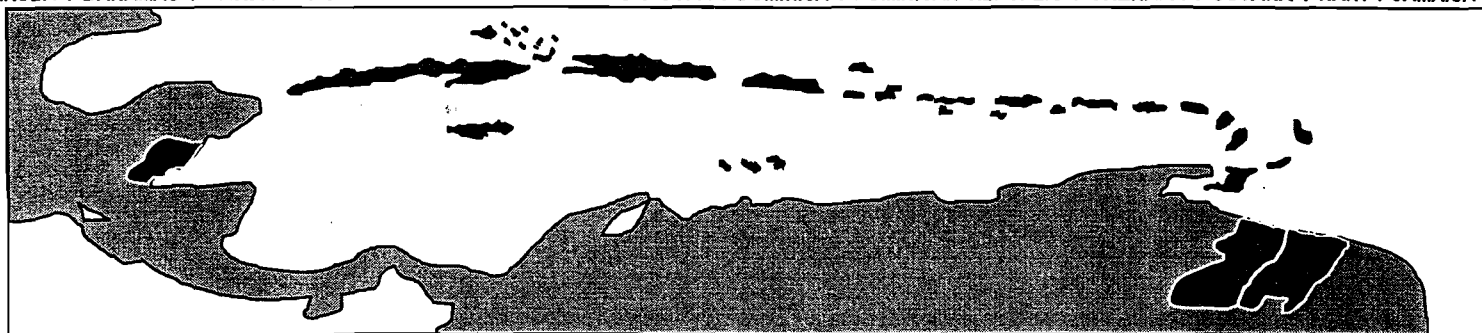




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# PRELIMINARY OVERVIEW OF CARIBBEAN ECONOMIES

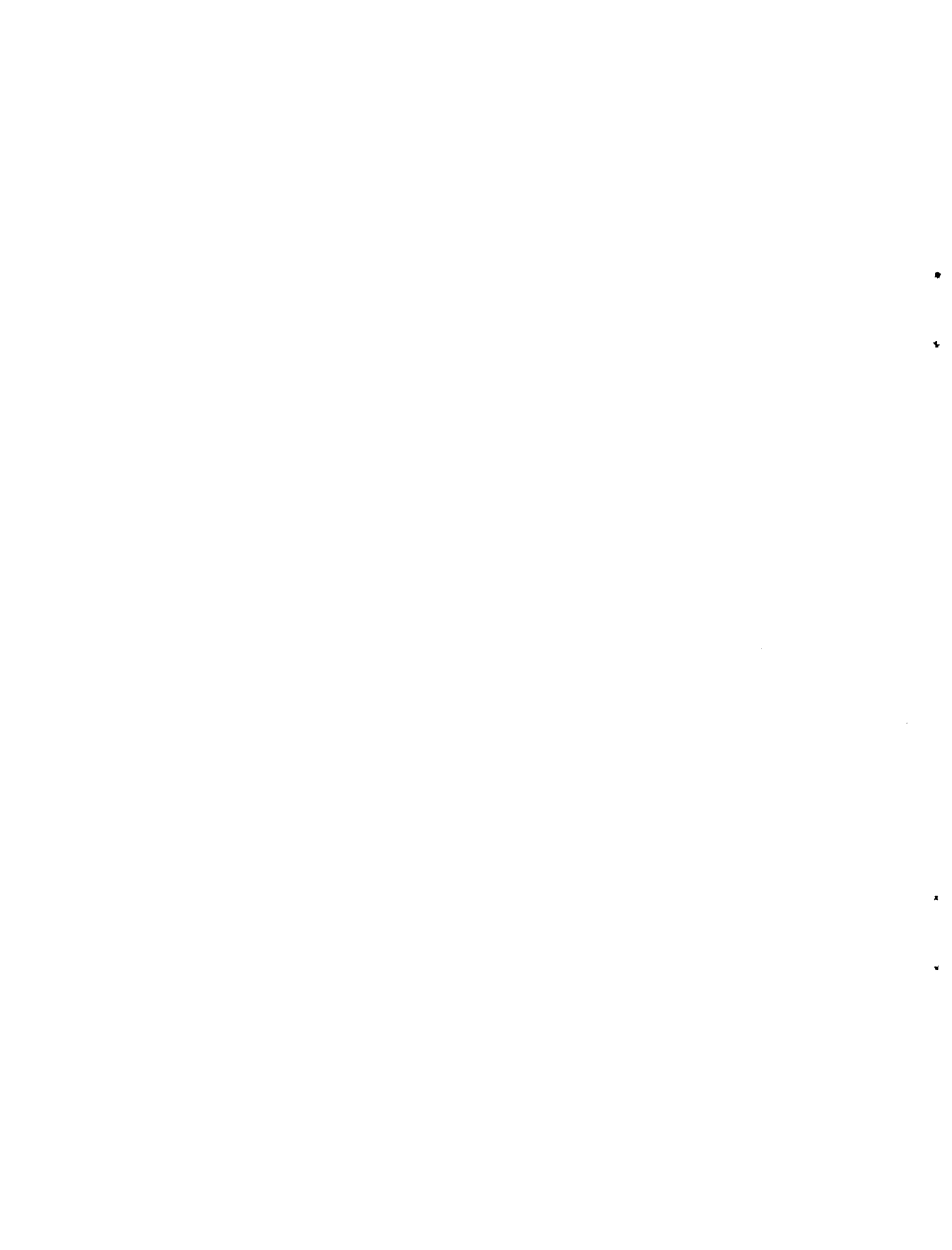
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**UNITED NATIONS**  
ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN  
Subregional Headquarters for the Caribbean

**CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE**



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## **Executive Summary**

The document examines the preliminary economic performance of selected Caribbean countries for the current year.

In 2002, the member States of the Organisation of Eastern Caribbean States (OECS), Barbados and Belize registered contractions or declines in economic activity while Jamaica and Trinidad and Tobago managed to maintain their GDP growth rates with respect to the previous year.

With the exception of Jamaica and Trinidad and Tobago, Caribbean countries recorded an increase in their budget deficit responding to increases in current and capital expenditures that were not matched by higher tax revenues. The fiscal gap was financed by domestic sources in an effort to avoid increases in the external indebtedness.

The conduct of monetary policy evolved in a context of excess liquidity for Barbados and Trinidad and Tobago. The Barbadian authorities used the excess liquidity to finance the fiscal deficit brought about by a counter cyclical policy stance. Trinidad and Tobago implemented a new framework for monetary policy based on interest rate targeting that was accompanied by open market operations to increase its effectiveness.

In the cases of Jamaica and Belize the main concern centered on the pressures in the foreign exchange market. These were counteracted by a decline in international reserves and stricter monetary policy. For their part the OECS economies maintained their traditional strong backing of the domestic currency.

In most of these countries the agricultural sector was negatively affected by climatic conditions. The expansion of the manufacturing sector was hampered by a lack of competitiveness. Tourism activity did not fully recover from the adverse external conditions that marked the sector in 2001.

The balance of payments result reflected a modest growth in exports and an increase in imports that mirrored the movements in economic activity. The service balance surplus narrowed as tourism activity faltered and foreign direct investment flows noted, in general, a decrease in relation to the previous year.

## Introduction

During 2002, service-based Caribbean economies (OECS and Barbados) contracted. Resource based economies (Jamaica, Belize, Trinidad and Tobago) maintained the rate of GDP growth of the previous year.

The behavior of service-based economies reflected the underperformance of the tourism sector and a manufacturing sector that exhibits a lack of competitiveness by international standards due in part to high costs and inadequate levels of technology. Within this grouping OECS economies were confronted with high indebtedness levels, which has become, especially in the case of Dominica, an important constraint to their short and long-term economic development. Caribbean countries have responded by a proposal to create an institutional framework that includes a programme of assistance for Dominica, the creation of a stabilization fund and a programme for regional economic transformation.

For its part Barbados adopted a counter-cyclical fiscal, based on increasing capital expenditures to stimulate demand and economic growth. The resulting fiscal deficit was financed by domestic sources rather than by having recourse to external funding. The financing strategy consisted in channeling the excess liquidity prevailing in the economy to the government mediated by the intervention of the Central Bank.

The main challenge faced by resource-based economies was one of monetary management. All countries attempted to decrease interest rates to spur the demand for loans and economic activity. However, the extent to which governments could implement this policy was limited by impending instability in the money and foreign exchange markets.

Volatile exchange rate movements confronted Jamaica. The authorities made use of their net international reserves and later on during the year of interest rates to bring stability to the foreign exchange market. In the case of Belize the foreign exchange market was also subject to devaluation pressures forcing the Central Bank to adopt a strict monetary policy. This monetary stance should also help control the fiscal deficit, which reached 11% of GDP in the previous fiscal year. For Trinidad and Tobago, the authorities adopted a policy of interest rate targeting based on the Repo rate (the rate of interest charged by the Central Bank to commercial banks for overnight borrowing). This new monetary framework was implemented at a time of excess liquidity in the commercial banking system and the Central Bank was forced to intervene through open market operations.

This document examines the preliminary economic performance for selected Caribbean economies for the year 2002. The analysis extrapolated the behavior for the entire current year based on available data and predictions up to the month of November 2001. The countries included in the document are the member States of the Organisation of Eastern Caribbean States (OECS), Barbados, Belize, Jamaica, Trinidad and Tobago. For each of these, the document presents a general overview followed by analyses of fiscal and monetary policies, the performance of the sector of economic activity, prices, wages and employment and the external sector.

## **MEMBER STATES OF THE ORGANIZATION OF EASTERN CARIBBEAN STATES (OECS)**

### **General overview**

During 2002 economic activity contracted due to a stagnant agricultural sector that was confronted with adverse climatic conditions, a tourism sector that has not recovered from the adverse shocks of the previous year, a manufacturing sector that remains uncompetitive and a weak external demand. As an aggregate OECS economies registered -1.5% growth for 2002. At the country level Dominica recorded the highest drop in GDP growth (-6%).

At the aggregate level, the decline in growth translated into a lower tax revenue intake mainly due to the underperformance of international trade and transactions taxes. Jointly with a higher level of current expenditure this led to a widening of the fiscal current account deficit and rising stocks of public debt. The fiscal situation of Dominica was particularly delicate, as the country was not able to service its internal or external debt payments.

Dominica's current economic situation brought regional organizations and national institutions to bear upon the fiscal vulnerability and general macroeconomic situation in the OECS economies. OECS countries have steadily registered declining rates of growth since the 1970s while, at the same time, they have accumulated significant fiscal and external gaps creating debt sustainability problems and making the countries more dependent on foreign financing which, in turn, has exhibited a declining trend. Caribbean governments decided to create a stabilization fund to allow the countries in the subregion to meet the institutional and economic challenges brought about by the current international trends of globalization and liberalization of markets.

The demand for loans remained stable reflecting the slowdown in growth. The asset of commercial banks' sheets was easily matched by their liabilities as the growth in deposits outpaced that of loans. This behavior, which translated into excess reserves, facilitated the accumulation of foreign exchange and the backing of the domestic currency.

### **Fiscal policy**

At a regional level, the OECS economies registered a deficit in their fiscal accounts (estimated at 8% of GDP on the basis of preliminary data) due to the combined effects of a lower tax revenue intake and an increased level of expenditure. The decline in tax revenues responded to the slowdown in economic growth and, in particular, to its effect on import demand and import duties. The change in expenditure reflected movement in wages and salaries, interest payments and, to a lesser extent, capital expenditures.

At the individual country level the fiscal performance was mixed. Preliminary data show that Antigua and Barbuda, Dominica and St. Kitts and Nevis recorded the highest deficits while

Grenada and Saint Lucia managed to reduce their fiscal imbalance with respect to the previous year.

In Antigua and Barbuda tax revenue increased by 9% while current expenditures (i.e., wages) rose 27%. The expansion in international trade and transactions (13%), which represents 60% of total tax revenues, was partly compensated by the modest performance of taxes on domestic goods and services (-5% in the first semester). Current expenditures reflected an increase in wages and public employment during the first quarter of the year.

Dominica's fiscal outturn was influenced by the country's economic contraction, its financial constraints in meeting its wage and debt payments, by the underperformance of international trade and transactions revenue and the government's commitment to carry out an adjustment programme. Current expenditure declined -1% and capital expenditures -45%. At the same time tax revenues also followed a similar trend and decreased -3%. For its part international trade and transactions revenues saw a mild increase of 5%.

St. Kitts and Nevis fiscal performance is explained by the increase in expenditure since the tax effort as measured by the ratio of total tax revenue to GDP remained above that obtained for 2001. The rise in tax revenue responded to the behavior of non-tax revenues and international trade and transactions despite the decision of the government to forego the payment of the hotel accommodation tax between October 2001 and October 2002. Non-tax revenues were boosted by the bigger than expected receipts from the offshore banking sector and water services operations. Expenditures rose due to higher transfers to public firms, interest payments due to the increase in foreign loans, and capital expenditures.

Dominica and St. Kitts and Nevis financed their deficit through external sources. Dominica's commitment to stabilization helped secure the necessary funding. St. Kitts and Nevis placed a bond in the international market for US\$30 million in the first quarter of the year. Finally, Antigua and Barbuda financed its deficit by having recourse to domestic sources.

For their part, Grenada and Saint Lucia managed to reduce their fiscal disequilibrium by cutting capital expenditures (-41% and -55%, respectively, between January-July 2001 and 2002).

At the Special Meeting of the Heads of Government of the Caribbean Community (CARICOM), Guyana, August 2002, the governments of the subregion proposed a framework intended to stabilize and transform the Caribbean economies. The framework included a programme of assistance for Dominica, the creation of a stabilization fund and a programme for regional economic transformation. The framework responds to the recognition that OECS economies face widening fiscal and external disequilibria and are characterized by weak and narrow production structures and export sectors. This state of affairs has partly led these economies to accumulate debt without securing the required growth of income for its service payments.



The programme of assistance to Dominica will provide a buffer stock for the country's adjustment efforts. The stabilization fund is aimed at alleviating the short-term macroeconomic difficulties faced by Caribbean economies. The programme for regional economic transformation contemplates increasing the competitiveness of the productive sector, reforming the fiscal systems of Caribbean economies, and assisting and enhancing the role of the private sector in economic development.

### **Monetary policy**

In a monetary arrangement such as the Eastern Caribbean Currency Union the supply of money is endogenous and responds to the change in money demand. In 2002 the demand for loans remained stable in comparison to the previous year reflecting the slowdown in growth. The demand for loans grew 2% between July 2001 and 2002. Private individuals remained the most important borrowers with 44% of the bank loan portfolio. Business firms accounted for 33% of the total. The main beneficiary productive sectors of bank loans were tourism, construction, agriculture, manufacturing and transportation accounting for 13%, 9%, 7%, 5.2% and 5.4% of non-personal loans, respectively.

The growth in the asset side of the commercial bank's balance sheets was more than compensated by the growth in total deposits (8%) leading to an accumulation of reserves. An indicative signal of this trend was the decline in the loan deposit ratio from 0.84 to 0.75 between June 2001 and July 2002. The excess reserves were used to acquire foreign assets (14%) and also deposited at the Eastern Caribbean Central Bank (ECCB). Commercial banks' statutory reserves and deposits at the monetary institution increased by 79% for the aforementioned period. The Central Monetary institution in turn also used part of the reserves to build up the stock of foreign reserves allowing the reserve coverage ratio to stand at 97% largely above the 60% statutory requirement. The Union's aggregate money base, narrow money and broad money increased by 5.1%, 5.3% and 5.5% between September 2001 and 2002.

For the most part individual OECS countries mirrored this behavior. Available data for the period July 2001-July 2002 show that the loan deposit ratio for Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, and Saint Lucia, declined from 0.86, 0.83, 0.80, 0.20, 0.80 and 1.03 to 0.84, 0.81, 0.74, 0.14, 0.78, 0.92 for the said period. The exceptions to this trend were Anguilla and Saint Vincent and the Grenadines with increases from 0.68 and 0.70, to 0.70 and 0.72. In a similar vein, the rates of growth of the monetary aggregates followed closely on average that of the Currency Union. Narrow money and broad money expanded on average at 5.6% and 5.4%. Base money grew at a lower pace and evidenced a higher degree of volatility (2% average growth with a standard deviation of 13%).

### **Sectors of economic activity**

The output of main sectors of economic activity (agriculture and tourism) contracted in the first quarter of the year with a slight rebound in the third quarter.

Banana production in the Windward Islands declined by 6% in the first quarter of the year reflecting a 27% decline in Dominica that compensated for the increased production in Saint Lucia, Grenada and Saint Vincent and the Grenadines (4%, 3% and 0.3%, respectively). However, the satisfactory performance of the banana industry in the second quarter outdid the poor results obtained in the first quarter and banana production as well as banana exports were reported to have increased in the first semester of the year. In this period, Saint Lucia's output expanded by 56% and the exports and earnings of the Windward Islands grew by 16%. This reflected an increase from \$417 to \$422 per ton exported. In the final quarter of the year the banana sector output reflected the damage caused by Hurricane Lili (September 2002) which, in the case of Saint Lucia, destroyed half of the crop. Rehabilitation efforts should help to partially mitigate its effects.

The tourism industry still struggled with the effects of the deceleration of the United States economy and the September 11th 2001 effects. The performance of the tourism sector during the first quarter of the year was characterized at the aggregate level by a decrease of 10% in stay-over visitors. At the individual country level the performance of the tourism sector was mixed. On the one hand, Grenada, St. Kitts and Nevis and Saint Vincent and the Grenadines recorded increases in the number of stay-over visitors (2%, 15% and 22%, respectively). On the other hand, the number of stay-over visitors to Saint Lucia and Dominica dropped by 0.4% and 34.8%, respectively. However, in the third quarter officials indicated that recuperation in the performance of the sector is visible. Available figures for Saint Lucia point to an increase in stay-over arrivals by 14% between August 2001 and 2002. However, the outturn for the cruise ship sector was still negative (-39% in arrivals for the same period).

### **Prices, employment and wages**

The stability in international prices and the contraction in spending contributed significantly to low rates of inflation in the Eastern Caribbean Currency Union Area. The average rate of inflation was 2.2% with a 0.9% standard deviation. Grenada, Montserrat and St. Kitts and Nevis recorded the highest rates of inflation (3%, 3% and 3.7%, respectively) while Saint Vincent and the Grenadines registered the lowest rate of increase in prices (1.4%). In the first three cases, inflation is associated with higher public utility tariffs, food prices and transportation costs.

Though no official figures are available for employment and unemployment for the whole year, the slowdown in growth and the performance of the tourism industry determined the trends in both variables. Finally as OECS economies seek to adjust the level of expenditures in line with that of revenues to equilibrate their public finances, wages in the public sector are likely to remain at their current levels or increase moderately.

## OTHER SELECTED CARIBBEAN COUNTRIES

### BARBADOS

#### General overview

The economy of Barbados registered a negative growth rate for the second consecutive year (-2.7% and -0.4% in 2001 and 2002). The decline in tourism activity (-3%) and the sugar subsector (-10%) drove the contraction in economic activity. The output in most of the other sectors stagnated.

The authorities reacted to the slump by increasing capital expenditures. The counter-cyclical fiscal policy strategy combined with a constant tax yield ratio led to an increase in the fiscal deficit. The accumulation of liquidity in the banking system due to the slower growth in the demand for loans facilitated the financing of the fiscal gap. The gap was closed mainly through central bank credit and by drawing on government deposits. This led to an increase in high-powered money while at the same time allowing the money supply to expand with the requirements of the real economy.

The economic contraction also had important effects on the external sector. Export earnings were reduced and tourism revenues declined. At the same time, import demand faltered. The overall result was a marginal widening of the current account deficit. The external gap could not, however, be financed by the surplus in the capital and financial account as it recorded a drop of more than US\$200 million responding to the contraction in public net direct foreign investment.

#### Fiscal policy

The central government registered a fiscal deficit equivalent to 4.1% of GDP representing a slight increase from the 3.6% registered in 2001. The result corresponded to an increase in government expenditures (37.8% and 38.4% with respect to GDP in 2001 and 2002) since the tax ratio remained constant (32%).

Direct tax revenue earnings declined as a result of the underperformance of corporate tax earnings (5% and 4% of GDP in 2001 and 2002). The behavior of corporate tax revenue responded in turn to low levels of profitability. For its part, personal tax revenue earnings decreased from 14.5% to 13.7% of GDP. The underperformance of direct taxes was compensated by indirect tax revenue collection and, in particular, value added taxes (B\$488 and B\$517 million in 2001 and 2002). Finally despite the decline in total import value, international trade tax revenues expanded (22%) due to the adoption of a 60% bound tariff on selected agricultural products.

