



**PROSPECTUS**

**FOR TREASURY BILL ISSUES  
FOR THE PERIOD  
November 2007 – January 2008**

**BY THE GOVERNMENT OF  
ST. VINCENT AND THE GRENADINES**

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November 2007



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## I. GENERAL INFORMATION ON TREASURY BILL ISSUES

**Issuer:** The Government of St. Vincent and the Grenadines

**Address:** The Ministry of Finance and Planning  
Administrative Centre  
P.O. Box 608  
Bay Street  
Kingstown  
St. Vincent and the Grenadines

**E-mail:** [office.finance@mail.gov.vc](mailto:office.finance@mail.gov.vc)

**Telephone No.:** (784) 456-1111 Ext 368

**Facsimile No.:** (784) 457-2943

**Contact Persons:** Mrs. Ingrid Fitzpatrick, Accountant General  
Ms. Deidre Anthony, Debt Manager

**Date of Publication:** November 2007

**Registration:** This prospectus will be registered with the Regional Debt Coordinating Committee (RDCC).

**Purpose of Issue:** To refinance the existing issues of Treasury Bills to be issued on the Primary Market via the Regional Government Securities Market (RGSM) and to provide for liquidity in these instruments by virtue of being traded on the Secondary Market via the Eastern Caribbean Securities Exchange (ECSE) platform.

**Amount of Issue:** Monthly issue of XCD16.0 million

**Legislative Authority:** The Treasury Bills Act Chapter 320 as amended

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

## **II. INFORMATION ON THE TREASURY BILL ISSUES**

- a.** The Government of St. Vincent and the Grenadines (GOVSVG) proposes to auction XCD 16,000,000.00 91-day treasury bills each month during the period November 2007 to January 2008 The Treasury bills will be auctioned on the following dates:

**21 November 2007 – Trading Symbol VCB210208**

**21 December 2007 – Trading Symbol VCB240308**

**22 January 2008 - Trading Symbol VCB230408**

- b.** The Treasury bills will be settled on the following dates:

**22 November 2007 – Trading Symbol VCB210208**

**24 December 2007 – Trading Symbol VCB240308**

**23 January 2008 - Trading Symbol VCB230408**

- c.** The Treasury bills will mature on the following dates:

**21 February 2008 – Trading Symbol VCB210208**

**24 March 2008 – Trading Symbol VCB240308**

**23 April 2008 – Trading Symbol VCB230408**

- d.** The price of the issue will be determined by a competitive Uniform Price Auction with opening bidding

- e.** The bidding period(s) will start at 9:00 am and end at 12:00 noon on auction day

- f.** Each investor is allowed one (1) bid with the option of increasing the amount being tendered for until the close of the bidding period

- g.** The minimum bid quantity is \$5,000.00

- h.** The bid multiplier will be set at \$1,000

- i.** The maximum bid price is \$98.55 or 5.82 per cent

- j. Yields will not be subject to any tax, duty or levy of the participating Government of the Eastern Caribbean Currency Union (ECCU)
- k. Investors can participate in the issue through the services of any of the Licensed Intermediaries. Commissions will be payable by the Government to the Intermediaries for their service.
- l. The current Licensed intermediaries are:
- ABI Bank Limited
  - Antigua Commercial Bank Limited
  - Bank of Nevis Limited
  - Bank of St. Lucia Limited
  - National Commercial Bank (SVG) Limited
  - National Mortgage Finance Company of Dominica Limited
  - St. Kitts Nevis Anguilla National Bank Limited
  - Republic Finance and Merchant Bank Limited (FINCOR) – Grenada
  - Caribbean Money Market Brokers Limited (CMMB) – Saint Lucia
  - Caribbean Money Market Brokers Limited (CMMB) – Trinidad and Tobago
  - National Bank of Anguilla

Contact information for the Intermediaries is presented in **Appendix I**.

### **III. FINANCIAL ADMINISTRATION AND MANAGEMENT**

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

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

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

### **IV. MACRO ECONOMIC PERFORMANCE**

#### **ECONOMIC GROWTH**

Preliminary statistics for 2006 indicate that the economy of St. Vincent and the Grenadines recorded an increase in real GDP of 6.9% compared with 2.6% in 2005. Real GDP during the period 2001-2006 averaged approximately 3.69%. Despite several exogenous shocks, St. Vincent and the Grenadines continues to record positive growth.

