

# ANGUILLA

**EASTERN CARIBBEAN CENTRAL BANK**

**ANNUAL  
ECONOMIC  
AND  
FINANCIAL  
REVIEW  
2023**

**EASTERN CARIBBEAN CENTRAL BANK**



DECEMBER 2023

# ECONOMIC AND FINANCIAL REVIEW

## ANGUILLA

EASTERN CARIBBEAN CENTRAL BANK





©Eastern Caribbean Central Bank

**Address:**

P. O. Box 89  
Basseterre  
St Kitts and Nevis  
West Indies

**Telephone**

(869) 465-2537

**Fax:**

(869) 465-5615

**Website**

[www.eccb-centralbank.org](http://www.eccb-centralbank.org)

**Email**

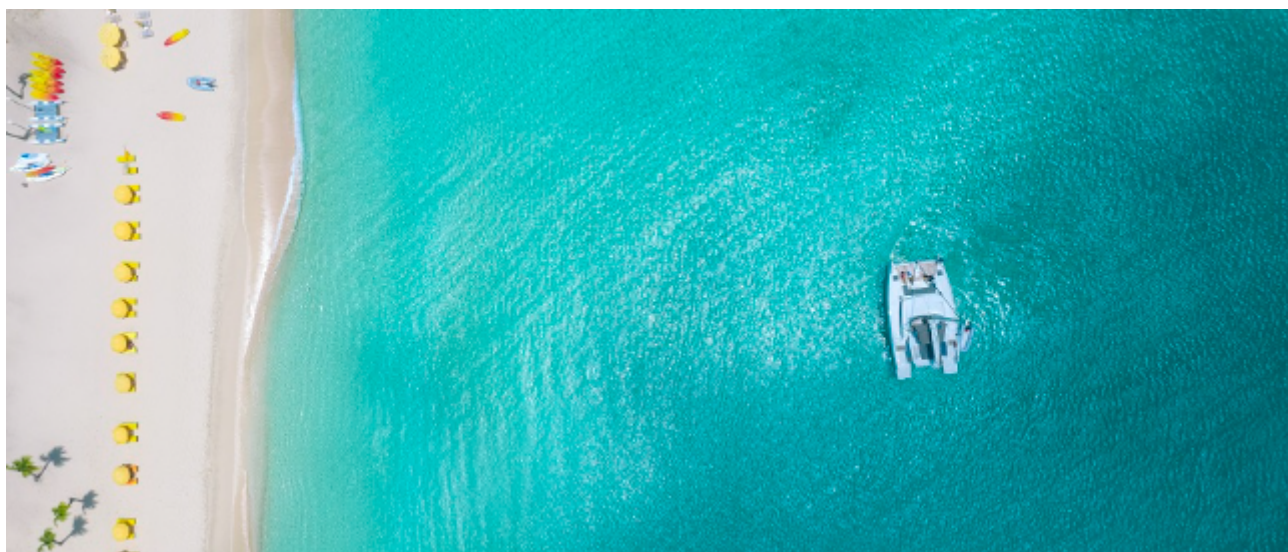
[rsdad@eccb-centralbank.org](mailto:rsdad@eccb-centralbank.org)

Anguilla  
Annual Economic and Financial Review - 2023

Eastern Caribbean Central Bank

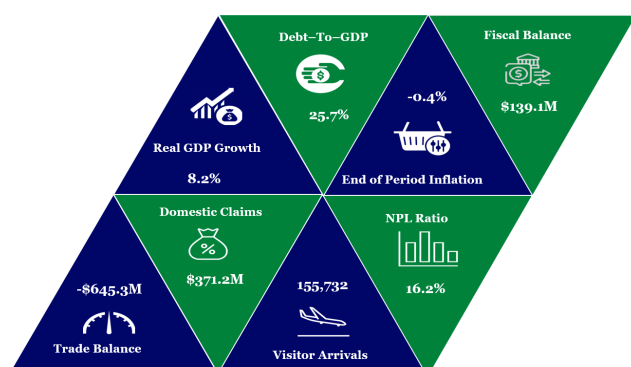
**Contents**

<b>Overview</b> . . . . .	<b>2</b>
<b>The Economy (Real Sector)</b> . . . . .	<b>2</b>
Consumer Prices . . . . .	3
<b>Government Operations</b> . . . . .	<b>3</b>
Debt . . . . .	4
<b>Banking Developments</b> . . . . .	<b>4</b>
<b>External Trade</b> . . . . .	<b>5</b>
<b>Outlook</b> . . . . .	<b>5</b>
<b>Selected Economic Indicators</b> . . . . .	<b>7</b>