The increase in expenditures is accounted for by capital expenditures (18% and 21% of total expenditures in 2001 and 2002) that responded to a counter-cyclical policy strategy of the authorities. Capital expenditure projects included ongoing work on infrastructure, ports and

transportation facilities. For its part, current expenditures increased marginally (1.2% and 32% of GDP in 2001 and 2002). Within this category, public wages increased following a wage negotiation agreement for April 2001-March 2003. The effects of the increase in wages became visible starting from the second quarter of 2002. Interest payments on the domestic debt declined due to low interest rates and an unchanging stock of short-term treasury bills (B\$647 million).

The deficit was financed mainly from domestic sources. Net foreign financing decreased as the government did not make use of international capital markets and the amortization payments outweighed part of the external financing corresponding to project funds.

### **Monetary policy**

Base money increased by 36% while the banking system's liabilities to the private sector recorded no growth with respect to the previous year (6% in 2001 and 2002). The behavior of monetary aggregates was determined by the decline in growth and the fiscal stance of the government.

The contraction in economic activity dimmed business sales expectations. This outlook affected business profitability and their debt repayment capacity. Entrepreneurs responded to the current demand conditions by depleting inventories. Other agents in the economy also entertained a similar state of expectations. As a result, the overall demand for loans increased marginally (0.3% and 2% in 2001 and 2002) while at the same time, there was a marked absence of attractive alternatives to holding commercial banks' deposits, thus inflating commercial banks' reserves.

The reserves of commercial banks reached B\$693 million in July representing an increase of 73% with respect to the same month in the previous year. Excess reserves represented 70% of the total. Most of this excess liquidity of the banking system was deposited in the Central Bank. Commercial banks' deposits at the central monetary institution rose by 66% for the year (33% in 2001).

This monetary policy strategy had two main effects. First, the accumulation of commercial banks' reserves coupled with an adequate stock of government deposits at the central bank allowed the monetary institution to finance a greater part of the government's budget deficit (70% of the total) without the latter increasing its public foreign debt stock. The foreign debt stock rose the previous year following attempts by the government to revamp a stagnant economy (20%, 26% and 27% of GDP for the total national debt in 2000, 2001 and 2002, respectively). The government external debt increased from 62% to 67% in 2000 and 2001.

Second, this policy mitigated movements in interest rates that could have put pressure on the fixed exchange rate regime by permitting the Central Bank to mop up the liquidity of the banks and by excluding the need for new domestic debt issues. The outstanding stock of government treasury bills remained at B\$494 million between January and August and their yield increased from 1.5% to 2.6% in the same period. For its part the lending weighted average interest rate on loans declined marginally from 10.97% to 10.79%. In December 2002, the

monetary authorities decided to implement a decline in the lending and loan rates of interest in an effort to reduce the operating costs of firms and banking institutions.

### **Sectors of economic activity**

The sugar and manufacturing sectors' share of GDP continued to shrink or remain stagnant during the current year (21% and 19% for sugar and 8.5% and 8.6% for manufacturing for 2001 and 2002, respectively) highlighting the growing importance of the services sector (78% and 79% of the total in 2001 and 2002) and in particular the need to promote tourism activities.

The sugar sector registered a contraction (-10%). Sugar activity was affected by climatic conditions and the late start of the harvest season translating into a fall in the sugar cane yield (-10% with respect to the previous year). The non-sugar sector stagnated (1%) due to a combination of lower volumes in the output of milk and fish landings (-2% and -7%, respectively for 2002) and a marginal recuperation for chicken (-7% and 1% in 2001 and 2002, respectively).

The manufacturing sector followed a similar trend. Its performance responded to the general economic conditions and to a government campaign to promote expenditure on domestic products.

Tourism registered a decline (-3%) as a result of the underperformance of the sector during the first semester of the year (-10%). However, the third quarter noted a marked recovery in the dynamism of tourist arrivals. According to preliminary data, total tourist arrivals increased by 2%, 6% and 8% in July, August and September with respect to the corresponding months of last year. It is expected that for the whole calendar year tourist arrivals and cruise ship arrivals will register rates of growth of -3% and -1% (-7% and -1% for 2000, respectively).

### **Inflation, unemployment and wages**

The rate of inflation remained stable following the trend of international prices (2.8% and 2.1% measured by the rate of increase in consumer prices in 2001 and 2002). The most important components of the retail price index, food, medical and personal care, housing and household operations and supplies registered declines or modest expansions.

The rate of unemployment increased from 9.9% to 10.5% in consonance with the prevailing economic conditions. Preliminary data indicate job losses in the general services, construction and manufacturing sectors and employment gains in the tourism and dependent sectors, such as the wholesale and retail trade sectors.

Following wage negotiations for April 2001-March 2003 public sector wages increased by 5.8%.

## **The external sector**

The overall result in the balance of payments was negative (US\$-23 million) reflecting a marginal increase in the current account balance (US\$94 and US\$97 million in 2001 and 2002 and 4% of GDP in 2002) and a substantial decline in the surplus in the capital and financial account (US\$288 and US\$74 million in 2001 and 2002).

The current account deficit reflected a slight increase in the trade deficit and similar results in the services and income balances to those obtained in 2001 (US\$584 and US\$97 million, respectively for 2002). In turn, the trade deficit figure is explained by a combination of the decline in exports (-12%) due to the decrease in the output of sugar and that of electronic components (-14%, -16%, respectively), the stagnation of chemicals, food and beverages and by the reduction in imports (-5%) due to the drop in the level of activity.

Compared to the previous year the outturn of the capital and financial account reflected in part the decision to use internal rather than external sources of finance. In the previous year the government turned to the international capital market for a loan of US\$150 million as a precautionary measure to confront the adverse repercussions of September 11th 2001 events. As a result, long-term public investment reached US\$150 million in 2001 decreasing to US\$18 million in 2002. For its part private sector foreign direct investment (US\$133 and US\$55 million in 2001 and 2002, respectively) was directed to the tourism sector and infrastructure projects.

## **BELIZE**

### **General overview**

GDP growth (4.6% and 3.7% in 2001 and 2002) reflected aggregate supply and demand conditions. Aggregate supply stagnated as the major economic sectors registered declines or mild increases in their rates of growth. The agricultural and agro-processing sectors did not show signs of having fully recovered from adverse climatic conditions, which affected their productivity and output. For its part the tourism sector registered a mixed performance.

Government expenditures and, in particular, capital expenditures mainly drove aggregate demand. Demand expanded during the first part of the year and then contracted as the authorities opted for a policy to reduce absorption and the levels of foreign external debt in order to maintain a sustainable balance of payments position.

In accordance with this behavior the fiscal deficit, which yielded a deficit equivalent to 11% of GDP due to expanding expenditures in the fiscal year 2002/2001 is expected to wind down to 5% in the current fiscal year 2002/2003. The fiscal deficit was financed by an increase in net domestic assets which, jointly with a decline in net foreign assets, led to a modest rise in high-powered money. Commercial banks faced a similar situation increasing domestic credit to satisfy a rising loan demand while recognizing a decrease in foreign assets.

In order to abate the pressure in the foreign exchange market, the authorities opted for a strict monetary policy that would complement and reinforce the fiscal stance.

In conjunction with an expected increase in exports as the productive sector recovers, propelled by rehabilitation efforts, this strategy should narrow the current account deficit from 21% to 12% of GDP. The economic policy strategy also takes into consideration the fact that as the government reduces its foreign indebtedness the capital and financial account should register a reduction in the magnitude of capital inflows.

### **Fiscal policy**

The fiscal deficit of the central government increased (10% and 11% of GDP for fiscal year 2002/2001 and 2001/2000, respectively) due to a greater level of expenditures (35% and 36% of GDP for fiscal year 2001/2002 and 2002/2001) that was not supported by an equally significant tax effort.

Total revenues (25% of GDP for both fiscal year 2002/2001 and 2001/2000, respectively) reflected the performance of international trade and transactions taxes (7% and 8% of GDP; 30% and 34% of total revenues for both fiscal years) and more specifically the contribution of the revenue replacement duty on oil. The intake derived from this tax resulted from the difference between international oil prices ex-refinery (which declined in the first semester of the calendar year) and the domestic prices charged to the consumer at the pump (which were not adjusted to the current conditions in the petroleum market). The rest of the taxes maintained their share in GDP.

The behavior of expenditures was determined by increases in both current and capital expenditures (14% and 1.3%; 18% and 14% of GDP for fiscal year 2001/2002 and 2002/2001). Current expenditures responded to interest payments and wages and salaries (3% and 10% of GDP for the fiscal year 2001/2002). Capital outlays were allocated to domestically financed projects representing an increase of 113% relative to the previous fiscal year. The projects included land development, land administration and road and drainage infrastructure. For its part capital expenditures financed from foreign sources declined from BZ\$184 to BZ\$125 million.

The budget deficit was financed from domestic and foreign sources (57% and 43% of the total). Domestic financing was provided by a change in government deposits at the Central Bank deriving from the disbursement of an external loan corresponding to the previous fiscal year. Net external financing reflected disbursements for BZ\$153 million, which surpassed amortization payments of BZ\$64 million. The financing strategy led to an increase in the external debt, which according to some sources stood at 80% of GDP at the end of 2001.

Available data for the fiscal year 2002/2003 show an improvement in the fiscal accounts. International trade and transactions through the revenue replacement duties accounted for the bulk of the increase in current revenue (8% between April-June 2002 relative to 2001). Current expenditures declined (-4%) as wages and salaries and interest payments subsided. Capital

expenditures also contracted (15%). The planned target is to reach a deficit equivalent to 5% of GDP. In accordance with these objectives the government is seeking to reduce the sizeable stock of domestic and foreign debt. As a first step, the government issued an international bond in order to change the short-term profile of its external debt.

### **Monetary policy**

The financing strategy of the government increased the net domestic assets of the Central Bank by close to BZ\$50 million. At the same time the economy registered an increased excess of demand for foreign exchange leading to a weakening in the net international reserve position of the monetary authorities (-23%). The overall result was a decrease in money base growth from 8% to 6% between 2001 and 2002.

Commercial banks found themselves in a similar situation in spite of the increasing demand for credit (9%) fueled by personal loans, manufacturing activity, real estate and tourism. Financial intermediaries responded to the demand for credit by expanding the supply of loans and attracting deposits. In particular, commercial banks sought to increase their liquidity by offering new time deposit contracts. The increase in the demand for liquidity led banks to partly reduce their excess reserve ratios and concomitantly the interest rates on loans. The weighted average loan rate declined by 10 basis points to 15.3% in the first quarter and by more than 50 basis points in the second quarter to 14.6%.

However, as in the case of the Central Bank the increase in domestic liquidity was partially offset by the decline in commercial banks foreign net assets. In consonance with this behavior M2 increased by a mere 3%.

The authorities have sought to alleviate the pressures in the foreign exchange market by partly legalizing the existing parallel foreign exchange market, by applying stricter monetary and fiscal policies and widening the scope of action to absorb excess liquidity. As a result, at the beginning of the second quarter of the year (April, 2002) the government allowed the establishment of foreign exchange houses to trade at non-official exchange rates. Later on in the year, in July-August, the cash-reserve requirement for all deposits was increased by 2 percentage points. Finally, the authorities introduced legislation to increase the legal limit to issue treasury bills to enhance the efficiency of sterilization operations.

### **Sectors of economic activity**

Sugar cane delivery increased (7%) due to the introduction of more efficient methods of production. Sugar production witnessed a more modest increase (3%) due to the decline in cane purity leading in turn to a lower cane-sugar ratio. The cane-sugar ratio increased from 9.85 to 10.17.

The performance of the citrus sector (-24%) is explained by the damage caused by Hurricane Iris. In accordance, orange and grapefruit deliveries also contracted (26% and 16%,



respectively). This in turn caused concentrate production and output of juices to decline (-26% and -36%, respectively).

For its part, banana production has shown some signs of recovery from hurricane damage. The recovery of the banana sector has been facilitated by readily available sources of finance for rehabilitation purposes.

The performance of the tourism sector yielded mixed results. During the first semester tourist stay-over arrivals declined -1.5%, with sea and air arrivals decreasing -4% and -25%. However, cruise ship arrivals increased from 20 742 to 105 316 as a result of agreements with cruise lines for year round port calls to Belize. This could provide an indication of an initial rebound from the adverse effects caused by the slowdown of the United States economy and the September 11<sup>th</sup> events.

### **Inflation, unemployment and wages**

The rate of inflation measured by the rate of change of the consumer price index remained at the level of the previous year (1.1% and 1.5% for 2001 and 2002). The behavior of inflation reflected an increase in import costs (0.5%), higher fuel costs for the consumer and a tariff adjustment that took place in January for basic telephone services.

At the component level, the most important increase was registered by transport and communications (9% with 17% of the weight in the consumer price index) followed by medical care (3% and 2% of the weight). These increases were partly offset by insignificant and opposite movements in other components of the price index and, in particular, in food, beverages and tobacco, clothing and footwear, and rent and water (0.7%, -0.4%, -1.4% and 35%, 9%, 17% of the weights in the consumer price index).

While there are no official projections for the unemployment rate for 2002, the tightening of the monetary and fiscal stance and hence the concomitant contraction in the level of absorption will probably lead to an increase in the rate of unemployment which stood at 9.3% in 2001.

### **The external sector**

The global result of the balance of payments is expected to be negative for the year. This outturn is contingent on an expected deficit in the current account balance that would not be offset by the projected surplus in the capital and financial account.

The current account deficit would narrow from 21% to 12% of GDP between 2001 and 2002. This would reflect, on the one hand, an improved export performance (10%) as the country slowly regains its export base partly as a result of rehabilitation efforts and as tourism recovers from the adverse external shocks of the previous year. On the other hand, this result would respond to a decline in import demand (-8%) brought about by the adoption of tighter monetary and fiscal policies.

Available government data for the first semester indicates that exports expanded (8%) due mainly to the free trade zones as domestic exports, with a few exceptions, contracted. Sugar, bananas, citrus and marine products exports fell by -13%, -53% and -22%, respectively. For its part imports declined (-8%) behaving according to the projected outcome. The invisible trade balance reflected the recovery of the tourism sector (10%) led by increased foreign exchange inflows from cruise ship arrivals. At the same time the repatriation of profits increased above the expected levels.

The surplus on the capital and financial account is expected to decrease (US\$157 and US\$78 million in 2001 and 2002) mainly due to the commitment of the public sector to repay its external debt. This will partly reflect the fact that external debt amortization payments are projected to rise above disbursement inflows (100% and 86%, respectively). Finally foreign direct investment is expected to decline considering that in 2001 the privatization of the water and sewerage company led to a significant inflow of foreign direct investment.

## JAMAICA

### General overview

Jamaica's economy (1.7% and 2% GDP growth in 2001 and 2002) evolved in a context marked by supply shocks, adverse external conditions and a climate of uncertainty prevailing in the foreign exchange market. Also during the year Jamaica held general elections in October.<sup>1</sup>

The main sectors of economic activity registered declines or stagnant growth. The flood rains of November 2001, and those of May-June and September 2002 hampered agricultural and manufacturing output. The performance of the mining sector reflected temporary disruptions in the production cycle. Finally, tourism indicators did not show a recovery from the negative impact of the slowdown of the United States economy and the September 11<sup>th</sup> events.

The fiscal accounts registered a higher than expected imbalance due to the increase in current expenditures and the decrease in tax revenues. For its part capital expenditures were used as the adjustment leverage and contracted in spite of the rehabilitation measures following the flood rains. The deficit was financed through foreign and domestic sources. The foreign finance component contributed to increased pressures in the foreign exchange market, which was characterized by uncertainty regarding the future path of the economy's nominal anchor.

The depreciation in the exchange rate, the effects of the flood rains on the supply of agricultural products jointly with higher wages fed into inflationary expectations forcing the intervention of the monetary authorities. The Central Bank intervened in the foreign exchange market to dampen and stabilize the fluctuations in the exchange rate by decreasing the stock of

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<sup>1</sup> The People's National Party (PNP) won the election with 53% of the vote. The opposing political party, the Jamaica Labour Party (JLP) obtained 47% of the vote.

foreign net international reserves. In the third and fourth quarter of the year, they also responded by tightening the monetary policy stance.

The performance of the external sector reflected the general economic situation. Exports declined due to the effects of the flood rains and the lack of competitiveness of non-traditional exports. The services balance was negatively affected by the decrease in tourist expenditures and the income balance result reflected higher capital outflows. The resulting current account balance was however more than compensated by foreign direct private investment leading to a positive change in international reserves.

### **Fiscal policy**

The central government accounts outturn showed a deficit equivalent to -6% of GDP (-6.3% in 2001). The fiscal outturn resulted from a combination of lower than budgeted tax revenues and higher than budgeted expenditures due in part to adverse external conditions.

The decline in tax revenues is explained in greater part by the behavior of taxes on income and profits registering a negative deviation of 14% from its target for the available data for the fiscal year 2002/2003 (April-September). Within this category, the decrease in taxes on interest is the single most important explanatory variable (-16% with respect to the fiscal year 2001/2002 and -43% below target). Its behavior is explained by the unfulfilled expectation that some public firms would no longer be exempted from the payment of interest on investment on government securities.

The underperformance of international trade taxes (11% over the fiscal year 2001/2002 but -7% below the set target) also contributed to the overall result. The movement in international trade taxes responded to the modest growth in travel tax, general consumption tax and the special consumption tax due to the sluggish economic growth and a tourism sector that has not fully recovered from the downturn of the previous year.

Total expenditure rose by 18% (April-September 2001 and 2002) reflecting increases in current expenditure since capital expenditures contracted (-25% with respect to the previous year and -15% with respect to its budgeted amount). Current expenditures responded to wages and salaries and to interest on the external debt. Wages rose by 12% and interest payments on the external debt by 60%.

The government's deficit was financed from domestic and foreign sources. Domestic sources of finance included, among others, the issue of long-term bonds in an effort to lengthen the maturity period of the debt and the drawing of government balances at the Central Bank. Foreign financing included the raising of US\$300 million through the placement of a 15-year Eurobond. As it stands the stock of total domestic debt is evaluated at J\$331 619 million with Local Registered Stock (LRS) representing 70% of the total. For its part the stock of external debt is equivalent, on accrual basis, to US\$4 231 million (54% of GDP). Bond issues represent 42% and bilateral and multilateral debt 27% of the total.

## Monetary policy

The most important objective of monetary policy was to maintain the stability of the foreign exchange rate to comply with the Central Bank's inflation target. The weighted average exchange rate moved from J\$47.40 at the end of December 2001 to J\$49.27 at the end of September reflecting a depreciation of 4%.

The behavior of the exchange rate responded to the pressures created in the market by the government's placement of the Eurobond to finance its deficit and lower than expected foreign exchange net flows due to sluggish growth in exports, tourism, the increased private capital outflows due to the prevailing uncertainty in the market, and government service of the external debt.

The monetary authorities responded to this state of affairs by intervening in the foreign exchange market selling foreign currency, which led to a decline in the central bank's stock of net foreign assets. Net international reserves declined from US\$1 841 to US\$1655 million between December 2001 and October 2002 (-10%). Also starting in September the authorities reinforced their intervention by increasing interest rates, a policy measure that had not been adopted during the first eight months of the year to avoid the possible negative impact on output and employment.

The decline in net international reserves partly offset the government's use of its deposits at the Central Bank, which increased that institution's net domestic asset component of the money base. As a result the money base rose 2% between January 2001 and October 2002. However, the decline in the reserve deposit ratio in March 2002 from 10% to 9%, the decrease in agent's preference to holding cash rather than deposits (14.56% and 13.97% between September 2001 and 2002) and the decline in interest rates during the first nine months of the year fueled the demand for credit.

The Central Bank decreased the repurchase rates in July and declared a further reduction for 270-day and 365-day rates at the beginning of August. Commercial banks followed suit and decreased the weighted loan rate decline from 19.76 (August, 2001) to 17.85 (August, 2002). The decline in yield for government securities validated the movement in the rates of interest. The demand for loans increased by 42% between August 2001 and August 2002. Consumer loans represent 42% of the total. Among the productive sectors tourism, transport and communication, and manufacturing were the main credit recipients (10%, 7% and 6% of the total). The rise in loans allowed the buildup of deposits and the increase in narrow, quasi and broad money by 7%, 6% and 5%, respectively.

The authorities mitigated the trend in interest rates at the beginning of the last quarter of the year with little impact on loan demand by increasing the price of credit of two of its instruments to reinforce the need for stability in the exchange rate market and to meet the announced inflation target.