#### **SECTORAL DEVELOPMENTS**

##### **Agriculture**

In 2006, agricultural production recovered from three consecutive years of decline to register growth of 7.58%. This performance was due to the combined effort of all its sub-

sectors (*Crops, Livestock, Forestry and Fisheries*) which more than compensated for the significant 10.05% decline in banana production. The performance of the agricultural sector is indicative of government's continued efforts at diversification around banana, mainly through the Agricultural Diversification Unit (ADU) and other agencies. These efforts are aimed at attenuating the external threat of trade liberalization, adverse weather conditions and the severe challenges faced by our banana market in the European Union.

Notwithstanding the declining contribution of this sector to GDP, its contribution to the economic development of St. Vincent and the Grenadines remains significant. The sector contributes significantly to the level of rural employment and the enhancement of the national food supply and is thus an important pillar in the government's poverty reduction drive.

### **Manufacturing**

Government is continuing its effort to make the sector internationally competitive. For instance, firms are encouraged through fiscal incentives to lift their productivity while the government is also developing the Small and Medium Enterprise (SME) sector through improvement of business and entrepreneurial skills and increasing access to credit. In 2006, the manufacturing sector grew by 2.92%, up from the 1.56% growth recorded in 2005. However the sector's contribution to GDP of 5.4% represents a marginal decline when compared to 2005. Growth in the sector was mainly driven by increases in the production of flour, rice and animal feeds of 1.2%, 17.3% and 11.4% respectively. Of the other manufacturing products, output of brewed production improved by 3.4% (*from 83,759 h/litres in 2005 to 86,573 h/litres in 2006*).

### **Construction**

After slowing considerably in 2005, the construction sector returned to double digit growth and re-assumed the position of the leading growth sector in the economy, growing by 11.4% in 2006. Over the last six (6) years, only in 2004 was growth better. The sector's contribution to GDP was also significant, at 10.4%. This represents the highest contribution by this sector over the past six years.

It is anticipated that growth in this sector will continue to be positive, based on the continued expansion in private sector residential construction activity and the outstanding list of government projects to be completed in 2007. Some of the major projects include: the Canouan Airport, the Correctional Facility, the Windward Highway and the Buccament Resort Project.

### **Tourism**

Growth in the tourism sector slowed slightly from the previous year when it exhibited strong growth performance of 9.5%. In 2006 the sector registered marginal growth of 0.99%, this was mainly due to 2.0 % growth in the stay-over sub-category.

The government continues to be cognizant of the importance of this sector to the overall economic performance and has thus continued to increase its allocation of public expenditure on tourism and physical infrastructure facilities, this will in turn provide a well needed boost to the tourism product.

The Government has also placed increased focus on improving the management of the sector, including environmental management and focused marketing of St Vincent and the Grenadines as a destination. In addition, the Government continues to strengthen the economic linkages between tourism and the other sectors of the economy.

## **GOVERNMENT FISCAL OPERATIONS**

### **Performance**

The central government operations for the year 2006 improved significantly when compared to 2005. On the recurrent account, revenues increased by 17.1% to \$396.4 million surpassing the growth in expenditure which went up by 9.5% to \$356.3 million. As a result the recurrent account surplus increased to \$40.2 million (3.0% of GDP) from \$8.4 million (2.0 % of GDP) in 2005. The growth in revenue was due primarily to an increase in receipt from Taxes on Domestic Transactions (42.0%), Licences (31.9%) and Taxes on International Trade (15.0%). There were also higher levels of expenditure in all

of the major categories of recurrent expenditure. The largest increase was recorded for Interest payment, which was 19.6% higher than that of the previous year. The other major categories such as Transfers, Personal Emoluments and Goods & services rose by 17.9%, 8.3% and 2.5% respectively.

The Value Added Tax (VAT) was implemented in St. Vincent and the Grenadines on May 1, 2007. The VAT is charged at a rate of fifteen percent (15%) with a reduced rate of ten percent (10%) for hotel and holiday accommodation. This tax reform measure is expected to improve the equity and efficiency of the tax system. Since the VAT also has the potential to increase revenue yields this will help to increase public sector savings and maintain a higher level of public sector investments, thus promoting fiscal sustainability.

### **Policy Objectives**

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

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

The Public Sector Investment Program is viewed as key to stimulating economic activity and providing the basis for private sector-led growth. The PSIP is projected to increase sustainability in 2007 when the following major projects will be implemented, Canouan Airport Expansion, Priority Road Rehabilitation, Basic Education Project II,

Rehabilitation of the Windward Highway, National Library Complex, the Cross Country Road, Education Support Project, Correctional Facility and the New Customs Building.

