



# Eastern Caribbean: Economic and Budget Review 2018

—  
June, 2018



# Foreword

**KPMG is delighted to be able to present our 2018 Budget and Economic Commentary on the member states of the Eastern Caribbean Currency Union (ECCU). At the time of this publication, Antigua and Barbuda, Grenada, St. Kitts and Nevis, Saint Lucia and St. Vincent and the Grenadines have released their budget statements for 2018. Our analysis has been compiled as a high-level review of the proposals made available to us.**

Overall the ECCU performed positively as economic activity expanded at 1.8% during the year, though at a slower rate as compared to 2016. The growth recorded in 2017 marked the seventh consecutive year the ECCU recorded a positive growth rate. The construction sector primarily fueled the economic performance in 2017, supported by the transport, storage and communications, and wholesale and retail sectors. A notable decline was recorded in agricultural, and tourism and restaurants sectors, partly due to the devastating impact of Hurricanes Irma and Maria in September, 2017.

At a country level, six of the eight member countries experienced an economic expansion. All countries experienced inflationary conditions during 2017, with increases in consumer prices ranging from 0.2% in St. Kitts and Nevis to 3.0% in St. Vincent and the Grenadines. Economic activity in all member territories, except Dominica, is projected to increase in the short term, primarily driven by the construction and transport and storage sectors, combined with the recovery in tourism activity.

The Budgets for 2018 have been prepared with the aim of achieving increased purchasing power and private sector growth. We note that many of the Eastern Caribbean territories analysed in this publication have reduced or contemplated reducing the standard corporate or personal income tax rates. As witnessed in the previous years the Governments of the respective islands are continuing to focus on increasing economic growth, creating jobs, while consolidating on their fiscal balances. In addition, Antigua and St. Vincent and the Grenadines have proposed amending existing tax laws with the aim of simplifying tax administration procedures.

In this document, we have focused on the taxation proposals of Budget season 2018 and the impact on the relevant stakeholders. We hope this publication provides you with a general understanding of these Budgetary proposals.

**Please do not hesitate to contact us should you require clarification on any of the matters discussed in this document.**



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Budgets for 2018 are aimed at driving private and public investments, to boost economic growth while acknowledging the importance of fiscal consolidation. Over the years, respective governments have realised the importance of simplifying their tax systems and broadening the tax base, to increase efficiency while yielding higher collections.”

**Louisa Ward**  
Partner, Tax

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The economic condition of the member territories continues to remain stable. This trend is expected to continue over the short to medium term based on projected GDP growth. There has been a general improvement in the tourism industry across the region - in particular, the cruise industry. As such, many of the region governments are making investments into a number of economic infrastructure such as ports as articulated in a number of the regional budgets.”

**Christopher Brome**  
Partner, Advisory



# Budget proposals







**The Budget proposals for 2018 concentrated broadly on measures designed to drive economic growth primarily supported by private and public investments. Reduced corporate and personal taxes, improved collections from simplified tax systems, increased collection from the Citizenship by Investment programmes and other development programmes are expected to boost economic activity in the region.**

# Corporate tax



Country	General corporate tax rate	Proposal	KPMG's view	Who's affected and timing	Impact
Antigua and Barbuda	25%	The Government of Antigua and Barbuda will commence aligning the corporate tax rate of the international financial sector with the domestic sector. This process is expected to begin with the banking sector.	Antigua and Barbuda have been at the forefront regarding harmonising its tax systems. Further convergence of the tax rate will boost investor confidence where these changes are not offset by increases in transaction taxes (e.g. VAT).	<ul style="list-style-type: none"> <li>– Entities liable for income tax</li> <li>– Commencing from 2018.</li> </ul>	●
Grenada	30%	Corporate income tax rate to be reduced from 30% to 25% if fiscal conditions permit, to encourage private sector investments.	This reduction will bring Grenada's corporate tax rate in line with Barbados and Antigua. Where there is an increase investment it will be important not to provide concessions which neutralize gains.	<ul style="list-style-type: none"> <li>– Entities liable for income tax.</li> <li>– With effect from June, 2018, if fiscal conditions permit.</li> </ul>	●
St. Kitts and Nevis	33%	No new measures. The government to contemplate the reduction of the corporate tax rate from 33% to around 30% during 2018.	Reduction in tax rates is generally viewed as positive for the taxpayer. The government may, however, lose some revenue from the reduction.	<ul style="list-style-type: none"> <li>– Entities liable for income tax.</li> <li>– Timeline to be decided.</li> </ul>	●
St. Vincent and the Grenadines	30%	Corporate income tax rate to be reduced to 30% from 32.5%. Corporate income tax rate for companies operating hotels to be reduced to 29% from 30%.	Reduction in tax rates is generally viewed as positive for the taxpayer. The government may, however, lose some revenue from the reduction.	<ul style="list-style-type: none"> <li>– Entities liable for income tax.</li> <li>– With effect from January 1, 2018.</li> </ul>	●
Saint Lucia	30%	No new measures.	The government continues to balance tax collections with expenditure requirements.	None	●

**Key:** ● Positive ● Negative ● Both positive and negative ● Neutral

# Personal tax

Country	Proposal	KPMG's view	Who's affected and timing	Impact
Grenada	Personal income tax rate to be reduced to 25% from 30% if fiscal conditions permit.	Reduction in tax rates is generally viewed as positive for the taxpayer. The government may, however, lose some revenue from the reduction.  This measure could potentially result in reduced cost of living, increased purchasing power, increased aggregate demand and increased GDP growth.	<ul style="list-style-type: none"> <li>– Individuals liable for personal tax.</li> <li>– With effect from June, 2018, if fiscal conditions permit.</li> </ul>	
St. Vincent and the Grenadines	Marginal personal income tax rate to be reduced to 30% from 32.5%.  Personal allowance to be increased from EC\$18,000 to EC\$20,000.	Reduction in tax rates and increase in personal allowance are generally viewed as positive for the taxpayer. The government may, however, lose some revenue from the reduction.  This measure could potentially result in reduced cost of living, increased purchasing power, increased aggregate demand and increased GDP growth.	<ul style="list-style-type: none"> <li>– Individuals liable for personal tax.</li> <li>– With effect from January 1, 2018.</li> </ul>	
Antigua and Barbuda, St. Kitts and Nevis and Saint Lucia - No new measures pertaining to personal taxes. There is no personal income tax in Antigua and Barbuda, and the unincorporated business tax came into effect on July 1, 2016.				





# VAT and tax amnesties

Country	Proposal	KPMG's view	Who's affected and timing	Impact
St. Vincent and the Grenadines	Reduction in the VAT liability threshold on electricity from 200 kWh to 150 kWh on monthly consumption.	This measure should result in increased revenues for the government if consumers maintain their current level of consumption.	<ul style="list-style-type: none"> <li>Consumers with electricity consumption between 150 kWh to 199 kWh monthly.</li> <li>With effect from May 1, 2018.</li> </ul>	
St. Vincent and the Grenadines	A three month tax amnesty period ended May 15, 2018, to encourage delinquent tax payers to settle their debt. This amnesty period has been extended to June 30, 2018.	<p>Generally, amnesties achieve favourable results for Revenue Authorities with taxpayers coming forward to settle arrears.</p> <p>Viewed positively by taxpayers who obtain a reprieve on some of the outstanding penalty and interest charges which have accumulated over the years.</p>	<ul style="list-style-type: none"> <li>Entities and individuals who are in arrears.</li> <li>With effect from February 15 to May 15, 2018.</li> </ul>	
Antigua and Barbuda, Grenada, St. Kitts and Nevis and Saint Lucia - No new measures pertaining to VAT and tax amnesties.				




**Key:**  Positive  Negative  Both positive and negative  Neutral



# Citizenship by Investment



Country	Proposal	KPMG's view	Who's affected and timing	Impact
Antigua and Barbuda	Reduction in fees across all investment options of the Citizenship by Investment Programme (CIP).	The CIP's are under review by the Organisation for Economic Co-operation and Development (OECD). While investment programmes have been offered in the past by larger countries without question, it is expected that the programme in the Caribbean will be subjected to intense scrutiny and increased objection.	<ul style="list-style-type: none"> <li>– Non-residents who are programme applicants.</li> <li>– Governments who rely on the program to boost investment.</li> </ul>	
Grenada	No new measures.	The CIP which commenced in 2014, has exceeded all expectations in 2017. There was a 50% increase in applications received in 2017, yielding receipts of EC\$128.4 million as at the end of October, 2017.  It is important that the government continues to maintain stringent vetting processes in this regard to safeguard the country's borders.		
St. Kitts and Nevis	A CIP conference to be held during the first half of 2018.	The CIP continues to attract valuable investments and contribute significantly to the construction and allied industries.		
Saint Lucia	Review CIP and introduce the concept of "domicile" into the Income Tax Act to strengthen the programme.	As above, the CIP's are under review by the OECD. The concept and determination of domicile of origin and domicile of choice are common law principles and guidance re determining, same should be sought through case law review and individual facts and circumstances.		

