

2022

ECCU External Sector Statistics



Prepared by

Research, Statistics and Data
Analytics Department (RSDAD)



Table Of Contents

Acknowledgement

List of Acronyms

Introduction

BOP Snapshot - Net Numbers

ECCU Summary - Beyond the Numbers

Current Account

Capital Account

Financial Account

Reserves

Glossary

Acknowledgement

This report was prepared by the Research, Statistics and Data Analytics Department (RSDAD) of the Eastern Caribbean Central Bank (ECCB). The RSDAD wishes to recognize all contributors to the success of this publication.

External Sector Statistics (ESS), namely the Balance of Payments (BOP), and the International Investment Position (IIP) statistics are compiled based on data obtained mainly from surveys of establishments across the Eastern Caribbean Currency Union (ECCU). This report, which utilizes data from the annual surveys, would not be possible without the support of the entities who participate in these annual country-led surveys.

BOP and IIP statistics are compiled jointly with the Central Statistics Offices (CSOs) of the ECCU. The RSDAD acknowledges the contributions of the CSOs in executing the collection and collation of BOP survey data, as well as in supporting the ECCB's ESS compilation missions and data processes.

The Caribbean Regional Technical Assistance Centre (CARTAC) has provided technical assistance through country missions aimed at improving the quality of ESS and related products. The RSDAD wishes to extend gratitude for its continuous support.

The RSDAD also wishes to recognize the invaluable contribution of the ESS team who are the primary contributors to this publication.

.....



List of Acronyms

BOP	Balance of Payments
BPM6	Balance of Payments and International Investment Position Manual Sixth Edition (BPM6)
CA	Current Account
CARTAC	Caribbean Regional Technical Assistant Centre
CBI	Citizenship by Investment
CIF	Cost Insurance and Freight
DTIs	Deposit Taking Institutions
ECCB	Eastern Caribbean Central Bank
ECCU	Eastern Caribbean Currency Union
FA	Financial Account
FoB	Free on Board
GDP	Gross Domestic Product
IIP	International Investment Position
IMF	International Monetary Fund
IMTS	International Merchandise Trade Statistics
KA	Capital Account
ROW	Rest of the World
SITC	Standard International Trade Classification

ECCU Country Codes

AI	Anguilla
AG	Antigua and Barbuda
DM	Commonwealth of Dominica
GD	Grenada
MS	Montserrat
KN	Saint Christopher (St Kitts) and Nevis
LC	Saint Lucia
VC	Saint Vincent and the Grenadines

Introduction

The BOP of the ECCU is a statistical summary of transactions between the ECCU and the rest of the world (ROW) for a specified period of time. BOP and IIP for all nine (9) economic territories (inclusive of the ECCU) are compiled on an annual basis. The accounts are compiled according to the IMF Balance of Payments and International Investment Position Manual Sixth Edition (BPM6).

The BOP Tables are published in the BPM6 standard presentation format, which summarize all transactions with the ROW within three broad accounts; the current, capital and financial accounts, which are further classified within sub-accounts. The Current Account reflects a summary of all transactions involving goods, services, investment income and current transfers. The Capital Account largely reflects transactions involving capital transfers receivable and payable. The current and capital accounts are recorded using credit and debit principle which reflect the receipts from and payments to the ROW. The Financial Account shows how the deficit or surplus in the current and capital accounts is financed or absorbed. On the Financial Account, financial claims from and liabilities to the ROW are summarised. These transactions are presented by functional categories that are further subdivided by financial instruments and institutional sectors, which are consistent with the presentation format of the IIP.

This report presents a summary of the outcome of the 2022 BOP surveys for the ECCU. It compares the recently compiled figures (2022) with the previous year's estimates (2021) and incorporates key external sector indicators utilized within the BOP and IIP accounts.




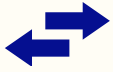




The report is organised similar to the presentation structure of the BOP accounts. First, a summary of the accounts at the ECCU level is presented. This is followed by discussions on the developments in the current, capital and financial accounts. The report concludes with a detailed description of the reserve assets, referencing both BOP and IIP data.

.....



BOP Snapshot

Net Numbers

	2021 EC\$ M	2022 EC\$ M
Current Account	(3,345)	(2,757)
 Goods	(5,945)	(7,588)
 Services	2,970	5,569
 Primary Income	(753)	(1,027)
 Secondary Income	382	199
Capital Account	1,044	964
Financial Account	(2,100)	(1,842)
 Direct Investment	(2,519)	(1,877)
 Portfolio Investment	1,013	1,257
 Other Investment	(1,473)	(1,128)
 Reserves	878	(91)

ECCU Summary

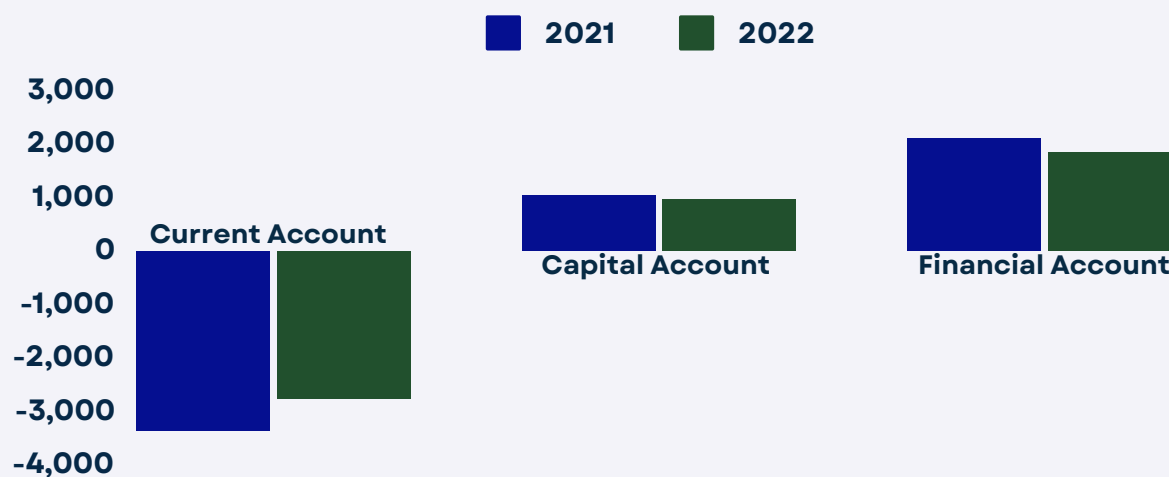
Beyond the Numbers

The ECCU **Current Account** deficit narrowed by \$588.9 million to \$2,756.5 million, which represents 12.9 per cent of the sub-region's GDP. This development resulted mainly from growth in net receipts of trade in services by 90.5 per cent, which was tapered by a decline in net receipts of profits and dividends, and interest from investments made (primary income), as well as a decline in net current transfers receivable from abroad (secondary income).

