



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

91-day Treasury bills, EC\$108.0 M (Series A: Four issues EC\$16.0 M each,  
Series B: Four issues EC\$11.0 M each)  
180-day Treasury bills, EC\$140.0 M (Series A: Two issues EC\$25.0 M each,  
Series B: Two issues EC\$20.0 M each, Series C: Two issues EC\$25.0M each)

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

**Telephone: 1 758 468 5500/1**

**Fax: 1 758 452 6700**

**Email: [debt.investment@govt.lc](mailto:debt.investment@govt.lc)**

**PROSPECTUS DATE: July 2016**

*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> .....	4
<b>ABSTRACT</b> .....	5
<b>I. GENERAL INFORMATION</b> .....	7
<b>II. INFORMATION ABOUT THE ISSUES</b> .....	9
<b>III. FINANCIAL ADMINISTRATION AND MANAGEMENT</b> .....	15
1. Debt Management Objectives.....	15
2. Debt Management Strategy.....	15
3. Transparency and Accountability .....	15
4. Institutional Framework.....	17
5. Risk Management Framework.....	17
<b>IV. MACRO- ECONOMIC PERFORMANCE</b> .....	18
A. General Economic Performance .....	18
B. Real Sector Developments .....	20
C. Balance of Payments .....	25
D. Government Fiscal Performance.....	28
<b>V. DEBT ANALYSIS</b> .....	33
<b>VI. CURRENT ISSUES OF GOVERNMENT SECURITIES</b> .....	38
<b>VII. SECURITY ISSUANCE PROCEDURES, CLEARANCE AND SETTLEMENT</b> .....	39
<b>VIII. APPENDICES</b> .....	41
I. List of Licensed Intermediaries.....	42
II. GDP Economic Activity at Factor Cost – Constant Prices.....	42
III. Balance of Payments.....	43
IV. Central Government Fiscal Operations as ratio of GDP.....	44
V. Summary of Central Government Fiscal Operations.....	45
VI. Public Sector Outstanding Debt.....	46
VII. Central Government Outstanding Liabilities by Class of Holder and Term of Instrument.....	47
VIII. Population and Demographic Indicators.....	48
IX. Budget Information 2016/2017.....	48

## **NOTICE TO INVESTORS**

This Prospectus is issued for the purpose of giving information to the public. The Government of Saint Lucia (GOSL) 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 GOSL Review of the Economy 2015. 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 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>Table 1: RGSM Calendar of Issues (FY2016/2017)</b>						
<b>Auction Date</b>	<b>Issue Date</b>	<b>Instrument Type</b>	<b>Issue Amount</b>	<b>Maximum Rate (%)</b>	<b>Maturity Date</b>	<b>Trading Symbol</b>
20th July 2016	21st July 2016	180-dy T-Bill	EC\$25.0M	6.00%	17th January 2017	LCB170117
29th August 2016	30th August 2016	91-dy T-Bill	EC\$16.0M	6.00%	29th November 2016	LCB291116
7th September 2016	8th September 2016	91-dy T-bill	EC\$11.0M	6.00%	8th December 2016	LCB081216
17th October 2016	18th October 2016	180-dy T-Bill	EC\$20.0M	6.00%	16th April 2017	LCB160417
30th November 2016	1st December 2016	91-dy T-bill	EC\$16.0M	6.00%	2nd March 2017	LCB020317
9th December 2016	12th December 2016	91-dy T-bill	EC\$11.0M	6.00%	13th March 2017	LCB130317
28th December 2016	29th December 2016	180-dy T-Bill	EC\$25.0M	6.00%	27th June 2017	LCB270617
18th January 2017	19th January 2017	180-dy T-Bill	EC\$25.0M	6.00%	18th July 2017	LCB180717
3rd March 2017	6th March 2017	91-dy T-Bill	EC\$16.0M	6.00%	5th June 2017	LCB050617
14th March 2017	15th March 2017	91-dy T-Bill	EC11.0M	6.00%	14th June 2017	LCB140617
18th April 2017	19th April 2017	180-dy T-Bill	EC\$20.0M	6.00%	16th October 2017	LCB161017
6th June 2017	7th June 2017	91-dy T-Bill	EC\$16.0M	6.00%	6th September 2017	LCB060917
15th June 2017	16th June 2017	91-dy T-Bill	EC\$11.0M	6.00%	15th September 2017	LCB150917
28th June 2017	29th June 2017	180-dy T-Bill	EC\$25.0M	6.00%	26th December 2017	LCB261217

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 50 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.

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 GOSL has been publicly rated by the Caribbean Information and Credit Rating Services Ltd. (CariCRIS). On 14<sup>th</sup> June 2016 the regional rating agency reaffirmed its ratings of *Cari***BBB** (Foreign Currency and Local Currency Ratings) on its regional rating scale on the debt issues (US \$38 million, US \$50 million, EC \$140 million, EC \$404.5 million, EC \$404.4 million and EC \$189 million) of the Government of Saint Lucia with a stable outlook. These ratings indicate that the level of creditworthiness of these obligations, adjudged in relation to other obligations in the Caribbean is adequate.

## 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: debt.investment@govt.lc

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

Facsimile No.: 1-758-452-6700

### Contact persons:

Mr. Francis Fontenelle, Director of Finance  
Ms. Adria Sonson, Accountant General

Arrangers/Brokers

First Citizens Investment Services Ltd. (FCIS)  
#9 Brazil Street  
Castries, St. Lucia  
Telephone: 1-758-450-2662  
Fax: 1- 758-451-7984

ECFH Global Investment Solutions Limited (GISL)  
1<sup>st</sup> floor, ECFH Building  
Willie Volney Drive  
Massade, Gros Islet  
Saint Lucia  
Telephone: 1-758-457-7233  
Fax: 1 -758-456-6740

Date of Publication: July 2016

Purpose of Issues: The Securities will be issued to finance the re-issuance of maturing Treasury Bills.

Amount of Issues: **Treasury Bills**  
91-day Treasury bills EC\$108.0 M (Series A: Four issues EC\$16.0 M each, Series B: Four issues EC\$11.0 M each)  
180-day Treasury bills EC\$140.0 M (Series A: Two issues EC\$25.0 M each, Series B: Two issues EC\$20.0 M each, Series C: Two issues EC\$25.0M each)

Legislative Authority: The Revised Treasury bill Amendment Act 2003, Chapter 15.33 Sub-section 3(1).

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

Taxation: Yields will not be subject to any tax, duty or levy by the Participating Governments of the Eastern Caribbean Currency Union (ECCU). The countries are Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Lucia, St Kitts and Nevis and St Vincent and the Grenadines.

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



## II) INFORMATION ABOUT THE ISSUES

### 180-Day Treasury Bills

#### **SERIES A: EC\$25.0 Million each 180-day Treasury Bills in 2 Issues**

GOSL proposes to auction an EC\$25.0 million in Government Treasury Bills on the Regional Government Securities Market (RGSM) and to be traded on the Eastern Caribbean Securities Exchange Ltd (ECSE).

<b>Amount of Issues:</b>	Two issues – EC\$25.0 million Eastern Caribbean Dollars each
<b>Maximum bid price:</b>	6.0 percent
<b>Tenor:</b>	180-days
<b>Trading Symbols:</b>	<b>LCB170117 and LCB180717</b>
<b>Auction Dates:</b>	20 <sup>th</sup> July 2016 and 18 <sup>th</sup> January 2017
<b>Settlement Dates:</b>	21 <sup>st</sup> July 2016 and 19 <sup>th</sup> January 2017
<b>Maturity Dates:</b>	17 <sup>th</sup> January 2017 and 18 <sup>th</sup> July 2017
<b>Bidding Period:</b>	9:00 am to 12 noon on the respective auction days
<b>Method of Issue:</b>	The price of the issue will be determined by a Competitive Uniform Price Auction with open bidding.
<b>Placement of Bids:</b>	Investors will participate in the auction through the services of current licensed intermediaries who are members of the Eastern Caribbean Securities Exchange.
<b>Minimum Bid:</b>	EC\$5,000
<b>Bid Multiplier:</b>	EC\$1,000
<b>Bids per Investor:</b>	Each investor is allowed one (1) bid with the option of increasing the amount being tendered for until the close of the bidding period.

**Licensed Intermediaries:** The current list of licensed intermediaries is as follows:

- 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
- Grenada Co-operative Bank Limited

**Currency:** All currency references are in Eastern Caribbean Dollars unless otherwise stated.

**SERIES B: EC\$20.0 Million each 180-day Treasury Bills in 2 Issues**

GOSL proposes to auction an EC\$20.0 million in Government Treasury Bills on the Regional Government Securities Market (RGSM) and to be traded on the Eastern Caribbean Securities Exchange Ltd (ECSE). **In the event of an over-subscription, the GOSL reserves the right without the consent of investors to increase the issue size by an additional EC\$5.0 million.**

**Amount of Issues:** Two issues – EC20.0 million Eastern Caribbean Dollars each

**Maximum bid price:** 6.0 percent

**Tenor:** 180-days

**Trading Symbols:** **LCB160417 and LCB151017**

**Auction Dates:** 17<sup>th</sup> October 2016 and 17<sup>th</sup> April 2017

**Settlement Dates:** 18<sup>th</sup> October 2016 and 18<sup>th</sup> April 2017

**Maturity Dates:** 16<sup>th</sup> April 2017 and 15<sup>th</sup> October 2017

**Bidding Period:** 9:00 am to 12 noon on the respective auction days

**Method of Issue:** The price of the issue will be determined by a Competitive Uniform Price Auction with open bidding.

**Placement of Bids:** Investors will participate in the auction through the services of current licensed intermediaries who are members of the Eastern Caribbean Securities Exchange.

**Minimum Bid:** EC\$5,000

**Bid Multiplier:** EC\$1,000

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

**Licensed Intermediaries:** The current list of licensed intermediaries is as follows:

- 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
- Grenada Co-operative Bank Limited

**Currency:** All currency references are in Eastern Caribbean Dollars unless otherwise stated.

**SERIES C: EC\$25.0 Million 180-day Treasury Bills in 2 Issues**

GOSL proposes to auction an EC\$25.0 million in Government Treasury Bills on the Regional Government Securities Market (RGSM) and to be traded on the Eastern Caribbean Securities Exchange Ltd (ECSE).

<b>Amount of Issues:</b>	Two issues – EC25.0 million Eastern Caribbean Dollars
<b>Maximum bid price:</b>	6.0 percent
<b>Tenor:</b>	180-days
<b>Trading Symbols:</b>	<b>LCB270617 and LCB261217</b>
<b>Auction Dates:</b>	28 <sup>th</sup> December 2016 and 28 <sup>th</sup> June 2017
<b>Settlement Dates:</b>	29 <sup>th</sup> December 2016 and 29 <sup>th</sup> June 2017
<b>Maturity Dates:</b>	27 <sup>th</sup> June 2017 and 26 <sup>th</sup> December 2017
<b>Bidding Period:</b>	9:00 am to 12 noon on the respective auction days
<b>Method of Issue:</b>	The price of the issue will be determined by a Competitive Uniform Price Auction with open bidding.
<b>Placement of Bids:</b>	Investors will participate in the auction through the services of current licensed intermediaries who are members of the Eastern Caribbean Securities Exchange.
<b>Minimum Bid:</b>	EC\$5,000
<b>Bid Multiplier:</b>	EC\$1,000
<b>Bids per Investor:</b>	Each investor is allowed one (1) bid with the option of increasing the amount being tendered for until the close of the bidding period.
<b>Licensed Intermediaries:</b>	The current list of licensed intermediaries is as follows:

- 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
- Grenada Co-operative Bank Limited

**Currency:** All currency references are in Eastern Caribbean Dollars unless otherwise stated.

### **91-Day Treasury Bills**

#### **SERIES A: EC\$16.0 Million each 91-day Treasury Bills in 4 Issues**

GOSL proposes to auction an EC\$16.0 million in Government Treasury Bills on the Regional Government Securities Market (RGSM) and to be traded on the Eastern Caribbean Securities Exchange Ltd (ECSE). **In the event of an over-subscription, the GOSL reserves the right without the consent of investors to increase the issue size by an additional EC\$5.0 million.**

**Amount of Issues:** Four issues – EC\$16.0 million Eastern Caribbean Dollars each

**Maximum bid price:** 6.0 percent

**Tenor:** 91-days

**Trading Symbols:** **LCB291116, LCB020317, LCB050617 and LCB060917**

**Auction Dates:** 29<sup>th</sup> August 2016  
30<sup>th</sup> November 2016  
3<sup>rd</sup> March 2017  
6<sup>th</sup> June 2017

**Settlement Dates:** 30<sup>th</sup> August 2016  
1<sup>st</sup> December 2016  
6<sup>th</sup> March 2017  
7<sup>th</sup> June 2017

**Maturity Dates:** 29<sup>th</sup> November 2016  
2<sup>nd</sup> March 2017  
5<sup>th</sup> June 2017  
6<sup>th</sup> September 2017

**Bidding Period:** 9:00 am to 12 noon on the respective auction days

**Method of Issue:** The price of the issue will be determined by a Competitive Uniform Price Auction with open bidding.

**Placement of Bids:** Investors will participate in the auction through the services of current licensed intermediaries who are members of the Eastern Caribbean Securities Exchange.

