

# Eastern Caribbean Central Bank



## *Economic and Financial Review*

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# EASTERN CARIBBEAN CENTRAL BANK

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**The ECCB welcomes your questions and comments on this publication.**

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## INTERNATIONAL ECONOMIC DEVELOPMENTS

### Overview

The global recovery continued during the third quarter of 2014 but its pace was uneven across advanced, emerging market and developing countries. Growth slowed in the advanced economies (USA, UK and Canada) and in the emerging market economy (China). Meanwhile, Japan went into a recession and the Euro-area registered weak growth. There were some improvements in labour market conditions and external sector fundamentals. Commodity prices fell during the period under review, keeping inflation subdued. Monetary policy conditions remained broadly accommodative across the economies. Going forward, world economic output is forecasted to increase by 3.3 per cent in 2014, registering the same rate of growth observed in 2013. Risks remain tilted towards the downside including those related to heightened geopolitical tensions and deflation.

### Developments in the Major Economies

The second estimate of real GDP in the **USA** for the third quarter showed that output grew at an annual rate of 3.9 per cent, following an increase of 4.6 per cent in the second quarter. The economy recovered strongly from the

decline in the first quarter when economic activity was impacted by adverse weather. The increase in real GDP in the third quarter reflected positive contributions from personal consumption expenditures, non-residential fixed investment; federal government spending, exports, residential fixed investment, and state and local government spending that were partly offset by a negative contribution from private inventory investment. Consumer spending, which accounted for more than two-thirds of real GDP, rose by 2.2 per cent in the third quarter, compared with an increase of 2.5 per cent in the second quarter, attributed to higher spending on durable goods, non-durable goods and services. Against the backdrop of an increase in consumer spending, US consumers saved less in the third quarter, evidenced by a personal saving rate of 5.0 per cent, compared with one of 5.1 per cent in the second quarter.

Developments in the labour market were consistent with overall economic conditions. The unemployment rate declined by 0.2 percentage point to 5.9 per cent in September 2014 relative to the prior month.

The economy of the **United Kingdom** (UK) rose by 0.7 per cent in the third quarter based on



a second round of estimates, compared with 0.9 per cent in the previous quarter. The growth momentum slowed in some key sectors. In the services industry, which accounts for more than 75.0 per cent of the economy, activity slowed the most as growth reached 0.7 per cent from 1.1 per cent in the previous quarter. Furthermore, business investment fell by 0.7 per cent in the third quarter, its first drop in more than a year, a contrast to the second quarter's growth of 3.3 per cent. The anemic performance of the Euro-zone, a major trade partner, may have negatively impacted business investment. Growth was supported by consumer spending which accounts for nearly two-thirds of the UK's economic expenditure.

The trade gap weighed on economic performance in the UK as it was estimated to have widened to £7.5b in the third quarter from £6.5b in the prior quarter. The trade in goods deficit widened by £0.9b to £29.0b. This outturn reflected a drop of £0.3b in exports and an increase of £0.6b in imports.

The positive trends observed in the UK labour market over the past two years continued in the third quarter of 2014. The unemployment rate stood at 6.0 per cent for the quarter July to September, below the rate of 6.3 per cent recorded for April to June 2014.

In the **Euro Area**, seasonally adjusted GDP rose by 0.2 per cent in the third quarter of 2014, compared with a rate of growth of 0.1 per cent in the second quarter. The Euro-zone's two largest economies, Germany and France, grew mainly from increased public spending and narrowly avoided a recession. Germany and France grew by 0.1 per cent and 0.3 per cent respectively in the third quarter, following a 0.1 per cent contraction in economic activity in both countries in the second quarter of 2014. The seasonally adjusted unemployment rate in the Euro Area was 11.5 per cent in September 2014, the same rate recorded in June 2014.

**China's** GDP rose by 1.9 per cent in the third quarter, relative to the second quarter, when the economy grew by 2.0 per cent. The slowdown was associated with lower property investment, slowing pace of credit growth, and weakening industrial production. The momentum in the external sector was stronger as export growth outpaced that of imports in the third quarter. Despite the slowed economic growth, the employment situation was steady as the urban registered unemployment rate was 4.1 per cent at the end of September, close to the level observed at the end of June.



GDP in **Japan** fell by 0.4 per cent in the third quarter of 2014 relative to the previous quarter which recorded a 1.9 per cent contraction. The increase in public demand and net exports were insufficient to offset a decline in private demand which was negatively affected by an increase in consumption taxes in the second quarter of 2014. Japan's seasonally adjusted unemployment rate fell to 3.6 per cent in September from 3.7 per cent in June.

Real GDP in **Canada** was up by 0.7 per cent during the quarter ended September, following growth of 0.9 per cent in the previous quarter. This performance was primarily attributed to moderation in the pace of growth in exports and household spending. The unemployment rate was 6.8 per cent in September, down from 7.1 per cent in June.

### **Development in Commodity, Oil and Consumer Prices**

#### *Consumer Price Inflation*

The Consumer Price Index (CPI) in the **USA** rose by 0.1 per cent in September, on a monthly basis, following a decline of 0.2 per cent in August. A rise in food and shelter costs offset a broad decline in energy prices. The index for all items less food and

energy increased by 0.1 per cent in September after remaining flat in August.

The CPI in **Canada** rose by 0.2 per cent in September, on a monthly basis, following an increase of 0.1 per cent in August. An increase in food prices was largely responsible for this outturn.

In the **UK**, the CPI remained flat in September, on a monthly basis, following an increase of 0.4 per cent in August. Declines in transport costs, especially sea and air fares, and prices for a range of recreational goods provided the largest contributions to the slowdown in the rate of inflation.

**Euro-zone** inflation slowed to a five year low in September and remained persistently below the European Central Bank's (ECB) 2.0 per cent target rate. This added to the fears of a deflationary spiral. Consumer price inflation rose by 0.3 per cent in September, slowing from a 0.4 per cent rise in August. The largest downward impact on prices came from fuels for transport, telecommunications and gas.

In **China**, consumer prices accelerated to 0.5 per cent in September, on a monthly basis, compared to a 0.2 per cent increase in the



preceding month. There were increases in the prices of certain food products.

The CPI for **Japan** was up by 0.2 per cent in September, on a monthly basis, registering the same rate of increase recorded in August. There were increases reported for fuel, light and water and food.

### ***Commodity Prices***

According to the International Monetary Fund's Commodity Market Monthly report, commodity prices contracted by 3.8 per cent during September on a monthly basis. The easing of commodity prices was mainly attributed to abundant supply amid weak demand. The food price index averaged 192.7 in September, below the level of 198.3 reported in August, reflecting declines in the international prices of sugar, dairy, cereals, vegetable oils and meat.

### ***Oil Prices***

Crude oil prices declined during the review period, reflecting increased supply and lower demand. Thus far, geopolitical tensions have not had much effect on the level or volatility of crude oil prices. West Texas Intermediate (WTI) a barometer for conditions in the middle part of the USA, averaged US\$97.8 per barrel in quarter three, compared with an average of US\$103.3 per barrel in the second quarter.

Brent crude averaged US\$101.8 per barrel in the third quarter, registering a contraction of 7.2 per cent from the second quarter's average. The Brent crude average for the third quarter of 2013 was US\$110.3 per barrel.

### **Monetary Policy**

The Federal Open Market Committee (FOMC), the branch of the **US Federal Reserve** that determines the direction of monetary policy, reaffirmed its view that a highly accommodative stance of monetary policy remained appropriate in order to achieve the goals of maximum employment and price stability in the USA. The Committee maintained the current target range for the federal funds rate of 0 to 0.25 per cent. This is likely to be the monetary policy stance for a considerable time after the asset purchase programme is completed, particularly if forecasted inflation remains below the Committee's 2.0 per cent longer-run goal and expectations of longer-term inflation continue to be well anchored. The Committee decided to make a further measured reduction in the pace of its asset purchases in light of the progress toward maximum employment and the improvement in the outlook for labour market conditions. In August, the Committee added to its holdings of agency mortgage-backed securities at a pace of US\$10b per month rather



than US\$15b per month, and added to its holdings of longer-term Treasury securities at a pace of US\$15b per month rather than US\$20b per month. During the period under review, the Committee maintained its existing policy of reinvesting principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities and of rolling over maturing Treasury securities at auction. This accommodative policy stance promoted the economic recovery in the USA and helped to ensure that inflation would be at the rate most consistent with the Committee's dual goals.

In response to the subdued inflation, slowdown in growth momentum, and persistently weak monetary and credit dynamics, the **European Central Bank (ECB)** announced additional monetary policy accommodation on 4 September. The ECB announced cuts to its key interest rates which came into effect on 10 September to support bank lending. The interest rate on the main refinancing operations of the Eurosystem was lowered by 10 basis points to 0.05 per cent and the rate on the marginal lending facility reduced by 10 basis points to 0.3 per cent. Banks were charged for money they hold at the ECB with the rate on the deposit facility lowered by a further 10 basis points to -0.2 per cent. In addition, the ECB announced

further details of the purchase of private sector asset backed securities and covered bond. These actions are likely to aid in improving the functioning of the monetary policy transmission mechanism and strengthen the provision of credit to the broad economy. They will also support progress towards the aim of maintaining inflation rates below, but close to, 2.0 per cent.

The **Bank of Japan (BOJ)** kept its monetary policy unchanged during the period under review. The BOJ kept its stance to increase base money via aggressive asset purchases, mostly in Japanese government bonds.

The **Bank of Canada** announced during the review period that it would maintain its target for the overnight rate at 1.0 per cent. The Bank Rate is correspondingly 1.25 per cent and the deposit rate is 0.75 per cent. Inflation is close to the 2.0 per cent target and the Bank expects that excess capacity in the economy would be absorbed during the next two years. The Bank remained neutral with regard to future change in the policy rate - the current stance of monetary policy was appropriate for the balance of risks.

In light of the slowdown in the growth momentum, China underwent continued prudent monetary policy with a focus on easing financing to the real sector and stabilizing





market expectations. The **People's Bank of China (PBC)** decided on 27 August to increase the agro-supporting central bank lending quota of selected branch offices. Furthermore, the PBC launched the Medium-term Lending Facility (MLF) in September to inject medium-term base money to financial institutions that have complied with the necessary requirements. During the third quarter, the PBC also renewed and signed local currency swap agreements.

### **Prospects**

The world economy is expected to grow by 3.3 per cent in 2014, registering the same rate of growth in the previous year. This growth forecast is contingent on a number of factors including the continuation of accommodative monetary policies; reduced geopolitical tensions; easing of global financial conditions and higher external demand from advanced economies. The pace of growth in 2014 will be constrained by the weaker than anticipated performance of the global economy in the first half of the year. Among the advanced economies, faster rates of growth are anticipated in the UK and Canada, growth in the USA is likely to remain flat, a recovery is expected in the Euro-Area, and Japan's economy may slow down.

In the **UK**, economic activity is expected to strengthen from consumption and business investment, and further supported by better credit and financial market conditions. Growth in the UK is projected to be 3.2 per cent in 2014, from a rate of 1.7 per cent in 2013.

**Canada's** economy is forecasted to grow at 2.3 per cent in 2014, roughly 0.3 percentage points above the rate of increase observed for 2013. Growth is expected to rebound in the last quarter of the year as exports should improve with the recovery in the USA, which would then help to stimulate investment. As an advanced commodity exporter, the country faces the challenge of crude oil prices remaining below 2013 levels, its resulting reduction in profits in the oil sector, and its negative impact on production growth and capital spending.

Economic indicators for the **USA** are suggesting strengthening economic fundamentals. Local conditions are favourable for growth, including the improvement in the labour market; and the accommodative monetary policy stance. The economy is expected to record its second consecutive year of 2.2 per cent growth in 2014.

A recovery is projected for the **Euro Area**, whereby growth of 0.8 per cent is forecasted in



2014, from a contraction of 0.4 per cent in 2013. This recovery is contingent on a reduction in the fiscal drag, accommodative monetary policy and more favourable lending conditions. Prospects are uneven across the member countries. More robust growth is anticipated for Germany (1.4 per cent) and France (0.4 per cent) in 2014, relative to 2013, when these economies grew by 0.5 per cent and 0.3 per cent respectively. A turnaround is anticipated in Spain's economy which is expected to grow by 1.3 per cent, following a contraction of 1.2 per cent in 2013. Italy will face a less steep contraction of 0.2 per cent this year, compared with one of 1.9 per cent in the preceding year.

**Japan's** economy is projected to grow by 0.9 per cent in 2014, lower than the growth of 1.5 per cent in 2013. A monetary stimulus in the beginning of the last quarter of the year is

likely to boost the economy. Emerging markets and developing economies are likely to continue to underpin world growth, albeit at a decelerating pace. Growth in **China**, for instance, is projected at 7.4 per cent in 2014, below the rate of 7.7 per cent in 2013. Overall growth in emerging market and developing economies is projected to increase by 4.4 per cent in 2014, below the growth of 4.7 per cent in 2013.

There are challenges to the world economy, particularly those related to the high debt overhang, low potential growth, and high unemployment. The recent decline in oil prices can help to spur the global economy, but the benefits will be uneven across oil-exporting and importing countries. Risks remain tilted towards the downside including those related to intensified geopolitical tensions and deflation.



## DOMESTIC ECONOMIC DEVELOPMENT

### Overview

Based on an assessment of preliminary data, economic activity in the Eastern Caribbean Currency Union (ECCU) is estimated to have expanded in the first nine months of 2014, relative to the performance in the corresponding period of 2013. This outturn largely reflected growth in output in a number of the major productive sectors including hotels and restaurants, transport, storage and communications and agriculture. The expansion in output was tempered somewhat by developments in construction, wholesale and retail and manufacturing. From an individual country standpoint, economic activity is estimated to have accelerated in Anguilla, Antigua and Barbuda, Grenada, Montserrat and St Kitts and Nevis; improved marginally in Dominica; but contracted in Saint Lucia and St Vincent and the Grenadines. Consumer prices fell on average during the period under review, influenced mainly by lower prices for food and energy. The merchandise trade account of the ECCU recorded a smaller deficit, associated with reduced import payments. The overall consolidated fiscal deficit of the central governments contracted, mainly attributable to higher current earnings, coupled with lower

capital spending. The total outstanding debt of the public sector grew marginally. In the banking system, monetary liabilities and net foreign assets expanded while domestic credit declined. Liquidity in the commercial banking system improved and the weighted average interest rate spread between loans and deposits increased.

Economic activity in the ECCU is projected to expand in the fourth quarter of 2014, and gather further momentum over the short to medium term period. The expansion is likely to be driven by further improvements in some of the main economic sectors including hotels and restaurants and agriculture, despite an anticipated contraction in construction activity. Activity in the tourism industry will be largely influenced by the recovery in the USA, the main tourist market, and increased airlift from major destinations. Acceleration in tourism activity is expected in Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St Kitts and Nevis and Saint Lucia. Agricultural output is projected to increase, as the non-banana sub-sectors continue to thrive, particularly in the Windward Islands<sup>1</sup>. Potential downside risks

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<sup>1</sup> Dominica, Grenada, Saint Lucia and St Vincent and the Grenadines constitute the Windward Islands

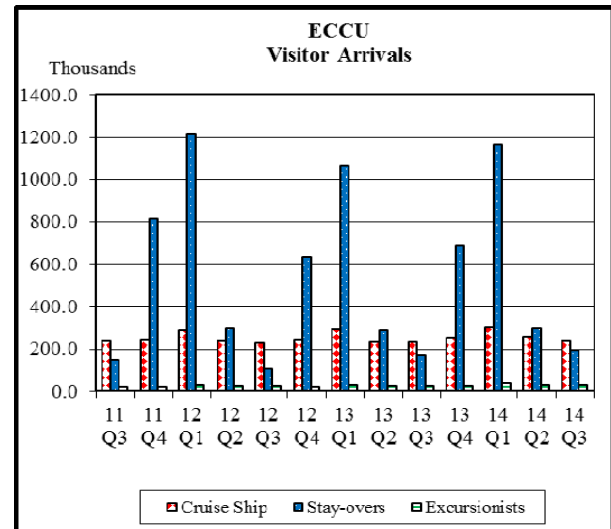


include uncertainties in the global economic recovery, particularly in the advanced economies, which could adversely impact foreign direct investments, and labour market issues in the USA. Also, the fiscal, debt and financial sector challenges of the region, coupled with adverse weather, continue to pose major threats to the domestic economy.

**Output**

Activity in the tourism industry is estimated to have improved in the first three quarters of 2014. Total visitor arrivals increased by 8.3 per cent to 2.7m, in contrast to a decline of 4.5 per cent in the period January to September 2013. The improved performance reflected a broad based expansion throughout the Currency Union. The increase in total visitor arrivals was predominantly influenced by developments within the cruise ship and stay-over categories. The number of cruise ship passengers, which constituted 62.3 per cent of total arrivals, grew by 8.8 per cent to 1.7m, largely driven by a 2.4 per cent increase in cruise ships calls made to the region in the review period. The increase was largest in Dominica (37.6 per cent), St Kitts and Nevis (17.7 per cent), Grenada (16.5 per cent) and Saint Lucia (4.9 per cent). By contrast, declines in cruise ship arrivals were recorded for Antigua and Barbuda (7.4 per cent) and

St Vincent and the Grenadines (0.8 per cent). The number of excursionists rose by 21.7 per cent to 96,191, while yacht passenger arrivals were estimated to have increased by 9.3 per cent to 108,635.



Stay-over visitor arrivals increased by 5.6 per cent to 799,653, compared with growth of 0.7 per cent in the first nine months of 2013. The performance in the stay-over sub-category was primarily attributed to growth in the number of visitors from the USA, UK and Canada. Stay-over arrivals from the USA, the major source market, grew by 7.8 per cent, reflecting increasing airlift and a strengthening recovery in the US economy. Arrivals from the UK, the third largest market, rose by 6.2 per cent in contrast to a decline of 3.4 per cent in the comparable period of 2013. Stay-over visitor arrivals from the Canadian market grew by



6.6 per cent compared with an increase of 9.0 per cent recorded in the corresponding period one year ago. These increases were tempered by a decline of 3.8 per cent in visitor arrivals from the Caribbean, the second largest source market. All of the ECCU territories recorded increases in stay-over arrivals, excluding St Vincent and the Grenadines, which showed a decline of 3.2 per cent. Of these countries, growth in the stay-over category ranged from 16.8 per cent in Grenada to 2.3 per cent in Anguilla.

Output of agriculture, livestock and forestry is estimated to have risen in the period January to September 2014, relative to the comparable period of the prior year. The improvement in value added in that sector was attributable to an augmented performance in the non-banana sub-sector in most of the territories, particularly, Grenada, Saint Lucia and St Vincent and the Grenadines. In Grenada, increases were reported in the output from nutmeg (50.7 per cent), ground provisions and vegetables, supported by a rebound in cocoa production. A number of initiatives by the Ministry of Agriculture and an increase in local demand boosted production of non-banana crops, chicken and pork in Saint Lucia. Notwithstanding the improved performance in the other crops, banana production in the

Windward Islands continued its downward trajectory as those countries slowly recover from the adverse impact of Black Sigatoka and unfavourable weather. Banana production fell by 27.9 per cent to 11,339.6 tonnes, hence a corresponding decline (24.3 per cent) in revenue from exports of bananas. Output of bananas fell by 27.4 per cent in Saint Lucia, 23.5 per cent in Dominica and 23.4 per cent in Grenada.

Manufacturing output is estimated to have remained flat in the review period, as production in a number of manufactured goods was constrained by weakened demand both in the export and domestic markets. Three of the member countries are estimated to have recorded decreases in manufacturing activity, while three others estimated increases. In Saint Lucia, manufacturing activity is estimated to have declined based on weak external and domestic demand for manufactured goods. Manufacturing output contracted in Grenada largely associated with decreases in the production of rum (37.4 per cent), poultry feed (23.1 per cent), soft drinks (16.4 per cent) and toilet paper (14.0 per cent). Lower production of paints and vanishes (13.8 per cent) and soap (11.3 per cent) accounted for the reduction in manufacturing output in Dominica. By contrast, manufacturing output expanded in St Kitts and Nevis in the first nine months of 2014, primarily



influenced by an increase in the production of alcoholic beverages. Of the other major producers of manufactured goods, output in St Vincent and the Grenadines was higher, driven mainly by increases in the production of soft drinks (30.1 per cent), animal feed (6.1 per cent), rice (5.5 per cent) and flour (4.3 per cent).

Activity in the construction sector is estimated to have contracted marginally in the first nine months of 2014, reflecting lower activity in five of the countries of the ECCU. The lower performance of the construction sector mainly reflected private sector developments in the countries concerned. Uncertainties in the global economy constrained the inflows of FDI, which is used primarily for funding tourism related construction projects in some of the territories. As a consequence, private sector construction activity was adversely impacted in a number of countries including Saint Lucia, Grenada, St Vincent and the Grenadines and Dominica. By contrast, private sector activity improved in Antigua and Barbuda, St Kitts and Nevis and Anguilla. In St Kitts and Nevis and Anguilla work progressed on a number of high-end tourism projects including hotels, condominiums and villas. Public sector construction, on the other hand, expanded in four of the territories, while it contracted in Saint Lucia, Anguilla and St Vincent and the

Grenadines. Of the countries where public sector construction rose, the increase was strongest in Grenada where capital outlays expanded by 25.1 per cent to \$157.6m in the review period.

In the other major economic sectors, performance was generally favourable. Value added was higher in the transport, storage and communication sector, mainly attributable to the increase in overall economic activity, particularly in the hotels and restaurants sector. Inter alia, improvements were also recorded in value added from real estate, renting and business activities and financial intermediation. The overall expansion in economic output was however moderated by a decline in value added in the wholesale and retail trade sector, consistent with lower levels of imports to the region.

### **Prices**

During the first three quarters of 2014, prices of goods and services in the Currency Union are estimated to have risen, as indicated by the consumer price index (CPI). The CPI increased by 2.0 per cent, on average, in contrast to a decline of 0.7 per cent during the first nine months of 2013. The expansion in the overall index was fuelled by increases in all the sub-

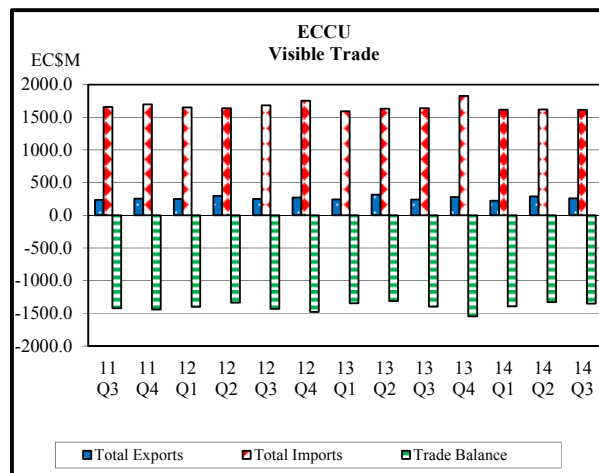


indices except household and furniture equipment. Upward price movements were recorded in the major sub-indices of clothing and footwear (4.9 per cent), fuel and light (2.5 per cent), food (1.4 per cent) and housing and utilities (0.9 per cent). Other sub-indices with notable price increases were education (13.7 per cent), personal services (2.3 per cent), medical care and expenses (1.6 per cent), alcoholic drinks and tobacco (1.2 per cent) and transportation and communication (0.3 per cent). Consumer prices increased in Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines, and ranged from an expansion of 0.3 per cent in Grenada to one of 4.8 per cent in Saint Lucia. The overall increase in the CPI was tempered somewhat by a decline of 1.0 per cent in the sub-index for housing and furniture equipment.

**Trade and Payments**

Preliminary estimates indicate a 1.6 per cent (\$64.4m) decline in the merchandise trade deficit to \$4,086.3 in the period under review, compared with a decrease of 0.7 per cent in the comparable period of the prior year. The narrowing of the deficit was largely driven by a reduction in import payments, reflective of the continued weakness in the construction and

wholesale and retail sectors. The value of imports fell by 1.8 per cent (\$88.5m) to \$4,854.1m, largely influenced by lower outlays for manufactured goods (7.9 per cent), minerals, fuels and related materials (6.1 per cent) and food and live animals (2.7 per cent).

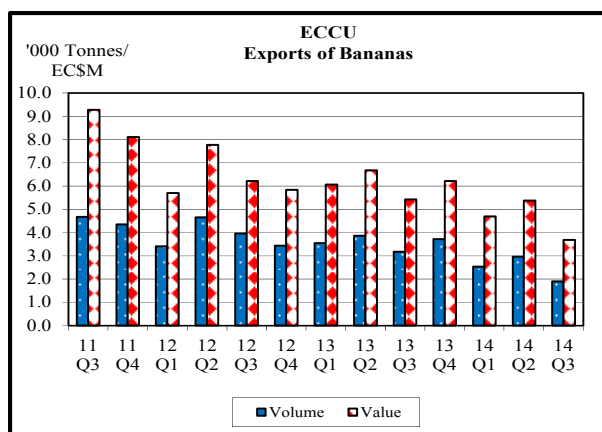


Lower import payments were recorded in Grenada, Montserrat, Saint Lucia and St Vincent and the Grenadines. Export receipts fell by 3.5 per cent to \$767.8m in contrast to a marginal increase in the first nine months of 2013, as output in the banana industry and the manufacturing sector underperformed. Estimates for domestic exports indicate that the volume of bananas exported declined by 30.1 per cent resulting in a 24.3 per cent (\$4.4m) fall in revenue, relative to the outturn in the previous year.



Gross travel receipts were estimated to have risen by 6.0 per cent to \$2,409.5m. In the comparable period in 2013, inflows from travel receipts rose by 12.7 per cent. The increase in receipts in the review period was fuelled largely by robust activity in the tourism industry – mainly stay-overs and cruise passengers, in most of the territories especially Dominica, Grenada, St Kitts and Nevis and Saint Lucia.

Gross external disbursements to the central governments amounted to \$405.9m, an increase of 5.3 per cent, while external debt repayment totaled \$215.0m, a marginal increase from last year. Commercial banks' transactions resulted in a net outflow of \$504.4m in short term capital compared with one of \$448.0 during the corresponding period of 2013. Total grant inflows grew by 26.0 per cent, in contrast to a decline of 7.1 per cent in the first nine months of the prior year. This increase reflected higher grant receipts by Dominica, Grenada, Saint Lucia and St Vincent and the Grenadines.



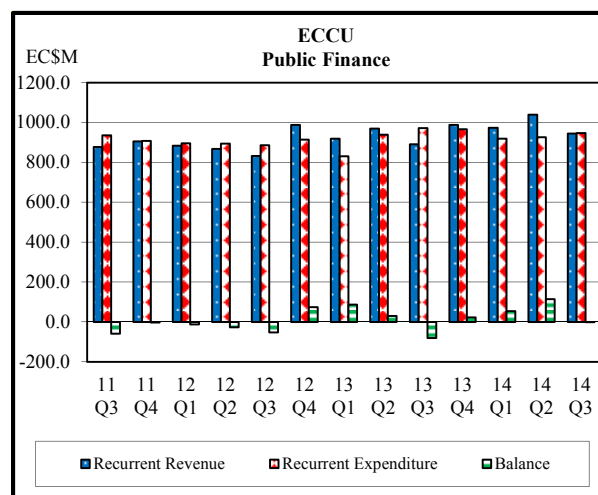
## Central Government Fiscal Operations

The consolidated fiscal operations of the central governments recorded an improved performance in the first three quarters of 2014, relative to the comparable period in the previous year. The overall deficit more than halved to \$143.6m, while the primary balance reverted to a surplus after recording a deficit at the end of September 2013. A primary surplus of \$216.8m was recorded in contrast to a deficit of \$27.3m in the first nine months of 2013. The current account surplus more than tripled and largely influenced the outturn. Of the member countries performances, a smaller overall deficit was recorded for Antigua and Barbuda, Dominica, Grenada and Saint Lucia, while in Anguilla the overall balance moved to a surplus from a deficit position. By contrast, the overall surplus on the central government's accounts for St Kitts and Nevis narrowed and larger overall deficits were recorded for Montserrat and St Vincent and the Grenadines.

The central governments realised a current account surplus of \$165.9m, compared with one of \$36.7m in the January to September period last year, as growth in current revenue outpaced that of current expenditure. Current revenue rose by 6.4 per cent to \$2,956.8m, attributable to higher receipts of both tax and non-tax



revenues. Growth of 7.4 per cent in receipts from tax revenue was buoyed by higher collections from all categories of taxes. The intake from taxes on domestic goods and services rose by 6.4 per cent (\$72.8m), largely attributable to a combined increase of \$70.6m in the collections of the value added tax (VAT) and the sales tax, supported by growth of 13.4 per cent (\$11.8m) in receipts from the stamp duty. VAT receipts were up by 7.6 per cent to \$687.7m occasioned by better performances in all the territories. Yields from the sales tax grew by 14.2 per cent, reflective of an increase in the collection of the Antigua and Barbuda Sales Tax, which was led by an improvement in compliance and enforcement. Also contributing to the upturn in tax revenue were increases of 23.0 per cent in receipts from the property tax and 9.6 per cent from taxes on international trade and transactions. On a country basis, all territories recorded growth in tax revenue ranging from 2.4 per cent in Dominica to 15.4 per cent in Montserrat. Non-tax revenue collections rose by 1.1 per cent to \$458.2m, mainly as a result of increased collections in St Vincent and the Grenadines, where higher inflows were recorded from interests and rents and in St Kitts and Nevis, where collections from the Citizenship by Investment Programme remained elevated.



Current expenditure rose by 1.8 per cent to \$2,790.9m compared with an increase of 2.5 per cent in the corresponding period of 2013. The upward movement was largely associated with higher outlays on personal emoluments, interest payments and transfers and subsidies. Outlays on personal emoluments increased by 2.4 per cent (\$29.4m) compared with growth of 4.4 per cent (\$51.3m) in the first nine months of the previous year. While personal emoluments increased in six territories, the slower pace of growth overall is reflective of a fall in outlays in Dominica and St Kitts and Nevis and efforts by governments to streamline recurrent spending. Interest payments rose by 7.4 per cent in contrast to a contraction of 6.0 per cent one year earlier, as a number of governments incurred more debt to finance their operations. Growth in interest payments ranged from 5.6 per cent in Saint Lucia to 43.0 per cent in Antigua and Barbuda.

Capital expenditure declined by 10.7 per cent to \$610.5m, in contrast to growth of 35.9 per cent in the corresponding period of 2013. The outturn was largely influenced by lower spending in four of the territories, particularly Dominica and Saint Lucia where spending fell by 56.4 per cent and 25.0 per cent respectively. By contrast, four of the territories registered growth, more notably so in Grenada ((\$31.6m), St Kitts and Nevis (\$20.2m) and Antigua and Barbuda (\$17.9m). Total grant receipts amounted to \$293.3m, a 26.1 per cent increase over the total in the corresponding period of 2013, mainly attributable to larger receipts in Dominica, Grenada, Saint Lucia and St Vincent and the Grenadines. Of the total grants received, 80.9 per cent (\$237.3m) represented capital grants compared with 77.6 per cent in the first nine months of 2013.

### **Public Sector Debt**

Based on preliminary data, the total disbursed outstanding public sector debt of the ECCU stood at \$13,065.1m at the end of September 2014, representing growth of 0.4 per cent compared with the outstanding debt at the end of December 2013. The marginal increase in the public sector debt of the ECCU was driven by a 2.5 per cent rise to \$11,405.4m in the debt of central governments, which

constitutes approximately 87.3 per cent of the entire debt portfolio. Central governments' domestic debt grew by 4.2 per cent and their external debt increased by 1.1 per cent. The impact of the development in central governments' debt was mitigated by a contraction of 11.9 per cent to \$1,659.7m, in the outstanding debt of public corporations, largely reflecting a 17.8 per cent decline in their stock of domestic debt. Of the individual countries, increases in public sector debt were recorded in Antigua and Barbuda, Dominica, Grenada, Saint Lucia and St Vincent and the Grenadines. The largest increase in the debt stock was for the government of Antigua and Barbuda (5.8 per cent, \$177.6m), as that government accumulated more debt from the domestic corporations. The increase in the outstanding debt was moderated by debt reductions in Anguilla, Montserrat and St Kitts and Nevis. The contraction was most pronounced in St Kitts and Nevis, where outstanding debt declined by 14.0 per cent (\$294.2m), as the government restructured its domestic debt.

Debt service payments for the first nine months of 2014 amounted to \$858.4m, an increase of 10.3 per cent over the total recorded during the comparable period of 2013. Principal repayments represented 58.0 per cent of total debt servicing, while interest payments

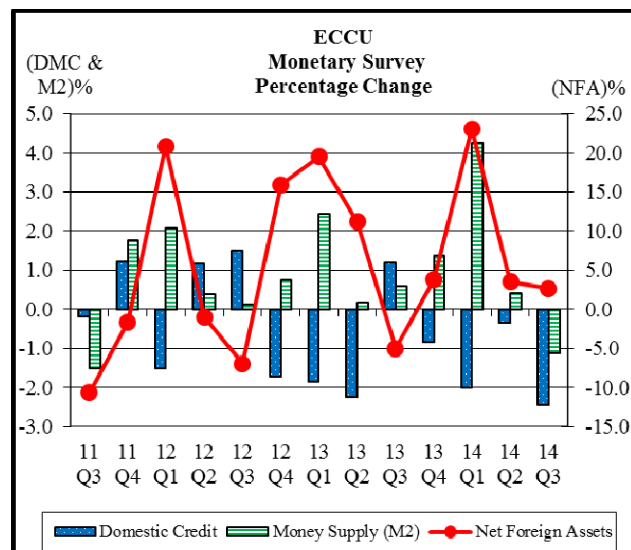


accounted for the remaining 42.0 per cent. Higher debt service payments were recorded for Anguilla, Dominica, Grenada, St Kitts and Nevis and St Vincent and the Grenadines, while these payments were lower in Antigua and Barbuda and Saint Lucia. Payments for debt servicing in Montserrat remained virtually unchanged from the first nine months of last year.

## Monetary and Financial Developments

### Money and Credit

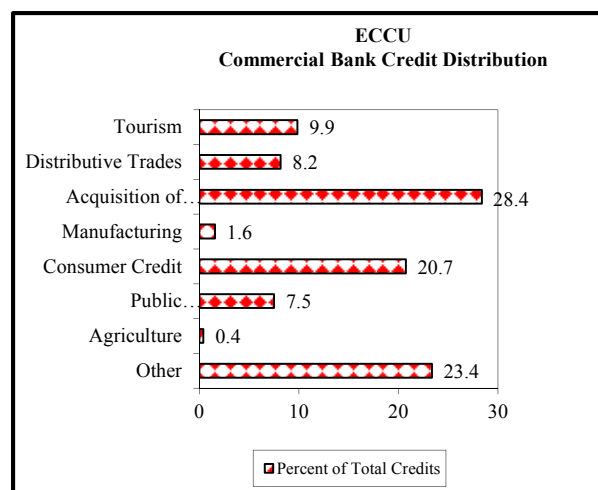
Monetary liabilities (M2) expanded by 3.5 per cent to \$14,474.3m, attributable to an expansion in both quasi money and narrow money (M1). Quasi money rose by 3.3 per cent, influenced largely by growth in savings deposits and foreign currency deposits of 4.9 per cent and 13.4 per cent respectively. Growth in quasi money was supported by an expansion of 4.3 per cent in M1, mainly driven by an increase of 6.7 per cent in demand deposits.



Domestic credit fell by 4.7 per cent, compared with a decline of 2.9 per cent during the first nine months of 2013. The contraction in credit was influenced by reductions in credit to the private sector and the central government. Outstanding credit to the private sector fell by 1.2 per cent, in contrast to an expansion of 3.1 per cent during the previous year. The fall in private sector credit was due to a decline of 5.7 per cent in loans extended to businesses; while household borrowing increased marginally (0.2 per cent). Commercial banks' credit to the central governments fell slightly by 0.5 per cent compared with a decline of 29.6 per cent during the first three quarters of the previous year. The central governments' deposits at commercial banks grew by 3.4 per cent compared with a 13.3 per cent rate of growth last year. Consequently, net credit to the central governments declined by 12.8 per cent,

compared with a contraction of 60.0 per cent in the first nine months of 2013. In the rest of the public sector, the transactions of non-financial public enterprises resulted in a higher net deposit position as their deposit grew by 7.2 per cent and their outstanding credit fell by 35.2 per cent. Credit to non-bank financial institutions decreased by 31.7 per cent, influenced largely by a reduction in investments.

The distribution of commercial bank credit by economic activity indicates that outstanding loans and advances decreased by 3.5 per cent, compared with a decline of 5.1 per cent during the first nine months of 2013. Declines were recorded in credit allocated for all the sectors except distributive trades, where a marginal increase of 0.4 per cent was realised. Lending to agriculture and fisheries fell by 17.2 per cent, construction by 12.3 per cent, manufacturing plus mining and quarrying by 10.1 per cent, tourism by 9.0 per cent, other activities by 5.1 per cent and personal uses by 0.2 per cent. Majority of the credit for personal use, which represented the largest allocation of credit (49.1 per cent), was for acquisition of property. Outstanding credit fell in all of the territories except Montserrat and St Vincent and the Grenadines.



The net foreign assets of the banking system grew by 30.8 per cent to \$4,555.1m during the review period, reflecting increases in the net foreign assets of both the ECCB and the commercial banks. The Central Bank's net foreign assets rose by 18.1 per cent to \$3,719.3m, influenced primarily by an increase in its foreign assets. Commercial banks net assets more than doubled to \$835.7m, largely associated with an increase in their externally held assets.

Commercial banks' liquidity eased during the period under review. The ratio of liquid assets to total deposits plus liquid liabilities rose by 3.7 percentage points to 37.5 per cent and the ratio of loans and advances to total deposits decreased by 5.5 percentage points to 71.1 per cent.

The weighted average interest rate on deposits fell by 23 basis points from 2.85 per cent at the end of December 2013. The weighted average lending rate, on the other hand, increased by 10 basis points to 9.03 per cent. Consequently, the weighted average interest rate spread widened by 33 basis points to 6.42 per cent points.

### ***Developments on the RGSM***

The pace of activity on the Regional Government Securities Market (RGSM) picked up during the first nine months of 2014, compared with the corresponding period of the prior year. Gross issuance on the RGSM rose by 3.1 per cent to \$774.5m, compared with a 4.2 per cent increase during the first three quarters of 2013. This outturn resulted from the issuance of forty (40) securities on the market, constituting thirty-two (32) Treasury bills and eight (8) bonds. In the corresponding period of 2013 a total of thirty-nine (39) securities were issued. The expansion was led by an increase in issuance by the Governments of Dominica and St Vincent and the Grenadines, which more than offset a decline in issuance by the Government of Antigua and Barbuda.

The concentration in terms of the tenor of the securities continued to be predominantly on the short end of the maturity spectrum, with

Treasury bills comprising 80.0 per cent of the securities issued. The value of the Treasury bills issued increased to \$601.0m from \$574.0m during the corresponding period of 2013. The increase was due to a rise in issuance by the governments of Antigua and Barbuda and Grenada. By contrast, the value of bonds issued during the review period declined by 2.3 per cent to \$173.5m. This outturn was primarily the result of reductions of 75.7 per cent and 37.5 per cent in the value of bonds issued by the Government of Antigua and Barbuda and St Vincent and the Grenadines, respectively. These declines were moderated by an increase of 46.3 per cent to \$120.0m, in the value of bonds issued by the Government of Saint Lucia, the primary issuer of bonds on the RGSM. Also, the Government of Dominica entered the bond market with a five-year instrument valued at \$15.0m.

The commercial banks continue to hold the highest proportion of the value of bids, although that share fell to 47.8 per cent from 55.9 per cent during the comparable period of 2013. The total value of bids declined by 3.1 per cent over last year, an indication of lowered market sentiment. The bid-to-cover ratio, a ratio of the value of bids received to that accepted, fell to 1.21 at the end of September



2014, from 1.27 one year earlier, indicating a decline in investors' demand.

Secondary market trading activity increased during the first three quarters of 2014. The value of secondary trading rose to \$19.3m, from \$10.3m during the corresponding period of 2013. This outturn was due largely to an increase of \$8.3m in the value of activity by the Government of Saint Lucia, supported by first time activity of \$0.8m by the Government of Grenada.

The weighted average interest rate on 91-day Treasury bills for the first nine months of 2014 decreased to 3.72 per cent from 3.87 per cent for the corresponding period last year. The yield on the 180-day Treasury bill was 47 basis points lower than the rate recorded during the first nine months of 2013. The 365-day Treasury bill attracted a rate of 6.19 per cent, 50 basis points above the rate of the comparable period of the prior year. The 2-year and 15-year bonds, which made their debut on the market this year, through the Government of Saint Lucia, attracted yields of 4.50 per cent and 7.50 per cent respectively. The yield from the 7-year bond remained unchanged at 7.50, while that on the 10-year instrument increased by 31 basis points to 7.5 per cent during the review period.

## **Prospects**

The International Monetary Fund's World Economic Outlook in its October 2014 update lowered its growth estimate for 2014 to 3.3 per cent, from a previous estimate of 3.7 per cent. The forecast for 2015 was also revised slightly downwards to 3.8 per cent. The lowered forecast for growth stemmed from increasing downside risks both in the short and medium term, including worsening geopolitical tensions, stagnation and low potential growth in advanced economies and a slowdown in activity in the emerging markets. Notwithstanding the forecasted downturn, the economy of the United States of America has remained on a path of recovery, which augurs well for a rebound in global growth for advanced economies. The small open economies of the ECCU remain vulnerable to external shocks hence developments in the global economy are likely to impact economic activity in the region.

In the context of the global outlook and based on the outturn in the domestic economies of the ECCU thus far, economic activity is estimated to improve slightly in 2014 and gather momentum in the medium term. The improvement will be influenced by positive developments in the major economic sectors, including hotels and restaurants, transport, storage and communications, and agriculture.



However, projected contraction in construction and wholesale and retail trade will likely temper the overall economic performance of the ECCU area.

Tourism activity is on track to perform above the level of 2013, as the recovery in the USA, the region's largest market, becomes entrenched and the outlook for the UK and Canadian markets remains encouraging. Support to value added in the hotels and restaurants sector is anticipated from the increasing marketing efforts of a number of territories and additional airlift from the main markets. Improvement in tourism activity, particularly stay-over arrivals, partially enabled by additional room stock, is projected for all the territories except St Vincent and the Grenadines. Additionally, the opening of the Sandals Resort in Grenada, the reopening of Maliouhanna Hotel and Spa in Anguilla and the further development of a number of projects in St Kitts and Nevis are expected to augment the tourism product in the region.

Production in the agricultural sector is expected to strengthen based on developments in non-banana crops in most of the territories, especially Saint Lucia, Grenada and Dominica. Output in the manufacturing sector is likely to remain constrained, while activity in transport, storage and communications is expected to be

positively impacted by developments in the tourism industry. The merchandise trade deficit may continue to narrow as imports decline, in line with developments in the construction sector.

It is anticipated that activity in the construction sector will remain subdued for the rest of the year. Work is expected to continue on a number of projects, but the volume will be insufficient to give the sector the necessary impetus to drive value added above last year's level. In the private sector, work will progress on a number of tourism-related plants in a few countries, particularly St Kitts and Nevis. Public sector projects in the region will focus mainly on road and other infrastructural development, including the completion of the international airport in St Vincent and the Grenadines.

It is projected that the overall fiscal balance will record a smaller deficit, as larger collections of tax and non-tax revenues are likely to continue to outpace growth in current obligations. Capital expenditure is expected to remain depressed, as fiscal consolidation efforts by member governments continue and challenges in sourcing concessionary financing persist. Though capital spending may continue apace in a few territories, these improvements will only partly offset the slowdown in others. Central



governments' debt is likely to remain elevated, hence a projected increase in debt service payments. It is anticipated that banking sector activities will result in expanded monetary liabilities, consistent with the positive outlook for growth. Liquidity is expected to ease, while domestic credit tightens.

Despite anticipated strengthening in the global economy, uncertainty continues to shadow the recovery, hence presenting a number of

downside risks. These risks continue to threaten to derail the fragile economic recovery in the ECCU. Additionally, domestic fiscal pressures, high indebtedness and adverse weather, inter alia, remain major concerns in the region. Notwithstanding these risks, the strategic framework in train to foster growth and development in the region is expected to guide the ECCU into increased value added in 2014 and into the medium term.





## ANGUILLA

### Overview

Preliminary data suggest that economic activity expanded in the first nine months of 2014, compared with the outturn in the comparable period of 2013. This expansion was attributed to developments in the construction, hotels and restaurants, real estate, renting and business activities and public administration, defence and compulsory social security sectors. Consumer prices decreased by 1.1 per cent on an end-of-period basis. The fiscal operations of the central government resulted in a larger overall surplus, compared with that recorded in the corresponding period of 2013, influenced by increases in current revenue collections. Concurrently, total outstanding public sector debt decreased during the review period. On the external accounts, a larger merchandise trade deficit was recorded. In the banking system, monetary liabilities contracted, along with declines in domestic credit and net foreign assets. Commercial bank liquidity increased and the weighted average interest rate spread between loans and deposits widened.

Economic activity is expected to increase in 2014 buoyed by improved performance of the tourism industry, due to higher stay-over visitor

arrivals and an uptick in construction activity. An improved outlook for construction is supported by intensified activity associated with a number of hotel properties. In addition, the positive developments in those two key sectors are expected to positively impact the transport, storage and communications, and wholesale and retail trade sectors.