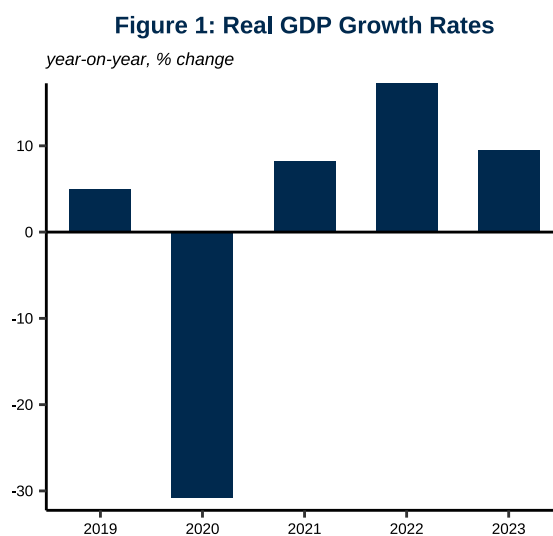
## Overview<sup>1</sup>

- Anguilla’s economy expanded in 2023 by 8.2 per cent, supported by increased activity in several sectors driven primarily by construction and tourism activity.
- Inflation declined year-on-year and stood at -0.4 per cent, driven by an easing in the food and energy sub-indices relative to one year prior.
- The government’s focus on fiscal responsibility proved fruitful as fiscal outturns improved in 2023. Likewise, public debt maintained a downward trend.
- Anguilla’s economy is projected to continue on a strong growth path, predicated on increased construction and tourism activity and anticipated disinflation barring any negative impacts from geopolitical tensions in the medium term (2024-2026).



## The Economy (Real Sector)

**Economic activity rebounded strongly in 2023, with a registered expansion of 8.2 per cent, driven by heightened tourism and construction activity (Figure 1).** The performance of these sectors had spill over effects on the ancillary sectors such as transport, storage and communication, wholesale and retail trade, real estate renting and business activities.



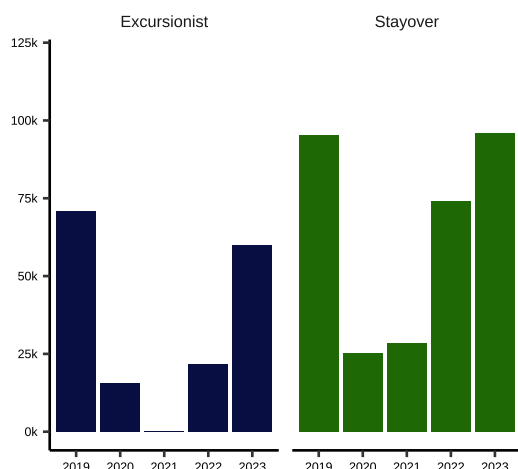
Source: ECCB

<sup>1</sup>Photo Credit: Anguilla Tourist Board

**Tourism activity registered strong growth in 2023.** Anguilla welcomed a total of 155,732 visitors, a 62.6 per cent increase over 2022. Growth in tourism activity was supported by expanded airlift as frequency and number of routes to the island increased.

**Consequently, stayover arrivals increased by 29.6 per cent (21,891 visitors) compared to the prior year (Figure 2).** The United States of America maintained the largest market share, contributing 68.2 per cent of total stayover visitors (65,413 visitors). Similarly, excursionists increased sharply, more than doubling its outturn at 59,788 compared to 21,714 in the year prior (Figure 2). Visitor expenditure for the fiscal year increased by \$82.0m (21.8 per cent) reaching \$460.8m and surpassed the pre pandemic average of \$367.9m (2017-2019).

**Figure 2: Visitor Arrivals by Selected Categories**



Source: ECCB

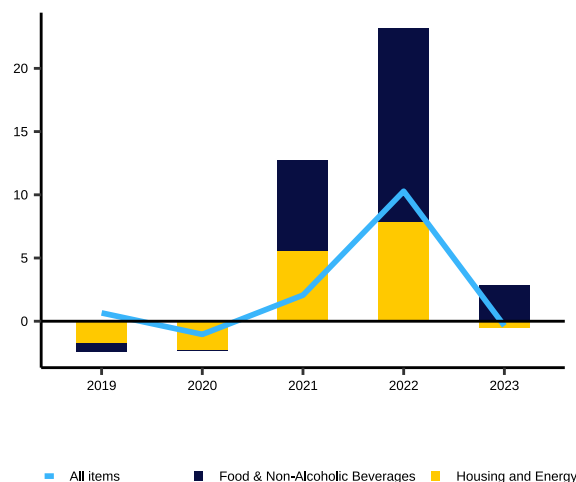
**Construction sector activity buoyed, as value added grew by 13.1 per cent.** Several projects were undertaken over the course of the year, including the construction of the parking lot for the Clayton J Lloyd International Airport, completion of the Albena Lake Hodge Comprehensive School, construction of the National Green Space, Blowing Point Taxi Stand and the Astro turf field.

