



# GOVERNMENT OF ANTIGUA AND BARBUDA P R O S P E C T U S

FOR  
91-day Treasury Bills  
(September 2009 – April 2010)

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**PROSPECTUS DATE: September 2009**

*The Prospectus has been drawn up in accordance with the rules of the Regional Government Securities Market. The Regional Debt Coordinating Committee and Eastern Caribbean Central Bank accept no responsibility for the content of this Prospectus, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss whatsoever arising from or reliance upon the whole or any part of the contents of this Prospectus.*

*“This prospectus is issued for the purpose of giving information to the public. The Government of Antigua and Barbuda accepts full responsibility for the accuracy of the information given and confirms, having made all reasonable inquiries, that to the best of its knowledge and belief there are no other facts, the omission of which would make any statement in the Prospectus misleading.”*

*If you are in doubt about the contents of this document or need financial or investment advice you should consult a person licensed under the Securities Act or any other duly qualified person who specializes in advising on the acquisition of government instruments or other securities.*

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## PROGRAM SUMMARY - TERMS AND CONDITIONS

**Issuer:** THE GOVERNMENT OF ANTIGUA AND BARBUDA

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**Contact Persons:** Hon. Harold Lovell, Minister of Finance & Public Administration  
Mr. Whitfield Harris Jr., Financial Secretary  
Mrs. Nadia Spencer-Henry, Debt Management Advisor  
Mrs. Beverley Airall, Accountant General (Ag)

**Arranger:** ABI Bank Limited

**Trustee Agent:** ABI Trust (Antigua) Limited

**Fiscal Agent:** Eastern Caribbean Central Bank

**Use of Proceeds:** Refinancing maturing treasury bills

**Face Value:** EC\$15,000,000.00 Treasury Bills to be auctioned in September 2009, October 2009, December 2009, January 2010, March 2010, April 2010.

<b>Auction Dates:</b>	The treasury bills will be auctioned on the following dates:
	21 September 2009 – trading symbol AGB221209
	22 October 2009 – trading symbol AGB220110
	23 December 2009 – trading symbol AGB250310
	25 January 2010 – trading symbol AGB270410
	26 March 2010 – trading symbol AGB280610
	28 April 2010 – trading symbol AGB290710
<b>Tenor:</b>	The Treasury Bills will be issued with tenors of 91 (ninety one) days
<b>Settlement Dates:</b>	22 September 2009 – trading symbol AGB221209
	23 October 2009 – trading symbol AGB220110
	24 December 2009 – trading symbol AGB250310
	26 January 2010 – trading symbol AGB270410
	29 March 2010 – trading symbol AGB280610
	29 April 2010 – trading symbol AGB290710
<b>Maturity Dates:</b>	22 December 2009 – trading symbol AGB221209
	22 January 2010 – trading symbol AGB220110
	25 March 2010 – trading symbol AGB250310
	27 April 2010 – trading symbol AGB270410
	28 June 2010 – trading symbol AGB280610
	29 July 2010 – trading symbol AGB290710
<b>Principal Repayment:</b>	Bullet at maturity
<b>Issue Price:</b>	Maximum bid price is 6.50%
<b>Discount Rate:</b>	\$ 98.379
<b>Method of Issue:</b>	Determined by a Competitive Uniform Open Price Auction

**Bidding Period:** 9:00 a.m. to 12:00 noon on auction days

**Security Identifications:** By trading symbols AGB231209; AGB220110; AGB250310; AGB270410; AGB280610; and AGB290710 respectively.

**Placement of Bids:** Investor participation in the auction must take place through the services of any of the licensed intermediaries that are members of the Eastern Caribbean Securities Exchange (ECSE).

**Interest Payment:** Interest will be computed on the basis of a 365-day year

**Listing:** Duly registered with the ECSE. Treasury Bills will be traded on the Regional Government Securities Market (RGSM) using the platform of the ECSE

**Minimum Bid:** **EC\$5,000.00**

**Maximum Bid:** **EC\$15,000,000.00**

**Bid Multiplier:** **EC\$1,000.00**

**Bids per Investor:** Each investor will be allowed one bid with the option of changing their price (interest rate) and/or increasing the amount being tendered up until the close of the bidding period. Investors' participation in the auctions must be through the services of a licensed intermediary that is a member of the ECSE.

**Taxation:** All payments by the Issuer in respect of the Treasury Bills (as defined in "Terms and Conditions of the Treasury Bills") will be made effectively free and clear of any present or future withholding taxes for or on account of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of Antigua and Barbuda

or within any political subdivision thereof or any authority therein having power to tax (“Taxes”)

**Status of the Securities:** The Treasury Bills will constitute direct, unsecured and unconditional obligations of the Issuer, respectively, and will at all times rank at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, save only for such obligations as may be preferred by mandatory provisions of applicable law.

**Governing Law:** The Treasury Bills will be governed by and constructed in accordance with the Antigua and Barbuda Treasury Bills Act (2005), which is available on the Government of Antigua and Barbuda official website ([www.antigua.gov.ag](http://www.antigua.gov.ag))

**Licensed ECSE Intermediaries (Complete List Provided in Appendix II):**

- ABI Bank Limited – Antigua and Barbuda
- Antigua Commercial Bank Limited
- Bank of Nevis Limited
- ECFH Global Investment Solutions Limited
- National Commercial Bank (SVG) Limited
- National Mortgage Finance Company of Dominica Limited
- National Bank of Anguilla Ltd.
- St. Kitts Nevis Anguilla National Bank Limited
- Republic Finance and Merchant Bank Ltd. (FINCOR) – Grenada
- Caribbean Money Market Brokers Ltd (CMMB) - St. Lucia
- Caribbean Money Market Brokers Ltd (CMMB) – Trinidad and Tobago

## **EXECUTIVE SUMMARY**

The Government of Antigua and Barbuda proposes to raise EC\$15 million in September 2009, October 2009, December 2009, January 2010, March 2010, and April 2010 through the issuance of 91-day Treasury Bills to be auctioned on the Regional Government Securities Market. During the bidding periods, which will be open at 9:00 a.m. on the auction days and closed at 12:00 noon on the same days, bids of amounts not less than EC\$5,000 and in multiples of EC\$1,000 will be processed through intermediaries licensed by the Eastern Caribbean Securities Regulatory Commission. The proceeds of these issues will be used to refinance maturing treasury bills.

The Government has given the undertaking that the debt being contracted by these issues of treasury bills will not be affected in any way by the implementation of its Debt Strategy. In fact, the issuance of these and other securities on the Regional Government Securities Market is an important component of the debt reduction initiatives of the Government, which emphasizes reducing the debt to GDP ratio and replacing high cost debt with more inexpensive alternatives.

The Government has demonstrated its determination to honour all of its commitments and undertakings in respect of the securities it issues. Since its first issue of treasury bills in March 2006, the Government has honoured all obligations in respect of the Treasury Bills and other securities issued on the RGSM, including the timely payment of interest and repayment of principal. The Government attaches great importance to this record and intends to ensure that Antigua and Barbuda establishes and maintains a solid reputation as an excellent and meticulous debtor that is among the most respected sovereign issuers in the Caribbean region and beyond. The Government views such a reputation as a critical component of the friendly investment climate in Antigua and Barbuda.

Though Antigua and Barbuda, like many developing countries, is facing a number of economic challenges due to the global economic crisis, there are several factors that reflect its resilience and the potential for positive outcomes over the medium term. These are as follows:

- The economy of Antigua and Barbuda has, over the years, achieved growth rates<sup>1</sup> that are higher than the average rates of the OECS and that have pushed the per capita income of Antigua and Barbuda to a level that is one of the highest in the OECS and among the highest in the entire Caribbean. In fact, over the period 1980 to 2008, the economy of Antigua and Barbuda expanded in real terms in all but two of those years. Further, over the past five years, 2004 to 2008, economic growth averaged 6.5 percent per annum (see Appendices III, IV, and V).
  - Over the medium-term, public and private sector projects, including port enhancement, airport development and various hotel, commercial and residential developments are expected to spur growth as the economy rebounds.
- The progressive expansion of the economy of Antigua and Barbuda has taken place within the context of a relatively stable macroeconomic climate characterized by low inflation, a stable exchange rate that has been pegged against the US Dollar at EC\$2.70 per US Dollar since July 1976 and frequent overall balance of payment surpluses.
- The fiscal performance of Antigua and Barbuda has improved substantially in recent years. In 2008, the current account deficit narrowed further from \$24.6 million in 2007 to \$19.4 million. The overall deficit has remained relatively flat at 6.31 percent of GDP. Over the medium term, it is expected that the current account and overall balances will improve significantly as the Government implements the fiscal consolidation component of its National Economic and Social Transformation (NEST) Plan.
- The Government of Antigua and Barbuda has demonstrated considerable commitment to the change and reform process and has shown the political will required to take difficult decisions aimed at improving the fiscal position of Antigua and Barbuda and ensuring its financial obligations and commitments are honoured. In particular, the Government re-

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<sup>1</sup>Source: Statistics Division-Government of Antigua and Barbuda and Eastern Caribbean Central Bank

introduced the personal income tax; implemented the Antigua and Barbuda Sales Tax; implemented a modernized property tax system, and is pursuing a Public Sector Transformation Programme along with a number of other fiscal reform measures that are intended to ensure fiscal and debt sustainability in the medium term.

- The Government has successfully honoured its promise to ensure that all investors in securities issued on the RGSM are repaid in full and on time. To this end, all issues of treasury bills were repaid upon maturity and the scheduled payments in respect of the United States dollar-denominated bond and the Eastern Caribbean dollar bond were also executed.

Antigua and Barbuda, like many other developing countries, has been significantly affected by the ongoing global economic and financial crisis. The impact is evidenced by a sharp contraction in economic activity, tightening of credit markets, and mounting fiscal difficulties. However, with the implementation of its NEST Plan as well as cooperation with the other countries of the Eastern Caribbean Currency Union in seeking support for the Eight Point Plan – the regional strategic response to the global financial and economic crisis – Antigua and Barbuda and the other ECCU countries may be expected to recover from the impact of the global crisis.

In summary then, the economic prospects for the economy of Antigua and Barbuda, as well the Government's strong commitment to initiating change and honouring its financial obligations, serve to make the securities being offered through this prospectus sound and viable investments.

## History

The Nation of Antigua and Barbuda is located in the Eastern Caribbean. It is comprised of the islands of Antigua (108 sq. ml./280 sq. km), Barbuda (67 sq. ml./161 sq. km.) and Redonda (1/2 sq. ml./1.3 sq. km). The written history of the Country can be traced back to 1493 when Columbus first visited Antigua during his second voyage. History records that Columbus met Arawak Indians living on Antigua and that before Columbus' arrival the island was known as Wadadli. Columbus renamed the island Santa Maria de la Antigua after a church in Seville, Spain. Antigua was colonized by the British in 1632 and fast became a part of the chain of sugar colonies. Barbuda was colonized from Antigua in 1661 and was used mainly to raise livestock, provide wood, charcoal and other provisions.

Antigua was administered as a part of the British Leeward Islands Administration until 1967 when it gained associated status with internal self government. Barbuda was leased by the British Government to the Codrington Family from 1685 – 1870. On becoming a Crown Colony, Barbuda's affairs were administered from Antigua with the exception of land ownership. The British Government granted Antigua and Barbuda full independence on November 1, 1981.

After obtaining independence, Antigua and Barbuda adopted a modified Westminster parliamentary system based on the British model. A Governor General is appointed by and represents the British monarch (the country's head of state), and a Prime Minister is both leader of the majority party and the head of Government. The Right Hon. Sir Vere Cornwall Bird, now deceased, was the Nation's first Prime Minister and led the country until 1994, when he retired from active politics. His party, the Antigua Labour Party (ALP) remained in Government led by the Hon. Lester Bird until March 23, 2004 when the United Progressive Party, under the leadership of Hon. Baldwin Spencer, was elected.

## **Political Environment**

The Constitutional Order of 1981 prescribes Antigua and Barbuda's form of government and guarantees fundamental rights and individual freedoms. Enshrined in the Constitution is the establishment of the Barbuda Council which is vested with the authority to administer Barbuda Affairs. Constitutional amendments require the affirmative vote of a two-thirds majority of each house of Parliament and the approval of a majority of the voters in Antigua and Barbuda by referendum. Legislation requires passage by both Houses of Parliament and assent by the Governor General. The constitutional functions of the Governor General are largely of a formal or ceremonial nature.

The Parliament is a bicameral legislature, consisting of an elected House of Representatives and an appointed Senate. The House of Representatives has 17 members elected in accordance with the provisions of the Constitution. The Governor General appoints the Senate's 17 members, eleven on the advice of the Prime Minister, one on advice of the Barbuda Council, one from the business community, and four on the advice of the Leader of the Opposition. The Parliament, unless dissolved earlier, continues for five years from the date of the most recent general election. Shortly after the dissolution of Parliament, General Elections must be held to elect the members of the House of Representatives and to facilitate the appointment of a Government to administer the affairs of the Country for the next five years.

Antigua and Barbuda has a history of political stability. In March 2009, the country had its general elections where the United Progressive Party, under the leadership of Prime Minister, Honourable Baldwin Spencer, retained leadership of the Government.

## Demographics

At the end of 2008, Antigua and Barbuda's population was estimated at eighty seven thousand five hundred and six (87,506). The country is characterized by a relatively large immigrant population estimated at eighteen per cent of current population estimates. According to the 2001 Population Census, average household size declined to 3.1 persons compared to the results from the 1991 Census. In addition, the number of households in Antigua and Barbuda increased by 25.4 per cent between 1991 and 2001. Data from the 2001 Population and Housing Census reflects a de-urbanization trend in Antigua and Barbuda. This is evidenced in the significant disparity between the increases in population in the city of St. John's versus the increase in population for non-urban areas. While the population in St. John's City increased by 1.3 per cent, the population increased by between 29 and 38 per cent for districts outside the city limits.