The ECCU **Capital Account** which primarily reflects capital transfers receivable and payable, registered net receipts amounting to \$963.8 million in 2022 - a decline by \$80.4 million relative to 2021. This was due mainly to a decline in the amount of capital transfers from \$835.1 million in 2021 to \$708.3 million in 2022.

Overall, the **Current and Capital Account** reflected a deficit or a net borrowing need from the ROW. This borrowing need, as is shown in the **Financial Account**, was supported mainly by foreign direct investments, loans, currency and deposits, as well as a drawdown on **Reserve Assets**.

Figure 1
Main Balance of Payments Accounts (EC\$ m)



Source: Balance of Payments Statistics, 2021 and 2022

Note:

In the Financial Account, a positive (negative) balance indicates a net outflow (net inflow). In figure 1, inflows (outflows) are plotted above (below) the x-axis.

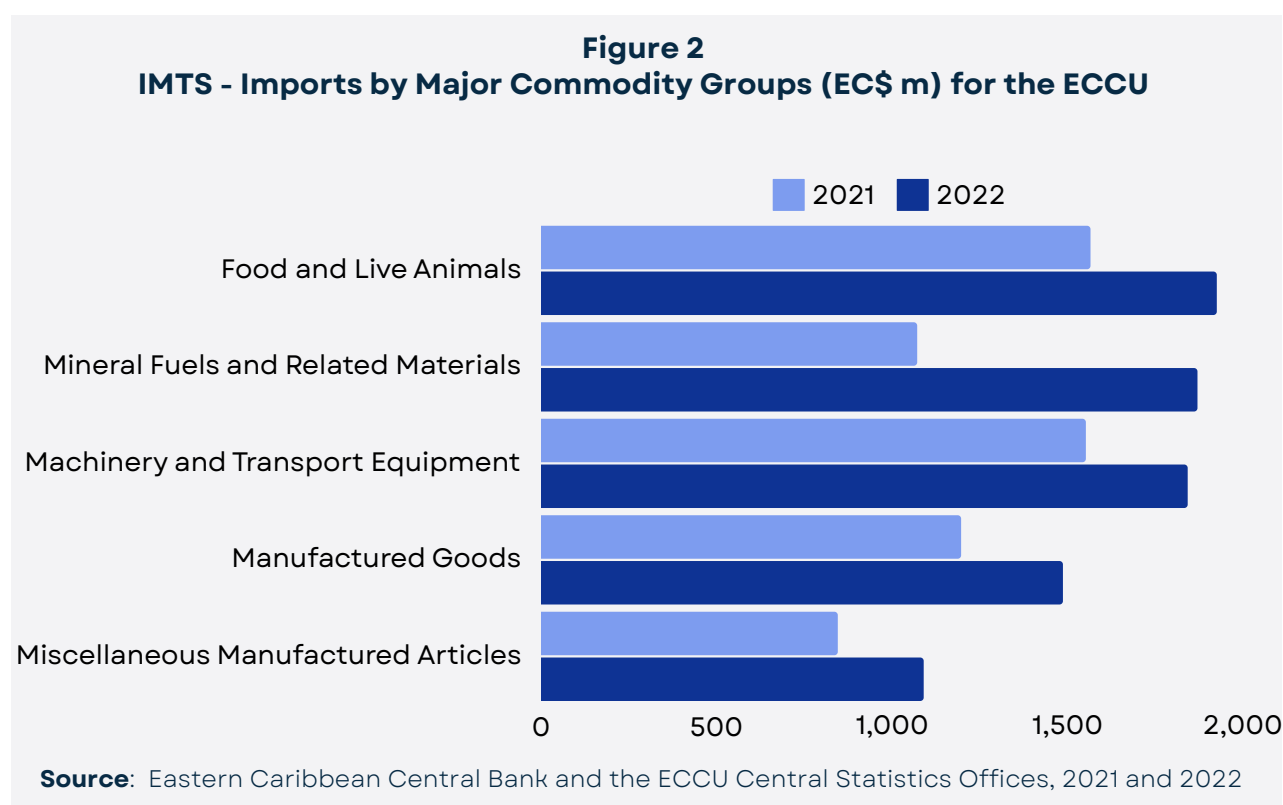
Current Account

In 2022, the ECCU Current Account deficit narrowed by \$588.9 million to \$2,756.5 million which represents 12.9 per cent of the sub-region's GDP. This development resulted mainly from growth in net receipts of trade in services by 90.5 per cent, tapered by a decline in net receipts in the primary and secondary income accounts.

Trade in Goods

ECCU Goods deficit widened by \$1,642.6 million to \$7,587.8 million or 35.4 per cent of the sub-region's GDP. The widening of this deficit is owed to a higher nominal increase in imports (by \$1,954.4 m) relative to exports (by \$311.8 m).

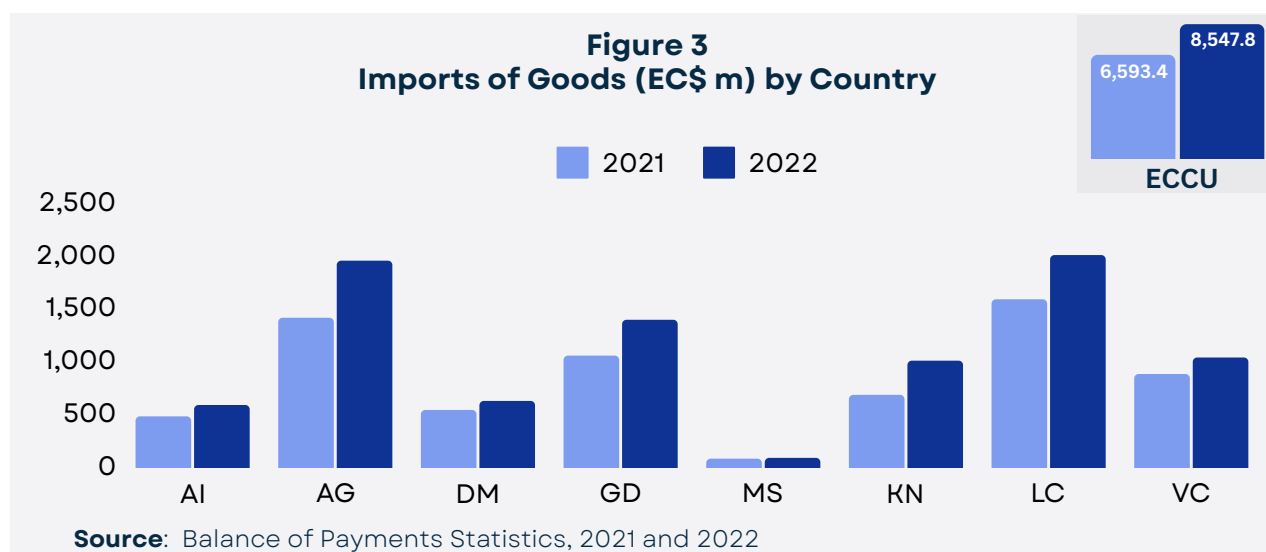
The increase in ECCU **imports of goods (debits)**¹ was largely driven by a significant increase in the import of fuel, demonstrated by a 74.6 per cent increase in SITC category Mineral Fuels and Related Materials² (figure 2).



