



# **GOVERNMENT OF THE COMMONWEALTH OF DOMINICA**

## **PROSPECTUS**

**For**  
**EC\$40 Million, 91 day Treasury bill**  
(Series A: ECD 20M; Series B: ECD 20M)  
**EC\$ 30 Million 5 year Note**  
**Ministry of Finance**  
**Financial Centre**  
**Kennedy Avenue**  
**Roseau**  
**DOMINICA**

**Telephone:** (767) 266-3221  
**Fax:** (767) 448-0054  
**Email:** finsec@cwdom.dm

*The Prospectus has been drawn up in accordance with the rules of the Regional Government Securities Market. The Regional Debt Coordinating Committee and Eastern Caribbean Central Bank accept no responsibility for the content of this Prospectus, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss whatsoever arising from or reliance upon the whole or any part of the contents of this Prospectus. This prospectus is issued for the purpose of giving information to the public. If you are in doubt about the contents of this document or need financial or investment advice you should consult a person licensed under the Securities Act or any other duly qualified person who specializes in advising on the acquisition of government instruments or other securities.*



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### **Notice to Investors**

This prospectus is issued for the purposes of giving information to the public. The Government of the Commonwealth of Dominica (GOCD) affirms the accuracy of the information contained herein and accepts full responsibility for the same. The GOCD confirms that, having made all reasonable inquiries, this prospectus contains all information material in the context of the securities being issued, and to the best of its knowledge there are no other facts, the omission of which would cause the information in this prospectus to be misleading.

This prospectus and its content are issued for the specific securities described herein. Should you need advice, you should consult a person licensed under the Securities Act or any other duly qualified person who specializes on advising on the acquisition of Governments instruments or other securities.

The ultimate decision and responsibility to proceed with any transaction with respect to this offering rests solely with you. Therefore, prior to entering into the proposed investment, you should determine the economic risks and merits, as well as the legal, tax and accounting characteristics and consequences of this Bill offering, and that you are able to assume those risks. This Prospectus and its content are issued for the specific securities described.

## **Abstract**

The Government of the Commonwealth of Dominica (hereafter referred to as GOCD) proposes to raise a total of EC\$70 Million on the Regional Government Securities Market (RGSM) through the issue of the following securities:

- One 5 year EC\$30 Million Note with maximum bid price of 7.0%
- Two 91 day Treasury bills:
  - Series A: EC\$20 Million, with a maximum bid price of 6%
  - Series B: EC\$20 Million, with a maximum bid price of 6%

The securities will be issued under the authority of the Bonds and Securities Act and the Treasury Bills Act No. 5 of 2010.

The securities will be issued on the Regional Government Securities Market (RGSM) in the months of November 2012, December 2012, and March 2013 and traded on the Eastern Caribbean Securities Exchange (ECSE) as follows:

**Issue amount: EC\$70 Million**

<b>Auction Date</b>	<b>Trading Symbol</b>	<b>Settlement Date</b>
14 <sup>th</sup> November 2012	DMN151117	15 <sup>th</sup> November 2012
3 <sup>rd</sup> December 2012	DMB050313	4 <sup>th</sup> December 2012
6 <sup>th</sup> March 2013	DMB060613	7 <sup>th</sup> March 2013

Bidding will commence at 9:00 a.m. and will be closed at 12:00 noon on the auction day.

## **I. General Information**

**Issuer:** Government of the Commonwealth of Dominica (GOCD)

**Address:** Ministry of Finance  
Financial Centre  
Roseau  
Commonwealth of Dominica

**Email:** finsec@cwdom.dm

**Telephone No.:** (767) 266-3221

**Facsimile No.:** (767) 448-0054

**Contact Persons:** Hon. Mr. Roosevelt Skerrit, Prime Minister and Minister for Finance  
Mrs. Rosamund Edwards, Financial Secretary  
Mrs. Beverly Pinard, Accountant General

**Arranger:** ECFH Global Investment Solutions Limited

**Address:** 5<sup>th</sup> Floor Financial Centre Building  
1 Bridge Street  
Castries, St. Lucia W.I.

**Telephone No.:** (758) 457 7233

**Facsimile No.:** (758) 456 6740

**Contact Persons:** Diane Augustin

**Issue Dates:** 15<sup>th</sup> November 2012; 4<sup>th</sup> December 2012; 7<sup>th</sup> March 2013

**Types of Securities:** 5 year Note and 91 day Treasury bills

**Amount of Issue:** EC\$30 Million 5 year Note with a maximum bid price of 7%

Two \$20 million 91 day Treasury bills with a maximum bid price of 6.0%.

**Use of Proceeds:** The proceeds of this issue will be used to finance part of the GOCD operational budget and to refinance existing GOCD debt.

**Legislative Authority:** Bonds and Securities Act and the Treasury Bills Act No. 5 of 2010

## **II. Issue Information**

**Amount of Issue:** EC \$30 Million

**Maximum Bid Price:** 7.0%

**Tenor:** 5 year Note

**Trading Symbol:** DMN151117

**Auction Date:** 14<sup>th</sup> November 2012

**Settlement Date:** 15<sup>th</sup> November 2012

**Maturity Date:** 15<sup>th</sup> November 2017

**Method of Issue:** The price of the issue will be determined by a competitive uniform price auction with open bidding

**Repayment:** The note will be repaid in one (1) bullet payment on 15 November 2017

**Interest Payment:** The interest payments will be made semiannually on May 15<sup>th</sup> and November 15<sup>th</sup> each year beginning May 15<sup>th</sup> 2013 and ending November 15<sup>th</sup> 2017.

**Listing:** The securities will be issued on the RGSM and traded on the Eastern Caribbean Securities Exchange (ECSE), the secondary market trading platform.

<b>Minimum Bid Amount:</b>	The minimum bid quantity is EC \$5,000.
<b>Bid Multiplier:</b>	The bid multiplier will be EC \$1,000.
<b>Bidding Period:</b>	<b>The bidding period will start at 9:00 a.m. and end at 12:00 noon on auction day.</b>
<b>Bid Limitation:</b>	Each investor is limited to one (1) with the option of increasing the amount being tendered or reducing the interest rate offered until the close of the bidding period.
<b>Taxation:</b>	Yields on these securities will not be subject to any tax, duty or levy by Eastern Caribbean Currency Union (ECCU) participating Governments.
<b>Participation:</b>	Investors may participate in the auction through licensed financial intermediaries on the Eastern Caribbean Securities Exchange (ECSE).

### **III. Issue Information – Series A**

<b>Amount of Issue:</b>	EC \$20 Million
<b>Maximum Bid Price:</b>	6.0%
<b>Tenor:</b>	91 days
<b>Trading Symbol:</b>	DMB050313
<b>Auction Date:</b>	3 <sup>rd</sup> December 2012
<b>Settlement Date:</b>	4 <sup>th</sup> December 2012
<b>Maturity Date:</b>	5 <sup>th</sup> March 2013
<b>Method of Issue:</b>	The price of the issue will be determined by a competitive uniform price auction with open bidding



<b>Listing:</b>	The securities will be issued on the RGSM and traded on the Eastern Caribbean Securities Exchange (ECSE), the secondary market trading platform.
<b>Minimum Bid Amount:</b>	The minimum bid quantity is EC \$5,000.
<b>Bid Multiplier:</b>	The bid multiplier will be EC \$1,000.
<b>Bidding Period:</b>	<b>The bidding period will start at 9:00 a.m. and end at 12:00 noon on auction day.</b>
<b>Bid Limitation:</b>	Each investor is limited to one (1) with the option of increasing the amount being tendered or reducing the interest rate offered until the close of the bidding period.
<b>Taxation:</b>	Yields on these securities will not be subject to any tax, duty or levy by Eastern Caribbean Currency Union (ECCU) participating Governments.
<b>Participation:</b>	Investors may participate in the auction through licensed financial intermediaries on the Eastern Caribbean Securities Exchange (ECSE).

#### **IV. Issue Information – Series B**

<b>Amount of Issue:</b>	EC \$20 Million
<b>Maximum Bid Price:</b>	6.0%
<b>Tenor:</b>	91 days
<b>Trading Symbol:</b>	DMB060613
<b>Auction Date:</b>	6 <sup>th</sup> March 2013
<b>Settlement Date:</b>	7 <sup>th</sup> March 2013
<b>Maturity Date:</b>	6 <sup>th</sup> June 2013

<b>Method of Issue:</b>	The price of the issue will be determined by a competitive uniform price auction with open bidding
<b>Listing:</b>	The securities will be issued on the RGSM and traded on the Eastern Caribbean Securities Exchange (ECSE), the secondary market trading platform.
<b>Minimum Bid Amount:</b>	The minimum bid quantity is EC \$5,000.
<b>Bid Multiplier:</b>	The bid multiplier will be EC \$1,000.
<b>Bidding Period:</b>	<b>The bidding period will start at 9:00 a.m. and end at 12:00 noon on auction day.</b>
<b>Bid Limitation:</b>	Each investor is limited to one (1) with the option of increasing the amount being tendered or reducing the interest rate offered until the close of the bidding period.
<b>Taxation:</b>	Yields on these securities will not be subject to any tax, duty or levy by Eastern Caribbean Currency Union (ECCU) participating Governments.
<b>Participation:</b>	Investors may participate in the auction through licensed financial intermediaries on the Eastern Caribbean Securities Exchange (ECSE).
<b>List of Intermediaries:</b>	<p>ABI Bank Limited</p> <p>Antigua Commercial Bank Limited</p> <p>The Bank of Nevis Limited</p> <p>ECFH Global Investment Solutions Limited</p> <p>First Citizens Investment Services Limited</p> <p>National Bank of Anguilla Limited</p>

Bank of St Vincent and the Grenadines Limited

St. Kitts-Nevis-Anguilla National Bank Limited

**Currency of Issue:** All currency references are to Eastern Caribbean Dollars unless otherwise specified.

## **V. History**

Nicknamed the “Nature Island of the Caribbean”, Dominica is reputed as an unspoiled nature haven and the quintessential eco-tourism destination in the Caribbean. The country’s early inhabitants, the Kalinago (Island Caribs), named the island Wai’tukubuli, meaning ‘Tall is her body’; a fitting description of the country’s mountainous interior.

Largely due to Dominica's position between Martinique and Guadeloupe, France eventually became predominant, and a French settlement was established and grew. The island became a British possession following the 1763 Treaty of Paris which ended the Seven Years' War between Britain and France. The French successfully invaded in 1778 with the active cooperation of the population. The island was subsequently returned to British rule by the 1783 Treaty of Paris. French invasions in 1795 and 1805 ended in failure.

Britain established a legislative assembly, representing only the white population in 1763. With the liberalization of racial attitudes around 1831 came the Brown Privilege Bill which conferred political and social rights on free nonwhites. Three Blacks were elected to the legislative assembly the following year. Slavery was abolished in 1838 and Dominica became the first and only British Caribbean colony with a Black-controlled legislature in the 19th century.

Dominica became part of the Leeward Island Federation in 1871 and the Crown Colony government was re-established in 1896. Political rights for the vast majority of the population were curtailed.

Heightened political consciousness post World War I led to a Representative Government Association. The group successfully captured one-third of the popularly elected seats of the legislative assembly in 1924 and one-half in 1936. Dominica subsequently was transferred from the Leeward Island Administration and was governed as part of the Windwards until 1958, when it joined the short-lived West Indies Federation.

After the federation was dissolved, Dominica became an associated state of the United Kingdom in 1967 and formally took responsibility for its internal affairs. On November 3, 1978, the Commonwealth of Dominica was granted independence by the United Kingdom. (State, 2010)

## VI. Demographics

As of 2010 Dominica's population was estimated at 72,927, with an annual growth rate of 0.6% and density of 96.5 per square kilometer. Males account for 50.9% of the total population while females account for 49.1%. GDP per capita was estimated at EC\$ 17,961. Life expectancy at birth is 74.1 years while infant mortality per thousand live births is 13. Adult literacy is 88%. According to the most recent Country Poverty Assessment (2010), the unemployment rate has declined from 25 to 14 percent.

**Table 1 - Age distribution of the Dominican population**

Age Group	Males	Females	Total	% of Total Population
0-4	3,328	3,140	6,468	8.9
5-9	4,046	3,689	7,735	10.6
10-14	3,643	3,631	7,274	10.0
15-19	3,534	3,447	6,981	9.6
20-24	2,496	2,191	4,687	6.4
25-29	2,663	2,580	5,243	7.2
30-34	2,955	2,844	5,799	8.0
35-39	2,908	2,513	5,421	7.4
40-44	2,474	2,108	4,582	6.3
45-49	1,993	1,652	3,645	5.0
50-54	1,502	1,385	2,887	4.0
55-59	1,238	1,210	2,448	3.4
60-64	1,046	1,262	2,308	3.2
65-69	1,117	1,262	2,379	3.3
70-74	891	996	1,887	2.6
75-79	610	754	1,364	1.9
80-84	372	576	948	1.3
85+	304	567	871	1.2
<b>Total</b>	<b>37,120</b>	<b>35,807</b>	<b>72,927</b>	

### **Ability to influence future growth and demand for services**

### ***Education***

During the review period the education policy of Government was geared towards improving the quality and relevance of the education system. Government was primarily focused on changing the nature, form and content of primary and secondary education, while strengthening and expanding welfare and support services and developing a quality system for Technical Vocational Education and Training (TVET). Government's commitment to educating the populace continued to be reflected in the distribution of its financial resources. During the fiscal year 2010/11, Government invested \$64.0 million in education or 4.9 percent of GDP, with the view of investing significantly more in the coming fiscal years as it embarks on a loan funded project to redevelop the State College. This single project is expected to cost in the region of EC \$46.2 million and will significantly improve access to tertiary education on the island.

### ***Social Infrastructure***

Public Sector expenditure on social infrastructure has been steady over the past four (4) fiscal years averaging 12.4 percent of total capital spending. In an effort to minimize the impact of the global recession on vulnerable groups, the government sought to contain unemployment and poverty by providing a fiscal stimulus. This was done through the Public Sector Investment Programme which created many jobs as the portfolio of projects was increased. The extent of the stimulus is reflected in the total PSIP expenditure, which has increased from \$158.3 million in 2008/09 to \$220.2 million in 2010/11.

