14	235.34
Capital Expenditure and Net Lending	187.89	259.54	168.61	212.83	217.17	511.80	598.60
Of which: Capital Expenditure	187.84	222.99	168.87	210.74	217.42	523.66	597.03
Primary Balance after grants	363.67	208.67	164.50	89.50	172.77	920.11	426.78
Overall Balance after grants	250.01	87.43	50.33	(42.59)	61.21	591.66	68.96
Financing	(250.01)	(87.43)	(50.33)	42.59	(61.21)	(591.66)	(68.96)
Domestic	(300.32)	(88.97)	(67.83)	2.09	(78.43)	(475.39)	(144.17)
ECCB (net)	48.93	(68.94)	(15.29)	35.30	(55.32)	27.12	(35.31)
Commercial Banks (net)	14.93	(16.14)	201.32	(200.11)	(57.83)	(265.79)	(56.61)
Other	(364.18)	(3.89)	(253.85)	166.89	34.72	(236.72)	(52.25)
External	16.67	36.88	17.51	31.80	(55.71)	(53.92)	(6.40)
Net Disbursements/(Amortisation)	5.27	45.99	19.52	34.39	(59.70)	(51.82)	(5.79)
Disbursements	107.73	183.83	133.01	200.95	79.89	253.94	413.84
Amortisation	102.46	137.84	113.48	166.56	139.58	305.76	419.63
Change in Government Foreign Assets	11.40	(9.11)	(2.01)	(2.58)	3.98	(2.10)	(0.61)
Arrears \7	33.64	(35.35)	(0.02)	8.70	72.93	(92.79)	81.61
Domestic	13.09	(26.28)	(13.49)	8.02	52.13	(95.69)	46.67
External	20.55	(9.07)	13.47	0.68	20.80	2.90	34.95

Source: ECCU Ministries of Finance and Eastern Caribbean Central Bank

/1 Taxes on Income & Profits include stabilization levy collected in Anguilla and Social Services Levy in St Kitts and Nevis

/2 Excludes Anguilla

/3 Includes Antigua and Barbuda and Dominica

/4 Excludes Montserrat

/5 Excludes Anguilla, Antigua and Barbuda, Montserrat

/6 Excludes St Vincent and the Grenadines

/7 Excludes Grenada, Montserrat, St Kitts and Nevis and Saint Lucia

Data as at 13 December 2017

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

	2016^R 3rd Qr	2016^R 4th Qr	2017^R 1st Qr	2017^R 2nd Qr	2017^P 3rd Qr
Anguilla	435.46	495.24	491.45	478.99	473.14
Antigua and Barbuda	3,008.03	3,030.74	3,078.32	3,063.47	3,100.22
Dominica	1,084.93	1,062.02	1,049.34	1,049.21	1,034.76
Grenada	2,315.69	2,292.89	2,315.64	2,295.08	2,282.39
Montserrat	8.72	8.62	8.51	10.68	10.59
St Kitts and Nevis	1,561.58	1,553.33	1,553.50	1,572.44	1,577.30
Saint Lucia	3,043.39	3,016.98	3,204.01	3,055.89	3,134.66
St Vincent and the Grenadines[1/]	1,706.06	1,706.35	1,696.42	1,772.10	1,750.97
TOTAL ECCU	**13,163.86**	**13,166.17**	**13,397.19**	**13,297.86**	**13,364.04**

Source: Mnistry of Finance/ECCB
* Includes arrears of principal
Data available at 11 November 2017

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

	2016^R 3rd Qr	2016^R 4th Qr	2017^R 1st Qr	2017^R 2nd Qr	2017^P 3rd Qr
Anguilla	422.68	482.99	479.67	467.71	462.35
Antigua and Barbuda	2,568.81	2,596.50	2,623.30	2,599.17	2,615.33
Dominica	916.21	893.35	878.72	883.27	872.57
Grenada	2,186.46	2,170.80	2,189.37	2,171.84	2,161.31
Montserrat	4.57	4.56	4.55	6.82	6.83
St Kitts and Nevis	1,263.43	1,257.71	1,257.29	1,270.15	1,268.20
Saint Lucia	2,913.63	2,901.13	3,097.82	2,888.55	2,974.49
St Vincent and the Grenadines	1,366.85	1,377.30	1,365.00	1,444.20	1,427.26
TOTAL ECCU	**11,642.63**	**11,684.34**	**11,895.73**	**11,731.70**	**11,788.33**

Source: Mnistry of Finance/ECCB
* Includes arrears of principal
Data available at 11 November 2017

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

	2016^R 3rd Qr	2016^R 4th Qr	2017^R 1st Qr	2017^R 2nd Qr	2017^P 3rd Qr
Anguilla	8.19	6.70	8.24	9.22	9.78
Antigua and Barbuda	141.71	156.05	104.02	131.16	144.17
Dominica	18.31	21.58	18.45	36.39	51.15
Grenada	47.61	74.77	33.20	72.58	29.05
Montserrat	0.04	0.03	0.04	0.03	0.04
St Kitts and Nevis	14.94	25.19	27.48	33.42	22.49
Saint Lucia	68.20	68.89	74.42	74.48	70.25
St Vincent and the Grenadines	35.95	36.71	35.95	41.32	36.97
TOTAL ECCU	**334.95**	**389.92**	**301.79**	**398.61**	**363.89**

Source: Mnistry of Finance/ECCB
* Includes arrears of principal
Data available at 11 November 2017

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

	2016^R 3rd Qr	2016^R 4th Qr	2017^R 1st Qr	2017^R 2nd Qr	2017^P 3rd Qr	2016 Jan to Sep	2017 Jan to Sep
Total Bid Amount	344.32	457.25	340.74	438.11	349.06	1043.20	1127.90
Total Offer Amount	132.00	285.00	191.00	291.00	271.30	680.00	753.30
Total Raised	259.60	310.70	216.00	319.80	296.90	788.10	832.70

Source: Eastern Caribbean Central Bank
Data as at 7 November 2017

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

	2016^R 3rd Qr	2016^R 4th Qr	2017^R 1st Qr	2017^R 2nd Qr	2017^P 3rd Qr	2016 Jan to Sep	2017 Jan to Sep
91-day Treasury Bills	3.70	3.09	2.45	3.25	3.26	4.00	3.00
180-day Treasury Bills	3.00	3.58	2.00	2.40	5.00	4.03	2.78
365-day Treasury Bills	5.00	4.91	4.00	5.00	4.58	4.88	4.60
2-year Bond	*	*	*	*	*	*	*
3-year Bond	6.50	*	*	*	*	6.50	*
4-year Bond	*	*	*	*	*	*	*
5-year Bond	*	*	*	*	7.00	*	7.00
6-year Bond	*	*	*	*	*	7.00	*
7-year Bond	*	*	*	7.50	*	*	7.50
8-year Bond	*	*	*	*	*	*	*
10-year Bond	*	*	*	*	*	7.50	*
15-year Bond	*	*	*	*	*	*	*

Source: Eastern Caribbean Central Bank
Data as at 7 November 2017

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

	2016^R 3rd Qr	2016^R 4th Qr	2017^R 1st Qr	2017^R 2nd Qr	2017^P 3rd Qr	2016 Jan to Sep	2017 Jan to Sep
Volume	11.23	2.00	4.57	1.05	0.08	13.68	5.70
Value	11.10	2.68	7.69	0.89	0.01	13.54	8.59

Source: Eastern Caribbean Securities Exchange
Data as at 7 November 2017

Table 10
Anguilla - Selected Tourism Statistics

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017[R] 2nd Qr	2017[P] 3rd Qr	2016 Jan - Sept	2017[P] Jan - Sept
Total Visitors	39,999	39,124	56,126	49,802	36,610	136,846	142,538
Stay-Over Visitors	16,542	18,329	24,445	23,449	13,334	60,910	61,228
Of which:							
USA	8,232	11,993	17,217	15,673	7,502	38,515	40,392
Canada	416	949	1,518	795	346	2,552	2,659
UK	733	703	1,005	1,092	697	2,265	2,794
Caribbean	5,012	2,677	2,135	3,283	2,993	10,758	8,411
Other Countries	2,149	2,007	2,570	2,606	1,796	6,820	6,972
Excursionists	23,457	20,795	31,681	26,353	23,276	75,936	81,310
Total Visitor Expenditure (EC$M)	79.36	83.74	119.15	103.85	55.93	271.72	278.93

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism
Data as at 09 February 2018

Table 11
Anguilla - Consumer Price Index
March 2010 = 100

			Percentage Change*						
			Quarter Over Previous Quarter						
		Index	2016	2016	2017	2017	2017P	Sep-16	Sep-17
	Weight	Sep 2017	3rdQr	4thQr	1st Qr	2ndQr	3rdQr	Dec-15	Dec-16
All Items	100.0	106.38	(0.01)	1.20	(0.32)	(0.22)	-	0.51	(0.53)
Food & Non-Alchoholic Beverages	12.8	112.89	0.84	0.24	0.18	0.18	-	0.41	0.36
Alcoholic Beverages, Tobacco & Narcotics	2.3	122.68	0.06	0.18	1.23	0.25	-	0.99	1.48
Clothing & Footwear	3.3	104.07	0.15	(2.56)	(2.53)	0.12	-	5.93	(2.42)
Housing, Utilities, Gas & Fuels	25.6	94.85	(0.23)	(0.17)	0.12	(0.93)	-	(1.67)	(0.82)
Household Furnishings, Supplies & Maintenance	4.0	113.93	0.40	0.77	(0.40)	0.55	-	4.36	0.15
Health	2.3	115.55	-	0.08	-	(0.30)	-	(0.12)	(0.30)
Transport	16.0	107.15	(1.14)	8.83	(4.22)	1.08	-	(5.62)	(3.18)
Communication	13.4	117.25	0.45	(1.26)	2.37	(1.10)	-	12.09	1.23
Recreation & Culture	3.8	92.72	1.24	(0.44)	1.62	(0.22)	-	(3.07)	1.40
Education	5.9	121.84	-	0.00	-	-	-	-	-
Hotels & Restaurants	4.0	103.75	(0.11)	1.13	(0.31)	(0.84)	-	(1.08)	(1.15)
Miscellaneous	6.5	103.76	0.01	0.75	0.25	(0.02)	-	0.88	0.23

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism
*at end of period
Data as at 09 February 2018

Table 12
Anguilla - Selected Trade Statistics
(EC$M)

	2016 3rdQr	2016 4thQr	2017 1st Qr	2017R 2ndQr	2017P 3rdQr	2016 Jan - Sept	2017P Jan - Sept
Total Exports	4.49	6.46	2.83	2.79	1.25	12.93	6.87
Total Imports	117.20	105.57	138.16	135.13	131.75	416.25	405.04
Trade Balance	(112.71)	(99.11)	(135.32)	(132.34)	(130.50)	(403.32)	(398.17)