Most of the residents are of African descent. Based on data on the number of children in school under age sixteen and the number of persons on pension, Antigua and Barbuda's dependency ratio is estimated at 684 per 1000. It is significant to note that old age dependency is 216 per 1000. The official language is English, and its principal religion is Christianity of which Anglicanism and Roman Catholicism are the primary denominations.

**Table I: Vital Statistics 1999-2004**

<b>PARTICULARS</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Population Estimates	72,310	76,886	78,320	79,781	81,270	82,768	84,330	85,903	87,506
No. of Live Births	1528	1,366	1,201	1,242	1,272	1,218	1,199	1,240	1,438
No. of Deaths	447	457	434	437	516	500	479	504	525
Teen Births	196	229	170	209	158	143	154	168	205
Infant Deaths under 1 year	33	21	19	18	28	16	8	27	24
Crude Birth Rate	21.13	17.76	15.33	15.57	15.65	14.71	14.22	14.43	16.43
Crude Death Rate	6.18	5.94	5.59	5.48	6.34	6.04	5.68	5.81	5.99
Infant Mortality Rate	21.6	15.37	15.82	14.49	22.01	13.14	6.67	21.77	16.68
General Fertility Rate	77.64	52.76	45.56	46.26	52.72	49.52	47.68	45.97	55.31
Life Expectancy at Birth (Males)	72.18	72.68	73.9	72.22	75.16	72.53	73.62	71.78	71.62
Life Expectancy at Birth (Females)	78.14	78.41	78.93	78.8	79.06	78.07	78.47	80.65	78.05

*Source: Antigua and Barbuda Statistics Division*

Antigua and Barbuda is characterized by a fairly high standard of living with birth rates and mortality rates comparable to developed countries. Average life expectancy for males is about 73 years while the average life expectancy for females is about 79 years. The relatively high standard of living in Antigua and Barbuda is evidenced in the United Nations Human Development Index report, which ranks Antigua and Barbuda among the top countries of the world with high human development.

The provision of a core of “free health care” services has been a major component of the Government’s health care policy. There is free post-natal care, child health care and vaccinations provided through a network of at least nine clinics across the twin-island State. The elderly are also provided for with free medical check-ups and pharmaceuticals, and the provision of a basic minimum pension.

The Government of Antigua and Barbuda’s education policy caters for free primary and secondary education. The Education Act makes school attendance compulsory for all persons between ages five to sixteen. Free textbooks are provided to all public and private schools through the Board of Education which is also responsible for the maintenance of all government schools. In 1999 the Government, through the Board of Education, embarked on a Basic Education Project to overhaul the physical educational plan. Tertiary education is provided locally at a subsidized rate for studies up to the second year of certain University of the West Indies Bachelors degree programmes, and grants are available for overseas studies.

## **Judicial and Legislative Environment**

Antigua and Barbuda's judicial system is based on the English system, including the principles and practice of English common law. The member states of the Organization of Eastern Caribbean States (OECS) share a single supreme court, the Eastern Caribbean Supreme Court. The Supreme Court is headed by the Chief Justice, and administers the laws of each OECS member state. It has two divisions, the High Court of Justice and the Court of Appeal. The High Court of Justice meets in Antigua bi-annually and the Court of Appeal is headquartered in St. Lucia. Appeals from the Court of Appeal go to the Judicial Committee of the Privy Council in London, England, which is currently the country's court of last resort.

Antigua and Barbuda is a signatory to the Caribbean Court of Justice which is currently the court of original jurisdiction in respect of matters pertaining to the interpretation and application of the CARICOM Treaty.

## **Macroeconomic Performance**

### ***I. The Structure of the Economy***

Antigua and Barbuda is a service economy in which tourism is the dominant service sector. The construction, communications, transport, and banking and insurance sectors also make significant contributions to Gross Domestic Product (GDP). During the late 1990's and early millennium period, activity in the internet gaming industry also made a significant contribution to growth and employment in Antigua and Barbuda but the ban on internet gaming imposed by the United States of America (USA) has constrained the growth of this sector. Despite Antigua and Barbuda's successful challenge of this ban at the WTO level, the USA has yet to comply with the ruling made by various WTO panels. The ban and non-compliance by the US has led to a significant reduction in revenues generated by the sector – from over \$2 billion in the early 2000s to about \$948 million in 2007. The livelihood of many Antiguan and Barbudans was also affected due to an over 80 per cent decline in employment in the sector. Despite these

challenges, the Government remains committed to the diversification of the economy and the expansion of internet gaming and the financial services sector as a whole.

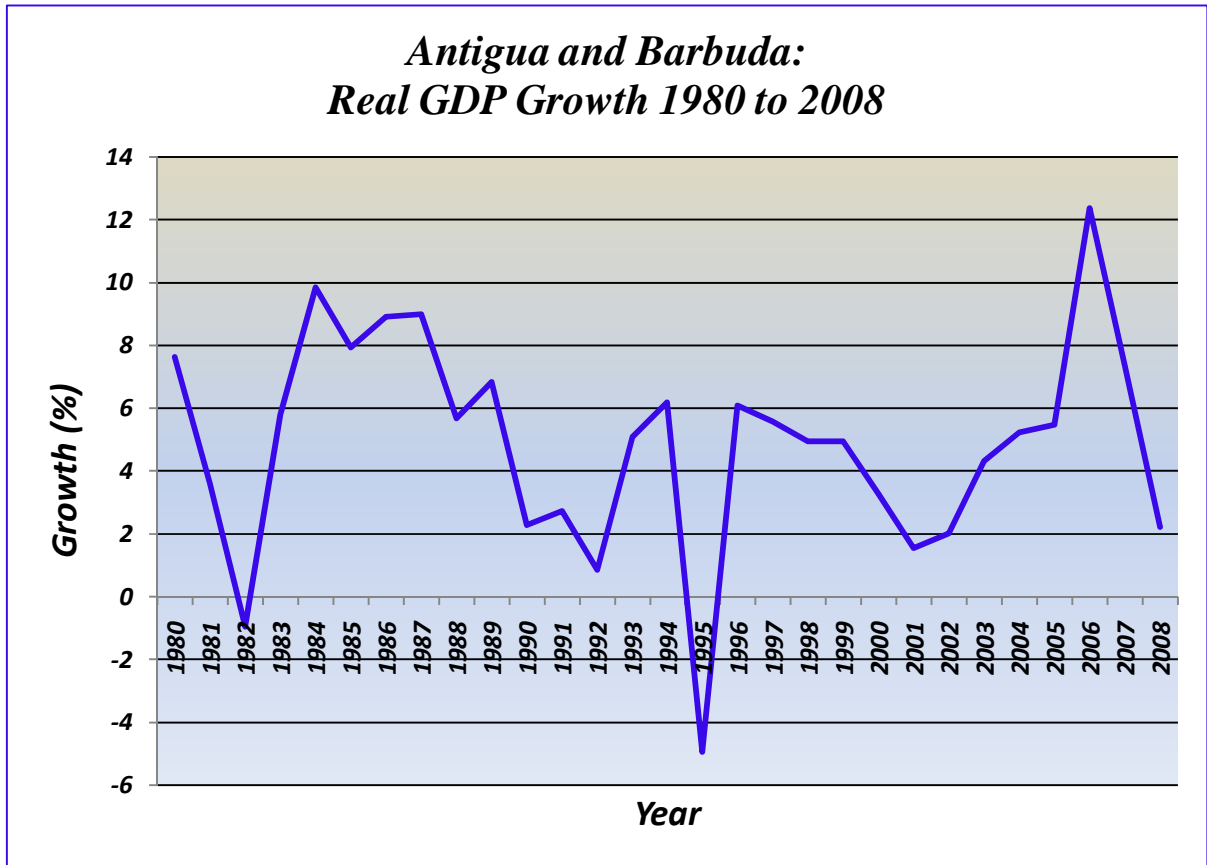
An analysis of the contribution of various sectors to the economy of Antigua and Barbuda reveals that the service sectors make the greatest contribution to GDP. The details of the contributions of the various sectors to the GDP in Antigua and Barbuda are provided in Appendices III, IV and V. Appendix IV indicates the revised and projected percentage contribution of the sectors to GDP from 2005 to 2011. Among the sectors that made the greatest contribution to GDP in 2008 were banking and insurance at 12.76, the communications sector at 10.25 percent, transport at 11.45 percent, hotels and restaurants at 10.3 percent, government services at 15.6 percent and construction at 19.16 percent.

## ***II. Trends in Economic Growth***

As the largest economy in the OECS, Antigua and Barbuda has a strong history of growth in Gross Domestic Product (GDP). Between 1980 and 2008 the average real GDP growth rate amounted to 4.88 percent (see Chart I).

The fluctuations in economic growth, particularly in the 1990's, are partly attributed to a series of natural disasters and external economic shocks over which the Government had no control. However, notwithstanding these shocks, Antigua and Barbuda recorded positive growth in each of the past twenty eight years with the exception 1982, where the economy contracted by about 1 percent and 1995 where there was a 4.95 percent contraction in the economy as a result of the devastation caused by Hurricane Luis. Such resilience in an economy is a positive demonstration of a country's ability to meet its future debt obligations.

## CHART I



*Source: Statistics Division-Government of Antigua and Barbuda and Eastern Caribbean Central Bank*

Real GDP growth in Antigua and Barbuda averaged about 6.4 per cent in the 1980's and 3.4 per cent in the 1990's and compared favourably with average real GDP growth for the OECS countries of 5.9 per cent in the 1980's and 3.3 per cent in the 1990's. Moreover, since 2000 the growth rate of Antigua and Barbuda has not only exceeded the average growth rate in the OECS but has been on an upward trajectory with growth amounting to 5.2 per cent in 2004, 5.5 per cent in 2005, 12.4 per cent in 2006, and 7.35 per cent in 2007. Economic growth in 2008 was less robust and amounted to 2.2 percent. This moderation in the rate of growth was due to a combination of factors including the significant increases in the prices for basic commodities, key inputs and crude oil as well as the financial crisis that crippled stock markets across the globe and triggered the most severe economic recession since the Great Depression.

Economic performance in 2008 was primarily driven by a 5.0 percent increase in output in the construction sector, reflecting work on a number of private sector and public sector projects. The hotels and restaurant sector also grew by 1.46 percent while Government services grew by 5.79 percent. Of the other services sectors increases were recorded for “electricity and water” (5.53 percent), communications (5.0 percent), “wholesale and retail trades” (1.3 percent) and “real estate and housing” (3.05 percent). Declines were recorded for the “banking and insurance” sector (3.98 percent) and “transportation” (2.61 percent) reflecting developments in the global financial markets and a significant decline in tourist arrivals.

Growth projections for 2009 indicate that economic performance will contract further as the full impact of the global recession on the Antigua and Barbuda economy is manifested. The economy is expected to contract by 3.3 percent in 2009, which is in line with the anticipated contraction in the ECCU economy for 2009. The slowdown in the Antigua and Barbuda economy is expected to be driven by a 15 percent decline in the hotels and restaurant sector and a 7 percent contraction in the construction sector. The banking and insurance sector and the manufacturing sector are also expected to contract by 1.64 and 6 percent respectively while the Government services sector is expected to grow by 2 percent.

### ***III. Inflation***

Inflation, measured by the change in the consumer price index (CPI), has been relatively low historically, mirroring price adjustments in Antigua and Barbuda’s major trading partner. The average inflation rate for the period 2002 to 2007 was 2.5 percent with annual inflation rates ranging between 0.01 per cent and 5.3 percent. Between December 2007 and December 2008 the CPI grew by 0.73 percent. This less than one percent increase in the price level in 2008 was recorded despite the global inflationary pressures associated with persistent increases in the prices of oil; basic commodities such as rice, wheat, barley and corn; and the prices of steel and metals such as copper. Further, the prolonged depreciation of the US dollar against other major currencies placed upward pressure on prices across the ECCU region. Antigua and Barbuda adopted a number of aggressive policies to limit the impact of the inflationary pressures on the domestic economy. In particular, the Government reduced or removed the import duty and the

customs service tax from a wide number of essential food and household items. The Government also significantly subsidised the price of fuel at the pump by absorbing the greatest proportion of the increase the cost of imported petroleum products.

## Sectoral Developments<sup>2</sup>

### *I. Tourism Sector*

The Tourism industry and its ancillary service sub-sectors, represent the most significant generator of foreign exchange for Antigua and Barbuda. While other sectors such as communications and financial services have improved in terms of their contribution to GDP, the Tourism sector still remains the leading driver of economic growth in Antigua and Barbuda.

Over the period 2004 to 2008, tourism as represented by the hotels and restaurants sector, grew at an average rate of about 3 percent per annum. Total visitor arrivals declined by 4.7 percent from 932,377 in 2007 to an estimated 888,881 in 2008. Given this decline in visitor arrivals, the rate of growth in the sector – as represented by ‘hotels and restaurants’ in the national accounts – slowed from 4.89 percent in 2007 to 1.46 percent in 2008. Table II below presents a summary of key tourism statistics.

