



**GOVERNMENT OF SAINT LUCIA  
P R O S P E C T U S**

**EC\$30M 8-yr Government Bond**

**EC\$15M 365-day Treasury bill**

**EC\$ 27M 91-day Treasury bill (Series A: EC\$16M, Series B: EC\$11M)**

**EC\$ 25M 180-day Treasury bill**

**Ministry of Finance  
Financial Center  
Bridge Street  
Castries  
SAINT LUCIA**

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**PROSPECTUS DATE: June 2013**

*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. 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.*



## TABLE OF CONTENTS

<b>NOTICE TO INVESTORS</b> .....	2
<b>ABSTRACT</b> .....	3
<b>I. GENERAL INFORMATION</b> .....	4
<b>II. INFORMATION ABOUT THE ISSUES</b> .....	6
<b>III. FINANCIAL ADMINISTRATION AND MANAGEMENT</b> .....	11
1. Debt Management Objectives.....	11
2. Debt Management Strategy.....	11
3. Transparency and Accountability .....	12
4. Institutional Framework.....	12
5. Risk Management Framework.....	12
<b>IV. MACRO- ECONOMIC PERFORMANCE</b> .....	13
A.....	General Economic Performance.....
1 Economic Performance.....	13
B.....	Real Sector Developments .....
Sector Developments .....	16
C.....	Balance of Payments.....
e of Payments.....	25
D.....	Demographics.....
raphics.....	27
E. Growth Prospects.....	28
F.....	Government Fiscal Performance.....
ment Fiscal Performance.....	30
G.....	Financial Indicators.....
al Indicators.....	33
<b>V. DEBT ANALYSIS</b> .....	35
<b>VI. CURRENT ISSUES OF GOVERNMENT SECURITIES</b> .....	39
<b>VIII. SECURITY ISSUANCE PROCEDURES, CLEARANCE AND SETTLEMENT</b> .....	40

<b>VII. CALENDAR OF EVENTS OF UPCOMING ISSUES 2012/2013 .....</b>	<b>41</b>
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<b>IX. APPENDICES.....</b>	<b>42</b>
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**NOTICE TO INVESTORS**

This Prospectus is issued for the purpose of giving information to the public. The Government of Saint Lucia 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 this Prospectus misleading.

This prospectus contains excerpts from the Saint Lucia Economic & Social Review 2012. Statements contained in this Prospectus describing documents are provided in summary form only, and such documents are qualified in their entirety by reference to such documents. The ultimate decision and responsibility to proceed with any transaction with respect to this offering rests solely with you. Therefore, prior to entering into the proposed investment, you should determine the economic risks and merits, as well as the legal, tax and accounting characteristics and consequences of these security offerings, and that you are able to assume those risks.

This Prospectus and its content are issued for the specific government issues described herein. Should you need advice, 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.

## ABSTRACT

The Government of Saint Lucia (hereafter referred to as GOSL) proposes to auction the following securities on the Regional Government Securities Market (RGSM) and to be traded on the Eastern Caribbean Securities Exchange (ECSE) as scheduled below:

<b>Auction Date</b>	<b>Instrument Type</b>	<b>Issue Amount</b>	<b>Maturity Date</b>	<b>Trading Symbol</b>
26th June 2013	365-day T-Bill	EC\$15.0M	27th June 2014	LCB270614
10th July 2013	8-yr Bond	EC\$30.0M	11th July 2021	LCG080721
19th July 2013	180-day T-Bill	EC\$25.0M	18th January 2014	LCB180114
29th October	91-day T-Bill	EC\$16.0M	29th January 2014	LCB290114
7th November 2013	91-day T-Bill	EC\$11.0M	7th February 2014	LCB070214
20th January 2014	180-day T-Bill	EC\$25.0M	20th July 2014	LCB200714
30th January 2014	91-day T-Bill	EC\$16.0M	2nd May 2014	LCB020514
10th February 2014	91-day T-Bill	EC\$11.0M	13th May 2014	LCB130514
6th May 2014	91-day T-Bill	EC\$16.0M	6th August 2014	LCB060814
14th May 2014	91-day T-Bill	EC\$11.0M	14th August 2014	LCB140814

The Revised Treasury Bill Amendment Act 2003, Chapter 15.33, Sub-section 3(1), authorizes the Minister for Finance to borrow monies for public uses of the state by the issue of treasury bills. The authority also extends to the issue of such bills as may be required to pay off at maturity treasury bills already issued. The principal sums of treasury bills outstanding at any one time shall not exceed 30 percent of the estimated annual revenue of the state for the preceding financial year as shown in the annual estimates of revenue and expenditure laid before the House of Assembly with respect to that year.

The Bond will be issued under the authority of the National Savings Development Bond Act (Amendment) No 7 of 1982 as amended by the National Savings and Development Bonds (Amendment) Act, Cap. 15.25 of 2005 and through a Parliamentary Resolution Statutory Instrument No. 38 of 2013, passed in the House of Assembly on the 17<sup>th</sup> day of May 2013 and in the Senate on the 28<sup>th</sup> day of May 2013.

Bidding for each issue will commence at 9:00 a.m. and will close at 12:00 noon on each auction day, subsequent to which a competitive uniform price auction will be run at 12:00 noon.

The Securities in this prospectus are not rated. However, the GOSL assigns very high priority to honoring its debt commitments. It has an unblemished track record in meeting debt service obligations in a timely manner, and in complying with the terms and conditions of debentures and loan agreements.

## I. GENERAL INFORMATION

Issuer: The Government of the Saint Lucia (GOSL)

Address: The Ministry of Finance, Economic Affairs, Planning and Social Security  
Financial Center  
Bridge Street  
Castries  
Saint Lucia (WI)

Email: minfin@gosl.gov.lc

Telephone No.: 1-758-468-5500/1

Facsimile No.: 1-758-452-6700

### **Contact persons:**

Honorable Kenny D. Anthony, Minister for Finance  
Mr. Reginald Darius, Permanent Secretary, Ministry of Finance  
Mr. Agosta Degazon, Director of Finance  
Mr. Francis Fontenelle, Deputy Director, Debt and Investments  
Mrs Marie Monrose, Accountant General

Address #9 Brazil Street  
Castries, St. Lucia

Telephone Number 1-758-450-2662

Facsimile Number 1-758-451-7984

Date of Publication: June 2013

Purpose of Issues: The Securities will be issued to assist with the budget financing for the fiscal year 2013/2014

Amount of Issues: **\$30 Million ECD (30,000,000), 8-years**  
**\$15 Million ECD (\$15,000,000), 365-day**  
**\$27 Million ECD (\$27,000,000.00), 91-day**

Series A: EC \$ 16,000,000 91-day each issue  
Series B: EC \$ 11,000,000 91-day each issue

**\$25 Million EC Dollars (\$25,000,000.00), 180 day**

Legislative Authority: The Revised Treasury bill Amendment Act 2003  
The National Savings Development Bonds Act No 15.25 1982. Resolution  
of Parliament Statutory Instrument No 38. Passed in the house of  
Assembly on 17<sup>th</sup> May 2013.

Intermediaries: A complete list of Licensed Intermediaries who are members of the  
Eastern Caribbean Securities Exchange is available in Appendix I (Page  
44)

Reference Currency: Eastern Caribbean Dollars (EC\$), unless otherwise stated

## II) INFORMATION ABOUT THE ISSUES

### **Fifteen Million (EC \$ 15.0 Million) 365-day Treasury bill**

- a. GOSL proposes to auction an EC \$15 million in Government Treasury Bill on the Regional Government Securities Market (RGSM) and to be traded on the Eastern Caribbean Securities Exchange Ltd (ECSE).
- b. The maximum bid price for the 91-day Treasury bill issue is 6 percent.
- c. The auction will be opened for competitive bidding on 26th June 2013, commencing at 9:00 a.m. and close at 12:00 noon of the same day.
- d. The Treasury bill issue will be settled on 27<sup>th</sup> June 2013.
- e. The maturity date of the Treasury bill will be on 27<sup>th</sup> June 2014.
- f. The Bill will be identified by the trading symbol LCB270614
- g. The pricing of the issue will be determined by Competitive Uniform Pricing
- h. Each investor is allowed one (1) bid with the option of increasing the amount being tendered until the close of the bidding period.
- i. The minimum bid amount is \$5,000.
- j. The Bid Multiplier will be set at \$1,000.
- k. The Investors may participate in the auction through the services of a licensed intermediary. The current list of licensed intermediaries is as follows:
  - ABI Bank Ltd.
  - St. Kitts Nevis Anguilla National Bank Ltd.
  - Bank of Nevis Ltd.
  - ECFH Global Investment Solutions Limited
  - Bank of St Vincent and the Grenadines Ltd.
  - First Citizens Investment Services Ltd - Saint Lucia
  - National Bank of Anguilla Ltd.



1. All currency references are in Eastern Caribbean Dollars unless otherwise stated.

**Series A: Sixteen million (EC \$ 16.0 Million) 91-days Treasury bill.**

- a. GOSL proposes to auction an EC \$16 Million Treasury bill on 29<sup>th</sup> October 2013, 30<sup>th</sup> January and 6th May 2014, in the Regional Government Securities Market (RGSM) and will be traded on the Eastern Caribbean Securities Exchange Ltd (ECSE).
- b. The maximum bid price for the 91-day Treasury bill issues is 6 percent.
- c. The auction will be opened for competitive bidding on 29<sup>th</sup> October 2013, 30<sup>th</sup> January and 6th May 2014, commencing at 9:00 a.m. and close at 12:00 noon on each date.
- d. The Treasury bill issue will be settled on 30<sup>th</sup> October 2013, 31<sup>st</sup> January and 7th May 2014.
- e. The maturity dates of the Treasury bill will be on 29<sup>th</sup> January, 2nd May and 6th August 2014.
- f. The Bills will be identified by the trading symbol LCB290114, LCB020514 and LCB060814.
- g. Each investor is allowed one (1) bid with the option of increasing the amount being tendered until the close of the bidding period.
- h. The minimum bid amount is \$5,000.
- i. The Bid Multiplier will be set at \$1,000.
- j. A Competitive Uniform Price Auction with open bidding will determine the price of the issue.
- k. The Investors may participate in the auction through the services of a licensed intermediary. The current list of licensed intermediaries is as follows:
  - ABI Bank Ltd.
  - St. Kitts Nevis Anguilla National Bank Ltd.
  - Bank of Nevis Ltd.
  - ECFH Global Investment Solutions Limited
  - Bank of St Vincent and the Grenadines Ltd.
  - First Citizens Investment Services Ltd. Saint Lucia
  - National Bank of Anguilla Ltd.
- l. All currency references are in Eastern Caribbean Dollars unless otherwise stated.

**Series B: Eleven Million (EC \$ 11.0 Million) 91-days Treasury bill.**

- a. GOSL proposes to auction an EC \$11 Million Treasury bill on 7<sup>th</sup> November 2013, and 10<sup>th</sup> February and 14<sup>th</sup> May 2014 in the Regional Government Securities Market (RGSM) and will be traded on the Eastern Caribbean Securities Exchange Ltd (ECSE).
- b. The maximum bid price for the 91-day Treasury bill is 6 percent.
- c. The auction will be opened for competitive bidding commencing at 9:00 a.m. and close at 12:00 noon on 7<sup>th</sup> November 2013, and 10<sup>th</sup> February and 14<sup>th</sup> May 2014.
- d. The Treasury bill will be settled on 8<sup>th</sup> November 2013, and 11<sup>th</sup> February and 15<sup>th</sup> May 2014.
- e. The maturity dates of the Treasury bill will be 7<sup>th</sup> February, 13<sup>th</sup> May 2014 and 14<sup>th</sup> August 2014.
- f. The Bills will be identified by the trading symbols LCB070214, LCB130514 and LCB140814.
- g. Each investor is allowed one (1) bid with the option of increasing the amount being tendered until the close of the bidding period.
- h. The minimum bid amount is \$5,000.
- i. The Bid Multiplier will be set at \$1,000.
- j. A Competitive Uniform Price Auction with open bidding will determine the price of the issue.
- k. The Investors may participate in the auction through the services of a licensed intermediary. The current list of licensed intermediaries is as follows:
  - ABI Bank Ltd.
  - St. Kitts Nevis Anguilla National Bank Ltd.
  - Bank of Nevis Ltd.
  - ECFH Global Investment Solutions Limited
  - Bank of St Vincent and the Grenadines Ltd (SVG) Ltd.
  - First Citizens Investment Services Limited – Saint Lucia
  - National Bank of Anguilla Ltd.
- l. All currency references are in Eastern Caribbean Dollars unless otherwise stated.

**Twenty-five Million (EC \$ 25.0 Million) 180-days Treasury bill.**

- a. GOSL proposes to auction a twenty-five million (EC\$25.0 Million) 180-day Treasury bill on 19<sup>th</sup> July 2013 and 20<sup>th</sup> January 2014 in the Regional Government Securities Market (RGSM) and will be traded on the Eastern Caribbean Securities Exchange Ltd (ECSE).
- b. The maximum bid price for the 180-day Treasury bill issue is 6 percent.
- c. The Treasury bill issue will be opened for competitive bidding commencing at 9:00 a.m. and close at 12:00 noon on 19<sup>th</sup> July 2013 and 20<sup>th</sup> January 2014.
- d. The Treasury bill issue will be settled on 22<sup>nd</sup> July 2013 and 21<sup>st</sup> January 2014.
- e. The maturity date of the Treasury bill will be on 18<sup>th</sup> January and 20<sup>th</sup> July 2014.
- f. The Bill will be identified by the trading symbol LCB180114 and LCB200714
- g. Each investor is allowed one (1) bid with the option of increasing the amount being tendered until the close of the bidding period.
- h. The minimum bid amount is \$5,000.
- i. The Bid Multiplier will be set at \$1,000.
- j. A Competitive Uniform Price Auction with open bidding will determine the price of the issue.
- k. The Investors may participate in the auction through the services of a licensed intermediary. The current list of licensed intermediaries is as follows:
  - ABI Bank Ltd.
  - St. Kitts Nevis Anguilla National Bank Ltd.
  - Bank of Nevis Ltd.
  - ECFH Global Investment Solutions Limited
  - Bank of St Vincent and the Grenadines Ltd.
  - First Citizens Investment Services Limited – Saint Lucia
  - National Bank of Anguilla Ltd.
- l. All currency references are in Eastern Caribbean Dollars unless otherwise stated.