# Other taxes and levies

Country	Proposal	KPMG's view	Who's affected and timing	Impact
Antigua and Barbuda	Introduction of a telecommunications levy of EC5 cents per minute on incoming calls to finance the Prime Minister's Entrepreneurial Development Programme. The programme is intended to encourage and assist Antiguan and Barbudans with tapping into niche markets; pursuing innovations in technology; capitalising on market access made possible by the internet; and develop small businesses.	<p>A welcome initiative. There will need to be rigour and standards enforced around the criteria for granting funding under the programme.</p> <p>It is expected that over time the tax will be "passed on" to consumers by telecommunication operators.</p>	<ul style="list-style-type: none"> <li>– Companies and individuals, small business owners and entrepreneurs.</li> <li>– With effect from March 1, 2018.</li> </ul>	
Saint Lucia	Increase in the excise tax on gasoline from EC\$2.50 to EC\$4 per imperial gallon with a continued price cap on gasoline of EC\$12.75.	A measure to fund the proposed road infrastructure upgrades.	<ul style="list-style-type: none"> <li>– With effect from July 3, 2017.</li> </ul>	
St. Vincent and the Grenadines	A Climate Resilience Levy of EC\$8 per night to be paid by all stay over visitors in hotels, apartments and short-term rentals.	<p>This should result in increased revenues since it will be subsumed in the price the stay over visitor pays when reserving their accommodation on the island.</p> <p>It is unlikely that this measure will have a negative impact on tourism due to increased accommodation cost.</p>	<ul style="list-style-type: none"> <li>– All stay over visitors.</li> <li>– With effect from May 1, 2018.</li> </ul>	
Grenada and St. Kitts and Nevis - No new measures pertaining to excise taxes and levies.				

**Key:**  Positive  Negative  Both positive and negative  Neutral

# Customs duties and exchange controls

Country	Proposal	KPMG's view	Who's affected and timing	Impact
St. Vincent and the Grenadines	<p>Due to the widening trade deficit with Trinidad and Tobago and the impact of suppliers not being able to obtain payments in TT\$, it has been proposed that local commercial banks will facilitate the payment for goods and services in TT\$.</p> <p>The Ministry of Finance will enforce the relevant provisions of the Exchange Control Act with regards to payment in US\$ from St. Vincent and the Grenadines to Trinidad and Tobago.</p> <p>Accordingly, all US\$ payments to Trinidad and Tobago will require prior approval of the Director of Finance and Planning.</p>	<p>The additional step may further increase the timing of payments to suppliers in Trinidad and Tobago. However, the government should see a reduction in the outflows of US\$ and an increase in the outflows of TT\$ to facilitate payments.</p> <p>It is expected that these measures will be replicated across the Eastern Caribbean.</p>	<ul style="list-style-type: none"> <li>Importers of goods and services from Trinidad and Tobago.</li> </ul>	
St. Vincent and the Grenadines	<p>A ban on importation of used motor vehicles over 12 years old.</p> <p>Increase in vehicle surcharge on the importation of motor vehicles more than four years old.</p>	<p>The measure appears to be an effort to tackle the behaviour of consumers and address potential environmental issues related to emissions, congestion and waste disposal.</p> <p>The measure should achieve a reduction in the importation where the ban is concerned, and the increased surcharge may be a deterrent for some potential purchasers.</p> <p>There is likely to be some revenue lost by the Government by this measure, but if the long term goal is a cleaner St. Vincent and the Grenadines, the overall benefits should not be viewed quantitatively.</p>	<ul style="list-style-type: none"> <li>Vehicle dealers, renting and leasing companies and consumers.</li> <li>Effective May 1, 2018.</li> </ul>	
Antigua and Barbuda, Grenada, St. Kitts and Nevis and Saint Lucia - No new measures pertaining to customs duties and exchange controls.				

# Tax reforms

Country	Proposal	KPMG's view	Impact
Antigua and Barbuda	Introduction of the Tax Administration and Procedure Act which is intended to harmonise and simplify the tax administration procedures of Antigua and Barbuda Sales Tax (ABST), property tax, corporation tax, stamp duties and travel tax.	Clarification of the rules should be a benefit to taxpayers as well as the Inland Revenue Department, as it should reduce the time expended on audits to correct errors of interpretation by taxpayers. Any increased efficiencies by the authorities should be a positive step for the agency.	●
St. Vincent and the Grenadines	To facilitate tax reform, the Government of St. Vincent and the Grenadines will seek to enact a modern Tax Administration Procedures Bill and amendments to the current Income Tax Act to: <ul style="list-style-type: none"> <li>▪ address organisational bottlenecks,</li> <li>▪ close perceived loopholes,</li> <li>▪ clarify rules related to doubtful debts,</li> <li>▪ clarify rules related to management charges, and</li> <li>▪ further the objective of halting tax evasion by Conglomerates.</li> </ul>		●
Grenada, St. Kitts and Nevis and Saint Lucia - No new measures pertaining to tax reforms.			

**Key:** ● Positive ● Negative ● Both positive and negative ● Neutral

# National Insurance Scheme reforms

Country	Proposal	KPMG's view	Impact
St. Vincent and the Grenadines	<p>A reform exercise is proposed for the Public Service Pension System (PSPS), with the goal of:</p> <ul style="list-style-type: none"> <li>▪ reducing the Government's long-term financial cost,</li> <li>▪ reducing the combined pensions related to the public service and the National Insurance Scheme (NIS), and</li> <li>▪ ensuring the sustainability and reasonableness of retirement benefits in the interest of all stakeholders.</li> </ul> <p>Various options are being contemplated to achieve these goals.</p>	<p>Reform to pensions must be carefully analysed to ensure that individuals are not paying excessive deductions presently to receive a pension in the future which is not commensurate.</p> <p>In addition, changes to the pensionable age must be carefully viewed in relation to life expectancy for the workforce. Increased contributions, mandatory employee contributions and increased retirement age should result in additional revenues for the Scheme.</p> <p>Contributors usually suffer from pension reform in difficult economic climates.</p>	●
Antigua, Grenada, St. Kitts and Nevis and Saint Lucia - No new measures pertaining to social security reforms.			



# Economic overview





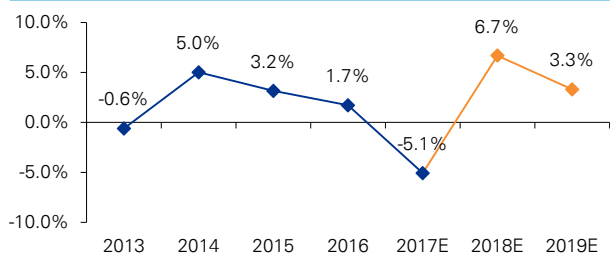
**The economic activity in the Eastern Caribbean region is projected to improve in the short term primarily supported by the construction and tourism sectors and supported by the supplementary sectors such as wholesale and retail trade and transport, storage and communications. Key downside risks include fluctuating global commodity prices, tightening global financial market conditions, changing tourism trends and natural disasters, such as hurricanes.**

# Anguilla

## GDP growth

As per preliminary estimates, Anguilla's economic activity contracted by 5.1% in 2017 compared to an increase of 1.7% in 2016, primarily due to the devastating impact of Hurricane Irma in September, 2017. Most significant sectors including wholesale and retail trade (YoY -8.0%), hotels and restaurants (YoY -10.4%), and transport, storage and communications (YoY -11.8%) reported adverse growth rates. The negative impact on these sectors was moderated by a notable increase in the construction industry (YoY 9.0%), driven by the reconstruction work following the passage of Hurricane Irma.

### GDP growth rate (YoY, %)



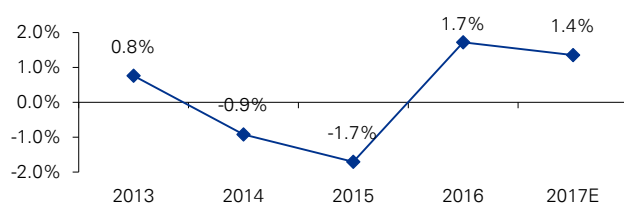
Note: (a) The ECCB uses the real GDP at market prices for reporting the change in the economy and the GVA at basic prices for reporting output by sector.  
Source: ECCB

The ECCB projects the economy to rebound sharply in 2018, driven by reconstruction work in both the private and public sectors, and recovery in tourism activity.

## Inflation

Increase in consumer prices slowed down to 1.4% as at the end of 2017, compared to 1.7% in 2016. The significant decrease in health (YoY -0.6%), clothing and footwear (YoY -3.3%), and housing, utilities, gas and fuels (YoY -0.6%) sub-indexes, outweighed the increase in transport (YoY 5.9%), recreation and culture (YoY 3.1%), and hotels and restaurants (YoY 4.5%) sub-indexes.

### Consumer prices (End of period, %)



Source: ECCB

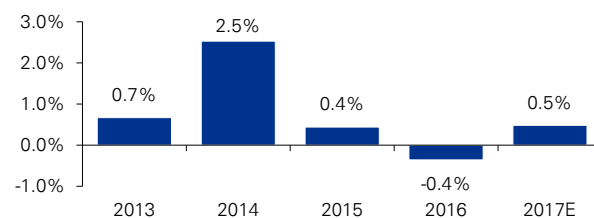
## Fiscal balance

Anguilla reported an overall surplus of EC\$4.3 million in 2017, compared to a deficit of EC\$3.2 million in the previous year, primarily due to the increase in capital grants received for reconstruction work post Hurricane Irma. The island received EC\$30.6 million as capital grants in 2017, compared to EC\$2.3 million in 2016.

The current account balance continued to deteriorate in 2017, reporting a deficit of EC\$4.7 million. The increase in current expenditure (YoY 4.1%), outweighed the growth in tax income (YoY 2.0%). The rise in current expenditure is primarily attributable to the surge in disbursements for goods and services (YoY 10.2%) and interest payments (YoY 37.0%).

Capital expenditure increased by a notable EC\$15.0 million in 2017 due to the reconstruction work on key infrastructure projects following the passage of Hurricane Irma.

### Fiscal balance (As a % of GDP)



Source: ECCB

As per the ECCB, Anguilla is projected to report an overall deficit in 2018. The current account is expected to report a shortage due to a decline in tax revenue from the tourism industry and a higher interest cost on an expanded debt stock.

