



PROSPECTUS

FOR TREASURY BILL ISSUE OF \$48 MILLION
BY THE GOVERNMENT OF
ST. VINCENT AND THE GRENADINES

Ministry of Finance
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December 2004

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I. GENERAL INFORMATION OF TREASURY BILL ISSUE

- Issuer:** The Government of St. Vincent and the Grenadines
- Address:** The Ministry of Finance and Planning
Administrative Centre
P.O. Box 608
Bay Street
Kingstown
St. Vincent and the Grenadines
- E-Mail:** mofpd@caribsurf.com
- Telephone No.:** (784) 456-1111 Ext 368
- Facsimile No.:** (784) 457-2943
- Contact persons:** Mrs. Ingrid Fitzpatrick, Accountant General

Mr. Maurice Edwards, Director General
- Date of Publication:** December 2004
- Registration:** This prospectus has been registered with the Regional Debt Co-ordinating Committee (RDCC)
- Purpose of Issue:** To refinance the existing issues of Treasury Bills to be issued on the Primary Market via the Regional Government Securities Market (RGSM) and to provide for liquidity in these instruments by virtue of being traded on the Secondary Market via the Eastern Caribbean Securities Exchange (ECSE) platform
- Amount of Issue:** Forty-eight million Eastern Caribbean Dollars (EC\$48,000,000)
- Legislative Authority:** The Treasury Bill Act Chapter 320 as amended

*This Prospectus is issued for the purpose of giving information to the public. The Government of St Vincent and The Grenadines accepts full responsibility for the accuracy of the information given, and confirm having made all reasonable enquiries, that to the **best of its knowledge** and belief there are no other facts, the omission of which would make any statement in this Prospectus misleading*

II. ISSUE INFORMATION OF TREASURY BILL ISSUE

- a.** The Government of St. Vincent and the Grenadines hereby invites applications for the purchase of Treasury Bills in the amount of EC\$48,000,000.00
- b.** The Bill will be divided into three issues of EC\$16,000,000.00 each in December 2004 and January and February 2005
- c.** Yields will not be subject to any tax, duty or levy of the Participating Governments of the Eastern Caribbean Currency Union (ECCU). The countries are Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines
- d.** Redemption date is every 91 days
- e.** The Treasury-Bills will be issued on 15 December 2004 and 20 January and 18 February 2005
- f.** The Treasury-Bills will be settled on 16 December 2004 and 21 January and 21 February 2005
- g.** The Treasury Bills will mature on 17 March, 22 April and 23 May 2005
- h.** The Treasury Bills will be issued on the Regional Government Securities Market (RGSM) and traded on the Secondary trading platform of the Eastern Caribbean Securities Exchange (ECSE)
- i.** The price of the issue will be determined by a Competitive Uniform Auction with open bidding

- j.** The Treasury Bills for 15 December 2004 and 20 January and 18 February 2005 issues will be identified by its trading symbol, VCB170305, VCB220405 and VCB230505 respectively.
- k.** The Bidding Period(s) will be opened at 9:00 a.m. and will close at 12:00 noon on 15 December 2004 and 20 January and 18 February 2005 respectively.
- l.** Each investor is allowed one (1) bid with the option of increasing the amount being tendered for up until the close of the bidding period.
- m.** The minimum bid quantity is \$5,000.00
- n.** The bid multiplier will be set at \$1,000
- o.** The maximum bid price is \$98.55 or 5.82 per cent
- p.** The Government has entered into an agreement with the Licensed Intermediaries listed in (q) below to bring the treasury bills to the Market. Investors will participate in the auction through the services of any of the Licensed Intermediaries. Commission would be payable by the Government to the Intermediaries for their service.
- q.** The current Licensed Intermediaries are:

 - Antigua and Barbuda Investment Bank Limited
 - Antigua Commercial Bank Limited
 - Bank of Nevis Limited
 - Bank of Saint Lucia Limited
 - National Commercial Bank (SVG) Limited
 - National Mortgage Finance Company of Dominica Limited
 - St. Kitts Nevis Anguilla National Bank Limited
 - Republic Finance and Merchant Bank Ltd.(FINCOR) - Grenada

- r.** All currency references will be the Eastern Caribbean Dollar unless stated otherwise

III. FINANCIAL ADMINISTRATION AND MANAGEMENT

The Ministry is headed by the Minister of Finance and comprises several Departments over which the Director General has administrative control. Debt management functions have been centralized in the Debt Management Unit of the Ministry of Finance, Planning and Development. The Debt Management Unit performs all debt management activities and provides policy advice on the overall debt management strategy of St. Vincent and the Grenadines.