Source: ECCB Estimates
Data as at 07 December 2017

Table 13
Anguilla - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017P 3rd Qr	2016 Jan - Sept	2017P Jan - Sept
Current Revenue	42.99	44.97	55.46	56.65	39.50	143.74	151.60
Tax Revenue	36.26	37.60	47.77	50.27	33.61	122.76	131.65
Taxes on Income and Profits	3.55	3.26	3.89	3.69	3.13	11.18	10.72
Of which: Stabilisation Levy	3.55	3.26	3.89	3.69	3.13	11.18	10.72
Taxes on Property	1.69	2.96	0.94	2.17	2.79	2.86	5.89
Taxes on Domestic Goods and Services	12.56	7.70	22.30	26.31	13.58	47.90	62.18
Of which:							
Licenses	2.93	2.39	7.15	3.31	2.52	14.96	12.98
Accommodation Tax	2.26	0.71	9.42	6.67	3.11	16.36	19.20
Stamp Duties	2.32	1.98	1.15	12.38	1.02	5.10	14.55
Taxes on International Trade and Transac	18.46	23.67	20.64	18.10	14.12	60.82	52.86
Of which:							
Import Duty	13.87	18.61	16.03	14.09	11.08	46.58	41.20
Customs Surcharge	3.78	4.91	4.36	3.89	2.93	12.41	11.17
Embarkation Tax	0.63	0.02	0.13	(0.01)	(0.00)	1.25	0.12
Non-Tax Revenue	6.73	7.37	7.68	6.38	5.89	20.99	19.95
Current Expenditure	45.96	48.93	45.48	48.80	49.08	138.72	143.37
Personal Emoluments	21.31	21.37	20.76	21.11	20.83	63.56	62.70
Good and Services	9.86	13.17	9.81	11.90	10.45	31.07	32.17
Interest Payments	3.43	3.27	3.56	4.14	4.26	8.72	11.96
Domestic	2.33	2.19	2.41	2.51	2.65	5.16	7.58
External	1.11	1.08	1.15	1.63	1.61	3.56	4.38
Transfers and Subsidies	11.35	11.12	11.35	11.65	13.55	35.38	36.55
Of which: Pensions	2.13	2.12	2.13	2.30	2.12	6.39	6.54
Current Account Balance	(2.97)	(3.96)	9.97	7.84	(9.59)	5.02	8.23
Capital Revenue	-	-	-	-	-	-	-
Grants	0.35	1.88	0.61	0.19	29.67	0.47	30.47
Of which: Capital Grants	0.35	1.88	0.61	0.19	29.67	0.47	30.47
Capital Expenditure and Net Lending	1.23	3.20	1.74	3.20	2.18	3.36	7.12
Of which: Capital Expenditure	1.23	3.20	1.74	3.20	2.18	3.36	7.12
Primary Balance before grants	(0.77)	(3.89)	11.79	8.79	(7.51)	10.38	13.07
Primary Balance after grants	(0.42)	(2.01)	12.40	8.98	22.16	10.85	43.54
Overall Balance before grants	(4.20)	(7.16)	8.23	4.64	(11.76)	1.66	1.11
Overall Balance after grants	(3.85)	(5.28)	8.84	4.83	17.91	2.13	31.58
Financing	3.85	5.28	(8.84)	(4.83)	(17.91)	(2.13)	(31.58)
Domestic	7.20	(50.51)	(8.37)	(3.13)	(20.19)	7.17	(31.69)
ECCB (net)	(0.04)	(59.51)	0.23	0.57	(0.06)	4.53	0.74
Commercial Banks (net)	16.03	12.82	3.03	(6.69)	(17.10)	30.51	(20.76)
Other	(8.78)	(3.82)	(11.62)	2.99	(3.03)	(27.87)	(11.66)
External	(3.36)	56.45	(3.29)	(3.29)	(3.31)	(9.95)	(9.88)
Net Disbursements/(Amortisation)	(3.36)	56.45	(3.29)	(3.29)	(3.31)	(9.95)	(9.88)
Disbursements	-	59.79	0.00	-	-	0.08	0.00
Amortisation	3.36	3.34	3.29	3.29	3.31	10.03	9.89
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	0.01	(0.65)	2.81	1.58	5.60	0.65	9.99
Domestic	0.01	(0.65)	2.81	1.58	5.60	0.65	9.99
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Treasury Department, Anguilla and the Eastern Caribbean Central Bank
Data as at 09 February 2018

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

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr[P]
Net Foreign Assets	**385.74**	**392.60**	**432.23**	**437.64**	**452.88**	**475.17**
Central Bank (Net)	**129.62**	**113.61**	**149.99**	**146.77**	**181.46**	**221.66**
Commercial Banks (Net)	256.12	278.98	282.25	290.88	271.41	253.52
External (Net)	96.42	181.60	187.59	212.07	216.98	203.61
Assets	259.66	275.80	275.56	298.49	307.63	441.44
Liabilities	163.24	94.20	87.97	86.42	90.65	237.83
Other ECCB Territories (Net)	159.70	97.39	94.66	78.81	54.43	49.91
Assets	180.81	197.21	201.10	194.79	182.34	180.48
Liabilities	21.10	99.82	106.44	115.98	127.91	130.58
Net Domestic Assets	**632.25**	**625.13**	**578.78**	**574.51**	**568.48**	**543.51**
Domestic Credit	**589.35**	**579.30**	**532.01**	**517.74**	**555.53**	**529.43**
Central Government (Net)	(45.90)	(29.92)	(76.61)	(73.35)	(79.47)	(96.63)
Other Public Sector (Net)	(36.83)	(38.88)	(39.10)	(49.66)	(52.40)	(52.37)
Private Sector	672.08	648.10	647.72	640.74	687.40	678.43
Household	367.83	354.09	356.19	351.44	370.18	361.65
Business	296.49	286.13	283.80	281.61	309.61	309.32
Non-Bank Financial Institutions	1.04	1.16	1.01	0.98	0.90	0.74
Subsidiaries & Affiliates	6.72	6.72	6.72	6.72	6.72	6.72
Other Items (Net)	**42.90**	**45.83**	**46.77**	**56.78**	**12.95**	**14.07**
Monetary Liabilities (M2)	**1,017.99**	**1,017.72**	**1,011.02**	**1,012.15**	**1,021.36**	**1,018.68**
Money Supply (M1)	**59.94**	**63.07**	**64.10**	**61.67**	**62.34**	**63.76**
Currency with the Public	18.81	20.33	19.97	21.02	20.61	22.22
Demand Deposits	38.71	42.01	42.87	40.20	40.07	47.35
EC$ Cheques and Drafts Issued	2.42	0.73	1.26	0.45	1.66	(5.81)
Quasi Money	**958.06**	**954.66**	**946.92**	**950.48**	**959.02**	**954.92**
Savings Deposits	133.43	136.24	134.76	138.66	140.04	141.67
Time Deposits	101.72	100.15	99.37	102.15	100.76	101.38
Foreign Currency Deposits	722.90	718.27	712.80	709.67	718.23	711.87

Source: Eastern Caribbean Central Bank
Data as at02DEC2017

Table 15

Antigua and Barbuda - Selected Tourism Statistics

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017P 3rd Qr	2016 Jan - Sept	2017 Jan - Sept
Total Visitors	81,195	263,067	435,957	145,312	67,789	615,176	649,058
Stay-Over Visitors	54,621	65,002	78,982	58,673	48,354	200,185	186,009
Of which:							
USA	21,498	24,152	30,472	26,409	18,454	84,500	75,335
Canada	2,353	5,108	8,907	3,900	2,570	16,088	15,377
Europe	18,395	25,152	29,739	18,957	16,139	67,083	64,835
UK	15,099	20,830	23,967	15,692	13,117	55,682	52,776
Germany	157	577	937	447	158	1,588	1,542
Switzerland	137	367	374	306	147	789	827
Italy	2,528	2,209	2,925	1,750	2,236	6,391	6,911
France	224	544	600	314	240	1,088	1,154
Other Europe	250	625	936	448	241	1,545	1,625
Caribbean	9,726	7,593	6,000	6,545	8,570	23,443	21,115
South America	358	265	424	381	255	1,395	1,060
Other Countries	2,291	2,732	3,440	2,481	2,366	7,676	8,287
Cruise Ship Passengers	25,714	193,929	347,578	81,984	18,416	400,800	447,978
Number of Cruise Ship Calls	10	111	192	42	8	202	242
Yacht Passengers	860	4,136	9,397	4,655	1,019	14,191	15,071
Number of Yacht Calls	200	803	2,111	1,199	229	3,193	3,539
Total Visitor Expenditure (EC$M)	**176.31**	**226.04**	**288.57**	**198.15**	**156.07**	**683.11**	**642.79**

Source: Ministry of Tourism, Antigua and Barbuda

Data as at 09 February 2018

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

			Percentage Change*						
		Index	2016	2016	2017	2017	2017^{P}	Sep-16	Sep-17
	Weight	Sep-17	3rd Qr	4th Qr	1st Qr	2nd Qr	3rd Qr	Dec-15	Dec-16
All Items	100.00	137.00	0.42	0.20	2.49	(0.21)	(0.11)	(1.32)	2.16
Food	21.42	157.88	0.25	0.53	2.23	(1.11)	(0.63)	(2.32)	0.45
Alcoholic Beverages and Tobacco	0.16	141.26	(0.62)	1.38	1.27	1.57	(0.44)	(3.59)	2.41
Housing	21.83	112.44	-	-	7.44	0.00	0.00	(4.10)	7.44
Fuel and Light	6.39	131.73	0.00	-	-	-	-	0.00	-
Clothing and Footwear	11.06	104.99	0.43	0.11	0.02	0.71	(0.07)	0.76	0.66
Household Furnishings and Supplies	12.60	144.76	(0.15)	1.11	0.23	0.16	(0.28)	0.15	0.11
Transport and Communications	15.35	140.99	1.41	0.13	2.31	0.15	(0.09)	(0.29)	2.37
Medical Care and Expenses	2.76	135.54	(2.85) -	0.07	0.07	0.81	(0.50)	(5.92)	0.38
Education	2.34	212.44	-	0.00	-	-	0.00 -	2.36	0.00
Personal Services	4.30	173.32	2.37	(1.97)	4.82	(1.08)	1.93	2.75	5.69
Miscellaneous	1.79	130.44	4.98	(0.15)	0.36	(0.08)	0.80	4.47	1.08

Source: Statistics Division,Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda
*at end of period
Since April 2016, the Geometic Mean is used to calculate the index. The Arithmetic Mean was used prior to April 2016.
Data for June 2017 estimated
Data as at 09 February 2018

Table 17
Antigua and Barbuda - Selected Trade Statistics
(EC$M)

	2016	2016	2017	2017	2017^{P}	2016	2017
	3rd Qr	4th Qr	1st Qr	2nd Qr	3rd Qr	Jan - Sept	Jan - Sept
Visible Trade Balance	(299.69)	(364.37)	(336.56)	(281.72)	(407.36)	(813.84)	(1,025.64)
Total Exports	5.18	8.74	18.48	21.30	10.65	155.84	50.43
Total Imports	304.88	373.11	355.04	303.01	418.01	969.68	1,076.06

Source: Statistics Division,Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda
Data as at 20 December 2017

Table 18
Antigua and Barbuda - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017P 3rd Qr	2016 Jan - Sept	2017 Jan - Sept
Current Revenue	167.44	205.02	204.94	185.24	153.51	578.02	543.69
Tax Revenue	141.00	148.14	186.83	165.09	134.49	493.06	486.41
Taxes on Income and Profits	11.73	14.60	31.03	14.48	10.87	60.98	56.38
Of which:							
Personal Income	3.49	2.30	0.42	0.34	0.16	23.34	0.93
Company/Corporation	8.24	12.30	30.61	14.14	10.70	37.64	55.45
Taxes on Property	2.83	1.64	6.08	8.90	3.95	15.88	18.93
Taxes on Domestic Goods and Servic	68.60	70.35	88.73	81.57	66.63	231.06	236.93
Of which:							
Stamp Duties	10.09	10.07	11.00	14.72	15.07	32.06	40.79
Antigua and Barbuda Sales Tax	56.09	57.79	73.40	64.27	49.44	193.16	187.11
Taxes on International Trade and Tran	57.84	61.56	60.99	60.14	53.04	185.14	174.17
Of which:							
Import Duty	18.71	21.89	22.46	22.19	18.67	60.18	63.32
Consumption Tax	18.61	18.13	17.10	14.84	15.20	59.45	47.13
Passenger Facility Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue Recovery Charge	17.69	19.68	18.41	18.80	16.18	54.52	53.40
Embarkation Tax							
Non-Tax Revenue	26.44	56.88	18.12	20.14	19.03	84.95	57.29
Current Expenditure	196.93	233.67	210.48	179.43	186.20	572.98	576.11
Personal Emoluments	81.37	87.07	79.24	81.52	80.36	241.46	241.11
Other Goods and Services	31.01	37.41	25.93	33.96	32.02	90.83	91.91
Interest Payments	33.12	22.99	37.02	19.37	25.96	75.63	82.36
Domestic	19.86	17.24	26.24	15.26	16.64	48.83	58.14
External	13.26	5.75	10.78	4.11	9.33	26.81	24.22
Transfers and Subsidies	51.44	86.21	68.29	44.58	47.86	165.06	160.73
Of which: Pensions	14.32	16.82	23.16	16.09	17.05	47.94	56.30
Current Account Balance	(29.49)	(28.66)	(5.53)	5.81	(32.69)	5.04	(32.42)
Capital Revenue	1.30	131.79	8.14	0.44	1.76	42.28	10.34
Grants	0.00	0.00	0.00	0.00	1.14	0.00	1.14
Of which:							
Capital Grants	0.00	0.00	0.00	0.00	1.14	0.00	1.14
Capital Expenditure and Net Lending	22.93	68.15	0.42	18.63	15.77	85.71	34.81
Of which: Capital Expenditure	22.93	38.15	0.42	18.63	15.77	85.71	34.81
Primary Balance after grants	(18.01)	57.97	39.21	6.99	(19.60)	37.25	26.60
Overall Balance after grants	(51.13)	34.99	2.19	(12.38)	(45.56)	(38.39)	(55.76)
Financing	51.13	(34.99)	(2.19)	12.38	45.56	38.39	55.76
Domestic	54.05	(25.60)	23.39	31.56	15.89	117.98	70.84
ECCB (net)	32.76	20.67	(2.23)	16.93	(14.39)	40.66	0.32
Commercial Banks (net)	18.77	12.20	3.81	3.57	(2.91)	(15.08)	4.47
Other	2.53	(58.47)	21.80	11.06	33.19	92.39	66.05
External	(28.38)	5.88	(35.91)	(20.92)	(27.40)	(33.90)	(84.23)
Net Disbursements/(Amortisation)	(30.54)	7.85	(33.92)	(18.92)	(33.69)	(32.58)	(86.53)
Disbursements	10.83	51.15	9.99	39.76	10.99	41.97	60.75
Amortisation	41.37	43.30	43.91	58.68	44.68	74.55	147.28
Change in Government Foreign Asse	2.17	(1.98)	(1.99)	(2.00)	6.29	(1.32)	2.30
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	25.45	(15.26)	10.34	1.74	57.08	(76.13)	69.15
Domestic	4.90	(6.19)	(3.13)	1.06	36.28	(76.63)	34.21
External	20.55	(9.07)	13.47	0.68	20.80	0.51	34.95
Other Financing	0.00	0.00	0.00	0.00	0.00	30.44	0.00