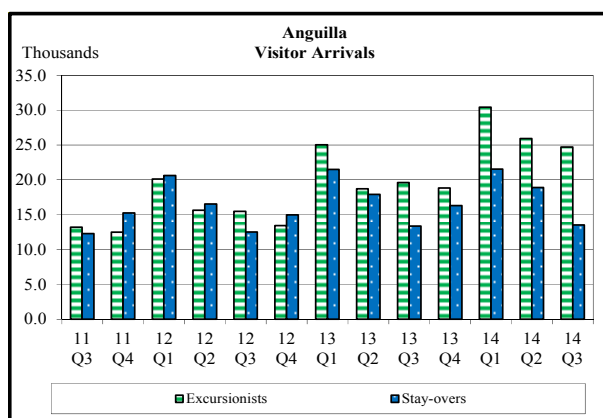
The improvement in real sector activity could be moderated by possible downside risks which include; an uneven global economic recovery due to continued fragility in the labour and housing markets in the USA and diminished global capital and foreign direct investment inflows into the Caribbean region. The threat of weather related damage to the infrastructure presents another major downside risk to the forecast while other emerging risks include geopolitical tensions in some oil exporting regions.

### Output

Construction activity in the first nine months of 2014 is estimated to have increased relative to the comparable period of 2013. This assessment of construction activity reflects intensified activity in the private sector, moderated somewhat by lower activity in the public sector.



In the private sector, construction activity is estimated to have increased based on a pick-up in works associated with the completion of the refurbishment of the Malliouhana Hotel and Spa, intensified construction on The Reef, Solaire hotel and villas project, Zemi Beach and Manoah boutique resorts. In the public sector, government outlays on capital projects fell, constrained by limited fiscal space and restrictions on borrowing. Higher construction activity would have positively impacted allied sectors including; transport, storage and communications; and real estate, renting and business activities.



The performance of the tourism industry, as proxied by the hotels and restaurants sector, improved based on increases in excursionists and stay-over visitor arrivals. Total visitor arrivals were estimated to have increased by 16.3 per cent to 135,095 in the first nine months of the year compared with a

15.1 per cent increase in the comparable period of 2013. The performance was fuelled primarily by a 28.0 per cent rise in the number of excursionists to 81,126. The more economically impacting category of total visitor arrivals, stay-over visitors were also estimated to have risen by 2.3 per cent to 53,969 led by a near- trebling in the number of visitors from Germany, coupled with growth in the Caribbean (7.3 per cent) and Canadian markets (11.5 per cent ) respectively. Economic expansion in Germany along with an intensified marketing campaign in Canada fuelled the performances of these markets. All the other major markets recorded declines including; the USA (1.1 per cent), which accounts for 63.4 per cent of all stay-over visitor arrivals into Anguilla and the UK (2.8 per cent). Limited marketing promotion in the UK continues to constrain the performance of that market. The higher level of activity in the tourism industry contributed to the estimated increase in value added in the real estate, renting and business activities sector. Additionally, increased value added was recorded in public administration, defence and compulsory social security sector, as indicated by larger outlays for wages and salaries.

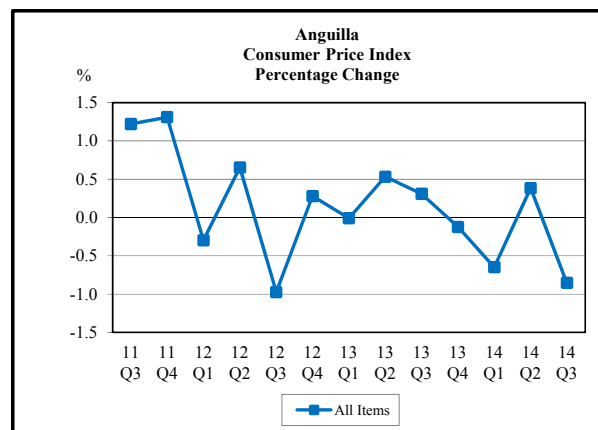
In contrast, value added by the financial intermediation sector is estimated to have declined in the first nine months of the year on



account of estimated reductions in the value of loans and advances extended by commercial banks.

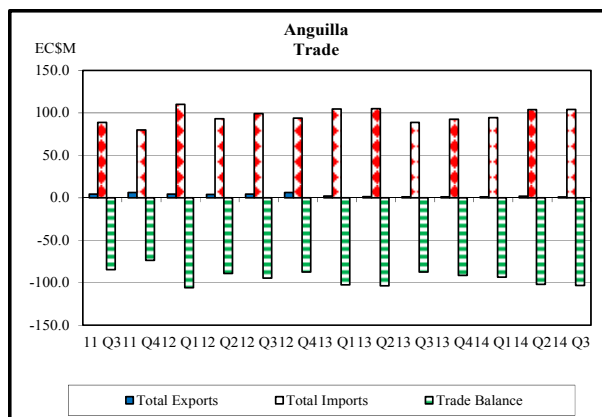
## Prices

The consumer price index declined by 1.1 per cent on an end of period basis during the first nine months of 2014 compared with an increase of 1.8 per cent in the corresponding period of 2013. The main sub-indices contributing to this reduction were; clothing and footwear (7.0 per cent), household furnishings, supplies and maintenance (3.7 per cent), transport (2.5 per cent), food and non-alcoholic beverages (1.1 per cent) and housing, utilities, gas and fuels (0.9 per cent). The declines in those sub-indices were associated with a reduction in the price for men and women's clothing, lower prices for accommodation rental and cooking gas, lower air transportation cost and lower prices for cereal, bread, poultry, vegetables and non-alcoholic beverages. The downward pressures on prices in the targeted consumption basket were tempered by increases in the sub-indices for health (4.2 per cent), recreation and culture (1.2 per cent) and alcoholic beverages and tobacco (0.3 per cent).



## Trade and Payments

A merchandise trade deficit of \$298.8m was estimated in the first nine months of the year compared with one of \$293.7m in the corresponding 2013 period. The widening of the deficit was primarily due to an estimated increase in imports of 1.5 per cent (\$4.4m). Gross travel receipts were estimated to have increased by 4.7 per cent to \$261.3m, consistent with the projected improvement in stay-over visitor arrivals. The transactions of commercial banks resulted in a net inflow of \$3.7m in short-term capital, in contrast to an outflow of \$44.4m in the comparable 2013 period. There were no external disbursements in the first nine months of 2014; however external principal repayments totalled \$0.8m.



### Central Government Fiscal Operations

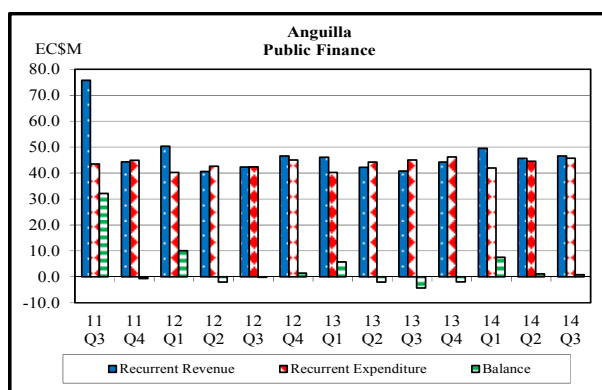
The fiscal operations of the central government resulted in an overall surplus (after grants) of \$7.7m in the first nine months of the year, a reversal from the deficit of \$7.5m in the corresponding period of 2013. The outturn was largely influenced by an increase in the current account surplus. Similarly, a primary surplus (after grants) of \$14.7m was recorded, in contrast to a deficit of \$1.0m in the comparable period of 2013. This fiscal performance reflects the effects of faster growth in tax revenue collection relative to an increase in current expenditure outlays.

Current revenue rose by 9.8 per cent (\$12.6m) to \$141.8m, due in large part to an 8.3 per cent increase in the collection of tax revenues. The larger intake of tax revenue collections reflected increases in receipts from taxes on property which almost doubled to \$3.3m, due mainly to

strengthened tax administration and the impact of the new property tax module. Receipts from taxes on domestic goods and services rose by 14.5 per cent (\$6.3m) on account of higher receipts from accommodation tax and stamp duty. Accommodation tax collections increased by 31.3 per cent (\$3.4m) as a result of an increase in stay-over visitor arrivals and the collection of outstanding accommodation taxes from some tourist accommodation establishments. Higher yields from stamp duty reflected an increase in the value of land sales. Increased collection of taxes on international trade and transactions primarily reflected larger receipts of import duties (\$3.7m), associated with the importation of a higher proportion of used automobiles which attracted higher duty. The increase in collections from taxes on international trade and transactions was partly moderated by lower embarkation tax receipts which fell by 71.9 per cent (\$2.8m). Revenue from taxes on income and profits rose by 4.9 per cent (\$0.5m), attributable to a marginal increase in the collection of the interim stabilisation levy. Non-tax revenue rose by 18.9 per cent (\$3.4m) to \$21.2m on account of higher earnings from the operations of the Post Office.

Current expenditure rose by 2.0 per cent (\$2.6m) to \$132.2m compared with a 3.4 per cent increase in the first nine months of

2013. Outlays on goods and services increased by 9.7 per cent (\$2.7m) and interest payments rose by 7.5 per cent (\$0.5m). Higher interest payments were influenced by increased outlays for both the domestic (8.8 per cent) and external components (6.8 per cent). Higher current expenditure was also supported by an increase in spending on personal emoluments of 1.3 per cent (\$0.8m), partly tempered by a decline in outlays on transfers and subsidies of 3.8 per cent (\$1.3m). Capital expenditure declined to \$1.9m from \$7.1m in the corresponding period of 2013, reflecting a reduction in the implementation of capital projects.



The surplus generated from the fiscal operations of the government resulted in an increase in government deposits held at the commercial banks and facilitated scheduled amortisation payment to the Anguilla Social Security Board and the Caribbean Development Bank.

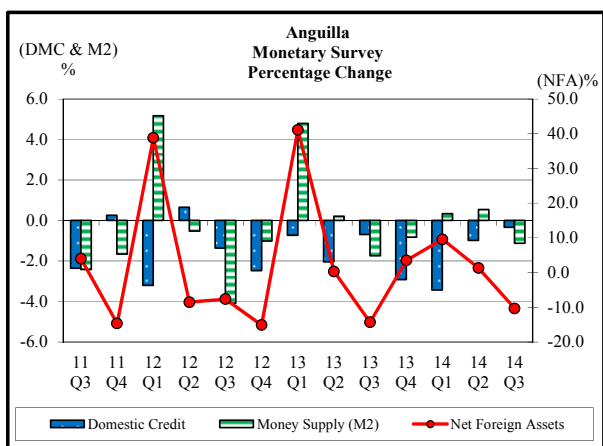
## Public Sector Debt

The total disbursed outstanding debt of the public sector was estimated at \$227.2m at the end of September 2014, 2.0 per cent below the level recorded at the end of 2013. Central government debt accounted for 94.2 per cent of total disbursed outstanding debt, while external debt accounted for 74.3 per cent of the estimated debt stock. The outstanding debt of statutory bodies amounted to \$13.3m.

## Money and Credit

Monetary liabilities (M2) contracted by 0.3 per cent to \$1,028.2m in the first nine months of the year in contrast to a 3.2 per cent increase in the corresponding period of 2013. This fall in M2 can be attributed to a reduction in quasi money, which accounts for 95.3 per cent of M2. It declined by 0.8 per cent to \$979.7m as result of lower private sector foreign currency deposits (2.0 per cent), with increases in savings deposits (5.8 per cent) and time deposits (0.5 per cent) moderating the contraction. The other main component of M2, narrow money (M1), rose by 12.8 per cent, as a result of a 19.4 per cent increase in private sector demand deposits.

Domestic credit contracted by 4.7 per cent during the period under review compared with a 3.5 per cent decline in the corresponding period of 2013. This contraction was attributable to reductions in outstanding credit to the private sector, combined with an increase in the net deposit position of non-financial public enterprises. Private sector credit declined during the review period by 2.3 per cent (\$30.1m), fuelled by a 3.1 per cent (\$23.6m) reduction in lending to businesses and a 0.5 per cent (\$2.8m) decrease in outstanding credit to households.



The net deposit position of statutory bodies rose by 9.1 per cent owing to an increase in deposits (2.9 per cent) while outstanding credit to those entities fell. Consistent with general developments of the fiscal accounts during the review period, the net deposit position of the central government rose by 2.2 per cent (\$1.4m)

to \$67.4m, largely influenced by growth of \$3.6m in deposits held at commercial banks.

An analysis of the distribution indicates that credit extended to tourism registered the largest decline of \$33.1m (13.1 per cent). Reductions in credit for personal use and public administration of 2.2 per cent (\$12.0m) and 52.7 per cent (12.1m) respectively, also influenced the decline in overall credit. The decline in credit for personal use was largely due to reduced credit for durable consumer goods (\$2.3m) and other personal use (\$4.3m). The declines in credit extended were partly moderated somewhat by increases for construction (\$4.4m), distributive trades (\$3.0m) and professional services (\$5.5m).

The net foreign assets of the banking system declined by 0.5 per cent to \$232.7m in the first nine month of 2014, as a result of the transactions of commercial banks. Activities by the commercial banks resulted in a 3.0 per cent (\$3.7m) reduction in their net assets position, owing to an increase in outstanding liabilities held with financial institutions outside of the Currency Union (31.8 per cent). Anguilla’s imputed share of ECCB reserves rose by 2.3 per cent to \$113.4m largely on account of an increase in its imputed assets.



Liquidity in the commercial banking system improved during the first nine months of 2014, as evidenced by a 3.0 percentage point increase in the ratio of liquid assets to total deposits plus liquid liabilities to 28.4 per cent and a decrease of 4.1 percentage point in the loans and advances to total deposits ratio to 89.3 per cent. The weighted average interest rate spread between loans and deposits widened to 6.33 per cent at the end of September 2014, from 5.86 per cent at the end of 2013. A 10 basis points increase in the weighted average interest rate on loans to 9.29 per cent and a less than 40 basis points decline to 2.96 per cent in that for average weighted deposits rate, contributed to this widening of the spread.

### **Prospects**

Global economic growth has been adjusted downwards to 3.3 per cent in 2014, representing a 0.3 percentage points below the revised July estimate based on an updated World Economic Outlook (WEO) report of the International Monetary Fund (IMF). The expansion in global economic growth will be gradual and led largely by accelerations in the performance of advanced economies as well as a recovery in the growth of emerging economies at a moderate pace. In particular growth in the USA and UK, two vital

international partners, are projected to be 2.2 per cent and 3.2 percent respectively.

In light of the foregoing the Anguillan economy is expected to expand in 2014 following on from the recovery in 2013. An improved performance in the tourism industry and continued high level of private sector construction activity is expected to drive the expansion. Tourism related activity is anticipated to accelerate through increases in the number of stay-over visitors, intensified marketing and the opening of the Malliouhana Hotel and Spa. In the construction sector, tourism related construction is projected to increase based on a number of ongoing projects including the Reef, Solaire hotel and villa project, Zemi Beach and the Manoah boutique resorts. This trend is expected to continue, in the absence of mitigating factors and is projected to positively impact the wholesale and retail trade and real estate, renting and business activities sectors.

The fiscal operations of the Central Government are expected to record a larger overall surplus associated with sustained revenue growth and constrained capital expenditure. Capital expenditure is expected to fall below outlays in the corresponding period of 2013, as the authorities maintain continued prudence in containing public expenditures.



On the external accounts the merchandise trade deficit is projected to widen as imports associated with increased activity in the construction and wholesale and retail trade sectors increase. Additionally, consistent with expectations regarding tourist arrivals, gross visitor expenditure is expected to increase relative to earnings in 2013, contingent on the sustained performances of the tourism markets in the USA, Canada and more recently Germany. Foreign direct investment inflows are estimated to moderately increase in 2014.

Downside risks to the projections remain elevated both on the external and domestic fronts. Notwithstanding the improved global outlook, looming geo-political challenges threaten to derail the expansion through the potential adverse impact on investor confidence. On the domestic front, risks include financial sector challenges attributable to limited possibilities for credit extension, possible storm damage to the infrastructure and the possibility of a protracted capital investment freeze.





## ANTIGUA AND BARBUDA

### Overview

Economic activity in Antigua and Barbuda is provisionally estimated to have accelerated in the first nine months of 2014 when compared with the corresponding period of 2013. The growth in economic activity was attributable to positive developments in the construction, hotels and restaurants, wholesale and retail trade, and transport, storage and communications sectors. Consumer prices were relatively flat as the rate of inflation increased by 0.8 per cent, on an end of period basis. The fiscal operations of the central government resulted in a smaller overall deficit, due to increased revenue coupled with a reduction in current expenditure. Disbursed outstanding public sector debt increased, compared with the level at the end of December 2013. Monetary liabilities and the net foreign assets of the banking system increased as domestic credit fell. Commercial bank liquidity improved and the weighted average interest rate spread between loans and deposits widened during the review period.

The economic prospects for the remainder of the year are positive, resulting in growth expectations for 2014 being above the level

obtained in 2013. This favourable outlook is predicated on continued robust performance of stay-over visitor arrivals which will support activity in the hotels and restaurants sector. Construction sector activity is expected to remain strong due to the commencement of a number of foreign direct investment projects and other construction activities in the public sector. The fiscal position of the central government is projected to weaken as expenditures and debt service payments are expected to trend higher and more than offset the expected growth in revenue. Consistent with a forecasted larger deficit, the debt to GDP ratio is also expected to increase. Inflation is forecast to be around 2.0 per cent for 2014, given the stable outlook for commodity prices.

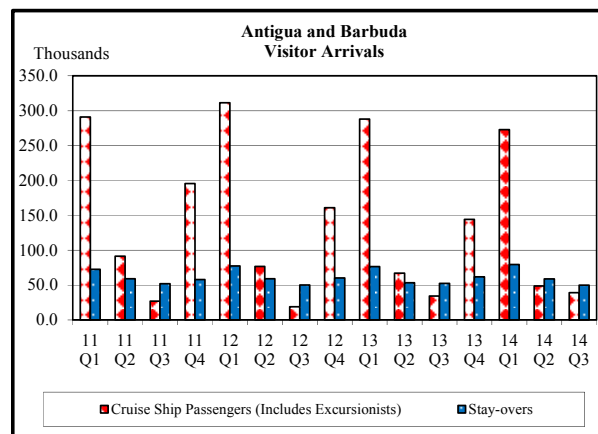
Downside risks to the economic outlook for Antigua and Barbuda have receded somewhat but still loom. Geopolitical risks and slower economic growth in Europe and China coupled with domestic challenges continue to weigh negatively on the economic outlook.

### Output

Provisional data for the first nine months of 2014 point to continual improvements in



economic activity in Antigua and Barbuda. The improvement in economic activity was primarily attributed to increased value added from the hotels and restaurants sector as the number of stay-over visitors increased. The number of stay-over visitors rose by 3.6 per cent to 188,127 in the first three quarters of 2014, in contrast to a decline of 2.7 per cent in the first nine months of 2013. Stay over arrivals from the largest source markets, the USA and the UK, rose by 9.4 per cent and 3.8 per cent, respectively, largely attributable to increased airlift from those destinations. The cricket test match between the West Indies and England also contributed to the increase in UK visitors. By contrast, stay over arrivals from Canada and the Caribbean declined by 6.8 per cent and 5.0 per cent, respectively. In the cruise industry, the performance was lackluster as the number of cruise passengers fell by 7.4 per cent to 360,518 reflecting a reduced number of cruise ship calls. Yacht passenger arrivals are estimated to have decreased by 12.7 per cent to 17,948 compared with a decline of 2.8 per cent in the first three quarters of 2013, associated with a reduction in the number yachts visiting the country.



Available indicators suggest that activity in the construction sector accelerated in the first three quarters of 2014 relative to the corresponding period in 2013. The volume of construction materials is estimated to have risen by 6.6 per cent. Other proxy indicators of construction activity such as cement imports rose by 4.8 per cent compared with an 11.0 per cent increase for the first nine months of 2013. Likewise, government's capital expenditure rose by \$17.9m attributable to an increase in road construction activity. The uptick in construction activity was also supported by a 43.0 per cent expansion in output from the mining and quarrying sector as reflected in an increase in the output of both block and construction aggregate. The positive movements in those indicators were partly tempered by an estimated slowdown in private residential construction, as exemplified by a 0.9 per cent reduction in commercial bank credit for home construction and renovation.

Activity in the wholesale and retail trade sector is estimated to have increased as the value of imports rose due to a buoyant tourism season and a recovering economy. Activity in the transport, storage and communications sector rose when compared with the performance in 2013. The increase was attributable to a higher outturn in air and road transport, tempered slightly by a decline in sea transport. The improvement in air transport reflected an increase in the number of flights to Antigua and Barbuda, while road transport rose largely on account of greater road works by the government. By contrast, sea transport fell due to a reduced number of cruise ship calls to the country.

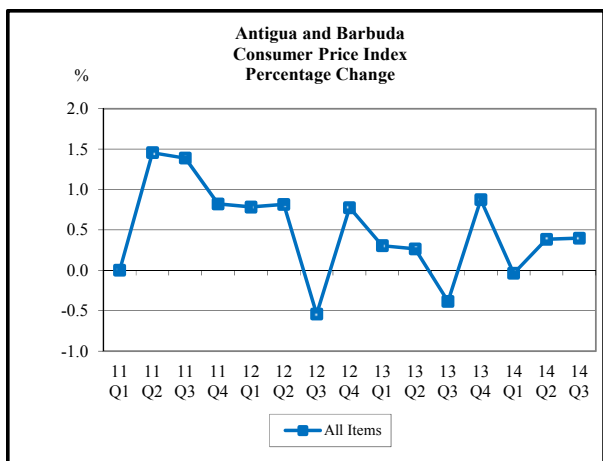
The increase in economic activity was partially offset by lower value added from the public administration and defense; compulsory social security and financial intermediation sectors. A decline in pensions paid by the government contributed to the reduction in output from the public administration and defense and compulsory

social security sector while lower profitability and negative credit growth at commercial banks led to a decline in financial intermediation.

### **Prices**

The rate of inflation rose by 0.8 per cent through the first nine months of 2014 compared to a 0.2 per cent increase recorded during the corresponding period of 2013. The increase in the rate of inflation reflected higher prices for clothing and footwear, transport and communications, and medical services. An increase in the prices for articles of clothing for men and boys resulted in a 4.3 per cent increase in the clothing and footwear sub index, in contrast to a 0.3 per cent decline recorded in the corresponding period of 2013. The transport and communications sub-index rose by 1.9 per cent owing to an increase in the price of repairs and maintenance of personal transportation. Offsetting the increase in the CPI was a 0.9 per cent reduction in the food sub-index associated with a decline in the price of fruits, vegetables and bakery products.



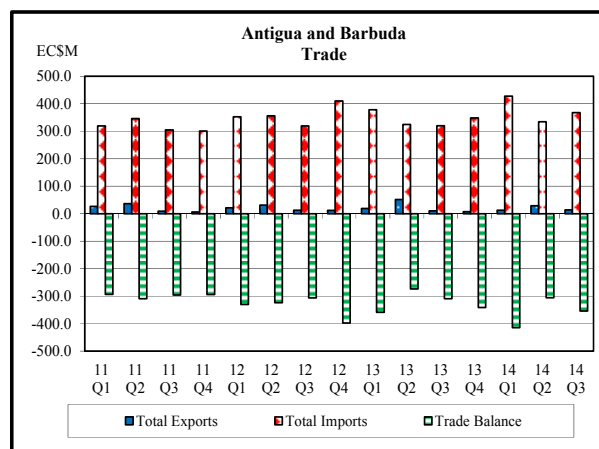


**Trade and Payments**

Preliminary trade statistics for the first three quarters of 2014 indicated that the trade deficit increased by 14.0 per cent to \$1,047.2m, due to a 10.4 per cent expansion in the value of imports. The rise in imports was most pronounced in the category for machinery and transport equipment, largely reflecting an increase in the importation of motor vehicles. The cargo throughput data indicated that the volume of imports rose by 7.3 per cent, due to increases in general cargo and motor vehicles which grew by 8.4 per cent and 70.6 per cent, respectively. The volume of exports fell by 5.0 per cent, largely attributable to a decline in the re-export of fuel and petrol.

Gross travel receipts are estimated to have increased by 2.4 per cent to \$646.5m, reflecting the increase in stay-over visitor arrivals. Commercial banks’ transactions resulted in a net

inflow of \$15.3m in short-term capital in contrast to a net outflow of \$2.2m during the first three quarters of 2013. There was a \$16.2m disbursement in external loans to the central government for the first nine months of 2014, while external debt principal repayment totaled \$79.0m, mostly associated with repayments to the IMF. Consequently, there was a net outflow of \$62.8m compared with a net inflow of \$67.6m in the first three quarters 2013.

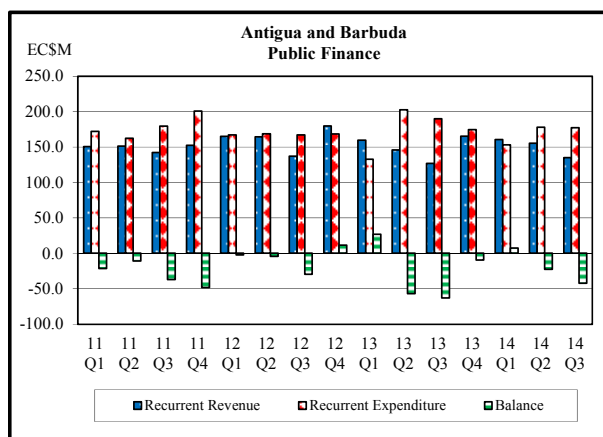


**Central Government Fiscal Operations**

The outturn of the fiscal operations of the central government for the period January to September 2014 reflected a strengthening of consolidation efforts. Preliminary data suggest that the overall balance recorded a smaller deficit of \$98.6m compared with one of \$116.3m in the corresponding period last year. A primary deficit of \$31.8m was realised



compared with a deficit of \$69.6m in the first three quarters of 2013.



The current account balance recorded a deficit of \$57.8m compared with one of \$93.4m in the corresponding period of 2013. The narrowing of the current account deficit reflected an increase in revenue collections coupled with a streamlining of expenditure. Current revenue rose by 4.2 per cent to \$450.6m, primarily due to an increase in collections from the Antigua and Barbuda Sales Tax (ABST). Tax revenue collection improved by 5.1 per cent to \$431.2m in contrast to a 7.0 per cent decline in the period January to September 2013, reflecting a 13.5 per cent (\$24.1m) increase in tax receipts from domestic goods and services. The gain in tax receipts on domestic goods and services was on account of a \$21.7m increase in collections from the ABST due to improved compliance and enforcement. Revenue from property taxes and taxes on international trade and transactions

rose by \$3.3m and \$2.8m, respectively. By contrast, taxes on income and profits declined by \$9.3m, as receipts from both personal income and company taxes fell.

The improvement in revenue was supported by a reduction in current expenditure, which fell by 3.3 per cent (\$17.5m) in the first nine months of 2014. Reduced expenditure for transfers and subsidies and goods and services were responsible for the decline in total current expenditure while spending on personal emoluments and interest payments rose. Expenditure on transfers and subsidies fell by 21.4 per cent (\$35.4m) attributable to reduced transfers to State Owned Enterprises. By contrast, there was a 6.8 per cent (\$14.0m) expansion in expenditure on personal emoluments, reflecting retroactive payments made to nurses and teachers and increased hiring under the new work experience programme. Interest payments rose by 43.0 per cent (\$20.1m) on account of a 90.9 per cent (\$11.4m) increase in external interest payments. Capital expenditure rose by 74.5 per cent to \$41.9m in the first three quarters of 2014 largely on account of increased road and drain construction.

Total debt service payments declined to \$176.4m in first three quarters of 2014 from



\$188.6m in the corresponding period of 2013. The net reduction in debt service payments was largely associated with a \$61.9m decline in domestic debt service obligation as external debt service obligations increased by \$49.7m. The overall fiscal deficit was financed primarily through domestic debt: private bond placement and the incurrence of domestic arrears.

### **Public Sector Debt**

The total outstanding public sector debt is estimated to have increased by 5.8 per cent to \$3,261.8m at the end of September 2014, relative to the amount at the end of December 2013. The increase in the debt stock was attributable to a 10.8 per cent (\$179.7m) increase in domestic debt as the central government accumulated \$185.8m in new domestic debt while public corporations domestic debt fell by \$6.1m. Meanwhile, the total external debt stock fell by 0.1 per cent (\$2.0m) largely associated with a decline in central government debt.

### **Money and Credit**

Growth in total monetary liabilities (M2) decelerated to 1.6 per cent during the first three quarters of the year compared with growth of 4.0 per cent during the corresponding period of

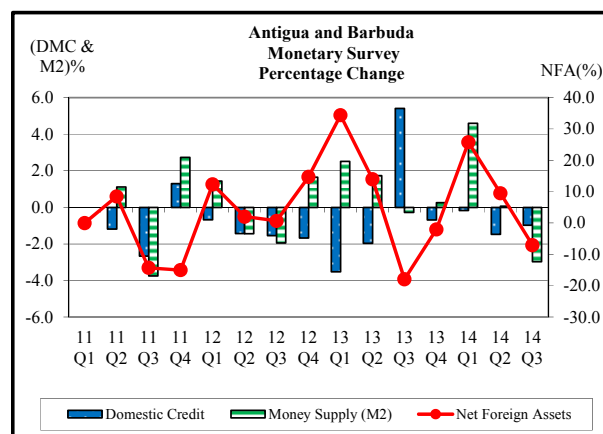
2013. Monetary liabilities (M2) totaled \$2,953.5m largely associated with a 6.2 per cent (\$37.0m) expansion in narrow money supply (M1) to \$634.3m. The expansion in M1 was primarily attributable to a 9.2 per cent growth in private sector demand deposits while currency with the public declined by 2.1 per cent. Quasi rose by 0.4 per cent (\$8.0m) to \$2,319.2m on account of a 9.3 per cent increase in private sector savings deposits. By contrast the other sub-components, private sector time and foreign currency deposits, fell by 8.7 per cent and 10.4 per cent, respectively.

Domestic credit fell as banks remained cautious about lending opportunities. Following a 0.3 per cent decrease during the first three quarters of 2013, domestic credit fell by 2.6 per cent (\$70.1m) to \$2,614.2m at the end of September 2014. Credit to the private sector, which constitutes the bulk of credit to the economy, recorded a 3.8 per cent (\$85.4m) decline. This reduction reflected deleveraging by both households (0.9 per cent) and businesses (6.8 per cent). Net credit to the government decreased by 3.4 per cent (\$18.0m) as the government continued to reduce its exposure to commercial banks. Commercial banks' net credit to the government fell by 4.4 per cent (\$18.9m) while Central Bank net credit to the government rose by 1.0 per cent, largely owing



to a short term loan granted in March 2014. In the rest of the public sector, the net deposits position of non-financial public enterprises declined by 30.4 per cent (\$33.3m), on account of a 14.1 per cent (\$39.5m) decrease in their deposits at commercial banks.

The stock of credit extended to the various sectors of the economy fell by 3.4 per cent (\$92.8m), compared with a 1.4 per cent decline recorded during the first three quarter of 2013. Outstanding credit for personal use, which constitutes the majority of credit, fell by 1.6 per cent (\$20.7m) attributable largely to a reduction of \$15.1m in credit for the acquisition of property, supported by a decline of \$6.1m for other personal use. Noted declines in credit allocation were also recorded in construction (\$23.2m), tourism (\$27.3m), and other purposes (\$18.6m). The decline in credit for other purposes is largely on account of a 13.2 per cent (\$17.4m) decline in credit to businesses in the utilities, electricity and water sector. By contrast, credit to the distributive trades sector increased by 2.7 per cent (\$6.8m).



The net foreign asset of the banking system rose by 28.0 per cent to \$715.7m at the end of September 2014 associated with an increase in Antigua and Barbuda's imputed share of the reserves at the Central Bank. Antigua and Barbuda's imputed share of ECCB's reserves rose by 31.4 per cent to \$718.6m. The activities of the commercial banks resulted in a net liabilities position in contrast to a net foreign asset position during the corresponding period of 2013. The net liabilities position totaled \$3.0m at the end of September 2014 from a net foreign asset position of \$12.3m at the end of December 2013.

Liquidity in the commercial banking system increased as the ratio of liquid assets to total deposits plus liquid liabilities rose by 3.3 percentage points to 50.5 per cent. The loans and advances to total deposits ratio fell to 74.2 per cent at the end of September 2014,

from 78.1 per cent at the end of December 2013.

The interest rate spread between loans and deposits widened to 6.69 percentage points at the end of September 2014, from 6.54 percentage points at the end of December 2013. The weighted average interest rate on loans rose to 9.56 per cent from 9.47 per cent at the end of December 2013, while that on deposit decreased to 2.87 percentage points from 2.93 percentage points at the end of December 2013.

### **Prospects**

Antigua and Barbuda is set to record positive economic growth for 2014 against an improving global economic outlook. According to the IMF's October 2014 World Economic Outlook (WEO), global growth for 2014 is projected at 3.3 per cent. The USA and the UK, Antigua and Barbuda's main trading partners, are expected to grow by 2.2 per cent and 3.2 per cent respectively. Growth in the domestic economy will be driven by increased output from the hotels and restaurants and the construction sectors. While the developments in the tourism sector have been positive it has largely been skewed towards stay over visitors while the performances of the cruise and

yachting segments have been lagging. Therefore efforts to boost arrivals in these areas can further advance activity in the tourism industry and the wider economy. Increased activity in these sectors is expected to boost growth in other ancillary sectors. Commodity prices are expected to remain at their current levels, which would help to keep domestic price inflation relatively low.

Fiscal challenges persist as the authorities continue to grapple with high levels of public debt. Economic activity has begun a gradual process of recovery; however, domestic revenue collections remain weak and expenditure rigidly high. There are also downside risks emanating from large amortization payments, which will add to further financing pressures. In light of these developments, the fiscal situation is expected to remain challenging with an overall deficit being realised by end 2014.

Overall, downside risks to growth prospects have abated but still loom. Geopolitical tensions in the Middle East and Ukraine have abated somewhat but still remain and pose a risk to the global economy and by extension the economy of Antigua and Barbuda. The economic recovery in Europe remains tepid and Chinese economic growth has slowed paring global economic demand which will affect the





economy of Antigua and Barbuda through trade and financial channels. In light of this, while

the economic outlook for Antigua and Barbuda is favourable, it remains one of cautious optimism.



## DOMINICA

### Overview

Preliminary data suggest that economic activity improved for Dominica in the first nine months of 2014, relative to the performance in the corresponding period of 2013. This performance was driven primarily by increased value added in the agricultural sector and tourism industry. Consumer prices rose by 1.8 per cent on an end of period basis. The merchandise trade deficit widened marginally, on account of increases in the value of imports. Central government fiscal operations generated a smaller overall deficit largely influenced by developments on the capital account. Total outstanding public sector debt increased. In the banking system, there were increases in monetary liabilities and net foreign assets, while domestic credit declined. Overall liquidity in the banking sector improved and the spread between interest rates on loans and deposits widened.

Economic activity is projected to improve over the remainder of the year. This improvement is projected to be led by an expansion in the tourism industry, with positive spill over effects on other service sectors within the economy.

Production in agriculture is expected to improve while the manufacturing and construction sectors are projected to remain weak. Against this backdrop, a smaller overall deficit is estimated for 2014. Although prospects for growth of advanced economies were strengthened, reduced growth prospects for emerging market economies pose downside risks to the Dominican economy.

### Output

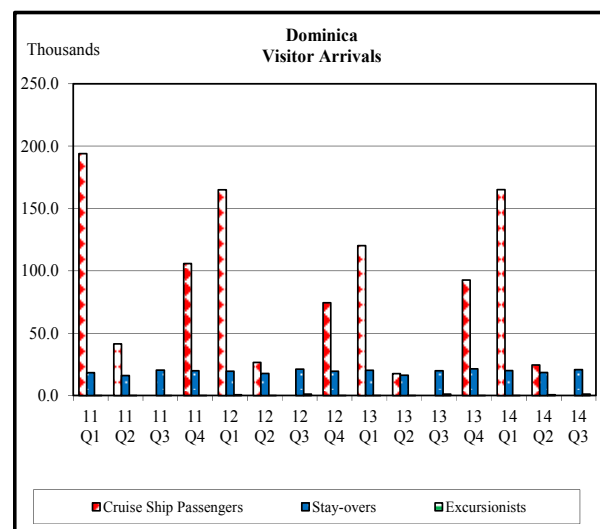
Output in the agricultural sector marginally improved during the first nine months of 2014 on account of non-banana production. Preliminary data show that banana production contracted by 23.5 per cent and totalled 989 tonnes in the first nine months of 2014, compared with a rate of decline of 38.9 per cent in the corresponding period of 2013. Other agricultural output is estimated to have increased based on efforts towards increased diversification in livestock and other crops.

The performance of the tourism industry is estimated to have strengthened on account of greater demand from the cruise, and stay-over segments, coupled with increased marketing and



increased airlift from Guadeloupe and St Maarten. The total number of cruise ship passengers was estimated to have increased by 37.6 per cent to 189,716, consistent with the total number of cruise ship calls which rose to 128 from 102 in the same period last year. Stay-over visitor arrivals were estimated to have increased by 4.8 per cent to 59,520 reflecting improvements in all major source markets except Canada which declined marginally by 1.1 per cent. Arrivals from Europe rose by 13.1 per cent, registering the largest growth among the source markets, driven primarily by increased arrivals from France, Switzerland and the United Kingdom. Increases in arrivals were also registered for the USA (10.0 per cent) and the Caribbean (0.8 per cent) markets, which together account for 70.0 per cent of the stay-over visitor arrivals, on average. The improvement in visitor arrivals from the USA was consistent with the strengthening of the economic recovery and positive consumer sentiments. The number of excursionists grew by 17.2 per cent; however, a decline of 2.3 per cent was recorded for yacht passengers. Consequently, the net effect of those overall developments was a 26.6 per cent increase in total visitor arrivals to 261,025. The improvements in activity in the tourism industry positively impacted activity in other highly correlated service sectors such as; the transport,

storage and communications as well as wholesale and retail trade.



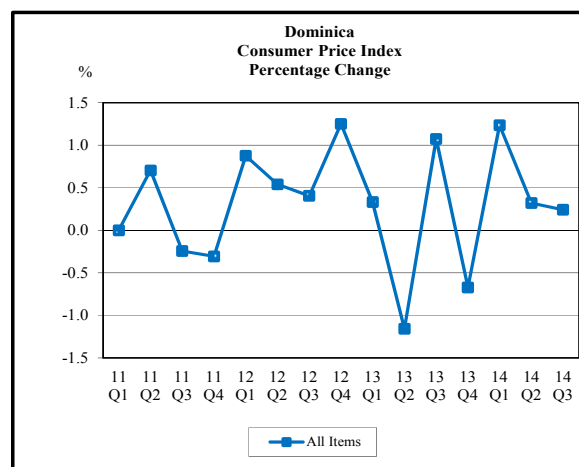
Activity in the manufacturing sector is estimated to have decreased due to contractions in the production of paints and varnishes (13.8 per cent) and soap (11.3 per cent) led primarily by a decrease in export demand. These declines were partially offset by an increase of 12.8 per cent in the production of beverages.

Construction activity remained weak as capital spending, one of the main driver of activity is estimated to have declined by 56.4 per cent in the first nine months of the year. Spending was mostly on road and water supply networks, schools, housing and the Roseau enhancement project. The number and value of construction starts for the private sector fell by 5.2 per cent and 19.8 per cent respectively, however imports

of construction materials are estimated to have increased marginally.

## Prices

The overall level of consumer prices rose by 1.8 per cent during the first nine months of 2014, compared with a rate of increase of 0.2 per cent in the corresponding period of 2013. The main contributing factor to the inflation was the housing, utilities, gas and fuels sub-index which rose by 4.6 per cent, largely on account of increases in the price of electricity and in the cost of water supply and miscellaneous services relating to dwellings. The second contributing factor was the transport sub-index – the second largest weighted index – which was up by 0.8 per cent largely driven by higher costs of maintenance and repair of personal transport. Furthermore, increases occurred in the sub-indices for food and non-alcoholic beverages (0.3 per cent) and household furnishings, supplies and maintenance (2.8 per cent). By contrast, declines were recorded in the sub-indices for health (1.4 per cent), and hotels and restaurants (0.6 per cent).



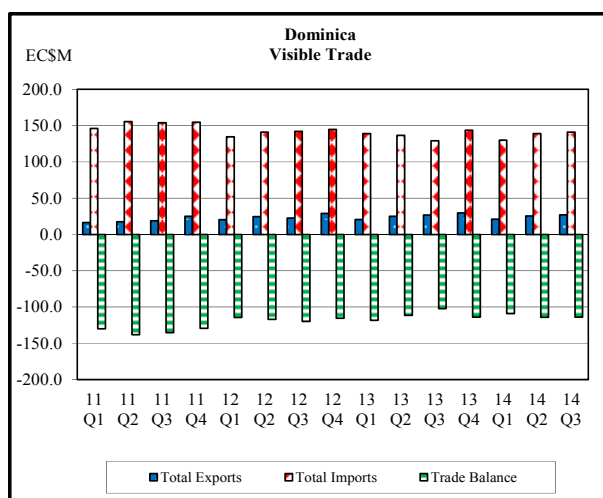
## Trade and Payments

The merchandise trade deficit is provisionally estimated to have widened by 1.4 per cent to \$336.4m in the first nine months of 2014. This outturn was primarily due to a 1.4 per cent increase in the value of total imports \$410.1m. This rise in the import bill was driven by an increase in payments for fuel, miscellaneous manufactured articles and higher value of machinery and transport equipment. The value of total exports is estimated to have risen marginally by 1.2 per cent to \$73.7m, attributable to growth in receipts of re-exports and domestic exports of 2.3 per cent and 0.9 per cent respectively. Growth in domestic exports was primarily attributable to higher export receipts from beverages and tobacco, crude materials, inedible except fuels and chemicals and related products.

Gross travel receipts expanded by 9.3 per cent (\$14.5m) to \$170.6m, mirroring the improvements in stay-over visitors and cruise passenger arrivals. The transactions of commercial banks led to an outflow of \$51.4m in short term capital in contrast to a net inflow of \$8.4m during the same period in 2013. Additionally, capital grants rose to \$43.9m when compared to \$0.02m collected during the first nine months of 2013. External loan disbursements rose by 85.0 per cent (\$22.9m) to \$50.0m while external principal repayments totalled \$10.9m, this led to a net inflow of \$34.6m.

This outturn mainly reflected the combined effect of a reduction in capital expenditure and higher grants inflows. A primary surplus of \$16.8m was recorded in contrast to a primary deficit of \$94.9m in the first nine months of 2013. The overall deficit was mainly financed by external loans from multilateral and bilateral creditors and the issuance of treasury bills on the Regional Government Securities Market (RGSM).

Provisional data for the capital account indicated that spending declined by 56.4 per cent (\$80.1m) to \$62.4m, partly on account of the completion of major road rehabilitation projects. Capital spending consisted of outlays for housing schemes, water supply projects, rehabilitation projects and the geothermal initiative. The main funding source was grants from multilaterals and bilateral partners.



### Central Government Fiscal Operations

The fiscal operations of the central government resulted in an overall deficit of \$4.7m in the first nine months of 2014, down from a deficit of \$115.9m in the comparable period of 2013.

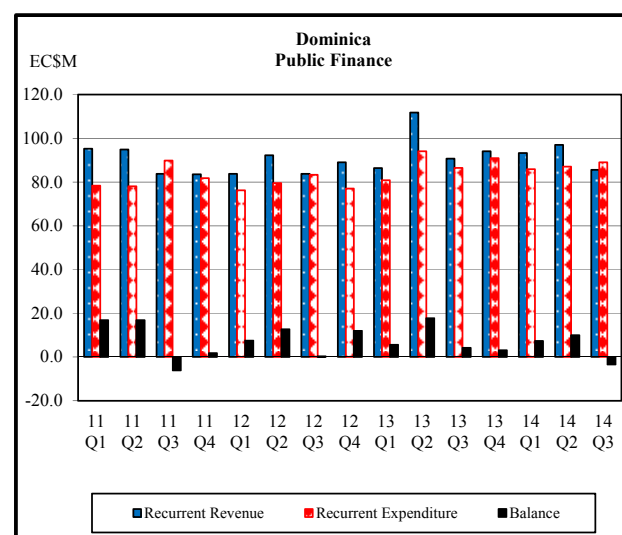
The current account surplus amounted to \$13.9m, up from one of \$27.5m in the first nine months of 2013. Tax revenue rose by 2.4 per cent to \$233.4m on account of increased intake from the two major categories: taxes on international trade and transactions and taxes on domestic goods and services. Revenue from taxes on international trade and transactions were up by 5.7 per cent (\$2.4m) on account of



increased revenue from import duties, customs service charge and embarkation tax. Receipts from taxes on domestic goods and services increased by 2.9 per cent (\$4.0m) owing to a rise in collections from value added and travel taxes. Value added tax revenue increased by 3.5 per cent to \$95.1m for the period under review. These increases in tax revenue were partially offset by declines in revenue from taxes on property (8.4 per cent) and on income, profit and capital gains (0.9 per cent). The fall in receipts from taxes on income, profit and capital gains was due in part to a decrease in collections from the stabilisation levy (58.0 per cent) and personal income tax (5.6 per cent). Non-tax revenue contracted by 30.3 per cent (\$18.4m), mostly attributed to lower receipts from the economic citizenship programme of 38.1 per cent (\$19.0m) and interest and rents (\$1.4m).

Current expenditure rose by 0.24 per cent to \$262.0m, reflecting increases in most sub-categories. Payments for goods and services were higher by 5.9 per cent (\$4.5m) on account of higher professional and consultancy services. Interest payments increased by 2.3 per cent (\$0.5m), reflecting higher external interest obligations. Outlays on transfers and subsidies rose by 1.7 per cent (\$0.9m), largely associated with increased retirement benefits. In contrast to

these increases, spending on personal emoluments decreased by 4.6 per cent (\$5.2m) relative to the first nine months of 2013 when salary increases and retroactive payments were granted to public service workers.