1. To arrive at the imports of goods value (Free on Board - FoB) which is reflected in the BOP, insurance and freight components are deducted from the Cost Insurance and Freight (CIF) value obtained from the International Merchandise Trade Statistics (IMTS). Insurance and freight components are recorded under the services account of the BOP.

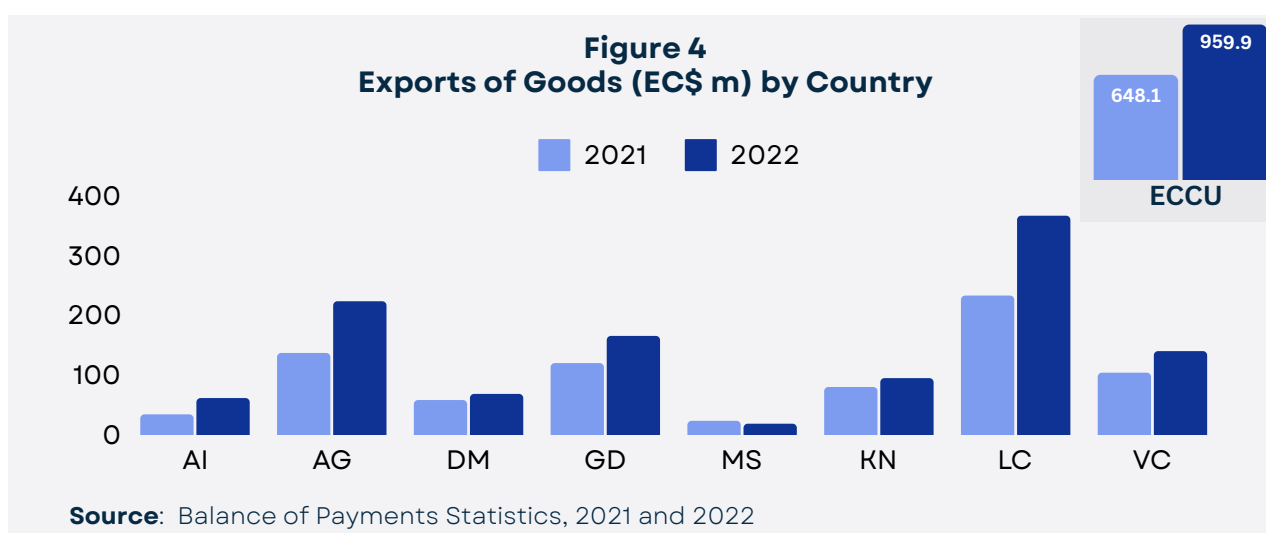
2. The Mineral Fuels and Related Materials category of the Standard International Trade Classification (SITC) includes liquefied propane and butane, natural gas, petroleum gases, etc.

Import of goods (debits) increased across all ECCU countries with the largest nominal increase reflected in Antigua and Barbuda (\$539.3 m) and the smallest level of \$7.5 million in Montserrat (figure 3).



There was a 48.1 per cent uptick in ECCU **exports of goods (credits)**³ in 2022. The increase in exports was primarily driven by a greater demand for fuel by foreign airlines.

Relative to 2021, Montserrat showed a decline in exports of goods (credit) by \$4.8 million. All other countries saw an increase in exports (on a balance of payments basis) by levels ranging from \$10.3 million in the Commonwealth of Dominica to \$133.8 million in Saint Lucia (figure 4).



3. Exports of goods (credit) include goods sold to non-residents (e.g. airlines and cruise lines) at the air and seaports; these data are obtained from surveys. BOP exports of goods are likely to be higher than exports presented in the International Merchandise Trade Statistics (IMTS). For all ECCU countries, export of goods includes re-exports. Re-exports vary largely depending on the developments within the specific economy.

Trade in Services

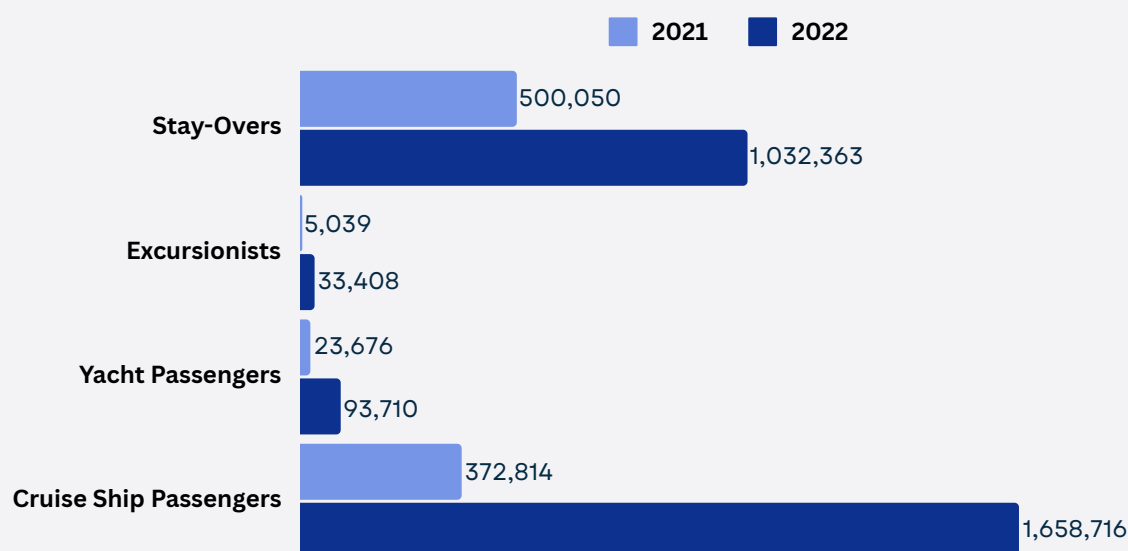
In 2022, ECCU net receipts of trade in services was 90.5 per cent higher than the \$2,970.2 million net receipts recorded in 2021, as growth in receipts from exports (61.7 %) outpaced the payments for imports (36.5 %).

The increase in the ECCU net receipts was attributed primarily to a significant upswing in **travel services receipts** by 94.0 per cent, to \$8,228.0 million due to post-pandemic improvements in tourist arrivals. Stay-over arrivals to the ECCU, the primary source of tourism-based income, more than doubled, reaching over one million passengers. In addition, cruise passenger arrivals grew by over 300 per cent to about 1.7 million passengers (figure 5).

The growth in services receipts was also driven by an increase in transport services (credits), rising from \$192.2 million in 2021 to \$371.9 million in 2022, as revenue of regional airlines and travel agencies improved. The increase in trade in services receipts was mitigated by higher payments for travel, transport and other business services.