**Table II: Antigua and Barbuda Tourism Statistics - 2003 to 2008**

<b>Indicator</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Est. 2008</b>
<i>Total Visitor Arrivals</i>	640,381	808,158	729,653	864,057	932,377	888,881
<i>Stay over Visitors</i>	239,185	267,627	245,380	253,669	261,332	265,844
<i>Cruise Passengers</i>	383,834	522,753	466,851	583,673	650,129	597,124
<i>Cruise Ship Calls</i>	294	375	321	355	386	317
<i>Gross Visitor Expenditure (EC\$M)</i>	740.55	839.91	835.53	882.22	904.31	901.71

Source: ECCB and CTO Estimates

<sup>2</sup> Details on performance of all sectors presented in Appendices III, IV and V

As shown in Table II, stay over visitor arrivals increased marginally from 261,332 in 2007 to 265,844 in 2008. On the other hand, cruise passenger arrivals declined by 8.2 percent from 650,129 in 2007 to 597,124 in 2008. The decline in visitor arrivals in Antigua and Barbuda may be attributed to pressure from rising international petroleum prices on the cost of travel, increased competition from other cruise destinations, and the reduced appeal for the destination, particularly in Europe, as a result of the unfortunate incidents of crime in the sector. Though stay over arrivals from the UK declined by 7.5 percent from 96,797 in 2007 to 89,514 in 2008, arrivals from the US increased by 6.8 percent from 78,697 in 2007 to 84,032 in 2008. This increase in the number of stay over arrivals from the US may be attributed to the increased airlift in 2008. Specifically, the addition of a direct American Airlines flight out of Miami has helped to complement the already existing direct flights provided through Delta Airlines and Continental Airlines and resulted in increased arrivals from a major source market.

Finally, there was a marginal decrease in tourist expenditure from \$904.31 million in 2007 to \$901.71 million in 2008 reflecting an overall decline in visitor arrivals as well the discounted hotel rates for the period.

## ***II. Construction***

Over the past few years, activity in the construction sector has increased significantly. Between 2004 and 2008, the sector grew by an average of 13.6 percent per annum with growth in the sector peaking at 35 percent in 2006 as Antigua and Barbuda prepared for Cricket World Cup 2007. The sector's contribution to GDP has also increased over the period, averaging 17.3 percent per annum. Activity in the construction sector were driven by public sector and private sector projects including infrastructure development projects, construction and refurbishment of over thirty small hotel properties, construction on a number of large projects including Sandals Mediterranean, Verandah, La Perla Development, Hermitage Bay, Antigua Yacht Club, and Emerald Cove Development.

Growth in the construction sector is estimated at 5 percent for 2008. This growth was due to the continuation of work on the Government's road development programme, construction of the

Sunrise Community Hub and expansion of the airport runway. Work was also undertaken on a number of private sector projects including residential construction and several commercial and tourism related projects. Some of these projects include refurbishment and expansions at the Galley Bay Resort, Jumby Bay Resort and St. James' Club and work on commercial properties such as Geo. W. Bennett Brysons & Co. Ltd. And Pastry's Limited. The work on these various projects helped to increase the sector's contribution to GDP from 18.65 percent in 2007 to 19.16 percent in 2008.

### ***III. Internet Gaming***

The internet gaming sector has demonstrated significant potential for the Antigua and Barbuda economy. The presence of a strong incentives system together with the implementation of appropriate legislative and regulatory frameworks has produced a strong comparative advantage for Antigua and Barbuda in the internet gaming sector.

Licensing fees for internet gaming companies in Antigua and Barbuda range from US\$50,000 to US\$80,000. Revenues from the internet gaming industry over the period 1996 to 2000 approximated US\$25 million. Salaries in the sector range from US\$15 to US\$18 per hour and the number of gaming companies in Antigua has exceeded 100. This sector has been adversely affected by the ban imposed by the United States on internet gaming. However, the Government of Antigua and Barbuda challenged this restriction at the level of the WTO in August 2004, and won the case. The United States challenged the WTO 2004 panel ruling at the WTO Appellate Body in early 2005. In April 2005, the Appellate Body issued a report which essentially upheld the findings of the WTO Panel report, but on slightly different premises.

The report of the WTO Appellate Body lacked the definitive findings of the previous Panel report and therefore in some circles, the report was interpreted to suggest that the United States won the appeal. The report however, recommended that the WTO Dispute Settlement Body request that the United States conform to its obligations under the GATS. The United States has yet to comply with the WTO rulings and has, in fact, instituted more restrictive legislation to limit market access. Further, the US announced in 2007 its intention to withdraw its

commitments under the GATS in respect of the cross border provision of internet gaming services.

In response, Antigua and Barbuda made a submission to the WTO for the suspension of intellectual property rights. Again, Antigua and Barbuda prevailed where its request was granted and the panel of arbitrators ruled that Antigua and Barbuda could apply trade sanctions through the suspension of US intellectual property rights. Also, in the same decision, the panel granted Antigua and Barbuda damages in the amount of US\$21 million per year until such time that the United States complies with the WTO ruling.

Antigua and Barbuda is cognisant of the implications of the stance of the current US administration in respect of offshore financial services and likely impact of the Stanford debacle on the jurisdiction. However, the Government continues to meet with US officials, including the US Trade Representative to secure a resolution to this matter.

## **Public Sector Analysis**

### ***I. Fiscal Performance***

The Government of Antigua and Barbuda commenced a comprehensive fiscal reform programme in 2004 in an effort to improve the macroeconomic environment. In particular, the fiscal reform programme has focused on reducing the fiscal deficits and the debt to GDP ratio. Between 1998 and 2003, the economy of Antigua and Barbuda was characterised by chronic and widening fiscal deficits, mounting public sector debt, and low levels of economic growth. During this period, the current account and overall deficits averaged 5.9 per cent and 7.2 per cent of GDP respectively, the debt to GDP ratio approached 140 percent, and economic growth averaged 3.5 percent.

The fiscal reform programme initially concentrated on transforming the tax system through the implementation of new taxes, eliminating nuisance taxes and modernising the approach to tax administration. The main elements of the tax reform initiative were the reintroduction

of the personal income tax, the modernisation of the property tax and the implementation of the Antigua and Barbuda Sales Tax (ABST); which replaced the Consumption tax, the Hotel (bed-night) tax, the Hotel guest tax, the Hotel Guest Levy, the Restaurant and Catering Services tax, and the Telecommunications tax. The impact of the tax reform programme has been a considerable increase in revenue. In 2003, current revenue amounted to \$427.05 million. By 2008, current revenue was 75 percent greater at \$747.91 million. The increased revenue has generated some improvement in Government's fiscal performance over the past few years. A summary of fiscal outcomes between 2003 and 2008 is presented in Table III below while details of the public sector accounts are presented in Appendices VI, VII and VIII.

Preliminary assessments of the fiscal outturn for 2008 indicate that current revenue increased by about 2.25 percent while current expenditure increased by 1.4 percent over revenue and expenditure recorded for 2007. With respect to capital expenditure, there was a 12.2 percent increase in capital expenditure in 2008 compared to 2007. The strong revenue performance and efforts to ensure greater efficiencies in expenditure resulted in a further narrowing of the fiscal deficits. In 2008, the current account deficit narrowed to \$19.4 million or 0.59 percent of GDP compared to \$24.6 million or 0.78 percent of GDP in 2007. The overall deficit increased by 4.7 percent to \$209.2 million or 6.31 percent of GDP in 2008 compared to \$199.9 million or 6.38 percent of GDP in 2007.

**Table III: Antigua and Barbuda Summary of Fiscal Accounts 2003:2008 (EC\$M)<sup>3</sup>**

	2003	2004	2005	2006	2007	2008 Est.
<b>Current Account Balance</b>	(118.6)	(83.5)	(77.6)	(89.8)	(24.6)	(19.4)
<i>Current Revenue</i>	427.1	472.1	493.5	602.7	731.5	747.9
<i>Current Expenditure</i>	545.6	555.5	571.1	692.5	756.1	767.3
<b>Overall Balance</b>	(193.5)	(111.2)	(132.6)	(233.2)	(199.9)	(209.2)
<i>Total Revenue &amp; Grants</i>	433.3	499.6	532.7	682.9	756.6	783.1
<i>Total Expenditure</i>	626.8	610.8	665.3	916.2	956.6	992.3
<b>Primary Balance</b>	(81.8)	(4.3)	(35.7)	(117.6)	(89.0)	106.8

*Source: Ministry of Finance, the Economy and Public Administration*

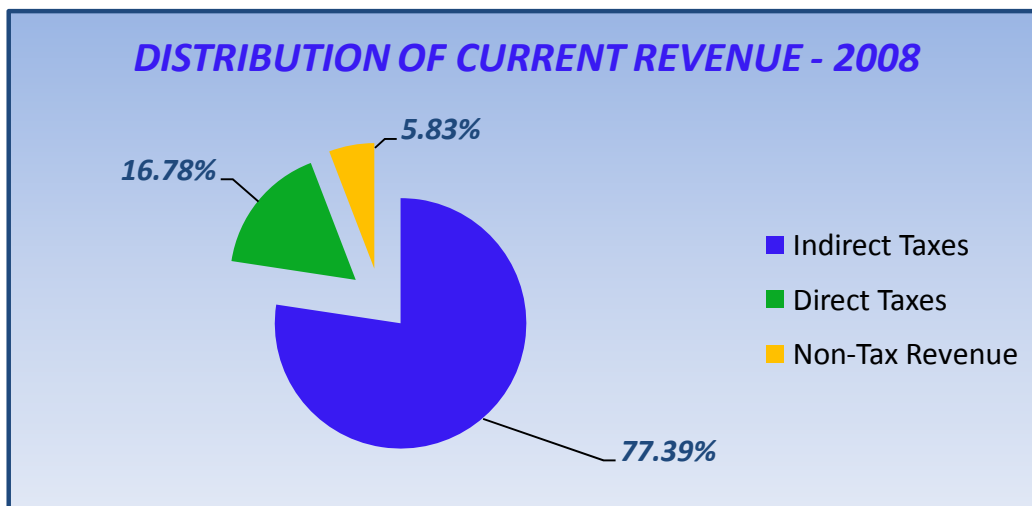
<sup>3</sup> Totals may vary due to rounding. – Data as at July 2009

## ***II. Revenue and Expenditure Profile***

### **Revenue**

Government's current revenue is comprised of tax revenue and non-tax revenue which make up about 94 percent and 6 percent respectively. The main components of tax revenue are indirect taxes which account for 82 percent of tax revenue and direct taxes which account for 18 percent of tax revenue. Chart II below presents the percentage contribution of the main contributors of Government's current revenue in 2008.

**CHART II**



With the Government's efforts to streamline the tax system through its tax reform programme, there has been significant growth in the amount of revenue generated. Before the commencement of the tax reform programme, the average annual revenue collected was \$366.2 million (1998 to 2003). On the other hand, average annual revenue for the period 2004 to 2008 amounted to \$609.5 million. For 2008, current revenue amounted to \$747.9 million which was 2.2 percent above the \$731.5 million collected in 2007. Of this, tax revenue amounted to \$704.3 million, which was 1.9 percent greater than the \$690.9 million collected in 2007.

As seen in Table IV below, direct tax revenue amounted to \$125.5 million in 2008 compared to \$109.9 million in 2007. This 14.2 percent increase in direct tax revenue was due to a 26 percent

increase in revenue from the corporate income tax to \$63.5 million in 2008. In addition, property tax increased by 58.4 percent from \$8.9 million in 2007 to \$14.1 million in 2008. This increase in property tax was due to improved administration with the introduction of a modernised property tax system in which property tax is assessed on the market value of property instead of the replacement cost method.

Revenue from indirect taxes amounted to \$578.8 million which was 0.4 percent below indirect tax revenue collected in 2007. Indirect taxes comprise revenue from taxes on international trade and taxes on domestic production and consumption. Taxes on domestic production and consumption amounted to \$333.6 million in 2008 compared to \$281.2 million in 2007. Of the \$333.6 million in revenue generated by taxes on domestic production and consumption, 74.9 percent or \$249.8 million was generated by the Antigua Barbuda Sales Tax (ABST). Stamp duties also contributed \$59.5 million to revenue from this group of taxes. Revenue from the ABST was 26.9 percent higher than ABST revenue collected in 2007 and revenue from stamp duties was 31.6 percent higher than revenue from stamp duties in 2007.

Taxes on international trade and transactions amounted to \$245.2 million, which was 18.2 percent below the \$299.8 million collected from these taxes in 2007. The main taxes in this category include import duties, customs service tax and the consumption tax. Revenue generated by import duties increased by 5.3 percent from \$92.6 million in 2007 to \$97.5 million in 2008. On the other hand, revenue from the customs service tax declined by 12.5 percent from \$94.2 million in 2007 to \$82.4 million in 2008. The fall in revenue from the customs service tax was due to the removal of this tax from a significant number of food items and other essential commodities, which formed part of the Government's policy response to rising international prices in 2008. In addition, revenue from the consumption tax declined by 71.1 percent from \$68.6 million in 2007 to \$19.8 million in 2008. This decline was due in part to an 85 percent reduction in revenue from consumption tax on fuel, which was a result of the Government's decision to subsidise the price of fuel at the pump in the face of considerable increases in the international price of oil in 2008.

Finally, non-tax revenue, which comprises profits from the Eastern Caribbean Central Bank, rental and lease of properties, work permit fees, and airport services and fees, increased by 7.4 percent from \$40.6 million in 2007 to \$43.6 million in 2008.