### **Thirty-million (EC\$30.0 million) 8-year Bond**

- a) GOSL proposes to auction EC \$30 million in Government Bonds on the Regional Government Securities Market (RGSM) to be traded on the Eastern Caribbean Securities Exchange Ltd (ECSE).
- b) The auction will be opened for competitive bidding on 10th July 2013, commencing at 9:00 a.m. and close at 12:00 noon of the same day.
- c) The Bond issue will be settled on 11<sup>th</sup> July 2013.
- d) The maturity date of the Bond will be on 11<sup>th</sup> July 2021.
- e) The Bond will be identified by the trading symbol LCG080721
- f) The interest rate will be a maximum of 7.1 percent per annum.
- g) The interest payments will be made semi-annually on the 11<sup>th</sup> July and 11<sup>th</sup> January of each year beginning 11<sup>th</sup> January 2014, until the maturity of the Bond.
- h) The repayment of the principal will be by way of a bullet payment payable on the maturity date of 11<sup>th</sup> July 2021.
- i) The method of issue will be determined by Competitive Uniform Price Auction.
- j) Each investor is allowed one (1) bid with the option of increasing the amount being tendered until the close of the bidding period.
- k) The minimum bid amount is \$5,000.
- l) The Bid Multiplier will be set at \$1,000.
- m) The Investors may participate in the auction through the services of a licensed intermediary. The current list of licensed intermediaries is as follows:
  - ABI Bank Ltd.
  - St. Kitts Nevis Anguilla National Bank Ltd.
  - Bank of Nevis Ltd.
  - ECFH Global Investment Solutions Limited
  - Bank of St Vincent and the Grenadines Ltd.
  - First Citizens Investment Services Ltd - Saint Lucia

- National Bank of Anguilla Ltd.

n) All currency references are in Eastern Caribbean Dollars unless otherwise stated.

### **III) FINANCIAL ADMINISTRATION AND MANAGEMENT**

#### **1. Debt Management Objectives**

The objective of the GOSL is to ensure that the proceeds of debt are used in the most effective manner and that the terms and conditions of debt, including maturity and interest rate, result in the most efficient debt management strategy that are compatible with the periodic cash flows of the Government.

#### **2. Debt Management Strategy**

The debt management strategy of the Government is an integral part of its programme of fiscal consolidation. The key elements of the GOSL's debt management strategy include:

1. Maintaining a satisfactory and prudent debt structure;
2. Refinancing high cost loans and facilities to reduce debt servicing and to adjust the maturity profile of Central Government Debt in a way that balances lower financing cost and risk;
3. To support the development of a well functioning market
4. To provide funds for the government at the lowest possible cost.

#### **3. Transparency and Accountability**

The GOSL is continuously seeking ways of improving its systems of accountability and transparency. With a view to adopting more prudent and transparent fiscal management practices as well as enhancing the functioning of the Regional Government Securities Market (RGSM), the GOSL intends to borrow using a variety of instruments. As a consequence, disclosure of information on the cash flow and debt stock will be made available bi-annually to all investors, consistent with the rules of the Regional Debt Coordinating Committee (RDCC)

#### **4. Institutional Framework**

The Debt & Investment Unit (DIU) of the Ministry of Finance (MOF) of the GOSL is charged with the responsibility of administering the Government's debt portfolio on a day-to-day basis and implementing the Government's borrowing strategy. The unit is directly accountable to the Director of Finance.

#### **5. Risk Management Framework**

The establishment of an effective and efficient debt management system as a major element of economic management is of paramount importance to the Government of Saint Lucia (GOSL). Accordingly, attempts have been made to strengthen the capacity of the Debt & Investment Unit (DIU). Consequently, the DIU's functions have been broadened to include:

- Assisting in the formulation of debt management policies and strategies;
- Managing the debt portfolio to minimize cost with an acceptable risk profile;
- Conducting risk analysis and developing risk management policies; and
- Conducting debt sustainability analysis to assess optimal borrowing levels.

## IV. MACRO-ECONOMIC PERFORMANCE

### A. General Economic Performance



Against the backdrop of slower recovery in the global economy, output growth in the domestic economy lost momentum in 2012. Preliminary estimates suggest that Saint Lucia's economy contracted by 0.8 percent in 2012, following a revised growth rate of 1.5 percent in 2011. This was associated with restrained domestic demand and lower private investment. The broad-based decline in economic activity was mainly

attributable to significant downturns in the distributive trades, construction, transport and communications sectors.

Provisional data indicate that activity in the construction sector fell by 5.0 percent in 2012. Significant declines in activity were recorded by both the public and private sectors. In the private sector, activity remained weak due to the completion of major projects such as the Bank of St Lucia Building and Johnson Superstore and delays in commencement of others such as the S & S Plaza. Expenditure on public sector construction activity declined by 28.7 percent in 2012 largely as a result of lower outlays on road infrastructure, community works and the winding down of work on the national hospital as well as hurricane Tomas-related rehabilitation works.

During the review period, the tourism sector in Saint Lucia fared better than most of its ECCU neighbours with increased visitor expenditure and a comparatively smaller contraction in the number of visitors. Total arrivals fell by 6.4 percent to 931,239 in 2012 as stay-over and cruise arrivals decreased. The decline in stay-over arrivals was largely occasioned by loss of airlift, particularly the main US market, higher airfares and the slow pace of recovery in advanced economies. This included cessation of some services by American Airlines and all flights by American Eagle from Puerto Rico. Hotels recorded increased occupancy levels owing to longer stays by visitors from some markets. There were

tentative signs of partial recovery at some high end properties, which contributed to an increase in visitor expenditure by almost 2.0 percent to an estimated \$1.6 billion.

The performance of the manufacturing sector continued to be constrained by weak domestic demand and issues of competitiveness, including rising input costs. Value added in the sector is estimated to have remained broadly flat in 2012. Increases in the value of production of food items, non-alcoholic beverages and chemicals were offset by declines in other key sub-sectors.

Output in the agricultural sector expanded in 2012, reflecting the continued recovery in the banana industry, from the damage caused by hurricane Tomas. Notwithstanding challenges of diseases and the rising costs of inputs, banana production increased significantly reflecting the recovery from the effects of the hurricane. Exports to the UK grew by 85.0 percent to 12,126 tonnes with correspondingly higher earnings, by 40.1 percent to \$21.2 million. Preliminary data suggest a moderate increase in supermarket purchases of agricultural produce due to an expansion in the CFL certification programme. Data on chicken and pork production show increased output by 2.9 percent while egg production declined by 7.0 percent to 1.17 million dozens. Fish landings rose by 1.0 percent to 1,709 tonnes as a result of repaired fish aggregating devices.

The rate of inflation increased to 4.2 percent in 2012 compared with 2.8 percent in 2011 driven by higher import prices and due in part to the introduction of VAT in October 2012. The main categories of the consumer basket affected by higher prices were clothing and footwear, recreation & culture, and food & beverages.

Reflecting the sluggishness of economic activity, developments in the financial sector were characterized by weak demand for credit and moderate growth in deposits. This led to increased liquidity in the banking system amid a continued increase in non-performing loans.

Preliminary data indicate a significant deterioration in the central government's fiscal position in 2012/13, mainly influenced by a reduction in revenue and grants. The overall fiscal deficit increased to \$327.6 million representing 8.9 percent of GDP, up from the revised \$231.3 million or 6.6 percent of GDP in 2011/12. Total expenditure amounted to \$1,173.2 million while revenue and grants totaled



\$845.5 million. The current account balance fell from a surplus of \$59.4 million in 2011/12 to a deficit of \$45.6 million in 2012/13, owing to increases in current expenditure while current revenue declined. The increase in current expenditure was mainly driven by higher spending on goods and services, interest payments and current transfers, including subsidies and transfers to governmental bodies.

The increase in the fiscal deficit has resulted in an 11.4 percent rise in total public debt to \$2,531.2 million, equivalent to 71.1 percent of GDP at the end of 2012 compared with a revised 65.0 of GDP in 2011. Much of the increase in the central government debt represents purchases of central government debt instruments by domestic investors on the Regional Government Securities Market and private placements.

Owing to continued external borrowing by banks and the government, the balance of payments registered an overall surplus of \$44.1 million, reflected in an increase in Saint Lucia's share of imputed reserves at the central bank. The current account deficit narrowed to 15.3 percent of GDP and was fully financed by the surplus on the capital and financial account which fell to an estimated 19.9 percent of GDP.

Preliminary data indicate that the average employed labour force in Saint Lucia increased by 4.7 percent to 74,784. The expansion in the employed labour force coupled with a slowdown in the rate of increase of the total number of unemployed have resulted in a moderate reduction in the average unemployment rate to 20.6 percent in 2012 from 21.2 percent in 2011. The lower rate of unemployment was driven solely by increases in public sector employment reflecting the impact of the job creating programmes implemented by the government during 2012.

### ***Short-Term Prospects***

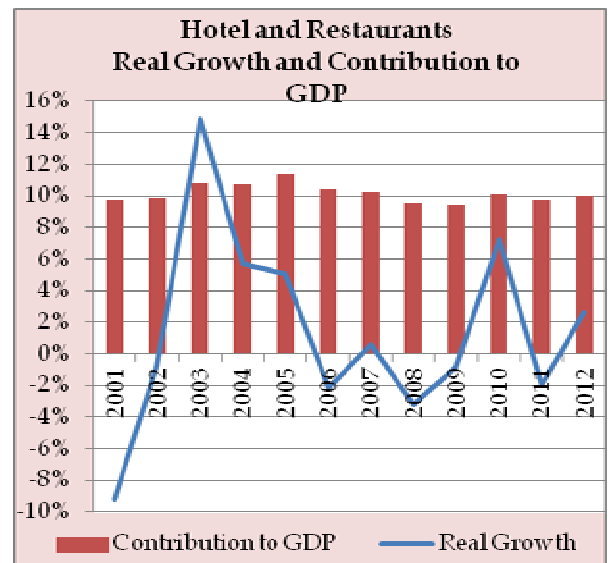
The expected pick-up in the global economy, particularly in Saint Lucia's key tourism source markets, is likely to enhance the growth prospects for the domestic economy in 2013 and 2014. The tourism sector is expected to benefit from increased airlift from the US market, the impact of which may be partially offset by reduced air seats from the UK and the Caribbean. The imminent launch of a major tourism project is likely to boost construction activity in 2013 coupled with the ongoing stimulus package. Growth is expected in the agriculture sector, supported by the continued recovery in the

banana industry. Inflationary pressures are likely to be tempered in 2013, following the introduction of VAT in October 2012, while the rate of unemployment is expected to moderate somewhat but remain high. While a modest increase in revenue is forecasted the fiscal outturn in 2013/14 is contingent on expenditure reducing measures.

## B. Real Sector Developments

### TOURISM

The tourism sector was challenged by the continued sluggish global economic recovery and loss of airlift particularly from the US, the main source market. Value added in the sector, as proxied by economic activity in hotels and restaurant, is estimated to have grown by 2.6 percent in 2012. However, estimates indicate that value added from the hotel sub-sector, as measured by movements in bednights, grew by 4.1 percent while the restaurant sub-sector contracted by 1.7 percent. Accordingly, the sector's direct contribution to GDP increased marginally to 10.0 percent from 9.7 percent in 2011.



Total visitor arrivals fell by 6.4 percent to 931, 239 in 2012, below the pre-crisis level of 2007. This reflected declines in the main categories, stay-over and cruise arrivals. Despite lower arrivals, combined stay-over and cruise visitor expenditure is estimated to have grown by 1.4 percent to \$1,576.0 million. This was due to increased spending by stay-over visitors mainly on accommodation, attributed to partial recovery at some hotels from heavy discounting in room rates in previous years.

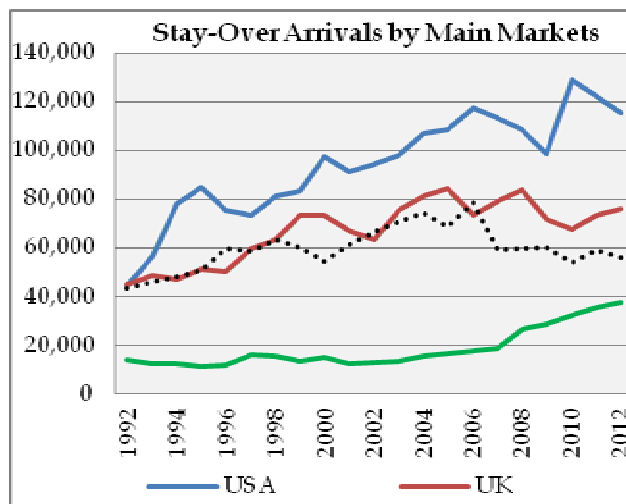
#### *Stay-Over Arrivals*

Saint Lucia fared better than most of its ECCU neighbours which recorded larger contractions in visitor arrivals during the review period. Reflective of a 4.0 percent decline in overall airlift, stay-over arrivals contracted by 1.8 percent to 306,801 in 2012, after increasing by 2.1 percent in the previous year. This performance was influenced by the difficulties experienced in the advanced economies, increased

competition and increases in air fares. Following a 3.3 percent improvement in the first quarter, declines were posted in the subsequent quarters, coinciding with decreases in air seat capacity.

Influenced by the slow recovery of the US economy, arrivals from the USA fell by 6.0 percent to 115,065 in 2012. The fall in arrivals was in keeping with a significant reduction of 21.5 percent in airlift. This was largely occasioned by the losses from American Airlines including the direct flight from New York and one direct flight from Miami.

Despite the contraction in the UK economy and the dampening effects of the increase in the Air



Passenger Duty (APD) on flights out of the UK coupled with the 2012 Olympics Games in London, arrivals from the UK performed favourably. UK arrivals grew by 3.6 percent to 75,677, following an increase of 8.4 percent in 2011. This was attributed to a 3.0 percent increase in seating capacity owing in part to the late configuration of the 2011 daily service from British Airways (BA). Notwithstanding more air seats from the UK compared with the US, UK arrivals were lower than that of the US by 52.0

percent, remaining Saint Lucia's second largest source market.

The Caribbean market contracted, amidst an increase of 4.1 percent in air seats, with its market share declining from 25.6 percent in 2006 to 18.3 percent in 2012. Led by an almost 20.0 percent decline in arrivals from the French West Indies, arrivals from the region fell by 4.8 percent to 56,067. This was principally due to high and rising cost of intra-regional air travel.

