GOVERNMENT OF GRENADA

PROSPECTUS

FOR GOVERNMENT SECURITIES

FOR THE PERIOD

JANUARY 2024 – DECEMBER 2024

DATE OF PROSPECTUS: JANUARY 2024

EC$60 MILLION
91-DAY TREASURY BILLS

EC$45 MILLION
365-DAY TREASURY BILLS

MINISTRY OF FINANCE, FINANCIAL COMPLEX, CARENAGE ST.GEORGE'S
TEL: 473-440-2731 | FAX: 473-440-4115 | EMAIL: FINANCE@GOV.GD

GOVERNMENT OF GRENADA

PROSPECTUS 2024-2026

Ministry of Finance

Grenada Carriacou
and Petite Martinique
Petite
Martinique
N
Hillsborough
Carriacou
Saline Island
Frigate Island
Large Island
Caribbean
Sea
Diamond Island
Les Tantes
Ronde Is.
Caille Is.
London Bridge
Green Is.
Sandy Is.
Bird Is.
Sauteurs
Victoria
SAINT
PATRICK
SAINT
MARK
Gouyave
SAINT
JOHN
Grenville
SAINT
ANDREW
Caribbean
Sea
SAINT
GEORGE
SAINT
GEORGE
Saint Davids
SAINT
DAVID
0
8 Km
LEGEND
Parish Boundary
National Capital
Parish Capital

Contents

ABOUT THE STATE OF GRENADA

The State of Grenada consists of three islands; Grenada, Carriacou and Petit Martinique situated between the Caribbean Sea and the Atlantic Ocean, 12.7 degrees north latitude and 61.4 degrees west longitude. The Grenada Constitutional Order of 1973, which established the Constitution of Grenada, granted Grenada independence from the United Kingdom on 07 February 1974. Grenada will celebrate Fifty Years of Independence in 2024. A Governor-General (Grenada's Head of State), is appointed by and represents the British Monarch and a Prime Minister is the leader of the majority party and the Head of Government. The Parliament is a bicameral legislature, consisting of an elected House of Representatives and an appointed Senate. The last general election was held in June 2022 and the National Democratic Congress (NDC) contested and won 9 out of the 15 seats in the House of Assembly. Grenada's judicial system is based on the English system, including the principles and practice of English common law. Table 1 sets out selected social indicators for Grenada.

Table 1: Grenada Selected Social Development Indicators

Human Development Index 68 out of 191 countries (2021)	***79.5***
Life expectancy at birth in years (2022)	***73.7***
Share of seats in Parliament (% held by women) (2023)	***33.3 percent***
Gross National Income per capita (current international $)(2022)	***15,870.00***
Population rate of growth (percent) (2022)	***0.18***
Infant mortality per 1,000 live births (2022)	***20.1***
Labour force participation rate (2nd Quarter 2023)	***66.0 percent***
Political Stability and Absence of Violence/Terrorism (percentile rank)	***85.38***

Source: World Bank (WDI 2022), UNDP dev. reports 2021, CSO Ministry of Finance, Ministry of Health

NOTICE TO INVESTORS

The Government of Grenada is issuing this prospectus to provide information to the public. The Government accepts full responsibility for the accuracy of the information given and confirms having made all reasonable inquiries to ensure the accuracy of this. 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.

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

This Prospectus and its content are issued to cover the series of Government securities to be issued over the period January 2024 to December 2024. If in need of financial or investment advice, please 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.

1. ABSTRACT

During the period January 2024 to December 2024, the Government of Grenada is seeking to issue the following Government securities on the Regional Governments Securities Market to refinance its existing Treasury bills and Treasury notes currently on the market as follows:

91-Day Treasury bills

- Fifteen million (EC$15.0M) in 91-day Treasury bills on February 6, 2024.
- Fifteen million (EC$15.0M) in 91-day Treasury bills on May 9, 2024.
- Fifteen million (EC$15.0M) in 91-day Treasury bills on August 9, 2024.
- Fifteen million (EC$15.0M) in 91-day Treasury bills on November 12, 2024.

The maximum coupon rate of the new Treasury bills is 3.5 percent per annum.

365-Day Treasury Bills

- Twenty-five million (EC$25.0M) in 365-day Treasury bills on September 9, 2024.
- Ten million (EC$10.0M) in 365-day Treasury bills on October 25, 2024.
- Ten million (EC$10.0M) in 365-day Treasury bills on December 12, 2024.

2-Year Treasury Notes

- Ten million (EC$10.0M) in 2 year Treasury notes on February 14, 2024

In this Prospectus, references to "Grenada" are to the State of Grenada and references to the "Government" are to the Government of Grenada. The Treasury bill issues are being raised under the authority of the Public Debt Management Act 2015, Part 3 Section 13, Laws of Grenada. The Constitution of Grenada stipulates that Principal and Interest payments are direct charges on the Consolidated Fund.

All Government of Grenada Treasury bills will be opened for bidding at 9:00 a.m. and close at 12:00 noon on the respective auction dates.

A competitive uniform price auction will be used.

2. INFORMATION ABOUT THE 2024 SECURITY ISSUANCE

Table 2: Security Details

SYMBOL	AUCTION DATES	ISSUE/SETTLEMENT DATE	MATURITY DATE	ISSUE AMT. EC$M	TENOR (Days)	INTEREST RATE CEILING %
GDB080524	6-Feb-24	7-Feb-24	8-May-24	15	91	3.50%
GDN150226	14-Feb-24	15-Feb-24	15-Feb-26	10	730	5.50%
GDB090824	9-May-24	10-May-24	9-Aug-24	15	91	3.50%
GDB111124	9-Aug-24	12-Aug-24	11-Nov-24	15	91	3.50%
GDB100925	9-Sep-24	10-Sep-24	10-Sep-25	25	365	5.00%
GDB281025	25-Oct-24	28-Oct-24	28-Oct-25	10	365	5.00%
GDB120225	12-Nov-24	13-Nov-24	12-Feb-25	15	91	3.50%
GDB151225	12-Dec-24	16-Dec-24	15-Dec-25	10	365	5.00%

All ISSUES ON THE MARKET ARE IN EC DOLLARS

SUBJECT TO REVISION BASED ON THE FINANCING METHOD EMPLOYED

3. GENERAL INFORMATION

Issuer:	Government of Grenada
Address:	Ministry of Finance Financial Complex Carenage St. George's Grenada
Email:	financegrenada@financegrenada.com
Telephone No.:	473-440-2731 / 440-2928 / 435-8915
Facsimile No.:	473-440-4115
Contact Persons:	Honorable Dennis Cornwall, Minister for Finance minister@mof.gov.gd Mr. Mike Sylvester, Permanent Secretary ps@mof.gov.gd Chevanne Britton, Deputy Permanent Secretary Ag. dps@mof.gov.gd Mrs. Natika Bain-Charles, Accountant General natika.bain-charles@mof.gov.gd Mr. Kerry Pierre, Head Debt Management Unit kerrypierre@dmu.gov.gd
Date of Issue:	January 2024 – December 2024
Type of Security:	Treasury bills
Amount of Issue:	EC$115 million
Purpose Security Issue:	The Treasury bills are being issued as part of the Government's Debt Management Strategy to lower the cost of the Government's borrowing by reducing reliance on the overdraft facility.
Legislative Authority:	Public Debt Management Act 2015, Part 3 Section 13, Laws of Grenada.
Bidding Period:	9:00 am to 12:00 noon on auction days
Method of Issue:	The price of the issue will be determined by a Competitive Uniform Price Auction with open bidding.
Listing:	The Treasury bills will be issued on the Regional Government Securities Market (RGSM) and traded on the Secondary Market trading platform of the Eastern Caribbean Securities Exchange (ECSE).

Placement of Bids:	Investors will participate in the auction through the services of licensed intermediaries who are members of the Eastern Caribbean Securities Exchange.
Maximum Bid Price:	EC$95 (5 percent).
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 until the close of the bidding period.
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.
Licensed Intermediaries:	Investors will participate in the auction through the services of licensed intermediaries who are members of the Eastern Caribbean Securities Exchange (ECSE). • Bank of Nevis Limited • Bank of Saint. Lucia Ltd. • Bank of St Vincent and the Grenadines Ltd. • St. Kitts Nevis Anguilla National Bank Limited • First Citizens Investment Services Ltd. (Saint Lucia) • Grenada Co-operative Bank Ltd.
Currency:	All currency references will be the Eastern Caribbean dollar unless otherwise stated.

4. EXECUTIVE SUMMARY

The Eastern Caribbean Currency Union (ECCU) and CARICOM member states are experiencing a gradual economic recovery from the impacts of the COVID-19 pandemic, with robust tourism activities driving positive trends. While facing modest global growth and inflationary pressures, Grenada's economic outlook is favorable, anticipating a 5.5 percent Real Gross Domestic Product (GDP) growth in 2023, strengthened fiscal positions, and decreased public debt. The banking sector experienced positive growth. The Non-Bank Financial Sector showcased robust performance in the first half of 2023, marked by growth in assets and profits across all sub-sectors. The Grenada Authority for the Regulation of Financial Institutions (GARFIN) reported stability in the Non-Bank Financial Sector (NBFS), with entities conforming favorably to regulatory requirements.

Governments debt strategy places a strategic emphasis on prioritizing concessional borrowings, setting predetermined ceilings for non-concessional borrowings, and aligning with debt sustainability targets. The strategy aims to support major projects that advance the Government's agenda for transformation, resilience, and sustainable development. Strengthened risk assessments, improved debt proposal evaluations, and enhanced negotiating and contracting practices are key components to secure favorable terms in line with debt sustainability goals.

The government's strategic focus involves an expansionary fiscal profile, projecting smaller primary surpluses to support economic activity, job creation, and resilient development, aligning with the Fiscal Resilience Act 2023. The economy is forecasted to grow by 3.6 percent in 2024 and economic prospects are broadly positive. Potential risks include global inflation, tepid growth in source markets, geopolitical tensions, and adverse weather.

5. FINANCIAL ADMINISTRATION & MANAGEMENT

The Public Finance Management Act 17 was enacted in 2015. In June of that same year, the Public Debt Management Act was passed by Parliament, The Fiscal Responsibility Act (FRA) 29 of 2015, which set the public debt target at 55% of GDP, was repealed and replaced with the Fiscal Resilience Act 11 of 2023. Section 8 (10) of the new FRA states *"the public debt target should be no more than 60% of nominal GDP to be achieved by 2035"*

Amendments include clarification and consistency of definitions across all the amended legislation such as:

"public debt" includes all direct liabilities of central government, statutory bodies and state-owned enterprises, including advances, arrears, compensation claims, financial leases, government securities, loans, overdrafts, promissory notes, supplier credit agreements, contingent liabilities, including explicit contingent liabilities arising as a result of or in connection with public-private partnerships.

See Appendix 1: Key Amendments

The 2015 Public Debt Management Act which was enacted in August 2016 outlines in some detail the functions and deliverables of the Debt Management Unit (DMU), which reports, through the Minister of Finance, to the Parliament and people of Grenada. The Act also puts into law requirements such as the preparation and implementation of a Medium-Term Debt Strategy, Debt Sustainability Analysis, and Annual Borrowing Plans. Further, it constitutes the Public Debt Coordinating Committee, which is a technical committee that monitors the cash flow and assists with the planning and execution of debt payments and debt contraction decisions.

5.1 Debt Management Objectives

Part I Section (4) of the 2015 Public Debt Management Act outlines Grenada's debt management objectives as follows;

(a) ensuring that the financing needs of the Government are met on a timely basis and that its debt service obligations are met at the lowest cost over the medium-to-long term, in a manner that is consistent with an acceptable and prudent degree of risk;

(b) providing a framework for the management of public debt in a manner that achieves and maintains sustainable debt; and

(c) ensuring that public debt management operations support the establishment of a well-developed domestic debt market in the medium to long term.

