



P R O S P E C T U S

FOR TREASURY BILL ISSUE OF \$48 MILLION

BY THE GOVERNMENT OF

ST. VINCENT AND THE GRENADINES

Ministry of Finance
Administrative Centre
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ST. VINCENT AND THE GRENADINES

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September 2005

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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:** September 2005
- 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 September, October and November 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 91 days after the respective issue dates
- e.** The Treasury-Bills will be auctioned on 26 September, 28 October and 28 November 2005
- f.** The Treasury-Bills will be settled on 27 September, 31 October and 29 November 2005
- g.** The Treasury Bills will mature on 27 December 2005, 30 January and 28 February 2006
- 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 Price Auction with open bidding

- j.** The Treasury Bills auctioned for 26 September, 28 October and 28 November 2005 issues will be identified by their trading symbol, VCB271205, VCB300106 and VCB280206 respectively.
- k.** The Bidding Period(s) will start at 9:00 a.m. and will end at 12:00 noon on 26 September, 28 October and 28 November 2005 respectively.
- l.** Each investor is allowed one (1) bid with the option of increasing the amount being tendered for 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

- Caribbean Money Market Brokers Ltd
- 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 is 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 2004 indicate that the economy of St. Vincent and the Grenadines recorded an increase in real GDP of 5.4% compared with 3.4% in 2003. Real GDP during the period 2000-2004 averaged approximately 2.8%. St. Vincent and the Grenadines continues to record positive growth despite several exogenous shocks, which includes; natural disasters, extended droughts and reduction in preferential access for bananas on the European market.

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 2004, agricultural production declined by 5.2 percent although banana production improved, amounting to 28,056 tonnes compared with production of 26,686 tonnes in the corresponding period of 2003. There has been a 11.1 percent decline 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 2004, manufacturing contributed approximately 5.7 percent to real GDP with growth in output contracting by 1 percentage point.

Production of flour and rice rose by 10.8 percent and 30.4 percent in 2004 respectively when compared to the total of 2003. Of the other manufactured products, output of brewed production improved to 74,022 h/liters in 2004 from 69,917 h/liters in 2003.

In an effort to make the sector internationally competitive, the Government is concentrating on increasing productivity, promoting the unique characteristics of local products, and targeting specific market niches while containing input 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 through improvement of business and entrepreneurial skills and increasing access to credit;
- Modernising the manufacturing sector as a whole through the provision of the necessary infrastructure to attract investors.

Construction

Economic growth, in 2004, was led by activity in the construction sector, which grew by 14.7 per cent. This assessment was based in part on higher capital expenditure by central government, associated with the ongoing construction projects including the windward highway construction, New correctional facility and refurbishment of the Kingstown fish market . 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.

Tourism

Tourism, being one of the main sectors of the economy, is constantly affected by external shocks from the international economy. These shocks have posed serious challenges to the sector since the latter part of 2001 and continuing into 2004.

During 2004, performance in the tourism industry was mixed relative to the level in the same period in 2003. Yacht passengers were estimated to have fallen by 0.8 percent while cruise visitors increased by 20.1 percent. Stay-over visitors grew by 10.4 percent when compared to 2003.

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 industry 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, construction of the Trump villas, a component of the Canouan Development Resorts is expected to commence in 2005. These are expected to generate additional employment opportunities.

BALANCE OF PAYMENTS

During 2003, the deficit on the BOP amounted to \$1.2m compared with a deficit of \$17.8 million in the corresponding period of 2002. This improvement in the overall balance for 2003 is partially attributed to higher net inflows on the capital and financial account.

GOVERNMENT FISCAL OPERATIONS

Performance

In 2004, the central government’s current account operations deteriorated marginally, as the current surplus fell to \$36.9m (3.4% of GDP) from \$42.2m (4.1% of GDP) in 2003. *Current revenue increased by 1.21%, which was mainly associated with growth in the yield from taxes on international trade and transactions and non-tax revenue.* Current expenditure rose to \$288.09m in 2004, up by 4.4% over 2003. Current expenditure is broken down as follows: Factor Payments accounted for 50.3% in both years, Interest payment 9.6% in 2004 and 10.1% in 2003, Transfers and Subsidies 17.0% in 2004 and 17.2% in 2003, and Goods and Services 23% in 2004 and 22.3% in 2003.

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 approximately (Indicate)per cent 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. Expenditure control measures that are in the process of being implemented include:-

- Rationalization of current expenditure
- Improving the system for monitoring the operations of public enterprises
- Improving the compilation and analysis of statistics

The achievement of the medium-term fiscal targets will be greatly facilitated in the coming months with the strengthening of 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 is being viewed as key to stimulating economic activity and providing the basis for private sector-led growth. The PSIP is projected to

increase in 2005. This will include electricity expansion, the Windward Water and Road System.