## Sectors of economic activity

GDP growth (2%) reflected the expansion of the domestic components of aggregate demand and the slowdown of the main economic sectors contributing to aggregate supply.

The rate of growth of the agricultural sector (-8.5% and 8.1% in 2002 and 2001, respectively)<sup>2</sup> contracted due to adverse climatic conditions resulting from the floods and heavy rain that affected the country in November-December 2001, May-June and September 2002. The floods affected agricultural crops (mainly vegetables and ground provisions), sugar cane output by the consequent delay in reaping, coffee, the poultry subsector and banana production. According to official sources the May-June and September flood damages to agricultural crops are valued above J\$10 million. In July, the government undertook rehabilitation efforts through a Flood Relief Assistance Programme in order to assist farmers to restart production with an initial stock of funds of J\$21 million.

The mining sector (-2%) also experienced a decline in activity driven by the decrease in bauxite production. Preliminary data for the September quarter show declines of -3.6% and 1.5% in crude bauxite and alumina production. The performance of the mining sector responded to disruptions in output, technical difficulties experienced by a refinery and also to the flood rains, which watered the soil and caused mechanical difficulties to the transportation infrastructure.

The manufacturing sector stagnated (-1.9%) due to lower than expected growth in the food processing industry, petroleum refinery activities, tobacco industry and textile and wearing apparel. The flood rains negatively affected the food processing industry and, in particular, sugar and poultry production. The output in petroleum products suffered from the temporary shutdown in a major refinery due to repairs and maintenance but also benefited from the increment in demand of the government following the restoration of normal operating capacity in the power generating plants. For its part, the lack of competitiveness hampered the expansion of the textile and wearing apparel subsector.

The construction sector (2%) benefited from the liquidity conditions in the economy as reflected in the dynamism of residential construction and from the rehabilitation activities following the flood rains.

The performance of tourism indicated that the sector has not recovered from the effects of the July disturbances, the slowdown of the United States economy and the September 11<sup>th</sup> events. Total visitor arrivals saw a decrease of -6% with respect to the previous year. Within this category stopover and cruise ship passengers show a contraction of -5% and -6% and visitor expenditure a decrease of -9%.

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<sup>2</sup> The figures presented in this section refer to estimates for the first nine months of the year 2002.

## **Inflation, unemployment and wages**

The point-to-point rate of inflation (December 2001-December 2002) is estimated at 7% (8.7% in 2001). The rate of inflation outturn reflected mainly supply shocks. These included the effects of the flood rains on agricultural prices, exchange rate depreciation, higher than programmed oil prices and the monetary policy stance. According to official sources core inflation explained 44%, 52% and 33% of headline inflation in the first three quarters of the year.

The major contributors to the rate of increase in prices were by category, food and drink (in particular the subgroups starchy foods and vegetables and fruits (8% and 14% for the 12<sup>th</sup> month point-to-point September 2001 and 2002) and housing and other housing expenses. The movement in the latter component of the price index is explained in part by oil prices, the exchange rate depreciation and by the 50% increase in the minimum wage implemented at the beginning of the year.

The rate of unemployment is likely to increase above 15% reflecting the general stagnation of most economic sectors.

### **The external sector <sup>3</sup>**

The current account balance registered a deficit (US\$-330 million) that was offset by the financial and capital surplus leading to an increase in reserves of US\$30 million. This end-result was however lower than the US\$500 million obtained for the preceding year.

The current account outturn was the result of an increase in the trade deficit (US\$675 and US\$691 million in 2001 and 2002) and in the income balance (US\$170 and US\$183 million in 2001 and 2002) and a decline in the surplus in the services balance (US\$227 and US\$150 million in 2001 and 2002).

The performance of total goods exports (US\$612 and US\$541 million in 2001 and 2002) was adversely affected by the impact of the rain floods on agriculture and the temporary disruptions in production caused to the mining sector and in particular to alumina exports (US\$277 and US\$238 million between 2001 and 2002). For its part, non-traditional exports (US\$108 and US\$91 million in 2001 and 2002) also experienced a decrease explained by the competitiveness difficulties facing the apparel sector and the interruption in the production of limestone during April and May.

Imports also decreased, albeit at a lower rate than that of exports (US\$1495 and US\$1442 million in 2001 and 2002). The behavior of import demand was determined by the fall in raw materials (US\$788 and US\$696 million) since all other categories recorded increases with respect to the previous year.

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<sup>3</sup> The external sector figures refer to the period January-May.

The decline of the surplus in the services balance reflected the laggard recovery of the tourism sector. Finally the deficit in the income balance resulted from the repatriation of profits and dividends, capital outflows motivated by the uncertainty in the foreign exchange market and the payments corresponding to the external debt service.

The disequilibrium in the current account was offset in the main by private investment capital inflows (US\$299 million), which accounts for the surplus in the financial account.

## TRINIDAD AND TOBAGO

### General overview

Trinidad and Tobago's GDP growth noted little change from the previous year (3.3% to 2.7% in 2001 and 2002).<sup>4</sup> The rate of expansion of the oil sector surpassed that recorded in 2001 (2.4% and 4.5% in 2001 and 2002) but was unfavorably affected by declines in the price of crude oil during the first semester relative to the previous year and by the uncertainty prevailing in the petroleum market. The performance of the non-oil sector responded to the dynamism of the services sector (4.2%) and the recovery of the agricultural sector (-2% and 11% in 2001 and 2002) due to the improvement in sugar production. For its part, manufacturing output contracted (3.6% and 1.1% in 2001 and 2002).

The fiscal year (2001/2002) ended with a balanced budget allowing the government to repay part of its foreign and domestic debt obligations. This result reflected a decrease in the tax revenue effort whose negative fiscal effects were counterbalanced by declining capital expenditures. Following the general elections (October, 2002) that broke the prevailing political deadlock, the new authorities presented the budget for the coming fiscal year (2002/2003) which is expected to yield a deficit of 1% of GDP.<sup>5</sup>

The fiscal outturn facilitated the conduct of monetary policy that followed the guidelines provided by a new framework based on interest rate targeting. The main challenge confronted by the authorities was to establish, within this new framework, the rules for trading in the money market in an environment characterized by excess liquidity due to the decrease in the demand for loans. The Central Bank engaged in sterilization operations and at the same time eased its monetary stance to stimulate the demand for credit, which remained, however, irresponsive to changes in the price of credit throughout the greater part of the year.

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<sup>4</sup> The difference in the rate of GDP growth between both years is due to an adjustment of imputed bank service charges.

<sup>5</sup> General elections for parliament and the executive branch (Prime Minister) were held in December 2001 but led to a tie between the two major political parties failing to elect a Prime Minister. Following constitutional rules, the president appointed one of the candidates as interim prime minister. However, frustrated efforts to elect a speaker of the House of Representatives and to hold parliament led ultimately to the October 2002 elections. The People's National Movement (PNM) won the election.

The external sector yielded a balanced result due to the surplus in the current account, which compensated the deficit in the capital and financial account. The surplus in the current account, albeit a declining one in relation to the previous year, is explained by the increase in insurance flows. The deficit in the capital and financial account reflected external debt payment obligations.

The outcome of the balance of payments, jointly with other factors, made possible for the authorities to maintain a strong reserve position permitting the exchange rate and, in turn, inflation to move within planned target ranges.

### **Fiscal policy**

The central government registered a balanced fiscal position (a TT\$69 million surplus and 0.1% of GDP) for the fiscal year 2001/2002. This was the result of a decline in target revenues that were matched by lower than planned fiscal expenditures (27% and 24% of GDP in 2001 and 2002).

The behavior of total tax revenues responded to a decline in the income and profits tax earnings (-17% with respect to the fiscal year 2000/2001 and 47% of total revenue). In turn, this is explained by the decline in tax payments of oil companies (-38% with respect to 2001) due to lower oil prices relative to the previous fiscal year, and higher capital allowances and deductions. Oil prices remained below the official US\$22 benchmark used to estimate budget revenues. The tax intake on goods and services increased (6.5% to 7.2% of GDP in the fiscal years 2000/2001 and 2001/2002) as VAT revenues expanded (13%) while international trade tax revenues remained at the level of the previous fiscal year (6% of total government revenue and 0.22% of GDP for fiscal years 2001/2000 and 2002/2001). For its part non-tax revenues (9% and 13% in fiscal years 2001/2000 and 2002/2001) also expanded reflecting an increase in the remittances of dividends from public firms to the central government.

The decline in expenditures is explained by the contraction in the capital component (-24% with respect to the previous fiscal year). Current expenditures rose marginally (16.3% and 16.8% of GDP for the fiscal years 2001/2000 and 2002/2001) mirroring increases in wage payments and emoluments (30% of total expenditure) and goods and services nominal outflows (12% for both budget lines with respect to the previous fiscal year).

The fiscal result allowed the government to reduce its borrowing requirements and undertake significant amortization payments. Net of repayment domestic sources provided the bulk of the government's financing needs which declined from TT\$390 to TT\$114 million. For its part net external finance turned out to be negative as amortization payments surpassed the government borrowing requirements. In spite of these efforts, total public debt increased by 3.8% due mainly to central government contingent liability on guaranteed debt used to finance infrastructure projects.

The budget for the new fiscal year 2002/2003, presented and approved in October, is estimated to yield a deficit of 1% of GDP due to payments to settle salary arrears. On the revenue



side of the accounts the main features of the budget include among others, a reduction in the top marginal rate of income and corporation tax (35% to 30%); the removal of taxes on medication and export subsidies to comply with World Trade Organization (WTO) agreements. On the expenditure side the government is planning to increase spending on health and education by 10% and 12%, respectively.

### **Monetary policy**

During the course of the year the monetary authorities switched their policy strategy from money supply to interest rate targeting. In May 2002, the Central Bank introduced the Repo rate as the key indicator for the monetary policy stance. The Repo rate refers to the rate of interest charged by the Central Bank to commercial banks for overnight borrowing. This financial option comes with the possibility of a repurchase agreement by the Central Bank with an interest rate termed the Reverse Repo rate. Funds are purchased by the Central Bank at a 50 basis point discount over the Repo rate. The Repo rate was established at 5.75% and the reverse rate at 5.25%. The Repo rate also constitutes the reference point for other rates such as the discount rate (charged on borrowing from the Central Bank to cover temporary periods of liquidity shortages) and the special deposit rate (the rate at which excess reserves are remunerated when held at the Central Bank).

The main challenge for the authorities consisted in implementing this change in monetary policy strategy, which set de facto a ceiling and floor for trading in the money market, at a time of excess liquidity. Excess liquidity responded in part to a climate of uncertainty due to the political stalemate prevailing throughout the year, and the continued slowdown in the United States economy. On the one hand, the demand for loans from the private sector declined steadily throughout the year. Between March-August 2002-2001, the rate of growth of credit demand decreased from 12% to 6%. The demand for loans outstanding also declined from 10% to -3%. On the other hand, commercial bank deposits increased at an average rate of 15%. As a result the ratio of outstanding loans to deposits decreased from 0.69 to 0.65. Banks' excess reserves were deposited in part at the Central Bank.

Within this context the Central Bank opted to decrease the Repo rate from 5.75% to 5.25% while at the same time sterilizing the excess liquidity through the issue of treasury bills. Between October 2001 and August 2002 the sales of the treasury bills issued by the Central Bank amounted to TTS\$1 700 million. The overall result was a general decline in the rates of interest, which however was not totally successful in stimulating credit and aggregate demand.

The bank rate declined from 13% to 7.3% between January and September. The basic prime rates followed this trend decreasing from 14.50% to 12% for the same period. The treasury bill rate was reduced from 5.9% to 4.1%. The effect of the reduction of loan interest rates on banks' profitability was mitigated by a similar decline in deposit interest rates. The weighted average six-month deposit rate was lowered from 6.5% to 3.7% and from 6% to 3.7% for domestic currency and dollar deposits. The behavior of the money supply aggregates was responsive to the interest rate objectives. Base money, narrow money and broad money rose 9%, 7%, and 14% between August 2002 and 2001.

The conduct of monetary policy was facilitated by the buildup in net international reserves, which maintained the stability of the exchange rate. In spite of a lower than expected international oil price, net international reserves increased from US\$1897 to US\$1969 million (4%) representing eight months of imports and twice the money base. The exchange rate appreciated marginally (2% between October 2002 and 2001 and 0.1% between October and January).

### **Sectors of economic activity**

The performance of the petroleum sector (2.4% and 4.5% for 2001 and 2002) is explained in part by the decline in international oil prices in the first part of the year with respect to the previous year (-8.3% on average between March-June, 2002), the slowdown of external demand and by the long-term policy objectives of the authorities to orient their efforts and resources to the development of the natural gas industry. As a result, while domestic crude production increased (5% for January-September 2002, both in terms millions of barrels and millions of cubic meters) the development and exploratory drilling as measured by the depth drilled in thousands of meters stagnated (-0.1% for January-June 2002). Natural gas production and utilization rose 2.5% and 3.4% for the period October 2001-September 2002, respectively, and is expected to increase 20% by 2004 due to the expansion of plant capacity and the development of the distribution infrastructure.

For its part the petrochemical subsector recorded a mixed outcome. Nitrogenous fertilizers stagnated (1% and -8% between October 2001-September 2002 for production and external sales, respectively). Contrarily, methanol and iron and steel production expanded (6.6% and 19% for October 2001- September 2002 and October 2001 and May 2002, respectively) due to the improvement in plant capacity and methods of production. This, in spite of the decrease in the international price of methanol and wire rods (-44% and -7% for the period March to June 2002).

The revival of growth in the agricultural sector (-3% and 11% in 2001 and 2002 respectively) responds to the dynamism of sugar. Sugar output expanded (-6% and 21% in 2001 and 2002) despite the decrease in the sugar-cane ratio, financial constraints and harsh competition.

The decline in manufacturing (3.6% and 1.1% in 2001 and 2002) responded to low levels of technology, high costs, a discrete marketing strategy profile, and supply constraints in the provision of raw materials. In terms of its relative importance the largest declines were registered in food, beverages and tobacco (-2% and 43% of total manufacturing output). This is largely explained by a change in strategy of a multinational firm, consisting of a discontinuation of the production of selected domestic dairy products.

Construction activity (7.2% and 4.1% in 2001 and 2002) resulted from the contraction in public capital expenditures and a general economic climate that was not favorable to the undertaking of investment projects in spite of the decrease in interest rates.

Finally, the tourism sector remained depressed (-22% and -1.3% in 2001 and 2002). Available data for the first quarter of the year indicates contractions in visitor, cruise-ship and yachting arrivals (-15%, -22% and -11%, respectively). Also for the same period occupancy levels remained below 50%.

### **Inflation, unemployment and wages**

The rate of inflation measured by the retail price index decreased from 5.6% to 3.9% due to a stagnant demand, a slight appreciation of the exchange rate and stable international prices. At the group level the most recent available annualized monthly data (August) show that food (11.30%) is the largest contributor to the rate of increase in prices followed by household supplies and services (1.35%) and drink and tobacco (0.72%). Movements in the opposite direction in housing (-1.05%), clothing and footwear (-2.99%) offset these increases, which account for 32% of the weights in the retail price index.

During the year the labor force increased from 576 450 to 585 800 persons and the number of persons employed from 514 075 to 521 100. At the sectoral level increments in the labor force were noted in particular in electricity and water, real estate and business services and sugar. The participation rate and the unemployment rate remained at similar levels as those recorded for the previous year (60.7% and 61.2%; 10.8% and 11% for 2001 and 2002, respectively).

### **The external sector<sup>6</sup>**

The external sector registered a balanced result in the global balance of payments (US\$-4 million or 0.04% of GDP) resulting from a current account surplus (US\$148 million) that, in the main, offset the deficit in the capital and financial account (US\$-152 million).

The current account performance responded to the surpluses in the merchandise and services account (US\$125 and US\$52 million) that surpassed the deficit in the income account (US\$-39 million).

Export growth decreased with respect to the previous year (-14%). This behavior responded in part to a decline in trade in mineral fuels and to a rise in petrochemicals (-5% and 1.2%, respectively). Trade in mineral fuels was affected by unfavorable price and demand conditions during part of the year and by the expiration of a mineral fuel trade agreement with Venezuela. Manufacturing exports also increased (15% in the first half of the year) while agricultural exports experienced a contraction. For its part the increment in import merchandise (US\$141 million) was determined by the production requirements of the energy sector. The variations in the real exchange rate (4% for the trade weighted real exchange rate between January and August 2002) also provided part of the stimulus for the behavior of import demand.

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<sup>6</sup> The data here presented refers to the first quarter of 2002.

The surplus in the services account increased from US\$34 to US\$52 million (2001 and 2002) reflecting the rise in insurance flows (US\$8 and US\$19 million in 2001 and 2002) since the transportation and travel items recorded declines reflecting the stagnant conditions prevailing in the tourism sector.

The deficit in the income account was the result of foreign currency outflows (US\$39 million) due to the repatriation of profits by foreign owned firms.

The capital and financial account outturn (US\$-152 million) resulted from the repayment of the public external debt since foreign direct investment increased with respect to the previous year (US\$98 and US\$182 million) as a result of investment perspectives in the energy sector notwithstanding the climate of uncertainty prevailing in the economy.

**STATISTICAL APPENDIX**



**THE ORGANISATION OF EASTERN CARIBBEAN STATES (OECS)**

<b>Table 1</b>		
<b>OECS</b>		
<b>Inflation Rate</b>		
<b>End of Period</b>		
	<b>2002<sup>E</sup></b>	<b>Sep-02</b>
Anguilla /1	1.6	(0.5)
Antigua & Barbuda /2	1.5	(0.0)
Dominica	1.5	0.2
Grenada	3.0	0.8
Montserrat /3	3.7	0.5
St. Kitts & Nevis	3.0	0.1
St. Lucia	2.1	(0.3)
St. Vincent & the Grenadines	1.4	1.7
<b>SOURCE: Statistics Department and ECCB</b>		
/1 Quarterly inflation rate applies to Anguilla		
/2 Old CPI monthly series for December 2001		
/3 Old CPI monthly series for August 2002		



<b>Table 2</b>						
<b>OECS</b>						
<b>Monetary aggregates</b>						
<b>September 2001 - September 2002</b>						
<b>Growth rates</b>						
	<b>Broad Money</b>		<b>Narrow Money</b>		<b>Base Money</b>	
	<b>Sep-01</b>	<b>Sep-02</b>	<b>Sep-01</b>	<b>Sep-02</b>	<b>Sep-01</b>	<b>Sep-02</b>
Anguilla	494.5	531.8	20.7	18.4	473.8	513.4
Antigua & Barbuda	1,406.2	1,467.9	260.9	287.6	1,145.4	1,180.2
Dominica	496.4	526.2	94.1	88.0	402.3	438.2
Grenada	1,059.5	1,140.5	183.9	196.2	875.7	944.3
Montserrat	99.7	101.2	24.2	24.6	75.4	76.6
St. Kitts & Nevis	805.9	852.0	110.4	127.6	695.5	724.4
St. Lucia	1,183.2	1,221.2	260.6	255.2	922.6	966.1
St. Vincent & the Grenadines	626.4	671.2	203.9	220.6	422.6	450.6
<b>SOURCE: ECCB</b>						