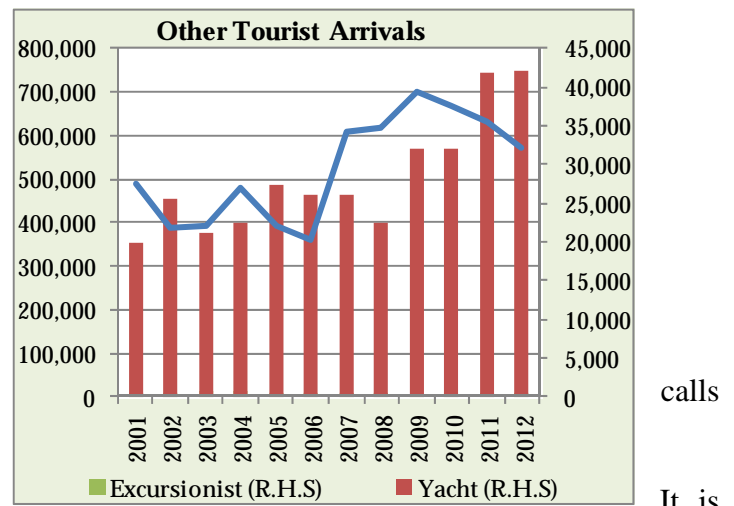
Arrivals from Canada continued on an upward path, registering its 10<sup>th</sup> consecutive year of growth with an annual average increase of 11.2 percent since 2002. Arrivals from this source market accounted for 12.3 percent of stay-over visitors in 2012, totaling 37,709 and representing an increase of 6.5 percent from the previous year.

### *Visitor Expenditure*

Despite the decline in arrivals, preliminary estimates indicate that expenditure by land-based visitors in 2012 increased by 1.8 percent to EC\$1,527.0 million. This was on account of an 8.9 percent increase in the average daily expenditure and longer stays by visitors from some markets. This was led by a 9.3 percent increase in UK visitor expenditure and reflect increases in total spending by all other markets with the exception of the US and Canada. Decreases in the average daily spend and length of stay resulted in a 1.0 percent decline in expenditure by Canadian visitors. Despite a higher average daily spend, expenditure by US arrivals fell by 3.1 percent due to lower arrivals and shorter length of stay.

### *Cruise & Other Arrivals*

The cruise sub-sector continued to be adversely affected by the redeployment of some major cruise lines such as Celebrity, Royal, Princess, P&O and Holland American away from the southern Caribbean. As a result, cruise arrivals declined for the third consecutive year, falling by 9.3 percent in 2012 to 571,894. The number of cruise ship also fell by 2.9 percent, reflecting significant reductions in the period March to December. It is estimated that cruise visitor expenditure fell by 9.3 percent to \$49.0 million in 2012.



## **CONSTRUCTION**

Value-added in the construction sector is estimated to have contracted by 5.0 percent, following a 2.1 percent increase in 2011. Consequently, the sector's contribution to GDP dipped from 9.8 percent to 9.3 percent. This performance mirrors sluggish activity in both the public and private sectors and was influenced by continued low inflows of foreign direct investments.



Meanwhile, activity in the small quarrying sub-sector expanded remarkably by 78.5 percent. This was on account of increased exports of aggregates to countries in the region.

### ***Public Sector Construction***

After three consecutive years of growth, public sector construction expenditure decreased by 28.7 percent to \$176.2 million in 2012. This reflected lower outlays on both economic and social infrastructure by at least one third. This drop in construction is partly explained by the winding down of construction on some major projects by the end of last year. There were substantial reductions in spending by both the central government and statutory bodies in the review period.

**Table 3: Summary of Public Sector Construction (EC\$ Million)**

	2008	2009	2010	2011	2012
<b>Economic Infrastructure<sup>1</sup></b>					
Central Government	45.8	40.8	49.7	122.9	83.8
Statutory Bodies	2.6	3.3	1.9	4.4	5.4
<b>Sub-Total</b>	<b>48.4</b>	<b>44.1</b>	<b>51.6</b>	<b>127.3</b>	<b>89.2</b>
<b>Social Infrastructure</b>					
Central Government	20.7	60.6	87.5	111.4	83.8
Statutory Bodies	5.8	5.0	1.3	8.4	3.1
<b>Sub-Total</b>	<b>26.5</b>	<b>65.6</b>	<b>88.8</b>	<b>119.8</b>	<b>86.9</b>
Total Central Government	66.5	101.4	137.2	234.3	167.6
Total Statutory Bodies	8.4	8.3	3.3	12.8	8.5
<b>Grand Total</b>	<b>74.9</b>	<b>109.7</b>	<b>140.4</b>	<b>247.1</b>	<b>176.1</b>

<sup>1</sup>Refers to basic facilities that enable growth.

### ***Economic Infrastructure***

Public sector spending on economic infrastructure, largely comprising activity by the central government, fell significantly by 29.9 percent to EC\$89.2 million. This was led by reduced spending on roads and community works. *Road and infrastructural* development accounted for the largest share (42.7 percent) of central government construction expenditure, totaling \$71.6 million, albeit 25.3 percent less than in 2011. A sizeable proportion of this expenditure represented continued and completion works on various projects associated with the hurricane Tomas recovery programme such as rehabilitation of roads, slope stabilization particularly in the BarreD'isle and repairs to damaged bridges and culverts. Meanwhile, capital spending on the *agricultuale* sector fell by almost half and accounted for 3.6 percent or \$6.1 million of the central government's construction budget. This mainly included the continuation of works on the meat processing facility at Beausejour and post hurricane Tomas rehabilitation projects.

In addition, construction of the Finance Administration building by NIPRO commenced in January with spending up to December amounting to \$19.4 million. Other construction expenditure by statutory bodies increased by \$1.0 million due to the refurbishment by SLASPA of the old WIBDECO building for rented accommodation of the new VAT unit.

<b>Table 5: Central Government Expenditure on Social Infrastructure in 2012 (EC\$ Millions)</b>	
<b>Central Government, of which:</b>	<b>\$83.8</b>
New National Hospital	\$34.0
St. Jude Hospital Reconstruction Project	\$15.2
Labour Absorption Programme (HOPE)	\$3.4
Disaster Mitigation	\$2.7
Constituency Development Programme	\$2.3
Establishment of Human Resource Centre	\$2.3
Conway Relocation Phase 2	\$1.7
Basic Needs Trust Fund	\$1.6

### ***Social Infrastructure***

Occasioned by a noticeable reduction in spending on *community works*, and *health* to a lesser extent, total public expenditure on social infrastructure fell by 27.4 percent to \$86.9 million. Of this, the central government's outlay fell by a similar magnitude to \$83.8 million. This was dominated by spending on the health sector which decreased by 0.6 percent to \$51.3 million. In 2012, construction activity continued on both the New National Hospital and at the St. Jude Hospital. Expenditure on community works declined by

\$22.3 million to \$15.3 million associated with social programs focused on job creation with a construction component such as the labour absorption programme and NICE. There was also lower spending on capital projects in other areas such as sports, housing and upkeep with the exception of education.

***Private Sector Construction***

Preliminary indications suggest that private sector construction remained weak during 2012, as a number of major projects was delayed or failed to commence. As a result, activity was constrained by construction-related foreign direct investments, which continued to decline since the start of the global financial crisis.

The majority of the private sector construction activity in 2012 was concentrated mainly on finishing works on the projects nearing completion. This included the winding down of works on the Bank of Saint Lucia Building and the Johnson Super Store. New construction undertaken during the year included works on the S & S Plaza and the LUCELEC Sub-Station in Cul-de-Sac. Tourism-related construction was dominated by work on the SugarBeach Viceroy Hotels and Resort.

**MANUFACTURING**



Saint Lucia’s manufacturing sector continued to be adversely impacted by the lingering effects of the global economic crisis and competitiveness issues, manifested in sluggish domestic and external demand. In addition, the performance of the sector was restrained by high operating costs, particularly energy, labour and rising imported prices of inputs. This led to increases in retail prices during 2012. Value added is estimated to remain flat in 2012 after

growing by 4.0 percent in the previous year.

## ***Production***

Preliminary data show that total value of manufacturing production remained relatively flat, falling by 0.2 percent to \$328.2 million in 2012. This performance was attributed to lower levels of activity in the beverages and paper & paperboard products which accounted for 50.1 percent of the total value of output in 2012. These were partially offset by increases in the food and chemicals sub-sectors.

<b>Sub-Sectors</b>	2008	2009	2010	2011	2012
Beverages	165.6	140.1	129.91	144.9	142.7
<i>Alcoholic</i>	<i>134.8</i>	<i>109.2</i>	<i>98.2</i>	<i>114.1</i>	<i>104.8</i>
<i>Non-Alcoholic</i>	<i>30.7</i>	<i>30.9</i>	<i>31.7</i>	<i>30.8</i>	<i>37.9</i>
Food	49.8	51.7	52.8	56.8	59.3
Fabricated Metals	34.4	31.2	26.2	27.7	27.1
Chemical Products	26.3	25.4	24.5	25.3	27.0
Paper and Paper Products	24.1	29.4	24.9	22.3	21.8
Electrical Products	5.6	3.7	5.0	4.8	4.1
Other	43.1	39.8	47.6	47.2	46.1
<b>Total</b>	<b>348.8</b>	<b>321.4</b>	<b>310.9</b>	<b>328.6</b>	<b>328.2</b>

## ***Beverages***

The value of *beverages* produced declined by 1.5 percent in 2012, due to the unfavourable performance of alcoholic beverages. Owing to significant declines in distilled and brewed products, the value of output of alcoholic beverages fell by 8.2 percent. This reflected softer domestic demand from the tourism sector as well as a shift in demand towards cheaper alcoholic beverages in response to price increases. During the review period, the output of non-alcoholic beverages expanded with an increase in value by 23.1 percent as output grew in both the water and soft drinks industries.

## ***Food***

Amidst the challenging environment, the *food* sub-sector performed creditably in 2012 with a 5.0 percent increase in the value of production. This resulted from growth mainly in bakery products and to a lesser extent, dairy products. Despite these developments, growth in the sub-sector was hampered by the closure of the coconut oil factory in the last quarter of 2011 and higher prices.



### ***Paper and Paperboards***

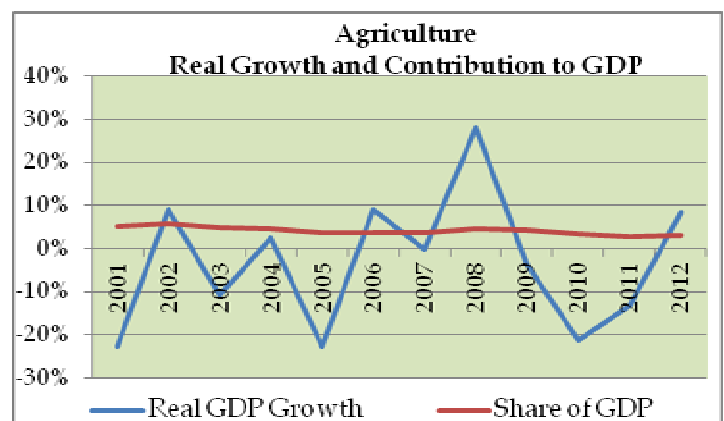
During the review period, there was a 2.6 percent drop in output of *paper and paperboards* products, despite the boost in activity stemming from the recovery in the banana industry. The slowdown in domestic and regional businesses impacted the sub-sector, evident by the further decline of 10.7 percent in the value of commercial boxes produced. However, expanded banana production led to a 49.7 percent increase in the value of banana boxes produced. Similarly, other paper and paperboards grew by 2.4 percent in 2012.

### ***Electrical and Other Products***

The closure of a major company in 2011 reduced the total value of *electrical* items produced in 2012 by 14.8 percent to \$4.1million. The value of chemicals produced expanded by 6.7 percent while the value of furniture rose negligibly. In the *fabricated metal* sub-sector, the value of output declined by 2.2 percent, reflecting the downturn in the construction sector. The value of output in the *printing & publishing sub-sector fell by 0.3 percent*. Also, *output of rubber and plastic products contracted by 20.3 per cent and 8.5 percent respectively*.

## **AGRICULTURE**

During the review period, the agricultural sector registered strong growth of 8.4 percent, primarily mirroring post-hurricane Tomas recovery in the banana industry and other crops. Value added in the banana sub-sector expanded by 52.8percent in 2012, while declines were recorded in the livestock and other crops sub-sectors.



Government's subsidy on critical inputs and its intervention in disease control contributed positively to the performance of the sector. Consequently, the sector's contribution to GDP inched up from 2.9 percent to 3.2 percent in 2012. The number of persons employed in the sector however declined in the review period to 7,451 from 7,684.

### ***Bananas***

Reflecting the gains from the replanting efforts following the passage of hurricane Tomas in 2010, banana production grew by 25.2 percent to 14,984 tonnes. Of this, banana exports to the United Kingdom increased by 85.0 percent to 12,126 tonnes, generating revenue of \$21.1 million compared to \$13.2 million in 2011.

In an attempt to restore farmers' confidence in the sector and to boost production, the government subsidized the price of spray oils, fungicides and fertilizers to farmers at a total cost of \$2.2million in 2012. In addition, production was less affected by the black sigatoka disease which was better controlled with the establishment of the Management Unit in 2012.

### ***Fisheries***

Available data on fish landings indicate an increase in the volume of fish landings by 1.0 percent to 1,709.0 tonnes compared to a decline of 5.9 percent in the previous year.

An analysis of the fish landings by species revealed declines in the volume of tuna (18.4 percent), king fish (23.1 percent) and flying fish (83.7 percent). On the other hand, increases were recorded in the volume of dolphin, black fish and other species landed. The volume of flying fish landed has been declining steadily in the last five years and in 2012 dropped further to 4.0 tonnes from 22.0 tonnes in 2011. This trend is partly attributable to climatic conditions which have influenced the migration patterns of flying fish.

### ***Livestock***

Preliminary estimates show a contraction of 7.0 percent in the livestock sub-sector in 2012. Amidst increasing costs of production, the sector recorded mixed performances as growth in the broiler and pork industries was offset by a decline in egg production.

Chicken production increased by 2.9 percent to 1,449 tonnes attributable to the establishment of an additional processing plant as well as improved organization by broiler producers. During the year, the government guaranteed market share for local poultry increased to 25.0 percent in October from 20.0 percent in 2012, and this is expected to impact positively on output in 2013.

Pork production expanded by 2.9 percent to 181.6 tonnes while revenue grew by 1.6 percent to \$2.3 million. This outturn was driven by new initiatives undertaken by the Ministry of Agriculture to increase the stock of pigs and blood line of swine. Building on these initiatives, CFL increased purchase of pork from local farmers.