The Government of St Vincent and the Grenadines is committed to a process of fiscal consolidation and a prudent fiscal stance as part of its overall strategy in economic management. To enhance the capital project management process, all planning functions of line ministries have been centralized in the Ministry of Planning. The Government will be conducting a comprehensive review of public expenditure, with technical assistance from the World Bank, aimed at rationalizing and increasing the efficiency of public spending. Additionally, Government is in the process of further elaborating a fiscal stabilization programme for St. Vincent and the Grenadines with technical assistance from the ECCB and CARTAC.

The Eastern Caribbean Central Bank (ECCB) conducts quarterly economic and financial reviews that are published across the region. *Article IV Country Reviews* conducted by the International Monetary Fund (IMF) are also published and available on the Fund's Website (imf.org).

The Ministry of Finance, Planning and Development seeks to establish a client-oriented environment conducive to the attainment of sustainable economic development and improvement of the quality of life of all citizens of St. Vincent and the Grenadines through sound economic management and the promotion of good governance.

IV. MACRO ECONOMIC PERFORMANCE

ECONOMIC GROWTH

Preliminary statistics for 2003 indicate that the economy of St. Vincent and the Grenadines recorded an increase in real GDP of 3.6% compared with 1.7% in 2002. Real GDP during the period 1998 – 2002 averaged approximately 2.6%. St. Vincent and the Grenadines continues to record positive growth despite several natural disasters, extended droughts and the adverse effects of the terrorist attacks on the United States of America on 11 September 2001.

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The ability of the economy to record positive real economic growth in the midst of difficulties is commendable. Indeed, in its concluding statement on the 2002 IMF Article IV statement, the IMF wrote “*The Government of St. Vincent and the Grenadines (SVG) is to be commended for achievements in its first eighteen months against a difficult regional and global environment.*” In fact the economy has recorded real economic growth for over twenty years with the exception of 1994 and 2001. The contraction in economic activity in 1994 resulted from a significant drought, which adversely affected the agricultural sector. More recently in 2001, the slow global economy coupled with the effects of the events of September 11th led to a marginal decline of the main economic contributors to GDP growth.

SECTORAL DEVELOPMENTS

Agriculture

Although the contribution from the Agricultural Sector to GDP has been declining in recent years, it is still the most important productive sector in terms of its contribution to employment and the fight against poverty, particularly in the rural areas.

In 2003, agricultural production declined with banana production amounting to 26,686 tonnes compared with production of 37,551 tonnes in the corresponding period of 2002. The production of bananas in 2003 was severely hampered by Tropical Storm Lili in 2002 and a prolonged drought in the first half of 2003. There has been a 4 percent increase in the production of root crops, which includes: dasheens, sweet potatoes and

yams. The government continues to revitalize this sector through a series of projects such as the Agricultural Diversification Programme and the Rehabilitation of the Arrowroot Industry.

Manufacturing

In 2003, manufacturing contributed approximately 6.1 percent to real GDP with growth in output contracting by 1 percentage point.

Production of flour rose by 10.8 percent, and rice declined by 12.6 percent in 2003 when compared to the total of 2002. This can be attributed in part to a fall in export demand and to competition from imports. Of the other manufactured products, output of brewed products remained virtually flat over the comparative period.

The Government is endeavouring, not only to halt the slide in this sector's contribution to GDP, but also reverse the downward trend evident over the last ten years.

In an effort to make this major export sector internationally competitive, the Government is concentrating on increasing productivity, promoting the unique characteristics of products, and targeting specific market niches while containing import costs and maintaining high levels of production and marketing efficiencies.

Government is integrating manufacturing with other sectors of the economy by:

- Developing the Small and Medium Enterprise (SME) sector by improving business and entrepreneurial skills and on increasing access to credit; and
- Modernising the manufacturing sector as a whole through the provision of the necessary infrastructure to attract investors.
- The National Commercial Bank, the Development Bank, the Small Enterprises Development Unit (SEDU) and the Development Corporation (DEVCO) are playing major roles in this regard.

Construction

Economic growth, in 2003, was led by activity in the construction sector, which has ameliorated by 9.4 per cent. This assessment was based in part on higher capital expenditure by central government, associated with the ongoing construction projects including the Grenadines Multipurpose Project III and rehabilitation of the ministerial building. Capital expenditure amounted to \$76.14m compared with \$63.31m in 2002. Private sector residential construction activity was estimated to have increased based on commercial bank data that indicated growth in credit for home construction and renovation.

Government has planned to institute measures to boost the construction sector, particularly the residential sector. Additionally the Public Sector Investment Programme, which includes the Windward Highway, redevelopment of Canuouan Airport and extension to the Community College, coupled with some private sector initiatives, will contribute to the further boosting of the sector.

Tourism

Tourism, being one of the main sectors of the economy, is constantly affected by external shocks from the international economy. This has posed serious challenges to the sector since the latter part of 2001 and continuing into 2003.