As part of its mandate, the DMU is therefore committed to continue striving towards actively managing Grenada's debt portfolio by adopting debt management objectives principally aimed at reducing public debt to its Fiscal Resilience Legislation (FRL) target and keeping it on a sustainable path over the medium to long term. This objective is to be met by:

- Reducing the cost of debt servicing by borrowing primarily on concessional terms;
- Reorganizing the structure of the debt portfolio to increase efficiency, avoid bunching and ensure effective utilization of the proceeds;
- Supporting the development of the Regional Government Securities Market; and
- Managing the risk and financial cost associated with borrowing choices by refinancing higher-cost debt and in so doing, adjusting the maturity profile of the portfolio, which will ultimately lead to lower debt service costs.

5.2 Risk Management Framework

The Government, to minimize its risk, has adopted an integrated approach to the management of Government finances and debt management. Some of these measures include:

- The requirement for Parliament to approve new debt contracted by Government except for Treasury Bills;
- The legal authority for borrowing in any one year is the loan authorization Bill for that year;
- The legal authority for the issuance of Treasury bills is the Public Debt Management Act 2015, Part 3 Section 13, Laws of Grenada;
- The 2015 Public Finance Management Act and the 2015 Financial Resilience Legislation, authorize only the Minister of Finance to contract debt on the country's behalf and sets a public debt to GDP target.
- In–house monitoring of macroeconomic variables, and debt sustainability indicators as well as evaluating new loan contracts.
- An ex-ante analysis of new public debt by the DMU in the Ministry of Finance
- The preparation, submission and implementation of a Medium Term Debt Strategy

6. MACRO-ECONOMIC PERFORMANCE

6.1 Regional Developments

The Member States of the Eastern Caribbean Currency Union (ECCU) and the CARICOM region are gradually recovering from the economic downturn brought on by the COVID-19 pandemic, buoyed by robust tourism-related activity across all member countries. The ECCU faces a modest global growth environment in the short-to medium term, as inflation continues to reduce disposable incomes and the lagged effects of monetary policy in advanced economies take greater effect. Inflationary pressures dissipated in June 2023 both year-on-year and on a half-yearly basis. Annual inflation rose by 3.8 per cent in June 2023, a deceleration from 7.1 per cent in June 2022. All member countries generated surpluses on their current account over the period, except for Saint Lucia. The combined fiscal operations resulted in a 3.4 per cent (EC$557.5m) increase in the ECCU total public sector debt to EC$16.9b as at June 2023

6.2 Performance of the Domestic Economy

Grenada's overall economic situation and future prospects appear favorable, with some potential risks, such as vulnerability to natural disasters and global economic shocks. Despite ongoing challenges from events like the COVID-19 pandemic and the Russia-Ukraine war in the past three years, the economy is on a path of recovery. It is expected that the Real Gross Domestic Product (GDP) will grow by 5.5 percent in 2023, driven primarily by expansion in the Tourism, Construction, Wholesale and Retail Trade, Manufacturing, and Transport sectors.

While external shocks persist, impacting the local economy, there have been improvements. Inflationary pressures have somewhat eased, the fiscal position has strengthened, and public debt is steadily decreasing. The financial sector remains stable, ensuring external stability.

Given the uncertain global economic outlook, the strategic focus of the 2024 Budget and the medium-term, as outlined in the Government's Medium-term Action Plan, is intentionally directed towards supporting economic activity, creating sustainable jobs, and advancing the Government's agenda for transformation and resilient, sustainable, and inclusive development. The fiscal strategy aims to achieve these goals through supportive and sustainable fiscal policies. Specifically, the government plans an expansionary fiscal profile over the medium term, projecting smaller primary surpluses, which allows for greater fiscal flexibility to pursue the strategic agenda while ensuring fiscal and debt sustainability. The expected average primary surpluses are 1.9 percent of GDP from 2024 to 2026, and public sector debt (Central Government and State-owned Enterprises) is forecasted to decrease from 73.4 percent of GDP in 2024 to 70.5 percent of GDP in 2026, aligning with the new fiscal rules and targets of the Fiscal Resilience Act 2023.

Agriculture & Fishing

The recent analysis of Agriculture and Fishing Sectors data reveals significant fluctuations. Key declines were observed, including a 22.7 percent drop in Banana production, a 13.9 percent reduction in Cocoa production, and a 47.1 percent decline in the "Other Crops" category during the first half of 2023. Unfavorable weather conditions and high fertilizer costs were major contributors to these setbacks.

Conversely, positive trends were noted with a 9.3 percent increase in nutmeg production, a 21.6 percent rise in mace production, and a 5.0 percent growth in Fish production from January to June 2023 compared to the same period in 2022. However, a projected 6.0 percent decline by the end of 2023, attributed to weather-related shortages, raises concerns.

Looking ahead, expectations include a 10.0 percent increase in cocoa production during the last quarter of 2023, offsetting the sector's overall decline. Efforts to enhance agricultural productivity are anticipated to drive improvements in the medium term. The commitment to systematic data collection improvement underscores ongoing efforts for accurate sector assessments.

Tourism

Data for the first three quarters of 2023 indicates a substantial 41.4 percent growth in visitor arrivals compared to 2022. Impressively, this surge in tourist arrivals has surpassed the figures from 2019 by 4.2 percent, as illustrated in Table 3. Among these, 47.4 percent opted for accommodations in hotels and resorts, with an average stay of approximately seven days. Another 32.2 percent chose private homes, while the remaining visitors stayed in apartments, yachts, and villas.

August emerged as the peak month for visitor influx, registering 16,435 arrivals, a notable 33.4 percent increase compared to August 2022. This positive trend underscores the thriving tourism sector and its strong recovery, surpassing pre-pandemic levels.

Table 3. Visitor Arrivals

Visitor Arrivals	Jan- Sep- 2019	Jan -Sep-2022	Jan - Sep-2023	2023/2022 % Change
United States	58,005	55,542	70,337	26.6
Europe	5,754	2,151	4,592	113.5
United Kingdom	19,748	17,073	19,582	14.7
Canada	13,818	4,405	11,972	171.8
Caribbean	23,132	10,208	19,728	93.3
Other	3,712	2,131	3,207	50.5
Total Stayover Arrivals	124,169	91,510	129,418	41.4
Cruise Passengers	224,062	107,937	198,896	84.3

Source: Grenada Tourism Authority (GTA)

As of the end of September 2023, the number of visitors from the European region and Canada has more than doubled compared to the same period in 2022, as depicted in Table 3. Notably, a substantial influx of visitors has also been observed from the Caribbean region, the United States, and various other countries. Airlines such as British Airways, Virgin Atlantic, Air Canada, SVG Air, American Airlines, and JetBlue have played a significant role in enhancing both inter-regional and intra-regional travel accessibility by increasing the frequency of their flights.

Flights were aumented in the last quarter of 2023, particularly to accommodate the anticipated surge in travelers during the winter season. Noteworthy developments included JetBlue's initiation of a new route from Boston to Grenada, which commenced in November 2023. Air Canada increased its flights to four times per week in October 2023. Sunwing introduced a new flight from Toronto to Grenada, which began November 2023 and Condor offered a flight from Frankfurt to Grenada which started the same month.

With these expansions and new routes, a continued growth in visitor arrivals is anticipated during the final quarter of 2024. The overall projected growth of the Tourism Sector for the entire year of 2023 stands at an estimated 15.6 percent.

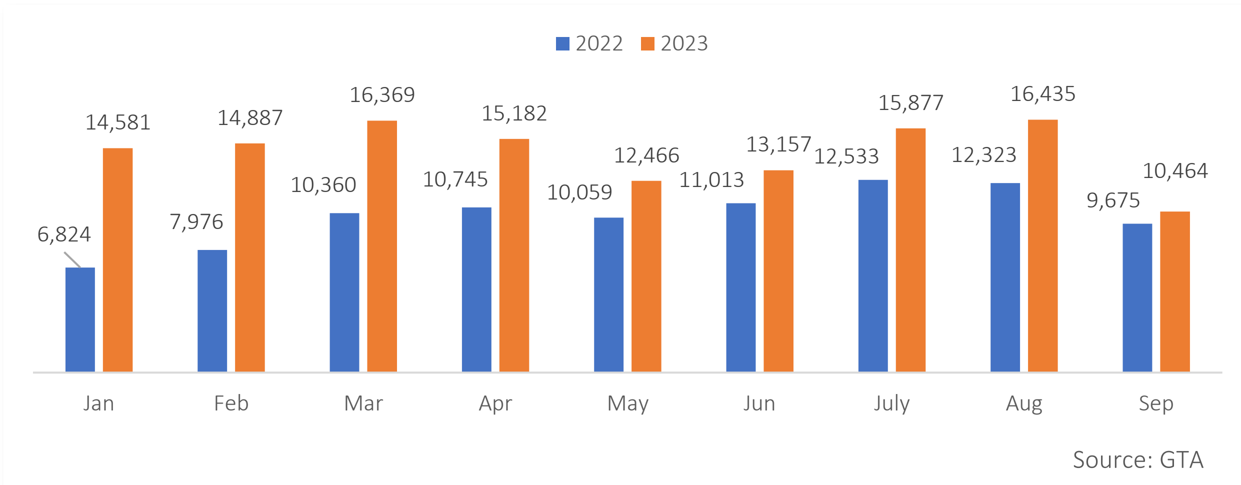


Figure 1: Monthly Stayover Arrivals

In the initial nine months of 2023, there was a remarkable 84.3 percent upswing in cruise ship passenger arrivals when compared to the same period in 2022. (Figure 1) A significant portion of these passengers embarked from distinguished cruise lines like MSC Cruises, P & O Cruises (UK) Ltd., Royal Caribbean International, Aida Cruises, and Costa Cruises. While cruise ship passenger arrivals in 2023 still lag behind the levels of 2019, there is an optimistic outlook for exceeding pre-COVID-19 performance in the medium term.

The 2023/2024 cruise season, which started in November 2023 is projected to be a good one, a total of 372,390 passenger arrivals is anticipated. This underscores the positive trajectory in cruise ship tourism and foresees a robust recovery in the sector.

Construction

The first quarter (Q1) of 2023 witnessed a noteworthy decline of 19.1 percent in the value of imported construction materials when compared to the same period in 2022, as illustrated in Figure 2. In contrast, there was a simultaneous growth of 10.8 percent in the quantity of construction materials imported during this timeframe. Anecdotal evidence suggests that the Construction sector's growth can be attributed to the scale and number of ongoing public and private investment projects.

Several significant projects, both in the public and private sectors, contribute to this growth, including the Molinere Landslip Rehabilitation Project, Agricultural Feeder Roads, St. John's River Flood Mitigation Project (Phase II), Beach House Project, Six Senses Hotel, and Intercontinental Hotel. The current positive trajectory in the Construction sector is expected to persist, driven by a growing appetite for foreign investment, particularly in sectors such as tourism and agro-processing. It's worth noting that challenges, including supply chain disruptions, elevated shipping costs, and a shortage of skilled labor, may impact the sector's productive capacity.

Despite these challenges, a growth estimate of 12.6 percent is projected for 2023, and the medium-term outlook is generally positive, given the planned projects in both the public and private sectors. This indicates resilience and potential for sustained development in the Construction sector.