**Minimum Bid:** EC\$5,000

**Bid Multiplier:** EC\$1,000

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

**Licensed Intermediaries:**

The current list of licensed intermediaries is as follows:

- 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
- Grenada Co-operative Bank Limited

**Currency:** All currency references are in Eastern Caribbean Dollars unless otherwise stated.

**SERIES B: EC\$11.0 Million each 91-day Treasury Bills in 4 Issues**

GOSL proposes to auction an EC\$11.0 million in Government Treasury Bills on the Regional Government Securities Market (RGSM) and to be traded on the Eastern Caribbean Securities Exchange Ltd (ECSE). **In the event of an over-subscription, the GOSL reserves the right without the consent of investors to increase the issue size by an additional EC\$5.0 million.**

**Amount of Issues:** Four issues – EC\$11.0 million Eastern Caribbean Dollars each

**Maximum bid price:** 6.0 percent

**Tenor:** 91-days

**Trading Symbols:** **LCB081216, LCB130317, LCB140617 and LCB150917**

**Auction Dates:**  
7<sup>th</sup> September 2016  
9<sup>th</sup> December 2016

	14 <sup>th</sup> March 2017 15 <sup>th</sup> June 2017
<b>Settlement Dates:</b>	8 <sup>th</sup> September 2016 12 <sup>th</sup> December 2016 15 <sup>th</sup> March 2017 16 <sup>th</sup> June 2017
<b>Maturity Dates:</b>	8 <sup>th</sup> December 2016 13 <sup>th</sup> March 2017 14 <sup>th</sup> June 2017 15 <sup>th</sup> September 2017
<b>Bidding Period:</b>	9:00 am to 12 noon on the respective auction days
<b>Method of Issue:</b>	The price of the issue will be determined by a Competitive Uniform Price Auction with open bidding.
<b>Placement of Bids:</b>	Investors will participate in the auction through the services of current licensed intermediaries who are members of the Eastern Caribbean Securities Exchange.
<b>Minimum Bid:</b>	EC\$5,000
<b>Bid Multiplier:</b>	EC\$1,000
<b>Bids per Investor:</b>	Each investor is allowed one (1) bid with the option of increasing the amount being tendered for until the close of the bidding period.
<b>Licensed Intermediaries:</b>	The current list of licensed intermediaries is as follows: <ul style="list-style-type: none"> <li>• St. Kitts Nevis Anguilla National Bank Ltd.</li> <li>• Bank of Nevis Ltd.</li> <li>• ECFH Global Investment Solutions Limited</li> <li>• Bank of St Vincent and the Grenadines Ltd.</li> <li>• First Citizens Investment Services Ltd - Saint Lucia</li> <li>• Grenada Co-operative Bank Limited</li> </ul>
<b>Currency:</b>	All currency references are in Eastern Caribbean Dollars unless otherwise stated.

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

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

The objective of Saint Lucia's debt management policy is to raise stable and consistent levels of financing for the budget at minimum costs subject to prudent levels of risk.

The overall objective will require the Government to take several steps:

- Diversify the debt portfolio in an effort to reduce risks inherent in the debt portfolio.
- Develop and implement strategies to support the long term sustainability of the public debt.
- Maintain a prudent debt structure.
- Increase transparency and predictability in the management of government debt.
- Ensure that government borrowings and guarantees are consistent with the legal and regulatory framework established by Parliament.
- Constant consultation with the stakeholders in the international and regional debt market.

#### **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 for government securities.
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**

Saint Lucia's economy showed measurable signs of recovery in 2015 after a weak performance over the previous three years. Real GDP growth was estimated at 1.3 percent fuelled by improved performances in the construction, transport and agriculture sectors. The turn-around in growth was also supported by appreciable increases in output of the manufacturing, utilities and wholesale and distribution sectors. However, the financial services and real estate, renting and business services sectors remained weak.

The improved fortunes of the construction sector accounted for the largest share of the total increase in output in 2015. The sector is estimated to have expanded by 7.4 percent in 2015 in contrast to three consecutive years of decline. Much of the reversal in the sector's performance was driven by private sector investment related to the construction and upgrading of hotels and commercial buildings. The construction sector was also the largest contributor to increases in the number of persons employed in 2015.

The tourism sector continued to perform well with increases in the number of stay-over visitors of 2.0 percent to a record 344,908. The sector benefited from appreciable increases in arrivals from the US, the largest and most lucrative source market. Spurred mainly by the growth in the US market, total visitor expenditure increased by an estimated 3.2 percent to \$2.08 billion. The increase in the number of visitors was also supported by higher cruise ship passenger arrivals of 5.6 percent. However an 8.7 percent reduction in European stay over arrivals and 2.7 percent decline in bed nights tempered otherwise positive sector developments.

Over the years, the performance of the agriculture sector has been erratic and heavily correlated with weather events. In continuation of this pattern, the sector recorded improved performance in 2015 following a contraction in the previous year. Total banana exports surged by 35.3 percent to 14,787 tonnes reflecting a sharp increase in exports to the Caribbean region. Exports to the UK, the main traditional export market, declined by 5.0 percent as some bananas were diverted to the Trinidad and Tobago market. Purchases of other crops by hotels and supermarkets both recorded double digit increases reflecting the uptick in local demand coupled with favourable weather conditions. The sectors favourable performance was also supported by increased production of eggs and pork.

Following a decline in activity in 2014, manufacturing production is estimated to have risen in 2015 on account of improved output of food and paper products. Manufacturing of food

products, the largest category, increased appreciably by an estimated 13.7 percent driven by a higher output of bakery products, processed meats and condiments. In contrast, production of beverages, furniture and fabricated metals was down.

The favorable performance of some of the main productive sectors was reflected in an improvement in the labour market. The total employed labour force increased by 3.8 percent while the average rate of unemployment in 2015 fell to 24.1 percent compared to 24.4 percent in 2014.

During 2015 a deflationary pattern emerged in Saint Lucia as domestic prices were heavily influenced by falling global commodity prices. In contrast to the 3.5 percent rate of inflation recorded in 2014, the consumer price index (CPI) fell by 1.0 percent in 2015 associated with lower prices for fuel, electricity, transport, furnishings and household equipment. The food sub category, the largest weighted item in the consumer basket, inched up marginally by 0.2 percent.

Reflecting the improved economic fundamentals, Government's fiscal operations continued to improve, evidenced by a further reduction in the overall fiscal deficit. The overall deficit fell to an estimated \$117.0 million in 2015/16 representing 3.1 percent of GDP compared to \$144.9 million (3.8 percent of GDP) in 2014/15 mainly associated with increases in revenue. Total revenue and grants were higher by 9.4 percent to \$1,060.0 million while total expenditure was up by 5.7 percent to \$1,177.0 million. The uptick in revenue was driven mainly by increases in collections from VAT, service charge and excise tax on imports. The growth in expenditure was associated with higher capital spending and interest payments on the debt.

Notwithstanding the lower fiscal deficit, total public debt continued to rise in 2015. The stock of public debt stood at \$2,912.9 million at the end of 2015, representing a 4.5 percent increase over the previous year. The ratio of debt to GDP in 2015 increased to 75.4 compared to 74.5 percent in 2014. There was a continued noticeable shift towards short term debt following the raising of the treasury bill limit to 50.0 percent of the previous year's current revenue from 40.0 percent which existed previously.

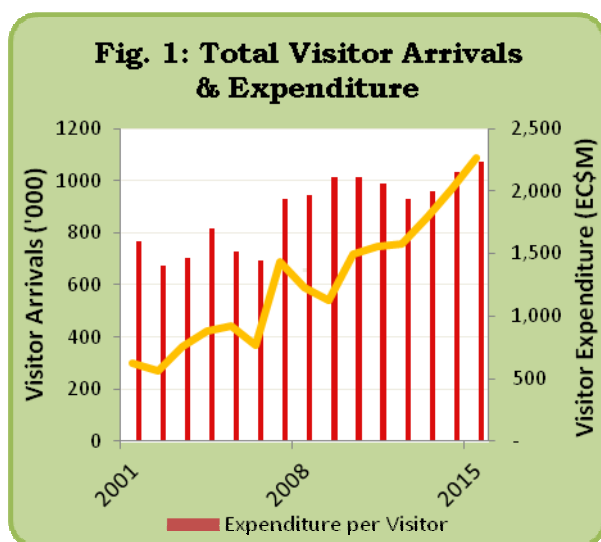
The financial sector continued to face several challenges including declines in commercial bank credit to the private sector, high non-performing loans and threats of loss of international correspondence banking relationships. Despite a reduction in the minimum savings deposit rates from 3.0 percent to 2.0 percent, commercial bank credit to the private sector continued to fall, declining by 6.8 percent in 2015. In particular credit to businesses plummeted by 13.9 percent as commercial banks continued to maintain tight lending standards in response to the

high default rate on loans. Monetary liabilities expanded at an accelerated rate of 5.8 percent mainly influenced by increases in foreign currency deposits. Liquidity continued to ease as deposits accelerated while lending fell.

## B. Real Sector Developments

### TOURISM

A confluence of mitigating factors resulted in estimates of value added in the hotel and restaurant sector being flat in 2015. Although the sector benefited from increased numbers of total visitor arrivals, estimates of lower stay-over arrivals residing in paid accommodation and compositional changes in stay-overs arrivals reduced the average length of stay and mitigated otherwise positive sector performances.



### Stay-over Arrivals

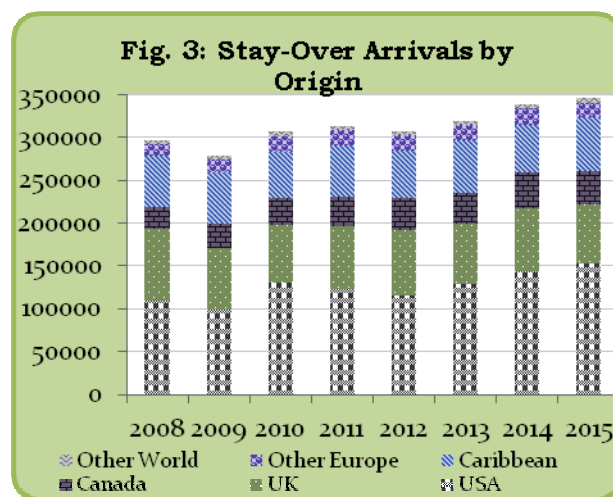
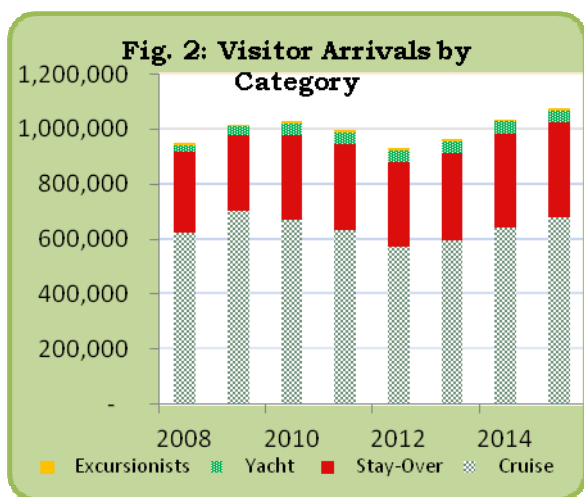
Saint Lucia, for the first time, surpassed the one million mark in the combined number of stay-over and cruise ship passengers. Stay-over arrivals increased by 2.0 percent to 344,908, representing another improved performance in this category of visitors. This development was largely attributable to a record number of visitors from the United States (US) coupled with the largest rate of increase from the Caribbean market. Mitigating these developments was an 8.7 per cent decline in the

number of arrivals from the European market. Further evidence of the continued favorable performance of the industry is supported by the creation of jobs in the industry in 2015 based on the results of the labour force survey for 2015.

### Other Arrivals

The Caribbean, the third largest source market, recorded its highest number of stay-over arrivals over the past nine years (62,745 visitors), as well as the largest growth rate of 13.1 percent over the past decade. This represents a reversal from the mild performance in recent years. This performance was primarily driven by strong growth in arrivals from the French West Indies (Martinique and Guadeloupe). Arrivals from the French West Indies increased by 55.3 percent in the first half of the year, with the second quarter registering the largest growth rate of 61.8 percent. The CARICOM market also registered a 6.6 percent increase in stay-over arrivals in 2015. This strong outturn in stay-over arrivals is reflective of intensified target

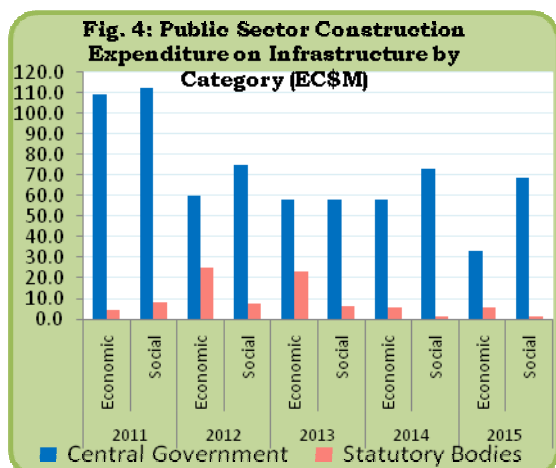
marketing efforts by the Saint Lucia Tourist Board and the Ministry of Tourism in the leading source markets (Trinidad and Martinique) and the hosting of special events in Saint Lucia.



## CONSTRUCTION

After declining for three consecutive years, value added in the construction sector expanded by 7.4 percent in 2015. Consequently the share of the sector to total GDP increased from 7.4 percent in 2014 to 7.8 percent in 2015. Tangible evidence of the strong recovery in the sector was supported by a net increase of 3,039 jobs created in the sector in the fourth quarter of 2015. This improved performance was driven by investments in the private sector which was reflected in the construction and upgrading of commercial and hotel properties. Tempering the heightened activity in the sector was lower levels of central government construction spending which fell by 22.3 per cent in the review period.