Source: Ministry of Finance, Antigua and Barbuda and Eastern Caribbean Central Bank
Data as at 09 February 2018

Table 19
Antigua and Barbuda - Monetary Survey
(EC$M at end of period)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr[p]
Net Foreign Assets	**1,464.34**	**1,415.85**	**1,461.15**	**1,694.17**	**1,739.60**	**1,796.92**
Central Bank (Net)	**1,105.88**	**1,096.87**	**890.46**	**800.98**	**857.02**	**849.35**
Commercial Banks (Net)	358.46	318.99	570.69	893.19	882.59	947.57
External (Net)	108.72	113.25	175.47	365.20	354.65	462.32
Assets	857.40	845.55	904.94	1,071.32	1,088.83	1,174.36
Liabilities	748.67	732.30	729.46	706.13	734.17	712.04
Other ECCB Territories (Net)	249.74	205.74	395.22	527.99	527.93	485.25
Assets	1,443.59	1,399.94	1,549.32	1,653.40	1,660.43	1,620.31
Liabilities	1,193.85	1,194.21	1,154.10	1,125.41	1,132.50	1,135.06
Net Domestic Assets	**1,746.19**	**1,766.25**	**1,763.50**	**1,672.33**	**1,660.94**	**1,661.45**
Domestic Credit	**2,254.79**	**2,307.49**	**2,336.75**	**2,335.40**	**2,341.96**	**2,353.75**
Central Government (Net)	309.36	360.89	393.76	395.34	415.85	398.55
Other Public Sector (Net)	1.23	7.78	14.66	27.82	22.82	57.17
Private Sector	1,944.21	1,938.82	1,928.33	1,912.23	1,903.29	1,898.03
Household	1,180.95	1,181.35	1,184.71	1,191.98	1,190.51	1,195.27
Business	723.98	718.33	706.14	654.02	647.24	637.72
Non-Bank Financial Institutions	21.62	21.48	15.82	48.57	47.88	47.39
Subsidiaries & Affiliates	17.66	17.66	21.66	17.66	17.66	17.66
Other Items (Net)	**(508.60)**	**(541.25)**	**(573.25)**	**(663.06)**	**(681.02)**	**(692.30)**
Monetary Liabilities (M2)	**3,210.54**	**3,182.10**	**3,224.65**	**3,366.50**	**3,400.55**	**3,458.37**
Money Supply (M1)	**774.43**	**760.33**	**790.98**	**852.31**	**854.37**	**847.33**
Currency with the Public	153.03	156.37	167.53	163.17	163.09	163.68
Demand Deposits	594.28	570.36	594.61	658.66	668.97	650.32
EC$ Cheques and Drafts Issued	27.12	33.60	28.84	30.48	22.32	33.33
Quasi Money	**2,436.11**	**2,421.77**	**2,433.66**	**2,514.19**	**2,546.18**	**2,611.04**
Savings Deposits	1,450.62	1,450.97	1,474.92	1,528.76	1,565.45	1,580.28
Time Deposits	646.97	631.57	619.97	598.52	576.22	570.50
Foreign Currency Deposits	338.53	339.23	338.78	386.91	404.51	460.26

Source: Eastern Caribbean Central Bank
Data as at 16 November 2017

Table 20
Dominica - Selected Tourism Statistics

	2016 3rdQr	2016 4thQr	2017 1st Qr	2017 2ndQr	2017P 3rdQr	2016 Jan - Sep	2017P Jan - Sep
Total Visitors	22,908	133,864	170,497	36,730	21,819	236,744	229,046
Stay-Over Visitors	21,129	23,108	21,409	19,898	20,371	56,630	61,678
USA	3,579	4,332	4,740	4,071	2,941	11,460	11,752
Canada	511	838	1,046	614	436	1,841	2,096
UK	1,335	1,501	1,707	1,052	1,285	3,529	4,044
Caribbean	11,722	11,979	7,535	9,131	11,365	26,686	28,031
Other Countries	3,982	4,458	6,381	5,030	4,344	13,114	15,755
Excursionists	432	254	214	119	199	777	532
Yacht Passengers	1,347	2,425	6,722	2,839	1,249	10,283	10,810
Cruise Ship Passengers	-	108,077	142,152	13,874	-	169,054	156,026
Number of Cruise Ship Calls	-	58	96	6	-	105	102
Total Visitor Expenditure (EC$M)	**89.68**	**123.75**	**106.96**	**88.38**	**84.64**	**259.54**	**279.98**

Sources: Discover Dominica Authority and ECCB Estimates
Data as at 27 November 2017

Table 21
Dominica - Consumer Price Index
June 2010 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
	Weight	Index Sep 2017	2016 3rdQr	2016 4thQr	2017 1st Qr	2017 2ndQr	2017P 3rdQr	Sep-16 Dec-15	Sep-17 Dec-16
All Items	100.00	103.04	0.21	(0.30)	0.20	0.25	0.11	1.02	0.57
Food and Non-Alcoholic Beverages	18.08	111.13	0.84	(0.02)	(0.08)	0.03	(0.03)	(0.13)	(0.08)
Alcoholic Beverages, Tobacco and Narcotics	0.77	111.78	0.33	0.92	(0.10)	(0.39)	-	2.80	(0.49)
Clothing and Footwear	5.08	109.59	-	3.10	-	-	-	(0.09)	-
Housing, Utilities, Gas and Fuels	30.62	94.64	0.49	(2.27)	1.31	0.75	(0.35)	2.49	1.72
Household Furnishings, Supplies and Maintenance	5.23	105.96	0.37	(1.28)	0.29	-	-	0.16	0.29
Health	3.36	106.43	-	(0.51)	0.51	-	-	0.03	0.51
Transport	20.11	104.38	(0.54)	0.34	0.44	0.12	0.15	0.32	0.71
Communication	3.95	101.20	-	-	0.53	-	-	-	0.53
Recreation and Culture	3.74	101.45	0.07	(0.09)	(0.09)	-	-	3.28	(0.09)
Education	1.33	103.74	-	-	(0.09)	-	-	-	(0.09)
Hotels and Restaurants	2.88	110.42	-	0.56	-	-	-	3.45	-
Miscellaneous	4.85	104.64	0.19	0.70	(0.63)	-	-	0.28	(0.63)

Sources: Central Statistical Office, Dominica and ECCB Estimates
*at end of period
Data as at 27 November 2017

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

	2016 3rdQr	2016 4thQr	2017R 1st Qr	2017R 2ndQr	2017P 3rdQr	2016 Jan - Sep	2017P Jan - Sep
Visible Trade Balance	(131.07)	(148.24)	(125.71)	(130.31)	(146.23)	(368.39)	(402.25)
Total Imports	144.89	162.74	141.91	142.59	159.38	414.90	443.87
Total Exports	13.81	14.50	16.20	12.28	13.15	46.51	41.63
Re-Exports	1.34	3.69	6.66	1.83	1.37	9.64	9.85
Domestic Exports	12.48	10.81	9.54	10.45	11.78	36.88	31.78
Of which:							
Bananas							
Value	0.10	0.06	0.18	0.16	0.09	0.41	0.42
Volume	111	35	118	141	98	357.98	357.08

Source: Central Statistical Office, WINFRESH and ECCB Estimates
Data as at 27 November 2017

Table 23
Dominica - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016 3rdQr	2016 4thQr	2017 1st Qr	2017 2ndQr	2017P 3rdQr	2016 Jan - Sep	2017P Jan - Sep
Current Revenue	418.67	224.93	176.12	181.23	162.40	818.29	519.74
Tax Revenue	83.29	90.37	94.71	95.98	89.12	260.39	279.81
Taxes on Income and Profits	15.21	13.96	21.40	16.88	18.56	54.34	56.84
Of which:							
Personal	7.29	7.08	10.37	8.02	9.92	25.10	28.31
Company/Corporation	8.58	7.70	11.74	9.68	9.68	31.32	31.09
Taxes on Property	1.80	1.78	2.75	3.38	2.31	5.37	8.44
Taxes on Domestic Goods and Services	48.14	54.18	50.90	55.29	50.60	148.46	156.79
Of which:							
Licences	3.66	4.08	6.34	7.16	5.42	16.12	18.92
Value Added Tax	33.53	37.36	31.74	36.78	33.99	97.70	102.50
Excise Tax	10.44	12.13	12.42	10.90	10.82	33.24	34.14
Taxes on International Trade and Transa	18.14	20.44	19.66	20.43	17.64	52.21	57.73
Of which:							
Import Duty	10.09	10.88	9.49	9.91	9.70	28.51	29.10
Customs Service Charge	5.16	5.48	4.77	5.32	4.54	12.56	14.63
Environmental Levy	2.51	2.70	2.47	2.73	2.49	7.41	7.70
Non-Tax Revenue	335.38	134.56	81.41	85.24	73.28	557.90	239.93
Current Expenditure	93.36	106.08	107.90	121.58	98.98	289.65	328.46
Personal Emoluments	37.87	38.63	38.04	39.47	36.98	114.23	114.50
Goods and Services 1/	26.12	36.70	31.96	48.55	29.36	85.39	109.86
Interest Payments	6.61	5.33	6.15	6.31	8.67	21.48	21.13
Domestic	2.54	1.19	2.88	1.18	3.22	6.09	7.28
External	4.06	4.14	3.27	5.13	5.45	15.39	13.85
Transfers and Subsidies	22.76	25.42	31.75	27.25	23.97	68.54	82.97
Of which: Pensions	5.01	4.99	5.11	5.10	5.12	14.74	15.33
Current Account Balance	325.31	118.85	68.22	59.64	63.42	528.65	191.28
Capital Revenue	0.00	0.01	0.00	0.05	0.13	0.10	0.18
Grants	0.91	0.77	1.37	12.01	15.48	20.66	28.85
Of which: Capital Grants	0.91	0.77	1.37	12.01	15.48	20.66	28.85
Capital Expenditure and Net Lending	42.95	37.67	56.24	110.51	76.95	122.83	243.70
Of which: Capital Expenditure	43.05	37.70	56.35	110.68	77.13	123.14	244.16
Primary Balance after grants	289.89	87.29	19.50	(32.49)	10.74	448.06	(2.25)
Overall Balance after grants	283.28	81.96	13.34	(38.80)	2.07	426.58	(23.39)
Financing	(283.28)	(81.96)	(13.34)	38.80	(2.07)	(426.58)	23.39
Domestic	(282.45)	(68.03)	(24.23)	51.63	12.02	(392.41)	39.41
ECCB (net)	22.09	(20.61)	(14.04)	0.28	(3.16)	2.82	(16.92)
Commercial Banks (net)	(94.49)	(77.72)	247.13	(208.21)	(2.20)	(152.45)	36.72
Other	(210.05)	30.31	(257.33)	259.56	17.38	(242.79)	19.61
External	2.13	(10.65)	8.56	(11.60)	(14.85)	(29.67)	(17.89)
Net Disbursements (Amortisation)	(7.10)	(3.52)	8.58	(11.02)	(12.54)	(28.89)	(14.98)
Disbursements	4.43	12.54	20.75	18.27	15.89	8.27	54.91
Amortisation	11.53	16.06	12.18	29.28	28.43	37.16	69.89
Change in Government Foreign Assets	9.24	(7.13)	(0.01)	(0.59)	(2.31)	(0.78)	(2.91)
Arrears	(2.97)	(3.28)	2.32	(1.22)	0.76	(4.50)	1.86
Domestic	(2.97)	(3.28)	2.32	(1.22)	0.76	(4.50)	1.86
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Dominica and ECCB
1/ ***Adjustments to goods and services made by the ECCB to account for unprocessed and pending claims. Corresponding adjustments are also made to domestic arrears***
Data as at 27 November 2017