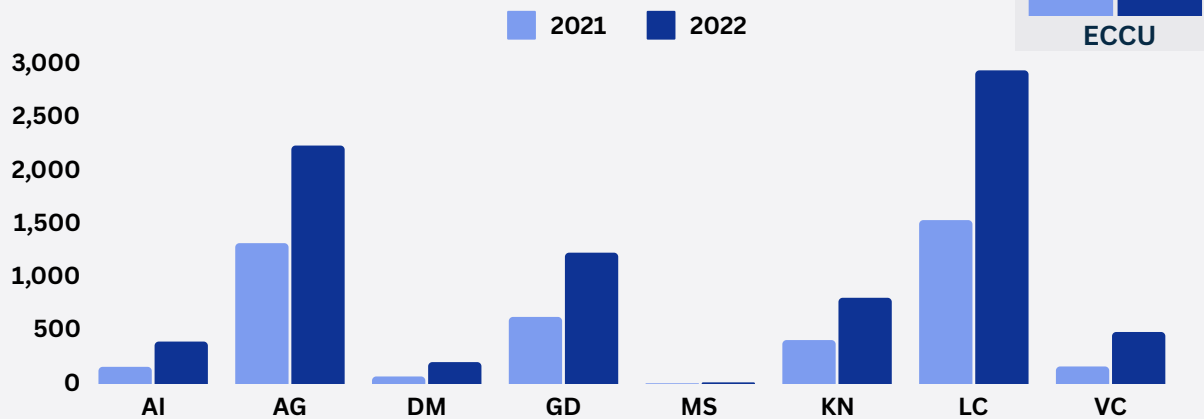
All countries showed an increase in income from travel services. The most substantial nominal increases in travel receipts were observed in Saint Lucia (\$1,406.2 m), Antigua and Barbuda (\$916.5 m) and Grenada (\$603.3 m). In 2022, the nominal increases for these countries represented 73.3 per cent of the total nominal increase in travel receipts for the ECCU (figure 6).

Figure 5
ECCU Selected Tourism Statistics (count)



Source: Eastern Caribbean Central Bank and the ECCU Central Statistics Offices, 2021 and 2022

Figure 6
Travel Services Receipts (EC\$ m)



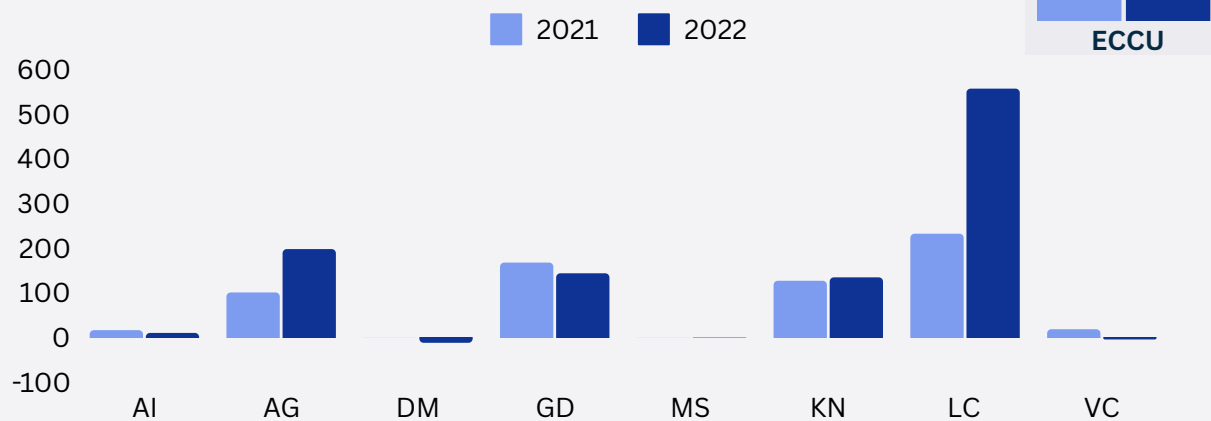
Source: Balance of Payments Statistics, 2021 and 2022

Primary Income

The ECCU primary income account deficit increased by 36.4 per cent to \$1,026.5 million in 2022. This widening of the primary income deficit was fueled mainly by a 51.6 per cent increase in direct investment income paid to foreign investors in the form of profits and dividends (from \$671.7 m in 2021 to \$1,018.3 m in 2022). The increase in payments was largely associated with the improvements within the tourism sector.

Across the ECCU countries, income payments on direct investments varied markedly. In 2022, Saint Lucia registered the largest amount paid out in income on direct investments (\$558.1 m), a 139.5 per cent increase relative to 2021. This increase in income outflow was primarily associated with the increase in tourism generated revenue repatriated abroad as profits and dividends (figure 7).

Figure 7
Direct Investment Income Payments (EC\$ m)



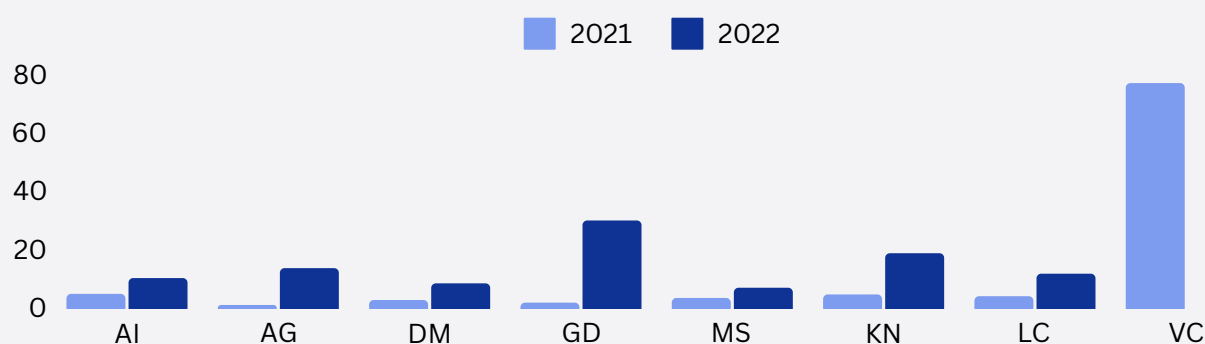
Source: Balance of Payments Statistics, 2021 and 2022

Secondary Income

The ECCU secondary income account recorded a decline in net receipts by 47.9 per cent to \$199.2 million in 2022. This notable decline in net receipts is owed to a 65.5 per cent decline in miscellaneous current transfers (credits).⁴

In 2021, the La Soufrière Volcano on the main island of Saint Vincent and the Grenadines erupted; the effects were devastating and immediate. The response from non-residents fueled the growth in miscellaneous current transfers receipts. Figure 8 shows Saint Vincent and the Grenadines as the recipient of 77.0 per cent of miscellaneous current transfers in 2021. However, in 2022, the country did not receive foreign aid of the same nature, thereby resulting in a decline in current transfers seen at the ECCU level.