### Public Sector Construction



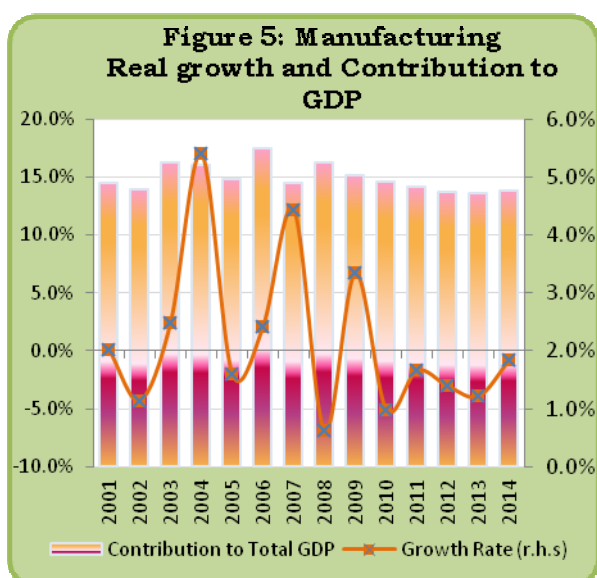
Preliminary data indicate that total expenditure on construction activity by the public sector declined in 2015 by 20.4 per cent to \$109.8 million. Of this amount central government construction expenditure accounted for \$101.8 million which represents a decline of 22.3 percent from the previous year. Construction expenditure by the central government on all major functional classifications declined except water, community works, education and sports.

## Private Sector Construction

Activity in the private sector recovered noticeably, evidenced by increased construction activity on major commercial and tourism related projects. Construction work intensified on the Dayana Commercial Centre during 2015 while work commenced on the Unicomer building at Marisule.

During 2015 work continued on the construction of the Harbour Club, a 115 room four star hotel located in Rodney Bay. Meanwhile, construction commenced on the Royalton, a 450 room, US\$120 million five star resort located at Cap Estate. Upon completion, this resort will include a main building, 10 smaller buildings, swimming pools and a convention Centre.

Activity continued on other tourism related projects namely the Tides Sugar Beach Resort and Bouchan Resort both located in Soufriere. There was also expansion work undertaken at the Windjammer Resort and Sandals Grande.



## MANUFACTURING

Value added in the manufacturing sector is estimated to have grown in 2015 following five consecutive years of contraction. This development is consistent with the sector being positively influenced by increased demand for food based products in the US market and spillover effects of positive domestic economic growth. Further supporting this estimate of positive growth was an increased level of manufactured exports, particularly to the United States.

The growth of manufactured exports was however tempered by export declines to Trinidad and Tobago and Guyana which were consistent with a deceleration of economic activity in those markets.

## Production

The total value of output of manufactured products is estimated to have grown in 2015 by 2.4 percent to an estimated \$280.2 million. This increase was due primarily to an expansion in the production of food products and commercial packages of 13.2 percent and 10.8 percent respectively. Tempering this expansion were declines in the production of beverages 0.9 per cent, furniture 4.5 per cent and chemicals 4.2 per cent. The growth in manufactured food production reflects higher levels of dairy and bakery production in addition to production of

other processed foods. Complementing the expansion in food production was growth in production of paper and paper products whose 10.9 per cent growth reflected higher production of both toilet papers and paper containers which is consistent with a turnaround, albeit on a small scale, in domestic economic activity.

Improved performances were also observed in the production of plastics and electrical products. Growth in the plastic category, which consists of production of plastic bottles and bags grew by 14.5 per cent while growth of 22.1 percent in electrical products mirrors an uptick in international orders.

The beverage sub-sector marks the fourth consecutive decline in output in 2015 which is attributable to plant and equipment deficiencies of a major producer in the sub-sector. Furniture production also declined following strong growth in 2014

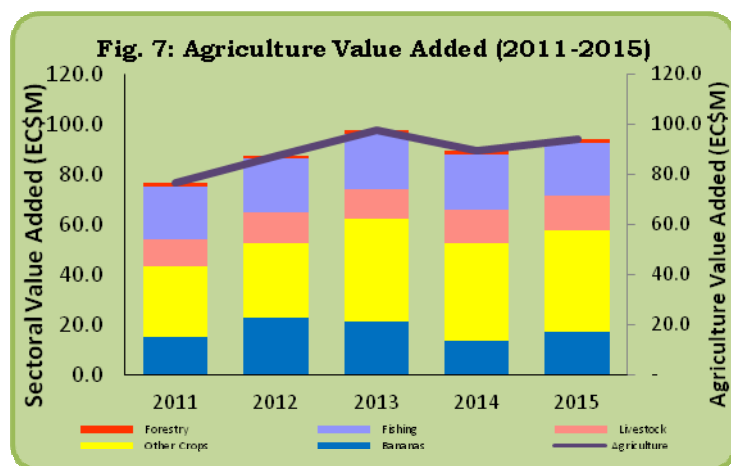
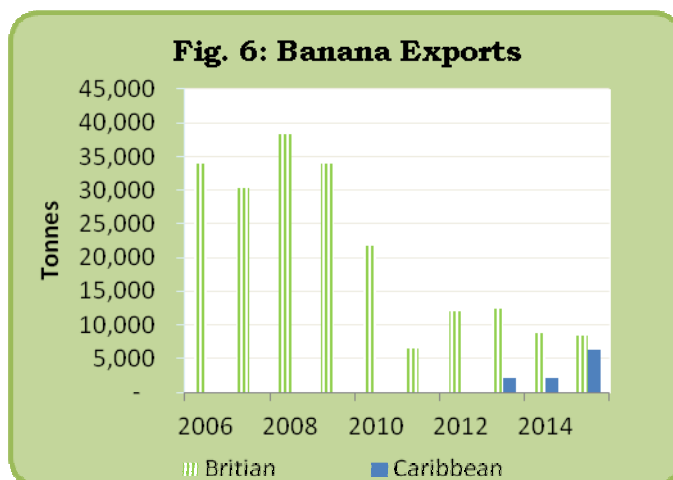
## AGRICULTURE

The agriculture sector showed signs of recovery in 2015 with most subsectors recording increases in production. The incipient turn around in the domestic economy coupled with increased export demand have resulted in higher banana production as well as sales of local agricultural produce such as other crops, pork and eggs.

Value added in the sector was up by an estimated 7.0 percent in 2015. Evidence of the resurgence in the sector was also supported by a net increase of 871 persons employed in the sector during 2015.

### Bananas

After several years of decline, banana exports<sup>1</sup> increased by 35.3 percent to 14,787 tonnes in 2015 compared to a 24.1 percent fall in 2014. While exports to the United Kingdom market fell



<sup>1</sup> This includes exports both to the UK and Caribbean, previous Economic Reviews spoke to UK exports only.

by 5.0 percent to 8,449 tonnes, the volume of exports to the Caribbean region more than doubled to 6,337 tonnes mainly reflecting a dramatic rise in exports to Trinidad and Tobago. Earnings from banana exports increased by 26.2 percent to \$22.4 million supported not only by the larger volumes but also by higher prices per tonne for banana exported to the region. The expansion of banana exports to the Caribbean region augurs well for the future of the industry as this represents a diversification of the market for banana and a source of future growth. However, many challenges faced by the industry over the years still remain and if not addressed could pose a threat to further expansion of production. The industry has benefited from significant investment in the control and management of the Black Sigatoka disease which has contributed to the increase in banana production and exports.

### Other Crops

Production of crops, other than banana, increased appreciably in 2015, evidenced by double digit increases in purchases by local supermarkets and hotels from farmers. Supermarket purchases of root crops, fruits and vegetables and condiments increased by 13.0 percent to 3,817 tonnes mainly supported by Consolidated Foods Limited (CFL) Farmer Certification Programme. Under this programme farmers are given assistance in the form of interest free loans as well as a guaranteed domestic market for their produce. In 2015 CFL launched a roots and tubers programme with a view to increasing production of root crops and tubers including introducing the cultivation of white potato in Saint Lucia.

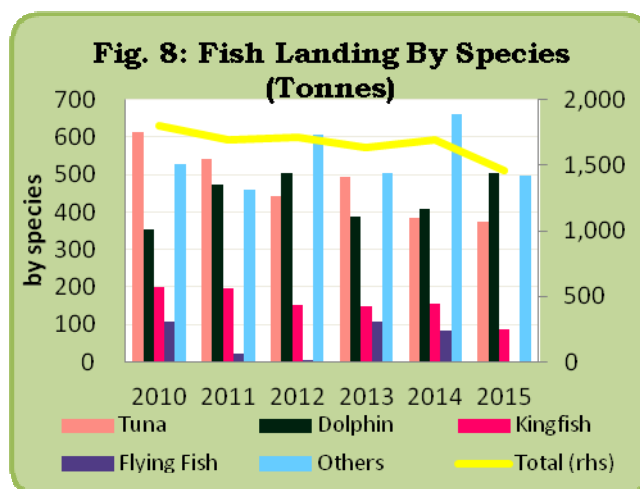
In particular, purchases of fruits increased by 19.2 percent to 732.4 tonnes, vegetables by 6.3 percent to 931.6 tonnes, roots and tubers by 4.3 percent to 281.5 tonnes and condiments by 14.1 percent to 77.2 tonnes.

Crops purchased by hotels from local farmers are estimated to also increase by 11.8 percent to 1,375 tonnes in 2015 in keeping with the increases in stay-over visitors. Total revenue generated is estimated at \$7.4 million representing an increase of 10.2 percent relative to 2014.

### Fisheries

The volume of recorded fish landings fell by 13.6 percent to 1,464 tonnes reflecting significant declines in landings of major pelagic species.

In particular landings of king fish, flying fish and snapper were lower compared to the previous year. However, landing of dolphin and the lion fish was significantly higher. This resulted in a 4.9 percent fall in revenue generated in fish sales in 2015.





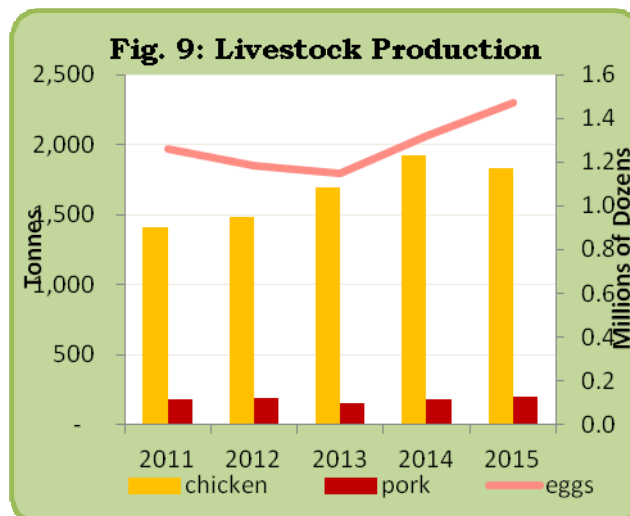
## Livestock

The livestock sub sector recorded mixed performances with increases in production of pork and eggs and a reduction in chicken production. Output of pork rose by 10.8 percent to 198.2 tonnes while revenue generated was up by a similar rate to \$2.7 million. The increase in pork production was mainly as a result of a reduction in the price of feed coupled with increased demand for local pork.

In 2015, egg farmers increased production by 11.7 percent to 1.47 million dozens

driven by additional producers entering the industry. The higher production also reflected a large number of younger birds that peaked earlier in 2015 compared with one year earlier.

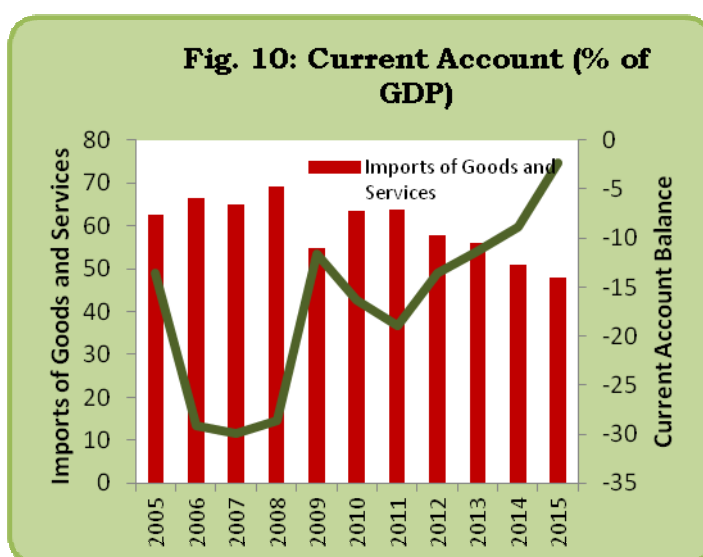
Production of chicken fell by 4.9 percent to 1,831 tonnes. The lower level of production was attributable to an oversupply of locally produced chicken in 2014 which resulted in farmers scaling back on production in 2015 as a result of uncertainty in the market.



## C. Balance of Payments

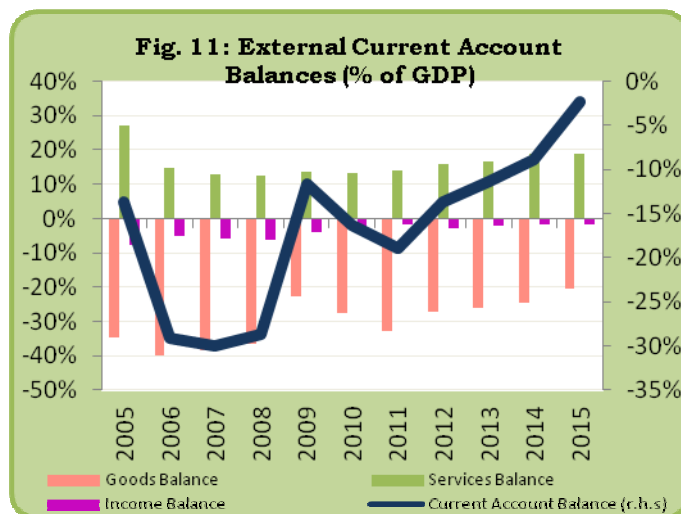
### Overall Balance

Preliminary estimates suggest a narrowing of the overall surplus on the balance of payments stemming from significant increases in net outflows on the financial account. The overall surplus fell to \$106.0 million in 2015 from \$180.5 million in 2014 reflecting a reduction in the growth of Saint Lucia's imputed external reserves at the central bank. However, at \$804.9 million at the end of 2015, Saint Lucia's stock of imputed external reserves at the central bank represented over six months of imports.