Table 3 Anguilla Central Government fiscal operations All figures in Millions of Eastern Caribbean Dollars						
	2001 Qtr I	2001 Qtr II	2001 Qtr III	2001 Qtr IV	2002 Qtr I	2002 Qtr II
Current Revenue	20.77	19.87	18.02	14.04	18.85	19.33
Tax Revenue	17.27	16.32	14.06	10.69	15.27	14.92
Taxes on Property	0.17	0.19	0.16	0.11	0.10	0.14
Taxes on Domestic Goods & Services	7.58	6.67	5.72	3.09	7.20	6.84
of which:						
Accommodation Tax	3.54	2.34	1.28	0.58	3.30	3.76
Bank Deposit Levy	-	1.40	0.96	-	-	0.64
Licenses	2.63	1.66	1.45	2.09	2.64	1.73
Stamp Duties	1.29	1.19	1.98	0.38	1.19	0.65
Taxes on International Trade & Transactions	9.52	9.46	8.18	7.49	7.97	7.94
of which:						
Import Duty	8.31	8.25	7.11	6.46	7.00	6.85
Export Duty	-	-	-	-	-	-
Foreign Exchange Tax	0.23	0.27	0.29	0.34	0.20	0.14
Embarkation Tax	0.75	0.66	0.57	0.47	0.60	0.67
Non-Tax Revenue	3.50	3.55	3.96	3.35	3.58	4.41
Current Expenditure	18.42	19.13	19.86	20.75	20.12	21.79
Goods & Services	8.27	7.79	9.29	8.78	8.40	10.66
Personal Emoluments	9.53	9.67	9.70	10.73	10.20	10.28
Interest Payments	0.18	0.61	0.36	0.69	0.90	0.46
Domestic	0.18	0.45	0.32	0.48	0.70	0.45
External	-	0.16	0.04	0.21	0.20	0.01
Transfers & Subsidies	0.44	1.06	0.51	0.55	0.62	0.39
of which: Pensions	0.44	0.35	0.35	0.36	0.40	0.35
Current Account Balance	2.35	0.74	(1.84)	(6.71)	(1.27)	(2.46)
Capital Revenue	-	-	-	-	-	-
Grants						
Of which: Capital Grants	1.94	1.55	1.38	1.32	0.40	0.27
Capital Expenditure	5.23	3.06	2.01	2.12	1.10	0.77
Capital Account Balance (before grants)	(5.23)	(3.06)	(2.01)	(2.12)	(1.10)	(0.77)
Overall Balance	(0.94)	(0.77)	(2.47)	(7.51)	(1.87)	(2.96)
Financing	0.94	0.77	2.47	7.51	1.87	2.96
Domestic	0.38	0.16	2.53	7.56	3.40	4.35
ECCB (Net)	(0.46)	0.27	0.42	4.76	(0.93)	(0.84)
Commercial Bank (Net)	(0.76)	0.83	1.48	1.73	2.85	1.96
Other	1.60	(0.94)	0.63	1.07	1.48	3.23
External	0.56	0.61	(0.06)	(0.05)	(1.53)	(1.39)
Net Amortization	0.56	0.61	(0.06)	(0.05)	(1.53)	(1.39)
Disbursements	0.62	0.67	-	0.10	0.19	0.01
Amortization	(0.06)	(0.06)	(0.06)	(0.15)	(1.72)	(1.40)
Change in Govt. Foreign Assets	-	-	-	-	-	-

SOURCE: Treasury Dept., Ministry of Finance, Anguilla and ECCB

Table 4						
Antigua and Barbuda						
Central Government fiscal operations						
All figures in Millions of Eastern Caribbean Dollars						
	2001	2001	2001	2001	2002	2002
	Qtr I	Qtr II	Qtr III	Qtr IV	Qtr I	Qtr II
Current Revenue	80.18	90.62	82.27	104.70	97.82	92.22
Tax Revenue	72.30	82.61	72.19	91.34	86.65	82.41
Taxes on Income & Profits	9.93	16.28	9.25	12.25	14.10	14.51
Of Which:						
Company	9.12	14.70	7.98	11.16	12.10	13.24
Business Tax	0.23	0.37	0.35	0.20	0.64	0.19
Turnover Tax	0.55	1.16	0.86	0.88	1.33	1.03
Taxes on Property	2.24	1.92	1.09	0.70	4.23	1.56
Taxes on Domestic Goods & Services	20.92	17.33	14.40	16.57	20.33	16.24
Of Which:						
Stamp Duties	3.34	3.67	4.05	5.03	3.03	3.14
Hotel and Guest Tax	9.06	6.68	3.56	3.76	6.70	5.51
Telecommunications Tax	2.59	2.54	2.37	2.06	2.33	2.23
Taxes on Int'l Trade & Transaction	39.21	47.08	47.45	61.82	47.99	50.10
Of Which:						
Import Duty	13.36	13.44	13.45	15.63	10.99	12.97
Consumption Tax	12.46	20.05	16.14	28.19	19.48	19.90
Customs Service Charge	5.87	7.45	12.48	13.10	9.81	11.69
Foreign Currency Levy	1.92	1.75	1.87	0.98	2.12	1.36
Non-Tax Revenue	7.88	8.01	10.08	13.36	11.17	9.81
Current Expenditure	95.08	102.70	135.72	123.89	127.62	124.59
Personal Emoluments	55.49	53.36	66.98	63.37	60.14	64.87
Other Goods & Services	20.42	29.11	33.61	24.47	40.74	32.79
Interest Payments	9.58	10.05	28.52	21.22	19.02	16.17
Domestic	6.90	7.46	18.22	14.72	16.41	14.91
External	2.68	2.59	10.30	6.50	2.61	1.26
Transfers & Subsidies	9.59	10.18	6.61	14.83	7.72	10.76
Of Which: Pensions	3.99	5.47	3.49	3.86	3.78	4.43
Current Account Balance	(14.90)	(12.08)	(53.45)	(19.19)	(29.80)	(32.37)
Capital Revenue	0.99	-	-	0.37	1.20	0.73
Grants	-	-	-	-	-	-
Of which: Capital Grants	-	-	-	-	-	-
Capital Expenditure	3.50	3.36	11.35	26.66	2.73	4.30
Capital Account Balance	(2.51)	(3.36)	(11.35)	(26.29)	(1.53)	(3.57)
Overall Balance	(17.41)	(15.44)	(64.80)	(45.48)	(31.33)	(35.94)
Financing	17.41	15.44	64.80	45.48	31.33	35.94
Domestic	6.00	0.66	35.11	(24.78)	(2.40)	(17.69)
ECCB (net)	0.42	(1.46)	(1.04)	0.49	0.12	(0.06)
Commercial Banks (net)	(6.87)	0.07	(5.18)	(0.65)	3.78	(7.97)
Other	12.45	2.05	41.33	(24.62)	(6.30)	(9.66)
External	4.62	(4.48)	2.39	54.66	1.53	(1.20)
Net Amortisation	4.62	(4.48)	2.39	54.66	1.53	(1.20)
Disbursements	9.50	2.75	12.52	65.39	6.59	2.59
Amortisation	(4.88)	(7.23)	(10.13)	(10.73)	(5.06)	(3.79)
Change in Govt. Foreign Assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
Arrears	6.79	19.26	27.30	15.60	32.20	54.83
Domestic	6.79	19.26	26.20	4.57	18.40	28.13
External	-	-	1.10	11.03	13.80	26.70
Memo Items:						
Principal Repayments	(4.88)	(7.23)	(10.13)	10.73	(5.06)	(3.79)

SOURCE: Ministry of Finance, Treasury Department, Antigua & Barbuda and ECCB

Table 5						
Dominica						
Central Government fiscal accounts (millions EC\$)						
	2001	2001	2001	2001	2002	2002
	Qtr I	Qtr II	Qtr III	Qtr IV	Qtr I	Qtr II
Current Revenue	45.13	56.35	43.16	53.50	44.52	47.90
Tax Revenue	34.53	46.72	37.57	42.34	39.52	39.58
Taxes on Income, Profit & Capital Gains	8.40	14.97	9.66	9.71	8.57	10.91
Of which:						
Personal Income Tax	8.15	7.78	7.53	6.64	7.01	8.28
Corporation Tax	0.76	7.51	2.38	3.58	1.85	3.08
Development Levy	-	-	-	-	-	-
Taxes on Property	0.59	0.74	0.54	0.55	0.52	0.64
Taxes on Domestic Goods & Services	8.07	8.12	7.70	6.42	9.31	6.96
Of which:						
Sales Tax	3.88	4.48	4.45	3.94	4.33	4.08
Licenses	2.44	2.26	1.73	1.24	3.42	1.51
Consumption Tax	1.56	1.14	1.27	1.07	1.37	1.16
Hotel Accomodation Tax	0.13	0.18	0.19	0.10	0.13	0.15
Taxes on International Trade & Transactions	17.47	22.89	19.67	25.66	21.12	21.07
Of which:						
Consumption Tax	9.61	12.29	11.99	15.76	12.86	12.46
Import Duty	4.45	5.95	4.55	6.33	4.51	4.77
Customs Service Tax/Customs Surcharge	1.42	1.84	1.51	1.75	1.47	1.59
Non Tax Revenue	10.60	9.63	5.59	11.16	5.00	8.32
Current Expenditure	59.10	58.62	53.25	54.35	59.31	55.41
Personal Emoluments	30.37	30.58	29.78	31.50	30.40	30.34
Goods & Services	8.08	9.28	6.38	8.59	7.55	9.46
Interest Payments	12.62	8.27	7.76	4.38	12.40	6.21
Domestic	7.75	6.55	3.97	3.49	8.26	4.27
External	4.87	1.72	3.79	0.89	4.14	1.94
Transfers & Subsidies	8.03	10.49	9.33	9.88	8.96	9.40
Of which:						
Pensions	2.41	2.39	2.58	2.77	2.69	2.73
Current Account Balance	(13.97)	(2.27)	(10.09)	(0.85)	(14.79)	(7.51)
Capital Revenue	0.09	2.56	0.35	0.34	0.08	0.79
Grants	20.40	6.99	4.42	4.87	1.24	3.03
of which:						
Capital Grants	4.27	6.99	4.42	4.87	1.24	3.03
Capital Expenditure & Net Lending	19.69	29.65	7.32	5.73	15.32	6.89
Overall Balance (after grants)	(13.17)	(22.37)	(12.64)	(1.37)	(28.79)	(10.58)
Financing	13.17	22.37	12.64	1.37	28.79	10.58
Domestic	(6.93)	(3.49)	6.00	(11.53)	19.74	2.84
ECCB (Net)	(2.58)	0.77	0.44	(0.37)	4.00	0.31
Commercial Banks (Net)	9.39	(1.03)	8.22	6.06	(2.67)	(5.66)
Other Domestic Financing	(13.74)	(3.23)	(2.66)	(17.22)	18.41	8.19
External	8.70	19.59	9.60	8.19	3.69	3.29
Net Amortisation	9.03	22.08	10.17	10.54	4.42	3.66
Loan Disbursements	10.29	23.41	12.14	11.91	6.36	4.80
Loan Amortisation	(1.26)	(1.33)	(1.97)	(1.37)	(1.94)	(1.14)
Change in Govt Foreign Asset	(0.33)	(2.49)	(0.57)	(2.35)	(0.73)	(0.37)
Other Foreign Financing	-	-	-	-	-	-
Arrears	11.40	6.27	(2.96)	4.71	5.36	4.45
Domestic	11.19	5.71	(3.79)	4.04	4.89	3.95
External	0.21	0.56	0.83	0.67	0.47	0.50
Other	-	-	-	-	-	-

SOURCE: Ministry of Finance, Treasury Department, Dominica and ECCB

Table 6						
Grenada						
Central Government fiscal operations						
All figures in Millions of Eastern Caribbean Dollars						
	2001	2001	2001	2001	2002	2002
	Qtr I	Qtr II	Qtr III	Qtr IV	Qtr I	Qtr II
Current Revenue	66.79	77.02	66.98	71.93	65.15	74.22
Tax Revenue	59.62	71.60	60.11	63.15	61.87	70.37
Taxes on Income and Profit	13.56	17.02	14.25	12.38	9.02	14.87
of which:						
Personal	2.26	2.33	1.85	1.97	2.54	2.40
Company	11.06	14.30	11.03	10.02	6.07	11.84
Taxes on Property	1.49	5.15	1.76	1.64	2.42	4.03
Taxes on Domestic Goods & Services	13.35	12.72	9.31	9.51	15.45	13.86
of which:						
Value-added Tax	0.10	0.06	-	-	-	-
Consumption Tax	7.25	7.19	5.65	5.80	6.48	6.95
Stamp Duties	0.57	0.75	0.72	0.80	0.87	1.03
Licenses	2.97	1.60	0.50	0.53	6.39	2.45
Taxes on International Trade & Transactions	31.22	36.71	34.79	39.62	34.98	37.61
of which:						
Import Duty	7.00	8.06	7.74	9.13	7.08	7.23
Consumption Tax	18.29	21.50	20.70	23.23	19.11	20.75
Customs Service Charge	5.70	6.77	5.98	6.76	5.49	6.30
Non-Tax Revenue	7.17	5.42	6.87	8.78	3.28	3.85
Current Expenditure	63.64	66.01	67.61	60.90	69.22	59.39
Personal Emoluments	29.17	33.25	30.80	34.40	29.90	30.70
Goods and Services	16.50	12.10	12.70	11.30	16.80	9.10
Interest Payments	7.27	7.96	8.01	4.70	9.22	6.09
Domestic	5.43	4.88	5.51	2.10	4.18	2.78
External	1.84	3.08	2.50	2.60	5.04	3.31
Transfers and Subsidies	10.70	12.70	16.10	10.50	13.30	13.50
Of which: Pensions	3.73	3.70	3.97	2.79	3.30	3.61
Current Account Balance	3.15	11.01	(0.63)	11.03	(4.07)	14.83
Capital Revenue	0.28	0.07	0.06	0.05	2.40	0.05
Grants	6.64	7.18	14.44	16.90	4.52	0.85
Of which:						
Capital Grants	5.60	6.10	7.69	14.20	4.52	0.85
Capital Expenditure	30.43	40.77	42.88	48.52	19.80	37.40
Overall Balance	(20.36)	(22.51)	(29.01)	(20.54)	(16.95)	(21.67)
Financing	20.36	22.51	29.01	20.54	16.95	21.67
Domestic	6.49	(0.01)	(3.98)	27.85	20.11	22.88
ECCB (net)	(0.33)	(0.64)	0.86	1.12	(1.15)	(2.07)
Commercial Banks (net)	12.23	4.69	(17.99)	34.95	12.99	16.60
Other	(5.41)	(4.06)	13.15	(8.22)	8.27	8.35
External	4.85	5.58	30.29	3.57	(0.88)	(0.49)
Net Amortisation	4.85	5.58	30.29	3.57	(0.88)	(0.49)
Disbursements	10.55	10.35	34.67	7.59	4.46	3.00
Amortisation	(5.70)	(4.77)	(4.38)	(4.02)	(5.34)	(3.49)
Change in Govt. Foreign Assets	-	-	-	-	-	-
Arrears	9.02	16.94	2.70	(10.88)	(2.28)	(0.72)
Domestic	8.47	12.27	(0.63)	(9.27)	(0.88)	(0.58)
External	0.55	4.67	3.33	(1.61)	(1.39)	(0.14)

SOURCE: Treasury Dept., Ministry of Finance, Antigua & Barbuda and ECCB

Table 7 Montserrat Central Government fiscal operations All figures in Millions of Eastern Caribbean Dollars						
	2001 Qtr I	2001 Qtr II	2001 Qtr III	2001 Qtr IV	2002 Qtr I	2002 Qtr II
Current Revenue	5.73	5.60	5.33	8.01	6.31	6.09
Tax Revenue	5.40	5.28	4.82	7.51	5.99	5.35
Taxes on Income & Profits	1.58	1.93	1.97	5.49	3.04	2.24
of which:-						
Personal	1.58	1.89	1.81	4.15	1.92	2.02
Company	-	0.03	0.01	1.35	0.95	0.06
Taxes on Property	0.08	0.32	0.12	0.05	0.13	0.03
Taxes on Domestic Goods & Service	1.14	0.69	0.72	0.51	0.25	0.10
of which:-						
Hotel Occupancy Tax	-	-	-	-	-	-
Insurance Company Levy	0.02	0.04	0.11	0.02	0.05	0.03
Licenses	0.84	0.37	0.32	0.33	0.65	0.51
Taxes on International Trade & Transactions	2.60	2.34	2.01	1.46	2.57	2.98
of which:-						
Import Duty	0.54	0.51	0.42	0.31	0.59	0.65
Consumption Tax	0.90	0.74	0.69	0.51	0.83	1.15
Customs Service Charge	0.88	0.77	0.69	0.48	0.97	0.91
Foreign Currency Levy	0.21	0.21	0.15	0.12	0.20	0.19
Non-Tax Revenue	0.33	0.32	0.51	0.50	0.32	0.74
Current Expenditure	8.57	12.45	12.21	17.94	9.45	11.54
Personal Emoluments	5.00	5.24	5.23	7.46	5.31	3.13
Goods & Services *	2.54	5.51	5.81	8.38	2.90	4.83
Interest Payments	-	-	-	-	-	-
Domestic	-	-	-	-	-	-
External	-	-	-	-	-	-
Transfers & Subsidies	1.03	1.70	1.17	2.10	1.24	3.58
of which:-						
Pensions	0.90	0.94	0.93	1.83	1.38	1.57
Current Account Balance (before Grants)	(2.84)	(6.85)	(6.88)	(9.93)	(3.14)	(5.45)
Current Grants	4.31	8.80	8.91	7.35	9.58	9.67
Current Account Balance (after grants)	1.47	1.95	2.03	(2.58)	6.44	4.22
Capital Revenue	-	-	-	-	-	-
Grants	15.96	20.45	20.56	19.00	19.68	19.77
of which:						
Capital Grants	11.65	11.65	11.65	11.65	10.10	10.10
Capital Expenditure	11.65	11.65	11.65	11.65	10.10	10.10
Capital Account Balance (before grants)	(11.65)	(11.65)	(11.65)	(11.65)	(10.10)	(10.10)
Capital Account Balance (after grants)	-	-	-	-	-	-
Overall Balance	1.47	1.95	2.03	(2.58)	6.44	4.22
Financing	(1.47)	(1.95)	(2.03)	2.58	(6.44)	(4.22)
Domestic	(1.47)	(1.85)	(1.96)	2.58	(6.34)	(4.17)
ECCB (Net)	1.18	0.34	(1.04)	0.17	(0.83)	0.18
Commercial Bank (Net)	17.08	9.39	1.22	(1.90)	(13.07)	7.67
Other	(19.73)	(11.58)	(2.14)	4.31	7.56	(12.02)
External	-	(0.10)	(0.07)	-	(0.10)	(0.05)
Net Amortisation	-	(0.10)	(0.07)	-	(0.10)	(0.05)
Disbursements	-	-	-	-	-	-
Amortisation	-	(0.10)	(0.07)	-	(0.10)	(0.05)
Change in Govt. Foreign assets	-	-	-	-	-	-
Arrears	-	-	-	-	-	-
Domestic	-	-	-	-	-	-
Foreign	-	-	-	-	-	-
Memo Item						
Principal Repayments	0.01	-	n.a	n.a	n.a	n.a

\*Goods and Services include Miscellaneous Payments

SOURCE: Treasury Dept., Ministry of Finance, Montserrat and ECCB

	2001 Qtr I	2001 Qtr II	2001 Qtr III	2001 Qtr IV	2002 Qtr I	2002 Qtr II
Current Revenue	56.02	70.73	57.74	77.39	63.27	72.40
Tax Revenue	41.14	53.26	42.15	57.91	45.24	52.38
Taxes on Income & Profits of which:	7.87	16.89	12.76	20.20	12.72	13.42
Company	2.83	11.09	9.12	13.37	7.23	7.74
Social Services	4.78	5.34	3.49	6.69	5.25	5.28
Taxes on Property	0.87	1.76	0.69	1.10	0.86	1.84
Taxes on Domestic Goods & Servi of which:	10.50	10.19	7.57	9.92	10.27	11.40
Hotel/ Room Tax	3.63	3.32	1.51	1.53	2.85	2.61
Licenses	1.77	0.56	0.47	2.04	1.32	0.81
Gasoline Levy	0.30	1.10	0.54	1.72	1.45	1.81
Taxes on International Trade of which:	21.90	24.42	21.13	26.69	21.39	25.72
Import Duty	6.24	7.49	6.78	10.60	6.60	8.01
Consumption Tax	10.48	11.62	10.20	11.71	10.42	12.50
Customs Service Charge	3.49	3.94	2.92	3.38	3.66	4.25
Non-Tax Revenue	14.88	17.47	15.59	19.48	18.03	20.02
Current Expenditure	69.30	75.21	72.09	90.37	74.71	84.79
Personal Emoluments	33.64	34.54	34.80	37.30	34.48	35.77
Goods & Services	16.38	20.69	19.87	22.57	15.97	20.07
Interest Payments	11.53	10.41	10.64	19.86	15.69	15.72
Domestic	7.61	7.22	6.07	13.08	8.08	8.25
External	3.92	3.19	4.57	6.78	7.61	7.47
Transfers & Subsidies	7.75	9.57	6.78	10.64	8.57	13.23
Of Which: Pensions	4.48	4.48	3.91	4.21	4.69	5.33
Current Account Balance	(13.28)	(4.48)	(14.35)	(12.98)	(11.44)	(12.39)
Capital Revenue	0.20	0.08	0.19	3.22	0.17	5.16
Grants	0.08	0.18	0.04	4.30	0.27	0.30
Of which: Capital Grants	0.08	0.18	0.04	3.69	0.14	0.22
Capital Expenditure	8.21	11.96	24.21	34.08	12.00	33.07
Capital Account Balance	(7.93)	(11.70)	(23.98)	(27.17)	(11.69)	(27.69)
Overall Balance	(21.21)	(16.18)	(36.33)	(39.54)	(23.00)	(40.00)
Financing	21.21	16.18	38.33	39.54	23.00	40.00
Domestic	(19.19)	(24.30)	14.25	36.53	(52.32)	33.85
ECCB (net)	2.63	(2.83)	1.35	(1.88)	2.37	(0.73)
Commercial Banks (net)	(12.57)	(19.45)	18.45	28.29	(49.75)	35.50
Other	(9.25)	(2.02)	(5.55)	10.12	(4.94)	(0.92)
External	40.40	40.48	24.08	3.01	75.32	6.15
Net Amortisation	40.40	40.48	24.08	3.01	75.32	6.15
Disbursements	44.11	45.10	25.67	11.50	80.35	13.20
Amortisation	(3.71)	(4.62)	(1.59)	(8.49)	(5.03)	(7.05)
Change in Govt. Foreign Assets	-	-	-	-	-	-
Arrears	-	-	-	-	-	-
Domestic	-	-	-	-	-	-
External	-	-	-	-	-	-