### Public Sector Debt

The disbursed outstanding public sector debt stood at \$1,078.6m at the end of September 2014, roughly 2.4 per cent above the level recorded at the end of 2013. This outcome reflected an increase in central government debt. The outstanding debt of Central Government rose by 3.7 per cent to \$913.5m partly attributed to an increase in commercial bank credit, bilateral and multilateral loans. These disbursements were used in the geothermal energy and the construction and rehabilitation projects.

A reduction of 4.2 per cent was recorded in the outstanding debt of public corporations which amounted to \$165.2m at the end of September 2014. The total stock of external debt rose by 2.5 per cent to \$761.6m while domestic debt increased by 2.2 per cent to \$317.1m.

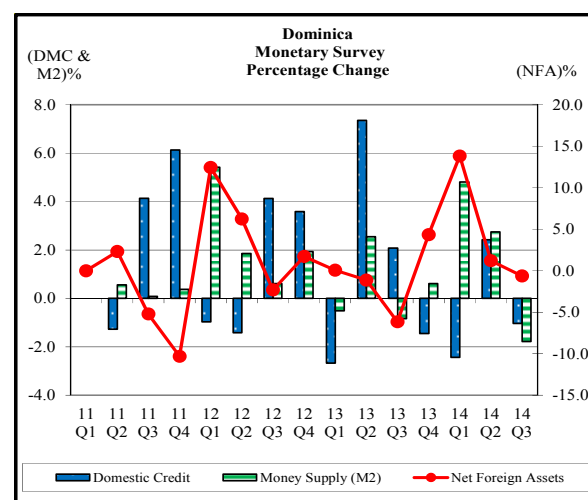
### Money and Credit

Broad money (M2) rose by 5.8 per cent to \$1,225.2m in the first nine months of 2014, compared with a rate of increase of 1.2 per cent during the corresponding period in 2013. This outturn resulted from growth of 6.6 per cent in quasi money to \$1,008.2m, as the sub-components of private sector foreign currency deposits and private sector savings deposits expanded by 24.4 per cent and 10.7 per cent respectively. M1 rose by 2.0 per cent to \$217.1m driven by an increase in private sector demand deposits, partly offset by a decrease of currency with the public of 7.0 per cent.

The net foreign assets of the banking system increased by 14.5 per cent to \$604.3m primarily as a result of the transactions of commercial banks. The net foreign assets of commercial banks rose by 17.3 per cent to \$348.7m, largely associated with an increase in assets held with banks and other financial institutions outside of

the Currency Union. Dominica's imputed share of the Central Bank's reserves stood at \$255.6m, 10.9 per cent above the level recorded at the end of December 2013.

Domestic credit declined by 1.1 per cent, mainly on account of a contraction in credit to the private sector. Credit to the private sector fell by 1.3 per cent (\$10.6m) attributable to a decline in business credit of 4.7 per cent (\$14.8m) which offset the increase of 0.1 per cent in credit to households. The net credit position of the central government rose by 11.1 per cent to \$59.4m at the end of September 2014, as total credit extended by the banking system grew by 8.6 per cent and its deposits increased by 6.3 per cent. The net deposits of the non-financial public enterprises grew by 2.7 per cent to \$125.3m, associated primarily with growth in deposits.



An analysis of the distribution of credit by economic activity indicated that credit for personal use rose by 0.7 per cent, mainly for house and land purchases. This rise in credit for personal use was offset by declines in credit for a number of activities including agriculture and fisheries (23.7 per cent), credit for financial institutions (35.3 per cent) construction (4.2 per cent), durable consumer goods (5.2 per cent) and entertainment and catering (7.2 per cent).

Liquidity in the commercial banking system rose during the first nine months of 2014. The ratio of liquid assets to total deposits plus liquid liabilities increased by 3.3 percentage points to 44.2 per cent at the end of September 2014. The loans and advances to total deposits ratio declined by 3.8 percentage points to 59.5 per cent. In terms of price developments, the weighted average interest rate spread between deposits and lending rates widened by 0.3 percentage points to 6.2 per cent. This interest rate spread was due to a 0.2 percentage points decline in lending rates to 8.76 per cent, as the weighted average interest rate on deposits decreased by 0.41 percentage points to 2.61 per cent.

### **Prospects**

Real GDP is expected to improve marginally in

2014 compared with the level recorded in 2013. Output in the agricultural sector is expected to rise, premised on improvements in the production of non-banana crops and livestock. The performance of the tourism industry is also expected to strengthen based on the anticipation of additional cruise ship passengers and stay over visitors during the last quarter of the year. Inaugural cruise visits, additional airlift and intense marketing efforts are likely to support this forecast. The resulting growth in tourism is likely to have positive spill-over effects on transport, storage and communication sector and the hotels and restaurants sector. In rest of the economy, manufacturing and construction activity are expected to remain weak.

A smaller overall fiscal deficit is forecasted for 2014 contingent on reduced capital expenditure and higher grant inflows. Further, a marginal increase in tax revenue is expected which may be tempered by a decline in non-tax revenue. Current expenditure is expected to increase marginally on account of increases in outlays on goods and services.

Additionally, capital expenditure is expected to remain low for the remainder of 2014 when compared with capital outlays in 2013.





In the external sector, the merchandise trade deficit is expected to widen marginally as import payments increase. Export values are also expected to increase albeit at a lower rate as a result of weaker manufacturing activity.

Risks to these projections remain on the downside. Strengthening in advanced economies continue in contrast to subdued

growth in emerging economies. In the event that advanced economy growth is unsustainable, and subdued growth continues in emerging markets, the impact can negatively affect tourism receipts, grant receipts and foreign direct investment flows over the short to medium term. Adverse weather does continue to pose downside risks to economic growth and development in Dominica.



## GRENADA

### Overview

Economic activity is estimated to have increased in the first nine months of 2014 relative to the corresponding period of 2013. There were positive developments in the agricultural sector and tourism industry, but activity weakened in the manufacturing and construction sectors. The consumer price index rose by 0.3 per cent, on an end of period basis. In the external sector, the merchandise trade deficit narrowed mainly resulting from reduced import payments. The central government registered a smaller overall deficit while the total outstanding public sector debt rose during the review period. In the banking system, monetary liabilities and net foreign assets increased, while domestic credit declined. Commercial bank liquidity rose and the weighted average interest rate spread between loans and deposits increased.

The economy of Grenada is set on a path for growth in 2014, albeit at a lower rate than 2013. Growth will be led by the sectors which have showed robust momentum in the first nine months of the year, namely agriculture and tourism. The fiscal operations of central government are forecasted to result in a smaller

overall deficit relative to 2013. This positive outlook is anchored on the continued successful implementation of the IMF-supported programme which was approved in June 2014. There are risks to this macroeconomic outlook including those related to unfavourable conditions in the global economy.

### Output

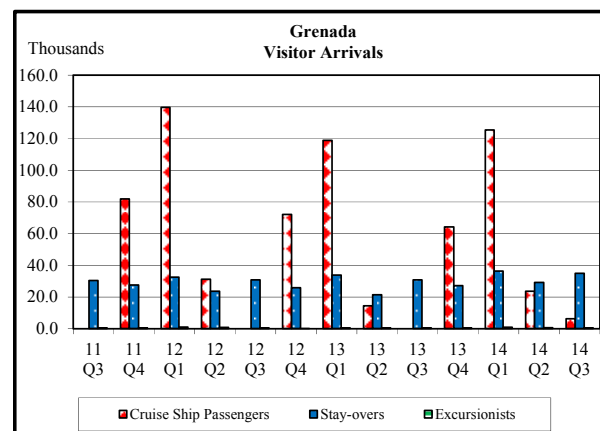
Agricultural production is estimated to have been above the level observed in the first nine months of 2013, supported by higher acreage for most crops under cultivation coupled with an increased demand for vegetables. All sub-sectors registered growth, with the exception of banana output which contracted by 23.4 per cent to 3,971 tonnes with output affected by constraining factors such as lower acreage. The output of nutmeg expanded by 50.7 per cent (159 tonnes), outpacing the rate of growth of 21.5 per cent (55 tonnes) observed in the first nine months of 2013. There was a turnaround in cocoa production which grew by 14.1 per cent (90 tonnes) in contrast to the 7.6 per cent (52 tonnes) decline registered in the corresponding period of 2013. The total output of other crops including ground provisions, fruits and vegetables, is estimated to have



expanded almost threefold to 2.6m pounds. Meanwhile, fish production is also estimated to have increased as more vessels and improved fishing methods were utilised.

Total visitor arrivals rose by 16.5 per cent to 259,762, reversing the contraction of 15.3 per cent recorded in the first nine months of 2013. There were gains in most sub-categories of visitors, with the exception of yacht passengers which declined by 2.9 per cent to 2,687. The outturn was strengthened by a new multi-faceted aggressive marketing strategy undertaken by the Grenada Tourism Authority which replaced the Grenada Board of Tourism in early 2014. The improvement was also supported by additional room stock. The number of stay-over visitors expanded by 16.8 per cent to 100,121, in contrast to a decline of 1.1 per cent in the first nine months of 2013. All source markets showed an improvement, except the Caribbean market which recorded a slight decline of 0.3 per cent. The increases, by order of size of markets, were as follows: the USA (17.4 per cent), the United Kingdom (16.9 per cent) and Canada (34.1 per cent). The performance of the cruise sub-sector picked up in the review period with the same number (100), but larger cruise ships which brought a total of 155,199 passengers, 16.6 per cent more

relative to the total in the corresponding period of 2013. Meanwhile, the number of excursionists rose by 478 to 1,755.



Activity in the wholesale and retail trade sector as well as the transport, storage and communications sector are expected to have risen, reflecting the positive spill over effects from robust activity in the tourism industry and agricultural sector.

Most indicators for construction activity point to a decline in value added in the sector. Private sector construction work seemed to have tapered off following the completion of a major resort last year. The downturn in the sector was reflected in part by a contraction in both the volume and value of imports of construction materials, of 7.7 per cent and 3.3 per cent respectively. The reductions in commercial bank credit for construction (19.2 per cent) and home construction and

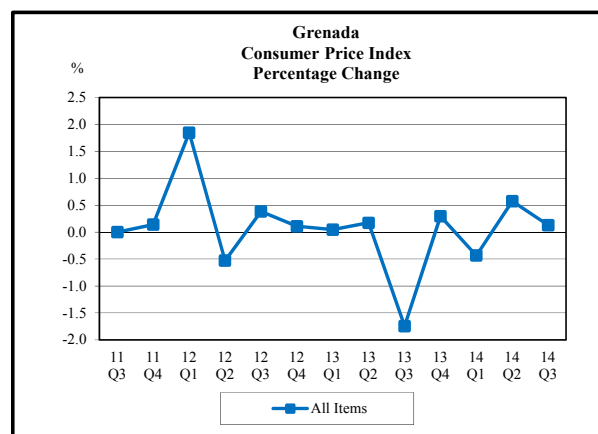
renovation (5.2 per cent) were also indicative of the downturn in the sector. One of the main projects under construction in the private sector was the St Georges University which underwent expansion work. In the public sector, construction activity is estimated to have increased based on the recorded growth in capital expenditure. In this sector, work focussed on the National Athletics Stadium and other sports facilities, roads, market facilities, schools and national sites.

Activity in the manufacturing sector is estimated to have contracted in the first nine months of 2014 in contrast to the corresponding period of 2013. There was a notable contraction of 37.4 per cent in rum production which was impacted by the lack of production by a major plant during the period under review. Reductions were also observed in the level of output of soft drinks (16.4 per cent), beer (4.1 per cent), poultry feed (23.1 per cent) and toilet paper (14.0 per cent). These contractions were partially offset by higher production of stout (18.8 per cent), flour (12.5 per cent) and malt (1.1 per cent).

## Prices

The consumer price index (CPI) registered a marginal uptick of 0.3 per cent during the first

nine months of 2014, in contrast to a decline of 1.5 per cent in the corresponding period of 2013. This performance was influenced by modest growth in the three largest sub-indices. The largest sub-index, housing, utilities, gas and fuels, rose by 0.4 per cent reflecting price increases in electricity and cooking gas. The food and non-alcoholic beverages sub-index was up by 0.5 per cent partly associated with higher prices for food items such as pork and cheese. Transport the third largest sub-index, grew by 1.4 per cent, influenced by an increase in the cost of motor vehicle fuels. Most of the other sub-indices rose, with the exception of those for communication (1.9 per cent), clothing and footwear (1.8 per cent), and household furnishings, supplies and maintenance (0.6 per cent), which recorded declines.



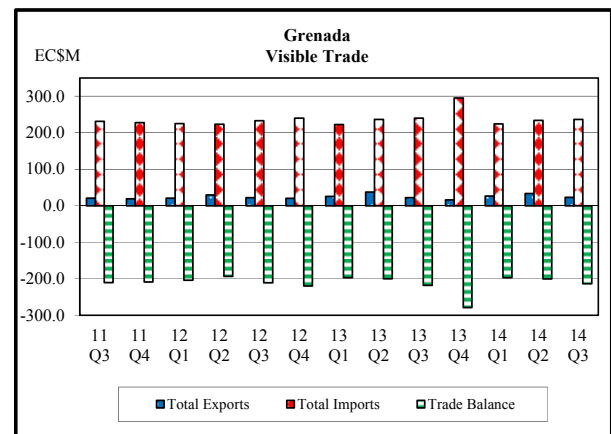
## Trade and Payments

The merchandise trade deficit is estimated to

have narrowed by 0.6 per cent to \$610.8m in the first nine months of 2014 primarily on account of lower import payments. The value of imports is estimated to have declined by 0.7 per cent to \$694.8m mainly reflecting a contraction in the value of imports for mineral fuels and manufactured goods. The value of exports was down by 1.0 per cent as a decline in receipts from re-exports offset growth in the earnings of domestic exports. The value of re-exports was down by 16.6 per cent (\$2.0m), mainly influenced by lower re-exports of manufactured articles. Domestic export earnings grew by 1.6 per cent (\$1.1m) to \$73.9m mirroring higher receipts particularly from fish and cocoa. This performance was moderated primarily by declines in the export earnings from nutmeg (\$2.3m), reflecting lower prices for this agricultural product on the international market. Exports revenue from manufactured products also declined, by \$1.2m, consistent with the fall in the overall output of the sector.

Gross travel receipts increased by 9.2 per cent to \$274.5m, reflecting stronger growth in stay-over arrivals and cruise ship visitors. Commercial bank transactions resulted in a net outflow of \$121.2m in short-term capital during the review period, compared with one of \$141.2m in the corresponding period of 2013. The central

government external loan amortisation declined by 33.0 per cent to \$28.7m, while external disbursements totalled \$103.1m, up from the \$70.9m received in the corresponding period of 2013. The majority of the external disbursements were received from the World Bank, Caribbean Development Bank (CDB) and the International Monetary Fund (IMF) in support of the government’s Home-grown Programme of Fiscal Adjustment and Reforms for 2014-2017.

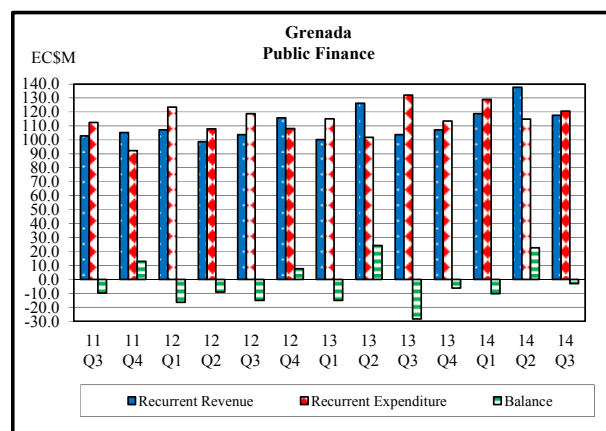


### Central Government Fiscal Operations

The fiscal performance of the central government during the period of review was anchored by the fiscal measures undertaken from January 2014, as part of the Home-grown Programme of Fiscal Adjustment and Reforms. The central government’s fiscal operations resulted in an overall deficit of \$94.2m in the first nine months of 2014, down from one of



\$118.7m in the corresponding period of 2013. The narrowing of the deficit mainly resulted from an increase in current revenue and capital grants. The deficit was financed mainly from loans by multi-lateral institutions. In order to sustain the Home-grown Programme, the Government requested a 36-month arrangement under the Extended Credit Facility (ECF) from the IMF which was approved on 26 June 2014. Upon this approval, the first tranche of the ECF loan was disbursed from the IMF to Grenada in July 2014, following which disbursements were received from the World Bank and CDB.



A primary deficit of \$21.6m was incurred, compared with one of \$56.0m recorded in the first nine months of 2013. A current account surplus of \$9.5m was realised, in contrast to a deficit of \$18.7m recorded in the first nine months of 2013, as growth in current revenue offset the increase in current expenditure.

Current revenue grew by 13.3 per cent (\$43.8m) associated mainly with higher yield from all major tax heads, particularly taxes on income and profits. The yield from taxes on income and profit increased by 37.4 per cent (\$18.6m), supported by a downward adjustment of the income tax threshold from \$60,000.00 to \$36,000.00 per annum from January 2014. Revenue from taxes on international trade and transactions grew by 14.9 per cent (\$13.3m), primarily attributed to larger receipts from the import duty and customs service charge. Actions taken by the government in the first quarter of 2014 to reduce the level of customs and excise exemptions and to increase the customs service charge from 5 per cent to 6 per cent, helped to improve the revenue intake. Property tax reforms contributed to growth of 51.4 per cent (\$6.0m) in taxes on property. Collections from taxes on domestic goods and services rose by 0.8 per cent (\$1.2m), largely associated with an increase of \$14.1m in receipts from the Value Added Tax (VAT). The improved VAT performance was underpinned by growth in the economy and the measure to restore the 15 per cent VAT rate on construction materials from January 2014. Non-tax revenue was up by 33.1 per cent (\$4.7m), primarily on account of a higher yield from administrative fees and service charges.



Current expenditure grew by 4.5 per cent to \$364.3m, mirroring increases in two of its largest sub-categories. Expenditure on personal emoluments, the largest sub-category, expanded by 6.4 per cent (\$11.3m), mainly resulting from retroactive payments made to civil servants during the period under review. Spending on interest payments, the second largest category, grew by 15.9 per cent (\$10.0m), as government resumed some of its creditor obligations amid progress towards a comprehensive public sector debt restructuring. There was a marginal increase of 0.5 per cent in the outlays on transfers and subsidies, mainly on account of an increase in pension payments. By contrast, expenditure on goods and services fell by 10.7 per cent (\$6.0m), reflecting the impact of the waste reduction strategy by the government.

Capital expenditure rose by 25.1 per cent to \$157.6m, as spending concentrated on the National Athletics Stadium, road development, and public buildings. Capital grants doubled to \$53.7m, linked in part to the receipt of funds from Petro Caribe.

### **Public Sector Debt**

The disbursed outstanding debt of the public sector totalled \$2,338.1m at the end of September 2014, roughly 1.5 per cent above the

level at the end of December 2013. The outstanding debt of the central government, which accounted for the growth in public sector debt, rose by 2.8 per cent to \$2,160.6m as a result of an increase in the external debt stock by 5.2 per cent (\$73.0m). Meanwhile, the domestic component of central government debt decreased by 1.9 per cent (\$13.2m). The outstanding debt of the public corporations is estimated to have contracted by 12.4 per cent (\$25.0m) to \$177.6m due to scheduled external amortized payments.

### **Money and Credit**

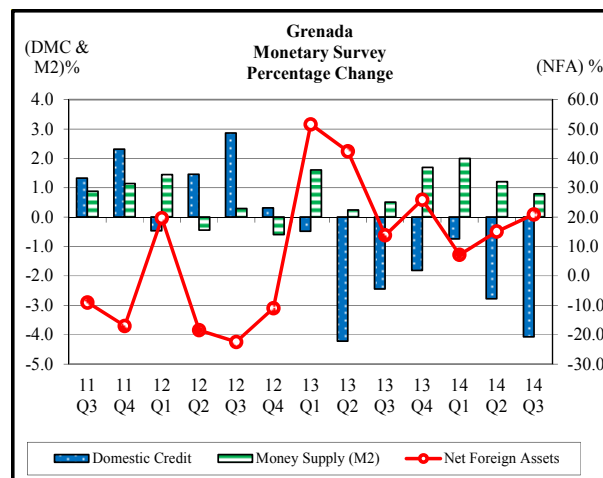
Monetary liabilities (M2) rose by 4.1 per cent to \$2,017.3m during the first nine months of 2014, reflecting increases in both narrow money and quasi money. Narrow money grew by 17.8 per cent, attributed to increases in private sector demand deposits (27.8 per cent) and currency with the public (0.3 per cent). Quasi money registered growth of 0.7 per cent, underpinned by increases in both private sector foreign currency deposits (14.0 per cent) and savings deposits (2.1 per cent), which together offset the 8.5 per cent decline in private sector time deposits.

Net foreign assets expanded by 49.3 per cent to \$526.2m during the first nine months of 2014.



Commercial banks transactions were largely responsible for the outturn as growth was registered in their net asset position in other ECCB territories (40.6 per cent) and in their net assets position with institutions abroad (26.9 per cent). Consequently, commercial banks were in a net foreign asset position of \$109.0m at the end of September in contrast to a net foreign liability position of \$13.2m at the end of December 2013. Meanwhile, Grenada's imputed share of the Central Bank's reserves was up by 14.4 per cent to \$418.2m.

Domestic credit contracted by 7.4 per cent, primarily on account of credit to the private sector. Private sector credit declined by 4.2 per cent (\$72.0m), reflecting reduced outstanding loans to both businesses (7.5 per cent) and households (2.6 per cent). The net credit position of the central government in the banking system fell by 31.3 per cent to \$35.9m, associated with lower credit from both commercial banks and Central Bank. Government deposits held in the banking system fell by 3.4 per cent (\$2.3m) to meet, in part, the financing needs of the government. In the rest of the public sector, the net deposits of non-financial public enterprises increased by 66.0 per cent (\$37.8m), mainly resulting from an expansion in deposits.



An analysis of credit by economic activity indicated that the decline in credit was broad-based across most sectors. The exceptions were in credit for utilities, electricity and water; and professional and other services which grew by 43.7 per cent and 7.2 per cent respectively. Outstanding loans for personal use, which accounted for the bulk of credit, was down by 3.3 per cent (\$39.7m), largely reflecting a 4.9 per cent decrease in credit for the acquisition of property. Among the other sectors, there were declines in credit for transportation and storage (31.2 per cent), construction (19.2 per cent), distributive trades (11.6 per cent), manufacturing and mining and quarry (7.2 per cent) and tourism (4.1 per cent).

Liquidity in the commercial banking system increased during the period under review. The ratio of liquid assets to total deposits plus liquid liabilities rose by 3.8 percentage points to 34.2



per cent. The loans and advances to total deposits ratio contracted by 6.7 percentage points to 70.0 per cent.

The weighted average interest rate on deposits fell by 0.21 percentage point to 2.25 per cent at the end of September 2014. The weighted average interest rate on loans rose by 0.08 percentage point to 9.18 per cent. As a result, the interest rate spread between the weighted average deposit and lending rates increased by 0.29 percentage point to 6.93 per cent during the review period.

### **Prospects**

The growth outlook for Grenada in 2014 is positive, albeit some deceleration is anticipated from the pace observed in 2013. The slower pace of growth is premised on the continued trend of declining activity in the manufacturing and construction sectors in the remainder of the year. By contrast, robust growth performances are anticipated in the agricultural sector and tourism industry, with positive spill over effects on other sectors such as wholesale and retail trade; and transport, storage and communications. The upturn in agriculture is likely to result from higher yielding harvests as well as an expansion in markets. Tourism arrivals will continue to strengthen from

intensive marketing efforts and improvements in the economic conditions of source markets such as the USA. New airlift and hotel room stock are also expected to boost arrivals.

On the central government's fiscal accounts, the overall deficit is projected to narrow in 2014 supported by the fiscal reform measures. Total revenue is projected to rise based on anticipated increases in current receipts and grants. Growth in revenue will outpace that of current and capital expenditure. Continued adjustment and structural reform measures under the June approved IMF-supported Programme will help to ensure fiscal sustainability.

In the external sector, the merchandise trade deficit is projected to narrow, largely based on increase in domestic export earnings. Gross travel receipts are expected to rise, with the anticipated uptick in visitor arrivals.

There are significant challenges to the economy including those related to the growing debt overhang and the lack of private sector credit growth. These challenges are likely to be overcome through the continued implementation of measures under the IMF-supported programme including those to strengthen the fiscal policy framework through fiscal responsibility legislation and to improve the



business environment. Downside risks persist and stem from adverse weather and any deterioration in the global economy. The

materialisation of these risks can stall the continuation of the recovery observed from 2013.



## MONTSERRAT

### Overview

Economic activity is estimated to have increased in the first nine months of 2014 compared with the corresponding period in 2013. Among the main sectors contributing to the improved performance were public administration and hotels and restaurants. The consumer price index declined by 0.6 per cent, on an end of period basis. The merchandise trade deficit contracted as the value of imports decreased, while inflows from exports increased. The overall deficit on the fiscal accounts (after grants) widened due principally to a reduction in capital grants flows. In the banking system, total monetary liabilities, net foreign assets and domestic credit increased. Overall liquidity improved and the weighted average interest rate spread on loans and deposits narrowed.

The outlook for economic activity in Montserrat for the remainder of 2014 is mixed. This projection is based on the expectation of continued growth in value added in the tourism industry and tourism related services sectors. These positive developments are expected to be partially mitigated by a slowdown in public sector construction activity in the last quarter of the year.

In addition, the latest forecasts indicate that the economic recovery in the United Kingdom has become more balanced and is expected to be sustained over the short to medium term. This development should ensure that Montserrat continues to receive the requisite budgetary aid and capital grant flows needed to support its fiscal operations. However, the forecast for growth may not materialise if there are setbacks in accessing grant flows, a slow pace of project implementation, a loss of air access, adverse weather and heightened seismic activity.

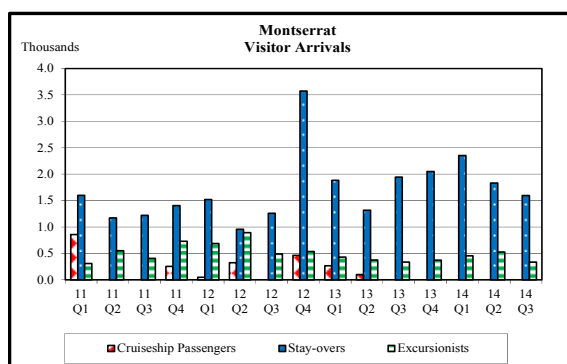
### Output and Prices

Value added in the public administration, defence and compulsory social security sector, the largest contributor to economic activity, is estimated to have increased. The proxy measure for this sector, the value of expenditure on personal emoluments and pensions, recorded 3.8 per cent growth in the period under review.

Montserrat continues to record growth in its tourism sector largely due to increased access to the island which facilitates better connectivity and links to the regional and international markets. Total visitor arrivals rose by 7.6 per cent to 8,493 influenced mainly by an increase



of 12.3 per cent in stay-over visitor arrivals to 5,783. This performance reflected increased arrivals from three of the island’s major source markets, namely the Caribbean (29.7 per cent), Canada (20.4 per cent) and the USA (11.8 per cent). Total visitor arrivals also increased due to growth in the number of excursionists (14.9 per cent) and yacht passengers (13 per cent).

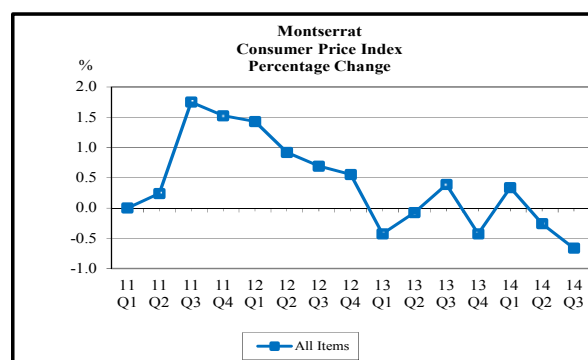


The level of output in the construction sector is provisionally estimated to have declined over the period January to September 2014 relative to the comparable period in 2013.

The decrease in the sector’s performance was estimated at 4.9 per cent largely on account of a fall in private sector construction starts. In addition, preliminary data indicate that the value added by the public sector declined as the indicative measure, capital expenditure, fell by \$7.5m (13.9 per cent) to \$46.6m.

**Prices**

The consumer price index declined by 0.6 per cent in the first three quarters of 2014. A fall in the sub-indices for the price of food (1.3 per cent), household goods (1.2 per cent) and services (0.2 per cent) contributed to the overall decline in prices. The fall in the sub-index for food, the largest weighted index in the basket of goods and services, was as a result of lower prices for basic commodities such as sugar, rice, chicken and milk. The magnitude of the decline in the overall consumer price index was tempered by increases in the sub-indices for alcohol and tobacco (1.2 per cent), gas, electricity and water (1.0 per cent), and clothing and footwear (1.0 per cent).



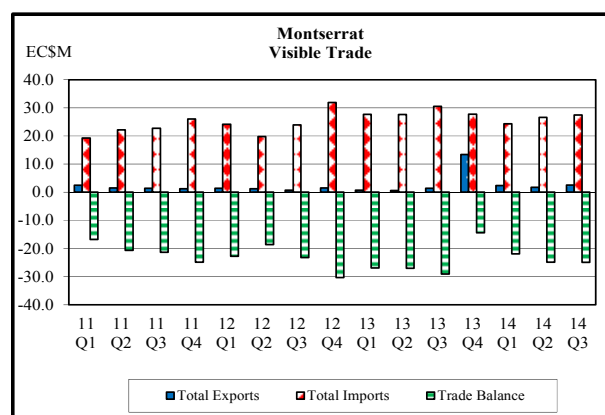
**Trade and Payments**

The merchandise trade deficit totalled \$71.7m in the first nine months of 2014, compared with one of \$83.1m in the comparable period of



2013. This narrowing of the trade deficit resulted from an 8.7 per cent reduction in the import bill and a doubling of export earnings.

The reduced import bill resulted in savings of \$7.5m, generated mainly by a fall in the value of expenditure for mineral fuels and related materials (17.5 per cent), manufactured goods (9.3 per cent) and machinery and transport equipment (15.2 per cent). In addition, export earnings increased by \$3.9m to \$6.7m due to growth in both domestic exports and re-exports.



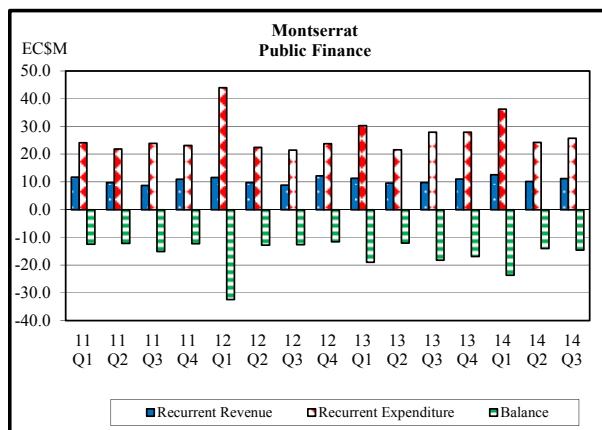
Developments on the services account were influenced by the growth in visitor arrivals which translated into an 11.0 per cent rise in gross travel receipts to \$15.0m. Commercial bank activity resulted in a net outflow of \$6.6m during the first nine months of 2014, in contrast to a net inflow of \$40.4m during the corresponding period in 2013. Total grant inflows fell by 10.8 per cent to \$88.7m.

## Central Government Fiscal Operations

The overall fiscal performance of the central government deteriorated in the period under review compared with the corresponding period in 2013. The overall deficit (after grants) totalled \$10.1m compared with a balance of \$3.9m in same period in 2013, as capital grant flows fell by 50.0 per cent to \$34.2m.

The deficit on the primary balance widened to \$10.1m, from \$3.8m recorded for the corresponding period in 2013. Approximately 67.0 per cent of total government expenditure was financed by foreign aid in the form of both current and capital grants totalling \$88.7m, while the remainder was funded domestically.

Higher levels of recurrent spending relative to revenues collected resulted in a current account deficit (before grants) of \$52.2m compared with one of \$49.1m registered in the same period in 2013. Current account operations were primarily financed by grant flows of \$54.5m, which represented an increase of 75 per cent (\$23.4m) over the amount received in the comparable period in 2013. As a result, this led to a turnaround in the outcome for current account operations after grant funding, with a surplus of \$2.3m realized in contrast to a deficit of \$18.0m in the same period of the prior year.



Current expenditure increased by 8.2 per cent to \$86.3m, primarily due to higher spending on key expenditure items, namely transfers and subsidies (16.9 per cent), personal emoluments (3.8 per cent), and goods and services (2.4 per cent). The increase in transfers and subsidies was driven by growth of 32.3 per cent in pension outlays to \$11.1m, as more persons became eligible for retirement benefits.

Current revenue grew by 11.2 per cent to \$34.1m reflecting an increase in tax revenue, which was partially offset by a decrease in non-tax revenue. Tax revenue, increased by \$4.1m to \$30.4m, attributable to larger collections from taxes on income and profits, international trade and transactions and domestic goods and services. Revenue from corporation tax increased to \$3.5m compared with a total of \$2.1m collected in the first three quarters of 2013, largely due to the implementation of a tax arrears reduction plan. Collections from taxes

on domestic goods and services grew by \$1.1m, attributable to a 58.3 per cent (\$1.0m) increase in revenue from licences and stamp duties due to an upward revision of rates in 2013. The tax receipts from both import duty and consumption continued to trend upward following the 2012 tax revision exercise conducted by the government. By contrast, revenue from taxes on property declined by \$0.6m and non-tax revenue fell by 14.6 per cent (\$0.6m) to \$3.7m.

Capital expenditure totalled \$46.6m for the first nine months of 2014 compared with \$54.1m for the same period in 2013, as the initial phases of various infrastructural projects came to an end. The capital funds were primarily allocated towards the financing of the port development, education infrastructure, geothermal resource exploration, power generation, sports centre, government accommodation and town centre development projects. Approximately 73.4 per cent of capital spending was financed by external grants. The shortfall of \$12.4m (capital account balance after grants) was funded by a drawdown on domestic savings in the banking system.

### Public Sector Debt

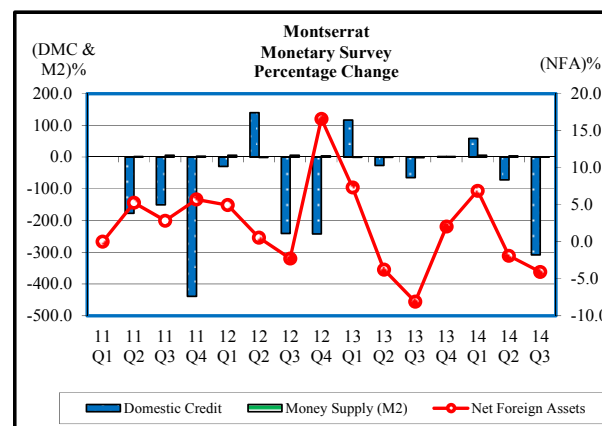
The stock of public sector debt outstanding represented external debt valued at \$6.4m at the

end of September 2014. The overall stock debt declined by 6.5 per cent from the amount held at the end of December 2013 (\$6.8m). The proportion of debt held by the central government declined by 9.4 per cent to \$1.5m, due to amortization payments. Debt held by public corporations, which accounts for approximately 77.0 per cent of the total debt stock, declined by 5.4 per cent to \$4.9m.

### Money and Credit

The stock of monetary liabilities in the banking sector (M2) grew by 9.9 per cent to \$236.7m during the first nine months of 2014, in contrast to a decline of 4.0 per cent during the corresponding period in 2013. The outturn was attributed to a 19.4 per cent increase in quasi money to \$193.1m, which accounted for 81.6 per cent of the stock of money. The expansion in quasi money was driven by a 16.8 per cent (\$20.0m) growth in private sector savings deposits, coupled with a 36.9 per cent (\$12.4m) increase in private sector time deposits. However, a decline in narrow money (M1), of 18.8 per cent to \$43.6m partially mitigated the expansionary effects of the change in quasi money. Of the major components of narrow money, private sector demand deposits contracted by 23.4 per cent to \$26.9m and

currency with the public fell by 10.3 per cent to \$16.5m.



The banking system moved to a net credit position from a net deposit position recorded in the corresponding period of 2013. Domestic credit stood at \$8.9m at the end of September 2014, compared with a net deposit balance of \$9.6m at end December 2013. This turn around was mainly associated with the impact of activities in the government sector. The government's net deposit position contracted by \$20.8m (36.7 per cent) to \$35.9m, largely on account of funding for capital expenditure projects as a result of lower grant inflows. Credit to the private sector expanded marginally (0.3 per cent) to \$67.0m. This outturn was driven by an increase of \$1.3m in household borrowing which was tempered by a 13.8 per cent decrease in business sector borrowing. A counter prevailing force to the upward momentum in credit expansion was the

11.8 per cent rise in the net deposit position of non-financial public enterprises to \$22.3m, in contrast to a 22.1 per cent reduction during the first nine months of 2013.

A sectorial analysis of the credit indicated that credit extended to the personal sector, which represented 84.0 per cent of commercial bank credit, rose by 2.7 per cent to \$61.7m, in contrast to a reduction of 6.5 per cent recorded during the comparable period of 2013. Increased demand for those personal loans was driven by increases in spending on other personal uses (\$1.4m) and durable consumer goods (\$0.5m). Credit to the construction sector rose by 11.3 per cent (\$0.3m). There was a fall in borrowing for distributive trades (33.3 per cent), tourism (2.4 per cent), and manufacturing (0.6 per cent).

The net foreign assets held by the banking sector increased by 0.6 per cent to \$271.6m during the period under review, in contrast to a 5.1 per cent reduction during the comparable period in 2013. This development was associated with an increase of 4.1 per cent to \$167.3m in the net foreign assets of commercial banks as they increased assets held within the Eastern Caribbean Currency Union. Montserrat's imputed share of the Central Bank's reserves decreased by

4.6 per cent to \$104.4m due to a decrease in assets.

The level of liquidity in the commercial banking system remained high during the first nine months of 2014. The proportion of total liquid assets to total deposits plus liquid liabilities was 86.8 per cent, significantly above the prudential minimum of 25.0 per cent. The ratio of loans and advances to total deposits declined marginally to 23.5 per cent from 23.8 per cent at the end of December 2013, as the marginal increase in loans was tapered by the positive change in deposits.

The interest rate spread between deposits and loans fell by 11 basis points to 6.08 per cent at the end of the review period. The weighted average lending rate increased marginally to 8.03 per cent while the weighted average interest rate on total deposits rose to 1.96 per cent from 1.83 per cent at the end of December 2013.

### **Prospects**

The economy faces an uncertain outlook for growth in the last quarter of 2014, as the performance of key drivers of economic activity is expected to be mixed. However, the outlook for the year remains positive, as the gains made





in the first nine months are not expected to be reversed by the performance in the last quarter.

The upward trend in visitor arrivals and gross travel receipts is expected to persist, as economic activity from the major international source markets continue to gain momentum while regional growth projections remain subdued. However, improvement in stay-over arrivals is contingent on the authorities' ability to maintain air access, in light of a temporary withdrawal by one of the major airlines servicing Montserrat. The level of activity in the construction sector, one of the major drivers of GDP growth, may slowdown as a result of delays in the implementation of infrastructural projects, partly due to bottlenecks in the disbursement of capital grants. The slowdown in activity, alongside the existing challenge of mobilizing alternative sources of finance, will have an adverse impact on job creation, the potential for increased current revenue, and the performance of other sectors such as mining and quarry and transport, storage and communications. Notwithstanding these transitory challenges, it is expected that the redevelopment efforts aimed at improving access to the island will continue to strengthen prospects in all sectors for employment, revenue, output levels and, in turn, overall economic activity.

The revenue generated from tax collections, licensing and fees is expected to remain stable for the rest of the year. Improved co-ordination in tax collection, compliance and enforcement of tax legislative requirements should provide for further gains in revenues collected. Expenditure is expected to grow at approximately the same rate recorded over the first nine months of year. Therefore, improvements in the overall fiscal position will be predominantly contingent upon the availability of external aid (grants) to finance both current and capital expenditure items. The October 2014 issue of the IMF World Economic Outlook reaffirmed the upward revision of the economic growth forecast of 3.2 per cent for the United Kingdom. The level of budgetary aid provided to Montserrat is therefore expected to remain fairly stable.

The decline in the overall price level may persist throughout 2014, as inflationary pressures from the global market are likely to remain broadly stable. Accordingly, it is anticipated that the merchandise trade deficit will continue to contract due to the prospect of lower external outflows.

The outlook for economic growth hinges on the availability of budgetary aid and vulnerabilities that may stem from non-financial shocks,



namely geographical influences like natural disasters. The downside risks associated with

these factors are likely to derail the effective implementation of the island's Strategic Growth and Developmental Plan.



## ST KITTS AND NEVIS

### Overview

Available data suggest that the pace of economic activity in St Kitts and Nevis rose in the first nine months of 2014. This assessment reflects positive growth estimates for the construction, hotels and restaurants and transport storage and communications and manufacturing sectors. Consumer prices rose by 2.1 per cent, on an end of period basis. The fiscal operations of the Federal Government resulted in a smaller overall surplus and a decline in the total outstanding public sector debt. In the banking system, monetary liabilities and net foreign assets increased while domestic credit contracted. Commercial bank liquidity rose and the weighted average interest rate spread between loans and deposits widened.

Economic activity is expected to improve in 2014 relative to 2013, premised on accelerated construction sector activity and positive growth in the tourism industry with favourable spill over effects on the wholesale and retail trade and transport, storage and communication sectors. Public sector capital outlays are expected to center mainly on road works while in the private sector, construction activity

related to a number of hospitality projects on both islands will advance. Expectations of positive value added in the tourism industry, are partly buttressed on the anticipated commencement of operations of the Kittitian Hill Resort and the positive publicity generated from this high-end property.

The fiscal operations of the Federal Government are projected to be buttressed by higher levels of revenues associated with the Citizenship by Investment Program (CBI). Notwithstanding the improvement in revenue collection, the overall fiscal position is estimated to decline based on higher expenditure outlays associated with a number of capital investments. Risks to the outlook include intensified competition to the CBI programme from other emerging jurisdictions, as well as the possible negative impacts of rising geopolitical tensions on domestic real sector activity.

### Output

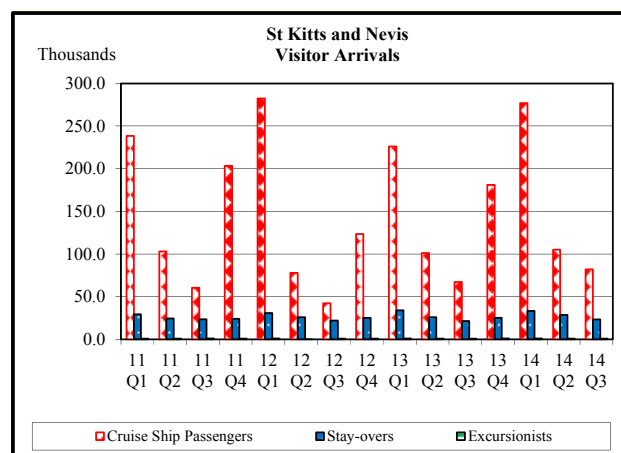
Value added in the construction sector, is estimated to have increased in the first nine months of 2014 relative to the comparable 2013 period. This increase was attributed to higher



levels of construction activity in both the public and private sectors. In the public sector, capital outlays rose by \$20.0m with activity concentrated on infrastructural enhancements to the road and drainage network in both St Kitts and in Nevis. In the private sector, works continued on the Park Hyatt Hotel and Imperial Bay Resort, site works on the Pelican Bay Resort and Pirate’s Nest hotel/condominium resort and completion work on the Kittitian Hill Resort in St Kitts. In Nevis, developments in the private sector included on-going construction work at the Four Seasons Estate and work on other high-end condominiums and villas. An increase in the importation of construction materials and cement of 64.0 per cent and a 52.8 per cent respectively, also provide supporting evidence of an expansion in the sector.

Value added in the tourism industry, as proxied by the hotels and restaurants sector, is estimated to have risen in the first nine months of 2014. This development reflected an increase in the number of total visitors by 15.9 per cent to 556,836, attributable to increases for both stay-over visitors and cruise passengers. Stay-over visitor arrivals rose by 4.3 per cent to 85,234, compared with a 3.4 per cent increase in the first nine months of 2013. All of the major source markets recorded increases, primarily the United

States of America and Canada with increases of 1.3 per cent (711) and 20.4 per cent (1,112) respectively. The number of cruise passengers rose by 17.7 per cent to 464,431 consistent with a 14.5 per cent (31) rise in the number of cruise ship calls at ports in St Kitts and Nevis. The number of passengers visiting by yacht trebled to 4,432, while there was a 3.1 per cent decrease in the number of excursionists.



Activity is estimated to have increased in other key sectors of the economy, such as transport, storage and communications consistent with positive developments in visitor arrivals and construction. Manufacturing output rose, evidenced by a 52.4 per cent increase in the export of alcoholic beverages.