## Current Account

The current account balance, an indicator of the level of savings of the country, improved significantly, narrowing to a deficit of \$99.2 million in 2015 compared with a deficit of \$332.2 million in 2014. The lower deficit was attributable to a 76.8 percent reduction in the deficit on the goods and services account stemming from reductions in import payments and increases in the value of export of goods.

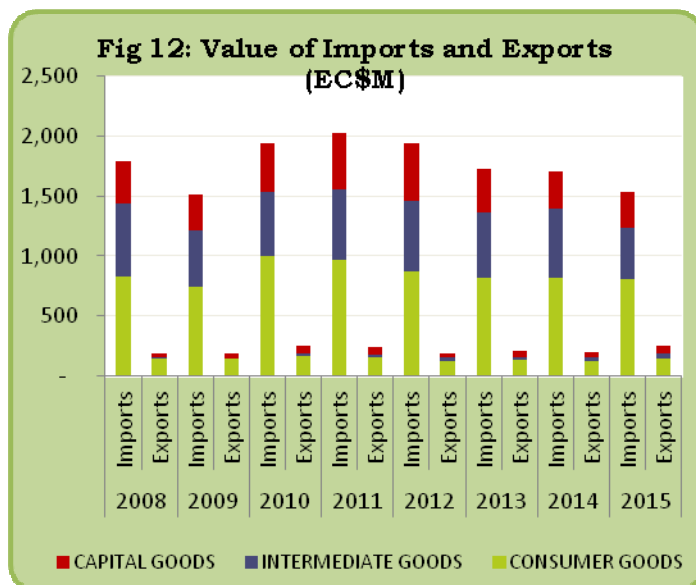


Merchandise import payments fell by 2.3

percent to \$1,539.1 million largely reflecting reductions in the import prices of fuel, which accounts for approximately 15 percent of total imports. In contrast, the value of domestic exports rose by 18.4 percent to \$247.3 million driven by higher exports of agricultural produce, beverages and manufactured goods.

Inflows from services also contributed to the lower current account deficit, albeit to a lesser extent. In particular travel receipts, the largest contributor to the services account, recorded increases consistent with higher spending by visitors in 2015. There were no major developments on the income and current transfers accounts.

## Imports



The value of imports of intermediate goods declined by 8.4 percent attributed to an 18.5 percent decline in the import value of mineral fuel, lubricants and related materials. This was in line with the consistent fall in international crude oil prices over the past year. The lower value of imported capital goods by 7.9 percent was primarily associated with a 98.9 percent drop in miscellaneous capital goods, which consisted largely of postal packages, personal effects, coins and non-monetary gold items.

In contrast, the value of imports of consumer goods increased by 3.7 percent to \$809.4 million (21.0 per cent of GDP) driven mainly by a 10.7 percent rise in imports of miscellaneous manufactured articles, which includes items such as furniture and electrical equipment for homes, schools and offices and garments and clothing accessories.

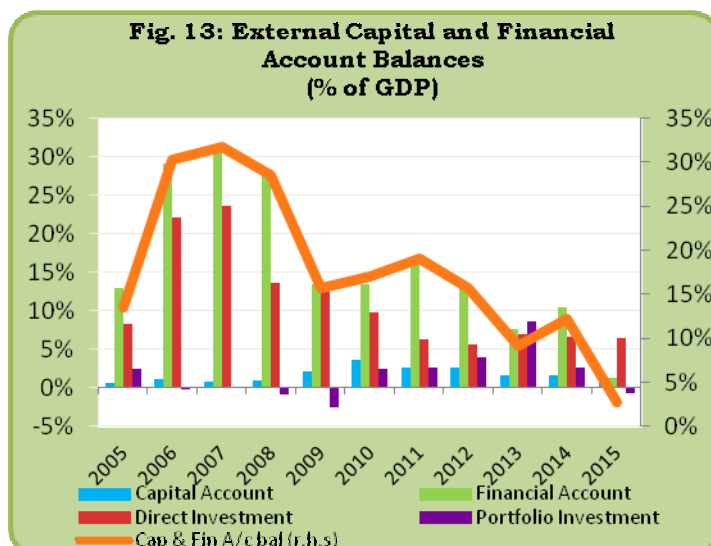
## Exports

The value of domestic exports of consumer goods increased by 14.9 percent to \$148.7 million (3.8 per cent of GDP), which was accredited mainly to higher exports of food and live animals and manufactured goods classified chiefly by materials. Domestic exports of food and live animals expanded by 32.7 percent to \$34.3 million, while exports of manufactured goods classified chiefly by materials grew by 32.5 percent to \$35.6 million, reflecting greater exports in manufacturing items such as paper and electrical supplies. Higher exports were also realized for beer and liquor as export of beverages registered an 8.0 percent hike to \$73.8 million.

Similarly, domestic exports of capital goods are estimated to have increased by 31.5 percent to \$63.0 million attributed to an expansion in the exports of machinery and transport equipment. Total exports, which include re-exports, is estimated to have increased by 23.5 percent to \$424.13 million (11.0 per cent of GDP), attributing mainly to significant increases in re-exports of intermediate goods, particularly crude material, inedible except fuels.

## Capital and Financial Account

The balance on the capital and financial account declined substantially mainly on account of a sharp increase in the outflow of investment funds by commercial banks in 2015. Commercial banks net outflows more than doubled to \$404.1 million as they continued to reduce their buildup of liabilities to creditors outside of the currency union. In addition there was a reversal of investment flows for the public sector resulting in a net outflow of over \$9 million. This reflected the reduction in inflows of long term bonds to the central government in 2015. A similar pattern was also observed for portfolio investments which recorded a net outflow of \$129.0 million in 2015.

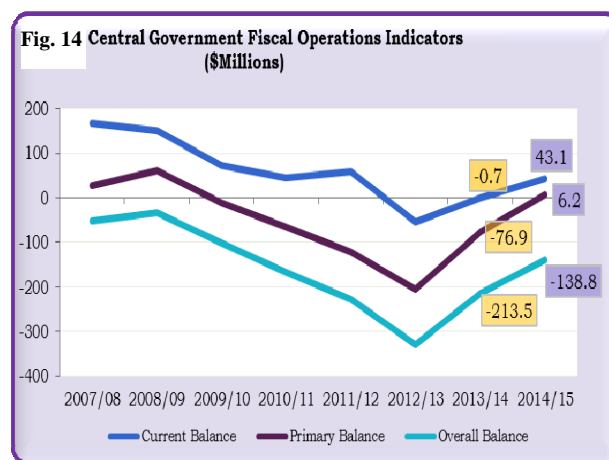


Inflows from foreign direct investment (FDI) recorded an increase in 2015 evidenced by increases in FDI financed construction activity in 2015.

## D. Government Fiscal Performance

Central government's fiscal position continued to improve in 2015/16 consistent with a rebound in domestic economic activity. The improved performance was also supported by the implementation of revenue enhancement measures during the review period. Preliminary estimates suggest that the overall fiscal deficit fell from \$144.9 million or 3.8 percent of GDP in 2014/15 to \$117.0 million or 3.1 percent of GDP in 2015/16.

Similarly, the current account surplus continued to increase in 2015/16 to \$73.8 million due mainly to higher revenue intake. Even with the rise in current expenditures the primary surplus grew to \$45.3 million in 2015/16 from \$3.7 million in 2014/15 on account of current revenue growth exceeding that of expenditures.



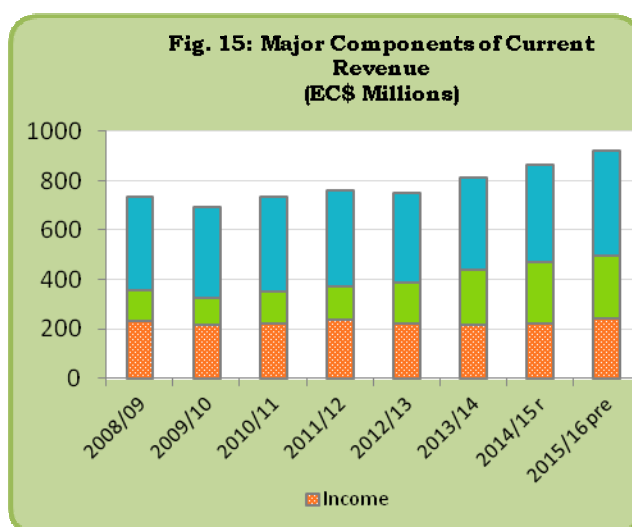
## REVENUE PERFORMANCE

Total revenue and grants is estimated to increase by 9.4 percent to \$1,060.0 million in 2015/16, representing 28.1 percent of GDP. Revenue measures implemented in 2015/16 as follows contributed to the improved revenue performance:

- Increase in customs service charge rate from 5.0 to 6.0 percent, effective July 2015;
- Increase in the fuel surcharge rate from \$0.50 cents per imperial gallon to \$1.00, effective July 2015;
- Adjustments to the structure of the motor vehicle licensing fees, effective September 2015.

### Current Revenue

Current revenue rose by 7.6 percent to \$984.8 million in the year under review with significant improvement from taxes on international trade and transactions.



Receipts from *taxes on trade and transactions* moved from \$393.8 million in 2014/15 to an estimated \$431.7 million in 2015/16. Import duties, value added tax (VAT), service charge and excise tax from fuel and other imports were major contributors to this tax category. Of note, is a 14.4 percent increase in revenue from service charge to \$68.9 million, partly reflecting the adjustment in the service charge rate. Travel tax collections is estimated to grow in 2015/16 benefitting from the sustained performance of the stay over arrivals nonetheless receipts from airport tax declined in the review period.

The impact of the other revenue measures was reflected in the increased revenue receipts from *taxes on goods and services* rising by an estimated 3.7 percent to \$254.5 million in 2015/16. Fuel surcharge, which is the charge levied on fuel purchased by LUCELEC, increased to \$15.8 million reflecting the upward rate adjustment coupled with the increase in electricity consumption. Revenue collections from licensing fees are also estimated to rise with the adjustment of motor vehicle license rates in 2015. However, receipts from VAT on domestic goods have leveled off during the review period, inching up by 0.3 percent to \$183.9 million. Additional revenue of \$17.4 million was collected from *taxes on income*, attributable largely to collections from individual income tax, corporations and arrears. Greater efficiency gains by the Inland Revenue Department have contributed to the estimated 32.8 percent increase in collections of tax arrears to \$43.6 million. The trend in the growth of individual income tax, the largest contributor to this tax category, remained strong in 2015/16 given the higher receipts of 4.4 percent to \$104.9 million, supported by increases in employment. However, receipts from withholding tax is estimated to have weakened moderately relative to 2014/15.

### **Non-Tax Revenue**

A rebound in the collections of non-tax revenue to \$51.1 million following a two year decline was influenced by increases in collections of fees, fines and sales and interest and rents. This performance is due in part to one off receipts to the government.

## **EXPENDITURE PERFORMANCE**

After two consecutive years of expenditure containment, central government's total expenditure rose by 5.7 percent in 2015/16, influenced by increases in all major expenditure lines. Total expenditure increased to an estimated \$1,177.0 million or 31.2 percent of GDP.

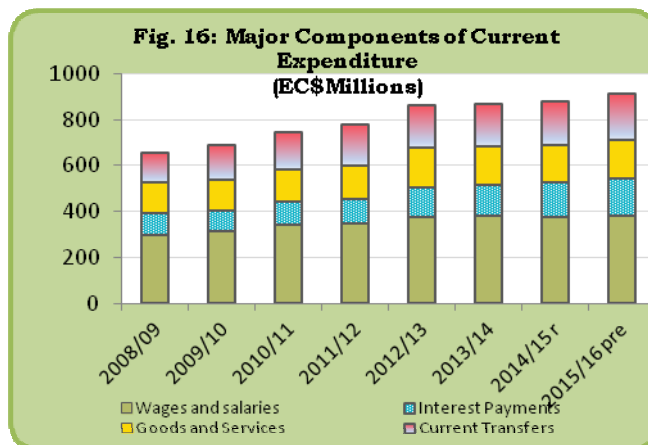
### **Current Expenditure**

Current expenditure is estimated to rise by 3.6 percent to \$911.0 million driven by a significant increase in interest payments and growth in spending on current transfers.

Expenditure on current transfers, which includes transfers and subsidies to major statutory bodies, rose noticeably in 2015/16. Specifically, transfers to the public sector grew by 10.8 percent to \$197.3 million largely reflecting a one-off transfer to a statutory body. Central government's spending on retirement benefits also expanded, largely influenced by the rise in the number of retirees.

Interest expense was up by 9.2 percent to \$162.3 million as the debt stock continued to rise albeit at a slower pace as the maturity profile of debt instruments shortened.

Salaries and wages, the largest contributor to current expenditure, remained relatively stable over the last three years into 2015/16 reflecting agreements for a wage freeze between the government and trade unions. Expenditure on salaries and wages increased in 2015/16 by 0.8 percent to \$381.7 million. Spending on goods and services, with the exception of utilities, also grew mainly on account of higher outlays on supplies and materials and communication expenses.



## Capital Expenditure

Capital expenditure increased by 13.4 percent to an estimated \$266.1 million largely reflecting investment in the maintenance and reconstruction of Saint Lucia's infrastructure. Significant outlays were invested in the reconstruction of the St Jude's Hospital and various community based projects under the Constituency Development programme. Over the last three fiscal years there has been a noticeable decline in bond funded projects and a shift towards grant and loan funded activities.