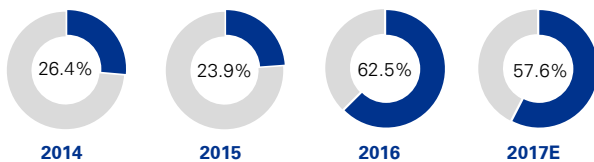
On the capital account, the government is expecting to receive a sum of EC\$24.0 million from the sale of its shares in the Anguilla Electricity Company (ANGLEC). Total capital expenditure is projected to expand in 2017, due to the reconstruction work supported by the anticipated grants from the UK's three-year assistance package and the second tranche of the 11<sup>th</sup> European Development Fund (EDF).



## Public debt

Total gross public sector debt as a percentage of GDP improved from 62.5% in 2016 to 57.6% in 2017. The total outstanding debt stock amounted to EC\$517.2 million as at the end of 2017, compared to EC\$552.1 million in 2016.

### Gross public debt (As a % of GDP)

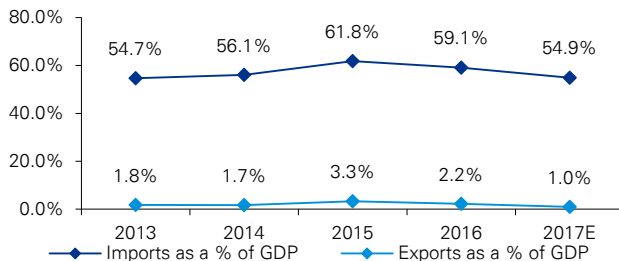


Source: ECCB

## Trade balance

The current account deficit improved from EC\$502.4 million in 2016 to EC\$484.6 million in 2017, representing a 3.6% decrease. The trade deficit as a percentage of GDP decreased from 56.9% in 2016 to 53.9% in 2017. The reduction in the trade deficit is primarily attributable to the decrease in imports of machinery and transport equipment, manufactured goods and mineral fuels and related materials. However, the positive impact of decreasing imports was weakened by the decline in exports. Total exports fell by EC\$10.8 million (YoY - 55.9%) in 2017.

### Exports and imports (As a % of GDP)



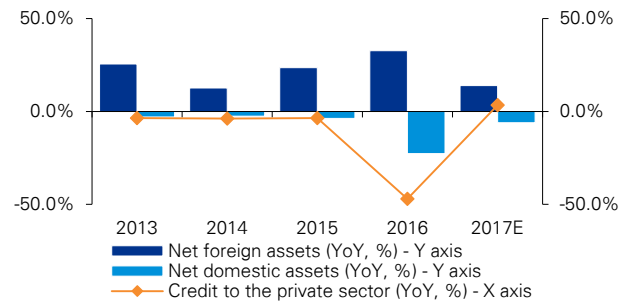
Source: ECCB

## Banking system

Net foreign assets of the banking system continued to increase at a double-digit growth rate in 2017. Total net foreign assets increased by 13.9% in 2017 to EC\$492.4 million. The increase was primarily driven by the rise in Anguilla's imputed share of the ECCB's reserve and expansion in commercial banks foreign assets. Net domestic assets of the banking system as at the end of 2017, stood at EC\$543.6 million, a decrease of 6.1% compared to the previous year.

Credit to the private sector recorded a 3.4% increase in 2017, after declining by 47.0% in 2016. The 6.4% growth in business credit drove the increase in private sector credit.

### Selected monetary indicators (YoY, %)



Source: ECCB

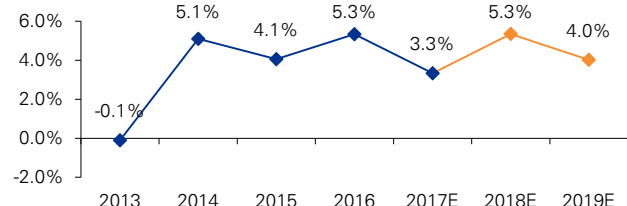
# Antigua and Barbuda

## GDP growth

The economic activity in Antigua and Barbuda grew at an estimated 3.3% in 2017, compared to the 5.3% in 2016. The slow down in the growth rate is due to the contraction in the hotel sub-sector (YoY -12.0%), which was primarily affected by a 6.7% decrease in stay-over visitors. However, a notable increase was recorded in cruise tourism, with cruise arrivals and cruise ship call increasing by 29.3% and 35.5% respectively.

Strong growth rates were posted by other major sectors in the economy, including construction (YoY 16.0%), wholesale and retail trade (YoY 8.4%), and transport, storage and communications (YoY 10.3%). Both public and private sector investments drove the robust growth in the construction segment.

### GDP growth rate (YoY, %)



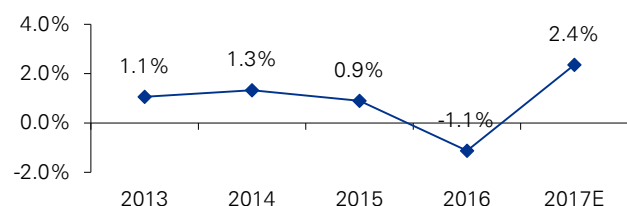
Note: (a) The ECCB uses the real GDP at market prices for reporting the change in the economy and the GVA at basic prices for reporting output by sector.  
Source: ECCB

The GDP growth rate is expected to accelerate to 5.3% in 2018, primarily driven by the booming construction sector and the increase in tourism activity.

## Inflation

Inflation rate increased to 2.4% by the end of 2017, after recording a deflation rate of 1.1% in 2016. The increase was primarily driven by the three highest weighted sub-indexes: housing and utilities, food and transportation, and communication.

### Consumer prices (End of period, %)



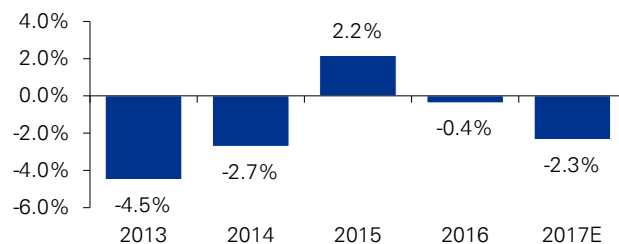
Source: ECCB

## Fiscal balance

The overall fiscal balance recorded a deficit of EC\$96.8 million in 2017, compared to a deficit of EC\$14.8 million in 2016. The substantial increase in the deficit is due to the reduction in the current account balance and capital revenue. The current account deficit increased by 39.7% in 2017, driven by the increase in pension payments (YoY 17.1%), and transfer and subsidies (YoY 11.9%).

Capital revenue decreased from EC\$174.1 million in 2016 to EC\$10.8 million in 2017. The large capital revenue balance in 2016 was influenced by one-off forfeited proceeds received. Accordingly, total capital expenditure also reduced from EC\$123.9 million in 2016 to EC\$60.7 million in 2017.

### Fiscal balance (As a % of GDP)



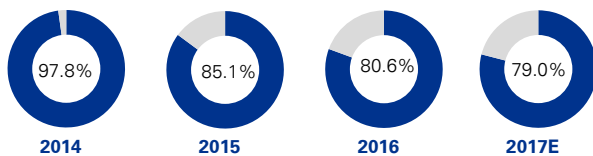
Source: ECCB

The fiscal operations in 2018 are projected to be similar to 2017. Proposed tax reforms, telecommunication tax and continued benefit from the reduction in the Citizenship by Investment Programme processing fees are expected to boost government revenue. Consequently, current and capital expenditure are expected to surge due to the proposed salary increment for public sector employees and other public sector investments.

## Public debt

Total public sector debt increased by 2.9% to EC\$3.3 billion in 2017. However, public sector debt as a percentage of GDP improved from 80.6% in 2016 to 79.0% in 2017. Both the central government debt and public corporation debt increased during the year.

### Gross public debt (As a % of GDP)



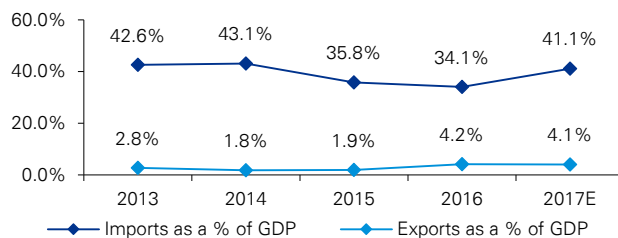
Source: ECCB

## Trade balance

As per preliminary estimates by the ECCB, the current account deficit has increased from EC\$1.2 billion in 2016 to EC\$1.5 billion in 2017, a sizeable increase of 30.0%. The expansion in the gap is primarily driven by the substantial increase in imports relative to the increase in exports.

Total imports increased by 26.6% compared to the previous year. All sub-indexes recorded double-digit growth, except for the crude materials sub-index. Significant growth was recorded in manufactured goods (YoY 55.0%), machinery and transport equipment (YoY 23.8%), and mineral fuels and related materials (YoY 31.3%) sub-indexes. Total exports increased by 2.4% in 2017, mainly driven by the increase in export of beverages and tobacco (YoY 344.6%) and miscellaneous manufactured articles (YoY 161.1%).

### Exports and imports (As a % of GDP)



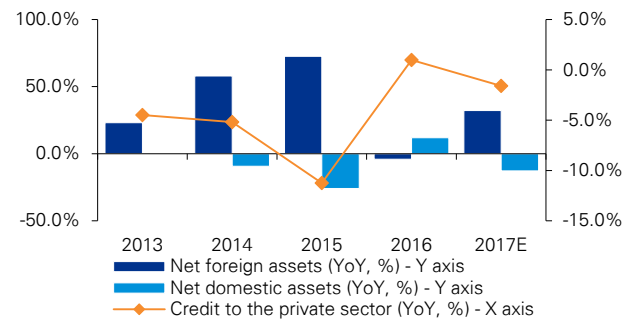
Source: ECCB

## Banking system

As highlighted in the graph below, total net foreign assets of the banking system reported an increase of 32.2% in 2017, after reporting a decline of 4.1% in 2016. The rise in net foreign assets is primarily attributable to the increase in net foreign assets balance of commercial banks.