## **VII. Political**

National elections were held in December 2009 and Dominica scores well on a number of governance indicators. The increase in the Dominica Labor Party's majority suggests a strong mandate to continue with the government's economic and political agenda. Dominica has strong ratings for voice and accountability, political stability, government effectiveness, control of corruption, regulatory quality, and the rule of law.

## **VIII. Management and Administration of Public Finance**

Debt management functions are coordinated among the Ministry of Finance (MOF) Debt Unit, the Accountant General's Office, and the Attorney General's chambers. The Debt Unit (DU), which operates under the control of the Budget Comptroller in the MOF, leads debt management strategy and implementation. The Public Debt and Cash Management Committee in the MOF oversee the debt management operations. The Public Debt and Cash Management Committee is comprised of the Financial Secretary, the Budget Comptroller, the Accountant General and the Debt Economist.

## **1. Debt Management Objectives**

The GOCD's high-level debt management objective is "to ensure that the GOCD's financing needs and obligations are met on a timely basis. To do so in a way that minimizes cost over the medium to long term, while taking account of risks, and subject to that, to develop over time a range of financing options."

Guided by the foregoing the MOF seeks to ensure that the GOCD's debt management policies over the medium to long term support fiscal and monetary policy and help build a robust and resilient economy, able to withstand economic shocks. As such the MOF and GOCD purports to lower public debt as a percentage of GDP to 60% by Financial Year (FY) 2020.

## **2. Debt management Strategy**

The overall debt management strategy hinges on the objectives of lowering the debt to GDP ratio to 60% by FY 2020 and minimizing borrowing costs. The GOCD recognizes the need to factor the impact of fluctuations in exchange rates on debt servicing costs and takes this into account in formulating its debt management strategy. The underlying elements guiding the strategy are:

- Capping annual nominal growth of public debt at 1.5% in the medium term
- Limiting variable rate funding to 15% of the public debt portfolio
- Limiting non-US dollar financing to 15% of the public debt portfolio
- Maintaining an Average Term to Maturity (ATM) of 9 years to minimize refinancing risk

The overall debt management strategy also includes the provision of legal borrowing limits. The issuance of Treasury Bills, for example, is limited to \$60.0 million EC\$. Additionally, the authorities have capped the overdraft facility at \$31.5 million in totality. There are no borrowing limits for loans.

## **3. Transparency and Accountability**

The GOCD is continuously seeking ways of improving its systems of accountability and transparency. As the authorities continue to adopt more prudent and transparent fiscal management practices, they intend to continue to utilize the Regional Government Securities Market (RGSM). As a consequence, disclosure of information on the cash flow and debt stock will be made available bi-annually to all investors, consistent with the rules of the Regional Debt Coordinating Committee (RDCC).

## **4. Institutional Framework**

The Debt Unit (DIU) of the Ministry of Finance (MOF) of the GOCD is charged with the responsibility of administering the Government's debt portfolio on a day-to-day basis and implementing the Government's borrowing strategy. The unit is directly accountable to the Budget Comptroller.

## **5. Risk Management Framework**

The establishment of an effective and efficient debt management system as a major element of economic management is of paramount importance to the government of the Commonwealth of Dominica. Accordingly, attempts have been made to strengthen the capacity of the debt unit (DU). Consequently, the DU's functions have been broadened to include:

- Assisting in the formulation of debt management strategies and policies
- Managing the debt portfolio to minimize cost with an acceptable risk profile
- Conducting risk analysis and developing risk management policies; and
- In collaboration with the Macro-policy Unit, conduct debt sustainability analysis to assess optimal borrowing levels.

### **Debt restructuring programme: an experience to learn from**

In the financial year 2004/2005 the Government of Dominica undertook a debt restructuring programme which took the form of debt forgiveness, debt conversion, and extension in maturity period, reduction in interest rates, and debt consolidation. As part of the debt restructuring, bondholders were offered three categories of bonds at 3.5 percent interest as follows:

- Short bond - 30 percent haircut<sup>1</sup> and 10 years amortized maturity
- Intermediate bond – 20 percent haircut and 20 years amortized maturity
- Long bond – no haircut and 30 years amortized maturity.

The debt restructuring programme has been very successful. So far 99% has been restructured. Negotiations are ongoing with one major creditor with the aim of achieving full participation. The Government of Dominica is committed to the pledges made to creditors, in the Offer Circular dated April 06, 2004. In this regard an Escrow account was established for debt service payments on restructured terms, to be paid to non-participating creditors upon completion of negotiations. Additionally, Government has started repayment of the short and intermediate bonds.

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<sup>1</sup> Hair Cut: A reduction in the principal amount of the bond.

### **CariCRIS Credit rating**

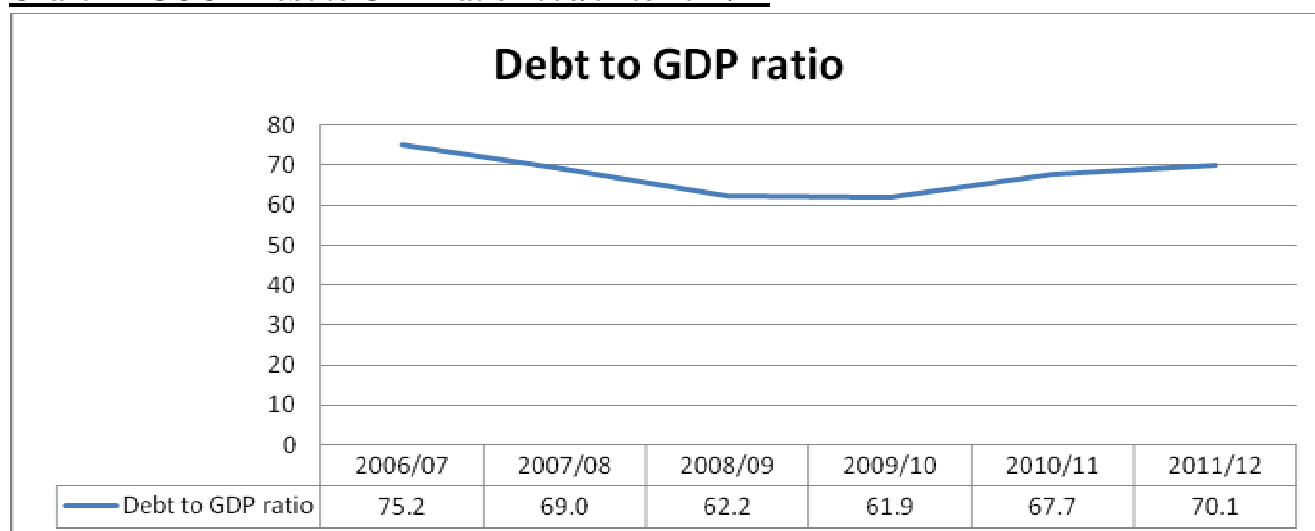
Caribbean Information and Credit Rating Services Limited (CariCRIS) has assigned ratings on the USD 25 million debt issue (notional) of the Government of the Commonwealth of Dominica (GOCD) of *CariBBB-* (Foreign Currency Rating) and *CariBBB-* (Local Currency Rating) on its regional rating scale. These ratings indicate that the level of creditworthiness of this obligation, adjudged in relation to other obligations in the Caribbean is adequate.

The ratings reflect Dominica's favourable performance in the last 3 years relative to its regional peers in key areas such as economic growth and fiscal performance. The ratings of the GOCD reflect its prudent fiscal policy, relatively low indebtedness, stable, moderate monetary indicators, relatively healthy external sector performance and consistency in economic policies in a stable political environment.

### **V11. Public Debt Overview**

During the FY 2011/12, public debt increased by EC\$47.96 million, bringing the nominal value of the gross public sector debt to EC\$929.6 million at the end of the year. This represented an increase of 5.4% over the last financial year, driven mainly by disbursements on existing debt commitments and the contraction of a new loan to finance the GOCD public sector investment programme.

**Chart 1 – GOCD Debt to GDP Ratio 2006/07 to 2011/12**

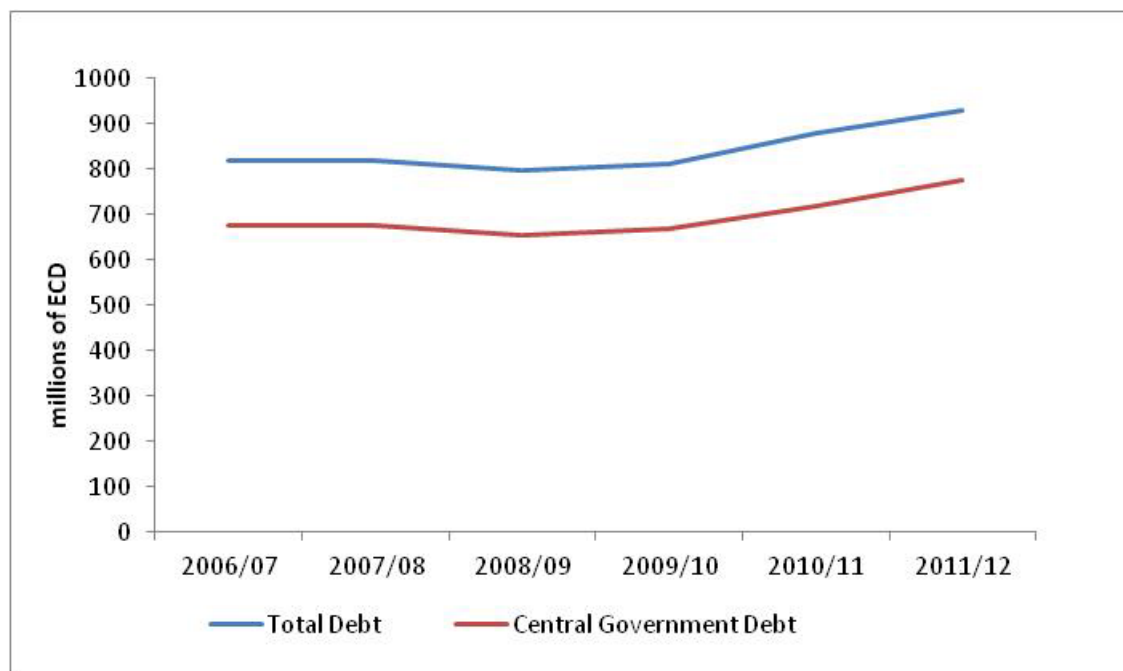


Debt to GDP increased by 2.4 percentage points, from 67.7% in 2010/11 to 70.1% in 2011/12; the result of an increase in public sector debt coupled with lower than anticipated growth in GDP.



Total central government debt at the end of 2011/12 stood at EC\$777.5 million. This represents an increase of 8.3% over the previous year. Central government debt as a proportion of public sector debt remained relatively stable over the review period, hovering at about 82% over the five year period.

**Chart 2 - Outstanding Public and Central Government Debt**



The structure and composition of central government debt has remained relatively unchanged over the last five years. The GOCD external debt obligations are largely to multilateral creditors, with the Caribbean Development Bank (CDB) being the largest at EC\$168.9 million. On the domestic side, Dominica Social Security (DSS) remains the largest creditor at EC\$102.7 million.

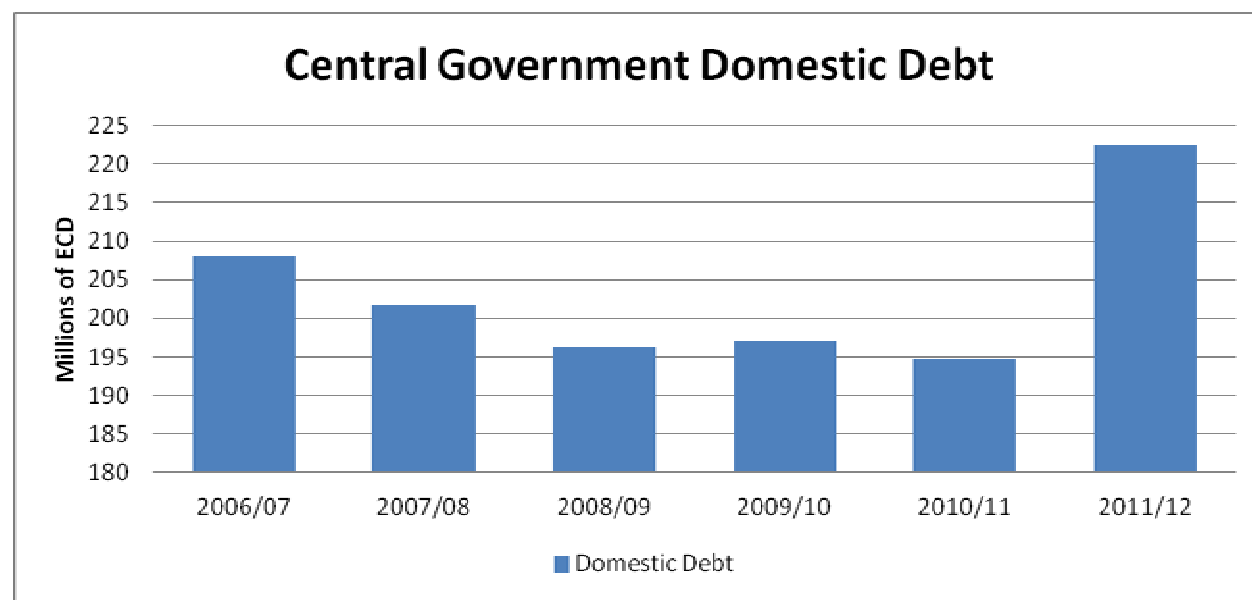
**Table 2 – Central Government Debt by Creditor**

<b>Central Government debt by creditor category</b>						
	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
External Debt	468.1	475.1	459.6	471.5	523.4	555.0
Bilateral	90.2	84.8	78.0	75.6	113.5	139.8
Commercial Bank	76.9	76.9	76.9	76.9	76.9	76.9
Multilateral	278.8	291.2	282.5	297.5	312.6	319.0
Central Bank	0.3	0.3	0.3	0.2	0.2	0.1
Private	2.0	2.0	2.0	1.5	1.2	0.9
Other	19.9	19.9	19.9	19.8	19.1	18.4
Domestic Debt	208.1	201.7	196.2	197.1	194.7	222.5
Commercial Bank	62.9	66.2	65.3	63.2	48.9	69.5
Central Bank	13.1	5.5	1.6	1.6	1.6	0.0
DSS	104.8	104.8	104.8	104.1	103.3	102.7
Other	27.3	25.2	24.5	28.2	40.9	50.3
<b>Total</b>	<b>676.2</b>	<b>676.8</b>	<b>655.8</b>	<b>668.6</b>	<b>716.5</b>	<b>777.5</b>

### **Domestic Debt**

At the end of 2011/12 Bonds represented 48.8% of central government domestic debt while treasury bills and loans represented 28.2% and 14.0% respectively.