Egg production fell by 7.0 percent to 1.2 million dozen eggs. This was partly attributed to the increase in the price of chicks and feed. The average price of chicks increased to \$3.50 in 2012 from \$2.85 in 2011 due to the high air freight associated with the transportation of the hatchlings. In response to the rising prices, the government subsidized the price of every bag of feed purchased by farmers in the last quarter of 2012 by \$5.00, costing approximately \$0.5 million.

### **C. Balance of Payments**

#### ***Overall Balance***

The balance of payments is estimated to have recorded an overall surplus of \$44.1 million in 2012, representing 1.3 percent of GDP. This outturn largely reflected an improvement in the current account deficit which was fully financed by the surplus on the capital and financial account, albeit lower than in 2011. As a result, Saint Lucia's share of imputed reserves at the ECCB increased further by 8.6 percent to \$556.4 million at the end of 2012.

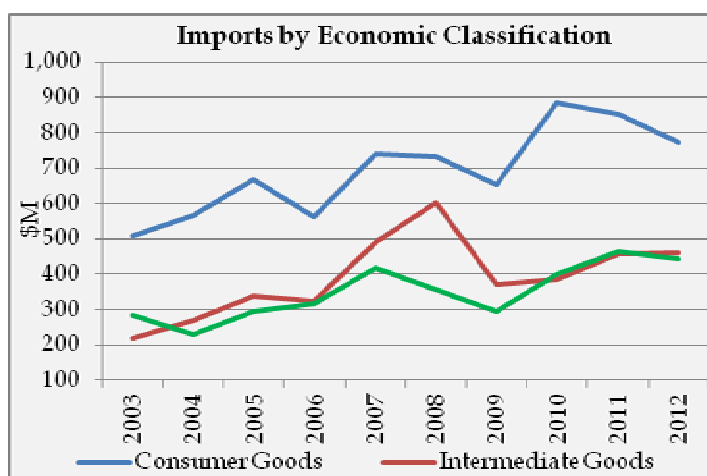
#### ***Current Account***

After rising to \$657.9 million or 18.8 percent of GDP in 2011, the external current account registered a smaller deficit of \$497.8 million in 2012, equivalent to 15.3 percent of GDP. This performance was led primarily by improvements in the goods and services account due to weaker import demand and increased visitor expenditure respectively. On the contrary, the deficit on the income account widened while the surplus on the transfers account was lower.

## Imports

In the review period, the total value of imports contracted by 5.6 percent to \$1,782.7 million, reflecting the contraction in the domestic economy. Declines were recorded in both consumer and capital goods while the value of intermediate goods remained relatively flat.

The value of consumer goods, which on average accounts for approximately half of total imports, fell by 9.1 percent to \$878.8 million in 2012. There were decreases in all sub-categories with the exception of *food and live animals*, the value of which increased by 1.3 percent to \$360.2 million. This was largely due to higher international prices particularly of cereals, corn and soybeans associated with weather-related events. The value of imports of intermediate goods rose by 0.7 percent to \$461.8 million. This was driven by an increase in imports of *mineral fuels, lubricants and related materials*



owing to increases in oil prices.

Imports of capital goods fell by 4.7 percent to \$442.1 million, as outlays on *machinery and transport equipment* as well as *miscellaneous articles* dropped. This was attributed to lower spending on imports of motor vehicles, electrical and telecommunications items.

## Other Current Account Developments

The surplus on the services account grew by 9.0 percent to \$518.8 million (14.6 percent of GDP) following a 6.0 percent contraction in 2011. This was attributed to a substantially reduced deficit on business services and a recovery in tourism receipts by 1.8 percent in 2012. Net payments for transportation and insurance services were also lower, reflecting in part lower economic activity during the year.

### ***Capital and Financial Account***

Estimates indicate a smaller combined surplus on the capital and financial accounts from 19.9 percent of GDP in 2011 to 15.4 percent of GDP. This reflected a significantly lower surplus on the financial account by 19.0 percent. In addition, reflective of lower grant receipts from other governments, the capital account surplus contracted by 34.9 percent to 1.6 percent of GDP.

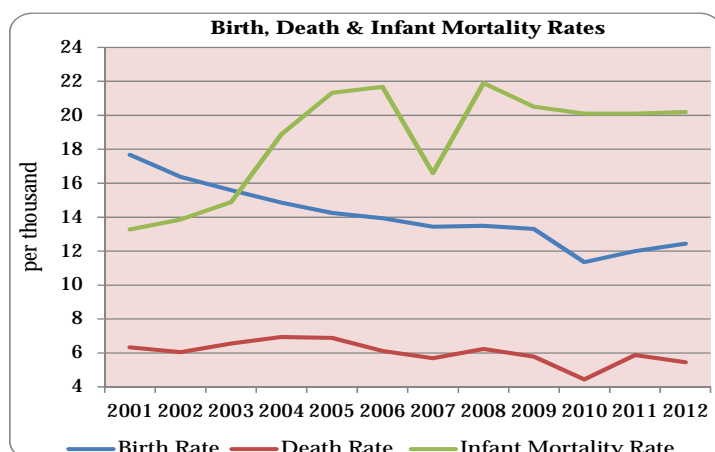
Continued external borrowing, albeit at a slower pace, by commercial banks and the government contributed to a drop in the surplus on the financial account to 13.8 percent of GDP in 2012 from 17.3 percent of GDP in 2011. There was also a considerable reduction in the net inflows of commercial banks to \$132.0 million from \$210.1 million. Nonetheless, these inflows in 2012 represented an increase in their foreign liabilities, reflecting the borrowing by commercial banks from both within and outside the ECCU area. During the review period, disbursements of foreign loans to the government fell as the central government financed its deficit mainly from domestic sources. However, the decrease in outflows outweighed the continued decline in foreign direct investment inflows, leading to higher net inflows of \$288.7 million or 8.1 percent of GDP.

### **D. Demographics- Size, Density, Growth Rate and Age Profile of Population**

Preliminary estimates suggest that Saint Lucia's resident population grew by 1.0 percent to 169,115 in 2012, reflecting the highest population growth rate over the last decade.

Saint Lucia's population distribution by age reveals that the largest proportion of population falls within the age groups 10-14, 15-19 and 20-24 years. These age groups account for 26.3 percent of the total population, and indicate that Saint Lucia has a youthful population. Nonetheless, the smallest proportion of persons falls within the age group 80 and over and 75-79 categories which accounted for 3.7 percent of the total population.

During the review period, the age groups 50-54 and 55-59 registered the highest growth rates of 4.4 and 6.1 percent respectively. In keeping with the demographic trend of a contracting base of the population pyramid, the age groups 10-14 and 5-9 years reflected the largest declines of 2.7 percent and 2.4 percent respectively.



It is estimated that the number of live births grew by 4.7 percent while the number of deaths declined by 6.2 percent during the review period. The rise in total population is evident by the number of live births exceeding the number of deaths by 1,181. The birth rate in 2012 grew moderately to 12.4 per thousand from 12.0 per thousand in 2011. The number of male births, 1,062, exceeded the number of

female births by 21, reflecting a 6.9 percent increase in male births. However, the number of female births grew by 2.5 percent to 1,041 in 2012.

In the year under review, the death rate declined to 5.5 per thousand from 5.9 per thousand in 2011. The total number of deaths fell by 6.2 percent to 922, with male deaths amounted to 520. The trend of higher male to female deaths continued in 2012, with the number of male deaths exceeding female deaths by 118. Nonetheless female deaths contracted by 7.6 percent as compared to 5.1 percent reduction in male deaths.

The infant mortality rate which captures death among infants, remained largely unchanged in 2012, increased by 0.5 percent to 20.2 per thousand.

## E. Growth Prospects

The recovery in the global economy is expected to gather pace as the underlying causes of slower activity in 2012 are likely to subside in the near term as the effects of policy actions take hold. Notwithstanding a decelerated pace of growth in the US, global output is forecasted to pick-up to 3.3 percent in 2013 and 4.0 percent in 2014<sup>2</sup> with gradual upturns in both advanced and emerging market and developing economies. However, the prospects for a firmer recovery can be dampened by the uncertainty about the resolution of the fiscal and financial crisis in the EU, potential delays in structural reforms and the pace of fiscal consolidation in the US.

<sup>2</sup>Source: IMF World Economic Outlook (April 2013).

The domestic economy is therefore expected to benefit from stronger consumption growth in Saint Lucia's key tourism source markets. While activity is projected to expand in tourism and agriculture, the medium term growth prospects remain generally subdued.

Developments in airlift and marketing will play a critical role in the performance of the tourism sector in 2013. The introduction of United Airlines in July 2013 as well as increased airlift capacity from Jet Blue and Delta is anticipated to increase stay-over arrivals from the US market. However, this may be partially offset by the impact of reduced air seats from the UK and the Caribbean.

The launch of the Freedom Bay Hotel development and the phased multi-million dollar upgrade of Windjammer Landing Resort are expected to contribute to a recovery in private sector construction activity in 2013. In addition, the continuation of the construction stimulus package is expected to contribute to private construction activity. Public sector construction will involve the intensification of works on the Finance Administration Building and completion of post hurricane Tomas infrastructural rehabilitation works.

A marginal but positive outturn is projected for the manufacturing sector amidst challenging macro-economic environment. However, the performance of the sector is dependent on increased domestic and external demand and output from new producers which have recently started production.

Gains are expected from the agricultural sector due to ongoing recovery in the banana industry supported by continued efforts at pest and disease management, coinciding with the resumption of trading by TQF. The operationalization of the clearing house will enhance the marketing and distribution of crops while the completion of the abattoir and the increase in the guaranteed market share for broiler is expected to boost production of local livestock.

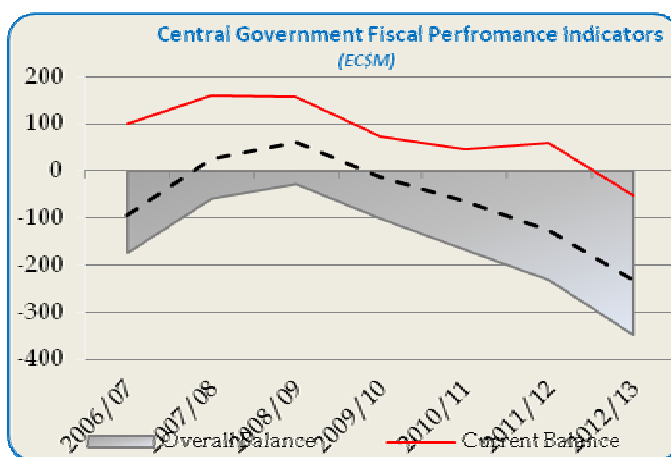
A lower rate of domestic inflation is projected due to the annualized effect of VAT with a tapering off in the last quarter of 2013.

A faster recovery may be held back by tight credit conditions, weakening commercial bank balance sheets and increasing stress in the financial system. Reform of the regulatory framework and close monitoring of the financial sector will be essential in managing emerging risks.

Positive economic growth is expected in 2013 but is likely to remain weak. Given the limited fiscal space and government’s inability to continue providing fiscal stimulus to the economy, efforts will be focused on structural reforms to lay the platform for improved productivity and competitiveness aimed at more sustainable growth.

### F. Government Fiscal Performance

Notwithstanding lower capital spending, the fiscal operations of the central government were characterized by a sizeable widening of the deficit. Preliminary estimates suggest that the overall fiscal deficit increased to \$327.6 million or 8.9percent of GDP in the fiscal year 2012/13, following a deficit of \$231.3 million or 6.6percent of GDP in 2011/12. Similarly, the primary deficit increased to 5.6 percent of GDP in 2012/13 from 3.6 percent in the previous fiscal year. The current account also deteriorated in 2012/13 on account of rising current expenditure and lower revenue, resulting in Saint Lucia’s first current account deficit, of \$45.4 million.



### REVENUE PERFORMANCE

After two consecutive years of growth, total revenue and grants fell by 7.6 percent to \$845.5 million or 22.9 percent of GDP. This outturn was driven by a fall in current revenue coupled with lower grant receipts by 33.0 percent to \$52.5 million. Grants from the European Union fell to \$32.5 million, of which \$24.1million was for the new National Hospital compared to \$40.4million in 2011/12.

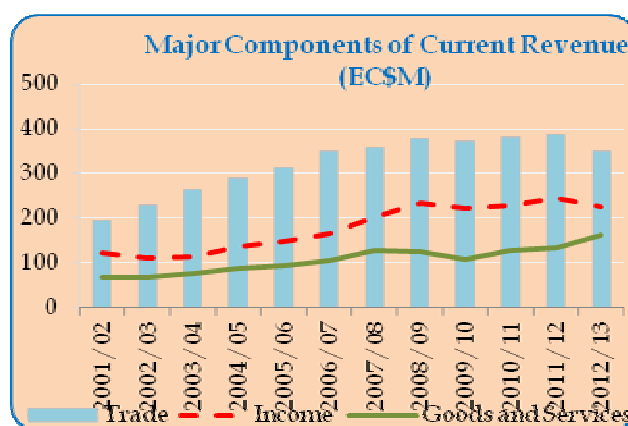


### ***Current Revenue***

The underlying sluggishness in the domestic economy resulted in a 5.2 percent decline in current revenue to \$792.6 million in 2012/13, equivalent to 21.5 percent of GDP. Revenue collections, which were slightly above 2010/11 levels, were attenuated by a confluence of policy-related factors, including the implementation of the construction stimulus package, VAT and downward adjustments to the excise tax rates. While this performance was led by a significant decline in non-tax revenue, there was also a noticeable decrease in tax revenue in the review period.

### ***Taxes on Income and Property***

Tax revenue on income and profits which accounted for 28.1 percent of current revenue in 2012/13, fell by 7.6 percent to \$222.6 million. This outturn was primarily due to considerably lower collections of corporate income taxes. Reflecting weak business profits, particularly in the banking sector, corporate income tax receipts declined by 17.2 percent to \$76.6 million.



### ***Taxes on Goods and Services***

Tax receipts from goods and services rose further by 24.4 percent to \$164.8 million in 2012/13 driven mainly by collections from VAT. Following the introduction of VAT on October 1, 2012, gross VAT revenue from domestic goods and services totaled \$63.6 million, during the period November 2012 to March 2013. Correspondingly, collections from the taxes replaced by VAT fell, reflecting collections predominantly in the first half of the fiscal year.