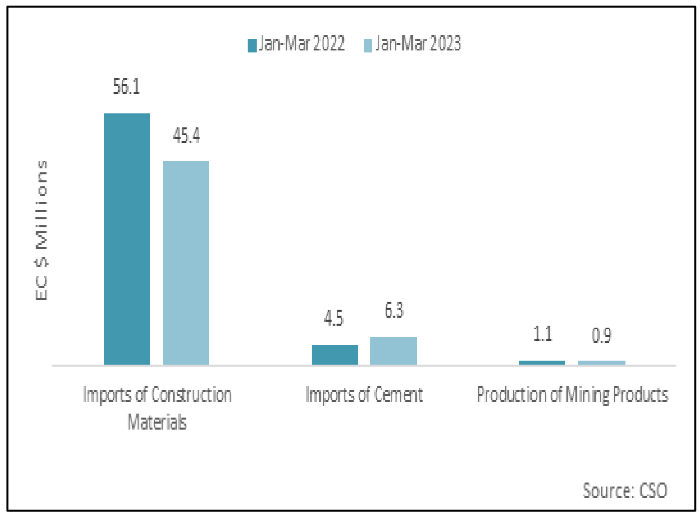


Figure 2: Construction and Mining Indicators

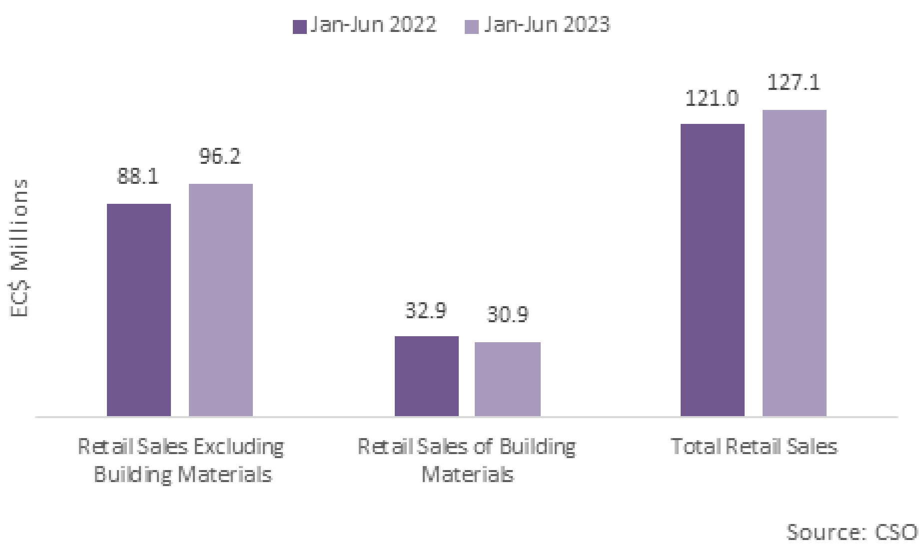
Wholesale and Retail Trade

The Wholesale and Retail Trade sector is experiencing robust growth in the first half of 2023, based on the latest available data. The sector's vitality is assessed through activities like the retail sales of building materials and other products, encompassing items such as food, drinks, household goods, and vehicles. The sector's fortunes are intricately tied to various economic segments, with activities in areas like Construction having direct ramifications. Preliminary data highlights a 6.2 percent dip in the value of retail sales for building materials from January to June 2023, while retail sales of other commodities enjoyed a notable 9.3 percent upswing (Figure 3).

The sector's buoyancy was significantly propelled by an uptick in visitor numbers and the return of students to St. George's University (SGU), evident in the bustling activities of retail outlets, particularly supermarkets. The Christmas season resulted in further sector expansion. Nonetheless, persistent challenges, including supply chain disruptions due to container shortages, inconsistent supply of specific construction commodities, and elevated freight costs, remain.

Despite these hurdles, the Wholesale and Retail Trade sector remained remain dynamic, driven by growth opportunities in other sectors that will stimulate wholesale and retail activities. This underscores the sector's adaptability and resilience in navigating challenges while leveraging broader economic growth.

Figure 3: Retail Sales



Private Education

The Grenada Tourism Authority (GTA) utilized student arrival data to gauge activity within the Private Education sector. The analysis of this data for the months of January to September 2023, compared to the previous year, reveals a substantial growth of 25.0 percent in student arrivals, primarily attributed to an influx of students from St. George's University (SGU). With the resumption of face-to-face classes, a total of 8,316 students returned to the island for studies at SGU. The majority of these students, comprising 78.7 percent, hailed from the United States, while the rest came from Canada, CARICOM countries, and various parts of the world.

Accommodation data indicates that approximately 43.6 percent of students stayed in apartments, 43.5 percent in student dorms, and the remaining in private homes, guest houses, and villas. Anticipated growth in student enrolment at SGU is expected for the 2023/2024 financial year. This growth will be propelled by increased scholarship offerings, heightened interest in the School of Veterinary Medicine, and the full return of SGU students to campus, with all COVID-19 protocols relaxed as of May 2023. The positive trend in student arrivals underscores the resilience and attractiveness of Grenada as an education destination.

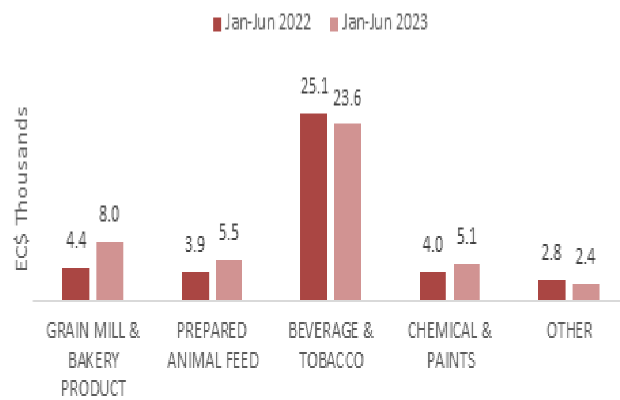
Manufacturing

The Manufacturing sector exhibited notable growth in the first six months of 2023, with production expanding across various industries to meet local and regional market demands. The analyzed data highlights a substantial 79.6 percent increase in the production value of grain mill and bakery products during the first half of 2023 compared to the previous year. The stabilization of wheat prices in 2023, following a doubling in 2022, had a cascading effect on flour prices.

The production value of animal feed also witnessed a significant uptick, registering a 40.2 percent increase. This growth reflects the commendable efforts of the Poultry Association to enhance poultry production over the review period. Concurrently, aligning with the upswing in the Construction sector, the production of chemicals and paints experienced a noteworthy 26.7 percent growth in the first half of the year compared to the same period in 2022. Overall, industrial production recorded a robust growth of 10.6 percent for the reviewed period.

However, there were some declines, with a 5.9 percent drop in beverage and tobacco production and a 14.9 percent decrease in other product categories (Figure 4). These variations highlight the nuanced dynamics within the Manufacturing sector, with certain segments experiencing contraction despite the overall positive growth trend.

Figure 4: Industrial Production

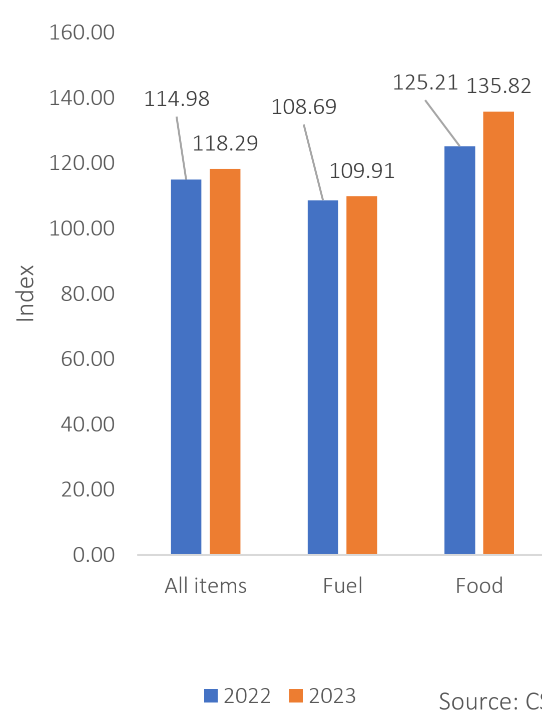


Source: MOF, CSO

Inflation

The average inflation rate, measured by the Consumer Price Index (CPI), stood at 3.0 percent during the initial nine months of 2023, representing the most recent data available. Notably, specific sectors experienced distinct inflationary trends, with Food and fuel registering period average inflation rates of 8.7 percent and 1.2 percent, respectively. Figure 5 shows the CPI average Jan-Sep.. Grenada's inflationary environment is significantly influenced by price movements in the economies of its primary trading partners, including the United States (USA), United Kingdom (UK), and Canada. The inflation rates in these partner countries have been consistently decelerating, suggesting a forthcoming alleviation of inflationary pressures in Grenada in the near term. Projections indicate an overall inflation rate of 2.7 percent for the year 2023 and a further decrease to 2.0 percent in 2024.

Figure 5: CPI (Jan-Sep Average)



Source: CSO

.At the end of September 2023, relative to the end of August 2022, overall inflation is estimated to be 1.7 percent while Food and fuel inflation was determined to be 7.6 percent and -1.1 percent year-on year, respectively.

7. GOVERNMENT FISCAL PERFORMANCE

Grenada's fiscal position strengthened in 2023 despite the lingering effects of a series of external shocks over the period 2020-2022, The estimated outturns for the Primary and Overall balances 2023, both including Grants, are $225.0 million and $276.2 respectively (Table 4.)

Table 4. Fiscal Performance 2019-2023(e[1])

	2019	2020	2021	2022	2023
	In EC $ millions				
Total Revenue and Grants	964.2	990.8	923.0	1065.2	1317.9
Total Revenue	780.4	786.2	690.4	820.4	1262.6
Tax Revenue	726.5	727.7	605.4	668.2	813.0
Non-Tax Revenue	53.9	58.5	85.4	152.2	449.6
Total Grants	183.7	204.6	232.6	244.8	55.2
Total Expenditure	834.2	845.0	860.3	1060.4	1092.9
Recurrent Expenditure	637.8	633.7	598.6	699.9	1041.6
o/w Interest Payment	72.0	67.0	54.5	50.9	51.2
Capital Expenditure	196.4	211.3	261.7	360.5	393.2
Primary Balance (including Grants)	201.9	212.8	117.1	55.7	225.0
Overall Balance (including Grants)	129.9	145.8	62.7	4.8	276.2

Source: Ministry of Finance

In 2023, the combined total of revenue and grants is estimated to reach $1317.9 million. The overall amount collected represents a notable increase compared to 2022. This surge can be attributed primarily to enhanced performances in tax revenue. This upturn reflects both the general economic vibrancy and

[1] estimated

a substantial contribution from the tax amnesty, which yielded $13.0 million during the initial nine months of the year.

Furthermore, non-tax revenue more than doubled relative to the same period in 2022, driven by robust receipts from the Citizenship-by-Investment (CBI) program. Across all tax categories, there were higher collections in 2023. Taxes on property saw a significant increase of 41.1 percent compared to 2022, while taxes on income and profit, domestic transactions, and international transactions recorded growth rates of 23.8 percent, 19.5 percent, and 15.7 percent, respectively, compared to the collections of 2022.

On the other hand, the total grants component lagged behind the amount received in the previous year by $189.6 million. This decrease is attributed to the absence of substantial one-off grants in 2023, unlike the large grants received in 2022. It is noteworthy that in 2022, the Government received a one-off grant of $81.0 million from the St. George's University (SGU) and another grant of $27.0 million from Saudi Arabia.

8. PUBLIC DEBT ANALYSIS

The ratio of Public Sector Debt to GDP, a crucial metric for assessing debt sustainability, is anticipated to decrease by 5.8 percentage points, reaching 74.6 percent of GDP by the conclusion of 2023. This estimation reflects an improvement compared to the ratio recorded at the end of December 2022. The positive shift in the debt position is attributed to advancements in GDP as well as the execution of debt management strategies outlined in the 2023 Medium-Term Debt Management Strategy (MTDS). Notably, the strategy emphasizes a focus on concessional borrowing as a key element contributing to the observed improvement in the debt outlook.

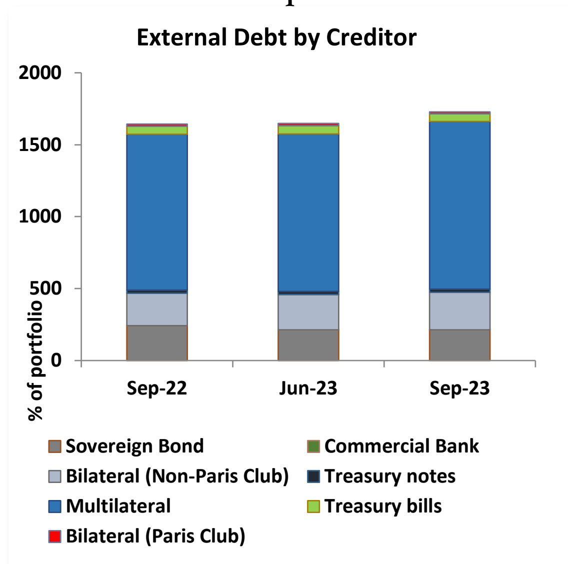
8.1 Central Government's External Debt

At end-September 2023, the total stock of disbursed outstanding debt of the Central Government and the guaranteed debts of SOEs was $2,066.3 million, the equivalent of 57.1 percent of 2023 estimated nominal GDP, compared to 63.9 percent of GDP in the corresponding period in 2022. By year-end, the Central Government's debt and guarantees are estimated at 60.1 percent of GDP based on expected disbursements during the fourth quarter.

