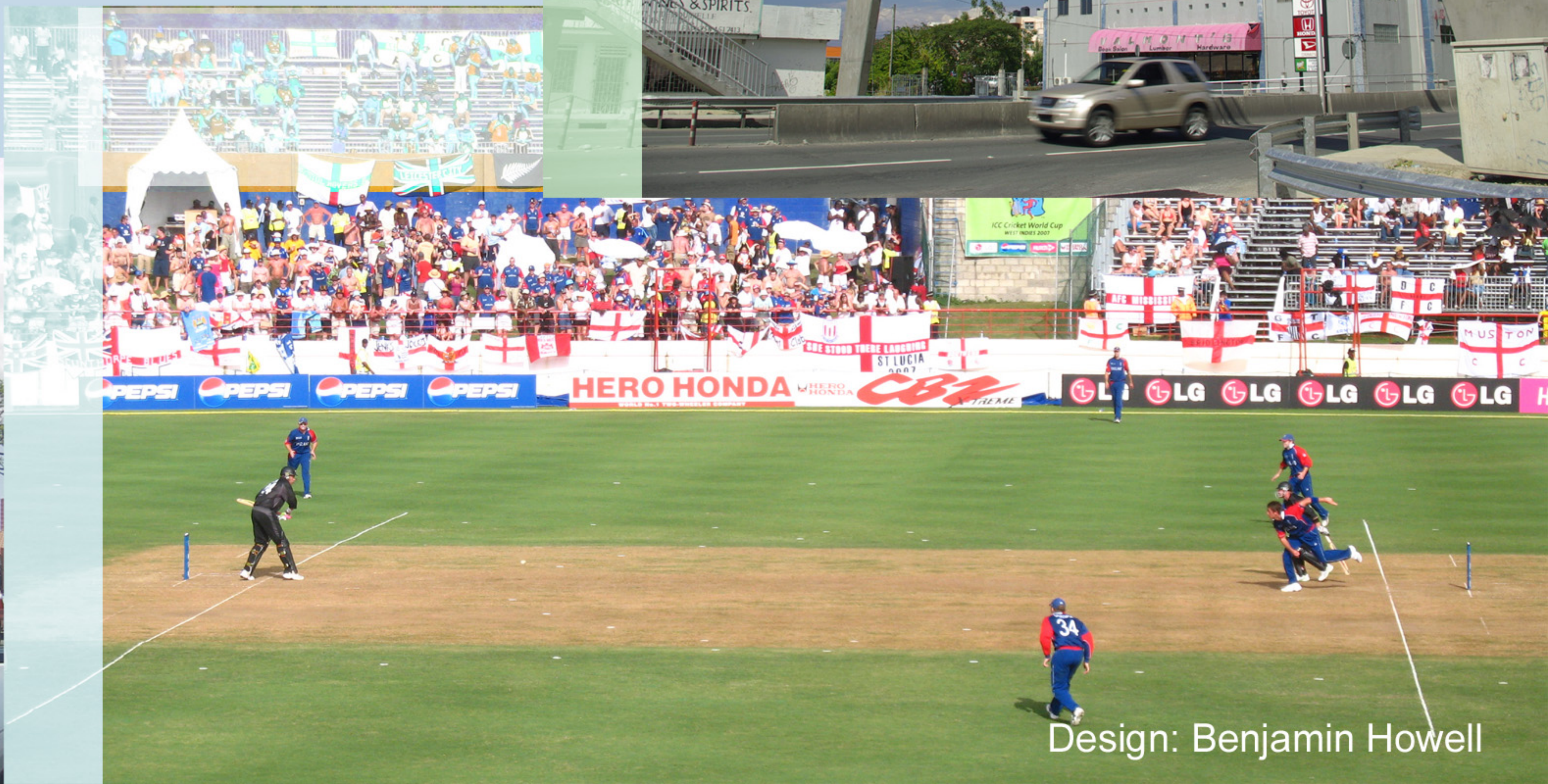




Saint Lucia

ECONOMIC & SOCIAL REVIEW

2007



Design: Benjamin Howell

TABLE OF CONTENTS

Chapter		Page
1	Domestic Economic Developments	1
2	External Economic Developments	8
3	The Monetary & Financial Sector	15
	<i>Monetary Developments</i>	15
	<i>Prices</i>	20
4	The Real Sector	23
	<i>Tourism</i>	23
	<i>Agriculture</i>	26
	<i>Manufacturing</i>	32
	<i>Construction</i>	34
	<i>Transportation</i>	39
	<i>Energy</i>	41
5	Government Fiscal Operations	45
	<i>Central Government Fiscal Operations</i>	45
	<i>Public Debt</i>	52
6	Trade & The Balance of Payments	56
7	Socio-Demographic Indicators	61
	<i>Population & Demography</i>	61
	<i>Education</i>	63
8	Economic Outlook	71
	Statistical Appendix	

List of Tables**Page**

1.	Selected Global Economic Indicators	8
2.	Selected Interest Rates	20
3.	Production of Food & Beverages (EC\$ Million)	33
4.	Imports of Construction Materials (EC\$ Million)	38
5.	Building Applications to the Development Control Authority	38
6.	Weighted Average Cost of Debt (WACD)	53
7.	Composition of Disbursed & Outstanding External Debt by Economic Sector	55
8.	National Mean Performances in Primary Level Examinations	66

List of Graphs**Page**

1.	Gross Domestic Product	1
2.	Financial Sector: Growth & Contribution to Real GDP	15
3.	Sectoral Distribution of Credit	17
4.	Inflation Rate	21
5.	Tourism Gross Value Added	23
6.	Stay-over Arrivals by Major Markets	24
7.	Agriculture: Gross Value Added	26
8.	Banana Exports	27
9.	Fish Landings by Species	31
10.	Manufacturing: Real Growth & Contribution to GDP	32
11.	Construction: Real Growth & Contribution to GDP	34
12.	Public Sector Construction: 2007	36
13.	Transportation : Growth Rate & Share of GDP	39
14.	Cargo Traffic	40
15.	WTI Price Movements	41
16.	Composition of Electricity Sales	42
17.	Fuel Price & Fuel Surcharge	43
18.	Central Government Fiscal Performance Indicators	45
19.	Major Components of Current Revenue	47
20.	Major Components of Current Expenditure	49
21.	Expenditure of Goods & Services	50
22.	Capital Expenditure by Ministry	51
23.	Outstanding Public & CG Debt	52
24.	Composition of Central Government Domestic Debt	53
25.	Composition of Central Government External Debt	54
26.	Balance of Payments Accounts	56
27.	Imputed Reserves	57
28.	Imports by Economic Classification	58
29.	Exports	59
30.	Population Pyramid	61
31.	Birth, Death & Infant Mortality Rates	61
32.	Mid Year Population by District	62
33.	Composition of Education Expenditure	63

LIST OF ACRONYMS

ACP – African, Caribbean and Pacific States
BERU – Banana Emergency Recovery Unit
BOE – Barrels of Oil Equivalent
CARE – Centre for Adolescent, Rehabilitation and Education
CARICOM – Caribbean Community and Common Market
CPI – Consumer Price Index
CXC –Caribbean Examination Council
CWC - Cricket World Cup
DCA – Development Control Authority
ECB – European Central Bank
ECCB – Eastern Caribbean Central Bank
ECCU –Eastern Caribbean Currency Union
EPA - Economic Partnership Agreement
EU – European Union
FLO- FairTrade Label Organization
GDP – Gross Domestic Product
GFLC – George F.L Charles Airport
LPG – Liquefied Propane Gas
LUCELEC – St. Lucia Electricity Services Limited
M1 – Narrow Money
M2 – Broad Money
NDA –Net Domestic assets
NELP – National Enrichment and Learning Program
NFA –Net Foreign assets
NHC – National Housing Corporation
NIC – National Insurance Corporation
NIPRO – National Insurance Poverty Development and Management Company
NIR – Net International reserves
OAS – Organisation of American States
RGSM – Regional Government Securities Market
RDP – Roads Development Programme
SDA – Seventh Day Adventist
SLASPA – St. Lucia Air and Sea Ports Authority
TEUS – Twenty foot Equivalent Units Containers
TRP – Tertiary Roads Programme
UK– United Kingdom
ULG – Unleaded gasoline
US – United States
WASCO – Water and Sewage Company
WIBDECO – Windward Island Banana Development Co-operation

SAINT LUCIA - DATA SHEET

Area (Square ml)..... 238.0
(Square km)..... 616.0

Habitable Area (Square ml).....	207.9	Revised	Preliminary	Change
(Square km)	539.1	2006	2007	(06-07)

POPULATION AND DEMOGRAPHY

Population	166,838	171,226	2.6%
Population Density ¹ - Per sq. ml	802.5	823.6	2.6%
- Per sq. km	309.5	317.6	2.6%
Birth Rate (per 1000)	13.5	13.7	1.5%
Death Rate (per 1000)	7.3	7.6	4.1%
Infant Mortality Rate	22.6	23.5	4.0%

EDUCATION²

	AY06/07	AY07/08	
Primary School Student Enrollment	23,969	21,329	-11.0%
Secondary School Student Enrollment	12,965	14,578	12.4%
Tertiary School Student Enrollment	2,617	1,689	-35.5%

CENTRAL GOVERNMENT FISCAL OPERATIONS³ (\$M)

	FY 06/07	FY07/08	
Total Revenue & Grants	664.4	732.0	10.2%
Current Revenue	657.1	727.8	10.8%
Total Expenditure	832.1	790.2	-5.0%
Current Expenditure	551.4	571.8	3.7%
Capital Expenditure	280.7	218.5	-22.2%
Current Balance	105.7	156.1	47.7%
Overall Balance	-167.7	-58..3	65.3%

PRICES

Inflation Rate	3.6%	2.8%
----------------------	------	------

DEBT (\$M)

Public Debt	1,624.7	1,760.5	8.4%
External Debt	1,088.5	1,103.9	1.4%

DEBT RATIOS

Central Government Debt Service/Current Revenue	22.1%	21.9%
Public Debt/GDP	65.4%	67.9%
External Debt Outstanding / GDP	43.8%	42.6%

¹The population density is equal to the population divided by the habitable area.

²Figures relate to academic years 2006/07 and 2007/08

³Figures relate to fiscal years 2006/07 and 2007/08

SAINT LUCIA - DATA SHEET

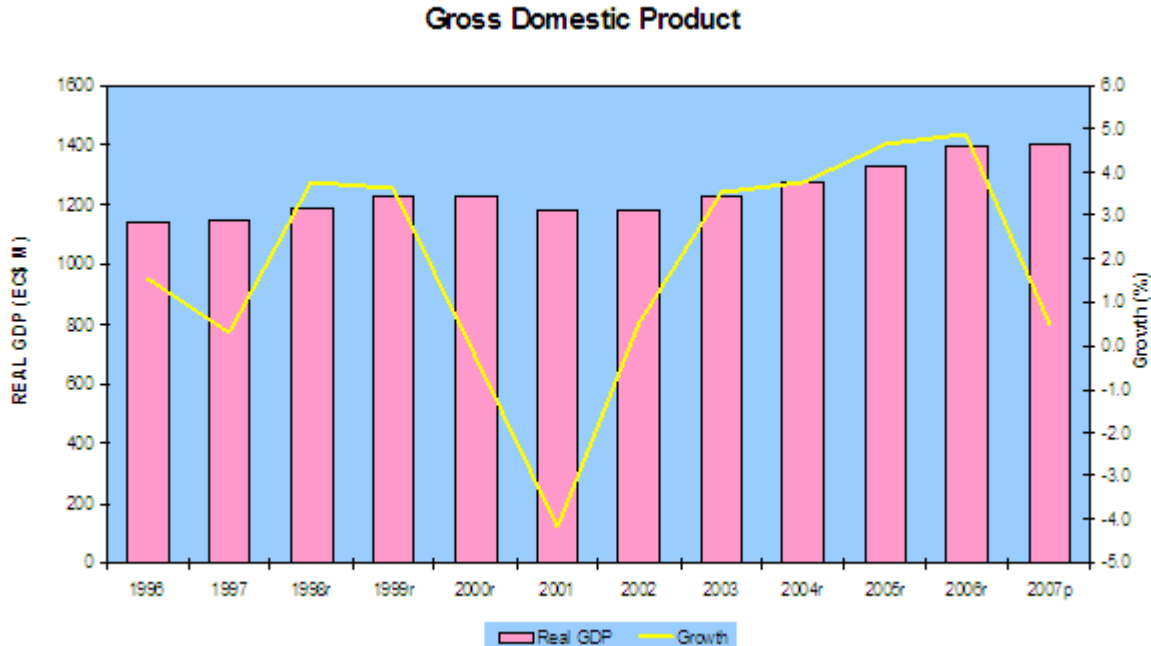
	2006	Preliminary 2007	Change (06- 07)
GDP at Factor Cost			
Constant Prices (\$M)	1,398.4	1,405.2	0.5%
of which: - Agriculture	45.5	45.9	0.9%
- Tourism	176.7	163.6	-7.4%
Rate of Growth	4.89%	0.49%	
GDP per capita (US\$)	5,413.6	5,648.3	4.3%
MONEY AND CREDIT (\$M)			
Total Deposits	2,919.4	3,099.2	6.2%
Money Supply (M1)	560.7	635.4	13.3%
Money Supply (M2)	2,056.2	2,179.7	6.0%
Bank Credit to Public Sector	283.5	339.0	19.6%
Bank Credit to Private Sector	2,386.8	3,090.8	29.5%
BANK CREDIT BY SECTOR (\$M)			
Agriculture	30.5	35.9	17.7%
Manufacturing, mining and quarrying	67.3	62.3	-7.4%
Tourism	473.7	756.0	59.6%
Distributive Trades	236.2	239.4	1.4%
Personal	1,028.2	1,149.4	11.8%
Transport	88.8	112.4	26.6%
Public Utilities	42.5	114.4	169.2%
Construction and Land Development	166.4	244.0	46.6%
Public Administration (Gov't Services)	154.9	215.7	39.3%
Professional and other Services	370.0	505.7	36.7%
Total Credit	2,658.5	3,435.2	29.2%
AGRICULTURE (tonnes)			
Banana Production	33,982	30,318	-10.8%
Fish Landing	1,440.0	1,508.7	4.8%
TOURISM			
Total Visitor Arrivals	669,134	931,114	39.2%
of which: - Stay-over Tourists	302,510	287,407	-5.0%
- Excursionists	7,051	7,777	10.3%
- Cruise Ship Arrivals	359,573	610,343	69.7%
- Yacht Passenger Arrivals	26,146	25,587	-2.1%
MERCHANDISE FOREIGN TRADE (\$M)			
Imports (C.I.F.)	1,598.5	1,662.3	4.0%
Imports (F.O.B)	1,406.6	1,462.8	4.0%
Exports	251.1	297.9	18.6%
Balance	-1,155.5	-1,164.9	-0.8%
RATE OF EXCHANGE (US\$)	EC\$2.70	EC\$2.70	EC\$2.70

CHAPTER ONE

DOMESTIC ECONOMIC DEVELOPMENTS

The deteriorating external environment continued to shape and influence the pace of activity in the domestic economy. High and rising world oil and commodity prices, particularly food, presented some economic challenges and uncertainty during 2007. Moreover, the economy experienced a general slowdown in the growth momentum, following steady expansions since 2001 having accelerated to growth rates of 4.7 percent in 2005 and 4.9 percent in 2006. The relatively solid economic performance of these two successive years were prompted by the heightened pace of activity associated with preparations for the hosting of matches of the Cricket World Cup 2007. Additionally, the passage of Hurricane Dean in August impacted adversely on the performance of the banana industry in the review period.

Against this background, preliminary estimates indicate that real economic growth decelerated to 0.5 percent in 2007, primarily as a result of contractions in key productive sectors, particularly tourism and construction. Consequently, the associated weakened economic impulses were



transmitted to the rest of the economy and resulted in marginal and moderated growth in the transport and distributive sectors respectively. By contrast, the financial and real estate sectors,

buoyed by the properties market, registered strong growth of 12.1 percent and 7.6 percent respectively. Growth in the utilities sector rebounded in 2007 to 12.7 percent while manufacturing and agriculture provided little stimulus to the economy in the review period.

Tourism

The tourism sector recorded another year of decline, despite the steady growth observed in global tourism. Real activity in the tourism sector is estimated to have contracted by 7.4 percent in 2007 while it continued to be a major source of activity in the domestic economy. In line with this performance, the sector's direct contribution to real GDP dipped by 0.7 percentage point to 11.7 percent.

Owing to the robust recovery in cruise tourism, total visitor arrivals grew by 33.9 percent to an unprecedented 931,114 in 2007. Cruise arrivals increased appreciably by 69.7 percent to a record high of 610,343, well above the 500,000 mark. However, stay-over and yachting visitors, which represent the most economically significant segments of the tourism sector, declined by 5.0 percent and 10.3 percent respectively. The downturn in stay-over arrivals was driven by lower US and Caribbean arrivals, which offset the 8.0 percent increase in UK arrivals.

The performance of the stay-over segment of the tourism sector was affected by a confluence of factors, including the negative impact of rising fuel costs on the demand for travel, the passport requirement on US citizens associated with the Western Hemispheric Travel Initiative (WHTI) and the adverse effects of the sub-prime mortgage crisis in the United States. Contrary to initial expectations, the joint hosting of the Cricket World Cup (CWC) in a number of regional tourist destinations contributed to the fall in arrivals from the US and the Caribbean during the first half of 2007. Airlift constraints and continued competition, particularly in the events market, were also responsible for the downturn in long-stay arrivals.

Hotel occupancy rates recorded an improvement over the levels observed for 2006 to an average of 69.7 percent in 2007. On account of the substantial increase in cruise arrivals and slightly higher daily expenditure by land-based visitors, preliminary estimates of total visitor expenditure shows an increase of 4.1 percent to \$808.3 million in 2007.

Agriculture

During 2007, the performances of the various sub-sectors within the agriculture sector were mixed with an overall increase in valued-added estimated at 0.8 percent for 2007. This represented a

deceleration in growth compared with 9.8 percent recorded in 2006 when activity rebounded from previous periods of contractions.

However, this performance was influenced by the 3.4 percent decline in value-added in the banana industry. Banana output, which up to the first half of the year was well above trend, was adversely affected by the passage of Hurricane Dean in August. In 2007, banana exports to the UK decreased by 10.8 percent to 30,318 tonnes with a corresponding decline in export revenue of 9.2 percent to \$43.7 million. Notably, banana output was spared, for the second consecutive year, further outbreaks of leaf-spot disease, indicating a level of success in measures taken to control this often recurring problem.

Nonetheless, the overall outturn in agriculture was due to expansions in non-banana agriculture which more than compensated for a 3.4 percent decline in real output in the banana industry. The lead contributor was “non-traditional crops”, which registered real growth of 7.6 percent owing mainly to increased exports to regional markets and purchases of local produce by hotels and supermarkets.

In line with the near 5.0 percent increase in landings to 1,508.7 tonnes, the fisheries sub-sector posted continued real growth of an estimated 2.3 percent. This was largely attributed to higher catch levels per trip which was credited to the growing effectiveness of the Fish Aggregating Devices (FADs). In terms of the distribution of fish landings by district, Dennery and Vieux-Fort continue to be the leading sites, collectively accounting for almost fifty percent of total fish landings. Preliminary data for 2007 indicate increased production in chicken, pork and eggs, leading to an estimated growth of 1.8 percent in the livestock sub-sector.

Manufacturing

Amidst external pressures including rising production costs which affect its competitiveness, the manufacturing sector continued to demonstrate resilience in terms of its contribution to GDP which is estimated at 6.3 percent in 2007. Value-added in the sector is estimated to have slowed to 1.7 percent compared with robust growth of 6.7 percent in 2006.

In the review period, the value of output in the manufacturing sector increased by 2.8 percent to \$172.6 million. This was attributed to the favourable performances of the electrical and metal sub-sectors. However, there was a softening of demand and production constraints associated with some of the traditional drivers of the sector, particularly paper products and alcoholic beverages.

Notwithstanding, production in the manufacturing sector remained concentrated on food & beverages, electrical items, paper and metal products, which collectively account for 85.1 percent of the total value of output.

Construction

Following two consecutive years of vibrant growth, propelled by preparations for the hosting of the CWC 2007, value-added in the construction sector is estimated to have contracted by 10.3 percent. As a result, the share of the construction sector to GDP fell from 8.8 percent to 7.9 percent in 2007. The decline in activity in the sector contributed significantly to the slowdown in the pace of overall activity in the economy. This performance was largely attributed to the winding-down and completion of various public and private sector projects, mainly hotel construction. This was evidenced by the fall in the value of imports of construction materials by over one-third. Credit for commercial construction doubled to \$260.4 million while disbursements for residential construction grew modestly in 2007.

Construction expenditure by the public sector fell by 8.1 percent to \$176.0 million, comprising mainly expenditure by central government which totaled \$165.2 million. Approximately 75.0 percent of these resources was spent on road infrastructure, which has been an area of priority in the public sector investment programme. This included the continuation of both the East Coast Road Rehabilitation and the Castries Gros-Islet Highway Improvement projects, as well as construction and rehabilitation of other roads. The Water Supply and Infrastructure Project continued during the review period. Spending on the OECS Education Development, Cricket World Cup and Disaster Management projects were other notable areas which accounted for a significant share of central government construction expenditure.

Money and Prices

In contrast to the performance of the traded sectors, developments in the monetary sector showed a continued trend of strong growth, with double-digit growth of 12.9 percent in 2007. As a result, the contribution of the financial sector, measured by activity in banking and insurance, increased further to 14.6 percent from 11.5 percent in 2006.

Underpinning this buoyancy was a significant increase in domestic credit by 31.1 percent to \$2,990.4 million. The three leading beneficiaries of commercial bank credit were the personal sector (32 percent), tourism sector (21.5 percent) and professional services sector (14.4 percent).

Developments in the monetary sector in 2007 were characterized by a tightening of liquidity in the banking system to over 100 percent. In addition, there was a notable shift from St.Lucia's net foreign asset position of \$117.6 million to a net foreign liability position of \$47.7 million. This reflected a significant increase in the net liabilities of commercial banks notwithstanding the expansion in St.Lucia's imputed reserves with the central bank.

This is consistent with the significant increase in gross liabilities of the banking sector by 26.3 percent to \$5, 250.0 million, owing in part to increased borrowing from ECCU area banks. Although all deposit categories except foreign currency deposits posted increases, deposit liabilities expanded modestly by 6.2 percent, below recent trend levels.

Money supply, measured by the stock of monetary liabilities, grew by 6 percent, more or less mirroring the expansion in domestic credit. Notwithstanding this modest increase in deposits, loans and advances in the monetary/banking sector increased by 28.5 percent to \$3,510.8 million in 2007. The net impact of the disproportionate growth in loans and advances compared to deposit liabilities was a significant tightening of liquidity as evidenced by the loans to deposit ratio of over 110.0 percent.

Mirroring external developments, the average price level in the economy continued to increase in 2007. This was mainly due to inflationary pressures emanating from the upward trend and unprecedented increases in international oil and food prices. These were transmitted to the local economy through imports, given its structure and high degree of openness. Accordingly, the food and the fuel & light sub-indices recorded increases of approximately 5.0 and 4.0 percent respectively.

The official rate of inflation, as measured by the percentage change in the 12-month moving average of the consumer price index (CPI), suggested that inflation was 2.8 percent in 2007. This follows on from increases in the prices by 3.6 in 2006. This suggests that domestic measures aimed at dampening the pass-through effects of price-related exogenous shocks have been effective in attenuating the full impact of imported prices on the domestic economy. A key example of this has been the price control mechanism for petroleum products maintained by the government.

Central Government Fiscal Operations

Despite the slowdown in overall economic activity in the economy, the fiscal performance of the central government strengthened markedly in the fiscal year 2007/08. This was occasioned by a

strong increase in current revenue to \$727.8 million accompanied by slower growth in current expenditure to \$571.8 million. This resulted in an improvement in the current account surplus to \$156.1 million or 5.9 percent of GDP, compared to 4.2 percent of GDP in the previous fiscal year. The contraction in capital expenditure contributed significantly to the prudentially satisfactory outcome of a primary surplus of 1.3 percent of GDP and an overall deficit which narrowed to \$58.3 million or 2.2 percent of GDP from 6.7 percent of GDP in 2006/07.

Total revenue and grants rose by 10.2 percent to \$732.0, led by an 10.8 percent upswing in current revenue. This was driven by double-digit growth in tax revenue emanating largely from income taxes due to higher corporate taxes and complemented by growth in personal taxes. Higher collections of taxes on goods & services and on international trade also contributed to this favourable revenue performance. The loss of revenue from consumption taxes on petroleum products limited the growth in total consumption tax receipts.

On the expenditure side, growth in current expenditure slowed to 3.7 percent, after increasing by 7.4 percent in 2006/07. This was attributed to lower current transfers and decelerated increases in all categories of expenditure, notably wages & salaries, interest payments and goods & services. Delays in the implementation of major new projects led to a 22.2 percent decline in capital expenditure in 2007/08 to \$218.5 million or 8.3 percent of GDP.

At the end of 2007, total outstanding public sector liabilities, inclusive of payables, stood at \$1,774.4 million, an increase of 8.1 percent. The national public debt which accounts for most of this liability, increased by 8.4 percent to approximately 67.9 percent of GDP. Of this, Central Government debt rose by 10.9 percent, increasing to \$1,582.2 million due to a 27.0 percent growth in its domestic debt. As a ratio of GDP, total central government debt was equivalent to 61.0 percent, from 57.4 percent in 2006. Central government external debt grew by 2.9 percent to \$985.3 million at the end of 2007.