## **DEMOGRAPHY**

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

## **V. PUBLIC DEBT**

As at December 31, 2006 the total disbursed outstanding public debt for St. Vincent and the Grenadines was estimated at \$1064.64 million which is comprised of External Debt of \$656.89 million and Domestic Debt of \$407.75 million. This represented an increase of 9.2% over the stock of \$975.17 million recorded at the end of December 2005. The Debt to GDP ratio however, improved slightly, from 82.5% at the end of 2005 to 80.0% for 2006. In an attempt to maintain the Public debt within management limits the Government of St. Vincent and the Grenadines has adopted a Debt Management Strategy. The main objectives of this Strategy are:

- To satisfy the financing needs of the public sector at minimum cost over the medium to long term, in a prudent and sustainable manner;
- To limit the exchange rate risk by minimizing the non-US dollar denominated foreign debt;
- To promote the development of Money and Capital Markets within the ECCU.

## **VI. CURRENT ISSUES OF GOVERNMENT SECURITIES.**

### **1. TREASURY BILLS**

- **Issues Outstanding**      Issue \$48.0M
- **Type of Issue**              Government of St Vincent and The Grenadines Treasury Bills
- **Maturity in days**          91 days

- **Date of Issues** Every 91 days
- **Discount rate** N/A
- **Yields** Weighted Avg. 5.81%
- **Discount Price** \$98.55 – \$98.56

## 2. BONDS

- **Issues Outstanding** \$100.0 M (Two issues of \$30M and one \$40M)
- **Type of Issue** St Vincent and The Grenadines Development Bonds
- **Maturity in Years** 10 years respectively
- **Date of subscription** August 2004, August 2006 and September 2007
- **Redemption Date** August 2014, August 2016 and September 2017
- **Coupon Rate** 7% and 7.5%
- **Amount offered for sale** \$30.0M, \$40.0M and \$30.0M

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

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

The ECSE, through the Eastern Caribbean Central Securities Depository (ECCSD), is responsible for facilitating clearance and settlement for securities allotted. The ECCSD ensures that funds are deposited to the issuing government's account. The ECSE, through the Eastern Caribbean Central Securities Registry (ECCSR), records and maintains ownership of government securities in electronic book-entry form. The ECCSR mails

confirmation of proof of ownership letters to all investors who were successful in the auction. The ECCSR will also process corporate action on behalf of issuing governments. Intermediaries are responsible for interfacing with prospective investors, collecting applications for subscription and processing the same for bidding on the ECSE platform. Investors must provide the intermediaries with funds to cover the cost of the transaction. For this particular offering, the government will pay the intermediaries for costs related to the issue. A list of licensed intermediaries is provided in Appendix 1. Clients that are successful will be informed of their payment obligations and funds deducted from their respective accounts with the intermediary.

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

**APPENDIX I – LIST OF LICENSED INTERMEDIARIES**

<b>Institutions</b>	<b>Contact Addresses</b>	<b>Associated Persons</b>
<b>Anguilla</b>		
National Bank Anguilla	P.O Box 44 The Valley  Tel:264-497-2101 Fax:264-497-3310 Email:nbabank1@anguillanet.com	<b>Principal</b> Selwyn Horsford  <b>Representative</b> Idona Reid
<b>Antigua and Barbuda</b>		
ABI Bank Ltd.	ABI Financial Centre Redcliffe Street St. John's  Tel: 268-480-2824 Fax: 268 -480-2765 Email: <a href="mailto:abibsec@candw.ag">abibsec@candw.ag</a>	<b>Principals</b> Casroy James Carolyn James  <b>Representatives</b> Laura Abraham
Antigua Commercial Bank Ltd.	ACB Financial Centre P.O. Box 3089 St. John's  Tel: 268-481-4200 Fax: 268-481-4158 Email: <a href="mailto:acb@candw.ag">acb@candw.ag</a>	<b>Principals</b> Peter N. Ashe  <b>Representatives</b> Sharon Nathaniel
<b>Dominica</b>		
National Mortgage Finance Company of Dominica Ltd.	64 Hillsborough Street Roseau  Tel: 767-448-4401/4405 Fax: 767-448-3982 Email: <a href="mailto:ncbdom@cwdom.dm">ncbdom@cwdom.dm</a>	<b>Principal</b> Caryl Phillip-Williams  <b>Representatives</b> Dawn Yankey Marilyn Edwards
<b>Grenada</b>		
Republic Finance And Merchant Bank Ltd. (FINCOR)	NCB House Grand Anse St. George's  Tel: 473-444-1875 Fax: 473-444-1879 Email: <a href="mailto:fincorec@caribsurf.com">fincorec@caribsurf.com</a>	<b>Principals</b> Wilma Williams  <b>Representatives</b> Mark Salina