The value added by the agriculture, livestock and forestry sector is estimated to have contracted, influenced by a decline in crop production. The output of crops fell by



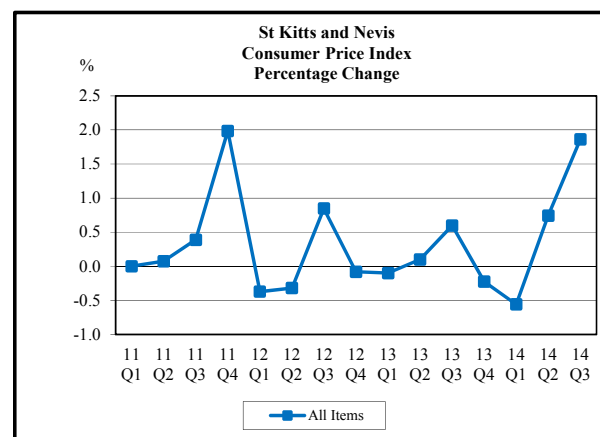
18.7 per cent to 935,400 kilograms, reflecting declines in the output of sweet potato (47.2 per cent), watermelon (61.8 per cent), carrots (47.9 per cent) and pineapple (28.6 per cent). Livestock production was up, with the output of pork, beef and goat meat estimated to have increased by 29.8 per cent, 4.1 per cent and 15.2 per cent respectively. Those increases were moderated by a 24.2 per cent decrease in the output of mutton. Declines were also registered for the production of eggs (17.6 per cent) and fish (0.3 per cent).

Developments in the real sector may have been also partially offset by an estimated decline in value added for financial intermediation as evidenced by a decrease in loans and advances.

## Prices

The consumer price index rose by 2.1 per cent during the first nine months of 2014, compared with an increase of 0.6 per cent in the corresponding period of 2013. The upward movement in the CPI was broad based as most of the sub-indices registered increases. Major contributors to this outturn were increases in the education (84.9 per cent), food and non-alcoholic beverages (1.0 per cent), alcoholic beverages, tobacco and narcotics (3.9 per cent), clothing and footwear

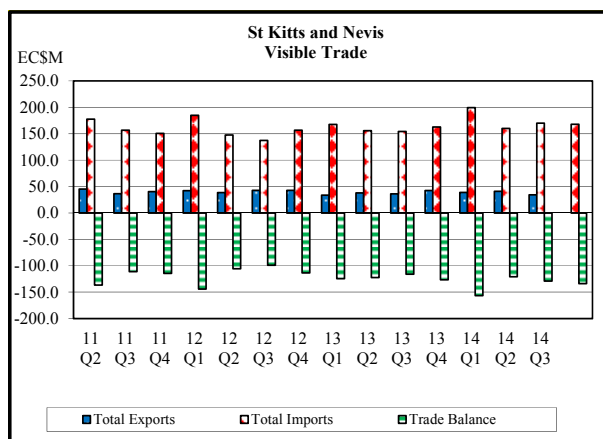
(3.2 per cent) and health (4.4 per cent) sub-indices. The education sub-index rose on account of an increase in tuition fees at universities and pre-schools. The increase in the overall CPI was tempered by a decline in the hotels and restaurants sub-index (0.6 per cent).



## Trade and Payments

The merchandise trade deficit is preliminarily estimated at \$383.6m in the first nine months of 2014 compared with one of \$364.9m in the corresponding period of the previous year. This outturn was the result of an increase in the level of imports, partly moderated by an increase in the level of exports. The rise in the level of imports was driven primarily by increased importation of machinery and transport equipment and manufactured goods, while the higher export performance can be attributed to a rise in exports of alcoholic beverages.

Gross travel receipts are estimated to have risen by 8.1 per cent to \$221.3m in the first nine months of 2014, in line with increased numbers of stay-over visitors. The transactions of commercial banks resulted in a net outflow of \$178.0m in short term capital during the review period, compared with an outflow of \$124.0m in the corresponding 2013 period. External disbursements received in the first nine months of the year amounted to \$7.0m, compared with \$43.2m in the corresponding period of 2013; while external principal repayments totalled \$24.3m compared with \$21.4m in the first nine months of 2013.



**Federal Government Fiscal Operations**

The fiscal operations of the Federal Government resulted in an overall surplus (after grants) of \$159.6m in the first nine months of 2014, compared with one of \$193.0m in the corresponding 2013 period. Likewise, the

primary surplus contracted by 5.6 per cent to \$174.8m, compared with one of \$185.2m in 2013. The lower overall fiscal surplus was mainly attributable to higher levels of expenditure and a decrease in grant receipts.

Capital expenditure outlays rose by 34.1 per cent to \$79.5m with spending centered on enhancements to the road infrastructure, sporting venues and a water distribution project.

Current expenditure rose by 1.8 per cent to \$419.6m compared with an increase of 4.5 per cent in the first nine months of 2013. The major contributing factor to this development was a 48.3 per cent (\$29.1m) increase in transfers and subsidies to local and international institutions. The increase in current expenditure was moderated by decreases in interest payments and outlays on personal emoluments and goods and services. Interest payments fell by 27.1 per cent to \$49.7m attributable to lower domestic interest payments, consistent with the reduction in domestic debt through restructuring. Expenditure on personal emoluments fell by 1.6 per cent in contrast to 9.5 per cent increase in the comparable period of 2013, and spending on goods and services declined by 1.4 per cent.

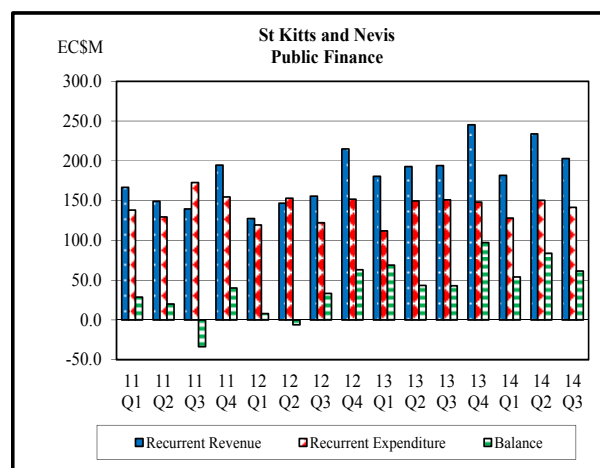


Current revenue rose by 9.0 per cent to \$618.6m in the first nine months of 2014, influenced by increased collections of tax and non-tax revenues. Tax revenue rose by 12.8 per cent to \$345.0m, associated with higher receipts from all of the major tax categories: taxes on international trade and transactions (23.0 per cent), taxes on domestic goods and services (7.3 per cent) and taxes on income and profits (16.4 per cent) and taxes on property (2.9 per cent). Improved collections of taxes on international trade reflected higher receipts of import duty, excise tax and custom service charge. Collections of taxes on domestic goods and services rose, largely due to increased value added tax (VAT) and stamp duty receipts. VAT revenues totalled \$116.0m an increase of 6.6 per cent over the amount collected in the corresponding period of 2013. Higher receipts of taxes on income and profits reflected improved collections of taxes from companies and individuals of 36.5 per cent and 13.3 per cent respectively. Non-tax revenue collections rose by 4.7 per cent to \$273.5m, buoyed by sustained increases in revenues associated with the Citizenship by Investment (CBI) Program. By contrast the grant funds fell by 54.6 per cent to \$34.5m.

On a disaggregated basis the overall surplus of the central government amounted to \$162.4m

compared with a balance of \$189.6m recorded in the first nine months of 2013. This development reflected an increase in expenditure coupled with a fall in grant receipts.

Current expenditure increased by 1.7 per cent to \$334.2m in the first nine months of 2014, primarily reflecting a 56.0 per cent (\$29.0m) rise in spending on transfers and subsidies associated with higher payments to overseas missions. The increase in current expenditure was moderated by declines in most of the major expenditure categories including interest payments (32.7 per cent), associated with the ongoing restructuring of the public debt, goods and services (5.4 per cent) and personal emoluments and wages (0.6 per cent). Capital expenditure rose to \$69.6m, compared with outlays of \$52.0m in the corresponding period of 2013, associated with infrastructural works.



Recurrent revenues rose by 9.8 per cent to \$528.5m, mainly due to higher collections of tax and non-tax revenues. Tax revenues were higher on account of the improved performances of all the major tax categories. Consistent with positive growth in imports, receipts of taxes on international trade and transactions rose by 26.2 per cent (\$15.3m), largely reflecting a more than doubling (\$6.5m) in the collection of excise duties, as well as increased collections of import duties (\$4.6m). Revenues from taxes on domestic goods and services also rose, increasing by 10.1 per cent (\$11.9m) mainly due to higher receipts from the VAT (\$9.7m) and stamp duties (\$1.5m). Receipts from taxes on income and profits also increased, attributable to higher collections of corporate and personal income tax (social service levy). The other major factor accounting for higher revenue collections was non-tax revenue, fuelled by an 8.9 per cent increase to \$217.4m in receipts from the CBI programme.

The fiscal operations of the Nevis Island Administration (NIA) recorded an overall deficit of \$2.8m in the first nine months of 2014, in contrast to an overall surplus of \$3.4m recorded in the corresponding period of 2013. This deterioration in performance was the result of a decline in grant receipts coupled with an increase in current expenditure. Current

expenditure rose by 2.2 per cent to \$85.4m in contrast to a 0.8 per cent reduction in the corresponding period of 2013. The upward movement in current expenditure was attributable to higher outlays for goods and services and transfers and subsidies of 18.7 per cent and 0.9 per cent respectively. The increase in current expenditure was moderated by reductions in outlays on personal emoluments and wages (2.4 per cent) and interest payments (2.7 per cent). Capital expenditure increased by 35.7 per cent to \$9.9m compared with \$7.3m spent in the first nine months of 2013.

Current revenue receipts amounted to \$90.1m, a 4.6 per cent increase when compared with total collections at the end of September 2013. The improvement in current revenue collections reflected favourable developments in the receipt of tax and non-tax revenues. Tax revenues were 4.7 per cent higher, buoyed by increases in the collection of taxes on international trade (11.1 per cent), taxes on income and profits (17.8 per cent), and taxes on property (14.5 per cent). The other component of current revenue, non-tax revenue, rose by 4.4 per cent (\$0.9m) to \$22.5m. By contrast, grant receipts fell to \$2.5m compared with \$8.3m in the corresponding period of 2013.





## Public Sector Debt

The total disbursed outstanding debt of the public sector declined by 14.0 per cent to \$1,810.9m, compared with a decline of 21.5 per cent in the comparable 2013 period. The outstanding debt of the central government, which accounted for 83.7 per cent of total debt, fell by 6.8 per cent to \$1,514.9m, while that of the public sector corporations also declined, falling by 38.2 per cent to \$296.0m. A contraction of 17.7 per cent in total domestic debt, which represents 56.9 per cent of total public sector debt, was the major contributor to the overall decline in total debt outstanding. Lower domestic debt reflected the impact of debt restructuring, the lowering of the face value of existing debt, the extension of the maturity on some loans and a debt-for-land swap. Total external debt also contracted, by 8.6 per cent to \$780.8m.

## Money and Credit

Monetary liabilities (M2) rose by 8.3 per cent to \$2,804.3m, compared with an increase of 6.0 per cent in the corresponding 2013 period. The increase in the monetary base reflects a 10.5 per cent (\$216.1m) rise in quasi money which was partly tempered by a 0.1 per cent fall in the narrow money supply (M1).

Quasi money, rose on account of increases in private sector foreign currency deposits (30.6 per cent) and private sector savings deposits (5.1 per cent). The decline in M1 was influenced by lower levels of private sector demand deposits (1.1 per cent).

Domestic credit declined by 11.3 per cent to \$1,004.9m, compared with a decrease of 22.0 per cent in the first nine months of 2013. This decline was influenced primarily by a higher net deposit position of non-financial public enterprises (NFPE's) and the general government. The net deposit position of NFPEs rose by 41.9 per cent to \$901.5m, fuelled by both a 79.9 per cent (\$158.3m) decline in outstanding credit to NFPEs and a 13.0 per cent increase (\$107.9m) in deposits at commercial banks. The decline in domestic credit also reflected a 19.1 per cent (\$36.8m) rise in the net deposit position of the general government to \$229.8m, largely driven by a 6.5 per cent (\$35.8m) increase in deposits in the commercial banking system. The net deposit position of the central government rose by 9.2 per cent, attributable to higher deposits (6.8 per cent), while the Nevis Island Administration (NIA) registered a lower net credit position (0.3 per cent) largely on account of a reduction in borrowing. The decline in domestic credit was moderated by an 8.9 per cent (\$174.8m)

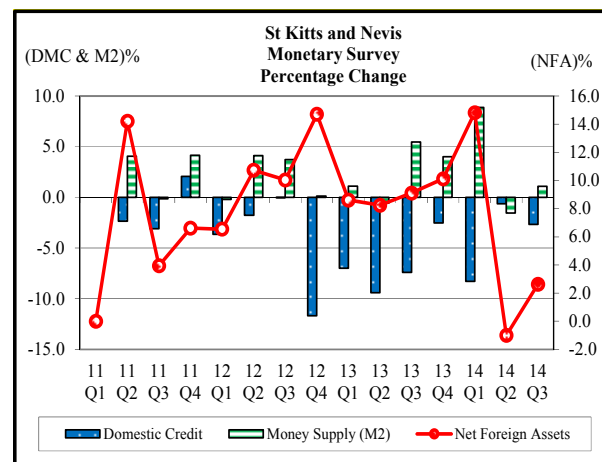


increase in lending to the private sector, during the review period. This development was largely influenced by outstanding investments in subsidiaries and affiliates and higher credit to businesses of 34.0 per cent and 3.4 per cent respectively.

Analysis of the distribution of credit by economic activity indicates that declines were recorded in lending to various economic sectors including; construction (27.4 per cent), personal (1.5 per cent) manufacturing, mining and quarrying (42.8 per cent) and other services (18.1 per cent). Among the personal loans extended, contraction was recorded in credit for the acquisition of property and durable consumer goods of 3.1 per cent and 7.4 per cent, respectively. The declines in credit to those segments of the loan portfolio were tempered by increased lending to the tourism (38.1 per cent), distributive trades (6.9 per cent) and agriculture and fisheries (14.8 per cent) sectors.

Net foreign assets of the banking system, grew by 16.7 per cent (\$324.2m) to \$2,270.1m in the first nine months of 2014, compared with growth of 28.3 per cent (\$389.4m) in the corresponding 2013 period. The increase was largely due to a 15.4 per cent expansion in commercial banks' net foreign asset position to \$1,337.3m,

attributable to a higher level of assets held with institutions outside of the ECCU. The increase in the net foreign assets of the banking system was also supported by an 18.6 per cent rise in St Kitts and Nevis's imputed share of the Central Bank's reserves to \$932.8m.



Liquidity in the commercial banking system expanded in the period under review. The ratio of loans and advances to total deposits fell by 6.6 percentage points to 36.4 per cent, while the ratio of liquid assets to total deposits rose by 2.9 percentage points to 76.8 per cent. Further supporting evidence included the increase in the ratio of liquid assets to total deposits plus liquid liabilities which rose, by 1.4 percentage points to 63.6 per cent.

The weighted average interest rate spread between loans and deposits widened to 6.12 percentage points during the first nine

months of 2014, from 5.80 percentage points at the end of 2013. This outturn was the result of a decline in the weighted average deposit rate by 0.45 percentage points to 2.56 per cent, outpacing the 0.12 percentage point decrease in the weighted average lending rates to 8.69 per cent.

### **Prospects**

Economic growth in the Federation of St Kitts and Nevis is expected to increase in 2014, in the context of buoyant global output, estimated at 3.3 per cent by the International Monetary Fund in their October 2014 update of the World Economic Output report. The prospects of continued expansion are expected to be enhanced further by the improving outlook for advanced economies with which St Kitts and Nevis conducts the majority of its international trade. The performance of the domestic economy will be fuelled largely by developments in the construction sector, increased value added from the tourism industry, reflecting projected higher stay-over and cruise passenger arrivals, as well as positive knock-on effects on the wholesale and retail trade, and transport, storage and communications sectors.

The fiscal operations of the Federal Government are expected to generate an overall surplus, albeit lower than that recorded in 2013. This development will be primarily influenced by lower grant receipts and an increase in both capital and current expenditure. Higher tax revenue is estimated on account of sustained economic activity, largely associated with buoyant revenue receipts from taxes on internal trade and transactions and taxes on domestic goods and services. Higher non-tax revenues are premised on the continued performance of the Citizenship by Investment Program. Total current expenditure is estimated to increase, attributable mainly to higher transfers. However, the major influence on total public expenditure, capital expenditure, is expected to increase, which when combined with lower capital grant receipts will contribute to the narrowing in the overall surplus.

The merchandise trade deficit is anticipated to widen as imports grow in line with improved economic activity associated with a number of on-going large scale tourism projects. This may be moderated somewhat by an increase in exports associated with higher activity in the manufacturing sector.

The major downside risk to these projections is associated with a possible deceleration in CBI



inflows due to the potential of increased regional competition from emerging jurisdictions. The receipts from the CBI programme represent a major source of non-tax revenue, therefore, any disruption to these

inflows could pose fiscal and debt charges. Another risk includes a disruption to the global economic expansion with associated negative impacts on FDI inflows and the construction sector.



## SAINT LUCIA

**Overview**

An assessment of preliminary data indicated that economic activity in Saint Lucia contracted in the first three quarters of 2014, compared with the outturn in the corresponding period of 2013. The general assessment is largely based on the performance of a number of the major economic sectors such as construction and manufacturing. However, the contraction in overall economic activity was slightly mitigated by an improved performance in the tourism industry. The consumer price index (CPI) increased by 4.8 per cent, on an end of period basis. In the external sector, the merchandise trade deficit narrowed, mainly on account of a reduction in the value of imports. Central government's fiscal operations yielded a smaller overall deficit, associated with developments on the capital account. Notwithstanding the fiscal improvement, the total disbursed outstanding public sector debt stock rose during the period under review, as government's borrowing increased. In the banking system, monetary liabilities (M2) expanded, while domestic credit and net foreign liabilities declined. Liquidity at commercial banks remained relatively tight and the weighted average interest rate spread between loans and deposits widened.

Economic prospects for 2014 remain challenged by the underperformance of a few of the major sectors. Based on developments in the first nine months of the year and forecasts for the final quarter, the anticipated pace of construction activity is not sufficiently robust to push output to last year's level. However, improvements are expected in the output of tourism and agriculture. The recovery in the US economy and increased airlift from the European market are expected to fuel higher value added in the hotels and restaurants sector. Agricultural output is estimated to increase; contingent on the success of the investment initiatives in the non-banana sub-sectors and, to a lesser extent, on the recovery of the banana industry, supported by the EU funded banana accompanying measures (BAM). Manufacturing activity is expected to continue to decline, as production is not likely to pick up sufficiently in the final quarter to reverse the adverse effects of the first three quarters. The fiscal deficit is expected to continue to narrow as revenue intake improves and government rationalizes expenditure, particularly by streamlining transfers. On balance, the risks remain tilted to the downside, reflecting the uncertainties in the global economy, the



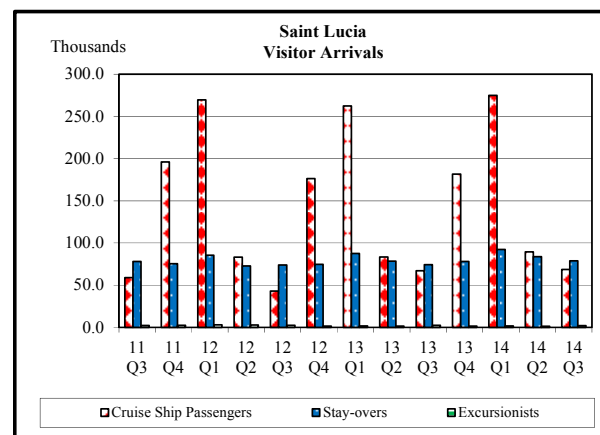
increasing debt level, fluctuations in commodity prices and adverse weather.

## Output

Construction activity is estimated to have decreased in the first nine months of 2014, compared with the level in the comparable period of 2013. This assessment is partially supported by an estimated decline of 17.6 per cent in the value of imported construction materials and an 11.2 per cent fall in commercial bank lending to construction. Activity in the private sector primarily involved a few residential projects while public sector activity concentrated mainly on infrastructural development including the St Jude Hospital, the Financial Complex and the rehabilitation and reconstruction of roads, culverts and bridges.

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 outturn was primarily a result of contractions in the production of a number of manufactured items like food, beverages and paperboard products. The assessment was also supported by a decline of 5.7 per cent in domestic exports, largely associated with a fall in the export of manufactured articles (5.7 per cent), beverages

and tobacco (7.1 per cent) and a 2.8 per cent contraction in commercial bank credit to the manufacturing sector.



Tourism activity in the first nine months of 2014 is estimated to have improved relative to the performance in the first three quarters of the previous year. Total visitor arrivals increased by 5.8 per cent to 728,493, largely attributable to growth in the number of cruise passengers and stay-over visitors. The number of cruise passengers increased by 4.9 per cent to 432,816 compared with an expansion of 4.3 per cent in the corresponding nine months of 2013. The expansion in the number of cruise ship passengers largely reflected a 13.2 per cent increase in the number of cruise ship calls from 235 to 266.

Stay-over visitor arrivals increased by 6.0 per cent to 255,010, compared with growth of 3.6 per cent in the first three quarters of 2013.

The performance in the stay-over sub-category was largely influenced by growth in the number of visitors from the USA, Europe and Canada. Stay-over arrivals from the USA, the major source market, grew by 11.9 per cent to 109,723, reflecting an increase in airlift from that market and the continued recovery in the US economy. The number of stay-over visitors from Europe rose by 9.2 per cent associated with improved performances from all sub-markets within that region, the UK in particular. Stay-over visitor arrivals from the Canadian market increased by 9.2 per cent, in contrast to a decline of 5.0 per cent recorded in the corresponding period of 2013. Those increases were tempered by declines of 10.8 per cent in the number of stay-over visitors from the Caribbean and 6.0 per cent from Latin America.

Of the other categories of visitors, the number of yacht visitors rose by 20.2 per cent, reflecting an increase of 43.1 per cent in the number of yachts visiting the island, as the tourism authorities strengthened marketing efforts targeting yachting. The number of excursionists fell by 12.8 per cent.

In the agricultural sector, output is provisionally estimated to have risen largely associated with developments in the other crops, supported by a

number of other initiatives, including those for livestock. The production of chicken and pork increased by 22.1 per cent and 23.9 per cent respectively, buoyed by investment initiatives by the Ministry of Agriculture to boost these sub-sectors. The sector was also buttressed by investments in small agri-businesses and an increase in local demand for agricultural produce, driven by partnerships forged between farmers and hoteliers and supermarkets. The output of banana fell by 27.4 per cent to 6,379 tonnes, as the industry struggled to recover from the adverse effect of the Black Sigatoka, hurricane Tomas and heavy rains from the December 2013 trough. Consequently, the value of banana exports declined by 23.3 per cent in contrast to an increase of 0.6 per cent recorded in the first nine months of 2013.

### **Prices**

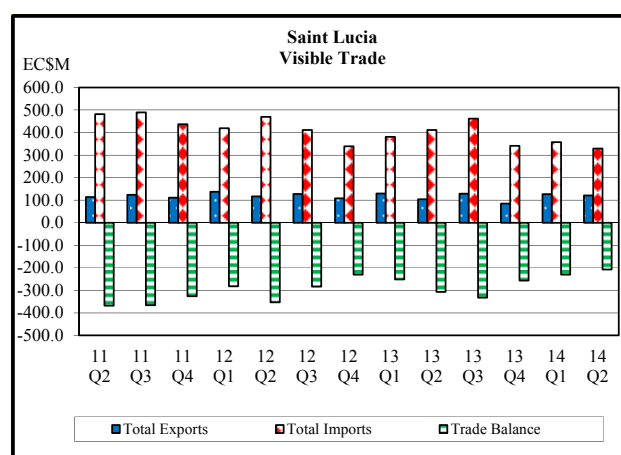
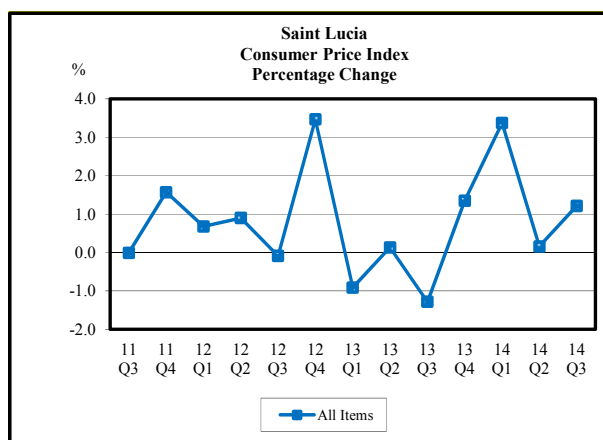
During the first nine months of 2014, prices of goods and services in the economy, as indicated by movements in the consumer price index, are estimated to have increased, on average by 4.8 per cent, in contrast to a 2.1 per cent rate of decline recorded in the corresponding period of 2013. Price developments during the review period were influenced largely by upward movements in all of the price categories, except household furnishings, supplies and



maintenance and hotels and restaurants. The sub-index for food and non-alcoholic beverages, the largest weighted index in the basket of goods and services, grew by 4.3 per cent, as the prices of commodities particularly food, meat, bread and cereals increased. Other upward price movements were recorded in the sub-indices for housing, utilities, gas and fuels (4.9 per cent), transport (0.2 per cent), communication (4.4 per cent), miscellaneous goods and services (9.7 per cent), alcoholic beverages, tobacco and narcotics (0.4 per cent), health (3.6 per cent), education (5.0 per cent), clothing and footwear (10.0 per cent) and recreation and culture (20.2 per cent). The overall increase in the consumer price index was tempered somewhat by declines of 4.0 per cent and 6.0 per cent in the sub-indices for household furnishings, supplies and maintenance and hotels and restaurants, respectively.

### Trade and Payments

A merchandise trade deficit of \$694.6m was estimated for the first nine months of 2014, lower than the \$871.0m deficit recorded in the corresponding period of 2013. The lower deficit was attributable to a 15.3 per cent fall in the value of imports to \$1,027.4m, which was largely influenced by lower outlays for minerals, fuels, lubricants and related materials (33.2 per cent), manufactured goods (22.0 per cent), food and live animals (9.6 per cent) and machinery and transport equipment (8.1 per cent). Total export receipts fell by 2.8 per cent to \$332.8m, reflecting a decline in domestic exports, which was partly moderated by a marginal increase in re-exports. Earnings from domestic exports fell by 5.7 per cent to \$175.5m, led by lower exports of food and live animals (\$10.8m) and beverages and tobacco (\$4.4m).





Gross travel receipts were estimated to have risen by 8.5 per cent to \$777.7m consistent with the higher number of stay-over visitors. This outturn also reflected a positive change in the visitors' average daily expenditure. Commercial banks' transactions resulted in a net outflow of \$101.7m in short-term capital during the first nine months of 2014, compared with one of \$11.8m recorded during the corresponding period of 2013. External loan disbursements to the central government almost doubled to \$98.6m in the period under review, while principal repayment on debt nearly halved to \$34.6m.

### **Central Government Fiscal Operations**

The central government recorded an overall fiscal deficit of \$64.9m compared with one of \$156.6m in the first three quarters of 2013. This improvement in the fiscal performance was principally attributed to developments on the capital account. The capital account operations resulted in a deficit of \$112.9m, compared with one of \$189.9m in the corresponding period of 2013. A primary surplus of \$44.7m was recorded, in contrast to a deficit of \$55.6m realised in the first nine months of the prior year. The overall deficit was financed predominantly through external sources, with support from other domestic sources.

Capital expenditure declined by 25.0 per cent to \$155.6m, in contrast to growth of 20.2 per cent in the corresponding period of 2013. The outturn reflected the winding down of some major infrastructural projects, coupled with the delayed implementation of a number of planned projects. Despite the decline in activity, work continued on the reconstruction of the St Jude Hospital and on the rehabilitation of roads, culverts and bridges.

A surplus of \$48.0m was recorded on the current account operations compared with one of \$33.3m in the corresponding period of 2013. The improved performance was attributed to an expansion in current revenue collection, which more than offset an increase in current expenditure. Current revenue rose by 4.1 per cent to \$686.9m, reflecting an increase in tax revenue which was partially offset by lower non-tax revenue collections. Non-tax revenue fell by 19.6 per cent (\$8.4m) mainly on account of a decline in inflows from fees, fines and sales (\$5.1m) and lower receipts from interest and rents (\$3.4m).

Growth of 5.8 per cent (\$35.7m) in tax revenue reflected increases in collections from taxes on international trade and transactions, domestic goods and services and property. The intake from taxes on international trade and

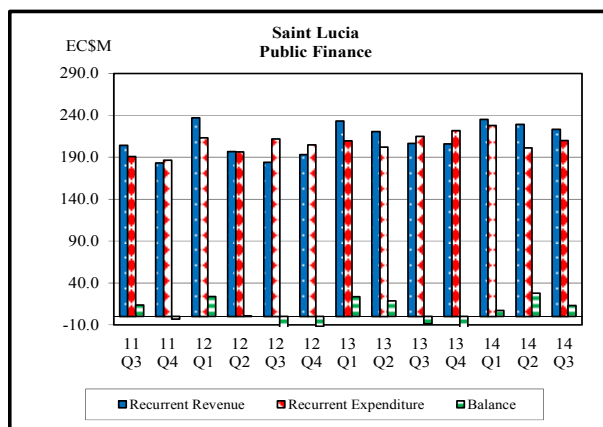


transactions increased by 12.7 per cent, primarily reflecting larger collections from the excise tax on imports (\$8.7m), the airport tax (\$6.6m) and the import duty (\$6.2m). Yields from taxes on domestic goods and services were 5.4 per cent higher than the amount collected in the corresponding period last year, mirroring growth in receipts from the value added tax (VAT). The intake from the VAT increased by 7.7 per cent to \$244.3m owing to a number of factors, including policy measures to increase the rate on the tourism sector from 8.0 per cent to 10.0 per cent and the removal of a number of food items from the VAT exempt list. Collections from the property tax grew by 47.4 per cent as the new market valuation system becomes entrenched. The increase in the overall tax revenue was tempered by a decline in collections from taxes on income and profits, which fell by 1.3 per cent (\$2.3m), associated with decreased collections of arrears and lower yields from the corporation tax.

Current expenditure grew by 2.0 per cent to \$638.9m, reflecting increases in interest payments and outlays on transfers and subsidies and personal emoluments. Interest payments rose by 8.6 per cent (\$8.7m), in line with an increase in central government borrowing. Outlays on transfers and subsidies grew by 6.4 per cent, largely due to increased pension payments. Expenditure on personal emoluments, which accounts for the largest share of current spending, grew by 1.9 per cent (\$5.2m), reflecting growth in salary payments, as the number of central government employees increased. By contrast, outlays on goods and services declined by 7.3 per cent through deliberate efforts to streamline that category of expenditure.

**Public Sector Debt**

According to preliminary data, the disbursed outstanding debt of the public sector increased by 2.5 per cent to \$2,824.6m during the first nine months of 2014 fuelled by growth of 3.8 per cent (\$97.9m) in central government’s borrowing. The rise in central government’s total debt reflected increases of 4.7 per cent and 2.9 per cent in its stock of domestic and external debt, respectively. By contrast, the outstanding debt of public corporations is estimated to have contracted by 14.2 per cent to \$168.1m, largely



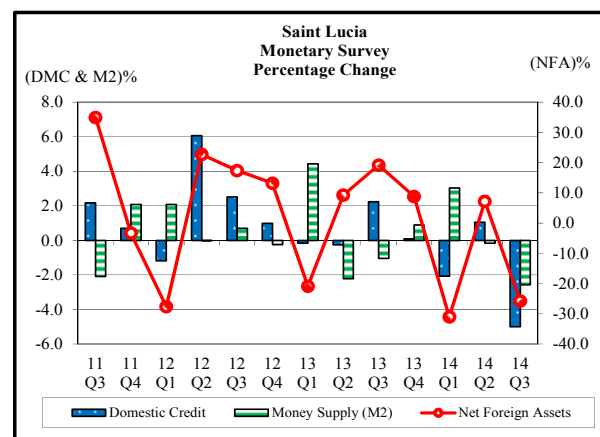
influenced by a decline of 16.2 per cent in their stock of domestic debt.

### Money and Credit

The broad money supply (M2) expanded by 0.2 per cent to \$2,859.4m during the first three quarters of 2014, compared with growth of 1.0 per cent during the corresponding period of 2013. The marginal expansion of M2 reflected growth of 1.4 per cent (\$9.7m) in the narrow money supply (M1), largely attributable to an increase of 5.3 per cent (\$27.7m) in private sector demand deposits, which more than offset a 13.7 per cent (\$21.9m) decline in currency held with the public. By contrast, quasi money contracted by 0.2 per cent to \$2,154.3m, mainly influenced by a decline of 15.3 per cent (\$67.7m) in private sector time deposits.

Domestic credit fell by 6.0 per cent to \$3,739.2m, in contrast to growth of 1.8 per cent during the comparable period of 2013. The contraction in credit was attributed to decreased borrowing by the private sector, non-financial public enterprises and the government. Outstanding credit to the private sector fell by 3.5 per cent, due to a decline of 7.5 per cent in loans extended to businesses; while household borrowing increased by 3.7 per cent. Outstanding loans to non-financial

public enterprises fell by 20.0 per cent, while their deposits at commercial banks grew by 8.2 per cent, hence an increase of 14.8 per cent in their net deposit position. The transactions of the central government resulted in a net credit position of \$267.1m, compared with one of \$308.0m at the end of December 2013.



The distribution of commercial bank credit by economic activity indicates that outstanding loans and advances decreased by 3.2 per cent, compared with a marginal decline of 0.1 per cent during the first nine months of 2013. Lending to the tourism industry, the construction sector and other uses fell by 13.8 per cent (\$96.0m), 11.2 per cent (\$41.1m) and 4.1 per cent (\$55.4m) respectively. Other notable declines were in credit to agriculture and fisheries (\$7.8m) and manufacturing (\$2.7m). Those declines were partially offset by increases of 3.6 per cent (\$57.2m) in credit for personal use - driven by growth in lending for

acquisition of property; and 2.1 per cent (\$6.7m) in loans to distributive trades.

The net foreign liability position of the banking system stood at \$354.3m at the end of September 2014 from \$646.2m at the end of December 2013. This development was mainly associated with a decline of 9.2 per cent in the net liabilities position of commercial banks as they increased their assets held with institutions outside the ECCU region by 13.5 per cent. Saint Lucia's imputed share of the reserves held at the Central Bank grew by 41.8 per cent to \$645.0m.

Liquidity in the commercial banking system improved during the review period, but remained relatively tight. At the end of September 2014, the ratio of liquid assets to total deposits plus liquid liabilities was at 27.3 per cent, about 4.5 percentage points higher than the level at the end of December 2013 and also above the prudential minimum of 25.0 per cent. The loans and advances to total deposits ratio fell by 4.9 percentage points to 114.1 per cent. That ratio exceeded the ECCB's outer band of 85.0 per cent.

The weighted average interest rate on deposits fell by 16 basis points from its position of 2.79

at the end of December 2013. The weighted average lending rate, on the other hand, increased by 4 basis points to 8.45 per cent. Consequently, the weighted average interest rate spread widened by 20 basis points to 5.81 percentage points.

### **Prospects**

The International Monetary Fund in its October 2014 update of the World Economic Outlook (WEO) revised global growth downwards to 3.3 per cent and 3.8 per cent for 2014 and 2015 respectively. These downward revisions are largely attributable to increased downside risks, including a rise in geopolitical tensions. Following an unexpected underperformance in the first quarter the US economy, however, has been on a path of recovery, in spite of challenges from the housing and labour markets. Against this backdrop, along with a number of domestic pressures, economic activity in the ECCU and more specifically Saint Lucia is projected to remain subdued in 2014. However, concomitant with expected moderate strengthening of activity in the global economy into 2015, economic activity in Saint Lucia is expected to gain some traction in the short to medium term.



Forecasted improvements in a few economic sectors, including tourism and agriculture are insufficient to provide the necessary impetus to offset the weak performance forecasted for the other sectors, particularly construction. Public sector activity, which is expected to contribute to construction output, will continue to focus on roads, culverts and bridges and the completion of works on the St Jude Hospital. It is anticipated that work will wind down on the Financial Complex, which is being constructed under a Build Own Lease Transfer (BOLT) arrangement with the National Insurance Services. Private sector activity will be driven by renovations and expansions in tourism related plants and a few residential projects, which are not robust enough to push construction activity over the 2013 level.

In the agricultural sector, production is expected to increase, based on further improvement in the output of a number of subsectors including non-banana crops, livestock, poultry and agro-processing supported by the continued efforts of the Ministry of Agriculture. Also, it is anticipated that the funds received from the European Union under the BAM will assist in boosting banana production and likely contribute to a turn-around in the industry.

Activity in the hotels and restaurants sector is projected to improve, associated with an anticipated increase in the number of stay-over visitors, largely driven by improvements in airlift and intensified marketing initiatives. Increased airlift from the US market, supported by the recovery in that economy will augur well for visitor arrivals from that major market. Increased capacity from British Airways and Virgin Atlantic is likely to contribute to continued improvement from the European market, the United Kingdom in particular. Contribution to the overall improvement is also anticipated from the Canadian market, based on greater marketing efforts. In the Caribbean market, activity is likely to remain suppressed by the challenge of high travel cost, coupled with a decline in available flights from the regional carrier. The other categories of visitors – cruise and yacht passengers are expected to contribute to the improved overall performance in the tourism industry, influenced by growth in the number of cruise ship calls and yachting activities.

It is projected that the overall deficit on the central government's fiscal accounts will continue to narrow as efforts to boost revenue and contain expenditure persist. While a number of expenditure reducing measures have been announced, recurrent spending remained



elevated and is unlikely to decline for the remainder of the year. Outlays on personal emoluments will be above last year's level, despite an agreement by the Trade Union Federation to freeze wages for the 2013 to 2016 triennium. Nevertheless, it is anticipated that growth in current revenue will more than offset the increase in current expenditure. Capital expenditure, by contrast, is likely to continue to decline, as obtaining concessionary funding remains a major challenge. Central government debt, hence total public sector borrowing is forecasted to rise, as government continues to borrow to finance its deficit, which will also result in inflated debt servicing costs.

In the external sector, the merchandise trade deficit is likely to narrow, in line with the

anticipated contraction in economic activity, particularly a forecasted decline in the import of construction materials. By contrast, travel inflows are expected to grow concomitant with the forecasted expansion in the number of stay-over visitors. Inflationary pressures are likely to be contained, contingent on global commodity prices. It is likely that foreign investment flows may improve in line with global economic recovery. Although strengthening of global activity is expected, the global recovery continues to be clouded with uncertainties and therefore significant downside risks remain a concern. Additionally, adverse weather, fluctuations in global commodity prices and domestic labour market issues pose risks to economic prospects for Saint Lucia.



## ST VINCENT AND THE GRENADINES

### Overview

Preliminary data suggest that economic activity in St Vincent and the Grenadines declined in the period January to September 2014, relative to the performance in the corresponding period of 2013. The contraction in economic activity was driven by reduced value added in sectors such as construction, wholesale and retail trade, transport, storage and communications, and hotels and restaurants. The consumer price index rose by 0.4 per cent on an end of period basis. On the external account, the merchandise trade deficit is estimated to have narrowed primarily associated with a fall in import payments. Central government fiscal operations resulted in a marginal increase in the overall deficit. The total outstanding debt stock of the public sector rose during the period under review. In the banking system, monetary liabilities and domestic credit increased while net foreign assets declined. Liquidity in the commercial banking system improved and the spread between the weighted average interest rate on loans and deposits narrowed.

Economic activity in 2014 is expected to be subdued and will consequently be below the level recorded in the corresponding period in

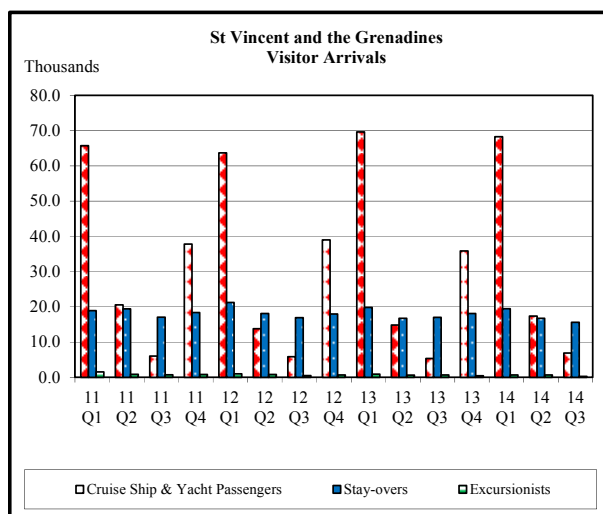
2013 due to adverse developments in some main sectors. Activity in the construction sector is expected to be weak as the pace of implementation of capital projects is anticipated to be slow, limiting the impact of the sector on the economy. The tourism industry will continue to be challenged by slow improvements in employment and wages in the main source markets and high regional airfares. As a result, activities in significant auxiliary sectors will be negatively impacted and the expected improvements in the agricultural, manufacturing, public administration and financial intermediation sectors may be insufficient to propel positive growth. The fiscal operations of the central government are anticipated to result in a modest decline in the overall deficit as revenue and grants inflows surpass the levels of 2013 and capital expenditure contract. The risks to these projections are tilted towards the downside mainly related to geopolitical tensions that may affect the pace of economic activity in advanced economies, unfavorable weather and domestic capacity constraints.

### Output

Construction sector activity is estimated to have



contracted in the first nine months of 2014, relative to the corresponding period in 2013. This was evidenced by a 13.4 per cent decline in the value of imported construction materials and supplies, the main indicator of activity in the sector. The downturn in the construction sector was primarily associated with a stoppage of work on a major tourism project and the slow implementation of the governments’ capital programme. These developments were partly tempered by an increase in residential and commercial construction evidenced by growth in bank lending to the sector.



Developments in the tourism industry in the first nine months of 2014 led to a contraction in value added, reflecting slow improvements in labour market conditions in advanced economies and the high cost of regional travel. Stay-over visitor arrivals, which constitute the largest value added to the industry, contracted

by 3.2 per cent to 51,889, albeit at a slower rate from the 4.9 per cent recorded in the corresponding period in 2013. There were decreases in the number of stay-over visitors from the USA (1.4 per cent), the Caribbean (9.5 per cent) and Canada (2.9 per cent). By contrast, the number of stay-over visitors from the UK grew by 1.3 per cent and those from the category ‘other countries’ rose by 1.6 per cent. In the cruise sub-industry, the number of cruise passengers declined by 0.8 per cent to 55,300 reversing the 12.8 per cent growth recorded in the comparable period in 2013. The turnaround in the performance was consistent with a fall in cruise ship calls to 126 from 160. Meanwhile, there was a 9.3 per cent increase in yacht arrivals to 37,502, compared with a 0.5 per cent rise in the corresponding period in 2013. The number of excursionists continued to decline, at an accelerated rate of 25.1 relative to one of 4.6 per cent registered in the corresponding period of 2013. The mixed performance of the various categories of visitors yielded a marginal increase in the total number of visitors by 0.3 per cent to 146,162, compared with the 2.5 per cent recorded in the comparable period of 2013. The underperformance of the tourism industry and construction sector had a negative impact on auxiliary sectors such as





wholesale and retail trade and transport, storage and communications and mining and quarrying.

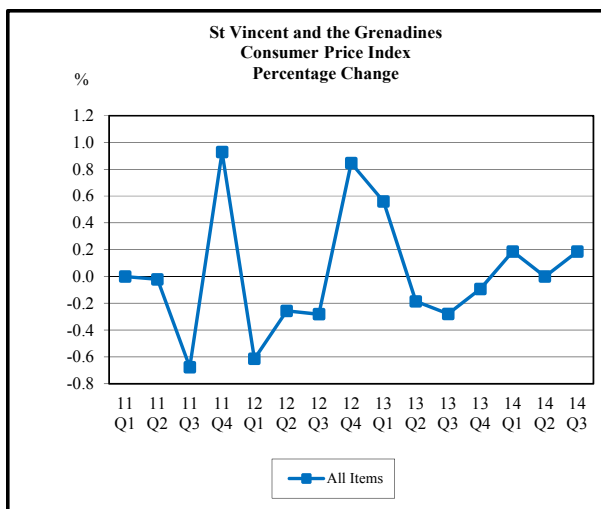
On the upside, value added in the manufacturing sector is estimated to have increased reflecting higher output of beverages, flour, rice and animal feed related to stronger export and local demand. Beer and soft drinks production, which makes up a significant percentage of beverages, rose by 2.2 per cent and 30.1 per cent, respectively. Flour and animal feed output continued to show robust growth, increasing by 4.3 per cent and 6.1 per cent, respectively. Rice production rebounded during the period under review, expanding by 5.5 per cent, relative to a 51.3 per cent decline in the corresponding period of 2013.

Improvements in non-banana crop production and livestock contributed to increased value added in the agricultural sector. Activity in public administration is estimated to have expanded due to higher outlays on personal emoluments and pensions. Positive developments in the balance sheets of financial institutions contributed to growth in financial intermediation.

## **Prices**

The rate of inflation measured by changes in the Consumer Price Index (CPI) increased in the first nine months of the year, relative to the corresponding period in 2013. The CPI increased by 0.3 percentage points to 0.4 per cent at the end of September 2014, mainly driven by growth in the food and non-alcoholic beverages (1.3 per cent), the alcoholic beverages, tobacco and narcotics (1.2 per cent), the housing, water, gas and other fuels (0.5 per cent) and transport (0.2 per cent) sub-indices. The increase in the housing, water, electricity, gas and other fuels index, which is the largest weighted index in the CPI basket, reflected higher prices for cement and kerosene. The main items which contributed to the rise in the food and non-alcoholic beverages sub-index, the second largest weighted, were increases in the average prices of some chicken and turkey parts, fish, milk, and ground provisions. The increment in the transport sub-index was due to an increase in the price of petrol at the pumps. Meanwhile, of significance were declines in the clothing and footwear (1.8 per cent), recreation and culture (1.0 per cent) and health (0.9 per cent) sub-indices.