In pursuit of its policy to minimize the cost of its debt, the Government continued to manage its portfolio by contracting debt at the most attractive available rates. Accordingly, there was a further drop in the weighted average cost of debt to 5.74 percent in 2007 from 5.96 in 2004. Notwithstanding, debt service payments grew by almost 12.0 percent to \$153.5 million. This was driven by a 25.3 percent and 10.3 percent increase in principal repayments and interest payments respectively. However, as a result of the strong revenue performance in 2007, the Central Government total debt service to current revenue ratio fell from 22.1 percent to 21.9 percent.

Trade and Balance of Payments

The deficit on the external current account narrowed marginally to \$755.0 million or 29.0 percent of GDP in 2007. This largely reflected the 3.7 percent increase in the surplus on the services account as a result of higher tourism earnings. These inflows were due to the upswing in cruise passenger arrivals.

On the goods account, the deficit in merchandise trade moved from \$1,155.5 million to \$1,164.9 million in 2007. Mirroring the slowdown in the economy over the review year, the value of imports (at f.o.b prices) grew at a slower rate of 4.0 percent to \$1,426.8 million, following robust growth in 2005 and 2006. In contrast, the value of total exports grew by 18.6 percent while domestic exports increased by 6.1 percent to \$148.8 million, attributed to revenues from sales of beverages.

Large surpluses on the capital and financial account (\$838.6 million) continue to finance the persistent deficits on the current account. This was underpinned by significant inflows of foreign direct investments associated principally with several ongoing hotel projects. Moreover, in this review period, a sizeable amount of inflows was due to transactions which facilitated the rapid expansion in domestic credit by commercial banks. As a result of such large receipts, the balance of payments recorded a surplus of \$51.3 million, thereby increasing St. Lucia's share of imputed reserves at the Eastern Caribbean Central Bank accordingly. This build-up of international reserves represented slightly over three months of import coverage.

CHAPTER TWO

EXTERNAL ECONOMIC DEVELOPMENTS

International

After three consecutive years of solid broad-based growth, the global economy expanded by 4.9 percent in 2007. This outcome reflected the strong performance of the emerging markets which largely offset the moderation in the United States (US) economy over the review period. During the first half of 2007, the global economy was relatively robust, as GDP growth remained above 5.0 percent, driven by most of the larger emerging economies such as China, India, Russia and to a lesser extent, by many Latin American countries. Strengthened macroeconomic frameworks and improved institutional environments¹ influenced this outcome, and as a result, the growth performance of emerging and developing countries have now become less dependent on the business cycles of the advanced economies.

Selected Global Economic Indicators

	Growth		Inflation	
	2006	2007	2006	2007
World	5	4.9	3.3	2.4
United States	2.9	2.2	3.2	2.8
United Kingdom	2.9	3.1	2.3	2.3
Euro Area	2.8	2.6	2.2	2.1
Canada	2.8	2.7	2	2.4
Japan	2.4	2.1	0.2	0
China	11.1	11.4	1.5	4.8
India	9.7	9.2	6.2	6.4
Russia	7.4	8.1	9.7	9

The latter half of 2007, however, was characterized by much volatility and uncertainty generated by the financial market turbulence originating in the US sub-prime mortgage sector. Delinquencies

¹Commodity exporters have progressively diversified their export bases and the share of trade among emerging and developing economies themselves have grown.

due to the downturn in the housing market and rising interest rates led to the collapse of some large sub-prime lenders, and inflicted significant losses on holders of sub-prime residential mortgage-backed securities. Consequently, the illiquidity which resulted in many segments of the market for mortgage-backed securities limited credit flows, impacting residential construction, and precipitated a full-scale credit crunch throughout the global financial system. Accordingly, economic growth in the US was moderated, driving down the overall rate of expansion of advanced economies to 2.7 percent, relative to 3.0 percent in 2006.

Headline inflation had been increasing since mid-2007 around the world, boosted by the continuing buoyancy of food and energy prices. Core inflation also drifted upward. During 2007, the international commodity price index rose by over 11.0 percent and was influenced by growth in non-fuel commodities and metal prices, notwithstanding the surge in petroleum prices. In line with the strong demand by industrial countries for copper, zinc and nickel, the metal price index increased by 15.6 percent.

The price of food commodities expanded by 15.2 percent as a result of substantial increases in the price of bananas, wheat, rice, milk and dairy products. The upturn in food prices was spurred by higher grain prices due to rising demand for bio-fuels, poor weather conditions and supply disruptions in many countries. Energy prices grew robustly by 10.7 percent to average about US\$70.95² in 2007, building on the 20.5 percent increase recorded in the previous year. This outcome was occasioned mainly by the notable depreciation of the US dollar, growing demand from emerging economies and geo-political tensions relating to the war in Iraq. Overall, the increase in commodity prices was also related in part to financial factors, as commodities have increasingly emerged as an alternative asset class.

In advanced economies, consumer price inflation moderated to 2.2 percent over the review period. Consumer prices in the US remained low partly due to the decline in housing costs while in Japan, inflationary pressures remained mute at year-end. The appreciation of the European currencies mitigated the inflationary pressures from higher world prices for food and energy. In emerging and developing markets, headline inflation increased more markedly by 6.4 percent to reflect strong demand growth and where food and energy represent a higher share of consumption baskets. Consumer price inflation in China reached an 11-year high in August 2007, while inflation in India moderated to below the target rate.

Amidst robust economic growth, employment continued to improve in 2007 in a number of economies. In the developed and emerging economies, as well as in a number of developing

²Simple average of prices of UK Brent, Dubai, and West Texas Intermediate crude oil.

economies, strong employment growth led to a decline in unemployment rates, putting upward pressure on wages in many cases.

Over the review period, policy makers were confronted with the challenge of striking the balance between monetary policies which would stimulate economic growth while simultaneously containing inflation. Monetary policy across the more advanced economies were generally more synchronized towards the latter half of the year. In the US the Federal Reserve began its monetary easing in September of 2007 by cutting interest rates by 100 basis points before year-end to 4.25 percent, in response to increasing downside risks to economic activity. In Canada and the United Kingdom, policy rates were cut by 25 basis points during the final quarter so that interest rate differentials would be maintained in order to prevent the rapid appreciation of the respective currencies. The European Central Bank ended its tightening cycle in favour of a neutral stance, maintaining the policy interest rate at 4.0 percent. However, Japan abandoned its zero-interest rate policy and gradually raised interest rates over the review period.

Growth in the world trade volumes of goods and services slowed to 6.8 percent in 2007. Consistent with the slowdown in economic activity in advanced economies, growth in import volumes decelerated to 4.2 percent, while strong demand from emerging and, to a lesser extent, developing countries was reflected by a 12.8 percent increase in the volume of imports. The growth in export volumes by advanced economies eased to 5.8 percent, owing in part to the appreciation in the exchange rates vis-a-vis the US dollar coupled with the fall in manufacturing exports. In emerging and developing countries, the rise in export volumes moderated to 8.9 percent, supported chiefly by continued strong demand growth of commodities by emerging economies. Accordingly, over the review period the terms-of-trade position improved in emerging and developing countries as commodity prices continued to soar.

Dampened by shrinking housing investment and associated tight credit conditions, economic growth in the US slowed to 2.2 percent in 2007, expanding at its weakest pace in over four years. Consumption, which has been the main engine of growth in recent years, weakened in the fourth quarter accompanied by a softening of manufacturing activity and employment. Nevertheless, solid gains in non-residential investment and government spending offset the collapse in the housing sector. Movements in energy and food prices created volatility in overall inflation which was contained to 2.2 percent due to the slump in house prices. US labour markets continued to expand in 2007 but monthly job gains averaged below that recorded in 2006.

Over the review period, foreign investment in US securities waned due to the weakening of US growth prospects and interest rate cuts, which led to the sharp decline in the real effective exchange rate of the US dollar against other major currencies. Since 2002, the United States Dollar has depreciated by about 35.0 percent, with roughly one quarter of this depreciation occurring in 2007. Nevertheless, this helped to boost net exports, narrowing the US current account deficit by 90 basis points to 5.3 percent of GDP in 2007.

In the **United Kingdom**, economic activity remained robust and stable during the third quarter, with growth accelerating to 3.1 percent in 2007. This stemmed from strong domestic demand for goods and financial services, whereas export growth declined partly on account of the appreciation of the pound sterling. In the last quarter, investment deteriorated due to financial sector dislocation. Despite rising food and energy prices, inflationary pressures were modest, influenced largely by the fall in regulated electricity and gas prices. Supported in part by growth in the manufacturing sector, unemployment remained stable during the year, registering at 5.4 percent.

Economic activity in the euro region expanded by 2.6 percent, slowing from 2.8 percent in the previous year. Business investment was the main driver of growth in the **euro zone** supported by strong external demand, particularly from Eastern Europe. This led to high capacity utilization, healthy corporate profit margins and growing private consumption in most of the euro region economies, except in Germany, where an increase in taxes impacted on private consumption. Labour market conditions in the region improved further with the unemployment rate registering 7.4 percent and continuing on its downward trend since mid-2004. With respect to price developments, headline inflation increased to 2.1 percent, surpassing the ECB's target of 2.0 percent. This largely reflected increases in indirect taxes, and rising prices of oil and agricultural products.

A robust global market, firm commodity prices and considerable momentum in domestic demand were the main drivers of growth in the **Canadian economy**, which expanded by 2.7 percent on par with the previous year. However, the slowing US economy exerted a slight drag on growth as more than 80.0 percent of Canada's exports are to the US. Robust domestic demand, strong and improved labour markets, and heightened business and residential investment fueled inflationary pressures causing both the consumer price index and core inflation to rise above the 2.0 percent inflation target. With the economy operating near full capacity headline inflation reached 2.4 percent in 2007. The Canadian dollar appreciated rapidly in 2007, peaking at US\$1.10 per Canadian dollar in November.

Restrained by developments in the international environment, notably the US housing slump and high commodity prices, GDP growth in **Japan** moderated to 2.1 percent in 2007. However, recovery in the domestic economy remained steadfast, driven by household spending, retail sales and industrial output. The latter was boosted partly by the resumption of auto production following the earthquake in July. However, in the last quarter, growth was dampened by the tightening of building standards and a weakening of consumer and business sentiment brought about by the global market turmoil. The effects of falling prices also contributed to the modest performance of the Japanese economy, as there was no change in consumer prices.

As one of the leading emerging Asian markets, **China** continued to expand strongly with growth reaching 11.4 percent. This upturn was characterized by vibrant investment activity (portfolio inflows and foreign direct investment) and net exports growth accompanied by robust momentum in domestic demand, which was partly attributable to strengthened macroeconomic policy frameworks. The latter relates to policy initiatives intended to re-balance growth away from exports and investment and towards household consumption. The trade surplus in China, however, jumped by 47.7 percent to a record level of US\$ 262.2 billion, albeit with some easing in export growth in the fourth quarter. Consumer price inflation continued its upward trend, accelerating to 4.8 percent, mostly driven by rising food prices, exacerbated by a swine epidemic.

Economic activity in **India** continued to expand robustly, with real GDP increasing to 9.2 percent. This was led by heightened activity in the services and manufacturing sectors coupled with continued growth in investment. However, in response to tighter monetary policy in the second half, consumption cooled contributing to a marginal easing in economic growth, while inflation accelerated to 6.4 percent on account of demand pressures and higher food and energy prices.

The economy in **Russia** benefitted from the energy price boom, with growth accelerating to 8.1 percent in 2007. Continued strong capital inflows and increased domestic demand fueled by rapid credit growth also contributed to the favourable economic performance. The strong growth of recent years has largely eliminated spare capacity and exerted upward pressure on wages. Fueled by escalating food prices, inflation in Russia rose by 9.0 percent exceeding the central bank's 6.5-8.0 percent year-end target.

Regional

During the course of the year, economies in the region were challenged by various exogenous factors, such as the deteriorating global economic conditions and natural disasters. Most significantly, rising oil and food prices triggered moderately higher inflation in most Caribbean

countries. These resulted in national and regional responses to mitigate against the adverse effects of rising costs of living. One such response was the decision by CARICOM Heads to suspend and lower the Common External Tariff (CET) on a basket of basic food items. In some countries, Governments were unable to continue to subsidize the price of fuel and in the latter half of 2007 passed on some of these increases in the international price of oil to consumers.

Growth in agriculture was dampened by the passage of Hurricane Dean which affected a number of countries. Generally, the growth performance of the Caribbean in 2007 was characterized by a deceleration in growth, following previous years of strong economic expansion due principally to increased activity in the construction sector spurred by preparations for the hosting of CWC 2007.

In **Trinidad and Tobago**, economic growth levelled off at 5.5 percent in 2007, following the robust growth of 12.2 percent in 2006 which was driven by the boom in the petroleum markets. During the review year, growth in the petroleum sector normalized to 4.4 percent. However, the non-petroleum sector expanded by a higher rate of 6.7 percent, supported by strong growth in the services (6.6 percent) and manufacturing (8.0 percent) sectors. Unemployment continued to fall, moving from 6.2 percent in 2006 to 5.9 percent. Trinidad's headline inflation rate declined to 7.8 percent, after peaking at 10.0 percent in 2006. This was achieved through the combined effects of the Central Bank's monetary policy and measures introduced by the Government to reduce the price of food and construction materials.

In the context of booming petroleum prices, the operations of the Central Government resulted in substantially healthier fiscal surpluses and a decline in the public sector debt to GDP ratio of 28.3 percent in 2007 from 30.5 percent a year earlier. With respect to the external accounts, the current account surplus improved from 16.2 percent of GDP to 25.5 percent of GDP in 2007.

Growth in **Jamaica** slowed to 1.2 percent in 2007 relative to an expansion of 2.5 percent in 2006, reflecting the impact of the shocks to commodity prices, Hurricane Dean and subsequent prolonged rainfall. Strong growth was recorded in construction activity associated with the development of eight hotels and continued expansion in the country's telecommunication infrastructure. Output in agriculture contracted by 5.0 percent while tourism's performance was determined by the 11.9 percent reduction in cruise arrivals and the 1.3 percent growth in stay-over arrivals. Inflation in 2007, as measured by the newly revised consumer price index, rose sharply to 16.8 percent from 5.7 percent in 2006. This was fuelled by the magnitude of increase in

international commodity prices, further aggravated by the impact of adverse weather conditions on domestic agriculture.

Jamaica's fiscal accounts strengthened during 2007 due to a favourable revenue performance and containment of capital expenditure. These resulted in a better than budgeted deficit of 5.2 percent of GDP and a reduction in the debt stock to 127.4 percent of GDP or \$990.8 billion. The external account was significantly affected by developments in international prices and bad weather which increased the import bill. Accordingly, the current account deficit widened by US\$462.4 million to US\$1,645.3 million or 15.0 percent of GDP.

Available data indicate that the **Barbados** economy grew by 4.3 percent in 2007. This was driven by broad-based expansions in the non-traded sectors such as wholesale & retail, construction, transport and telecommunications sectors. In addition, there was a modest increase in tourism activity with higher cruise and long-stay arrivals. Inflation was recorded at an average of 4.1 percent, down from the 7.0 percent posted in the previous year. This largely reflected a slowdown in the price increase of all categories of goods except fuel & light.

In the first six months of the year, agricultural output in **Guyana** rose by 6.1 percent, owing to sustained recovery in the sugar and rice industries and an absence of flooding which limited output in the previous year. Mining output rose by 10.1 percent, reflecting the restructuring in the bauxite industry and higher world prices of gold. Overall, the Guyanese economy is expected to grow by 5.5 percent in 2007. Average inflation in Guyana went up by 12.2 percent in the first half of the year, resulting mainly from rising oil prices and the implementation of VAT.

Economic growth in the **Eastern Caribbean Currency Union (ECCU)** is expected to grow in 2007, albeit at a slower rate than in 2007. This outcome is due to a continued increase in construction with positive spill-over effects on the non-traded sectors. Private sector tourism-related projects in most member countries contributed significantly to this robust activity in the construction sector. Performances within the tourism sector were mixed as total cruise passenger arrivals increased while stay-over arrivals contracted during 2007. As in Jamaica, in the latter half of 2007, banana production was affected by Hurricane Dean, leading to a contraction for the year as a whole. All countries in the ECCU, particularly St. Vincent, experienced higher prices for food and energy. The overall fiscal deficit of the Central Governments in the ECCU narrowed in 2007 due to lower capital expenditures occasioned by the completion of CWC-related projects in early 2007.

CHAPTER THREE

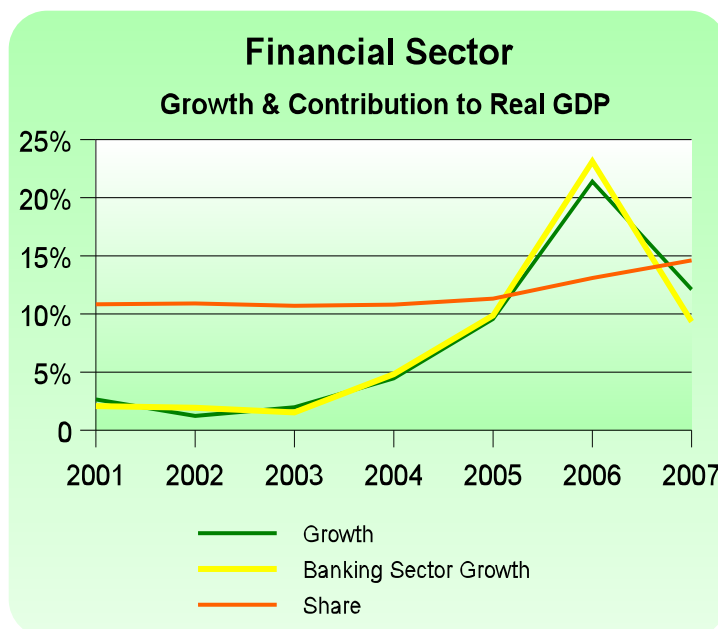
MONETARY & FINANCIAL SECTOR

MONETARY DEVELOPMENTS

Developments in the monetary and financial sector were characterized by a further tightening of liquidity in the banking system in excess of 110.0 percent, emanating from a vibrant expansion in credit alongside slower growth in deposits. In addition, St. Lucia moved from a net foreign asset position to a net foreign liability position, as commercial banks increased their foreign borrowing to satisfy the high demand for credit.

Following robust growth in 2006, the sector, which comprise banking and insurance, registered another strong performance, despite the downturns in the real sector. Real growth in the sector is estimated to have increased by 12.9 percent in the review period.

Accordingly, the contribution of the sector to GDP, led by brisk activity in the banking sector, increased by 1.5 percentage points to 14.6 percent.



At the end of 2007, monetary liabilities (M2) advanced by 6.0 percent to \$2,179.7 million on account of a 14.9 percent increase in net domestic assets to \$2,227.3 million. This was driven by considerable growth in demand for credit by the private sector. There was an increase in credit allocated to most economic sectors. This resulted in a further tightening of liquidity, as indicated by the loans to deposit ratio which moved to 113.6 percent. Consequently, as in 1997, there was a shift in the foreign position from net assets of \$117.6 million to net liabilities of \$47.7 million. St. Lucia's net international reserves increased by 14.4 percent to \$408.2 million at the end of 2007. Interest rates were fairly stable given little adjustments in the term structure of the various nominal interest rates during the review period.

Domestic Credit³

During the review period, credit to the domestic economy increased by 31.1 percent to \$2,990.4 million. This stemmed from the appreciable increase in credit to the private sector to \$3,090.8 million which was fuelled most significantly by business credit. Household credit grew by 11.5 percent to \$1,191.8 million but was outpaced by the growth in business credit to \$1,899.0 million

The review period marked a shift in the position of the central government from a net lender to the banking system, of \$32.0 million in 2006, to a net borrower of \$17.2 million at the end of 2007. Unlike previous years, the level of credit granted to the Government exceeded its deposits. Outstanding loans & advances to the Government, largely by commercial banks, increased by \$60 million (20.6 percent) to \$350.5 million, while government deposits grew at a slower pace of 3.3 percent to \$333.3 million. Despite the fall in central government deposits by \$10.8 million, the change in government deposits was due to the \$21.5 million increase in local government deposits.

By contrast, non-bank financial institutions and non-financial public enterprises continued to be net lenders to the banking system. At the end of 2007, net deposits of non-financial public enterprises grew by 13.3 percent to \$243.4 million as their deposits increased by 7.5 percent, while credit to these institutions declined by 3.2 percent. The nominal increase in deposits of non-bank financial institutions outpaced the 2.5 percent growth in credit to \$38.1 million. Accordingly, their net deposits grew to \$41.3 million.

On account of a doubling of deposits by subsidiaries & affiliates to \$21.4 million, their net credit decreased by 7.6 percent to \$167.1 million. Notwithstanding, credit to subsidiaries & affiliates grew modestly by 3.8 percent to \$209.6 million.

Credit by Economic Activity

Following growth of 25.7 percent in 2006, commercial bank credit expanded robustly by 28.5 percent to \$3,510.8 million. This was led by solid increases in credit to the tourism, professional & other services and personal sectors.

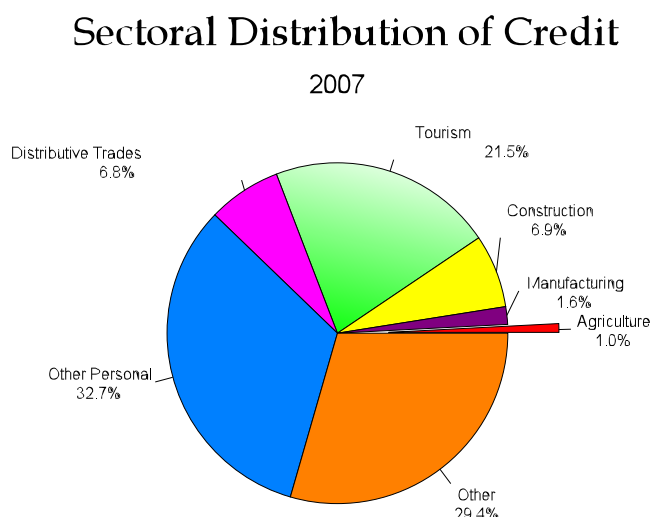
However, personal credit continued to dominate the loan portfolio of commercial banks, growing by 11.8 percent to \$1,149.4 million. Credit for durable consumer goods and other personal items increased by 35.3 percent to \$187.9 million and 16.2 percent to \$448.5 million respectively. This is partly reflective of the commercial banks' willingness to lend for the purchase of (new) motor

³In the Monetary Survey **Domestic Credit** is the total *net credit* of all the participants in the banking system, except for the Private Sector whose credit is not presented as a net figure.

vehicles, the prices of which have increased. While increasing at a considerably slower pace of 2.0 percent to \$513.1 million, credit for the acquisition of property continued to account for roughly half of personal credit. Of this, the decline in lending for house & land purchases to \$218.6 million was fully offset by the increase in loans to \$294.5 million for home construction & renovation.

Mirroring ongoing investments in this leading economic sector, credit for tourism purposes rose markedly by more than half to \$756.0 million. Relatedly, credit for other construction & land development also grew significantly to \$244.0 million in 2007. Many investments, some of which benefited from the fiscal incentives associated with the CWC 2007, continued after the event due to delays and incomplete construction works.

Loans and advances to the agriculture sector, including fisheries, were 17.8 percent higher than in 2006 at \$35.9 million. Notwithstanding, this comparatively low share of total credit and limited access to financing by sector participants remain a concern. Credit channelled to the distributive trades increased by a marginal 1.4 percent to \$239.4 million while credit to the manufacturing sector declined by 7.0 percent to \$54.7 million.



Domestic Liabilities

Gross liabilities of the banking system continued on its steady upward path, increasing by 26.3 percent to 5,247.2 million. In 2007, this was occasioned in large measure by increased borrowing from regional banks to satisfy the considerable increase in demand for credit, as reflected by higher balances due to ECCB area banks.

Deposit liabilities, which account for a dominant share of total domestic liabilities, rose by 6.2 percent to \$3,099.2 million, compared to an average growth of 11.8 percent over the past four years. All categories of local currency deposits by type recorded growth, albeit at slower rates when compared to 2006. This may suggest that economic agents have started to shift away from low-bearing interest rate deposits to other higher yielding financial instruments given alternatives in an increasingly more sophisticated financial environment.

An evaluation of the local currency deposits of commercial banks by type reveals that despite their varying growth rates, the distribution remained relatively unchanged in 2007. Savings, the leading sub-category (accounting for 45 percent of the total), increased by 9.0 percent to \$1,317.1 million. Demand deposits grew by 14.7 percent to \$700.6 million, in contrast to the drop of 1.7 in 2006. Time deposits rose by 8.4 percent to \$907.4 million while total foreign currency deposits were lower by one third to \$174.1 million.

Deposits held at commercial banks by non-residents grew by 10.0 percent to \$290.9 million. Commercial bank deposits by residents accounted for 90.6 percent of total deposits and increased by 5.8 percent to \$2,808.3 million. Of this, just over one-half was held by private individuals. The aggregate deposits of business firms expanded by 11.0 percent to \$438.5 million. Deposits of statutory bodies at commercial banks, largely that of the National Insurance Corporation, increased by 7.7 percent to \$354.8 million. By contrast, central and local government drew down on their deposits, reducing it to \$276.4 million from \$290.1 million, following a substantial decrease of 15.9 percent in 2006.

Money Supply

In line with the increase in domestic credit, total monetary liabilities (M2) grew by 6.0 percent to \$2,179.7 million in 2007. This was due to increases in both M1 and quasi-money⁴. The change in M2 also captured movements in the aggregates of assets, namely the 14.9 percent increase in net domestic assets and the shift from a net foreign asset position to net liabilities of \$47.7 million.

The narrow measure of money, (M1), rose by 13.3 percent to \$635.4 million, driven by strong growth in private sector demand deposits to \$507.4 million. Growth in currency held by the public moderated to \$128.0 million at the end of December 2007.