### Consumer Prices

**After a high inflation level of 10.3 per cent, recorded during 2022, inflation declined year-**

**on-year, and stood at -0.4 per cent at the end of 2023 (Figure 3).** This was influenced by the Government of Anguilla’s decision to extend concessions, which began in 2022. These included imports of fuel products, which helped to alleviate the surge of the rising cost of fuel. Downward movements were reflected in Housing Utilities, Gas and Fuels (0.5 percent), Transport (9.5 per cent) and Communication (1.5 per cent) sub-indices. Despite the removal of duty and tax on selected food items, food inflation stood at 2.8 per cent, a marked deceleration from the rate of 15.3 per cent as at December 2022.

**Figure 3: Selected Categories of Inflation**  
%, year-on-year



Source: ECCB

## Government Operations

**The Government of Anguilla maintained a strong fiscal position in 2023.** The fiscal surplus increased by 18.4 per cent to \$139.1m (9.6 per cent of GDP), as revenue outstripped expenditure, driven by strong performance in the sale of .ai domain names.

Current revenue rose by 14.6 per cent to \$396.8m (27.5 per cent of GDP) in 2023. This outturn was primarily driven by a \$65.4m expansion in non-tax revenue to \$120.2m compared to a \$3.7m in the previous year (Table 1). The rise in non-tax receipts was associated with a surge in fees, fines and sales, specifically the sale of the .ai domain name. These receipts outperformed budgeted estimates, earning an estimated



\$77.2m (GOA 2024 budget speech) in 2023. Consequently, the contribution of non-tax revenue to current revenue surpassed that of the prior year.

Table 1: Central Government Fiscal Operations (EC\$M)

Indicators	2019	2020	2021	2022	2023
Current Revenue	234.9	192.4	252.2	346.3	396.8
Tax Revenue	198.6	157.6	201.1	291.5	276.6
Non-Tax Revenue	36.3	34.8	51.1	54.8	120.2
Current Expenditure	212.2	225.7	212.0	227.3	239.1
Current Account Balance (after Grants)	22.8	8.3	56.4	119.0	157.7
Capital Revenue	16.8	10.4	-2.7	0.0	2.0
Grants	0.0	41.5	16.2	0.0	0.0
Capital Expenditure and Net Lending	10.2	8.3	4.1	1.5	20.6
Primary Balance (after Grants)	48.1	-14.1	47.0	131.3	153.6
Overall Balance (after Grants)	29.3	10.4	49.6	117.5	139.1
Financing	-29.3	-10.4	-49.6	-117.5	-139.1

Tax revenue amounted to \$276.6m, with a recorded 5.1 per cent reduction, which moderated the increase in non-tax revenue (Table 1). This was driven mainly by the removal of several taxes (to include Interim Goods Tax) subsequent to the introduction of the 13.0 per cent Goods and Services Tax (GST). GST, which has been implemented for its first full fiscal year, more than doubled its proceeds by \$90.1m.

**Total expenditure rose by 13.5 per cent to \$259.7m (18.0 per cent of GDP) owing to upturns in capital expenditure.** Capital expenditure and Net Lending soared to \$20.6m, its highest level in five years, attributed to the implementation of a large portfolio of infrastructure projects (Table 1). Similarly, current expenditure recorded an expansion of \$11.8m due to higher payments of personal emoluments (by \$10.9m), other transfers (\$8.6m), and honorariums (\$10.6m).

Overall, a current account surplus was maintained in 2023, increasing by \$38.7m to \$157.7m, equivalent to 10.9 percent of GDP.

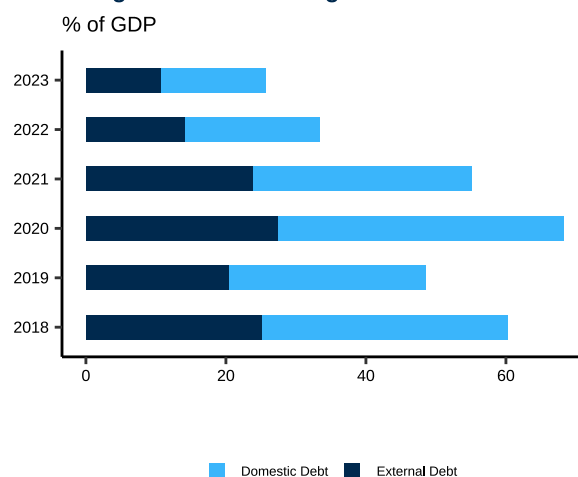
## Debt

**Total public sector debt declined for the sixth consecutive year.** As at December 2023, total public

sector debt amounted to \$371.03m, equivalent to 25.7 per cent of GDP (Figure 4). This represented a \$38.8m contraction in the debt stock recorded as at December 2023 on account of consistent debt amortisation while incurring no new borrowings during 2023.