FINANCIAL INDICATORS

The commercial banking system remained highly liquid in the fourth quarter of 2004, despite a fall in the level of liquidity. The loans to deposits ratio increased by 2.2 percentage points to 71.1 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 ratio, which is an indication of an increase in the level of liquidity in St. Vincent and the Grenadines.

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.

During 2005, Government aims to introduce legislation to regulate Money Transfer Operations and Building Societies. Further a New Bankruptcy Act and a New Banking Act will be introduced in the House of Assembly.

DEMOGRAPHY

In 2001, St. Vincent and the Grenadines' population totaled 112,000 with GDP per capita of US\$3,116 compared with a 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

As at 31 December 2004, the total outstanding public debt for St. Vincent and the Grenadines was estimated at \$884.1 million. (81.2 % of GDP).

To maintain 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 contribution 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 5.5%. 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 and private sector guarantees..

(Any target dates)

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 2014
- **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 price 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 related to the issue.

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.

APPENDIX I. - LIST OF LICENSED INTERMEDIARIES

Institution	Contact Addresses	Associated Persons
<u>Antigua and Barbuda</u>		
ABI Bank Ltd.	ABI Financial Centre Redcliffe Street St John's Tel: 268 480 2824 Fax: 268 480 2765 Email: abibsec@candw.ag	Principal Casroy James Representative Laura Abraham
Antigua Commercial Bank Ltd.	ACB Financial Centre P. O. Box 3089 St John's Tel: 268 481 4200 Fax: 268 481 4229 E Mail: acb@candw.ag	Principal Peter N. Ashe Representatives Sharon Nathaniel Barbara Martin
<u>Dominica</u>		
National Mortgage Finance Company of Dominica Ltd.	64 Hillsborough Street Roseau Commonwealth of Dominica Tel: 767 448 4401/4405 Fax: 767 448 3982 Email: ncbdom@cwdom.dm	Principal Ralph Blaize Representatives Dawn Yankey Marilyn Edwards
<u>St Kitts and Nevis</u>		
St Kitts Nevis Anguilla National Bank	P O Box 343 Central Street Basseterre Tel: 869 465 2204 Fax: 869 465 1050 Email: national_bank@sknanb.com	Principals Anthony Galloway Winston Hutchinson Representatives Marlene Nisbett Desilu Smithen
Bank of Nevis Ltd.	P O Box 450 Charlestown Nevis Tel: 869 469 5564 Fax: 869 469 5798 E mail: bon@caribsurf.com	Principals 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	Principal Donna Mathew

Institution	Contact Addresses	Associated Persons
	Tel: 758 456 6000 Fax: 758 456 6190 Email: bankofsaintlucia@candw.lc	Représentatives Trevor Lamontagne Lawrence Jean
Caribbean Money Market Brokers Ltd. (CMMB)	9 Brazil Street Castries Tel: 758 450 2662 Fax: 758 451 7984 Email: info@mycmmb.com	Principals Brent Salvary Leslie St Louis Sharmaine Rosemond Representatives Sharmaine Rosemond Leslie St Louis Vishwatee Jagroop
Saint Vincent and the Grenadines		
National Commercial Bank (SVG) Ltd.	P O Box 880 Cnr. Bedford and Grenville Streets Kingstown Tel: 784 457 1844 Fax: 784 456 2612 Email: natbank@caribsurf.com	Principal Keith Inniss Representative Patricia John
Grenada		
Republic Finance and Merchant Bank Ltd.	NCB House Grand Anse Saint Georges Tel: 1-473-444-1875 Fax: 1-473-444-1879 Email: finrec@caribsurf.com	Principals Heather Titus Wilma Williams Representatives Tarlie Francis Heather Titus Wilma Williams
Trinidad and Tobago		
Caribbean Money Market Brokers Ltd. (CMMB)	No. 1 Richmond Street, Ground Floor Furness Court, Independence Square Port of Spain Tel: 868 623 7815/5153 Fax: 868 624 4544/9833 ; 627 2930 Email: info@mycmmb.com	Principals Brent Salvary Leslie St Louis Sharmaine Rosemond Representatives Leslie St Louis Vishwatee Jagroop Sharmaine Rosemond