External Debt by Creditor Type and Interest Rate Type

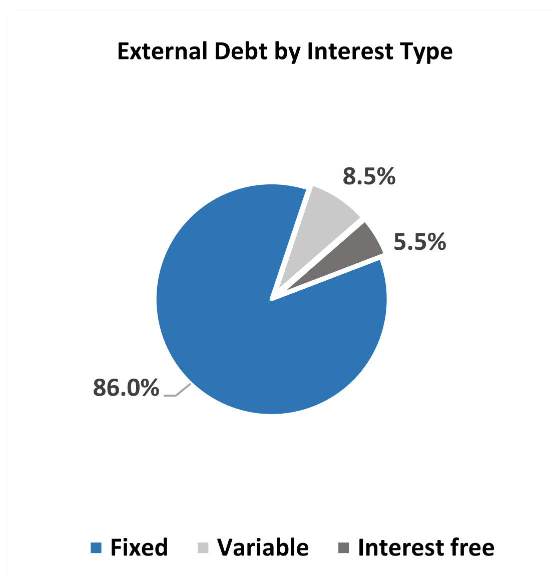
The primary sources of external funding for the Government of Grenada (GoG) are multilateral creditors, with bilateral non-Paris Club creditors coming in second (refer to Appendix 2). The key multilateral creditors include the Caribbean Development Bank (CDB) and the International Development Association (IDA), while the primary bilateral creditor is The People's Republic of China. As of the end of the third quarter of 2023, the largest proportion of the external funding portfolio, amounting to 67.4%, consisted of multilateral loans. Following closely were loans from bilateral non-Paris Club creditors, contributing 15.0% to the overall portfolio (Figure 6.)

Figure 6: External Debt by Creditor Type as at end September 2023



Instruments contracted at fixed interest rates dominate the external portfolio and stood at 86.0% at the end of Q3 2023. Loans at variable interest rates and interest-free loans comprised 8.5% and 5.5% respectively (Figure 8)..

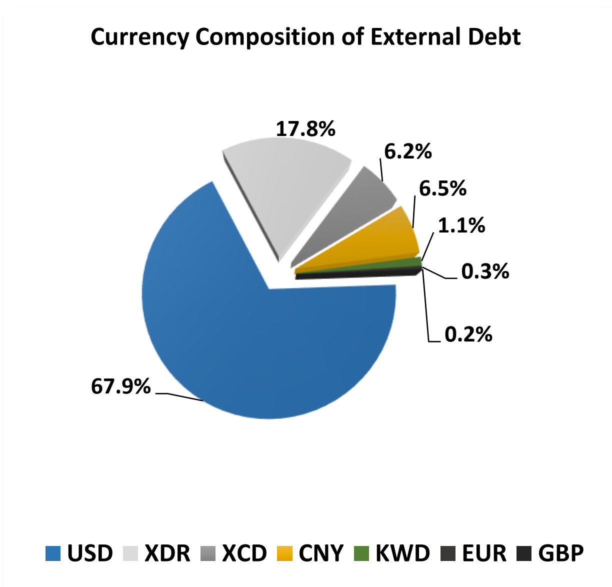
Figure 8: Interest Type of External Debt as at end September 2023



Currency Composition of External Debt

The external portfolio is predominantly composed of instruments denominated in United States Dollars (USD). As of the end of September 2023, these USD-denominated instruments constituted the majority, accounting for 67.9% of the external portfolio. The second-highest share was held by instruments contracted in Special Drawing Rights (XDR), making up 17.8% of the overall portfolio. (Figure 9).

Figure 9: External debt by currency composition as at September 2023

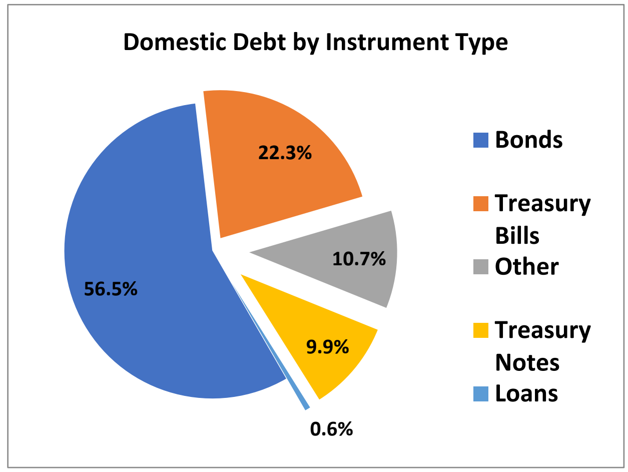


8.2 Central Government Domestic Debt

Domestic Debt by Instrument

As of the end of September 2023, domestic debt was $411.2 million (11.4 percent of GDP). This is a 6.3 percent decline from the same period the previous year when it was $439.1 million. The instrument type that constitutes the highest share of the domestic portfolio is bonds which accounted for $232.3 million (56.5 percent), followed by Treasury bills which accounted for 22.3 percent, Treasury notes amounted to 9.9 percent, and other domestic liabilities (inclusive of loans) accounted for 11.3 percent (**Figure 10**)

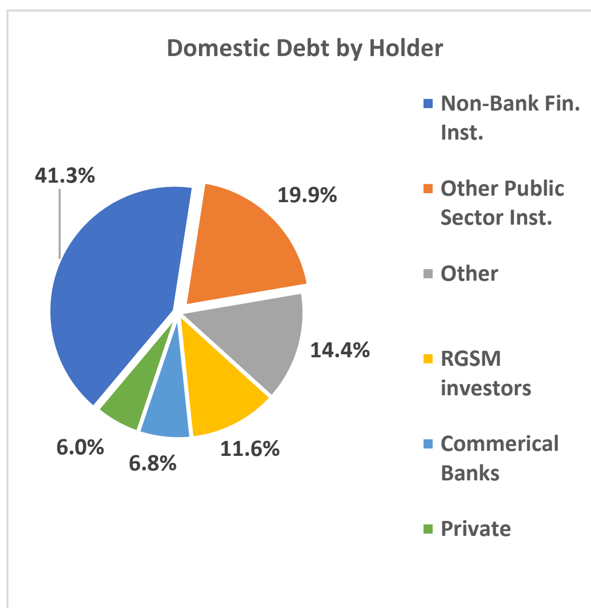
Figure 10: Domestic Debt by Instruments as at September 2023



Domestic Debt by Holder

Non-bank financial institutions were the majority holders of the Government of Grenada's domestic debt, accounting for $170 million (41.3 percent) of the domestic portfolio. They were followed by public sector institutions which accounted for $81.7 million (19.9 percent) and investors in the Regional Government Securities Market which accounted for $47.7 million (11.6 percent). The residual of the Government's domestic liabilities was shared between Commercial Banks at $28.2 million (6.8 percent), private individuals at $24.4 million (5.9 percent), and other holders accounted for $59.2 million (14.4 percent) of the domestic portfolio (Figure 11).

Figure 11: Domestic Debt by Holder as at September 2023



8.3 The debt of State-Owned Enterprises (SOEs)

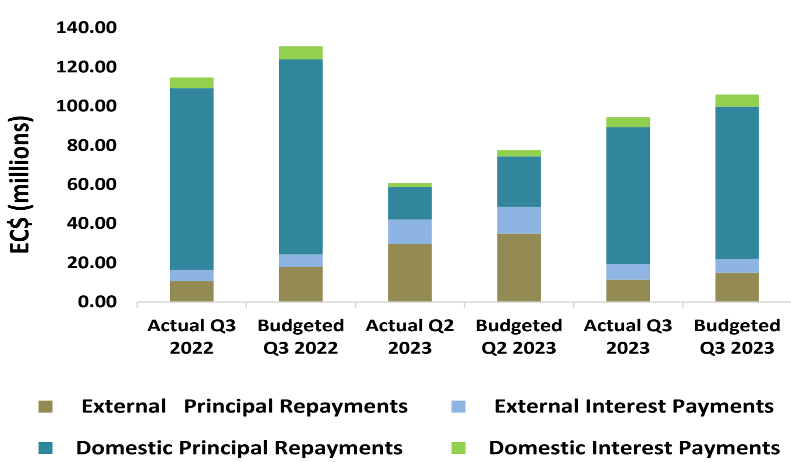
As of the end of June 2023, the most recent period for which data is available, nine State-Owned Enterprises (SOEs) collectively held non-guaranteed debts totaling $522.7 million, equivalent to 14.5 percent of the Gross Domestic Product (GDP). This figure includes the debt obligations of Petro Caribe, which amounted to $372.1 million, representing 10.3 percent of GDP. It's important to note that all non-guaranteed instruments contracted by SOEs are in the form of long-term loans, and the primary creditor is a local commercial bank. The projection for the debts of SOEs by the year-end is also estimated to be 14.5 percent of GDP.

Debt Service

In the third quarter of 2023, the actual debt service payments amounted to EC$94.4 million. Within this total, interest payments constituted EC$13.0 million, while amortization made up the remaining EC$81.4 million. It is noteworthy that during Q3 and other comparable periods, the actual debt service payments consistently fell below the budgeted amounts. This variance is attributed to fluctuations in interest rates and the fact that a portion of the Government of Grenada's (GoG) outstanding bonds, which had been budgeted for, was not claimed.

Breaking down the debt service payments by type, external debt service accounted for 20.4%, while domestic debt service represented the majority at 79.6% during Q3 2023. Chart 9 provides a visual comparison between the budgeted and actual debt service payments across the specified periods, illustrating the observed variances.

Chart 9: Debt Service Budgeted & Actual Payments



Credit Rating

Since 2012 Standard & Poor's has lowered Grenada's foreign currency sovereign credit rating to "SD," or selective default, from "B-/B," and has also lowered its local currency sovereign credit ratings to "CCC+/C" from "B-/B." Grenada has not had another international credit rating since then and has not issued any new debt on the international capital market. Existing external arrears with two bilateral creditors (Algeria and Trinidad and Tobago) means that Grenada's overall debt rating remains **"in debt distress"**. Negotiations were completed with Libya in October 2022 and the Government continues to engage with Algeria to resolve this outstanding matter.

Medium-Term Debt Strategy

The Medium-Term Debt Management Strategy (MTDS) is formulated in compliance with the stipulations of Section 5(1) of the Public Debt Management (PDM) Act, No. 28 of 2015. Grenada's MTDS serves as a strategic plan designed to attain the desired debt portfolio, aligning with specific debt management objectives. The primary aim of effective debt management is to meet the Government's funding requirements at the lowest feasible cost while maintaining a prudent level of risk. The strategy also considers additional debt management goals, such as the development and maintenance of an efficient market for Government securities.

The MTDS for the period 2024-2026 is anticipated to implement these objectives, reflecting a comprehensive approach to managing the country's debt in a manner that optimizes costs, mitigates risks, and supports the broader financial objectives of the government.

Cost and Risk Indicators of the Existing Portfolio

Interest rate risk

Interest rate risk refers to the vulnerability associated with an increase in interest rates. At the end of 2023, Grenada's total debt portfolio has an estimated Average Time to Refixing (ATR) of approximately 9.9 years. Within this timeframe, 19.8 percent of the total debt is subject to a potential change in interest rates within one year, as outlined in Table 1.

The interest rate risk is primarily attributed to the short maturity of instruments in the domestic portfolio, resulting in an ATR of 4.8 years. Within this domestic portfolio, 38.6 percent of the debt is subject to re-fixing within one year.

In contrast, the ATR of the external debt portfolio is longer, standing at 11.6 years, with 13.8 percent of the external debt subject to re-fixing in one year. Notably, a significant portion (91.1 percent) of the external debt is contracted at fixed interest rates, providing a degree of stability, while the remaining 8.9 percent comprises floating-rate debt from both multilateral and bilateral creditors. This composition indicates a certain level of resilience in managing interest rate risk within the external debt portfolio.