**Table IV: Antigua and Barbuda Summary of Current Revenue 2003:2008 (EC\$M)<sup>4</sup>**

	2003	2004	2005	2006	2007	2008
<b>Current Revenue</b>	427.1	472.1	493.5	602.7	731.5	747.9
<b>Tax Revenue:</b>	<b>382.6</b>	<b>427.0</b>	<b>454.8</b>	<b>567.6</b>	<b>690.9</b>	<b>704.3</b>
<i>Direct Taxes (of which)</i>	73.7	56.4	74.3	122.8	109.9	125.5
Corporate Income Tax	57.0	40.4	38.1	69.1	50.4	63.5
Personal Income Tax <sup>5</sup>	n/a	n/a	23.4	42.0	50.0	46.9
Property Tax	11.1	10.0	10.5	11.3	8.7	14.1
<b>Indirect Taxes:</b>	<b>308.9</b>	<b>370.6</b>	<b>380.5</b>	<b>444.8</b>	<b>581.0</b>	<b>578.8</b>
<i>Taxes on Dom. Prod. &amp; Cons.</i>	75.4	96.5	100.0	119.4	281.2	333.6
ABST <sup>6</sup>	n/a	n/a	n/a	n/a	196.9	249.8
Stamp Duties	21.4	27.5	36.3	45.6	45.2	59.5
<i>Taxes on International Trade</i>	233.6	274.1	280.5	325.5	299.8	245.2
Import Duty	57.0	60.5	71.2	82.3	92.6	97.5
Customs Service Tax	52.8	58.8	65.7	79.5	94.2	82.4
Consumption Tax	85.7	99.9	103.3	123.2	68.6	19.8
<b>Non-Tax Revenue</b>	44.4	45.1	38.6	35.1	40.6	43.7

*Source: Ministry of Finance, the Economy and Public Administration*

### Expenditure

In 2008, wages and salaries accounted for 39.2 percent of current expenditure while goods and services, interest payments, and pensions and gratuities amounted to 24.1 percent, 13.3 percent, and 7.6 percent respectively. Wages and salaries amounted to \$300.4 million in 2008 compared to \$309.1 million in 2007. This 2.8 percent decline in expenditure on wages and salaries was due to attrition and the exclusion of one time payments related to the Voluntary Separation and Early Retirement Programme (VSEP) that were made in 2007.

<sup>4</sup> Totals may vary due to rounding. – Data as at July 2009

<sup>5</sup> Personal Income Tax re-introduced in April 2005

<sup>6</sup> Antigua Barbuda Sales Tax (ABST) implemented in January 2007 and replaced six taxes

As seen in Table V below, expenditure on goods and services increased by 25.3 percent from \$147.6 million in 2007 to \$185.0 million in 2008. This increase in expenditure on goods and services reflects an overall rise in prices due to international price hikes as well as increased purchase of supplies for road construction and for relief to households that were affected by tropical storm Omar in the third quarter of 2008. Interest payments are estimated at \$102.4 million which is 7.7 percent below interest payments of \$110.9 million in 2007. Expenditure on pensions and gratuities amounted to \$57.96 million in 2008, which is 27.1 percent greater than the \$79.5 million spent in 2007. Expenditure on pensions and gratuities were higher in 2007 as a result of the final payments of severance and early retirement packages to public servants who opted to leave the public sector.

Capital expenditure amounted to \$225.0 million in 2008 compared to \$200.5 million in 2007. This 12.2 percent increase in capital expenditure was partly due to the additional costs associated with the road development programme as the price of key inputs, including petroleum based inputs increased significantly in 2008. Also, expenditure on capital projects was driven by added costs associated repairs and maintenance to roads that were damaged by tropical storm Omar in October 2008.

**Table V: Antigua and Barbuda Summary of Current Expenditure 2003:2008 (EC\$M)<sup>7</sup>**

	2003	2004	2005	2006	2007	2008
<b>Current Expenditure (of which)</b>	<b>545.6</b>	<b>555.5</b>	<b>571.1</b>	<b>692.5</b>	<b>756.1</b>	<b>767.3</b>
Wages and Salaries	250.1	251.1	252.1	268.2	309.1	300.4
Contrib. To Social Security, MBS	28.5	27.7	28.6	29.8	30.0	32.4
Goods and Services	100.5	109.9	109.4	126.2	147.6	185.0
Interest Payments	111.7	106.9	96.9	115.5	110.9	102.4
Pensions & Gratuities	31.2	32.7	38.2	42.9	79.5	58.0
<b>Capital Expenditure</b>	<b>81.2</b>	<b>55.2</b>	<b>94.2</b>	<b>223.7</b>	<b>200.5</b>	<b>225.0</b>

*Source: Ministry of Finance, the Economy and Public Administration*

<sup>7</sup> Totals may vary due to rounding. – Data as at July 2009

### ***III. Public Debt***

Total public sector debt for Antigua and Barbuda is comprised of Central Government domestic and external debt and Government guaranteed domestic and external debt. At the end of 2008, total public sector debt stood at \$3.07 billion or 92.5 percent of GDP compared to \$2.90 billion or 92.4 percent of GDP in 2007. Total external debt amounted to \$1.67 billion or 50.25 percent of GDP in 2008 reflecting a 300 million Yuan Renminbi (about US\$44 million) loan from the People's Republic of China to fund the construction of a 30 megawatt power plant. On the other hand, domestic debt declined from \$1.48 billion or 47.2 percent of GDP in 2007 to \$1.4 billion or 42.2 percent of GDP in 2008. This reduction in domestic debt reflects the Government's settlement of debt to a number of statutory corporations, payment of outstanding interest and principal in respect of non-RGSM treasury bills and bonds, and the reconciliation of amounts owed to some domestic creditors. In 2007, the debt service ratio (principal and interest payments as a percent of current revenue) amounted to 8.15 percent and declined to 6.82 percent in 2008.

A critical element of the Government's fiscal reform initiative ensuring the development and implementation of a debt management strategy that would bring about a reduction in the debt burden in Antigua and Barbuda. This debt strategy commenced with the Government's successful renegotiation of two external loans where debt forgiveness in excess of EC\$500 million was received in 2005. In addition, the Government was able to repay a number of high interest loans in 2006 with proceeds generated from the issuance of securities on the Regional Government Securities Market. It should be noted that the issuance of securities on the Regional Government Securities Market is an important component of the debt reduction initiatives of the Government. As such, the Government has given the undertaking that the debt being contracted by these issues of treasury bills will not be affected in any way by the implementation of its Debt Strategy.

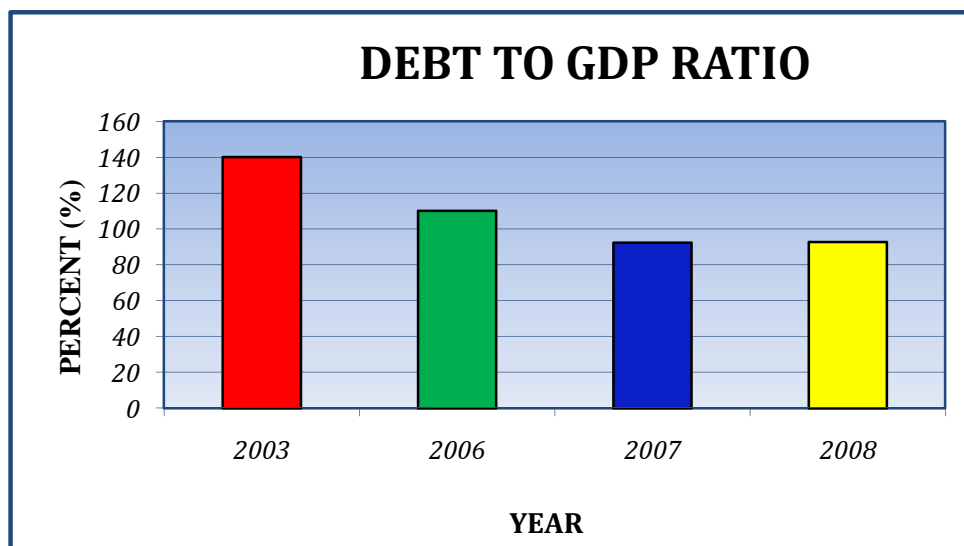
In 2005 and 2007, the Government received funding from the Canadian International Development Agency (CIDA) to develop and implement a debt management strategy. The Government developed the debt strategy with the assistance of its debt advisors – Holihan Lokey Howard and Zukin (Europe) Ltd – the purpose of which is to facilitate further improvements in

the debt profile. The overall objectives of the debt restructuring and management strategy include:

- reducing the debt to GDP ratio to a more manageable level;
- resolving contractual principal and interest arrears to normalise relations with public sector creditors;
- reducing the large stock of earmarked liabilities;
- improving the Government's credit rating and the future access to international capital markets; and
- enhancing the debt management capabilities of the Debt Unit through training and knowledge transfer initiatives.

The Government has realised some positive outcomes as a result of its debt restructuring and management initiatives. Specifically, as shown in Chart III below, there has been a considerable reduction in the debt to GDP ratio from about 140 percent in 2003 to the current level of 92.5 percent.

**CHART III**



Details of the Government of Antigua and Barbuda Public Sector Debt for the period 2003 to 2008 as well as projections for 2009 to 2014 may be found in Appendices IX and X.

## **Balance of Payments**

Preliminary estimates of the balance of payments for 2008 indicate that the accounts are expected to move from a small overall surplus in 2007 to a deficit of about 0.6 percent of GDP in 2008. This reflects deterioration of the services sub-account and insufficient net inflows on the capital and financial account to offset a 1 percent increase in the current account deficit to \$1,035.95 million (31.2 percent of GDP). Table VI below summarizes key balance of payments statistics for Antigua and Barbuda.

The larger current account deficit was due to an estimated 2.0 percent increase in the merchandise trade deficit from \$1,659.32 million in 2007 to \$1,691.10 million in 2008, reflecting larger import payments. Merchandise import payments rose by 2.0 percent from \$1,727.37 or 55.1 percent of GDP in 2007 to \$1,761.92 million or 53.1 percent of GDP in 2008. The surplus on the services account is estimated to decrease by 1.5 percent from \$631.52 million in 2007 to \$621.76 million in 2008, reflecting an estimated 28.6 percent increase in outflows for transportation associated with the growth in imports.

On the income account, net outflows fell by 20.1 percent from \$173.46 million in 2007 to \$137.55 million in 2008). The estimated for 2008 may be attributed to lower debt service payments by the public sector. Interest obligations on the stock of external debt decreased by 28.58 percent from \$99.66 million in 2007 to an estimated \$71.18 million in 2008. This reflects further reconciliation of Government's debt to external creditors as part of the process of implementing the debt management strategy.

Net inflows on the capital and financial account fell by almost 1.0 percent from \$1,034.48 million or 32.99 percent of GDP in 2007 to \$1,024.43 million or 30.89 percent of GDP in 2008. This was driven by a 28.87 percent decline in net inflows of direct investment from \$961.74 million or 30.67 percent of GDP in 2007 to \$684.08 million or 20.63 percent of GDP in 2008. Capital transfers declined by 10 percent from \$30.0 million in 2007 to \$27.0 million in 2008 reflecting a change in the same magnitude in capital grants to the Government. Finally,

commercial bank transactions resulted in an estimated net inflow of \$319.86 million, signalling the drawing down of external assets.

**Table VI: Antigua and Barbuda Balance of Payments Summary 2004:2008**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007 Rev.</b>	<b>2008 Est.</b>
<b>Current Account Balance</b>	(319.36)	(508.91)	(837.62)	(1,024.49)	(1,035.95)
<i>Goods and Services</i>	(157.59)	(371.71)	(720.76)	(916.47)	(960.81)
<i>Current Transfers</i>	22.54	21.60	59.20	65.45	62.41
<b>Capital and Financial Account Balance</b>	326.04	512.45	840.62	1,034.48	1,024.43
<i>Direct Investment</i>	216.99	596.60	968.81	961.74	684.08
<b>Overall Balance</b>	17.34	19.54	41.20	2.25	(18.24)

*Source: Statistics Division and Eastern Caribbean Central Bank (ECCB)*

## **Outlook for the Medium Term**

### ***I. International and Regional Environment***

In its July 2009 World Economic Outlook update<sup>8</sup>, the International Monetary Fund (IMF) projects global economic growth of 2.5 percent for 2009, which is up half a percent from the projection in April 2009. This signals the beginning of a recovery from the worst global economic recession since the Great Depression. The report points out however, that “*the recession is not over and the recovery is likely to be sluggish*”. This report also states that “*The main policy priority remains restoring financial sector health. Macroeconomic policies need to stay supportive.... At the same time, given weak internal demand prospects in a number of current account deficit countries, including the United States, policies need to sustain stronger demand in key surplus countries*”.

According to the report, the global economic recovery is not expected to take hold until the second half of 2010. Even then, there will remain downside risks to the recovery. In particular, many housing markets are still struggling and financial markets remain weak due the existence of compromised banks and other financial institutions. In 2010, the US and UK economies,

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<sup>8</sup> See [www.imf.org](http://www.imf.org)

which are the main source markets for the tourism industry in Antigua and Barbuda are projected to grow by 0.8 and 0.2 percent respectively following contractions of 2.6 and 4.2 percent respectively in 2009. Emerging and developing economies are projected to grow by 1.5 percent in 2009 and by 4.7 percent in 2010. Leading economic performance in this grouping will be China and India, which are expected to grow by 7.5 and 5.4 percent in 2009 and 8.5 and 6.5 percent in 2010.

In addition to the expected decline in the rate of slippage in the housing and labour markets in the US, inflation is projected to remain low as oil and commodity prices will remain well below the levels recorded in 2008. The lower rate of inflation along with the improvement in business and consumer confidence in the US could signal a positive outlook for the tourism industry as uncertainty subsides and travel increases over the medium term.

At the regional level, CARICOM and the OECS countries have been working closely to identify and implement strategies to address the fallout from the global economic crisis. The efforts are more advanced at the sub-regional level as the members of the Eastern Caribbean Currency Union (ECCU) have developed an Eight Point Plan as a strategic response to the financial and economic challenges. This Eight Point Plan (EPP) comprises:

1. Financial Programming – which is expected to identify appropriate macroeconomic policy and the financing requirements of each member state;
2. Fiscal Reform – which is intended to ensure fiscal sustainability and ensure a fiscal regime that is conducive to economic growth;
3. Debt Management – which will focus on implementation of strategies and debt managements policies that are consistent with fiscal sustainability;
4. PSIP Development – this will focus on stimulating economic growth and transforming the economies of the ECCU member states.
5. Social Safety Net Programme – this emphasizes the improvement of the social protection systems through efficiency of administration and targeting of beneficiaries;

6. Financial safety net, Commercial Bank Amalgamation, and Insurance Company Restructuring – these involve establishing a strong financial safety net which will focus on strengthening regulatory and supervisory regimes, recapitalization and restructuring of banks, and rationalization of the banking and insurance sectors

Upon completion of the first four elements of the Eight Point Plan, the ECCU countries will approach regional and international institutions as well as friendly countries for technical and financial assistance to implement the programmes needed to secure the financial, economic and social future of the countries of the sub-region.