APPENDIX II - ECONOMIC INDICATORS

St. Vincent & The Grenadines							
Selected Economic Indicators							
	1998	1999	2000	2001	2002	2003	2004
Nominal GDP at Market Prices (EC\$m)	854.7	891.7	904.6	932.1	986.1	1,024.9	1,101.2
Real GDP Growth Rate (%)	5.7	3.6	2.0	(0.1)	3.2	3.4	5.4
Percentage Contribution of GDP by Selected Sectors (at basic prices, in current prices)							
Agriculture	10.8	10.5	10.8	9.6	9.9	8.8	8.3
Manufacturing	6.8	6.2	6.0	6.8	6.7	5.9	5.6
Construction	14.1	13.0	11.3	11.9	11.3	11.9	12.9
Wholesale and Retail	16.2	17.0	18.2	18.6	18.3	18.5	19.4
Transportation	13.6	13.7	13.8	13.8	13.7	14.0	14.0
Government Services	17.6	17.8	18.5	19.3	19.9	19.2	18.9
Other	18.7	19.4	19.0	17.7	18.1	19.4	18.7
Hotels and Restaurants	2.1	2.3	2.4	2.3	2.1	2.3	2.2
Balance of Payments (in percent of GDP at market prices)							
Merchandise Exports	15.7	15.0	15.1	12.1	10.8	10.0	8.3
Merchandise Imports	53.4	53.5	42.9	43.8	43.0	46.4	49.0
Trade Balance	(37.7)	(38.5)	(27.8)	(31.8)	(32.3)	(36.4)	(40.8)
Current Account Balance	(29.2)	(20.5)	(7.0)	(10.4)	(11.3)	(19.9)	(24.6)
Central Government (in percent of GDP at market prices)							
Current Revenue	28.3	28.7	28.8	29.1	30.6	30.4	28.9
Current Expenditure	24.0	25.3	26.7	27.8	27.9	26.9	26.2
Current Account Balance	4.24	3.45	2.1	1.3	2.7	3.5	2.8
Overall Balance	(3.3)	(1.7)	(0.6)	(1.7)	(2.0)	(3.2)	(3.0)
External Debt Ratios							
Debt as a % of GDP	31.8	48.5	47.8	49.2	46.5	50.7	54.2
Debt Service as a % of GDP	3.0	3.8	3.2	3.4	3.1	3.4	3.6

APPENDIX III – GOVERNMENT FISCAL OPERATIONS

	2000	2001	2002	2003	2004
Current Revenue	260.53	272.17	301.95	308.84	322.40
Tax Revenue	216.84	230.58	259.76	257.48	271.97
Taxes on Income & Profits	71.50	70.65	87.86	75.23	79.27
Of Which:					
Individual	32.14	33.83	35.04	33.34	37.41
Company Tax	36.06	33.30	45.20	38.14	37.45
Taxes on Property	2.27	3.46	2.51	2.71	2.52
Taxes on Domestic Goods & Services	40.68	44.63	42.71	46.94	51.66
Of Which:					
Consumption Duties	7.11	6.21	5.91	6.00	7.09
Hotel Turnover Tax	5.16	5.39	4.48	4.20	5.11
Taxes on Int'l Trade & Transaction	102.39	111.84	126.69	132.59	138.52
Of Which:					
Import Duty	22.50	25.36	25.57	29.08	30.65
Consumption Tax	58.59	65.09	77.94	78.77	81.27
Customs Service Charge	15.81	16.60	18.17	19.26	20.64
Non-Tax Revenue	43.69	41.59	42.19	51.37	50.43
Current Expenditure	240.36	258.73	274.62	268.07	288.38
Personal Emoluments	123.22	128.64	138.28	136.55	130.14
Other Goods & Services	53.11	52.94	62.75	59.30	14.83
Interest Payments	25.61	24.63	25.47	27.37	27.57
Domestic	12.39	12.57	15.19	16.52	13.30
External	13.22	12.06	10.28	10.85	14.27
Transfers & Subsidies	38.42	52.52	48.12	44.84	49.09
Pensions	16.00	5.02	-	-	20.20

	2000	2001	2002	2003	2004
Current Account Balance	20.17	13.44	27.34	40.78	34.02
Capital Revenue	1.38	1.02	0.78	1.63	2.15
Grants	9.67	17.28	6.78	4.03	18.71
Of which: Capital Grants	9.67	17.28	6.78	4.03	18.71
Capital Expenditure and Net Lending	35.08	46.73	53.81	66.70	79.71
Capital Account Balance (before grants)	(33.70)	(45.71)	(53.03)	(65.07)	(43.54)
Overall Balance	(3.86)	(14.99)	(18.92)	(20.26)	(25.83)
Financing	3.86	14.99	18.92	20.26	24.83
Domestic	(2.08)	(10.82)	18.37	(36.47)	(113.04)
ECCB (net)	(7.40)	(2.07)	4.16	12.17	15.12
Commercial Banks (net)	13.53	(16.11)	37.85	(50.98)	(53.80)
Other	(8.21)	7.36	(23.64)	2.34	(74.36)
External	5.94	25.81	0.55	56.72	137.87
Net Amortisation	9.69	33.31	5.05	48.92	137.87
Disbursements	20.58	45.99	21.23	67.86	104.60
Amortisation	(10.89)	(12.68)	(16.18)	(18.94)	33.27
Change in Govt. Foreign Assets	(3.75)	(7.50)	(4.50)	7.80	30.65
Arrears	-	-	-	-	-
Domestic	-	-	-	-	-
External	-	-	-	-	-