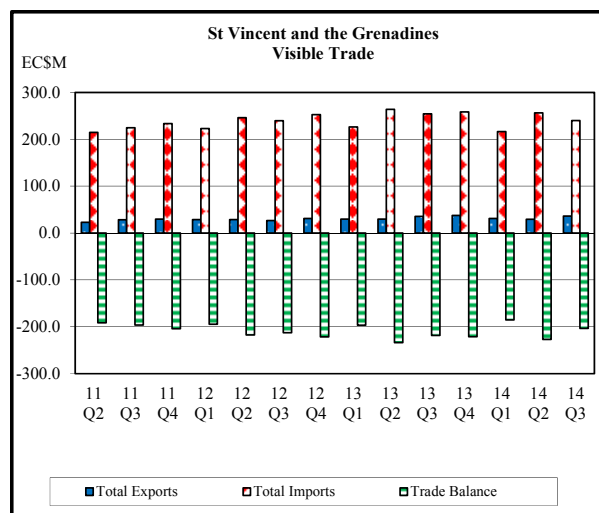


**Trade and Payments**

Preliminary trade data indicate that the merchandise trade deficit narrowed by 5.1 per cent to \$616.2m in the first three quarters of 2014, relative to the corresponding period last year. The decline in the deficit was due to the combined effects of a reduction in import payments and a slight rise in export earnings. Import payments declined by 4.2 per cent to \$712.9m reflective of lower import values for chemicals and related products, manufactured goods and miscellaneous manufactured articles. Export earnings rose by 1.8 per cent to \$96.7m largely on account of the re-export of machinery and transport equipment as domestic exports of rice and beer fell.

Gross travel receipts are estimated to have increased by 0.6 per cent to \$187.9m, consistent

with the growth in total visitor arrivals. The transactions of commercial banks resulted in a net inflow of \$32.4m in short-term capital relative to a net outflow of \$42.6m during the first three quarters of 2013. External loan disbursements to the central government increased to \$131.2m at the end of September 2014, from an amount of \$78.9m at the end of the comparable period in 2013, partly reflecting the receipt of funds for rehabilitation and other public sector capital projects. Notwithstanding, external debt payments declined by 9.9 per cent to \$32.3m due to the concessionary nature of some of the debt.

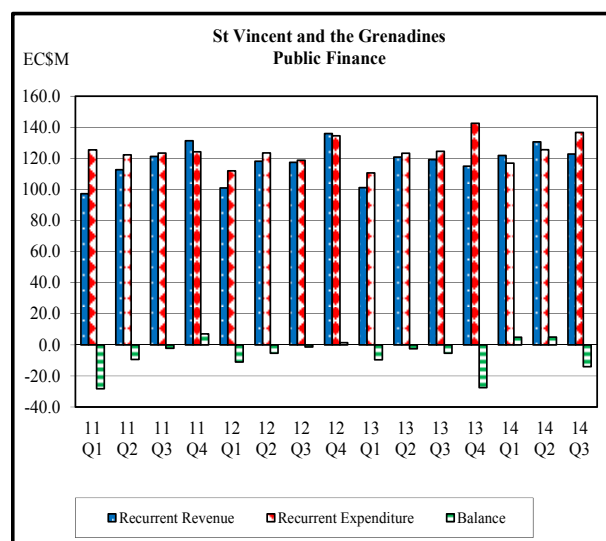


**Central Government Fiscal Operations**

Preliminary fiscal data indicate a marginal expansion in the overall deficit to \$38.5m in the first nine months of 2014, compared with one of \$37.3m in the corresponding period of 2013.



The outturn was mainly influenced by developments on the capital account, as the current account balance improved. The primary deficit declined to \$5.2m from \$7.6m during the corresponding period of 2013. The deficit was financed by external loans, the issuance of government securities and borrowing from the commercial banking system.



Operations on the capital account led to an increase in capital expenditure by 3.9 per cent to \$65.0m. A significant proportion of capital spending was related to works on the international airport, roads and bridges rehabilitation and the government led housing project. The capital budget was partly financed by grant receipts, mainly from the European Union, which more than doubled to \$30.0m. Meanwhile, capital revenue declined to \$0.7m, from \$28.8m in the first nine months of 2013.

The current account deficit narrowed by 76.8 per cent to \$4.1m, as growth in current revenue exceeded that of current expenditure. Current revenue grew by 10.0 per cent to \$375.2m reflecting growth in both tax and non-tax revenue. Tax revenue, which constituted 88.1 per cent of current revenue, rose by 6.1 per cent to \$330.6m due to stronger performance of all its sub-components on account of enhancements in tax administration and collection. Taxes on domestic goods and services, the largest tax intake basket, grew by 5.7 per cent (\$9.9m) largely reflecting a 6.8 per cent rise in VAT receipts to \$103.5m, due to an improvement in the collection of arrears. Receipts from taxes on income and profits rose by 7.3 per cent (\$5.6m) and those from international trade and transactions increased by 5.3 per cent (\$3.1m). The revenue intake from the market based property tax implemented in 2013, rose by 19.9 per cent to \$2.8m. The stronger performance of tax revenue was supported by an increase in non-tax revenue which grew by 51.0 per cent to \$44.6m, largely due to higher inflows from interests and rents and other non-tax revenue.

Current expenditure rose by 5.8 per cent to \$379.2m reflecting increases in all categories. Outlays on personal emoluments and wages, which accounted for 48.5 per cent of current



expenditure, grew by 2.2 per cent (\$4.0m) partly on account of regular staff increments and allowances. Spending on transfers and subsidies increased by 7.4 per cent (\$7.6m) largely associated with growth in pension benefits and social welfare payments. Outlays on goods and services rose by 12.2 per cent (\$5.5m) mainly due to sundry expenses. Interest payments increased by \$3.3m to \$33.3m largely due a rise in domestic payments.

The overall fiscal deficit was partly financed by borrowing from domestic commercial banks and external loans from bilateral and multilateral sources.

### **Public Sector Debt**

The total outstanding public sector debt is estimated to have increased by 2.8 per cent to \$1,517.5m at the end of September 2014, relative to the amount at the end of December 2013. Central government debt which constituted 85.0 per cent of total public sector debt grew by 3.7 per cent to \$1,283.3m, as the government increased borrowing to support its capital programme and finance the fiscal deficit. The growth in central government debt was mainly due to a 4.3 per cent increase in external debt and a 2.3 per cent rise in domestic debt, in the form of bonds, loans and an accumulation of

domestic arrears. Meanwhile, the debt stock of Public Corporations declined by 2.1 per cent to \$234.2m.

### **Money and Credit**

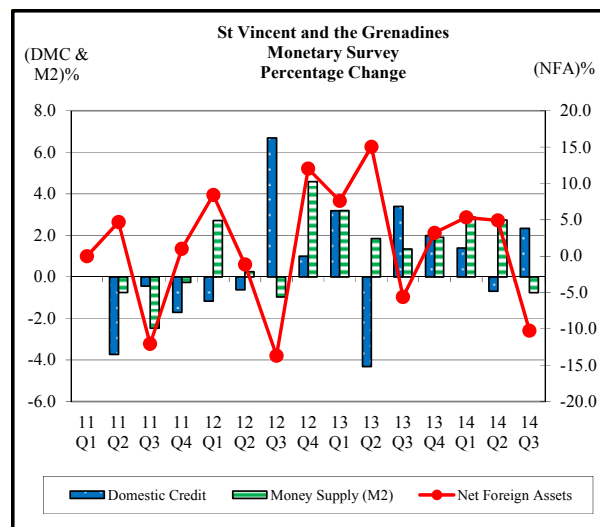
Monetary liabilities (M2) of the banking system grew by 4.9 per cent to \$1,347.7m during the first nine months of 2014, compared with growth of 6.5 per cent during the corresponding period in 2013. The rise in M2 was largely attributable to an increase in quasi money which expanded by 5.9 per cent to \$964.6m, mainly reflecting growth in private sector savings deposits (8.4 per cent), the largest component. Private sector time deposits and private sector foreign currency deposits, the two other components of quasi money, fell by 3.9 per cent and 2.0 per cent respectively. Narrow money (M1) grew by 2.4 per cent to \$383.1m, mainly due to a 1.4 per cent increase in private sector demand deposits. By contrast, currency with the public contracted by 1.0 per cent primarily associated with a fall in currency in circulation.

Domestic credit rose by 3.0 per cent to \$1,029.3m during the period under review, largely associated with government activity. Net claims on the central government rose by 40.3 per cent to \$89.9m due to an increase in loans and advances from commercial banks, an



accumulation of Treasury bills and Debentures held by commercial banks and a reduction in deposits. The net deposit position of non-financial public enterprises rose by 1.7 per cent due to a reduction in their loan balance. Credit extended to the private sector rose by 0.6 per cent due to higher borrowing by households (1.1 per cent) while lending by businesses dipped by 0.6 per cent.

An analysis of credit distribution by economic activity indicated that outstanding loans increased by 0.6 per cent to \$1,191.1m. Loans for personal uses, which made up 68.1 per cent of total credit, rose by 1.0 per cent reflecting increased credit for home construction and renovation, durable consumer goods and other personal uses, while that for house and land purchase declined. Of the other major economic categories, increases were recorded in outstanding loans for public administration (3.4 per cent), professional and other services (2.6 per cent), construction (9.8 per cent) and manufacturing plus mining and quarry (0.3 per cent). Meanwhile, decreases were recorded in credit extended for distributive trades (0.6 per cent) and tourism (7.6 per cent).



The net foreign assets of the banking system fell by 0.8 per cent to \$489.2m during the period under review. The decline was mainly fueled by a 24.2 per cent contraction in commercial banks' net foreign assets, primarily on account of a decline in the asset position with institutions within the currency union. This was tempered by an increase in St Vincent and the Grenadines imputed share of the Central Bank's reserves by 7.9 per cent to \$387.9m.

Commercial bank liquidity increased during the first nine months of 2014, relative to the period ended December 2013. The loans and advances to deposits ratio fell by 1.5 percentage points to 71.2 per cent. The ratio of liquid assets to total deposits plus liquid liabilities fell by 0.5 percentage point to 42.4 per cent.

The weighted average interest rate spread between loans and deposits narrowed by 2.0 basis points to 6.76 per cent at the end of September 2014, compared with the period ended December 2013. This outturn mainly resulted from a reduction in the weighted average interest rate on loans. The weighted average interest rate on lending dipped by 6.0 basis points to 9.35 per cent and that on deposits fell by 4.0 basis points to 2.59 per cent.

### **Prospects**

Economic activity in 2014 is expected to contract, reversing the gains made in 2013. This projection is based on developments in the first nine months of the year and prospects for the last quarter of 2014. While construction activity, wholesale and retail trade and transport, storage and communications catalyzed growth in the year prior, these sectors have underperformed to date and will likely continue that trend in the last quarter. Despite ongoing construction works on the Argyle International airport, the South Leeward Highway and other donor funded projects, the pace of implementation has been slow. Hence, the stimulus effect will likely not be realized this year. Furthermore, construction activity in the private sector is not likely to

override the negative outturn of the public sector contribution.

Activity in the tourism industry remains largely influenced by the global and regional economy. The number of stay-over visitors is anticipated to be flat while activity in the cruise sub-category is expected to improve in the last quarter of 2014. Value added in the manufacturing sector is likely to be robust as both local and export demand remain strong. Agricultural output is projected to strengthen based on increased production of non-banana crops and continued gains in livestock production. Diversification of the sector through the Banana Accompanying Measures (BAM) is likely to add further gains to the sector if implemented in earnest in the last quarter of 2014.

Based on the performance in the first nine months of 2014, the overall fiscal deficit is anticipated to decline marginally in 2014. Tax revenue is likely to increase in accordance with the improvements in tax administration and collection. Grants inflows are also projected to be above the levels of 2013, consistent with assistance received for flood rehabilitation and inflows related to donors funded projects. In addition, the slow pace of capital spending will



augur well for the fiscal balance at the expense of stimulating economic growth.

In the external sector, the merchandise trade deficit is projected to narrow based on lower imports payments, consistent with the slowdown in construction activity and the general decline in real sector activity. Foreign direct investment is likely to fall relative to the level in 2013, but remittances are expected to remain stable.

Notwithstanding, there are a number of factors that could influence these projections. On the

positive front, increasing the rate of implementation of capital projects would cushion the decline in the construction sector and its ancillary sectors in last quarter of 2014. Greater marketing and improving the product quality could be of benefit to the tourism industry along with lower oil prices if translated into lower airfares. Downside risks to this forecast include the possibility of adverse weather; geopolitical tensions which may reduce demand for travel; and domestic capacity constraints for project implementation.



**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**

|  | 2013 <sup>R</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>Jan - Sept | 2014 <sup>P</sup><br>Jan - Sept |
|--|---|---|---|---|---|---------------------------------|---------------------------------|
| Total Visitors                           | 440,841                                 | 997,748                                 | 1,563,563                               | 615,163                                 | 483,733                                 | 2,459,458                       | 2,662,459                       |
| Stay-Over Visitors                       | 231,129                                 | 250,098                                 | 304,860                                 | 256,260                                 | 238,533                                 | 757,537                         | 799,653                         |
| Of which:                                |   |   |   |   |   |                                 |                                 |
| USA                                      | 87,182                                  | 94,880                                  | 123,275                                 | 114,208                                 | 93,442                                  | 306,925                         | 330,925                         |
| Canada                                   | 13,856                                  | 23,282                                  | 45,962                                  | 18,298                                  | 14,250                                  | 73,661                          | 78,510                          |
| UK                                       | 39,703                                  | 53,039                                  | 61,560                                  | 46,210                                  | 41,068                                  | 140,139                         | 148,838                         |
| Caribbean                                | 66,018                                  | 50,238                                  | 37,368                                  | 50,082                                  | 64,333                                  | 157,715                         | 151,783                         |
| Other Countries                          | 24,370                                  | 28,659                                  | 36,695                                  | 27,462                                  | 25,440                                  | 79,097                          | 89,597                          |
| Excursionists <sup>1</sup>               | 25,863                                  | 23,105                                  | 35,625                                  | 30,524                                  | 30,042                                  | 79,010                          | 96,191                          |
| Cruise Ship Passengers <sup>2</sup>      | 168,491                                 | 687,866                                 | 1,163,300                               | 298,704                                 | 195,976                                 | 1,523,510                       | 1,657,980                       |
| Yacht Passengers <sup>4</sup>            | 15,358                                  | 36,679                                  | 59,778                                  | 29,675                                  | 19,182                                  | 99,401                          | 108,635                         |
| Number of Cruise Ship Calls <sup>3</sup> | 65                                      | 436                                     | 819                                     | 180                                     | 74                                      | 1,048                           | 1,073                           |
| <b>Total Visitor Expenditure (EC\$M)</b> | <b>677.15</b>                           | <b>814.50</b>                           | <b>1,073.79</b>                         | <b>781.01</b>                           | <b>700.07</b>                           | <b>2,410.10</b>                 | <b>2,554.86</b>                 |

Sources: ECCU Central Statistics Offices and Eastern Caribbean Central Bank

<sup>1</sup> Excursionists includes Sea Arrivals for Saint Lucia and excludes Antigua and Barbuda.

<sup>2</sup> Cruise ship passengers excludes Anguilla but includes Antigua and Barbuda.

<sup>3</sup> Cruise ship calls excludes Anguilla and St Vincent and the Grenadines.

<sup>4</sup> Yacht passengers includes St Kitts and Nevis and St Vincent and the Grenadines.

**Data as at 14 November 2014**



**Table 2**  
**ECCU - Monetary Survey**  
**(ECSM at end of period)**

|                                | 2013       | Jul-05     | 2013       | 2014       | 2014 <sup>R</sup> | 2014 <sup>P</sup> |
|--------------------------------|------------|------------|------------|------------|-------------------|-------------------|
|                                | 2nd Qr     | 3rd Qr     | 4th Qr     | 1st Qr     | 2nd Qr            | 3rd Qr            |
| Net Foreign Assets             | 3,526.95   | 3,352.16   | 3,481.20   | 4,283.95   | 4,435.71          | 4,555.05          |
| Central Bank (net)             | 3,221.26   | 3,281.87   | 3,149.94   | 3,509.25   | 3,624.93          | 3,719.34          |
| External Assets                | 3,223.18   | 3,287.98   | 3,156.59   | 3,515.32   | 3,627.77          | 3,722.46          |
| External Liabilities           | 1.92       | 6.11       | 6.64       | 6.07       | 2.84              | 3.12              |
| Commercial Banks (net)         | 305.69     | 70.29      | 331.26     | 774.70     | 810.79            | 835.71            |
| External Assets                | 4,638.91   | 4,217.99   | 4,205.66   | 4,562.45   | 4,615.39          | 4,711.36          |
| External Liabilities           | 4,333.22   | 4,147.70   | 3,874.41   | 3,787.75   | 3,804.60          | 3,875.65          |
| Net Domestic Assets            | 10,179.84  | 10,438.40  | 10,499.40  | 10,292.89  | 10,201.91         | 9,919.20          |
| Domestic Credit                | 12,143.81  | 12,289.57  | 12,187.30  | 11,945.55  | 11,904.94         | 11,613.84         |
| Central Government (net)       | 1,086.89   | 615.34     | 618.50     | 560.50     | 619.42            | 555.43            |
| Other Public Sector (net)      | (1,741.05) | (1,668.85) | (1,637.26) | (1,681.02) | (1,768.29)        | (1,990.41)        |
| Private Sector                 | 12,797.96  | 13,343.08  | 13,206.06  | 13,066.07  | 13,053.82         | 13,048.83         |
| Households                     | 6,605.28   | 6,663.70   | 6,680.89   | 6,666.16   | 6,700.22          | 6,692.31          |
| Business                       | 5,884.04   | 5,804.79   | 5,676.75   | 5,563.61   | 5,523.74          | 5,362.49          |
| Non-Bank Financial Institution | 149.67     | 150.70     | 149.49     | 141.20     | 140.61            | 102.05            |
| Subsidiaries & Affiliates      | 158.97     | 723.90     | 698.93     | 695.11     | 689.25            | 891.98            |
| Other Items (Net)              | (1,963.97) | (1,851.17) | (1,687.90) | (1,652.67) | (1,703.03)        | (1,694.64)        |
| Monetary Liabilities (M2)      | 13,706.79  | 13,790.57  | 13,980.60  | 14,576.84  | 14,637.63         | 14,474.26         |
| Money Supply (M1)              | 2,799.36   | 2,843.02   | 2,880.45   | 3,167.17   | 3,100.53          | 3,002.99          |
| Currency with the Public       | 620.97     | 610.58     | 667.57     | 653.69     | 644.67            | 640.77            |
| Demand Deposits                | 2,113.77   | 2,171.54   | 2,142.53   | 2,441.42   | 2,390.59          | 2,285.74          |
| EC\$ Cheques and Drafts Issued | 64.62      | 60.90      | 70.34      | 72.05      | 65.27             | 76.47             |
| Quasi Money                    | 10,907.43  | 10,947.55  | 11,100.15  | 11,409.67  | 11,537.10         | 11,471.27         |
| Savings Deposits               | 6,203.42   | 6,171.30   | 6,327.07   | 6,478.25   | 6,608.15          | 6,635.28          |
| Time Deposits                  | 2,853.55   | 2,875.06   | 2,802.93   | 2,775.14   | 2,655.01          | 2,601.59          |
| Foreign Currency Deposits      | 1,850.47   | 1,901.19   | 1,970.15   | 2,156.29   | 2,273.93          | 2,234.40          |

Source: Eastern Caribbean Central Bank

Data available as at 17 November 2014



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

|   | 2013 <sup>R</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>Jan - Sept | 2014 <sup>P</sup><br>Jan - Sept |
|---|---|---|---|---|---|---------------------------------|---------------------------------|
| <b>Current Revenue</b>                        | 891.11                                  | 988.22                                  | 973.06                                  | 1,039.27                                | 944.45                                  | 2,779.09                        | 2,956.78                        |
| Tax Revenue                                   | 743.13                                  | 787.17                                  | 834.37                                  | 841.74                                  | 822.48                                  | 2,326.05                        | 2,498.59                        |
| Taxes on Income and Profits <sup>\1</sup>     | 157.64                                  | 157.39                                  | 186.14                                  | 169.31                                  | 167.82                                  | 498.32                          | 523.27                          |
| Of which:                                     |   |   |   |   |   |                                 |                                 |
| Personal <sup>\1</sup>                        | 75.69                                   | 77.98                                   | 94.98                                   | 85.67                                   | 81.89                                   | 239.08                          | 262.54                          |
| Company/Corporation <sup>\2</sup>             | 56.37                                   | 50.74                                   | 64.04                                   | 60.12                                   | 68.04                                   | 185.60                          | 192.20                          |
| Taxes on Property                             | 17.99                                   | 15.24                                   | 16.99                                   | 33.25                                   | 21.23                                   | 58.10                           | 71.48                           |
| Taxes on Domestic Goods and Services          | 358.96                                  | 362.98                                  | 401.77                                  | 406.01                                  | 393.96                                  | 1,128.99                        | 1,201.75                        |
| Of which:                                     |   |   |   |   |   |                                 |                                 |
| Accommodation Tax                             | 3.46                                    | 3.27                                    | 6.85                                    | 5.01                                    | 3.98                                    | 13.54                           | 15.84                           |
| Licences                                      | 24.56                                   | 29.52                                   | 35.59                                   | 41.70                                   | 18.98                                   | 109.63                          | 96.28                           |
| Sales Tax <sup>\3</sup>                       | 47.55                                   | 54.41                                   | 65.86                                   | 60.20                                   | 50.88                                   | 154.99                          | 176.94                          |
| Value Added Tax <sup>\5</sup>                 | 205.46                                  | 215.66                                  | 227.85                                  | 229.34                                  | 230.50                                  | 639.08                          | 687.69                          |
| Consumption Tax <sup>\4</sup>                 | 0.06                                    | 0.07                                    | 0.05                                    | 0.01                                    | 0.01                                    | 0.98                            | 0.07                            |
| Stamp Duties                                  | 26.69                                   | 29.52                                   | 32.16                                   | 35.83                                   | 32.26                                   | 88.43                           | 100.25                          |
| Taxes on International Trade and Transactions | 208.54                                  | 251.56                                  | 229.47                                  | 233.17                                  | 239.47                                  | 640.64                          | 702.10                          |
| Of which:                                     |   |   |   |   |   |                                 |                                 |
| Import Duties                                 | 98.29                                   | 122.40                                  | 102.40                                  | 108.13                                  | 104.07                                  | 292.49                          | 314.60                          |
| Consumption Tax <sup>\6</sup>                 | 9.78                                    | 8.54                                    | 13.73                                   | 13.61                                   | 11.99                                   | 31.94                           | 39.32                           |
| Customs Service Charge                        | 46.56                                   | 57.54                                   | 46.69                                   | 51.24                                   | 54.10                                   | 139.27                          | 152.04                          |
| Non-Tax Revenue                               | 147.98                                  | 201.05                                  | 138.70                                  | 197.53                                  | 121.96                                  | 453.04                          | 458.18                          |
| <b>Current Expenditure</b>                    | 971.91                                  | 965.70                                  | 918.81                                  | 925.55                                  | 946.56                                  | 2,742.38                        | 2,790.92                        |
| Personal Emoluments                           | 424.55                                  | 427.81                                  | 422.73                                  | 426.14                                  | 405.58                                  | 1,225.06                        | 1,254.44                        |
| Goods and Services                            | 206.33                                  | 227.54                                  | 183.64                                  | 174.87                                  | 184.05                                  | 562.00                          | 542.57                          |
| Interest Payments                             | 118.13                                  | 101.61                                  | 112.46                                  | 107.46                                  | 140.55                                  | 335.64                          | 360.47                          |
| Domestic                                      | 75.01                                   | 60.75                                   | 56.68                                   | 61.29                                   | 75.07                                   | 196.58                          | 193.04                          |
| External                                      | 43.12                                   | 40.86                                   | 55.77                                   | 46.17                                   | 65.48                                   | 139.06                          | 167.42                          |
| Transfers and Subsidies                       | 222.90                                  | 208.74                                  | 199.98                                  | 217.08                                  | 216.38                                  | 619.69                          | 633.45                          |
| Of which: Pensions                            | 70.58                                   | 73.97                                   | 70.14                                   | 68.34                                   | 71.58                                   | 215.74                          | 210.06                          |
| <b>Current Account Balance</b>                | (80.80)                                 | 22.52                                   | 54.25                                   | 113.72                                  | (2.11)                                  | 36.71                           | 165.86                          |
| <b>Capital Revenue</b>                        | 14.61                                   | 2.41                                    | 2.18                                    | 2.14                                    | 4.29                                    | 52.70                           | 8.61                            |
| <b>Grants</b>                                 | 55.60                                   | 109.04                                  | 118.95                                  | 76.95                                   | 97.38                                   | 232.68                          | 293.29                          |
| Of which: Capital Grants                      | 35.41                                   | 85.31                                   | 101.13                                  | 55.96                                   | 80.18                                   | 180.57                          | 237.26                          |
| <b>Capital Expenditure and Net Lending</b>    | 220.90                                  | 297.15                                  | 206.86                                  | 153.55                                  | 250.98                                  | 685.01                          | 611.38                          |
| Of which: Capital Expenditure                 | 220.51                                  | 297.00                                  | 206.79                                  | 153.30                                  | 250.40                                  | 683.80                          | 610.48                          |
| <b>Primary Balance after grants</b>           | (113.36)                                | (61.56)                                 | 80.99                                   | 146.72                                  | (10.87)                                 | (27.29)                         | 216.84                          |
| <b>Overall Balance after grants</b>           | (231.49)                                | (163.17)                                | (31.47)                                 | 39.26                                   | (151.42)                                | (362.93)                        | (143.63)                        |
| <b>Financing</b>                              | 231.49                                  | 163.17                                  | 31.47                                   | (39.26)                                 | 151.42                                  | 362.93                          | 143.63                          |
| Domestic                                      | 164.03                                  | 64.46                                   | (23.23)                                 | (83.88)                                 | (31.53)                                 | 163.23                          | (138.64)                        |
| ECCB (net)                                    | 40.37                                   | (4.59)                                  | 35.81                                   | 2.04                                    | (56.36)                                 | 59.08                           | (18.51)                         |
| Commercial Banks (net)                        | (511.92)                                | 7.74                                    | (93.81)                                 | 56.88                                   | (7.63)                                  | (706.44)                        | (44.56)                         |
| Other   | 635.58                                  | 61.30                                   | 34.76                                   | (142.79)                                | 32.46                                   | 810.59                          | (75.57)                         |
| External                                      | 23.17                                   | 73.34                                   | 6.38                                    | 51.95                                   | 133.81                                  | 170.11                          | 192.14                          |
| Net Disbursements/(Amortisation)              | 22.70                                   | 74.99                                   | 8.84                                    | 54.85                                   | 127.19                                  | 171.73                          | 190.89                          |
| Disbursements                                 | 108.25                                  | 200.12                                  | 73.52                                   | 125.71                                  | 206.63                                  | 385.54                          | 405.86                          |
| Amortisation                                  | 85.55                                   | 125.13                                  | 64.67                                   | 70.86                                   | 79.44                                   | 213.81                          | 214.97                          |
| Change in Government Foreign Assets           | 0.47                                    | (1.64)                                  | (2.47)                                  | (2.91)                                  | 6.62                                    | (1.62)                          | 1.25                            |
| Arrears <sup>\7</sup>                         | -                                       | -                                       | -                                       | -                                       | -                                       | -                               | -                               |
| Domestic                                      | 44.29                                   | 25.37                                   | 48.32                                   | (7.33)                                  | 49.14                                   | 29.59                           | 90.13                           |
| External                                      | 17.17                                   | 18.99                                   | 2.56                                    | (26.12)                                 | 18.92                                   | (31.16)                         | (4.64)                          |

Source: ECCU Ministries of Finance and Eastern Caribbean Central Bank

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

<sup>\2</sup> Excludes Anguilla

<sup>\5</sup> Excludes Anguilla, Antigua and Barbuda, Montserrat

<sup>\3</sup> Includes Antigua and Barbuda and Dominica

<sup>\6</sup> Excludes St Vincent and the Grenadines

<sup>\4</sup> Excludes Montserrat

<sup>\7</sup> Excludes Grenada, Montserrat, St Kitts and Nevis and Saint Lucia

Data as at 14 November 2014



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

|                               | 2013 <sup>R</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr |
|-------------------------------|---|---|---|---|---|
| Anguilla                      | 238.75                                  | 231.64                                  | 226.04                                  | 224.88                                  | 227.20                                  |
| Antigua and Barbuda           | 2,960.20                                | 3,084.07                                | 3,138.00                                | 3,264.77                                | 3,261.68                                |
| Dominica                      | 1,025.01                                | 1,053.43                                | 1,066.17                                | 1,070.17                                | 1,078.61                                |
| Grenada                       | 2,254.85                                | 2,303.43                                | 2,275.34                                | 2,303.58                                | 2,338.19                                |
| Montserrat                    | 7.01                                    | 6.83                                    | 6.70                                    | 6.51                                    | 6.39                                    |
| St Kitts and Nevis            | 2,131.87                                | 2,105.08                                | 2,089.62                                | 2,038.70                                | 1,810.88                                |
| Saint Lucia                   | 2,665.16                                | 2,754.60                                | 2,755.67                                | 2,821.57                                | 2,824.61                                |
| St Vincent and the Grenadines | 1,403.24                                | 1,476.91                                | 1,480.70                                | 1,469.42                                | 1,517.51                                |
| <b>TOTAL ECCU</b>             | <b>12,686.08</b>                        | <b>13,015.99</b>                        | <b>13,038.24</b>                        | <b>13,199.59</b>                        | <b>13,065.06</b>                        |

Source: ECCB

\* Includes arrears of principal

Data available at 14 November 2014

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

|                               | 2013 <sup>R</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr |
|-------------------------------|---|---|---|---|---|
| Anguilla                      | 223.63                                  | 216.77                                  | 211.70                                  | 211.07                                  | 213.92                                  |
| Antigua and Barbuda           | 2,425.73                                | 2,509.83                                | 2,532.22                                | 2,667.19                                | 2,661.28                                |
| Dominica                      | 859.91                                  | 880.96                                  | 896.34                                  | 902.84                                  | 913.45                                  |
| Grenada                       | 2,048.73                                | 2,100.75                                | 2,080.35                                | 2,109.77                                | 2,160.57                                |
| Montserrat                    | 1.71                                    | 1.63                                    | 1.59                                    | 1.50                                    | 1.47                                    |
| St Kitts and Nevis            | 1,634.04                                | 1,625.78                                | 1,623.56                                | 1,581.95                                | 1,514.89                                |
| Saint Lucia                   | 2,467.05                                | 2,558.69                                | 2,559.31                                | 2,645.89                                | 2,656.54                                |
| St Vincent and the Grenadines | 1,168.15                                | 1,237.56                                | 1,245.37                                | 1,241.37                                | 1,283.28                                |
| <b>TOTAL ECCU</b>             | <b>10,828.97</b>                        | <b>11,131.97</b>                        | <b>11,150.45</b>                        | <b>11,361.59</b>                        | <b>11,405.41</b>                        |

Source: ECCB

Data as at 14 November 2014

Data available at 14 November 2014

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

|                               | 2013<br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>Jan-Sep | 2014 <sup>P</sup><br>Jan-Sep |
|-------------------------------|----------------------------|---|---|---|---|------------------------------|------------------------------|
| Anguilla                      | 3.98                       | 4.30                                    | 3.90                                    | 4.00                                    | 3.99                                    | 11.41                        | 11.89                        |
| Antigua and Barbuda           | 46.06                      | 43.61                                   | 59.14                                   | 41.39                                   | 75.90                                   | 188.63                       | 176.43                       |
| Dominica                      | 12.22                      | 9.90                                    | 9.20                                    | 17.07                                   | 14.57                                   | 38.05                        | 40.84                        |
| Grenada                       | 43.30                      | 31.12                                   | 83.97                                   | 66.29                                   | 90.47                                   | 122.32                       | 240.73                       |
| Montserrat                    | 0.04                       | 0.04                                    | 0.04                                    | 0.04                                    | 0.04                                    | 0.11                         | 0.11                         |
| St Kitts and Nevis            | 45.97                      | 24.66                                   | 18.24                                   | 33.70                                   | 81.52                                   | 118.71                       | 133.45                       |
| Saint Lucia                   | 108.84                     | 110.29                                  | 43.18                                   | 58.62                                   | 53.91                                   | 210.94                       | 155.71                       |
| St Vincent and the Grenadines | 25.15                      | 42.73                                   | 27.19                                   | 39.36                                   | 32.68                                   | 88.17                        | 99.22                        |
| <b>TOTAL ECCU</b>             | <b>285.57</b>              | <b>266.65</b>                           | <b>244.85</b>                           | <b>260.46</b>                           | <b>353.08</b>                           | <b>778.34</b>                | <b>858.39</b>                |

Source: ECCB

Data available at 14 November 2014



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

|                    | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr |
|--------------------|----------------------------|----------------------------|----------------------------|----------------------------|---|
| Total Bid Amount   | 362.4                      | 308.8                      | 254.9                      | 276.8                      | 450.7                                   |
| Total Offer Amount | 302.5                      | 259.0                      | 200.5                      | 220.0                      | 354.0                                   |

Source: Eastern Caribbean Central Bank  
**Data as at 14 November 2014**

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

|                        | 2013<br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr |
|------------------------|----------------------------|---|----------------------------|----------------------------|---|
| 91-day Treasury Bills  | 4.37                       | 4.17                                    | 4.24                       | 4.05                       | 2.88                                    |
| 180-day Treasury Bills | 6.00                       | 6.00                                    | 6.00                       | 6.00                       | 4.95                                    |
| 365-day Treasury Bills | 6.00                       | 6.24                                    | 6.50                       | 6.50                       | 6.00                                    |
| 2-year Bond            | *                          | *                                       | *                          | *                          | 4.50                                    |
| 3-year Bond            | 6.75                       | *                                       | *                          | *                          | 5.25                                    |
| 4-year Bond            | *                          | *                                       | *                          | *                          | *                                       |
| Data as at 14 Novembe  | *                          | 7.25                                    | *                          | *                          | 6.46                                    |
| 6-year Bond            | *                          | 7.00                                    | *                          | *                          | *                                       |
| 7-year Bond            | 7.50                       | *                                       | 7.50                       | *                          | 7.00                                    |
| 8-year Bond            | 7.10                       | *                                       | *                          | *                          | *                                       |
| 10-year Bond           | 7.75                       | *                                       | *                          | 7.50                       | *                                       |
| 15-year Bond           | *                          | *                                       | *                          | *                          | 7.95                                    |

Source: Eastern Caribbean Central Bank  
**Data as at 14 November 2014**

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

|        | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr |
|--------|----------------------------|----------------------------|----------------------------|----------------------------|---|
| Volume | 0.00                       | *                          | 5.50                       | 6.00                       | 7.60                                    |
| Value  | 0.00                       | *                          | 5.50                       | 6.00                       | 7.80                                    |

Source: Eastern Caribbean Securities Exchange  
**Data as at 14 November 2014**



**Table 10**  
**Anguilla - Selected Tourism Statistics**

|  | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sept | 2014 <sup>P</sup><br>Jan - Sept |
|--|----------------------------|----------------------------|----------------------------|---|---|--------------------|---------------------------------|
| Total Visitors                           | 32,950                     | 35,150                     | 51,984                     | 44,847                                  | 38,264                                  | 116,153            | 135,095                         |
| Stay-Over Visitors                       | 13,341                     | 16,319                     | 21,538                     | 18,888                                  | 13,543                                  | 52,749             | 53,969                          |
| Of which:                                |                            |                            |                            |   |   |                    |                                 |
| USA                                      | 7,372                      | 10,897                     | 14,872                     | 12,693                                  | 6,674                                   | 34,613             | 34,239                          |
| Canada                                   | 469                        | 940                        | 1,573                      | 834                                     | 530                                     | 2,635              | 2,937                           |
| UK                                       | 606                        | 755                        | 691                        | 681                                     | 611                                     | 2,041              | 1,983                           |
| Caribbean                                | 3,387                      | 2,143                      | 2,020                      | 2,805                                   | 4,096                                   | 8,311              | 8,921                           |
| Other Countries                          | 1,507                      | 1,584                      | 2,382                      | 1,875                                   | 1,632                                   | 5,149              | 5,889                           |
| Excursionists                            | 19,609                     | 18,831                     | 30,446                     | 25,959                                  | 24,721                                  | 63,404             | 81,126                          |
| <b>Total Visitor Expenditure (EC\$M)</b> | <b>68.41</b>               | <b>81.99</b>               | <b>106.54</b>              | <b>83.96</b>                            | <b>70.78</b>                            | <b>249.57</b>      | <b>261.27</b>                   |

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism  
**Data as at 21 November 2014**

**Table 11**  
**Anguilla - Consumer Price Index**  
**March 2010 = 100**

|   | Weight | Index<br>Sep 2014 | Percentage Change*            |                            |                            |   |   |                  |                  |
|---|--------|-------------------|-------------------------------|----------------------------|----------------------------|---|---|------------------|------------------|
|   |        |                   | Quarter over Previous Quarter |                            |                            |   |   |                  |                  |
|   |        |                   | 2013<br>3 <sup>rd</sup> Qr    | 2013<br>4 <sup>th</sup> Qr | 2013<br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | Sep-13<br>Dec-12 | Sep-14<br>Dec-13 |
| All Items                               | 100.0  | 160.29            | 0.31                          | (0.12)                     | (0.65)                     | 0.38                                    | (0.85)                                  | 1.76             | (1.12)           |
| Food & Non-Alcoholic Beverages          | 12.8   | 111.55            | 0.72                          | 1.61                       | (0.28)                     | 0.98                                    | (1.78)                                  | 1.95             | (1.10)           |
| Alcoholic Beverages, Tobacco & Narco    | 2.3    | 119.61            | -                             | 0.74                       | 0.43                       | (0.11)                                  | -                                       | 3.71             | 0.32             |
| Clothing & Footwear                     | 3.3    | 105.77            | 0.05                          | (0.89)                     | (2.60)                     | 1.97                                    | (6.36)                                  | 3.03             | (7.00)           |
| Housing, Utilities, Gas & Fuels         | 25.6   | 98.15             | (0.04)                        | 0.07                       | (0.01)                     | 0.13                                    | (0.97)                                  | (0.69)           | (0.85)           |
| Household Furnishings, Supplies & Maint | 4.0    | 108.77            | 5.11                          | (2.20)                     | (1.48)                     | (1.96)                                  | (0.26)                                  | 3.47             | (3.66)           |
| Health                                  | 2.3    | 115.75            | (0.05)                        | 0.49                       | 0.26                       | (2.37)                                  | 6.46                                    | 3.39             | 4.20             |
| Transport                               | 16.0   | 118.47            | (6.23)                        | 4.67                       | (3.37)                     | 1.82                                    | (0.93)                                  | (3.26)           | (2.53)           |
| Communication                           | 13.4   | 102.26            | -                             | -                          | -                          | (0.28)                                  | (1.33)                                  | 0.33             | (1.61)           |
| Recreation & Culture                    | 3.8    | 96.52             | 0.38                          | (2.07)                     | (0.48)                     | 1.38                                    | 0.31                                    | (1.04)           | 1.21             |
| Education                               | 5.9    | 121.84            | -                             | -                          | -                          | -                                       | -                                       | 0.00             | 0.00             |
| Hotels & Restaurants                    | 4.0    | 66.40             | (6.49)                        | 0.60                       | 0.96                       | (0.86)                                  | (0.54)                                  | (7.14)           | (0.45)           |
| Miscellaneous                           | 6.5    | 102.41            | 0.02                          | 0.46                       | 0.22                       | 0.71                                    | 0.50                                    | (1.76)           | 1.44             |

Source: Anguilla Statistics Department, Ministry of Finance, Economic Development, Investment, Commerce and Tourism

\*at end of period

**Data as at 21 November 2014**





**Table 12**  
**Anguilla - Central Government Fiscal Operations**  
**(In millions of Eastern Caribbean dollars)**

|   | 2013               | 2013               | 2014               | 2014               | 2014 <sup>P</sup>  | 2013       | 2014 <sup>P</sup> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|------------|-------------------|
|   | 3 <sup>rd</sup> Qr | 4 <sup>th</sup> Qr | 1 <sup>st</sup> Qr | 2 <sup>nd</sup> Qr | 3 <sup>rd</sup> Qr | Jan - Sept | Jan - Sept        |
| <b>Current Revenue</b>                        | 40.83              | 44.27              | 49.55              | 45.64              | 46.57              | 129.14     | 141.76            |
| Tax Revenue                                   | 35.69              | 36.13              | 42.28              | 38.37              | 39.95              | 111.34     | 120.60            |
| Taxes on Income and Profits                   | 2.67               | 3.35               | 3.28               | 3.42               | 3.18               | 9.42       | 9.88              |
| Of which: Stabilisation Levy                  | 2.67               | 3.35               | 3.28               | 3.42               | 3.18               | 9.42       | 9.88              |
| Taxes on Property                             | 1.08               | 1.70               | 1.35               | 1.43               | 0.56               | 1.92       | 3.34              |
| Taxes on Domestic Goods and Services          | 14.31              | 9.30               | 17.28              | 13.38              | 18.77              | 43.15      | 49.42             |
| Of which:                                     |                    |                    |                    |                    |                    |            |                   |
| Licenses                                      | 2.51               | 2.73               | 5.46               | 2.79               | 2.54               | 10.80      | 10.79             |
| Accommodation Tax                             | 2.64               | 2.86               | 6.42               | 4.52               | 3.19               | 10.77      | 14.14             |
| Stamp Duties                                  | 0.91               | 1.71               | 3.87               | 4.71               | 1.55               | 7.66       | 10.13             |
| Taxes on International Trade and Transactions | 17.63              | 21.78              | 20.38              | 20.14              | 17.43              | 56.84      | 57.95             |
| Of which:                                     |                    |                    |                    |                    |                    |            |                   |
| Import Duty                                   | 12.66              | 15.83              | 15.51              | 15.24              | 13.87              | 40.95      | 44.61             |
| Customs Surcharge                             | 3.54               | 4.58               | 3.81               | 4.12               | 3.65               | 11.31      | 11.58             |
| Embarkation Tax                               | 1.13               | 1.12               | 0.80               | 0.52               | (0.24)             | 3.84       | 1.08              |
| Non-Tax Revenue                               | 5.14               | 8.14               | 7.27               | 7.27               | 6.62               | 17.80      | 21.16             |
| <b>Current Expenditure</b>                    | 45.08              | 46.21              | 41.99              | 44.52              | 45.71              | 129.58     | 132.22            |
| Personal Emoluments                           | 19.87              | 20.51              | 19.76              | 20.28              | 20.53              | 59.81      | 60.57             |
| Good and Services                             | 9.90               | 12.32              | 9.16               | 10.68              | 11.01              | 28.13      | 30.85             |
| Interest Payments                             | 2.32               | 2.63               | 2.26               | 2.37               | 2.33               | 6.47       | 6.95              |
| Domestic                                      | 0.81               | 1.04               | 0.72               | 0.77               | 0.73               | 2.04       | 2.22              |
| External                                      | 1.50               | 1.60               | 1.54               | 1.59               | 1.60               | 4.43       | 4.73              |
| Transfers and Subsidies                       | 12.99              | 10.74              | 10.80              | 11.19              | 11.85              | 35.17      | 33.84             |
| Of which: Pensions                            | 2.05               | 2.05               | 1.60               | 2.21               | 2.06               | 6.16       | 5.86              |
| <b>Current Account Balance</b>                | (4.25)             | (1.93)             | 7.56               | 1.12               | 0.86               | (0.44)     | 9.55              |
| <b>Capital Revenue</b>                        | 0.00               | 0.00               | 0.00               | 0.00               | 0.00               | 0.00       | 0.00              |
| <b>Grants</b>                                 | 0.00               | 15.72              | 0.00               | 0.00               | 0.00               | 0.00       | 0.00              |
| Of which: Capital Grants                      | 0.00               | 15.72              | 0.00               | 0.00               | 0.00               | 0.00       | 0.00              |
| <b>Capital Expenditure and Net Lending</b>    | 3.82               | 1.19               | 0.46               | 0.89               | 0.51               | 7.07       | 1.85              |
| Of which: Capital Expenditure                 | 3.82               | 1.19               | 0.46               | 0.89               | 0.51               | 7.07       | 1.85              |
| <b>Primary Balance before grants</b>          | (5.75)             | (0.49)             | 9.36               | 2.60               | 2.68               | (1.04)     | 14.65             |
| <b>Primary Balance after grants</b>           | (5.75)             | 15.23              | 9.36               | 2.60               | 2.68               | (1.04)     | 14.65             |
| <b>Overall Balance before grants</b>          | (8.07)             | (3.13)             | 7.10               | 0.24               | 0.35               | (7.51)     | 7.69              |
| <b>Overall Balance after grants</b>           | (8.07)             | 12.60              | 7.10               | 0.24               | 0.35               | (7.51)     | 7.69              |
| <b>Financing</b>                              | 8.07               | (12.60)            | (7.10)             | (0.24)             | (0.35)             | 7.51       | (7.69)            |
| Domestic                                      | 8.55               | (10.61)            | (9.16)             | 0.24               | 0.30               | 6.58       | (8.61)            |
| ECCB (net)                                    | (0.37)             | (0.22)             | 0.17               | (0.81)             | 2.96               | 0.36       | 2.32              |
| Commercial Banks (net)                        | 11.55              | (19.14)            | (0.59)             | 0.18               | (3.33)             | 10.87      | (3.74)            |
| Other   | (2.64)             | 8.75               | (8.74)             | 0.87               | 0.68               | (4.64)     | (7.19)            |
| External                                      | (0.28)             | (0.28)             | (0.25)             | (0.25)             | (0.28)             | (0.77)     | (0.77)            |
| Net Disbursements/(Amortisation)              | (0.28)             | (0.28)             | (0.25)             | (0.25)             | (0.28)             | (0.77)     | (0.77)            |
| Disbursements                                 | 0.00               | 0.00               | 0.00               | 0.00               | 0.00               | 0.00       | 0.00              |
| Amortisation                                  | 0.28               | 0.28               | 0.25               | 0.25               | 0.28               | 0.77       | 0.77              |
| Change in Government Foreign Assets           | 0.00               | 0.00               | 0.00               | 0.00               | 0.00               | 0.00       | 0.00              |
| Arrears                                       | (0.20)             | (1.71)             | 2.30               | (0.24)             | (0.38)             | 1.70       | 1.69              |
| Domestic                                      | (0.20)             | (1.71)             | 2.30               | (0.24)             | (0.38)             | 1.70       | 1.69              |
| External                                      | 0.00               | 0.00               | 0.00               | 0.00               | 0.00               | 0.00       | 0.00              |
| Other Financing                               | 0.00               | 0.00               | 0.00               | 0.00               | 0.00               | 0.00       | 0.00              |