**Chart 3 – Central Government Domestic Debt**



Domestic central government debt declined over the period 2006/07 – 2008/09 and increased marginally in 2009/10 by 0.5 percent. There was a slight decrease of 1.2 percent in 2010/2011. However, in 2011/12 domestic debt has increased by EC\$27.8 million or 14.3 percent over the last financial year. This increase is attributed to increases in loans, treasury bills, and the overdraft facility of EC\$ 18.2 million, EC\$20 million, and EC\$2.26 million respectively.

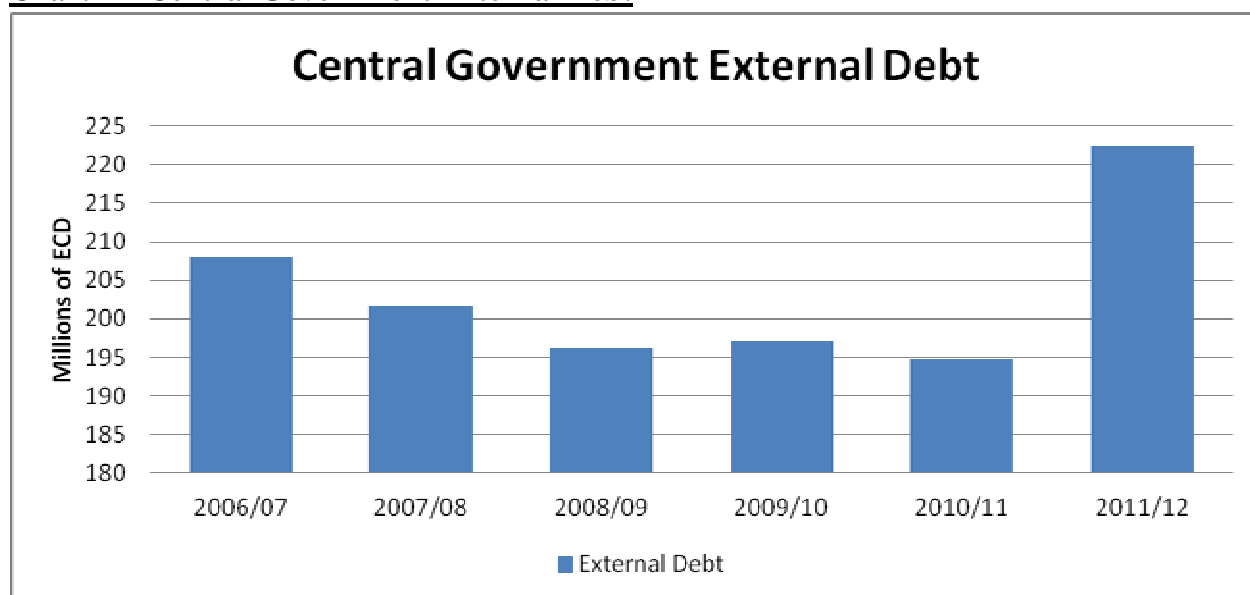
As at the end of 2011/12 the stock of treasury bills represented 37 percent of outstanding Government securities, 19 percentage points higher than the previous year, as a result of the additional issue during the period. Dominica Social Security (DSS) is the largest holder of Treasury bills.

The stock of bonds declined by 9.3 percent in 2011/12 as the GOCD honored the short and intermediate bonds maturing during the period. The GOCD has not reissued the maturing securities.

### **External Debt**

Central Government External debt increased by 6 percent in 2011/12 to a total of EC\$555.0 million. The increase resulted from disbursements on existing loans to fund the Public Sector Investment Programme (PSIP). External debt has been increasing at a relatively slow rate over the period 2006/07 to 2009/10. The increase in the central government external debt has moved at a faster pace over the last two years. This increase is due to the acceleration in PSIP. Loans accounted for the largest share of central government's external debt with 79 percent, followed by bonds and treasury bills with 19 percent and 2 percent respectively.

**Chart 4 – Central Government External Debt**

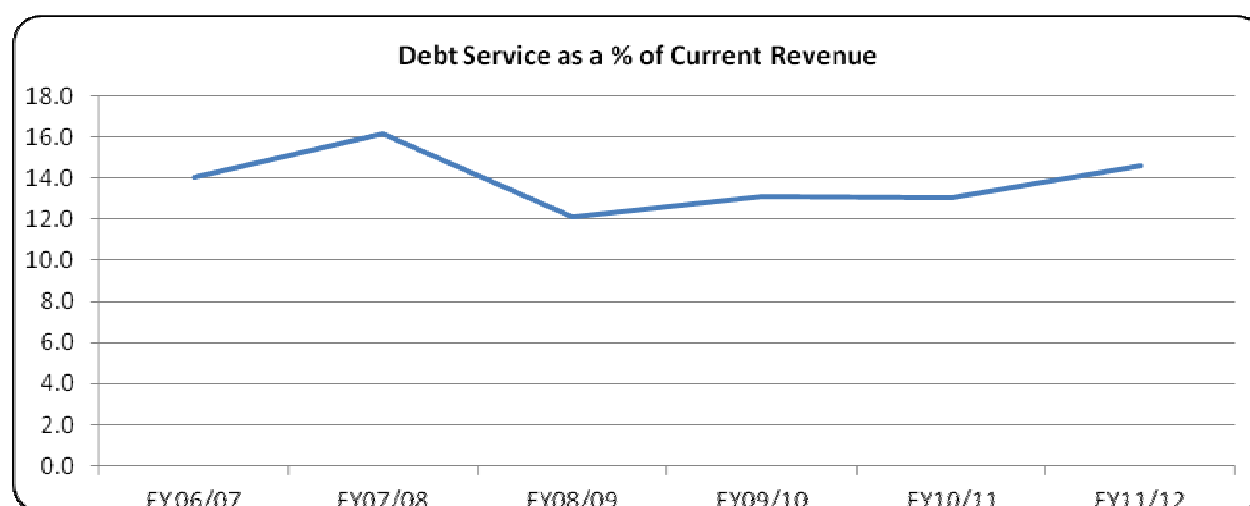


EC\$342.6 million or 73% of external debt carries a maturity of over ten years, while 2% of the same will mature in less than one year.

### **Debt Service**

Dominica has made a concerted effort to remain current on its debt obligations. All debt payments due to creditors over the review period have been made as stipulated by contract.

**Chart 5 – Debt Service as a % of Current Revenue**



Debt service obligations increased over the review period as the GOCD honoured maturing tranches of its outstanding short bond. Disproportionate increases in current revenue over the same period resulted in a declining debt service ratio. Current revenue improved significantly over the review period due to more efficient and comprehensive tax collection. As part of a programme to simplify and rationalize the tax system in the Commonwealth of Dominica the GOCD implemented Value Added Tax (VAT) in March, 2006 which has led to an overall strengthening of the fiscal situation.

## **VIII. Macro-Economic Performance**

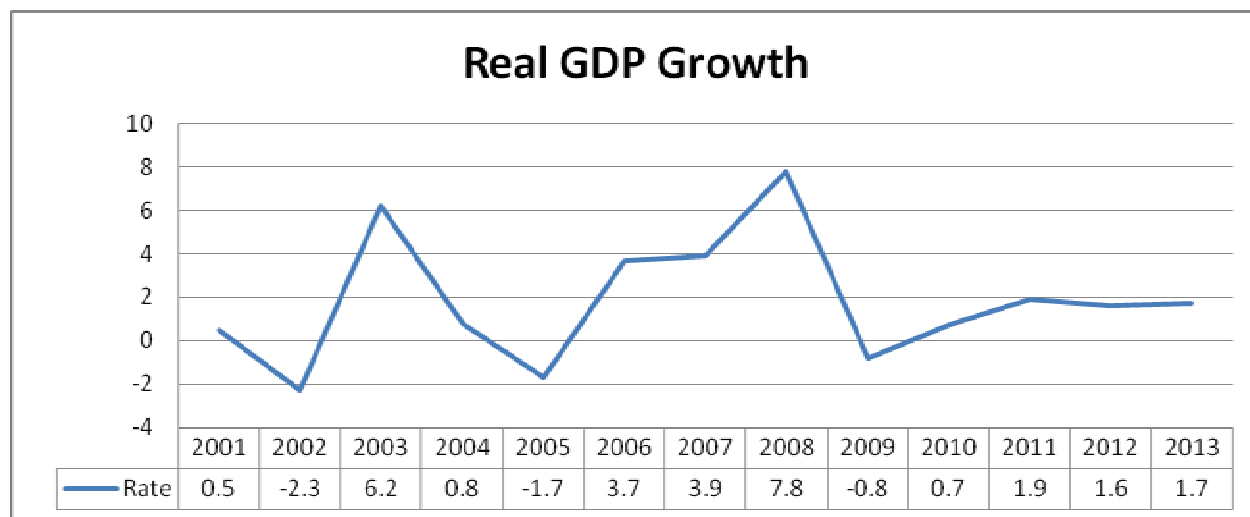
### **Overview**

The Dominican economy continues to recover from the impact of the global financial crisis. A relatively limited reliance on tourism had tempered this impact. A robust public sector investment program remains the main driver of the construction sector which has compensated for declines in private sector activity. The economy has expanded by 1.9% in 2011, an increase over the estimated 0.72% recorded in 2010.

Mining and quarry recorded the most significant growth as output in that sector is estimated to have expanded by 10% in 2011 on the heels of a 5% decline in 2010. This is in line with a 4.5% increase in construction activity. Projections for 2012 suggest a 2% decline in output occasioned by a 4% decline in construction activity and an anticipated weakening of external demand. Mining and quarrying is estimated to have created gross value added of EC\$ 10.1 million in 2011. As previously mentioned, construction activity has increased by 4.5% in 2011. The sector created gross value added of EC\$68.5 million during the year, largely due to public sector capital expenditure. 2012 projections indicate that the construction sector will contract by 4% to EC\$65.7 million. A reduction in public sector investment is expected to contribute to this contraction in growth; however, private sector construction is expected to increase, tracking improvements in the overall economy. Value added from hotel accommodation increased by 6.1% in 2011 to EC\$19.0 million. 2012 projections indicate a 0.3% decline, owing to an anticipated slow cruise season.

Preliminary estimates suggest that GDP will grow by 1.6% in 2012 with 1.7% projected for 2013.

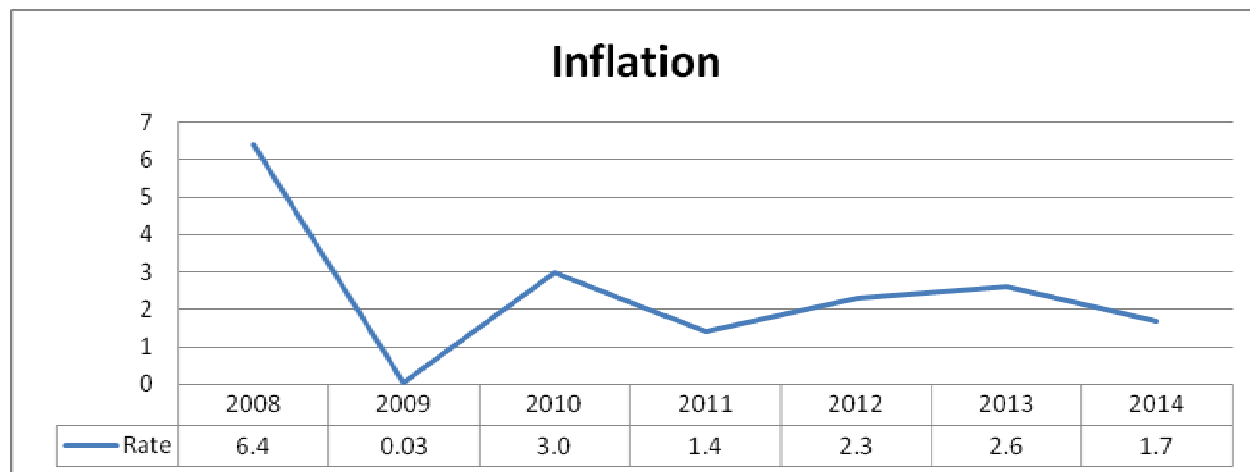
**Chart 6 – Real GDP Growth**



### ***Inflation***

Following inflation of 3% in 2010 consumer prices increased by 1.4% in 2011. The rise in consumer prices was largely driven by the fuel and light sub-index which grew by 10.64% and the personal care services sub-index which grew by 7.59% over the period.

**Chart 7 – Inflation trend for period 2008 to 2011 with projections for 2012 to 2014**



All of the sub-indices recorded increases with the exception of housing and utilities which decreased by 1.64%. The decrease is attributed to a reduction in expenditure on housing repairs amid lackluster economic conditions during 2010. The food sub-index is the most heavily weighted category in the determination of CPI. The increase of 4.30% in that sub-index was driven by increases in the prices of vegetables by 17.20%, meat (fresh, chilled or frozen) by 8.50%, and oils and fats by 5.72%. Conversely, the price of dairy products decreased by 1.16%.