Table 24
Dominica - Monetary Survey
(EC$M at end of period)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr[P]
Net Foreign Assets	**906.80**	**968.24**	**1,090.32**	**1,165.90**	**1,185.71**	**1,155.03**
Central Bank (Net)	**423.32**	**454.24**	**596.43**	**648.27**	**549.05**	**494.26**
Commercial Banks (Net)	483.48	514.01	493.89	517.64	636.66	660.78
External (Net)	176.69	231.14	248.73	301.75	420.17	453.12
Assets	461.19	504.39	514.08	560.42	669.19	692.96
Liabilities	284.50	273.25	265.35	258.66	249.03	239.84
Other ECCB Territories (Net)	306.79	282.86	245.16	215.88	216.50	207.66
Assets	384.31	358.40	326.59	327.03	324.31	318.33
Liabilities	77.52	75.53	81.43	111.15	107.81	110.67
Net Domestic Assets	**444.34**	**396.38**	**285.91**	**231.12**	**260.11**	**283.81**
Domestic Credit	**569.09**	**497.90**	**402.11**	**630.12**	**403.05**	**395.60**
Central Government (Net)	(128.85)	(201.25)	(299.58)	(66.49)	(274.42)	(279.78)
Other Public Sector (Net)	(114.18)	(116.34)	(96.43)	(97.48)	(103.41)	(105.66)
Private Sector	812.13	815.49	798.13	794.08	780.88	781.04
Household	456.71	457.37	449.58	449.59	446.26	446.15
Business	301.03	299.82	280.82	277.67	268.75	268.03
Non-Bank Financial Institutions	54.39	58.30	67.74	66.82	65.87	66.86
Subsidiaries & Affiliates	-	-	-	-	-	-
Other Items (Net)	**(124.75)**	**(101.52)**	**(116.21)**	**(399.00)**	**(142.93)**	**(111.79)**
Monetary Liabilities (M2)	**1,351.14**	**1,364.62**	**1,376.23**	**1,397.02**	**1,445.83**	**1,438.84**
Money Supply (M1)	**293.64**	**285.46**	**302.42**	**300.44**	**327.46**	**314.91**
Currency with the Public	47.91	46.09	52.61	53.86	56.05	53.54
Demand Deposits	244.08	238.20	248.10	242.90	266.03	256.95
EC$ Cheques and Drafts Issued	1.65	1.18	1.71	3.68	5.38	4.43
Quasi Money	**1,057.51**	**1,079.16**	**1,073.80**	**1,096.58**	**1,118.37**	**1,123.93**
Savings Deposits	828.73	815.93	818.02	849.81	866.47	881.34
Time Deposits	204.13	224.21	224.13	222.11	219.52	216.79
Foreign Currency Deposits	24.64	39.02	31.66	24.65	32.38	25.81

Source: Eastern Caribbean Central Bank
Data as at 14 November 2017

Table 25
Grenada - Selected Tourism Statistics

	2016 3rdQr	2016 4thQr	2017R 1st Qr	2017R 2ndQr	2017P 3rdQr	2016 Jan - Sept	2017P Jan - Sept
Total Visitors	40,609	135,455	204,029	55,847	43,766	332,990	303,642
Stay-Over Visitors	34,111	33,116	37,395	34,287	37,607	102,197	109,289
Of which:							
USA	11,055	10,682	13,394	12,504	14,347	34,633	40,245
Canada	2,010	2,679	4,384	2,124	2,252	8,044	8,760
United Kingdom	5,559	6,038	6,866	4,908	5,158	18,066	16,932
Caribbean	7,003	5,033	4,507	7,327	7,797	18,079	19,631
Other Countries	8,484	8,684	8,244	7,424	8,053	23,375	23,721
Excursionists	744	904	554	108	165	2,568	827
Cruise Ship Passengers	2,993	97,550	158,609	15,294	2,745	211,649	176,648
Yacht Passengers	2,761	3,885	7,471	6,158	3,249	16,576	16,878
Number of Cruise Ship Calls	21	67	123	32	33	175	188
Total Visitor Expenditure (EC$M) [1/]	96.60	94.62	184.76	116.16	52.53	277.79	353.45

Source: Grenada Tourism Authorities

[1/] Expenditure of stay over visitors and cruiseship passengers only

Data as at 28 November 2017

Table 26
Grenada - Consumer Price Index
January 2010 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
	Weight	Index Sep 2017	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017P 3rd Qr	Sep-16 Dec-15	Sep-17 Dec-16
All Items	100.0	110.52	(0.18)	0.03	0.27	0.32	-	0.89	0.59
Food & Non-Alcoholic Beverages	20.4	115.75	(0.12)	0.31	0.54	(0.57)	1.36	(1.66)	1.33
Alcoholic Beverages, Tobacco and Narcotics	1.8	125.29	0.46	0.14	0.04	(0.19)	0.27	0.76	0.12
Clothing and Footwear	3.7	102.62	-	0.34	-	(0.11)	(0.16)	0.28	(0.26)
Housing, Utilities, Gas and Fuels	29.1	102.43	0.43	0.16	0.22	(0.39)	0.26	(0.01)	0.10
Household Furnishings, Supplies and Maintenance	4.5	111.42	0.12	0.04	-	(0.36)	0.14	1.57	(0.21)
Health	1.9	133.89	1.89	(1.56)	(0.25)	0.07	0.05	2.40	(0.12)
Transport	18.7	109.90	(1.30)	(0.42)	0.83	2.06	(2.90)	3.41	(0.08)
Communication	10.0	124.72	-	-	-	0.79	2.36	5.67	3.16
Recreation and Culture	2.7	112.07	0.27	0.09	0.17	-	0.96	0.13	1.14
Education	0.8	140.41	6.47	(0.24)	-	5.69	0.59	6.47	6.31
Hotels and Restaurants	1.8	99.32	(7.39)	-	-	-	-	(7.39)	-
Miscellaneous	4.6	106.67	(0.03)	0.15	0.27	1.07	(1.34)	(0.02)	(0.02)

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
*at end of period
Data as at 28 November 2017

Table 27
Grenada - Selected Agricultural Production

	Unit	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017R 2nd Qr	2017P 3rd Qr	2016 Jan - Sept	2017P Jan - Sept
Bananas	(tonnes)	1,940	1,980	2,014	1,772	2,140	5,779	5,926
Cocoa	(tonnes)	33	243	268	185	49	519	502
Nutmeg	(tonnes)	115	119	155	219	108	361	482
Mace	(tonnes)	8	6	10	23	6	29	39

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
Data as at 28 November 2017

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

	2016 3rdQr	2016 4thQr	2017R 1st Qr	2017R 2ndQr	2017P 3rdQr	2016 Jan - Sept	2017P Jan - Sept
Visible Trade Balance	(214.58)	(253.54)	(232.93)	(245.36)	(271.31)	(613.02)	(749.60)
Total Imports	231.88	269.10	246.59	265.94	286.06	677.27	798.59
Total Exports	17.30	15.56	13.66	20.58	14.75	64.26	48.99
Re-Exports	1.66	0.81	0.71	1.62	1.78	8.83	4.10
Domestic Exports	15.64	14.75	12.95	18.96	12.97	55.43	44.89
Of Which:							
Nutmeg							
Volume	121.78	82.66	93.73	106.27	127.72	428.41	327.72
Value	2.94	1.98	2.02	2.30	2.63	10.44	6.95
Mace							
Volume	13.81	16.76	2.47	33.52	2.49	26.72	38.47
Value	0.40	0.38	0.07	0.89	0.07	0.80	1.03
Cocoa							
Volume	49.92	105.06	295.52	135.79	13.01	468.93	444.31
Value	0.44	1.02	3.23	1.47	0.19	4.94	4.89
Manufactured Exports							
Value	8.47	8.52	7.45	7.75	7.07	25.65	22.27

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada
Data as at 28 November 2017

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

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017p 3rd Qr	2016 Jan - Sept	2017p Jan - Sept
Current Revenue	156.95	166.91	183.34	170.71	163.46	484.68	517.50
Tax Revenue	150.07	158.08	175.51	162.69	155.61	459.05	493.81
Taxes on Income and Profits	27.53	30.82	45.99	29.55	32.34	96.45	107.88
Of which:							
Personal	13.07	14.58	17.58	13.94	14.46	44.73	45.98
Company/Corporation	14.46	16.24	28.40	15.61	17.89	51.72	61.90
Taxes on Property	3.97	3.72	6.30	11.37	3.57	20.18	21.24
Taxes on Domestic Goods and Services	66.96	66.66	73.83	68.27	64.53	194.81	206.62
Of which:							
Value-added Tax	53.57	57.54	57.94	56.47	55.77	160.55	170.19
Stamp Duties	6.04	0.71	2.69	0.83	0.81	7.95	4.33
Licences	3.08	4.01	5.45	5.04	3.18	12.63	13.67
Taxes on International Trade and Transactions	51.61	56.88	49.39	53.51	55.16	147.61	158.06
Of which:							
Import Duty	18.08	20.52	16.16	17.79	18.65	49.31	52.60
Customs Service Charge	12.32	14.51	12.00	12.48	13.52	35.05	38.00
Non-Tax Revenue	6.88	8.83	7.83	8.01	7.85	25.63	23.69
Current Expenditure[1/]	128.86	155.65	142.05	162.86	138.03	409.81	442.94
Personal Emoluments	62.48	66.35	70.44	66.58	63.83	185.29	200.86
Goods and Services	31.91	28.60	30.27	31.20	31.61	89.02	93.09
Interest Payments	10.49	33.44	8.51	27.74	11.43	48.84	47.68
Domestic	6.32	8.26	3.19	2.68	7.04	14.70	12.91
External	4.17	25.18	5.31	25.07	4.39	34.13	34.77
Transfers and Subsidies	23.98	27.27	32.83	37.34	31.15	86.66	101.32
Of which: Pensions	7.57	8.33	8.41	9.05	8.62	23.50	26.09
Current Account Balance	28.10	11.25	41.29	7.84	25.43	74.87	74.56
Capital Revenue	-	-	-	-	-	0.00	-
Grants	25.74	32.01	14.45	14.85	24.38	67.97	53.68
Of which: Capital Grants	24.25	22.96	12.41	10.64	20.72	51.05	43.78
Capital Expenditure	31.31	50.57	14.40	12.73	27.95	84.00	55.08
Of which: Capital Expenditure	31.31	45.94	14.40	12.73	27.95	74.20	55.08
Primary Balance after grants	33.02	26.14	49.85	37.70	33.29	107.68	120.85
Overall Balance after grants	22.53	(7.30)	41.35	9.96	21.86	58.84	73.17
Financing	(22.53)	7.30	(41.35)	(9.96)	(21.86)	(58.84)	(73.17)
Domestic	(16.42)	(7.17)	(52.96)	10.08	(15.14)	(32.69)	(58.03)
ECCB (net)	(0.91)	6.16	(12.62)	18.41	6.05	(6.85)	11.83
Commercial Banks (net)	(26.07)	18.91	(55.09)	(3.59)	(16.83)	(11.16)	(75.51)
Other	10.57	(32.23)	14.75	(4.74)	(4.37)	(14.69)	5.65
External	(6.12)	14.47	11.62	(20.04)	(6.71)	(30.33)	(15.14)
Net Disbursements/(Amortisation)	(6.12)	14.47	11.62	(20.04)	(6.71)	(30.33)	(15.14)
Disbursements	4.21	45.57	25.47	11.88	4.02	20.96	41.37
Amortisation	10.32	31.11	13.86	31.92	10.74	51.29	56.51
Change in Government Foreign Assets	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	4.17	-
Domestic	-	-	-	-	-	1.78	-
External	-	-	-	-	-	2.40	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada and the ECCB
[1/] Some reclassifcaitions were made from January 2016 to reflect the New Chart of Accounts, where necessary
Data as at 28 November 2017