Refinancing Risk

Foreign exchange risk assesses the susceptibility of a portfolio to fluctuations in exchange rates. In the case of Grenada's debt portfolio, despite the total foreign debt comprising an estimated 75.8 percent of the entire portfolio at the end of 2023, the exposure to foreign exchange risk is considered minimal.

This minimal exposure is attributed to a significant portion (69.8 percent) of the foreign currency-denominated debt being denominated in the United States Dollar (USD), to which the Eastern Caribbean Dollar (XCD) is pegged. The pegging of the XCD to the USD provides a level of stability, mitigating the impact of exchange rate fluctuations on the foreign currency-denominated debt.

Additionally, it's noted that Grenada has achieved its set target for foreign exchange debt, maintaining it at less than or equal to 80.0 percent of the total portfolio. This adherence to the target further contributes to the country's effective management of foreign exchange risk in its debt portfolio. (Table 5).

Foreign Currency Risk

Foreign exchange risk evaluates how a portfolio is affected by fluctuations in exchange rates. In the case of Grenada's debt portfolio, there is limited exposure to foreign exchange risk, despite foreign debt constituting an estimated 75.8 percent of the total portfolio by the end of 2023. This is primarily due to a substantial portion (69.8 percent) of the foreign currency-denominated debt being denominated in the United States Dollar (USD), to which the Eastern Caribbean Dollar (XCD) is pegged.

The pegging of the XCD to the USD provides a form of stability, minimizing the impact of exchange rate changes on the foreign currency-denominated debt. Furthermore, Grenada has successfully met its target for foreign exchange debt, maintaining it at less than or equal to 80.0 percent of the total portfolio. This achievement underscores the effective management of foreign exchange risk in the country's debt portfolio.

Table 5: Cost and Risk Indicators of Central Government's estimated at the end of 2023[2]

Risk Indicators		External debt	Domestic debt	Total debt
Amount (in millions of XCD)		1,612.3	515.2	2,127.5
Amount (in millions of USD)		597.2	190.8	788.0
Cost of debt	Interest payment as % GDP	1.1	0.5	1.6
	Weighted Av. IR (%)	2.5	3.5	2.7
Refinancing risk	ATM (years)	12.2	4.8	10.4
	Debt maturing in 1yr (% of total)	5.9	38.6	13.8
	Debt maturing in 1yr (% of GDP)	2.6	5.5	8.1
Interest rate risk	ATR (years)	11.6	4.8	9.9
	Debt refixing in 1yr (% of total)	13.8	38.6	19.8
	Fixed-rate debt (% of total)	91.1	100.0	93.3
FX risk	FX debt (% of total debt)			75.8
	ST FX debt (% of reserves)			9.5

Source: Ministry of Finance

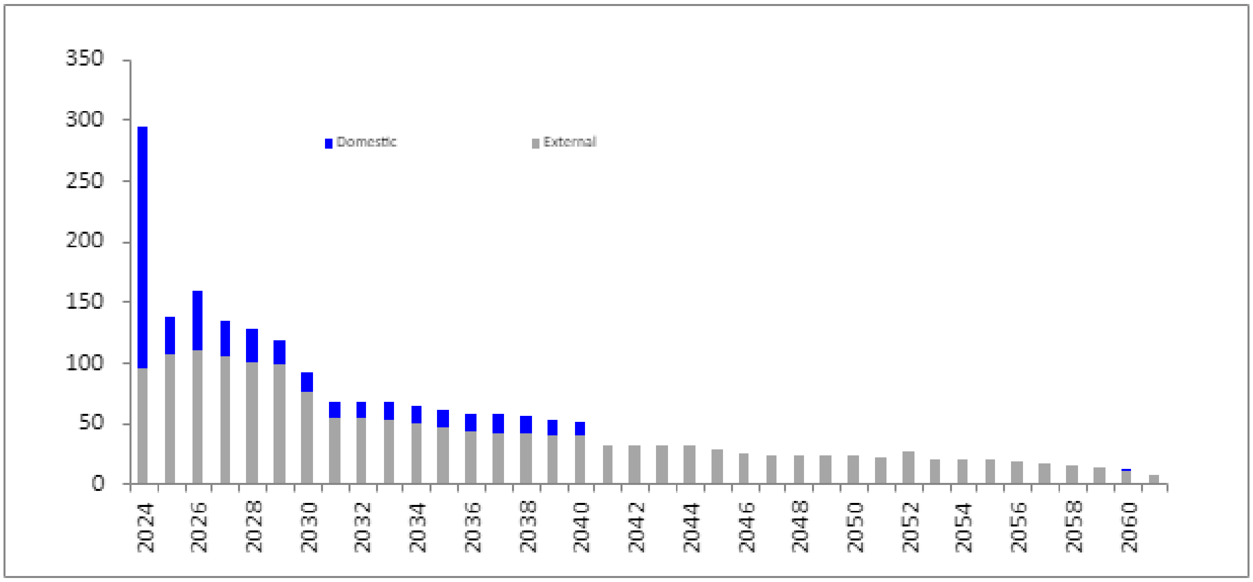
Redemption Profile

The redemption profile (as illustrated in Figure 12) provides insights into the risks embedded in the portfolio and the scheduled amortization of outstanding debt. Notably, a substantial portion of the domestic debt is set to mature within the next year, primarily consisting of Treasury Bills (T-Bills) reaching maturity in that period. Additionally, there are imminent maturities of two 2-year Treasury Notes (T-Notes) in 2024, followed by another two T-Notes in 2025. The redemption profile for 2026 indicates the maturity of four T-Notes, contributing to the observed increase in redemptions compared to 2025.

[2] Adopted from Government of Grenada Medium-Term Debt Management Strategy 2023-2025.

In contrast, the external debt exhibits a more even and extended redemption profile. This characteristic is attributed to the longer maturity and concessional nature of loans from multilateral and bilateral creditors. The smooth redemption profile of external debt indicates a more gradual and manageable schedule for debt repayments in comparison to domestic debt, which is marked by more immediate and concentrated maturities.

Figure 12: Grenada Redemption Profile as of the end of December 2023 (EC$M)



Source: Ministry of Finance

Selected Strategy

The strategy selected for the period 2024-2026 aligns closely with the current financing mix of the Government. It recommends prioritizing financing from external multilateral creditors on concessional terms, continuing to draw down committed undisbursed balances from existing creditors and reissuing Treasury bills and Treasury notes on both domestic and regional markets. The strategy underwent rigorous analysis, including the evaluation of different stress scenarios involving moderate and extreme degrees of interest and exchange rate shocks.

During this analysis, the chosen strategy demonstrated superior performance when compared to alternative approaches, particularly in terms of risk indicators. The strategy selected is deemed the most practical for meeting the government's financing needs while adhering to the debt management targets and objectives outlined in the Public Debt Management Act of 2015. This careful selection is indicative of a prudent and strategic approach to managing the government's financial requirements in a manner that minimizes risks and aligns with broader debt.

9. EXTERNAL SECTOR

Data from the Customs and Excise Division (CED) has been utilized to evaluate the external sector's performance for the first nine months of 2023. According to this data, there was a recorded trade deficit of $999.7 million during this period. The total imports amounted to $1,472.6 million, while total exports were $66.0 million (refer to Figure 14). Specifically, Grenada's food import bill for the January to September 2023 period totaled $41.8 million, reflecting a 13.7 percent decrease compared to the same period in 2022.

In Figure 13, the Balance of Trade is depicted. An analysis of the category of imports, based on statistical value for January to September 2023, reveals that the most imported products during this period were "petroleum and bituminous minerals - oils other than crude." Additionally, there was a notable volume of imports related to motor cars, construction materials, and food (Table 6).

Figure 13: Balance of Trade (est.)

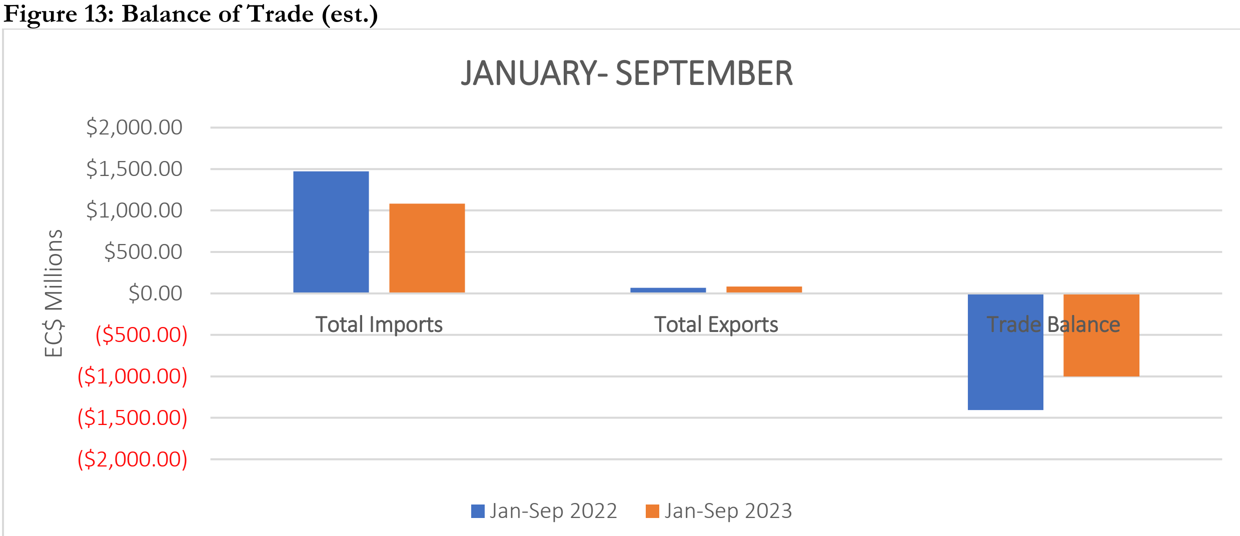


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Table 6. Domestic Imports (Jan-Sep 2023)

TOP	CATEGORY*	STATISTICAL VALUE
1	Petroleum oils and oils obtained from bituminous minerals, other than crude	$ 211,480,204.11
2	Motor cars and other motor vehicles principally designed for the transport of persons	$ 39,562,874.72
3	Meat and edible offal, fresh, chilled, or frozen	$ 32,644,105.48
4	Cement	$ 22,992,504.13
5	Other furniture and parts thereof	$ 17,271,054.20
6	Food preparations not elsewhere specified or included	$ 16,188,965.90
7	Telephone sets	$ 15,174,505.52
8	Waters, including mineral waters and aerated waters	$ 15,172,826.90
9	Medicaments	$ 14,124,234.70
10	Bread, pastry, cakes, biscuits, and other bakers' wares	$ 13,917,988.15
	**Most Categories were simplified for clarity and should not be confused with SITC sections*	

Source: Ministry of Finance

Regarding exports, the most popular exported products were “wheat or meslin flour,” and “nutmeg, mace, and cardamoms” with a value of $12.7 million and $10.2 million, respectively. Other major exports for the review period included bottles and containers, paints, fish, and cocoa beans (Table 7).

Table 7: Domestic Exports (Jan-Sep 2023)

TOP	CATEGORY*	VALUE
1	Wheat or meslin flour	$ 12,695,203.51
2	Nutmeg, mace, and cardamoms	$ 10,228,003.35
3	Preparations of a kind used in animal feeding	$ 9,731,882.83
4	Carboys, bottles, flasks, jars, pots, phials, ampoules, and other containers	$ 6,851,156.84
5	Paints and varnishes	$ 5,200,933.67
6	Fish, fresh or chilled	$ 3,743,423.68
7	Cocoa beans, whole or broken, raw or roasted	$ 3,570,417.65
8	Toilet paper and similar paper, sheets, and similar household, sanitary or hospital articles, articles of apparel and clothing accessories, of paper pulp, paper, cellulose wadding, or webs of cellulose fibres	$ 3,406,163.83
9	Tubes, pipes and hoses, and fittings of plastics	$ 2,627,962.11
10	Waters, including mineral waters and aerated waters	$ 2,531,735.77
	** Most Categories were simplified for clarity and should not be confused with SITC sections*	

Source: Ministry of Finance

10. MONETARY AND FINANCIAL SECTOR ANALYSIS

In 2023, the banking sector experienced positive developments, primarily driven by the resurgence of the Tourism sector and the full reopening of St. George's University (SGU). This led to increased deposits from the Tourism and hotel as well as the Food and beverage sectors, including supermarkets and restaurants. There was a notable uptick in domestic credit to various sectors, including Construction, Home Renovation, Real Estate (Commercial Building and Land Purchase), Motor Vehicular, Wholesale and retail Trade, and Professional Services. Overall, total credit to the private sector saw a 1.0 percent increase, amounting to $22.18 million at the end of August 2023, relative to the total at the end of December 2022.