## ***II. Challenges and Opportunities for the Antigua and Barbuda Economy***

Antigua and Barbuda, like many other developing countries, has been significantly affected by the ongoing global economic and financial crisis. The impact is evidenced by a sharp contraction in economic activity, tightening of credit markets, and mounting fiscal difficulties. Before the crisis, economic output for Antigua and Barbuda was projected to grow by 3.5 to 4.0 percent in 2009, mainly as a result of solid growth in the tourism and construction sectors. However, in the wake of the global economic and financial crises, growth projections for Antigua and Barbuda have been revised to reflect an anticipated 3.3 percent contraction in the economy for 2009. This reduction in the level of economic output is expected to be the result of a 15 percent decline in the tourism sector and a 7 percent slowdown in the construction sector.

As may be expected, this downturn in economic performance has negatively impacted the fiscal operations of the Government. Specifically, Government revenues have declined by about 20 percent from \$771.96 million in the Budget Estimates for 2009 to \$620.3 million as a result of the slowdown in economic activity. This includes revenue from taxes on operations of hotels and restaurants as well as from taxes on imports. Also, revenues from taxes on income have declined due to the increased unemployment that is associated with fall off in economic output.

In addition to the challenges posed by the global economic crisis, Antigua and Barbuda's economic condition is even more compromised due to the fallout from the Stanford International

Bank and Stanford Financial Group (SFG) debacle. The Stanford Financial Group was one of the major employers in Antigua and Barbuda, with significant operations in the tourism, restaurant, financial, and construction sectors. The demise of the SFG has led to increased unemployment and loss of income for many local enterprises that were engaged in business with the various companies that were part of the Group.

Along with the impact on economic activity and employment, the SFG catastrophe led to a run on the domestic bank that was a part of the Group. This threatened the domestic banking system and the overall stability of the financial arrangement in the Eastern Caribbean Currency Union (ECCU). In order to protect the domestic and regional systems, the Government had to acquire resources, amounting to 3 percent of GDP, in order to inject the requisite liquidity that was needed to stabilize the bank in question and to prevent any possible risk of contagion for the other domestic banks.

Added to the SFG incident are the difficulties in the insurance sector, which have been brought about by the financial problems of a regional conglomerate, CL Financial Limited, which operates in many of the countries of the ECCU region, including Antigua and Barbuda. The collapse of this company has threatened the investments of individuals and institutions across the region. In response, the Governments of the affected member countries have been working along with the Governments of Barbados and Trinidad and Tobago to establish a Liquidity Support Fund in an effort to safeguard the investments of individuals and institutions in the OECS countries. This situation has also required administrative intervention by the Government which, at this time, involves assuming management of the operations of a subsidiary of the company, British American, in Antigua and Barbuda.

In light of these fiscal and economic challenges, the Government is in the process of completing a National Economic and Social Transformation (NEST) Plan. The objective of this NEST Plan is to stabilize the fiscal situation through a Fiscal Consolidation Programme; boost economic activity over the short, medium and long terms through an Economic Action Plan; secure the welfare of the people by creating reliable and effective Social Safety Nets; and rebuild confidence in the financial sector by pursuing policies that promote Financial Sector Stability.

The Fiscal Consolidation Programme is the nucleus of the NEST Plan and is intended to ensure fiscal and debt sustainability. The Government has already commenced its fiscal consolidation programme by revising expenditure in an effort to close this fiscal gap caused by the 20 percent reduction in revenue for 2009. Final details of the fiscal consolidation programme are being completed with the assistance of the Eastern Caribbean Central Bank (ECCB) and the Caribbean Development Bank (CDB). Once completed, the Government will, in conjunction with the other ECCU member countries, seek financial and technical support from regional and international institutions to implement the fiscal consolidation programme.

At the same time that the Government is finalising and implementing aspects of its NEST Plan, it has sought assistance from friendly Governments in order to cover the shortfall in revenue that has resulted from the slowdown in economic activity. In August 2009, the Government of the Bolivarian Republic of Venezuela provided US\$50 million to Antigua and Barbuda to help the Government meet its day to day obligations. This financial injection has created some fiscal space and will help the Government close the fiscal gap and undertake some projects that will promote economic activity. In particular, the resources will be used for budget support, provide some economic stimulus, enhance revenue administration and collection, improve expenditure management, and provide some social protection for the poor and unemployed.

With respect to the financial sector, the Antigua and Barbuda will work along with the ECCB and the other members of the ECCU to pursue the various policies identified in the Eight Point Plan to ensure the stability of the sub-regional financial system. Additionally, in order to repair the damage to the jurisdiction as a result of the Stanford debacle, the Government will enhance its efforts to enter into tax information exchange agreements with developed nations. Further, the Government will shortly be engaged in an intensive mission with the Caribbean Financial Action Task Force (CFATF); the purpose of which is to review the jurisdiction and identify areas that require strengthening.

The Government will also focus on promoting economic activity by implementing innovative and appropriate policies and programmes that encourage economic growth. These policies and

programmes will form the Economic Action Plan which is intended to trigger economic activity and create employment over the short and medium terms. Given the current global economic environment and the Government's resource constraints, the options for pursuing countercyclical fiscal policies are limited. However, it is imperative to identify and implement some programmes that can begin to yield positive outcomes within a short time span. In this regard, the NEST plan will identify areas for intervention that will involve coordinated efforts between Government and the private sector.

The Antigua and Barbuda Investment Authority (ABIA) will play an integral role in ensuring the successful implementation of the Economic Action Plan of the NEST Plan. To facilitate this, the investment promotion arm of the ABIA will be strengthened so that it can better identify new opportunities for investment and develop innovative projects that would be presented for consideration of potential investors. To ensure that the objective of job creation is realized, special consideration and incentives will be provided to investors that utilize local labour at all stages during the construction and the operation of the projects. Also, the Government will consider providing special incentives packages in addition to the concessions provided by way of the Investment Authority Act (2006)<sup>9</sup>.

It is expected that improved economic performance will result in increased revenues, which ultimately means the Government would be better positioned to attain the goals set out in the fiscal consolidation programme at an accelerated pace and also be able to advance its social transformation initiatives. The social transformation component of the NEST Plan will attempt to balance the fiscal consolidation initiative with the need to ensure certain basic social imperatives are maintained. In this regard, the Government will ensure that the necessary resources are invested in a number of key areas over the medium term. In particular, emphasis will be placed on the next three to five years will be on enhancing education at all levels, providing quality healthcare, and pursuing policies that reduce crime and ensure national security.

The Government of Antigua and Barbuda is of the view that in the midst of fiscal and economic reforms, there must be some basic network of policies and programmes that not only prevent the

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<sup>9</sup> Legislation available on the Government Website [www.antigua.gov.ag](http://www.antigua.gov.ag)

worsening of conditions for certain segments of society but also provide the means through which individuals can improve their economic circumstances. To this end, the Government will continue programmes such as the school uniform grant and the school meals programme, the Home Improvement Grant, the Grace Programme, and the Senior Citizens Utility Subsidy Programme and the Peoples Benefit Programme that are implemented by PDV Caribe and funded with resources made available through the Petro Caribe arrangement. These programmes represent the foundation of the social safety net for citizens and residents and will need to be retained, particularly during a period of economic difficulty.

Finally, though the economy is facing significant challenges, the Government has developed a comprehensive plan of action to respond to the fiscal and economic impact of the global economic crisis. In addition, with the relevant technical and financial support from regional and international organisations, the Government expects that the economy will be well poised to bounce back from this slowdown as the global economy starts to recover.

### ***III. Medium Term Outlook and Forecasts for Antigua and Barbuda***

It is expected that, with the implementation of the elements of the NEST Plan and the anticipated recovery in the global economy, the economy of Antigua and Barbuda will rebound from the economic contraction experienced in 2009. In 2010, the rate of contraction is expected to slow and the economy is projected to grow by just over 2 percent in 2011, reflecting growth of 2.0 percent in the tourism and construction sectors. This outturn may improve markedly if the Government is able to finalise negotiations for a number of projects over the next six to twelve months. These include a \$270 million port enhancement project, a \$180 million Airport Reconstruction and Development project, and the construction of two new schools. Private sector initiatives that are expected to continue include a number of condominiums and villas, expansions of existing properties including Jumby Bay and Curtain Bluff, and various commercial and residential development projects.

Economic activity should also be boosted by marketing and promotion efforts by the Antigua Tourism Authority and a number of hotel properties in order to increase demand for the

destination. These marketing initiatives will be targeted to ensure Antigua and Barbuda can receive maximum benefits from the airlift out of North America and Europe. Antigua and Barbuda currently benefits from direct flights by Delta, Continental and American Airlines which originate in New York, New Jersey and Florida. In addition, seat capacity was increased on flights originating out of Atlanta, Charlotte, Philadelphia, Toronto and London.

Consistent with developments in construction and tourism, output is expected to grow in the other service sectors including “wholesale and retail trade”, “transport”, “communication” and “banking and insurance”.

In the external accounts, the merchandise trade deficit is likely to widen slightly over the medium term, reflecting the anticipated expansion in economic activity. Gross travel receipts are also expected to increase as stay-over arrivals improve in line with the improvement in the global economic environment. Consumer prices are forecast to remain low, in line with the moderation of the price level in the economies of Antigua and Barbuda’s major trading partners.

Finally, fiscal and debt performance are expected to improve markedly with the implementation of the fiscal consolidation plan. Between 2009 and 2014, the country is expected to record current account surpluses averaging 2.7 percent per annum. Further, the overall balance should narrow significantly with a surplus of over 2 percent of GDP expected by 2014. The debt to GDP is also expected to decline over the medium term falling to 90 percent by 2014. Overall, the fiscal and other economic policies of the Government will position Antigua and Barbuda to attain greater macroeconomic sustainability and to achieve high and sustainable levels of economic growth over the medium term.

## **Current Issues of Government Securities on Regional and International Markets**

### ***a. Treasury Bills***

There are currently two (2) 91 day Treasury Bills listed on the Eastern Caribbean Securities Exchange (ECSE).

- The total outstanding issue amount is XD\$32.97 million.
- They are each XCD17 million 91 day Treasury Bills.
- The T-bill AGB180909 was listed on June 19, 2009; AGB211009 was listed on July 22, 2009.
- The T-bill AGB180909 will be redeemed on September 21, 2009; AGB211009 will be redeemed on October 21, 2009.

### ***b. Treasury Note***

There is currently one Treasury note listed on the Eastern Caribbean Securities Exchange (ECSE).

- The total outstanding issue amount of XD\$30 million.
- Tenor is 5-years
- The interest rate is 8.25 per cent
- The Treasury Note, AGN280711, was listed on 28 July 2006 and will be redeemed on July 28, 2011

### ***c. Bonds***

- The total outstanding issue amount USD26.0m (XD\$70.20) million.
- Tenor is 7-years.
- The interest rate ranges from 8.0 per cent to 9.0 per cent
- The Bond, FAG070713, was listed on 26 July 2006 and will be redeemed on July 26, 2013

**d. Private Placement Bond**

The Government of Antigua & Barbuda issued a US\$14.295 Million (EC\$38.597 Million) Amortised Guaranteed Long-term Bond via private placement.

- The issue date was November 19<sup>th</sup>, 2004
- The interest rate was 9.0 per cent.
- The total number of investors was fourteen (14) with no single investor holding more than 20 per cent.
- The interest payment is paid in arrears on the basis of a 360-day year and is paid quarterly.
- The principal payment is paid quarterly in arrears.
- The proceeds were used for refinancing current borrowings.
- The bond's tenure is 10 years.
- The security offered was a direct, general and unconditional charge upon the Consolidated Fund of Antigua and Barbuda for the payment of all principal and interest. A bond repayment reserve account was established as an escrow account for the tenor of the bonds at ABI Bank Ltd and the conditions were as follows:

- All bond payments must be paid into this account, which will be used to meet quarterly payments to the investors.
- There must be a minimum balance of at least two (2) quarterly instalments held in this account throughout the tenor of the bonds.

The Government of Antigua and Barbuda has ensured that the escrow account has been funded in accordance with its agreement with the ABI Bank Ltd. thereby ensuring that all investors in the Treasury note and bonds receive principal and interest payment as stipulated in the amortisation schedule. Further, the Government has established a debt service account with the ABI Bank Ltd. to facilitate payment of interest and principal on all securities issued on the RGSM. This debt service account is funded on a monthly basis and the balance in this account is in accordance with the debt servicing requirements for the treasury bills and bonds. It should be noted that since first issuing securities on the RGSM in March 2006, Antigua and Barbuda has

repaid each Treasury bill when it matured and also made the scheduled repayments on the United States dollar and Eastern Caribbean dollar bonds.

## **Security Issuance Procedures and Settlement**

The Treasury bill will be issued on the Regional Government Securities Market (RGSM). This will operate on the Eastern Caribbean Securities Exchange trading platform for both primary issuance and secondary trading. The pricing methodology to be used for selling the securities will be that of open price auction. The ECSE and its subsidiaries are responsible for processing clearance and settlement of securities and providing the intermediaries with access to their settlement projections report, which indicates the obligations of the intermediary.