The government’s push to attain economic resilience and its restraint in acquiring new debts helped to reduce domestic and external debt by \$16.7m and \$22.2m respectively. Public sector external debt as at December 2023 accounted for 10.8 per cent of GDP, relative to the 14.2 per cent recorded at the end of the previous year.

Figure 4: Outstanding Public Sector Debt

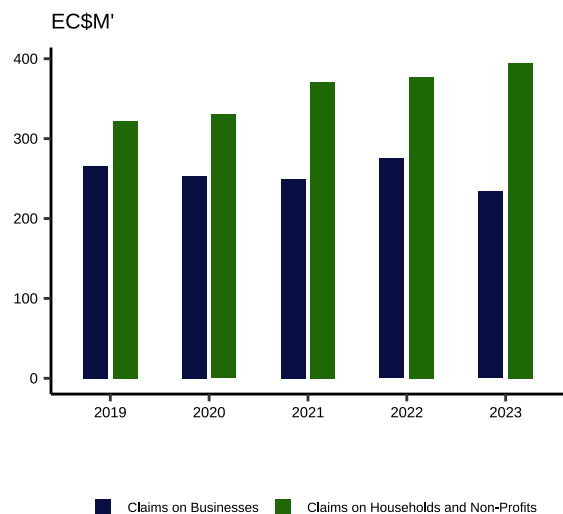


Source: ECCB

## Banking Developments

**Domestic claims in Anguilla’s banking system contracted by 26.5 per cent to \$371.2m driven mainly by a 73.0 per cent widening in net deposit position of General Government as a result of the goal to increase reserves.** Credit to the private sector fell by \$24.0m (3.7 per cent) as a direct result of a reduction in business credit of \$41.5m. Curbing this decrease was a \$17.5m increase in claims on households (Figure 5).

**Figure 5: Claims (Credit) on Selected Sectors**



Source: ECCB

Broad money liabilities expanded by 11.9 per cent to \$1,263.9m attributable mainly to the increase in foreign currency deposits to \$895.8m.

Net foreign assets grew by 32.9 per cent to \$965.8m in 2023 while net domestic assets narrowed by 26.0 per cent to \$298.0m. The increase in Anguilla’s net foreign assets was attributed largely to an expansion in commercial banks’ holdings of foreign assets by 34.8 per cent (\$307.8m).

The asset quality of the banking system continued to improve as the non-performing loans ratio declined but remained above the 5.0 per cent prudential benchmark. Non-performing loans to gross loans ratio fell by 4.5 percentage points to 16.2 in 2023. Likewise, commercial banks’ liquidity position improved as the liquid assets to short-term liabilities rose by 9.9 percentage points to 63.4 in 2023.

## External Trade

**The merchandise trade deficit marginally widened to \$645.3m (44.7 per cent of GDP) over that of the previous year.** A reduction in import payments of \$9.4m was noted, which lower export receipts outpaced by \$9.6m. A reduction in the value of imports was recorded for almost all commodity categories, with the most notable declines recorded in

machinery and transport equipment (\$3.9m), manufactured goods (\$2.3m) and mineral fuels and related materials (\$1.3m). Import payments for 2023 surpassed the five-year (2018-2022) average of \$636.4m.

Meanwhile, the decline in export receipts was partly due to new restrictions imposed on the exports of seafood (lobster and fish) from Anguilla to St Maarten/St Martin.

The economic outlook is subject to considerable downside risks in light of continued tensions in the Middle East. These tensions may worsen the inflation outlook, through energy, food and transportation costs.