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

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr[P]
Net Foreign Assets	**925.34**	**1,003.20**	**1,119.20**	**1,083.28**	**1,125.39**
Central Bank (Net)	**516.48**	**543.71**	**558.69**	**556.98**	**526.50**
Commercial Banks (Net)	408.86	459.49	560.52	526.29	598.89
External (Net)	129.07	151.70	205.45	188.95	251.00
Assets	585.10	604.88	653.26	645.34	702.63
Liabilities	456.03	453.19	447.81	456.38	451.63
Other ECCB Territories (Net)	279.79	307.79	355.06	337.34	347.88
Assets	333.36	361.94	400.95	392.93	394.85
Liabilities	53.57	54.15	45.88	55.60	46.96
Net Domestic Assets	**1,220.08**	**1,147.82**	**1,074.46**	**1,094.17**	**1,091.76**
Domestic Credit	**1,253.76**	**1,240.91**	**1,178.84**	**1,201.20**	**1,189.02**
Central Government (Net)	(83.88)	(58.81)	(126.53)	(111.71)	(122.49)
Other Public Sector (Net)	(229.66)	(248.87)	(235.12)	(228.81)	(241.42)
Private Sector	1,567.29	1,548.60	1,540.49	1,541.73	1,552.93
Household	1,071.55	1,054.61	1,039.51	1,038.39	1,034.14
Business	486.97	485.32	493.00	497.16	512.31
Non-Bank Financial Institutions	8.76	8.67	7.98	6.18	6.48
Subsidiaries & Affiliates	-	-	-	-	-
Other Items (Net)	**(33.68)**	**(93.10)**	**(104.38)**	**(107.03)**	**(97.26)**
Monetary Liabilities (M2)	**2,145.42**	**2,151.01**	**2,193.66**	**2,177.45**	**2,217.15**
Money Supply (M1)	**568.92**	**577.89**	**592.78**	**563.29**	**599.48**
Currency with the Public	125.77	135.66	133.41	129.80	132.47
Demand Deposits	432.34	430.65	451.54	419.90	454.48
EC$ Cheques and Drafts Issued	10.81	11.58	7.83	13.59	12.53
Quasi Money	**1,576.50**	**1,573.12**	**1,600.88**	**1,614.16**	**1,617.67**
Savings Deposits	1,171.98	1,174.66	1,187.25	1,197.77	1,203.44
Time Deposits	241.98	242.57	239.09	233.45	221.31
Foreign Currency Deposits	162.54	155.89	174.54	182.94	192.92

Source: Eastern Caribbean Central Bank
Data as at16NOV2017

Table 31
Montserrat - Selected Tourism Statistics

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr	2016 Jan-Sep	2017 Jan-Sep
Total Visitors	2,374	3,627	8,038	2,536	2,491	11,782	13,065
Stay-Over Visitors	1,849	2,718	2,503	1,661	1,784	6,124	5,948
Of which:							
USA	485	735	713	425	409	1,711	1,547
Canada	56	167	264	73	52	343	389
UK	496	735	634	360	463	1,582	1,457
Caribbean	711	927	749	712	782	2,189	2,243
Other Countries	101	154	143	91	78	299	312
Excursionists	118	253	530	361	317	912	1,208
Cruise Ship Passengers	237	372	4,611	-	227	3,224	4,838
Number of Cruise Ship Calls	1	4	14	-	2	18	16
Yacht Passengers	170	284	394	514	163	1,522	1,071
Number of Yachts	43	67	331	146	38	383	515
Total Visitor Expenditure (EC$M)	4.32	6.50	7.60	4.06	4.07	16.41	15.73

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat
Data as at 07 December 2017
Data for August and September 2016 Estimated

Table 32
Montserrat - Consumer Price Index
January 2014 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
		Index	2016	2016	2017	2017	2017	Sep-16	Sep-17
	Weight	Sep-17	3rd Qr	4th Qr	1st Qr	2nd Qr	3rd Qr	Dec-15	Dec-16
All Items	99.91	98.28	(0.59)	(0.70)	1.49	0.89	(1.66)	(0.61)	0.69
Food & Non-Alchoholic Beverages	16.32	97.56	(0.48)	0.08	(0.99)	1.31	(1.65)	(0.37)	(1.35)
Alchoholic Beverages, Tobacco & Narcotics	0.43	100.08	(0.75)	0.23	0.09	0.30	0.06	0.06	0.45
Clothing & Footwear	4.76	97.85	0.05	(4.60)	1.80	(1.91)	5.67	(0.28)	5.52
Housing, Water, Electrcity, Gas and Other Fuels	33.05	99.73	(0.08)	(0.63)	0.75	2.64	(2.29)	(0.88)	1.04
Furnishing, household equipment and Routine Household Maintenance	3.48	99.88	(0.26)	(1.87)	(1.20)	(0.23)	1.79	(1.43)	0.34
Health	1.89	106.81	0.00	0.00	(0.35)	0.00	2.65	(1.03)	2.29
Transport	18.08	94.31	(2.56)	0.36	8.50	(0.81)	(3.89)	(2.11)	3.43
Communication	8.33	95.84	0.00	(2.61)	(0.25)	0.58	(5.09)	2.32	(4.78)
Recreation & Culture	2.44	99.29	(1.41)	1.71	(2.82)	1.49	1.52	(1.42)	0.13
Education	2.85	102.95	0.28	0.00	0.00	0.00	0.00	0.28	0.00
Restaurants and Hotels	2.11	101.60	0.00	0.00	0.23	(0.95)	1.28	0.98	0.54
Miscellaneous goods and services	6.17	101.02	0.35	(1.66)	(0.54)	(0.20)	1.37	0.55	0.63

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat
*at end of period
Data as at 07 December 2017

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

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr	2016 Jan-Sep	2017 Jan-Sep
Visible Trade Balance	(20.29)	(26.32)	(15.86)	(21.45)	(22.89)	(60.44)	(60.19)
Total Imports	23.90	28.62	21.37	25.19	25.67	68.90	72.23
Total Exports	3.61	2.30	5.52	3.74	2.78	8.46	12.04
Total Domestic Exports	3.45	2.11	2.33	3.27	2.48	7.26	8.09
Total Re-Exports	0.15	0.18	3.18	0.47	0.30	1.19	3.95

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat and ECCB Estimates
Data as at 15 November 2017

Table 34
Montserrat - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr	2016 Jan-Sep	2017 Jan-Sep
Current Revenue	11.65	12.01	13.64	11.11	10.22	35.00	34.97
Tax Revenue	10.05	10.77	12.24	9.85	8.65	31.07	30.75
Taxes on Income and Profits	3.56	3.34	6.02	4.15	3.85	13.23	14.03
Of which:							
Personal	3.06	3.04	3.46	3.48	3.26	9.26	10.20
Company/Corporation	0.41	0.09	2.31	0.51	0.54	3.33	3.36
Taxes on Property	0.54	0.10	0.03	0.02	0.03	0.65	0.08
Taxes on Domestic Goods and Servic	1.55	1.13	1.53	1.12	1.48	4.02	4.13
Of which:							
Licences and Stamp Duties	0.52	0.80	0.67	0.86	0.56	2.02	2.10
Hotel Occupancy	0.00	0.02	0.02	0.01	0.00	0.02	0.03
Insurance Company Levy	0.07	0.06	0.04	0.06	0.03	0.20	0.13
Taxes on International Trade and Tran	4.40	6.21	4.66	4.56	3.29	13.16	12.51
Of which:							
Import Duty	1.62	2.23	1.68	1.66	1.13	4.76	4.48
Consumption Tax	2.63	3.70	2.77	2.72	1.97	7.66	7.47
Non-Tax Revenue	1.59	1.24	1.40	1.26	1.57	3.93	4.22
Current Expenditure	29.07	29.30	35.72	30.11	25.79	84.95	91.61
Personal Emoluments	10.31	10.74	10.82	10.61	11.22	31.41	32.65
Goods and Services*	11.34	10.58	13.83	8.99	9.27	31.75	32.08
Interest Payments	0.01	0.01	0.01	0.01	0.01	0.02	0.02
Domestic	-	-	-	-	-	-	-
External	0.01	0.01	0.01	0.01	0.01	0.02	0.02
Transfers and Subsidies	7.42	7.97	11.07	10.50	5.30	21.78	26.87
Of which: Pensions	2.71	2.96	3.84	2.73	2.92	8.71	9.49
Current Account Balance before gran	(17.43)	(17.29)	(22.07)	(19.00)	(15.57)	(49.95)	(56.64)
Current Account Balance after grants	7.67	3.92	(22.07)	(3.65)	20.31	3.23	(5.41)
Capital Revenue	-	-	-	-	-	-	-
Grants	25.56	21.28	0.00	16.68	90.96	66.31	107.63
Of which: Capital Grants	0.45	0.07	0.00	1.33	55.07	13.13	56.41
Capital Expenditure and Net Lending	7.26	3.30	0.02	2.82	4.97	17.68	7.81
Of which: Capital Expenditure	7.24	3.28	0.00	0.53	4.93	17.62	5.46
Primary Balance before grants	(24.68)	(20.59)	(22.09)	(21.81)	(20.53)	(67.61)	(64.43)
Primary Balance after grants	0.87	0.69	(22.09)	(5.14)	70.42	(1.30)	43.20
Overall Balance before grants	(24.69)	(20.59)	(22.09)	(21.82)	(20.54)	(67.63)	(64.45)
Overall Balance after grants	0.87	0.69	(22.09)	(5.14)	70.42	(1.32)	43.18
Financing	(0.87)	(0.69)	22.09	5.14	(70.42)	1.32	(43.18)
Domestic	(0.86)	(0.68)	22.10	2.88	(70.42)	1.35	(45.45)
ECCB (net)	(0.16)	(0.03)	(0.48)	(0.12)	0.53	(0.17)	(0.06)
Commercial Banks (net)	(2.39)	(7.42)	28.34	1.52	(16.28)	13.90	13.58
Other	1.70	6.77	(5.76)	1.48	(54.68)	(12.38)	(58.97)
External	(0.01)	(0.01)	(0.01)	2.27	0.01	(0.03)	2.26
Net Disbursements/(Amortisation)	(0.01)	(0.01)	(0.01)	2.27	0.01	(0.03)	2.26
Disbursements	0.02	0.02	0.02	2.29	0.04	0.06	2.35
Amortisation	0.03	0.03	0.03	0.03	0.03	0.09	0.09
Change in Government Foreign Asse	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Montserrat and Eastern Caribbean Central Bank
*Goods and Services include Miscellaneous Payments
Data as at 07 December 2017

Table 35
Montserrat - Monetary Survey
(EC$M at end of period)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr[P]
Net Foreign Assets	**300.75**	**302.86**	**310.18**	**282.16**	**273.21**	**290.34**
Central Bank (Net)	**137.79**	**137.50**	**133.26**	**126.57**	**121.40**	**120.81**
Commercial Banks (Net)	162.95	165.36	176.92	155.60	151.81	169.53
External (Net)	107.04	100.70	108.16	92.86	94.22	108.71
Assets	176.72	171.82	178.72	164.04	167.71	182.27
Liabilities	69.69	71.12	70.56	71.18	73.49	73.56
Other ECCB Territories (Net)	55.92	64.66	68.77	62.74	57.59	60.82
Assets	68.84	76.62	81.03	76.41	71.56	75.25
Liabilities	12.92	11.96	12.26	13.67	13.97	14.43
Net Domestic Assets	**(53.83)**	**(53.55)**	**(62.88)**	**(30.71)**	**(30.01)**	**(43.27)**
Domestic Credit	**(9.49)**	**(8.90)**	**(14.64)**	**14.81**	**20.80**	**5.46**
Central Government (Net)	(66.45)	(69.01)	(76.46)	(48.60)	(47.20)	(62.94)
Other Public Sector (Net)	(16.03)	(19.11)	(18.50)	(17.86)	(15.72)	(15.61)
Private Sector	73.00	79.23	80.32	81.27	83.72	84.02
Household	66.31	69.87	70.62	71.58	73.86	74.54
Business	6.69	9.35	9.70	9.70	9.85	9.48
Non-Bank Financial Institutions	-	-	-	-	-	-
Subsidiaries & Affiliates	-	-	-	-	-	-
Other Items (Net)	**(44.34)**	**(44.65)**	**(48.24)**	**(45.52)**	**(50.81)**	**(48.73)**
Monetary Liabilities (M2)	**246.92**	**249.31**	**247.31**	**251.45**	**243.19**	**247.07**
Money Supply (M1)	**48.21**	**51.27**	**62.19**	**65.57**	**60.96**	**61.44**
Currency with the Public	19.33	20.73	20.69	21.16	19.32	20.22
Demand Deposits	28.52	30.35	41.41	44.27	41.37	41.08
EC$ Cheques and Drafts Issued	0.36	0.20	0.09	0.14	0.27	0.15
Quasi Money	**198.71**	**198.04**	**185.11**	**185.89**	**182.24**	**185.63**
Savings Deposits	144.75	145.19	144.23	145.26	143.21	144.89
Time Deposits	44.66	43.54	30.48	30.78	30.69	30.57
Foreign Currency Deposits	9.30	9.31	10.40	9.85	8.34	10.17