<b>Institution</b>	<b>Contact Addresses</b>	<b>Associated Persons</b>
<b>St. Kitts and Nevis</b>		
St. Kitts Nevis Anguilla National Bank Ltd.	P.O. Box 343 Central Street Basseterre  Tel: 869-465-2204 Fax: 869-465-1050 Email: <a href="mailto:national_bank@sknanb.com">national_bank@sknanb.com</a>	<b>Principal</b> Winston Hutchinson Anthony Galloway  <b>Representatives</b> Marlene Nisbett Delisu Smithen Petronella Edmeade-Crooke
The Bank of Nevis Ltd.	P.O. Box 450 Charlestown Nevis  Tel:869-469-5564 Fax: 869-469-5798 Email: <a href="mailto:bon@carisurf.com">bon@carisurf.com</a>	<b>Principals</b> Hanzel Manners  <b>Representative</b> Lisa Jones Vernesia Walters
<b>St. Lucia</b>		
Bank of St. Lucia Ltd.	P.O. Box 1862 Bridge Street Castries  Tel: 758-456-6000 Fax: 758-456-6190 Email: <a href="mailto:bankofsaintlucia@candw.lc">bankofsaintlucia@candw.lc</a>	<b>Principals</b> Donna Matthew Beverley Henry Carla Morton-Campbell  <b>Representatives</b> Trever Lamontagne Lawrence Jean
Caribbean Money Market Brokers Ltd. (CMMB Saint Lucia)	9 Brazil Street Castries  Tel: 758-450-2662 Fax: 758-451-7984 Email: <a href="mailto:info@mycmmb.com">info@mycmmb.com</a>	<b>Principals</b> Carole Eleuthere-Jn Marie Sharmaine Rosemond  <b>Representatives</b> Anderson Soomer
<b>St. Vincent and the Grenadines</b>		
National Commercial Bank (SVG) Ltd.	P.O. Box 880 Cnr. Bedford and Grenville Streets Kingstown  Tel: 784-457-1844 Fax: 784-456-2612 Email: <a href="mailto:natbank@caribsurf.com">natbank@caribsurf.com</a>	<b>Principals</b> Keith Inniss Jeffrey Ledger  <b>Representatives</b> La Fleur J. Dublin Patricia John Rashida Stephens

<b>Institution</b>	<b>Contact Addresses</b>	<b>Associated Persons</b>
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<b>Trinidad and Tobago</b>		
Caribbean Money Market Brokers Ltd. (CMMB)	No. 1 Richmond Street Ground Floor Furness Court Independence Square Port of Spain  Tel: 868-623-7815/5153 Fax: 868-624-4544/9833; 627-2930 Email: <a href="mailto:info@mycmmb.com">info@mycmmb.com</a>	<b>Principals</b> Brent Salvary Leslie St. Louis  <b>Representatives</b> Vishwatee Jagroop

## APPENDIX II - ECONOMIC INDICATORS

### ST. VINCENT AND THE GRENADINES GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT FACTOR COST, IN CURRENT PRICES: 2001 -2006 (EC\$ Million)

SECTOR	2001	2002 R	2003	2004	2005	2006 Prel
Agriculture	74.68	80.53	74.60	75.98	81.26	84.22
Crops	53.80	61.38	53.24	54.63	61.01	62.93
Bananas	20.09	23.79	14.18	15.64	14.65	13.46
Other Crops	33.71	37.59	39.06	38.99	46.36	49.47
Livestock	5.82	5.91	6.02	6.14	6.26	6.39
Forestry	5.29	5.35	5.41	5.47	5.53	5.59
Fishing	9.77	7.89	9.93	9.74	8.46	9.31
Mining & Quarrying	1.85	1.86	1.97	2.18	2.24	2.49
Manufacturing	52.96	54.52	49.61	54.30	59.43	62.99
Electricity & Water	50.97	49.72	56.21	54.52	55.02	56.33
Construction	92.32	92.66	100.74	117.24	119.55	154.92
Wholesale & Retail Trade	144.26	149.89	156.60	176.96	191.82	211.00
Hotels & Restaurants	17.59	17.04	19.28	20.69	22.65	22.87
Transport	107.35	112.35	118.39	131.05	132.73	156.52
Road	75.14	80.98	86.34	97.81	96.97	115.01
Sea	23.03	21.65	21.80	21.49	23.43	27.64
Air	9.18	9.72	10.25	11.75	12.33	13.87
Communications	43.56	49.57	48.82	58.53	55.72	56.84
Banks & Insurance	55.87	62.61	81.20	92.76	115.90	122.66
Real Estate & Housing	18.78	19.21	19.89	20.59	21.32	22.4
Government Services	149.72	162.55	162.10	172.26	187.41	203.75
Other Services	15.47	16.32	17.61	18.67	20.53	21.89
Less Imputed Service Charge	48.71	51.63	54.69	67.29	77.72	84.92
<b>TOTAL</b>	<b>776.67</b>	<b>817.20</b>	<b>852.33</b>	<b>928.44</b>	<b>987.86</b>	<b>1,093.96</b>
<b>GROWTH RATE</b>	<b>1.95</b>	<b>5.22</b>	<b>4.30</b>	<b>8.93</b>	<b>6.40</b>	<b>10.74</b>