Private sector credit decreased from EC\$1.93 billion in 2016 to EC\$1.90 billion in 2017, primarily due to the decline in business credit.

### Selected monetary indicators (YoY, %)



Source: ECCB

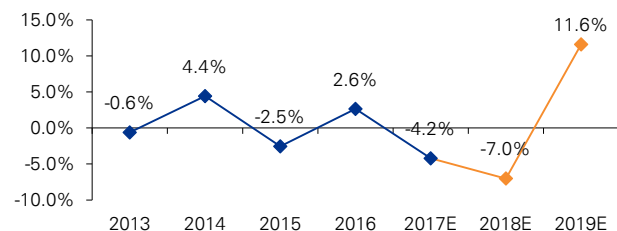
# Dominica

## GDP growth

Dominica's economic performance in the past was severely affected by many devastating hurricanes. Tropical Storm Erika in 2015 and Hurricane Maria in 2017 caused substantial disruption to the economic activity. Dominica recorded a GDP growth rate of 2.6% in 2016, primarily due to the reconstruction work after the passage of the Tropical Storm Erika.

Economic activity is estimated to have decreased by 4.2% in 2017, largely due to the damage from Hurricane Maria in September, 2017. All major sectors of the economy reported negative growth rates, including wholesale and retail trade (YoY -10.3%), electricity and water (YoY -20.3%), real estate, renting and business activities (YoY -16.8%), agriculture, livestock and forestry (YoY -6.5%), and manufacturing (YoY -32.7%).

### GDP growth rate (YoY, %)

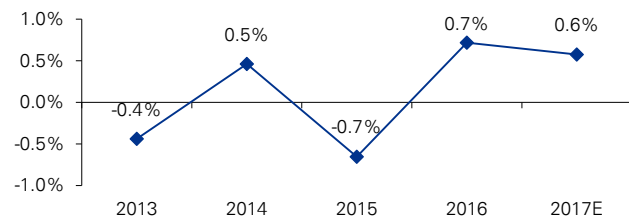


Note: (a) The ECCB uses the real GDP at market prices for reporting the change in the economy and the GVA at basic prices for reporting output by sector.  
Source: ECCB

## Inflation

Consumer prices increased by 0.6% in 2017, marginally less than the 0.7% in 2016. The increase in consumer prices was primarily driven by the two largest weighted sub-indexes: housing, utilities, gas and fuels (YoY 1.7%) and transport (YoY 0.8%).

### Consumer prices (End of period, %)



Source: ECCB

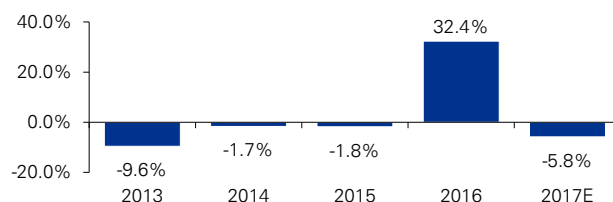
## Fiscal balance

Fiscal operations weakened to an estimated deficit of EC\$87.9 million in 2017, after reporting a one-off surplus of EC\$508.5 million in 2016. Both current and capital accounts reported negative performance during the year.

The current account surplus reduced by EC\$490.6 million in 2017, primarily due to the decrease in non-tax revenue. Non-tax revenue decreased by 60.1% (EC\$416.1 million) in 2017. This decrease was largely due to the slow down in funds from the CIP. During the year, all categories of tax sources reported negative growth, except for taxes on property. Total current expenditure increased by 12.4% in 2017, mainly driven by the increase in outlays on personal emoluments, goods and services, and transfers and subsidies.

Capital expenditure increased by EC\$97.9 million in 2017, a growth of 60.9% compared to the previous year. The increase was partly due to the relief and rehabilitation work following the passage of Hurricane Maria. Other capital expenditure projects included: work at the Douglas-Charles Airport; the dredging of rivers; the construction of the new West Bridge in the capital city and investments in human capital and housing.

### Fiscal balance (As a % of GDP)



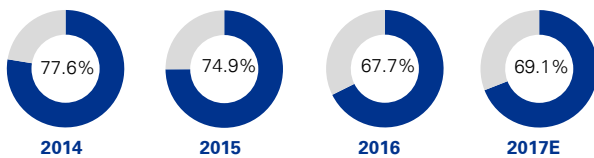
Source: ECCB

The fiscal performance in 2018 is projected to deteriorate due to the increase in capital disbursements for relief and other reconstruction work, coupled with reduced tax collection as a result of weak economic activity.

## Public debt

As per preliminary estimates, the total gross public sector debt portfolio of Dominica decreased by 1.3% to EC\$1.0 billion by the end of 2017. However, as a percentage of GDP, public sector debt grew from 67.7% in 2016 to 69.1% in 2017. The central government and public corporation debt contracted by 1.4% and 0.5% respectively.

### Gross public debt (As a % of GDP)

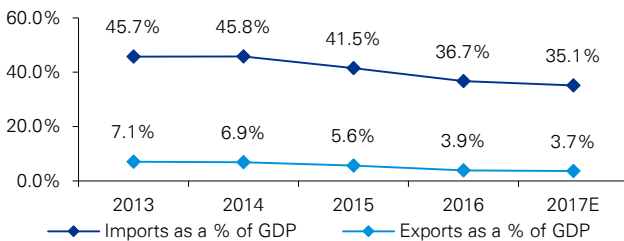


Source: ECCB

## Trade balance

Dominica's trade deficit continued to improve in 2017, recording a contraction of 7.3% (EC\$37.8 million). Total imports decreased from EC\$576.7 million in 2016 to EC\$533.4 million in 2017, mainly driven by the decrease in the value of food and live animals (YoY -21.7%), and miscellaneous manufactured articles (YoY -22.5%). However, the reduction in exports diluted the savings from the decrease in imports. Total exports declined by 9.1%, mainly due to the slow down in exports of chemical and related products.

### Exports and imports (As a % of GDP)



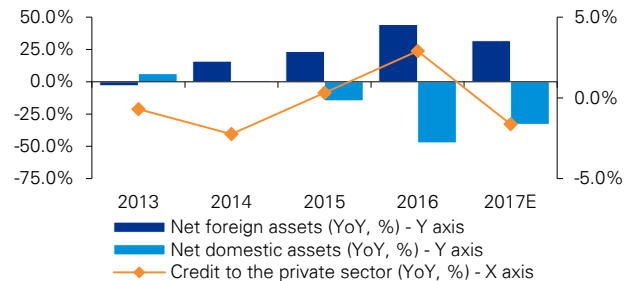
Source: ECCB

## Banking system

Total net foreign assets of the banking system grew at 31.8% to EC\$1.4 billion in 2017. The increase was primarily due to the growth in the net foreign asset position of the commercial banks (YoY 75.7%). The overall increase in net foreign assets was weakened by the decrease in Dominica's imputed share of the Central Bank's reserves (YoY -4.5%).

Credit to the private sector declined by 1.6% to EC\$785.0 million in 2017, compared to EC\$798.1 million in 2016. The decrease was due to the decline in credit to households (YoY -2.1%), non-bank financial institutions (YoY -1.4%), and businesses (YoY -1.0%).

### Selected monetary indicators (YoY, %)



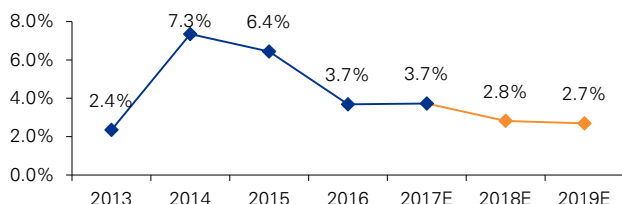
Source: ECCB

# Grenada

## GDP growth

Grenada's economy grew at an estimated 3.7% in 2017, similar to the growth rate recorded in 2016. A robust performance was recorded in vital sectors such as hotels and restaurants (YoY 2.5%), construction (YoY 22.8%), education (YoY 2.5%), wholesale and retail trade (YoY 6.1%), and transport, storage and communications (YoY 5.7%) sectors. The notable growth in the construction sector was due to the continued investments in major private and public sector projects.

### GDP growth rate (YoY, %)



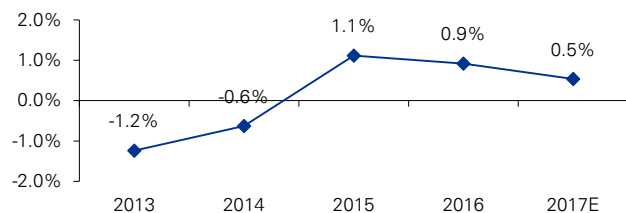
Note: (a) The ECCB uses the real GDP at market prices for reporting the change in the economy and the GVA at basic prices for reporting output by sector.  
Source: ECCB

The year 2017 witnessed the conclusion of a three-year, IMF supported, home-grown Structural Adjustment Programme. The economy is expected to continue to benefit from the fiscal, structural and institutional reforms that were undertaken during the home-grown programme.

## Inflation

Grenada's inflation slowed to 0.5% in 2017, from 0.9% in 2016. Majority of the sub-indices remained flat in 2017. However, education and communication sub-indices increased at a notable 6.3% and 3.2% respectively. The transport sub-index decreased by 1.4%.