Growth in quasi-money, which accounts for approximately 70 percent of M2, decelerated by the end of 2007, increasing by 3.3 percent to \$1,544.2 million. Collectively, private sector savings deposits and time deposits accounted for 92.7 percent of quasi-money and increased by 11.4 percent to \$1,434.1 million. These offset the decline recorded in private foreign currency deposits.

Liquidity

During 2007, the commercial banks experienced a significantly tightening of liquidity as the demand for credit exceeded the level of deposits in the system. Since 2004, liquidity, as proxied

⁴Composed of private sector time, savings and foreign deposits.

by the loans to deposit ratio, has been tightening. This measure of liquidity moved to 113.3 percent in 2007 from 93.6 percent in 2006. This marked the highest ratio to date and the first over 100.0 percent since 1997 when a ratio of 100.8 was recorded. Loans and advances grew by 28.5 percent to \$3,510.8 million while total deposits increased at a slower rate of 6.2 percent to \$3,099.2 million. Commercial banks increased their borrowing from banks in the ECCU area from \$366.1 million in 2006 to \$704.1 million in 2007.

Liquid assets registered another substantial decline of 132.3 percent to a net liability position of \$65.4 million. This is attributed to a 60.0 percent increase in liquid liabilities compared to a 17.9 percent increase in liquid assets, as local banks sourced funds from overseas banks to finance the significant expansion in credit.

Interest Rates

In keeping with the slow rate of growth in deposits relative to the demand for credit, the weighted average interest rates on deposits inched up by 16 basis points to 3.07 percent. Slightly higher savings rates were offered by banks to ease the tight liquidity situation. On the other hand, the weighted average loan rate fell by 136 basis points as banks opted to maintain their lending rates in order to support their promotional campaigns. Nonetheless, the minimum and maximum loan and deposit rates remained unchanged for the most part in the period under review.

The maximum rate for demand deposits remained unchanged over the past three years at 3.00 percent. After declining by 75 basis points in 2006, the spread on savings deposits increased by 25 basis, moving the maximum deposit rate to 4.25 percent. The range of rates for special deposits remained unchanged at 1.50 and 8.00 percent respectively. In order to attract funds, banks increased the maximum three-month and six-month short term rates of time deposits by 50 and 75 basis points to 3.50 and 3.75 percent respectively. The minimum and maximum rate for the medium term time deposits remained unchanged at 1.00 and 4.00 percent respectively.

The spread on lending rates remained unchanged over the past three years. Accordingly, the minimum and maximum prime lending rate stood at 9.50 percent and 10.00 percent respectively. The range for other lending rates remained at 11 percent with a maximum rate of 17 percent. In the review period, the difference between both the minimum and maximum nominal and effective interest rates was unchanged at 3.50 percent and 10.50 percent respectively.

Selected Interest Rates

	Dec '05	Dec '06	Dec '07
Demand Deposits	0.0 - 3.0	0.0 - 3.0	0.0 - 3.0
Savings Deposits	3.0 - 4.75	3.0 - 4.00	3.0 - 4.25
Time Deposits (3 - 6 months)	1.0 - 3.0	1.0 - 3.0	1.0 - 3.75
Time Deposits (1-2 yrs)	1.0 - 4.0	1.0 - 4.0	1.0 - 4.0
Prime Lending Rates	9.5 - 10.0	9.5 - 10.0	9.5 - 10.0

External Reserves

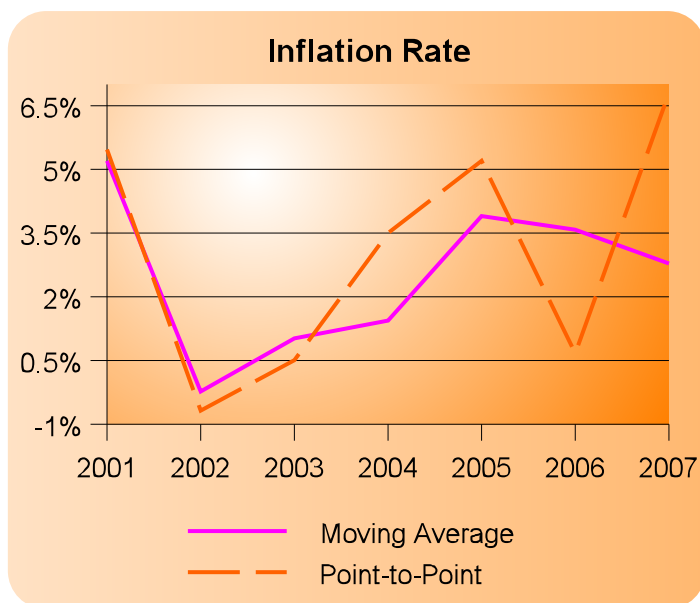
At the end of 2007, preliminary data shows that St. Lucia's net foreign assets reflected the significant build-up in commercial banks' liabilities. Given that the increase in domestic deposits was insufficient to finance the continued expansion in domestic credit, net foreign liabilities of \$47.7 million was recorded, compared to net foreign assets of \$117.6 million. Significant amounts were sourced by commercial banks from other ECCB territories leading to a net liability position to these banks of \$163.8 million, up from \$14.6 million in 2006. As a result of these large inflows, commercial banks' net foreign liabilities almost doubled to \$455.9 million.

In contrast with the deterioration of the commercial banks net asset position, St. Lucia's imputed reserves at the central bank increased by 14.4 percent to \$408.2 million. This was due to a 15.2 percent increase in imputed assets spurred by the narrowing external current account deficit, led by the increase in tourism receipts.

PRICES

Official statistics indicate that inflationary pressures continued within the domestic economy during 2007 given persistent increases in international oil and food prices. The 12-month moving average rate of inflation, as measured by the corresponding percentage change in the Consumer Price Index (CPI), was recorded at 2.8 percent. This follows from inflation rates of 3.9 percent and 3.6 percent reported for 2005 and 2006. However, on a point-to-point basis, prices increased by 6.8 percent at the end of December 2007 when compared to December 2006.

The increase in domestic consumer prices was influenced largely by the unprecedented rise in world oil prices and other commodities, particularly food, which adversely affected prices in the global economy. Average crude oil prices increased by 9.2 percent to US\$72.10 per barrel in 2007. Food costs grew by 15.2 percent coupled with strong increases in the world prices of wheat, rice, milk and dairy products. Other exogenous macroeconomic conditions including the depreciation of the US dollar against major currencies led to higher prices in the US. These contributed to the upward movement in the general price level through higher import prices from all of our trading partners.



The US, and UK registered inflation rates of 2.8 percent and 2.3 percent respectively, notwithstanding attempts by central banks to tighten monetary policy to limit inflation close to their desired targets. As in the major developed countries, food and energy prices fuelled increases in prices of most commodities and services in CARICOM. Barbados posted inflation of 4.1 percent while in Trinidad and Jamaica prices were 7.8 percent and 16.5 percent higher respectively. Given the high degree of openness of the economy, such international and regional developments impact on price movements in St. Lucia and to a large extent are reflected in its inflation rates.

These external “cost-push” inflationary pressures were however tempered by domestic factors. The slower pace of activity in the domestic economy led to an easing of demand-side pressures on prices. Moreover, fiscal policy was geared towards containing inflation by stabilizing most petroleum prices and some price-controlled food items, despite persistent increases in their import prices. Notwithstanding a moderate increase in the price of LPG, the government continued to absorb significant losses in consumption taxes on petroleum products whilst incurring large amounts of subsidies in order to maintain unchanged retail prices.

Inflation in the domestic economy was driven predominantly by movements in the cost of food, the most heavily weighted sub-index. Albeit to a much lesser extent, increases in the prices of Fuel & Light, Beverages & Tobacco and Transport & Communications were the other more notable sources of inflation in 2007. The food sub-index registered an increase of 4.8 percent following

a 4.6 percent rise in the previous year, partly due to the sustained increases in the international prices of corn and wheat. This outcome was the result of upward movements in all components of the food sub-index, with fruits (12.7 percent), coffee and cocoa (6.7 percent), milk and dairy products (5.8 percent), vegetables (5.3 percent) and frozen meat (3.9 percent) being the main contributors.

High and volatile global energy prices pushed up the Fuel & Light sub-index by 3.8 percent in the review period. Given unchanged retail prices of other fuels, this reflected the increase in the price of LPG and the pass-through impact of rising international oil prices on the cost of electricity to consumers. The Transport & Communications sub-index rose by 1.7 percent due to increases in the cost of air travel, though increasing at a slower rate than in 2006.

The Beverages & Tobacco sub-index grew by 3.8 percent but decelerated significantly from an increase of 8.8 percent in 2006. The 8.2 percent rise in the price of alcoholic beverages largely influenced this outcome.

Over the review period, less significant movements in the CPI were recorded for, Miscellaneous Goods & Services (1.1%), Furniture & Household Equipment (1.0%), Recreation, Education & Culture (0.5%) and Housing (0.2%).

The only recorded decline in the CPI was the Medical Care & Health sub-index which fell by 1.1 percent, in contrast to the 5.8 percent increase in 2006. This was mainly on account of the fall in the cost of medical products. The Clothing & Footwear sub-index, however, remained unchanged over the review period.

CHAPTER FOUR

REAL SECTOR

TOURISM

The tourism sector recorded another year of decline in the review period occasioned by unfavourable external developments in a more challenging and competitive global travel market. After falling by 2.7 percent in 2006, real activity in the sector, as measured by the hotel and restaurant sub-sectors, contracted further by 7.4 percent in 2007. This resulted in a slightly moderated direct contribution of tourism to real GDP of 11.7 percent. Notwithstanding, tourism remains a primary source of economic activity in the economy, generating a significant level of foreign exchange, employment and revenue to the central government.



Owing to the robust recovery in cruise tourism, total tourist arrivals grew by 33.9 percent to 931,114 in 2007. Cruise arrivals increased remarkably by 69.7 percent, surpassing the 500,000 mark while posting a record high. However, stay-over and yachting arrivals, which represent the most economically significant categories of visitors, declined by 5.0 percent and 2.1 percent respectively. In the review period, the number of excursionists rose by 10.3 percent to 7,777.

The overall performance of the tourism sector was constrained by a number of factors, some of which continued from 2006. These include the impact of high international oil prices on consumer spending and the cost of (air) travel. Average international crude oil prices increased by a further 9.2 percent during 2007 to US\$72.1 per barrel, resulting in higher airfares and limited potential demand. The inconvenience associated with the continuation of strict travel requirements by the US government also softened the demand for vacations in St. Lucia. In addition, the hosting of the CWC by a number of regional tourist destinations did not augur well for stay-over arrivals from key source markets during the first half of 2007. Furthermore, the resurgence of Cancun which was

devastated by stormy weather in 2005 presented renewed competition and had a dampening effect on arrivals.

Preliminary estimates indicate that visitor expenditure grew by 4.1 percent to \$808.3 million on account of the brisk activity in cruise tourism and spending by UK visitors.

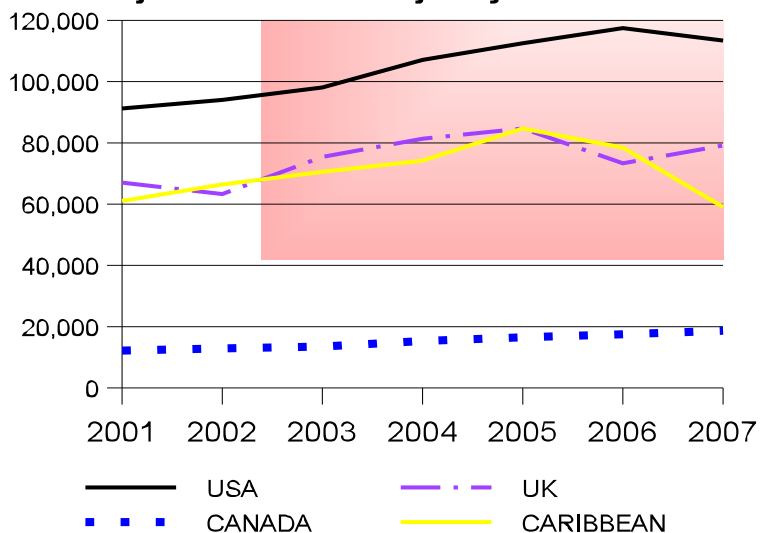
Stay-Over Arrivals

The downturn in stay-over arrivals continued in 2007, after contracting by 4.9 percent in 2006. During the review period, the number of arrivals fell by 5.0 percent to 287,407. As in 2006, this was reflective of a notable decline of 7.9 percent in arrivals in the first half of 2007 and a 1.7 percent dip in the second half, despite encouraging signs of growth in November and December. Declines were registered in all source markets with the exception of the United Kingdom and Canada. The overall outturn remained concentrated on arrivals out of the three major markets, the US, UK and Caribbean which altogether dropped by 6.5 percent. These markets accounted for 87.6 percent of total stay-over arrivals. Warm winter weather was partly responsible for the slowdown posted in the early months of 2007.

US arrivals, which accounted for approximately 40.0 percent of long stay visitors, recorded its first year of decline since decreasing markedly in 2001 due to the 9/11 terrorist attacks. The number of US arrivals fell by 3.4 percent to 113,433. This was primarily occasioned by the January implementation of the Western Hemisphere Travel Initiative by the US government requiring US citizens to present passports upon return from travel to the Caribbean, Bermuda, South and Central America. This

resulted in the cancellation and postponement of vacations to the region due to the delay and backlog in processing an overwhelming number of passport applications by the State Department. St.Lucia's co-hosting of the CWC softened the demand for travel to St.Lucia in the months of April and May, leading to a diversion of travel towards other destinations. Weakening consumer confidence due to the worsening economic conditions caused by the mortgage crisis also impacted

Stay-over Arrivals by Major Markets



adversely on the performance of this market. The continued depreciation of the US dollar, strategic marketing activities and the introduction of direct flights by American Airlines from New York in November contributed to the marginal upturn in arrivals in the second half of 2007.

The UK market showed strong signs of recovery as arrivals expanded by 8.0 percent to 79,180. Much of this increase occurred in the last six months of 2007 and served to temper the magnitude of the decline in total stay-over arrivals. This improved performance was driven by the strengthening of the pound sterling relative to the US dollar, additional airlift from Virgin Atlantic, increased marketing visibility and the hosting of the English team during the CWC 2007.

Arrivals from Germany and France, though commanding a small share of stay-over arrivals, fell by 38.0 and 3.2 percent respectively. Despite the rising value of the euro, growth prospects from these markets continued to be hindered by inadequate airlift and marketing efforts.

The weak performance of the regional market, St.Lucia's third largest source market, continued in 2007. Arrivals from the Caribbean declined substantially by 24.7 percent to 59,049, following a 7.4 percent reduction in 2006. This is principally reflective of higher costs of airfares coupled with limited availability of seats, both of which are associated with the alliance/merger between two regional airlines. In addition, the increasingly popularity of other Jazz Festivals and the hosting of CWC in other regional destinations impacted negatively on arrivals. Notwithstanding the appreciation of the euro against the US dollar, the number of visitors from the French West Indies fell considerably by 26.6 percent.

Canadian arrivals continued to trend upward, growing by 6.6 percent to 18,640 in 2007. Given lower arrivals from key markets, the share of the Canadian market thus inched up by one percentage point to 6 percent. A strong Canadian dollar and increased airlift were the main contributing factors to the growth in Canadian arrivals. The benefits of additional airlift were reflected in the significant increase (52.5 percent) in arrivals in December. This market continues to be driven by the winter season.

Occupancy

Despite the fall in stay-over arrivals, available data indicate that the overall average hotel occupancy remained at 64.9 percent in 2007⁵. This is due to the higher number of English vacationers who typically record the longest length of stay, while the number of shortest stay visitors from the US and

⁵Inconsistent reporting patterns by hotels may have distorted the figures reported.

Caribbean declined. Occupancy at all-inclusive hotels declined by 4.6 percentage points to 62.8 percent while conventional hotels (European plan type hotels) recorded slightly lower rates of 59.9 percent. However, average hotel occupancy at small hotels increased by 6.5 percent to 72.1 percent. As in previous years, the lowest monthly occupancy rate was recorded in September at just above 50 percent.

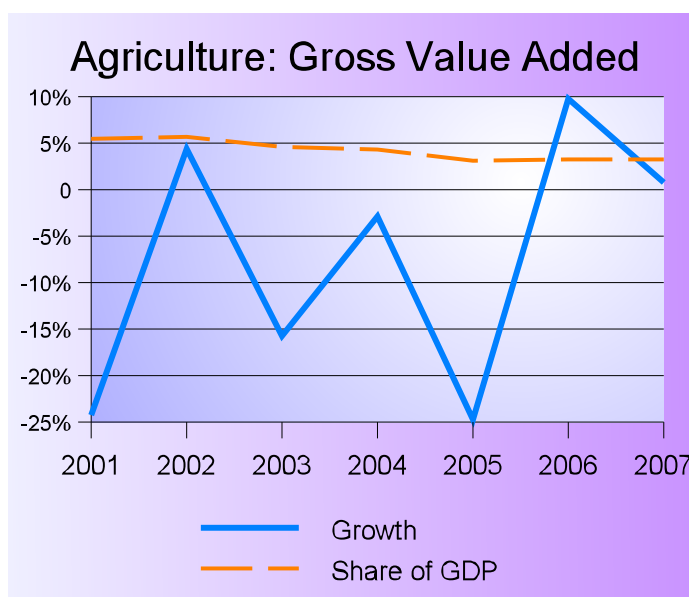
Cruise & Other Arrivals

Cruise passenger arrivals increased appreciably by 69.7 percent to 610,343, recording the highest volume to date and exceeding the 500,000 mark. This follows two consecutive years of significant contraction in 2005 and 2006. The strong growth in the first and fourth quarters accounted for 66.8 percent of total increase in cruise arrivals, highlighting the seasonality of this sub-sector. This favourable performance was due to increased cruise calls from larger vessels, high discounting in the prices of cruise vacations and the return of a major cruise liner.

Available data show that yacht arrivals further decreased by 2.1 percent to 25,587. After three consecutive years of decline, the number of excursionists increased by 10.3 percent to 7,777.

AGRICULTURE

The performance of the agriculture sector during the review period was mixed. Preliminary estimates suggest that overall, the sector recorded real growth of 0.8 percent. This low overall outturn was attributed to the decline in value-added of 3.4 percent in bananas which was offset by increases of 7.6 percent, 2.3 percent and 1.8 percent in other crops, fisheries and livestock sub-sectors respectively. Given the marginal growth in agriculture in 2007, its contribution to GDP remained at 3.3 percent. Of this, banana production, though just above its lowest recorded level, accounted for 1.3 percent of GDP. The non-



banana sub-sectors continued to overshadow banana's share of GDP and collectively accounted for 1.9 percent of GDP.

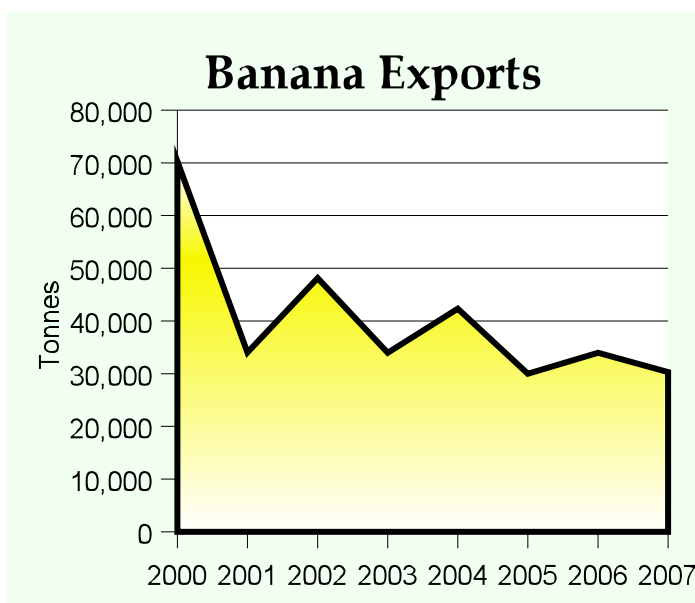
The sector remains challenged by a confluence of external and domestic factors, including rising costs of inputs, weak agro-tourism linkages and inadequate financing. Despite growth of 18.2 percent in commercial bank credit to agriculture in 2007, it accounted for a negligible share of 0.9 percent of total credit. Credit extended for agriculture purposes totalled \$30.7 million. Improved access to credit and better business acumen amongst farmers will benefit the sector. These coupled with an organized system of production planning, marketing and distribution will contribute to higher growth in agriculture.

Bananas

Output

Total banana exports to the United Kingdom from the Windward Islands declined by 16.1 percent to a record low of 51,278 tonnes in 2007.

This was principally attributed to notable decreases in the three active producing countries associated with the varying devastation caused by Hurricane Dean in August. There was a marked drop of 40.3 percent in exports from Dominica while St. Vincent's fell by 10.3 percent. St. Lucia maintained its position as the leading exporter within the group as its exports accounted for 59.1 percent of total Windward Islands banana exports. Correspondingly, Windward Island export revenue fell by 14.6 percent to \$73.0 million.



Following a partial recovery in 2006, St. Lucia's banana exports to the UK contracted by 10.8 percent to 30,318 tonnes in the review period. Despite the continued strength of the pound sterling, this output performance resulted in a 9.2 percent decline in banana earnings to \$43.7 million.

Notwithstanding the overall downturn in output in 2007, the first half registered a solid performance when banana exports rose by 34.8 percent to 20,515 tonnes. The harvesting of tissue culture fruit planted in previous periods, successful pest control, improved agronomic practices and better irrigation were contributory factors to this increase in output. Production was also encouraged by the improved accessibility and continued subsidization of the rising costs of inputs. Favourable export prices for bananas sold under the Free Trade Label also provided farmers with an incentive to expand production.

However, output in the second half was adversely affected by the passage of Hurricane Dean which destroyed an estimated 60 percent of the 7,500 acres of fields under banana production. The immediate effect was reflected in the 30.1 percent fall in the third quarter when compared to the corresponding period in 2006. The full impact of the hurricane led to a 61.7 percent contraction in exports in the last quarter of 2007.

Major Developments

As the banana industry continued to adjust to external market demands, domestic efforts have been directed towards increasing the number of farmers in compliance with the standards of the Fairtrade Label Organisation (FLO). The shift to adopting Fairtrade standards and certification has been spurred by the preferred price paid to Fairtrade banana producers, inclusive of a social premium. As a result, the coverage of farmers with Fairtrade compliance reached **85 percent** by the end of 2007. However, there are concerns amongst farmers regarding the onerous compliance procedures associated with the UK's FLO certification. These standards which are in broad conformity with global-GAP standards require farmers to adhere to various disciplines such as environmental sensitivity in farm management and use of inputs (herbicides, pesticides and other agro-chemicals, etc), ethical and democratic practices and a commitment to the social and economic development of members and their communities.

Meanwhile, the formulation and signing of an Economic Partnership Agreement (EPA) between the EU and CARIFORUM⁶ dominated the discussions amongst industry and trade officials during 2007. The EPA replaced the Cotonou Agreement which allowed the Windward Islands and other ACP countries to export bananas and other commodities to the EU on a preferential market access basis using a waiver of the GATT/WTO general agreement and principles. However, this waiver expired on December 31, 2007.

⁶CARIFORUM comprises of CARICOM plus the Dominican Republic. It represents one of six(6) regions within the ACP with which the UK hopes to complete EPA agreements.

It must be noted that currently, banana imports from non-ACP countries such as Latin America are subject to a tariff of €176 per tonne. In the absence of the EPA, Windward Island bananas would face a similar rate of import duty, in accordance with the Generalized System of Preferences (GPS), effective January 1, 2008. However, with the recently concluded EPA, which allows for quota-free access to all suppliers, Windward Island bananas will continue to enjoy tariff-free entry into the EU.

Towards the end of the year, the Ministry of Agriculture, Fisheries and Forestry (MAFF) implemented the Post Dean Banana Rehabilitation and Enhancement Project. This initiative was established to provide support to farmers to mitigate against the loss of income due to Hurricane Dean. This included financial support for labour intensive activities, provision of inputs (fertilizers and pesticides) to farms and funding to farmers to assist with rehabilitation and drainage works. Financial support was made available to farmers under a programme of assistance for chopping, supplying and replanting banana fields affected by the storm. This initiative is anticipated to have a positive impact on production in 2008.

The Banana Emergency Recovery Unit (BERU) came to an end in December 2007. Government is in the process of establishing a Banana Production Management Unit (BPMU) to continue the vital and essential services provided by the BERU, and to broaden its scope to assist with the efficiency and productivity of the banana industry. Given the preferred price paid to Fair Trade Bananas, local efforts were geared towards increasing the level of FLO compliance across the island. It is reported that to date, St. Lucia's compliance has reached 85 percent. However, there are concerns amongst farmers about the onerous compliance procedures associated with the UK's FLO certification.

Non -Traditional Crops⁷

Output of non-traditional crops is estimated to have expanded by almost 41.0 percent to 6,336.6 tonnes during 2007 as both domestic consumption and exports registered increases. This however resulted in a slower rate of increase in revenue of 23.1 percent to \$13.3 million.

Preliminary data show that the volume of exports rose substantially to 3,368 tonnes, valued at \$2.9 million. This was attributed to higher exports of green bananas to the largest regional market, Barbados. Green bananas, breadfruit and plantain continued to be leading export crops. For the second consecutive year, available data indicate that domestic purchases of non-traditional crops increased by 10.7 percent to 2,981.0 tonnes. Accordingly, total earnings derived from these purchases by supermarkets and hotels grew by 21.5 percent to \$10.4 million.

⁷Includes bananas sold to countries other than the UK, largely to the region.