During 2003, performance in the tourism industry was mixed relative to the level in the same period in 2002. Yacht and cruise ship passengers were estimated to have fallen by 1.7 percent and 8.1 percent respectively. By contrast, stay-over visitors grew by 1.1 percent to 78,535 when compared to 2002.

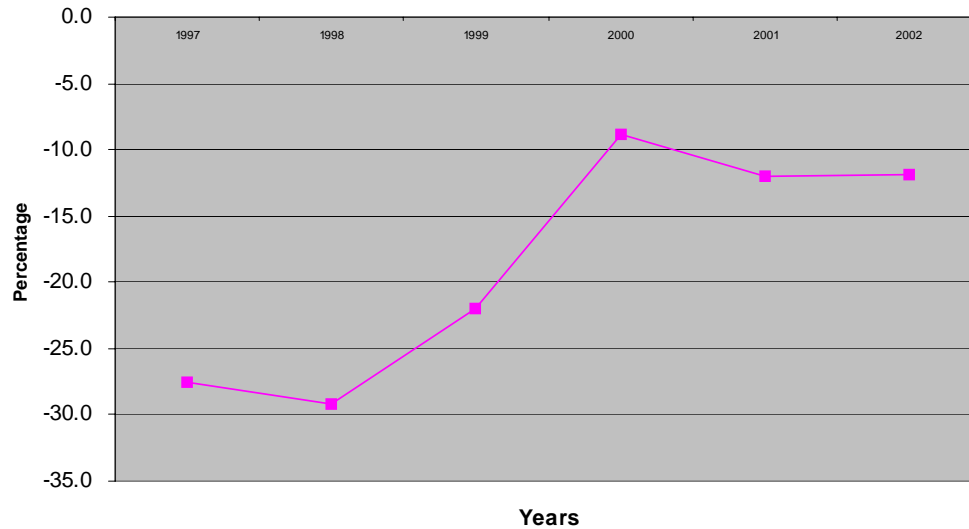
In an effort to improve the tourism product, some measures are being implemented to stabilize or revive the sector.

Over the short to medium term, the tourism sector will be guided by the implementation of the “**Tourism Strategic Development Plan**”, which includes increased promotion

activities within the region and joint regional marketing programmes internationally. Additionally, some new operations for example, Moorings Yacht Charter Company have been identified for implementation during 2004. These are expected to generate additional employment opportunities.

BALANCE OF PAYMENTS

Chart I - Balance of Payment



During the first half of 2002, the deficit on the BOP amounted to \$8.8m compared with a deficit of \$11 million in the corresponding period of 2001. This improvement in the overall balance for 2002 is partially attributed to lower net outflows on the merchandise trade account as imports declined by 6.3 percent.

GOVERNMENT FISCAL OPERATIONS

Performance

In 2003, the central government's current account operations improved, as the current surplus rose to \$42.2m (4.1% of GDP) from \$29.39m (3.1% of GDP) in 2002. *Current revenue increased by 4.1%, which was mainly associated with growth in the yield from taxes on international trade and transactions and non-tax revenue.* Current expenditure remained virtually flat at \$276.08m in 2002 compared to \$276.30 in 2003. Current expenditure is broken down as follows: Factor Payments accounted for 50% in both

years, Interest payment 10% in both years, Transfers and Subsidies 18% in 2003 and 17% in 2002, and Goods and Services 22% in 2003 and 23% in 2002.

Policy Objectives

The economic approach of the Government contains the following central elements:

1. The maintenance of macro-economic fundamentals of a stable currency, low inflation, fiscal prudence, enhanced competitiveness, and increased productivity.
2. The placement of social equity at the center of the considerations in the fashioning of economic policy.
3. The pursuance of a policy of balanced economic growth which is sustainable and which generates more jobs, especially quality employment.
4. Establishing partnerships with the Private Sector for creating wealth and to boost economic activity
5. Implementation of a Public Sector Investment Programme to create, among other things, a fiscal stimulus to the economy.
6. Provide an appropriate balance between the conflicting objectives of injecting a fiscal stimulus and maintaining a sustainable debt path.

In keeping with its objective, concerning domestic savings and investment, the Government aims to maintain the level of public sector savings at 8 percent of GDP. This will come mainly through a contraction of spending in real terms and improved revenue collection by the strengthening of tax administration and the widening of the tax base. Other expenditure control measures that are in the process of being implemented include:-

- Rationalization of current expenditure
- Implementation of a system for monitoring the operations of public enterprises
- Improving the compilation and analysis of statistics
- Establishment of a Tax Policy Unit within the Ministry of Finance and Planning to enhance the formulation and analysis of tax policy

The achievement of the medium-term fiscal targets will be greatly facilitated in the coming month with the strengthening the institutional framework of the Inland Revenue Department regarding property tax administration. Work has commenced on a revaluation exercise of the property tax system in St. Vincent and the Grenadines, which should realize higher Government revenues.