## Sectoral Analysis

### *Construction*

Construction starts has increased by 21.9% during 2011, led by an increase in private sector construction. Notwithstanding, the value of construction starts and sale of cement decreased by 21.8% and 3.2% in 2011 respectively. The key indicators of construction activity are summarized below:

**Table 3 – Construction Sector indicators**

<i>Indicator</i>	<i>2010</i>	<i>2011</i>	<i>% Change</i>
Construction Starts	<b>96</b>	<b>117</b>	<b>21.88</b>
Value of Construction Starts (EC \$m)	<b>42.5</b>	<b>33.2</b>	<b>(21.81)</b>
Sale of cement (Bags)	<b>701,578</b>	<b>678,850</b>	<b>(3.24)</b>

Overall, the construction sector achieved growth of 4.5% in 2011. Gross value added amounted to \$68.5 million or 7.0% of GDP. The public sector investment programme plays a key role on stimulating this sector as a number of public sector projects continue to be implemented. Estimates for 2012 suggest a contraction gross value added as some on the major projects come to completion. However a turnaround is envisaged beginning in 2013 with an anticipated growth rate of 7.1% owing to growth in both public and private sector construction.

### *Mining and Quarrying*

Gross value added from mining and quarrying increased by 10% to EC\$10.1 million in 2011. The increase was due to a growth in the construction sector and an improvement in regional demand for quarried materials. Estimates for 2012 indicate a slight contraction in output of 2% to \$9.9 million as some of the major public sector projects see completion. Projections for 2013 and 2014 suggest a turn around with a growth rate of 5% for both years with total gross value added reaching \$11.0 million by 2014.

## *Agriculture*

Agriculture remains an economic mainstay in Dominica, representing approximately 11.2% or EC\$ 109.8 million of GDP in 2011. Bananas, traditionally the main agricultural export crop, recorded significant growth in output, increasing by 23.1%. This was due to strategic interventions by government to boost production in the wake of the 2010 drought. However the sector continues to be challenged by declines in productivity, adverse weather conditions, and now the confirmed presence of Black Sigatoka. Estimates for 2012 suggest a 15% decline in output based solely on the anticipated impact of this disease. However, the GOCD and other stakeholders have recognized the importance of diversification as a means of countering the decline in the banana industry and bolstering the agricultural sector as a whole.

Other crops also play a significant role in the agriculture sector. This subsector accounted for 8.5% of GDP in 2011 compared to 1.2% for bananas, with a value added of \$83.2 million. Output has expanded by 4% in 2011 with a further 4% expansion expected in 2012. Livestock production registered a 4.5% decline in 2011 on the heels of a slight expansion in 2010. Output in this sector has been sluggish at best in recent years. However, estimates for 2012 indicates a turnaround in production with a 3% expansion envisaged in light of the recently completed central livestock farm and the much anticipated pork and poultry project. These publicly funded projects are all aimed at boosting livestock production.

Official trade statistics reveal that non-banana exports account for 69.4% of total agricultural exports; the combined effect of declines in banana production and concerted efforts to diversify the agricultural sector. As such, diversification, productivity and infrastructural enhancement efforts continue to see significant governmental support. In 2010 the Ministry of Agriculture and Forestry was allocated some EC\$10.3 million to implement programmes in support of the aforesaid. An EC\$2 million credit facility made available by the GOCD through the Agricultural and Industrial Development Bank (AID Bank) augmented direct cash injections.

Overall agricultural output expanded by 5.1% to EC\$ 109.8 million in 2011, led by a 23.1% increase in banana production. Output related to forestry remained relatively flat at 0.4%. Estimates for 2012 suggest that output in the sector will expand by only 1.5% to \$111.4 million or 11.2% of GDP. This is influenced by a 15% decline in banana production which factors in the impact of Black Sigatoka disease. From 2013 onward, a slow recovery in the sector is expected to be led by bananas as the mitigating measures presently being implemented by the authorities yield benefits. The sector is expected to grow by 2.2% to EC\$ 113.8 million or 11.2% of GDP in 2013.

Moving forward production, diversification, quality control and marketing will continue to be kept in sharp focus. Rehabilitation and productivity enhancement projects should result in



increased production and exports, particularly as it relates to cocoa, coffee, exotic fruits and root crops. Governmental support will remain instrumental. The 2012/13 financial year saw an EC\$ 17.1 million allocation to the Ministry of Agriculture and Forestry in support of programmes to boost agricultural output.

### ***Tourism***

The tourism industry showed signs of recovery in spite of the global financial crisis as gross value added in the sector increased by 6.1% to \$19.0 million or 2% of GDP in 2011. This is both a welcomed and encouraging result amid overall uncertainty about regional tourism. While the global economy continues to show growth, unemployment remains uncharacteristically high in developed countries; a phenomenon known as jobless growth or jobless recovery. Ultimately, this suggests that economic power is not being transferred to the consumers of our tourism product. Against this backdrop the sentiment about the performance of the sector remains subdued.

Dominica recorded an increase in stay-over visitors during 2011 over 2010. According to the central statistics office, stay over arrivals increased by 2.8% moving from 73,517 in 2010 to 75,593 in 2011. This category of visitors creates the most value-added for the industry as they spend more time and money on the island. On the other hand, 2011 saw a drastic decline in the number of cruise passengers. The data shows that in 2011, the total number of cruise passengers amounted to 352,437; 31.8% less than that of 2010 with a 31.9% drop in cruise calls. Furthermore, the number of excursionist registered a 42% decline during the same period. As a result, the total number of visitors to the island declined by 27.5% moving from 591,326 in 2010 to 428,601 in 2011. In spite of these declines, the total visitor expenditure in 2011 surpassed that of 2010 amounting to \$304.0 million representing an 18% increase. The most recent visitor expenditure survey revealed that visitors to Dominica are now staying longer on the island and the average expenditure per person has increased.

The sustainability of the tourism industry hinges on Dominica's ability to grow a robust stay-over business in conjunction with cruise. The GOCD has advanced efforts to address key issues of air access, room night availability and quality of accommodation in that regard. Night landing facilities installed at the Melville Hall Airport have enabled flight arrivals after sunset. This will eliminate the need for visitors to overnight at regional hubs before proceeding to Dominica the following day. Work is progressing satisfactorily on the recently commenced Morocco funded 50 room resort in the North of the island. Plans are also well underway to establish a high-end boutique hotel on the island's north-east coast.

Meanwhile, Dominica continues to promote itself as a leading eco-tourism destination in the world. As its reputation grows the country continues to receive accolades for its hiking – the recently completed Wai'tukubuli National Trail is a 14 segment, 114 mile trail spanning the length of the island –, diving, and whale watching, among other eco-themed offerings.

### ***Manufacturing***

Manufacturing output declined in 2011, falling by 6% from E\$ 35.3 million to EC\$33.2 million or 3.4% of GDP. This decline is consistent with central statistics offices' short term economic indicators which point a drop in the production of beverages, chemicals and other related products. Weak economic environment conditions and declining external demand seems to be the driving force behind these contractions. Estimates for 2012 show growth of 6.3% as external demand for locally produced soap is expected to pick up along with expansion in beverage and paint production.

Consistent with the decline in manufacturing output, the sector's contribution to GDP declined marginally by 0.3 percentage points to 3.4% in 2011. As previously mentioned, output is expected to grow by 6.3% to \$35.3 million or 3.5% of GDP in 2012. Although an improvement over 2011, the sectors contribution to GDP is expected to remain flat going forward suggesting that the manufacturing sector will not be a driver of GDP growth in the near term. The GOCD incentive programs, including tax holidays and duty free concessions on fixed assets are aimed at spurring growth in the sector. However, energy cost remains a main consideration for manufacturing concerns. If Dominica is able to harness geothermal energy resources, lower energy will greatly enhance its appeal as a prime location for manufacturing. In the interim, raw material prices and operational cost will track movements in oil prices. As such, oil prices must be tracked closely while gauging output in the sector.

The GOCD continues to explore the geothermal energy potential on island as test well drilling has commenced with the construction of the first plant expected to be completed by 2015. The ability to harness this renewable energy source has significant implications for the manufacturing sector and the economy as a whole. A cheap energy source is likely to attract manufacturing operations to the island. Further, there exists the potential to export energy to neighbouring islands.

### **Balance of Payments**

Dominica's economic and financial transactions with the rest of the world are estimated to have resulted in an overall balance of payments surplus of \$17.2 million, up from one of \$3.4 million in 2010. This performance was mainly influenced by higher net inflows on the capital and financial account.

A surplus on the capital and financial account of \$247.7 million (19.0 % of GDP) was recorded in 2011, compared with \$237.1 million (18.2 % of GDP) a year earlier. The outturn was attributed to an increased surplus on the financial account.

The current account deficit narrowed to \$165.1 million (12.7 % of GDP) in 2011 from \$208.1 million (16 % of GDP) in 2010. The deficit on the goods and services account narrowed to \$172.2 million (13.2 % of GDP) mainly reflecting an increase of 37.0 % in the services account to \$261.4 million in 2011. This increase in the services account is due primarily to a 21.8% increase on receipts from travel. Merchandise imports (f.o.b) grew slightly by 0.2% to \$521.1 million.

In 2012, the current account deficit is projected to expand back to 2010 levels triggered by a 10% decline in travel receipts. Dominica's economic and financial interaction with the rest of the world in 2012 will result in a reversal of the activity on the goods and services account. The deficit is expected to expand from \$172.1 million in 2011 to \$220.6 million in 2012.

## **Financial Sector Analysis**

The financial system in Dominica is relatively small among its peers in the ECCU, with about 17% of GDP in assets. Banks (one domestic and three foreign) dominate the financial sector, however, credit unions play a much more significant and dynamic role in Dominica given its still agriculture dependent economy. Credit unions account for a third of total financial system assets and their membership covers 83 percent of the population, the highest penetration in the world.

Financial soundness indicators suggest that domestic banks coped relatively well with the recent weak macroeconomic environment. Modest credit expansion prior to the crisis and ample liquidity limited the accumulation of nonperforming assets. This, together with weaker provisioning against loan losses, explains the resilience of banks' capital ratios, which strengthened to 10.3 percent by end- 2010, above the 8 percent minimum regulatory requirement.

Increased efforts in the nonbanking system, such as the passage of the legal framework for the regulation and supervision of nonbanks, and the supplementary credit union legislation and drafting of the insurance legislation, as well as strengthening of the Financial Services Unit, are all efforts aimed at ensuring financial stability. The authorities have also endeavored to become more proactive in monitoring and tackling of existing vulnerabilities to ensure that they do not pose any risks to macro stability.

## **IX. Fiscal Performance**

The GOCD fiscal performance remained in line with recent trends during fiscal year 2011/12. The operations of central government yielded a current account surplus of EC\$32.0 million or 2.4% of GDP owing to a 1.8% decline in current revenue and a 0.5% increase in current expenditure.

### ***Revenue and Expenditure***

Total revenue declined slightly in FY 2011/12 from \$354.4 million in 2010/11 to \$347.9 million in 2011/12. Current revenue decreased by 1.8% to EC\$ 345.5 million or 26% of GDP in FY 2011/12, with tax revenue being the main contributor. On the other hand, current expenditure increased by 0.5% to EC\$ 313.5 million or 23.7% of GDP in FY 2011/12. There were increases in all of the major current expenditure sub-categories, most notably that of goods and services which increased by 2%.

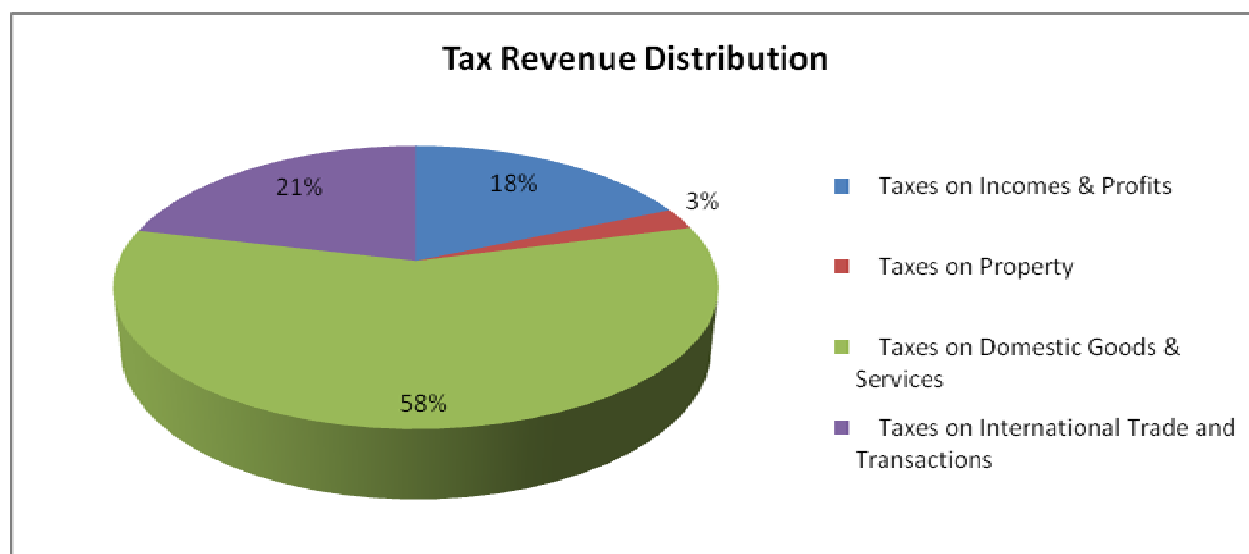
### **Current Revenue**

#### **Tax Revenue**

Tax revenue collected for fiscal year 2011/12 amounted to \$301.3 million or 22.7% of GDP. Collections for this year are down slightly from last year by roughly 3%. Declines were recorded in all of the major tax categories which included taxes on incomes and profits (2.6%), taxes on

property (4.7%), and taxes on domestic goods and services (3.1%) and taxes on international trade and transactions (4.6%).

**Chart 8 – Tax Revenue Distribution**



Collection of property taxes has remained relatively flat over the last two years with \$7.8 million in 2010/11 and \$7.4 million in 2011/12. This is consistent with the value of property transferred during the period. The drop represents a pullback to historical levels following a spike during FYs 07/08 – 08/09, and reflects the overall decline in the economy during the period. However, preliminary results suggest that property tax revenue should increase to about EC\$8.5 million in FY 12/13.