### ***Taxes on International Trade and Transactions***

In keeping with the decline in the value of imports, tax revenue on international trade fell to \$355.0 million from \$386.7 million in 2011/12. Revenue from VAT, which replaced the environmental protection levy and consumption tax on imports in October, totaled \$65.9 million, net of refunds, in the second half of 2012/13. Net excise tax receipts from petroleum products fell by \$10.0 million due to lower rates on gasoline and diesel alongside an increase in the subsidy on the 20 pound cylinder of

cooking gas. The average excise tax rate on gasoline was reduced to \$1.53 from \$2.39 per imperial gallon while that for diesel fell to \$2.21 per gallon from \$2.67.

Tax waivers on selected building materials associated with the construction stimulus package, which became effective in August 2012, notably reduced collections of revenue from import duty and service charge.

***Non-Tax Revenue***

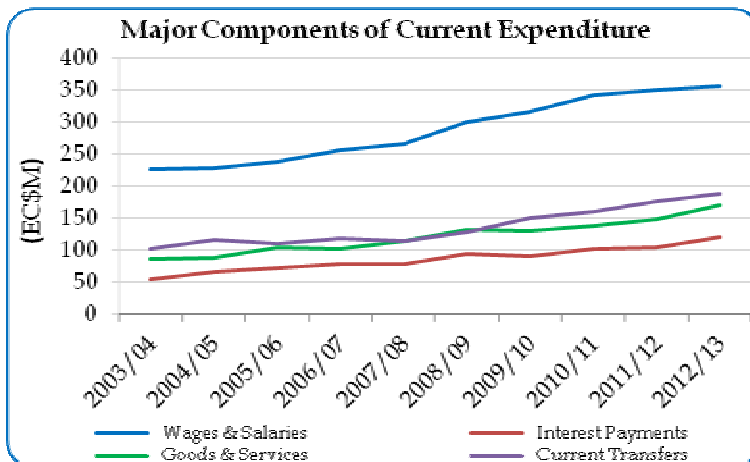
The intake from non-tax revenue in 2012/13 totaled \$45.5 million compared to \$71.4 million in the previous fiscal year, mainly due to a one-off receipt from interest received in 2011/12. Receipts from ECCB profits also decreased to \$0.7 million in 2012/13 from \$2.0 million in 2011/12.

**EXPENDITURE PERFORMANCE**

Preliminary data indicate that total expenditure by the central government continued on an upward path, increasing by 2.3 percent to \$1,173.2 million or 31.8 percent of GDP in 2012/13. This was occasioned by an expansion in current expenditure which was partially offset by a decline in capital expenditure by almost \$35.0 million.

***Current Expenditure***

Current expenditure is estimated to have increased by 7.9 percent to \$838.2 million or 22.7 percent of GDP, driven by higher spending in all sub-categories, led by the increased outlay on goods and services.



***Interest Payments***

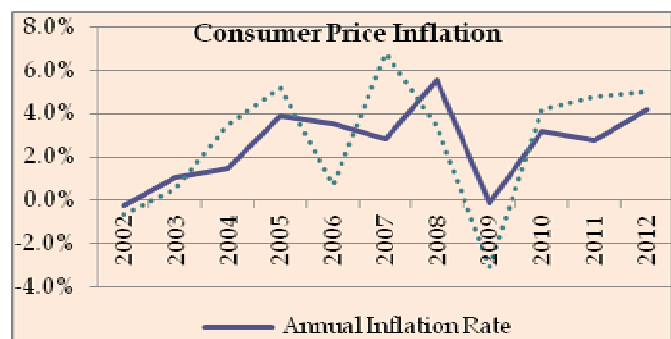
Reflecting the increase in the central government’s outstanding debt, interest payments rose markedly by 17.1 percent in 2012/13 to \$121.2 million. Interest on foreign and domestic debt grew by 14.2 percent and 19.0 percent respectively.

## *Salaries and Wages*

In keeping with additional persons employed, total salaries and wages, which accounted for 42.9 percent of current expenditure, increased by 2.1 percent to \$356.9 million in the 2012/13 fiscal year. The increase in employment includes the establishment of new units such as the VAT office and the judiciary unit, set up for the protection of judges, as well as new police recruits and nurses. The rise in spending on salaries and wages was also driven by a \$7.2 million retroactive payment up from the \$4.8 million in 2011/12, mainly reflecting outstanding balances paid to top management.

## **G. Financial Indicators**

Despite moderation in the rate of increase consumer prices in the global economy, inflationary pressures in the domestic economy were elevated during the review period. The rate of inflation in Saint Lucia increased to 4.2 percent in 2012, as measured by the twelve month moving average, up from a rate of 2.8 percent in 2011. The point-to-point rate of inflation at the end of December increased to 5.0 percent in 2012, up from 4.8 percent one year earlier.



in

The inflation outturn was influenced by a confluence of external and domestic factors. This included higher international food prices in the first half of 2012 and movements in world oil prices which filtered into the domestic economy through higher import prices. The rate of inflation in trading partner countries subsided to 2.0 percent in 2012 from 2.7 percent in 2011. Domestically, the implementation of VAT in October 2012 exerted temporary upward pressure on prices in the last quarter of 2012.

Increases were registered in all sub-indices with the exception of education. *Food* prices which grew by 6.5 percent, contributed most significantly to the overall increase in the consumer price index in 2012. Reflective of increases in import prices, increases were recorded in the cost of all sub-categories of food except vegetables, coffee and tea. Notwithstanding the exemption of over one hundred food items

from the value added tax, there were notable increases in the prices of meats, oils and fats (8.6 percent), milk, cheese and egg (8.1percent) and fish and sea food (7.8 percent).

Other notable contributors to the overall increase in inflation were the *transport* and *alcoholic beverages, tobacco & narcotics* sub-indices. Continuing on an upward path, the cost of transport grew by 3.9 percent, resulting from increases in the prices of spare parts, maintenance and repair of personal transport equipment or trucking equipment.

### ***Commercial Bank Liquidity and Interest Rates***

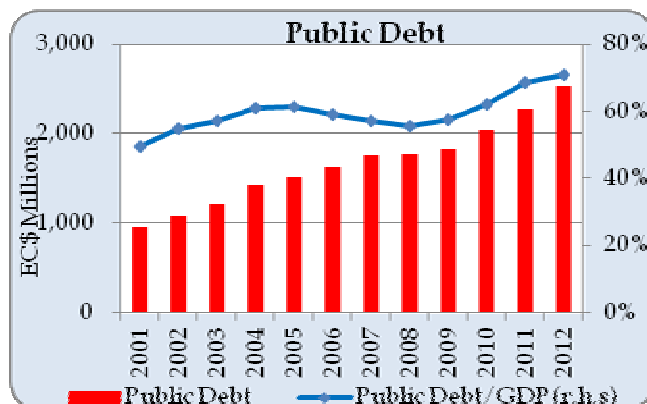
During the review period, there was a marked increase of \$103.7 million in lending to the public sector, reflecting bank financing of part of the central government's fiscal deficit. Loans to the professional & other services sector rose by 9.1 percent. Other notable expansions were recorded in credit to the distributive trades and manufacturing sectors which grew by 3.8 percent and 6.6 percent respectively.

Despite large impaired assets, there was ample liquidity within the banking system during the review period. One measure of liquidity, the loans to deposit ratio, increased by 5.2 percentage points to 119.2 percent, as reported growth in loans and advances outpaced growth of 4.5 percent in deposit liabilities to \$3,721.5 million. While this ratio suggests a tightening of liquidity, this was distorted by strong growth of 9.3 percent in total loans and advances by commercial banks due to an expansion in coverage of loans. However, another measure of liquidity, liquid assets to total deposits, moved from 31.11 in 2011 to 31.57 in 2012. Similarly, cash reserves to total deposits increased from 8.38 percent in 2011, to 9.55 percent in 2012, indicative of increased liquidity in the banking system. The excess cash reserves/liquidity ratio also increased by 18.6 percent to \$70.9 million in 2012.

Interest rates on both deposits and credit declined marginally during the year,, resulting in slightly smaller spreads. The weighted average deposits rate dipped by 0.14 percentage points to 2.93 percent, reflecting a decline in rates on time deposits to 3.98 percent from 4.25 percent at the end of 2011. Similarly, the weighted average rates on savings deposits moved down to 3.24 percent at the end of 2012 from 3.31 percent. At the end of 2012, the weighted average lending interest rates was lower by 0.54 percentage points to 8.51 percent, as banks sought to attract bankable projects by lowering their rates.

## V. DEBT ANALYSIS

Saint Lucia's public debt increased by 11.4 percent to \$2,531.3 million at the end of 2012 equivalent to 71.1 percent of GDP, owing to a steady increase in central government debt. On the other hand, government guaranteed debt and non-guaranteed debt continued to decline, falling by 12.0 percent to \$106.1 million and by 16.4 percent to \$58.3 million respectively. See Appendix VI



In keeping with its widening overall fiscal deficit, the central government's debt grew by 13.6 percent to \$2,366.8 million, representing 68.4 percent of GDP. The increase of \$283.9 million in 2012 was sourced mainly by borrowing from domestic investors. This resulted in a larger stock of domestic debt by 22.3 percent to \$1,266.8 million, which accounted for 53.5 percent of total central government outstanding debt. During the review period, the central government's external debt also increased, albeit at a slower pace of 5.1 percent to \$1,100.0 million. The maturity profile of the central government's debt indicates that 53.4 percent of the outstanding debt has short to medium term maturities of less than five (5) years while 22.6 percent have maturities of over ten (10) years.

In the review period, the composition of debt by financial instrument was relatively unchanged compared to 2011. Bonds, including treasury notes, represented the largest source of debt financing, accounting for 52.4 percent of the central government's debt portfolio. The stock of debt in the form of loans grew by 7.0 percent and comprised 43.1 percent of the central's government debt while the share of treasury bills in the portfolio remained unchanged at 10.9 percent.

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Bonds</b>	7.28%	7.25%	7.17%	7.26%	7.20%	7.26%	7.00%
<b>Loans</b>	5.26%	4.85%	4.24%	3.86%	3.49%	2.79%	3.46%
<b>Treasury Bills</b>	4.18%	4.30%	5.73%	5.04%	5.48%	5.45%	5.05%
<b>WACD</b>	<b>5.87%</b>	<b>5.74%</b>	<b>5.77%</b>	<b>5.55%</b>	<b>5.54%</b>	<b>5.48%</b>	<b>5.50%</b>

The weighted average cost (WACD) of the central government's debt increased by two basis points in 2012 to 5.50 percent, pushed up by larger borrowings from domestic commercial banks. See Table 9 above. The average market interest rates on both bonds and treasury bills fell in the review period when compared to 2011. This reflected government's debt management strategy of minimizing its cost of financing by issuing multi tranche treasury bills and notes with varying interest rates and maturities.

### ***Debt Servicing***

The central government's total debt service payments increased by 13.5 percent to \$218.0 million in 2012. Interest payments grew considerably from \$100.2 million in 2011 to \$124.5 million in 2012 and accounted for 57.1 percent of the debt service payments. This was driven by increase in the stock of bonds by \$73.4 million to \$886.5 million. Principal repayments grew by 1.7 percent to \$93.5 million, attributed to the payment on non RGSM external bonds. At the end of the year, the ratio of debt service to current revenue increased to 27.5 percent from 23.5 percent in the previous year. The ratio of external debt servicing to exports of goods and services also increased to 13.9 percent from 12.4 percent. See Table 10 below on Debt indicators of External Vulnerability.

### ***Domestic Debt***

The domestic debt of the public sector increased by 18.7 percent to \$1,363.9 million in 2012. This reflected the \$230.8 million increase in the domestic debt of the central government which accounted for 92.9 percent of total domestic debt. The central government issued a combination of bonds, treasury notes and bills on the RGSM as well as in private placements with a local commercial bank. In contrast, domestic government guaranteed and non-guaranteed debt both fell, by 9.8 percent and 16.4 percent respectively.

### ***External Debt***

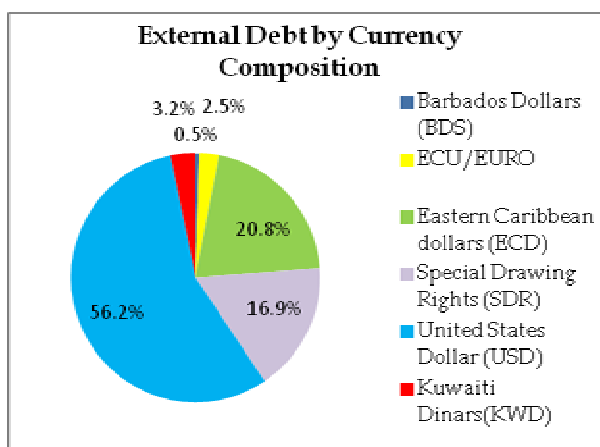
The stock of the public sector's external debt grew by 3.8 percent to \$1,167.3 million and accounted for 46.1 percent of the official public debt. This was driven by a 5.1 percent increase in the central government's external debt to \$1,100.0 million which offset the 13.2 percent decline in the stock of government guaranteed external debt.

### ***External Debt by Creditor***

The majority of the increase in the outstanding external public debt in 2012 was issued in the form of market instruments by the central government. The stock of treasury bills and notes grew by \$61.9 million to \$104.3 million while there was little movement in the stock of bonds held by external creditors. As a result the share of Treasury bills increased markedly to 5.8 percent of central government external debt in 2012, from 1.4 percent in 2011.

At the end of 2012, concessional debt from multi-lateral institutions declined by 1.3 percent to \$654.4 million and accounted for 56.1 percent of the outstanding public external debt. Of this, \$325.2 million is owed to the Caribbean Development Bank, Saint Lucia's single largest creditor. Outstanding debt to the World Bank dipped by 2.4 percent to \$215.0 million while outstanding amounts to the IMF remained unchanged at \$51.2 million. However, the stock of bilateral debt increased by \$12.4 million to \$61.3 million as a result of additional borrowing from Kuwait. This reflected disbursements from Kuwait of \$20.0 million for the continuation of the agricultural feeder roads project.

### ***External Debt by Currency***



Reflective of government's continued attempt to minimise exchange rate risks, the currency composition of the government's external debt remained relatively unchanged compared to 2011. A significant proportion (77.5 percent) of total external public debt, influenced by the structure of central government debt, was denominated in currencies with fixed exchange rates, namely the US dollar and the Barbados

dollar. The remainder was largely contracted in SDRs, followed by Kuwaiti dinars and euros.