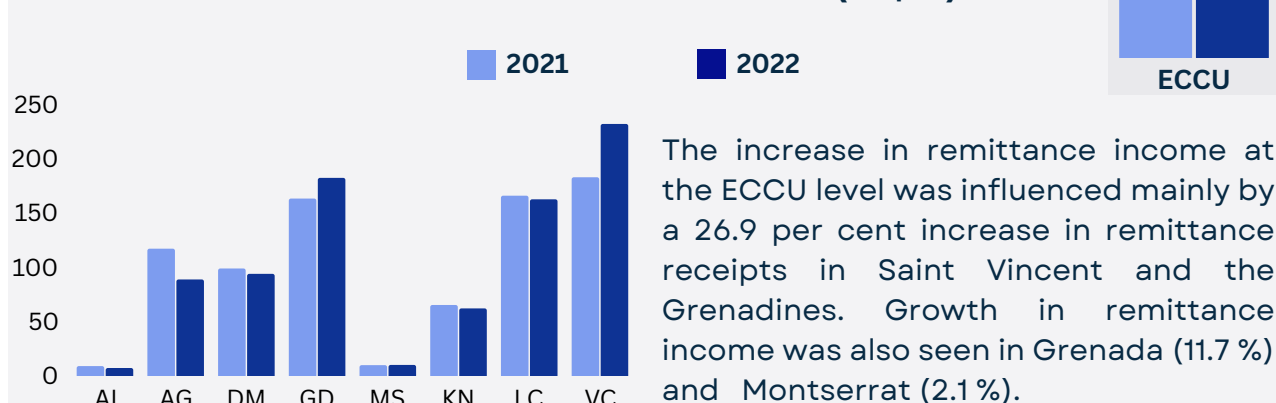
Figure 8
Percent Share of Miscellaneous Current Transfers (Credits)



Source: Balance of Payments Statistics, 2021 and 2022

The decline in net receipts on the primary income account was partly mitigated by a 3.5 per cent increase in remittances inflows.

Figure 9
Workers' Remittances Inflows in (EC\$ m)



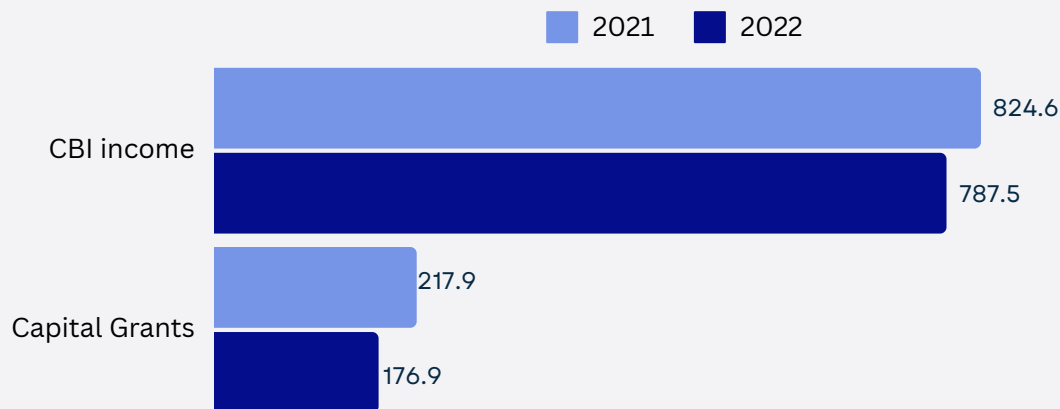
Source: Balance of Payments Statistics, 2021 and 2022

4. Miscellaneous current transfers capture contributions/assistance/transfers which cannot be classified as current taxes, social contributions, social benefits, net nonlife insurance premiums and nonlife insurance claims. For instance, charitable support, relief and other aid provided during times of natural disasters are classified as miscellaneous current transfers in the BOP accounts.

Capital Account

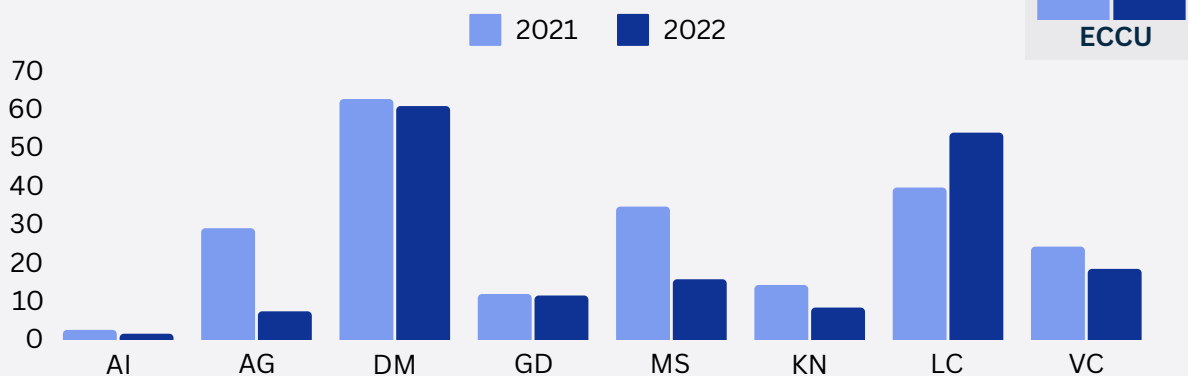
The ECCU Capital Account recorded net receipts amounting to \$ 963.8 million in 2022, a decline of 7.7 per cent relative to 2021. This decline was due mainly to the 18.8 per cent decline in **capital grants** as well as a 4.5 per cent decline in **citizenship by investment (CBI)⁵ income**.

Figure 10
ECCU CBI Income and Capital Grants Receipts (EC\$ m)



Source: Balance of Payments Statistics, 2021 and 2022

Figure 11
Capital Grants (EC\$ m), by Country



Source: Balance of Payments Statistics, 2021 and 2022

5. The five countries of the ECCU with a CBI program are Antigua and Barbuda, Commonwealth of Dominica, Grenada, Saint Christopher (St Kitts) and Nevis and Saint Lucia. These CBI figures on the Capital Account reflect donations to countries' development funds.

CBI related fees are recorded in the BOP Current Account under Government Services and Other Business Services. CBI related investments in real estate, bonds, etc. are recorded in the Financial Account.

Financial Account

The current and capital account deficit of \$1,792.8 million was financed through direct investments⁶, other investments (namely currency and deposits and loans) and reserve assets.

In 2022, the ECCU received **direct investments** from the ROW with net inflows of \$1,877.1 million. Direct investment liabilities (inflows) of the ECCU to the ROW increased by \$1,893.7 million, while direct investment assets (outflows) increased marginally by \$16.6 million. These direct investments within the ECCU are primarily tourism related, influenced by developments in Antigua and Barbuda, Grenada, and Anguilla (figure 13).