Collection of taxes on domestic goods and services were affected by a shortfall in VAT receipts, the main component of this category. Revenue from this area decreased slightly by 3.1% to EC\$174.1 million or 13.1% of GDP in FY 11/12. A 1.4% drop in VAT revenue led the decline. At EC\$ 122.3 million, VAT accounted for 40.6% of tax revenue in FY 11/12. This trend is expected to persist, with the value of collections closely tracking the growth in the Dominican economy.

Taxes on international trade also followed the same trend, registering a 4.6% decline in collections. The main contributor to this category is that of import duties for which collections have declined by 4.3%. Another major contributor to this category is that of cruise environmental

tax. Revenue from this source grew by roughly 62% to \$3.4 million in 2011/12 or 5.3% of total revenue in this sub-category.

### **Non-tax Revenue**

Non-tax revenue increased by 11% to EC\$44.1 million in FY 11/12. The GOCD collected EC\$26.4 million from its economic citizenship program during the year, an increase of 55.3% over that of the previous year. The foregoing resulted from an increase in the number of applications for Dominican citizenship and related increase in the number of applications granted by the state. Other areas of increases in non-tax revenue included rents and interests which grew by 48.3% over that of the previous year.

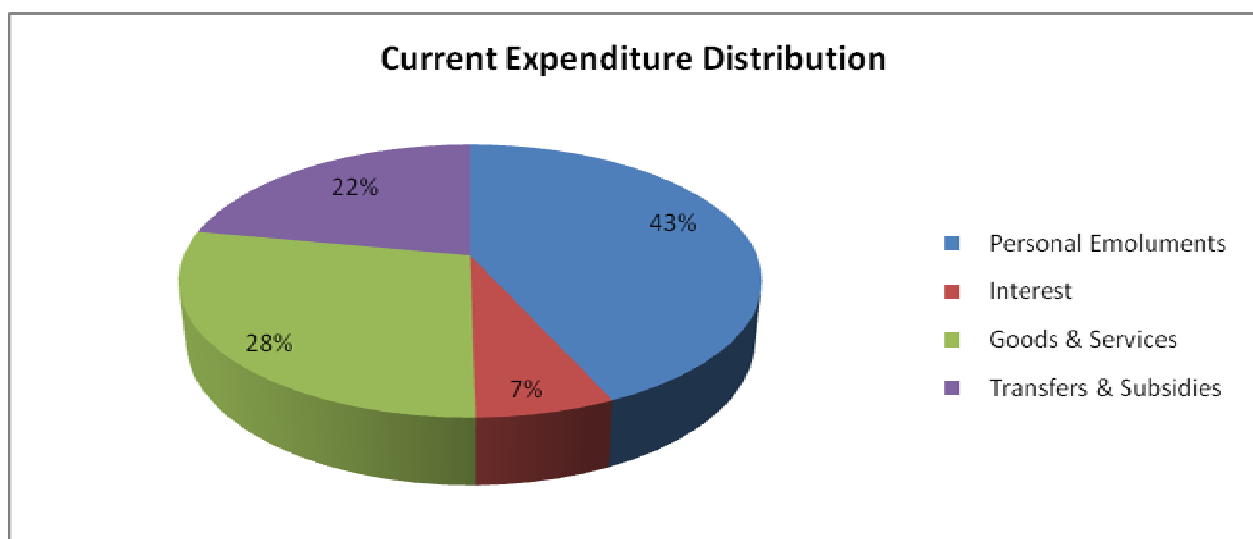
### **Capital Revenue**

Capital revenue recorded an 11.1% decline during FY11/12, falling to EC\$ 2.4 million. Projections for the new fiscal year are targeting \$5.1 million as the authorities are anticipating collecting additional revenue from the sale of houses under the housing revolution programme

### **Current Expenditure**

Current expenditure recorded a marginal increase of 0.5%, moving from \$312.0 million in FY10/11 to EC\$313.5 million in FY11/12. Although there were increases in all of the major components of current expenditure, the main driver was that of expenditure on goods and services which increased by 2% to \$88.4 million.

**Chart 9 – Current Expenditure Distribution**



### **Personal Emoluments**

The main contributor to the increase in personal emoluments (PE) was that of allowances. It accounted for 6.3% of the total outlay for PE during the year and recorded an increase of 7.6%. Salaried allowances also saw an increase by 8%. Salaries remained relatively flat over the period whilst wages actually contracted by 16.7%.

### **Goods & Services**

Expenditure on goods and services, the second largest contributor to current expenditure, increased by 2% to EC\$ 88.4 million. This increase was driven mainly by expenditure on utilities for which the cost has been trending upwards. Expenditure on the three major areas of water, electricity and telephones has increased by 32.5% to \$21.6 million or 24.4% of the total outlay for goods and services. Expenditure on fuel and lubricants has increased by \$0.3 million or 15.8% over that of the previous year. Reductions were recorded in expenditure on professional and consultancy services which moved from \$19.2 million to \$16.0 million. The tradeoff helped dampen the increase in the total expenditure in this sub-category.

### **Interest Payments**

Expenditure on interest decreased by 1.0% to EC\$20.4 million in FY 11/12 following an increase the previous fiscal year. This decrease is attributed mainly to decreased outlays for servicing external debt. Interest payments on foreign loans and bonds have declined by \$1.3 million and \$5.4 million respectively. On the other hand there was a 139% increase in domestic interest payments mainly as a result of a jump in payments on bonds. The GOCD has not issued new debt to replace the maturing bonds. The GOCD will retire 20% of the short bond portfolio annually through 2014. The reducing interest obligation on existing bonds, however, will be countered by interest obligations related to new issues.

### **Transfers & Subsidies**

Expenditure on transfers and subsidies decreased marginally by 0.6% to EC\$ 69.1 million in FY11/12. Retirement benefits and public assistance both recorded increases of 1.7% and 12.1% respectively. However, a 3.9% decline in contributions to institutions was more than enough to offset these increases.

### **Capital Expenditure**

Capital expenditure has declined sharply by 28.1% to EC\$157.0 million during fiscal year 2011/12. The previous fiscal year saw an unprecedented level of public expenditure as the GOCD ramped up its public sector investment program in a bid to bolster the local economy and

create jobs. This year, as some of the major projects came to completion, the level of expenditure inevitably declined. However the authorities remain committed to continuing the fiscal stimulus administered through the PSIP. Financing for the capital programme came from three main sources; grants (40.0%), loans (34.0%), and local funds (26.0%). The following tables give an illustration of the breakdown of the Public Sector Investment Programme by economic classification. The following table gives a breakdown of the spending in terms of economic classification.

**Table 4. Spending by Economic classification**

<b>Sector</b>	<b>Level of investment (\$EC)</b>	<b>% of total Investment</b>
Education	9.8	6.2
Health	3.7	2.4
Agriculture	5.0	3.2
Social Services	2.7	1.7
Economic Infrastructure	96.1	61.2
Public Infrastructure	39.7	25.3
<b>Total</b>	<b>157.0</b>	<b>100</b>

## **X. Prospects**

The economy of Dominica is expected to register growth of 1.6% in 2012, premised on improvements in the agricultural, tourism and manufacturing sectors. Agricultural output is expected to further expand building on the growth achieved in 2011. However, the impact of the black sigatoka disease will restrict output in the banana subsector, resulting in a 15% decline in production. In spite of this, the government continues to invest heavily in the sector. These investments include the development of citrus industry, the rehabilitation of 500 acres of cocoa, expansion in livestock production, and the development of a coffee factory in 2013. Value added in the hotels and restaurants sector is expected to expand in 2013 owing to an anticipated growth in demand in traditional tourism markets. Stay-over arrivals are likely to be boosted by a number of factors including night landing at the Melville hall airport; and intensification of the marketing thrust in the USA and Canada.

The level of construction activity is expected to rise in 2013, supported by new public and private sector projects. Work on the grant funded fifty room hotel is also expected to continue to stimulate activity in the north of the island as well as the planned expansion of housing to accommodate the grow population of Ross University students.



The operations of central government is expected to yield a primary balance of -0.2% of GDP, an improvement over 2011/12 supported by growth in both tax and non tax revenues. Capital revenue is expected to do well in light of renewed efforts at disposing of government assets, primarily the sale of houses.

Current savings are projected to grow by roughly 47.5% as increases in current revenue outpaced current expenditure growth. The deficit on the current account of the balance of payments is projected to widen, based primarily on a projected decrease in export receipts, particularly from agriculture.

The outlook is premised on the assumption that the lingering effects of the global economic and financial crisis will abate. Significant risks remain, particularly in the tourism and agricultural sectors. The increase in UK air taxes (APD) by the UK Government on 1 November 2010 can potentially reduce travel demand in the UK. Lower than expected recovery of the USA and Canada economies can reverse any expected increase in North American visitors. In the agricultural sector, unfavourable weather could wipe out any expected gains. Another risk is associated with the volatility in commodity prices which could spark inflationary pressures, further dampening local consumption and investment.

## **XI. Current Issues on the RGSM**

On August 30<sup>th</sup> 2012, the Government of Dominica accessed the primary market of the RGSM for the third time after two previous successful issues of \$15 million and \$20 million. This third issue was for a \$20 million, 91 day Treasury bill with an interest rate cap of 6%. The security was issued under the authority of the Bonds and Securities Act and the Treasury Bills Act No. 5 of 2010; utilizing the competitive uniform price auction. At the close of the auction, the issue was heavily oversubscribed by \$38.4 million with the total value of the bids amounting to \$58.4 million and an allotted price of 3.5%. Proceeds from this issue have been utilized to finance part of Government operational budget as well as to refinance existing GOCD debt. The results obtained on the RGSM so far, clearly indicate a high level of investor confidence in Government of Dominica securities.

## **XII. Security Issuance Procedures, Clearance and Settlement**

The series of Securities will be listed on the ECSE. This market operates on the ECSE trading platform for both primary issuance and secondary trading. The pricing methodology to be used

for selling the securities will be a Competitive Uniform Price Auction. The ECSE is responsible for disseminating market information, providing intermediaries with market access, administering the auction process and monitoring the auctions.

The ECSE, through the Eastern Caribbean Central Securities Depository (ECCSD), will be responsible for facilitating clearance and settlement for the securities allotted. The ECCSD will ensure that funds are deposited to the account of the Government of the Commonwealth of Dominica.

The ECSE, through the Eastern Caribbean Central Securities Registry (ECCSR), will record and maintain ownership of the government securities in electronic book-entry form. The ECCSR will mail confirmation of proof of ownership letters to all investors who were successful in the auction. The ECCSR will also process corporate action on behalf of issuing governments.

Intermediaries will be responsible for interfacing with prospective investors, collecting applications for subscription and processing the same for bidding on the ECSE platform. Investors must provide the intermediaries with funds to cover the cost of the transaction. For this particular offering, investors will pay the applicable brokerage fees to the intermediaries. A list of licensed intermediaries who are members of the ECSE is provided.

Successful clients will be informed of their payment obligations and the funds provided to the intermediary will be used to purchase the allotted amount.

As an issuer on the RGSM, the Government of the Commonwealth of Dominica will be subject to the rules, guidelines and procedures developed by the Regional Debt Coordinating Committee (RDCC) for the operation of the market, including ongoing reporting and disclosure requirements.

### **XIII. Appendices**

- i. Listing of Licensed intermediaries
- ii. Gross Value Added by Economic Activity in Constant Prices (EC\$ Millions)
- iii. Percentage contribution of Gross Value Added by Economic Activity in constant prices
- iv. Rate of Growth of Gross Value Added by Economic Activity in constant prices.
- v. Summary of Government Fiscal Operations (EC\$ Millions)
- vi. Total Public Sector Outstanding Debt As at June 2011 (EC\$ millions)

vii. Balance of Payments (millions EC\$)

**APPENDIX I** Listing of Licensed ECSE Member Broker Dealers

<b>INSTITUTION</b>	<b>CONTACT INFORMATION</b>	<b>ASSOCIATED PERSONS</b>
<b>Anguilla</b>		
National Bank of Anguilla Ltd	PO Box 44, The Valley  <b>Tel: 264 497 2101</b> Fax: 264 497 3310 Email: nbabankl@anguillanet.com	<b>Principal</b> Selwyn Horsford  <b>Representative</b> Shernika Connor
<b>Antigua and Barbuda</b>		
ABI Bank Ltd	ABI Financial Centre Redcliffe Street St John's  <b>Tel: 268 480 2824</b> Fax: 268 480 2765 Email: abibsec@candw.ag	<b>Principals</b> Casroy James Carolyn Phillip  <b>Representative</b> Heather Williams
<b>St Kitts and Nevis</b>		
St Kitts Nevis Anguilla National Bank Ltd.	PO Box 343 Central Street Basseterre  <b>Tel: 869 465 2204</b> Fax: 869 465 1050 Email: national_bank@sknanb.com	<b>Principals</b> Winston Hutchinson Anthony Galloway  <b>Representatives</b> Marlene Nisbett Petronella Edmeade-Crooke Angelica Lewis
The Bank of Nevis Ltd	PO Box 450 Main Street Charlestown  <b>Tel: 869 469 5564/5796</b> Fax: 869 469 5798 Email: info@thebankofnevis.com	<b>Principal</b> Kevin Huggins Brian Carey  <b>Representatives</b> Lisa Jones Vernesia Walters Kelva Merchant
<b>St Lucia</b>		

ECFH Global Investment Solutions Limited	5 <sup>th</sup> Floor, Financial Centre Building 1 Bridge Street Castries  <b>Tel: 758 456 6826/457 7233</b> Fax: 758 456 6733 Email: capitalmarkets@ecfhglobalinvestments.com	<b>Principals</b> Beverley Henry Donna Mathew Joel Allen  <b>Representatives</b> Diane Augustin Lawrence Jean Amobi Armstrong
First Citizens Investment Services Limited	9 Brazil Street Castries  <b>Tel: 758 450-2662</b> Fax: 758 451 7984	<b>Principals</b> Carole Eleuthere – Jn Marie  <b>Representative</b> Samual Agiste
<b>St Vincent and the Grenadines</b>		
Bank of St. Vincent and the Grenadines Ltd	PO Box 880 Cnr. Bedford and Grenville Streets Kingstown  <b>Tel: 784 457 1844</b> Fax: 784 456 2612/451 2589 Email: natbank@svgnb.com	<b>Principals</b> Keith Inniss Monifa Latham  <b>Representatives</b> Patricia John Deesha Lewis