SOURCE: Treasury Dept., Ministry of Finance, St. Kitts &amp; Nevis and ECCB

Table 9 Saint Lucia Central Government fiscal operations All figures in Millions of Eastern Caribbean Dollars						
	2001 Qtr I	2001 Qtr II	2001 Qtr III	2001 Qtr IV	2002 Qtr I	2002 Qtr II
Current Revenue	135.32	110.43	112.36	83.81	122.61	98.71
Tax Revenue	119.74	102.07	99.84	75.55	107.81	93.89
Taxes on Income & Profits	47.59	36.73	33.21	16.21	32.21	29.32
Of which:						
Personal	13.72	13.14	11.73	10.61	12.45	11.83
Company	25.33	18.03	17.64	1.61	17.23	12.18
Taxes on Property	0.55	0.17	0.43	0.11	3.96	0.90
Taxes on Domestic Goods & Services	22.90	17.69	17.21	13.14	20.35	18.42
Of which:						
Consumption Duty	1.39	1.00	1.87	1.00	1.40	1.46
Excise Tax	6.59	5.89	4.89	4.81	5.48	5.34
Hotel Occupancy Tax	8.09	5.24	5.19	2.38	5.72	5.74
Taxes on International Trade & Transactions	48.70	47.48	48.99	46.10	51.28	45.25
Of Which:						
Consumption Tax (Imports)	23.34	22.80	25.37	22.25	29.66	22.43
Import Duty	13.79	13.38	12.95	13.62	11.73	13.23
Service Charge (Imports)	7.30	7.26	7.37	6.84	6.41	6.56
Non-Tax Revenue	15.58	8.36	12.52	8.26	14.80	4.82
Current Expenditure	109.56	90.98	102.90	101.83	103.40	98.95
Personal Emoluments	53.65	54.65	54.52	50.83	52.93	53.12
Goods & Services	23.57	11.71	20.12	18.04	20.65	10.87
Interest Payments	12.60	8.61	9.94	14.67	8.13	14.23
Domestic	7.22	5.85	4.09	7.71	4.90	6.60
External	5.39	2.75	5.85	6.97	3.24	7.63
Transfers & Subsidies	19.74	16.01	18.31	18.29	21.68	20.73
Of Which: Pensions	6.92	8.28	8.54	8.88	7.24	9.04
Current Account Balance (after grants)	25.76	19.45	9.46	(18.02)	19.21	(0.24)
Capital Revenue	0.04	0.02	0.64	0.62	1.42	6.20
Grants	0.10	0.05	14.15	3.21	8.88	0.22
Of which: Capital Grants	0.10	0.05	14.15	3.21	8.88	0.22
Capital Expenditure & Net Lending	43.77	31.94	16.83	30.32	47.02	13.38
Capital Account Balance (after grants)	(43.64)	(31.87)	(2.05)	(26.50)	(36.72)	(6.96)
Overall Balance (after grants)	(17.88)	(12.43)	7.41	(44.52)	(17.51)	(7.20)
Financing	17.88	12.43	(7.41)	44.52	17.51	7.20
Domestic	52.13	(4.13)	(4.00)	14.45	9.85	1.98
ECCB (net)	(3.05)	14.52	(3.53)	(0.54)	(1.48)	(0.30)
Commercial Banks (net)	(4.80)	(32.48)	(2.97)	5.55	18.92	5.41
Other	59.98	13.84	2.49	9.44	(7.59)	(3.13)
External	(34.26)	16.55	(3.41)	30.07	7.66	5.22
Net Amortisation	(34.26)	16.55	(3.41)	30.07	7.66	5.22
Disbursements	1.59	20.38	0.23	36.77	9.38	8.77
Amortisation	(35.84)	(3.83)	(3.64)	(6.70)	(1.72)	(3.56)
Change in Govt. Foreign Assets	-	-	-	-	-	-
Arrears	-	-	-	-	-	-
Domestic	-	-	-	-	-	-
External	-	-	-	-	-	-

SOURCE: Treasury Dept., Ministry of Finance, St. Lucia and ECCB



Table 10 Saint Vincent and the Grenadines Central Government Fiscal Operations All figures in Millions of Eastern Caribbean Dollars						
	2001 Qtr I	2001 Qtr II	2001 Qtr III	2001 Qtr IV	2002 Qtr I	2002 Qtr II
<b>CURRENT REVENUE</b>	55.08	62.49	70.59	79.11	53.91	77.19
Tax Revenue	44.09	55.50	61.51	66.92	40.83	68.61
Taxes on Income and Profit	11.38	17.88	19.18	21.29	12.45	24.41
Of Which:						
Personal	8.21	8.45	9.06	7.19	7.48	9.93
Company	2.22	8.58	9.22	13.27	3.26	12.13
Taxes on Property	0.20	0.52	1.98	0.71	0.28	0.29
Taxes on Domestic Goods & Services	10.11	10.37	12.46	10.32	7.21	11.07
Of Which:						
Consumption Duties	1.76	0.95	1.65	1.95	1.06	1.62
Hotel Turnover Tax	2.05	1.85	1.06	0.43	1.67	1.64
Taxes on International Trade & Transactions	22.40	26.73	27.89	34.60	20.89	32.84
Of Which:						
Import Duty	4.88	5.93	5.96	8.27	3.87	6.51
Consumption Tax	13.04	15.69	15.60	20.26	12.81	20.32
Customs Service Charge	3.31	4.10	4.14	4.99	3.18	4.56
Non-Tax Revenue	10.99	6.99	9.08	12.19	13.08	8.58
<b>CURRENT EXPENDITURE</b>	63.96	56.67	66.77	66.32	64.63	66.70
Personal Emoluments	31.41	30.96	31.46	33.01	32.60	32.53
Goods and Services	10.69	12.38	15.15	16.24	13.14	15.84
Interest Payments	9.41	3.94	6.01	5.27	7.37	4.49
Domestic	3.47	2.39	3.91	2.79	4.56	2.02
External	5.94	1.55	2.10	2.48	2.81	2.47
Transfers and Subsidies	12.45	9.39	14.15	11.80	11.52	13.84
Of Which:						
Pensions	3.69	1.13	-	-	-	-
Current Account Balance	(8.88)	5.82	3.82	12.79	(10.72)	10.49
Current Account Balance (before Grants)	(8.88)	5.82	3.82	12.79	(10.72)	10.49
Capital Revenue	0.40	0.54	-	0.09	0.20	0.49
Grants	0.41	1.24	3.08	1.09	0.09	0.30
of which: Capital Grants	0.41	1.24	3.08	1.09	0.08	0.30
Capital Expenditure & Net Lending	6.20	3.92	5.66	19.19	13.21	15.51
Overall Balance (before grants)	(14.68)	2.44	(1.84)	(6.31)	(23.73)	(4.53)
Overall Balance (after grants)	(14.27)	3.68	1.24	(5.22)	(23.65)	(4.23)
Financing	14.27	(3.68)	(1.24)	5.22	23.65	4.23
Domestic	10.14	(5.46)	1.62	(14.66)	29.62	6.26
ECCB (net)	(1.00)	1.46	(4.88)	2.34	(3.00)	(2.90)
Commercial Banks (net)	24.38	(0.82)	(0.36)	(39.30)	21.32	44.70
Other	(13.24)	(6.10)	6.86	22.30	11.30	(35.54)
External	4.13	1.78	(2.86)	19.88	(5.97)	(2.03)
Net Amortisation	4.13	1.78	1.64	22.88	(1.47)	(2.03)
Disbursements	7.28	5.59	4.03	26.69	1.82	2.31
Amortisation	(3.15)	(3.81)	(2.39)	(3.81)	(3.29)	(4.34)
Change in Govt. Foreign assets	-	-	(4.50)	(3.00)	(4.50)	-
Memo Item						
Principal Repayments	n.a	n.a	n.a	n.a	n.a	n.a

SOURCE: Treasury Dept., Ministry of Finance, St. Vincent &amp; the Grenadines and ECCB



**BARBADOS**



Table 1  
Barbados  
Selected economic indicators

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>Real domestic product</b>													
Nominal GDP at factor costs (BB\$ million)	2965.3	2893.8	2707.3	2801.4	2934	3160	3401.1	3628.5	3912.4	4139.4	4290.8	4222.6	4295.3
Nominal GDP at market prices (BB\$ million)	3440.3	3393.8	3176.3	3308.9	3485.1	3742.4	3994.8	4412.6	4746.3	4964.7	5182.6	5097.9	5175.2
Real GDP	879.1	844.7	784.1	790.5	825.9	844.7	865.5	890	927.4	954.2	982.5	955.7	952.2
Real GDP annual percentage growth	-3.3	-3.9	-7.2	0.8	4.5	2.3	2.5	2.8	4.2	2.9	3.0	-2.7	-0.4
<b>Real GDP growth by selected economic sector</b>													
Sugar	4.7	-5.1	-17.6	-10.2	7.6	-25.9	53.6	9.3	-25.7	10.9	9.7	-14.7	-10
Non-sugar agriculture and fishing	9.3	-2	-3.1	-0.4	-5.3	17.9	1.5	-7.6	-3.3	8.5	0.1	-1.1	-0.9
Manufacturing	-2.7	-4.7	-9.3	-2.8	6.8	8.3	-0.9	3.7	3.5	-2.4	-0.5	-8.1	1.2
Tourism	...	-5.4	-1.9	4.0	9.4	1.0	1.7	2.0	6.3	-1.5	7.7	-5.8	-3.0
Construction	-10.2	-7.5	-28.2	1.9	3.9	11.8	0.8	14	17.4	10.7	1.1	-3.9	-3.6
Wholesale and Retail Trade	-5	-6.2	-7.9	2.4	6	0.2	2.4	3.6	6.2	4.2	4.2	-3.8	-0.7
Business and other services	-3.2	-1.8	-5.3	0.9	3	0.9	1	1.7	3.1	3.2	3	0.4	0.9
Transportation, storage and communication	-0.1	-1.9	-3.5	1.2	3.2	2.3	2.4	2.7	3.5	4	1.9	2	1.7
<b>Prices</b>													
GDP deflator	5.4	5	-1.6	2	-0.4	5.4	4.7	3.3	3.5	2.8	0.7	1.2	2.1
Consumer price index (average)	3.1	6	6.1	1.1	0.7	1.9	2.4	7.7	-1.2	1.6	2.4	2.8	2.1
Consumer price index (December to December)	3.4	8.1	3.3	-1	0.5	2.8	1.5	1.8	6.3	2.9	3.8	-1.2	.....
<b>Labor statistics</b>													
Unemployment rate	16.1	17.3	23	24.3	21.8	19.6	15.8	14.5	12.3	10.4	9.2	9.9	10.5
Employment (000)	106.5	101.5	103.5	104.6	106.3	113.3	115	117.5	117.4	122.2	128.5	128.6	129
<b>External sector</b>													
Merchandise exports (f.o.b) (million US\$)	214.85	207.35	190.15	187	181.6	238.85	280.65	282.95	261.25	263.7	272.3	259.4	219.0
Merchandise imports (c.i.f) (Million US\$)	703.65	698.85	524.2	577.05	614.25	770.6	833.6	965.5	1031.8	1108.05	1156.05	1068.6	1019.5
Trade balance (as percentage of GDP)	-28.4	-29.0	-21.0	-23.6	-24.8	-28.4	-27.7	-32.3	-32.5	-34.0	-34.1	-31.7	-30.9
Current account balance (as percentage of GDP)	-0.5	-1.4	9.0	4.2	7.7	2.3	3.6	-2.2	-2.6	-5.9	-5.6	-3.7	-3.7
External debt (as a percentage of GDP) a/	54.7	57.4	62.7	70.2	71.4	66.3	67.5	62.0	59.6	58.3	62.1	66.8	69.8
External debt service (as percentage of total exports)	70.6	74.2	78.4	58.1	66.9	54.7	48.9	41.5	33.8	36.9	27.5	31.6	30.0
<b>Fiscal balance b/</b>													
Total revenue (as percentage of GDP)	27.3	30.4	31.4	31.3	29.8	30.9	30.3	32.6	32.4	31.4	33	34.2	34.2
Total expenditure and net lending (as percentage of GDP)	34.8	32.3	33.9	31.5	31.9	30.1	33.5	33.5	33.3	33.8	34.5	37.8	38.4
Overall fiscal balance (as percentage of GDP)	-7.5	-1.9	-2.5	-0.2	-2.1	0.8	-3.2	-0.9	-0.8	-2.3	-1.5	-3.6	-4.1
<b>Monetary sector</b>													
Currency in circulation	5.6	-7.3	-1.1	0.1	7.1	5.6	9.9	8.9	11.9	12.9	2.6	0.5	4.2
Banks cash and bankers deposits	45.9	-29.1	38.6	-24.5	-13.2	32.9	59.8	-25.7	21.7	-7.4	26.9	32.8	66.3
Money Base	21.5	-17.6	15.1	-12.0	-1.4	15.7	31.1	-9.1	16.1	3.9	12.3	15.0	36.3
Demand deposits	13.0	-8.8	-8.4	20.4	23.8	1.0	39.6	4.0	18.2	10.8	11.7	13.4	3.3
Narrow money (M1)	9.8	-8.2	-5.4	11.6	17.3	2.6	28.8	5.5	16.2	11.4	8.9	9.6	3.5
Time deposits	19.7	7.9	9.3	-28.8	-13.0	10.6	23.8	-0.3	-4.0	37.2	20.4	1.3	-20.7
Savings deposits	13.7	0.6	2.9	13.9	7.1	7.4	8.6	8.4	10.2	6.9	6.2	5.1	12.1
Broad money (M2)	13.5	-0.7	1.8	5.6	7.3	6.4	15.6	6.6	10.5	11.0	8.6	6.1	5.5
<b>Nominal interest rates</b>													
Weighted average deposit rate	6.10	7.00	5.00	4.80	5.00	5.20	5.20	4.20	4.25	4.76	4.88	3.10	2.72 c/
Weighted average lending rate	12.10	15.00	12.60	11.30	11.90	11.80	11.90	11.10	11.62	11.66	11.93	11.10	10.79 c/

Source: Central Bank of Barbados

a/ Refers to government debt

b/ Computed on a calendar year basis

c/ July 2002

**Table 2**  
**Barbados**  
**Real GDP by economic sector**  
**Millions of 1974 Barbados dollars**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Sugar	29.5	28	23.1	20.7	22.3	16.5	25.4	27.8	20.6	22.9	25.1	21.4	19.3
Non-sugar agriculture and fishing	34.8	34.1	33	32.9	31.1	36.7	37.2	34.4	33.3	36.1	36.1	35.7	35.4
Manufacturing	87.9	83.8	76	73.9	78.9	85.5	84.7	87.9	90.9	88.7	88.3	81.1	82.1
Tourism	122.2	115.6	113.4	117.9	129	130.3	132.5	135.1	143.6	141.4	152.3	143.4	139.1
Mining and quarrying	6.6	6.3	5.8	5.8	6	6	6	5.9	8.7	9.4	8.7	7.5	7.4
Electricity, gas and water	26.4	27	27.4	27.5	28.6	30.4	31.7	32.9	35.9	37.7	37.7	39.1	39.9
Construction	60.1	55.6	39.9	40.7	42.3	47.3	47.7	54.3	63.8	70.6	71.4	68.7	66.2
Wholesale and Retail	171.9	161.2	148.4	152	161.1	161.4	165.3	171.2	181.8	189.4	197.3	189.7	188.5
Government	120.3	117.8	112	112	113.1	114.2	115.4	116.5	117.7	118.9	120.1	121.3	123.7
Business and other service	150.5	147.7	139.9	141.1	145.3	146.6	148.1	150.6	155.3	160.3	165.1	165.8	167.2
Transportation, storage and communicatio	68.9	67.6	65.2	66	68.1	69.7	71.4	73.3	75.9	78.9	80.4	82	83.4

Source: Central Bank of Barbados

Table 3													
Barbados													
Selected commodity output													
Rates of change													
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Sugar production	4.7	-5.1	-17.6	-10.2	7.6	-25.9	53.6	9.3	-25.7	10.9	9.7	-14.7	-10
Non sugar agricultural production	9.4	-2	-3.1	-0.4	-5.4	17.9	1.5	-7.6	-3.3	8.5	0.1	-1.1	-0.9
Milk production	.....	.....	3.9	-11.4	-5.1	9.1	5.2	3.1	-2.3	-9.3	1.8	3.2	-2.3
Fish production	.....	.....	13.1	22.8	-9.4	4.8	7.1	-19.7	29.3	-13.5	0.5	-8.6	-7
Chicken production	.....	.....	-10.8	-0.5	9.3	12.2	9.8	-1.6	-2.9	4	-0.2	-6.9	0.4
Food crop output	.....	.....	-14.1	-16.3	-31.3	47.9	-18.2	-11.2	-22.7	51.3	-31.1	9.7	0.1
Manufacture	-2.7	-4.7	-9.3	-2.8	6.8	8.3	-0.9	3.7	3.4	-2.4	-0.5	-8.1	1.2
Food processing	5.8	0	-3.5	9.9	3.1	4.6	5.5	6.7	5.8	-5.3	-0.6	-3.3	3.9
Garments	-34	-43	-38.9	19.1	-38.7	33.6	-38	3.4	-27.9	-4.8	8.5	-37	-27.6
Electronics	8.6	-2	44.4	-16.2	-2.1	-2.6	6.2	-2.8	-15.9	-6.7	-2.9	-30.3	-5.3
Beverages and tobacco	.....	.....	-3	5.5	8.9	5.1	-6.8	3.6	11.9	5	-5.3	-2.6	-2.8
Chemicals	.....	.....	-21.3	0.6	-6.3	38.9	0.9	16.9	-11.2	-0.9	-19.4	-6.4	-3.5
Petroleum Products	.....	.....	-14.5	5.5	5	4.4	1.9	12.2	-88.9	0	0	0	0
Wooden furniture	.....	.....	-40.8	-21.4	19.3	-140.4	38.2	-10.5	-12.8	-66.6	7.1	-1.4	-3.3
Other non-metallic mineral products	.....	.....	-43.4	4.4	30.3	6.3	-0.2	12.1	27.5	13.2	0.2	-5.9	-6.4
Other manufacturing industries	.....	.....	-9.3	-3.5	16.2	10.8	-1.8	1.6	12.2	-1.1	3.6	-9	4.4
Oil production	16.7	1.3	5.3	-3.4	-0.5	-0.7	-20.6	-9.6	76.1	22.7	-21	-17.1	-6.9