The **ECCU portfolio investment account** registered a net outflow of \$1,256.8 million in 2022. Portfolio investment assets abroad increased by \$1,284.4 million, while portfolio investment liabilities increased by \$27.5 million. The portfolio investment outturn was influenced mainly by a \$1,477.3 million increase in the holding of debt securities (assets) by deposit taking institutions (DTIs). Meanwhile, General Governments issued debt securities, increasing their liabilities by only \$33.0 million (figure 14).

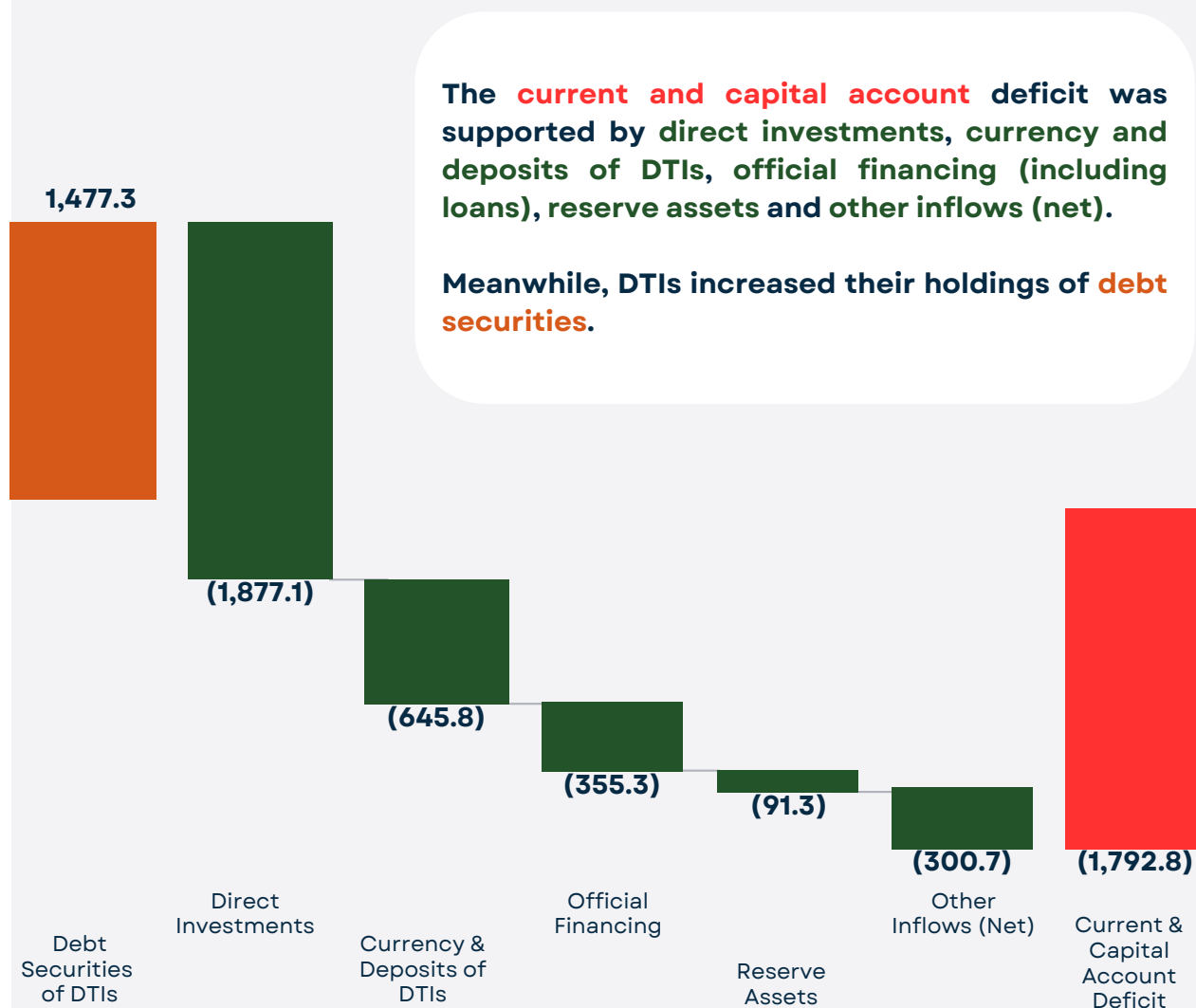
A net inflow of **other investments** within the ECCU was recorded in 2022, totaling \$1,127.7 million. ECCU investors decreased their other investment assets held abroad by \$369.9 million, while other investment liabilities of the ECCU to the ROW increased by \$757.8 million. These movements were impacted mainly by a drawdown of DTIs holdings of **currency and deposits** and an increase in their deposit liabilities. Also contributing to the net increase in other investment inflows is an increase in **loan** liabilities of General Government obtained from the ROW (figure 15).

During the reporting period, the ECCU utilised \$91.3 million of its **reserve assets**, of which \$15.5 million reflected a drawdown in **special drawing rights**⁷ and \$75.8 million reflected a drawdown in **other reserve assets** held in the form of currency and deposits, debt securities and other claims.

6. Direct investments refer to investments established within the ECCU by non-resident investors who have a lasting interest in and a significant degree of influence over an enterprise resident in the ECCU.

7. Special Drawing Rights (SDRs) are international reserve assets created by the International Monetary Fund (IMF) and allocated to members to supplement existing official reserves.

Figure 12
Financing the Current and Capital Account Deficit (EC\$ m): 2022



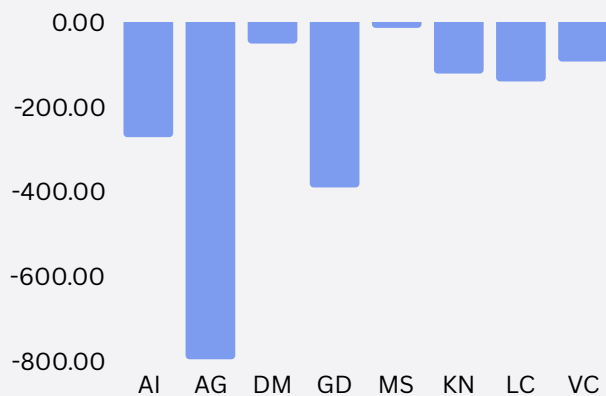
Source: Balance of Payments Statistics, 2022

Across the ECCU countries, the current and capital account deficit was financed mainly through direct investments and other investments. Slight variations with respect to the level of contribution by each category of investment are noted.

Figures 13, 14 and 15, illustrate the extent to which the categories of investment contributed to the support of the current and capital account deficit across each ECCU country.



Figure 13
Direct Investment Balance by Country (EC\$ m): 2022

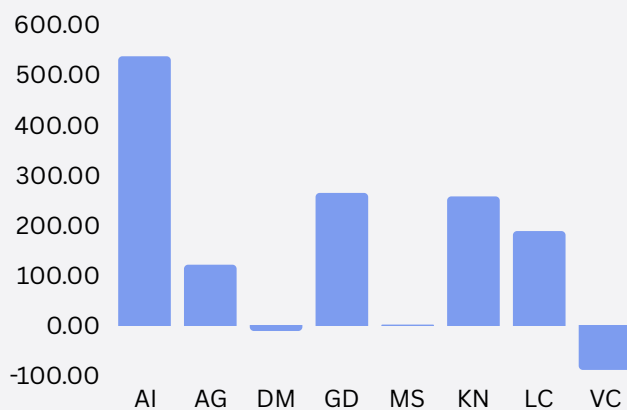


All ECCU countries were net recipients of direct investment from the rest of the world.