### Consumer prices (End of period, %)



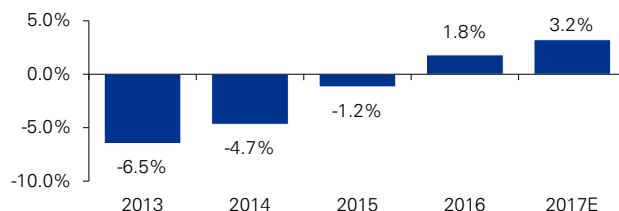
Source: ECCB

## Fiscal balance

Fiscal balance as a percentage of GDP gradually improved from a deficit of 6.5% in 2013 to a surplus of 3.2% in 2017, partly supported by the Structural Adjustment Programme. During 2017, current revenue (YoY 7.5%) increased at a higher pace than current expenditure (YoY 6.2%), resulting in an improved current account balance of EC\$99.9 million (YoY 16.0%).

All major components of tax revenue: taxes on income and profits; taxes on domestic goods and services; and taxes on international trade and transactions increased, however at a slower rate than 2016. Similarly, personal emoluments and transfers and subsidiaries, the largest components of current expenditure grew at a slower pace compared to the previous year. Capital expenditure during 2017 amounted to EC\$80.6 million, a decrease of 32.9% compared to 2016.

### Fiscal balance (As a % of GDP)



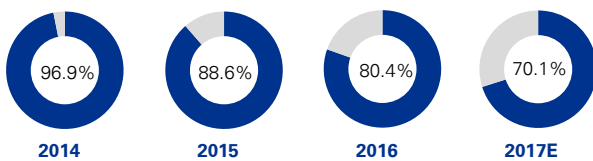
Source: ECCB

Fiscal operations in 2018 are projected to improve further, from the benefits of the home-grown programme and in conjunction with the requirements of Fiscal Responsibility Law.

**Public debt**

Gross public sector debt as a percentage of GDP continued to improve due to the fiscal consolidations efforts of the Government of Grenada. The total gross public sector debt declined from EC\$2.3 billion in 2016 to EC\$2.1 billion in 2017.

**Gross public debt (As a % of GDP)**

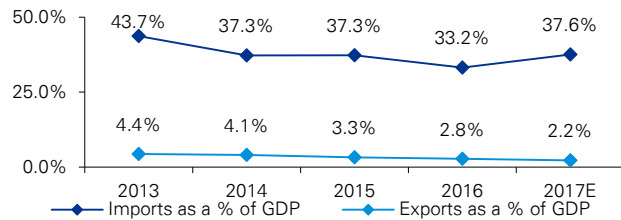


Source: ECCB

**Trade balance**

The trade deficit widened to EC\$1.1 billion in 2017 from EC\$866.6 million in 2016. During the year, total imports increased by 19.9%, led by significant increases in machinery and transport equipment, manufactured goods, and beverages and tobacco. Total exports were down from EC\$79.8 million in 2016 to EC\$67.2 million in 2017, primarily due to the decrease in exports of agricultural, and machinery and transport equipment exports.

**Exports and imports (As a % of GDP)**



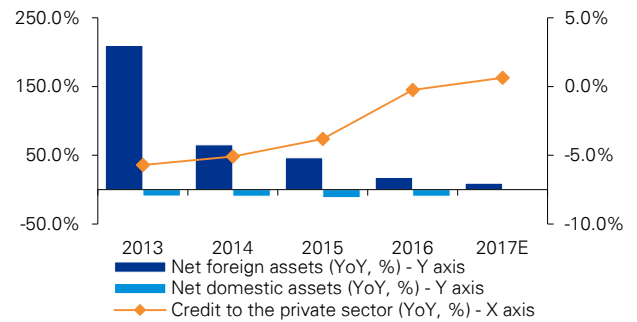
Source: ECCB

**Banking system**

As highlighted in the graph below, the increase in total net foreign assets of the banking system continued to slow down. As at the end of 2017, total net foreign assets amounted to EC\$1.1 billion, compared to EC\$1.0 billion in 2016.

Credit to the private sector continued its upward trend, recording positive growth for the first time since 2012. Private sector credit grew at 0.6% to EC\$1.6 billion in 2017.

**Selected monetary indicators (YoY, %)**



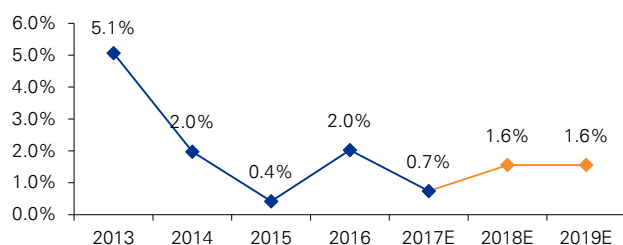
Source: ECCB

# Montserrat

## GDP growth

Montserrat's GDP growth rate slowed to 0.7% in 2017 from 2.0% in 2016. Public administration and tourism sectors recorded significant positive performance, while construction and agricultural sectors recorded notable negative growth rates. Construction activity decreased by 45.0% in 2017 compared to the previous year, mainly due to the slow down in public sector investment projects.

### GDP growth rate (YoY, %)



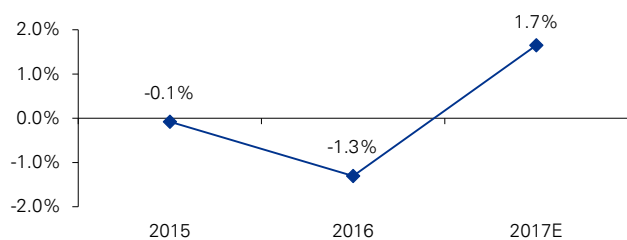
Note: (a) The ECCB uses the real GDP at market prices for reporting the change in the economy and the GVA at basic prices for reporting output by sector.  
Source: ECCB

The economy is projected to recover in 2018 due to the increase in salary for public sector employees and Phase 1 of the Little Bay Port development project.

## Inflation

Consumer price index increased to 1.7% by the end of 2017, primarily due to the increase in the transport (YoY 7.1%), and housing, utilities, gas and fuels (YoY 2.9%) sub-indices.

### Consumer prices (End of period, %)



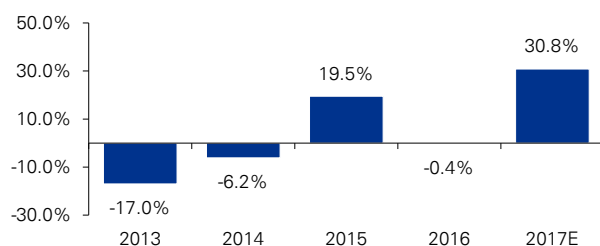
Note: (a) Rebased consumer price index for Montserrat is only available from 2015  
Source: ECCB website

## Fiscal balance

Montserrat recorded an overall budget surplus of EC\$52.5 million in 2017, principally due to the higher grants received (YoY 51.7%) and decreased capital expenditure (YoY -73.9%). The decrease in capital expenditure is due to the delay in several public sector infrastructural projects.

The current account deficit increased by 7.9% to reach EC\$72.6 million in 2017. Current revenue remained flat during the year. However, current expenditure increased by 4.7%, led by an increase in transfers and subsidies (YoY 6.6%).

### Fiscal balance (As a % of GDP)



Source: ECCB website

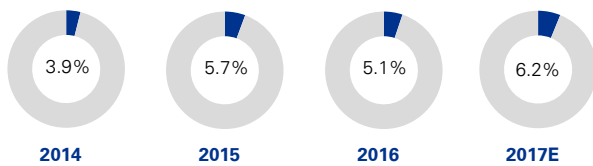
Capital expenditure is expected to increase during 2018, due to public sector investment projects such as refurbishment of the Golden Years' home; repairs to the roof and external canopies of the Montserrat Port Authority's (MPA) ferry terminal; and renovation of the Brades and Salem Primary Schools.



**Public debt**

Total gross public sector debt amounted to EC\$10.5 million as at the end of 2017, compared to EC\$8.6 million as at the end of 2016. The increase in the debt portfolio is due to a Caribbean Development Bank (CDB) loan to build a new power plant.

**Gross public debt (As a % of GDP)**

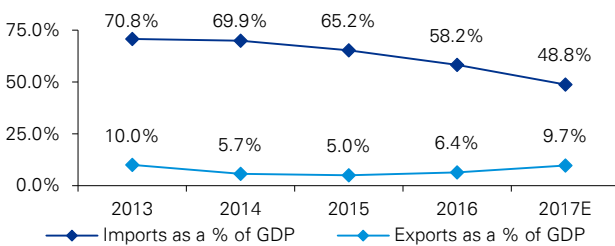


Source: ECCB

**Trade balance**

The trade deficit improved from EC\$86.8 million in 2016 to EC\$66.5 million in 2017. Total exports increased by 53.7% in 2017, while total imports decreased by 14.8%. The surge in exports was primarily due to the increase in domestic exports (YoY 47.9%), while the decline in imports was mostly due to the drop in manufactured goods (YoY -29.7%), machinery and transport equipment (YoY -16.7%), and miscellaneous manufactured articles (YoY -30.6%).

**Exports and imports (As a % of GDP)**



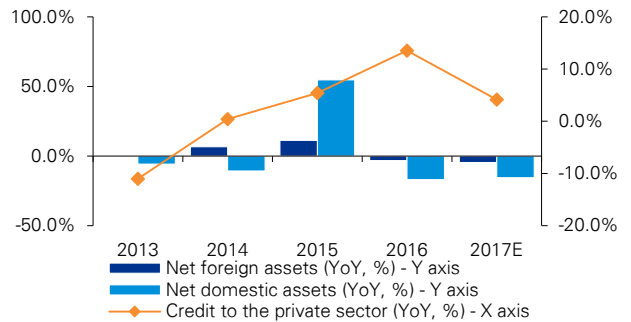
Source: ECCB

**Banking system**

Net domestic liabilities of the banking system continued to decrease in 2017, at a negative growth rate of 15.5%. Total net foreign assets amounted to EC\$295.9 million as at the end of 2017, compared to EC\$310.2 million in 2016.