## Outlook

**Growth is set to moderate even as Anguilla’s economy continues to recover.**

- Economic activity is projected to expand in the medium term driven by budgeted capital expenditure. Several major construction projects are expected to continue, including the airport, the Altima Marina and a number of hotels projects, following the execution of a number of agreements.
- Tourism activity is projected to continue to strengthen with an increase in visitors following the redevelopment of the airport and the hosting of milestone events such as the 50th Summer Festival 2024. Enhancements to the tourism product is being undertaken which will assist in increasing the marketability of the island.
- Inflation is likely to further decelerate in line with global projections. The moderation in price pressures is likely to be beneficial for Anguillians, given the country’s reliance on imports.
- The government’s fiscal operations are likely to marginally deteriorate given the projected expansion in government’s capital expenditure portfolio. This is contingent upon the rate of implementation of the capital expenditure projects. Non-tax revenue is likely to increase as domain name





sales increase with renewals beginning this fiscal year.

However, this outlook is subject to considerable downside risks in light of continued tensions in the Middle East. These tensions may worsen the inflation outlook, through increased energy, food and transportation costs. Considering Anguilla's heavy reliance on

imports, any supply chain challenges are likely to impact the cost of doing business.

Adverse weather conditions remain a point of concern for the island especially with the presence of the El Nino phenomenon, which could negatively impact the economy and its development.



## Selected Economic Indicators

Item	2019	2020	2021	2022	2023
<b>National Income and Prices (Annual % change)</b>					
Nominal Gross Domestic Product (GDP) at Market Prices	16.8	-31.4	16.5	50.7	18.1
Real GDP at Market Prices	5.5	-29.9	12.8	24.2	8.2
Consumer Prices (end of period)	0.7	-1.0	2.1	10.3	-0.4
Consumer Prices (period average)	0.8	-0.5	1.8	5.6	3.5
<b>Real Gross Value Added (GVA) at basic prices (%)</b>					
Agriculture, Livestock and Forestry	11.4	-41.4	3.0	-5.4	9.1
Manufacturing	2.3	0.8	4.8	3.2	13.1
Construction	-53.8	-19.9	27.8	5.7	13.1
Wholesale and Retail Trade	-14.4	-32.5	35.4	15.6	-5.1
Hotels and Restaurants	75.5	-71.7	11.8	161.0	31.7
Transport, Storage and Communications	1.4	-34.7	-7.6	34.2	10.4
Financial Intermediation	23.4	-6.4	-0.4	-0.5	0.2
Real Estate, Renting and Business Activities	8.3	-15.5	3.1	9.9	2.0
Public Administration, Defence & Compulsory Social Security	0.6	2.3	0.0	0.1	2.2
<b>Total Public Sector Debt (% GDP)</b>					
Total Public Sector Debt	48.5	68.3	55.1	33.5	25.7
Public Sector External Debt (end-of-period)	20.4	27.5	23.9	14.2	10.8
<b>Central Government Finances (in XCD millions)</b>					
Current Account Balance	22.8	8.3	56.4	119.0	157.7
Current Revenue	234.9	192.4	252.2	346.3	396.8
Current Expenditure	212.2	225.7	212.0	227.3	239.1
Capital Expenditure and Net Lending	10.2	8.3	4.1	1.5	20.6
Overall Fiscal Balance	29.3	10.4	49.6	117.5	139.1
<b>Monetary Sector (% p.a.)</b>					
Weighted Deposit Interest Rates	2.4	2.4	2.4	2.2	2.2
Weighted Lending Interest Rates	9.8	8.9	7.7	7.7	8.1
Non-Performing Loans Ratio (%)	25.8	25.1	21.4	20.7	16.2
<b>Memorandum items (in XCD millions, unless otherwise stated)</b>					
Nominal GDP at Market Prices	1,017.2	697.8	812.6	1,224.3	1,445.4
Real GDP at Market Prices	735.0	515.4	581.5	722.4	781.7
GDP per Capita (EC\$)	55,681.4	37,866.8	42,781.3	64,788.5	76,369.1
Merchandise Imports (f.o.b)	767.7	399.4	551.9	673.3	663.9
Merchandise Exports	33.7	6.7	18.7	28.2	18.6
Gross Visitor Expenditure	440.7	123.8	148.9	378.4	460.8
Net Foreign Assets	612.7	669.4	699.8	727.0	965.8
Domestic Credit	529.6	513.7	525.4	505.3	371.2
Money Supply (M2)	1,085.5	1,108.9	1,142.5	1,129.9	1,263.9
Currency in Circulation	34.7	35.0	30.2	39.4	49.7

Note:

Data as at 23 February 2024

<sup>1</sup> Sources: Central Statistics Office and Eastern Caribbean Central Bank (ECCB)

Photo credit: Anguilla Tourist Board

---

2023

Find more ECCB publications by visiting  
[www.eccb-centralbank.org/research-and-publications](http://www.eccb-centralbank.org/research-and-publications)

---

---

EASTERN CARIBBEAN  
CENTRAL BANK