## **APPENDIX II** Gross Value Added by Economic Activity in Constant Prices (EC\$ Millions)

INDUSTRIES	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Estimate	2010 Prelim	2011 Proj	2012 Proj	2013 Proj	2014 Proj
Agriculture, Livestock and Forestry	121.02	113.06	110.98	105.73	106.80	106.29	106.90	97.08	111.62	113.16	104.46	109.75	111.37	113.78	115.88
Crops	108.06	100.18	98.32	93.42	93.96	93.91	93.64	82.74	98.31	99.89	91.10	96.84	98.15	100.24	102.01
Bananas	30.35	22.72	21.68	16.24	19.86	18.05	18.26	8.27	13.79	12.07	10.99	13.53	11.50	11.85	12.74
Other Crops	77.72	77.46	76.64	77.18	74.10	75.85	75.38	74.48	84.52	87.82	80.11	83.32	86.65	88.38	89.27
Livestock	9.45	9.29	9.09	8.75	9.70	9.24	9.84	11.15	10.31	10.27	10.34	9.87	10.17	10.47	10.79
Forestry	3.51	3.60	3.57	3.56	3.15	3.14	3.42	3.18	2.99	3.01	3.03	3.04	3.05	3.07	3.08
Fishing	4.98	5.60	4.86	4.12	3.14	3.26	4.04	5.08	4.32	4.49	3.70	4.14	4.30	4.43	4.57
Mining & Quarrying	9.59	8.48	7.47	9.44	11.92	10.32	11.49	14.67	18.36	9.70	9.22	10.14	9.93	10.43	10.95
Manufacturing	43.40	40.87	36.26	39.70	42.49	41.40	43.62	41.86	36.75	35.78	35.26	33.16	35.26	35.68	36.38
Electricity & Water	40.03	41.96	41.45	41.55	41.53	45.24	45.87	46.72	47.69	50.95	53.89	53.45	54.15	54.86	55.84
Electricity	32.89	34.36	34.00	33.20	33.62	35.50	36.25	36.66	37.13	39.35	42.08	42.61	43.04	43.47	44.34
Water	7.14	7.60	7.45	8.35	7.91	9.74	9.63	10.06	10.56	11.61	11.81	10.84	11.11	11.39	11.51
Construction	28.41	29.61	19.46	26.45	32.27	34.57	37.70	49.04	65.03	60.31	65.55	68.47	65.74	70.38	73.93
Wholesale & Retail Trade	103.49	100.92	98.50	100.89	107.92	103.24	98.17	114.83	132.36	138.61	138.67	137.25	140.32	143.11	145.69
Hotels & Restaurants	15.34	15.26	17.38	16.31	17.17	16.76	18.28	18.29	18.58	17.82	17.92	19.01	18.95	19.23	19.51
Hotels	8.33	7.61	6.76	7.82	9.37	9.47	9.50	9.04	9.17	7.77	7.73	8.64	8.48	8.65	8.82
Restaurants	7.01	7.65	10.61	8.49	7.81	7.29	8.77	9.25	9.41	10.06	10.19	10.37	10.48	10.58	10.69
Transport, Storage and Communications	116.60	115.44	106.56	106.08	113.88	125.51	135.51	146.81	158.37	148.66	146.95	150.71	151.06	153.33	156.18
Transport and Storage	54.26	55.58	55.57	56.03	61.34	68.96	74.95	83.55	90.27	83.99	82.94	86.37	85.62	86.78	87.96
Road	29.25	31.88	34.10	36.13	38.95	45.16	48.22	51.74	55.22	56.04	56.72	57.29	57.86	58.44	59.02
Sea	9.80	9.47	8.52	7.99	9.00	9.33	10.87	12.81	14.05	11.08	10.41	12.21	11.60	11.72	11.83
Air	1.22	1.07	1.07	1.05	1.00	1.05	0.93	1.70	1.90	1.68	1.61	1.65	1.70	1.73	1.77
Supporting and auxiliary transport activities	13.98	13.16	11.88	10.86	12.37	13.31	14.93	17.30	19.10	15.19	14.19	15.22	14.46	14.89	15.34
Communications	62.34	59.86	50.99	50.05	52.54	56.65	60.55	63.26	68.10	64.67	64.01	64.35	65.44	66.55	68.22
Financial Intermediation	43.17	45.09	46.56	52.46	56.62	59.33	63.13	71.56	73.97	74.31	76.67	76.26	78.18	80.14	81.67
Banks & Other Financial Institutions	32.52	33.93	34.83	39.60	43.98	46.02	48.66	56.95	58.79	58.84	60.88	60.46	62.27	64.14	65.43
Insurance and pension funding	9.66	10.00	10.61	11.62	11.36	12.14	13.19	13.36	14.06	14.43	14.55	14.60	14.67	14.75	14.97
Activities Auxiliary to Financial Intermediation	0.99	1.16	1.12	1.24	1.28	1.16	1.28	1.24	1.12	1.03	1.24	1.20	1.23	1.25	1.28
Real Estate, Renting and Business Activities	92.44	93.59	93.44	94.54	96.72	97.58	96.55	97.82	99.67	102.22	102.51	103.15	103.87	104.53	105.22
Owner Occupied Dwellings	65.78	66.02	66.41	66.76	67.20	67.52	67.89	68.32	68.69	69.04	69.33	69.67	70.03	70.40	70.77
Real estate activities	17.61	17.67	17.78	17.87	17.99	18.07	18.17	18.29	18.39	18.48	18.56	18.65	18.75	18.85	18.94
Renting of machinery and equipment	1.92	1.90	1.97	1.80	2.88	2.53	2.38	2.83	3.42	4.22	3.74	3.82	3.93	4.01	4.09
Computer and related activities	1.33	1.31	1.19	1.13	1.20	1.24	1.26	1.37	1.36	1.39	1.40	1.43	1.47	1.50	1.54
Business Services	5.79	6.68	6.09	6.98	7.45	8.22	6.84	7.01	7.81	9.09	9.49	9.59	9.68	9.78	9.88
Public Administration, Defence & Compulsory Social S	80.23	83.78	80.86	84.61	79.22	74.90	76.45	77.83	75.77	80.09	81.94	86.86	88.66	89.55	90.45
Education	94.26	102.89	115.16	147.49	134.62	113.71	129.28	121.20	129.51	129.81	136.64	136.27	142.13	142.53	143.42
Public	36.70	37.47	40.54	42.37	39.46	37.39	35.52	37.29	37.57	37.48	38.86	36.16	37.24	37.62	37.99
Private	57.56	65.42	74.62	105.12	95.16	76.32	93.75	83.91	91.94	92.33	97.77	100.11	104.88	104.91	105.43
Health and Social Work	33.96	32.73	33.86	34.66	32.75	31.58	31.36	32.16	32.87	34.06	36.13	36.90	37.96	38.42	38.91
Public	28.78	28.78	29.56	30.06	28.06	26.74	26.75	27.64	28.34	29.36	30.88	31.84	32.79	33.12	33.45
Private	5.19	3.95	4.30	4.60	4.69	4.84	4.61	4.52	4.53	4.70	5.25	5.07	5.17	5.30	5.45
Other community, social & personal services	9.84	9.55	9.80	9.75	10.06	9.93	10.36	10.64	10.33	10.36	10.41	11.89	11.96	12.08	12.20
Public	0.89	0.68	0.84	0.94	1.01	1.10	1.30	1.16	1.16	1.16	1.16	1.49	1.50	1.52	1.53
Private	8.95	8.86	8.97	8.81	9.06	8.82	9.06	9.48	9.18	9.20	9.25	10.40	10.46	10.56	10.66
Private Households with Employed Persons	2.01	2.03	2.05	2.11	2.17	2.55	2.93	2.99	3.07	3.03	3.21	4.59	4.63	4.68	4.72
Less FISIM	34.49	32.87	34.91	37.12	43.57	45.19	50.15	53.18	53.11	55.84	58.71	59.17	59.76	61.55	62.78
Gross Value Added at Basic Prices	804.28	807.99	789.74	838.77	845.71	830.96	861.46	895.39	965.18	957.52	964.42	982.85	998.72	1,015.61	1,032.73
GROWTH RATE		0.46	-2.26	6.21	0.83	-1.74	3.67	3.94	7.79	-0.79	0.72	1.91	1.62	1.69	1.69
Taxes on products															
Less Subsidies															
GDP at Market Prices	804.28	807.99	789.74	838.77	845.71	830.96	861.46	895.39	965.18	957.52	964.42	982.85	998.72	1,015.61	1,032.73
GROWTH RATE		0.46	-2.26	6.21	0.83	-1.74	3.67	3.94	7.79	-0.79	0.72	1.91	1.62	1.69	1.69