Private sector credit continued its increasing trend in 2017 (YoY 4.1%), however at a slower pace than 2016 (YoY 13.5%).

**Selected monetary indicators (YoY, %)**



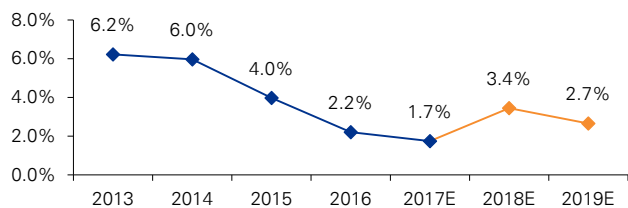
Source: ECCB

# St. Kitts and Nevis

## GDP growth

The GDP growth rate continued to slow down in 2017, with the growth rate gradually decreasing from 6.2% in 2013 to an estimated 1.7% in 2017. A notable increase was recorded in the agricultural, livestock and forestry (YoY 10.4%), and construction (YoY 9.0%) sectors. However, those increases were more than offset by the decrease in manufacturing (YoY -6.5%), mining and quarrying (YoY -11.1%), and real estate, renting and business activities (YoY -0.7%) sectors.

### GDP growth rate (YoY, %)



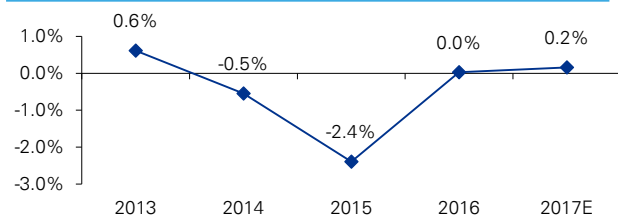
Note: (a) The ECCB uses the real GDP at market prices for reporting the change in the economy and the GVA at basic prices for reporting output by sector.  
Source: ECCB

The growth rate is expected to accelerate in the short term due to increased activity in the construction sector. Significant public and private sector investments include: the second cruise pier, resurfacing of the island main road, construction of a new secondary school and other developments in the hospitality sector.

## Inflation

Consumer prices rose to 0.2% by the end of 2017. Food and non-alcoholic beverages (YoY 2.9%), and clothing and footwear (YoY 2.1%) sub-indices reported notable increases, while negative growth was recorded in health (YoY -0.3%) and recreation and culture (YoY -0.6%) sub-indices.

### Consumer prices (End of period, %)



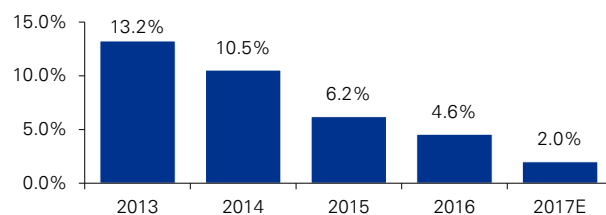
Source: ECCB

## Fiscal balance

The fiscal balance continued to deteriorate in 2017, with the overall fiscal balance reducing to EC\$51.2 million. The slow down in non-tax revenue (YoY -14.5%) and increased capital expenditure (YoY 38.0%) were the primary reasons for the decrease in fiscal balance. The slow down in non-tax revenue is mainly attributable to the reduction in inflows from the CIP.

Capital expenditure increased as work advanced on various capital projects including the rehabilitation of the coast guard headquarters and the construction of the new ferry terminal in St. Kitts; and the building of an athletics track and upgrades to the water distribution system and road infrastructure in Nevis.

### Fiscal balance (As a % of GDP)



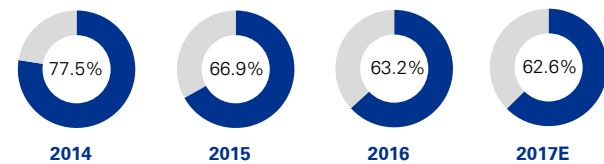
Source: ECCB

The overall fiscal balance is projected to decrease in the short term mainly due to ongoing and proposed capital projects.

## Public debt

Gross public sector debt increased marginally to EC\$1.60 billion at the end of 2017, compared to EC\$1.55 billion as at the end of 2016. However, public sector debt as a percentage of GDP improved from 63.2% in 2016 to 62.6% in 2017.

### Gross public debt (As a % of GDP)

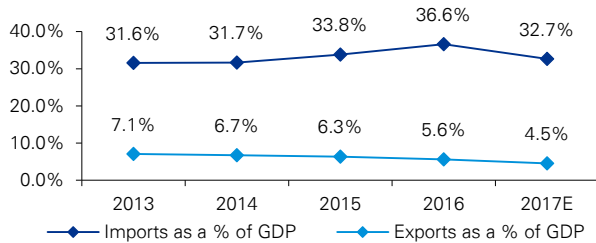


Source: ECCB

## Trade balance

St. Kitts and Nevis trade deficit recorded an improvement in 2017 for the first time since 2012. The trade deficit in 2017 amounted to EC\$719.2 million (28.2% of GDP). The improvement in 2017 is primarily attributable to the decrease in imports by 7.3%. A significant reduction was reported in the import value of chemicals and related products (YoY -10.7%), manufactured goods (YoY -17.8%), and machinery and transport equipment (YoY -12.4%).

### Exports and imports (As a % of GDP)

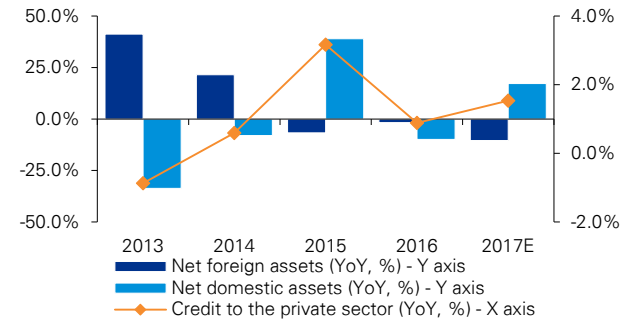


Source: ECCB

## Banking system

Total net foreign assets of the banking system recorded a negative growth rate for the third consecutive year. As at the end of 2017, net foreign assets amounted to EC\$1.9 billion. The decline in net foreign assets in 2017 is mainly due to the contraction in the net foreign asset balance of commercial banks. Growth in credit to the private sector increased from 0.9% in 2016 to 1.5% in 2017.

### Selected monetary indicators (YoY, %)



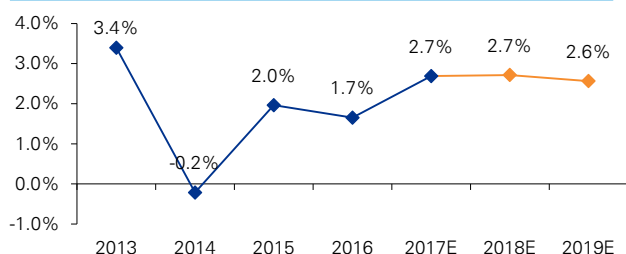
Source: ECCB

# Saint Lucia

## GDP growth

The Saint Lucian economy grew at an estimated 2.7% in 2017, compared to 1.7% in 2016. The increase was primarily supported by the expansion in construction (YoY 10.0%), wholesale and retail trade (YoY 4.6%), hotels and restaurants (YoY 8.1%) and transport, storage and communications (3.5%) sectors. The notable increase in construction activity is due to the progress on many private sector hotel projects (the Royalton, the Coconut Bay Resort, the Harbour Club and the Sandals Resort) and public sector infrastructure projects.

### GDP growth rate (YoY, %)



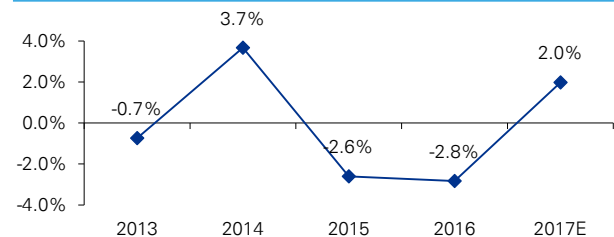
Note: (a) The ECCB uses the real GDP at market prices for reporting the change in the economy and the GVA at basic prices for reporting output by sector.  
Source: ECCB

Economic growth in 2018 is projected to be fuelled by the construction and tourism sectors and recovery in the agricultural industry.

## Inflation

The inflation rate increased to 2.0% in 2017 following a deflationary period. The increase was primarily due to the rise in the rent for housing, the price of gasoline and communication cost.

### Consumer prices (End of period, %)

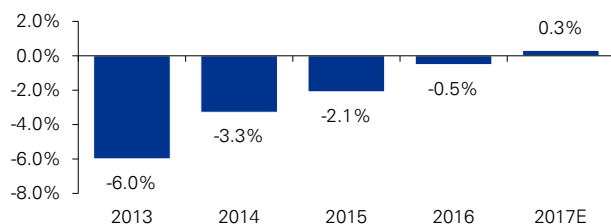


Source: ECCB

## Fiscal balance

Fiscal operations in 2017 continued its positive momentum and recorded an overall positive surplus for the first time since 2008. The government recorded a budgetary balance of EC\$14.6 million in 2017, representing 0.3% of GDP. The improved performance in 2017 is primarily due to the increase in the current account balance (YoY 31.8%). The increase in the current account balance is primarily due to the noteworthy increase in taxes on international trade and transactions, coupled with a decrease in personal emoluments and interest payments.

### Fiscal balance (As a % of GDP)



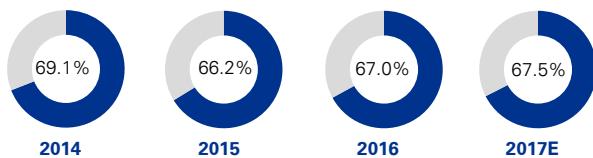
Source: ECCB

Overall fiscal balance is projected to improve in the short term, supported by revenue improvement and expenditure management strategies. However, an increase in capital expenditure is expected in 2018 due to a number of proposed public sector projects.