Intermediaries are responsible for interfacing with prospective creditors collecting applications for subscription and processing bids on the ECSE platform. A list of licensed intermediaries is provided in **Appendix II**. Successful investors will be informed of their payment obligations and funds deducted from their respective accounts with the intermediaries. As an issuer on the RGSM, the Government of Antigua and Barbuda will be subject to the rules and procedures established by the Regional Debt Coordinating Committee (RDCC) for the operation of the market including on going reporting and disclosure requirement.

## **Calendar of Events - Upcoming Issues**

- The Government of Antigua and Barbuda will continue to issue its Treasury Bills on the RGSM on a monthly basis to assist with short term financing requirements.

## APPENDIX I. SUMMARY OF ECONOMIC DATA<sup>10</sup>

This summary highlights some key economic data contained in this prospectus. You should read this summary together with the more detailed information elsewhere in the Prospectus. Further information on the Government and economy of Antigua and Barbuda may be found on the Government Website – [www.antigua.gov.ag](http://www.antigua.gov.ag)

	<b>2006 Actual</b>	<b>2007 Revised</b>	<b>2008 Estimated</b>
<i>Real Sector</i>			
<b>Real GDP Growth Rate (%)</b>	5.47	12.36	7.35
<b>Inflation Rate (%)</b>	1.79	3.23	5.3
<b>Visitor Expenditure (EC\$M)</b>	882.22	904.31	920.87
<i>External Sector (EC\$M)</i>			
<b>Current Account Balance (BOP)</b>	(837.62)	(1,024.49)	(1,035.95)
<b>Direct Investment</b>	968.81	961.74	684.08
<b>Overall Balance(BOP)</b>	41.20	2.25	(18.24)
<i>Central Government (% of GDP)</i>			
<b>Total Revenue and Grants</b>	25.13	24.13	23.62
<b>Total Expenditure and Net lending</b>	33.71	30.51	29.92
<b>Overall balance</b>	(8.58)	(6.38)	(6.31)
<b>Current Account Balance</b>	(3.30)	(0.78)	(0.59)
<b>Public Sector Debt</b>	109.49	92.40	92.48

<sup>10</sup> Please note that all figures and projections contained in the appendices are based on information as at July 2009.

**APPENDIX II. LIST OF LICENSED INTERMEDIARIES – Members of Eastern Caribbean Securities Exchange**

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
<i>Anguilla</i>		
<i>National Bank of Anguilla Ltd</i>	P O Box 44 The Valley  <i>Tel: 264-497-2101</i> <i>Fax: 264-497-3310</i> <i>Email: <a href="mailto:nbabank1@anguillanet.com">nbabank1@anguillanet.com</a></i>	<b>Principal</b> Selwyn Horsford  <b>Representative</b> Idona Reid
<i>Antigua and Barbuda</i>		
ABI Bank Ltd.	ABI Financial Centre  Redcliffe Street St John's  <i>Tel: 268 480 2824</i> <i>Fax: 268 480 2765</i> <i>Email: <a href="mailto:abibsec@candw.ag">abibsec@candw.ag</a></i>	<b>Principals</b> Casroy James Carolyn Philip  <b>Representative</b> Laura Abraham
Antigua Commercial Bank Ltd.	ACB Financial Centre P O Box 3089 St John's  <i>Tel: 268 481 4200</i> <i>Fax: 268 481 4158/ 268 481 4313</i> <i>Email: <a href="mailto:acb@candw.ag">acb@candw.ag</a></i>	<b>Principal</b> Peter N Ashe  <b>Representative</b> Sharon Nathaniel

Dominica		
National Mortgage Finance Company of Dominica Ltd. (NMFC)	64 Hillsborough Street Roseau  <i>Tel: 767 448 4401/4405</i> Fax: 767 448 3982 Email: <a href="mailto:ncbdom@cwdom.dm">ncbdom@cwdom.dm</a>	<b>Principal</b> Caryl Phillip-Williams Linda Toussaint-Peter Curtis Clarendon  <b>Representatives</b> Marilyn Edwards Debra Gordon-Peters Joel Denis
Grenada		
Republic Finance and Merchant Bank Ltd. (FINCOR)	Melvin Street St George's  Tel: 473 444 1875 Fax: 473 444 1879 Email: <a href="mailto:fincorec@spiceisle.com">fincorec@spiceisle.com</a>	<b>Principal</b> Wilma Williams  <b>Representative</b> Mark Salina Sharlene Thomas
St Kitts and Nevis		
St Kitts Nevis Anguilla National Bank Ltd.	P O Box 343 Central Street Basseterre  <i>Tel: 869 465 2204</i> Fax: 869 465 1050 Email: <a href="mailto:national_bank@sknanb.com">national_bank@sknanb.com</a>	<b>Principals</b> Winston Hutchinson Anthony Galloway  <b>Representatives</b> Marlene Nisbett Petronella Edmeade-Crooke
The Bank of Nevis Ltd.	P O Box 450 Charlestown Nevis  <i>Tel: 869 469 5564</i> Fax: 869 469 5798 E mail: <a href="mailto:bon@caribsurf.com">bon@caribsurf.com</a>	<b>Principal</b> Hanzel Manners Kevin Huggins  <b>Representatives</b> Lisa Jones Vernesia Walters

St Lucia		
ECFH Global Investment Solutions Limited	<p>1 Bridge Street Castries</p> <p><i>Tel: 758 456 6826</i> Fax: 758 456 6733 Email: <a href="mailto:capitalmarkets@ecfhglobalinvestments.com">capitalmarkets@ecfhglobalinvestments.com</a></p>	<p><b>Principals</b> Donna Matthew Beverley Henry Carla Morton-Campbell</p> <p><b>Representatives</b> Dianne Augustine Lawrence Jean</p>
Caribbean Money Market Brokers Ltd. (CMMB St Lucia)	<p>9 Brazil Street Castries</p> <p>Tel: 758 450 2662 Fax : 758 451 7984</p>	<p><b>Principals</b> Carole Eleuthere-Jn Marie Sharmaine Rosemond</p> <p><b>Representative</b> Anderson Soomer</p>
St Vincent and the Grenadines		
National Commercial Bank (SVG) Ltd.	<p>P O Box 880 Cnr. Bedford and Grenville Streets Kingstown</p> <p>Tel: 784 457 1844 Fax: 784 456 2612 Email: <a href="mailto:natbank@caribsurf.com">natbank@caribsurf.com</a></p>	<p><b>Principals</b> Keith Inniss Jeffrey Ledger</p> <p><b>Representatives</b> Patricia John Rashida Stephens</p>
Trinidad and Tobago		
Caribbean Money Market Brokers Ltd. (CMMB)	<p>No. 1 Richmond Street, Ground Floor Furness Court, Independence Square Port of Spain</p> <p>Tel: 868 623 7815/5153 Fax: 868 624 4544/9833; 627 2930 Email: <a href="mailto:info@mycmm.com">info@mycmm.com</a></p>	<p><b>Principals</b> Brent Salvary Leslie St Louis</p> <p><b>Representative</b> Vishwatee Jagroop</p>

*Appendix III. GDP by Economic Activity At Basic Prices In Constant (1990) Prices (EC\$M)*

SECTOR	Rev 2005	Prelim 2006	Est 2007	Proj 2008	Proj 2009	Proj 2010	Proj 2011
<b>Agriculture</b>	47.38	48.74	50.37	51.72	53.70	55.78	58.10
<b>Crops</b>	13.74	14.01	14.30	14.73	15.32	16.09	16.97
<b>Livestock</b>	11.43	11.66	11.89	12.13	12.62	13.18	13.84
<b>Forestry</b>	0.79	0.79	0.79	0.79	0.79	0.79	0.79
<b>Fishing</b>	21.42	22.28	23.39	24.07	24.97	25.72	26.49
<b>Mining &amp; Quarrying</b>	28.70	41.62	51.69	54.27	50.47	47.95	48.91
<b>Manufacturing</b>	35.20	38.23	41.48	42.72	40.16	38.15	38.53
<b>Electricity &amp; Water</b>	56.28	59.32	65.33	68.94	71.78	73.21	75.72
<b>Electricity</b>	44.00	46.79	51.15	53.72	56.41	57.53	59.26
<b>Water</b>	12.28	12.53	14.18	15.22	15.37	15.68	16.46
<b>Construction</b>	235.51	317.94	337.02	353.87	329.10	312.64	318.90
<b>Wholesale &amp; Retail Trade</b>	126.65	140.45	163.41	165.51	157.23	154.09	158.71
<b>Hotels &amp; Restaurants</b>	174.50	178.77	187.51	190.25	161.71	158.48	161.65
<b>Transport</b>	171.28	193.84	217.27	211.61	203.35	200.78	205.84
<b>Road Transport</b>	86.92	99.55	116.23	114.01	112.28	110.45	113.03
<b>Sea Transport</b>	30.68	36.76	43.72	41.89	42.73	42.47	43.75
<b>Air Transport</b>	53.68	57.53	57.32	55.71	48.35	47.86	49.06
<b>Communications</b>	160.50	168.53	180.32	189.34	193.13	197.95	201.91
<b>Banks &amp; Insurance</b>	167.46	178.79	245.43	235.65	231.78	235.52	238.32
<b>Banks</b>	149.05	159.64	225.42	214.64	210.35	213.50	215.64
<b>Insurance</b>	18.41	19.15	20.01	21.01	21.43	22.02	22.68
<b>Real Estate &amp; Housing</b>	106.08	113.51	119.18	122.81	127.11	128.38	130.95
<b>Government Services</b>	244.33	257.57	272.48	288.26	294.03	296.97	302.90
<b>Other Services</b>	91.80	99.51	102.75	103.23	106.33	104.20	105.24
<b>Less Imputed Service Charge</b>	147.06	152.94	226.70	230.85	233.16	236.66	239.02
<b>TOTAL</b>	1,498.61	1,683.86	1,807.54	1,847.33	1,786.71	1,767.45	1,806.65
<b>GROWTH RATE</b>	5.47	12.36	7.35	2.20	(3.28)	(1.08)	2.22

Source: Statistics Division-Government of Antigua and Barbuda and Eastern Caribbean Central Bank

**Appendix IV. Percentage Contribution of GDP-Economic Activity, Basic Prices, Constant Prices**

<b>SECTOR</b>	<b>Rev 2005</b>	<b>Prelim 2006</b>	<b>Est 2007</b>	<b>Proj 2008</b>	<b>Proj 2009</b>	<b>Proj 2010</b>	<b>Proj 2011</b>
<b>Agriculture</b>	3.16	2.89	2.79	2.80	3.01	3.16	3.22
<b>Crops</b>	0.92	0.83	0.79	0.80	0.86	0.91	0.94
<b>Livestock</b>	0.76	0.69	0.66	0.66	0.71	0.75	0.77
<b>Forestry</b>	0.05	0.05	0.04	0.04	0.04	0.04	0.04
<b>Fishing</b>	1.43	1.32	1.29	1.30	1.40	1.46	1.47
<b>Mining &amp; Quarrying</b>	1.92	2.47	2.86	2.94	2.82	2.71	2.71
<b>Manufacturing</b>	2.35	2.27	2.29	2.31	2.25	2.16	2.13
<b>Electricity &amp; Water</b>	3.76	3.52	3.61	3.73	4.02	4.14	4.19
<b>Electricity</b>	2.94	2.78	2.83	2.91	3.16	3.26	3.28
<b>Water</b>	0.82	0.74	0.78	0.82	0.86	0.89	0.91
<b>Construction</b>	15.72	18.88	18.65	19.16	18.42	17.69	17.65
<b>Wholesale &amp; Retail Trade</b>	8.45	8.34	9.04	8.96	8.80	8.72	8.78
<b>Hotels &amp; Restaurants</b>	11.64	10.62	10.37	10.30	9.05	8.97	8.95
<b>Transport</b>	11.43	11.51	12.02	11.45	11.38	11.36	11.39
<b>Road Transport</b>	5.80	5.91	6.43	6.17	6.28	6.25	6.26
<b>Sea Transport</b>	2.05	2.18	2.42	2.27	2.39	2.40	2.42
<b>Air Transport</b>	3.58	3.42	3.17	3.02	2.71	2.71	2.72
<b>Communications</b>	10.71	10.01	9.98	10.25	10.81	11.20	11.18
<b>Banks &amp; Insurance</b>	11.17	10.62	13.58	12.76	12.97	13.33	13.19
<b>Banks</b>	9.95	9.48	12.47	11.62	11.77	12.08	11.94
<b>Insurance</b>	1.23	1.14	1.11	1.14	1.20	1.25	1.26
<b>Real Estate &amp; Housing</b>	7.08	6.74	6.59	6.65	7.11	7.26	7.25
<b>Government Services</b>	16.30	15.30	15.07	15.60	16.46	16.80	16.77
<b>Other Services</b>	6.13	5.91	5.68	5.59	5.95	5.90	5.83
<b>Less Imputed Service Charge</b>	9.81	9.08	12.54	12.50	13.05	13.39	13.23
<b>TOTAL</b>	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Statistics Division-Government of Antigua and Barbuda and Eastern Caribbean Central Bank