In 2022, net inflows ranged from \$12.5 million in Montserrat to \$796.1 million in Antigua and Barbuda.

Source: Balance of Payments Statistics, 2022

Figure 14
Portfolio Investment Balance by Country (EC\$ m): 2022

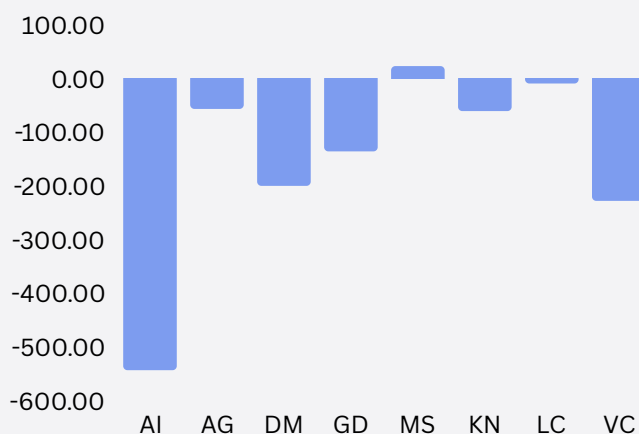


Portfolio investment recorded net outflows in six ECCU countries, as DTIs increased their holdings of debt securities.

The Commonwealth of Dominica and Saint Vincent and the Grenadines recorded net inflows of \$10.9 and \$88.5 million respectively, as General Governments' portfolio investment liabilities increased due to issuing of securities.

Source: Balance of Payments Statistics, 2022

Figure 15
Other Investment Balance by Country (EC\$ m): 2022



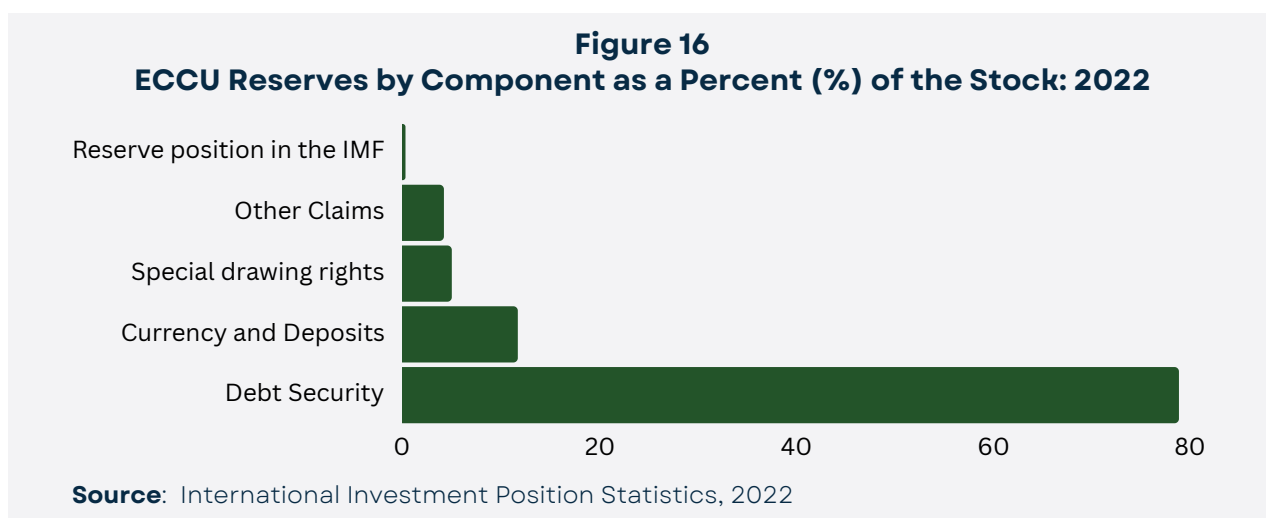
Net inflow in other investments seen in seven countries was due mainly to a drawdown of DTIs holding of currency and deposits and an increase in their deposit liabilities, as well as an increase in General Governments' loan liabilities.

Montserrat recorded net outflows of \$23.9 million in other investments.

Source: Balance of Payments Statistics, 2022

Reserves⁸

Evidenced by the sub-region's International Investment Position (IIP)⁹ statistics, the ECCU's reserves stood at \$5,324.8 million in 2022. These reserves were held in the form of debt securities (78.8 %), currency and deposits (11.7 %), special drawing rights (5.0 %) and other claims (4.2 %) (figure 16).



ECCU reserve assets declined by \$259.4 million. The year-on-year decrease in reserve assets reflects a drawdown in the reserves of \$91.3 million, compounded by decline in other valuation changes of \$168.1 million due mainly to unrealised losses associated with ECCB's holdings of debt securities.

The BOP suggests that the drawdown of reserve assets by \$91.3 million was largely due to higher demands for foreign exchange to cover the import bill.

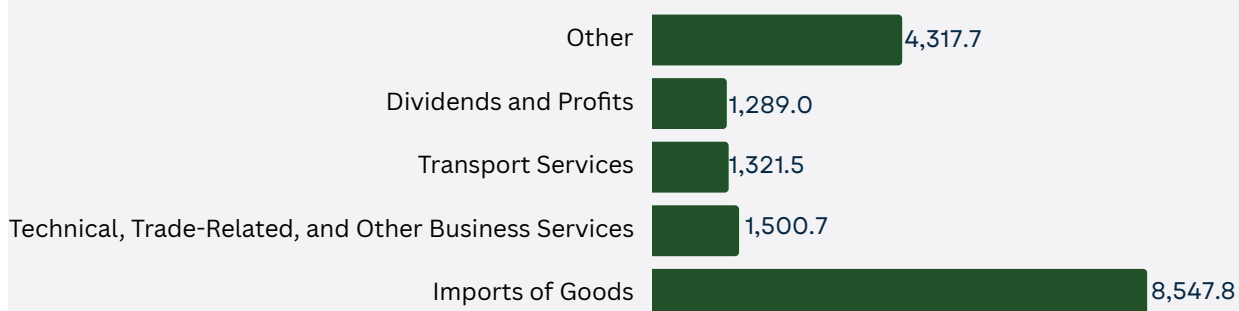
Merchandise imports stood at \$8,547.8 million in 2022 representing 50.4 per cent of total foreign exchange outflows. The increase in the import bill was primarily on account of improved economic activity and rising prices, evident by an ECCU GDP growth rate of 11.6 per cent and an inflation rate of 7.7 per cent.