Purchases of local produce by supermarkets increased by 8.3 percent to 1,907.6 tonnes due to changing patterns in domestic demand which may be indicative of a shift in the local point of purchase. Total revenue from supermarket sales increased by 17.1 percent to \$6.0 million. This reflects a combination of increases in the volume of purchases and higher unit prices paid to farmers. There were increases in the quantity and value of all categories of crops. Condiments which accounted for the smallest proportion of total supermarket purchases (2.2 percent) recorded the highest growth rates of 21.9 percent. Traditional vegetables which accounted for the largest share of supermarket purchases (36.2 percent) posted a slightly lower growth rate of 6.7 percent.

An increase in demand for a variety of non-traditional crops by the hotel sector impacted positively on the production of non-traditional crops. Hotel purchases increased for the third consecutive year, growing by 15.5 percent in 2007 to 1,073.5 tonnes. Farmer earnings derived from these sales rose to \$4.4 million, albeit at a higher rate than that reported in volume due to increases in the price of some of the major non-traditional crops. However, there remains much scope for tighter linkages between the agriculture and hotel sectors that will serve to engender more rapid expansion in the production of non-traditional crops. This is contingent on the reliability of quality supply by farmers and improved payment mechanisms. Ongoing efforts to restructure the St. Lucia Marketing Board are geared towards achieving these goals.

Fisheries⁸

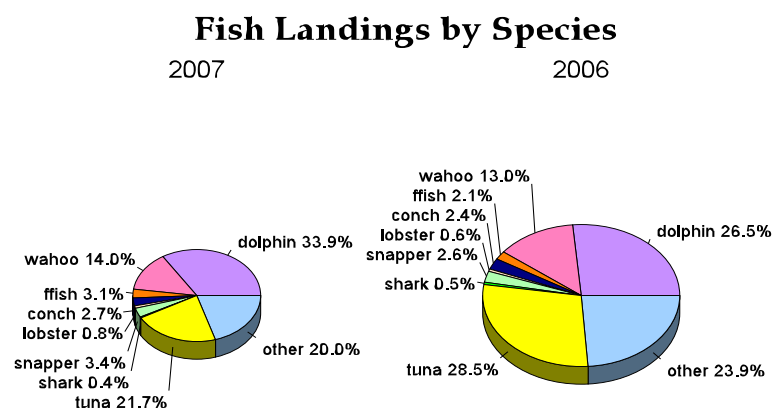
The fisheries sector recorded its second consecutive year of growth in 2007, following the decline in 2005. Preliminary data indicate that there was a 4.8 percent increase in total fish landings to 1,508.7 tonnes, just below level of output in 2004. As a result, the estimated value of fish landed increased by 7.1 percent to \$19.6 million. There was an increase in the ex-vessel price of all species with the exception of shark and tuna which posted a decline of 25.3 percent and 16.3 percent respectively.

The increase in the number of fishing trips impacted positively on landings. With the exception of Gros-Islet, all the sites showed a positive correlation between fishing trips and the tonnage of fish landed. Increases in the numbers, awareness and use of Fish Aggregating Devices (FADs) by fishers also contributed to an increase in the tonnage of fish landed in 2007. Moreover, there were also increases in the maintenance and modification of existing FADs.

The major landing sites of Dennery and Vieux-Fort continued to account for the largest shares of fish landings with 24.6 percent and 24.3 percent of total landings respectively. Total landings

⁸ Data is currently unavailable for the second half of 2006.

recorded at all major sites expanded with the exception of Soufriere, Banannes and Other Sites which declined by 21.7, 12.9 and 3.0 percent respectively. Castries and Dennery recorded the largest increase in landings of 28.9 and 20.7 percent respectively.



While dolphin posted an increase of 34.0 percent, landings of tuna declined by 20.0 percent to 328.1 tonnes. Increases in fish landings were also observed for wahoo (12.6 percent), flying fish (55.6 percent), conch (18.1 percent), lobster (35.0 percent) and snapper (37.9 percent). By contrast, landings of shark declined by 19.4 percent to 5.3 tonnes.

Livestock

Preliminary data suggest that output the livestock sub-sector grew by 25.5 percent in 2007 on account of growth in all categories, namely chicken, pork and egg production.

Indications are that chicken production⁹ rose by 9.1 percent to 885.1 tonnes, generating earnings of \$8.7 million. This rebound in output was attributed to an increase in the number of broiler producers, flock sizes and enhanced processing capacity. In addition, improvements in the quality of feed and the supply of inputs contributed to this larger output.

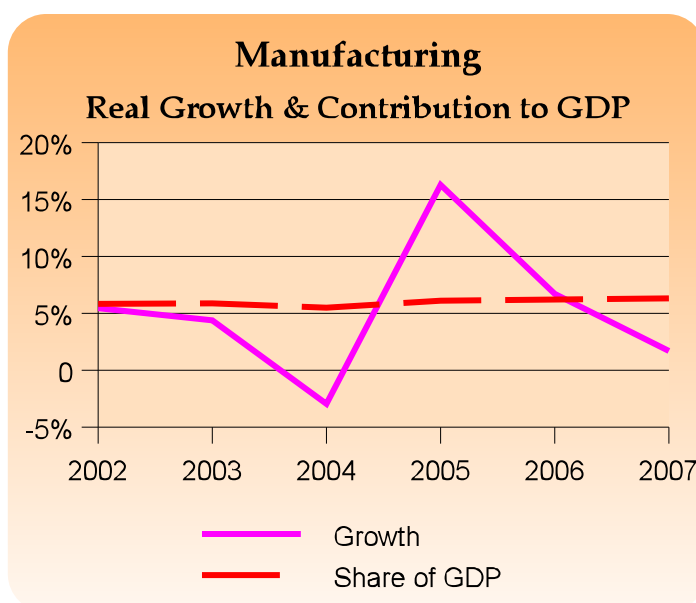
⁹ The estimates on pork and chicken production were made on the basis of the number of import license applications. This regime stipulates that 20 percent of chicken and 40 percent of pork purchased by an importer must be sourced from the domestic market. It is noteworthy that the data presented here does not capture all sales outside the formal wholesale and retail trade.

Available data show that pork production continued on its upward trend, increasing by 77.2 percent during the review period to 462.6¹⁰ tonnes with a value of \$4.8 million. This was partly due to the intensification of the livestock certification programme for pork producers.

During 2007, egg production was affected by lower yields associated with the delayed importation of chicks during the year. In total, 833,000 dozens of eggs were produced, dipping by 1.8 percent when compared to 2006. Given the tight local supply relative to demand, the price of eggs increased and resulted in an increase in revenue earned by egg producers by 2.9 percent to \$4.4 million.

MANUFACTURING

The performance of the manufacturing sector improved marginally in 2007. Real growth in the sector is estimated to have decelerated to 1.7 percent, despite high and rising oil prices which increased operating costs. This outturn reflected stronger demand in both the domestic and external markets in various sub-sectors. Activity in the construction sector also led to higher demand for locally manufactured products. These were sufficient to offset the adverse impacts of other developments on the aggregate demand for manufactured goods. Given slow growth and contractions registered in key sectors, the manufacturing sector's contribution to GDP increased to 6.3 percent in 2007. Cognizant of the economic importance of the sector, particularly in terms of employment, the Government continued to support and provide fiscal incentives to manufacturers.



¹⁰This may be partly due to more comprehensive data capture of pork sold to local outlets.

Production

After posting growth of 10.9 percent and 5.5 percent in 2005 and 2006 respectively, the value of output increased by 2.8 percent to \$172.6 million. This was attributed to the strong performances of the electrical and metal sub-sectors. However, lower production was recorded for alcoholic beverages and to a lesser extent paper & paperboard products. Production in the manufacturing sector remained concentrated on food & beverage, electrical, paper and metals products. These sub-sectors accounted for a collective share of 85.1 percent of the total value of output in the manufacturing sector in 2007.

Food and Beverages

Food and Beverage sub-sector remained the largest contributor to manufacturing output, accounting for nearly half of the total. The value of food and beverage items dipped by 1.9 percent to \$81.0 million. This stemmed from the 2.8 percent fall in beverages emanating from declines in alcoholic and non-alcoholic beverages. Production of alcoholic beverages, particularly bulk rum was constrained due to the destruction by fire of a major distillery in the first half of 2007. By contrast, the value of food production rebounded by 4.6 percent, reflecting the full impact on exports of the new regional markets gained last year.

Production of Food & Beverages (EC\$ Million)

<i>Commodity</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>Change</i>
Food Products	9.7	12.3	10.9	11.4	4.6%
Non-Alcoholic Beverages	13.8	16.1	16.8	16.3	-3.0%
Alcoholic Beverages	45.6	49.6	54.8	53.3	-2.7%
TOTAL	69.1	78.0	82.6	81.0	-1.9%

Electrical Products

Output of electrical appliances, primarily for export to the US market, declined marginally by 1.1 percent. The value of these exports however rose from \$28.1 million to \$31.5 million.

Paper and Paperboard

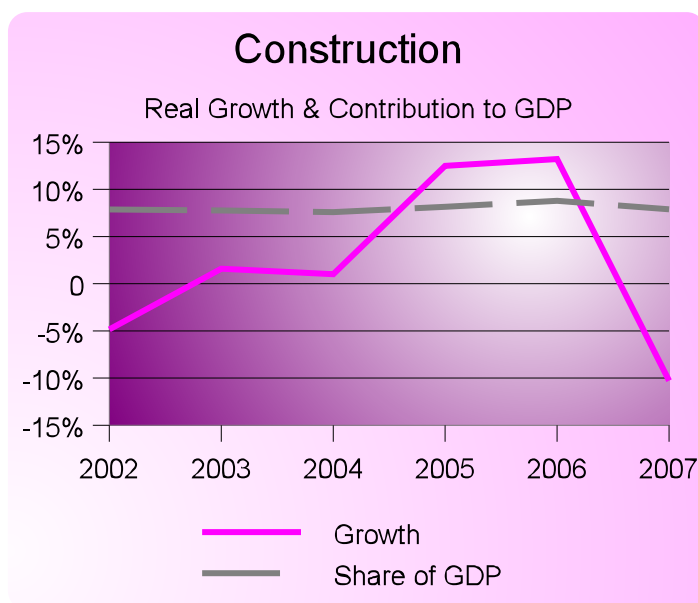
The production of paper and paperboard manufactures was largely influenced by the developments in the banana industry. As a result of the strong expansion in banana exports, increases were recorded in the volume of boxes produced in the first half of 2007. Owing to the dramatic decline of banana exports in all the Windward Islands in the second half of 2007 coupled with a negligible increase in commercial boxes, the total value of paper manufactures declined by 1.4 percent to \$21.3 million.

Other Sectors

Production of other items which accounted for 22.5 percent of the value of total manufacturing production, grew by 8.7 percent to \$38.9 million. Of significance were increases in the output of metal products, namely roofing, as this industry continued to perform creditably and increasing in popularity. This may be indicative of a shift from imported roofing to locally manufactured substitutes. There were increases in wood and wood products (71.7 percent), furniture (19.3 percent), rubber products (11.3 percent), plastic products (8.4 percent) and printed material (0.4 percent). Production of copra and copra derivatives increased by 5.0 percent to \$3.5 million.

CONSTRUCTION

Preliminary data on leading indicators suggests that overall activity in the construction sector slowed down significantly in 2007, following two years of vibrant growth when preparations for the hosting of the CWC 2007 were underway. This outturn contributed significantly to the deceleration in overall economic growth. It is estimated that value-added in construction contracted by 10.3 percent in the review period, with its share of real GDP falling to 7.9 percent from 8.8 percent in 2006. This was attributed to a fall in construction undertaken by the public sector and a comparative slackening of activity in the private sector, associated with hotel plant. Credit granted for commercial developments doubled while funds disbursed for residential construction grew moderately. These may not have necessarily translated into an increase in the level of activity as it partially reflects rising costs of construction.



Public Sector Construction

In the review period, construction expenditure undertaken by the public sector decreased by 8.1 percent to \$176.0 million. While spending by the central government dipped to \$165.2 million, this was due to substantially lower expenditure by statutory bodies. Central Government expenditure continued to be dominated by road development, education and the CWC Development Project. Other notable areas of spending during 2007 included the development of water infrastructure and disaster management.

Construction expenditure by statutory bodies declined by more than half to \$10.8 million, led by spending by SLASPA and NIPRO. This drop in spending primarily reflected the completion of works on port infrastructure. Construction works by NIPRO increased slightly and accounted for a larger share of total spending by statutory bodies.

Economic Infrastructure¹

Approximately \$107.9 million was spent on economic infrastructure in 2007, representing 61.3 percent of total public sector construction expenditure and a decline of 4.7 percent. Of this, \$101.6 million was incurred by the Central Government, largely reflecting continued investment in the island's road infrastructure and to a lesser extent, its water supply.

Expenditure on roads by the central government, as in 2006, amounted to roughly \$80.0 million. The major road works during the review period were the continuation of both the East Coast Road Rehabilitation and the Castries Gros-Islet Highway Improvement projects. In an attempt to improve the flow of traffic, the latter involved the construction of four footbridges, two roundabouts, a median barrier and the conversion of a portion of the highway into a four lane carriageway. These accounted for a total of \$51.9 million. Other road construction activity undertaken during 2007 included the completion of the Tertiary Roads Programme (\$8.1 million), the reconstruction & rehabilitation of other roads (\$13.2 million) and works on the Urban Renewal Programme (\$2.2 million).

The Water Supply and Infrastructure Project continued during 2007. This project comprised the installation of mains and pumps to improve the availability and reliability of potable water supply to the north of the island. Spending on this project amounted to \$16.1 million compared to \$1.4 million in 2006 when work commenced. The Water Sector Reform project came to a close with \$0.9 million expended in 2007.

¹ This refers to the basic physical facilities which promote or enable economic growth.

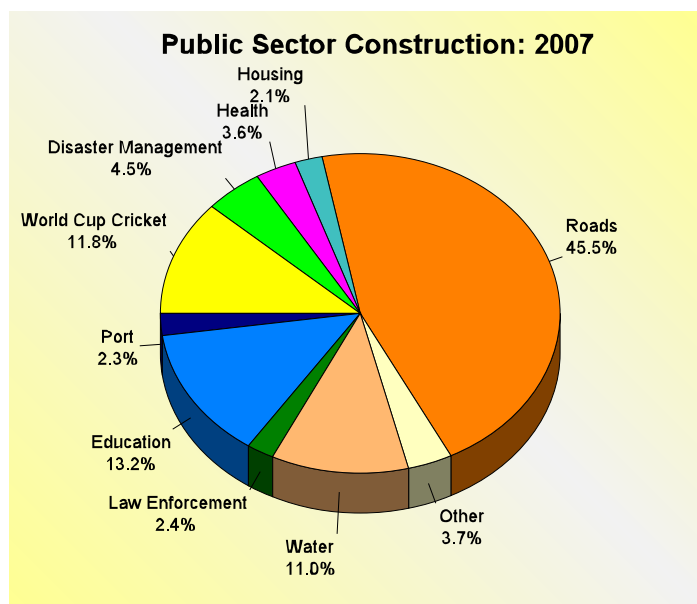
Construction-related expenditure by statutory bodies dropped to \$5.2 million from \$24.0 million in 2006. This was as a result of the completion of works on the rehabilitation of the Northern Wharf at Port Castries in early 2007. The St. Lucia Air & Sea Ports Authority undertook other works at Port Castries including the refurbishment of the ferry terminal at a cost of \$1.3 million, the re-configuration of shed number six (\$0.5 million) and the construction of a Port Health & Quarantine facility (\$0.1 million). Accordingly, spending by SLASPA fell from \$22.2 million to \$4.0 million in 2007. The Water and Sewage Company (WASCO) spent a total of \$2.4 million on the water treatment system at Dennery, the replacement of various water mains and ongoing works on the Fifth Water Supply project.

Social Infrastructure²

In 2007, public sector spending on social infrastructure decreased by 18.4 percent to \$68.1 million. Approximately, \$63.7 million was spent by the central government while \$4.4 million was spent by statutory bodies.

Spending on education continued to account for the largest share (36.4 percent) of the central government's expenditure on social infrastructure. The OECS Education Development Project, which seeks to improve access to educational institutions (at the secondary level), continued in 2007 at a cost of \$23.2 million. Much of this was spent on the completion of works at the Marigot Secondary School. Other education spending included repairs at various schools island-wide. Construction expenditure incurred on health increased from \$4.6 million to \$6.3 million on account of preliminary works, including road access, associated with the new national hospital and the new Psychiatric Facility³.

In final preparations for the co-hosting of the CWC in early 2007, spending on cricket facilities under the Cricket World Cup project totalled \$20.7 million compared to \$31.1 million in 2006. Expenditure on disaster management fell by 11.7 percent to \$8.0 million



² This refers to those physical structures associated with the facilitation of human and social development.

³ Although the construction of the physical structure of the hospital was undertaken in 2006, since it was financed by the People's Republic of China, it is not captured in the government's expenditure.

given reduced spending on the Emergency Recovery Project and the Disaster Management Project respectively. Outlay on publicly funded Housing & Settlement projects declined moderately to \$3.1 million as higher spending on the Shelter Development Project was offset by the contraction in expenditure incurred by PROUD.

Expenditure on social infrastructure by statutory bodies in 2007 dipped to \$4.4 million and was concentrated in the area of law enforcement. Capital expenditure by NIPRO increased by 41.8 percent to \$3.9 million due to the construction of the Dennery and Richfond police stations.

Private Sector Construction & Indicators of Construction Activity

Following buoyant activity in the two previous years, preliminary assessments suggest that aggregate construction in the private sector tapered off during 2007, particularly in the last nine months. This is supported by data on a key indicator, imports of construction materials. This performance was attributed to the slow down in the general pace of works in the aftermath of the CWC due to the completion of several hotel projects, notwithstanding the intensification of works on other projects such as Le Paradis.

However, another measure of construction activity, credit granted by the banking system for construction purposes, increased substantially⁴ in 2007. The number of building applications approved has typically been used as another proxy of the level of construction in a given period.

Imports of Construction Materials⁵

Available data indicate that the value of imports of building materials fell by 37.7 percent to \$89.3 million in the review period, despite rising prices of most construction items. Following accelerated increases in 2005 and 2006, declines were recorded in all key materials. The value of cement imports decreased by 12.2 percent to \$24.3 million. However, reflective of import prices, the price of cement per bag originating from CARICOM increased further from \$18.75 in 2006 to \$20.85 while that from non-CARICOM countries moved from \$18.75 to \$20.00 per bag. Similarly, imports of wood products dropped by 21.1 percent in 2007.

⁴

Due to classification problems, this includes credit disbursed for purposes related to construction but does not represent actual construction, such as purchases of house & land of the existing stock. In addition, there are also timing lags between credit granted and construction activity.

⁵This indicator does not capture land development which can be considered a component of construction.

Imports of Construction Materials (EC\$ Million)

MATERIALS	2005	2006	2007
Wood and Wood Products	25.2	35.3	27.9
Sand	3.7	4.1	1.3
Cement	16.1	27.7	24.3
Prefabricated Materials	2.1	11.2	3.7
Other	48.5	64.9	32.2
Total	96.6	143.2	89.3

Financial Resources

During 2007, total credit disbursed by both commercial banks and non-bank financial institutions for construction purposes increased considerably by 61.4 percent to \$373.9 million. After growing markedly in 2006, this continued increase in credit contributed to the tight liquidity situation experienced during the year. Credit to commercial sector doubled to \$260.4 million in 2007. Loans disbursed for residential construction also grew, by 11.3 percent to \$113.5 million spurred by attractive mortgage packages offered by banks.

Housing and Building Applications⁶

The total number of applications submitted to the Development Control Authority increased by 2.5 percent to 819. During the review period, the number of approvals went up to 525.

Reflective of the housing needs of the population, the number of applications received for residential construction continued to increase while such approvals fell by 9.0 percent.

Building Applications to the Development Control Authority

	Applications Submitted			Applications Approved		
	2007	2006	Change	2007	2006	Change
Residential	673	621	52	413	454	-41
Commercial	100	124	-24	27	51	-24
Touristic	26	23	3	12	9	3
Institutional	12	22	-10	3	5	-2
Industrial	8	9	-1	2	6	-4
Total	819	799	20	457	525	-68

⁶ This measure is limited in providing a clear indication of the level of construction activity in the review period. It is however more indicative of future trends in construction activity.

Applications submitted and approved for commercial development dropped by 19.4 percent and by 24.0 percent respectively. There is continued confidence in the economy as evidenced by more applications submitted for planned construction related to tourism.

Utilities

Capital expenditure undertaken by the St. Lucia Electricity Services Limited (LUCELEC) almost doubled to \$50.4 million. This was due to the last phase of the installation of new power generators which commenced in 2005. Spending on consumer line extensions were just above that incurred in the previous year.

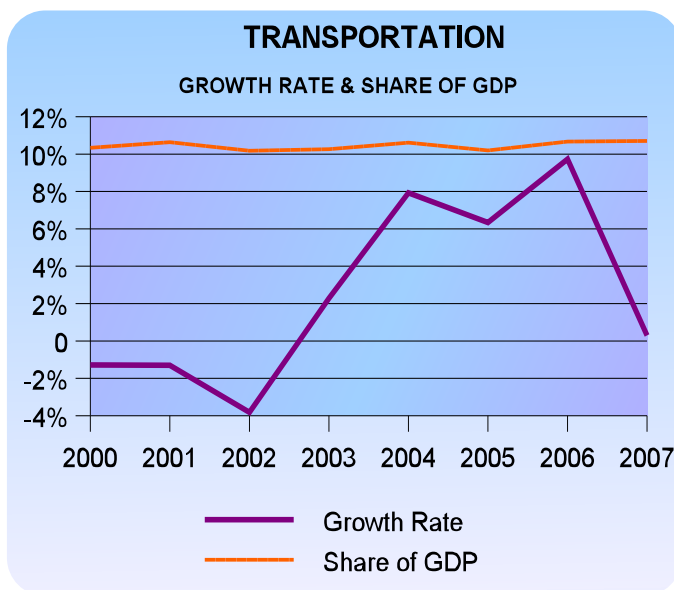
TRANSPORTATION

The sub-sectors within the transport sector recorded mixed performances in 2007 which resulted in an overall slowdown in growth in the sector. Preliminary estimates suggest that there was marginal growth in value-added in the sector of 0.3 percent and its contribution to GDP remained the same at 10.7 percent. Notable declines in growth of 10.9 percent and 29.4 percent were recorded for sea and air transport respectively while growth in road transport picked up pace.

Air Transport

Developments in air transport influence the performance of the tourism sector with spill-over effects in other sectors. On average, it directly contributes roughly 1.5 percent to GDP. However, in 2007 this was reduced to 1.0 percent as growth in this sub-sector contracted considerably, consistent with the lower stay-over arrivals recorded in the review year.

There was a reduction of 15.5 percent in the total number of aircraft movements (arrivals and departures) at the two airports decreased to 40,425. The noticeable decline in flights out of George F.L. Charles Airport is chiefly responsible for this outturn. This reflected mainly the impact of the limited flights by regional airlines emanating from the alliance between Caribbean Star Airlines and



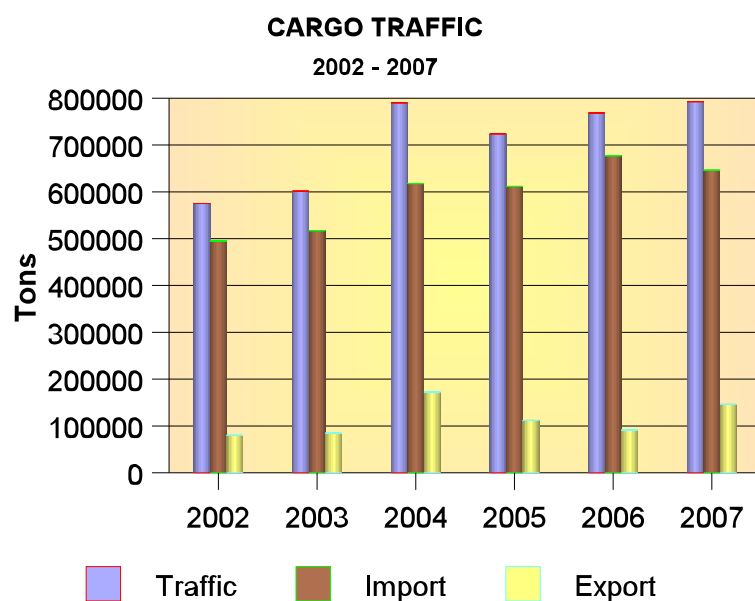
LIAT. However, this airport continued to dominate aircraft movements, accounting for 69.8 percent of landings and departures. As a result, passenger traffic at this smaller airport fell by 8.6 percent to 376,742 in 2007.

During the year, efforts were made to recover lost flights from various tourist markets. Lost flights were offset by new flights from both scheduled and chartered services. Towards the end of 2007, the number of services increased with the introduction of new and additional direct flights from various airlines, notably American Airlines. The total number of scheduled service landings (arrivals and departures) fell by a third. Non-scheduled service landings and other landings increased by under 1.0 percent to 20,855 and by 10.4 percent to 1,347 respectively.

Sea Transport

Mirroring the contractions in some sectors and the general economic slowdown, estimated growth for this sub-sector also fell, with its share of GDP moving from 2.5 percent to 2.6 percent to GDP in 2007. This is consistent with the slower growth recorded in imports.

The combined volume of cargo traffic at Ports Castries and Vieux-Fort fell by 5.6 percent to 723,162 tons in 2006. Port Vieux-Fort registered a decline of 2.7 percent in cargo handled to 126,512 tons, due partly to lower banana exports. Port Castries accounted for 82.5 percent of the total cargo traffic.



The volume of break bulk cargo landed declined by 7.9 percent to 194,246 tons. In contrast, cargo loaded increased by 63.8 percent to 129,646 tons. This rise in cargo loaded was the result of increased activity at Port Vieux-Fort, particularly in the export of aggregates. Dry/Liquid volume landed in 2007 fell by a half compared to 2006, to 60,172 tons. The volume of containers landed in 2007 stood at 25,515 twenty foot equivalent units (TEUS) and the volume loaded was 7,315 (TEUS), representing an increase

of 23.0 percent and a decrease of 21.0 percent respectively.