The Public Sector Investment Program, estimated at approximately \$100.0M annually, is being viewed as key to stimulating economic activity and providing the basis for private sector-led growth. The PSIP is projected to increase to 13 ½ percent of GDP in 2003 from 12 percent in 2002. This will include electricity expansion, the Windward Water and Road System and Emergency Recovery Disaster Management (including post-Lili rehabilitation).

FINANCIAL INDICATORS

The commercial banking system remained highly liquid in the fourth quarter of 2003, despite a fall in the level of liquidity. The loans to deposits ratio declined by 2.9 percentage points to 69.1 percent when compared with the end of the previous year. Historical data, from 1998 to 2003, has shown a decline in the commercial bank loans to deposits, which is an indication of an increase in the level of liquidity in St. Vincent and the Grenadines.

There were some downward movements in interest rates, influenced by the decision of the Monetary Council to reduce the minimum rate on savings by 1.0 percentage point to 3.0 percent. Consequently savings deposits earned interest at rates ranging from 3.0 percent to 5.0 percent, at the end of the previous quarter. Prime lending rates ranged from 9.0 percent to 11.0 percent, while time deposit rates ranged from 3.1 percent to 6.3 percent.

Government has adopted a policy of modernisation and development of the Financial Sector in St. Vincent and the Grenadines. Government aims to promote the development of money and capital markets, reform the interest rate regime and the prudential regulations and supervisory systems for financial intermediaries, ensure the re-

capitalisation and restructuring of weak financial institutions, institute measures to strengthen competition among banks and initiate legislative reform of the financial laws and regulations.

In this regard, the new Insurance Act came into operation from January 2004. Additionally, a new Finance Administration Act was passed in the House of Assembly in March 2004, which will modernize the laws governing the management and control of public funds and expenditure.

DEMOGRAPHY

In 2001, St. Vincent and the Grenadines population totaled 112,000 with GDP per capita of US\$3,116 compared with 2000 GDP per capita of US\$3,055. In 2001, males accounted for 50.9% of the population while females accounted for 49.1%, indicating that at the last census the sex ratio of the population was almost equal. This is consistent with the findings of the 1991 census. St. Vincent and the Grenadines has an area of 388 sq. km and population density per sq. km of 288. Life expectancy at birth is 68.8 years and infant mortality rate, per thousand live births is 16.3.

V. PUBLIC DEBT

CURRENT DEBT PORTFOLIO

As at 31 December 2003, the total outstanding public debt for St. Vincent and the Grenadines was estimated at \$761.61 million. (75.9 % of GDP). Total public sector debt is projected to increase in 2004, in line with a Public Sector Investment Programme.

DEBT STRATEGY

To achieve a sustainable debt ratio the Government is pursuing the following measures:

- (i) Establishing limits on the contraction of new debts and ensuring that the projects to be financed are feasible in terms of their contributions to economic development and poverty reduction. Sound governance practices will dictate that these limits be strictly adhered to in accordance with a well documented Debt Management Strategy.

- (ii) Increasing GDP, average annual nominal GDP growth, which over the last three (3) years has been 2.1%. This will be increased in the coming months.
- (iii) Reducing contingent or guaranteed debt liabilities by closer monitoring and control of the borrowings by state owned enterprises.
- (iv) Obtaining Parliamentary approval for all borrowings in cases where an existing Act of Parliament does not authorize the loan.

VI. CURRENT ISSUES OF GOVERNMENT SECURITIES.

1. TREASURY BILLS

- **Issues Outstanding** Issue \$48.0M
- **Type of Issue** Government of St Vincent and The Grenadines Treasury Bills
- **Maturity in days** 91 days
- **Date of Issues** Every 91 days
- **Discount rate** N/A
- **Yields** Weighted Avg. 4.66%
- **Discount Price** \$98.94 – \$98.69

2. BONDS

- **Issues Outstanding** \$90.0 M (Three issues of \$30M)
- **Type of Issue** St Vincent and The Grenadines Development Bonds
- **Maturity in Years** 10 years respectively
- **Date of subscription** 1 February 1996, 16 March 2002 and 9 August 2004
- **Redemption Date** 31 January 2006, 15 March 2012 and 10 August 2004
- **Coupon Rate** 7%
- **Amount offered for sale** \$30.0M each

3. DEBT RATING

The Government of St Vincent and The Grenadines has not been rated by any international or regional rating agency. The Government of St. Vincent and The Grenadines has never defaulted on its repayment of contracted debt. It has

maintained a strong relationship with its creditors and has been consistent in its debt servicing both domestically and internationally.