Source: Eastern Caribbean Central Bank
Data as at 14 NOV 2017

Table 36
St Kitts and Nevis - Selected Tourism Statistics

	2016 3rdQr	2016 4thQr	2017 1st Qr	2017R 2ndQr	2017P 3rdQr	2016 Jan - Sept	2017P Jan - Sept
Total Visitors	156,076	309,677	446,990	231,281	147,566	744,957	825,837
Stay-Over Visitors	25,026	27,704	31,786	28,616	24,353	87,645	84,755
Of which:							
USA	13,641	15,766	19,649	17,071	13,494	52,077	50,214
Canada	1,106	1,593	2,837	1,250	1,070	5,360	5,157
UK	2,166	2,761	2,674	2,401	2,133	7,420	7,208
Caribbean	6,174	5,969	4,927	6,293	5,885	17,494	17,105
Other Countries	1,939	1,615	1,699	1,601	1,771	5,294	5,071
Excursionists	748	1,151	1,298	676	748	3,021	2,722
Cruise Ship Passengers	130,115	280,497	411,827	200,858	122,046	651,733	734,731
Yacht Passengers	187	325	2,079	1,131	419	2,558	3,629
Number of Cruise Ship Calls	36	131	195	67	30	291	292
Total Visitor Expenditure (EC$M)	**78.17**	**98.16**	**121.72**	**101.35**	**85.38**	**275.40**	**308.45**

Source: Central Statistics Department, St Kitts; and Central Statistics Office, Nevis and ECCB Estimates
Data as at 15 November 2017

Table 37

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

			Percentage Change*						
			Quarter over Previous Quarter						
	Weight	Index Sep 2017	2016 3rdQr	2016 4thQr	2017 1st Qr	2017R 2ndQr	2017P 3rdQr	Sep-16 Dec-15	Sep-17 Dec-16
All items	100.00	108.01	0.67	(0.61)	0.02	0.31	0.86	0.64	1.19
Food and Non-Alcoholic Beverages	15.98	99.23	(0.24)	(2.59)	0.17	1.50	0.97	(2.67)	2.65
Alcoholic Beverages, Tobacco & Narcotics	2.71	122.46	(0.51)	(0.15)	1.01	(0.20)	(0.62)	2.62	0.17
Clothing and Footwear	4.20	119.42	0.82	(0.07)	(0.03)	1.34	0.95	0.93	2.27
Housing, Utilities, Gas and Fuels	27.56	100.84	0.10	0.10	0.07	0.05	(0.16)	(0.40)	(0.04)
Household Furnishings, Supplies and Maintenance	6.10	109.90	0.67	(1.51)	1.54	0.27	0.35	1.75	2.17
Health	2.38	108.89	2.35	(0.36)	0.32	(0.26)	0.00	2.16	0.06
Transport	16.14	119.08	0.81	3.63	(1.31)	0.59	3.77	(0.58)	3.01
Communication	8.47	107.01	(0.25)	(8.86)	0.00	0.00	0.37	6.04	0.37
Recreation and Culture	2.92	106.61	1.01	0.77	2.70	(2.84)	(0.15)	0.29	(0.36)
Education	2.41	129.54	5.60	(2.63)	0.00	0.00	0.00	8.56	0.00
Hotels and Restaurants	5.60	116.52	5.05	0.41	0.00	0.00	0.00	5.05	0.00
Miscellaneous Goods and Services	5.54	107.01	0.46	0.18	0.09	(0.58)	0.29	1.97	(0.20)

Source: Central Statistics Department, Sustainable Development, St Kitts
* at end of period
Data as at 15 November 2017

Table 38
St Kitts and Nevis - Selected Trade Statistics
(Value: EC$M)

	2016R 3rdQr	2016 4thQr	2017R 1st Qr	2017R 2ndQr	2017P 3rdQr	2016 Jan - Sept	2017P Jan - Sept
Visible Trade Balance	(167.11)	(214.62)	(179.26)	(170.19)	(168.60)	(547.50)	(518.05)
Total Imports /1	199.90	249.32	211.23	206.48	201.09	650.72	618.80
Total Exports	32.79	34.70	31.97	36.29	32.50	103.22	100.76
Total Domestic Exports	28.11	29.56	28.39	24.57	27.63	76.19	80.59
Total Re-Exports	4.68	5.14	3.57	11.72	4.87	27.02	20.16

Source: Statistics Department, Sustainable Development, St Kitts
/1 Excludes some fuel imports
Data as at 15 November 2017

Table 39
St Kitts and Nevis - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016 3rdQr	2016 4thQr	2017 1st Qr	2017R 2ndQr	2017P 3rdQr	2016 Jan - Sept	2017P Jan - Sept
Current Revenue	168.94	214.64	169.38	172.02	200.14	568.65	541.54
Tax Revenue	117.10	128.92	121.62	122.22	113.00	357.82	356.83
Taxes on Income and Profits	30.35	28.51	30.67	33.93	28.75	88.35	93.35
Of Which:							
Personal	12.65	14.00	12.60	13.57	13.08	38.57	39.25
Company/Corporation	13.71	12.63	14.61	17.10	14.10	40.68	45.82
Taxes on Property	4.17	1.93	1.77	5.79	4.76	14.74	12.32
Taxes on Domestic Goods and Servi	50.67	52.83	54.21	46.88	47.61	155.04	148.70
Of Which:							
Licences	0.83	4.31	3.48	1.12	1.32	5.60	5.92
Value Added Tax	35.12	36.10	37.62	34.90	33.41	104.59	105.94
Stamp Duties	9.07	6.66	6.73	4.45	5.77	29.65	16.95
Unincorporated Business Levy	1.55	2.23	1.84	1.20	2.24	3.99	5.28
Island Enhancement Levy	0.99	0.85	1.27	1.25	0.95	2.56	3.47
Taxes on International Trade and Tra	31.91	45.65	34.96	35.62	31.88	99.70	102.46
Of Which:							
Import Duty	15.43	21.75	14.95	15.74	14.91	45.97	45.60
Customs Service Charge	9.59	13.74	9.83	11.38	9.61	29.96	30.82
Excise Tax	3.24	5.09	3.42	3.61	3.26	11.95	10.29
Non-Refundable Duty Free Store l	0.53	1.74	1.75	0.66	0.59	2.42	3.00
Non-Tax Revenue	51.84	85.72	47.76	49.80	87.14	210.83	184.71
Current Expenditure	143.23	209.40	146.10	153.79	154.96	452.76	454.85
Personal Emoluments	69.18	99.20	71.10	69.42	71.74	211.52	212.27
Goods and Services	33.28	47.62	36.73	31.88	32.13	106.39	100.74
Interest Payments	8.25	9.92	7.51	14.49	13.12	29.30	35.11
Domestic	6.10	7.42	5.37	12.63	10.10	22.05	28.10
External	2.14	2.50	2.13	1.86	3.02	7.25	7.01
Transfers and Subsidies	32.51	52.65	30.76	38.00	37.97	105.54	106.73
Of Which: Pensions	8.62	24.36	8.49	9.74	9.76	25.19	27.98
Current Account Balance	25.71	5.25	23.28	18.23	45.19	115.89	86.69
Capital Revenue	1.07	2.11	3.19	1.40	1.30	3.35	5.90
Grants	26.00	18.77	21.56	13.70	21.90	47.76	57.16
Of which: Capital Grants	25.54	18.62	19.03	8.54	11.83	34.52	39.40
Capital Expenditure and Net Lending	23.40	35.08	29.90	29.99	27.41	45.90	87.30
Of which: Capital Expenditure	23.26	33.16	30.08	30.01	27.53	67.32	87.62
Primary Balance after grants	37.63	0.96	25.64	17.83	54.10	150.41	97.57
Overall Balance after grants	29.38	(8.96)	18.13	3.35	40.98	121.11	62.46
Financing	(29.38)	8.96	(18.13)	(3.35)	(40.98)	(121.11)	(62.46)
Domestic	(23.78)	19.90	(12.28)	3.97	(32.44)	(77.01)	(40.75)
ECCB (net)	(4.36)	(7.16)	0.92	(1.19)	(11.78)	(18.44)	(12.05)
Commercial Banks (net)	(16.23)	19.23	0.89	14.09	(21.71)	(66.02)	(6.72)
Other	(3.19)	7.84	(14.10)	(8.93)	1.05	7.46	(21.98)
External	(5.60)	(10.94)	(5.85)	(7.32)	(8.54)	(44.10)	(21.71)
Net Disbursements/(Amortisation)	(5.60)	(10.94)	(5.85)	(7.32)	(8.54)	(44.10)	(21.71)
Disbursements	0.56	0.10	0.01	0.05	0.13	1.11	0.19
Amortisation	6.16	11.04	5.86	7.37	8.67	45.21	21.89
Change in Government Foreign Ass	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance, St Kitts and Nevis and ECCB Estimates
Data as at 07 December 2017

Table 40
St Kitts and Nevis - Monetary Survey
(EC$M at end of period)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr[P]
Net Foreign Assets	**2,300.54**	**2,307.64**	**2,167.07**	**2,187.02**	**2,124.01**	**2,060.11**
Central Bank (Net)	**926.07**	**888.28**	**844.71**	**883.93**	**913.11**	**975.57**
Commercial Banks (Net)	1,374.47	1,419.36	1,322.36	1,303.09	1,210.90	1,084.55
External (Net)	1,642.90	1,679.37	1,698.67	1,855.34	1,896.42	1,820.51
Assets	2,314.70	2,319.25	2,447.43	2,695.00	2,683.82	2,626.24
Liabilities	671.80	639.88	748.76	839.66	787.40	805.73
Other ECCB Territories (Net)	(268.43)	(260.01)	(376.31)	(552.26)	(685.52)	(735.96)
Assets	734.18	724.14	676.52	632.12	609.61	595.81
Liabilities	1,002.60	984.15	1,052.84	1,184.37	1,295.13	1,331.77
Net Domestic Assets	**734.41**	**678.09**	**740.59**	**722.55**	**762.18**	**761.78**
Domestic Credit	**917.53**	**871.30**	**887.00**	**869.83**	**866.63**	**872.90**
Central Government (Net)	445.16	424.57	436.63	438.45	451.35	417.86
Other Public Sector (Net)	(979.60)	(1,000.78)	(1,011.46)	(1,036.75)	(1,040.84)	(1,022.36)
Private Sector	1,451.98	1,447.51	1,461.83	1,468.14	1,456.12	1,477.41
Household	862.33	864.00	875.34	869.26	866.27	866.02
Business	533.72	530.80	523.79	519.98	516.60	532.01
Non-Bank Financial Institutions	15.34	12.29	22.15	38.45	33.01	38.62
Subsidiaries & Affiliates	40.58	40.42	40.56	40.45	40.25	40.76
Other Items (Net)	**(183.12)**	**(193.20)**	**(146.41)**	**(147.28)**	**(104.45)**	**(111.12)**
Monetary Liabilities (M2)	**3,034.95**	**2,985.73**	**2,907.67**	**2,909.56**	**2,886.19**	**2,821.89**
Money Supply (M1)	**622.46**	**593.79**	**567.40**	**567.57**	**549.86**	**548.27**
Currency with the Public	164.49	166.77	178.13	174.36	175.70	179.76
Demand Deposits	441.25	406.47	373.42	372.94	359.48	352.86
EC$ Cheques and Drafts Issued	16.72	20.55	15.85	20.27	14.68	15.65
Quasi Money	**2,412.49**	**2,391.94**	**2,340.27**	**2,342.00**	**2,336.33**	**2,273.63**
Savings Deposits	942.80	944.31	955.38	968.38	975.46	997.26
Time Deposits	615.67	589.30	560.05	525.92	527.54	517.50
Foreign Currency Deposits	854.02	858.32	824.84	847.69	833.34	758.87