**Table 10: Debt Indicators of External Vulnerability**

Debt Indicators	2004	2005	2006	2007	2008	2009 rev.	2010	2011	2012
	%	%	%	%	%	%	%	%	%
<b>CG/GDP</b>	50	51	50	51	50	51	54	60	66
<b>Total Debt/GDP</b>	60	60	57	57	55	57	60	65	71
<b>Debt Service/Current Revenue (Fiscal Year)</b>	19	26	23	22	20	23	24	24	28
<b>Debt Service/Exports</b>	9	10	12	14	12	8	7	8	NA
<b>Millions of EC Dollars</b>									
<b>Debt Service (Fiscal Year)</b>	105	141	170	167	174	177	193	204	220
<b>GDP(MKT PRICES)</b>	2,370	2,529	2,847	3,093	3,197	3,186	3,381	3500	3560

*Rev. revised*

*Pre.preliminary*

### **Legal Limits**

The legal borrowing limit for treasury bills at any point in time shall not exceed 30 percent of the estimated annual revenue of the state for the preceding financial year as shown in the annual estimates of revenue and expenditure laid before the House of Assembly with respect to that year. For overdraft facilities the legal limit of the government is up to EC\$35.0 million. The legal borrowing limit for bonds is up to ECD1.4 billion as scheduled in the Parliamentary Resolution Statutory Instrument No. 38 passed in the House of Assembly on 17<sup>th</sup> May 2013.



## VI. CURRENT ISSUES OF GOVERNMENT SECURITIES

### a. Treasury Bills

- **Issues Outstanding** EC\$225.189M\*
- **Type of Issue** Saint Lucia Government Treasury Bills
- **Maturity in days** 91 ,180, and 365days

Bills issued on RGSM	EC\$16M, EC\$11M and EC\$25M
Maturity in Days	91days and 180days
Maturity Dates	25 <sup>th</sup> July,17 <sup>th</sup> July and 31 <sup>st</sup> July
Discount	4.99%, 3.50% and 6.00%

### b. Notes and Bonds

- **Issues Outstanding** EC\$945.13M\*
- **Type of Issues** Saint Lucia Government Bonds
- **Maturity in Yrs** 3, 5, 6, 8 and 10 yrs
  
- **Notes and Bonds issued on RGSM** EC\$950.30M\*
- **Maturity in Yrs** 5, 6, 8 and 10 yrs
- **Coupon** 6.0%, 6.25% 6.5%, 6.8%, 7.0% to 7.75%
- **Redemption Date** 2013, 2014, 2015, 2016, 2017, 2018, 2020, 2022,2023

*\*figures as at 31<sup>st</sup> March 2013*

### c. Debt Rating

The securities in this prospectus are not rated however, the GOSL has never defaulted on its payment of contracted debt. It has maintained a strong relationship with its creditors and has been consistent in its debt servicing both domestically and externally.

## VII. SECURITY ISSUANCE PROCEDURES, CLEARANCE AND SETTLEMENT

The series of treasury bills will be 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 price auction. 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), will be responsible for facilitating clearance and settlement for the securities allotted. The ECCSD will ensure that funds are deposited to the account of the Government of Saint Lucia. The ECSE, through the Eastern Caribbean Central Securities Registry (ECCSR), will record and maintain ownership of the government securities in electronic book-entry form. The ECCSR will mail 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 will be 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, investors will pay the applicable brokerage fees to the intermediaries.

A list of licensed intermediaries who are members of the ECSE is provided (see **Appendix I**). 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 Saint Lucia 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.

**VIII. CALENDAR OF EVENTS OF UPCOMING ISSUES OF GOVERNMENT SECURITIES  
2013/2014**

<b>Proposed Auction Date</b>	<b>Settlement Date</b>	<b>Instrument Type</b>	<b>Issue Amount</b>	<b>Trading Symbol</b>	<b>Maturity Date</b>
10th July 2013	11th July 2013	8-yr Bond	EC\$30.0M	LCG080721	11th July 2021
19th July 2013	22nd July 2013	180-day T-Bill	EC\$25.0M	LCB180114	18th January 2014
29th October	30th October 2013	91-day T-Bill	EC\$16.0M	LCB290114	29th January 2014
7th November 2013	8th November 2013	91-day T-Bill	EC\$11.0M	LCB070214	7th February 2014
20th January 2014	21st January 2014	180-day T-Bill	EC\$25.0M	LCB200714	20th July 2014
30th January 2014	31st January 2014	91-day T-Bill	EC\$16.0M	LCB020514	2nd May 2014
10th February 2014	11th February 2014	91-day T-Bill	EC\$11.0M	LCB130514	13th May 2014
6th May 2014	7th May 2014	91-day T-Bill	EC\$16.0M	LCB060814	6th August 2014
14th May 2014	15th May 2014	91-day T-Bill	EC\$11.0M	LCB140814	14th August 2014

## **IX. APPENDICIES**

- I. List of Licensed Intermediaries
- II. GDP Economic Activity at Factor Cost – Constant Prices
- III. Balance of Payments
- IV. Central Government Fiscal Operations as ratio of GDP
- V. Summary of Central Government Fiscal Operations- Economic Classification
- VI. Public Sector Outstanding Debt
- VII. Central Government Outstanding Liabilities by Class of Holder and Term of Instrument
- VIII. Budget Information 2013/2014

## APPENDIX 1: LIST OF LICENSED INTERMEDIARIES

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
<b>Anguilla</b>		
National Bank of Anguilla Ltd	P O Box 44 The Valley  <b>Tel: 264-497 2101</b> Fax: 264-497 3870 / 3310 Email: nbabank1@anguillanet.com	<b>Principal</b> Selwyn Horsford  <b>Representative</b> Shernika P. Connor
<b>Antigua and Barbuda</b>		
ABI Bank Ltd.	ABI Financial Centre Redcliffe Street St John's  <b>Tel: 268 480 2837 / 2824</b> Fax: 268 480 2765 Email: abibsec@candw.ag	<b>Principals</b> Casroy James Carolyn Philip  <b>Representative</b> Heather Williams
<b>St Kitts and Nevis</b>		
St Kitts Nevis Anguilla National Bank Ltd.	P O Box 343 Central Street Basseterre  <b>Tel: 869 465 2204</b> Fax: 869 465 1050	<b>Principals</b> Winston Hutchinson Anthony Galloway  <b>Representatives</b> Marlene Nisbett

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
	Email: national_bank@sknanb.com	PetronellaEdmeade-Crooke Angelica Lewis
The Bank of Nevis Ltd.	P O Box 450 Main Street Charlestown  <b>Tel: 869 469 5564 / 5796</b> Fax: 869 469 5798 E mail: info@thebankofnevis.com	<b>Principal</b> Kevin Huggins Brian Carey  <b>Representatives</b> Vernesia Walters Kelva Merchant Lisa Jones
<b>Saint Lucia</b>		
ECFH Global Investment Solutions Limited	5 <sup>th</sup> Floor, Financial CentreBuilding 1 Bridge Street Castries  <b>Tel: 758 456 6826 / 457 7233</b> Fax: 758 456 6733 E-mail : capitalmarkets@ecfhglobalinvestments.com	<b>Principals</b> Beverley Henry Donna Matthew Joel Allen  <b>Representatives</b> Dianne Augustin Lawrence Jean Amobi Armstrong
First Citizens Investment Services Limited	9 Brazil Street Castries  <b>Tel: 758 450 2662</b> Fax: 758 451 7984	<b>Principals</b> Carole Eleuthere-Jn Marie  <b>Representative</b> SamuelAgiste

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
<b>St Vincent and The Grenadines</b>		
Bank of St Vincent and the Grenadines Ltd	P O Box 880 Cnr. Bedford and Grenville Streets Kingstown  <b>Tel: 784 457 1844</b> Fax: 784 456 2612/ 451 2589 Email: natbank@svgnb.com	<b>Principals</b> Monifa Latham Keith Inniss  <b>Representatives</b> Patricia John Deesha Lewis

## APPENDIX II: GDP Economic Activity at Factor Cost – Constant Prices

Economic Activity	2000r	2001r	2002r	2003r	2004r	2005r	2006r	2007r	2008r	2009r	2010r	2011r	2012pre
<b>Agriculture, Livestock, Forestry, Fishing</b>	<b>137.02</b>	<b>105.78</b>	<b>115.37</b>	<b>102.78</b>	<b>105.32</b>	<b>81.33</b>	<b>88.66</b>	<b>88.47</b>	<b>113.27</b>	<b>100.13</b>	<b>85.81</b>	<b>74.51</b>	<b>60.74</b>
Bananas	79.68	49.22	69.00	50.53	59.61	41.71	44.23	38.00	56.01	52.29	27.92	14.53	22.19
Other Crops	24.22	25.79	21.05	21.24	20.33	17.09	20.09	23.20	27.31	27.09	20.02	29.64	20.94
Livestock	8.83	8.88	8.53	8.12	7.59	6.89	8.17	8.12	8.75	8.96	9.22	9.35	8.70
Fishing	22.02	20.54	13.97	21.70	16.63	14.51	15.07	17.20	19.36	19.79	19.66	20.06	20.14
Forestry	1.26	1.25	1.22	1.19	1.16	1.13	1.10	1.07	1.04	1.00	0.98	0.94	0.77
<b>Mining and Quarrying</b>	<b>1.89</b>	<b>1.95</b>	<b>1.95</b>	<b>0.64</b>	<b>0.65</b>	<b>1.46</b>	<b>6.82</b>	<b>10.92</b>	<b>8.31</b>	<b>6.86</b>	<b>7.58</b>	<b>7.29</b>	<b>13.01</b>
<b>Manufacturing</b>	<b>104.94</b>	<b>104.76</b>	<b>99.76</b>	<b>100.21</b>	<b>113.15</b>	<b>117.78</b>	<b>121.26</b>	<b>136.98</b>	<b>129.71</b>	<b>136.98</b>	<b>132.93</b>	<b>138.20</b>	<b>138.26</b>
<b>Construction</b>	<b>238.17</b>	<b>192.52</b>	<b>189.50</b>	<b>213.03</b>	<b>266.91</b>	<b>198.79</b>	<b>300.81</b>	<b>215.78</b>	<b>273.49</b>	<b>272.18</b>	<b>246.64</b>	<b>251.76</b>	<b>239.11</b>
<b>Electricity and Water</b>	<b>81.35</b>	<b>84.72</b>	<b>81.65</b>	<b>85.13</b>	<b>89.39</b>	<b>92.62</b>	<b>94.89</b>	<b>99.25</b>	<b>101.84</b>	<b>105.09</b>	<b>107.55</b>	<b>108.79</b>	<b>109.48</b>
Electricity	67.17	69.85	68.70	72.35	76.45	79.60	81.61	85.47	86.66	90.42	94.91	95.67	95.65
Water	14.17	14.87	12.95	12.78	12.94	13.02	13.28	13.78	14.38	14.67	12.64	13.12	13.83
<b>Distributive Trade Services</b>	<b>157.43</b>	<b>142.60</b>	<b>143.88</b>	<b>166.44</b>	<b>169.73</b>	<b>198.50</b>	<b>227.16</b>	<b>234.11</b>	<b>236.39</b>	<b>199.68</b>	<b>194.00</b>	<b>232.38</b>	<b>211.63</b>
<b>Hotels and Restaurants</b>	<b>224.49</b>	<b>203.89</b>	<b>202.24</b>	<b>232.37</b>	<b>245.68</b>	<b>258.16</b>	<b>252.50</b>	<b>254.04</b>	<b>245.81</b>	<b>243.60</b>	<b>261.16</b>	<b>255.91</b>	<b>262.65</b>
Hotels	170.65	159.00	158.83	195.25	196.15	208.56	202.06	187.86	192.00	187.11	202.47	190.96	190.78
Restaurants	45.84	44.00	43.41	47.13	49.53	49.60	49.64	66.17	53.74	56.49	58.69	64.94	63.86
<b>Transport</b>	<b>265.34</b>	<b>289.86</b>	<b>265.05</b>	<b>279.30</b>	<b>317.60</b>	<b>299.93</b>	<b>299.56</b>	<b>345.51</b>	<b>353.17</b>	<b>354.17</b>	<b>361.68</b>	<b>347.62</b>	<b>338.23</b>
Road Transport	153.28	175.81	159.30	187.15	187.47	174.94	187.02	208.66	213.00	220.28	222.99	218.28	210.48
Air Transport	13.02	12.31	11.87	12.88	14.29	15.00	16.01	15.00	15.22	14.44	14.44	13.60	13.01
Sea Transport	38.52	43.16	39.65	41.85	47.29	44.18	40.59	49.24	50.48	51.26	50.60	49.01	46.28
Auxiliary Transport Activities	60.52	58.77	54.24	57.43	68.56	65.02	66.94	72.90	74.48	68.19	72.02	68.14	68.46
<b>Communication</b>	<b>129.80</b>	<b>142.88</b>	<b>151.91</b>	<b>159.03</b>	<b>161.24</b>	<b>169.63</b>	<b>157.55</b>	<b>166.84</b>	<b>170.67</b>	<b>173.47</b>	<b>171.41</b>	<b>163.89</b>	<b>155.16</b>
Postal Activity	2.56	2.56	2.49	2.45	2.63	2.73	2.73	2.73	2.73	2.76	2.73	2.76	2.76
Courier	1.30	1.29	1.28	1.26	1.32	1.34	1.25	1.22	1.17	0.97	1.11	1.08	1.10
Telecommunication	125.95	139.04	148.15	155.32	157.30	165.57	153.57	162.89	166.77	169.74	167.57	160.05	151.30
<b>Financial Intermediation</b>	<b>138.68</b>	<b>132.87</b>	<b>132.84</b>	<b>133.28</b>	<b>139.51</b>	<b>150.13</b>	<b>169.98</b>	<b>183.98</b>	<b>195.91</b>	<b>191.61</b>	<b>190.19</b>	<b>194.48</b>	<b>197.27</b>
Banking and Auxiliary Financial Services	95.82	96.52	97.79	100.59	107.10	118.01	134.08	145.95	156.17	150.03	150.93	154.71	158.18
Insurance	42.84	36.35	35.15	32.67	32.41	32.12	35.90	38.03	39.74	40.78	39.26	39.75	39.08
<b>Real Estate, Renting and Business Activities</b>	<b>339.03</b>	<b>347.07</b>	<b>351.52</b>	<b>360.93</b>	<b>363.01</b>	<b>372.61</b>	<b>394.21</b>	<b>403.79</b>	<b>418.93</b>	<b>426.60</b>	<b>450.74</b>	<b>455.62</b>	<b>458.62</b>
Owner Occupied Dwellings	243.00	245.96	250.50	256.36	260.35	265.49	270.78	276.22	281.82	287.59	293.86	296.60	299.70
Real Estate	29.61	32.53	33.62	37.03	35.95	37.84	45.77	49.22	55.31	56.13	65.49	64.13	65.28
Renting of Machinery and Equipment	14.87	15.50	14.97	15.81	13.37	14.78	16.30	18.00	18.43	18.15	19.59	22.35	20.29
Computer and Related Services	2.30	2.44	2.48	2.40	2.69	2.69	2.74	3.05	2.78	2.86	3.18	3.63	4.14
Business Services	49.17	50.63	49.94	50.46	50.46	51.62	58.62	57.30	60.59	61.87	68.63	68.83	70.13
<b>Public Administration &amp; Compulsory Social Services</b>	<b>153.05</b>	<b>153.71</b>	<b>144.85</b>	<b>140.44</b>	<b>142.34</b>	<b>145.10</b>	<b>146.97</b>	<b>147.70</b>	<b>151.04</b>	<b>155.08</b>	<b>160.05</b>	<b>164.72</b>	<b>166.42</b>
<b>Education</b>	<b>99.55</b>	<b>100.93</b>	<b>95.10</b>	<b>92.13</b>	<b>93.31</b>	<b>94.41</b>	<b>95.97</b>	<b>99.12</b>	<b>100.66</b>	<b>103.23</b>	<b>106.53</b>	<b>109.46</b>	<b>112.00</b>
Public	96.06	96.50	90.67	87.73	89.05	89.91	91.09	93.30	95.50	98.00	101.10	103.81	106.21
Private	3.49	4.43	4.43	4.39	4.26	4.50	4.88	5.82	5.16	5.23	5.42	5.65	5.79
<b>Health</b>	<b>45.57</b>	<b>47.07</b>	<b>44.24</b>	<b>43.03</b>	<b>43.61</b>	<b>45.09</b>	<b>45.67</b>	<b>47.36</b>	<b>47.51</b>	<b>48.86</b>	<b>50.27</b>	<b>51.78</b>	<b>53.20</b>
Public	37.30	37.47	35.21	34.07	34.50	34.91	35.37	36.23	37.08	38.05	39.26	40.31	41.24
Private	8.27	9.60	9.03	8.97	9.03	10.18	10.30	11.13	10.43	10.81	11.01	11.47	11.96
<b>Other Community, Social and Personal Services</b>	<b>58.46</b>	<b>68.65</b>	<b>64.96</b>	<b>67.28</b>	<b>67.06</b>	<b>74.03</b>	<b>82.83</b>	<b>93.88</b>	<b>105.61</b>	<b>121.81</b>	<b>123.75</b>	<b>134.58</b>	<b>129.47</b>
Public	7.72	7.75	7.29	7.05	7.16	7.23	7.32	7.50	7.67	7.88	8.12	8.34	8.54
Private	47.68	57.79	54.54	57.07	56.71	63.57	72.24	83.07	94.63	110.16	112.16	122.71	117.56
Private Households with Employed Persons	3.07	3.11	3.13	3.16	3.20	3.23	3.27	3.31	3.30	3.77	3.47	3.53	3.37
<b>Less FISIM</b>	<b>(26.44)</b>	<b>(29.29)</b>	<b>(29.89)</b>	<b>(28.42)</b>	<b>(29.09)</b>	<b>(35.01)</b>	<b>(44.18)</b>	<b>(55.61)</b>	<b>(61.45)</b>	<b>(64.23)</b>	<b>(62.69)</b>	<b>(64.22)</b>	<b>(64.26)</b>
<b>Gross Value Added @ Basic Prices</b>	<b>2,148.31</b>	<b>2,089.69</b>	<b>2,055.04</b>	<b>2,147.59</b>	<b>2,289.42</b>	<b>2,264.64</b>	<b>2,431.67</b>	<b>2,472.10</b>	<b>2,590.06</b>	<b>2,584.02</b>	<b>2,587.59</b>	<b>2,626.16</b>	<b>2,603.98</b>
<b>Rate of Growth %</b>		<b>-2.7%</b>	<b>-1.7%</b>	<b>4.5%</b>	<b>6.6%</b>	<b>-1.1%</b>	<b>7.4%</b>	<b>1.7%</b>	<b>4.8%</b>	<b>-0.2%</b>	<b>0.1%</b>	<b>1.5%</b>	<b>-0.8%</b>