SOURCE: St. Vincent & the Grenadines Statistical Office \\  
ECCB Date: 20 April 2007

### **APPENDIX III – GOVERNMENT FISCAL OPERATIONS**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Current Revenue</b>	<b>301.95</b>	<b>308.84</b>	<b>324.78</b>	<b>333.24</b>	<b>396.47</b>
Tax Revenue	259.76	257.48	273.00	286.79	338.60
Taxes on Income & Profits	87.86	75.23	80.38	89.68	98.79
Of Which:					
Individual	35.04	33.34	38.52	40.98	49.33
Company Tax	45.20	38.14	37.45	44.42	43.46
Taxes on Property	2.51	2.71	2.48	2.51	2.63
Taxes on Domestic Goods & Services	42.71	46.94	52.09	52.22	73.93
Of Which:					
Consumption Duties	5.91	6.00	7.49	6.43	7.16
Hotel Turnover Tax	4.48	4.20	5.12	6.86	7.51
Taxes on Int'l Trade & Transaction	126.69	132.59	138.05	142.38	163.22
Of Which:					
Import Duty	25.57	29.08	29.51	32.94	35.08
Consumption Tax	77.94	78.77	81.79	80.03	94.23
Customs Service Charge	18.17	19.26	20.77	22.28	26.07
Non-Tax Revenue	42.19	51.37	51.78	46.46	54.86
<b>Current Expenditure</b>	<b>274.62</b>	<b>268.07</b>	<b>294.60</b>	<b>322.45</b>	<b>356.23</b>
Personal Emoluments	138.28	136.55	130.13	140.77	152.59
Other Goods & Services	62.75	59.30	68.70	18.23	64.43
Interest Payments	25.47	27.37	27.56	34.99	43.21
Domestic	15.19	16.52	13.30	15.45	20.20
External	10.28	10.85	14.27	19.54	23.01
Transfers & Subsidies	48.12	44.84	52.44	60.53	65.27

## APPENDIX IV - BALANCE OF PAYMENTS SUMMARY

(in EC\$M)