Also contributing to foreign exchange outflows in 2022 were spending on technical and trade related services (\$1,500.7 m), dividends and profits repatriated (\$1,289.0 m) and the value of transport services (\$1,321.5 m). These collectively represent 24.2 per cent of total foreign exchange outflows estimated for 2022 (figure 17).

8. Reserves represent the EC\$ value of holding of foreign exchange, special drawing rights and reserve position in the IMF at a specific point in time.

9. The IIP is a statement that shows the value and composition of foreign assets (owned by residents of the ECCU) and liabilities (ECCU's assets owned by non-residents) at a specific point in time.

Figure 17
ECCU Foreign Exchange Outflows (EC\$ m): 2022

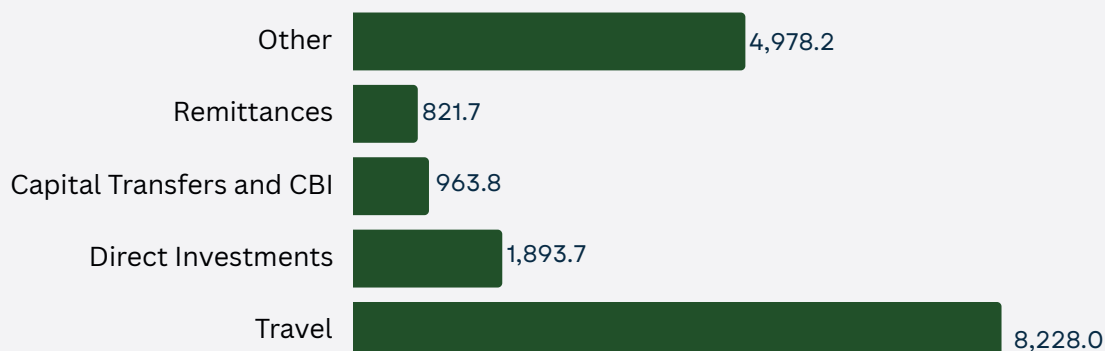


Source: Balance of Payments Statistics, 2022

Tourism remains the largest earner of foreign exchange in the ECCU, with inflows of \$8,228.0 million or 48.7 percent of the ECCU total foreign exchange earned in 2022. Earnings from this sector increased by 94.0 per cent relative to 2021. However, this amount remains lower than the 2019 pre-pandemic reporting period.

Direct Investments (\$1,893.7 m), remittance inflows (\$821.7 m), capital grants and CBI (\$963.8 m) also added a considerable amount of foreign exchange reserves to the sub-region.

Figure 18
Sources of ECCU Foreign Exchange Earnings (EC\$ m): 2022



Source: Balance of Payments Statistics, 2022

In 2022, the sub-region earned an estimated \$16,885.3 million in foreign exchange. During this period, total spending of foreign exchange amounted to \$16,976.5 million; as such, reserve assets of \$91.3 million were utilised to service the imbalance of payments in the ECCU.

Glossary

Balance of Payments - A statistical summary of the transactions of a given economy with the rest of the world. It comprises the current, capital and financial accounts.

Capital Account - Covers international capital transfers (e.g. debt forgiveness) and the acquisition/disposal of non-produced, non-financial assets (such as patents).

Current Account - International transactions in goods and services, income payments and receipts (primary income), and unilateral transfers (secondary income).

- **Trade in Goods (Goods Account)** is a record of all imports and exports of goods by the reporting economy. Goods include physical items such as food, clothes, appliances, furniture, etc. This account also includes the sale of goods (exports) at the airports and seaports (e.g. fuel, water and food to foreign airlines). In ECCU countries where airlines are registered, goods account for that country will also include the purchases by those airlines at airports outside of the reporting country (imports).
- **Trade in Services (Services Account)** is a record of all imports and exports of services by the reporting economy. Services include transportation, travel, construction, other business services, government services, etc. Travel, the major component of the ECCU's trade in services (exports) reflects the in-country expenditure of business and personal travelers. These travelers include stay-over, same day, cruise and yacht visitors. For countries where there are resident universities, travel services also reflect the in-country expenditure of the non-resident students which includes their living expenses as well as tuition and other education related fees.
- **The primary income account** reflects two types of income; income associated with the production process (compensation of employees), and income associated with the ownership of financial and other non-produced assets (property income and investment income such as dividends, reinvested earnings, interest).
- **The secondary income account** records current transfers between residents and non-residents. These transfers include items such as remittances, foreign aid, donations and grants.

Current Account deficit - The country imports more goods and services than it exports.



Current and Capital Account deficit - Occurs when outflows/payments exceed inflows/receipts. This reflects a net borrowing need from the rest of the world to cover the shortfall.

Financial Account - Covers transactions involving financial claims on (assets), or liabilities to, the rest of the world. These transactions may include acquisitions/disposals of assets or incurrence/payments of liabilities of various financial instruments such as equity and debt securities (t-bills, bonds and notes, commercial paper, etc.), currency and deposits, loans, insurance technical reserves, other payables and receivables, etc.

Net inflows/net receipts - Occur when the inflow of funds received from the sale of goods, services, assets or incurring liabilities exceed the outflow of funds to cover payments of goods, services, assets or liabilities. On the current and capital accounts, a positive value reflects a net receipt. Conversely, on the financial account, net inflows are reflected as a negative value.

Net outflows/net payments - Occur when the outflow of funds to cover payments of goods, services, assets or liabilities exceed the inflow of funds received from the sale of goods, services, assets or incurring liabilities. On the current and capital accounts, a negative value reflects a net payment. Conversely, on the financial account, net outflows are reflected as a positive value.

Transfers - Refer to the movement of funds, goods, services or other financial assets between countries without any corresponding exchange of economic value (e.g. foreign aid, remittances and grants). Transfers may be in cash or in kind.

- **Current Transfers** - Cover transactions that involve no exchange of goods, services, or assets, and they are usually for immediate or short-term consumption or use (e.g. remittances, foreign aid, donations, and current grants). Current transfers are recorded in the secondary income account.
- **Capital Transfers** - Involve the change in ownership of assets or financial instruments between a resident and non-resident, often with a long-term impact (e.g. debt forgiveness and capital grants). Capital transfers are recorded on the Capital Account.



Contact Us



869-456-2537



RSDAD@eccb-centralbank.org



www.eccb-centralbank.org

This External Sector Statistics report presents a summary of the outcome of the 2022 Balance of Payments (BOP) surveys for the Eastern Caribbean Currency Union (ECCU). It compares the recently compiled figures (2022) with the previous year's estimates (2021) and incorporates key external sector indicators utilised within the BOP and IIP accounts.

Although this report focuses on the outcome at the ECCU level, where applicable, reference is made to the countries' contribution to the BOP/IIP outcome. Details of the BOP and IIP data are published on the [ECCB website](#) for each of the eight (8) countries and the ECCU.

Other External Sector Statistics available on the ECCB website include:

- [Trade in Services](#)
- [Trade Statistics by SITC](#)
- [Selected Tourism Statistics](#)
- [Real Effective Exchange Rate Index](#)