Source: Treasury Department, Anguilla and the Eastern Caribbean Central Bank  
**Data as at 21 November 2014**



**Table 13**  
**Anguilla - External Trade**  
**(EC\$M)**

|               | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sept | 2014 <sup>P</sup><br>Jan - Sept |
|---------------|----------------------------|----------------------------|----------------------------|----------------------------|---|--------------------|---------------------------------|
| Total Exports | 1.24                       | 1.14                       | 1.19                       | 1.94                       | 1.00                                    | 4.79               | 4.13                            |
| Total Imports | 88.71                      | 92.65                      | 94.63                      | 104.01                     | 104.25                                  | 298.46             | 302.88                          |
| Trade Balance | (87.47)                    | (91.51)                    | (93.43)                    | (102.07)                   | (103.25)                                | (293.67)           | (298.75)                        |

Source: ECCB Estimates

**Data as at 21 November 2014**



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

|                                  | 2013<br>2nd Qr  | 2013<br>3rd Qr  | 2013<br>4th Qr  | 2014<br>1st Qr  | 2014<br>2nd Qr  | 2014<br>3rd Qr  |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net Foreign Assets</b>        | <b>263.69</b>   | <b>225.96</b>   | <b>233.83</b>   | <b>256.21</b>   | <b>259.60</b>   | <b>232.73</b>   |
| <b>Central Bank (Net)</b>        | <b>112.24</b>   | <b>103.33</b>   | <b>110.82</b>   | <b>108.81</b>   | <b>108.41</b>   | <b>113.38</b>   |
| <b>Commercial Banks (Net)</b>    | <b>151.45</b>   | <b>122.64</b>   | <b>123.01</b>   | <b>147.41</b>   | <b>151.19</b>   | <b>119.35</b>   |
| External (Net)                   | 60.58           | 15.54           | 77.39           | 82.30           | 76.29           | 53.56           |
| Assets                           | 274.70          | 215.37          | 203.04          | 224.11          | 214.85          | 219.14          |
| Liabilities                      | 214.12          | 199.83          | 125.65          | 141.81          | 138.56          | 165.57          |
| Other ECCB Territories (Net)     | 90.87           | 107.10          | 45.62           | 65.10           | 74.90           | 65.79           |
| Assets                           | 202.52          | 204.43          | 135.07          | 166.15          | 157.38          | 157.95          |
| Liabilities                      | 111.65          | 97.33           | 89.45           | 101.05          | 82.47           | 92.16           |
| <b>Net Domestic Assets</b>       | <b>794.28</b>   | <b>813.59</b>   | <b>797.07</b>   | <b>778.17</b>   | <b>780.42</b>   | <b>795.51</b>   |
| <b>Domestic Credit</b>           | <b>1092.41</b>  | <b>1084.83</b>  | <b>1053.11</b>  | <b>1016.90</b>  | <b>1006.88</b>  | <b>1003.47</b>  |
| Central Government (Net)         | (57.77)         | (46.59)         | (65.95)         | (66.37)         | (66.99)         | (67.37)         |
| Other Public Sector (Net)        | (195.32)        | (201.74)        | (198.64)        | (207.99)        | (213.96)        | (216.79)        |
| Private Sector                   | 1345.50         | 1333.16         | 1317.70         | 1291.26         | 1287.83         | 1287.63         |
| Household                        | 557.11          | 552.00          | 539.74          | 533.61          | 540.53          | 536.98          |
| Business                         | 761.10          | 754.45          | 751.46          | 731.18          | 724.30          | 727.84          |
| Non-Bank Financial Institutions  | 5.65            | 5.51            | 5.30            | 5.28            | 5.20            | 5.01            |
| Subsidiaries & Affiliates        | 21.64           | 21.20           | 21.20           | 21.20           | 17.80           | 17.80           |
| <b>Other Items (Net)</b>         | <b>(298.13)</b> | <b>(271.24)</b> | <b>(256.04)</b> | <b>(238.74)</b> | <b>(226.46)</b> | <b>(207.96)</b> |
| <b>Monetary Liabilities (M2)</b> | <b>1057.97</b>  | <b>1039.55</b>  | <b>1030.90</b>  | <b>1034.38</b>  | <b>1040.02</b>  | <b>1028.24</b>  |
| <b>Money Supply (M1)</b>         | <b>43.84</b>    | <b>48.76</b>    | <b>43.06</b>    | <b>40.97</b>    | <b>43.85</b>    | <b>48.56</b>    |
| Currency with the Public         | 12.26           | 12.46           | 12.21           | 13.19           | 12.20           | 11.91           |
| Demand Deposits                  | 28.36           | 35.74           | 30.13           | 27.53           | 31.05           | 35.97           |
| EC\$ Cheques and Drafts Issued   | 3.22            | 0.56            | 0.73            | 0.25            | 0.60            | 0.69            |
| <b>Quasi Money</b>               | <b>1014.13</b>  | <b>990.79</b>   | <b>987.83</b>   | <b>993.41</b>   | <b>996.17</b>   | <b>979.68</b>   |
| Savings Deposits                 | 109.12          | 109.08          | 107.84          | 111.64          | 112.32          | 114.08          |
| Time Deposits                    | 129.26          | 129.16          | 130.09          | 128.83          | 129.84          | 130.68          |
| Foreign Currency Deposits        | 775.76          | 752.55          | 749.90          | 752.93          | 754.02          | 734.92          |

Source: Eastern Caribbean Central Bank

Data available as at 21 November 2014

<sup>R</sup>Revisions included changes to Imputed Reserves calculation

**Table 15**  
**Antigua and Barbuda - Selected Tourism Statistics**

|  | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sept | 2014<br>Jan - Sept |
|--|----------------------------|----------------------------|----------------------------|----------------------------|---|--------------------|--------------------|
| Total Visitors                           | 87,097                     | 214,208                    | 365,407                    | 111,520                    | 89,666                                  | 591,344            | 566,593            |
| Stay-Over Visitors                       | 52,193                     | 61,635                     | 79,550                     | 58,767                     | 49,810                                  | 181,584            | 188,127            |
| Of which:                                |                            |                            |                            |                            |   |                    |                    |
| USA                                      | 18,121                     | 21,357                     | 29,247                     | 24,997                     | 19,365                                  | 67,262             | 73,609             |
| Canada                                   | 3,835                      | 7,061                      | 13,788                     | 4,640                      | 3,171                                   | 23,174             | 21,599             |
| Europe                                   | 17,875                     | 23,395                     | 27,969                     | 19,242                     | 16,263                                  | 61,125             | 63,474             |
| UK                                       | 14,241                     | 19,202                     | 23,307                     | 15,599                     | 12,625                                  | 49,652             | 51,531             |
| Germany                                  | 222                        | 841                        | 965                        | 640                        | 156                                     | 1,602              | 1,761              |
| Switzerland                              | 162                        | 410                        | 366                        | 263                        | 116                                     | 745                | 745                |
| Italy                                    | 2,631                      | 1,785                      | 1,542                      | 1,860                      | 2,866                                   | 6,157              | 6,268              |
| France                                   | 322                        | 552                        | 931                        | 416                        | 290                                     | 1,180              | 1,637              |
| Other Europe                             | 297                        | 605                        | 858                        | 464                        | 210                                     | 1,789              | 1,532              |
| Caribbean                                | 10,052                     | 6,849                      | 5,148                      | 7,202                      | 8,732                                   | 22,185             | 21,082             |
| South America                            | 258                        | 303                        | 320                        | 257                        | 238                                     | 898                | 815                |
| Other Countries                          | 2,052                      | 2,670                      | 3,078                      | 2,429                      | 2,041                                   | 6,940              | 7,548              |
| Cruise Ship Passengers                   | 34,144                     | 144,099                    | 272,920                    | 48,547                     | 39,051                                  | 389,181            | 360,518            |
| Number of Cruise Ship Calls              | 16                         | 88                         | 160                        | 29                         | 19                                      | 233                | 208                |
| Yacht Passengers                         | 760                        | 8,474                      | 12,937                     | 4,206                      | 805                                     | 20,579             | 17,948             |
| Number of Yacht Calls                    | 196                        | 773                        | 1,762                      | 1,009                      | 185                                     | 3,052              | 2,956              |
| <b>Total Visitor Expenditure (EC\$M)</b> | <b>169.12</b>              | <b>217.00</b>              | <b>289.14</b>              | <b>195.36</b>              | <b>161.99</b>                           | <b>631.17</b>      | <b>646.49</b>      |

Source: Ministry of Tourism, Antigua and Barbuda

Data available as at 21 November 2014



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

|                                    | Weight | Index<br>Sep-14 | Percentage Change*         |                            |                            |                            |   |                  |                  |
|------------------------------------|--------|-----------------|----------------------------|----------------------------|----------------------------|----------------------------|---|------------------|------------------|
|                                    |        |                 | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | Sep-13<br>Dec-12 | Sep-14<br>Dec-13 |
| <b>All Items</b>                   | 100.00 | 133.64          | (0.39)                     | 0.87                       | (0.04)                     | 0.38                       | 0.40                                    | 0.18             | 0.75             |
| Food                               | 21.42  | 152.60          | (0.07)                     | 1.93                       | (0.75)                     | 0.16                       | (0.35)                                  | 0.19             | (0.93)           |
| Alcoholic Beverages and Tobacco    | 0.16   | 138.59          | 1.41                       | (1.30)                     | 2.80                       | 0.38                       | (2.16)                                  | 2.70             | 0.97             |
| Housing                            | 21.83  | 109.68          | -                          | -                          | -                          | -                          | -                                       | -                | -                |
| Fuel and Light                     | 6.39   | 153.96          | (3.29)                     | 0.85                       | (0.84)                     | 3.40                       | (3.29)                                  | (2.48)           | (0.84)           |
| Clothing and Footwear              | 11.06  | 101.29          | (0.30)                     | 1.01                       | 0.16                       | 0.81                       | 3.24                                    | (0.57)           | 4.25             |
| Household Furnishings and Supplies | 12.60  | 138.22          | (0.97)                     | 0.89                       | 0.04                       | (0.64)                     | 0.73                                    | 0.84             | 0.12             |
| Transport and Communications       | 15.35  | 137.88          | 0.05                       | 2.17                       | 0.26                       | 0.14                       | 1.48                                    | (0.51)           | 1.88             |
| Medical Care and Expenses          | 2.76   | 134.46          | (0.03)                     | (0.16)                     | (0.39)                     | (0.60)                     | 1.11                                    | (2.02)           | 0.11             |
| Education                          | 2.34   | 201.71          | 2.78                       | -                          | -                          | -                          | 4.57                                    | 2.78             | 4.57             |
| Personal Services                  | 4.30   | 151.36          | (1.32)                     | (4.22)                     | 3.34                       | 2.14                       | (0.75)                                  | 6.59             | 4.77             |
| Miscellaneous                      | 1.79   | 124.18          | (0.28)                     | 1.06                       | 0.49                       | (0.43)                     | (0.02)                                  | (0.31)           | 0.03             |

Source: Statistics Division, Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda

\*at end of period

**Data available as at 21 November 2014**



**Table 17**  
**Antigua and Barbuda - Central Government Fiscal Operations**  
**(In millions of Eastern Caribbean dollars)**

|   | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sept | 2014<br>Jan - Sept |
|---|----------------------------|----------------------------|----------------------------|----------------------------|---|--------------------|--------------------|
| <b>Current Revenue</b>                        | 126.96                     | 165.38                     | 160.44                     | 155.32                     | 134.84                                  | 432.44             | 450.61             |
| Tax Revenue                                   | 121.08                     | 144.94                     | 154.51                     | 144.35                     | 132.36                                  | 410.30             | 431.22             |
| Taxes on Income and Profits                   | 17.89                      | 18.84                      | 24.79                      | 15.83                      | 15.91                                   | 65.85              | 56.52              |
| Of which:                                     |                            |                            |                            |                            |   |                    |                    |
| Personal Income                               | 9.41                       | 9.39                       | 11.89                      | 9.08                       | 8.53                                    | 30.94              | 29.51              |
| Corporation                                   | 8.48                       | 9.44                       | 12.89                      | 6.75                       | 7.37                                    | 34.73              | 27.01              |
| Taxes on Property                             | 3.52                       | 1.24                       | 3.64                       | 9.03                       | 7.73                                    | 17.06              | 20.39              |
| Taxes on Domestic Goods and Services          | 55.52                      | 65.87                      | 74.09                      | 67.40                      | 61.49                                   | 178.83             | 202.98             |
| Of which:                                     |                            |                            |                            |                            |   |                    |                    |
| Stamp Duties                                  | 5.83                       | 9.66                       | 5.94                       | 5.38                       | 8.67                                    | 17.35              | 19.99              |
| Antigua and Barbuda Sales Tax                 | 47.54                      | 54.38                      | 65.65                      | 60.18                      | 50.86                                   | 154.96             | 176.69             |
| Taxes on International Trade and Transactions | 44.15                      | 58.99                      | 52.00                      | 52.09                      | 47.24                                   | 148.57             | 151.32             |
| Of which:                                     |                            |                            |                            |                            |   |                    |                    |
| Import Duty                                   | 18.11                      | 22.61                      | 19.74                      | 18.49                      | 17.63                                   | 56.52              | 55.86              |
| Consumption Tax                               | 7.25                       | 5.04                       | 10.79                      | 11.00                      | 9.17                                    | 24.02              | 30.96              |
| Passenger Facility Charge                     | -                          | -                          | -                          | -                          | -                                       | -                  | -                  |
| Revenue Recovery Charge                       | 15.89                      | 21.06                      | 18.72                      | 18.70                      | 16.88                                   | 48.85              | 54.30              |
| Embarkation Tax                               |                            |                            |                            |                            |   |                    |                    |
| Non-Tax Revenue                               | 5.87                       | 20.44                      | 5.94                       | 10.97                      | 2.48                                    | 22.13              | 19.39              |
| <b>Current Expenditure</b>                    | 190.11                     | 174.82                     | 153.06                     | 177.98                     | 177.33                                  | 525.84             | 508.36             |
| Personal Emoluments                           | 69.51                      | 70.26                      | 71.97                      | 77.62                      | 71.03                                   | 206.63             | 220.61             |
| Other Goods and Services                      | 45.75                      | 40.63                      | 23.74                      | 37.33                      | 29.84                                   | 107.02             | 90.91              |
| Interest Payments                             | 13.34                      | 19.59                      | 20.68                      | 17.42                      | 28.66                                   | 46.68              | 66.76              |
| Domestic                                      | 12.14                      | 14.52                      | 12.14                      | 12.61                      | 18.03                                   | 34.12              | 42.78              |
| External                                      | 1.20                       | 5.07                       | 8.54                       | 4.81                       | 10.63                                   | 12.56              | 23.98              |
| Transfers and Subsidies                       | 61.50                      | 44.33                      | 36.67                      | 45.62                      | 47.80                                   | 165.52             | 130.09             |
| Of which: Pensions                            | 18.32                      | 15.71                      | 12.11                      | 14.54                      | 15.61                                   | 59.91              | 42.25              |
| <b>Current Account Balance</b>                | (63.15)                    | (9.43)                     | 7.39                       | (22.66)                    | (42.48)                                 | (93.41)            | (57.76)            |
| <b>Capital Revenue</b>                        | 0.39                       | 0.12                       | 0.04                       | 0.40                       | 0.69                                    | 1.18               | 1.13               |
| <b>Grants</b>                                 | -                          | -                          | -                          | -                          | -                                       | -                  | -                  |
| Of which:                                     |                            |                            |                            |                            |   |                    |                    |
| Capital Grants                                | -                          | -                          | -                          | -                          | -                                       | -                  | -                  |
| Debt Forgiveness                              | -                          | -                          | -                          | -                          | -                                       | -                  | -                  |
| <b>Capital Expenditure and Net Lending</b>    | 12.20                      | 19.05                      | 6.26                       | 11.20                      | 24.46                                   | 24.02              | 41.92              |
| Of which: Capital Expenditure                 | 12.20                      | 19.05                      | 6.26                       | 11.20                      | 24.46                                   | 24.02              | 41.92              |
| <b>Primary Balance after grants</b>           | (61.62)                    | (8.78)                     | 21.85                      | (16.05)                    | (37.59)                                 | (69.57)            | (31.79)            |
| <b>Overall Balance after grants</b>           | (74.96)                    | (28.37)                    | 1.17                       | (33.47)                    | (66.25)                                 | (116.25)           | (98.55)            |
| <b>Financing</b>                              | 74.96                      | 28.37                      | (1.17)                     | 33.47                      | 66.25                                   | 116.25             | 98.55              |
| Domestic                                      | 77.69                      | 21.48                      | 7.92                       | 37.11                      | 72.77                                   | 62.74              | 117.80             |
| ECCB (net)                                    | 8.35                       | (2.11)                     | 10.19                      | (7.05)                     | (2.27)                                  | (15.68)            | 0.88               |
| Commercial Banks (net)                        | 8.59                       | (0.11)                     | (9.75)                     | (0.85)                     | (8.29)                                  | (10.29)            | (18.89)            |
| Other   | 60.74                      | 23.71                      | 7.47                       | 45.01                      | 83.33                                   | 88.71              | 135.81             |
| External                                      | (6.60)                     | 13.51                      | (29.41)                    | (18.02)                    | (13.35)                                 | 66.10              | (60.78)            |
| Net Disbursements/(Amortisation)              | (7.08)                     | 15.29                      | (26.96)                    | (15.87)                    | (19.99)                                 | 67.56              | (62.82)            |
| Disbursements                                 | 12.22                      | 30.63                      | 0.60                       | 1.64                       | 13.93                                   | 108.25             | 16.17              |
| Amortisation                                  | 19.30                      | 15.35                      | 27.56                      | 17.51                      | 33.91                                   | 40.69              | 78.99              |
| Change in Government Foreign Assets           | 0.49                       | (1.78)                     | (2.45)                     | (2.15)                     | 6.64                                    | (1.46)             | 2.04               |
| Other   | -                          | -                          | -                          | -                          | -                                       | -                  | -                  |
| Arrears                                       | 3.88                       | (6.63)                     | 20.32                      | 14.38                      | 6.83                                    | (12.60)            | 41.53              |
| Domestic                                      | (1.20)                     | (10.66)                    | -                          | 0.40                       | 0.59                                    | (16.80)            | 0.99               |
| External                                      | 5.07                       | 4.04                       | 20.32                      | 13.98                      | 6.24                                    | 4.20               | 40.54              |
| Other Financing                               | -                          | -                          | -                          | -                          | -                                       | -                  | -                  |

Source: Ministry of Finance, Antigua and Barbuda and Eastern Caribbean Central Bank  
 Data available as at 21 November 2014



**Table 18**  
**Antigua and Barbuda - External Trade**  
**(EC\$M)**

|                       | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sept | 2014<br>Jan - Sept |
|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|---|--------------------|--------------------|
| Visible Trade Balance | (309.49)                   | (341.69)                   | (414.39)                   | (305.72)                   | (354.08)                                | (942.29)           | (1,074.18)         |
| Total Exports         | 10.85                      | 7.40                       | 12.97                      | 28.87                      | 13.84                                   | 81.49              | 55.68              |
| Total Imports         | 320.34                     | 349.09                     | 427.36                     | 334.59                     | 367.92                                  | 1,023.78           | 1,129.87           |

Source: Statistics Division, Ministry of Finance, The Economy and Public Administration, Antigua and Barbuda  
**Data available as at 21 November 2014**



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

|   | 2013<br>2nd Qr  | 2013<br>3rd Qr  | 2013<br>4th Qr  | 2014<br>1st Qr  | 2014 <sup>R</sup><br>2nd Qr | 2014 <sup>P</sup><br>3rd Qr |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------------|-----------------------------|
| <b>Net Foreign Assets</b>                                   | <b>695.41</b>   | <b>570.65</b>   | <b>559.09</b>   | <b>703.14</b>   | <b>770.05</b>               | <b>715.67</b>               |
| <b>Central Bank (Net)</b>                                   | <b>533.24</b>   | <b>549.92</b>   | <b>546.72</b>   | <b>687.95</b>   | <b>733.23</b>               | <b>718.62</b>               |
| <b>Commercial Banks (Net)</b>                               | <b>162.17</b>   | <b>20.73</b>    | <b>12.37</b>    | <b>15.19</b>    | <b>36.82</b>                | <b>(2.95)</b>               |
| External (Net)  | (152.02)        | (389.31)        | (359.60)        | (310.30)        | (220.72)                    | (285.87)                    |
| Assets  | 1,010.23        | 678.55          | 594.52          | 545.22          | 638.00                      | 602.10                      |
| Liabilities   | 1,162.25        | 1,067.85        | 954.11          | 855.53          | 858.72                      | 887.97                      |
| Other ECCB Territories (Net)                                | 314.19          | 410.03          | 371.97          | 325.50          | 257.54                      | 282.91                      |
| Assets  | 1,337.63        | 1,465.88        | 1,393.47        | 1,420.07        | 1,378.52                    | 1,409.69                    |
| Liabilities   | 1,023.44        | 1,055.85        | 1,021.50        | 1,094.58        | 1,120.98                    | 1,126.77                    |
| <b>Net Domestic Assets</b>                                  | <b>2,214.02</b> | <b>2,330.58</b> | <b>2,349.35</b> | <b>2,338.68</b> | <b>2,273.79</b>             | <b>2,237.83</b>             |
| <b>Domestic Credit</b>                                      | <b>2,564.33</b> | <b>2,703.02</b> | <b>2,684.34</b> | <b>2,679.65</b> | <b>2,640.03</b>             | <b>2,614.20</b>             |
| Central Government (Net)                                    | 509.08          | 526.03          | 523.80          | 524.25          | 516.35                      | 505.78                      |
| Other Public Sector (Net)                                   | (263.67)        | (121.17)        | (109.00)        | (92.02)         | (93.77)                     | (75.71)                     |
| Private Sector  | 2,318.91        | 2,298.17        | 2,269.54        | 2,247.42        | 2,217.46                    | 2,184.13                    |
| Household   | 1,254.47        | 1,254.35        | 1,250.66        | 1,255.61        | 1,238.10                    | 1,239.33                    |
| Business  | 988.69          | 967.36          | 942.39          | 919.14          | 906.98                      | 878.61                      |
| Non-Bank Financial Institutior<br>Subsidiaries & Affiliates | 28.63<br>47.12  | 30.24<br>46.23  | 30.64<br>45.85  | 27.45<br>45.23  | 27.41<br>44.97              | 21.69<br>44.49              |
| <b>Other Items (Net)</b>                                    | <b>(350.31)</b> | <b>(372.45)</b> | <b>(334.99)</b> | <b>(340.97)</b> | <b>(366.24)</b>             | <b>(376.37)</b>             |
| <b>Monetary Liabilities (M2)</b>                            | <b>2,909.43</b> | <b>2,901.22</b> | <b>2,908.44</b> | <b>3,041.83</b> | <b>3,043.84</b>             | <b>2,953.49</b>             |
| <b>Money Supply (M1)</b>                                    | <b>584.66</b>   | <b>603.96</b>   | <b>597.23</b>   | <b>688.32</b>   | <b>646.63</b>               | <b>634.27</b>               |
| Currency with the Public                                    | 128.37          | 122.06          | 136.59          | 135.96          | 135.19                      | 133.78                      |
| Demand Deposits   | 434.05          | 460.46          | 431.63          | 518.56          | 487.52                      | 471.27                      |
| EC\$ Cheques and Drafts Issued                              | 22.25           | 21.45           | 29.02           | 33.80           | 23.92                       | 29.22                       |
| <b>Quasi Money</b>  | <b>2,324.76</b> | <b>2,297.26</b> | <b>2,311.21</b> | <b>2,353.51</b> | <b>2,397.22</b>             | <b>2,319.22</b>             |
| Savings Deposits  | 1,154.44        | 1,147.49        | 1,181.61        | 1,246.30        | 1,285.24                    | 1,291.97                    |
| Time Deposits   | 954.53          | 935.30          | 898.51          | 857.58          | 829.49                      | 820.13                      |
| Foreign Currency Deposits                                   | 215.80          | 214.46          | 231.09          | 249.63          | 282.49                      | 207.12                      |

Source: Eastern Caribbean Central Bank

Data available as at 14 November 2014





**Table 20**  
**Dominica - Selected Tourism Statistics**

|  | 2013 <sup>R</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sep | 2014<br>Jan - Sep |
|--|---|---|---|---|---|-------------------|-------------------|
| Total Visitors                           | 21,973                                  | 117,193                                 | 191,746                                 | 46,428                                  | 22,851                                  | 206,188           | 261,025           |
| Stay-Over Visitors                       | 19,950                                  | 21,562                                  | 20,128                                  | 18,562                                  | 20,830                                  | 56,553            | 59,520            |
| USA                                      | 3,072                                   | 3,682                                   | 4,406                                   | 3,820                                   | 3,691                                   | 10,839            | 11,917            |
| Canada                                   | 485                                     | 784                                     | 939                                     | 419                                     | 473                                     | 1,852             | 1,831             |
| UK                                       | 1,130                                   | 1,277                                   | 1,299                                   | 921                                     | 1,295                                   | 3,342             | 3,515             |
| Caribbean                                | 12,243                                  | 11,976                                  | 8,049                                   | 9,449                                   | 12,188                                  | 29,461            | 29,686            |
| Other Countries                          | 3,020                                   | 3,843                                   | 5,435                                   | 3,953                                   | 3,183                                   | 11,059            | 12,571            |
| Excursionists                            | 1,061                                   | 249                                     | 156                                     | 582                                     | 1,201                                   | 1,655             | 1,939             |
| Yacht Passengers                         | 962                                     | 2,694                                   | 6,238                                   | 2,792                                   | 820                                     | 10,081            | 9,850             |
| Cruise Ship Passengers                   | -                                       | 92,688                                  | 165,224                                 | 24,492                                  | -                                       | 137,899           | 189,716           |
| Number of Cruise Ship Calls              | -                                       | 60                                      | 111                                     | 17                                      | -                                       | 102               | 128               |
| <b>Total Visitor Expenditure (EC\$M)</b> | <b>52.24</b>                            | <b>65.23</b>                            | <b>66.94</b>                            | <b>50.66</b>                            | <b>53.02</b>                            | <b>156.09</b>     | <b>170.63</b>     |

Sources: Discover Dominica Authority and ECCB Estimates

**Data as at 21 November 2014**



**Table 21**  
**Dominica - Consumer Price Index**  
**June 2010 = 100**

|   | Weight | Index<br>Sep 2014 | Percentage Change*                      |   |   |   |   |        |                  |                  |
|---|--------|-------------------|---|---|---|---|---|--------|------------------|------------------|
|   |        |                   | Quarter over Previous Quarter           |   |   |   |   |        | Sep-13<br>Dec-12 | Sep-14<br>Dec-13 |
|   |        |                   | 2013 <sup>R</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr |        |                  |                  |
| <b>All Items</b>                                | 100.00 | 103.77            | 1.07                                    | (0.67)                                  | 1.24                                    | 0.32                                    | 0.24                                    | 0.23   | 1.81             |                  |
| Food and Non-Alcoholic Beverages                | 18.08  | 110.02            | 0.72                                    | 0.22                                    | 0.13                                    | 0.02                                    | 0.11                                    | 0.70   | 0.26             |                  |
| Alcoholic Beverages, Tobacco and Narcotics      | 0.77   | 105.23            | (0.01)                                  | 1.47                                    | 0.58                                    | (0.27)                                  | 0.55                                    | 0.11   | 0.87             |                  |
| Clothing and Footwear                           | 5.08   | 105.12            | 1.87                                    | 0.00                                    | (0.84)                                  | 1.25                                    | 1.75                                    | 3.27   | 2.17             |                  |
| Housing, Utilities, Gas and Fuels               | 30.62  | 100.08            | 2.20                                    | (2.08)                                  | 3.02                                    | 1.34                                    | 0.15                                    | (0.22) | 4.55             |                  |
| Household Furnishings, Supplies and Maintenance | 5.23   | 107.43            | 1.46                                    | 0.10                                    | 1.12                                    | (0.07)                                  | 1.73                                    | 2.31   | 2.80             |                  |
| Health  | 3.36   | 100.00            | 0.00                                    | (0.31)                                  | (1.39)                                  | 0.00                                    | 0.00                                    | 0.00   | (1.39)           |                  |
| Transport                                       | 20.11  | 103.96            | 0.40                                    | (0.45)                                  | 1.29                                    | (0.49)                                  | 0.02                                    | (0.39) | 0.81             |                  |
| Communication                                   | 3.95   | 100.00            | 0.00                                    | 0.00                                    | 0.00                                    | 0.00                                    | 0.00                                    | 0.07   | 0.00             |                  |
| Recreation and Culture                          | 3.74   | 102.25            | 0.71                                    | (0.34)                                  | (0.71)                                  | 0.00                                    | 0.84                                    | (0.99) | 0.13             |                  |
| Education                                       | 1.33   | 102.58            | 0.00                                    | 0.00                                    | 0.00                                    | 0.00                                    | 0.00                                    | 0.00   | 0.00             |                  |
| Hotels and Restaurants                          | 2.88   | 104.43            | 0.00                                    | 0.56                                    | 0.00                                    | (0.56)                                  | 0.00                                    | (0.56) | (0.56)           |                  |
| Miscellaneous                                   | 4.85   | 104.05            | 0.15                                    | 0.10                                    | 1.15                                    | (0.37)                                  | 0.05                                    | 0.67   | 0.82             |                  |

Sources: Central Statistical Office, Dominica and ECCB Estimates

\*at end of period

**Data as at 21 November 2014**



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

|   | 2013 <sup>R</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sep | 2014<br>Jan - Sep |
|---|---|---|---|---|---|-------------------|-------------------|
| <b>Current Revenue</b>                        | 90.69                                   | 94.02                                   | 93.23                                   | 97.04                                   | 85.60                                   | 288.88            | 275.86            |
| Tax Revenue                                   | 73.53                                   | 75.27                                   | 80.83                                   | 78.06                                   | 74.52                                   | 228.02            | 233.41            |
| Taxes on Income and Profits                   | 12.90                                   | 13.48                                   | 17.99                                   | 13.59                                   | 13.14                                   | 45.12             | 44.72             |
| Of which:                                     |   |   |   |   |   |                   |                   |
| Personal                                      | 7.89                                    | 7.60                                    | 9.64                                    | 8.66                                    | 6.93                                    | 26.71             | 25.23             |
| Company/Corporation                           | 5.44                                    | 6.30                                    | 8.72                                    | 5.69                                    | 6.82                                    | 20.01             | 21.23             |
| Taxes on Property                             | 1.93                                    | 2.09                                    | 1.78                                    | 1.86                                    | 1.58                                    | 5.71              | 5.23              |
| Taxes on Domestic Goods and Services          | 43.66                                   | 44.55                                   | 47.01                                   | 47.59                                   | 44.98                                   | 135.67            | 139.58            |
| Of which:                                     |   |   |   |   |   |                   |                   |
| Licences                                      | 3.63                                    | 3.47                                    | 6.13                                    | 6.44                                    | 2.97                                    | 15.26             | 15.55             |
| Value Added Tax                               | 31.37                                   | 31.45                                   | 31.41                                   | 31.91                                   | 31.75                                   | 91.86             | 95.08             |
| Excise Tax                                    | 8.25                                    | 9.21                                    | 8.74                                    | 8.70                                    | 9.80                                    | 27.35             | 27.23             |
| Taxes on International Trade and Transactions | 15.05                                   | 15.15                                   | 14.05                                   | 15.02                                   | 14.82                                   | 41.53             | 43.88             |
| Of which:                                     |   |   |   |   |   |                   |                   |
| Import Duty                                   | 8.69                                    | 9.56                                    | 7.48                                    | 8.52                                    | 8.26                                    | 23.25             | 24.26             |
| Customs Service Charge                        | 3.43                                    | 3.44                                    | 3.19                                    | 3.50                                    | 3.62                                    | 9.82              | 10.31             |
| Environmental Levy                            | 2.21                                    | 1.98                                    | 1.80                                    | 2.03                                    | 2.07                                    | 5.95              | 5.90              |
| Non-Tax Revenue                               | 17.16                                   | 18.75                                   | 12.40                                   | 18.98                                   | 11.08                                   | 60.86             | 42.45             |
| <b>Current Expenditure</b>                    | 86.48                                   | 90.95                                   | 85.89                                   | 87.10                                   | 88.99                                   | 261.35            | 261.98            |
| Personal Emoluments                           | 35.89                                   | 36.37                                   | 36.19                                   | 36.04                                   | 35.98                                   | 113.43            | 108.21            |
| Goods and Services <sup>1/</sup>              | 26.74                                   | 30.91                                   | 25.27                                   | 27.12                                   | 28.52                                   | 76.40             | 80.90             |
| Interest Payments                             | 6.29                                    | 7.08                                    | 7.35                                    | 6.27                                    | 7.85                                    | 20.99             | 21.47             |
| Domestic                                      | 2.64                                    | 3.16                                    | 3.94                                    | 1.77                                    | 3.66                                    | 7.32              | 9.37              |
| External                                      | 3.64                                    | 3.92                                    | 3.41                                    | 4.50                                    | 4.19                                    | 13.67             | 12.10             |
| Transfers and Subsidies                       | 17.56                                   | 16.60                                   | 17.08                                   | 17.67                                   | 16.64                                   | 50.53             | 51.39             |
| Of which: Pensions                            | 4.36                                    | 4.56                                    | 4.48                                    | 4.51                                    | 4.52                                    | 12.86             | 13.50             |
| <b>Current Account Balance</b>                | 4.21                                    | 3.07                                    | 7.34                                    | 9.94                                    | (3.39)                                  | 27.54             | 13.88             |
| <b>Capital Revenue</b>                        | 0.08                                    | 0.07                                    | 0.05                                    | 0.14                                    | 0.12                                    | 0.19              | 0.30              |
| <b>Grants</b>                                 | 0.02                                    | 0.48                                    | 20.49                                   | 21.59                                   | 1.78                                    | 0.02              | 43.86             |
| Of which: Capital Grants                      | 0.02                                    | 0.48                                    | 20.49                                   | 21.59                                   | 1.78                                    | 0.02              | 43.86             |
| <b>Capital Expenditure and Net Lending</b>    | 28.79                                   | 17.29                                   | 16.78                                   | 33.33                                   | 12.64                                   | 143.59            | 62.76             |
| Of which: Capital Expenditure                 | 28.46                                   | 17.22                                   | 16.71                                   | 33.21                                   | 12.52                                   | 143.23            | 62.44             |
| <b>Primary Balance after grants</b>           | (18.19)                                 | (6.59)                                  | 18.45                                   | 4.60                                    | (6.29)                                  | (94.86)           | 16.77             |
| <b>Overall Balance after grants</b>           | (24.48)                                 | (13.67)                                 | 11.10                                   | (1.67)                                  | (14.14)                                 | (115.85)          | (4.71)            |
| <b>Financing</b>                              | 24.48                                   | 13.67                                   | (11.10)                                 | 1.67                                    | 14.14                                   | 115.85            | 4.71              |
| Domestic                                      | 12.13                                   | (7.71)                                  | (33.52)                                 | (2.72)                                  | 11.84                                   | 95.21             | (24.40)           |
| ECCB (net)                                    | 19.75                                   | (1.82)                                  | (24.83)                                 | 16.89                                   | 4.05                                    | 27.14             | (3.88)            |
| Commercial Banks (net)                        | (4.88)                                  | 7.88                                    | 9.86                                    | 16.19                                   | (16.25)                                 | 26.92             | 9.80              |
| Other   | (2.74)                                  | (13.77)                                 | (18.55)                                 | (35.80)                                 | 24.03                                   | 41.15             | (30.32)           |
| External                                      | 7.60                                    | 20.02                                   | 23.94                                   | 9.49                                    | 0.32                                    | 16.12             | 33.76             |
| Net Disbursements (Amortisation)              | 7.62                                    | 19.88                                   | 23.96                                   | 10.25                                   | 0.34                                    | 16.29             | 34.55             |
| Disbursements                                 | 13.06                                   | 22.15                                   | 24.87                                   | 19.45                                   | 5.51                                    | 26.98             | 49.83             |
| Amortisation                                  | 5.44                                    | 2.26                                    | 0.91                                    | 9.20                                    | 5.17                                    | 10.69             | 15.28             |
| Change in Government Foreign Assets           | (0.02)                                  | 0.14                                    | (0.02)                                  | (0.76)                                  | (0.02)                                  | (0.17)            | (0.79)            |
| Arrears                                       | 4.74                                    | 1.36                                    | (1.53)                                  | (5.10)                                  | 1.98                                    | 4.52              | (4.65)            |
| Domestic                                      | 4.74                                    | 1.36                                    | (1.53)                                  | (5.10)                                  | 1.98                                    | 4.52              | (4.65)            |
| External                                      | 0.00                                    | 0.00                                    | 0.00                                    | 0.00                                    | 0.00                                    | 0.00              | 0.00              |
| Other Financing                               | 0.00                                    | 0.00                                    | 0.00                                    | 0.00                                    | 0.00                                    | 0.00              | 0.00              |

Source: Ministry of Finance, Dominica and ECCB

<sup>1/</sup> 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 21 November 2014



**Table 23**  
**Dominica - Selected Trade Statistics**  
**(Value: EC\$M; Volume: tonnes)**

|                       | 2013 <sup>R</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sep | 2014<br>Jan - Sep |
|-----------------------|---|---|---|---|---|-------------------|-------------------|
| Visible Trade Balance | (102.15)                                | (113.67)                                | (108.88)                                | (113.85)                                | (113.71)                                | (331.78)          | (336.44)          |
| Total Imports         | 129.14                                  | 143.49                                  | 129.96                                  | 139.22                                  | 140.93                                  | 404.59            | 410.12            |
| Total Exports         | 26.99                                   | 29.82                                   | 21.08                                   | 25.37                                   | 27.23                                   | 72.81             | 73.68             |
| Re-Exports            | 3.93                                    | 8.84                                    | 5.26                                    | 5.68                                    | 4.02                                    | 14.63             | 14.97             |
| Domestic Exports      | 23.06                                   | 20.98                                   | 15.82                                   | 19.69                                   | 23.21                                   | 58.18             | 58.71             |
| Of which:             |   |   |   |   |   |                   |                   |
| Bananas               |   |   |   |   |   |                   |                   |
| Value                 | 0.69                                    | 0.66                                    | 0.55                                    | 0.56                                    | 0.59                                    | 1.95              | 1.69              |
| Volume                | 449.76                                  | 449.53                                  | 320.83                                  | 333.61                                  | 334.39                                  | 1,293.66          | 988.84            |

Source: Central Statistical Office, WINFRESH and ECCB Estimates

**Data as at 21 November 2014**



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

|                                  | 2013<br>2nd Qr | 2013<br>3rd Qr | 2013<br>4th Qr | 2014<br>1st Qr | 2014<br>2nd Qr | 2014 <sup>P</sup><br>3rd Qr |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------------|
| <b>Net Foreign Assets</b>        | <b>539.13</b>  | <b>505.94</b>  | <b>527.87</b>  | <b>600.88</b>  | <b>608.14</b>  | <b>604.30</b>               |
| <b>Central Bank (Net)</b>        | <b>236.41</b>  | <b>217.29</b>  | <b>230.48</b>  | <b>240.40</b>  | <b>265.44</b>  | <b>255.55</b>               |
| <b>Commercial Banks (Net)</b>    | <b>302.72</b>  | <b>288.64</b>  | <b>297.39</b>  | <b>360.48</b>  | <b>342.70</b>  | <b>348.74</b>               |
| External (Net)                   | 40.59          | 29.96          | 36.13          | 85.31          | 70.61          | 69.96                       |
| Assets                           | 282.67         | 271.87         | 280.67         | 334.59         | 323.21         | 331.75                      |
| Liabilities                      | 242.08         | 241.92         | 244.54         | 249.29         | 252.60         | 261.79                      |
| Other ECCB Territories (Net)     | 262.13         | 258.69         | 261.26         | 275.18         | 272.08         | 278.78                      |
| Assets                           | 312.53         | 311.92         | 305.82         | 321.67         | 322.72         | 332.97                      |
| Liabilities                      | 50.40          | 53.23          | 44.56          | 46.49          | 50.63          | 54.19                       |
| <b>Net Domestic Assets</b>       | <b>622.18</b>  | <b>645.62</b>  | <b>630.67</b>  | <b>613.33</b>  | <b>639.37</b>  | <b>620.92</b>               |
| <b>Domestic Credit</b>           | <b>718.23</b>  | <b>733.11</b>  | <b>722.45</b>  | <b>704.84</b>  | <b>721.87</b>  | <b>714.38</b>               |
| Central Government (Net)         | 32.56          | 47.44          | 53.50          | 38.54          | 71.61          | 59.42                       |
| Other Public Sector (Net)        | (118.66)       | (117.62)       | (121.98)       | (122.35)       | (129.44)       | (125.33)                    |
| Private Sector                   | 804.32         | 803.30         | 790.93         | 788.66         | 779.71         | 780.29                      |
| Household                        | 453.40         | 455.97         | 456.59         | 454.11         | 453.82         | 457.03                      |
| Business                         | 331.08         | 329.59         | 318.64         | 320.28         | 311.66         | 303.81                      |
| Non-Bank Financial Institutions  | 13.28          | 11.17          | 11.13          | 7.69           | 7.66           | 12.89                       |
| Subsidiaries & Affiliates        | 6.57           | 6.57           | 4.57           | 6.57           | 6.57           | 6.57                        |
| <b>Other Items (Net)</b>         | <b>(96.05)</b> | <b>(87.50)</b> | <b>(91.79)</b> | <b>(91.51)</b> | <b>(82.50)</b> | <b>(93.46)</b>              |
| <b>Monetary Liabilities (M2)</b> | <b>1161.32</b> | <b>1151.55</b> | <b>1158.54</b> | <b>1214.21</b> | <b>1247.51</b> | <b>1225.22</b>              |
| <b>Money Supply (M1)</b>         | <b>227.57</b>  | <b>216.91</b>  | <b>212.86</b>  | <b>229.61</b>  | <b>226.75</b>  | <b>217.06</b>               |
| Currency with the Public         | 39.43          | 37.15          | 41.59          | 40.15          | 40.47          | 38.71                       |
| Demand Deposits                  | 184.68         | 176.76         | 169.03         | 185.63         | 184.19         | 176.25                      |
| EC\$ Cheques and Drafts Issued   | 3.46           | 3.00           | 2.24           | 3.83           | 2.09           | 2.10                        |
| <b>Quasi Money</b>               | <b>933.75</b>  | <b>934.64</b>  | <b>945.68</b>  | <b>984.60</b>  | <b>1020.76</b> | <b>1008.16</b>              |
| Savings Deposits                 | 660.80         | 671.67         | 686.38         | 721.42         | 755.90         | 759.52                      |
| Time Deposits                    | 245.37         | 238.96         | 235.76         | 231.22         | 230.15         | 219.34                      |
| Foreign Currency Deposits        | 27.58          | 24.02          | 23.54          | 31.97          | 34.72          | 29.29                       |

Source: Eastern Caribbean Central Bank

Data available as at 17 November 2014

<sup>R</sup>Revisions included changes to Imputed Reserves calculation

**Table 25**  
**Grenada - Selected Tourism Statistics**

|  | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sept | 2013 <sup>P</sup><br>Jan - Sept |
|--|----------------------------|----------------------------|----------------------------|---|---|--------------------|---------------------------------|
| Total Visitors                           | 31,593                     | 92,361                     | 163,970                    | 53,961                                  | 41,831                                  | 222,942            | 259,762                         |
| Stay-Over Visitors                       | 30,673                     | 27,041                     | 36,280                     | 29,050                                  | 34,791                                  | 85,736             | 100,121                         |
| Of which:                                |                            |                            |                            |   |   |                    |                                 |
| USA                                      | 10,243                     | 7,759                      | 11,445                     | 8,488                                   | 11,538                                  | 26,799             | 31,471                          |
| Canada                                   | 1,678                      | 2,021                      | 5,525                      | 2,500                                   | 2,199                                   | 7,627              | 10,224                          |
| United Kingdom                           | 4,332                      | 5,440                      | 7,189                      | 5,352                                   | 5,168                                   | 15,146             | 17,709                          |
| Caribbean                                | 7,555                      | 5,574                      | 4,877                      | 5,796                                   | 8,132                                   | 18,865             | 18,805                          |
| Other Countries                          | 6,865                      | 6,247                      | 7,244                      | 6,914                                   | 7,754                                   | 17,299             | 21,912                          |
| Excursionists                            | 435                        | 329                        | 766                        | 556                                     | 433                                     | 1,277              | 1,755                           |
| Cruise Ship Passengers                   | 0                          | 64,145                     | 125,461                    | 23,612                                  | 6,126                                   | 133,163            | 155,199                         |
| Yacht Passengers                         | 485                        | 846                        | 1,463                      | 743                                     | 481                                     | 2,766              | 2,687                           |
| Number of Cruise Ship Calls              | 0                          | 44                         | 84                         | 14                                      | 2                                       | 100                | 100                             |
| <b>Total Visitor Expenditure (EC\$M)</b> | <b>88.82</b>               | <b>75.99</b>               | <b>108.65</b>              | <b>76.11</b>                            | <b>89.77</b>                            | <b>251.48</b>      | <b>274.53</b>                   |