APPENDIX IV - BALANCE OF PAYMENTS SUMMARY

	2000	2001	2002	2003	2004
CURRENT ACCOUNT	(63.2)	(96.9)	(111.9)	(203.5)	(271.1)
Goods and Services	(55.5)	(86.5)	(97.2)	(174.7)	(249.2)
Goods	(250.0)	(294.9)	(314.6)	(369.1)	(444.4)
Merchandise	(251.4)	(295.9)	(318.1)	(373.1)	(448.9)
Repair on goods	0.0	0.0	0.0	-	-
Goods procured in ports by carriers	1.4	1.0	3.4	4.0	4.6
Services	194.6	208.4	217.5	194.4	195.1
Transportation	(38.7)	(43.7)	(45.6)	(52.8)	(59.5)
Travel	196.6	213.7	218.2	217.5	226.9
Insurance Services	(8.0)	(9.3)	(11.3)	(12.3)	(13.9)
Other Business Services	49.0	51.8	58.6	45.0	45.0
Government Services	(4.3)	(4.2)	(2.5)	(3.0)	(3.3)
Income	(51.8)	(44.5)	(47.5)	(63.7)	(55.9)
Compensation of Employees	0.4	0.3	2.0	1.6	1.6
Investment Income	(52.1)	(44.8)	(49.5)	(65.3)	(57.6)
Current Transfers	44.1	34.1	32.8	34.8	34.1
General Government	7.5	(1.3)	(2.2)	(2.7)	(3.4)
Other Sectors	36.6	35.3	35.0	37.6	37.5
CAPITAL & FINANCIAL ACCOUNT	101.1	121.5	94.1	202.3	339.7
Capital Account	15.1	23.7	28.6	38.8	46.2
Capital Transfers	15.1	23.7	28.6	38.8	46.2
Acquisition & Disposal of Non-Produced, Non-Financial Assets	-	-	-	-	-
Financial Account	85.9	97.8	65.4	163.5	293.5
Direct Investment	101.9	56.8	100.8	148.6	150.3
Portfolio Investment	3.9	9.4	4.7	55.7	117.2
Other Investments	(19.9)	31.6	(40.1)	(40.8)	26.0
Public Sector Long Term	7.7	35.1	5.6	(3.1)	34.2
Other Public Sector Capital	-	-	-	-	-
Commercial Banks	(30.7)	43.3	(41.2)	(46.1)	(51.5)
Other Assets	(23.9)	(28.9)	(20.9)	(32.2)	(26.1)
Other Liabilities *	27.0	(17.9)	16.4	40.6	69.4
Overall Balance	37.9	24.6	(17.8)	(1.2)	68.6
Financing	(37.9)	(24.6)	17.8	1.2	(68.6)
Change in SDR holdings	-	-	-	-	-
Change in Reserve Position with the Fund	-	-	-	-	-
Change in Government Foreign Assets	(3.8)	(7.5)	(4.5)	(4.3)	(4.5)
Change in Imputed Reserves	(34.1)	(17.1)	22.3	5.5	(64.2)

APPENDIX V- MEDIUM-TERM PROJECTIONS

ST. VINCENT AND THE GRENADINES						
	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

	1999	2000	2001	2002	2003	2004
(In millions of EC dollars)						
Total Public Debt	602.35	626.27	660.2	708.04	761.61	884.12
External Debt	432.46	432.24	458.45	458.46	519.61	596.53
Central Government	412.91	413.25	440.04	438.01	495.04	563.89
Public Corporations	19.55	18.99	18.40	20.45	24.57	32.64
Domestic Debt	169.89	194.03	201.75	249.58	242.01	287.59
Central Government	148.95	170.71	175.81	217.02	208.99	245.00
Public Corporations	20.94	23.32	25.94	32.56	33.02	42.59
Debt Servicing						
External	33.95	28.79	31.42	30.44	34.54	39.47
Central Government	30.31	25.06	28.58	28.33	32.83	37.14
Public Corporations	3.64	3.73	2.84	2.11	1.71	2.33
GDP (mkt prices)	891.70	905.30	940.30	976.67	1003.20	1101.00
Current Revenue	255.84	260.52	272.23	305.63	316.63	322.38
Debt as % of GDP	67.6%	69.2%	70.2%	72.4%	75.9%	80.2
Central Gov't Debt Service as % of Current Revenue	11.8%	9.6%	10.5%	9.3%	10.4%	17.4%