VII. SECURITY ISSUANCE PROCEDURES, CLEARING AND SETTLEMENT, REGISTRATION OF OWNERSHIP AND SECONDARY MARKET ACTIVITY

The treasury bills will be issued and listed on the Regional Government Securities Market (RGSM). This market will operate on the Eastern Caribbean Securities Exchange (ECSE) trading platform for both primary issuance and secondary trading. The pricing methodology to be used for selling the securities will be a competitive uniform auction with open bidding. The ECSE is responsible for dissemination of market information, providing intermediaries with market access, administering the auction process and monitoring and surveillance of the auctions.

The ECSE, through the Eastern Caribbean Central Securities Depository (ECCSD), is responsible for facilitating clearance and settlement for securities allotted. The ECCSD ensures that funds are deposited to the issuing government's account. The ECSE, through the Eastern Caribbean Central Securities Registry (ECCSR), records and maintains ownership of government securities in electronic book-entry form. The ECCSR mails confirmation of proof of ownership letters to all investors who were successful in the auction. The ECCSR will also process corporate action on behalf of issuing governments.

Intermediaries are responsible for interfacing with prospective investors, collecting applications for subscription and processing the same for bidding on the ECSE platform. Investors must provide the intermediaries with funds to cover the cost of the transaction. For this particular offering, the government will pay the intermediaries for costs.

A list of licensed intermediaries is provided in Appendix 1. Clients that are successful will be informed of their payment obligations and funds deducted from their respective accounts with the intermediary.

As an issuer in the RGSM, the Government of SVG will be subject to the rules, guidelines and procedures developed by the Regional Debt Co-ordinating Committee (RDCC) for the operation of the market including ongoing reporting and disclosure requirements.

VIII. APPENDICES

APPENDIX I - LIST OF LICENSED INTERMEDIARIES

Institution	Contact Addresses	Associated Persons
<u>Antigua</u>		
Antigua Barbuda Investment Bank Ltd.	<p>P O Box W 1137 Woods Centre Friars Hill Road St John's</p> <p>Tel: 268 480 2824 Fax: 268 480 2765 Email: abibsec@candw.ag</p>	<p>Principals Casroy James</p> <p>Representative Laura Abraham</p>
Antigua Commercial Bank Ltd.	<p>ACB Financial Centre P. O. Box 3089 St John's</p> <p>Tel: 268 481 4200 Fax: 268 481 4229 E Mail: acb@candw.ag</p>	<p>Principals Geoffrey Joseph</p> <p>Representatives Sharon Nathaniel Barbara Martin Dorothea Blackman-Brown</p>
<u>Dominica</u>		
National Mortgage Finance Company of Dominica Ltd.	<p>64 Hillsborough Street Roseau</p> <p>Tel: 767 448 4401/4405 Fax: 767 448 3982 Email: ncbdom@cwdom.dm</p>	<p>Principals Ralph Blaize</p> <p>Representatives Dawn Yankey Marilyn Edwards</p>
<u>St Kitts and Nevis</u>		
St Kitts Nevis Anguilla National Bank	<p>P O Box 343 Central Street Basseterre</p> <p>Tel: 869 465 2204 Fax: 869 465 1050 Email: national_bank@sknanb.com</p>	<p>Principals Anthony Galloway Winston Hutchinson</p> <p>Representatives Marlene Nisbett Desilu Smithen</p>

Institution	Contact Addresses	Associated Persons
Bank of Nevis Ltd.	P O Box 450 Charlestown Nevis Tel: 869 469 5564 Fax: 869 469 5798 E mail: bon@caribsurf.com	Principal Rawlinson Isaac Hanzel Manners Representative Lisa Jones Wanda Pinney
<u>St Lucia</u>		
Bank of St Lucia Ltd.	P O Box 1862 Bridge Street Castries Tel: 758 456 6000 Fax: 758 456 6190 Email: bankofsaintlucia.candw.lc	Principals Sharmaine Rosemond Representative Trevor Lamontagne Lawrence Jean
<u>St Vincent</u>		
National Commercial Bank (SVG) Ltd.	P O Box 880 Cnr. Bedford and Grenville Streets Kingstown	Principals Keith Inniss Representative Patricia JohN
	Tel: 784 457 1844	
	Fax: 784 456 2612 Email: natbank@caribsurf.com	
<u>Grenada</u>		
Republic Finance and Merchant Bank Ltd.	NCB House Grand Anse St. Georges	Principals Bernard McClean Heather Titus Wilma Williams Representative Tarlie Francis Bernard McClean Heather Titus Wilma Williams
	Tel: 1-473-444-1875	
	Fax: 1-473-444-1879 Email: finrec@caribsurf.com	