Source: Central Bank of Barbados

Table 4 Barbados Fiscal accounts of the consolidated non-financial public sector Millions BB\$ 1990/91 - 2001/02													
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Total income													
Current income													
Tax revenue	891.7	926.9	918	926.2	974.7	1079	1108.7	1381.2	1464	1523.5	1610	1610.9	1691.3
Direct taxes	387.1	429.4	425.7	407.5	405.9	460.5	489.3	516.8	564.9	644	708.6	704.2	714.5
Personal	139.9	143.7	133.2	181.2	189.9	213.6	229.6	247.1	268	272.2	313.3	316.6	329.1
Corporate	95	101.1	88.9	86.5	115.4	133.5	136.3	152	171.9	223.1	248	222.7	214.6
Levies	91.3	85.4	86.9	60.3	12.2	13.4	15.9	16.5	16.6	17.6	16	16.7	
Stabilization	0	33.7	38.2	3.1	0	0.7	0	0	0	0	0	2.8	0
Property	46.2	47	55.7	56.4	60.7	69.8	75.9	72.5	77.7	98.7	93.7	102.5	109.1
Other	14.7	18.5	22.8	20	27.8	29.5	31.7	30.7	30.7	32.5	37.7	42.8	43
Indirect taxes	504.6	497.5	492.3	518.7	568.8	618.5	619.4	862.4	899.1	879.5	901.3	906.7	976.8
Consumption	197.3	228.5	233.4	261.9	280.5	308.8	255.7	2.5	0.2	0.4	-0.1	0.1	0
Stamp	101.1	88.3	82.6	80.5	90.4	90.8	69.2	12.6	14.7	13.3	14.1	14.4	15.5
VAT	0	0	0	0	0	0	74.9	451.9	455.1	461.4	491.6	498.7	526.1
Excises								166.5	189.3	164.1	160.1	141.8	148.1
Import Duties	117.8	87.1	74	70.9	84.5	93.1	91.4	127.9	136.9	134.9	135.4	146.3	166.8
Hotel and Restaurant	17.4	16.2	15.4	16.3	17.4	22.1	19.6	1.1	0.3	0.8	0.7	0.6	0.7
Other	71	77.3	86.8	89.1	96	103.6	108.6	100	102.7	104.6	99.4	104.9	119.6
Non tax revenue and grants	87.3	89.2	89	91.7	111	97.2	114.8	89.8	95.4	96.4	121.3	103.7	117.8
Non-tax revenue	87.3	88.9	88.4	70.9	91.7	83.6	98.3	74.4	80	79.6	103.9	92.3	104.5
Grants	0	0.3	0.6	4.4	4.7	1.9	0.6	0	0	0	0	0	0
Post Office-revenue	0	0	0	16.4	14.6	11.7	15.9	15.4	15.4	16.8	17.4	11.4	13.3
Current expenditure	982.7	929.9	950.6	948.3	1003.9	1070.8	1148.4	1267.8	1347.6	1418.1	1528.1	1592.5	1657.6
Wages and salaries	439.7	425.5	401.3	430.1	437.3	464.4	493	535.4	566.2	618.1	640.8	646.3	662.3
Goods and services	119.4	104.6	145.4	104.6	114.5	122.5	141.5	148.3	156.9	167.2	190.3	204	216.3
Interest	142.5	163.5	159.2	144	164.6	189.9	200.5	201.8	218.9	222.3	225.8	251.9	285.7
External	60.4	46.3	51	51.3	49.9	57.9	50.5	43.8	49.6	56.7	74.3	82.6	107.8
Domestic	82.1	117.2	108.3	92.7	114.8	131.9	150	158	169.3	165.6	151.4	169.3	177.9
Transfers and subsidies	281.1	236.2	244.6	269.6	287.5	294.1	313.4	382.2	405.6	410.5	471.5	490.4	493.3
Capital expenditure	240.1	113.4	94.9	109.9	103.8	135.5	220.1	254	256.8	262.9	290.9	337.9	347.2
Net lending	5.4	5.5	12.6	10.2	9.7	0.6	4.7	1.6	-8.7	7.4	9.2	12.5	4.3
National insurance scheme revenue	201.5	216	261.4	242.6	258.2	246.6	271	279	335.8	377.4	384.5	380.8	380.8

Source: Central Bank of Barbados



**Table 5**  
**Barbados**  
**Central Bank**  
**Millions of Barbados Dollars**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Net international reserves	120.6	38.9	97.4	139.4	257.6	340.6	513.8	549.9	538.8	612.6	968.6	1414.1	1367.7
Net domestic assets	245.5	262.7	249.8	166.3	43.7	8.1	-56.5	-134	-56.1	-111.2	-405.7	-766.7	-485.3
Net claims on the public sector	97	138.1	114.5	97	-6	-108.1	-224.5	-218.4	-216.2	-197.1	-466.1	-777.8	-521
Central government (net)	104.9	140.5	118	101.4	-3.3	-104.1	-209.5	-215.1	-210.5	-193	-460.4	-770.9	-517.2
Rest of the public sector	-7.9	-2.4	-3.5	-4.5	-2.7	-4	-15	-3.3	-5.7	-4.1	-5.8	-6.9	-3.8
Credit to the financial system	88	97.4	91	31.3	6.8	12.7	8.5	6.8	32.3	24	9	9	9
Credit to commercial banks	27.8	42.3	31.2	7.8	0	6	0	0	23.5	15	0	0	0
Credit to the rest of the financial system	54.5	62.3	53.5	61.1	23.9	8.5	8.4	9.1	7.9	8.9	9	9	9
Liabilities to other financial institutions	-2.1	1.6	-1.2	-0.4	-1.7	-1.7	-0.6	-1.1	-0.1	0	0	0	0
Other net assets	102.8	70.8	88.7	84.2	88.8	91.5	206.5	124.5	171.4	105.7	94.2	16.5	17.7
Money Base	366.1	301.6	347.2	305.7	301.3	348.7	457.3	415.9	482.7	501.4	562.9	647.4	882.4
Currency in circulation	192.8	178.7	176.8	177	189.6	200.3	220.1	239.6	168.2	302.7	310.7	312.4	325.4
Bank's cash and bankers' deposits	173.3	122.9	170.4	128.7	111.7	148.4	237.2	176.3	214.5	198.7	252.2	335	557

Source: Central Bank of Barbados

**Table 6**  
**Barbados**  
**Monetary Survey**  
**Millions of Barbados Dollars**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Net international reserves	124.6	42.7	98.2	143.6	310.9	367.8	580.8	642.7	568.2	679.2	1,080.8	1,534.1	1,488.5
Net domestic assets	1,543.6	1,613.6	1,588.1	1,637.3	1,599.6	1,664.1	1,768.0	1,860.2	2,197.4	2,391.4	2,253.7	2,002.7	2,242.0
Credit to the public sector	328.1	427.4	479.1	534.4	359.7	311.3	36.0	330.8	335.9	284.1	164.2	-128.6	53.4
Central government (net)	465.6	507.4	594.1	614.8	512.1	488.5	602.3	661.0	619.7	532.3	442.2	171.4	405.5
Rest of the public sector	-137.5	-80.0	-115.0	-80.4	-152.4	-177.1	-242.1	-330.2	-283.8	-248.2	-278.0	-299.9	-352.1
Credit to the rest of the the financial system	152.4	122.7	104.0	102.3	162.5	40.4	45.5	96.0	114.8	92.6	137.3	115.9	251.1
Liabilities to other financial institutions	106.4	87.6	155.7	119.0	150.3	147.1	227.7	265.7	225.3	250.1	301.7	265.8	359.2
Credit to the private sector	1,134.2	1,182.2	1,152.2	1,141.9	1,280.6	1,471.2	1,549.5	1,851.0	2,146.1	2,464.5	2,504.2	2,512.6	2,557.7
Medium and long term foreign liabilities	-43.8	-71.4	-29.2	-36.5	-84.7	-72.3	-50.6	-69.6	-128.8	-128.8	-143.5	-137.1	-129.1
Other net assets	79.1	40.3	37.7	14.2	31.7	60.6	91.2	-82.4	-45.3	-70.8	-106.7	-94.3	-131.9
Liabilities to the private sector	1,668.2	1,656.4	1,686.4	1,780.9	1,910.5	2,031.9	2,348.8	2,502.9	2,765.6	3,070.6	3,334.6	3,536.8	3730.6
Currency in circulation	192.8	178.7	176.8	177	189.6	200.3	220.1	239.6	268.2	302.7	310.7	312.4	325.4
Demand deposits	276.2	252	230.8	277.8	343.9	347.3	485	504.3	596	660.4	737.7	836.8	864.4
M1	469	430.7	407.6	454.8	533.5	547.6	705.1	743.9	864.2	963.1	1048.4	1149.2	1189.8
Time deposits	258.2	278.6	304.4	216.6	188.4	208.3	257.9	257	246.8	338.6	407.7	413.1	327.4
Savings deposits	941	947.1	974.4	1109.5	1188.6	1276	1385.8	1502	1654.6	1768.9	1878.5	1974.5	2213.4

Source: Central Bank of Barbados

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Current account	-7.8	-23.5	143.4	70.25	134.65	43.55	71.2	-49.45	-62.45	-147.45	-145	-93.85	-96.55
Merchandise trade	-408.7	-416.05	-277.75	-326.8	-354.7	-445.75	-456.15	-598.55	-650.55	-714.2	-743.95	-681.1	-679.7
Total credits	218.65	206.65	189.85	187.55	189.95	245.45	286.8	289.1	270.1	275.2	286.3	271.15	231.85
Total debits	627.35	622.7	467.6	514.35	544.65	691.2	742.95	887.65	920.65	989.4	1030.25	-952.25	-911.6
Total exports (fob)	214.85	207.35	190.15	187	181.6	238.85	280.65	282.95	261.25	263.7	272.25	259.4	219
Domestic exports	126.95	122.25	134.6	141.1	135.15	169.4	214.25	210.45	195.35	197.45	189.6	176.25	164.95
Total imports (cif)	703.65	698.85	524.2	577.05	614.25	770.6	833.6	995.5	1031.8	1108.05	1156	1068.6	1019.45
Retained imports	615.8	613.75	468.65	531.15	567.8	701.15	767.2	923	965.9	1041.8	1073.35	985.5	965.4
Services	403.8	398.8	409.7	416.95	494.7	503.4	539.8	549.7	591.4	571.1	602.85	586.7	583.7
Travel	458.9	421.95	428.55	481.15	543.9	551.25	585.2	584.6	629.75	600.1	628.9	613.05	605
Credit	508.35	466.95	470.4	534.4	603	622.3	659.3	663.4	711.9	686.8	722.95	713.9	697.1
Debit	49.45	45	41.85	53.25	59.1	71.05	74.1	78.8	82.15	86.7	94.05	100.85	92.1
Other services				9.7	24.75	46.25	56.75	79.35	81.5	93.65	105.15	98.85	96.2
Credit				118.6	167.5	205.15	224.1	248.75	261.7	283.05	307.6	312.85	304.1
Debit				108.9	142.75	158.9	167.35	169.4	189.4	202.45	202.45	214	207.9
Transportation	-89.15	-86.95	-69.2	-77.4	-82.85	-100.5	-106	-120.35	-125.7	-129.65	-138.75	-133.5	-128.1
Credit				9.55	14.4	16.4	17.65	20.55	21.05	23.1	24.75	22.35	22.6
Debit				86.95	97.25	116.9	123.65	140.9	146.75	152.75	163.5	155.95	150.7
Government	13.8	14	13.5	13.45	8.9	6.4	3.85	6.1	5.85	7	7.55	8.4	10.55
Credit				26.95	30.4	22.75	25.85	26.5	28.95	32.3	34.9	36.1	35.75
Debit				23.45	21.5	16.35	22	20.4	23.1	25.3	27.35	27.7	25.2
Income	-45.65	-39.5	-29	-40.9	-40.7	-47.7	-52.2	-47.7	-56.05	-71.4	-82.3	-93.35	-96.85
Credit	30.05	37.95	37.55	40.1	46.05	48.4	54.15	60.4	63.4	66.2	70.15	73	71.9
Debit	75.7	77.45	66.55	81	86.75	96.1	106.35	108.1	119.45	137.6	152.45	166.35	168.75
Current transfers	42.75	33.2	40.45	20.95	35.35	33.6	39.75	47.25	52.75	67.05	78.4	93.9	96.3
Credit				43.35	55.45	57.15	66.3	72.25	78.9	95.7	109.35	126.15	128.1
Debit				22.4	20.1	23.55	26.55	25	26.15	28.65	30.95	32.25	31.8
Capital and financial account	34.9	25.95	-91.45	4.25	43.8	-30.85	4.9	39.4	24.1	137.7	323.55	288.1	73.95
Long term	25.95	13.1	-15.9	-24.25	59.85	-4.6	25.5	4.55	4.4	107.55	278.75	283.1	71.95
Public	6.1	-20.85	-42.2	-25.45	18.95	0.8	2	-27.15	-12.25	53.45	123.05	150.15	17.6
Private	19.85	33.75	26.3	1.2	40.9	-5.4	23.5	31.7	16.65	54.1	155.7	132.95	54.3
Other	4	6.25	9.5	8.3	10.25	10.85	10.1	24.7	18.65	6.65	22.35	-0.3	2
Short-term	6.6	-85.1	20.2	-26.25	-26.3	-37.1	-30.7	10.15	1.05	23.5	22.45	5.3	0
Errors and omissions	-72.75	-54.7	-33.8	-49.8	-89.65	24.2	37.1	47.45	1.1	65.25	22.25	32.4	-0.15
Overall balance	-45.65	-52.25	18.15	24.7	88.8	36.9	113.2	37.6	-37.25	55.5	200.8	226.65	-22.8
Official financing	-2.95	11.3	60.4	-1.9	-5	-24.9	-32.2	-15.7	0	0	0	0	0
IMF	-3.6	-0.7	50.9	0	0.15	-16.45	-25.5	-9	0	0	0	0	0
Other	6.5	0	0	-1.7	-5.65	0	0	0	0	0	0	0	0
Other financial institutions	0	12	9.5	-0.2	0.5	-8.45	-6.7	-6.655	0	0	0	0	0
Reserve movements	48.6	40.95	-78.55	-22.8	-83.8	-12	-81	-21.9	37.25	-55.5	-200.8	-226.65	22.8

Source: Central Bank of Barbados

**Table 8**  
**Barbados**  
**Public external debt**  
**Millions of US\$ dollars**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total external debt	540.0	560.3	566.4	524.3	509.3	479.1	481.1	427.5	453.3	492.4	605.4	539.5	489.05
Central government	429.7	417.2	377.5	352.3	355.1	358.9	365.1	350.1	342.9	392.4	508.1	450.0	412.05
External debt service	151.6	153.8	149.0	108.7	121.6	130.7	137.2	117.5	88.4	97.3	74.9	81.9	65.85

Source: Central Bank of Barbados

**BELIZE**



**Table 1**  
**Belize**  
**Selected economic indicators**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>Real domestic product</b>													
Nominal GDP at factor costs (B\$ million)						986.4	1014.5	1043.5	1055.4	1177.5	1318.9	1363.8	1431.99
Nominal GDP at market prices (B\$ million)					1126	1174.4	1211.4	1235	1259.2	1375.6	1546	1609.9	1690.395
Real GDP at factor costs (constant 1984 prices) B\$ million		576.2	629.8	657.5	666.9	692.5	717.8	749.7	763.0	812.8	900.7	941.8	976.6466
Real GDP annual percentage growth			9.3	4.4	1.4	3.8	3.6	4.5	1.8	6.5	10.8	4.6	3.7
<b>Prices</b>													
Consumer price index (Annual average percentage change)	3.1	5.5	2.4	1.5	2.6	2.9	6.4	1.0	-0.8	-1.2	0.6	1.1	1.5
<b>External sector</b>													
Merchandise exports (f.o.b) (million US\$)		126.1	140.2	134.1	156.3	164.3	171.3	199.9	213.2	263.6	288.5	269.1	297.1
Merchandise imports (c.i.f) (Million US\$)		223.6	244.5	250.6	233.2	230.5	229.5	280.8	337.5	366.2	461.6	460.6	424.0
Trade balance (as percentage of GDP)					-13.7	-11.3	-9.6	-13.1	-19.7	-14.9	-22.4	-23.8	-15.0
Current account balance (as percentage of GDP)							-1.1	-2.7	-6.3	-10.6	-19.6	-21.1	-12
External debt service ratio		5.8	4.6	4.7	5.3	8.1	9.9	9.6	9.0	9.8	8.9	10.6	8.6
<b>Fiscal balance</b>													
Total revenue (as percentage of GDP) a/						24.9	23.4	25.7	25.4	28.5	31.4	24.6	25.1
Total expenditure and net lending (as percentage of GDP)						31.2	26.6	26.5	26.7	30.3	35.1	34.6	36.0
Overall fiscal balance (as percentage of GDP)						-6.3	-6.0	-3.1	-3.0	-6.2	-8.2	-10.0	-10.9
<b>Monetary sector</b>													
Currency in circulation		10.1	6.5	6.3	4.6	8.3	3.6	4.4	6.0	19.6	14.0	19.8	8.7
Demand deposits		16.3	23.9	2.4	5.8	3.1	10.0	4.8	13.6	25.9	25.3	21.2	.....
Narrow money (M1)		13.8	17.1	3.8	5.4	5.0	7.6	4.7	10.9	23.8	21.6	20.8	.....
Savings deposits		8.0	13.4	-1.0	7.7	5.0	5.1	6.7	4.1	13.1	22.3	17.6	.....
Time deposits		16.4	3.2	0.0	8.0	28.6	5.6	20.9	8.1	1.5	8.5	-2.6	.....
Broad money (M2)		13.8	9.3	0.9	7.1	16.2	6.1	13.6	8.1	9.5	15.0	8.8	3.0
<b>Nominal interest rates d/</b>													
Weighted average deposit rate	6.30	6.40	6.00	6.00	6.10	7.20	6.20	6.70	6.00	5.70	5.00	4.30	4.30
Weighted average lending rate	14.30	14.30	14.40	14.60	15.00	16.3	16.2	16.6	16.3	16.3	15.8	15.4	14.6

Source: Central Bank of Belize and IMF

a/ includes grants. On a fiscal year basis.

d/ end of period. The data for 2002 refer to June 2002.

Table 2 Belize Revenues and expenditures Fiscal year basis B\$ Thousands												
	1990/1991	1991/1992	1992/1993	1993/1994	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002
Total revenue (including grants)	197565	252471	281439	264995	280541	275282	311296	313524	358751	431419	380146	404671
Current revenue	184207	218416	245791	249941	263045	259226	283201	287957	302143	337386	338790	365427
Tax revenue	155886	184813	207207	219282	231811	233154	252061	257214	271441	255013	296677	326110
Income and profits	35772	46074	60086	60192	63709	59104	55922	55767	64093	64541	76320	76986
Taxes on property	1512	1218	2711	1218	1660	1172	1578	1742	1607	2139	2167	2764
Taxes on goods and services	12903	20699	20994	29442	29154	28571	101305	98047	97921	81974	101849	107947
International trade and transactions	94047	112891	117607	123270	130739	137282	84936	94939	98829	106359	116341	138413
Other	11652	3931	5809	5160	6549	7025	8320	6719	8991	0		
Non-tax revenue	28321	33603	38584	30659	31234	26072	31140	30743	30702	82373	42113	39317
Property income		1785	2441	1404	3637	1720	3209	4494	5680	4299	2039	1777
Contributions to pension fund		280	392	281	318	461	306	363	380	366	445	0
Transfers from NPE's		4021	3378	1421	1732	1963	3427	1947	3241	12912	500	250
Extrabudgetary revenue		2866	1573	2012	2398	1922	2193	2318	1858	1870	0	0
Other		24651	30800	25541	23149	20006	22005	21621	19543	62926	39129	37290
Capital revenue	12399	32728	34890	8101	4231	9977	24046	16997	37957	80355	17514	21032
Grants	959	1327	758	6953	13265	6079	4049	8570	18651	13678	23842	18212
Total expenditure	196007	289213	343262	335370	350954	312298	321572	330066	381487	482541	534189	579728
Current expenditure	127031	155113	190432	219241	239860	232954	242166	252744	264898	291251	295764	338252
Wages and salaries	71099	83462	104619	120534	131858	126989	123123	130509	140301	148691	151698	163577
Pensions	7424	9661	11438	12650	14534	15808	16284	17028	17801	21000	17787	24994
Goods and services	35229	34522	43990	45039	46094	42071	48666	51671	52982	62374	60756	66851
Interest payment on public debt	13279	8923	11052	20826	21827	23192	24939	24408	24597	30205	39670	53806
Subsidies and current transfers		18545	19333	20192	25547	24894	29154	29128	29217	28981	25553	29024
Capital expenditure	68976	134100	152830	116129	111094	79344	79406	77322	116589	191290	238425	241476
Capital II (local sources)	43823	83233	85779	62069	47387	38717	47218	48758	60881	109808	54447	116165
Capital III (foreign sources)	20958	41357	60372	51566	60537	37373	27301	24869	47605	81482	183978	125311
of which Hurricane reconstruction										0	52896	36965
Capital Transfer	4195	9510	6679	2494	3170	3254	4887	3695	8103	0	0	0
Current balance	57176	63303	55359	30700	23185	26272	41035	35213	37245	46135	43026	27175
Overall balance	1558	-36742	-61823	-70375	-70413	-37016	-10276	-16542	-22736	-51122	-154043	-175057
Balance excluding Hurricane ERF	1558	-36742	-61823	-70375	-70413	-37016	-10276	-16542	-22736	-51122	-101147	-138092
Privatization												-54127
Financing	-1558	36742	61822	70375	70412	37016	10275	16543	22736	51123	99876	175107
Domestic financing	-12089	2704	26523	47711	39070	28673	-44992	16844	11555	-15647	-104983	100339
Central bank		5610	48197	27521	14452	8482	-16856	-4368	10593	-29313	-102113	98280
Net borrowing		3309	45260	22114	5688	8375	22755	-21484		-32442	-63	6128
Change in deposits		2301	2937	5407	8764	107	-39611	17116		3129	-102050	92152
Commercial banks		9539	-22018	20028	24746	20081	-27857	21314	-229	27922	-1658	390
Net borrowing		8449	-8471	-2416	-2965	19822	-26229	20936		27915	2346	-3157
Change in deposits		1090	-13547	22444	27711	259	-1628	378		7	-4004	3547
Other domestic financing		-12445	344	162	-128	110	-279	-102	1191	-14256	-1212	1669
Financing abroad	10531	38890	43431	30262	19484	4922	48284	2553	25801	67046	205007	74839
Disbursements		43824	51289	46726	47272	36294	80549	35909	55704	97680	263597	153344
Amortization		-5885	-7620	-14761	-27905	-32754	-32278	-33281	-29655	-30893	-55721	64532
Sinking fund and JCF		951	-238	-1703	117	1382	13	-75	-248	259	-2799	-13973
Other		-4852	-8132	-7598	11858	3421	6983	-2854	-14620	-276	-198	-121