Despite the rise in bank loans to these sectors, commercial banks maintained a high level of liquidity, with the ratio of total non-interbank loans to total non-interbank deposits exceeding 50.0 percent. Additionally, the average non-performing loans ratio across the entire sector stood at 3.6 percent, significantly below the regulatory benchmark of 5.0 percent. Importantly, all loan moratoria facilities, implemented in 2020 to alleviate the impact of COVID-19 on creditors, were successfully concluded during the third quarter of 2023.

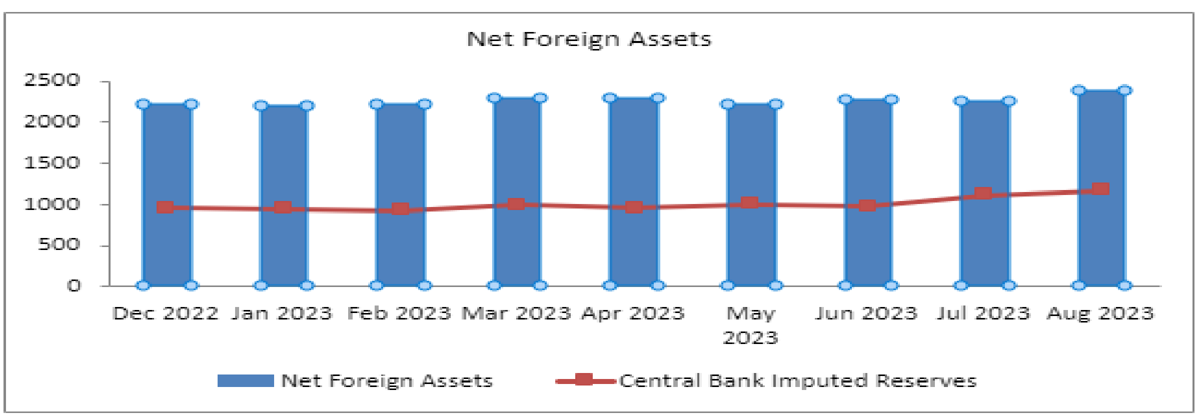
As of now, Grenada has three commercial banks following the acquisition of CIBC First Caribbean International Bank (Grenada) by the Grenada Cooperative Bank Limited. This acquisition has increased the market share of the Grenada Cooperative Bank, making it the largest commercial bank in Grenada and the third-largest indigenous bank in the Eastern Caribbean Currency Union (ECCU). Overall, the banking sector in Grenada is characterized as stable, sound, and well-capitalized.

Assets

Net Foreign Assets (NFA)

Net Foreign Assets for the period August 2022-August 2023 increased by 15.6 ($320.0 million). Central Bank Imputed Reserves' increase of 35.4 percent ($306.3 million) was sufficient to influence an overall increase in Net Foreign Assets even with a sharp increase in liabilities of 38.1 percent ($173.5 million) (Figure 14).

Figure 14: Net Foreign Assets

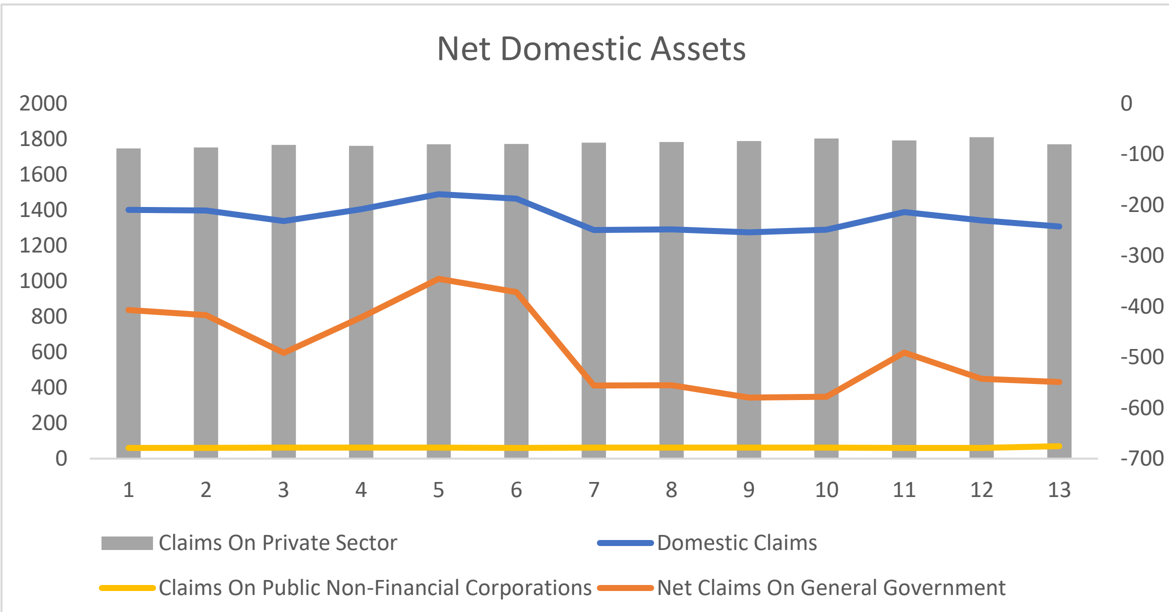


Net

Domestic Assets (NDA)

During the same 12-month period, Net Domestic Assets decreased by 33.8 percent moving from $1,026.9 million to $680.22 million. This was effected by an 8.1 percent or $112.8 million Contraction in Domestic Credit that was driven by increases in credit to Public Non-Financial Corporations of 24.7 percent or $19.9 million and Private Sector credit of 1.3 percent or $ 22.2 million (Figure 15). Net credit to General Government (RHS) increased by 37.7percent or ($157.22 million)

Figure 15: Net Domestic Assets



Liabilities

Monetary Liabilities decreased by 0.9 percent to $3,063.8 million during the period. The money supply expanded by 19.1 percent, of which, Currency with the Public increased by 5.0 percent, Private Sector Demand Deposits by 33.0 percent and Cash at Commercial Banks decreased by 6.4 percent. Quasi money contracted moderately by 13.9 percent, propelled by declines in Private Sector Time Deposits of 2.4 percent and Private Sector Savings Deposits of 8.4 percent. Private Sector Foreign Currency Deposits decreased by 29.8 percent or $123.7 million (Table 8).

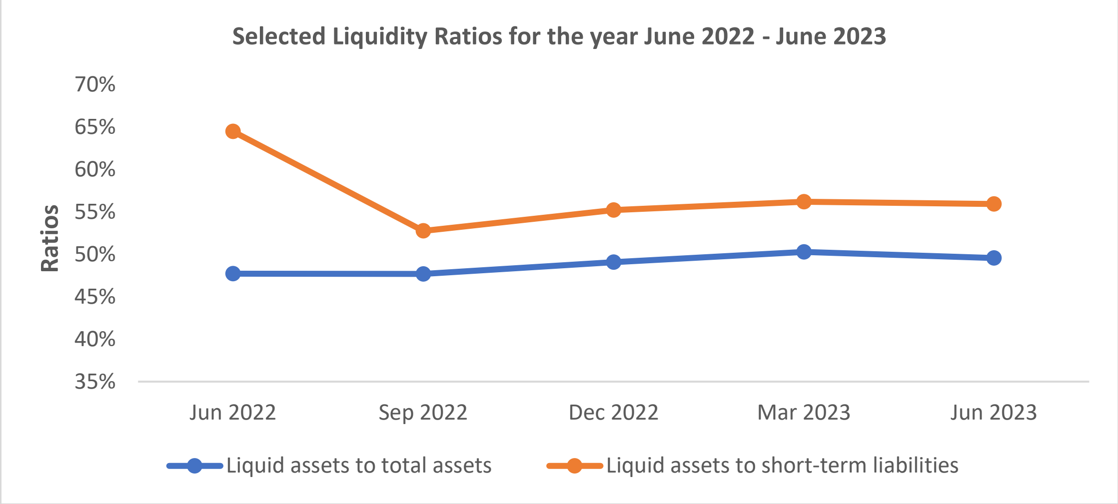
Table 8: Monetary Liabilities (Aug2022- Aug 2023)

	Aug-22	Aug-23P	Variance
	EC$ (M)	EC$ (M)	%
MONETARY LIABILITIES (M2)	3,087.1	3,063.8	-0.8%
MONEY SUPPLY (M1)	1,222.7	1456.3	19.1%
Currency with the Public	182.6	191.7	5.0%
Currency in Circulation	249.1	254.0	2.0%
Cash at Commercial Banks	66.5	62.3	-6.4%
Private Sector Demand Deposits	810.6	1078.8	33.0%
QUASI MONEY	1,864.4	1,604.5	-13.9%
Private Sector Savings Deposits	1,255.6	1,149.6	-8.4%
Private Sector Time Deposits	74.0	72.3	--2.4%
Private Sector Foreign Currency Deposits	414.9	291.1	-29.8%
	Source: ECCB		

The Commercial Banking system continues to grapple with high liquidity. Total Non-interbank Deposits to loans ratio exceeded 50%. Total Loans rose by 8.1 percent to $2,056.2 million over the same period. The ratio of Liquid Assets to Total Assets also grew by 3.9 percentage points to 49.6 percent over the period (Figure 18).

Commercial Banks weighted average credit rate, foreign and local currency grew by 2.1 and 0.7 percentage points to 6.4 and 6.8 percent respectively over the period June 2022 –June 2023. The weighted average interest rate on Savings Deposits was constant at 1.5 percent at end June 2023 from. The Banks' Maximum Prime Loan Rate remained at 10.0 percent whilst the ECCB's discount rate remained at 2.0 percent since 2020 when it was reduced because of the COVID-19 pandemic.

Figure18: Selected Liquidity Ratios for the year June 2022 - June 2023



11. UNEMPLOYMENT

There was substantial improvement in employment levels during 2023, evident in the significant reduction of the unemployment rate. Preliminary estimates indicate a rate of 12.0 percent in the second quarter of 2023, down from 13.9 percent in the same period of 2022 and a more significant decline from 16.6 percent in the second quarter of 2021.

The findings from the 2023 2nd Quarter labor force survey highlight a gender disparity, with the unemployment rate higher among women at 14.6 percent compared to 9.6 percent among men. Additionally, a noteworthy number of individuals between the ages of 15 to 24 experienced unemployment, surpassing other age groups.

Industries contributing significantly to employment included wholesale and retail trade, construction, agriculture, forestry and fishing, and education.

12. PROSPECTS FOR 2023-2025

Grenada's macro-fiscal landscape is significantly shaped by global economic trends. According to the International Monetary Fund's (IMF) World Economic Outlook (WEO) released in October 2023, the global economy is gradually recovering, thanks to policy support and the easing of the pandemic and Russia-Ukraine war impacts.

The IMF's baseline forecasts anticipate a slowdown in global economic growth from an estimated 3.5 percent in 2022 to 3.0 percent in 2023 and further to 2.9 percent in 2024. This reduction is attributed to factors such as monetary and fiscal policy tightening, adverse weather conditions, and lingering pandemic effects. Advanced economies are expected to experience a sharper decline in growth, from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024. Conversely, Emerging and Developing economies are projected to see a marginal dip from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024. Global inflation, though remaining high historically, is predicted to moderate from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024.

Risks to the global economic outlook lean toward the downside, with potential challenges stemming from China's real estate sector and volatile commodity prices. Geopolitical tensions and climatic shocks may further contribute to erratic swings in commodity prices, impacting the global economy. The recent Israeli-Palestinian conflict adds another layer of risk, especially concerning fuel exports from the Middle East.