APPENDIX II - ECONOMIC INDICATORS

	2002	2001	2000	1999	1998
			EC		
			Millions		
Nominal GDP (at market prices)	976.7	940.27	905.27	891.72	856.6
Real GDP growth rate	1.27	0.2	2.0	3.6	5.8
<u>Nominal GDP by Sector</u>		<u>In percentage of contribution to GDP</u>			
Agriculture	10.36	10.49	10.8	10.48	10.81
Manufacturing	5.13	5.76	6.03	6.23	6.84
Construction	11.99	11.77	11.26	12.95	14.07
Wholesale and retail	19.06	18.49	18.14	17.02	16.23
Transport	12.68	13.49	13.82	13.72	13.64
Government services	20.05	19.12	18.47	17.79	17.57
Other	18.72	18.6	19.11	19.54	18.69
Hotel and Restaurant	2.01	2.23	2.37	2.26	2.15
<u>Balance of Payments</u>		<u>In percentage of GDP at market prices</u>			
Merchandise exports	10.9	11.9	15.4	15.0	15.7
Merchandise imports	43.3	43.4	43.0	53.5	53.4
Trade Balance	30.6	-31.5	-27.6	-38.5	-37.7
Current Account Balance	12.7	11.6	-8.4	-21.8	-29.7
<u>Central Government Finances</u>		<u>In percentage of GDP at market prices</u>			
Current Revenue	31.6	28.9	28.8	28.6	27.9
Current Expenditure	28.4	28.3	26.4	25.2	23.8
Current Account Balance	3.2	0.6	23.3	0.9	-1.4
Overall Balance	-2.0	-2.4	-0.3	-1.7	-3.3
<u>External Debt Ratios</u>					
Debt as a % of GDP	47.1	48.8	46.5	48.5	31.7
Debt Service as a % of GDP	2.2	3.3	3.1	3.7	3.0

Source: The Ministry of Finance and Planning

APPENDIX III – GOVERNMENT FISCAL OPERATIONS

**St. Vincent & The Grenadines
Central Government Fiscal Operations
(EC\$M)**

	1996	1997	1998	1999	2000	2001	2002	2003
Current Revenue	216.60	228.84	241.53	256.03	260.53	272.17	301.95	308.84
Tax Revenue	179.44	187.73	206.24	215.45	216.84	230.58	259.76	257.48
Taxes on Income & Profits	55.90	61.00	72.90	70.56	71.50	70.65	87.86	75.23
Of Which:								
Individual	25.78	27.32	30.39	31.14	32.14	33.83	35.04	33.34
Company Tax	26.54	26.81	38.62	33.09	36.06	33.30	45.20	38.14
Taxes on Property	2.45	1.78	2.04	2.28	2.27	3.46	2.51	2.71
Taxes on Domestic Goods & Services	29.34	25.71	27.79	32.32	40.68	44.63	42.71	46.94
Of Which:								
Consumption Duties	5.61	6.59	6.20	6.14	7.11	6.21	5.91	6.00
Hotel Turnover Tax	4.27	3.81	3.82	4.41	5.16	5.39	4.48	4.20
Taxes on Int'l Trade & Transaction	91.75	99.24	103.51	110.29	102.39	111.84	126.69	132.59
Of Which:								
Import Duty	21.34	23.65	22.53	23.89	22.50	25.36	25.57	29.08
Consumption Tax	55.28	61.66	66.39	69.65	58.59	65.09	77.94	78.77
Customs Service Charge	8.95	9.29	10.15	10.85	15.81	16.60	18.17	19.26
Non-Tax Revenue	37.16	41.11	35.29	40.58	43.69	41.59	42.19	51.37
Current Expenditure	187.19	196.91	205.32	225.24	240.36	258.73	274.62	268.07
Personal Emoluments	99.14	105.66	112.19	118.26	123.22	128.64	138.28	136.55
Other Goods & Services	43.80	44.37	44.57	52.54	53.11	52.94	62.75	59.30
Interest Payments	11.89	12.44	13.46	20.14	25.61	24.63	25.47	27.37
Domestic	8.10	8.18	8.60	9.73	12.39	12.57	15.19	16.52
External	3.79	4.26	4.86	10.41	13.22	12.06	10.28	10.85
Transfers & Subsidies	32.36	34.44	35.10	34.30	38.42	52.52	48.12	44.84
Pensions	9.30	9.66	11.57	10.80	16.00	5.02	-	-