Tourism Marketing Promotion	\$36.35
St. Jude's Hospital Reconstruction Project	\$16.30
National Initiative to Create Employment - NICE	\$20.82
Constituency Development Programme	\$20.01
Basic Education Enhancement Project (BEEP)	\$18.10

Land Acquisition	\$13.00
Finance Administrative Complex	\$7.43
Disaster Vulnerability Reduction Project-DVRP	\$8.37
Choiseul Road Rehabilitation	\$2.75
Anse Ger/Desruisseax Road Rehabilitation	\$2.56
Disaster Recovery Programme	\$7.59
Independence City Road Rehabilitation	\$3.20
Catastrophe Risk Insurance	\$3.51
Short Term Employment Programme (Uplifting People) STEP UP	\$3.21

## Financing

During the 2015/16 fiscal year the government was able to raise \$220.7 million in new financing to finance the budget, representing 63.7 percent of the approved budget for debt financing. Of the amount raised, \$120.4 million was in treasury bills, \$58.8 million was in bonds and \$41.5 million in loans. Reflecting the shift in market appetite for shorter term securities, there was an over subscription of treasury bills by \$54.6 million. However, there were shortfalls in the volume of funds raised for the longer term bond instruments in the order of \$130.2 million demonstrating a clear shift away from this tenure of government securities. The Regional Government Securities Market remained the primary source of government financing while private placements was a secondary source of financing in 2015/16.

<b>Table 3: Financing 2015/16</b>			
	<b>Approved Budget 2015/16 (EC\$M)</b>	<b>Actual Amount Raised (EC\$M)</b>	<b>Variance (EC\$M)</b>
<b>NEW</b>			
<b>Loans</b>	91.4	41.5	-49.9
<b>Bonds</b>	189	58.8	-130.2
<b>Treasury Bills</b>	65.8	120.35	54.55
<b>Subtotal</b>	<b>346.2</b>	<b>220.65</b>	<b>-125.55</b>
<b>ROLLOVERS</b>			
<b>Bonds</b>	261	261	0
<b>Treasury Bills</b>	341.1	341.1	0
<b>Sub Total</b>	<b>602.1</b>	<b>602.1</b>	<b>0</b>
<b>Grand Total</b>	<b>948.3</b>	<b>822.75</b>	<b>-125.55</b>

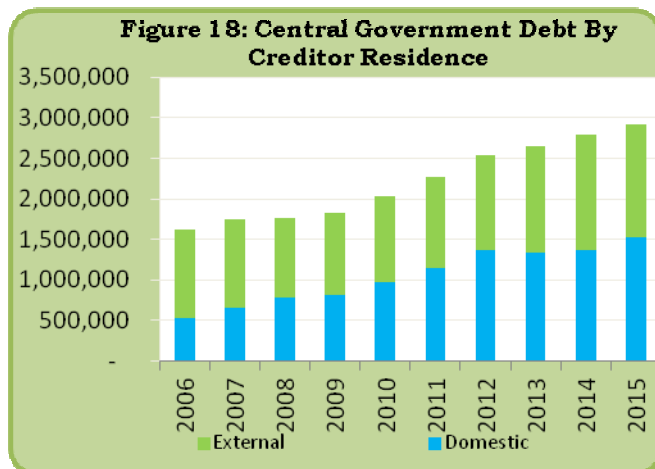


## V. DEBT ANALYSIS

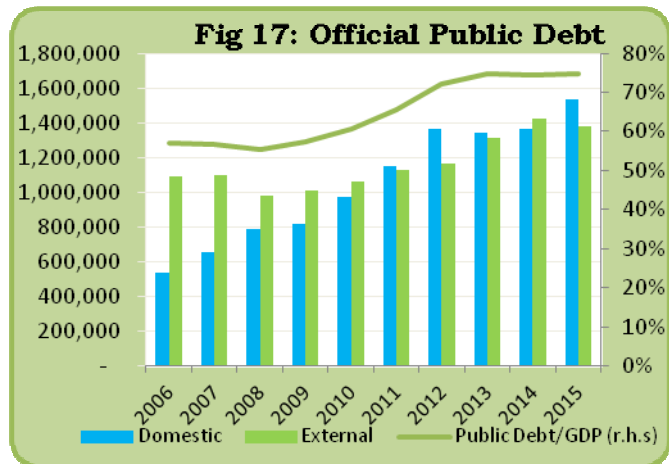
Mirroring the gap between government revenue and expenditure, the stock of public debt increased by 4.5 percent to \$2,912.9 million in 2015. This represents a debt to GDP ratio of 75.4 percent compared to 74.5 percent at the end of 2014. The pace of expansion in the debt stock during the review period was slower than the average growth of 8.9 per cent in the preceding 5 years. This slow down in the growth of the debt is associated with

the tightening financing conditions coupled with the lower overall fiscal deficit. Outstanding payables decreased by 4.0 percent to \$23.0 million at the end of 2015.

Central Government debt, which accounts for 96.2 percent of public sector outstanding liabilities, grew by 5.1 percent to \$2,802.2 million in 2015, below historical 10 year average growth of 8.2 percent. The repayment of \$63.5 million to a bilateral bond holder during the year contributed to the slower rate of increase. Government guaranteed and non guaranteed debt have remained stable in recent years and recorded declines of -1.2 percent and -19.9 percent respectively in the review period.



Historically, public debt was held largely by external creditors. During the period 2011 to 2014, central government debt was held equally between domestic and external creditors. However at the end of 2015, the share of central government debt held by domestic creditors accounted for 52.6 percent while the share held by external creditors accounted for remaining 47.4 percent.

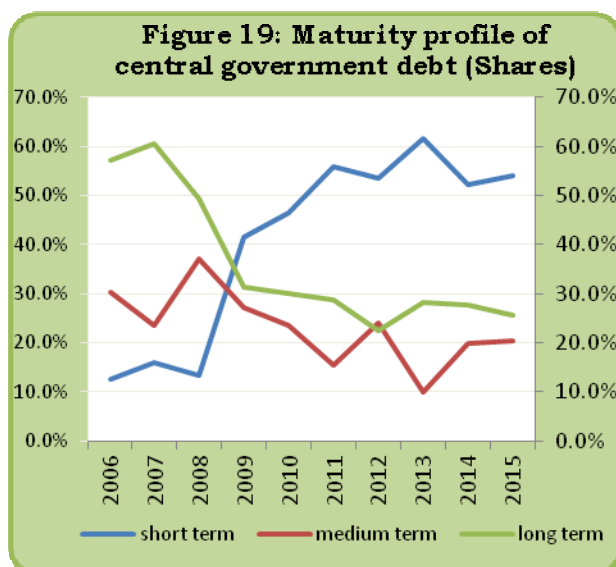


A revision to the Finance Administration Act in 2015 increased the treasury bill limit to 50.0 percent of the previous year's current revenue from 40.0 percent. Accordingly, at the end of

2015, the stock of treasury bills amounted to \$458.0 million from \$305.9 million in 2014 representing a net increase of \$152.1 million in treasury bills.

As a ratio of the previous year's current revenue the 2015 stock of treasury bills increased to 50.6 percent compared to 35.4 percent one year earlier. A review of the maturity profile of the stock of treasury bills shows that 34.6 percent or \$158.5 million of the instruments matures within 365 days, 55.1 percent or \$252.5 million matures within 180 days and 10.3 percent or \$47.0 million matures within 91 days. Domestic creditors held 54.8 percent or \$250.8 million of the treasury bills.

Bonds accounted for 40.4 percent of Saint Lucia's public debt at the end of 2015 in comparison to 42.8 percent in 2014. The remainder of central government debt was held in treasury bills and notes (27.8 percent) and loans (31.8 percent).



The RGSM remains the largest market for Saint Lucia's issued sovereign debt instruments, accounting for 35.5 percent or \$996.0 million of total central government debt. Of that amount, treasury bills issued on the RGSM amounted to \$110.7 million while bonds issued on the RGSM amounted to \$734.8 million. Bilateral and multilateral debt accounted for one quarter or \$690.7 million of total central government debt, of which the Caribbean Development Bank remains the largest creditor. The remaining three quarters of the country's debt instruments were issued on

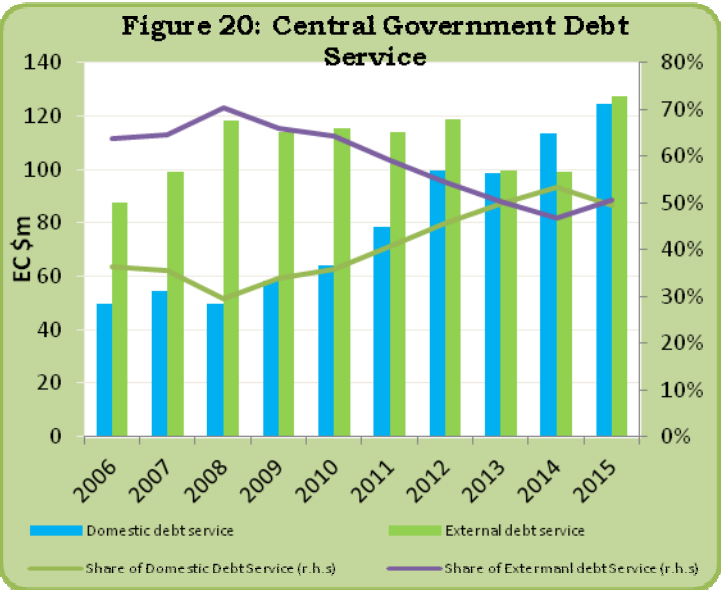
commercial terms.

From 2008, the share of short term<sup>2</sup> central government debt has been increasing while the share of long term debt has remained relatively stable. At the end of 2015, the share of central government debt held in short term instruments increased to 53.4 percent (\$1,497.1 million) from 52.4 percent (\$1,395.8 million) in 2014. Both the share of long term and medium term debt remained relatively unchanged over the period reflecting the fall in medium and long term borrowing in recent years. The share of medium term debt with a maturity of 5 to 10 years moved from 19.9 percent (\$529.4 million) in 2014 to 20.3 percent (\$567.8 million) in 2015. Similarly the share of long term debt with maturity over 10 years fell from 27.8 percent (\$740.40 million) in 2014 to 26.3 percent (\$737.4 million) in 2015.

<sup>2</sup> Short term debt refers to debt which matures within the next 5 years

Table 4: Weighted Average Cost of Debt									
	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Bonds</b>	7.25%	7.17%	7.26%	7.20%	7.26%	7.00%	7.03%	7.07%	6.81%
<b>Loans</b>	4.85%	4.24%	3.86%	3.49%	2.79%	3.46%	3.12%	3.16%	3.10%
<b>Treasury Bills</b>	4.30%	5.73%	5.04%	5.48%	5.45%	5.05%	4.80%	4.93%	4.55%
<b>WACD</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>	<b>5.49%</b>	<b>5.52%</b>	<b>5.28%</b>

The weighted average cost of debt declined from 5.52 percent in 2014 to 5.28 percent in 2015 driven by the larger weight of treasury bills in the portfolio. While there were higher interest rates paid for some treasury bills, the lowering of the minimum saving rate to 2.0 percent on commercial banks deposits contributed to the lower interest rates being paid on most treasury bills. The weighted average interest rate on bonds also fell partly because bonds now account for a smaller share of the portfolio.



Reflective of government’s continued reliance on short term debt instruments, net debt service payments at the end of 2015 increased by 18.2 percent to \$251.7 million. Interest payments increased by 1.3 percent to \$148.6 million while principal repayments soared by 158.2 percent to \$105.5 million in 2015. The total debt service to current revenue jumped to 26.4 percent in 2015 from 23.5 percent in 2014. The ratio of external debt service to exports of goods and services climbed

to 7.1 percent in 2015 from 5.8 percent in the previous year.

**Table 5: Cost/Risk Indicators of Central Government Debt as at March 2016**

Risk Indicators		External debt	Domestic debt	Total debt
Amount (in millions of XCD)		691.0	2,130.2	2,821.2
Amount (in millions of USD)		255.9	789.0	1,044.9
Nominal debt as % GDP		17.8	55.0	72.8
PV as % of GDP		14.4	55.0	69.3
<b>Cost of debt</b>	Interest payment as % GDP	0.4	3.5	3.9
	Weighted Av. IR (%)	2.2	6.3	5.3
<b>Refinancing risk</b>	Average Time to Maturity (years)	9.6	3.4	4.9
	Debt maturing in 1yr (% of total)	7.3	35.1	28.3
	Debt maturing in 1yr (% of GDP)	1.3	19.3	20.6
<b>Interest rate risk</b>	Average Time to Refix (years)	3.8	3.4	3.5
	Debt refixing in 1yr (% of total)	53.6	35.1	39.7
	Fixed rate debt (% of total)	51.8	100.0	88.2
<b>Foreign Exchange Rate risk</b>	FX debt (% of total debt)			24.5
	ST FX debt (% of reserves)			6.3

**Table 6: Debt Indicator Series**

Debt Indicators	2010r	2011r	2012r	2013 r	2014 (r)	2015 (pre)
<b>CG Debt/GDP</b>	54.5%	60.2%	67.5%	70.1%	71.2%	72.8%
<b>Public Debt/GDP</b>	60.6%	65.7%	72.2%	74.6%	74.5%	75.4%
<b>Debt Service/Current Revenue</b>	23.0%	23.0%	26.9%	22.8%	23.3%	25.9%
Domestic Debt Service/Current Revenue	8.1%	9.4%	12.3%	11.4%	12.4%	12.9%
External Debt Service /Current Revenue	14.6%	13.6%	14.6%	11.5%	10.9%	13.0%
<b>Total Debt Service/Exports</b>	72.6%	80.5%	115.0%	95.0%	102.4%	103.0%
<b>Millions of EC Dollars</b>						
<b>Debt Service (Calendar Year)</b>	181	192	218	198	214	255
<b>GDP(MKT PRICES)</b>	3,359	3458	3507	3559	3743	3864

*r. revised*

*pre. Preliminary*

**Legal Limits**

The legal borrowing limit for treasury bills at any point in time shall not exceed 50 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\$55.0 million from domestic commercial banks.