In 2007, there were increases in vessel calls at both ports. The number of vessel calls at Vieux-Fort increased by 62 to 466. Port Castries recorded 98 more calls, due to just under 20.0 percent more cruise calls to 314. Yacht throughput at Rodney Bay Marina fell by 4.2 percent to 4, 236.

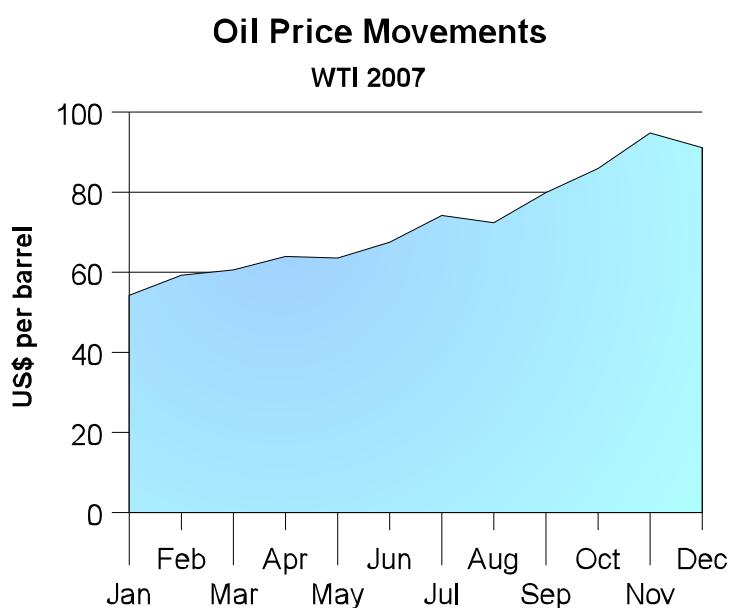
Road Transport

Value-added in the road transport sub-sector is estimated to have expanded by 11.8 percent in the review period, led by increased activity in the cruise sub-sector. Given contractions in other major sectors, its share of real GDP moved up to 7.2 percent in 2007.

The total stock of registered vehicles continued to grow, increasing by 5.6 percent to 49,700 in 2007. Notwithstanding the decline in some categories of vehicles, there were 2,628 new registered vehicles. Reflective of the growing need for transportation and the gaps in the public system, the number of private vehicles increased by 2,514, accounting for 59.1 percent of all motor vehicles. The island's fleet of taxis/hired vehicles grew by 13.0 percent to 3,453, while the stock of passenger vans increased by 3.8 percent to 3,612. Goods vehicles registration grew marginally to 11,211 in 2007.

ENERGY

As an oil-importing country, developments in the international petroleum market continued to impact on the energy sector in St. Lucia. Movements in world oil prices were driven by a combination of supply, demand, ongoing geo-political and speculative factors which resulted in a further tightening in the market. Supplies were affected by heightening instability in the Middle East, disruptions in Nigeria due to continued violence, weather-related production shutdowns and limited spare refinery capacity. Led by China, India and countries in the Middle East, global oil demand remained robust throughout 2007. Low inventories in the US, the continued depreciation of



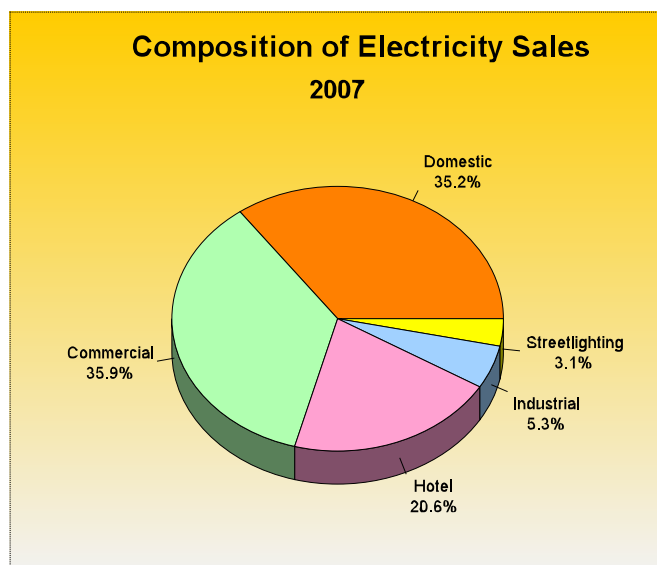
the US dollar and growing concerns about supply constraints also generated upward pressure on oil prices.

After rising rapidly in the first half of 2007 from US\$58.32 a barrel in early January, West Texas Intermediate (WTI) prices soared to a new record high of US\$99.00 per barrel in November. WTI prices averaged US\$72.14 per barrel in 2007 compared to US\$66.10 per barrel in 2006, an increase of 9.2 percent. Despite these persistent increases in oil prices, the retail price of fuel in the domestic market, with the exception of LPG, remained unchanged in 2007. The price of the 20 pound and 100 pound cylinder increased from \$28.20 to \$30.00 and from \$150.00 to \$170.00 respectively in May. The local prices of unleaded gas and diesel were last increased in August 2005.

Electricity

Reflective of an expanding consumer base, electricity generated by LUCELEC rose by 4.2 percent to 345,698 Kilowatt hours in 2007. Consequently, value-added in the sector is estimated to have grown by 14.2 percent, resulting in a contribution to real GDP of 3.6 percent in the review period.

Led by commercial use, total domestic consumption of electricity continued to trend upward, increasing to 297,841 kilowatt hours from 284,398 kilowatt hours in 2006. Moderate increases in usage were recorded for all categories of consumers.



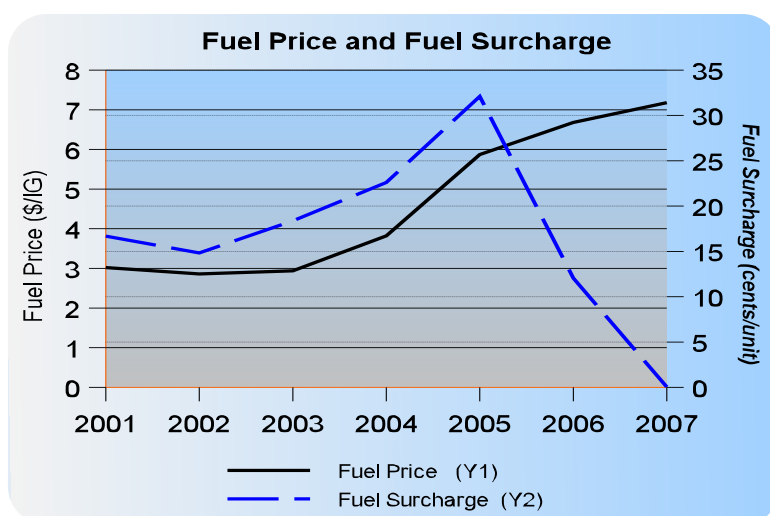
Consumption by commercial users grew by 3.4 percent to 106, 924 Kilowatt hours, notwithstanding a marginal increase in the number of new customers. Despite rising costs, domestic consumers (households) consumed 3.1 percent more electricity in 2007, amounting to 104,784 Kilowatt hours. This was partly due a larger number of recorded users which grew by 1.0 percent.

Electricity consumption by hotels were 6.5 percent higher in 2007 compared to the 1.1 percent growth in the previous year. This was due to the expansions of existing hotel plant and the opening of new hotel establishments prompted by the hosting of CWC 2007.

Usage by industrial consumers recorded the highest growth of 21.6 percent to 15,789 Kilowatt hours while the average number of users fell from 112 to 101. The installation of additional poles across the island and the enhancements along the primary road network following the completion of major road works, generated a 2.8 percent increase in the electricity consumed for street lighting.

In the review period, LUCELEC's internal use of electricity grew negligibly by under 1.0 percent to 13,185 Kilowatt hours. This was attributed to efforts to maximize the efficiencies largely in the production of electricity. The amount of electricity lost in transmission moved from 34,423 Kilowatt hours in 2006 to 34,672 Kilowatt hours.

In line with movements in international oil prices, the average cost of fuel paid by LUCELEC to its supplier increased by 7.5 percent to \$7.18 per imperial gallon. This followed an increase of 13.8 percent in the price of fuel purchased by the company in 2006. However, as a result of changes⁷ in the components of consumer charges by LUCELEC, effected by the 2006 amendments to the Electricity Supply Act, the average fuel surcharge⁸ for 2007 moved from 12.05 cents per unit to 0.05 per unit of electricity sold.



Alternative Forms of Energy

The Government of St. Lucia is in the process of finalizing its National Energy Policy which will outline its plans for the sustainable supply of energy to satisfy the anticipated expansion in demand. This includes the pursuit and promoted use of new and renewable sources of energy in order to reduce the heavy dependence on expensive imported energy.

In light of the escalating costs of oil-based fuel, during the review period, the Government of St. Lucia continued to explore various possibilities of developing alternative and local sources of

⁷This entailed a reclassification of a large component of the fuel surcharge into the basic tariff, effective April 2006.

⁸The fuel surcharge is the difference between the current world market price and the base price (which is equal to the average of the preceding 12 months) expressed over the total sales of a given month in (cents per unit or kilowatt-hour (kwh)).

energy. These efforts were primarily focussed on geothermal, bio-fuels and wind energy. Currently, various options and proposals were under review with a view to implementation in the near future. In addition, the Government facilitated the establishment of an oil refinery in St. Lucia through a significant private sector investment to be undertaken by Hess Oils Ltd.

Importation of Commercial Energy

During the review period, importation of commercial energy grew by 3.7 percent to 1,287,587 Barrels of Oil equivalent (BOE). This was largely on account of increased quantity of diesel imported.

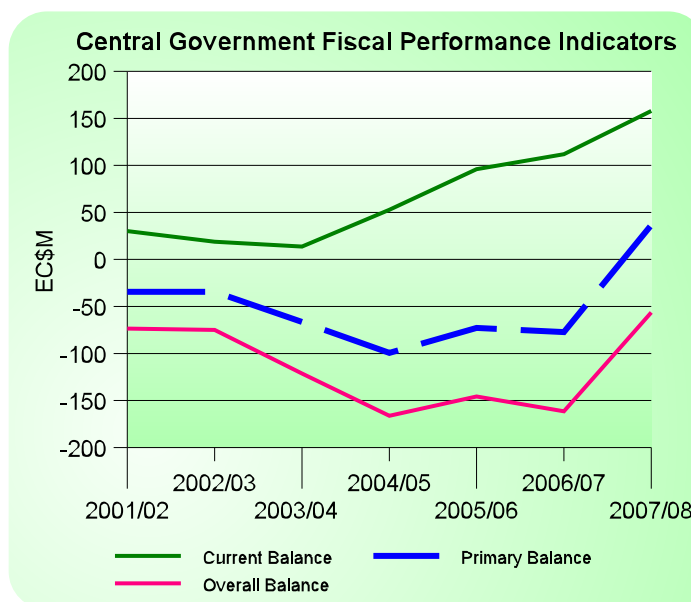
Diesel importation grew by 2.2 percent to 669,181 BOE due to an increase in the stock of registered diesel vehicles and the higher production of electricity. The volume of imports of unleaded gas was close to its 2006 level at 349,261 BOE. Imports of liquefied propane gas (LPG) fell to 56,904 BOE in 2007, while the quantity of kerosene/aviation fuel rose by 28.3 percent to 212,241 BOE.

The imported price of all these fuels, as captured by the Mean Caribbean Price (MCP), rose in 2007. The average MCP for unleaded gas and diesel increased by 10.4 percent to US\$1.99 per American gallon and 9.9 percent to US\$1.90 per American gallon respectively. Similarly, the MCP for LPG rose by 9.8 percent in 2007. However, domestic retail prices did not reflect the increases in these prices as the Government maintained the price-controls on these products with unchanged prices at the pump. As a result, throughout much of 2007, the Government continued to absorb significant revenue losses of consumption tax on petroleum products as well as subsidize the cost of all these petroleum products, most particularly LPG.

CHAPTER FIVE

CENTRAL GOVERNMENT FISCAL OPERATIONS

Preliminary estimates indicate that in 2007/08, the fiscal position of the central government improved markedly. Against the backdrop of a considerable slowdown in economic growth, this was occasioned by a strong revenue performance accompanied by slower growth in expenditures. The current account surplus increased substantially to \$156.1 million or 5.9 percent of GDP from 4.2 percent of GDP in 2006/07. Given the contraction in capital expenditure by approximately 22.0 percent to \$218.5, the overall deficit narrowed by to \$58.3 million or 2.2 percent of GDP from \$167.7 million or 6.7 percent of GDP. In 2007/08, the primary balance moved from a deficit of 3.3 percent of GDP to a surplus of 1.3 percent of GDP.



Revenue Performance

Following growth of 7.9 percent to \$664.4 in 2006/07, total revenue and grants grew by 10.2 percent to \$732.0 million in 2007/08. This was the equivalent of 27.8 percent of GDP, an improvement from the 26.5 percent recorded in the previous year. This was due to strong growth in revenue as grants amounted to \$4.1 million. Notwithstanding the relatively flat performance of the overall economy⁹ for much of the review period, current revenue rose by 10.8 percent to \$727.8 million. This upturn was buoyed by an increase of 10.2 percent in tax revenue to \$685.6 million, stemming most significantly from accelerated growth in taxes on income, coupled with positive contributions from other major tax categories.

Over the review period, direct taxes increased by 22.8 percent to \$201.9 million while growth in indirect tax collections slowed to 5.7 percent or \$483.6 million, representing roughly half the pace of growth recorded in the previous fiscal year.

⁹This refers to growth on a calendar year basis in 2007

Taxes on Income & Property

Taxes on income expanded appreciably by 22.7 percent to \$196.8 million during the review period, primarily on the continued strength of corporations tax receipts. Reflecting growth in corporate profits, boosted by activity associated with the CWC preparations, these taxes increased by more than half to \$92.0 million. Taxes on personal income and arrears also contributed to this favourable performance. Personal income tax collections rose by 11.4 percent to \$71.3 million, indicative of an increase in employment, including the public sector, which was partly attributed to hosting of the CWC 2007.

Owing, in part, to the tax clearance policy pursued by commercial banks to facilitate financial transactions, collections of arrears rose by 28.4 percent to \$34.9 million, reversing the declines of the two previous fiscal years. However, withholding taxes declined further to \$5.2 million, which represents less than half of the extra-ordinary amounts reported in 2006/7 and 2005/06. This was in keeping with the downturn in the construction sector, higher level of exemptions and also due to compliance issues.

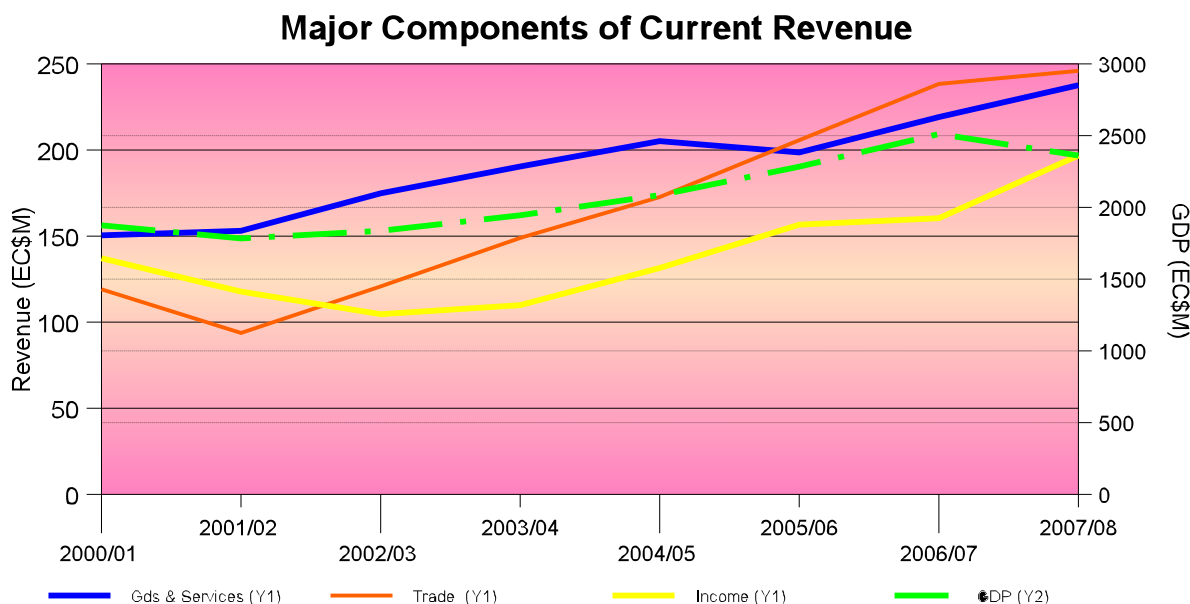
In the review period, receipts from property tax improved from \$3.2 million in the previous fiscal year to \$4.7 million. This was chiefly on account of the near completion of efforts to fully convert the property tax base from rental value to market value. In addition, there was an increase in the value and stock of taxable properties.

Taxes on Goods and Services

Influenced in part by moderate expansion in the non-traded sectors, taxes on goods and services increased by 8.5 percent to \$237.6 million, having recorded growth of 10.3 percent in 2006/7. Collections from stamp duty, licences and consumption tax, contributed more notably to the higher intake of this category of taxes. Following a 44.1 percent increase in 2006/7, stamp duty collections advanced by 21.3 percent to \$31.5 million in line with the growth in financial and real estate transactions. Receipts from licenses rose by just under one third to \$22.2 million in 2007/08. This was mainly attributed to increases in telecommunications class licenses and motor licences.

Growth in the value of other imports led to increased consumption tax receipts which offset the substantial loss of revenue on petroleum products. During much of 2007/08, the government-controlled retail prices of petroleum products were unchanged amidst high and escalating global oil prices. Consequently, consumption tax grew negligibly to \$112.2 million. Consumption tax on domestically produced goods rose by \$1.8 million due to an increase in the value of manufactured goods. As a result, total consumption tax on all imports grew by 3.6 percent to \$122.1 million.

Notwithstanding a decline in occupancy levels at all-inclusive and conventional properties, hotel accommodation tax grew by 11.3 percent to \$33.5 million due to collection of outstanding payments. Indicative of increasing usage of mobile phones, revenue from cellular tax continued trend upward steadily, growing by \$2.9 million to \$12.0 million over the review period.



In line with developments in the property and motor vehicle markets, insurance premium tax yielded an additional \$1.3 million. Lower collections of domestic excise taxes of \$2.6 million was influenced by the contraction in production of alcoholic beverages. Consistent with the decline in tourist arrivals, revenue from passenger facility fees dipped to \$3.1 million while increased production of electricity generated marginal increase in fuel surcharge to \$3.6 million.

Taxes on International Trade and Transactions

Revenue from taxes on international trade rose to \$246.0 million, albeit at a decelerated pace of 3.2 percent, compared to 15.9 percent in 2006/07. This was mainly attributed to growth in import duty of 8.8 percent to \$107.0 million. Similarly, due to a modest increase in the value of imports, excise tax (imports) recorded growth of 9.9 percent to \$43.0 million. However, there was little change in collections from service charge on imports due to an increase in its level of concessions. Thruput charges more than doubled to \$3.1 million, as a result of larger volumes of re-exports of petroleum products from the Hess Oils storage facility.

After growing by 20.0 percent in 2006/07, environmental levy fell by 16.4 percent to \$18.0 million. This downturn reflected the impact of the reduction in the statutory rates charged on the

importation of used vehicles. Collectively, revenue receipts from airport and travel taxes fell by \$1.6 million to \$9.2 million in 2007/08. These were affected by the decline in tourist arrivals as well as reduced air travel by locals as a result of high ticket costs. Moreover, lags in remittances to the Central Government by collections agencies continued in the review period.

Non-Tax Revenue

Following the decline of 17.6 percent in 2006/07, collections of non-tax revenue improved by a quarter to \$44.2 million. Fees, fines and sales increased considerably to \$23.4 million due to increased intransit fees associated with the significant growth in cruise arrivals. Interest and rents rose appreciably to \$12.4 million, owing to higher receipts of dividends and interest earned on the consolidated fund. St. Lucia's share of distributed ECCB's profits amounted to \$3.3 million compared to none in the two previous years. Reflective of their financial performance, the surplus from Government's operating departments declined by \$1.5 million in 2007/08. This is due to Government's attempt to contain the cost of living by containing increases in the costs of price-controlled food items such as flour, fixed, in the face of rising import prices.

Expenditure Performance

Over the review period, total expenditure by the central government is estimated to have declined by 5.0 percent to \$790.2 million or 30.0 percent of GDP, in contrast to the steady increases reported in the previous fiscal years. This downturn was prompted by the fall in capital spending due to completion of major CWC related infrastructural projects early in the year and the delayed implementation of new projects. Capital expenditure decreased to 8.3 percent of GDP from 11.2 percent in 2006/07. In addition, current expenditure grew at a slower pace in 2007/08.

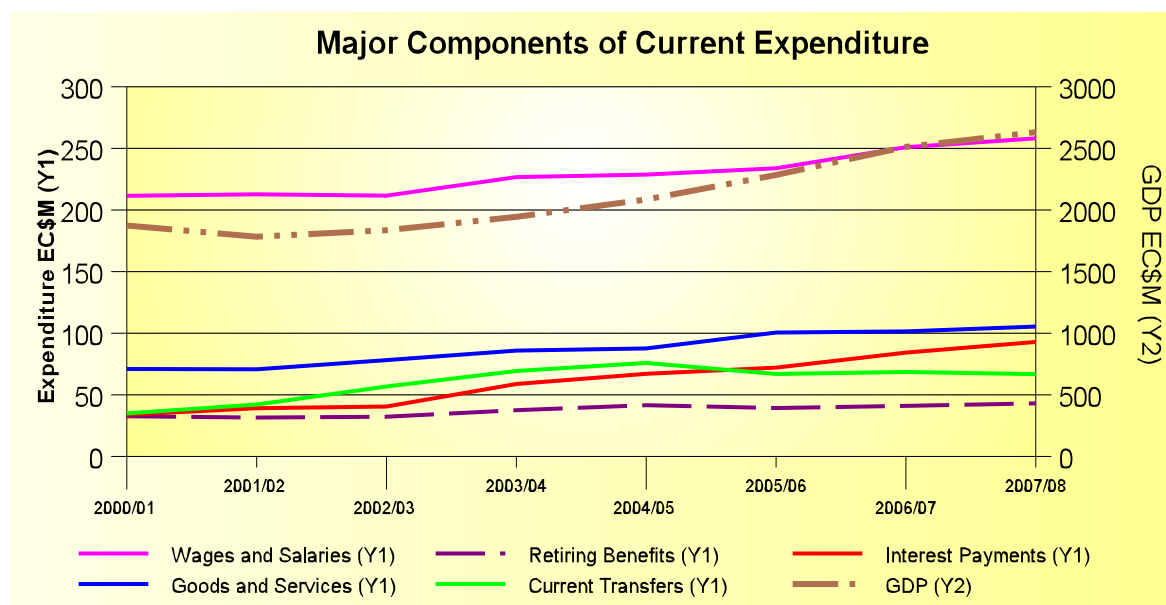
Current Expenditure

After increasing by 7.4 percent in 2006/7, growth in current expenditure slowed to 3.7 percent to \$571.8 million in the review period. This outcome was attributed to lower current transfers and decelerated increases in all other expenditure categories.

Wages, Salaries, National Insurance Payments & Retirement Benefits

Wages and salaries, which account on average for approximately 46.0 percent of current expenditure, grew by 2.9 percent to \$258.2 million. This follows growth of 7.4 percent when negotiated salary increases with respect to the last year of the last triennium (2006/07) were paid. The higher wage bill in 2007/08 was largely due to increased employment, partly related to CWC.

Moving in line with the near 7.0 percent increase in the number of pensioners over the review period, retirement benefits rose by 5.1 percent to \$43.1 million. Of this, recurrent pension payments rose by 8.0 percent, while the gratuity component fell by roughly 7.0 percent. Payments to the National Insurance Corporation on behalf of employees in non-pensionable posts grew by \$0.5 million to \$5.4 million.



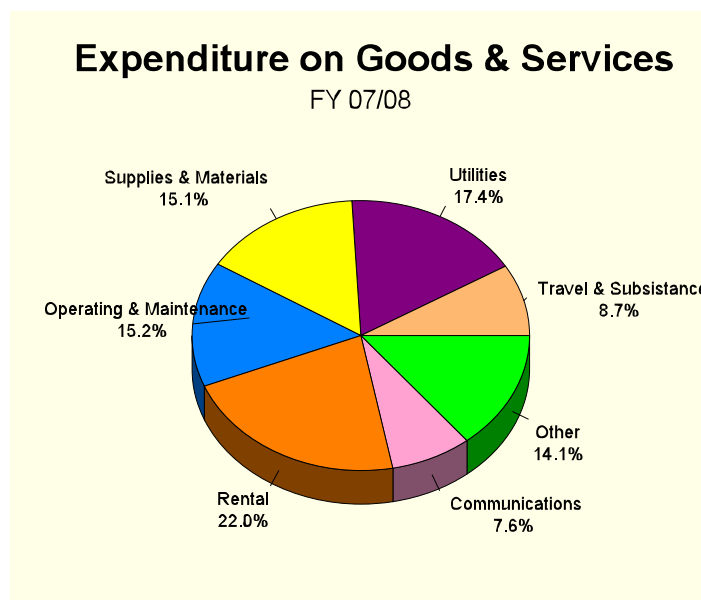
Interest Payments

Consistent with the increase in the stock of disbursed outstanding debt and the appreciation of other currencies against the US dollar, total interest payments continued to trend upward, growing by 10.3 percent to \$92.9 million in 2007/08. This corresponded to 12.7 percent of current revenue and accounted for 16.2 percent of current expenditure. Interest payments on external debt, which account for over two-thirds of total debt service payments, rose by 10.0 percent to \$62.3 million over the review period, while domestic interest payments increased by 10.8 percent to \$30.7 million.