Source: Grenada Board of Tourism  
Data as at 17 November 2014



**Table 26**  
**Grenada - Consumer Price Index**  
**January 2010 = 100**

|   | Weight | Index<br>Sep 2014 | Percentage Change*            |                            |                            |                            |   |         |                  |                  |
|---|--------|-------------------|-------------------------------|----------------------------|----------------------------|----------------------------|---|---------|------------------|------------------|
|   |        |                   | Quarter over Previous Quarter |                            |                            |                            |   |         | Sep-13<br>Dec-12 | Sep-14<br>Dec-13 |
|   |        |                   | 2013<br>3 <sup>rd</sup> Qr    | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr |         |                  |                  |
| <b>All Items</b>                                | 100.0  | 108.64            | (1.75)                        | 0.30                       | (0.43)                     | 0.57                       | 0.13                                    | (1.53)  | 0.27             |                  |
| Food & Non-Alcoholic Beverages                  | 20.4   | 116.03            | (0.23)                        | 0.63                       | (0.62)                     | 0.67                       | 0.49                                    | 0.47    | 0.54             |                  |
| Alcoholic Beverages, Tobacco and Narcotics      | 1.8    | 123.75            | 0.22                          | 0.48                       | 0.45                       | 0.55                       | 1.67                                    | 4.11    | 2.69             |                  |
| Clothing and Footwear                           | 3.7    | 101.42            | (1.40)                        | 2.22                       | (1.54)                     | (0.22)                     | -                                       | (3.94)  | (1.75)           |                  |
| Housing, Utilities, Gas and Fuels               | 29.1   | 106.30            | 0.03                          | (0.06)                     | 0.22                       | 0.24                       | (0.09)                                  | (0.10)  | 0.36             |                  |
| Household Furnishings, Supplies and Maintenance | 4.5    | 110.45            | (0.12)                        | (0.04)                     | (1.06)                     | 0.33                       | 0.10                                    | (1.26)  | (0.64)           |                  |
| Health  | 1.9    | 127.27            | (0.01)                        | (0.08)                     | 0.32                       | 0.42                       | 0.47                                    | 0.28    | 1.21             |                  |
| Transport                                       | 18.7   | 113.99            | 0.99                          | 0.30                       | (0.49)                     | 1.85                       | 0.04                                    | 1.72    | 1.39             |                  |
| Communication                                   | 10.0   | 90.96             | (17.28)                       | -                          | (1.90)                     | -                          | -                                       | (18.49) | (1.90)           |                  |
| Recreation and Culture                          | 2.7    | 106.37            | (0.11)                        | 1.79                       | 0.35                       | -                          | -                                       | 1.99    | 0.35             |                  |
| Education                                       | 0.8    | 118.43            | 3.35                          | -                          | 0.53                       | -                          | -                                       | 3.35    | 0.53             |                  |
| Hotels and Restaurants                          | 1.8    | 107.25            | -                             | 0.01                       | -                          | -                          | -                                       | 1.58    | -                |                  |
| Miscellaneous                                   | 4.6    | 104.41            | 0.36                          | (0.01)                     | (0.18)                     | (0.02)                     | 0.09                                    | 2.79    | (0.11)           |                  |

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada

\*at end of period

**Data as at 17 November 2014**



**Table 27**  
**Grenada - Central Government Fiscal Operations**  
**(In millions of Eastern Caribbean dollars)**

|   | 2013               | 2013               | 2014               | 2014               | 2014 <sup>P</sup>  | 2013       | 2014 <sup>P</sup> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|------------|-------------------|
|   | 3 <sup>rd</sup> Qr | 4 <sup>th</sup> Qr | 1 <sup>st</sup> Qr | 2 <sup>nd</sup> Qr | 3 <sup>rd</sup> Qr | Jan - Sept | Jan - Sept        |
| <b>Current Revenue</b>                        | 103.70             | 107.20             | 118.75             | 137.55             | 117.55             | 330.03     | 373.85            |
| Tax Revenue                                   | 97.29              | 103.27             | 111.15             | 130.93             | 112.73             | 315.72     | 354.81            |
| Taxes on Income and Profits                   | 18.64              | 16.55              | 23.00              | 22.39              | 22.71              | 49.56      | 68.11             |
| Of which:                                     |                    |                    |                    |                    |                    |            |                   |
| Personal                                      | 7.75               | 8.25               | 11.73              | 11.06              | 11.26              | 21.42      | 34.04             |
| Company/Corporation                           | 10.88              | 8.30               | 11.27              | 11.34              | 11.45              | 28.14      | 34.06             |
| Taxes on Property                             | 2.09               | 3.38               | 4.79               | 9.38               | 3.55               | 11.70      | 17.72             |
| Taxes on Domestic Goods and Services          | 45.48              | 47.43              | 51.82              | 63.61              | 51.08              | 165.27     | 166.51            |
| Of which:                                     |                    |                    |                    |                    |                    |            |                   |
| Value-added Tax                               | 37.71              | 42.69              | 42.46              | 43.31              | 43.11              | 114.81     | 128.88            |
| Stamp Duties                                  | 1.00               | 1.00               | 0.92               | 0.84               | 3.11               | 2.52       | 4.88              |
| Licences                                      | 5.56               | 2.13               | 4.97               | 16.93              | 2.50               | 40.43      | 24.40             |
| Taxes on International Trade and Transactions | 31.08              | 35.91              | 31.54              | 35.54              | 35.39              | 89.19      | 102.48            |
| Of which:                                     |                    |                    |                    |                    |                    |            |                   |
| Import Duty                                   | 12.12              | 15.36              | 12.04              | 13.27              | 13.94              | 35.02      | 39.25             |
| Customs Service Charge                        | 8.65               | 10.76              | 9.50               | 11.42              | 11.26              | 24.86      | 32.18             |
| Non-Tax Revenue                               | 6.41               | 3.93               | 7.59               | 6.62               | 4.82               | 14.31      | 19.04             |
| <b>Current Expenditure</b>                    | 131.88             | 113.38             | 128.94             | 114.83             | 120.56             | 348.75     | 364.33            |
| Personal Emoluments                           | 64.42              | 67.19              | 64.41              | 68.21              | 54.98              | 176.30     | 187.60            |
| Goods and Services                            | 18.88              | 19.93              | 17.48              | 16.15              | 16.34              | 55.96      | 49.98             |
| Interest Payments                             | 28.89              | 7.96               | 29.67              | 11.72              | 31.21              | 62.62      | 72.60             |
| Domestic                                      | 7.13               | 2.96               | 3.66               | 3.82               | 5.08               | 12.22      | 12.56             |
| External                                      | 21.76              | 5.00               | 26.01              | 7.90               | 26.13              | 50.41      | 60.04             |
| Transfers and Subsidies                       | 19.69              | 18.31              | 17.38              | 18.75              | 18.02              | 53.87      | 54.15             |
| Of which: Pensions                            | 7.27               | 8.01               | 7.33               | 7.32               | 7.57               | 21.17      | 22.22             |
| <b>Current Account Balance</b>                | (28.18)            | (6.18)             | (10.19)            | 22.73              | (3.01)             | (18.72)    | 9.52              |
| <b>Capital Revenue</b>                        | 0.01               | 0.01               | 0.02               | 0.09               | -                  | 0.04       | 0.11              |
| <b>Grants</b>                                 | 5.99               | 5.24               | 10.35              | 16.21              | 27.18              | 26.02      | 53.74             |
| Of which: Capital Grants                      | 5.99               | 5.24               | 10.35              | 16.21              | 27.18              | 26.02      | 53.74             |
| <b>Capital Expenditure</b>                    | 44.65              | 28.33              | 39.54              | 39.94              | 78.09              | 125.99     | 157.57            |
| Of which: Capital Expenditure                 | 44.65              | 28.33              | 39.54              | 39.94              | 78.09              | 125.99     | 157.57            |
| <b>Primary Balance after grants</b>           | (37.94)            | (21.30)            | (9.70)             | 10.81              | (22.70)            | (56.03)    | (21.59)           |
| <b>Overall Balance after grants</b>           | (66.83)            | (29.26)            | (39.37)            | (0.91)             | (53.91)            | (118.65)   | (94.19)           |
| <b>Financing</b>                              | 66.83              | 29.26              | 39.37              | 0.91               | 53.91              | 118.65     | 94.19             |
| Domestic                                      | 36.19              | 3.51               | 16.29              | (0.63)             | (50.04)            | 34.06      | (34.38)           |
| ECCB (net)                                    | 38.82              | 0.97               | 1.08               | 0.16               | (20.28)            | (13.41)    | (19.04)           |
| Commercial Banks (net)                        | (13.76)            | (34.07)            | 9.78               | 2.24               | (9.33)             | (8.76)     | 2.70              |
| Other   | 11.13              | 36.60              | 5.43               | (3.03)             | (20.43)            | 56.23      | (18.03)           |
| External                                      | 8.59               | 23.41              | (2.36)             | (3.27)             | 79.97              | 28.04      | 74.34             |
| Net Disbursements/(Amortisation)              | 8.59               | 23.41              | (2.36)             | (3.27)             | 79.97              | 28.04      | 74.34             |
| Disbursements                                 | 19.10              | 35.15              | 7.49               | 7.22               | 88.35              | 70.91      | 103.06            |
| Amortisation                                  | 10.51              | 11.74              | 9.86               | 10.49              | 8.37               | 42.87      | 28.72             |
| Change in Government Foreign Assets           | -                  | -                  | -                  | -                  | -                  | -          | -                 |
| Arrears                                       | 22.05              | 2.35               | 25.44              | 4.81               | 23.98              | 56.55      | 54.23             |
| Domestic                                      | -                  | -                  | -                  | -                  | -                  | -          | -                 |
| External                                      | 22.05              | 2.35               | 25.44              | 4.81               | 23.98              | 56.55      | 54.23             |
| Other Financing                               | -                  | -                  | -                  | -                  | -                  | -          | -                 |

Source: Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada and the ECCB  
**Data as at 17 November 2014**





**Table 28**  
**Grenada - Selected Agricultural Production**

|         | Unit     | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sept | 2014 <sup>P</sup><br>Jan - Sept |
|---------|----------|----------------------------|----------------------------|----------------------------|---|---|--------------------|---------------------------------|
| Bananas | (tonnes) | 1,674                      | 1,862                      | 1,563                      | 1,270                                   | 1,138                                   | 5,186              | 3,971                           |
| Cocoa   | (tonnes) | 109                        | 143                        | 363                        | 348                                     | 13                                      | 634                | 724                             |
| Nutmeg  | (tonnes) | 74                         | 65                         | 174                        | 194                                     | 104                                     | 313                | 472                             |
| Mace    | (tonnes) | 6                          | 4                          | 18                         | 29                                      | 8                                       | 33                 | 55                              |

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada  
**Data as at 17 November 2014**

**Table 29**  
**Grenada - Selected Trade Statistics**  
**(Value: EC\$M; Volume: 000 tonnes)**

|                              | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sept | 2014 <sup>P</sup><br>Jan - Sept |
|------------------------------|----------------------------|----------------------------|---|---|---|--------------------|---------------------------------|
| <b>Visible Trade Balance</b> | (218.13)                   | (278.68)                   | (197.07)                                | (200.33)                                | (213.43)                                | (614.59)           | (610.84)                        |
| <b>Total Imports</b>         | 240.20                     | 295.33                     | 224.20                                  | 234.00                                  | 236.63                                  | 699.45             | 694.83                          |
| <b>Total Exports</b>         | 22.07                      | 16.65                      | 27.13                                   | 33.67                                   | 23.20                                   | 84.87              | 83.99                           |
| Re-Exports                   | 1.74                       | 1.98                       | 4.77                                    | 4.20                                    | 1.13                                    | 12.10              | 10.10                           |
| Domestic Exports             | 20.33                      | 14.67                      | 22.36                                   | 29.47                                   | 22.07                                   | 72.76              | 73.90                           |
| Of Which:                    |                            |                            |   |   |   |                    |                                 |
| Bananas                      |                            |                            |   |   |   |                    |                                 |
| Volume                       | 0.00                       | 0.00                       | 0.98                                    | 1.00                                    | 0.00                                    | 0.00               | 1.99                            |
| Value                        | 0.00                       | 0.00                       | 0.00                                    | 0.00                                    | 0.00                                    | 0.00               | 0.00                            |
| Nutmeg                       |                            |                            |   |   |   |                    |                                 |
| Volume                       | 83.33                      | 95.14                      | 105.31                                  | 153.27                                  | 134.04                                  | 279.63             | 392.62                          |
| Value                        | 3.39                       | 3.35                       | 3.57                                    | 5.02                                    | 4.13                                    | 14.99              | 12.72                           |
| Mace                         |                            |                            |   |   |   |                    |                                 |
| Volume                       | 4.43                       | 9.47                       | 11.33                                   | 34.07                                   | 3.72                                    | 28.17              | 49.12                           |
| Value                        | 0.26                       | 0.44                       | 0.42                                    | 1.31                                    | 0.16                                    | 1.58               | 1.89                            |
| Cocoa                        |                            |                            |   |   |   |                    |                                 |
| Volume                       | 106.35                     | 74.16                      | 344.26                                  | 344.71                                  | 159.61                                  | 671.48             | 848.58                          |
| Value                        | 1.10                       | 0.79                       | 3.76                                    | 4.02                                    | 1.78                                    | 7.06               | 9.55                            |
| Manufactured Exports         |                            |                            |   |   |   |                    |                                 |
| Value                        | 9.51                       | 8.32                       | 8.38                                    | 8.68                                    | 8.79                                    | 27.01              | 25.85                           |

Source: Central Statistics Office, Ministry of Finance, Planning, Economy, Energy and Cooperatives, Grenada  
**Data as at 17 November 2014**



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

|                                  | 2013            | 2013            | 2013            | 2014            | 2014            | 2014 <sup>P</sup> |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
|                                  | 2nd Qr          | 3rd Qr          | 4th Qr          | 1st Qr          | 2nd Qr          | 3rd Qr            |
| <b>Net Foreign Assets</b>        | <b>245.71</b>   | <b>279.74</b>   | <b>352.39</b>   | <b>377.80</b>   | <b>434.87</b>   | <b>526.15</b>     |
| <b>Central Bank (Net)</b>        | <b>331.01</b>   | <b>305.59</b>   | <b>365.60</b>   | <b>358.21</b>   | <b>363.97</b>   | <b>418.20</b>     |
| <b>Commercial Banks (Net)</b>    | <b>(85.29)</b>  | <b>(25.85)</b>  | <b>(13.21)</b>  | <b>19.59</b>    | <b>70.90</b>    | <b>107.96</b>     |
| External (Net)                   | (226.23)        | (195.59)        | (187.69)        | (180.35)        | (167.11)        | (137.30)          |
| Assets                           | 284.79          | 274.35          | 285.24          | 300.42          | 314.29          | 335.53            |
| Liabilities                      | 511.02          | 469.94          | 472.93          | 480.76          | 481.40          | 472.83            |
| Other ECCB Territories (Net)     | 140.93          | 169.75          | 174.48          | 199.94          | 238.01          | 245.25            |
| Assets                           | 246.44          | 257.95          | 260.99          | 263.16          | 278.81          | 285.90            |
| Liabilities                      | 105.51          | 88.20           | 86.51           | 63.23           | 40.81           | 40.64             |
| <b>Net Domestic Assets</b>       | <b>1,651.07</b> | <b>1,626.72</b> | <b>1,586.33</b> | <b>1,599.72</b> | <b>1,566.57</b> | <b>1,491.18</b>   |
| <b>Domestic Credit</b>           | <b>1,770.28</b> | <b>1,726.81</b> | <b>1,695.39</b> | <b>1,682.72</b> | <b>1,635.96</b> | <b>1,569.25</b>   |
| Central Government (Net)         | 60.29           | 85.35           | 52.25           | 63.12           | 65.52           | 35.91             |
| Other Public Sector (Net)        | (76.40)         | (81.78)         | (57.26)         | (65.51)         | (91.68)         | (95.07)           |
| Private Sector                   | 1,786.38        | 1,723.24        | 1,700.40        | 1,685.11        | 1,662.12        | 1,628.41          |
| Household                        | 1,164.61        | 1,153.27        | 1,147.75        | 1,134.89        | 1,123.79        | 1,117.78          |
| Business                         | 611.57          | 559.88          | 541.65          | 538.89          | 528.52          | 501.14            |
| Non-Bank Financial Institutior   | 10.21           | 10.09           | 11.01           | 11.32           | 9.81            | 9.49              |
| Subsidiaries & Affiliates        | -               | -               | -               | -               | -               | -                 |
| <b>Other Items (Net)</b>         | <b>(119.21)</b> | <b>(100.08)</b> | <b>(109.06)</b> | <b>(83.00)</b>  | <b>(69.39)</b>  | <b>(78.07)</b>    |
| <b>Monetary Liabilities (M2)</b> | <b>1,896.78</b> | <b>1,906.46</b> | <b>1,938.72</b> | <b>1,977.52</b> | <b>2,001.44</b> | <b>2,017.33</b>   |
| <b>Money Supply (M1)</b>         | <b>322.78</b>   | <b>352.96</b>   | <b>381.04</b>   | <b>399.22</b>   | <b>429.56</b>   | <b>448.72</b>     |
| Currency with the Public         | 104.93          | 104.65          | 115.69          | 113.70          | 113.02          | 116.06            |
| Demand Deposits                  | 209.76          | 239.07          | 253.71          | 275.41          | 308.77          | 324.27            |
| EC\$ Cheques and Drafts Issued   | 8.08            | 9.24            | 11.64           | 10.11           | 7.77            | 8.39              |
| <b>Quasi Money</b>               | <b>1,574.00</b> | <b>1,553.51</b> | <b>1,557.68</b> | <b>1,578.31</b> | <b>1,571.88</b> | <b>1,568.60</b>   |
| Savings Deposits                 | 1,127.99        | 1,114.36        | 1,143.12        | 1,162.99        | 1,161.10        | 1,167.51          |
| Time Deposits                    | 343.78          | 332.32          | 318.24          | 310.46          | 304.83          | 291.25            |
| Foreign Currency Deposits        | 102.24          | 106.84          | 96.33           | 104.85          | 105.96          | 109.85            |

Source: Eastern Caribbean Central Bank

Data available as at 17 November 2014

<sup>R</sup>Revisions included changes to Imputed Reserves calculation

**Table 31**  
**Montserrat - Selected Tourism Statistics**

|  | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014<br>3 <sup>rd</sup> Qr | 2013<br>Jan-Sep | 2014<br>Jan-Sep |
|--|----------------------------|----------------------------|----------------------------|---|----------------------------|-----------------|-----------------|
| Total Visitors                           | 2,456                      | 2,568                      | 3,517                      | 2,882                                   | 2,094                      | 7,893           | 8,493           |
| Stay-Over Visitors                       | 1,945                      | 2,051                      | 2,355                      | 1,831                                   | 1,597                      | 5,150           | 5,783           |
| Of which:                                |                            |                            |                            |   |                            |                 |                 |
| USA                                      | 428                        | 547                        | 612                        | 433                                     | 328                        | 1,228           | 1,373           |
| Canada                                   | 92                         | 133                        | 316                        | 88                                      | 57                         | 383             | 461             |
| UK                                       | 506                        | 497                        | 558                        | 343                                     | 378                        | 1,324           | 1,279           |
| Caribbean                                | 805                        | 764                        | 705                        | 876                                     | 788                        | 1,827           | 2,369           |
| Other Countries                          | 114                        | 110                        | 164                        | 91                                      | 46                         | 388             | 301             |
| Excursionists                            | 338                        | 372                        | 454                        | 525                                     | 339                        | 1,147           | 1,318           |
| Cruise Ship Passengers                   | -                          | -                          | -                          | -                                       | -                          | 364             | -               |
| Number of Cruise Ship Calls              | -                          | -                          | -                          | -                                       | -                          | 4               | -               |
| Yacht Passengers                         | 173                        | 145                        | 708                        | 526                                     | 158                        | 1,232           | 1,392           |
| Number of Yachts                         | 36                         | 32                         | 151                        | 151                                     | 34                         | 314             | 336             |
| <b>Total Visitor Expenditure (EC\$M)</b> | <b>4.50</b>                | <b>4.80</b>                | <b>7.10</b>                | <b>4.37</b>                             | <b>3.54</b>                | <b>13.53</b>    | <b>15.00</b>    |

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat  
Data as at 12 November 2014



**Table 32**  
**Montserrat - Consumer Price Index**  
**January 2001 = 100**

|                            | Weight | Index<br>Sep-14 | Percentage Change*            |                            |                            |                            |                            |        |                  |                  |
|----------------------------|--------|-----------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------|------------------|------------------|
|                            |        |                 | Quarter over Previous Quarter |                            |                            |                            |                            |        | Sep-13<br>Dec-12 | Sep-14<br>Dec-13 |
|                            |        |                 | 2013<br>3 <sup>rd</sup> Qr    | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014<br>3 <sup>rd</sup> Qr |        |                  |                  |
| <b>All Items</b>           | 100.00 | 266.01          | 0.39                          | (0.43)                     | 0.34                       | (0.26)                     | (0.66)                     | (0.12) | (0.59)           |                  |
| Food                       | 49.50  | 280.24          | 0.71                          | (0.86)                     | 0.25                       | (0.95)                     | (0.59)                     | 0.55   | (1.29)           |                  |
| Alcohol and Tobacco        | 4.60   | 261.33          | 0.28                          | (0.13)                     | 0.00                       | 1.99                       | (0.77)                     | 1.93   | 1.20             |                  |
| Household Goods            | 10.20  | 192.98          | 1.09                          | 0.71                       | 0.33                       | (0.83)                     | (0.73)                     | 1.42   | (1.22)           |                  |
| Gas, Electricity and Water | 1.80   | 238.80          | 0.22                          | (0.52)                     | 6.53                       | (2.38)                     | (2.84)                     | (7.00) | 1.03             |                  |
| Rent                       | 0.70   | 955.73          | 0.00                          | 0.00                       | 0.00                       | 0.00                       | 0.00                       | 0.00   | 0.00             |                  |
| Clothing and Footwear      | 17.90  | 224.74          | (0.04)                        | 0.03                       | 0.35                       | 0.00                       | 0.69                       | (0.22) | 1.04             |                  |
| Services                   | 15.30  | 289.97          | (0.49)                        | (0.11)                     | 0.17                       | 1.57                       | (1.93)                     | (2.67) | (0.22)           |                  |

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat

\*at end of period

**Data as at 17 November 2014**



**Table 33**  
**Montserrat - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

|   | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan-Sep | 2014<br>Jan-Sep |
|---|----------------------------|----------------------------|----------------------------|---|---|-----------------|-----------------|
| Current Revenue                               | 9.73                       | 11.06                      | 12.67                      | 10.24                                   | 11.18                                   | 30.67           | 34.10           |
| Tax Revenue                                   | 8.31                       | 9.32                       | 11.63                      | 9.21                                    | 9.59                                    | 26.38           | 30.44           |
| Taxes on Income and Profits                   | 3.61                       | 3.51                       | 5.22                       | 4.16                                    | 4.27                                    | 11.47           | 13.64           |
| Of which:                                     |                            |                            |                            |   |   |                 |                 |
| Personal                                      | 2.88                       | 2.97                       | 3.54                       | 2.82                                    | 3.16                                    | 8.93            | 9.52            |
| Company/Corporation                           | 0.56                       | 0.38                       | 1.46                       | 1.02                                    | 1.04                                    | 2.05            | 3.52            |
| Taxes on Property                             | 0.51                       | 0.24                       | 0.16                       | 0.03                                    | 0.03                                    | 0.78            | 0.22            |
| Taxes on Domestic Goods and Services          | 0.39                       | 0.82                       | 2.21                       | 0.82                                    | 0.97                                    | 2.87            | 4.00            |
| Of which:                                     |                            |                            |                            |   |   |                 |                 |
| Licences and Stamp Duties                     | 0.20                       | 0.60                       | 1.54                       | 0.55                                    | 0.65                                    | 1.73            | 2.74            |
| Hotel Occupancy                               | 0.00                       | 0.01                       | 0.01                       | 0.01                                    | 0.01                                    | 0.02            | 0.03            |
| Insurance Company Levy                        | 0.02                       | 0.06                       | 0.04                       | 0.06                                    | 0.06                                    | 0.10            | 0.16            |
| Taxes on International Trade and Transactions | 3.79                       | 4.75                       | 4.04                       | 4.21                                    | 4.33                                    | 11.27           | 12.58           |
| Of which:                                     |                            |                            |                            |   |   |                 |                 |
| Import Duty                                   | 1.19                       | 1.65                       | 1.17                       | 1.52                                    | 1.33                                    | 3.46            | 4.02            |
| Consumption Tax                               | 2.38                       | 2.87                       | 2.59                       | 2.42                                    | 2.73                                    | 7.13            | 7.74            |
| Customs Service Charge                        | -                          | -                          | -                          | -                                       | -                                       | -               | -               |
| Non-Tax Revenue                               | 1.43                       | 1.74                       | 1.04                       | 1.03                                    | 1.59                                    | 4.28            | 3.66            |
| Current Expenditure                           | 27.92                      | 27.94                      | 36.29                      | 24.24                                   | 25.77                                   | 79.80           | 86.30           |
| Personal Emoluments                           | 10.35                      | 10.55                      | 11.99                      | 10.23                                   | 10.19                                   | 31.22           | 32.42           |
| Goods and Services*                           | 7.18                       | 6.30                       | 6.91                       | 5.77                                    | 7.73                                    | 19.94           | 20.41           |
| 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                       | 10.38                      | 11.09                      | 17.38                      | 8.23                                    | 7.84                                    | 28.62           | 33.45           |
| Of which: Pensions                            | 2.83                       | 3.12                       | 4.64                       | 2.84                                    | 3.63                                    | 8.40            | 11.10           |
| Current Account Balance before grants         | (18.19)                    | (16.88)                    | (23.61)                    | (14.00)                                 | (14.58)                                 | (49.13)         | (52.20)         |
| Current Account Balance after grants          | (18.19)                    | (16.88)                    | (6.10)                     | 6.80                                    | 1.63                                    | (17.97)         | 2.33            |
| Capital Revenue                               | -                          | -                          | -                          | -                                       | -                                       | -               | -               |
| Grants  | 5.52                       | 12.79                      | 46.18                      | 26.32                                   | 16.21                                   | 99.40           | 88.71           |
| Of which: Capital Grants                      | 5.52                       | 12.79                      | 28.66                      | 5.52                                    | -                                       | 68.24           | 34.19           |
| Capital Expenditure and Net Lending           | 16.97                      | 19.39                      | 18.45                      | 6.25                                    | 21.89                                   | 54.12           | 46.59           |
| Of which: Capital Expenditure                 | 16.97                      | 19.39                      | 18.45                      | 6.25                                    | 21.89                                   | 54.12           | 46.59           |
| Primary Balance before grants                 | (35.15)                    | (36.26)                    | (42.05)                    | (20.25)                                 | (36.47)                                 | (103.22)        | (98.77)         |
| Primary Balance after grants                  | (29.63)                    | (23.47)                    | 4.12                       | 6.07                                    | (20.25)                                 | (3.83)          | (10.06)         |
| Overall Balance before grants                 | (35.16)                    | (36.27)                    | (42.06)                    | (20.26)                                 | (36.47)                                 | (103.25)        | (98.79)         |
| Overall Balance after grants                  | (29.64)                    | (23.48)                    | 4.12                       | 6.07                                    | (20.26)                                 | (3.85)          | (10.08)         |
| Financing                                     | 29.64                      | 23.48                      | (4.12)                     | (6.07)                                  | 20.26                                   | 3.85            | 10.08           |
| Domestic                                      | 29.67                      | 23.51                      | (4.09)                     | (6.04)                                  | 20.29                                   | 3.94            | 10.17           |
| ECCB (net)                                    | 0.16                       | (0.14)                     | 0.23                       | (0.22)                                  | 0.10                                    | 0.04            | 0.12            |
| Commercial Banks (net)                        | 18.68                      | (2.44)                     | (4.19)                     | 8.18                                    | 16.67                                   | 10.23           | 20.66           |
| Other   | 10.83                      | 26.10                      | (0.13)                     | (14.01)                                 | 3.52                                    | (6.33)          | (10.61)         |
| External                                      | (0.03)                     | (0.03)                     | (0.03)                     | (0.03)                                  | (0.03)                                  | (0.09)          | (0.09)          |
| Net Disbursements/(Amortisation)              | (0.03)                     | (0.03)                     | (0.03)                     | (0.03)                                  | (0.03)                                  | (0.09)          | (0.09)          |
| Disbursements                                 | -                          | -                          | -                          | -                                       | -                                       | -               | -               |
| Amortisation                                  | 0.03                       | 0.03                       | 0.03                       | 0.03                                    | 0.03                                    | 0.09            | 0.09            |
| Change in Government Foreign Assets           | -                          | -                          | -                          | -                                       | -                                       | -               | -               |
| Arrears                                       | -                          | -                          | -                          | -                                       | -                                       | -               | -               |
| Domestic                                      | -                          | -                          | -                          | -                                       | -                                       | -               | -               |
| External                                      | -                          | -                          | -                          | -                                       | -                                       | -               | -               |
| Other Financing                               | -                          | -                          | -                          | -                                       | -                                       | -               | -               |

Source: Ministry of Finance, Montserrat and Eastern Caribbean Central Bank

\*Goods and Services include Miscellaneous Payments

Data as at 21 November 2014



**Table 34**  
**Montserrat - Selected Trade Statistics**  
**(Value: EC\$M)**

|                        | 2013<br>3rd Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014?<br>2 <sup>nd</sup> Qr | 2014<br>3 <sup>rd</sup> Qr | 2013<br>Jan-Sep | 2014<br>Jan-Sep |
|------------------------|----------------|----------------------------|----------------------------|-----------------------------|----------------------------|-----------------|-----------------|
| Visible Trade Balance  | (29.12)        | (14.42)                    | (21.91)                    | (24.87)                     | (24.95)                    | (83.13)         | (71.73)         |
| Total Imports          | 30.48          | 27.78                      | 24.32                      | 26.61                       | 27.49                      | 85.87           | 78.42           |
| Total Exports          | 1.37           | 13.36                      | 2.41                       | 1.73                        | 2.54                       | 2.74            | 6.68            |
| Total Domestic Exports | 0.65           | 4.15                       | 1.01                       | 1.52                        | 1.96                       | 1.84            | 4.49            |
| Total Re-Exports       | 0.72           | 9.20                       | 1.40                       | 0.21                        | 0.58                       | 0.90            | 2.20            |

Source: Statistics Department, Ministry of Finance and Economic Development, Montserrat and ECCB Estimates  
**Data as at 17 November 2014**



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

|                                  | 2013<br>2nd Qr | 2013<br>3rd Qr | 2013<br>4th Qr | 2014<br>1st Qr | 2014<br>2nd Qr | 2014 <sup>P</sup><br>3rd Qr |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------------|
| <b>Net Foreign Assets</b>        | <b>288.01</b>  | <b>264.69</b>  | <b>270.08</b>  | <b>288.64</b>  | <b>283.14</b>  | <b>271.61</b>               |
| <b>Central Bank (Net)</b>        | <b>91.04</b>   | <b>112.87</b>  | <b>109.38</b>  | <b>121.16</b>  | <b>117.70</b>  | <b>104.35</b>               |
| <b>Commercial Banks (Net)</b>    | <b>196.97</b>  | <b>151.83</b>  | <b>160.70</b>  | <b>167.49</b>  | <b>165.43</b>  | <b>167.26</b>               |
| External (Net)                   | 84.58          | 68.12          | 85.61          | 95.60          | 88.65          | 82.25                       |
| Assets                           | 136.34         | 121.35         | 140.84         | 154.67         | 148.29         | 143.23                      |
| Liabilities                      | 51.77          | 53.23          | 55.23          | 59.07          | 59.64          | 60.98                       |
| Other ECCB Territories (Net)     | 112.39         | 83.71          | 75.09          | 71.89          | 76.79          | 85.01                       |
| Assets                           | 119.26         | 91.22          | 82.09          | 80.03          | 83.70          | 92.36                       |
| Liabilities                      | 6.87           | 7.51           | 7.00           | 8.14           | 6.91           | 7.35                        |
| <b>Net Domestic Assets</b>       | <b>(70.64)</b> | <b>(52.71)</b> | <b>(54.75)</b> | <b>(61.60)</b> | <b>(47.66)</b> | <b>(34.93)</b>              |
| <b>Domestic Credit</b>           | <b>(27.05)</b> | <b>(9.55)</b>  | <b>(9.71)</b>  | <b>(15.39)</b> | <b>(4.28)</b>  | <b>8.90</b>                 |
| Central Government (Net)         | (72.88)        | (54.04)        | (56.63)        | (60.59)        | (52.62)        | (35.85)                     |
| Other Public Sector (Net)        | (22.36)        | (21.71)        | (19.94)        | (21.05)        | (16.63)        | (22.29)                     |
| Private Sector                   | 68.19          | 66.20          | 66.86          | 66.25          | 64.96          | 67.04                       |
| Household                        | 57.99          | 57.46          | 58.36          | 57.88          | 58.04          | 59.70                       |
| Business                         | 10.21          | 8.74           | 8.51           | 8.37           | 6.93           | 7.33                        |
| Non-Bank Financial Institutions  | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00                        |
| Subsidiaries & Affiliates        | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00                        |
| <b>Other Items (Net)</b>         | <b>(43.59)</b> | <b>(43.15)</b> | <b>(45.04)</b> | <b>(46.21)</b> | <b>(43.38)</b> | <b>(43.82)</b>              |
| <b>Monetary Liabilities (M2)</b> | <b>217.37</b>  | <b>211.99</b>  | <b>215.33</b>  | <b>227.05</b>  | <b>235.48</b>  | <b>236.69</b>               |
| <b>Money Supply (M1)</b>         | <b>39.53</b>   | <b>52.42</b>   | <b>53.62</b>   | <b>56.51</b>   | <b>58.40</b>   | <b>43.56</b>                |
| Currency with the Public         | 17.61          | 17.76          | 18.39          | 18.95          | 16.61          | 16.50                       |
| Demand Deposits                  | 21.85          | 34.49          | 35.10          | 37.48          | 41.66          | 26.89                       |
| EC\$ Cheques and Drafts Issued   | 0.07           | 0.17           | 0.13           | 0.08           | 0.13           | 0.17                        |
| <b>Quasi Money</b>               | <b>177.85</b>  | <b>159.57</b>  | <b>161.71</b>  | <b>170.54</b>  | <b>177.08</b>  | <b>193.12</b>               |
| Savings Deposits                 | 150.78         | 117.20         | 119.65         | 129.90         | 137.05         | 139.69                      |
| Time Deposits                    | 18.34          | 35.05          | 33.71          | 33.82          | 33.45          | 46.14                       |
| Foreign Currency Deposits        | 8.73           | 7.32           | 8.36           | 6.82           | 6.58           | 7.29                        |

Source: Eastern Caribbean Central Bank

Data available as at 14 November 2014

<sup>R</sup>Revisions included changes to Imputed Reserves calculation

**Table 36**  
**St Kitts and Nevis - Selected Tourism Statistics**

|  | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>Jan - Sept | 2014 <sup>P</sup><br>Jan - Sept |
|--|----------------------------|----------------------------|---|---|---|---------------------------------|---------------------------------|
| Total Visitors                           | 89,947                     | 209,997                    | 314,265                                 | 135,644                                 | 106,927                                 | 480,471                         | 556,836                         |
| Stay-Over Visitors                       | 21,658                     | 25,204                     | 33,190                                  | 28,707                                  | 23,337                                  | 81,700                          | 85,234                          |
| Of which:                                |                            |                            |   |   |   |                                 |                                 |
| USA                                      | 13,206                     | 15,339                     | 21,314                                  | 18,250                                  | 14,193                                  | 53,046                          | 53,757                          |
| Canada                                   | 1,135                      | 1,753                      | 3,773                                   | 1,570                                   | 1,218                                   | 5,449                           | 6,561                           |
| UK                                       | 1,623                      | 2,331                      | 2,666                                   | 1,974                                   | 1,676                                   | 6,120                           | 6,316                           |
| Caribbean                                | 4,527                      | 4,366                      | 3,744                                   | 5,131                                   | 5,012                                   | 13,366                          | 13,887                          |
| Other Countries                          | 1,167                      | 1,415                      | 1,693                                   | 1,782                                   | 1,238                                   | 3,719                           | 4,713                           |
| Excursionists                            | 962                        | 1,134                      | 1,137                                   | 716                                     | 886                                     | 2,827                           | 2,739                           |
| Cruise Ship Passengers                   | 67,152                     | 181,061                    | 277,015                                 | 105,259                                 | 82,157                                  | 394,473                         | 464,431                         |
| Yacht Passengers                         | 175                        | 2,598                      | 2,923                                   | 962                                     | 547                                     | 1,471                           | 4,432                           |
| Number of Cruise Ship Calls              | 22                         | 86                         | 171                                     | 47                                      | 27                                      | 214                             | 245                             |
| <b>Total Visitor Expenditure (EC\$M)</b> | <b>52.73</b>               | <b>68.13</b>               | <b>91.51</b>                            | <b>71.59</b>                            | <b>58.24</b>                            | <b>204.70</b>                   | <b>221.34</b>                   |

Source: Statistics Department, Sustainable Development, St Kitts and Central Statistics Office, Nevis and ECCB Estimates  
**Data as at 14 November 2014**





Table 37  
St Kitts and Nevis - Consumer Price Index  
January 2010 = 100

|   | Weight | Index<br>Sept 2014 | Percentage Change*                      |   |   |   |   |                  |                  |
|---|--------|--------------------|---|---|---|---|---|------------------|------------------|
|   |        |                    | Quarter over Previous Quarter           |   |   |   | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | Sep-13<br>Dec-12 | Sep-14<br>Dec-13 |
|   |        |                    | 2013 <sup>R</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr |   |                  |                  |
| <b>All items</b>                                | 100.00 | 113.24             | 0.60                                    | (0.22)                                  | (0.56)                                  | 0.74                                    | 1.86                                    | 0.60             | 2.05             |
| Food and Non-Alcoholic Beverages                | 15.98  | 121.47             | 2.58                                    | (0.46)                                  | (0.32)                                  | 1.32                                    | (0.04)                                  | 5.42             | 0.96             |
| Alcoholic Beverages, Tobacco & Narcotics        | 2.71   | 124.56             | 0.20                                    | (0.05)                                  | (1.05)                                  | 2.91                                    | 1.99                                    | (0.27)           | 3.85             |
| Clothing and Footwear                           | 4.20   | 111.40             | (0.73)                                  | (5.01)                                  | 0.17                                    | 1.81                                    | 1.17                                    | (0.52)           | 3.18             |
| Housing, Utilities, Gas and Fuels               | 27.56  | 103.23             | 0.00                                    | 0.06                                    | 0.09                                    | 0.00                                    | (0.05)                                  | 0.04             | 0.04             |
| Household Furnishings, Supplies and Maintenance | 6.10   | 110.21             | (1.57)                                  | 0.90                                    | (0.18)                                  | 0.62                                    | 0.77                                    | (1.60)           | 1.20             |
| Health  | 2.38   | 108.94             | (2.24)                                  | 0.07                                    | 0.00                                    | 0.00                                    | 4.38                                    | (0.56)           | 4.38             |
| Transport                                       | 16.14  | 124.09             | 4.60                                    | 0.89                                    | (2.58)                                  | 1.95                                    | 0.84                                    | 2.19             | 0.15             |
| Communication                                   | 8.47   | 104.48             | 0.00                                    | 0.00                                    | 0.00                                    | 0.00                                    | 0.00                                    | 0.00             | 0.00             |
| Recreation and Culture                          | 2.92   | 105.56             | (4.59)                                  | 0.72                                    | (0.39)                                  | 0.80                                    | 0.28                                    | (6.09)           | 0.69             |
| Education                                       | 2.41   | 187.03             | (10.87)                                 | 0.00                                    | 0.00                                    | 0.00                                    | 84.89                                   | (16.04)          | 84.89            |
| Hotels and Restaurants                          | 5.60   | 113.60             | 1.38                                    | (3.18)                                  | (0.80)                                  | 0.00                                    | 0.18                                    | 1.38             | (0.62)           |
| Miscellaneous Goods and Services                | 5.54   | 111.62             | (2.56)                                  | 0.58                                    | (0.58)                                  | 0.66                                    | 0.33                                    | (0.40)           | 0.40             |

Source: Statistics Department, Sustainable Development, St Kitts

\* at end of period

Data as at 14 November 2014



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

|   | 2013 <sup>R</sup>  | 2013 <sup>R</sup>  | 2014 <sup>R</sup>  | 2014 <sup>R</sup>  | 2014 <sup>P</sup>  | 2013 <sup>R</sup> | 2014 <sup>P</sup> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
|   | 3 <sup>rd</sup> Qr | 4 <sup>th</sup> Qr | 1 <sup>st</sup> Qr | 2 <sup>nd</sup> Qr | 3 <sup>rd</sup> Qr | Jan - Sept        | Jan - Sept        |
| <b>Current Revenue</b>                        | 193.89             | 245.38             | 181.68             | 233.90             | 202.97             | 567.36            | 618.55            |
| Tax Revenue                                   | 104.77             | 115.26             | 110.21             | 107.34             | 127.49             | 306.00            | 345.03            |
| Taxes on Income and Profits                   | 23.99              | 20.12              | 20.96              | 24.69              | 26.36              | 61.87             | 72.01             |
| Of Which:                                     |                    |                    |                    |                    |                    |                   |                   |
| Personal                                      | 9.25               | 9.26               | 10.58              | 10.73              | 10.90              | 28.42             | 32.21             |
| Company/Corporation                           | 9.06               | 9.30               | 9.25               | 11.13              | 13.95              | 25.16             | 34.33             |
| Taxes on Property                             | 4.78               | 2.56               | 2.95               | 5.29               | 4.76               | 12.64             | 13.01             |
| Taxes on Domestic Goods and Services          | 51.30              | 58.10              | 58.87              | 52.17              | 58.34              | 157.83            | 169.38            |
| Of Which:                                     |                    |                    |                    |                    |                    |                   |                   |
| Licences                                      | 1.09               | 3.73               | 2.35               | 1.10               | 1.14               | 5.05              | 4.60              |
| Value Added Tax                               | 36.28              | 39.46              | 38.40              | 36.81              | 40.79              | 108.79            | 116.00            |
| Stamp Duties                                  | 7.56               | 10.67              | 13.04              | 8.71               | 10.67              | 27.57             | 32.42             |
| Unincorporated Business Levy                  | 1.03               | 1.28               | 1.40               | 1.20               | 1.44               | 3.51              | 4.04              |
| Island Enhancement Levy                       | 1.08               | 0.75               | 1.08               | 1.72               | 1.12               | 3.39              | 3.92              |
| Taxes on International Trade and Transactions | 24.70              | 34.48              | 27.42              | 25.19              | 38.02              | 73.66             | 90.63             |
| Of Which:                                     |                    |                    |                    |                    |                    |                   |                   |
| Import Duty                                   | 11.86              | 17.02              | 12.94              | 12.78              | 12.97              | 32.88             | 38.69             |
| Customs Service Charge                        | 8.71               | 12.39              | 9.33               | 9.01               | 11.96              | 25.22             | 30.30             |
| Excise Tax                                    | 2.36               | 1.70               | 2.08               | 1.29               | 10.71              | 8.54              | 14.08             |
| Non-Refundable Duty Free Store Levy           | 0.34               | 1.38               | 1.67               | 0.46               | 0.39               | 2.47              | 2.52              |
| Non-Tax Revenue                               | 89.12              | 130.12             | 71.47              | 126.57             | 75.48              | 261.37            | 273.52            |
| <b>Current Expenditure</b>                    | 150.96             | 148.19             | 127.84             | 150.24             | 141.53             | 412.39            | 419.62            |
| Personal Emoluments                           | 70.43              | 56.36              | 59.84              | 58.51              | 60.34              | 140.53            | 138.25            |
| Goods and Services                            | 34.95              | 55.21              | 34.74              | 32.54              | 34.73              | 103.46            | 102.01            |
| Interest Payments                             | 24.81              | 12.82              | 9.41               | 21.08              | 19.24              | 68.23             | 49.72             |
| Domestic                                      | 21.94              | 9.32               | 6.50               | 16.31              | 15.51              | 60.10             | 38.33             |
| External                                      | 2.86               | 3.50               | 2.90               | 4.77               | 3.72               | 8.13              | 11.39             |
| Transfers and Subsidies                       | 20.78              | 23.80              | 23.86              | 38.12              | 27.22              | 60.15             | 89.20             |
| Of Which: Pensions                            | 8.80               | 6.95               | 7.06               | 7.17               | 7.31               | 22.34             | 21.54             |
| <b>Current Account Balance</b>                | 42.93              | 97.19              | 53.84              | 83.66              | 61.44              | 154.98            | 198.94            |
| <b>Capital Revenue</b>                        | 2.00               | 1.99               | 1.89               | 1.23               | 3.11               | 22.13             | 6.23              |
| <b>Grants</b>                                 | 35.67              | 71.23              | 11.49              | 7.65               | 15.39              | 76.06             | 34.54             |
| Of which: Capital Grants                      | 15.48              | 47.50              | 11.19              | 7.45               | 14.40              | 55.11             | 33.04             |
| <b>Capital Expenditure and Net Lending</b>    | 31.34              | 81.80              | 19.89              | 29.64              | 30.57              | 60.15             | 80.10             |
| Of which: Capital Expenditure                 | 31.27              | 81.71              | 19.90              | 29.51              | 30.11              | 59.30             | 79.52             |
| <b>Primary Balance after grants</b>           | 74.08              | 101.43             | 56.75              | 83.98              | 68.60              | 185.19            | 174.79            |
| <b>Overall Balance</b>                        | 49.27              | 88.61              | 47.34              | 62.90              | 49.37              | 193.02            | 159.61            |
| <b>Financing</b>                              | (49.27)            | (88.61)            | (47.34)            | (62.90)            | (49.37)            | 193.02            | 159.61            |
| Domestic                                      | (84.39)            | (81.83)            | (41.50)            | (56.92)            | (43.92)            | (214.76)          | (142.33)          |
| ECCB (net)                                    | (32.48)            | (24.79)            | 55.45              | (4.93)             | 0.27               | 16.79             | 50.79             |
| Commercial Banks (net)                        | (558.73)           | 6.94               | (83.53)            | (5.54)             | 1.48               | (768.15)          | (87.59)           |
| Other   | 506.82             | (63.97)            | (13.43)            | (46.45)            | (45.66)            | 536.60            | (105.53)          |
| External                                      | 35.12              | (6.78)             | (5.84)             | (5.99)             | (5.45)             | 21.74             | (17.28)           |
| Net Disbursements/(Amortisation)              | 35.12              | (6.78)             | (5.84)             | (5.99)             | (5.45)             | 21.74             | (17.28)           |
| Disbursements                                 | 41.83              | 3.02               | 1.80               | 3.58               | 1.60               | 43.16             | 6.98              |
| Amortisation                                  | 6.70               | 9.80               | 7.64               | 9.57               | 7.05               | 21.42             | 24.26             |
| Change in Government Foreign Assets           | -                  | -                  | -                  | -                  | -                  | -                 | -                 |
| Arrears                                       | -                  | -                  | -                  | -                  | -                  | -                 | -                 |
| Domestic                                      | -                  | -                  | -                  | -                  | -                  | -                 | -                 |
| External                                      | -                  | -                  | -                  | -                  | -                  | -                 | -                 |
| Other Financing                               | -                  | -                  | -                  | -                  | -                  | -                 | -                 |