Source: Central Bank of Belize



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>Current account</b>	15.2	-25.3	-29.2	-48.8	38.3	-0.5	-4.1	-16.7	-65.7	-73.15	-126.7	-169.55	-102.4
Merchandise trade	-59.2	-97.5	-104.3	-116.5	-76.9	-66.2	-58.2	-80.9	-124.3	-102.55	-173.15	-191.45	-127
Exports (fob)	129.2	128.1	140.2	134.1	156.3	164.3	171.3	199.9	213.2	263.6	288.45	269.1	297.1
Imports (fob)	188.4	223.6	244.5	250.6	233.2	230.5	229.5	280.8	337.5	366.15	461.6	460.55	424
Services (net)		54.8	61.4	58.1	107.8	47.8	48.2	52.1	53.3	32.8	42.3	38.5	55.4
Transportation (net)		-16.2	-26.3	-29.4	29	-32.1	-31.7	-30.1	-32	-35.1	-44.05	-42.5	-37
Travel (net)		29.9	45.4	48.8	52.8	62.2	66.9	78.6	85.6	69.4	102.25	81.55	91
Services: Credit	0	122.7	142.8	150.3	138.3	135.8	137.9	140.6	161.5	153.65	184.75	174.55	.....
Transportation		11.4	13.8	12.3	11.4	5.8	6.2	5.7	8.5	8.55	10.8	11.2	.....
Travel		46.1	59.7	69.3	71.4	87	93.1	96.5	111.4	105.6	142.75	119.85	.....
Other goods and services		65.2	69.3	68.7	55.5	28	25.7	25.3	20.5	20.85	13.4	19.75	.....
Government goods and services						15	12.9	13.1	21.1	18.85	17.8	23.75	.....
Services: Debit	0	67.9	81.4	92.2	30.5	88	91.7	88.5	108.2	120.85	142.45	136.05	.....
Transportation		27.6	40.1	41.7	-17.8	37.9	37.9	35.8	40.5	43.85	54.85	53.7	.....
Travel		16.2	14.3	20.5	18.6	24.8	26.2	17.9	25.8	36.2	40.5	38.3	.....
Other goods and services		24.1	27	30	29.5	21.6	23.9	30.6	33.8	33.35	38.3	35.8	.....
Government goods and services						3.7	3.7	4.2	8.1	7.65	8.8	8.45	.....
Income (net)		-10.6	-16.6	-19.8	-21.8	-22.3	-25.6	-23.5	-43.7	-41.85	-54.55	-65.1	-81
Income: Credit	0	8.9	6.5	6	6.6	6	6.7	7.4	2.7	4.85	9.15	11.1	.....
Compensation of employees		3.3	3.4	3.4	3.7	4.1	4.5	4.9	0	1.85	2.05	2	.....
Investment income		5.6	3.1	2.6	2.9	1.9	2.2	2.5	2.7	3	7.1	9.1	.....
Income: Debit	0	19.5	23.1	25.8	28.4	28.3	32.3	30.9	46.4	46.5	63.7	78.2	.....
Compensation of employees		4.6	4.7	4.7	5.3	5.6	6.1	6.8	6.4	6.45	9.45	11.8	.....
Investment income		14.7	18.4	21.1	23.1	22.7	26.2	24.1	40	40.05	54.25	64.4	.....
<b>Balances of goods, services and income</b>	15.2	-53.3	-59.5	-78.2	9.1	-40.7	-37.6	-52.3	-114.7	-111.4	-185.4	-218.05	-81.6
Current transfers, n.i.e.: Credit		32.3	35.3	33.8	34.4	43.1	36.6	39.8	52.4	40.6	60.05	50.45	51
Current transfers: Debit		4.3	5	4.4	5.2	2.9	3.1	4.2	3.4	2.35	1.35	1.95	1
<b>Capital account</b>	0	0	0	0	-4.1	-2.8	-2.2	-3.4	0.8	2.75	1.55	0.9	.....
Capital account: Credit					0	0	0	0	3.2	4.55	2.25	2.05	.....
Capital account: Debit					4.1	2.6	2.2	3.4	2.4	1.8	0.7	1.15	.....
<b>Financial account</b>	25.1	16.3	16.3	36.2	38.4	-11.1	11.5	24.6	91.4	96.35	204.2	143.8	78.4
Direct investment abroad													
Official long term capital	7.9	10.2	12.3	23									
Direct investment in the reporting economy	21.4	13.6	15.6	11.5	18.8	18.2	10.9	8	47.3	49.8	19.4	40.25	.....
Portfolio investment assets	-4.2	1.7	3	4	6.3	3.7	10.1	10.1					
Portfolio investment liabilities		0	0.2	7									
Other investment assets		-9.2	-14.8	-9.3	13.3	-33	-9.5	6.5	32.9	38.5	113.15	-17.95	.....
Other investment liabilities									-8.9	-14.55	-51.5	-16.1	.....
Net errors and omissions	-27.8	-8.5	1.4	-13.2	-18.3	17.2	15.7	-3.8	0.7	1.25	-2.45	14.45	42.8
<b>Overall balance</b>	12.5	-17.5	-11.5	-25.8	54.3	3	20.9	0.7	27.2	27.2	76.6	-10.6	-24
Reserve Assets (minus = increase)	-12.5	17.5	11.5	25.8	-54.3	-3	-20.9	-0.7	-27.2	-27.2	-76.6	10.6	24

Source: Central Bank of Belize and IMF



**JAMAICA**



**Table 1**  
**Jamaica**  
**Selected economic indicators**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002e/
<b>Real domestic product</b>													
Nominal GDP at factor costs (J\$ million)		48,650.2	79,338.4	108,812.8	145,862.0	183,054.2	220,416.5	240,562.9	254,085.6	274,333.3	307,039.3	334,698.8	364,821.7
Real GDP (contant 1986 prices)		18,668.4	19,026.5	19,407.2	19,577.6	19,773.0	19,967.6	19,624.4	19,556.5	19,471.7	19,599.6	19,940.2	20,339.0
Real GDP annual percentage growth			1.9	2.0	0.9	1.0	1.0	-1.7	-0.3	-0.4	0.7	1.7	2.0
<b>Real GDP growth by selected economic sector</b>													
Agriculture, forestry and fishing	11.5	0.9	11.6	9.6	6.6	2.6	3.5	-13.7	-1.5	1.3	-10.9	5.2	-8.5
Manufacturing	22.8	5.7	-2.5	0.3	6.9	-6.8	7.5	3.3	3.3	-1.2	-1.7	3.8	-2
Electricity and water	3.9	7.5	3.9	-1.6	-0.1	-0.8	-4.2	-2.5	-4.4	-0.7	0.9	0.6	-1.9
Construction and installation	6.9	1.9	3.8	3.3	-0.5	3.6	4.9	5.5	6.4	4.8	3.3	1.1	3.2
Distributive trade	1.6	0.6	0.4	-0.5	-6.3	7.2	-5.4	-4.0	-5.8	-1.5	0.2	2.0	2.0
Transport, storage and communication	4.6	2.2	6.0	3.7	0.7	4.0	1.2	0.9	-1.9	-0.5	1.3	0.2	-0.1
Miscellaneous services a/	3.5	4.1	5.4	9.3	5.0	9.8	9.1	5.7	5.6	8.6	8.0	6.3	5.7
	6.8	-1.0	4.8	6.7	-0.4	3.4	2.0	2.5	1.9	2.2	4.8	-1.8	-3.6
<b>Prices</b>													
GDP deflator			60.0	34.5	32.9	24.3	19.2	11.0	6.0	8.4	11.2	7.1	.....
Consumer price index (average)								9.7	8.6	6.0	8.2	7.0	.....
Consumer price index (December to December)	29.8	80.2	40.2	30.1	26.8	25.6	15.8	9.2	7.9	6.8	6.1	8.7	7.0
Consumer price index (September to September)												7.5	5.9
<b>Labor statistics</b>													
Unemployment rate								16.5	15.5	15.7	15.5	15.0	.....
Employment (000')								946.8	953.6	943.9	933.5	939.4	.....
<b>External sector</b>													
Merchandise exports (f.o.b) (million US\$)	1,192.4	1,150.7	1,053.6	1,075.4	1,219.6	1,798.6	1,721.3	1,700.3	1,613.4	1,499.4	1,555.0	1,451.6	541.42
Merchandise imports (c.i.f) (Million US\$)	1,942.4	1,828.6	1,775.4	2,189.2	2,233.2	3,082.2	3,171.1	3,128.0	2,961.0	2,904.0	3,200.0	3,365.0	1442.03
Gross visitor expenditure								493.0	580.0	597.0	670.8	648.0	591.1
External debt (as a percentage of GDP)	97.8	110.9	115.5	94.7	90.1	71.3	58.4	51.8	51.0	46.3	50.3	57.1	57.3
<b>Fiscal balance b/</b>													
Total revenue (as percentage of GDP) c/		31.0	29.7	30.9	30.6	32.0	29.1	27.6	29.2	32.9	35.3	30.7	32.2
Total expenditure and net lending (as percentage of GDP)		26.8	25.7	27.6	27.3	29.9	36.0	35.9	36.6	37.5	34.0	37.0	37.0
Overall fiscal balance (as percentage of GDP)		4.2	4.0	3.3	3.3	2.1	-6.9	-8.3	-7.4	-4.6	1.4	-6.3	-4.9
<b>Monetary sector</b>													
Currency in circulation						33.7	13.1	15.7	8.5	32.0	-1.3	6.6	8.5
Demand deposits						48.1	34.2	-12.1	3.1	27.4	-3.4	29.4	25.3
Narrow money (M1)						41.9	25.6	-1.9	5.4	29.5	-2.5	18.9	18.8
Time deposits						31.5	8.6	-4.4	19.1	18.0	26.9	-2.3	9.5
Savings deposits						39.7	11.7	31.0	4.4	10.1	12.9	10.0	11.9
Broad money (M2)						38.5	15.4	12.5	7.2	17.3	10.6	9.8	13.4
<b>Nominal interest rates d/</b>													
Weighted average deposit rate		27.50	23.00	39.80	27.85	26.22	20.79	14.06	15.54	13.27	12.21	10.13	9.15
Weighted average lending rate	31.59	34.03	46.04	49.60	45.79	48.56	37.81	31.93	30.08	24.64	22.12	19.50	17.85

Source: Bank of Jamaica and Planning Institute of Jamaica

a/ Includes hotels, restaurants and clubs

b/ Computed on a fiscal year basis. The first data point corresponds to the fiscal year 1991/1992. The data for 2002 correspond to the budget projections. This may differ from the fiscal outcome.

c/ Includes grants

d/ End of period.

e/ Preliminary estimates based on official information. Sectorial growth rates refer to the period September 2002-2001. Trade data for 2002 refers to the period January-May.

Monetary aggregates refer to September 2002-2001. Interest rate data are for August 2002.

..... Denotes not available.

**Table 2**  
**Jamaica**  
**Summary of Central Government Fiscal Operations**  
**Millions of Jamaica dollars**

	Fiscal year												Budget	April-Sept	April-Sept
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/2003	2001/02	2002/03
Revenue and grants	9,648.9	15,075.4	23,557.5	33,614.1	44,596.3	58,523.8	63,085.5	66,426.1	74,092.2	90,372.6	108,440.2	102,588.1	117,322.3	48,448.0	51,252.6
Tax revenue	7,748.3	11,483.8	19,050.3	28,947.7	38,071.6	50,262.6	55,191.3	59,224.3	66,970.3	75,964.9	87,074.4	90,568.2	106,786.0	43,700.2	48,013.1
Non-Tax revenue	573.4	781.9	1,214.7	1,544.2	1,930.4	3,585.1	3,310.4	3,097.1	3,085.3	5,271.3	7,783.9	4,949.0	5,921.5	1,980.5	1,636.5
Bauxite Levy	606.9	1,245.8	1,622.9	1,725.5	2,374.2	2,795.1	2,797.6	2,872.3	2,786.8	2,605.0	2,752.6	2,252.3	2,604.5	1,179.4	869.9
Capital revenue	364.0	849.6	726.4	905.9	877.0	700.2	726.6	507.5	597.6	5,596.6	9,092.2	2,843.7	1,236.8	946.5	255.8
Grants	356.3	714.3	943.2	490.8	1,343.1	1,180.8	1,059.6	724.9	652.2	934.8	1,737.1	1,974.4	773.5	641.4	477.2
Expenditure	8,841.8	13,018.3	20,386.0	29,997.1	39,802.9	54,717.6	78,052.4	86,387.7	93,263.3	102,947.8	104,265.3	123,791.6	135,060.5	62,028.0	73,113.6
Recurrent expenditure	7,470.0	10,638.9	16,321.9	25,369.3	34,454.6	44,441.8	64,225.2	72,113.2	84,743.4	93,166.3	95,780.7	113,665.1	125,149.5	55,956.1	68,665.5
Programmes	1,686.5	2,811.9	5,457.5	5,197.7	8,297.0	10,664.9	12,901.5	18,483.9	18,241.0	19,487.3	17,696.6	20,066.5	20,457.1	10,806.1	13,652.8
Wages and salaries	2,857.5	3,886.4	3,991.5	10,295.4	11,142.6	15,805.7	24,043.3	29,065.6	31,913.4	31,895.0	35,163.8	42,588.2	45,074.6	20,796.3	24,733.4
Interest	2,926.0	4,140.6	6,872.9	9,876.2	15,015.0	17,971.2	27,280.4	24,563.7	34,589.0	41,784.0	42,920.3	51,010.4	59,617.8	24,353.8	30,279.3
Domestic										34,980.3	34,306.0	40,353.4	42,733.0	19,904.5	23,132.6
External										6,803.7	8,614.3	10,656.9	16,884.8	4,449.3	7,146.8
Capital expenditure	1,371.8	2,379.4	4,059.8	4,627.4	5,882.0	7,908.0	11,156.1	12,118.9	6,900.4	8,400.5	8,545.3	10,126.4	9,911.0	5,931.7	4,448.0
Fiscal surplus/deficit	807.1	2,057.1	3,171.5	3,617.0	4,793.4	3,806.2	-14,966.9	-19,961.6	-19,171.1	-12,575.2	4,175.0	-21,203.5	-17,738.2	-13,580.0	-21,861.0
Loan receipts	.....	4,150.6	8,072.5	9,729.1	26,889.2	113,200.4	48,966.9	44,595.6	60,599.4	72,482.7	69,346.2	104,647.3	84,942.1	42,515.5	47,849.0
External	.....	3,404.1	1,955.3	5,180.0	3,930.7	4,273.7	4,484.2	13,507.1	11,883.7	10,706.0	27,284.7	39,172.5	26,136.0	23,287.4	32,147.7
Domestic	.....	746.5	6,117.2	4,549.1	22,958.5	7,046.7	44,482.7	48,715.7	48,715.7	61,776.7	42,061.4	65,474.8	58,806.1	19,228.2	15,701.3
Amortization	.....	4,093.8	7,987.2	6,208.3	18,034.6	15,158.9	24,075.7	31,326.6	34,476.5	54,940.3	61,758.3	90,974.2	75,003.9	44,747.1	39,832.3
Overall balance	.....	2,016.1	3,254.8	7,136.7	13,648.0	690.7	9,926.0	-6,693.4	6,951.8	5,737.3	11,762.8	-384.6	0.0	-14,210.5	-13,844.3

Source: Ministry of Finance

**Table 3**  
**Jamaica**  
**Monetary Survey**  
**Millions of Jamaica Dollars**

	1994	1995	1996	1997	1998	1999	2000	2001	Sept.01	Sept. 02
Net foreign assets	16,573.1	30,169.5	38,114.4	35,544.4	36,759.7	40,606.6	69,801.9	116,591.60	97,639.5	117,922.3
Net domestic assets	14,679.0	32,456.7	57,151.9	81,563.1	109,373.80	128,130.10	132,934.0	149,077.3	143,348.10	163,470.8
Credit to the public sector	-8,506.3	-4,995.9	9,179.6	41,325.7	88,930.3	107,715.0	111,007.3	122,620.6	120,534.6	126,393.6
Credit to the private sector	26,282.0	39,927.6	50,036.9	42,159.5	34,126.6	26,571.9	29,106.7	34,949.4	31,910.2	42,495.6
Credit to other financial institutions	-3,096.7	-2,475.0	-2,064.6	-1,922.1	-13,683.1	-6,156.8	-7,180.0	-8,492.7	-9,096.7	-5,418.4
Other net assets	21,897.9	10,991.4	-10,348.8	21,502.90	-43,602.2	-48,476.7	-69,738.1	-119,607.3	-99,404.0	-120,802.3
Liabilities to the private sector	53,150.0	73,617.6	84,947.5	95,604.6	102,531.3	120,260.0	132,997.8	146,061.6	141,583.6	160,590.8
Currency in circulation	7,115.1	9,512.1	10,753.7	12,442.8	13,494.7	17,810.0	17,583.6	18,744.9	16,146.1	17,524.1
Demand deposits	9,258.9	13,715.6	18,412.8	16,181.0	16,682.3	21,259.2	20,527.8	26,565.2	25,474.5	31,926.0
M1	16,374.0	23,227.7	29,166.5	28,623.8	30,177.0	39,069.2	38,111.4	45,310.1	41,620.6	49,450.1
Time deposits	12,042.8	15,839.7	17,204.3	16,453.7	19,599.9	23,131.3	29,345.1	28,658.2	29,987.2	32,843.9
Savings deposits	24,733.2	34,550.2	38,576.7	50,527.1	52,754.4	58,059.5	65,541.3	72,093.3	69,975.8	78,296.8
M2	53,150.0	73,617.6	84,947.5	95,604.6	102,531.3	120,260.0	132,997.8	146,061.6	141,583.6	160,590.8

Source: Bank of Jamaica

**Table 4**  
**Jamaica**  
**Commercial bank credit**  
**Sectoral distribution**  
**Thousands of Jamaica Dollars**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Aug-01	Aug-02
Total	11,879,066.0	14,095,062.0	21,814,748.0	32,294,462.0	45,864,183.0	54,563,142.0	59,342,121.0	43,084,027.0	36,728,067.0	40,573,754.0	49,035,098.0	43,791,240.0	62,193,810.0
Agriculture	940,226.0	1,117,086.0	1,416,676.0	2,038,472.0	1,879,014.0	2,247,806.0	2,541,335.0	1,977,036.0	1,598,090.0	1,567,229.0	1,479,622.0	1,602,770.0	1,423,230.0
Mining	47,371.0	73,405.0	118,114.0	236,441.0	354,053.0	320,729.0	245,630.0	191,027.0	98,706.0	87,190.0	98,177.0	54,670.0	108,000.0
Manufacturing	1,897,112.0	2,119,937.0	3,027,035.0	3,867,328.0	6,092,579.0	7,310,510.0	5,898,600.0	4,001,960.0	2,992,362.0	3,046,790.0	3,119,261.0	2,982,100.0	3,552,000.0
Construction and land development	2,361,706.0	2,473,946.0	3,321,062.0	4,616,147.0	5,587,267.0	4,692,017.0	4,070,143.0	2,540,172.0	2,029,014.0	2,026,132.0	2,339,359.0	1,883,940.0	2,486,810.0
Financial institutions	369,182.0	325,454.0	784,616.0	1,232,084.0	2,352,688.0	4,310,664.0	7,009,782.0	2,638,617.0	1,260,903.0	747,295.0	178,201.0	.....	.....
Transport, storage and communication	1,175,935.0	1,137,678.0	2,163,632.0	3,026,855.0	4,399,854.0	3,810,409.0	3,845,809.0	1,901,195.0	1,445,874.0	1,525,731.0	4,409,793.0	2,397,230.0	4,072,880.0
Electricity, gas and water	12,657.0	238,489.0	155,558.0	197,361.0	93,675.0	224,921.0	96,382.0	68,239.0	66,539.0	773,945.0	1,256,921.0	.....	.....
Government services	705,365.0	813,222.0	1,299,414.0	2,674,275.0	3,353,042.0	5,237,423.0	8,736,346.0	4,716,532.0	4,894,041.0	6,696,791.0	10,288,241.0	8,756,900.0	17,799,380.0
Distribution	639,461.0	844,266.0	1,667,178.0	2,061,705.0	3,513,743.0	4,034,542.0	3,751,922.0	3,610,449.0	2,833,062.0	3,563,853.0	3,224,744.0	.....	.....
Tourism	743,826.0	1,027,752.0	200,056.0	2,912,101.0	3,830,392.0	4,682,199.0	4,335,951.0	4,260,418.0	3,560,650.0	4,747,676.0	5,166,295.0	.....	.....
Entertainment	91,428.0	270,368.0	147,517.0	175,336.0	288,127.0	258,787.0	213,950.0	124,935.0	151,309.0	137,499.0	89,390.0	.....	.....
Professional and other services	1,554,168.0	1,524,257.0	3,460,322.0	3,614,394.0	5,201,281.0	6,142,816.0	7,070,507.0	6,427,634.0	4,507,343.0	4,730,003.0	3,552,700.0	.....	.....
Personal	1,340,629.0	2,129,202.0	4,053,568.0	5,641,963.0	8,918,468.0	11,290,319.0	11,525,764.0	10,625,813.0	11,290,174.0	10,933,620.0	13,832,394.0	.....	.....