Goods & Services

Reflective of government's policy to curtail current expenditures, the increase in spending on goods and services slowed in 2007/08 to 3.8 percent or \$105.4 million, from 5.6 percent in 2006/7. This upturn was influenced mainly by continued increases in outlays on operating & maintenance and rental and lease payments. The hosting of the CWC resulted in additional costs which affected various expenditure items.

Operating and maintenance expenses grew by \$3.5 million to \$15.9 million, on account of the increasing stock of government vehicles, including ambulances. Expenditure associated with the rental and lease arrangements advanced by 16.8 percent to \$23.2 million. This reflected an increase in the cost of existing rental accommodation, new contracts for rented office spaces and new Buy, Own, Lease and Transfer (BOLT) agreements relating to police and fire stations. These also contributed to additional operating and maintenance costs.



The 3.1 percent growth in spending on utilities to \$18.3 million stemmed from the pass-through effects of rising oil prices on the cost of electricity. Higher prices led to a 5.8 percent increase in expenditure on supplies and materials to \$15.9 million.

Communication expenses grew marginally to \$8.0 million while spending on travel & subsistence was reduced by 4.0 percent to \$9.2 million in 2007/08. The latter is indicative of a fall in overseas travel and mileage claimed through regular commute.

Current Transfers

Declines in transfers to both the public and private sectors resulted in a 2.5 percent decrease in current transfers to \$66.8 million. Grants & contributions to government agencies and other institutions together with public assistance amounted to \$60.5 million. Private sector transfers fell by \$0.9 million to \$6.3 million.

Capital Expenditure

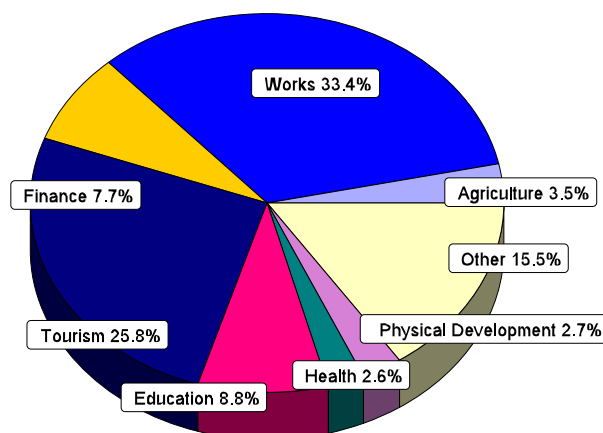
Central government capital expenditure declined by 22.2 percent to \$218.5 million, in contrast to the consecutive increases in previous fiscal years. Accordingly, this was equivalent to 8.3 percent of GDP, compared to 11.2 percent in the previous year. This downturn in capital expenditure primarily reflected the winding down of major infrastructural works associated with the hosting of CWC, coupled with a lull in the implementation of major new projects due to unavailability of funds.

A relatively large part of capital expenditure was concentrated on road reconstruction and rehabilitation, including works on the Castries/Gros-Islet Highway and the East Coast Road, which amounted to approximately \$33.0 million.

Spending on tourism marketing and promotion of \$38.0 million accounted for a sizeable share of the overall capital outlay. Government's commitment to universal education continued over the review period, as reflected by the \$10.5 million expended on the OECS Education Development Programme. Investments in disaster management in excess of \$8 million was another notable component of capital expenditure in 2007/08.

Capital Expenditure by Ministry

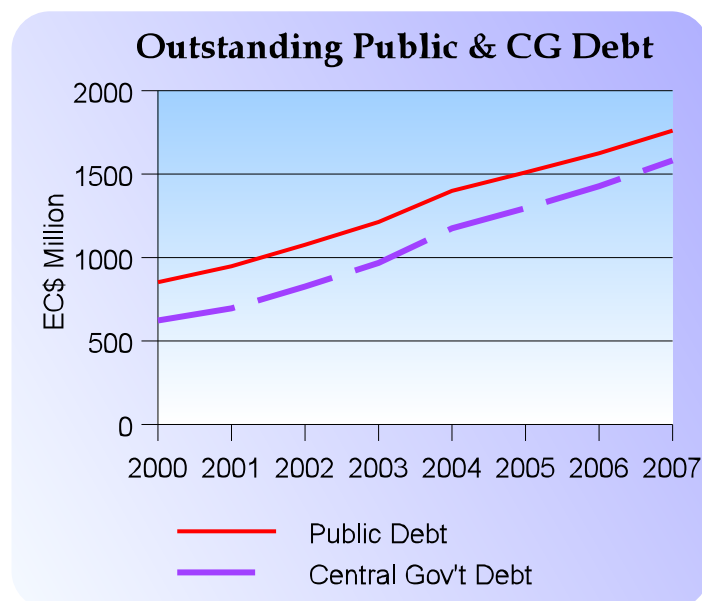
FY 07/08



Following the trend of the last three years, approximately half of capital expenditure was financed by bonds during the review period. As a result of an appreciable increase in the current surplus, local revenue funded a significantly increased share (27.1 percent or \$59.0 million) of capital expenditure, the highest amount in several years. Loan funding, amounted to \$43.7 million and represented the third largest source of funding of capital expenditure. Grant funding contributed approximately 2.0 percent to the financing of capital, much below historical levels, due to delays in disbursements of funds, particularly from the EU.

PUBLIC DEBT

At the end of December 2007, total public outstanding liabilities, including payables, advanced by 8.1 percent to \$1,774.4 million. Of this, the stock of public debt grew by 8.4 percent to



\$1,760.5 million, representing 67.9 percent of GDP, above ECCB's prudential guideline of 60.0 percent. This was primarily driven by the 10.8 percent increase in central government debt to \$1,582.2 million, on account of higher levels of domestic debt. As a ratio of GDP, total central government debt was equivalent to 61.0 percent, from 57.4 percent in 2006. Guaranteed debt increased by 12.7 percent to \$125.5 million while non-guaranteed debt fell by 1.6 percent to \$52.8 million. Total public outstanding payables stood at \$13.9 million, a 19.0 percent decrease over 2006.

In keeping with the recent downward trend in global interest rates, which is largely reflected in bilateral and multilateral loans, the weighted average cost of debt (WACD) moved to 5.7 percent compared to 5.9 percent in 2006.

Interest rates on loans averaged 4.3 percent, representing the lowest for all debt instruments over the review period. This outcome was partly attributed to the sizeable component of concessional loan funding in the government's debt portfolio and is consistent with the Government's policy of reducing the cost of its debt. Participation in the Regional Government Securities Market (RGSM) has resulted in a continuous reduction in interest rates on treasury bills which represent less than one percent of Central Government debt.

Of the total central government outstanding debt, 60.5 percent (\$953.5 million) accounted for long-term liabilities with maturities exceeding ten years, and comprised mainly loans (47.6 percent) and bonds (41.8 percent). The remaining debt stock was represented by short to medium-term liabilities with maturity profiles ranging between one to ten years. External debt with long-term maturities accounted for 57.0 percent of central government disbursed outstanding debt.

Weighted Average Cost of Debt (WACD)

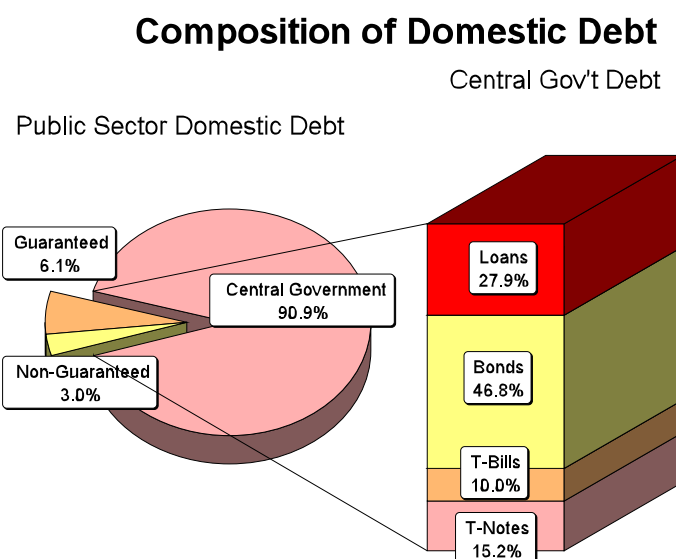
	2004	2005	2006	2007
Bonds	7.46%	7.23%	7.28%	7.25%
Treasury Bills	6.03%	4.10%	5.26%	4.85%
Loans	3.68%	4.77%	4.18%	4.30%
WACD	5.96%	5.93%	5.87%	5.74%

Government's ability to meet its debt obligations can be evaluated by a number of key indicators. In 2007, debt service payments grew by nearly 12.0 percent to \$153.5 million. This was primarily driven by the 25.3 percent increase in principal repayments to \$72.5 million, due to higher sinking fund contributions related to future maturing securities. However, as a result of the strong revenue performance in 2007, the Central Government total debt service to current revenue ratio dropped from 22.1 percent to 21.9 percent.

Domestic Debt

Over the review period, public disbursed domestic debt rose by 22.4 percent to \$656.6 million and accounted for 37.3 percent of total public sector official debt. This was occasioned by an upswing in central government domestic debt. Total domestic guaranteed and non-guaranteed debt contracted by 11.6 percent to \$40.2 million and by 5.9 percent to \$19.5 million respectively.

Owing to increased commercial bank borrowing, Central Government domestic debt increased by 27.0 percent to \$596.9 million, following a 19.0 percent increase in 2006. In addition, induced by relatively more attractive rates, the Government issued a total of seven (7) securities on the Regional Government Securities Market (RGSM), amounting to \$173.0 million, of which \$93.0 million was for the purpose of refinancing maturing treasury bills. Out of the remaining \$80.0 million in new government security issues, \$56.7 million was subscribed domestically. These additional disbursements were

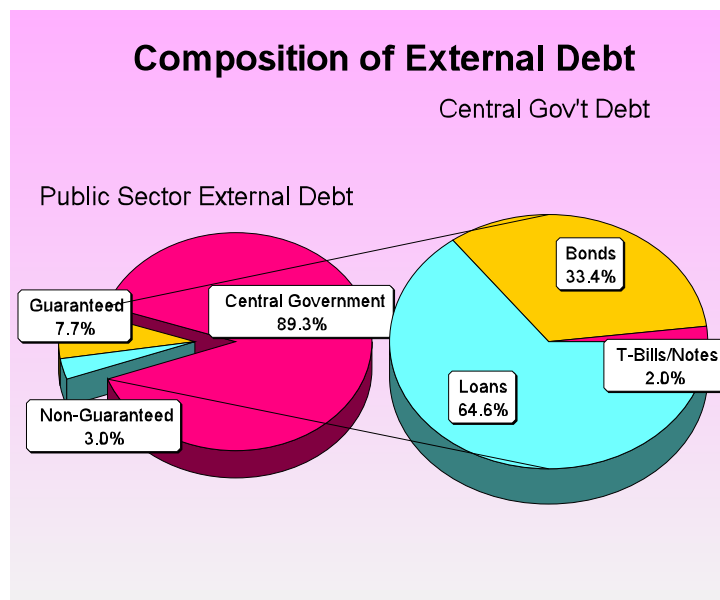


used to finance CWC related capital expenditure and for budgetary financing.

External Debt

At the end of 2007, growth in public sector external debt moderated to 1.4 percent, or \$1,103.9 million, compared to the 4.1 percent increase in 2006. This is equivalent to 42.6 percent of GDP. This outcome was influenced by the 13.1 percent decline in guaranteed external debt, which was offset by growth of 2.9 percent in central government external debt to \$985.3 million (36.9 percent of GDP). The latter was due to respective increases of 9.8 percent to \$635.8 million and 8.3 percent to \$20.2 million in loans and treasury bills, which was offset by the 8.4 percent fall in the stock of bonds to \$329.3 million.

The increase in loan disbursements to the central government was led by the 8.6 percent rise in multi-lateral debt to \$552.6 million and an 18.3 percent growth to \$83.2 million in bi-lateral debt. This upturn reflected the financing for the following projects - Water Supply Infrastructure Improvement; OECS Catastrophe Insurance; Rehabilitation of Tertiary Roads; OECS Education Development; Castries/Choc Bay Junction/Highway Improvement and Disaster Mitigation.



External Debt by Currency

The fall in the value of the US dollar against other currencies contributed to higher non-US denominated external debt balances. In order to limit its exposure to exchange rate risk, the government continued to contract external debt denominated in currencies with a fixed exchange rate to the Eastern Caribbean Dollar. Debt contracted in United States dollars represented 52.9 percent of overall central government foreign debt, while debt denominated in Eastern Caribbean dollars and Barbados dollars accounted for 19.9 percent and 1.0 percent, respectively. Accordingly, 73.8 percent of central government external debt bear no exchange rate risk. The proportion of debt in other currencies included SDRs (13.7 percent), euros (6.1 percent), Kuwaiti dinars (2.1 percent) and pound sterling (1.5 percent).

External Debt By Creditor

The Caribbean Development Bank (CDB) remained the dominant source of external debt financing to the public sector. Of the total public outstanding external debt, CDB contributed 36.0 percent or \$396.8 million, much of which was invested in projects involving emergency recovery and disaster management, water supply infrastructure and road development. The Royal Merchant Bank accounted for 19.2 percent, or \$188.7 million, of the total public external debt stock, the bulk of which was denominated in bonds. The World Bank Group, a major source of concessional funding to the government, accounted for 16.2 percent, or \$179.3 million, of the total outstanding external debt stock.

External Debt By Economic Sector

Consistent with the government's commitment to economic and social infrastructural development, significant investments were continued in the areas of communications & works, education and training. Over a third of the central government's external loan funds was expended on works largely involving road improvements, water supply and sewerage treatment. As part of its objective of realising the Millennium Development Goals, government's expenditure on education continued to be a priority over the review period. Other significant areas included tourism and utilities. With a view to further promoting St. Lucia as a premier tourist destination, investment in marketing was boosted as evidenced by the rise to 18.1 percent in the ratio of tourism expenditure to total spending.

Composition of Disbursed & Outstanding External Debt By Economic Sector

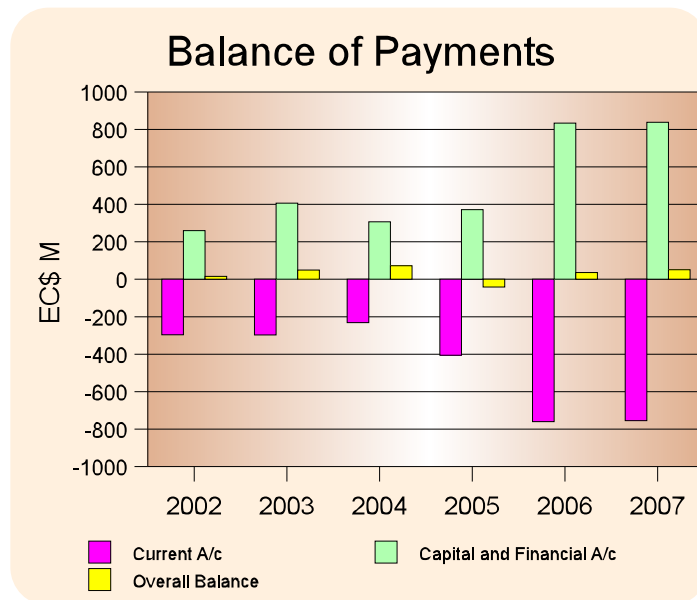
	2006	2007
	% of DOD	% of DOD
Agriculture	0.5	0.6
Communications & Works	24.3	33.9
of which: Roads & Bridges	15.7	19
Education & Training	7.8	9.5
Industrial Development	2.5	2.4
Hotel & Tourism Industry	16.6	18.1
Utilities	9	10.4
Finance & Insurance	7.7	8.2
Multi-sector	11.9	14.9
Other	19.6	2.6

CHAPTER SIX

THE EXTERNAL SECTOR

TRADE & THE BALANCE OF PAYMENTS

After widening for two consecutive years, preliminary estimates of the current account deficit of the Balance of Payments (BOP) is estimated to have narrowed marginally to \$755.0 million in 2007. This is equivalent to 29.0 percent of GDP, down from 31.0 percent of GDP in 2006. This



performance was characterized by negligible net movements in the goods account and current transfers alongside a weakening of the income account. There was a moderate improvement in the services account led by higher inflows of travel receipts.

On the capital and financial account, net inflows inched up to \$838.6 million, representing 32.0 percent of GDP compared to 34.0 percent in 2006. This outcome reflected mainly the activities of commercial banks. Over the review period, the current account deficit was financed fully by net

inflows on the capital & account, leading to an overall surplus of \$51.3 million.

Current Account

After deteriorating significantly in 2006, the current account balance improved slightly with a lower deficit of \$755.0 million. In keeping with the slowdown in economic activity, net inflows on the goods and services account declined marginally by 1.7 percent to \$624.9 million. This was influenced largely by the relatively unchanged merchandise trade deficit, following a marked upturn of 22.6 percent in 2006, as growth in the value of exports outpaced that of imports. Net inflows on the services account grew modestly by 4.0 percent to \$471.0 million, primarily indicative of the 4.0 percent rise in net travel receipts. The latter was partly occasioned by the notable increase in cruise ship arrivals.

Net outflows on the income account increased by 3.5 percent to \$162.6 million. This outcome was

mainly due to the increase in outflows of income earned on portfolio investments in previous years. Net inflows of current transfers advanced to \$32.5 million to benefit other sectors outside general government.

Capital and Financial Account

After more than doubling in 2006, the capital and financial account surplus was close to the 2006 level at \$838.6 million, representing 32.0 percent of GDP. This was influenced largely by the marked easing in the rate of growth of the financial account accompanied by the decline in the surplus on the capital account by a half. The latter was driven primarily by a fall in grants receipts of \$15.1 million to \$12.0 million.

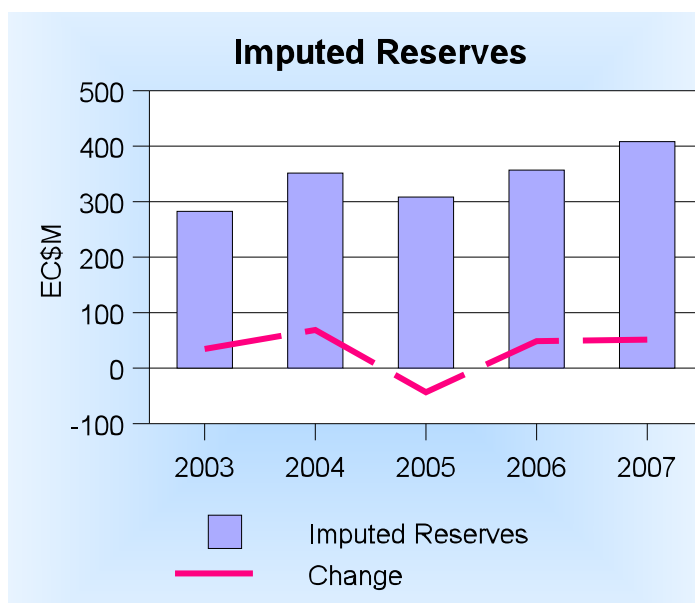
Net inflows on the financial account grew by 2.5 percent to \$823.0 million, largely indicative of the 11.2 percent improvement in the net inflows on other investment to \$236.6 million. This was led chiefly by the 24.5 percent increase in net inflows by commercial banks as they drew down on their net foreign assets to facilitate domestic credit demand. Loan disbursements to the public sector declined by a quarter to \$82.4 million, and in part, resulted in net disbursements falling by 35.6 percent to \$41.7 million. This is in keeping with the improvement in the central government's fiscal position and its increased borrowing from domestic sources.

Net inflows of foreign direct investment, which accounts for the bulk of the financial account, stood at \$631.5 million, roughly the same level as the previous year. This was consistent with the downturn in investment activity in both the public and private sectors over the review period, following heightened economic activity stimulated by preparations for Cricket World Cup 2007 in the previous year.

Net outflows on the portfolio investment account widened further by 8.8 percent to \$45.1 million, owing in part to the increase in net outflows relating to amortization payments on bonds.

Overall Balance

Continuing the trend in the previous year, an overall surplus of \$51.2 million was realized in 2007, equivalent to 2.0 percent of GDP. The overall surplus increased by 41.5 percent, spurred by the moderate

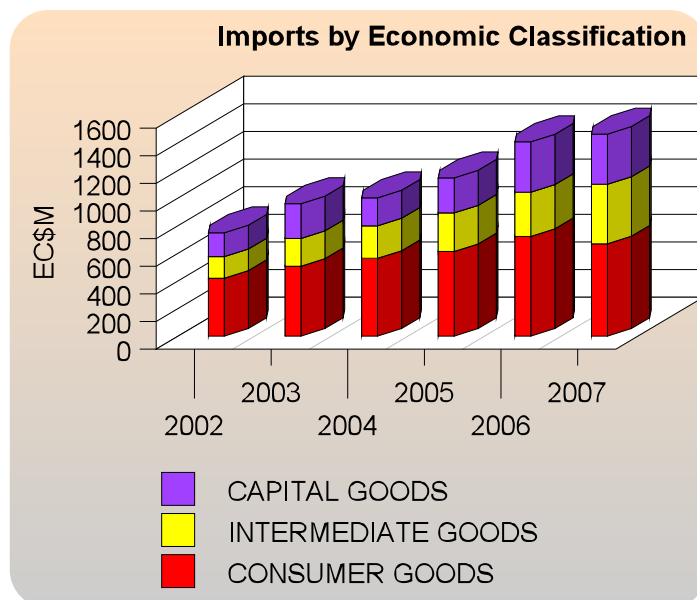


performance in net travel receipts and in the appreciable increase in net inflows of other investments, as well as the notable net inflows in foreign direct investment. Accordingly, this led to a 14.4 percent rise in imputed reserves to \$408.3 million at the end of 2007, equivalent to 3.3 months of import coverage.

IMPORTS¹⁰

Consistent with the economic slowdown in 2007, the total value of merchandise imports grew modestly by 4.0 percent to \$1,462.8 million, after recording robust growth of 22.7 percent in 2006. This represented 56.6 percent of GDP, as in the previous year. This outcome was characterized mainly by the 7.4 percent decline in the value of consumer imports, which on average, is equivalent to 53.0 percent of the overall import bill. The total outlay on the imports of intermediate goods advanced by 34.5 percent, to reflect primarily the rise in the value of petroleum imports. The value of imports of capital goods remained fairly stable, comprising predominantly of machinery and transport equipment.

Over the review period, the value of imports of consumer goods fell by 7.4 percent to \$667.0 million, a significant turnaround from the 17.8 percent upturn realized in 2006. This was owed chiefly to the 16.2 percent decline to \$376.2 million in the import value of manufactured goods and articles. This reflected the decrease in the value of imports of metal products, prefabricated buildings and plumbing supplies, in line with the downturn in construction activity. In contrast, the value of imports of food and live animals grew by 2.3 percent to \$230.0 million, down from the 9.7 percent rise in 2006. This was indicative of the fall in long-stay tourist arrivals over the review period, notwithstanding the rise in global food prices. The value of imports of beverages and tobacco increased by nearly a third to \$63.0 million, owing in part to the high cost of alcoholic beverages on the international market.



¹⁰Import figures reflect f.o.b. prices

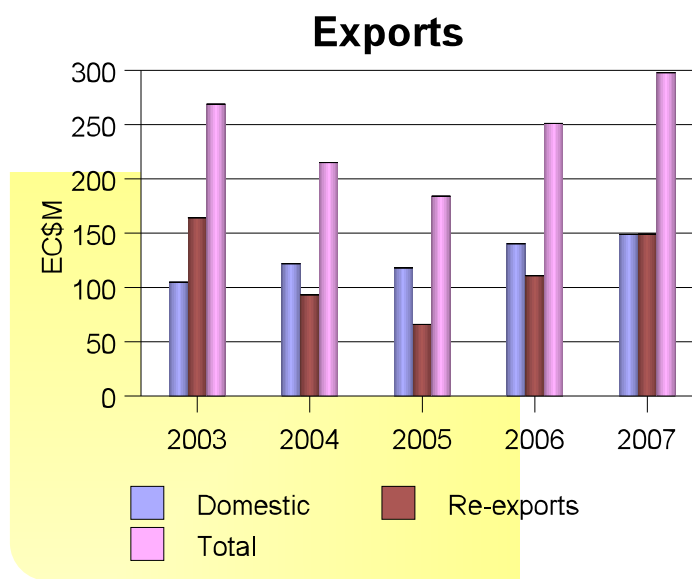
In 2007, growth in the import value of intermediate goods accelerated to 34.5 percent, or \$430.4 million. This was primarily driven by a 71.2 percent increase in import payments of *Mineral Fuels, Lubricants and Related Materials* to \$310.2 million, reflecting the effect of the escalating global price of oil over the review period. The decline in construction activity led to a 23.6 percent fall to \$29.6 million in the value of imports of crude materials (inedible except fuels), particularly cement. Similarly, the outlay on imports of *Chemicals and Related Products* contracted by 9.3 percent to roughly \$87.0 million partly on account of a reduction in the import value of paints and varnishes. In contrast, the value of imports of *Animal and Vegetable Oils, Fats and Waxes* increased slightly to \$3.7 million, owing in part to the impact of higher prices.