Source: Central Statistics Office

## APPENDIX III Percentage contribution of Gross Value Added by Economic Activity in constant prices

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
										Estimates	Prelim	Proj	Proj	Proj	Proj
<b>Agriculture, Livestock and Forestry</b>	<b>15.05</b>	<b>13.99</b>	<b>14.05</b>	<b>12.61</b>	<b>12.63</b>	<b>12.79</b>	<b>12.41</b>	<b>10.84</b>	<b>11.56</b>	<b>11.82</b>	<b>10.83</b>	<b>11.17</b>	<b>11.15</b>	<b>11.20</b>	<b>11.22</b>
Crops	13.44	12.40	12.45	11.14	11.11	11.30	10.87	9.24	10.19	10.43	9.45	9.85	9.83	9.87	9.88
Bananas	3.77	2.81	2.75	1.94	2.35	2.17	2.12	0.92	1.43	1.26	1.14	1.38	1.15	1.17	1.23
Other Crops	9.66	9.59	9.70	9.20	8.76	9.13	8.75	8.32	8.76	9.17	8.31	8.48	8.68	8.70	8.64
Livestock	1.17	1.15	1.15	1.04	1.15	1.11	1.14	1.25	1.07	1.07	1.07	1.00	1.02	1.03	1.04
Forestry	0.44	0.45	0.45	0.42	0.37	0.38	0.40	0.36	0.31	0.31	0.31	0.31	0.31	0.30	0.30
<b>Fishing</b>	<b>0.62</b>	<b>0.69</b>	<b>0.62</b>	<b>0.49</b>	<b>0.37</b>	<b>0.39</b>	<b>0.47</b>	<b>0.57</b>	<b>0.45</b>	<b>0.47</b>	<b>0.38</b>	<b>0.42</b>	<b>0.43</b>	<b>0.44</b>	<b>0.44</b>
<b>Mining &amp; Quarrying</b>	<b>1.19</b>	<b>1.05</b>	<b>0.95</b>	<b>1.13</b>	<b>1.41</b>	<b>1.24</b>	<b>1.33</b>	<b>1.64</b>	<b>1.90</b>	<b>1.01</b>	<b>0.96</b>	<b>1.03</b>	<b>0.99</b>	<b>1.03</b>	<b>1.06</b>
<b>Manufacturing</b>	<b>5.40</b>	<b>5.06</b>	<b>4.59</b>	<b>4.73</b>	<b>5.02</b>	<b>4.98</b>	<b>5.06</b>	<b>4.68</b>	<b>3.81</b>	<b>3.74</b>	<b>3.66</b>	<b>3.37</b>	<b>3.53</b>	<b>3.51</b>	<b>3.52</b>
<b>Electricity &amp; Water</b>	<b>4.98</b>	<b>5.19</b>	<b>5.25</b>	<b>4.95</b>	<b>4.91</b>	<b>5.44</b>	<b>5.32</b>	<b>5.22</b>	<b>4.94</b>	<b>5.32</b>	<b>5.59</b>	<b>5.44</b>	<b>5.42</b>	<b>5.40</b>	<b>5.41</b>
Electricity	4.09	4.25	4.31	3.96	3.98	4.27	4.21	4.09	3.85	4.11	4.36	4.34	4.31	4.28	4.29
Water	0.89	0.94	0.94	0.99	0.94	1.17	1.12	1.12	1.09	1.21	1.22	1.10	1.11	1.12	1.11
<b>Construction</b>	<b>3.53</b>	<b>3.67</b>	<b>2.46</b>	<b>3.15</b>	<b>3.82</b>	<b>4.16</b>	<b>4.38</b>	<b>5.48</b>	<b>6.74</b>	<b>6.30</b>	<b>6.80</b>	<b>6.97</b>	<b>6.58</b>	<b>6.93</b>	<b>7.16</b>
<b>Wholesale &amp; Retail Trade</b>	<b>12.87</b>	<b>12.49</b>	<b>12.47</b>	<b>12.03</b>	<b>12.76</b>	<b>12.42</b>	<b>11.40</b>	<b>12.82</b>	<b>13.71</b>	<b>14.48</b>	<b>14.38</b>	<b>13.96</b>	<b>14.05</b>	<b>14.09</b>	<b>14.11</b>
<b>Hotels &amp; Restaurants</b>	<b>1.91</b>	<b>1.89</b>	<b>2.20</b>	<b>1.94</b>	<b>2.03</b>	<b>2.02</b>	<b>2.12</b>	<b>2.04</b>	<b>1.92</b>	<b>1.86</b>	<b>1.86</b>	<b>1.93</b>	<b>1.90</b>	<b>1.89</b>	<b>1.89</b>
Hotels	1.04	0.94	0.86	0.93	1.11	1.14	1.10	1.01	0.95	0.81	0.80	0.88	0.85	0.85	0.85
Restaurants	0.87	0.95	1.34	1.01	0.92	0.88	1.02	1.03	0.97	1.05	1.06	1.06	1.05	1.04	1.03
<b>Transport, Storage and Communications</b>	<b>14.50</b>	<b>14.29</b>	<b>13.49</b>	<b>12.65</b>	<b>13.47</b>	<b>15.10</b>	<b>15.73</b>	<b>16.40</b>	<b>16.41</b>	<b>15.53</b>	<b>15.24</b>	<b>15.33</b>	<b>15.13</b>	<b>15.10</b>	<b>15.12</b>
Transport and Storage	6.75	6.88	7.04	6.68	7.25	8.29	8.70	9.33	9.35	8.77	8.60	8.79	8.57	8.54	8.52
Road	3.64	3.95	4.32	4.31	4.61	5.43	5.60	5.78	5.72	5.85	5.88	5.83	5.79	5.75	5.72
Sea	1.22	1.17	1.08	0.95	1.06	1.12	1.26	1.43	1.46	1.16	1.08	1.24	1.16	1.15	1.15
Air	0.15	0.13	0.14	0.13	0.12	0.13	0.11	0.19	0.20	0.18	0.17	0.17	0.17	0.17	0.17
Supporting and auxiliary transport activities	1.74	1.63	1.50	1.29	1.46	1.60	1.73	1.93	1.98	1.59	1.47	1.55	1.45	1.47	1.49
Communications	7.75	7.41	6.46	5.97	6.21	6.82	7.03	7.06	7.06	6.75	6.64	6.55	6.55	6.55	6.61
<b>Financial Intermediation</b>	<b>5.37</b>	<b>5.58</b>	<b>5.90</b>	<b>6.25</b>	<b>6.70</b>	<b>7.14</b>	<b>7.33</b>	<b>7.99</b>	<b>7.66</b>	<b>7.76</b>	<b>7.95</b>	<b>7.76</b>	<b>7.83</b>	<b>7.89</b>	<b>7.91</b>
Banks & Other Financial Institutions	4.04	4.20	4.41	4.72	5.20	5.54	5.65	6.36	6.09	6.15	6.31	6.15	6.24	6.32	6.34
Insurance and pension funding	1.20	1.24	1.34	1.39	1.34	1.46	1.53	1.49	1.46	1.51	1.51	1.49	1.47	1.45	1.45
Activities Auxiliary to Financial Intermediation	0.12	0.14	0.14	0.15	0.15	0.14	0.15	0.14	0.12	0.11	0.13	0.12	0.12	0.12	0.12
<b>Real Estate, Renting and Business Activities</b>	<b>11.49</b>	<b>11.58</b>	<b>11.83</b>	<b>11.27</b>	<b>11.44</b>	<b>11.74</b>	<b>11.21</b>	<b>10.92</b>	<b>10.33</b>	<b>10.68</b>	<b>10.63</b>	<b>10.50</b>	<b>10.40</b>	<b>10.29</b>	<b>10.19</b>
Owner Occupied Dwellings	8.18	8.17	8.41	7.96	7.95	8.13	7.88	7.63	7.12	7.21	7.19	7.09	7.01	6.93	6.85
Real estate activities	2.19	2.19	2.25	2.13	2.13	2.18	2.11	2.04	1.91	1.93	1.92	1.90	1.88	1.86	1.83
Renting of machinery and equipment	0.24	0.24	0.25	0.21	0.34	0.30	0.28	0.32	0.35	0.44	0.39	0.39	0.39	0.39	0.40
Computer and related activities	0.17	0.16	0.15	0.13	0.14	0.15	0.15	0.15	0.14	0.15	0.15	0.15	0.15	0.15	0.15
Business Services	0.72	0.83	0.77	0.83	0.88	0.99	0.79	0.78	0.81	0.95	0.98	0.98	0.97	0.96	0.96
<b>Public Administration, Defence &amp; Compulsory Social Se</b>	<b>9.98</b>	<b>10.37</b>	<b>10.24</b>	<b>10.09</b>	<b>9.37</b>	<b>9.01</b>	<b>8.87</b>	<b>8.69</b>	<b>7.85</b>	<b>8.36</b>	<b>8.50</b>	<b>8.84</b>	<b>8.88</b>	<b>8.82</b>	<b>8.76</b>
<b>Education</b>	<b>11.72</b>	<b>12.73</b>	<b>14.58</b>	<b>17.58</b>	<b>15.92</b>	<b>13.68</b>	<b>15.01</b>	<b>13.54</b>	<b>13.42</b>	<b>13.56</b>	<b>14.17</b>	<b>13.87</b>	<b>14.23</b>	<b>14.03</b>	<b>13.89</b>
Public	4.56	4.64	5.13	5.05	4.67	4.50	4.12	4.16	3.89	3.91	4.03	3.68	3.73	3.70	3.68
Private	7.16	8.10	9.45	12.53	11.25	9.19	10.88	9.37	9.53	9.64	10.14	10.19	10.50	10.33	10.21
<b>Health and Social Work</b>	<b>4.22</b>	<b>4.05</b>	<b>4.29</b>	<b>4.13</b>	<b>3.87</b>	<b>3.80</b>	<b>3.64</b>	<b>3.59</b>	<b>3.41</b>	<b>3.56</b>	<b>3.75</b>	<b>3.75</b>	<b>3.80</b>	<b>3.78</b>	<b>3.77</b>
Public	3.58	3.56	3.74	3.58	3.32	3.22	3.11	3.09	2.94	3.07	3.20	3.24	3.28	3.26	3.24
Private	0.64	0.49	0.54	0.55	0.55	0.58	0.53	0.50	0.47	0.49	0.54	0.52	0.52	0.52	0.53
<b>Other community, social &amp; personal services</b>	<b>1.22</b>	<b>1.18</b>	<b>1.24</b>	<b>1.16</b>	<b>1.19</b>	<b>1.19</b>	<b>1.20</b>	<b>1.19</b>	<b>1.07</b>	<b>1.08</b>	<b>1.08</b>	<b>1.21</b>	<b>1.20</b>	<b>1.19</b>	<b>1.18</b>
Public	0.11	0.08	0.11	0.11	0.12	0.13	0.15	0.13	0.12	0.12	0.12	0.15	0.15	0.15	0.15
Private	1.11	1.10	1.14	1.05	1.07	1.06	1.05	1.06	0.95	0.96	0.96	1.06	1.05	1.04	1.03
<b>Private Households with Employed Persons</b>							0.34	0.33	0.32	0.32	0.33	0.47	0.46	0.46	0.46
<b>Less FISIM</b>	<b>4.29</b>	<b>4.07</b>	<b>4.42</b>	<b>4.43</b>	<b>5.15</b>	<b>5.44</b>	<b>5.82</b>	<b>5.94</b>	<b>5.50</b>	<b>5.83</b>	<b>6.09</b>	<b>6.02</b>	<b>5.98</b>	<b>6.06</b>	<b>6.08</b>
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Central Statistics Office

## APPENDIX IV Rate of Growth of Gross Value Added by Economic Activity in constant prices.

	2001	2002	2003	2004	2005	2006	2007	2008	2009 Estimates	2010 Prelim	2011 Proj	2012 Proj	2013 Proj	2014 Proj
<b>Agriculture, Livestock and Forestry</b>	-6.58	-1.84	-4.73	1.02	-0.48	0.57	-9.18	14.97	1.38	-7.69	5.06	1.47	2.16	1.85
Crops	-7.30	-1.85	-4.99	0.58	-0.06	-0.29	-11.63	18.81	1.60	-8.80	6.31	1.35	2.13	1.77
Bananas	-25.14	-4.58	-25.10	22.33	-9.12	1.15	-54.74	66.87	-12.49	-8.98	23.12	-15.00	3.10	7.50
Other Crops	-0.33	-1.05	0.71	-3.99	2.37	-0.63	-1.19	13.48	3.90	-8.77	4.00	4.00	2.00	1.00
Livestock	-1.73	-2.15	-3.68	10.78	-4.66	6.50	13.31	-7.55	-0.41	0.68	-4.53	3.00	3.00	3.00
Forestry	2.60	-0.79	-0.35	-11.56	-0.19	8.75	-6.77	-5.96	0.47	0.59	0.44	0.44	0.45	0.46
<b>Fishing</b>	12.52	-13.29	-15.32	-23.63	3.64	23.90	25.83	-14.90	3.88	-17.51	11.78	4.00	3.00	3.00
<b>Mining &amp; Quarrying</b>	-11.54	-11.89	26.36	26.25	-13.37	11.28	27.64	25.22	-47.17	-5.00	10.00	-2.00	5.00	5.00
<b>Manufacturing</b>	-5.83	-11.28	9.48	7.02	-2.56	5.36	-4.02	-12.23	-2.62	-1.46	-5.95	6.34	1.19	1.95
<b>Electricity &amp; Water</b>	4.81	-1.20	0.23	-0.04	8.93	1.40	1.85	2.08	6.83	5.77	-0.81	1.30	1.31	1.79
Electricity	4.45	-1.03	-2.35	1.25	5.59	2.10	1.13	1.29	5.97	6.95	1.26	1.00	1.00	2.00
Water	6.46	-1.97	12.02	-5.19	23.12	-1.18	4.56	4.97	9.87	1.75	-8.19	2.50	2.50	1.00
<b>Construction</b>	4.25	-34.28	35.94	21.97	7.13	9.06	30.10	32.60	-7.27	8.70	4.45	-3.99	7.06	5.04
<b>Wholesale &amp; Retail Trade</b>	-2.48	-2.40	2.43	6.97	-4.34	-4.91	16.97	15.27	4.72	0.04	-1.02	2.24	1.99	1.80
<b>Hotels &amp; Restaurants</b>	-0.56	13.90	-6.14	5.30	-2.43	9.06	0.05	1.60	-4.05	0.52	6.09	-0.29	1.45	1.45
Hotels	-8.67	-11.12	15.60	19.82	1.09	0.35	-4.91	1.46	-15.29	-0.48	11.73	-1.85	2.00	2.00
Restaurants	9.09	38.80	-19.99	-8.07	-6.66	20.39	5.42	1.73	6.91	1.29	1.82	1.00	1.00	1.00
<b>Transport, Storage and Communications</b>	-1.00	-7.69	-0.45	7.35	10.21	7.97	8.34	7.88	-6.13	-1.15	2.56	0.23	1.51	1.86
<b>Transport and Storage</b>	2.43	-0.02	0.84	9.46	12.27	8.84	11.47	8.05	-6.96	-1.26	4.14	-0.87	1.36	1.36
Road	8.98	6.96	5.96	7.81	15.94	6.77	7.31	6.72	1.49	1.20	1.00	1.00	1.00	1.00
Sea	-3.44	-10.01	-6.16	12.65	3.67	16.42	17.87	9.67	-21.14	-6.04	17.31	-5.00	1.00	1.00
Air	-12.53	-0.13	-1.60	-4.58	4.84	-11.37	81.78	12.37	-11.75	-4.02	2.34	3.00	2.00	2.00
Supporting and auxiliary transport activities	-5.86	-9.73	-8.62	13.96	7.59	12.17	15.87	10.37	-20.47	-6.55	7.22	-5.00	3.00	3.00
<b>Communications</b>	-3.98	-14.81	-1.85	4.99	7.81	6.90	4.46	7.66	-5.04	-1.01	0.52	1.70	1.70	2.50
<b>Financial Intermediation</b>	4.45	3.26	12.65	7.94	4.78	6.42	13.34	3.38	0.45	3.18	-0.54	2.51	2.51	1.91
Banks & Other Financial Institutions	4.34	2.65	13.67	11.08	4.64	5.73	17.04	3.23	0.09	3.46	-0.69	3.00	3.00	2.00
Insurance and pension funding	3.57	6.12	9.48	-2.25	6.94	8.62	1.30	5.25	2.60	0.84	0.34	0.50	0.50	1.50
Activities Auxiliary to Financial Intermediation	16.67	-3.57	11.11	3.33	-9.68	10.71	-3.23	-10.00	-7.41	20.00	-3.33	2.50	1.75	2.00
<b>Real Estate, Renting and Business Activities</b>	1.25	-0.17	1.18	2.30	0.89	-1.06	1.32	1.89	2.56	0.29	0.62	0.69	0.64	0.66
Owner Occupied Dwellings	0.36	0.59	0.52	0.66	0.47	0.55	0.64	0.54	0.51	0.41	0.50	0.52	0.53	0.52
Real estate activities	0.36	0.59	0.52	0.66	0.47	0.55	0.64	0.54	0.51	0.41	0.50	0.52	0.53	0.52
Renting of machinery and equipment	-1.04	3.38	-8.66	60.39	-12.40	-5.70	18.89	20.61	23.40	-11.27	2.00	3.00	2.00	2.00
Computer and related activities	-1.42	-9.31	-4.80	5.92	3.10	2.14	8.43	-0.48	2.23	0.85	1.95	2.87	1.86	2.74
Business Services	15.37	-8.92	14.68	6.70	10.41	-16.79	2.40	11.52	16.29	4.41	1.05	1.00	1.00	1.00
<b>Public Administration, Defence &amp; Compulsory Social Security</b>	4.42	-3.48	4.65	-6.37	-5.45	2.07	1.81	-2.65	5.70	2.31	6.00	2.08	1.00	1.00
<b>Education</b>	9.15	11.93	28.07	-8.73	-15.53	13.69	-6.25	6.86	0.23	5.26	-0.27	4.30	0.28	0.63
Public	2.09	8.20	4.53	-6.88	-5.25	-4.99	4.96	0.77	-0.25	3.70	-6.96	3.00	1.00	1.00
Private	13.66	14.07	40.86	-9.47	-19.79	22.84	-10.50	9.57	0.42	5.89	2.39	4.77	0.03	0.50
<b>Health and Social Work</b>	-3.64	3.47	2.36	-5.52	-3.58	-0.70	2.55	2.22	3.63	6.06	2.14	2.86	1.20	1.28
Public	0.00	2.73	1.69	-6.67	-4.71	0.07	3.32	2.52	3.61	5.17	3.11	3.00	1.00	1.00
Private	-23.81	8.87	6.96	1.99	3.20	-4.91	-1.95	0.40	3.76	11.65	-3.57	2.00	2.50	3.00
<b>Other community, social &amp; personal services</b>	-3.03	2.70	-0.52	3.15	-1.33	4.35	2.68	-2.85	0.30	0.48	14.23	0.55	0.98	0.98
Public	-23.42	22.75	12.50	6.52	9.87	17.44	-10.61	-0.24	0.27	0.17	28.21	1.00	1.00	1.00
Private	-0.99	1.15	-1.74	2.79	-2.58	2.71	4.58	-3.17	0.30	0.52	12.48	0.49	0.98	0.98
<b>Private Households with Employed Persons</b>						14.86	2.10	2.74	-1.33	6.08	42.68	1.00	1.00	1.00
<b>Less FISIM</b>	-4.70	6.21	6.34	17.39	3.71	10.97	6.03	-0.12	5.14	5.14	0.78	1.00	3.00	2.00
<b>TOTAL</b>	0.46	-2.26	6.21	0.83	-1.74	3.67	3.94	7.79	-0.79	0.72	1.91	1.62	1.69	1.69