	1996	1997	1998	1999	2000	2001	2002	2003
Current Account Balance	29.41	31.93	36.21	30.79	20.17	13.44	27.34	40.78
Capital Revenue	0.86	2.08	6.24	4.89	1.38	1.02	0.78	1.63
Grants	1.37	12.80	32.57	12.41	9.67	17.28	6.78	4.03
Of which: Capital Grants	1.37	12.80	32.57	12.41	9.67	17.28	6.78	4.03
Capital Expenditure and Net Lending	28.26	81.96	103.28	63.55	35.08	46.73	53.81	66.70
Capital Account Balance (before grants)	(27.40)	(79.88)	(97.04)	(58.66)	(33.70)	(45.71)	(53.03)	(65.07)
Overall Balance	3.38	(35.15)	(28.26)	(15.46)	(3.86)	(14.99)	(18.92)	(20.26)
Financing	(3.38)	35.15	28.26	15.46	3.86	14.99	18.92	20.26
Domestic	(6.38)	18.11	(12.90)	14.41	(2.08)	(10.82)	18.37	(36.47)
ECCB (net)	(3.21)	4.76	(1.26)	8.36	(7.40)	(2.07)	4.16	12.17
Commercial Banks (net)	(7.42)	(3.68)	(16.47)	0.44	13.53	(16.11)	37.85	(50.98)
Other	4.25	17.03	4.83	5.61	(8.21)	7.36	(23.64)	2.34
External	3.00	17.04	41.16	1.05	5.94	25.81	0.55	56.72
Net Amortisation	3.00	22.27	42.41	2.57	9.69	33.31	5.05	48.92
Disbursements	15.60	32.39	52.14	15.16	20.58	45.99	21.23	67.86
Amortisation	(12.60)	(10.12)	(9.73)	(12.59)	(10.89)	(12.68)	(16.18)	(18.94)
Change in Govt. Foreign Assets	-	(5.23)	(1.25)	(1.52)	(3.75)	(7.50)	(4.50)	7.80
Arrears	-	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-	-

APPENDIX IV - BALANCE OF PAYMENTS SUMMARY

St. Vincent & The Grenadines BALANCE OF PAYMENTS: Analytical Summary (in EC\$M)

	1997	1998	1999	2000	2001	2002	2003
CURRENT ACCOUNT	(217.6)	(249.2)	(195.8)	(79.3)	(111.5)	(114.1)	(177.3)
Goods and Services	(217.6)	(247.3)	(182.2)	(71.3)	(101.0)	(109.0)	(168.1)
Goods	(284.4)	(323.6)	(344.1)	(250.0)	(294.9)	(315.3)	(372.1)
Merchandise	(284.5)	(322.5)	(343.7)	(251.4)	(295.9)	(316.4)	(373.1)
Repair on goods	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	0.1	(1.1)	(0.4)	1.4	1.0	1.1	1.0
Services	66.8	76.3	161.9	178.7	193.9	206.3	203.9
Transportation	(44.3)	(47.0)	(49.7)	(38.7)	(43.7)	(44.0)	(50.2)
Travel	171.3	177.8	181.9	177.9	190.3	196.3	200.9
Insurance Services	(9.4)	(10.6)	(10.6)	(8.0)	(9.3)	(11.2)	(12.5)
Other Business Services	(42.2)	(33.9)	46.0	51.9	60.7	67.7	68.4
Government Services	(8.7)	(10.0)	(5.7)	(4.3)	(4.2)	(2.5)	(2.7)
Income	(34.1)	(37.0)	(52.5)	(52.1)	(44.5)	(37.9)	(42.2)
Compensation of Employees	0.2	0.2	0.3	0.4	0.3	2.0	2.0
Investment Income	(34.3)	(37.2)	(52.9)	(52.4)	(44.8)	(39.9)	(44.2)
Current Transfers	34.2	35.2	38.9	44.1	34.1	32.8	33.1
General Government	1.7	0.7	2.5	7.5	(1.3)	(2.2)	(2.3)
Other Sectors	32.5	34.5	36.4	36.6	35.3	35.0	35.4

	1997	1998	1999	2000	2001	2002	2003
CAPITAL & FINANCIAL ACCOUNT	225.7	270.8	207.7	117.2	136.0	98.1	179.2
Capital Account	17.0	36.6	21.2	15.1	23.7	28.6	14.1
Capital Transfers	17.0	36.6	21.2	15.1	23.7	28.6	14.1
Acquisition & Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-	-	-
Financial Account	208.7	234.2	186.5	102.1	112.4	69.5	165.1
Direct Investment	249.7	240.2	153.4	101.9	56.8	87.7	118.2
Portfolio Investment	4.6	(0.3)	(0.3)	3.9	9.4	2.7	53.2
Other Investments	(45.5)	(5.7)	33.4	(3.7)	46.2	(21.0)	(6.3)
Public Sector Long Term	15.4	38.9	0.3	6.1	38.0	2.9	31.2
Other Public Sector Capital	-	-	-	-	-	-	-
Commercial Banks	(22.5)	(28.2)	(25.5)	(30.7)	43.3	(41.2)	(48.7)
Other Assets	(8.2)	(7.8)	(22.7)	(23.9)	(28.9)	(20.9)	(21.6)
Other Liabilities *	(30.1)	(8.7)	81.4	44.7	(6.2)	38.3	32.8
Overall Balance	8.1	21.6	11.9	37.9	24.6	(16.1)	(5.5)
Financing	(8.1)	(21.6)	(11.9)	(37.9)	(24.6)	16.1	5.5
Change in SDR holdings	-	-	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-	-	-
Change in Government Foreign Assets	(5.2)	(1.3)	(1.5)	(3.8)	(7.5)	(6.3)	-
Change in Imputed Reserves	(2.9)	(20.4)	(10.4)	(34.1)	(17.1)	22.3	5.5