Over the review period, the value of imports of capital goods declined negligibly to \$363.5 million. This category comprises primarily imports of machinery and transport equipment. The value of imports of motor vehicles for the transport of persons continued on its upward trend, increasing by 19.1 percent to \$172.0 million when compared to 2006. This outcome was occasioned by the favourable terms and conditions offered by commercial banks for the purchase of new cars. A significant decline of 38.6 percent to \$90.6 million was recorded for the value of imports of civil engineering equipment. This was consistent with the decline in construction works in 2007. The value of imports of miscellaneous capital goods remained at \$0.62 million.

EXPORTS

Continuing on its upward trend, total exports over the review period advanced by 18.6 percent to \$297.9 million, representing 11.5 percent of GDP. This upturn was due to an increase in re-exports of petroleum products along with a modest increase in domestic exports.

Over the review period, growth in domestic exports receipts decelerated to 6.1 percent to \$148.8 million, led by revenue from consumer exports which grew by 7.1 percent to \$118.5 million. Of total domestic exports revenue, consumer exports receipts account on average for over 80.0 percent, much of which represents foreign exchange earnings from exports of food and beverages. However, over the review period, exports revenue from food and live animals fell further by 9.3 percent to



\$47.1 million largely on account of a fall in banana exports to the United Kingdom after the passage of Hurricane Dean. In contrast, earnings from beverage exports grew by 29.0 percent, mirroring the rate of growth realised in 2006. This upturn was associated with an increase in regional demand, particularly for alcoholic beverages. The value of exports of manufactured goods increased by 5.1 percent to \$18.8 million.

Over the review period, domestic exports of intermediate goods moved up by \$3.5 million to \$9.8 million chiefly on account of crude materials and chemicals and related products, driven in part by rising construction activity in the region. In contrast, exports revenue from capital goods fell by nearly \$3.0 million to \$20.0 million.

Revenue generated from re-exports grew by over a third to about \$150.0 million, led by re-exports of manufactured goods, mineral fuels and machinery and transport equipment. Earnings from manufactured goods increased by 72.0 percent to roughly \$46.0 million while the 2.4 percent rise to \$56.0 million in exports earnings from mineral fuels reflected the rising global price of oil. Re-exports revenue from machinery and transport equipment rose by \$14.0 million to \$37.4 million, reflecting in part the completion of major capital works during 2007.

TRADE BALANCE

Over the review period, the overall trade deficit remained flat and stood at \$1,165.0 million, compared to the 20.1 percent increase recorded in 2006. This was equivalent to 45.0 percent of GPD, down from the 47.0 percent reported in the previous year. This outcome was partly attributed to the performance of total exports which outpaced the rate of growth of import payments. The trade deficit on consumer goods contributed mainly to this outcome, declining notably by 14.0 percent to \$502.5 million, occasioned by a slump in the import value of manufactured goods and articles. The slowdown in economic activity due to the contraction in the tourism and construction sectors impacted on the overall level of imports, while the performance of exports was supported mainly by external demand pressures.

CHAPTER SEVEN

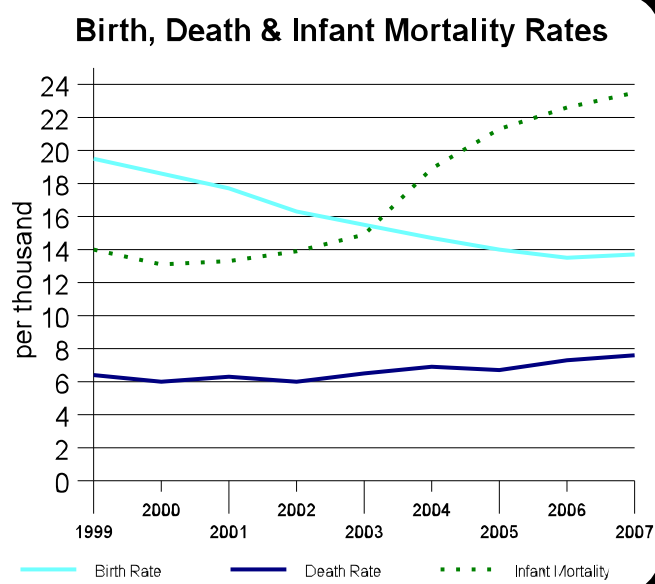
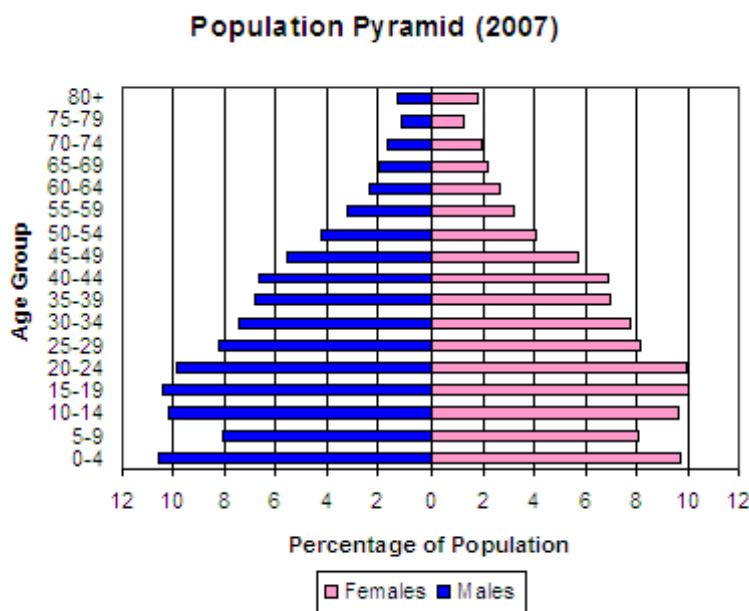
SOCIO-DEMOGRAPHIC INDICATORS

POPULATION & DEMOGRAPHY

Developing nations such as Saint Lucia face significant challenges in creating economic and social opportunities for its youthful population. Consequently, incremental changes in population characteristics have significant implications for economic and social policy. In 2007, preliminary estimates indicate that the population grew by 2.6 percent to 171,226.

The natural rate of increase of the population rose marginally from 1,036 to 1,044 , after steadily declining between 1999 and 2006. As a result is decline, there was a contraction in the otherwise bottom heavy or youthful population distribution. This was evident the smaller proportion of persons aged 5 to 9 (8 percent of the population) relative to those 15 to 19 and 10 to 14 accounting for 10 percent each.

In contrast to the 5-9 age group in 2007, the proportion of the population aged 0 to 4 accounted for 10 percent of the population in 2007 on par with other cohorts under 20. This was due to a small increase in the birth rate from 13.5 to 13.7 per thousand.



While the number of male births exceeded the number of female births by 42, the rate of increase in female births was 0.3 percentage points higher than their male counterparts.

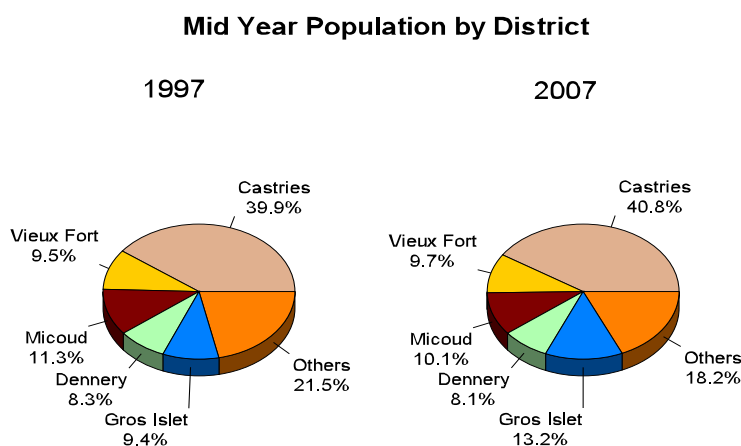
The death rate also increased, from 7.3 per thousand to 7.6 per thousand, with the number of deaths increasing by 6.4 percent. The number of male deaths continued to exceed the number of female deaths by 92. However, the rate of increase in female deaths was 3 percentage points higher. One of the causes of the rising death rates is the escalating cases of lifestyle diseases – diabetes, hypertension and heart diseases.

Of total deaths recorded 4.2 percent were under the age of one, an increase of 7.8 percent over the previous year. Therefore, infant mortality, which has been on the rise since 2000, increased from 22.6 per thousand in 2006 to 23.5 per thousand in 2007. A contributing factor to rising infant mortality maybe lifestyle diseases such as diabetes and hypertension, as well as increased incidences of smoking and alcohol consumption during pregnancy.

An examination of population data by district indicates that the distribution of the population remained heavily skewed towards the north west of the island, with an estimated 54 percent of the population residing within the district of Gros Islet and the capital of Castries.

During 2007, the population in the capital city grew by 1,719 or 2.5 percent. Consequently, an estimated 41 percent of the population resided within the capital, however only 3 percent dwelled within the metropolitan area.

The other major population centres, Vieux Fort (9.7 percent of total population) and Gros Islet (13.2 percent of the population) also experienced increases in population of 687 and 590 persons respectively.



Of the main population centres, the district of Gros Islet continued to have the highest proportion of inhabitants considered economically active (those within the age range 15 to 64) at 68 percent. This surpassed the proportion island wide of 65 percent.

EDUCATION¹¹

In accordance with the significant role education plays in economic and social development, Government of Saint Lucia continued to pursue the objective of quality education to all. During the period under review, the academic year 2006/07, Government engaged in pedagogical and curricula reforms aimed at achieving its overall objectives. However, major initiatives during this period were aimed at facilitating the attainment of universal secondary school education. Additionally, special attention was given to increased awareness of and improvements in the delivery of education for students with special needs.

The importance of the education sector was also reflected in the allocation of Government financial resources. During the fiscal year 2006/07, Government invested \$168.2 million or 6.1 percent of GDP in education. This represented the second largest share of the budget.

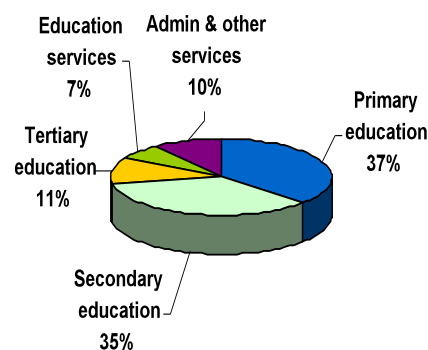
There was an increase of 6.2 percent to \$125.9 million in recurrent expenditure. However, capital expenditure decreased by 6.4 percent to \$42.3 million in accordance with the completion of major investments in new schools.

The largest share of the Education budget was allocated towards primary education in 2007 (37 percent), followed by secondary education (35 percent), tertiary education (11 percent) and education services (7 percent).

Student Support Services

Cognizant of the needs of low income students the 2006/07 budget allocation of the Ministry of Education included \$1.2 million for student support services. These consisted of the School Feeding

Composition of Education Expenditure



¹¹ The analysis in this section relates to the academic year 2005/06.

Programme (\$1.0 million) and general student welfare (\$0.2 million). However, actual expenditure on the welfare assistance programmes in 2006/07 was \$1.3 million (\$0.3 million on bursaries and \$1.0 million on the school feeding programme).

The School Feeding Programme provides assistance to primary school students whose parents are unable to provide them with meals at school. Each student contributes one dollar and the balance is subsidized by the Ministry of Education. In the 2006/07 academic year, 6,058 primary school students benefitted from the School Feeding Programme, representing 28 percent of the total primary school enrolment.

The bursaries programme also provides support to students. Under this programme students are provided with free school books, which are returned at the end of the school year. A total of 531 students, or 2.5 percent of total primary school enrolment, benefitted from this programme, while 307 secondary school students or 2 percent of total secondary school enrolment also benefitted.

Assistance is provided to secondary school students in the form of a text book rental programme. Under this programme students from forms 1 to 3 have access to text books in return for a nominal rental fee. During the academic year under review, 15 percent of secondary school students in forms 1 to 3 benefitted from this programme,

Early Childhood¹²

During the academic year under review, the number of pre-school centres, which were all privately owned, decreased from 110 to 105. The number of students enrolled in pre-school rose marginally by 0.3 percent to 3,824. An examination by gender indicates that 50.2 percent of the children at pre-school centres were boys, while 49.8 percent were girls.

Despite a decline in the number of daycare centres from 38 to 36, total enrolment at day-care centres increased by 12.1 percent to 1,400. Similar to pre schools, daycare enrolment figures revealed that 50.2 percent were boys and 49.8 percent were girls.

The child to caregiver ratios for both day-care centres and pre-school centres remained constant at 1:9 and 1:11 respectively.

¹² Early childhood refers to children aged 1-4 years.

Public Primary Education

Access

During the academic year 2006/07, the total number of primary schools decreased by 3 to 75. This resulted from the disestablishment of three senior primary schools, in the advent of Universal Secondary Education. Enrolment during that period also declined, falling by 11 percent to 21,329. This significant decrease was a direct consequence of the increased number of school students gaining places at secondary schools as a result of the disestablishment of the senior primary schools. There was surplus physical capacity of 33 percent in primary schools, with the greatest surplus capacity existing in district seven schools (53.7 percent), district five schools (40.4 percent) and district four schools (37.1 percent).

The percentage of girls enrolled in primary schools was 49 percent, while 51 percent were boys. The *gross enrolment ratio*, which compares the population aged 5 to 11 with total enrollment in primary school, was recorded as 99 percent. Likewise, the *net enrolment ratio* at the primary level, that is, the ratio of the population aged 5 to 11 in relation to the 5 to 11 enrollment, was 92 percent.

The *transition rate*¹³ from primary to secondary school was 108 percent. This rate exceeded 100 percent since form 1 enrolment also consisted of students writing the common entrance exams from grade 7.

Efficiency

In 2006/07, the completion rate at the primary school level was 97 percent. The total number of dropouts for 2005/06 was 57¹⁴, which is a 67.6 percent reduction in comparison with the previous school year. The significant decrease in dropouts can in part be attributed to the introduction of universal secondary education. Students, who would otherwise have exited the education system at the primary level, remained in order to gain access to a secondary school place, which without universal secondary education, would not have been available. The majority of dropouts were male (84.2 percent), compared to 15.8 percent for females. The repetition rate was 2.7 percent for primary schools, with males accounting for 63.8 percent of repeaters.

Quality

The number of primary school teachers declined significantly over the previous period by 8.7 percent, to 919 in 2006/2007. This was due to the redeployment of teachers to secondary schools,

¹³ This rate relates the number of graduates who join the next level of education in a given year to those who graduated from the last formal grade of the lower level in the previous year.

¹⁴ This data is reported with a one year lag.

with the disestablishment of senior primary grades in primary schools. Despite the decline in the number of teachers, the overall teacher to student ratio for primary schools dropped slightly from 1:24 to 1:23 over the last academic year (2005/2006). This ratio has been fluctuating over the last five years, and has not been on par with the national benchmark of 1:30.

Teachers at the primary level were predominantly female (87 percent of primary school teacher population). With respect to training, 83 percent of teachers were qualified, that is completed a recognized programme in teacher education methods and teaching techniques. This represented an increase of 4 percentage points above the previous year.

With respect to student performance, two national examinations are written at the primary level annually; the Minimum Standards Test (MST) in Grades 2 and 4 and the Common Entrance Examination (CEE) in Grade 6. In the 2006/2007 academic year, the national mean performance for English Language and Mathematics in the Grade 2 MST were 54.2 percent and 51.8 percent respectively. This represented a 3.4 percentage decrease in the mean for English Language. In contrast, there was a 4.5 percentage increase in the mean for Mathematics.

National Mean Performances in Primary Level Examinations

Test/Subject	Mathematics		English Language	
	2006	2007	2006	2007
MST (Grade 2)	47.3%	51.8%	57.6 %	54.2%
MST (Grade 4)	44.6%	47.1%	48.7%	48.1%
CEE (Grade 6)	37.08%	41.69%	45.08%	43.3%

The performance at Grade 4 in the MST mirrored that of Grade 2, with a marginal decline of 0.6 percent in English Language and a moderate increase of 2.5 percent in the mean performance for Mathematics. In the 2006/2007 academic year, 3,656 students sat the Common Entrance Examination. Of this 97 percent were assigned to secondary schools, however, less than half (47 percent) of the students scored at or above the national mean.

Public Secondary Education

Access

The number of secondary schools increased by 4, to a total of 23 in the 2006/07 academic year, as a result of the implementation of Universal Secondary Education. Two new secondary schools were built in Gros Islet and Marigot respectively while the Grand Riviere Senior Primary and Vieux-Fort

Technical Schools were upgraded to secondary schools. This resulted in surplus capacity of 9.5 percent in secondary schools, since forms 4 and 5 had not been occupied in the new schools.

Consequently, total enrolment at secondary schools increased significantly by 12.4 percent to 14,578 in 2006/07. Female enrolment accounted for 53 percent of total enrolment at secondary schools in the year under review. The gross enrolment ratio in 2006/07 for secondary education was 84 percent, whilst the net enrolment ratio was 75 percent.

Efficiency

The total number of dropouts at the secondary school level almost doubled in 2005/06 to 219 over the previous academic year. The male dropouts accounted for 54.3 percent of the total number of dropouts, while the females comprised 45.7 percent of the total. In 2006/07 the completion rate among secondary school students was 93 percent. The number of repeaters at the secondary level continued to be insignificant due to space constraints and the policy of automatic promotion¹⁵.

Quality

In 2006/07, the number of teachers increased by 15.9 percent to 855. The teacher to student ratio declined marginally from 1:18 in 2005/06 to 1:17. The percentage of teachers who were trained was 59 percent, whilst the percentage of graduate teachers was 54 percent.

With regards to performance, the mean for English Language and Mathematics was 48.5 and 38.4 respectively in the 2007 Form 3 Minimum Standards Test. This represented a 2.3 percentage point decline in the average performance for English and a decline of 1.4 percentage points in mathematics.

The overall pass rate for secondary schools at the 2007 Caribbean Examinations Council (CXC) General and Technical proficiency level was 66.9 percent, an increase of approximately 2 percent over the prior academic year. Conversely, the overall pass rate at the Basic proficiency level was 29.5 percent, a decrease by 8.2 percent from the 2006 examinations.

Pass rates for schools at the General and Technical proficiency level ranged from 38.3 percent to 98.6 percent. Of the 19 public schools which wrote the examination, 5 attained an overall pass rate of above 80 percent. Of these, 4 were from urban districts. The pass rates for Mathematics and English Language continued to decline, falling by 1 percentage point to 36 percent and 6 percentage points to 53 percent, respectively.

¹⁵ The policy of automatic promotion means that at the end of the school year students are automatically promoted to the next form.

Special Education

Access / Quality

During the 2006/07 academic year the number of Special Education Centres remained at 5. Over the past 3 years enrolment at these centres has increased by 18.1 percent. This trend continued in 2006/07, with an 11.1 percent increase to 281 students, 48 percent of which were female.

These centres were staffed with 52 teachers, an increase of 15.6 percent. Therefore, the teacher to student ratio fell from 1:6 in 2005/06 to 1:5 in 2006/07. The percentage of trained teachers was 58 percent, while 47 percent were trained in various areas of specialization such as Deaf Education and Blind Education.

Private Primary and Secondary Education

Access / Quality

Total Enrolment at the 6 private primary schools increased slightly by 4.3 percent to 699 in 2006/2007, of which 48 percent were females. Similarly, total enrolment at the 3 private secondary schools increased by 27.8 percent to 317 in 2006/07, 55 percent of which were female.

The teacher to student ratios at the private primary schools remained the same over the previous period at 1:14 in 2006/07. However, the teacher to student ratio for private secondary schools increased from 1:10 in 2005/2006 to 1:12 in 2006/07.

There were 50 teachers in the private primary schools, of which 66 percent were trained. The number of teachers at the private secondary schools increased marginally from 25 in 2005/06 to 26 in 2006/07.

Post - Secondary Education

Access

The total enrolment at the Sir Arthur Lewis Community College (SALCC) increased slightly to 1,689 in 2006/07.¹⁶ Of this, females accounted for 62.4 percent. Enrolment figures at the main divisions of specialization were as follows: Arts and General Studies (422), Technical Education and Management Studies (841), Teacher Education (185), UWI (79), Health Sciences (87), Agriculture (62) and Home Economics (13).

¹⁶ However, this figure does not include students enrolled with the Department of Continuing Education.

The Post Secondary Department of the Vieux Fort Comprehensive School recorded a 9.6 percent decline in total enrolment to 272 in comparison with the 2005/06 academic year. At this institution, female students comprised 76.1 percent of total enrolment. Enrolment figures for the main departments were as follows: Advanced Level (121), Business Studies (101), Secretarial Studies (37) and Carpentry / Joinery (13).

Efficiency

The withdrawal rate at the SALCC was 2.2 in the 2005/06 academic year. The Division of Technical and Management Studies recorded the highest number of withdrawals, followed by Arts and General Studies and Teacher Education.

Quality

The teacher to student ratio at SALCC increased from 1:14 in the previous academic year to 1:15 in 2006/07. The overall GCE Advanced Level pass rate at SALCC and the Vieux Fort Comprehensive Advanced Level Department was 81.7 percent and 67.5 percent, respectively in the 2007 examinations.

Skills Training

The National Enrichment and Learning Programme (NELP) offers a range of courses focusing on the development of technical/vocational skills and literacy. Academic courses are also incorporated into the program. The total number of learners enrolled with NELP increased slightly by 2.5 percent to 1,395 in the 2006/2007 academic year.

However, the number of NELP Centres decreased by 2, to a total of 13. Courses were offered in two phases for the year 2006/07; phase 1 ran from September 2006 to March 2007 and phase 2 from April 2007 to July 2007. There were 70 facilitators assigned to phase 1 of the NELP program and 59 to phase 2. Female students accounted for 79 percent of the total number of learners in phase 1 and 77 percent of the learners in phase 2.

With respect to the National Skills Development Centre (NSDC), total enrolment was 523 in 2006/07, of which 71.5 percent were female. The number of tutors at the NSDC increased tremendously by 167 percent to 24 over the previous academic year, because more diversified programmes were offered.

The Centre for Adolescent Rehabilitation and Education (CARE) administered a two year program in 5 districts. Total enrolment at the CARE Centres was 256 in 2006/2007. Of first year students 27.7 percent were female, while 26.9 percent of second year students were female. The total number of teachers at CARE was 26 in 2006/07 while the teacher to student ratios remained at 1:10.

Library and Information Services

Access

At the end of 2006 there were 17 public libraries, 11 Government libraries and documentation centres and 9 specialized information centres. Additionally, the Hunter Francois and University of the West Indies libraries were located on the premises of the SALCC. The total number of registered readers in the public libraries increased by 3.4 percent to 24,534 in 2006.

CHAPTER EIGHT

ECONOMIC OUTLOOK 2008

The combination of recessionary economic conditions in the US, worsening financial market strains in the US, weaker forecasted growth in advanced economies and rising oil prices, have dampened the economic outlook. Accordingly, growth in the domestic economy is clouded by the more widespread fall-out from the sub-prime mortgage crisis and resulting instability in credit markets in the US and Europe.

Despite these prevailing downside risks in the global economy, the prospects for the domestic economy in 2008 and beyond remain positive but cautiously optimistic. Stronger growth is predicated on a recovery in tourism and agriculture, robust growth in construction in the latter half of the year. The construction sector is expected to be the lead driver of economic activity in the near term. Activity is projected to accelerate from the second half of 2008 with the commencement of major new hotel construction. Furthermore, the implementation of Government's programme of economic development, through private/public partnerships, are expected to catalyze growth in each quadrant across the island and initiate the physical and economic transformation of St. Lucia. These will also serve to engender confidence in the economy amongst international and domestic investors alike.

The tourism sector is well placed to experience substantial growth in the next year as the shocks that characterized 2007 are expected to dissipate. The weakening US dollar may divert tourist traffic towards US dollar-pegged destinations such as St. Lucia and the wider Caribbean. The ongoing and upcoming significant investments in tourism, inclusive of golf courses, are set to reposition St. Lucia's tourism industry towards the high end of the market. Increased focus on the Canadian market is expected to result in continued growth in this market. However, the performance of the sector is contingent on further improvements in airlift to engender the growth in arrivals required to sustain the increased capacity in hotel plant. Cruise arrivals are also projected to grow robustly during 2008.

The outturn in the agriculture sector will depend on the fortunes of the banana industry which will be determined by the local adjustments to the new trade regime under the EPA signed recently with the EU. The sector is expected to benefit from added impetus from the livestock sub-sector upon completion of the construction of the national abattoir.

Inflation is expected to increase against the backdrop of high, sustained and escalating world oil and commodity prices. Industry experts are projecting that oil prices will be approximately 35.0 percent higher than in 2007. In addition to these external pressures, domestic factors are expected to place upward pressures on the general price level in 2008. These are anticipated to originate from the forecasted pick-up in economic activity and increases in public sector wages, negotiations for which are underway. Additionally, the increase in the retail prices of petroleum products in mid-January 2008 is expected to potentially generate inflationary pressures within the economy. The prospective expansions in construction and tourism sectors, are expected to result in a decline in unemployment.