Source: Bank of Jamaica and Planning Institute of Jamaica



**Table 5**  
**Jamaica**  
**Balance of payments**  
**US\$ million**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Jan-May 2001	Jan-May 2002
<b>Current account</b>	-255.8	10.9	-194.2	18.3	-192.3	-139.3	-332.2	-333.7	-216.3	-288.6	-650	-273.8	-330
<b>Merchandise trade</b>	-424.3	-475.6	-804.7	-648.7	-989.6	-1116.3	-1132.3	-1130.5	-1186.5	-1353.5	-1580	-675.1	-691.3
Exports (fob)	1150.7	1053.6	1075.4	1219.5	1436.8	1386.9	1700.34	1613.4	1499.1	1554.6	1451.6	612.8	541.3
Imports (fob)	1575	1529.2	1880.1	1868.2	2426.4	2503.2	2832.6	2743.9	2685.6	2908.1	33031.6	1287.9	1232.6
<b>Services balance</b>	394.6	494.9	473.8	476	486.4	518.1	467.2	476.9	655.4	594	546.4	227.2	149.8
<b>Transportation</b>							-273.4	-278.3	-233.6	-247.1	-260.4	-91.2	-106.3
Travel	710.4	794.2	878.4	854	939.6	952.4	949.5	998.9	1052.4	1123.9	1073.2	498.8	404.5
Other services	-315.8	-299.3	-404.6	-378	-453.2	-434.3	-208.9	-243.7	-163.4	-282.8	-266.4	-180.4	-148.4
<b>Income</b>	-478.9	-348.2	-240.2	-284.3	-296.9	-177.5	-291.9	-308.1	-332.5	-349.9	-488.7	-170	-183.3
Compensation of employees							57.7	66.1	70.3	67.4	78.8	8.5	9.6
Investment income	-478.9	-348.2	-240.2	-284.3	-296.9	-177.5	-349.6	-374.2	-402.8	-417.3	-567.5	-178.5	-192.9
<b>Current transfers</b>	252.8	339.8	376.9	475.3	607.8	636.4	624.8	628	647.3	820.8	872.3	344.1	394.8
Official	99.5	91.6	70.5	28.1	57.7	52.6	39.8	43.2	45.8	147.9	62.9	29	17.3
Private	153.3	248.2	306.4	447.2	550.1	583.8	585	584.8	601.5	672.9	809.4	315.1	377.5
<b>Capital and financial account</b>	255.8	-10.9	194.2	-18.3	192.4	139.3	332.2	333.7	216.3	288.6	650.6	273.8	330
<b>Capital account</b>					24.1	21.1	-11.6	-8.7	-10.9	2.2	-12.4	-9.8	-10.9
<b>Capital transfers</b>					24.1	21.1	-11.6	-8.7	-10.9	2.2	-12.4	-9.8	-10.9
Official					20.5	18.7	7	4.2	4.1	15.6	3.5	2	0.2
Private					3.6	2.4	-18.6	-12.9	-15	-13.4	-15.9	-11.8	-11.1
<b>Financial account</b>	255.8	-10.9	194.2	-18.3	168.3	118.2	343.8	342.4	227.2	286.4	662.4	283.6	340.9
<b>Official investment</b>	99.2	-10	-1.5	-127.4	-97	-87.2	182.5	381.7	93.6	383.7	653.4		
Direct investment				.....	.....		146.7	287.1	428.8	.....	.....		
Portfolio investment				.....	.....		.....	.....	.....	.....	.....		
Other				.....	.....		43.1	-41.3	-331.4	.....	.....	479.4	11.4
<b>Private investment</b>	51.4	336.3	309.1	446.6	285	476.6	-7.3	135.9	-3.8	422	880.3	440.3	299.4
<b>Reserves</b>	105.2	-337.2	-113.4	-337.5	-19.7	-271.2	161.3	-39.3	133.6	-519.3	-871.3	-511.1	-30.1

Source: Bank of Jamaica; Planning Institute of Jamaica

**Table 6**  
**Jamaica**  
**Public external debt**  
**US\$ million**

	1997	1998	1999	2000	2001	September 2002
Total external debt	3277.6	3306.4	3024.1	3375.3	4146.1	4230.9
Commercial banks	267.6	165.1	147.2	132.8	97.7	47.3
Multilateral	1165.1	1087.2	1027.5	1115.4	1127.3	1132.8
Bilateral	1545.1	1476.2	1367.5	1218.5	1063.1	1023.0
Bond issue	249.6	550.0	450.0	862.8	1655.7	1791.2
Other	50.3	27.7	31.9	45.9	202.4	236.7
Source: Ministry of Finance						

Table 7						
Jamaica						
Annual inflation (Consumer Price Index)						
January 1988 = 100						
	Point-to-point					
	1997	1998	1999	2000	2001	September 2001-2002
All items	9.2	7.9	6.8	6.1	8.7	5.9
Food and drink	8.9	4	3.9	4.4	6.8	5.6
Fuel	7.3	9.7	2.9	7.6	10.7	3
Housing	10.2	9.6	24.4	17.5	4	13.2
Home furniture and supplies	8.1	3.9	3.5	8.9	4.8	3.9
Healthcare and personal	8.8	7.5	7.6	6.7	5.5	5.1
Personal clothing	10.6	3.7	5.6	4.5	3.4	3.5
Transportation	2.1	25.8	4.3	3.9	26.6	2.7
Miscellaneous expenses	15.9	23.3	16.2	6.1	16	7.4

Source: Planning Institute of Jamaica



**TRINIDAD AND TOBAGO**



**Table 1**  
**Trinidad and Tobago**  
**Selected economic indicators**

	1995	1996	1997	1998	1999	2000	2001	2002
<b>Real domestic product</b>								
Nominal GDP at market prices (TT\$ million)	31,697.0	34,448.1	36,552.4	38,197.1	41,044.9	50,871.5	55,815.1	61,564.1
Real GDP annual percentage growth	3.2	2.9	3.0	4.0	5.0	4.7	3.3	2.7
<b>Real GDP growth by selected economic sector</b>								
Agriculture			2.7	-15.2	-1.4	4.4	-2.7	11.1
Petroleum			-2.0	5.4	8.1	1.1	2.4	4.5
Manufacturing			3.5	4.1	3.4	6.7	3.6	1.1
Construction			15.0	13.9	7.9	8.0	5.4	1.9
Distributive trade			17.7	13.6	9.8	8.6	10.3	1.1
<b>Prices</b>								
Consumer price Index (December to December)	5.3	3.3	3.6	5.6	3.4	3.6	5.6	3.9
<b>Labor statistics</b>								
Labor force ('000')	521.0	530.4	541.0	558.7	563.4	564.0	576.5	585.8
Unemployment rate <sup>b/</sup>	17.2	16.2	15.0	14.2	13.2	12.2	10.7	11.0
<b>External sector</b>								
Merchandise exports (f.o.b) (million US\$) <sup>c/</sup>			2542.3	2264.6	2815.8	4290.3	4123.9	987.6
Merchandise imports (c.i.f) (Million US\$)			3036.2	3007.6	2752.2	3321.5	3693.5	862
Public sector external debt (million US\$)	1,905.2	1,877.2	1,564.8	1,471.1	1,584.8	1,679.8	1,637.6	1,614.2
<b>Fiscal balance <sup>d/</sup></b>								
Overall fiscal balance (as percentage of GDP)	0.2	0.5	0.1	-1.9	-3.2	1.2	0.6	0.1
<b>Monetary sector <sup>e/</sup></b>								
M1				4.5	5.1	14.1	36.9	7
M2				13.2	1.9	11.6	15.5	13.5
<b>Nominal interest rates <sup>f/</sup></b>								
Basic prime lending	15.00	15.50	15.00	17.50	17.50	16.50	14.50	12.00
90 day Treasury Bill Rate	8.79	10.57	10.00	11.93	10.36	10.54	8.33	4.13

Source: Central Bank of Trinidad and Tobago

Note: <sup>a/</sup> Includes hotels and guest houses, education and community services and personal services

<sup>b/</sup> The unemployment rate for 2001 and 2002 and the labor force for 2002 refers to March 2001

<sup>c/</sup> Exports and imports for 2002 refer to the first quarter of the year.

<sup>d/</sup> Computed on a fiscal year basis.

<sup>e/</sup> The rates of growth of the monetary aggregates for 2002 correspond to the period August 2001-August 2002

<sup>f/</sup> end of period. Refers to the month of September for 2002.

<b>Table 2</b>						
<b>Trinidad and Tobago</b>						
<b>Annual changes in GDP by economic sector at 1985 prices</b>						
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Agriculture	2.7	-15.2	-1.4	4.4	-2.7	11.1
Petroleum	-2.0	5.4	8.1	1.1	2.4	4.5
Manufacturing	3.5	4.1	3.4	6.7	3.6	1.1
Electricity and water	5.1	5.3	-0.6	9.6	2.7	1.2
Construction	15.0	13.9	7.9	8.0	5.4	1.9
Distributive trade	17.7	13.6	9.8	8.6	5.4	1.1
Transport, storage and communication	4.7	4.3	10.5	7.2	3.5	10.6
Finance, insurance and real estate	0.8	2.5	2.2	2.4	5.6	5.9
Government	-0.3	3.2	-0.7	4.0	3.1	2.9
Other services <i>a/</i>	2.0	3.3	1.8	3.6	6.3	2.6
<b>Total</b>	<b>3.0</b>	<b>4.0</b>	<b>5.0</b>	<b>4.7</b>	<b>3.3</b>	<b>2.7</b>
<b>Note: a/ Includes hotels and guest houses, education and community services and personal services</b>						
<b>Source: Central Bank of Trinidad and Tobago</b>						



**Table 3**  
**Trinidad and Tobago**  
**Central government fiscal operations**  
**Millions of TT\$**

	1999	2000	2001	Oct. 99/Sept. 00	Oct. 00/Sept. 01	Oct.01/Sept.02
Current revenue	9613.2	13006.7	13379.9	12133.3	14146.2	13732.2
Current expenditure	10541.9	10993.5	12594.9	11275.1	13017.6	13213.3
Current account surplus/deficit	-928.7	2013.2	785	858.2	1128.6	518.9
Capital revenue	100.8	29.9	35.6	66.1	234.8	293
Capital expenditure and net lending	527.4	1224	861.2	1224.3	973.3	743
Overall surplus/deficit	-1355.3	819.1	-40.6	-300	390.1	68.9
Total financing (net)	1355.3	-819.1	40.6	300	-390.1	-68.9
Net external borrowing	842.8	846.9	-5.5	1607.6	-779.8	-182.7
Disbursements	1802.3	2344.3	158	2547.6	365	240.6
Repayments	-959.5	-1497.4	-163.5	-940	-1144.8	-423.3
Divestment proceeds	53.9	31.5	0			
Domestic financing (net)	458.6	-1697.5	46.1	-1307.6	389.7	113.8

Source: Ministry of Finance

**Table 4**  
**Trinidad and Tobago**  
**Central government expenditure**  
**Million TT\$**

	Fiscal year					
	1999	2000	2001	Oct.99/Sept.00	Oct. 00/Sept. 01	Oct.01/Sept.02
Current expenditures	10541.9	10993.5	12594.9	11275.1	13017.6	13213.3
Wages and salaries	3,657.0	3,190.1	4,091.3	3,141.1	3,772.9	4,224.6
Goods and services	1,111.0	1,205.4	1,542.2	1,236.3	1,552.2	1,742.0
Interest	2,344.1	2,429.7	2,222.0	2,520.3	2,382.7	2,259.5
External	754.1	872.1	768.0	839.4	817.0	800.3
Domestic	1,590.0	1,557.6	1,453.9	1,680.9	1,565.7	1,459.2
Transfers and subsidies	3,429.7	4,168.3	4,739.3	4,377.4	5,309.8	4,987.2
Loans and grants to statutory bodies and enterprises	662.1	1,095.8	1,259.5			
Households	1,241.6	1,403.9	1,560.9			
Capital expenditure and net lending	527.4	1,224.0	861.2	1,224.3	973.3	743.0
Total expenditure	11,069.3	12,217.5	13,546.1	12,499.4	13,990.9	13,956.3
Source: Ministry of Finance						

**Table 5**  
**Trinidad and Tobago**  
**Tax revenues of the central government**  
**Millions TT\$**  
**1998/99 - 2001/02**

	Fiscal year		
	Oct. 99/Sept. 00	Oct. 00/Sept. 01	Oct.02/Sept.01
Total revenue	May-33	14,381.0	14025.2
Current revenue	12,133.3	14,146.2	13732.2
Taxes on income and profits	6,217.6	7,700.8	6574.1
Companies	3,481.7	4,573.0	3303.2
Individuals	2,169.4	2,389.5	2671
Withholding taxes	195.3	306.1	204.5
Health surcharge	149.1	151.5	127.5
Business levy	65.1	89.6	60.1
Unemployment fund	157.0	191.1	125.1
Other			82.7
Taxes on property	70.8	66.3	103
of which:			
Land and buildings	63.9	59.1	96.5
Taxes on goods and services	3,128.7	3,425.8	3814.6
Excise tax	800.7	822.3	911.2
Value added tax	1,889.5	2,193.7	2481.3
Departure tax	33.2	44.3	28.3
Motor vehicle tax and duties	239.4	216.4	209
Taxes on international trade	781.5	856.8	880.3
Import duties	746.4	811.2	850.2
Stamp duties	110.6	113.2	114.9
Non-tax revenue	1,824.1	1,983.3	2245.3

Source: Ministry of Finance

**Table 6**  
**Trinidad and Tobago**  
**Balance of payments**  
**US\$ million**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 a/
Current account	396.1	-66.7	32.5	-107.8	221.4	269.9	68.2	-578.9	-645.4	30.6	544.3	126.5	148.1
Merchandise trade	819.4	319	434	163.4	597.7	592.2	346.5	-493.9	-743	63.6	968.8	430.4	125.5
Exports (fob)	2081	1986	1869.6	1662.2	1971.9	2477.4	2505.8	2542.3	2264.6	2815.8	4290.3	4123.9	987.6
Imports (fob)	1261.6	1667	1435.6	1498.8	1374.2	1885.2	2159.3	3036.2	3007.6	2752.2	3321.5	3693.5	862
Services balance	-3.2	67.3	58.8	60.6	43.1	159.4	244.1	292.5	417.6	329.1	166.1	299.1	52.1
Transportation	54.7	63	83	102	81.5	100.4	103.2	88.2	78.2	80.9	34.4	90.2	12.4
Travel	-27.6	-9.2	-3.7	-25.5	-2.9	-5.9	32.2	121	134	126.8	65.7	159.7	15.3
Communication	0	0	0	0	0	73.1	84.5	79.8	91.9	102.8	30.8	25.4	7.8
Insurance	-10.3	-23.4	-24.5	-7.8	7.2	12.8	25.4	35.5	30.1	23.9	45.7	65.1	19.2
Other government	-12.2	-14.5	-8.6	-1.5	-5	-6.8	-5	-11.3	77.5	-10.2	-13.9	-22	-2.2
Other services	-7.8	51.4	12.6	-6.6	-37.7	-14.2	3.8	-20.7	5.9	4.9	3.4	-19.3	-0.4
Income	-394.8	-439.3	-444.3	-325.1	-413.3	-465.4	-515.3	-381.3	-342.3	-399.9	-628.5	-639.1	-39.4
Investment income	-394.8	-439.3	-444.3	-325.1	-413.3	-465.4	-515.3	-381.3	-342.3	-399.9	-628.5	-639.1	-39.4
Net current transfers	-25.3	-13.7	-16	-6.7	-6.1	-16.3	-7.1	3.8	22.3	37.8	37.9	36.1	9.8
Net capital account	-520.7	-261.9	-172.5	91.5	-32.5	-27.5	43.1	841.2	694.4	217.9	264.7	343.2	-151.8
Portfolio investment								-0.4	-0.4	-170	-146.3	-57.9	-0.2
Direct investment	109.4	144.1	171	372.6	521	295.7	356.3	999.6	731.9	379.2	654.3	554	182.6
Other	-256.1	-89.4	-136.4	-132.2	-261.4	-277.5	-311.9	50.2	117.6	-174.9	-211.1	-302.2	-354.7
Commercial banks				-85.4	-120.6	88.5	-27.4	21.9	-49.7	73.7	-86.1	198.7	42.9
Official borrowing	-244.5	-166.1	-101.9	19.8	-7.3	-97.6	47.4	-245.5	-105.7	124.4	114.9	-34.7	-20.1
Official loans	0.9	-5.2	0	0	0	0	0	0	0	0	0	0	0
State enterprise borrowing	-130.4	-145.3	-105.2	-83.3	-107.6	-69.3	-24.3	-13	-5.7	-14.5	-61	-14.7	-2.3
Other assets			0	0	-56.6	32.7	3	28	6	0	0	0	0
Net error and omissions	-65.5	-3.5	23.2	167.5	-7.9	-209.9	102.2	-86.6	31.5	-86.3	-368	0.9	
Overall surplus or deficit	-190.1	-332.1	-116.8	151.2	181	32.5	213.5	175.7	80.5	162.2	441	470.6	-3.7
Total Financing	190.1	332.1	116.8	-151.2	-181	-32.5	-213.5	-175.7	-80.5	-162.2	-441	-470.6	3.7
Official financing	-85.2	184	40.1	-158.6	-186.5	-40.5	-213.5	-175.7	-80.5	-162.2	-441	-470.6	
Government	0	-0.3	-0.8	1.6	-0.2	0	-0.3	-0.4	-0.2	0	3.5	0	
Central bank (net)	-99.4	174.5	33.2	-160.2	-186.3	-40.5	-213.2	-175.3	-80.3	-162.2	-444.5	-470.6	3.7
Commercial banks	14.2	9.8	7.7										
Exceptional financing	275.3	148.1	76.7	7.4	5.5	8	0	0	0	0	0	0	0
Debt rescheduling	275.3	148.1	69.8	0	0	0	0	0	0	0	0	0	0
Other			6.9	7.4	5.5	8	0	0	0	0	0	0	0

Source: Central Bank of Trinidad and Tobago

a/ Corresponds to the first quarter of 2002. In the capital account the item other includes errors and omissions.