**Appendix V. Rate of Growth of GDP-Economic Activity, Basic Prices In Constant Prices**

<b>SECTOR</b>	<b>2005</b>	<b>2006</b>	<b>Rev 2007</b>	<b>Est 2008</b>	<b>Proj 2009</b>	<b>Proj 2010</b>	<b>Proj 2011</b>
<b>Agriculture</b>	2.98	2.87	3.35	2.68	3.82	3.88	4.15
<b>Crops</b>	3.23	2.00	2.03	3.01	4.00	5.00	5.50
<b>Livestock</b>	1.96	1.98	2.00	2.02	4.00	4.50	5.00
<b>Forestry</b>	-	-	-	-	-	-	-
<b>Fishing</b>	3.48	4.00	5.00	2.91	3.75	3.00	3.00
<b>Mining &amp; Quarrying</b>	26.82	45.00	24.21	4.99	(7.00)	(5.00)	2.00
<b>Manufacturing</b>	3.80	8.61	8.50	2.99	(6.00)	(5.00)	1.00
<b>Electricity &amp; Water</b>	6.43	5.39	10.14	5.53	4.12	2.00	3.43
<b>Electricity</b>	4.19	6.34	9.32	5.02	5.00	2.00	3.00
<b>Water</b>	15.31	2.00	13.21	7.33	1.00	2.00	5.00
<b>Construction</b>	19.50	35.00	6.00	5.00	(7.00)	(5.00)	2.00
<b>Wholesale &amp; Retail Trade</b>	3.93	10.90	16.35	1.29	(5.00)	(2.00)	3.00
<b>Hotels &amp; Restaurants</b>	(1.09)	2.45	4.89	1.46	(15.00)	(2.00)	2.00
<b>Transport</b>	(2.33)	13.17	12.09	(2.61)	(3.90)	(1.26)	2.52
<b>Road Transport</b>	1.96	14.53	16.76	(1.91)	(1.52)	(1.63)	2.34
<b>Sea Transport</b>	(7.67)	19.82	18.93	(4.19)	2.00	(0.60)	3.00
<b>Air Transport</b>	(5.64)	7.17	(0.37)	(2.81)	(13.22)	(1.00)	2.50
<b>Communications</b>	8.01	5.00	7.00	5.00	2.00	2.50	2.00
<b>Banks &amp; Insurance</b>	9.75	6.77	37.27	(3.98)	(1.64)	1.62	1.19
<b>Banks</b>	10.28	7.10	41.21	(4.78)	(2.00)	1.50	1.00
<b>Insurance</b>	5.68	4.02	4.49	5.00	2.00	2.75	3.00
<b>Real Estate &amp; Housing</b>	3.50	7.00	5.00	3.05	3.50	1.00	2.00
<b>Government Services</b>	2.93	5.42	5.79	5.79	2.00	1.00	2.00
<b>Other Services</b>	2.19	8.40	3.25	0.47	3.00	(2.00)	1.00
<b>Less Imputed Service Charge</b>	8.00	4.00	48.23	1.83	1.00	1.50	1.00
<b>TOTAL</b>	5.47	12.36	7.35	2.20	(3.28)	(1.08)	2.22

Source: Statistics Division-Government of Antigua and Barbuda and Eastern Caribbean Central Bank

**Appendix VI. Government of Antigua and Barbuda Fiscal Performance: 2003-2014**

**In Per cent of GDP**

	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Revised 2007	Estimate 2008	Projections 2009	Projections 2010	Projections 2011	Projections 2012	Projections 2013	Projections 2014
<b>Total revenue and Grants</b>	<b>21.28</b>	<b>22.61</b>	<b>22.54</b>	<b>25.13</b>	<b>24.13</b>	<b>23.62</b>	<b>19.59</b>	<b>23.92</b>	<b>24.71</b>	<b>24.73</b>	<b>24.10</b>	<b>23.37</b>
Current revenue	20.97	21.36	20.88	22.18	23.33	22.55	19.42	23.76	24.55	24.58	23.96	23.23
Of which: tax revenue	18.79	19.32	19.25	20.89	22.03	21.24	18.33	22.65	23.43	23.45	22.86	22.13
Capital revenue	0.15	1.00	0.75	0.19	0.16	0.16	0.16	0.16	0.15	0.15	0.14	0.13
Capital Grants	0.16	0.24	0.91	2.77	0.64	0.90	-	-	-	-	-	-
<b>Total expenditure</b>	<b>30.78</b>	<b>27.64</b>	<b>28.16</b>	<b>33.71</b>	<b>30.51</b>	<b>29.92</b>	<b>26.46</b>	<b>23.91</b>	<b>23.61</b>	<b>22.89</b>	<b>22.18</b>	<b>21.24</b>
Current expenditure	26.79	25.14	24.17	25.48	24.11	23.14	22.39	21.76	21.01	20.26	19.61	18.67
Wages and salaries	12.28	11.36	10.67	9.87	9.86	9.06	9.23	8.27	8.02	7.77	7.54	7.25
Contrib. to soc. security, MBS	1.40	1.25	1.21	1.10	0.96	0.98	1.01	0.81	0.78	0.76	0.74	0.71
Purchase of G&S	4.94	4.97	4.63	4.64	4.71	5.58	3.60	3.64	3.57	3.49	3.42	3.32
Interest payments	5.48	4.84	4.10	4.25	3.54	3.09	2.79	3.26	3.00	2.75	2.55	2.20
Pensions & Other transfers	2.69	2.71	3.56	5.62	5.06	4.44	5.76	5.77	5.63	5.49	5.36	5.18
Capital expenditure	3.99	2.50	3.99	8.23	6.39	6.79	4.07	2.15	2.61	2.63	2.56	2.57
<b>Current account balance</b>	<b>(5.82)</b>	<b>(3.78)</b>	<b>(3.29)</b>	<b>(3.30)</b>	<b>(0.78)</b>	<b>(0.59)</b>	<b>(2.97)</b>	<b>2.00</b>	<b>3.54</b>	<b>4.32</b>	<b>4.34</b>	<b>4.56</b>
<b>Primary Balance</b>	<b>(4.02)</b>	<b>(0.19)</b>	<b>(1.51)</b>	<b>(4.33)</b>	<b>(2.84)</b>	<b>(3.22)</b>	<b>(4.09)</b>	<b>3.28</b>	<b>4.09</b>	<b>4.59</b>	<b>4.48</b>	<b>4.33</b>
<b>Overall balance</b>	<b>(9.50)</b>	<b>(5.03)</b>	<b>(5.61)</b>	<b>(8.58)</b>	<b>(6.38)</b>	<b>(6.31)</b>	<b>(6.88)</b>	<b>0.01</b>	<b>1.09</b>	<b>1.84</b>	<b>1.92</b>	<b>2.13</b>

Source: Ministry of Finance, the Economy & Public Administration

**Appendix VII. Government of Antigua and Barbuda Fiscal Accounts: 2003-2008**

	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Revised 2007	Estimate 2008
<b>Total revenue and Grants</b>	<b>433,320,331</b>	<b>499,589,522</b>	<b>532,654,283</b>	<b>682,973,669</b>	<b>756,611,327</b>	<b>783,142,696</b>
Current revenue	427,051,043	472,083,766	493,447,877	602,680,791	731,473,489	747,909,898
Of which: tax revenue	382,608,069	426,965,492	454,814,460	567,612,180	690,871,346	704,261,224
Capital revenue	3,043,448	22,105,756	17,779,606	5,042,878	5,137,838	5,232,798
Capital Grants	3,225,840	5,400,000	21,426,800	75,250,000	20,000,000	30,000,000
<b>Total expenditure</b>	<b>626,810,666</b>	<b>610,760,626</b>	<b>665,287,850</b>	<b>916,150,786</b>	<b>956,554,516</b>	<b>992,314,777</b>
Current expenditure	545,609,129	555,538,765	571,073,170	692,500,946	756,054,516	767,314,777
Wages and salaries	250,148,246	251,118,181	252,118,856	268,187,506	309,047,400	300,383,114
Contrib. to soc. security, MBS	28,446,291	27,652,678	28,586,978	29,828,845	29,950,367	32,400,000
Purchase of G&S	100,521,769	109,894,565	109,386,981	126,211,130	147,559,812	185,000,000
Interest payments	111,685,514	106,913,341	96,890,496	115,531,609	110,930,633	102,346,117
Other transfers	54,807,309	59,960,000	84,089,859	152,741,856	158,566,304	147,185,546
Pensions	31,222,266	32,743,815	38,177,172	42,927,192	79,534,134	57,958,499
<b>Capital expenditure &amp; net lending</b>	<b>81,201,537</b>	<b>55,221,861</b>	<b>94,214,679</b>	<b>223,649,840</b>	<b>200,500,000</b>	<b>225,000,000</b>
<b>Current account balance</b>	<b>(118,558,086)</b>	<b>(83,454,999)</b>	<b>(77,625,293)</b>	<b>(89,820,155)</b>	<b>(24,581,027)</b>	<b>(19,404,879)</b>
<b>Primary Balance</b>	<b>(81,804,821)</b>	<b>(4,257,763)</b>	<b>(35,743,070)</b>	<b>(117,645,508)</b>	<b>(89,012,556)</b>	<b>(106,825,964)</b>
<b>Overall balance</b>	<b>(193,490,335)</b>	<b>(111,171,104)</b>	<b>(132,633,567)</b>	<b>(233,177,117)</b>	<b>(199,943,189)</b>	<b>(209,172,081)</b>

Source: Ministry of Finance, the Economy & Public Administration

**Appendix VIII. Government of Antigua and Barbuda Fiscal Accounts: 2009-2014**

	Projections 2009	Projections 2010	Projections 2011	Projections 2012	Projections 2013	Projections 2014
<b>Total revenue and Grants</b>	<b>625,570,800</b>	<b>773,620,363</b>	<b>836,215,613</b>	<b>876,835,025</b>	<b>893,833,100</b>	<b>914,893,588</b>
Current revenue	620,313,002	768,387,565	830,982,815	871,602,227	888,600,302	909,660,790
Of which: tax revenue	585,313,002	732,571,734	793,058,282	831,570,281	847,709,451	866,446,639
Capital revenue	5,257,798	5,232,798	5,232,798	5,232,798	5,232,798	5,232,798
Capital Grants	-	-	-	-	-	-
<b>Total expenditure</b>	<b>845,180,609</b>	<b>773,206,242</b>	<b>799,243,035</b>	<b>811,702,208</b>	<b>822,588,321</b>	<b>831,494,617</b>
Current expenditure	715,180,609	703,776,742	711,022,335	718,579,208	727,467,321	730,969,117
Wages and salaries	294,803,456	267,506,227	271,518,821	275,591,603	279,725,477	283,921,359
Contrib. to soc. security, MBS	32,400,000	26,156,347	26,548,693	26,946,923	27,351,127	27,761,394
Purchase of G&S	115,000,000	117,875,000	120,821,875	123,842,422	126,938,482	130,111,944
Interest payments	89,134,949	105,597,104	101,562,259	97,606,767	94,745,569	86,255,973
Other transfers	183,842,205	186,642,063	190,570,688	194,591,493	198,706,666	202,918,447
Pensions	52,867,080	53,924,421	55,002,910	56,102,968	57,225,027	58,369,528
<b>Capital expenditure &amp; net lending</b>	<b>130,000,000</b>	<b>69,429,500</b>	<b>88,220,700</b>	<b>93,123,000</b>	<b>95,121,000</b>	<b>100,525,500</b>
<b>Current account balance</b>	<b>(94,867,607)</b>	<b>64,610,823</b>	<b>119,960,480</b>	<b>153,023,020</b>	<b>161,132,981</b>	<b>178,691,673</b>
<b>Primary Balance</b>	<b>(130,474,860)</b>	<b>106,011,225</b>	<b>138,534,837</b>	<b>162,739,585</b>	<b>165,990,348</b>	<b>169,654,944</b>
<b>Overall balance</b>	<b>(219,609,809)</b>	<b>414,121</b>	<b>36,972,578</b>	<b>65,132,818</b>	<b>71,244,779</b>	<b>83,398,971</b>