Source: Eastern Caribbean Central Bank
Data as at15NOV2017

Table 41
Saint Lucia - Selected Tourism Statistics

	2016^R 3rd Qr	2016^R 4th Qr	2017^R 1st Qr	2017^R 2nd Qr	2017^P 3rd Qr	2016 Jan - Sep	2017 Jan - Sep
Total Visitor Arrivals	147,458	309,650	437,625	200,057	144,061	694,394	781,743
Stay Over Arrivals [1/]	81,541	83,192	100,478	97,070	91,740	264,680	289,288
USA	35,729	36,059	42,511	47,078	39,425	121,517	129,014
Canada	5,092	9,231	19,054	8,318	4,762	28,541	32,134
UK	12,779	17,241	17,743	17,882	16,516	47,273	52,141
Caribbean	23,731	14,886	12,732	18,226	25,385	52,340	56,343
Other Countries	4,210	5,775	8,438	5,566	5,652	15,009	19,656
Excursionists	3,141	3,409	2,522	1,846	1,989	9,074	6,357
Cruise Ship Passenger	52,175	209,079	313,552	92,474	43,858	378,342	449,884
Number of Cruise Ships	24	127	211	68	19	254	298
Yacht Passengers [1/]	10,601	13,970	21,073	8,667	6,474	42,298	36,214
Total Visitor Expenditure (EC$M)	**456.35**	**526.06**	**547.62**	**564.02**	**537.60**	**1,443.54**	**1,649.23**

[1/] From January 2016, yacht passengers staying in paid accomodation was recorded as part of stay-over arrivals

Source: Saint Lucia Tourist Board

Data as at 15 November 2017

Table 42
Saint Lucia - Consumer Price Index
January 2008 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
		Index	2016^R	2016^R	2017^R	2017^R	2017^P	Sep-16	Sep-17
	Weight	Sep 2017	3rd Qr	4th Qr	1st Qr	2nd Qr	3rd Qr	Dec-15	Dec-16
All items	99.87	113.82	0.76	(0.94)	0.36	0.86	(0.59)	(1.92)	0.63
Food and Non-Alcoholic Beverages	25.02	122.06	(0.32)	0.67	(2.46)	0.89	0.93	(2.74)	(0.68)
Alcoholic Beverages, Tobacco & Narcotics	6.53	134.98	0.56	0.75	(0.17)	(3.70)	1.06	4.14	(2.84)
Clothing and Footwear	1.66	124.29	(2.90)	(11.05)	(4.79)	(1.27)	3.48	(4.31)	(2.72)
Housing, Utilities, Gas and Fuels	17.36	116.91	4.11	(2.58)	5.93	2.07	(2.48)	(2.24)	5.45
Household Furnishings, Supplies and Maintenance	3.31	94.43	(2.67)	2.36	(1.70)	0.98	(5.81)	3.24	(6.50)
Health	3.96	118.92	(0.05)	1.66	(0.89)	(0.54)	(1.08)	0.15	(2.49)
Transport	16.40	112.02	(2.73)	(1.34)	0.77	2.75	2.54	(1.91)	6.16
Communication	12.54	129.17	-	0.05	8.78	-	-	3.65	8.78
Recreation & Culture	1.37	63.38	(4.65)	(0.12)	(6.59)	(4.06)	8.69	(26.13)	(2.60)
Education	3.70	158.00	-	-	0.13	-	-	2.04	0.13
Hotels & Restaurants	1.10	123.17	-	-	-	-	-	2.19	-
Miscellaneous Goods and Services	6.92	100.10	3.99	1.05	(0.59)	0.29	0.97	1.57	0.66

*at end of period

Source: Central Statistical Office, Saint Lucia and ECCB Estimates

Data as at 15 November 2017

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

	2016[R] 3rd Qr	2016[R] 4th Qr	2017[R] 1st Qr	2017[R] 2nd Qr	2017[P] 3rd Qr	2016 Jan - Sep	2017 Jan - Sep
Total Exports	85.64	68.91	75.42	104.21	50.46	254.16	230.09
Total Domestic Exports	57.31	48.23	48.60	55.90	32.90	167.44	137.39
Total Re-Exports	28.33	20.67	26.82	48.31	17.56	86.72	92.70
Total Imports	374.09	491.42	429.95	489.20	414.50	1,276.45	1,333.65
Visible Trade Balance	(288.45)	(422.51)	(354.52)	(384.99)	(364.04)	(1,022.29)	(1,103.55)

Source: Central Statistical Office, Saint Lucia and ECCB Estimates
Data as at 15 November 2017

Table 44
Saint Lucia - Banana Production

	2016[R] 3rd Qr	2016[R] 4th Qr	2017[R] 1st Qr	2017[R] 2nd Qr	2017[P] 3rd Qr	2016 Jan - Sep	2017 Jan - Sep
Volume (tonnes)	2,542	576	651	2,432	2,894	6,515	5,977
Value (EC$M)	4.50	1.10	1.13	3.99	4.61	11.77	9.73
Unit Price (EC$/ tonnes)	1,769.30	1,908.63	1,734.27	1,640.20	1,594.65	1,806.88	1,628.40

Source: Winfresh Ltd
Data as at 15 November 2017

Table 45
Saint Lucia - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016R 3rdQr	2016R 4thQr	2017R 1st Qr	2017R 2ndQr	2017P 3rdQr	2016 Jan - Sep	2017 Jan - Sep
Current Revenue	231.83	245.25	288.33	255.29	240.08	770.36	783.71
Tax Revenue	223.16	222.72	272.64	245.52	225.89	743.16	744.05
Taxes on Income and Profits	56.97	40.53	88.34	63.27	60.45	211.06	212.06
Of which:							
Personal	24.80	24.56	30.55	25.26	25.32	82.30	81.13
Company/Corporation	23.81	5.67	40.44	25.36	23.95	87.03	89.76
Taxes on Property	3.25	2.08	4.78	2.26	2.96	9.49	10.00
Taxes on Domestic Goods and Servic	96.56	104.82	103.59	99.11	90.09	319.79	292.80
Of which:							
Consumption Duty	0.01	0.02	-	0.03	-	0.02	0.03
Licences	5.91	9.71	6.26	4.83	4.42	19.10	15.50
Excise Tax	1.06	0.87	1.03	0.97	0.97	2.91	2.97
Hotel Occupancy Tax	0.02	0.07	0.09	0.02	0.02	0.35	0.12
Value Added Tax	77.45	83.21	85.68	81.75	72.55	262.23	239.98
Taxes on International Trade and Tran	66.38	75.29	75.93	80.88	72.39	202.83	229.19
Of which:							
Consumption Tax	-	0.01	-	-	-	0.24	-
Import Duties	26.87	30.89	28.16	30.47	27.37	79.52	86.01
Customs Service Charge	16.42	18.93	18.13	19.10	16.83	50.31	54.06
Excise Tax	18.80	22.44	22.70	26.11	20.73	58.54	69.55
Non-Tax Revenue	8.67	22.53	15.69	9.77	14.19	27.20	39.66
Current Expenditure	235.35	250.27	248.57	236.09	243.22	666.48	727.87
Personal Emoluments	94.70	116.81	96.91	94.71	93.76	283.83	285.38
Goods and Services	43.86	42.07	53.81	38.58	42.11	123.58	134.50
Interest Payments	42.15	35.42	41.65	47.07	37.76	113.86	126.48
Domestic	28.47	21.99	26.19	31.12	19.04	76.44	76.35
External	13.68	13.43	15.46	15.95	18.71	37.42	50.13
Transfers and Subsidies	54.65	55.96	56.19	55.73	69.59	145.20	181.52
Of which: Pensions	20.67	23.47	21.14	20.35	22.77	58.07	64.25
Current Account Balance	(3.52)	(5.02)	39.76	19.21	(3.14)	103.88	55.83
Capital Revenue	0.06	0.08	0.02	0.02	0.01	0.15	0.05
Grants	2.39	8.45	18.49	1.44	1.55	12.93	21.48
Of which: Capital Grants	2.39	8.45	18.49	1.44	1.55	12.93	21.48
Capital Expenditure and Net Lending	36.18	38.03	64.79	18.91	39.31	105.52	123.01
Of which: Capital Expenditure	36.18	38.03	64.79	18.91	39.31	105.52	123.01
Primary Balance after grants	4.90	0.90	35.14	48.83	(3.13)	125.31	80.84
Overall Balance after grants	(37.25)	(34.52)	(6.51)	1.76	(40.88)	11.45	(45.64)
Financing	37.25	34.52	6.51	(1.76)	40.88	(11.45)	45.64
Domestic	(12.31)	44.31	(51.05)	(62.17)	22.78	(91.76)	(90.44)
ECCB (net)	(15.71)	(7.11)	27.09	10.07	(21.92)	(4.14)	15.24
Commercial Banks (net)	59.53	23.00	(52.14)	13.30	(11.90)	(33.48)	(50.74)
Other	(56.13)	28.42	(26.00)	(85.54)	56.59	(54.13)	(54.94)
External	49.56	(9.79)	57.56	60.41	18.11	80.31	136.08
Net Disbursements (Amortisation)	49.56	(9.79)	57.56	60.41	18.11	80.31	136.08
Disbursements	67.26	10.79	75.07	83.06	46.16	133.80	204.29
Amortisation	17.70	20.58	17.51	22.65	28.05	53.49	68.21
Change in Government Foreign Asse	-	-	-	-	-	-	-
Arrears	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-
Other financing	-	-	-	-	-	-	-

Source: Ministry of Finance, Saint Lucia
Data as at 23 November 2017

Table 46
Saint Lucia - Monetary Survey
(EC$M at end of period)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr[P]
Net Foreign Assets	**511.97**	**464.49**	**486.28**	**749.31**	**789.16**	**764.02**
Central Bank (Net)	**839.16**	**789.18**	**780.38**	**840.52**	**762.15**	**720.93**
Commercial Banks (Net)	(327.19)	(324.69)	(294.11)	(91.21)	27.02	43.10
External (Net)	173.71	171.67	204.15	296.91	309.45	245.18
Assets	963.24	941.02	960.03	1,019.15	1,052.76	953.23
Liabilities	789.53	769.35	755.89	722.23	743.31	708.05
Other ECCB Territories (Net)	(500.90)	(496.35)	(498.25)	(388.12)	(282.43)	(202.08)
Assets	387.32	368.71	390.34	499.40	553.18	602.67
Liabilities	888.22	865.06	888.59	887.52	835.61	804.75
Net Domestic Assets	**2,630.45**	**2,653.28**	**2,638.74**	**2,496.30**	**2,461.53**	**2,335.85**
Domestic Credit	**3,097.80**	**3,163.32**	**2,976.69**	**2,899.40**	**2,897.14**	**2,862.16**
Central Government (Net)	145.28	189.09	204.98	179.93	203.30	169.49
Other Public Sector (Net)	(497.09)	(466.40)	(477.41)	(508.26)	(525.61)	(524.07)
Private Sector	3,449.61	3,440.62	3,249.12	3,227.72	3,219.45	3,216.74
Household	1,756.97	1,762.10	1,683.54	1,843.52	1,851.18	1,858.82
Business	1,628.92	1,614.88	1,547.59	1,370.95	1,355.53	1,344.83
Non-Bank Financial Institutions	17.66	17.79	17.40	12.63	12.13	12.47
Subsidiaries & Affiliates	46.06	45.86	0.59	0.62	0.62	0.61
Other Items (Net)	**(467.36)**	**(510.04)**	**(337.95)**	**(403.10)**	**(435.61)**	**(526.31)**
Monetary Liabilities (M2)	**3,142.42**	**3,117.77**	**3,125.02**	**3,245.60**	**3,250.69**	**3,099.87**
Money Supply (M1)	**791.32**	**832.81**	**859.73**	**892.20**	**916.89**	**862.46**
Currency with the Public	154.54	153.09	165.76	154.67	153.76	148.78
Demand Deposits	634.77	667.89	685.58	731.23	747.42	708.25
EC$ Cheques and Drafts Issued	2.01	11.83	8.39	6.30	15.72	5.42
Quasi Money	**2,351.10**	**2,284.96**	**2,265.28**	**2,353.40**	**2,333.80**	**2,237.41**
Savings Deposits	1,587.70	1,592.06	1,584.80	1,599.83	1,611.89	1,626.71
Time Deposits	418.90	365.22	362.13	366.70	346.70	311.04
Foreign Currency Deposits	344.50	327.68	318.35	386.87	375.21	299.66