## VI. CURRENT ISSUES OF GOVERNMENT SECURITIES (RGSM)

Trading Symbol	Date of Issue	Tenor	Issue Amount EC\$	Amount Raised EC\$	Total Subscriptions	No. of Bids made	No. of Bids accepted	Coupon Rate
<b>Treasury Bills</b>								
LCB290816	28/6/2016	91 days	16,000,000	21,000,000	24,600,000	19	19	6.000
LCB060916	7/6/2016	91 days	11,000,000	16,000,000	23,353,000	22	12	4.000
LCB161016	19/4/2016	180 days	20,000,000	23,676,000	42,371,000	29	12	3.000
LCB190716	1/21/2016	180 days	25,000,000	25,000,000	36,118,000	22	14	6.000
LCB261216	29/06/2016	180 days	20,000,000	25,000,000	38,943,000	25	10	3.900
<b>Treasury Bonds</b>								
FLN010916	9/1/2014	2 years	27,000,000	32,400,000	34,055,100	11	11	4.500
LCN291016	10/29/2012	4 years	60,000,000	60,000,000	60,000,000	29	29	6.000
FLN031220	12/2/2015	5 years	10,800,000	10,800,000	10,800,000	5	5	6.800
LCN041220	12/3/2015	5 years	25,000,000	33,783,000	33,783,000	28	28	6.789
LCN250819	8/25/2014	5 years	15,000,000	17,885,000	17,885,000	19	19	6.000
FLG061221	12/22/2015	6 years	24,300,000	19,380,600	19,380,600	10	10	7.250
LCG060219	2/28/2013	6 years	25,000,000	25,000,000	25,000,000	17	17	6.750
LCG061019	10/18/2013	6 years	40,000,000	40,000,000	40,020,000	27	27	7.000
FLC060222	18/2/2016	6 years	10,000,000	15,526,000	15,526,000	32	32	7.000
LCG071019	10/1/2012	7 years	40,000,000	40,000,000	40,000,000	26	26	7.000
LCG070320	3/28/2013	7 years	12,000,000	17,000,000	17,861,000	21	15	7.000
LCG0318AA	3/30/2010	8 years	35,000,000	31,335,000	31,335,000	31	31	7.500
LCG080718	7/30/2010	8 years	50,000,000	47,711,000	47,711,000	8	8	7.500
LCG080320	3/5/2012	8 years	50,000,000	50,000,000	54,583,000	12	12	7.100
LCG080721	7/11/2013	8 years	30,000,000	30,000,000	30,011,000	17	17	7.100
LCN301020	10/30/2015	5 years	15,000,000	15,785,000	15,785,000	10	10	6.500
LCG100226	2/1/2016	10 years	25,000,000	25,000,000	25,000,000	20	20	7.500
LCG100816	8/31/2006	10 years	75,000,000	50,000,000	50,000,000	19	19	7.400
FLG101017	10/10/2007	10 years	18,900,000	18,900,000	18,927,000	2	1	7.750
LCG101017	10/11/2007	10 years	31,000,000	31,000,000	31,521,000	4	1	7.500
LCG101117	11/21/2007	10 years	30,000,000	30,000,000	30,426,000	7	7	7.500
LCG100118	1/18/2008	10 years	16,000,000	16,000,000	16,110,000	3	1	7.500
LCG100718	7/31/2008	10 years	70,000,000	70,000,000	73,570,000	10	10	7.500
LCG100322	3/19/2012	10 years	20,000,000	20,000,000	25,381,000	23	23	7.400
LCG101222	12/17/2012	10 years	25,000,000	25,000,000	25,000,000	7	7	7.500
LCG100223	2/7/2013	10 years	15,000,000	15,000,000	15,022,000	9	9	7.500
LCG100524	5/20/2014	10 years	28,000,000	29,000,000	29,000,000	5	5	7.500
LCG101124	11/19/2014	10 years	30,000,000	35,000,000	35,018,000	7	7	7.500
LCG100226	2/2/2016	10 years	18,286,000	18,286,000	18,286,000	20	20	7.500
LCG100226	2/2/2016	10 years	17,000,000	18,300,000	18,300,000	20	20	7.500
LCG150729	7/23/2014	15 Years	50,000,000	50,000,000	50,000,000	4	4	7.950

*\*figures as at 30<sup>th</sup> June 2016*

## Secondary Market Activities on ECSE

### ANNUAL DATA

#### GOVERNMENT SECURITIES

\*Value of Trades on the secondary market (ECSE platform only) - EC\$

Sum of Value									
Country	2009	2010	2011	2012	2013	2014	2015	2016	Grand Total
Antigua & Barbuda	170,825	2,977,637	7,955,628				308,650		11,412,741
Grenada			1,486,531			747,966			2,234,497
Saint Lucia	7,733,147	8,088,125	4,918,314	506,811	10,326,306	20,624,671	681,854	848,010	53,727,238
St Kitts & Nevis	1,875,769	54,554		91,835					2,022,158
St Vincent & the Grenadines	6,402,654	1,288,074		69,679					7,760,407
Dominica								100,633	100,633
Grand Total	16,182,395	12,408,390	14,360,473	668,325	10,326,306	21,372,637	990,504	948,642	77,257,673

\*Figures as at March 2016

### Debt Rating and Debt Servicing

The GOSL has been publicly rated by the Caribbean Information and Credit Rating Services Ltd. (CariCRIS). On 14<sup>th</sup> June 2016 the regional rating agency reaffirmed its ratings of **Caribbean BBB** (Foreign Currency and Local Currency Ratings) on its regional rating scale on the debt issues (US \$38 million, US \$50 million, EC \$140 million, EC \$404.5 million, EC \$404.4 million and EC \$189 million) of the Government of Saint Lucia with a stable outlook. These ratings indicate that the level of creditworthiness of these obligations, adjudged in relation to other obligations in the Caribbean is adequate.

Section 42(1) of the Finance (Administration) Act makes provision for the Government's debt to be charged upon and paid out of the Consolidated Fund. The Government of Saint Lucia makes its debt servicing a first priority out of the said fund.

## VII. SECURITY ISSUANCE PROCEDURES, CLEARANCE AND SETTLEMENT

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

The ECSE, through the Eastern Caribbean Central Securities Depository (ECCSD), 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 in 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.

#### **LIST OF APPENDICIES**

- X. List of Licensed Intermediaries
- XI. GDP Economic Activity at Factor Cost – Constant Prices
- XII. Balance of Payments
- XIII. Central Government Fiscal Operations as ratio of GDP
- XIV. Summary of Central Government Fiscal Operations- Economic Classification
- XV. Public Sector Outstanding Debt
- XVI. Central Government Outstanding Liabilities by Class of Holder and Term of Instrument
- XVII. Population and Demographic Indicators
- XVIII. Budget Information 2016/2017



## APPENDIX 1: LIST OF LICENSED INTERMEDIARIES

Territory	Institution	Name of Licensee	Type of License
GRENADA	Grenada Co-operative Bank Ltd	Aaron Logie	Principal
		Carla Sylvester	Representative
		Keisha Greenidge	Representative
ST KITTS AND NEVIS	St Kitts-Nevis-Anguilla National Bank Ltd	Winston Hutchinson	Principal
		Anthony Galloway	Principal
		Angelica Lewis	Representative
		Marlene Nisbett	Representative
		Petronella Crooke	Representative
	The Bank of Nevis Ltd	Kelva Merchant	Principal
		Brian Carey	Principal
		Lisa Jones-Herbert	Representative
		Judy Claxton	Representative
SAINT LUCIA	ECFH Global Investment Solutions Ltd	Medford Francis	Principal
		Lawrence Jean	Principal
		Deesha Lewis	Representative
	First Citizens Investment Services Ltd	Carole Eleuthere-JnMarie	Principal
		Samuel Agiste	Representative
		Shaka St Ange	Representative
ST VINCENT AND THE GRENADINES	Bank of St Vincent and the Grenadines Ltd	Monifa Latham	Principal
		Patricia John	Representative
		Laurent Hadley	Representative
		Chez Quow	Representative

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

<b>(REBASED) GROSS DOMESTIC PRODUCT PRODUCTION APPROACH IN NOMINAL PRICES (EC\$ MILLIONS)</b>								
<b>Economic Activity</b>	<b>2008r</b>	<b>2009r</b>	<b>2010r</b>	<b>2011r</b>	<b>2012r</b>	<b>2013r</b>	<b>2014r</b>	<b>2015pre</b>
<b>Agriculture, Livestock, Forest</b>	<b>119.58</b>	<b>114.64</b>	<b>85.29</b>	<b>76.61</b>	<b>87.56</b>	<b>97.51</b>	<b>89.41</b>	<b>93.93</b>
Bananas	58.46	52.70	29.72	15.26	22.67	21.05	13.35	17.15
Other Crops	28.35	28.39	22.66	27.90	29.81	41.28	39.09	40.44
Livestock	10.03	10.53	10.87	10.84	12.04	11.65	13.18	13.68
Fishing	20.28	20.52	20.73	21.15	21.57	22.05	22.31	21.16
Forestry	2.46	2.50	1.32	1.46	1.46	1.48	1.48	1.50
<b>Mining and Quarrying</b>	<b>7.22</b>	<b>7.06</b>	<b>6.99</b>	<b>6.95</b>	<b>7.17</b>	<b>6.91</b>	<b>6.31</b>	<b>6.01</b>
<b>Manufacturing</b>	<b>120.46</b>	<b>108.13</b>	<b>103.53</b>	<b>110.89</b>	<b>107.53</b>	<b>94.42</b>	<b>89.19</b>	<b>91.70</b>
<b>Construction</b>	<b>255.53</b>	<b>249.77</b>	<b>231.98</b>	<b>238.32</b>	<b>232.17</b>	<b>202.26</b>	<b>175.87</b>	<b>188.24</b>
<b>Electricity and Water</b>	<b>103.00</b>	<b>115.82</b>	<b>118.11</b>	<b>113.44</b>	<b>120.48</b>	<b>140.46</b>	<b>144.52</b>	<b>150.35</b>
Electricity	90.22	98.49	104.02	101.89	107.17	108.79	109.22	112.31
Water	12.78	17.33	14.09	11.55	13.31	31.67	35.30	38.04
<b>Distributive Trade Services</b>	<b>249.63</b>	<b>218.97</b>	<b>219.38</b>	<b>267.94</b>	<b>259.98</b>	<b>237.32</b>	<b>239.42</b>	<b>236.95</b>
<b>Hotels and Restaurants</b>	<b>337.79</b>	<b>334.50</b>	<b>458.18</b>	<b>439.47</b>	<b>464.34</b>	<b>490.80</b>	<b>564.58</b>	<b>591.48</b>
Hotels	279.16	268.34	391.15	374.87	404.34	429.01	506.42	526.26
Restaurants	58.63	66.16	67.03	64.59	60.00	61.79	58.15	65.22
<b>Transport</b>	<b>314.06</b>	<b>294.77</b>	<b>354.92</b>	<b>375.11</b>	<b>369.44</b>	<b>387.32</b>	<b>405.89</b>	<b>400.92</b>
Road Transport	187.06	177.19	231.53	247.42	247.93	268.94	274.97	277.52
Air Transport	17.69	15.24	17.44	18.02	20.14	20.10	21.93	20.70
Sea Transport	43.56	39.69	43.26	44.24	45.35	45.26	48.49	45.34
Auxiliary Transport Activities	65.75	62.65	62.70	65.42	56.02	53.02	60.49	57.36
<b>Communication</b>	<b>184.51</b>	<b>190.78</b>	<b>195.21</b>	<b>182.10</b>	<b>178.37</b>	<b>165.28</b>	<b>160.16</b>	<b>174.82</b>
Postal Activity	2.77	2.86	2.97	2.99	2.95	3.09	2.96	3.15
Courier	1.29	1.11	1.13	1.18	1.13	0.96	1.05	1.28
Telecommunication	180.45	186.82	191.12	177.93	174.30	161.23	156.14	170.40
<b>Financial Intermediation</b>	<b>230.11</b>	<b>211.96</b>	<b>179.32</b>	<b>178.37</b>	<b>173.75</b>	<b>190.25</b>	<b>187.26</b>	<b>199.31</b>
Banking and Auxiliary Financial	191.80	173.27	147.82	146.13	141.19	156.06	154.72	166.37
Insurance	38.31	38.69	31.50	32.24	32.56	34.19	32.53	32.94
<b>Real Estate, Renting and Business</b>	<b>454.51</b>	<b>472.99</b>	<b>488.01</b>	<b>516.71</b>	<b>534.41</b>	<b>514.19</b>	<b>553.53</b>	<b>563.89</b>
Owner Occupied Dwellings	307.24	320.10	311.04	332.79	340.28	309.54	314.06	335.75
Real Estate	58.76	61.66	72.73	75.43	81.29	72.74	103.42	97.88
Renting of Machinery and Equipment	19.94	19.97	22.34	25.58	24.21	21.23	20.40	23.45
Computer and Related Services	3.01	3.15	3.62	4.15	4.94	4.87	5.02	5.15
Business Services	65.56	68.10	78.28	78.76	83.69	105.82	110.64	101.66
<b>Public Administration &amp; Community</b>	<b>166.97</b>	<b>173.52</b>	<b>187.26</b>	<b>203.72</b>	<b>220.05</b>	<b>219.71</b>	<b>229.71</b>	<b>227.70</b>
<b>Education</b>	<b>108.00</b>	<b>118.22</b>	<b>127.32</b>	<b>130.78</b>	<b>128.59</b>	<b>131.78</b>	<b>127.76</b>	<b>136.81</b>
Public	102.17	112.48	120.80	123.87	121.53	125.34	120.97	129.60
Private	5.83	5.74	6.52	6.91	7.06	6.44	6.79	7.21
<b>Health</b>	<b>49.84</b>	<b>52.15</b>	<b>54.00</b>	<b>57.66</b>	<b>60.04</b>	<b>64.86</b>	<b>63.24</b>	<b>64.81</b>
Public	38.55	40.25	41.45	44.53	45.77	50.30	48.34	50.41
Private	11.29	11.90	12.55	13.13	14.27	14.56	14.90	14.40
<b>Other Community, Social and</b>	<b>109.72</b>	<b>128.88</b>	<b>141.29</b>	<b>155.81</b>	<b>155.38</b>	<b>141.43</b>	<b>175.71</b>	<b>175.15</b>
Public	3.77	3.94	9.56	11.22	10.99	11.88	11.74	10.95
Private	102.39	121.25	127.92	140.42	140.29	125.54	160.28	160.37
Private Households with Ent	3.56	3.69	3.81	4.17	4.10	4.01	3.68	3.83
<b>Less FISIM</b>	<b>(70.12)</b>	<b>(68.31)</b>	<b>(58.77)</b>	<b>(59.09)</b>	<b>(54.62)</b>	<b>(60.69)</b>	<b>(64.91)</b>	<b>(72.23)</b>
<b>Gross Value Added @ Basic Price</b>	<b>2,740.80</b>	<b>2,723.84</b>	<b>2,892.05</b>	<b>2,994.78</b>	<b>3,044.66</b>	<b>3,023.81</b>	<b>3,147.64</b>	<b>3,229.83</b>
<b>Plus: Net Taxes on Products</b>	<b>464.30</b>	<b>464.72</b>	<b>461.06</b>	<b>462.90</b>	<b>462.14</b>	<b>534.93</b>	<b>595.07</b>	<b>634.23</b>
<b>Gross Domestic Product @ Market Prices</b>	<b>3,205.10</b>	<b>3,188.56</b>	<b>3,353.11</b>	<b>3,457.68</b>	<b>3,506.80</b>	<b>3,558.74</b>	<b>3,742.71</b>	<b>3,864.07</b>
<b>Rate of GDP Growth</b>	<b>3.2%</b>	<b>-0.5%</b>	<b>5.2%</b>	<b>3.1%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>5.2%</b>	<b>3.2%</b>