## Public debt

The outstanding public sector debt was estimated at EC\$3.1 billion at the end of 2017, an increase of 3.4% compared to the previous year. The Government of Saint Lucia is currently implementing a medium-term debt strategy, aimed at replacing its high-interest domestic debt with low-interest external borrowing and addressing its future borrowing plans.

### Gross public debt (As a % of GDP)

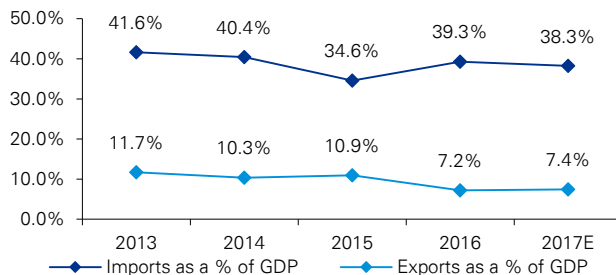


Source: ECCB

## Trade balance

Total imports remained flat at approximately EC\$1.8 billion in 2017. However, total exports increased by 6.1% to EC\$342.9 million, leading to an improvement in the trade deficit by 1.3%. A significant increase in re-exports was recorded, primarily driven by the growth in re-export values of mineral fuels and related materials (YoY 218.8%) and machinery and transport equipment (YoY 45.2%).

### Exports and imports (As a % of GDP)



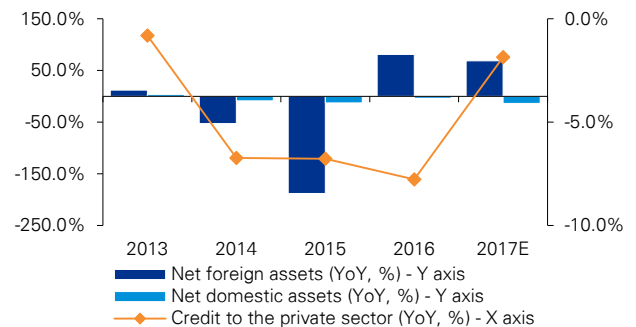
Source: ECCB

## Banking system

Total net foreign assets of the banking system recorded double-digit growth for the second consecutive year. The increase in the net foreign assets in 2017, is primarily attributable to the decrease in net liabilities position of the commercial banks (YoY -96.6%). Total net domestic assets continued its declining trend from 2014. As at the end of December 2017, total net foreign assets and net domestic assets amounted to EC\$820.0 million and EC\$2.3 billion respectively.

Credit to the private sector reduced by 1.9% to EC\$3.2 billion as the end of 2017. The decline is due to the decrease in business credit (YoY -15.7%).

### Selected monetary indicators (YoY, %)



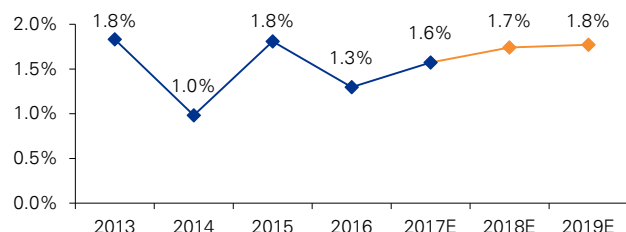
Source: ECCB

# St. Vincent and the Grenadines

## GDP growth

The economy grew at an estimated 1.6% in 2017, compared to 1.3% in 2016, primarily supported by the increase in construction (YoY 1.5%), manufacturing (YoY 5.0%), and transport, storage and communications sectors (YoY 4.5%). However, the overall growth in the economic performance was moderated by the slow down in the hotels sub-sector, partly due to the closure of the Buccament Bay Resort.

### GDP growth rate (YoY, %)



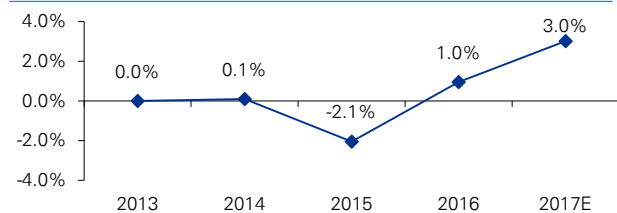
Note: (a) The ECCB uses the real GDP at market prices for reporting the change in the economy and the GVA at basic prices for reporting output by sector.  
Source: ECCB

The year 2018 will mark as the first full year of operations at the Argyle International Airport. Further, the Minister of Finance in his budget speech for 2018 has announced numerous investments and initiatives across industries such as tourism, agriculture, ICT and infrastructure sectors. Successful implementation of these initiatives is projected to drive the economy in short to medium term.

## Inflation

Increase in consumer prices accelerated to 3.0% by the end of 2017, primarily driven by the rise in the price of cooking gas, mobile rates and minimum wages for domestic workers.

### Consumer prices (End of period, %)

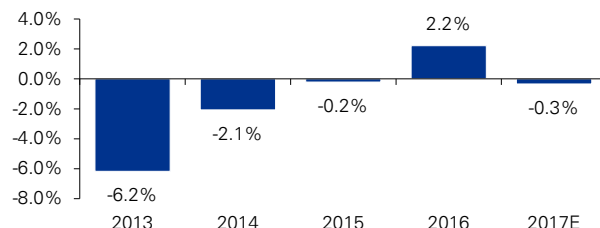


Source: ECCB

## Fiscal balance

Fiscal operations in 2017 weakened compared to the previous year, primarily due to the decrease in taxes on income and profits, and increased transfers and compensation for employees. However, it should be highlighted that fiscal performance in 2016 was elevated by one-off receipts such as exceptional dividends from the statutory companies and aggressive collection of tax arrears.

### Fiscal balance (As a % of GDP)



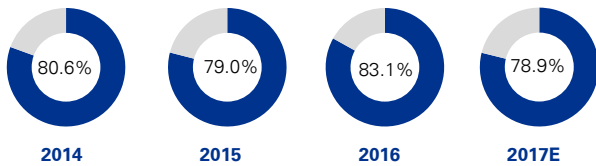
Source: ECCB

The ECCB projects the fiscal deficit to deteriorate in 2018 due to the proposed investments and initiatives, compounded by the decrease in corporate and personal income tax rates. However, the Government expects to undertake several reforms such as enacting a modern Tax Administration Procedures Bill, amending the current Income Tax Act, increasing the public sector efficiency and a reform exercise for the Public Service Pension System (PSPS) to stabilise public finances.

**Public debt**

Gross public sector debt as a percentage of GDP remains high despite significant debt relief. As at the end of 2017, gross public debt totalled to EC\$1.7 billion, approximately 2.1% lower compared to 2016. Public debt is expected to decrease in short to medium term due to the numerous debt management strategies proposed by the Government of St. Vincent and the Grenadines.

**Gross public debt (As a % of GDP)**



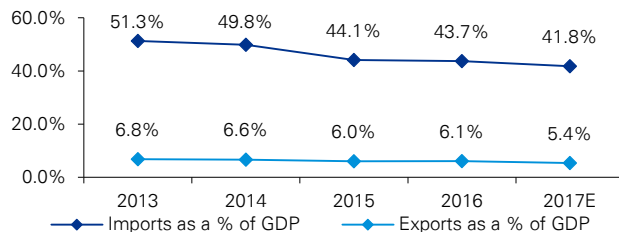
Source: ECCB

The Monetary Council of the ECCB has established a public debt to GDP target of 60.0% by 2030, within the ECCU. St. Vincent and the Grenadines will need to implement significant structural reforms, a fiscal consolidation programme and a public debt management strategy to achieve the target metric.

**Trade balance**

The current account deficit has remained flat at approximately EC\$777.0 million during the 2015 to 2017 period. However, trade deficit as a percentage of GDP has gradually improved from 38.1% in 2015 to 36.4% in 2017. The trade deficit is expected to improve further in the short term due to an anticipated decrease in food imports and increase in tourism activity.

**Exports and imports (As a % of GDP)**



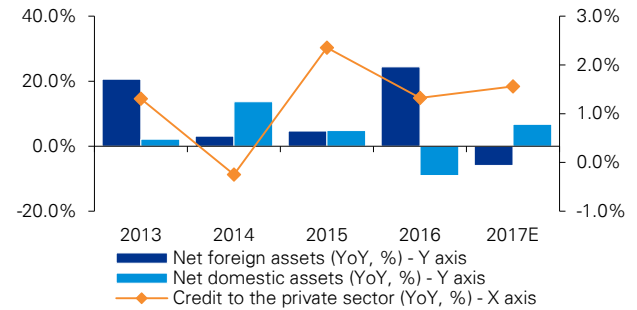
Source: ECCB

**Banking system**

The banking system remains stable with liquidity and capital ratios comfortably above the regulatory requirements, however limited credit growth and high Non-Performing Loans (NPL) contribute to low profitability. During 2017, private sector credit increased to EC\$1.10 billion, compared to EC\$1.08 billion in 2016.

Total net foreign assets of the banking system decreased by EC\$39.3 million to EC\$622.5 million in 2017. The decline was mainly due to the decrease in the net foreign assets of commercial banks (YoY -6.9%).