Source: Government Statistics Department  
see preliminary

Please note that the data reported is as at December 2012



## APPENDIX III: Balance of Payments

BALANCE OF PAYMENTS (EC\$Millions)								
	2005r	2006r	2007r	2008r	2009r	2010r	2011r	2012 e
<b>CURRENT ACCOUNT</b>	<b>-349.6</b>	<b>-834.3</b>	<b>-930.6</b>	<b>-918.0</b>	<b>-369.2</b>	<b>-547.4</b>	<b>-657.9</b>	<b>-545.2</b>
<b>Goods</b>	<b>-889.3</b>	<b>-1,145.7</b>	<b>-1,189.3</b>	<b>-1,167.3</b>	<b>-719.9</b>	<b>-929.1</b>	<b>-1,145.5</b>	<b>-1,055.6</b>
Merchandise	-955.7	-1,211.4	-1,257.1	-1,241.3	-788.4	-994.9	-1,226.7	-1,140.9
Repair on goods	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goods procured in ports by carriers	66.4	65.7	67.8	74.0	68.5	65.8	81.2	85.3
<b>Services</b>	<b>700.4</b>	<b>426.2</b>	<b>405.6</b>	<b>399.9</b>	<b>439.1</b>	<b>447.0</b>	<b>475.8</b>	<b>518.8</b>
Transportation	-140.0	-158.9	-171.2	-205.1	-151.7	-168.8	-191.4	-180.2
Travel	925.4	687.5	700.4	717.4	673.6	703.5	736.1	749.1
Insurance Services	-20.8	-26.4	-22.2	-31.4	-16.4	-24.1	-27.1	-24.1
Other Business Services	-61.5	-71.3	-88.7	-68.7	-58.5	-57.4	-32.9	-16.4
Government Services	-2.7	-4.6	-12.7	-12.3	-7.9	-6.2	-8.9	-9.6
<b>Income</b>	<b>-195.8</b>	<b>-147.1</b>	<b>-183.5</b>	<b>-194.5</b>	<b>-121.9</b>	<b>-106.8</b>	<b>-42.0</b>	<b>-56.2</b>
Compensation of Employees	0.5	0.3	0.5	0.5	0.5	1.0	1.0	1.0
Investment Income	-196.2	-147.4	-184.0	-195.0	-122.5	-107.8	-43.0	-57.2
<b>Current Transfers</b>	<b>35.0</b>	<b>32.4</b>	<b>36.6</b>	<b>43.8</b>	<b>33.6</b>	<b>41.5</b>	<b>53.8</b>	<b>47.7</b>
General Government	-3.3	-1.2	7.5	10.5	1.4	4.5	1.6	-7.0
Other Sectors	38.4	33.6	29.1	33.3	32.1	37.0	52.3	54.8
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	<b>345.6</b>	<b>866.3</b>	<b>984.3</b>	<b>914.8</b>	<b>500.7</b>	<b>571.3</b>	<b>694.8</b>	<b>548.3</b>
<b>CAPITAL ACCOUNT</b>	<b>14.4</b>	<b>30.7</b>	<b>23.4</b>	<b>29.4</b>	<b>69.8</b>	<b>118.4</b>	<b>89.7</b>	<b>58.4</b>
Capital Transfers	14.4	30.7	23.4	29.4	69.8	118.4	89.7	58.4
Acquisition & Disposition of Non-Produced, Non-Financial Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FINANCIAL ACCOUNT</b>	<b>331.2</b>	<b>835.6</b>	<b>960.9</b>	<b>885.4</b>	<b>430.9</b>	<b>452.9</b>	<b>605.1</b>	<b>489.8</b>
Direct Investment	211.2	631.6	734.1	435.3	395.3	327.5	261.5	288.7
Portfolio Investment	64.9	-8.0	1.3	-25.8	-78.7	82.6	112.9	143.2
Other Investments	55.0	212.0	225.5	475.9	114.3	42.8	230.7	57.9
Public Sector Loans	20.2	64.0	54.7	-25.5	46.6	79.7	1.0	-38.0
Commercial Banks	66.5	174.0	216.6	466.2	-11.9	-114.1	210.9	132.0
Other Assets	-90.3	-46.9	-78.7	19.6	55.8	13.0	-26.3	-96.5
Other Liabilities	58.6	20.9	32.9	15.6	23.8	64.2	47.0	62.5
<b>ERRORS AND OMISSIONS</b>	<b>-40.9</b>	<b>4.2</b>	<b>-3.7</b>	<b>-26.2</b>	<b>-41.9</b>	<b>61.8</b>	<b>-17.3</b>	<b>41.0</b>
<b>OVERALL BALANCE</b>	<b>-44.9</b>	<b>36.3</b>	<b>50.0</b>	<b>-29.5</b>	<b>89.5</b>	<b>85.7</b>	<b>19.7</b>	<b>44.1</b>
<b>FINANCING</b>	<b>44.9</b>	<b>-36.3</b>	<b>-50.0</b>	<b>29.5</b>	<b>-89.5</b>	<b>-85.7</b>	<b>-19.7</b>	<b>-44.1</b>
Change in SDR Holdings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Drawing Rights	0.0	0.0	0.0	0.0	-61.7	0.0	0.4	0.0
Change in Reserve Position with IMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Government Foreign Assets	1.7	12.3	1.3	0.0	0.0	0.0	0.0	0.0
Change in Imputed Reserves	43.2	-48.6	-51.3	29.5	-27.9	-85.7	-20.1	-44.1

Source: Eastern Caribbean Central Bank and Ministry of Finance

e = estimate

r = revised

Please note that the data reported is as at December 2012

## APPENDIX IV: Central Government Fiscal Operations as ratio of GDP

### SUMMARY OF CENTRAL GOVERNMENT FISCAL OPERATIONS AS A RATIO OF GDP ECONOMIC CLASSIFICATION

	2003/04	2004/05	2005/06	2006/07	2007/08	223.11	200.90	2010/11r	2011/12 r	2012/13 pre
<b>TOTAL REVENUE AND GRANTS</b>	23.6%	24.2%	23.3%	23.1%	24.1%	26.0%	25.6%	25.6%	26.0%	22.9%
of which:										
Grants	0.8%	0.9%	0.4%	0.5%	0.4%	0.5%	2.1%	2.5%	2.2%	1.4%
Capital revenue	0.4%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
<b>Current Revenue</b>	22.4%	23.2%	22.9%	22.6%	23.8%	25.2%	23.5%	23.1%	23.8%	21.5%
<b>Tax Revenue</b>	20.4%	21.3%	21.3%	21.3%	22.0%	23.1%	21.7%	21.6%	21.8%	20.2%
of which:										
Taxes on Income	4.9%	5.5%	5.5%	5.5%	6.3%	7.3%	6.7%	6.6%	6.9%	6.0%
Taxes on Property	0.2%	0.2%	0.2%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Taxes on Goods & Services	3.4%	3.6%	3.6%	3.6%	4.1%	3.9%	3.3%	3.8%	3.8%	4.5%
Taxes on International Trade	11.8%	12.0%	12.0%	12.0%	11.5%	11.9%	11.5%	11.2%	11.0%	9.6%
<b>Non Tax Revenue</b>	2.0%	2.0%	1.6%	1.2%	1.7%	2.1%	1.8%	1.5%	2.0%	1.2%
<b>TOTAL EXPENDITURE</b>	27.5%	27.3%	30.2%	29.1%	25.8%	27.0%	28.7%	30.5%	32.6%	31.8%
<b>Capital Expenditure</b>	6.4%	6.5%	10.1%	10.0%	7.4%	6.5%	7.5%	8.8%	10.5%	9.1%
<b>Current Expenditure</b>	21.1%	20.8%	20.1%	19.1%	18.4%	20.5%	21.2%	21.8%	22.1%	22.7%
of which:										
Wages & Salaries	10.2%	9.5%	9.1%	8.8%	8.6%	9.4%	9.8%	10.0%	9.9%	9.7%
Interest Payments	2.5%	2.8%	2.8%	2.7%	2.5%	3.0%	2.8%	3.0%	2.9%	3.3%
Goods & Services	3.9%	3.6%	4.0%	3.5%	3.7%	4.1%	4.1%	4.0%	4.2%	4.6%
Current Transfers	4.6%	4.9%	4.2%	4.1%	3.7%	4.0%	4.6%	4.7%	5.0%	5.1%
<b>Current Balance</b>	1.3%	2.5%	2.8%	3.5%	5.3%	4.7%	2.3%	1.3%	1.7%	-1.2%
<b>Primary Balance</b>	-1.4%	-0.4%	-4.2%	-3.3%	0.8%	1.9%	-0.4%	-1.9%	-3.6%	-5.6%
<b>Overall Balance</b>	-3.9%	-3.1%	-6.9%	-6.0%	-1.7%	-1.1%	-3.1%	-4.9%	-6.6%	-8.9%
<b>GDP at market prices</b>	2,223.91	2,409.90	2,808.29	2,908.90	3,119.18	3,193.98	3,234.79	3,410.96	3,514.88	3,690.41

Source: Ministry of Finance, Economic Affairs, Planning and Social Security  
pre - preliminary  
r - revised

Please note that the data reported is as at March 2013

## APPENDIX V: Summary of Central Government Fiscal Operations- Economic Classification

CENTRAL GOVERNMENT  
SUMMARY OF FISCAL OPERATIONS (Fiscal Year)\*  
ECONOMIC CLASSIFICATION  
(EC\$ Millions)