APPENDIX V- MEDIUM-TERM PROJECTIONS

ST. VINCENT AND THE GRENADINES: MEDIUM-TERM PROJECTIONS

	2002	2003	2004	2005	2006	2007
Real GDP growth (at factor cost; percent)	1.7	3.6	2.9	3.3	3.3	3.3
Inflation (period average; percent)	1.0	0.3	2.0	2.0	2.0	2.0
(In millions of Eastern Caribbean dollars)						
Nominal GDP	973.5	1016.0	1065.1	1129.0	1192.0	1257.4
Current account balance	-114.7	-125.1	-139.1	-156.7	-187.1	-233.5
Exports, f.o.b	113.9	119.1	120.3	125.9	122.5	116.2
Imports, f.o.b.	411.6	428.9	450.4	475.2	501.0	533.8
Services (net)	188.9	192.0	199.7	203.1	203.8	198.5
Income (net)	-48.2	-50.6	-53.4	-56.7	-59.8	-63.1
Current transfers (net)	42.3	43.4	44.7	46.1	47.4	48.7
Capital and financial account	93.1	125.1	139.1	156.7	187.1	233.5
Overall balance	-21.7	0.0	0.0	0.0	0.0	0.0
(In percent of GDP, unless otherwise stated)						
External current account balance	-11.8	-12.4	-13.1	-13.9	-15.7	-18.6
Exports of goods and services	47.6	47.5	46.7	45.9	44.3	42.3
Imports of goods and services	58.8	59.2	59.0	58.9	59.0	59.7
Total public debt	72.3	76.0	73.8	69.5	64.7	60.3
Public external debt (end –period)	48.9	51.2	50.4	47.5	44.0	40.7
Public sector overall balance	-6.0	-6.2	-1.8	0.1	1.1	1.1
Public sector savings	4.3	5.5	7.6	9.5	10.5	10.5
Overall central government balance	-3.6	-2.7	-1.7	-1.6	-0.6	-0.6
Central government primary balance	-0.8	0.5	1.5	1.5	2.4	2.3
Central government savings	1.4	2.5	3.3	4.0	5.0	5.0
National savings	18.2	18.1	17.9	17.7	17.6	17.5
Public	4.3	5.5	7.6	9.5	10.5	10.5
Private	13.9	12.6	10.4	8.2	7.1	7.0
Investment	30.0	30.5	31.0	31.6	33.3	36.1
Public	12.1	13.4	10.5	10.5	10.5	10.5
Private	17.9	17.1	20.5	21.1	22.8	25.6

APPENDIX VI – PUBLIC SECTOR DEBT

(In millions of EC dollars)	1998	1999	2000	2001	2002	2003
Total Public Debt	419.46	602.35	626.27	660.2	708.04	761.61
External Debt	271.85	432.46	432.24	458.45	458.46	519.61
Central Government	251.06	412.91	413.25	440.04	438.01	495.04
Public Corporations	20.79	19.55	18.99	18.40	20.45	24.57
Domestic Debt	147.61	169.89	194.03	201.75	249.58	242.01
Central Government	128.80	148.95	170.71	175.81	217.02	208.99
Public Corporations	18.81	20.94	23.32	25.94	32.56	33.02
Debt Servicing						
External	26.06	33.95	28.79	31.42	30.44	34.54
Central Government	21.57	30.31	25.06	28.58	28.33	32.83
Public Corporations	4.49	3.64	3.73	2.84	2.11	1.71
GDP (mkt prices)	856.60	891.70	905.30	940.30	976.67	1003.20
Current Revenue	241.53	255.84	260.52	272.23	305.63	316.63
Debt as % of GDP	49.0%	67.6%	69.2%	70.2%	72.4%	75.9%
Central Gov't Debt Service as % of Current Revenue	8.9%	11.8%	9.6%	10.5%	9.3%	10.4%