Please note that the data reported is as at December 2015

## APPENDIX III: Saint Lucia Balance of Payments

### BALANCE OF PAYMENTS (EC\$ MILLIONS)

	2008	2009	2010	2011r	2012r	2013r	2014pre	2015 pre
<b>CURRENT ACCOUNT</b>	<b>-918.0</b>	<b>-369.2</b>	<b>-547.4</b>	<b>-655.5</b>	<b>-472.7</b>	<b>-395.7</b>	<b>-332.2</b>	<b>-99.2</b>
<b>Goods</b>	<b>-1,167.3</b>	<b>-719.9</b>	<b>-929.1</b>	<b>-1,136.6</b>	<b>-955.6</b>	<b>-933.4</b>	<b>-992.7</b>	<b>-796.8</b>
Merchandise	-1,241.3	-788.4	-994.9	-1,223.5	-1,036.6	-1,003.3	-1,057.0	-867.6
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	74.0	68.5	65.8	86.9	81.0	69.8	64.3	70.8
<b>Services</b>	<b>399.9</b>	<b>439.1</b>	<b>447.0</b>	<b>479.5</b>	<b>556.5</b>	<b>586.7</b>	<b>692.9</b>	<b>727.1</b>
Transportation	-205.1	-151.7	-168.8	-191.7	-172.0	-187.8	-188.7	-172.3
Travel	717.4	673.6	703.5	736.1	798.1	839.1	934.8	949.9
Insurance Services	-31.4	-16.4	-24.1	-27.4	-21.4	-25.3	-24.4	-21.1
Other Business Services	-68.7	-58.5	-57.4	-28.7	-37.9	-32.0	-21.1	-21.5
Government Services	-12.3	-7.9	-6.2	-8.9	-10.2	-7.2	-7.7	-7.9
<b>Income</b>	<b>-194.5</b>	<b>-121.9</b>	<b>-106.8</b>	<b>-53.9</b>	<b>-90.7</b>	<b>-61.8</b>	<b>-61.3</b>	<b>-59.3</b>
Compensation of Employees	0.5	0.5	1.0	1.0	1.0	0.5	0.5	0.5
Investment Income	-195.0	-122.5	-107.8	-54.9	-91.6	-62.3	-61.8	-59.8
<b>Current Transfers</b>	<b>43.8</b>	<b>33.6</b>	<b>41.5</b>	<b>55.5</b>	<b>17.1</b>	<b>12.8</b>	<b>28.8</b>	<b>29.7</b>
General Government	10.5	1.4	4.5	1.5	-3.4	-2.6	-7.9	-8.0
Other Sectors	33.3	32.1	37.0	53.9	20.6	15.3	36.7	37.7
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	<b>914.8</b>	<b>500.7</b>	<b>571.3</b>	<b>659.1</b>	<b>549.0</b>	<b>326.2</b>	<b>454.5</b>	<b>106.8</b>
<b>CAPITAL ACCOUNT</b>	<b>29.4</b>	<b>69.8</b>	<b>118.4</b>	<b>91.7</b>	<b>88.9</b>	<b>55.9</b>	<b>62.3</b>	<b>56.2</b>
Capital Transfers	29.4	69.8	118.4	91.7	88.9	55.9	62.3	56.2
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>885.4</b>	<b>430.9</b>	<b>452.9</b>	<b>567.4</b>	<b>460.2</b>	<b>270.3</b>	<b>392.2</b>	<b>50.7</b>
Direct Investment	435.3	395.3	327.5	218.3	198.6	248.5	244.7	249.8
Portfolio Investment	-25.8	-78.7	82.6	91.4	138.5	304.9	100.1	-29.0
Other Investments	475.9	114.3	42.8	257.7	123.1	-283.1	47.5	-170.1
Public Sector Loans	-25.5	46.6	79.7	3.9	-39.4	-7.7	51.5	-9.6
Commercial Banks	466.2	-11.9	-114.1	210.9	132.0	-38.1	-160.4	-404.1
Other Assets	19.6	55.8	13.0	-3.9	-40.8	-292.3	86.0	160.1
Other Liabilities	15.6	23.8	64.2	46.8	71.4	55.0	70.4	83.5
<b>ERRORS AND OMISSIONS</b>	<b>-26.2</b>	<b>-41.9</b>	<b>61.8</b>	<b>17.6</b>	<b>-31.9</b>	<b>-37.9</b>	<b>58.2</b>	<b>98.4</b>
<b>OVERALL BALANCE</b>	<b>-29.5</b>	<b>89.5</b>	<b>85.7</b>	<b>21.1</b>	<b>44.4</b>	<b>-107.4</b>	<b>180.5</b>	<b>106.0</b>
<b>FINANCING</b>	<b>29.5</b>	<b>-89.5</b>	<b>-85.7</b>	<b>-21.1</b>	<b>-44.4</b>	<b>107.4</b>	<b>-180.5</b>	<b>-106.0</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	-61.7	0.0	0.4	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	63.5
Change in Imputed Reserves	29.5	-27.9	-85.7	-21.6	-44.4	107.4	-180.5	-169.5

Source: Eastern Caribbean Central Bank and Ministry of Finance

e = estimate

r = revised

Please note that the data reported is as at December 2015

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

**SUMMARY OF CENTRAL GOVERNMENT FISCAL OPERATIONS  
AS A PERCENTAGE OF GDP  
ECONOMIC CLASSIFICATION**

	2008/09	2009/10	2010/11r	2011/12r	2012/13r	2013/14r	2014/15pre	2015/16pre
<b>TOTAL REVENUE AND GRANTS</b>	<b>26.0%</b>	<b>25.6%</b>	<b>25.6%</b>	<b>26.0%</b>	<b>25.0%</b>	<b>25.6%</b>	<b>25.7%</b>	<b>28.1%</b>
of which:								
Grants	0.5%	2.1%	2.5%	2.2%	1.8%	1.5%	1.4%	2.0%
Capital revenue	0.2%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
<b>Current Revenue</b>	<b>25.2%</b>	<b>23.5%</b>	<b>23.1%</b>	<b>23.8%</b>	<b>23.0%</b>	<b>24.0%</b>	<b>24.3%</b>	<b>26.1%</b>
<b>Tax Revenue</b>	<b>23.1%</b>	<b>21.7%</b>	<b>21.6%</b>	<b>21.8%</b>	<b>21.5%</b>	<b>22.7%</b>	<b>23.1%</b>	<b>24.7%</b>
of which:								
Taxes on Income	7.3%	6.7%	6.6%	6.9%	6.4%	6.1%	5.9%	6.4%
Taxes on Property	3.9%	3.3%	3.8%	3.8%	4.7%	6.2%	6.5%	6.7%
Taxes on Goods & Services	11.9%	11.5%	11.2%	11.0%	10.4%	10.2%	10.4%	11.3%
Taxes on International Trade	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%	0.3%
<b>Non Tax Revenue</b>	<b>2.1%</b>	<b>1.8%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>1.5%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>1.4%</b>
<b>TOTAL EXPENDITURE</b>	<b>27.0%</b>	<b>28.7%</b>	<b>30.5%</b>	<b>32.5%</b>	<b>34.3%</b>	<b>31.6%</b>	<b>29.5%</b>	<b>31.2%</b>
<b>Capital Expenditure</b>	<b>6.5%</b>	<b>7.5%</b>	<b>8.8%</b>	<b>10.4%</b>	<b>9.8%</b>	<b>7.4%</b>	<b>6.2%</b>	<b>7.1%</b>
<b>Current Expenditure</b>	<b>20.5%</b>	<b>21.2%</b>	<b>21.8%</b>	<b>22.1%</b>	<b>24.5%</b>	<b>24.2%</b>	<b>23.3%</b>	<b>24.1%</b>
of which:								
Wages & Salaries	9.4%	9.8%	10.0%	9.9%	10.8%	10.6%	10.0%	10.1%
Interest Payments	3.0%	2.8%	3.0%	3.0%	3.5%	3.9%	3.9%	4.3%
Goods & Services	4.1%	4.1%	4.0%	4.2%	5.0%	4.7%	4.3%	4.5%
Current Transfers	4.0%	4.6%	4.7%	5.0%	5.3%	5.0%	5.0%	5.2%
<b>Current Balance</b>	<b>4.7%</b>	<b>2.3%</b>	<b>1.3%</b>	<b>1.7%</b>	<b>-1.5%</b>	<b>-0.1%</b>	<b>1.0%</b>	<b>2.0%</b>
<b>Primary Balance</b>	<b>1.9%</b>	<b>-0.4%</b>	<b>-1.9%</b>	<b>-3.5%</b>	<b>-5.8%</b>	<b>-2.1%</b>	<b>0.1%</b>	<b>1.2%</b>
<b>Overall Balance</b>	<b>-1.1%</b>	<b>-3.1%</b>	<b>-4.9%</b>	<b>-6.5%</b>	<b>-9.3%</b>	<b>-6.0%</b>	<b>-3.8%</b>	<b>-3.1%</b>
<b>GDP at market prices</b>	<b>3,193.98</b>	<b>3,234.79</b>	<b>3,410.96</b>	<b>3,514.68</b>	<b>3,519.79</b>	<b>3,604.73</b>	<b>3,773.05</b>	<b>3,891.85</b>