	2002	2003	2004	2005	2006
<b>. CURRENT ACCOUNT</b>	(113.30)	(214.60)	(275.70)	(269.50)	(325.77)
<b>A. Goods</b>	(314.60)	(369.10)	(431.20)	(455.70)	(313.44)
<b>a Merchandise</b>	(318.05)	(373.09)	(436.64)	(463.82)	(542.17)
<b>b Repair on goods</b>	0.04	-	0.02	0.02	0.01
<b>c Goods procured in ports by carriers</b>	3.38	3.96	5.45	8.08	6.24
<b>B. Non- Factor Services</b>	216.06	184.07	194.38	199.06	222.48
<b>a. Transportation</b>	(45.61)	(54.42)	(57.87)	(64.41)	(71.62)
<b>b. Travel</b>	218.23	212.00	219.41	243.52	263.38
<b>c. Insurance Services</b>	(11.24)	8.00	(13.92)	(15.16)	62.62
<b>d. Other Business Services</b>	58.63	(12.29)	52.11	47.01	(15.70)
<b>e. Government Services</b>	(3.94)	-	(5.35)	(11.90)	-
<b>C. Factor Services</b>	(47.53)	(64.35)	(78.16)	(66.06)	-
<b>a. Compensation of Employees</b>	2.01	1.62	1.80	1.26	8.48
<b>b. Investment Income</b>	(49.54)	(65.97)	(79.95)	(67.32)	(75.25)
<b>i Direct Investment</b>	(40.72)	(56.07)	(67.25)	(63.86)	(62.00)
<b>ii Portfolio Investment</b>	3.73	2.96	1.75	11.47	13.98
<b>iii Other Investment</b>	(12.55)	(12.87)	(14.46)	(14.92)	(19.93)
<b>D. CURRENT TRANSFERS</b>	32.78	34.83	38.10	48.94	54.44
<b>a. General Government</b>	(2.17)	(2.72)	(0.98)	(0.92)	15.02
<b>b. Other Sectors</b>	34.95	37.55	39.08	49.86	38.71
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	69.96	171.04	271.77	250.89	293.68
<b>A. CAPITAL ACCOUNT</b>	28.63	38.78	51.13	38.08	22.02
<b>1. Capital Transfers</b>	28.63	38.78	51.13	38.08	22.02
<b>a. General Government</b>	24.72	34.58	43.83	31.30	7.00
<b>b. Other Sectors</b>	3.92	4.20	7.30	6.79	7.00
<b>2. Acquisition &amp; Disposal of Non-Produced, Non-Financial Assets</b>	-	-	-	-	-
<b>B. FINANCIAL ACCOUNT</b>	41.33	132.27	220.65	212.80	271.66
<b>1. Direct Investment</b>	91.93	148.94	177.35	150.00	252.01
<b>2. Portfolio Investment</b>	2.71	55.87	89.56	24.75	13.98
<b>3. Other Investments</b>	(53.31)	(72.55)	(46.27)	38.05	5.67
<b>a. Public Sector Long Term</b>	5.64	(3.22)	6.87	11.65	(0.48)
<b>b. Other Public Sector Capital</b>	-	-	-	-	-
<b>c. Commercial Banks</b>	(41.22)	(46.09)	(49.30)	23.35	(23.06)
<b>d. Other Assets</b>	(20.91)	(47.33)	(23.37)	(14.09)	26.15
<b>e. Other Liabilities</b>	3.18	24.09	19.54	17.14	20.80
<b>ERRORS AND OMISSIONS</b>	25.51	42.24	73.72	15.13	64.81
<b>OVERALL BALANCE</b>	(17.84)	(1.30)	68.63	(7.77)	32.72
<b>FINANCING</b>	17.84	1.30	(68.63)	7.77	(32.72)
<b>Change in SDR holdings</b>	-	-	-	-	-
<b>Change in Reserve Position with the Fund</b>	-	-	-	-	-
<b>Change in Government Foreign Assets</b>	(4.50)	(4.24)	(4.48)	(6.83)	(8.01)
<b>Change in Imputed Reserves</b>	22.34	5.54	(64.16)	14.60	(24.72)

## APPENDIX V – PUBLIC SECTOR DEBT

### Selected Public Debt Indicators 2002 – 2006 EC\$m

	2002 EC\$m	2003 EC\$m	2004 EC\$m	2005 EC\$m	2006 EC\$m
<b>Total Public Debt</b>	<b>708.04</b>	<b>761.61</b>	<b>884.12</b>	<b>975.17</b>	<b>1,064.64</b>
<b>External Debt</b>	458.46	519.61	596.53	636.42	656.89
<b>Central</b>					575.93
<b>Government</b>	438.01	495.04	563.89	583.92	
<b>Public Corporations</b>	20.45	24.47	32.64	50.5	80.96
<b>Domestic Debt</b>	249.58	242.01	287.59	338.75	407.75
<b>Central Government</b>	217.02	208.99	245.00	272.85	328.40
<b>Public Corporations</b>	32.56	33.02	42.59	65.9	79.40
<b>Debt Servicing</b>					
<b>External</b>	27.91	37.65	37.86	54.41	64.64
<b>Central</b>					62.13
<b>Government</b>	25.8	35.94	35.53	52.84	
<b>Public Corporations</b>	2.11	1.71	2.33	1.57	2.51
<b>Domestic</b>					
<b>Central Government</b>	20.15	24.58	19.01	20.76	31.10
<b>Sinking Fund</b>	4.50	6.00	6.00	11.83	9.00
<b>GDP ( at mkt prices)</b>	986	1032	1117	1182	1330
<b>Current Revenue</b>	305.63	318.48	322.38	333.24	393.46
<b>Debt as % of GDP</b>	71.8	73.80	79.15	82.5	80.0
<b>Central Gov't Debt Servicing as % of Current Revenue</b>	16.5	20.9	18.8	22.4	25.98