	2003/04	2004/05	2005/06r	2006/07	2007/08	2008/09	2009/10	2010/11r	2011/12r	2012/13 pre	% Change
<b>TOTAL REVENUE AND GRANTS</b>	<b>524.96</b>	<b>582.40</b>	<b>608.06</b>	<b>672.47</b>	<b>753.10</b>	<b>829.03</b>	<b>826.79</b>	<b>874.50</b>	<b>915.08</b>	<b>845.54</b>	<b>-7.6%</b>
of which:											
Grants	18.47	21.46	10.72	15.83	11.87	17.44	67.13	85.73	78.42	52.50	-33.0%
Capital revenue	8.64	0.87	0.63	0.66	0.00	6.72	0.04	1.00	0.70	0.43	-38.6%
<b>Current Revenue</b>	<b>497.85</b>	<b>560.07</b>	<b>596.71</b>	<b>655.98</b>	<b>741.23</b>	<b>804.87</b>	<b>759.62</b>	<b>787.77</b>	<b>835.97</b>	<b>792.61</b>	<b>-5.2%</b>
<b>Tax Revenue</b>	<b>453.04</b>	<b>512.93</b>	<b>554.55</b>	<b>620.31</b>	<b>687.74</b>	<b>737.74</b>	<b>700.76</b>	<b>736.71</b>	<b>764.60</b>	<b>747.16</b>	<b>-2.3%</b>
of which:											
Taxes on Income	109.91	131.49	143.98	160.61	195.77	231.91	217.60	224.06	240.94	222.58	-7.6%
Taxes on Goods & Services	75.99	87.95	93.59	105.66	128.60	123.36	107.80	128.72	132.63	164.82	24.3%
Taxes on International Trade	263.32	289.84	312.12	349.89	358.21	379.74	371.45	380.67	386.65	355.01	-8.2%
Other	3.82	3.65	4.86	4.15	5.16	2.73	3.92	3.26	4.37	4.75	8.7%
<b>Non Tax Revenue</b>	<b>44.81</b>	<b>47.14</b>	<b>42.16</b>	<b>35.67</b>	<b>53.49</b>	<b>67.13</b>	<b>58.86</b>	<b>51.07</b>	<b>71.37</b>	<b>45.45</b>	<b>-36.3%</b>
<b>TOTAL EXPENDITURE</b>	<b>611.10</b>	<b>658.30</b>	<b>788.19</b>	<b>845.86</b>	<b>805.50</b>	<b>862.83</b>	<b>928.13</b>	<b>1,041.04</b>	<b>1,146.41</b>	<b>1,173.16</b>	<b>2.3%</b>
<b>Capital Expenditure</b>	<b>142.00</b>	<b>157.45</b>	<b>264.05</b>	<b>290.99</b>	<b>230.70</b>	<b>208.17</b>	<b>241.31</b>	<b>298.57</b>	<b>369.85</b>	<b>335.00</b>	<b>-9.4%</b>
<b>Current Expenditure</b>	<b>469.10</b>	<b>500.85</b>	<b>524.14</b>	<b>554.87</b>	<b>574.80</b>	<b>654.66</b>	<b>686.82</b>	<b>742.47</b>	<b>776.56</b>	<b>838.16</b>	<b>7.9%</b>
of which:											
Wages & Salaries	226.70	228.78	238.47	255.64	266.97	301.07	316.15	342.30	349.52	356.87	2.1%
Interest Payments	54.74	67.17	71.87	78.72	78.67	94.48	89.80	101.75	103.48	121.17	17.1%
Goods & Services	85.88	87.64	103.47	102.67	114.53	131.74	131.26	137.84	148.04	171.09	15.6%
Current Transfers	101.78	117.26	110.33	117.84	114.63	127.37	149.61	160.58	175.52	189.03	7.7%
<b>Current Balance</b>	<b>28.75</b>	<b>59.22</b>	<b>72.57</b>	<b>101.11</b>	<b>166.43</b>	<b>150.21</b>	<b>72.80</b>	<b>45.30</b>	<b>59.40</b>	<b>-45.56</b>	<b>-176.7%</b>
<b>Primary Balance</b>	<b>-31.40</b>	<b>-8.73</b>	<b>-108.26</b>	<b>-94.67</b>	<b>26.27</b>	<b>60.68</b>	<b>-11.54</b>	<b>-64.79</b>	<b>-127.84</b>	<b>-206.45</b>	<b>61.5%</b>
<b>Overall Balance</b>	<b>-86.14</b>	<b>-75.90</b>	<b>-180.13</b>	<b>-173.39</b>	<b>-52.40</b>	<b>-33.80</b>	<b>-101.34</b>	<b>-166.54</b>	<b>-231.33</b>	<b>-327.63</b>	<b>41.6%</b>

Source: Ministry of Finance, Economic Affairs, Planning and Social Security

\* Fiscal year April to March

pre = preliminary

r=revised

*Please note that the data reported is as at March 2013*

## APPENDIX VI: Public Sector Outstanding Debt

### TOTAL PUBLIC SECTOR OUTSTANDING LIABILITIES As at December 31 (EC\$ Millions)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 pre	2012/2011 Change
<b>1. TOTAL OUTSTANDING LIABILITIES</b>	<b>974.3</b>	<b>1,092.5</b>	<b>1,239.1</b>	<b>1,440.3</b>	<b>1,528.2</b>	<b>1,641.9</b>	<b>1,768.7</b>	<b>1,789.4</b>	<b>1,843.6</b>	<b>2,057.4</b>	<b>2,298.2</b>	<b>2,590.3</b>	<b>11.4%</b>
<b>2. OFFICIAL PUBLIC DEBT</b>	<b>947.8</b>	<b>1,076.6</b>	<b>1,213.2</b>	<b>1,420.2</b>	<b>1,510.9</b>	<b>1,624.7</b>	<b>1,754.0</b>	<b>1,770.9</b>	<b>1,828.9</b>	<b>2,036.6</b>	<b>2,273.2</b>	<b>2,531.3</b>	<b>11.4%</b>
<b>A. Central Government</b>													
<b>Outstanding Debt</b>	<b>695.9</b>	<b>826.1</b>	<b>968.2</b>	<b>1,175.9</b>	<b>1,296.3</b>	<b>1,427.4</b>	<b>1,575.7</b>	<b>1,595.8</b>	<b>1,639.1</b>	<b>1,832.1</b>	<b>2,082.9</b>	<b>2,366.8</b>	<b>13.6%</b>
- Domestic	310.6	318.5	231.2	345.9	395.3	470.1	594.5	706.9	708.2	858.5	1,035.9	1,266.8	22.3%
- External	385.4	507.6	737.0	830.0	900.9	957.3	981.2	888.9	930.9	973.6	1,046.9	1,100.0	5.1%
- Treasury Bills/Notes						18.6	22.6	13.1	19.5	58.2	42.7	104.3	144.3%
- Bonds						359.5	329.3	299.3	274.3	253.7	341.1	341.3	0.1%
- Loans						579.1	629.4	576.5	637.2	661.8	663.2	664.4	-1.3%
- Bilateral						70.3	83.2	78.7	69.7	57.3	48.0	61.3	25.3%
- Multilateral						508.8	546.2	497.8	567.5	604.5	615.3	603.2	-3.4%
<b>B. Government Guaranteed</b>													
<b>Outstanding Debt</b>	<b>212.5</b>	<b>197.1</b>	<b>187.9</b>	<b>167.9</b>	<b>160.1</b>	<b>143.7</b>	<b>125.5</b>	<b>131.8</b>	<b>117.1</b>	<b>133.0</b>	<b>120.5</b>	<b>106.1</b>	<b>-12.0%</b>
- Domestic	42.8	45.6	74.4	39.2	47.5	45.4	40.2	41.6	41.1	43.2	43.0	38.8	-9.8%
- External	169.7	151.5	140.5	128.7	112.6	98.3	85.3	90.2	75.9	89.8	77.5	67.3	-13.2%
<b>C. Public Non-Guaranteed</b>													
<b>Outstanding Debt</b>	<b>39.3</b>	<b>53.4</b>	<b>57.2</b>	<b>56.2</b>	<b>54.5</b>	<b>53.7</b>	<b>52.8</b>	<b>43.3</b>	<b>72.7</b>	<b>71.5</b>	<b>69.8</b>	<b>58.3</b>	<b>-16.4%</b>
- Domestic	16.9	23.0	24.5	23.2	22.0	20.8	19.5	39.5	71.5	71.5	69.8	58.3	-16.4%
- External	22.4	30.4	32.7	33.0	32.6	32.9	33.3	3.8	1.2	0.0	0.0	0.0	
<b>3. Outstanding Payables</b>	<b>26.6</b>	<b>15.8</b>	<b>25.9</b>	<b>20.2</b>	<b>17.3</b>	<b>17.2</b>	<b>14.6</b>	<b>18.5</b>	<b>14.7</b>	<b>20.8</b>	<b>25.0</b>	<b>29.0</b>	<b>16.1%</b>
<b>TOTAL (Domestic)</b>	<b>370.3</b>	<b>387.1</b>	<b>330.0</b>	<b>408.2</b>	<b>464.9</b>	<b>536.3</b>	<b>654.2</b>	<b>788.0</b>	<b>820.9</b>	<b>973.1</b>	<b>1,148.8</b>	<b>1,363.9</b>	<b>18.7%</b>
<b>TOTAL (External)</b>	<b>577.5</b>	<b>689.6</b>	<b>910.2</b>	<b>991.7</b>	<b>1,046.1</b>	<b>1,088.5</b>	<b>1,099.9</b>	<b>982.8</b>	<b>1,008.0</b>	<b>1,063.4</b>	<b>1,124.4</b>	<b>1,167.3</b>	<b>3.8%</b>
<b>Memo Item: Official Public Debt/GDP (Revised)</b>	<b>47.6%</b>	<b>53.8%</b>	<b>55.8%</b>	<b>59.9%</b>	<b>59.8%</b>	<b>57.1%</b>	<b>56.7%</b>	<b>55.4%</b>	<b>57.4%</b>	<b>60.2%</b>	<b>65.0%</b>	<b>71.1%</b>	<b>9.5%</b>

Source: Debt & Investment Unit, Ministry of Finance, Economic Affairs, Planning and Social Security

pre = preliminary

r = revised

Please note that the data reported is as at December 2012

## APPENDIX VII: Central Government Outstanding Liabilities by Class of Holder and Term of Instrument

DISTRIBUTION OF GOVERNMENT'S OUTSTANDING LIABILITIES  
BY CLASS OF HOLDER & TERM OF INSTRUMENT  
as at December 31, 2012  
(EC\$ Millions)

	LONGTERM (>10 years)				MEDIUM TERM (>5 - 10YRS)				SHORT TERM (1 - 5 Years)				TOTAL	
	Bonds	Loans & Advances	Other	Sub-total	Bonds	Loans & Advances	Other	Sub-total	Bonds	Treasury Bills	Loans & Advances	Other		Sub-Total
<b>1. DOMESTIC</b>														
<b>A. Monetary Authorities</b>														
1. ECCB		0.0		0.0	2.0			2.0		1.1			1.1	3.1
<b>B. Financial Institutions</b>														
1. Commercial Banks		0.0		0.0	64.2	154.0		218.2	112.7	202.8	46.7		362.2	580.4
2. Insurance Companies				0.0	27.6	0.0		27.6	22.4	37.4			59.8	87.4
3. Other				0.0	16.5	13.5		30.0	365.8	1.4			367.1	397.1
<b>C. Non-Financial Private Sector</b>								0.0	0.0	0.4			0.4	0.4
<b>D. Non-Financial Public Sector</b>				0.0	20.0			20.0	124.8	30.8			155.6	175.6
<b>E. Other (Private Individuals &amp; Agencies included)</b>				0.0	3.5			3.5	18.7	0.0	0.6		19.3	22.9
<b>F. Short term credits</b>								0.0					0.0	0.0
<b>Sub-Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>133.8</b>	<b>167.5</b>	<b>0.0</b>	<b>301.3</b>	<b>644.5</b>	<b>274.3</b>	<b>46.7</b>	<b>0.0</b>	<b>965.5</b>	<b>1,266.8</b>
<b>11. EXTERNAL</b>														
<b>A. Monetary Authorities</b>														
1. ECCB				0.0	0.0			0.0					0.0	0.0
2. IMF		16.0		16.0		28.9		28.9			6.3		6.3	51.2
<b>B. Int'l Development Institutions</b>														
1. C.D.B.		312.2		312.2		7.6		7.6			4.8		4.8	324.4
2. E.I.B.				0.0				0.0			0.7		0.7	0.7
3. I.F.A.D.				0.0				0.0			1.1		1.1	1.1
4. OPEC				0.0				0.0					0.0	0.0
5. IDA		173.2		173.2				0.0					0.0	173.2
6. IBRD		10.8		10.8		20.1		20.1			10.9		10.9	41.8
<b>C. Foreign Governments</b>				0.0										
1. France				0.0		26.3		26.3					0.0	26.3
2. Kuwait		21.7		21.7		13.3		13.3					0.0	35.0
<b>D. Other Foreign Institutions</b>														
1. Regional				0.0				0.0		25.7	0.0		25.7	25.7
2. Extra Regional				0.0	0.0			0.0					0.0	0.0
<b>E. OTHER</b>														
1. Royal Merchant Bank	0.0			0.0	0.0			0.0			71.4		71.4	71.4
2. Citibank	0.0			0.0		0.0		0.0			14.0		14.0	14.0
3. Other	0.0			0.0	49.2	0.0		49.2	114.0	40.0	10.6		164.6	213.8
4. T & T Stock Exchange				0.0		121.5		121.5					0.0	121.5
<b>Sub-Total</b>	<b>0.0</b>	<b>534.0</b>	<b>0.0</b>	<b>534.0</b>	<b>49.2</b>	<b>217.7</b>	<b>0.0</b>	<b>266.8</b>	<b>114.0</b>	<b>65.7</b>	<b>119.5</b>	<b>0.0</b>	<b>299.2</b>	<b>1,100.0</b>
<b>GRAND TOTAL</b>	<b>0.0</b>	<b>534.0</b>	<b>0.0</b>	<b>534.0</b>	<b>183.0</b>	<b>385.2</b>	<b>0.0</b>	<b>568.1</b>	<b>758.4</b>	<b>340.1</b>	<b>166.2</b>	<b>0.0</b>	<b>1,264.7</b>	<b>2,366.8</b>

Source: Debt & Investment Unit, Ministry of Finance, Economic Affairs, Planning and Social Security

Please note that the data reported is as at December 2012

## **APPENDIX VIII: Current Budget Information 2013/2014**

The Prime Minister of Saint Lucia and Minister for Finance Hon. Dr. Kenny Anthony presented a budget in the sum of **ECD1.327 Billion** for the fiscal year 2013/2014.

Total Receipts which includes Recurrent Revenue and Other Revenues represented by Capital revenue, Grants, Bonds, Treasury Bills and Loans are estimated to be **ECD839.91 Million** and **ECD487.09 Million** respectively. Payments represented by Recurrent Expenditure and Capital Expenditure are estimated to be **ECD947.08Million** and **ECD380.3Million** respectively.

The full address by the Prime Minister can be read by visiting the Government of Saint Lucia website:  
[http://www.govt.lc/sites/default/files/documents/files/SAINT\\_LUCIA\\_BUDGET\\_STATEMENT\\_2013.pdf](http://www.govt.lc/sites/default/files/documents/files/SAINT_LUCIA_BUDGET_STATEMENT_2013.pdf)