**Selected monetary indicators (YoY, %)**



Source: ECCB

# Selected economic indicators

## Economic dashboard

In EC\$ million, unless otherwise stated	Anguilla		Antigua and Barbuda		Dominica	
	2016	2017E	2016	2017E	2016	2017E
<b>Economic indicators</b>						
Nominal GDP - market price	883	898	3,942	4,137	1,570	1,519
Real GDP - market price	714	677	3,247	3,355	1,224	1,172
Real growth - market price (%)	1.7%	-5.1%	5.3%	3.3%	2.6%	-4.2%
Consumer price, end of period (%)	1.7%	1.4%	-1.1%	2.4%	0.7%	0.6%
<b>Summary of government operations</b>						
Current revenue	189	191	777	792	1,043	601
Current expenditure	188	195	812	841	396	445
Current balance	1	(5)	(35)	(49)	647	157
Overall balance	(3)	4	(15)	(97)	509	(88)
Current revenue (As a % of GDP)	21.4%	21.2%	19.7%	19.1%	66.4%	39.6%
Current expenditure (As a % of GDP)	21.3%	21.7%	20.6%	20.3%	25.2%	29.3%
Current balance (As a % of GDP)	0.1%	-0.5%	-0.9%	-1.2%	41.2%	10.3%
Overall balance (As a % of GDP)	-0.4%	0.5%	-0.4%	-2.3%	32.4%	-5.8%
<b>Public debt</b>						
Gross public sector debt	552	517	3,177	3,270	1,062	1,049
Gross public sector debt (As a % of GDP)	62.5%	57.6%	80.6%	79.0%	67.7%	69.1%
<b>Trade balance</b>						
Total imports	522	493	1,343	1,701	577	533
Total exports	19	9	165	168	61	55
Total imports (As a % of GDP)	59.1%	54.9%	34.1%	41.1%	36.7%	35.1%
Total exports (As a % of GDP)	2.2%	1.0%	4.2%	4.1%	3.9%	3.7%
<b>Tourism</b>						
Total visitor arrivals (000's)	176	147	878	1,036	366	237
- Stay over visitors (000's)	79	67	265	247	75	69
- Cruise ship passengers (000's)	-	-	595	769	277	156
Number of cruise ship calls	-	-	313	424	163	102
<b>Financial sector</b>						
Net foreign assets	432	492	1,461	1,932	1,090	1,437
Net domestic assets	579	544	1,764	1,538	286	192
Broad money - M2	1,011	1,036	3,225	3,470	1,376	1,629
- Money supply - M1	64	75	791	925	302	438
- Quasi money	947	961	2,434	2,545	1,074	1,191
Weighted deposit interest rate (%)	2.4%	2.2%	1.7%	1.6%	1.7%	1.6%
Weighted lending interest rate (%)	8.8%	9.9%	9.1%	9.0%	8.1%	8.0%
<b>Doing business</b>						
Ease of doing business (Rank)	N/A	N/A	113	107	101	98

Note: (a) Ease of doing business ranks are for the years 2017 and 2018 respectively

Source: ECCB, ECCU, World Bank Doing Business Report 2017 and 2018, KPMG analysis



Grenada		Montserrat		St. Kitts and Nevis		Saint Lucia		St. Vincent and the Grenadines	
2016	2017E	2016	2017E	2016	2017E	2016	2017E	2016	2017E
2,852	3,021	168	170	2,457	2,554	4,501	4,623	2,067	2,132
2,268	2,352	174	176	2,104	2,140	3,506	3,601	1,754	1,782
3.7%	3.7%	2.0%	0.7%	2.2%	1.7%	1.7%	2.7%	1.3%	1.6%
0.9%	0.5%	-1.3%	1.7%	0.0%	0.2%	-2.8%	2.0%	1.0%	3.0%
652	701	47	47	783	751	1,016	1,043	593	583
565	601	114	120	662	654	917	913	515	556
86	100	(67)	(73)	121	96	99	130	78	28
52	97	(1)	52	112	51	(23)	15	46	(7)
22.8%	23.2%	28.1%	27.6%	31.9%	29.4%	22.6%	22.6%	28.7%	27.4%
19.8%	19.9%	68.2%	70.2%	27.0%	25.6%	20.4%	19.7%	24.9%	26.1%
3.0%	3.3%	-40.1%	-42.6%	4.9%	3.8%	2.2%	2.8%	3.8%	1.3%
1.8%	3.2%	-0.4%	30.8%	4.6%	2.0%	-0.5%	0.3%	2.2%	-0.3%
2,293	2,118	9	11	1,553	1,599	3,017	3,120	1,717	1,681
80.4%	70.1%	5.1%	6.2%	63.2%	62.6%	67.0%	67.5%	83.1%	78.9%
946	1,135	98	83	900	834	1,768	1,769	904	891
80	67	11	17	138	115	323	343	126	115
33.2%	37.6%	58.2%	48.8%	36.6%	32.7%	39.3%	38.3%	43.7%	41.8%
2.8%	2.2%	6.4%	9.7%	5.6%	4.5%	7.2%	7.4%	6.1%	5.4%
474	469	15	17	1,055	1,140	1,004	1,114	223	303
135	146	9	8	115	114	348	386	79	76
315	299	4	5	932	1,018	587	668	94	174
257	291	22	31	422	451	381	423	261	280
1,003	1,098	310	296	2,167	1,940	486	820	662	623
1,148	1,138	(63)	(53)	741	868	2,639	2,312	859	917
2,151	2,236	247	243	2,908	2,808	3,125	3,132	1,521	1,539
578	625	62	61	567	565	860	910	480	476
1,573	1,611	185	182	2,340	2,243	2,265	2,222	1,041	1,063
1.4%	1.3%	1.1%	1.1%	1.9%	1.8%	1.6%	1.5%	1.8%	1.8%
8.4%	8.0%	7.1%	6.9%	8.6%	8.4%	8.2%	8.0%	8.9%	8.6%
138	142	N/A	N/A	134	134	86	91	125	129

# Glossary

<b>%</b>	Percentage
<b>000's</b>	Thousands
<b>ABST</b>	Antigua and Barbuda Sales Tax
<b>AIE</b>	Annual Insurable Earnings
<b>ANGLEC</b>	Anguilla Electricity Company
<b>CDB</b>	Caribbean Development Bank
<b>CIP</b>	Citizenship by Investment Programme
<b>E</b>	Estimated
<b>EC\$</b>	Eastern Caribbean dollar
<b>ECCB</b>	Eastern Caribbean Central Bank
<b>ECCU</b>	Eastern Caribbean Currency Union
<b>EDF</b>	European Development Fund
<b>GVA</b>	Gross Value Added
<b>GDP</b>	Gross Domestic Product
<b>ICT</b>	Information and Communications Technology
<b>IMF</b>	International Monetary Fund
<b>kWh</b>	Kilowatt hour
<b>M1</b>	Money Supply
<b>M2</b>	Monetary Liabilities

<b>MPA</b>	Montserrat Port Authority
<b>N/A</b>	Not Applicable
<b>NPL</b>	Nonperforming Loan
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>ONDCP</b>	Office of National Drug Control Policy
<b>PSPS</b>	Public Service Pension System
<b>sq. ft.</b>	Square feet
<b>TT\$</b>	Trinidad and Tobago dollar
<b>UK</b>	United Kingdom
<b>US\$</b>	United States dollar
<b>VAT</b>	Value Added Tax
<b>YoY</b>	Year-on-Year

# KPMG in the Eastern Caribbean

KPMG in the Eastern Caribbean form part of the international network of member firms comprised of 200,000 professionals in the member firms worldwide which collaborate across industry, service and national boundaries to deliver professional services in 154 countries for the benefit of their clients, KPMG people and the capital markets.

Member firms are located in Antigua and Barbuda, Barbados, Saint Lucia and St. Vincent and the Grenadines (also practising in Anguilla, Dominica, Grenada, Montserrat, St. Kitts and Nevis). Our practice has strong professional contacts with the KPMG member firms in the Bahamas, Bermuda, Cayman Islands, the Dutch Caribbean (practising in Cuba, Suriname and St. Maarten), Jamaica, Trinidad and Tobago and Turks & Caicos Islands, all of which have similar cultures and operating environments.

KPMG's offices in the Eastern Caribbean operate across the region with a specific understanding of the cultural, economic and political facets of each individual economy. In-depth industry knowledge is available through the global KPMG network which provides access to skilled member firm professionals, across a wide range of industry sectors.

## Our Firm

Practising in,  
**9 countries**

- Anguilla
- Antigua and Barbuda
- Barbados
- Dominica
- Grenada
- Montserrat
- Saint Lucia
- St. Kitts and Nevis
- St. Vincent and the Grenadines

Offices in,  
**4 countries**

- Antigua and Barbuda
- Barbados
- Saint Lucia
- St. Vincent and the Grenadines

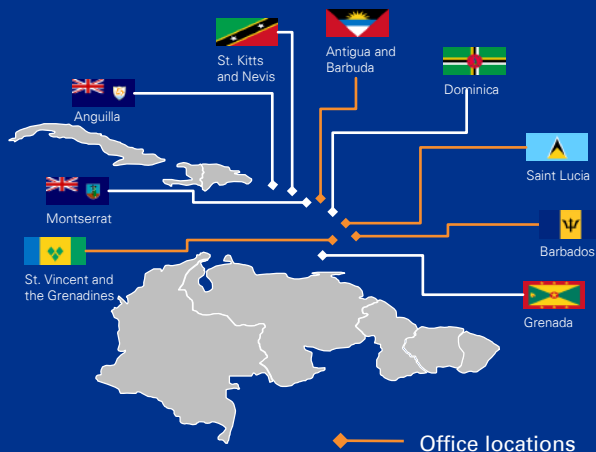
## Our people



**10**  
Partners and Directors

**160+**  
Professionals

## Our member firms



# KPMG in the Eastern Caribbean



# Our leadership team

## Audit



Michael Edghill  
Head of Audit



Carol Nicholls  
Senior Partner



Andrew Brathwaite  
Partner, Audit



Lisa Brathwaite  
Partner, Audit

## Tax



Louisa Lewis-Ward  
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