Source: Ministry of Finance, the Economy & Public Administration

**Appendix IX. Government of Antigua and Barbuda Public Sector Debt: 2003-2008**

	Actual 2003	Actual 2004	Actuals 2005	Actual 2006	Revised 2007	Estimate 2008
<b>Central Government Total Debt</b>	<b>1,558,022,000</b>	<b>1,692,997,000</b>	<b>1,104,700,054</b>	<b>1,542,524,203</b>	<b>1,417,835,028</b>	<b>1,666,312,134</b>
(% of GDP at market prices)	76.50%	76.62%	46.76%	56.76%	45.22%	50.25%
<b>Government Guaranteed Debt</b>	<b>158,102,335</b>	<b>180,865,825</b>	<b>166,730,680</b>	<b>166,236,694</b>	<b>152,848,253</b>	<b>187,509,426</b>
(% of GDP at market prices)	7.76%	8.19%	7.06%	6.12%	4.87%	5.65%
<b>Total Public Sector Debt</b>	<b>2,856,737,603</b>	<b>3,131,173,724</b>	<b>2,620,525,510</b>	<b>2,975,662,697</b>	<b>2,897,374,536</b>	<b>3,066,785,999</b>
(% of GDP at market prices)	140.26%	141.70%	110.91%	109.49%	92.40%	92.48%
<b>Total Public Sector External Debt</b>	<b>1,558,022,000</b>	<b>1,692,997,000</b>	<b>1,104,700,054</b>	<b>1,542,524,203</b>	<b>1,417,835,028</b>	<b>1,666,312,134</b>
(% of GDP at market prices)	76.50%	76.62%	46.76%	56.76%	45.22%	50.25%
<b>Total Public Sector Domestic Debt</b>	<b>1,298,715,603</b>	<b>1,438,176,724</b>	<b>1,515,825,456</b>	<b>1,433,138,494</b>	<b>1,479,539,509</b>	<b>1,400,473,865</b>
(% of GDP at market prices)	63.77%	65.08%	64.16%	52.73%	47.18%	42.23%
<b>Central Government Total Debt Service Payments</b>	<b>118,922,299</b>	<b>136,229,617</b>	<b>145,129,420</b>	<b>91,200,624</b>	<b>59,598,415</b>	<b>50,970,584</b>
(% of GDP at market prices)	5.84%	6.17%	6.14%	3.36%	1.90%	1.54%
Principal	<b>79,536,785</b>	<b>92,088,813</b>	<b>107,980,838</b>	<b>77,334,435</b>	-	-
(% of GDP at market prices)	3.91%	4.17%	4.57%	2.85%	0.00%	0.00%
Interest	<b>39,385,514</b>	<b>44,140,804</b>	<b>37,148,583</b>	<b>52,020,515</b>	<b>59,598,415</b>	<b>50,970,584</b>
(% of GDP at market prices)	1.93%	2.00%	1.57%	1.91%	1.90%	1.54%
<b>Central Government External Debt Service Payments</b>	<b>53,259,748</b>	<b>55,903,512</b>	<b>80,864,482</b>	<b>55,220,214</b>	<b>25,324,549</b>	<b>19,095,736</b>
(% of GDP at market prices)	2.61%	2.53%	3.42%	2.03%	0.81%	0.58%
Principal	<b>46,559,785</b>	<b>45,491,313</b>	<b>69,826,511</b>	<b>39,180,109</b>	-	-
(% of GDP at market prices)	2.29%	2.06%	2.96%	1.44%	0.00%	0.00%
Interest	<b>6,699,963</b>	<b>10,412,199</b>	<b>11,037,971</b>	<b>16,040,105</b>	<b>25,324,549</b>	<b>19,095,736</b>
(% of GDP at market prices)	0.33%	0.47%	0.47%	0.59%	0.81%	0.58%
<b>Central Government Domestic Debt Service Payments</b>	<b>65,662,551</b>	<b>80,326,105</b>	<b>64,264,939</b>	<b>35,980,410</b>	<b>34,273,866</b>	<b>31,874,848</b>
(% of GDP at market prices)	3.22%	3.64%	2.72%	1.32%	1.09%	0.96%
Principal	<b>32,977,000</b>	<b>46,597,500</b>	<b>38,154,326</b>	<b>25,500,000</b>	<b>90,769,714</b>	<b>93,488,592</b>
(% of GDP at market prices)	1.62%	2.11%	1.61%	0.94%	2.89%	2.82%
Interest	<b>32,685,551</b>	<b>33,728,605</b>	<b>26,110,612</b>	<b>35,980,410</b>	<b>34,273,866</b>	<b>31,874,848</b>
(% of GDP at market prices)	1.60%	1.53%	1.11%	1.32%	1.09%	0.96%
<b>Central Government External debt service payments/export</b>	3.93%	4.22%	5.82%	3.75%	1.58%	1.23%
<b>Central gov. debt service/curr. Revenue</b>	27.85%	28.86%	29.41%	15.13%	8.15%	6.82%
<b>Central gov. interest payment/curr. Revenue</b>	9.22%	9.35%	7.53%	8.63%	8.15%	6.82%

Source: Ministry of Finance, the Economy & Public Administration

## Appendix X. Government of Antigua and Barbuda Public Sector Debt: 2009-2014

	Projections 2009	Projections 2010	Projections 2011	Projections 2012	Projections 2013	Projections 2014
<b>Central Government Total Debt</b>	<b>1,681,792,581</b>	<b>1,776,360,873</b>	<b>1,912,495,901</b>	<b>2,033,613,983</b>	<b>2,121,476,950</b>	<b>2,204,397,713</b>
(% of GDP at market prices)	47.64%	54.92%	56.51%	57.35%	57.20%	56.30%
<b>Government Guaranteed Debt</b>	<b>206,955,402</b>	<b>229,195,204</b>	<b>253,142,118</b>	<b>276,920,575</b>	<b>300,449,548</b>	<b>323,783,351</b>
(% of GDP at market prices)	5.86%	7.09%	7.48%	7.81%	8.10%	8.27%
<b>Total Public Sector Debt</b>	<b>3,045,336,191</b>	<b>3,130,583,869</b>	<b>3,243,786,435</b>	<b>3,343,942,100</b>	<b>3,439,712,489</b>	<b>3,529,651,707</b>
(% of GDP at market prices)	86.27%	96.79%	95.84%	94.30%	92.74%	90.15%
<b>Total Public Sector External Debt</b>	<b>1,681,792,581</b>	<b>1,776,360,873</b>	<b>1,912,495,901</b>	<b>2,033,613,983</b>	<b>2,121,476,950</b>	<b>2,204,397,713</b>
(% of GDP at market prices)	47.64%	54.92%	56.51%	57.35%	57.20%	56.30%
<b>Total Public Sector Domestic Debt</b>	<b>1,363,543,610</b>	<b>1,354,222,997</b>	<b>1,331,290,534</b>	<b>1,310,328,117</b>	<b>1,318,235,538</b>	<b>1,325,253,994</b>
(% of GDP at market prices)	38.63%	41.87%	39.33%	36.95%	35.54%	33.85%
<b>Central Government Total Debt Service Payments</b>	<b>66,531,854</b>	<b>140,733,211</b>	<b>131,429,023</b>	<b>123,506,492</b>	<b>90,748,786</b>	<b>90,748,786</b>
(% of GDP at market prices)	1.88%	4.35%	3.88%	3.48%	2.45%	2.32%
Principal	-	<b>57,653,601</b>	<b>48,653,891</b>	<b>53,343,132</b>	<b>45,474,229</b>	<b>45,474,229</b>
(% of GDP at market prices)	0.00%	1.78%	1.44%	1.50%	1.23%	1.16%
Interest	<b>66,531,854</b>	<b>83,079,610</b>	<b>82,775,132</b>	<b>70,163,360</b>	<b>45,274,557</b>	<b>45,274,557</b>
(% of GDP at market prices)	1.88%	2.57%	2.45%	1.98%	1.22%	1.16%
<b>Central Government External Debt Service Payments</b>	<b>21,426,606</b>	<b>83,237,664</b>	<b>79,120,735</b>	<b>73,244,913</b>	<b>56,210,516</b>	<b>56,210,516</b>
(% of GDP at market prices)	0.61%	2.57%	2.34%	2.07%	1.52%	1.44%
Principal	-	<b>57,653,600.67</b>	<b>48,653,890.85</b>	<b>53,343,131.90</b>	<b>45,474,228.90</b>	<b>45,474,228.90</b>
(% of GDP at market prices)	0.00%	1.78%	1.44%	1.50%	1.23%	1.16%
Interest	<b>21,426,606</b>	<b>25,584,063</b>	<b>30,466,844</b>	<b>19,901,781</b>	<b>10,736,288</b>	<b>10,736,288</b>
(% of GDP at market prices)	0.61%	0.79%	0.90%	0.56%	0.29%	0.27%
<b>Central Government Domestic Debt Service Payments</b>	<b>45,105,248</b>	<b>57,495,547</b>	<b>52,308,288</b>	<b>50,261,579</b>	<b>34,538,269</b>	<b>34,538,269</b>
(% of GDP at market prices)	1.28%	1.78%	1.55%	1.42%	0.93%	0.88%
Principal	<b>109,347,249</b>	-	-	-	-	-
(% of GDP at market prices)	3.10%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest	<b>45,105,248</b>	<b>57,495,547</b>	<b>52,308,288</b>	<b>50,261,579</b>	<b>34,538,269</b>	<b>34,538,269</b>
(% of GDP at market prices)	1.28%	1.78%	1.55%	1.42%	0.93%	0.88%
<b>Central Government External debt service payments/export</b>	1.34%	5.04%	4.65%	4.18%	3.11%	3.02%
<b>Central gov. debt service/curr. Revenue</b>	8.47%	22.18%	19.72%	17.62%	12.73%	12.16%
<b>Central gov. interest payment/curr. Revenue</b>	8.47%	13.09%	12.42%	10.01%	6.35%	6.07%

Source: Ministry of Finance, the Economy & Public Administration

## Appendix XI. Antigua and Barbuda Balance of Payment 2004-2010

	2004	2005	2006	2007	2008	2009	2010
<b>1. CURRENT ACCOUNT</b>	<b>(319.36)</b>	<b>(508.91)</b>	<b>(837.62)</b>	<b>(1,024.49)</b>	<b>(1,035.95)</b>	<b>(1,113.94)</b>	<b>(1,141.44)</b>
<b>A. GOODS AND SERVICES</b>	<b>(157.59)</b>	<b>(371.71)</b>	<b>(720.76)</b>	<b>(916.47)</b>	<b>(960.81)</b>	<b>(1,034.55)</b>	<b>(1,062.02)</b>
1. Goods	(932.12)	(1,006.64)	(1,311.32)	(1,548.00)	(1,582.57)	(1,636.95)	(1,684.63)
a. Merchandise	(1,004.79)	(1,104.62)	(1,416.32)	(1,659.32)	(1,691.10)	(1,747.96)	(1,798.81)
b. Repair on goods	0.19	0.19	0.09	0.19	0.18	0.19	0.20
c. Goods procured in ports by carriers	72.49	97.80	104.91	111.14	108.34	110.82	113.99
2. Services	774.53	634.93	590.56	631.52	621.76	602.40	622.60
a. Transportation	36.86	17.85	(20.81)	(17.03)	(21.90)	(34.02)	(39.95)
b. Travel	809.52	727.37	759.82	771.41	754.06	743.19	762.47
c. Insurance Services	(48.00)	(56.63)	(91.55)	(94.75)	(97.41)	(103.06)	(107.62)
d. Other Business Services	(19.32)	(52.27)	(63.83)	(25.58)	(9.47)	1.58	14.03
f. Government Services	(4.52)	(1.38)	6.94	(2.53)	(3.52)	(5.29)	(6.33)
<b>B. INCOME</b>	<b>(184.32)</b>	<b>(158.80)</b>	<b>(176.07)</b>	<b>(173.46)</b>	<b>(137.55)</b>	<b>(138.11)</b>	<b>(137.19)</b>
1. Compensation of Employees	16.62	17.72	19.49	22.61	22.90	23.01	23.48
2. Investment Income	(200.94)	(176.52)	(195.55)	(196.07)	(160.45)	(161.13)	(160.67)
a. Direct Investment	(66.64)	(82.86)	(112.20)	(113.64)	(119.76)	(128.89)	(135.98)
b. Portfolio Investment	0.15	0.21	(3.08)	(0.17)	7.01	7.04	7.19
c. Other Investment	(134.45)	(93.86)	(80.28)	(82.26)	(47.70)	(39.28)	(31.88)
<b>C. CURRENT TRANSFERS</b>	<b>22.54</b>	<b>21.60</b>	<b>59.20</b>	<b>65.45</b>	<b>62.41</b>	<b>58.72</b>	<b>57.77</b>
1. General Government	1.76	2.14	5.26	13.00	12.70	11.92	11.71
2. Other Sectors	20.79	19.46	53.94	52.45	49.71	46.80	46.06
<b>2. CAPITAL AND FINANCIAL ACCOUNT</b>	<b>326.04</b>	<b>512.45</b>	<b>840.62</b>	<b>1,034.48</b>	<b>1,024.43</b>	<b>1,113.94</b>	<b>1,141.44</b>
<b>A. CAPITAL ACCOUNT</b>	<b>57.51</b>	<b>578.68</b>	<b>85.25</b>	<b>30.00</b>	<b>27.00</b>	<b>142.16</b>	<b>77.05</b>
1. Capital Transfers	57.51	578.68	85.25	30.00	27.00	142.16	77.05
a. General Government	48.51	568.68	75.25	20.00	17.00	131.40	65.70
b. Other Sectors	9.00	10.00	10.00	10.00	10.00	10.76	11.35
2. Acquisition & Disposal of Non-Produced,							
<b>B. FINANCIAL ACCOUNT</b>	<b>268.53</b>	<b>(66.23)</b>	<b>755.37</b>	<b>1,004.48</b>	<b>997.43</b>	<b>971.78</b>	<b>1,064.38</b>
1. Direct Investment	216.99	596.60	968.81	961.74	684.08	603.42	460.92
a. Abroad (outward)	-	-	-	-	-	-	-
b. In Reporting Economy (inward)	216.99	596.60	968.81	961.74	684.08	603.42	460.92
2. Portfolio Investment	32.67	28.43	66.92	(3.32)	33.70	25.82	20.39
a. Assets	(3.72)	1.26	-	(0.05)	0.05	-	-
b. Liabilities 2/	36.39	27.17	66.92	(3.28)	33.65	25.82	20.39
3. Other Investment	18.87	(691.26)	(280.37)	46.06	279.66	342.54	583.07
a. Public Sector Long Term Loans	(63.31)	(441.35)	(68.97)	(27.05)	29.14	25.81	19.49
b. Other Public Sector Capital	-	-	-	-	-	-	-
c. Commercial Banks	43.33	(49.31)	(174.25)	46.65	319.86	-	-
d. Other Assets	(61.78)	(152.53)	(193.86)	(121.82)	(137.97)	(46.15)	(46.90)
e. Other Liabilities	100.63	(48.07)	156.71	148.28	68.63	362.88	610.48
<b>3. NET ERRORS AND OMISSIONS</b>	<b>10.65</b>	<b>16.00</b>	<b>38.21</b>	<b>(7.74)</b>	<b>(6.72)</b>	<b>0.00</b>	<b>(0.00)</b>
<b>4. OVERALL BALANCE</b>	<b>17.34</b>	<b>19.54</b>	<b>41.20</b>	<b>2.25</b>	<b>(18.24)</b>	-	-
<b>5. FINANCING</b>	<b>(17.34)</b>	<b>(19.54)</b>	<b>(41.20)</b>	<b>(2.25)</b>	<b>18.24</b>	-	-
Change in SDR Holdings	-	-	-	-	-	-	-
Change in Reserve Position with the IMF	-	-	-	-	-	-	-
Change in Government Foreign Assets	(0.13)	(0.14)	0.14	1.03	2.51	-	-
Change in Imputed Reserves	(17.20)	(19.39)	(41.34)	(3.28)	15.73	-	-

Source: Eastern Caribbean Central Bank