Source: Central Statistics Office

## APPENDIX V Summary of Government Fiscal Operations (EC\$ Millions)

	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12	Est FY12/13	Proj. FY13/14
<b>Total Revenue + Grants</b>	425.3	453.3	477.5	481.2	411.4	431.6	442.8
<b>Total Revenue</b>	318.5	339.5	363.4	354.3	347.8	372.9	379.9
<b>Current Revenue</b>	317.7	339.2	362.3	351.6	345.4	367.9	374.8
Tax Revenue	288.9	313.8	327	311.9	301.3	314.0	321.2
of which							
Taxes on Incomes and Profits	52.5	54.8	60.9	57.1	55.6	56.0	56.2
Taxes on Property	10	10.9	8.9	7.8	7.4	8.4	8.7
Taxes on Domestic Goods and Services	163.7	179.5	185.2	179.7	174.1	181.2	186.5
Taxes on International Trade & Transactions	62.7	68.6	72.0	67.3	64.2	68.7	69.8
Non Tax Revenue	28.8	25.4	35.3	39.7	44.1	53.6	53.6
Capital Revenue	0.8	0.3	1.1	2.7	2.4	5.1	5.1
Grants	106.8	113.8	114.1	126.9	63.6	58.7	62.9
<b>Total Expenditure</b>	406.1	445.4	478.8	530.0	470.3	454.0	456.5
<b>Current Expenditure</b>	269.7	287.1	294.1	312.0	313.5	320.8	320.6
Personal Emoluments	117.7	123.5	126.5	135.2	135.6	145.4	145.8
Goods & Services	70.9	78.1	83.1	86.7	88.4	90.4	86.4
Interest Payments	22.8	21.9	17.9	20.6	20.4	19.5	21.9
Transfers & Subsidies	58.3	63.6	66.6	69.5	69.1	65.5	66.5
<b>Capital Expenditure + Net Lending</b>	136.4	158.3	184.7	218.0	156.8	133.2	135.9
Principle repayments	28.5	19.1	29.5	26.1	36.2	41.6	37.4
Current Account Balance	48	52.1	68.2	39.6	31.9	47.1	54.2
Overall Balance (- Grants)	-87.6	-105.9	-115.4	-175.7	-122.5	-81.1	-76.7
Overall Balance (+ Grants)	19.2	7.9	-1.3	-48.8	-58.9	-22.4	-13.8
<b>Primary Balance (PB)</b>	<b>42</b>	<b>29.8</b>	<b>16.6</b>	<b>-28.2</b>	<b>-38.5</b>	<b>-2.9</b>	<b>8.1</b>
<b>PB as a % of GDP (CSO)</b>	<b>3.5</b>	<b>2.3</b>	<b>1.3</b>	<b>-2.2</b>	<b>-2.9</b>	<b>-0.2</b>	<b>0.6</b>
Nominal GDP (CSO)	1,185.0	1,279.7	1,310.1	1,302.3	1,325.5	1,364.2	1,401.1

Source: Ministry of Finance

## APPENDIX VI Total Public Sector Outstanding Debt As at June 2011 (EC\$ millions)

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	% Change
<b>TOTAL OUTSTANDING LIABILITIES</b>	<b>813.59</b>	<b>819.18</b>	<b>818.18</b>	<b>796.08</b>	<b>810.71</b>	<b>881.41</b>	<b>929.37</b>	<b>5.4</b>



% GDP at market prices	80.4	75.2	69.0	62.2	61.9	67.7	70.1	
<b>Central Government</b>								
<b>Outstanding Debt</b>	<b>661.39</b>	<b>676.18</b>	<b>676.78</b>	<b>655.78</b>	<b>668.61</b>	<b>718.11</b>	<b>777.47</b>	<b>8.3</b>
- Domestic	209.71	208.1	201.7	196.2	197.1	194.7	222.5	14.3
- External	451.7	468.1	475.1	459.6	471.5	523.4	555.0	6.0
- Treasury Bills/Notes	0	0.3	0.3	0.3	0.2	0.2	0.2	0
- Bonds	91.68	91.98	91.98	91.98	91.41	90.3	89.17	-1.3
- Loans	360.0	375.8	382.8	367.3	379.9	432.9	465.6	7.6
- Bilateral	82.9	90.2	84.8	78	75.6	113.5	139.8	23.2
- Multilateral	270.3	278.8	291.2	282.5	297.5	312.61	319	2.0
- Other	6.8	6.8	6.8	6.8	6.8	6.8	6.8	0.0
<b>Government Guaranteed</b>								
<b>Outstanding Debt</b>	152.2	143	141.4	140.3	142.1	163.3	151.9	-7.0
- Domestic	25.3	23.8	24.7	33.8	38.5	44.6	42.5	-4.7
- External	126.9	119.2	116.7	106.5	103.6	118.7	109.4	-7.8
<b>TOTAL (Domestic)</b>	<b>235.01</b>	<b>231.9</b>	<b>226.4</b>	<b>230</b>	<b>235.6</b>	<b>239.3</b>	<b>265</b>	<b>10.7</b>
<b>TOTAL (External)</b>	<b>578.58</b>	<b>587.28</b>	<b>591.78</b>	<b>566.08</b>	<b>575.11</b>	<b>642.11</b>	<b>664.37</b>	<b>3.5</b>

Source: Ministry of Finance

## APPENDIX VII Balance of Payments (millions EC\$)

	2007	2008	2009	2010	2011	2012
<b>CURRENT ACCOUNT</b>	-	-	-	-	-	-
	234.8	350.7	295.1	208.1	165.1	208.1
<b>GOODS AND SERVICES</b>	-	-	-	-	-	-
	238.9	352.6	309.7	235.8	172.2	220.6
<b>A GOODS</b>	-	-	-	-	-	-
	360.0	468.4	435.8	426.7	433.6	454.8
MERCHANDISE (f.o.b.)	-	-	-	-	-	-
	367.2	478.9	443.4	432.1	440.5	460.5
Domestic	-	-	-	-	-	-
	369.8	484.0	448.9	441.5	446.2	466.4
Re-exports	2.6	5.0	5.5	9.4	5.6	5.9
REPAIR ON GOODS	0.0	0.0	0.0	0.0	0.0	0.0
GOODS PROCURED IN PORTS BY CARRIERS	7.2	10.5	7.6	5.4	6.9	5.7

<b>B. SERVICES</b>	121.0	115.8	126.1	190.9	261.4	234.2
TRANSPORTATION	-73.8	-81.0	-75.5	-73.1	-72.3	-73.6
Sea Transport	-44.4	-55.1	-51.2	-50.4	-52.7	-53.2
Air Transport	-29.4	-25.9	-24.3	-22.7	-19.6	-20.4
Other Transport	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	172.5	175.6	178.8	223.0	271.6	244.5
INSURANCE SERVICES	-16.2	-15.4	-13.5	-14.3	-10.6	-10.6
Freight Insurance	-10.5	-13.3	-12.1	-12.0	-11.8	-12.0
Life Insurance	-2.2	-2.0	-0.7	-0.6	-0.6	-0.6
General Insurance	-4.9	-2.9	-1.9	-6.1	-1.6	-1.7
Re-Insurance	-4.6	-3.6	-4.2	-2.2	-3.8	-3.9
Insurance Agents Commissions	6.0	6.4	5.5	6.7	7.3	7.5
OTHER BUSINESS SERVICES	38.7	34.4	26.4	45.2	45.1	46.2
Construction Services	-9.0	-8.8	-4.9	-1.8	0.0	-1.0
Legal and Accountancy Services	0.0	0.0	-0.2	0.0	0.0	0.0
Management and Consultancy Fees	-4.2	-3.9	-10.4	-11.7	-14.6	-15.2
Computer and Information Services	-0.7	-0.9	-0.5	-0.6	-0.6	-0.6
Royalties, Licence and Fees	-1.7	-1.7	-1.2	-3.3	-1.7	-1.8
Other Business Services	54.3	49.8	43.5	62.6	62.0	64.8
GOVERNMENT SERVICES	-0.2	2.3	9.9	10.1	27.6	27.7
Resident Government	0.5	2.9	10.2	13.5	27.6	27.8
Foreign Government	1.4	1.4	1.7	1.1	1.2	1.3
Other	-2.0	-2.1	-2.0	-4.5	-1.3	-1.3
<b>C. INCOME</b>	-53.0	-49.5	-36.9	-25.5	-37.7	-32.2
COMPENSATION OF EMPLOYEES	2.5	2.5	2.9	3.1	2.2	2.2
INVESTMENT INCOME	-55.5	-52.0	-39.7	-28.6	-39.9	-34.4
Direct Investment	-35.1	-29.4	-35.9	-21.0	-24.0	-25.1
Income on Equity	-34.7	-29.1	-35.0	-19.6	-23.4	-24.3
Distributed Branch Profits	-7.0	-5.3	-18.1	-11.6	-9.1	-9.4
Reinvested Earnings	-27.7	-23.8	-16.8	-8.0	-14.3	-14.9
Income on Debt (interest)	-0.4	-0.3	-1.0	-1.3	-0.6	-0.8
Portfolio Investment	2.2	3.7	-1.4	0.6	1.5	0.2
ECCB Investment Income	2.6	1.9	1.8	0.6	0.2	0.2
Other Profits and Dividends/1	-0.4	1.8	-3.1	0.0	1.3	0.0
Other Investment	-22.6	-26.3	-2.4	-8.2	-17.4	-9.5
Interest on Government Transactions	-22.8	-23.7	-8.7	-15.1	-18.1	-10.2
Central Government	-18.5	-16.8	-5.4	-11.9	-14.9	-8.5
Government Guaranteed	-4.3	-6.8	-3.4	-3.2	-3.2	-1.7
Arrears	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.2	-2.7	6.3	6.8	0.6	0.7
<b>D. CURRENT TRANSFERS</b>	57.1	51.4	51.5	53.2	44.8	44.8
GENERAL GOVERNMENT	-0.9	-0.2	0.8	1.7	-4.7	-5.0
OTHER SECTORS	58.0	51.6	50.7	51.5	49.5	49.7

<b>CAPITAL AND FINANCIAL ACCOUNT</b>	223.8	295.6	293.4	237.1	247.7	208.1
<b>A. CAPITAL ACCOUNT</b>	156.5	155.4	118.8	90.4	51.3	40.8
CAPITAL TRANSFERS	156.5	155.4	118.8	90.4	51.3	40.8
General Government	147.8	146.6	110.3	81.6	42.4	31.8
Capital Grants	147.8	146.6	110.3	81.6	42.4	31.8
Debt Forgiveness	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Other Sectors	8.7	8.8	8.5	8.8	8.9	9.0
Migrants' Transfers	8.7	8.8	8.5	8.8	8.9	9.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
ACQUISITION / DISPOSAL OF NONPRODUCED NONFINANCIAL ASSETS	0.0	0.0	0.0	0.0	0.0	0.0
<b>B. FINANCIAL ACCOUNT</b>	67.3	140.2	174.7	146.8	196.4	167.3
DIRECT INVESTMENT	109.3	152.7	111.5	65.7	47.8	45.6
Abroad (outward)	0.0	0.0	0.0	0.0	0.0	0.0
In Reporting Economy (inward)	109.3	152.7	111.5	65.7	47.8	45.6
Equity	73.8	98.0	51.2	19.1	13.5	10.0
Reinvested Earnings	27.7	23.8	16.8	8.0	14.3	14.9
Land Sales	2.8	6.5	10.0	6.0	0.0	0.0
Other	5.0	24.3	33.5	32.6	19.9	20.7
PORTFOLIO INVESTMENT	4.6	-8.9	1.0	-14.9	-5.4	-3.9
Assets	2.9	-7.1	-1.3	-8.2	-0.5	0.0
Liabilities /2	1.7	-1.8	2.2	-6.6	-5.0	-3.9
OTHER INVESTMENTS	-46.6	-3.6	62.1	95.9	154.0	125.5
Loans	-18.0	-9.1	21.7	60.1	26.5	64.9
Central Government	-12.9	-3.1	32.0	46.1	27.9	43.2
Government Guaranteed	-5.1	-6.0	-10.2	14.0	-1.4	21.7
Arrears	0.0	0.0	0.0	0.0	0.0	0.0
Commercial Banks	-50.9	-47.4	-28.4	27.1	101.2	0.0
Other Assets	-30.2	-13.7	10.4	-24.1	-10.9	-11.3
Other Liabilities	52.5	66.7	58.4	32.8	37.2	71.9
 NET ERRORS AND OMISSIONS	 7.4	 46.0	 57.7	 -25.7	 -65.4	 0.0
 OVERALL BALANCE	 -3.6	 -9.1	 56.0	 3.4	 17.2	 0.0
 FINANCING	 3.6	 9.1	 -56.0	 -3.4	 -17.2	 0.0
Change in Arrears	0.0	0.0	0.0	0.0	0.0	0.0
Change in SDR Holdings	0.0	0.0	-33.2	0.0	0.4	0.0
Change in Reserve Position with the IMF	0.0	0.0	0.0	0.0	0.0	0.0
Change in Government Foreign Assets	-3.4	-5.4	2.4	1.9	4.1	0.0
Change in Imputed Reserves	6.9	14.4	-25.3	-5.2	-21.7	0.0

*Source: Central Statistics Office*