Source: Eastern Caribbean Central Bank
Data as at 16 November 2017

Table 47
St Vincent and the Grenadines - Selected Tourism Statistics

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017P 3rd Qr	2016 Jan - Sept	2017P Jan - Sept
Total Visitors	24,435	69,489	113,076	37,402	24,517	153,667	174,995
Stay-Over Visitors	17,716	21,192	19,706	18,328	17,921	58,203	55,955
Of which:							
USA	4,908	5,923	6,197	6,105	5,141	17,163	17,443
Canada	1,435	2,472	2,513	1,897	1,587	5,433	5,997
UK	3,133	4,442	3,874	2,586	2,155	12,532	8,615
Caribbean	7,074	6,181	4,642	6,281	7,818	18,209	18,741
Other Countries	1,166	2,174	2,480	1,459	1,220	4,866	5,159
Excursionists	192	257	480	408	321	1,083	1,209
Yacht Passengers	5,773	12,136	21,083	9,676	5,538	36,134	36,297
Cruise Ship Passengers	754	35,904	71,807	8,990	737	58,247	81,534
Number of Cruise Ship Calls	18	83	116	28	16	178	160
Total Visitor Expenditure (EC$M)	**47.69**	**70.90**	**83.14**	**56.47**	**45.40**	**199.44**	**185.00**

Source: St Vincent and the Grenadines Tourism Authority

Data as at 27 November 2017

Table 48
St Vincent and the Grenadines - Consumer Price Index
January 2010 = 100

			Percentage Change*						
			Quarter over Previous Quarter						
		Index	2016	2016	2017	2017	2017P	Sep-16	Sep-17
	Weight	Sep 2017	3rd Qr	4th Qr	1st Qr	2nd Qr	3rd Qr	Dec-15	Dec-16
All Items	100.0	108.40	-	(0.28)	0.19	1.60	0.37	1.24	2.17
Food and Non-Alcoholic Beverages	21.91	115.10	(0.54)	0.63	(0.98)	1.89	1.77	1.18	2.68
Alcoholic Beverages, Tobacco and Narcotics	3.87	118.30	0.88	1.13	(0.17)	1.38	0.60	3.42	1.81
Clothing and Footwear	3.22	105.20	(0.29)	-	0.10	-	0.29	2.14	0.38
Housing, Water, Electricity, Gas and Other Fu	30.06	99.00	0.81	(1.11)	0.92	1.31	(1.39)	1.64	0.81
Furnishing, Household Equipment and Routine	6.59	109.30	0.29	-	(0.58)	5.66	0.92	1.28	6.01
Health	1.79	106.60	(0.09)	(0.09)	(0.19)	0.47	(1.11)	(1.56)	(0.84)
Transport	11.84	120.70	(1.33)	(0.51)	0.68	1.85	(0.08)	1.20	2.46
Communications	9.41	119.90	(1.66)	-	0.09	4.02	7.82	0.47	12.27
Recreation and Culture	3.81	104.50	-	0.10	0.38	(0.38)	0.38	1.36	0.38
Education	1.32	110.10	0.74	-	-	-	0.73	(0.82)	0.73
Restaurants and Hotels	1.87	106.00	0.29	0.19	(0.58)	0.88	2.71	0.29	3.01
Miscellaneous Goods and Services	4.31	102.80	-	-	4.04	(2.09)	(0.48)	0.20	1.38

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning, St Vincent and the Grenadines
*at end of period
Data as at 27 November 2017

Table 49
St Vincent and the Grenadines - Selected Trade Statistics
(Value: EC$M; Volume: 000 tonnes)

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017P 3rd Qr	2016 Jan - Sept	2017P Jan - Sept
Visible Trade Balance	(195.39)	(203.26)	(187.47)	(177.68)	(186.30)	(574.37)	(551.46)
Total Imports	224.18	238.34	216.80	203.12	209.24	665.50	629.17
Total Exports	28.80	35.08	29.33	25.44	22.94	91.13	77.71
Re-Exports	2.50	3.81	5.73	2.76	1.23	6.60	9.72
Domestic Exports	26.29	31.26	23.60	22.68	21.71	84.52	67.98

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning, St Vincent and the Grenadines
Data as at 27 November 2017

Table 50
St Vincent and the Grenadines - Central Government Fiscal Operations
(In millions of Eastern Caribbean dollars)

	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017P 3rd Qr	2016 Jan - Sept	2017P Jan - Sept
Current Revenue	138.93	179.73	121.56	148.56	151.28	409.64	421.39
Taxes on Income and Profits	35.73	50.77	28.84	43.55	33.68	104.81	106.07
Individuals	17.59	21.00	21.52	20.10	18.55	56.68	60.18
Corporate	14.25	26.21	4.50	16.76	13.54	38.67	34.80
Non Resident	3.89	3.57	2.82	6.69	1.59	9.45	11.09
Taxes on Property[1]	7.81	17.13	3.71	13.78	24.37	27.97	41.85
Of which:							
Propert Tax	1.75	1.03	0.46	0.62	1.84	3.01	2.92
Taxes on Domestic Goods and Servic	57.87	59.41	60.34	58.00	60.78	174.66	179.13
Of which:							
Telecomm Broadcast licence	0.05	0.02	2.99	0.00	0.04	0.83	3.03
Excise Tax	10.39	12.08	9.99	10.45	8.82	29.22	29.25
Value Added Tax	37.50	40.20	40.23	40.17	37.84	113.58	118.23
Motor Vehicle Licence	3.58	3.18	3.06	3.62	3.84	9.92	10.51
Taxes on International Trade and Tran	16.43	17.46	12.70	14.86	13.97	45.48	41.53
Of which:							
Import Duty	14.93	16.06	11.54	13.05	12.20	40.63	36.79
Other Revenue	21.10	34.94	15.97	18.36	18.48	56.72	52.81
Current Expenditure	131.27	137.76	126.28	145.20	145.50	385.20	416.98
Compensation of Employee	67.65	69.60	69.28	69.44	69.84	204.83	208.56
Use of Goods and Services	17.81	18.25	11.66	18.44	17.58	45.99	47.68
Interest Payments	9.61	10.87	9.76	12.96	10.36	30.59	33.08
Domestic	4.90	3.24	4.67	3.63	4.61	11.76	12.91
External	4.71	7.63	5.09	9.33	5.75	18.83	20.17
Transfers	32.84	32.94	33.44	35.20	40.68	96.23	109.33
Of which:							
Other Grants and Contributions	13.84	15.38	13.07	16.43	19.64	39.64	49.14
Employment Related Social Benefit	12.50	14.92	15.37	13.32	15.55	39.65	44.24
Current Account Balance	7.67	41.97	(4.72)	3.36	5.78	24.44	4.41
Capital Revenue and Grants	21.15	7.43	0.91	6.53	11.28	33.62	18.72
Capital Expenditure	22.63	23.54	1.10	16.04	22.63	46.80	39.77
Primary Balance	15.80	36.73	4.85	6.80	4.79	41.85	16.44
Overall Balance	6.18	25.86	(4.91)	(6.16)	(5.58)	11.26	(16.65)
Financing	(6.18)	(25.86)	4.91	6.16	5.58	(11.26)	16.65
Domestic	(25.77)	(1.19)	35.57	(32.72)	9.09	(8.03)	11.93
ECCB (net)	3.04	(6.91)	(9.24)	(5.27)	(7.77)	5.34	(22.29)
Commercial Banks (net)	(16.13)	(17.16)	25.34	(14.10)	31.10	(32.02)	42.34
Other	(12.68)	22.87	19.48	(13.35)	(14.24)	18.64	(8.12)
External	8.45	(8.52)	(15.17)	32.29	(13.01)	13.76	4.10
Net Disbursements/(Amortisation)	8.45	(8.52)	(15.17)	32.29	(13.01)	13.76	4.10
Disbursements	20.43	3.87	1.68	45.63	2.65	47.69	49.97
Amortisation	11.98	12.39	16.85	13.35	15.67	33.93	45.87
Change in Government Foreign Asse	-	-	-	-	-	-	-
Arrears	11.14	(16.15)	(15.49)	6.59	9.50	(16.99)	0.61
Domestic	11.14	(16.15)	(15.49)	6.59	9.50	(16.99)	0.61
External	-	-	-	-	-	-	-
Other Financing	-	-	-	-	-	-	-

Source: Ministry of Finance and Economic Planning, St Vincent and the Grenadines and the Eastern Caribbean Central Bank
Note: The classification of Government Finance Statistics was changed in the first quarter of 2016
1/ For St Vincent and the Grenadines, this item includes property tax, alien land holding license and stamp duty on property
**Based on international best practice of economic classification, VAT is a tax on goods and services; therefore*
Data as at 27 November 2017

Table 51
St Vincent and the Grenadines - Monetary Survey
(EC$M at end of period)

	2016 2nd Qr	2016 3rd Qr	2016 4th Qr	2017 1st Qr	2017 2nd Qr	2017 3rd Qr[P]
Net Foreign Assets	**583.24**	**606.72**	**661.82**	**664.03**	**653.09**	**629.31**
Central Bank (Net)	**455.16**	**440.09**	**516.24**	**486.67**	**535.00**	**500.50**
Commercial Banks (Net)	128.08	166.63	145.58	177.37	118.09	128.82
External (Net)	42.09	68.65	67.95	89.58	57.02	26.80
Assets	253.08	278.17	273.52	283.64	250.59	223.18
Liabilities	210.99	209.52	205.58	194.06	193.56	196.38
Other ECCB Territories (Net)	86.00	97.98	77.64	87.78	61.07	102.02
Assets	202.10	205.15	197.52	195.86	192.57	200.47
Liabilities	116.10	107.17	119.89	108.08	131.50	98.46
Net Domestic Assets	**893.55**	**872.21**	**858.90**	**880.35**	**882.53**	**901.90**
Domestic Credit	**1,069.70**	**1,055.98**	**1,045.43**	**1,075.36**	**1,051.97**	**1,083.60**
Central Government (Net)	97.57	84.49	60.42	76.51	57.14	80.47
Other Public Sector (Net)	(107.39)	(106.64)	(99.04)	(91.89)	(105.31)	(100.24)
Private Sector	1,079.52	1,078.13	1,084.05	1,090.74	1,100.14	1,103.38
Household	837.81	842.54	846.62	854.19	866.14	874.89
Business	222.59	216.24	210.02	210.01	207.04	188.91
Non-Bank Financial Institutions	15.12	15.36	23.41	22.55	22.96	35.57
Subsidiaries & Affiliates	4.00	4.00	4.00	4.00	4.00	4.00
Other Items (Net)	**(176.15)**	**(183.76)**	**(186.53)**	**(195.01)**	**(169.44)**	**(181.70)**
Monetary Liabilities (M2)	**1,476.79**	**1,478.93**	**1,520.72**	**1,544.39**	**1,535.62**	**1,531.22**
Money Supply (M1)	**458.00**	**452.09**	**479.79**	**494.22**	**492.77**	**463.51**
Currency with the Public	65.88	71.94	91.72	86.70	86.03	82.69
Demand Deposits	378.57	371.15	379.55	398.85	393.78	371.37
EC$ Cheques and Drafts Issued	13.55	9.00	8.51	8.67	12.97	9.45
Quasi Money	**1,018.79**	**1,026.84**	**1,040.93**	**1,050.17**	**1,042.85**	**1,067.71**
Savings Deposits	829.96	831.97	845.21	867.06	878.33	882.47
Time Deposits	117.57	113.68	114.25	110.68	109.28	108.66
Foreign Currency Deposits	71.26	81.19	81.47	72.43	55.25	76.59

Source: Eastern Caribbean Central Bank
Data as at 14 November 2017