Examining Grenada's major trade partners, growth projections vary. The USA, a significant source of tourists for Grenada, anticipates a steady 2.1 percent growth in 2023 and a slight deceleration to 1.5 percent in 2024. The UK forecasts a sharp decline from 4.1 percent in 2022 to 0.5 percent in 2023, with a slight recovery to 0.6 percent in 2024. In Canada, economic growth is projected at 1.3 percent in 2023 and 1.6 percent in 2024, down from the 3.4 percent achieved in 2022. China, a crucial market for manufactured goods, is expected to grow from 3.0 percent in 2022 to 5.0 percent in 2023 and 4.2 percent in 2024.

Grenada's economic outlook hinges on both global developments and domestic policies. Positive signs, like mild growth and receding inflation in the USA, offer hope for a "soft landing" scenario, benefiting

Grenada's tourism and broader economic prospects. The country's economy is forecasted to grow by 3.6 percent in 2024, with conservative assumptions about key sectors like Tourism, Construction, Private Education, and Agriculture.

While the Tourism sector shows signs of recovery, challenges exist due to moderate economic growth and persistent inflation in key tourist source markets. The Construction sector, despite positive prospects, faces headwinds from high construction material import costs. Private Education is expected to thrive in 2024, supported by initiatives from St. George's University (SGU). The Agricultural sector is poised to benefit from government initiatives focused on boosting production and value-addition.

A cautiously optimistic outlook for major sectors bodes well for ancillary sectors like Manufacturing, Real Estate, and Wholesale and Retail Trade. Sustained economic activity in key sectors enhances employment prospects. The financial sector is expected to thrive by leveraging technology for improved service delivery. Domestic inflation pressures are anticipated to ease in line with global projections.

While Grenada's economic prospects for 2024 are generally positive (Table 10), potential downside risks include high global inflation, sluggish economic growth in key tourism and investment source markets, geopolitical tensions, and adverse weather conditions. The medium-term economic and fiscal report emphasizes realism in policy objectives, strategic priority sequencing, and built-in flexibility to navigate uncertainties in the global macroeconomic environment.

Table 10: Medium-Term Projections

	2024	2025	2026
Real GDP Growth (%)	3.6	3.0	4.2
Nominal GDP (EC$M)	3,845.9	4,060.0	4306.7
Total Revenue & Grants (% of GDP)	34.4	29.9	29.6
Total Expenditure (% of GDP)	34.3	29.5	28.4
Overall Balance after grants (% of GDP)	0.0	0.4	1.3
Primary Balance after grants (% of GDP)	1.5	1.7	2.4
Public Debt (% of GDP)	73.3	71.9	70.5

Source: Ministry of Finance

12.1 Risks to Outlook

Macroeconomic Risks

The fundamental fiscal projections for 2024 and the subsequent two years are predicated on assumptions about global macroeconomic developments as of October 2023. Grenada's macro-fiscal context is notably influenced by the ongoing global economic recovery, albeit slow, with persistently high inflation and risks tilting towards the downside, suggesting modest medium-term growth prospects.

Given this context, the trajectory of Grenada's economy and, consequently, its public finances heavily relies on global economic trends. A prolonged global economic slowdown could adversely impact crucial aspects such as tourist arrivals, remittances, foreign direct investment, external grant receipts, and public finances. Concurrently, sustained high international commodity prices, particularly in fuel and food, are anticipated to continue exerting domestic inflationary pressures in the short term. While domestic inflation is projected to ease over the medium term in alignment with the global forecast, there exists a tangible risk that even with a global inflation moderation, the cost of imported production inputs may remain elevated, hindering domestic economic output.

The extended duration of the Israeli-Palestinian war could keep global oil prices elevated, further affecting Grenada's economy. Additionally, a reversal in the downtrend of global inflation could heighten local cost-of-living pressures. In the scenario of persistent global inflation, global interest rates may remain elevated, adversely affecting the cost of credit both globally and domestically

Should any of these risks materialize, the actual fiscal outcomes may deviate from the baseline fiscal forecasts. Table 11 illustrates the sensitivity of the primary balance and public debt to changes in key economic variables, demonstrating the vulnerability of baseline fiscal variables to economic shocks. Scenario 1 envisions a real economic growth in 2024 two percentage points below the baseline forecast, leading to a decline in tax revenues and a subsequent worsening of the primary balance and public debt ratios relative to their baseline projections, deviating from the fiscal rules outlined in the new Fiscal Resilience Act (FRA). In Scenario 2, higher-than-projected inflation increases expenditures, causing the primary balance as a ratio of GDP to narrow significantly below the FRA target, while public debt as a ratio of GDP rises above the 2024 baseline projection. Scenario 3 combines GDP and inflation shocks, resulting in the most pronounced differences from baseline projections and a significant deviation from the FRA's targets.

Table 11: Sensitivity of Key Fiscal Variables to Economic Shocks

Economic Assumptions	***Estimated Impact (2024)***			
	Primary Balance		***Public Debt***	
	% of GDP	*Difference from Baseline (% of GDP)*	*% of GDP*	*Difference from Baseline (% of GDP)*
Scenario 1: Real GDP 2pp lower than the 2024 forecast	0.1%	Lower by 1.4pp	75.8%	Higher by 2.4pp
Scenario 2: Inflation 2pp higher than the 2024 forecast	0.8%	Lower by 0.7pp	73.6%	Higher by 0.3pp
Scenario 3: Combined Real GDP and Inflation Shock: GDP growth is 2pp lower and inflation is 2 pp relative to the 2024 forecasts	-0.6%	Lower by 2.1pp	76.5%	Higher by 3.3pp

Source: Ministry of Finance

Budget Implementation Risks

Receipts from the CBI programme, which is a major source of non-tax revenue are particularly at risk in the context of the AMIGOS Act that was passed in the Congress of the USA in December 2022, which prohibits immediate E2 visa privileges of an economic citizen and instead stipulates a 3-year domicile residency requirement. Any significant reductions in CBI revenues would weaken the fiscal position and complicate Budget implementation. However, deliberate actions are being deployed to enhance the attractiveness and secure the sustainability of the programme. Near-term uncertainties about CBI inflows, especially inflows into the National Transformation Fund (NTF) will complicate Budget programming. The fiscal outlook can be negatively affected should the forecasted NTF receipts not materialise. Lower-than-projected receipts would adversely affect project implementation and Budget execution.

Meanwhile, persistent high global inflation will stoke domestic inflationary pressures in the near term, posing a challenge for Budget execution, both on the revenue and expenditure sides. On the revenue side, high inflation can potentially complicate Budget execution by eroding any possible windfall revenue from duties and border taxes (because of imported inflation) through expanded fiscal support to citizens, especially the most vulnerable. On the expenditure side, given the forecasts for global inflation, the costs of procuring goods and services are likely to remain high (though easing relative to peak prices in 2021-2022), especially that of construction inputs, which can trigger cost overruns of infrastructure projects in the PSIP. Active contract management by implementing ministries will be necessary to mitigate this risk.

The Government will continue to strengthen implementation capacity through training and hands-on support as part of the roll-out of a comprehensive implementation strategy for its PSIP. Budget and PSIP implementation are expected to continue improving with more systematic monitoring and structured reporting on Budget and execution using the Budget Implementation Tool, which was developed by the MIT Ministry and approved by the Cabinet in June 2023. Since its establishment in June 2022, MIT has bolstered its human and technical capacity to deliver on its mandate to provide hands-on and results-oriented implementation support to Ministries and Departments that are executing Government's priority projects and programmes.

However, the limited pool of technical personnel across the Public Service in general, notwithstanding MIT's support, is a challenge to Budget execution, and by extension the attainment of Government's fiscal objectives. A widening of the human resource pool, through the on-boarding of technical personnel, is an urgent priority for the Government.

Climate Risks

Grenada's vulnerability to natural hazards is an inherent risk. Climate change directly affects the Tourism, Agriculture, and Construction Sector, at substantial fiscal cost. Based on the 2021 Global Climate Risk Index Report, which analyses and ranks the exposure and vulnerability to extreme events of 180 countries globally using data for the period 2000-2019, Grenada ranked 24th overall with a score of 39.67, confirming Grenada's high exposure and vulnerability to natural hazards such as hurricanes, storms, floods, and heat waves for example.

The Government continues to build resilience to climate change as demonstrated in its ongoing and planned adaptation and mitigation actions, consistent with its Disaster Resilience Strategy. Moreover, the Government has adopted a risk-layering approach to natural hazard financing that includes insurance, contingencies, lines of concessional credit, and budgetary finances- set aside. Additionally, as part of its

2015 debt restructuring, hurricane clauses have been included in its restructured bonds, which would trigger an automatic reprofiling following a hurricane and other types of natural events.

Financial Sector Risk

Though some financial vulnerabilities exist particularly because of businesses within the key productive sector that have been adversely affected by the back-to-back shocks of COVID-19, Russia's invasion of Ukraine and global inflation, financial institutions have remained strong and adequately capitalised. However, enhanced financial sector surveillance and continued efforts to safeguard financial stability would be required as uncertainties surrounding the macroeconomic outlook persist. Enhanced supervision and monitoring of credit unions will be particularly important given elevated non-performing loans at some institutions.

Public-Private Partnerships Risk

There were two such public-private partnership (PPP) arrangements in place in 2023: (i) a 15-year agreement with Digicel, which is part of the Caribbean Regional Communication Programme that is a World Bank-funded regional project between the Governments of Grenada, Saint Lucia and St. Vincent and the Grenadines and Digicel to support the countries' digital transformation agenda. Grenada's contribution to the regional projects is a current liability (concessional loan financing), and as such, there are no explicit related contingent liabilities associated with the PPP arrangement; and (ii) the Grenville Commercial Complex, which is an arrangement between the Government and a private partner to construct commercial spaces for rent, costing an estimated EC$18.8 million, with Government owning 51.0 percent of the shares of the venture.

State-Owned Enterprises (SOEs) Risks

In the context of fiscal risks, the operations of SOEs could give rise to financial obligations that are borne by the Central Government. These financial obligations are referred to as contingent liabilities as they can arise by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Central Government. Contingent liabilities can be explicit, such as guaranteed debts or implicit, such as non-guaranteed debts and other sources of liabilities. These contingent liabilities do not add to the Central Government's expenditures immediately; however, an unexpected future exogenous shock could require direct payments from the Government.

- **Explicit Contingent Liabilities - Guaranteed Debt**

The Central Government has only one guaranteed loan in its debt portfolio. It was contracted from a local commercial bank by an SOE. The balance on this loan at the end of September 2023 was $0.8 million. As such, the fiscal risk with respect to the explicit contingent liabilities of SOEs to the Government is moderate at this time.

- **Implicit Contingent Liabilities- Non- Guarantee Debt**

As at end-September 2023, nine SOEs held non-guaranteed debt instruments, and as such, these liabilities are a potential source of contingent liabilities for the Central Government. The non-guaranteed debt stock for SOEs stood at $552.0 million at end-September 2023. Generally, the loans are issued in local currency, at fixed interest rates with long-term amortization schedules, thereby limiting potential vulnerabilities to interest rate and exchange rate fluctuations. Domestic lenders typically include commercial banks, Larger SOEs with lending facilities or the Central Government (through on-lending arrangements). On a less frequent basis, loans are incurred from regional banking institutions (such as the Caribbean Development Bank). Importantly, debt owed to other SOEs also represents implicit contingent liabilities for the Central Government because the risk of non-repayment may ultimately be borne by the Government.

As assessment of the consolidated loan portfolio of SOEs points to no debt servicing challenges by any of the SOEs, and as such, fiscal risks to the central Government are assessed as minimal. All SOEs are monitored by the Ministry of Finance, with a view to ensuring timely and complete reporting of all factors that can potentially pose risks to public finances.

13. SECURITY ISSUANCE PROCEDURES AND SETTLEMENT AND SECONDARY MARKET ACTIVITIES

The Treasury bills will be issued on the Regional Government Securities Market using the ECSE trading platform for both primary issuance and secondary trading. The pricing methodology to be used for selling the securities will be that of a competitive uniform price auction with open bidding. The ECSE and its subsidiaries are responsible for processing, clearance, and settlement of securities and providing the intermediaries with access to their settlement projections report, which indicates the obligations of the intermediary. Intermediaries are responsible for interfacing with prospective creditors, collecting applications for subscriptions and processing bids on the ECSE platform. A list of licensed intermediaries is provided in Appendix I.