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

pre = preliminary

r = revised

Please note that the data reported is as at December 2015

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

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

	2008/09	2009/10	2010/11r	2011/12r	2012/13r	2013/14r	2014/15r	2015/16pre	% Change
<b>TOTAL REVENUE AND GRANT</b>	<b>829.02</b>	<b>826.78</b>	<b>874.51</b>	<b>915.08</b>	<b>879.28</b>	<b>922.60</b>	<b>968.89</b>	<b>1,060.01</b>	<b>9.4%</b>
of which:									
Grants	17.44	67.13	85.73	78.42	63.18	55.55	53.29	75.2	41.0%
Capital revenue	6.72	0.04	1.00	0.70	5.59	0.12	0.18	0.1	-65.5%
<b>Current Revenue</b>	<b>804.86</b>	<b>759.62</b>	<b>787.78</b>	<b>835.96</b>	<b>810.51</b>	<b>866.93</b>	<b>915.42</b>	<b>984.79</b>	<b>7.6%</b>
<b>Tax Revenue</b>	<b>737.73</b>	<b>700.76</b>	<b>736.71</b>	<b>764.59</b>	<b>757.98</b>	<b>820.07</b>	<b>872.76</b>	<b>933.73</b>	<b>7.0%</b>
of which:									
Taxes on Income	231.90	217.59	224.06	240.94	224.36	219.90	224.10	241.45	7.7%
Taxes on Goods & Services	123.36	107.80	128.72	132.63	164.34	222.90	245.39	254.52	3.7%
Taxes on International Trade	379.74	371.45	380.67	386.65	364.37	369.07	393.83	427.01	8.4%
Other	2.73	3.92	3.26	4.37	4.91	8.20	9.43	10.74	13.9%
<b>Non Tax Revenue</b>	<b>67.13</b>	<b>58.86</b>	<b>51.07</b>	<b>71.37</b>	<b>52.54</b>	<b>46.86</b>	<b>42.65</b>	<b>51.06</b>	<b>19.7%</b>
<b>TOTAL EXPENDITURE</b>	<b>862.81</b>	<b>928.13</b>	<b>1,041.30</b>	<b>1,142.77</b>	<b>1,208.08</b>	<b>1,139.53</b>	<b>1,113.78</b>	<b>1,177.02</b>	<b>5.7%</b>
<b>Capital Expenditure</b>	<b>208.17</b>	<b>241.31</b>	<b>298.58</b>	<b>366.14</b>	<b>344.79</b>	<b>268.49</b>	<b>234.60</b>	<b>266.07</b>	<b>13.4%</b>
<b>Current Expenditure</b>	<b>654.64</b>	<b>686.82</b>	<b>742.72</b>	<b>776.63</b>	<b>863.29</b>	<b>871.04</b>	<b>879.19</b>	<b>910.95</b>	<b>3.6%</b>
of which:									
Wages & Salaries	301.06	316.15	342.29	349.52	378.96	382.00	378.56	381.68	0.8%
Interest Payments	94.48	89.80	102.02	105.82	123.08	140.03	148.60	162.29	9.2%
Goods & Services	131.74	131.26	137.84	145.99	174.37	167.62	163.68	169.70	3.7%
Current Transfers	127.37	149.61	160.57	175.30	186.88	181.39	188.35	197.29	4.7%
<b>Current Balance</b>	<b>150.22</b>	<b>72.79</b>	<b>45.06</b>	<b>59.33</b>	<b>-52.78</b>	<b>-4.11</b>	<b>36.23</b>	<b>73.84</b>	<b>103.8%</b>
<b>Primary Balance</b>	<b>60.69</b>	<b>-11.55</b>	<b>-64.76</b>	<b>-121.87</b>	<b>-205.72</b>	<b>-76.90</b>	<b>3.71</b>	<b>45.28</b>	<b>1121.7%</b>
<b>Overall Balance</b>	<b>-33.79</b>	<b>-101.35</b>	<b>-166.78</b>	<b>-227.69</b>	<b>-328.80</b>	<b>-216.93</b>	<b>-144.89</b>	<b>-117.01</b>	<b>-19.2%</b>

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

\*Fiscal year refers to April to March

Please note that the data reported is as at December 2015

## APPENDIX VI: Public Sector Outstanding Debt

**TOTAL PUBLIC SECTOR OUTSTANDING LIABILITIES  
AS AT DECEMBER 31  
(in EC\$000's)**

	2008	2009	2010	2011	2012	2013r	2014pre	2015	2015/2014 Change
<b>1. TOTAL OUTSTANDING LIABILITIES</b>	<b>1,789,395</b>	<b>1,843,587</b>	<b>2,057,396</b>	<b>2,298,184</b>	<b>2,560,279</b>	<b>2,704,015</b>	<b>2,811,061</b>	<b>2,935,820</b>	<b>4.4%</b>
<b>2. OFFICIAL PUBLIC DEBT</b>	<b>1,770,860</b>	<b>1,828,855</b>	<b>2,036,563</b>	<b>2,273,193</b>	<b>2,531,253</b>	<b>2,656,188</b>	<b>2,787,019</b>	<b>2,912,873</b>	<b>4.5%</b>
<b>A. Central Government</b>									
<b>Outstanding Debt</b>	<b>1,595,768</b>	<b>1,639,114</b>	<b>1,832,139</b>	<b>2,082,875</b>	<b>2,366,810</b>	<b>2,493,084</b>	<b>2,665,613</b>	<b>2,802,229</b>	<b>5.1%</b>
- Domestic	706,886	708,188	858,502	1,035,947	1,266,791	1,240,102	1,298,269	1,471,779	13.4%
- External	888,882	930,925	973,636	1,046,928	1,100,019	1,252,982	1,367,343	1,330,450	-2.7%
- Treasury Bills/Notes	13,077	19,504	58,201	42,679	104,274	226,418	303,078	350,223	15.6%
- Bonds	299,339	274,261	253,659	341,053	341,313	373,877	367,165	289,499	-21.2%
- Loans	576,466	637,161	661,776	663,195	654,431	652,687	697,100	690,728	-0.9%
- Bilateral	78,705	69,706	57,251	48,876	61,265	60,705	92,552	108,500	17.2%
- Multilateral	497,761	567,454	604,525	614,319	593,166	591,982	604,547	582,228	-3.7%
<b>B. Government Guaranteed</b>									
<b>Outstanding Debt</b>	<b>131,759</b>	<b>117,054</b>	<b>132,962</b>	<b>120,532</b>	<b>106,119</b>	<b>100,645</b>	<b>71,542</b>	<b>70,709</b>	<b>-1.2%</b>
- Domestic	41,592	41,145	43,179	43,043	38,828	40,556	17,460	21,030	20.4%
- External	90,167	75,909	89,784	77,489	67,291	60,089	54,082	49,680	-8.1%
<b>C. Public Non-Guaranteed</b>									
<b>Outstanding Debt</b>	<b>43,333</b>	<b>72,687</b>	<b>71,462</b>	<b>69,787</b>	<b>58,324</b>	<b>62,460</b>	<b>49,865</b>	<b>39,935</b>	<b>-19.9%</b>
- Domestic	39,536	71,519	71,462	69,787	58,324	62,460	49,865	39,935	-19.9%
- External	3,797	1,168	0	0	0	0	0	0	
<b>3. Outstanding Payables</b>	<b>18,536</b>	<b>14,693</b>	<b>20,833</b>	<b>24,991</b>	<b>29,026</b>	<b>47,827</b>	<b>24,041</b>	<b>22,947</b>	<b>-4.6%</b>
<b>TOTAL (Domestic)</b>	<b>788,014</b>	<b>820,853</b>	<b>973,143</b>	<b>1,148,776</b>	<b>1,363,943</b>	<b>1,343,118</b>	<b>1,365,594</b>	<b>1,532,743</b>	<b>12.2%</b>
<b>TOTAL (External)</b>	<b>982,845</b>	<b>1,008,003</b>	<b>1,063,420</b>	<b>1,124,416</b>	<b>1,167,310</b>	<b>1,313,070</b>	<b>1,421,425</b>	<b>1,380,130</b>	<b>-2.9%</b>
<b>Memo Item: Official Public Debt/GDP</b>	<b>55.3%</b>	<b>57.4%</b>	<b>60.7%</b>	<b>65.7%</b>	<b>72.2%</b>	<b>74.6%</b>	<b>74.5%</b>	<b>75.4%</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 2015

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

BY CLASS OF HOLDER & TERM OF INSTRUMENT AS AT DECEMBER 31, 2015														
	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>I. DOMESTIC</b>														
<b>A. Monetary Authorities</b>														
1. ECCB										0.0	0.0			
<b>B. Financial Institutions</b>														
1. Commercial Banks		147,277.1		147,277.1	42,507.9	6,704.0	49,211.9	69,340.8	93,542.8	36,748.7	199,632.3			
2. Insurance Companies	47,200.0			47,200.0	66,354.8		66,354.8	78,468.1	33,008.0		111,476.0			
3. Other		7,411.3		7,411.3	146,060.2	2,750.6	148,810.8	477,920.8	88,911.2		566,832.0			
<b>C. Non-Financial Private Sector</b>			0.0				0.0	9,985.1	2,772.0		12,757.1			
<b>D. Non-Financial Public Sector</b>			0.0				0.0	6,000.0			6,000.0			
<b>E. Other (Private Individuals &amp; Agencies included)</b>			0.0	1,570.3			1,570.3	74,714.0	32,531.0		107,245.0			
<b>F. Short term credits</b>											0.0			
<b>Sub-Total</b>	<b>47,200.0</b>	<b>154,688.4</b>	<b>0.0</b>	<b>201,888.4</b>	<b>256,493.2</b>	<b>9,454.6</b>	<b>0.0</b>	<b>265,947.7</b>	<b>716,428.7</b>	<b>250,765.0</b>	<b>36,748.7</b>	<b>0.0</b>	<b>1,003,942.4</b>	<b>1,471,778.6</b>
<b>II. EXTERNAL</b>														
<b>A. Monetary Authorities</b>														
1. ECCB				0.0	0.0			0.0					0.0	0.0
2. IMF				0.0		14,329.6		14,329.6		21,338.1			21,338.1	35,667.7
<b>B. Int'l Development Institutions</b>														
1. C.D.B.		249,808.6		249,808.6		74,149.1		74,149.1		2,967.7			2,967.7	326,925.5
2. E.I.B.		0.0		0.0		0.0		0.0		0.0			0.0	0.0
3. I.F.A.D.				0.0				0.0		135.7			135.7	135.7
4. OPEC				0.0				0.0					0.0	0.0
5. IDA		186,980.8		186,980.8		7,108.7		7,108.7					0.0	194,089.4
6. IBRD		10,584.0		10,584.0		0.0		0.0		14,825.8			14,825.8	25,409.8
<b>C. Foreign Governments</b>														
1. France				0.0		15,357.6		15,357.6					0.0	15,357.6
2. Kuwait		20,493.1		20,493.1		7,849.5		7,849.5		0.0			0.0	28,342.6
<b>C. Other Foreign Institutions</b>														
1. Regional				0.0				0.0		0.0			0.0	0.0
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	0.0				0.0	0.0
2. Government of Trinidad & Tobago		37,800.0		37,800.0										37,800.0
3. Citibank	0.0			0.0		0.0		0.0	3,083.3				3,083.3	3,083.3
4. Government of St. Kitts				0.0	4,860.0			4,860.0					0.0	4,860.0
5. Other	2,800.0			2,800.0	74,055.2			74,055.2	243,552.8	207,228.0			450,780.7	527,635.9
6. T & T Stock Exchange					104,142.9			104,142.9					0.0	104,142.9
7. The EXIM of the Republic of China		27,000.0		27,000.0				0.0					0.0	27,000.0
<b>Sub-Total</b>	<b>2,800.0</b>	<b>505,666.5</b>	<b>0.0</b>	<b>508,466.5</b>	<b>183,058.1</b>	<b>118,794.4</b>	<b>0.0</b>	<b>301,852.5</b>	<b>246,636.1</b>	<b>207,228.0</b>	<b>39,267.3</b>	<b>0.0</b>	<b>493,131.3</b>	<b>1,330,450.3</b>
<b>GRAND TOTAL</b>	<b>50,000.0</b>	<b>660,354.9</b>	<b>0.0</b>	<b>710,354.9</b>	<b>439,551.2</b>	<b>128,249.0</b>	<b>0.0</b>	<b>567,800.3</b>	<b>963,064.8</b>	<b>457,992.9</b>	<b>76,016.0</b>	<b>0.0</b>	<b>1,497,073.7</b>	<b>2,802,228.9</b>

\*Please note that the data reported is as at December 2015

## APPENDIX VIII: Population and Demographic Indicators

**LABOUR FORCE INDICATORS SUMMARY**

<b>Main Labour Force Indicators</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Population 15 years and over	116,997	118,956	121,058	126,048	129,705	125,717	130,480	133,205	137,535	136,791	140,680
Labour Force	79,924	79,224	79,917	82,603	85,230	85,306	90,114	94,606	97,618	98,286	101,608
Employed Labour Force	64,981	66,036	68,748	69,644	69,789	67,702	71,016	74,339	74,844	74,325	77,131
Persons who want work											
(i) The Unemployed	14,943	13,192	11,169	12,958	15,448	17,604	19,098	20,267	22,775	23,961	24,477
(ii) Non-Seekers	4,752	5,050	5,365	4,183	5,192	n.a.	5,349	5,017	4,701	5,175	5,555
Unemployment Rate %	18.7%	16.7%	14.0%	15.7%	18.1%	20.6%	21.2%	21.4%	23.3%	24.4%	24.1%
of which- Male	n.a.	n.a.	n.a.	12.6%	16.8%	19.5%	19.2%	19.6%	21.3%	20.9%	21.3%
Female	n.a.	n.a.	n.a.	17.8%	19.6%	22.0%	23.3%	23.7%	25.5%	28.4%	27.4%
Youth Unemployment Rate	n.a.	n.a.	n.a.	n.a.	n.a.	33.6%	n.a.	33.2%	36.8%	41.8%	41.1%
Relaxed Unemployment Rate %	24.6%	23.0%	20.7%	20.8%	24.2%	n.a.	27.1%	26.7%	22.0%	24.4%	29.6%
Non-Job Seeking Rate %	5.9%	6.4%	6.7%	5.1%	6.1%	n.a.	5.9%	5.3%	4.8%	5.3%	5.5%
Population under 15 years (%)	27.4%	26.6%	25.7%	23.1%	21.3%	24.1%	22.4%	21.2%	20.4%	20.7%	18.6%
Labour Force as a Percentage of Total Population	49.6%	48.9%	49.0%	50.4%	51.7%	51.5%	53.6%	55.9%	56.5%	57.0%	58.8%
Labour Force as a Percentage of Population 15 years and over OR Labour Force Participation Rate	72.6%	73.4%	74.3%	76.9%	78.7%	67.9%	69.1%	71.0%	71.0%	71.9%	72.2%

Source: Central Statistics Office of Saint Lucia, Quarterly Labour Force Surveys  
n.a.- not available

**APPENDIX IX: Current Budget Information 2016/2017**

The preliminary budget was in the sum of **ECD1.426 Billion** for the fiscal year 2016/2017.

Total Receipts which includes Recurrent Revenue and Other Revenues represented by Capital revenue, Grants, Bonds, Treasury Bills and Loans are estimated to be **ECD1,045.8 Million** and **ECD380.4 Million** respectively. Payments represented by Recurrent Expenditure and Capital Expenditure are estimated to be **ECD1, 100.3 Million** and **ECD325.9 Million** respectively.