Source: Ministry of Finance, St Kitts and Nevis  
 Data as at 14 November 2014



**Table 39**  
**St Kitts and Nevis - Selected Trade Statistics**  
**(Value: ECSM)**

|                        | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2013<br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>Jan - Sept | 2014 <sup>P</sup><br>Jan - Sept |
|------------------------|----------------------------|----------------------------|----------------------------|---|---|---------------------------------|---------------------------------|
| Visible Trade Balance  | (126.49)                   | (156.79)                   | (120.79)                   | (129.08)                                | (133.74)                                | (364.91)                        | (383.61)                        |
| Total Imports          | 162.69                     | 199.28                     | 159.81                     | 169.76                                  | 168.12                                  | 472.76                          | 497.68                          |
| Total Exports          | 36.20                      | 42.49                      | 39.02                      | 40.68                                   | 34.38                                   | 107.85                          | 114.08                          |
| Total Domestic Exports | 32.41                      | 37.40                      | 35.14                      | 35.65                                   | 31.25                                   | 95.32                           | 102.04                          |
| Total Re-Exports       | 3.79                       | 5.09                       | 3.87                       | 5.03                                    | 3.13                                    | 12.53                           | 12.03                           |

Source: Statistics Department, Sustainable Development, St Kitts

**Data as at 14 November 2014**



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

|   | 2013<br>2nd Qr  | 2013<br>3rd Qr  | 2013<br>4th Qr  | 2014<br>1st Qr  | 2014<br>2nd Qr  | 2014<br>3rd Qr  |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net Foreign Assets</b>                                   | <b>1,619.42</b> | <b>1,767.01</b> | <b>1,945.84</b> | <b>2,234.26</b> | <b>2,211.91</b> | <b>2,270.07</b> |
| <b>Central Bank (Net)</b>                                   | <b>802.48</b>   | <b>944.90</b>   | <b>786.50</b>   | <b>941.01</b>   | <b>955.12</b>   | <b>932.76</b>   |
| <b>Commercial Banks (Net)</b>                               | <b>816.94</b>   | <b>822.11</b>   | <b>1,159.34</b> | <b>1,293.25</b> | <b>1,256.78</b> | <b>1,337.31</b> |
| External (Net)  | 969.15          | 1,014.56        | 1,100.22        | 1,321.55        | 1,308.06        | 1,385.34        |
| Assets  | 1,858.76        | 1,887.93        | 1,920.89        | 2,150.41        | 2,122.12        | 2,216.48        |
| Liabilities   | 889.61          | 873.38          | 820.67          | 828.86          | 814.06          | 831.14          |
| Other ECCB Territories (Net)                                | (152.21)        | (192.44)        | 59.11           | (28.31)         | (51.28)         | (48.02)         |
| Assets  | 588.57          | 577.22          | 690.12          | 722.80          | 662.53          | 734.34          |
| Liabilities   | 740.79          | 769.66          | 631.00          | 751.11          | 713.81          | 782.36          |
| <b>Net Domestic Assets</b>                                  | <b>740.23</b>   | <b>721.60</b>   | <b>642.71</b>   | <b>583.95</b>   | <b>562.47</b>   | <b>534.24</b>   |
| <b>Domestic Credit</b>                                      | <b>1,255.51</b> | <b>1,162.54</b> | <b>1,133.02</b> | <b>1,039.04</b> | <b>1,032.34</b> | <b>1,004.86</b> |
| Central Government (Net)                                    | 416.90          | (174.22)        | (193.02)        | (221.09)        | (231.56)        | (229.82)        |
| Other Public Sector (Net)                                   | (552.15)        | (617.70)        | (635.31)        | (676.77)        | (692.24)        | (901.48)        |
| Private Sector  | 1,390.76        | 1,954.46        | 1,961.35        | 1,936.91        | 1,956.14        | 2,136.16        |
| Household   | 880.50          | 870.47          | 878.65          | 866.86          | 867.71          | 865.46          |
| Business  | 422.32          | 427.73          | 428.51          | 416.52          | 431.43          | 443.00          |
| Non-Bank Financial Institutior<br>Subsidiaries & Affiliates | 48.86<br>39.08  | 50.54<br>605.72 | 46.88<br>607.31 | 49.30<br>604.22 | 50.80<br>606.21 | 18.06<br>809.64 |
| <b>Other Items (Net)</b>                                    | <b>(515.28)</b> | <b>(440.94)</b> | <b>(490.31)</b> | <b>(455.09)</b> | <b>(469.87)</b> | <b>(470.62)</b> |
| <b>Monetary Liabilities (M2)</b>                            | <b>2,359.65</b> | <b>2,488.61</b> | <b>2,588.54</b> | <b>2,818.21</b> | <b>2,774.38</b> | <b>2,804.31</b> |
| <b>Money Supply (M1)</b>                                    | <b>546.07</b>   | <b>520.48</b>   | <b>521.09</b>   | <b>585.57</b>   | <b>558.78</b>   | <b>520.71</b>   |
| Currency with the Public                                    | 119.29          | 126.15          | 133.10          | 132.60          | 134.73          | 136.21          |
| Demand Deposits   | 418.87          | 386.68          | 375.25          | 443.37          | 412.79          | 371.28          |
| EC\$ Cheques and Drafts Issued                              | 7.91            | 7.66            | 12.74           | 9.61            | 11.26           | 13.22           |
| <b>Quasi Money</b>  | <b>1,813.58</b> | <b>1,968.13</b> | <b>2,067.45</b> | <b>2,232.64</b> | <b>2,215.60</b> | <b>2,283.60</b> |
| Savings Deposits  | 781.53          | 803.09          | 827.89          | 841.38          | 866.57          | 869.85          |
| Time Deposits   | 537.01          | 602.26          | 606.56          | 632.55          | 617.93          | 587.08          |
| Foreign Currency Deposits                                   | 495.04          | 562.78          | 633.01          | 758.71          | 731.10          | 826.67          |

Source: Eastern Caribbean Central Bank

Data available as at 14 November 2014

<sup>R</sup>Revisions included changes to Imputed Reserves calculation

**Table 41**  
**Saint Lucia - Selected Tourism Statistics**

|  | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sep | 2014<br>Jan - Sep |
|--|----------------------------|----------------------------|---|---|---|-------------------|-------------------|
| Total Visitor Arrivals                   | 151,805                    | 271,853                    | 384,178                                 | 185,049                                 | 159,266                                 | 688,764           | 728,493           |
| Stay Over Arrivals                       | 74,355                     | 78,155                     | 92,316                                  | 83,701                                  | 78,993                                  | 240,471           | 255,010           |
| USA                                      | 30,508                     | 30,238                     | 35,768                                  | 40,553                                  | 33,402                                  | 98,093            | 109,723           |
| Canada                                   | 4,782                      | 8,726                      | 17,926                                  | 6,666                                   | 5,178                                   | 27,259            | 29,770            |
| UK                                       | 14,135                     | 19,641                     | 20,997                                  | 17,952                                  | 16,127                                  | 51,227            | 55,076            |
| Caribbean                                | 20,645                     | 13,412                     | 8,571                                   | 13,541                                  | 19,901                                  | 47,109            | 42,013            |
| Other Countries                          | 4,285                      | 6,138                      | 9,054                                   | 4,989                                   | 4,385                                   | 16,783            | 18,428            |
| Excursionists                            | 2,779                      | 1,759                      | 1,959                                   | 1,507                                   | 2,177                                   | 6,468             | 5,643             |
| Cruise Ship Passengers                   | 67,104                     | 181,425                    | 274,787                                 | 89,441                                  | 68,588                                  | 412,693           | 432,816           |
| Number of Cruise Ships                   | 22                         | 106                        | 192                                     | 50                                      | 24                                      | 235               | 266               |
| Yacht Passengers                         | 7,567                      | 10,514                     | 15,116                                  | 10,400                                  | 9,508                                   | 29,132            | 35,024            |
| <b>Total Visitor Expenditure (EC\$M)</b> | <b>194.48</b>              | <b>238.82</b>              | <b>319.44</b>                           | <b>242.02</b>                           | <b>216.25</b>                           | <b>716.76</b>     | <b>777.71</b>     |

Source: Saint Lucia Tourist Board

Data as at 14 November 2014



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

|   | Weight | Percentage Change* |                               |                            |                            |   |   |         |                  |                  |
|---|--------|--------------------|-------------------------------|----------------------------|----------------------------|---|---|---------|------------------|------------------|
|   |        | Index<br>Sep 2014  | Quarter over Previous Quarter |                            |                            |   |   |         | Sep-13<br>Dec-12 | Sep-14<br>Dec-13 |
|   |        |                    | 2013<br>3 <sup>rd</sup> Qr    | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr |         |                  |                  |
| <b>All items</b>                                | 99.87  | 120.82             | (1.28)                        | 1.34                       | 3.37                       | 0.16                                    | 1.21                                    | (2.06)  | 4.80             |                  |
| Food and Non-Alcoholic Beverages                | 25.02  | 127.42             | (3.62)                        | 0.61                       | 2.11                       | 0.26                                    | 1.89                                    | (3.63)  | 4.31             |                  |
| Alcoholic Beverages, Tobacco & Narcotics        | 6.53   | 130.22             | 3.44                          | (3.02)                     | (0.25)                     | (1.45)                                  | 2.10                                    | 4.04    | 0.38             |                  |
| Clothing and Footwear                           | 1.66   | 132.67             | 19.72                         | (3.49)                     | 6.78                       | 3.03                                    | (0.11)                                  | (4.09)  | 9.91             |                  |
| Housing, Utilities, Gas and Fuels               | 17.36  | 110.43             | (5.99)                        | 5.83                       | 3.24                       | 1.16                                    | 0.41                                    | (6.39)  | 4.86             |                  |
| Household Furnishings, Supplies and Maintenance | 3.31   | 114.17             | 5.98                          | (1.29)                     | 6.99                       | (6.64)                                  | (3.91)                                  | 8.59    | (4.02)           |                  |
| Health  | 3.96   | 125.77             | 3.85                          | (3.82)                     | 4.62                       | (0.51)                                  | (0.45)                                  | 3.17    | 3.62             |                  |
| Transport                                       | 16.40  | 115.75             | (3.72)                        | 3.19                       | (1.59)                     | 0.09                                    | 1.71                                    | (2.49)  | 0.18             |                  |
| Communication                                   | 12.54  | 114.54             | -                             | -                          | 0.36                       | 4.04                                    | -                                       | 3.73    | 4.41             |                  |
| Recreation & Culture                            | 1.37   | 100.17             | (17.84)                       | 2.80                       | 14.96                      | 3.05                                    | 1.45                                    | (21.81) | 20.18            |                  |
| Education                                       | 3.70   | 143.53             | 1.82                          | -                          | 4.99                       | -                                       | -                                       | 2.21    | 4.99             |                  |
| Hotels & Restaurants                            | 1.10   | 116.54             | 2.68                          | 8.15                       | (4.94)                     | (1.15)                                  | 0.05                                    | (4.38)  | (5.99)           |                  |
| Miscellaneous Goods and Services                | 6.92   | 122.87             | (4.74)                        | (0.24)                     | 9.98                       | (1.60)                                  | 1.32                                    | (3.54)  | 9.65             |                  |

\*at end of period

Source: Central Statistical Office, Saint Lucia

**Data as at 14 November 2014**



**Table 43**  
**Saint Lucia - Central Government Fiscal Operations**  
(In millions of Eastern Caribbean dollars)

|   | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014 <sup>R</sup><br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sep | 2014<br>Jan - Sep |
|---|----------------------------|----------------------------|---|---|---|-------------------|-------------------|
| <b>Current Revenue</b>                        | 206.18                     | 205.84                     | 235.01                                  | 228.89                                  | 222.97                                  | 659.57            | 686.87            |
| Tax Revenue                                   | 194.49                     | 197.46                     | 223.15                                  | 217.08                                  | 212.27                                  | 616.79            | 652.49            |
| Taxes on Income and Profits                   | 53.63                      | 45.66                      | 64.34                                   | 56.63                                   | 54.13                                   | 177.38            | 175.10            |
| Of which:                                     |                            |                            |   |   |   |                   |                   |
| Personal                                      | 22.98                      | 22.89                      | 28.83                                   | 24.09                                   | 24.31                                   | 71.07             | 77.23             |
| Company/Corporation                           | 16.61                      | 3.64                       | 16.99                                   | 18.66                                   | 19.03                                   | 58.43             | 54.68             |
| Taxes on Property                             | 2.40                       | 2.36                       | 1.64                                    | 5.79                                    | 1.33                                    | 5.94              | 8.76              |
| Taxes on Domestic Goods and Services          | 86.37                      | 91.44                      | 94.82                                   | 95.22                                   | 95.93                                   | 271.42            | 285.97            |
| Of which:                                     |                            |                            |   |   |   |                   |                   |
| Consumption Duty                              | 0.02                       | 0.03                       | 0.04                                    | 0.01                                    | 0.00                                    | 0.89              | 0.04              |
| Licences                                      | 4.50                       | 11.91                      | 6.15                                    | 3.50                                    | 3.83                                    | 14.77             | 13.48             |
| Excise Tax                                    | 1.04                       | 0.77                       | 0.97                                    | 0.73                                    | 0.93                                    | 2.84              | 2.64              |
| Hotel Occupancy Tax                           | 0.78                       | 0.39                       | 0.38                                    | 0.40                                    | 0.78                                    | 2.65              | 1.56              |
| Value Added Tax                               | 71.02                      | 71.35                      | 79.16                                   | 82.96                                   | 82.16                                   | -                 | -                 |
| Taxes on International Trade and Transactions | 52.09                      | 57.99                      | 62.34                                   | 59.44                                   | 60.88                                   | 162.04            | 182.66            |
| Of which:                                     |                            |                            |   |   |   |                   |                   |
| Consumption Tax                               | 0.07                       | 0.37                       | 0.14                                    | 0.06                                    | 0.04                                    | 0.12              | 0.24              |
| Import Duties                                 | 22.24                      | 26.35                      | 23.71                                   | 25.84                                   | 24.20                                   | 67.57             | 73.76             |
| Customs Service Charge                        | 14.37                      | 15.47                      | 13.79                                   | 15.10                                   | 15.64                                   | 45.84             | 44.53             |
| Excise Tax                                    | 14.25                      | 14.44                      | 15.42                                   | 16.64                                   | 16.96                                   | 40.30             | 49.02             |
| Non-Tax Revenue                               | 11.69                      | 8.38                       | 11.86                                   | 11.81                                   | 10.71                                   | 42.78             | 34.38             |
| <b>Current Expenditure</b>                    | 214.92                     | 221.71                     | 227.92                                  | 201.05                                  | 209.93                                  | 626.24            | 638.90            |
| Personal Emoluments                           | 94.50                      | 95.88                      | 97.02                                   | 93.37                                   | 91.85                                   | 277.05            | 282.24            |
| Goods and Services                            | 45.78                      | 42.64                      | 52.02                                   | 28.56                                   | 35.77                                   | 125.48            | 116.35            |
| Interest Payments                             | 33.89                      | 33.88                      | 33.84                                   | 36.43                                   | 39.35                                   | 100.92            | 109.62            |
| Domestic                                      | 26.15                      | 16.74                      | 25.04                                   | 18.12                                   | 25.78                                   | 64.92             | 68.93             |
| External                                      | 7.74                       | 17.14                      | 8.80                                    | 18.31                                   | 13.57                                   | 36.01             | 40.69             |
| Transfers and Subsidies                       | 40.75                      | 49.31                      | 45.04                                   | 42.69                                   | 42.96                                   | 122.78            | 130.69            |
| Of which: Pensions                            | 14.75                      | 18.81                      | 17.66                                   | 15.52                                   | 16.77                                   | 45.26             | 49.95             |
| <b>Current Account Balance</b>                | (8.74)                     | (15.87)                    | 7.09                                    | 27.84                                   | 13.04                                   | 33.33             | 47.97             |
| <b>Capital Revenue</b>                        | 0.02                       | 0.04                       | -                                       | 0.11                                    | 0.07                                    | 0.38              | 0.18              |
| <b>Grants</b>                                 | 2.63                       | 0.11                       | 30.44                                   | 1.40                                    | 10.69                                   | 17.22             | 42.53             |
| Of which: Capital Grants                      | 2.63                       | 0.11                       | 30.44                                   | 1.40                                    | 10.69                                   | 17.22             | 42.53             |
| <b>Capital Expenditure and Net Lending</b>    | 61.31                      | 68.75                      | 86.50                                   | 26.19                                   | 42.90                                   | 207.49            | 155.58            |
| Of which: Capital Expenditure                 | 61.31                      | 68.75                      | 86.50                                   | 26.19                                   | 42.90                                   | 207.49            | 155.58            |
| <b>Primary Balance after grants</b>           | (33.51)                    | (50.58)                    | (15.13)                                 | 39.60                                   | 20.25                                   | (55.63)           | 44.72             |
| <b>Overall Balance after grants</b>           | (67.40)                    | (84.47)                    | (48.97)                                 | 3.17                                    | (19.10)                                 | (156.56)          | (64.90)           |
| <b>Financing</b>                              | 67.40                      | 84.47                      | 48.97                                   | (3.17)                                  | 19.10                                   | 156.56            | 64.90             |
| Domestic                                      | 85.71                      | 113.52                     | 44.24                                   | (34.99)                                 | (8.34)                                  | 160.73            | 0.92              |
| ECCB (net)                                    | (1.26)                     | 22.54                      | (6.21)                                  | 6.36                                    | (44.02)                                 | 43.20             | (43.87)           |
| Commercial Banks (net)                        | 20.21                      | 38.63                      | (28.62)                                 | 42.24                                   | (10.62)                                 | 41.25             | 3.00              |
| Other   | 66.76                      | 52.34                      | 79.07                                   | (83.59)                                 | 46.30                                   | 76.29             | 41.78             |
| External                                      | (18.32)                    | (29.05)                    | 4.72                                    | 31.82                                   | 27.44                                   | (4.17)            | 63.98             |
| Net Disbursements (Amortisation)              | (18.32)                    | (29.05)                    | 4.72                                    | 31.82                                   | 27.44                                   | (4.17)            | 63.98             |
| Disbursements                                 | 14.76                      | 42.70                      | 12.43                                   | 45.56                                   | 40.60                                   | 57.32             | 98.59             |
| Amortisation                                  | 33.08                      | 71.75                      | 7.71                                    | 13.74                                   | 13.16                                   | 61.49             | 34.61             |
| Change in Government Foreign Assets           | -                          | -                          | -                                       | -                                       | -                                       | -                 | -                 |
| Arrears                                       | -                          | -                          | -                                       | -                                       | -                                       | -                 | -                 |
| Domestic                                      | -                          | -                          | -                                       | -                                       | -                                       | -                 | -                 |
| External                                      | -                          | -                          | -                                       | -                                       | -                                       | -                 | -                 |
| Other financing                               | -                          | -                          | -                                       | -                                       | -                                       | -                 | -                 |

Source: Ministry of Finance, Saint Lucia  
Data as at 14 November 2014



**Table 44**  
**Saint Lucia - Banana Production**

|                           | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sep | 2014<br>Jan - Sep |
|---------------------------|----------------------------|----------------------------|----------------------------|---|---|-------------------|-------------------|
| Volume (tonnes)           | 2,615                      | 3,139                      | 2,206                      | 2,618                                   | 1,555                                   | 8,792             | 6,379             |
| Value (EC\$M)             | 4.62                       | 5.44                       | 4.13                       | 4.81                                    | 3.09                                    | 15.69             | 12.03             |
| Unit Price (EC\$/ tonnes) | 1,766.02                   | 1,731.90                   | 1,874.43                   | 1,835.95                                | 1,988.02                                | 1,784.56          | 1,886.33          |

Source: Winfresh Ltd

**Data as at 21 November 2014**

**Table 45**  
**Saint Lucia - Selected Trade Statistics**  
**(Value: EC\$M)**

|                              | 2013 <sup>R</sup><br>3 <sup>rd</sup> Qr | 2013 <sup>R</sup><br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014 <sup>R</sup><br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sep | 2014<br>Jan - Sep |
|------------------------------|---|---|----------------------------|---|---|-------------------|-------------------|
| <b>Total Exports</b>         | 103.86                                  | 128.60                                  | 84.67                      | 126.93                                  | 121.19                                  | 342.27            | 332.79            |
| Total Domestic Exports       | 63.88                                   | 62.11                                   | 47.75                      | 54.30                                   | 73.46                                   | 186.14            | 175.51            |
| Total Re-Exports             | 39.98                                   | 66.49                                   | 36.92                      | 72.63                                   | 47.73                                   | 156.13            | 157.28            |
| <b>Total Imports</b>         | 411.41                                  | 461.86                                  | 341.33                     | 357.32                                  | 328.73                                  | 1,213.27          | 1,027.37          |
| <b>Visible Trade Balance</b> | (307.55)                                | (333.27)                                | (256.65)                   | (230.39)                                | (207.54)                                | (871.00)          | (694.59)          |

Source: Central Statistical Office, Saint Lucia and ECCB Estimates

**Data as at 21 November 2014**





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

|                                  | 2013<br>2nd Qr    | 2013<br>3rd Qr    | 2013<br>4th Qr    | 2014<br>1st Qr  | 2014<br>2nd Qr    | 2014<br>3rd Qr  |
|----------------------------------|-------------------|-------------------|-------------------|-----------------|-------------------|-----------------|
| <b>Net Foreign Assets</b>        | <b>(498.48)</b>   | <b>(594.03)</b>   | <b>(646.15)</b>   | <b>(445.40)</b> | <b>(477.30)</b>   | <b>(354.25)</b> |
| <b>Central Bank (Net)</b>        | <b>541.39</b>     | <b>533.25</b>     | <b>454.85</b>     | <b>508.71</b>   | <b>524.51</b>     | <b>645.01</b>   |
| <b>Commercial Banks (Net)</b>    | <b>(1,039.87)</b> | <b>(1,127.27)</b> | <b>(1,101.00)</b> | <b>(954.11)</b> | <b>(1,001.80)</b> | <b>(999.26)</b> |
| External (Net)                   | (447.92)          | (454.77)          | (390.10)          | (294.29)        | (337.57)          | (303.30)        |
| Assets                           | 606.09            | 589.54            | 605.91            | 677.63          | 659.25            | 687.70          |
| Liabilities                      | 1,054.01          | 1,044.30          | 996.01            | 971.92          | 996.82            | 991.00          |
| Other ECCB Territories (Net)     | (591.95)          | (672.51)          | (710.90)          | (659.82)        | (664.23)          | (695.96)        |
| Assets                           | 346.62            | 313.85            | 300.91            | 304.86          | 325.32            | 300.29          |
| Liabilities                      | 938.57            | 986.35            | 1,011.82          | 964.68          | 989.55            | 996.25          |
| <b>Net Domestic Assets</b>       | <b>3,356.18</b>   | <b>3,421.89</b>   | <b>3,499.35</b>   | <b>3,385.12</b> | <b>3,412.26</b>   | <b>3,213.63</b> |
| <b>Domestic Credit</b>           | <b>3,886.70</b>   | <b>3,973.65</b>   | <b>3,977.32</b>   | <b>3,894.96</b> | <b>3,935.62</b>   | <b>3,739.18</b> |
| Central Government (Net)         | 227.86            | 246.82            | 307.99            | 273.17          | 321.77            | 267.12          |
| Other Public Sector (Net)        | (374.23)          | (375.28)          | (382.10)          | (382.80)        | (423.84)          | (438.82)        |
| Private Sector                   | 4,033.07          | 4,102.10          | 4,051.43          | 4,004.60        | 4,037.70          | 3,910.87        |
| Household                        | 1,559.86          | 1,579.07          | 1,572.07          | 1,586.31        | 1,638.40          | 1,630.12        |
| Business                         | 2,405.99          | 2,455.76          | 2,435.26          | 2,380.21        | 2,365.62          | 2,251.96        |
| Non-Bank Financial Institutior   | 26.66             | 27.10             | 28.10             | 24.19           | 23.98             | 19.32           |
| Subsidiaries & Affiliates        | 40.57             | 40.18             | 16.01             | 13.88           | 9.70              | 9.48            |
| <b>Other Items (Net)</b>         | <b>(530.52)</b>   | <b>(551.75)</b>   | <b>(477.97)</b>   | <b>(509.84)</b> | <b>(523.37)</b>   | <b>(525.55)</b> |
| <b>Monetary Liabilities (M2)</b> | <b>2,857.70</b>   | <b>2,827.86</b>   | <b>2,853.20</b>   | <b>2,939.72</b> | <b>2,934.96</b>   | <b>2,859.38</b> |
| <b>Money Supply (M1)</b>         | <b>668.64</b>     | <b>657.64</b>     | <b>695.44</b>     | <b>777.95</b>   | <b>749.29</b>     | <b>705.11</b>   |
| Currency with the Public         | 156.53            | 150.48            | 159.97            | 151.65          | 142.70            | 138.03          |
| Demand Deposits                  | 501.38            | 495.68            | 527.61            | 620.04          | 594.86            | 555.32          |
| EC\$ Cheques and Drafts Issued   | 10.73             | 11.48             | 7.86              | 6.26            | 11.73             | 11.77           |
| <b>Quasi Money</b>               | <b>2,189.06</b>   | <b>2,170.23</b>   | <b>2,157.76</b>   | <b>2,161.77</b> | <b>2,185.67</b>   | <b>2,154.27</b> |
| Savings Deposits                 | 1,519.51          | 1,514.47          | 1,543.19          | 1,518.50        | 1,529.27          | 1,514.96        |
| Time Deposits                    | 499.70            | 480.71            | 443.79            | 447.40          | 372.81            | 376.04          |
| Foreign Currency Deposits        | 169.85            | 175.05            | 170.78            | 195.87          | 283.59            | 263.27          |

Source: Eastern Caribbean Central Bank

Data available as at 14 November 2014

<sup>R</sup>Revisions included changes to Imputed Reserves calculation



**Table 47**  
**St Vincent and the Grenadines - Selected Tourism Statistics**

|  | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sept | 2014<br>Jan - Sept |
|--|----------------------------|----------------------------|----------------------------|----------------------------|---|--------------------|--------------------|
| Total Visitors                           | 23,020                     | 54,418                     | 88,496                     | 34,832                     | 22,834                                  | 145,703            | 146,162            |
| Stay-Over Visitors                       | 17,014                     | 18,131                     | 19,503                     | 16,754                     | 15,632                                  | 53,594             | 51,889             |
| Of which:                                |                            |                            |                            |                            |   |                    |                    |
| USA                                      | 4,232                      | 5,061                      | 5,611                      | 4,974                      | 4,251                                   | 15,045             | 14,836             |
| Canada                                   | 1,380                      | 1,864                      | 2,122                      | 1,581                      | 1,424                                   | 5,282              | 5,127              |
| UK                                       | 3,130                      | 3,896                      | 4,853                      | 3,388                      | 3,188                                   | 11,287             | 11,429             |
| Caribbean                                | 6,804                      | 5,154                      | 4,254                      | 5,282                      | 5,484                                   | 16,591             | 15,020             |
| Other Countries                          | 1,468                      | 2,156                      | 2,663                      | 1,529                      | 1,285                                   | 5,389              | 5,477              |
| Excursionists                            | 679                        | 431                        | 707                        | 679                        | 285                                     | 2,232              | 1,671              |
| Yacht Passengers                         | 5,236                      | 11,408                     | 20,393                     | 10,046                     | 6,863                                   | 34,140             | 37,302             |
| Cruise Ship Passengers                   | 91                         | 24,448                     | 47,893                     | 7,353                      | 54                                      | 55,737             | 55,300             |
| Number of Cruise Ship Calls              | 5                          | 52                         | 101                        | 23                         | 2                                       | 160                | 126                |
| <b>Total Visitor Expenditure (EC\$M)</b> | <b>46.84</b>               | <b>62.54</b>               | <b>84.47</b>               | <b>56.94</b>               | <b>46.48</b>                            | <b>186.79</b>      | <b>187.89</b>      |

Source: St Vincent and the Grenadines Tourism Authority  
 Data as at 24 November 2014



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

|   | Weight | Index<br>Sep 2014 | Percentage Change*            |                            |                            |                            |   |        |                  |                  |
|---|--------|-------------------|-------------------------------|----------------------------|----------------------------|----------------------------|---|--------|------------------|------------------|
|   |        |                   | Quarter over Previous Quarter |                            |                            |                            |   |        | Sep-13<br>Dec-12 | Sep-14<br>Dec-13 |
|   |        |                   | 2013<br>3 <sup>rd</sup> Qr    | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr |        |                  |                  |
| <b>All Items</b>  | 100.0  | 107.60            | (0.28)                        | (0.09)                     | 0.19                       | 0.00                       | 0.19                                    | 0.09   | 0.37             |                  |
| Food and Non-Alcoholic Beverages                        | 21.91  | 113.80            | 1.36                          | 0.45                       | 0.36                       | 0.44                       | 0.44                                    | 1.36   | 1.25             |                  |
| Alcoholic Beverages, Tobacco and Narcotics              | 3.87   | 109.60            | 0.75                          | 0.46                       | 0.74                       | (0.27)                     | 0.74                                    | 1.41   | 1.20             |                  |
| Clothing and Footwear                                   | 3.22   | 103.70            | (0.38)                        | 0.19                       | (0.09)                     | 0.09                       | (1.80)                                  | 0.19   | (1.80)           |                  |
| Housing, Water, Electricity, Gas and Other Fuels        | 30.06  | 104.80            | 0.29                          | (0.95)                     | 0.58                       | 0.19                       | (0.29)                                  | 0.67   | 0.48             |                  |
| Furnishing, Household Equipment and Routine Household N | 6.59   | 101.30            | (0.20)                        | (0.10)                     | 0.20                       | (0.10)                     | 0.30                                    | 1.61   | 0.40             |                  |
| Health  | 1.79   | 103.00            | 0.68                          | 0.39                       | (0.29)                     | (0.58)                     | 0.00                                    | 3.09   | (0.87)           |                  |
| Transport   | 11.84  | 123.20            | (0.41)                        | 0.57                       | (0.57)                     | 0.25                       | 0.49                                    | (0.08) | 0.16             |                  |
| Communications  | 9.41   | 96.50             | (7.21)                        | 0.00                       | 0.00                       | 0.00                       | 0.00                                    | (7.21) | 0.00             |                  |
| Recreation and Culture                                  | 3.81   | 102.40            | 0.29                          | (0.29)                     | (0.48)                     | (1.46)                     | 0.99                                    | 1.27   | (0.97)           |                  |
| Education   | 1.32   | 109.00            | (0.27)                        | 0.00                       | 0.00                       | 0.00                       | (0.27)                                  | (0.27) | (0.27)           |                  |
| Restaurants and Hotels                                  | 1.87   | 103.20            | 2.99                          | 0.00                       | (0.29)                     | 0.00                       | 0.19                                    | 0.10   | (0.10)           |                  |
| Miscellaneous Goods and Services                        | 4.31   | 100.90            | 0.20                          | (0.10)                     | 0.00                       | (0.10)                     | 0.20                                    | 0.40   | 0.10             |                  |

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning, St Vincent and the Grenadines

\*at end of period

**Data as at 24 November 2014**



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

|   | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sept | 2014<br>Jan - Sept |
|---|----------------------------|----------------------------|----------------------------|----------------------------|---|--------------------|--------------------|
| <b>Current Revenue</b>                        | 119.13                     | 115.07                     | 121.74                     | 130.67                     | 122.76                                  | 341.01             | 375.17             |
| Tax Revenue                                   | 107.97                     | 105.53                     | 100.61                     | 116.40                     | 113.58                                  | 311.49             | 330.59             |
| Taxes on Income and Profits                   | 24.32                      | 35.88                      | 26.56                      | 28.60                      | 28.12                                   | 77.64              | 83.28              |
| Of which:                                     |                            |                            |                            |                            |   |                    |                    |
| Personal                                      | 15.53                      | 17.62                      | 18.77                      | 19.24                      | 16.79                                   | 51.59              | 54.80              |
| Company/Corporation                           | 5.34                       | 13.39                      | 3.45                       | 5.53                       | 8.39                                    | 17.09              | 17.37              |
| Taxes on Property                             | 1.67                       | 1.67                       | 0.68                       | 0.44                       | 1.69                                    | 2.34               | 2.81               |
| Taxes on Domestic Goods and Services          | 61.94                      | 45.47                      | 55.67                      | 65.82                      | 62.40                                   | 173.96             | 183.90             |
| Of which:                                     |                            |                            |                            |                            |   |                    |                    |
| Stamp Duties                                  | 7.30                       | 3.57                       | 3.86                       | 12.40                      | 4.96                                    | 22.57              | 21.22              |
| Excise Tax                                    | 6.77                       | 5.32                       | 5.89                       | 7.79                       | 7.98                                    | 19.57              | 21.66              |
| Value Added Tax                               | 29.08                      | 30.72                      | 36.41                      | 34.35                      | 32.69                                   | 96.83              | 103.45             |
| Licences                                      | 6.75                       | 4.55                       | 8.63                       | 10.04                      | 5.01                                    | 23.33              | 23.68              |
| Taxes on International Trade and Transactions | 20.04                      | 22.50                      | 17.69                      | 21.54                      | 21.37                                   | 57.55              | 60.60              |
| Of which:                                     |                            |                            |                            |                            |   |                    |                    |
| Import Duty                                   | 11.42                      | 14.10                      | 9.87                       | 12.49                      | 11.89                                   | 32.86              | 34.25              |
| Customs Service Charge                        | 7.86                       | 7.57                       | 7.06                       | 8.09                       | 7.98                                    | 22.21              | 23.13              |
| Non-Tax Revenue                               | 11.16                      | 9.54                       | 21.13                      | 14.27                      | 9.18                                    | 29.52              | 44.58              |
| <b>Current Expenditure</b>                    | 124.57                     | 142.50                     | 116.89                     | 125.58                     | 136.75                                  | 358.45             | 379.22             |
| Personal Emoluments                           | 59.58                      | 70.69                      | 61.55                      | 61.88                      | 60.67                                   | 180.08             | 184.10             |
| Goods and Services                            | 17.15                      | 19.60                      | 14.32                      | 16.72                      | 20.11                                   | 45.62              | 51.16              |
| Interest Payments                             | 8.60                       | 17.64                      | 9.24                       | 12.17                      | 11.90                                   | 29.69              | 33.32              |
| Domestic                                      | 4.20                       | 13.01                      | 4.69                       | 7.90                       | 6.26                                    | 15.86              | 18.85              |
| External                                      | 4.40                       | 4.63                       | 4.56                       | 4.27                       | 5.64                                    | 13.84              | 14.47              |
| Transfers and Subsidies                       | 39.24                      | 34.57                      | 31.77                      | 34.81                      | 44.06                                   | 103.06             | 110.63             |
| Of which: Pensions                            | 12.21                      | 14.76                      | 15.28                      | 14.24                      | 14.12                                   | 39.64              | 43.63              |
| <b>Current Account Balance</b>                | (5.43)                     | (27.44)                    | 4.85                       | 5.09                       | (13.99)                                 | (17.44)            | (4.05)             |
| <b>Capital Revenue</b>                        | 12.11                      | 0.17                       | 0.18                       | 0.17                       | 0.30                                    | 28.79              | 0.65               |
| <b>Grants</b>                                 | 5.77                       | 3.47                       | 0.00                       | 3.78                       | 26.13                                   | 13.96              | 29.91              |
| Of which: Capital Grants                      | 5.77                       | 3.47                       | 0.00                       | 3.78                       | 26.13                                   | 13.96              | 29.91              |
| <b>Capital Expenditure and Net Lending</b>    | 21.83                      | 61.34                      | 18.99                      | 6.11                       | 39.92                                   | 62.58              | 65.01              |
| Of which: Capital Expenditure                 | 21.83                      | 61.34                      | 18.99                      | 6.11                       | 39.92                                   | 62.58              | 65.01              |
| <b>Primary Balance after grants</b>           | (0.79)                     | (67.50)                    | (4.72)                     | 15.11                      | (15.57)                                 | (7.58)             | (5.18)             |
| <b>Overall Balance after grants</b>           | (9.38)                     | (85.14)                    | (13.96)                    | 2.93                       | (27.48)                                 | (37.28)            | (38.50)            |
| <b>Financing</b>                              | 9.38                       | 85.14                      | 13.96                      | (2.93)                     | 27.48                                   | 37.28              | 38.50              |
| Domestic                                      | (1.51)                     | 2.59                       | (3.43)                     | (19.94)                    | (34.42)                                 | 14.72              | (57.79)            |
| ECCB (net)                                    | 7.71                       | 4.22                       | 2.14                       | (9.04)                     | 3.23                                    | 2.56               | (3.67)             |
| Commercial Banks (net)                        | 6.32                       | 11.01                      | 13.21                      | (5.76)                     | 22.05                                   | (3.26)             | 29.50              |
| Other   | (15.54)                    | (12.64)                    | (18.78)                    | (5.14)                     | (59.70)                                 | 15.41              | (83.62)            |
| External                                      | (2.92)                     | 52.55                      | 15.60                      | 38.19                      | 45.18                                   | 43.14              | 98.97              |
| Net Disbursements/(Amortisation)              | (2.92)                     | 52.55                      | 15.60                      | 38.19                      | 45.18                                   | 43.14              | 98.97              |
| Disbursements                                 | 7.29                       | 66.47                      | 26.32                      | 48.26                      | 56.64                                   | 78.93              | 131.23             |
| Amortisation                                  | 10.21                      | 13.92                      | 10.72                      | 10.07                      | 11.47                                   | 35.79              | 32.26              |
| Change in Government Foreign Assets           | -                          | -                          | -                          | -                          | -                                       | -                  | -                  |
| Arrears                                       | 13.82                      | 30.00                      | 1.78                       | (21.18)                    | 16.72                                   | (20.57)            | (2.68)             |
| Domestic                                      | 13.82                      | 30.00                      | 1.78                       | (21.18)                    | 16.72                                   | (20.57)            | (2.68)             |
| External                                      | -                          | -                          | -                          | -                          | -                                       | -                  | -                  |
| Other Financing                               | -                          | -                          | -                          | -                          | -                                       | -                  | -                  |

Source: Ministry of Finance and Economic Planning, St Vincent and the Grenadines and the Eastern Caribbean Central Bank  
 Data as at 19 December 2014



**Table 50**  
**St Vincent and the Grenadines - Selected Trade Statistics**  
**(Value: EC\$M; Volume: 000 tonnes)**

|                       | 2013<br>3 <sup>rd</sup> Qr | 2013<br>4 <sup>th</sup> Qr | 2014<br>1 <sup>st</sup> Qr | 2014<br>2 <sup>nd</sup> Qr | 2014 <sup>P</sup><br>3 <sup>rd</sup> Qr | 2013<br>Jan - Sept | 2014<br>Jan - Sept |
|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|---|--------------------|--------------------|
| Visible Trade Balance | (218.64)                   | (221.00)                   | (185.43)                   | (227.00)                   | (203.75)                                | (649.33)           | (616.18)           |
| Total Imports         | 254.39                     | 258.60                     | 216.66                     | 256.40                     | 239.86                                  | 744.35             | 712.91             |
| Total Exports         | 35.75                      | 37.60                      | 31.23                      | 29.40                      | 36.11                                   | 95.02              | 96.73              |
| Re-Exports            | 6.16                       | 10.23                      | 4.09                       | 4.84                       | 9.69                                    | 12.01              | 18.62              |
| Domestic Exports      | 29.59                      | 27.37                      | 27.13                      | 24.56                      | 26.42                                   | 83.01              | 78.11              |

Source: Statistical Office, Central Planning Division, Ministry of Finance and Economic Planning, St Vincent and the Grenadines  
 Data as at 24 November 2014



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

|                                 | 2013<br>2nd Qr | 2013<br>3rd Qr | 2013<br>4th Qr | 2014<br>1st Qr | 2014<br>2nd Qr | 2014 <sup>P</sup><br>3rd Qr |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------------|
| Net Foreign Assets              | 506.12         | 477.71         | 493.08         | 519.40         | 544.97         | 489.25                      |
| Central Bank (Net)              | 339.13         | 321.01         | 359.42         | 379.57         | 392.02         | 387.94                      |
| Commercial Banks (Net)          | 166.99         | 156.70         | 133.66         | 139.83         | 152.95         | 101.30                      |
| External (Net)                  | (23.05)        | (18.21)        | (30.71)        | (25.12)        | (7.42)         | (28.93)                     |
| Assets                          | 185.32         | 179.04         | 174.55         | 175.40         | 195.39         | 175.45                      |
| Liabilities                     | 208.37         | 197.25         | 205.26         | 200.52         | 202.81         | 204.38                      |
| Other ECCB Territories (Net)    | 190.04         | 174.92         | 164.37         | 164.95         | 160.38         | 130.23                      |
| Assets                          | 281.68         | 270.43         | 276.13         | 267.04         | 277.10         | 257.03                      |
| Liabilities                     | 91.64          | 95.51          | 111.77         | 102.08         | 116.72         | 126.80                      |
| Net Domestic Assets             | 738.20         | 783.35         | 791.95         | 802.61         | 813.12         | 858.47                      |
| Domestic Credit                 | 947.39         | 979.46         | 998.91         | 1,012.77       | 1,005.80       | 1,029.30                    |
| Central Government (Net)        | 34.83          | 48.86          | 64.09          | 79.44          | 64.64          | 89.92                       |
| Other Public Sector (Net)       | (138.26)       | (131.84)       | (113.02)       | (112.54)       | (106.74)       | (114.93)                    |
| Private Sector                  | 1,050.82       | 1,062.45       | 1,047.84       | 1,045.87       | 1,047.90       | 1,054.31                    |
| Household                       | 677.36         | 741.12         | 777.08         | 776.88         | 779.83         | 785.90                      |
| Business                        | 353.08         | 301.27         | 250.34         | 249.02         | 248.32         | 248.81                      |
| Non-Bank Financial Institutions | 16.39          | 16.05          | 16.43          | 15.96          | 15.75          | 15.60                       |
| Subsidiaries & Affiliates       | 4.00           | 4.00           | 4.00           | 4.00           | 4.00           | 4.00                        |
| Other Items (Net)               | (209.19)       | (196.11)       | (206.96)       | (210.16)       | (192.68)       | (170.84)                    |
| Monetary Liabilities (M2)       | 1,244.32       | 1,261.07       | 1,285.03       | 1,322.01       | 1,358.09       | 1,347.71                    |
| Money Supply (M1)               | 364.03         | 387.64         | 374.21         | 387.11         | 385.37         | 383.10                      |
| Currency with the Public        | 40.30          | 37.63          | 48.14          | 45.59          | 47.85          | 47.69                       |
| Demand Deposits                 | 314.82         | 342.66         | 320.08         | 333.40         | 329.75         | 324.50                      |
| EC\$ Cheques and Drafts Issued  | 8.91           | 7.35           | 5.99           | 8.12           | 7.77           | 10.92                       |
| Quasi Money                     | 880.29         | 873.43         | 910.82         | 934.91         | 972.72         | 964.62                      |
| Savings Deposits                | 699.25         | 693.94         | 717.40         | 746.11         | 760.71         | 777.69                      |
| Time Deposits                   | 125.57         | 121.31         | 136.28         | 133.29         | 136.53         | 130.93                      |
| Foreign Currency Deposits       | 55.47          | 58.17          | 57.15          | 55.51          | 75.49          | 56.00                       |

Source: Eastern Caribbean Central Bank

Data available as at 14 November 2014

<sup>R</sup>Revisions included changes to Imputed Reserves calculation