Successful investors will be informed of their payment obligations and funds deducted from their respective accounts with the intermediaries. As an issuer on the RGSM, the Government of Grenada will be subject to the rules and procedures established by the Regional Debt Coordinating Committee for the operation of the market including ongoing reporting and disclosure requirements.

14. CURRENT ISSUES OF GOVERNMENT SECURITIES ON THE REGIONAL GOVERNMENT SECURITIES MARKET

RGSM TREASURY BILLS AND BONDS

Issues Outstanding	EC$ 115.0 million
Type of Issue	Government of Grenada Treasury Bills and Bonds
Maturity in Days	91 and 365 Days
Maturity in Years	2 Years
Date of Issues	January 2024 to November 2024
Yields	Max 5.5 percent
Discount Price	EC$95.50

Treasury Bills and bonds outstanding as of November 30th, 2023, are listed in Table 12.

Table 12: Treasury Bills listed on RGSM as of November 30th, 2023

Auction Name	Issue Date	Maturity Date	Term	Value (EC$M)	Issue Amount (EC$M)	Amount Accepted (EC$M)	Yield (%)	Total Bids	Successful Bids
GDB270423	25-Jan-23	27-Apr-23	91	16.33	15.00	**14.87**	3.5	7	7
GDB010823	28-Apr-23	01-Aug-23	91	35.88	15.00	**14.94**	1.5	16	7
GDB021123	03-Aug-23	02-Nov-23	91	17.29	15.00	**14.87**	3.5	9	9
GDB100824	11-Aug-23	10-Aug-24	365	58.92	25.00	**24.63**	1.5	18	6
GDB261024	27-Oct-23	26-Oct-24	365	27.92	10.00	**9.80**	2.0	19	7
GDB050224	25-Oct-22	25-Oct-23	365	22.2	15.00	**14.9**	2.5	9	6
GDB141224	13-Dec-22	13-Dec-23	365	18.82	10.00	**9.76**	2.5	13	8

Source: Ministry of Finance

Secondary Market Activities on the RGSM

Table 13: Value of Trades on the secondary market (ECSE platform only) in EC$ millions 2018-2022[3]

Country	2018	2019	2020	2021	2022	Total
Antigua and Barbuda	1.1	24.5	0.0	0.0	0.0	**25.6**
Commonwealth of Dominica	1.2	0.0	0.0	0.0	0.0	**1.2**
Grenada	0.0	0.0	0.0	0.0	0.0	**0.0**
St. Kitts & Nevis	0.0	0.0	0.0	0.0	0.0	**0.0**
St. Lucia	17.8	9.5	28.5	2.7	0.1	**58.6**
St. Vincent & the Grenadines	9.1	2.2	0.0	2.0	0.0	**13.3**
Grand Total	**29.2**	**36.2**	**28.5**	**24.7**	**3.5**	**98.7**

Source: ECSE, ECCB

[3] Data for 2023 are not yet available on the ECSE site

Table 14: Upcoming Issues of Government Securities on the Regional Market 2023

SYMBOL	AUCTION DATES	ISSUE/SETTLEMENT DATE	MATURITY DATE	ISSUE AMT. EC$M	TENOR (Days)	INTEREST RATE CEILING %
GDB080524	6-Feb-24	7-Feb-24	8-May-24	15	91	3.50%
GDN150226	14-Feb-24	15-Feb-24	15-Feb-26	10	730	5.50%
GDB090824	9-May-24	10-May-24	9-Aug-24	15	91	3.50%
GDB111124	9-Aug-24	12-Aug-24	11-Nov-24	15	91	3.50%
GDB100925	9-Sep-24	10-Sep-24	10-Sep-25	25	365	5.00%
GDB271024	25-Oct-24	28-Oct-24	28-Oct-25	10	365	5.00%
GDB120225	12-Nov-24	13-Nov-24	12-Feb-25	15	91	3.50%
GDB131225	12-Dec-24	15-Dec-24	15-Dec-25	10	365	5.00%

All ISSUES ON THE MARKET ARE IN EC DOLLARS

APPENDICES

APPENDIX I[4]: KEY AMMENDMENTS

Item	2015 FRA	2023 FRA
Fiscal Objectives	Fiscal & debt sustainability & fiscal risk management	Retained
Debt Target	55% or 60% of GDP (unclear)	60.0% of GDP by 2035
Primary Balance Rule	Floor of 3.5% of GDP	Floor of 1.5% of GDP
Primary Expenditure Rule	Ceiling of 2% annual real growth	Removed
Wage Bill Rule	9% of GDP 2% real annual growth (unclear)	Ceiling of 13.0% of GDP Annually
Contingent Liabilities related to PPPs	Ceiling of 5% of GDP	Removed
Escape Clause	Ambiguity about frequency of activation	Clear guidance about frequency of activation and the renaming of the Section as the Suspension Clause
Recovery Plan	Immediate preparation upon suspension	Removed as a standalone document, but measures proposed to return to compliance with the are contained in the Mid-year Economic Report (if suspension occurs within the first half of a fiscal years) and included in the Medium-term Economic and Fiscal Strategy Report if suspension occurs within the second half of a fiscal year
Reports	Six	Single consolidated Medium-term Economic & Fiscal Strategy Report
Medium-term Fiscal Framework	No provisions	Explicit provisions
Coverage	Central Gov't & Covered Public Entities	Central Gov't & All SOEs & SBs for Public Debt. Central Gov't only for fiscal flow variables
Stated –owned Enterprises (SOEs) and Statutory Bodies (SBs)	Fiscal rules apply to both Central Government and "covered public entities"	New Section with explicit provisions for all SOEs & SBs
Independent Fiscal Oversight Committee	Ex-post assessment only	Ex-ante and Ex-post assessments

[4] Revised

APPENDIX II[5]: LIST OF LICENSED ECSE MEMBER BROKER-DEALERS

Territory	Institution	Name of Licensee	Type of License
GRENADA	Grenada Co-operative Bank Ltd No 8 Church Street St. George's Tel: 473 440 2111 Fax: 473 440 6600 Email: info@grenadaco-opbank.com	Allana Joseph Aaron Logie Kishel Francis Laurian Modeste	Principal Principal Representative Representative
ST KITTS AND NEVIS	St Kitts-Nevis-Anguilla National Bank Ltd P O Box 343 Central Street Basseterre Tel: 869 465 2204 Fax: 869 465 1050 Email: donellec@sknanb.com	Anthony Galloway Petronella Edmeade-Crooke Marlene Nisbett Angelica Lewis	Principal Principal Representative Representative
	The Bank of Nevis Ltd P O Box 450 Main Street, Charleston Tel: 869 469 5564/5796 Fax: 869 469 5798 E mail: info@thebankofnevis.com	Judy Claxton Denicia Small Nikesia Pemberton	Principal Representative Representative
SAINT LUCIA	Bank of St Lucia Ltd 5th Floor, Financial Centre Building 1 Bridge Street, Castries Tel: 758 456 6826/457 7233 Fax: 758 456 6733	Medford Francis Lawrence Jean Cedric Charles Deesha Lewis Shaiiede Kallicharan Mervin Simeon Yasmane St Marthe Stephanie Gustave-Antoine	Principal Principal Principal Representative Representative Representative Representative Representative
	First Citizens Investment Services Limited	Margaret Cox Alma Richardson	Principal Principal

[5] Revised

Territory	Institution	Name of Licensee	Type of License
	P O Box 1294 John Compton Highway Sans Souci, Castries Tel: 758 450 2662 Website: www.firstcitizenstt.com/fcis E-mail : invest@firstcitizensslu.com	David Gavery Gale Cumberbatch Nayeebah St. Prix Dominic Mauricette	Representative Representative Representative Representative
ST VINCENT AND THE GRENADINES	Bank of St Vincent and the Grenadines Ltd	Laurent Hadley Monifa Latham	Principal Principal
	P O Box 880 Cnr. Bedford and Grenville Streets Kingstown Tel: 784 457 1844 Fax: 784 456 2612/ 451 2589 Email: info@bosvg.com	Chez Quow Tabisha Joseph Patricia John	Representative Representative Representative

APPENDIX III: OUTSTANDING DEBT 2018 -2023(e)

	2019	2020	2021	2022	2023 (e)
	In EC$M unless stated otherwise				
Total Public Debt					
External Debt (incl. Gov't Guarantees)	1410.9	1531.3	1643.42	1650.1	1728.79
Domestic Debt (incl. Gov't Guarantees)	477.9	457.1	464.7	425.2	412
SoE Debt	539	514.3	567.2	548	522.7
Total Public Debt to GDP (%)					
External Debt to GDP	43.1	54.4	54.2	50.7	47.8
Domestic Debt o GDP	14.6	16.2	15.3	13.1	11.4
SoE Debt	16.5	18.3	18.7	16.8	14.5
Central Government Debt					
External Debt	1410.9	1531.3	1639.7	1436.3	1612.3
Domestic Debt	477.9	457.1	463.7	539.5	515.2
Central Government Debt to GDP (%)					
External Debt	43.1	54.4	54.1	50.7	47.8
Domestic Debt	14.6	16.2	15.3	13.1	11.4
Total Debt Service	**285.2**	**272.3**	**286.4**	**361.2**	**351.5**
External	133.7	121.6	128.1	124.4	137.5
Domestic	151.5	150.7	158.3	236.8	214
Memo Item: Nominal GDP (EC$M)	**3271.4**	**2817.2**	**3031.6**	**3252.5**	**3616.4**

Source: Eastern Caribbean Central Bank & Ministry of Finance

APPENDIX IV: REAL GDP GROWTH RATES AND MEDIUM-TERM PROJECTIONS

	Actual	Actual	Actual	Est.	Est.	Forward Estimates		
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Agriculture, Livestock and Forestry	-3.6	-15.0	15.0	-24.4	-4.2	1.5	0.8	0.6
Fishing	2.0	-13.0	17.6	-3.8	1.1	1.3	1.1	2.5
Mining & Quarrying	5.0	-8.0	18.8	14.8	6.8	7.5	5.0	5.6
Manufacturing	3.2	-10.2	11.1	9.4	3.2	3.4	1.8	1.4
Electricity & Water	3.2	-6.4	-0.8	6.7	2.2	1.3	0.9	1.6
Construction	-3.6	-20.5	25.7	31.5	18.1	10.2	11.0	4.3
Wholesale & Retail Trade	1.8	-15.4	6.5	8.1	2.5	5.3	4.8	2.4
Hotels & Restaurants	4.1	-68.2	37.6	66.6	21.8	31.4	20.8	7.7
Transport and Storage	4.2	-33.1	-13.5	15.4	7.5	7.2	4.9	5.7
Communications	-7.9	-6.3	0.7	0.7	1.1	0.7	0.4	1.7
Financial Intermediation	2.9	4.3	4.1	5.7	4.8	4.4	4.0	4.9
Real Estate, Renting and Business Activities	1.5	-7.0	0.8	1.7	1.8	1.5	1.1	0.9
Public Administration	-0.8	-2.0	0.1	2.5	1.2	3.2	2.0	2.8
Education	4.2	-0.3	1.7	-1.7	4.3	2.0	1.4	1.5
Health and Social Work	-3.8	-1.7	2.4	2.7	1.1	1.1	1.1	1.7
Other Community, Social & Personal Services	1.6	-11.4	1.2	0.9	1.8	0.8	0.7	1.1
Activities of Private Households as Employers	0.6	-4.3	0.0	1.6	1.9	1.0	1.0	1.1
Real Gross Value added (not GDP)	1.2	-13.7	5.2	7.2	5.8	5.6	4.9	3.1
Real Gross Domestic Product	**0.7**	**-13.8**	**4.7**	**7.4**	**6.5**	**4.5**	**3.5**	**4.6**
Nominal GDP (% Change)	4.0	-14.0	7.6	9.3	10.1	7.5	6.4	6.6
Nominal GDP (EC$ Millions)	3,276.4	2,817.2	3,031.6	3,314.2	3,648.7	3,921.9	4,172.0	4,449.3

Source: Ministry of Finance, ECCB