STATISTICAL APPENDIX

TITLE

PAGE #

GROSS DOMESTIC PRODUCT

G.D.P. Factor Cost - Current Prices	1
G.D.P. Factor Cost - Constant Prices	2
Growth of G.D.P. Factor Cost - Constant Prices	3
Sectoral Percentage Share of G.D.P. Factor Cost - Constant Prices	4
Expenditure on Gross Domestic Product - Current Prices.....	5

AGRICULTURE

Banana Exports	6
Banana Exports Revenue.....	7
Windward Islands Banana Exports per Island	8
Share of Total Windward Island Banana Exports.....	8
Egg Production.....	9
Livestock Purchases.....	9
Supermarket and Hotel Purchases of "Other Crops" by Category.....	10
Domestic Purchase of "Other Crops" by Category.....	11
Fish Landings.....	11

TOURISM

Selected Visitor Statistics	12
Tourist Arrivals by Country of Origin.....	13
Monthly Arrivals By Category.....	14
Monthly Stay-Over Arrivals By Market.....	15

FINANCIAL SECTOR

BANKING

Detailed Monetary Survey	16
Commercial Banks Total Deposits by Depositor	17
Commercial Banks Total Deposits by Category	17
Commercial Banks - Assets and Liabilities.....	18
Commercial Bank Liquidity	19
Commercial Banks Structure of Interest Rates	20
Commercial Banks Credit by Sector	21
ECCB Operations with St. Lucia.....	22
St. Lucia External Reserves.....	22

PRICES

Annual Inflation Rate.....	23
Consumer Price Index	24
Consumer Price Index - Percentage Change.....	25

MANUFACTURING

Manufacturing Production.....	26
-------------------------------	----

ENERGY

Electricity Consumption and Output.....	27
Fuel Surcharge.....	28
Fuel Prices.....	28
Importation of Commercial Energy.....	29

TRANSPORT

Loaded and Landed Cargo.....	30
Airport Traffic Statistics.....	31
Aircraft Movements by Activities	32
Vehicle Registration.....	33

EDUCATION

CXC General and Technical Proficiency Results.....	34
Number of Schools, Pupils and Teachers Analysed by Primary Schools.....	35
Number of Schools, Pupils and Teachers Analysed by Secondary Schools.....	36
A' level Examination Results	37
Government Expenditure on Education.....	37

POPULATION

Estimated Mid-year Population & Vital Statistics.....	38
Estimated Mid-year Population by Sex and Age Group.....	39
Estimated Mid-year Population by District.....	40

CENTRAL GOVERNMENT FISCAL OPERATIONS

Summary of Central Government Fiscal Operations.....	41
Summary of Central Government Fiscal Operations Ratio to GDP.....	42
Central Government Revenue.....	43
Central Government Revenue to GDP Ratios.....	44
Central Government Expenditure.....	45
Central Government Expenditure to GDP Ratios.....	46

PUBLIC DEBT

Total Outstanding Liabilities.....	47
Distribution of Outstanding Liabilities by Class of Holder and Term of Instrument	48
Distribution of Outstanding Liabilities by Class Holder and Type of Liability.....	49
Listing of Official Debt.....	50
Distribution of Public Sector External Loans by Creditor.....	55

TRADE AND BALANCE OF PAYMENTS

Imports by Standard International Trade Classification - at C.I.F. Prices.....	56
Imports by Standard International Trade Classification - at F.O.B. Prices.....	56
Imports at F.O.B Prices - Percentage of Total.....	57
Imports at F.O.B Prices - Percentage Change.....	57
Domestic Exports by Economic Function.....	58
Total Exports by Economic Function.....	58
Trade Balance.....	59
Balance of Payments	60

SAINT LUCIA
GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT FACTOR COST
CURRENT PRICES

EC \$ Millions

SECTOR	1998	1999	2000	2001	2002r	2003r	2004r	2005r	2006r	2007p
Agric., Livestock, Forestry, Fishing	122.23	113.19	114.28	98.94	94.20	85.02	91.75	74.95	78.37	80.54
- Bananas	60.04	57.56	52.67	31.08	40.47	32.31	40.64	27.15	30.56	30.02
- Other Crops	31.09	25.17	26.47	28.52	18.58	22.44	20.60	17.30	14.03	15.99
- Livestock	12.50	7.16	10.67	11.77	12.34	9.51	9.71	11.14	10.05	10.23
- Fishing	17.16	21.97	23.25	26.36	21.64	19.62	19.70	18.30	22.71	23.23
- Forestry	1.44	1.33	1.22	1.21	1.17	1.14	1.10	1.06	1.02	1.07
Mining and Quarrying	6.22	6.02	7.94	6.08	6.05	6.03	5.90	5.68	6.82	7.73
Manufacturing	82.37	84.88	82.49	77.64	78.66	87.58	96.76	116.55	129.12	137.35
Construction	117.48	137.04	130.88	125.08	118.40	114.03	119.02	150.85	187.54	169.21
Electricity and Water	63.89	75.16	85.75	86.57	82.24	89.20	99.82	98.03	96.06	91.54
- Electricity	54.34	65.54	70.38	71.16	66.68	73.01	82.12	79.74	78.18	73.16
- Water	9.55	9.62	15.37	15.41	15.56	16.19	17.70	18.28	17.88	18.38
Wholesale and Retail Trade	197.88	210.76	202.61	177.83	178.44	195.21	215.26	239.61	268.14	294.41
Hotels and Restaurants	186.23	200.85	213.87	201.26	199.57	235.15	252.64	279.07	281.15	267.63
Transport	165.41	176.85	182.91	189.31	194.19	201.24	211.13	222.89	233.20	240.59
- Road Transport	104.12	110.81	114.58	118.59	122.15	124.05	129.13	134.16	132.82	134.52
- Air Transport	23.13	25.46	26.33	27.25	27.76	30.62	33.63	38.47	42.59	45.00
- Sea Transport	38.16	40.58	42.00	43.47	44.28	46.57	48.37	50.26	57.79	61.06
Communications	102.00	104.79	111.32	122.40	131.96	140.37	147.71	161.01	165.22	174.58
Financial Intermediation	132.66	139.18	144.06	153.34	160.47	169.63	178.87	194.57	217.94	230.28
- Banking	108.86	112.70	116.68	125.01	131.46	140.27	148.48	162.99	182.04	192.35
- Insurance	23.80	26.48	27.38	28.33	29.01	29.36	30.39	31.575	35.90	37.93
Real Estate and Owner Occupied Dwellings	145.24	148.66	150.08	152.83	156.32	161.81	167.36	172.31	188.75	215.72
Producers of Government Services	205.43	227.65	239.18	249.42	247.31	248.11	261.22	282.1	302.38	297.85
Other Services	69.01	73.04	75.52	78.54	80.31	82.10	84.97	85.73	89.16	91.64
Less: Imputed Banking Service Charge	(114.36)	(118.33)	(122.19)	(124.10)	(126.78)	(135.28)	(144.87)	(159.02)	-177.61	-187.67
TOTAL	1,481.68	1,579.74	1,618.69	1,595.13	1,601.33	1,680.19	1,787.53	1,924.32	2,066.23	2,111.40
Growth Rate	7.13%	6.62%	2.47%	-1.46%	0.39%	4.92%	6.39%	7.65%	7.37%	2.19%

Source: Government Statistics Department

P= Provisional

Pj= Projected

r = Revised

SAINT LUCIA
GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT FACTOR COST
CONSTANT PRICES - 1990
EC\$ Millions

SECTORS	1998r	1999r	2000r	2001	2002r	2003r	2004r	2005r	2006r	2007pj
Agriculture, Livestock, Forestry, Fishing	97.20	82.69	85.37	64.50	67.33	56.73	55.10	41.47	45.52	45.87
- Bananas	51.22	41.05	43.68	22.37	35.75	22.78	26.81	16.84	18.76	18.12
- Other Crops	25.56	21.14	19.57	20.48	13.50	14.27	11.30	8.15	8.94	9.62
- Livestock	9.12	6.67	7.67	7.20	6.86	6.64	6.77	6.92	6.25	6.36
- Fishing	9.84	12.48	13.21	13.22	10.02	11.88	9.10	8.48	10.52	10.76
- Forestry	1.46	1.35	1.24	1.23	1.20	1.16	1.12	1.08	1.05	1.01
Mining and Quarrying	5.83	6.72	7.45	5.71	5.82	5.83	5.72	5.50	6.59	7.45
Manufacturing	71.37	71.38	70.09	65.59	69.17	72.21	70.07	81.48	86.95	88.42
Construction	96.82	109.22	104.21	99.02	94.23	95.73	96.70	108.79	123.17	110.51
Electricity and Water	57.88	64.16	61.06	63.85	62.26	63.42	64.63	55.96	51.12	57.60
- Electricity	49.73	57.39	53.18	55.59	55.06	56.32	57.44	48.73	43.75	49.95
- Water	8.15	6.77	7.87	8.26	7.20	7.10	7.19	7.23	7.37	7.65
Wholesale and Retail Trade	151.65	156.18	146.05	124.84	126.39	136.21	147.68	156.29	170.39	178.16
Hotels and Restaurants	145.40	151.57	155.61	139.20	138.35	161.36	170.86	181.67	176.70	163.64
Transport	122.42	128.79	127.14	125.49	120.70	125.95	135.18	136.00	149.23	149.68
- Road Transport	83.03	85.04	86.90	87.05	84.73	85.18	86.09	87.46	90.09	100.73
- Air Transport	16.14	17.50	18.03	17.06	16.44	20.34	22.26	21.78	20.22	14.28
- Sea Transport	23.25	26.25	22.21	21.38	19.53	20.43	26.83	26.76	38.92	34.67
Communications	96.18	102.13	107.75	120.50	129.56	135.43	141.65	152.05	151.72	148.71
Banking and Insurance	110.99	120.79	124.42	127.72	129.29	131.85	137.73	150.91	183.20	205.36
- Banking	96.19	105.14	107.98	110.22	112.35	114.07	119.57	131.37	161.75	176.87
- Insurance	14.80	15.65	16.44	17.50	16.94	17.78	18.16	19.54	21.45	28.49
Real Estate and Owner Occupied Dwellings	135.13	138.36	141.39	146.16	149.63	154.62	159.68	168.78	173.18	186.36
Producers of Government Services	138.57	144.74	145.89	149.43	146.97	143.93	149.82	162.34	173.65	172.06
Other Services	53.99	55.72	57.55	53.33	54.29	54.27	54.59	55.60	57.78	66.10
Less: Imputed Banking Service Charge	(93.77)	(99.45)	(104.13)	(106.21)	(108.24)	(109.95)	(115.20)	(123.67)	(150.83)	(174.75)
TOTAL	1,189.66	1,233.00	1,229.85	1,179.13	1,185.74	1,227.59	1,274.20	1,333.18	1,398.37	1,405.17
Growth Rate	3.81%	3.64%	-0.26%	-4.12%	0.56%	3.53%	3.80%	4.63%	4.89%	0.49%

Source: Government Statistics Department

P=Provisional.

Pj=Projected

r=Revised

SAINT LUCIA
GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT FACTOR COST
GROWTH RATE IN CONSTANT PRICES - 1990

SECTORS	1998r	1999r	2000r	2001r	2002r	2003r	2004r	2005r	2006r	2007Pj
Agriculture, Livestock, Forestry, Fishing	-1.20%	-14.93%	3.24%	-24.45%	4.38%	-15.74%	-2.87%	-24.74%	9.77%	0.77%
- Bananas	-1.76%	-19.86%	6.41%	-48.79%	59.81%	-36.28%	17.69%	-37.19%	11.40%	-3.41%
- Other Crops	-4.31%	-17.29%	-7.43%	4.65%	-34.08%	5.70%	-20.81%	-27.88%	9.69%	7.61%
- Livestock	8.70%	-26.86%	14.99%	-6.13%	-4.72%	-3.21%	1.96%	2.22%	-9.68%	1.76%
- Fishing	2.82%	26.83%	5.85%	0.08%	-24.21%	18.56%	-23.40%	-6.81%	24.06%	2.28%
- Forestry	-7.02%	-7.42%	-8.01%	-0.73%	-2.92%	-3.01%	-3.36%	-3.57%	-2.78%	-3.81%
Mining and Quarrying	1.75%	15.27%	10.91%	-23.39%	1.87%	0.30%	-2.01%	-3.80%	19.79%	13.08%
Manufacturing	7.32%	0.00%	-1.80%	-6.42%	5.46%	4.39%	-2.96%	16.28%	6.71%	1.69%
Construction	10.47%	12.81%	-4.59%	-4.98%	-4.84%	1.59%	1.01%	12.50%	13.22%	-10.28%
Electricity and Water	20.64%	10.85%	-4.84%	4.57%	-2.49%	1.86%	1.90%	-13.40%	-8.66%	12.67%
- Electricity	29.59%	15.39%	-7.33%	4.52%	-0.95%	2.28%	1.99%	-15.15%	-10.23%	14.17%
- Water	-15.13%	-16.88%	16.26%	4.92%	-12.88%	-1.31%	1.20%	0.60%	1.95%	3.79%
Wholesale and Retail Trade	1.03%	2.99%	-6.49%	-14.52%	1.24%	7.77%	8.42%	5.83%	9.02%	4.56%
Hotels and Restaurants	2.36%	4.24%	2.67%	-10.55%	-0.61%	16.63%	5.89%	6.33%	-2.74%	-7.39%
Transport	2.79%	5.20%	-1.28%	-1.30%	-3.82%	4.35%	7.33%	0.61%	9.73%	0.30%
- Road Transport	2.00%	2.42%	2.19%	0.17%	-2.67%	0.53%	1.07%	1.59%	3.01%	11.81%
- Air Transport	1.96%	8.43%	3.03%	-5.38%	-3.63%	23.72%	9.44%	-2.16%	-7.16%	-29.38%
- Sea Transport	6.31%	12.90%	-15.39%	-3.74%	-8.65%	4.61%	31.33%	-0.26%	45.44%	-10.92%
Communications	2.83%	6.19%	5.50%	11.83%	7.52%	4.53%	4.59%	7.34%	-0.22%	-1.98%
Banking and Insurance	4.97%	8.83%	3.01%	2.65%	1.23%	1.98%	4.46%	9.57%	21.40%	12.09%
- Banking	4.86%	9.31%	2.70%	2.07%	1.93%	1.53%	4.82%	9.87%	23.13%	9.35%
- Insurance	5.71%	5.74%	5.05%	6.45%	-3.18%	4.96%	2.11%	7.60%	9.80%	32.80%
Real Estate and Owner Occupied Dwellings	4.54%	2.39%	2.19%	3.37%	2.37%	3.33%	3.27%	5.70%	2.61%	7.61%
Producers of Government Services	1.49%	4.45%	0.79%	2.43%	-1.65%	-2.07%	4.09%	8.36%	6.97%	-0.92%
Other Services	3.00%	3.20%	3.28%	-7.33%	1.79%	-0.03%	0.59%	1.85%	3.92%	14.40%
Less: Imputed Banking Service Charge	5.43%	6.05%	4.71%	2.00%	1.91%	1.58%	4.77%	7.35%	21.96%	15.86%
Total Growth Rate	3.81%	3.64%	-0.26%	-4.12%	0.56%	3.53%	3.80%	4.63%	4.89%	0.49%

SOURCE: GOVERNMENT STATISTICS DEPARTMENT

P=Provisional

Pj=Projected

r=Revised

SAINT LUCIA
GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT FACTOR COST
SHARE OF TOTAL IN CONSTANT PRICES - 1990

SECTORS	1998p	1999r	2000r	2001r	2002r	2003r	2004r	2005r	2006r	2007Pj
Agriculture, Livestock, Forestry, Fishing	8.17%	6.71%	6.94%	5.47%	5.68%	4.62%	4.32%	3.11%	3.26%	3.26%
- Bananas	4.31%	3.33%	3.55%	1.90%	3.01%	1.86%	2.10%	1.26%	1.34%	1.29%
- Other Crops	2.15%	1.71%	1.59%	1.74%	1.14%	1.16%	0.89%	0.61%	0.64%	0.68%
- Livestock	0.77%	0.54%	0.62%	0.61%	0.58%	0.54%	0.53%	0.52%	0.45%	0.45%
- Fishing	0.83%	1.01%	1.07%	1.12%	0.85%	0.97%	0.71%	0.64%	0.75%	0.77%
- Forestry	0.12%	0.11%	0.10%	0.10%	0.10%	0.09%	0.09%	0.08%	0.08%	0.07%
Mining and Quarrying	0.49%	0.55%	0.61%	0.48%	0.49%	0.48%	0.45%	0.41%	0.47%	0.53%
Manufacturing	6.00%	5.79%	5.70%	5.56%	5.83%	5.88%	5.50%	6.11%	6.22%	6.29%
Construction	8.14%	8.86%	8.47%	8.40%	7.95%	7.80%	7.59%	8.16%	8.81%	7.86%
Electricity and Water	4.87%	5.20%	4.96%	5.41%	5.25%	5.17%	5.07%	4.20%	3.66%	4.10%
Electricity	5.46%	6.30%	4.32%	4.71%	4.64%	4.59%	4.51%	3.66%	3.13%	3.55%
Water	0.68%	0.55%	0.64%	0.70%	0.61%	0.58%	0.56%	0.54%	0.53%	0.54%
Wholesale and Retail Trade	12.75%	12.67%	11.88%	10.59%	10.66%	11.10%	11.59%	11.72%	12.18%	12.68%
Hotels and Restaurants	12.22%	12.29%	12.65%	11.81%	11.67%	13.14%	13.41%	13.63%	12.64%	11.65%
Transport	10.29%	10.45%	10.34%	10.64%	10.18%	10.26%	10.61%	10.20%	10.67%	10.65%
- Road Transport	6.98%	6.90%	7.07%	7.38%	7.15%	6.94%	6.76%	6.56%	6.44%	7.17%
- Air Transport	1.36%	1.42%	1.47%	1.45%	1.39%	1.66%	1.75%	1.63%	1.45%	1.02%
- Sea Transport	1.95%	2.13%	1.81%	1.81%	1.65%	1.66%	2.11%	2.01%	2.78%	2.47%
Communications	8.08%	8.28%	8.76%	10.22%	10.93%	11.03%	11.12%	11.41%	10.85%	10.58%
Banking and Insurance	9.33%	9.80%	10.12%	10.83%	10.90%	10.74%	10.81%	11.32%	13.10%	14.61%
Banking	8.09%	8.53%	8.78%	9.35%	9.48%	9.29%	9.38%	9.85%	11.57%	12.59%
Insurance	1.24%	1.27%	1.34%	1.48%	1.43%	1.45%	1.43%	1.47%	1.53%	2.03%
Real Estate and Owner Occupied Dwellings	11.36%	11.22%	11.50%	12.40%	12.62%	12.60%	12.53%	12.66%	12.38%	13.26%
Producers of Government Services	11.65%	11.74%	11.86%	12.67%	12.39%	11.72%	11.76%	12.18%	12.42%	12.24%
Other Services	4.54%	4.52%	4.68%	4.52%	4.58%	4.42%	4.28%	4.17%	4.13%	4.70%
Less: Imputed Banking Service Charge	-7.88%	-8.07%	-8.47%	-9.01%	-9.13%	-8.96%	-9.04%	-9.28%	-10.79%	-12.44%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

SOURCE: GOVERNMENT STATISTICS DEPARTMENT

P=Provisional

pj=Projected

R=Revised

SAINT LUCIA
EXPENDITURE ON GROSS DOMESTIC PRODUCT
EC\$ Millions

	1998	1999	2000	2001	2002	2003	2004	2005	2006p	2007pj
EXPENDITURE ON GROSS DOMESTIC PRODUCT (M. P.)	1,419.23	1,451.84	1,445.80	1,774.89	1,810.81	1,912.88	2,041.49	2,217.14	2,484.82	2,592.59
Government Final Consumption Expenditure	245.98	249.98	257.66	247.96	272.59	284.59	278.75	284.38	265.11	394.22
Private Final Consumption Expenditure	857.36	917.09	837.47	1,171.83	1,247.06	1,545.51	1,529.92	1,620.49	2,031.63	1,940.65
Gross Capital Formation	447.32	459.31	451.62	415.96	372.95	358.15	397.28	483.79	430.67	471.76
Increase in Stocks										
Gross Fixed Capital Formation	447.32	459.31	451.62	415.96	372.95	358.15	397.28	483.79	430.67	471.76
Construction	248.05	253.30	236.10	222.20	204.13	189.55	200.43	250.31	221.26	215.43
Transport Equipment	22.85	29.76	31.89	32.61	26.97	34.58	49.01	68.64	49.45	59.43
Other Machinery & Equip.	176.42	176.25	183.63	161.15	141.85	134.02	147.84	164.84	159.96	196.90
Net Exports	(131.43)	(174.54)	(100.95)	(60.86)	(81.79)	(275.37)	(164.46)	(171.52)	(242.59)	(214.03)
Exports of Goods and Services	1,022.11	1,035.96	1,087.84	973.81	1,002.29	1,013.24	1,081.64	1,119.47	1,069.10	1,221.57
Less: Imports of Goods and Services	1,153.54	1,210.50	1,188.79	1,034.67	1,084.08	1,288.61	1,246.10	1,290.99	1,311.69	1,435.60
GDP AT MARKET PRICES	1,419.23	1,451.84	1,445.80	1,774.89	1,810.81	1,912.88	2,041.49	2,217.14	2,484.82	2,592.59
	(229.57)	(218.84)	(212.16)	(179.76)	(209.48)	(232.69)	(253.96)	(292.82)	(418.59)	(481.19)
Less: Indirect Taxes	231.95	221.18	214.40	182.23	211.64	235.48	256.63	295.94	421.61	482.42
Plus: Subsidies	2.38	2.34	2.24	2.47	2.16	2.79	2.67	3.12	3.02	1.23
GDP AT FACTOR COST	1,189.66	1,233.00	1,233.64	1,595.13	1,601.33	1,680.19	1,787.53	1,924.32	2,066.23	2,111.40
Growth Rate	3.81%	3.64%	0.05%	29.30%	0.39%	4.92%	6.39%	7.65%	7.37%	2.19%

SOURCE: Government Statistics Department

ST.LUCIA BANANA EXPORTS
(Tonnes)

Period	2000	2001	2002	2003	2004	2005	2006	2007
JANUARY	5,809	4,417	3,945	2,903	4,923	2,400	2,280	4,121
FEBRUARY	6,019	3,973	3,963	2,843	4,045	2,321	2,146	3,329
MARCH	6,143	3,994	5,015	3,546	4,416	2,763	2,645	3,814
1st Quarter	17,971	12,384	12,923	9,292	13,385	7,485	7,071	11,264
APRIL	5,010	2,584	4,365	2,755	3,096	2,357	2,370	2,987
MAY	5,486	2,434	4,355	2,951	3,027	2,381	2,605	2,935
JUNE	6,103	2,432	5,159	3,516	3,828	2,781	3,176	3,329
2nd Quarter	16,599	7,450	13,879	9,222	9,981	7,520	8,151	9,251
1st Half Total	34,570	19,834	26,802	18,514	23,366	15,005	15,222	20,515
JULY	5,506	1,711	3,609	2,252	2,934	1,648	2,318	2,500
AUGUST	5,094	1,686	3,654	1,951	3,116	1,717	2,552	2,023
SEPTEMBER	6,861	2,288	4,265	2,371	3,818	2,702	3,432	1,277
3rd Quarter	17,461	5,685	11,528	6,574	9,869	6,067	8,302	5,800
OCTOBER	6,082	2,267	3,126	2,390	3,104	2,486	2,869	1,234
NOVEMBER	5,650	2,771	3,235	2,654	2,848	3,006	3,055	1,085
DECEMBER	6,519	3,487	3,469	3,839	3,139	3,443	4,534	1,684
4th Quarter	18,251	8,525	9,830	8,883	9,091	8,935	10,458	4,003
2nd Half Total	35,712	14,210	21,358	15,457	18,960	15,002	18,760	9,803
Annual Total	70,282	34,044	48,160	33,971	42,326	30,007	33,982	30,318
Growth	7.7%	-51.6%	41.5%	-29.5%	24.6%	-29.1%	13.3%	-10.8%

Source: WIBDECO

ST.LUCIA BANANA EXPORTS REVENUE
(\$EC Millions)

MONTH	2000	2001	2002	2003	2004	2005	2006	2007
January	7.51	4.17	4.38	3.71	5.96	3.20	4.00	5.90
February	8.31	4.15	4.39	3.22	5.06	3.18	2.96	4.81
March	8.57	4.49	5.96	4.65	5.56	3.72	3.68	5.48
1st Quarter	24.39	12.80	14.74	11.57	16.59	10.09	10.64	16.19
April	6.93	3.49	5.22	3.59	4.00	3.17	3.31	4.35
May	7.51	3.38	5.47	3.92	3.95	3.22	3.58	4.22
June	8.65	3.36	6.45	4.63	5.04	3.93	4.35	4.82
2nd Quarter	23.09	10.23	17.15	12.14	12.99	10.31	11.24	13.4
1st Half	47.48	23.02	31.89	23.71	29.58	20.41	21.88	29.59
July	6.10	2.25	4.49	3.01	3.85	2.24	3.24	3.55
August	5.67	2.22	4.61	2.63	4.01	2.34	3.61	3
September	7.66	3.16	5.39	3.21	4.78	3.80	4.85	1.83
3rd Quarter	19.43	7.63	14.49	8.85	12.64	8.38	11.70	8.38
October	6.35	2.89	3.97	3.25	3.91	3.56	4.04	1.71
November	5.85	3.44	4.12	3.43	3.66	4.29	4.25	1.56
December	6.86	4.18	4.26	4.33	4.05	4.84	6.20	2.41
4th Quarter	19.06	10.51	12.35	11.01	11.63	12.69	14.49	5.68
2nd Half	38.49	18.14	26.72	19.86	24.26	21.07	26.19	14.06
TOTAL	85.97	41.16	58.61	43.57	53.84	41.48	48.07	43.65
Growth	-1.1%	-52.1%	42.4%	-25.7%	23.6%	-23.0%	15.9%	-9.2%

Source: WIBDECO

WINDWARD ISLAND BANANA EXPORTS

(Tonnes)

Country	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
St. Lucia	71,395	73,042	65,231	70,281	34,044	48,160	33,971	42,326	30,007	33,982	30,318
Dominica	34,903	28,135	27,264	27,157	17,575	16,983	10,379	12,721	10,599	11,408	6,814
St. Vincent	31,020	39,887	37,379	42,339	30,497	33,243	22,558	22,631	17,363	15,758	14,146
Grenada	102	94	583	722	566	507	393	338	-	-	-
TOTAL	137,420	141,158	130,457	140,499	82,682	98,893	67,301	78,015	57,969	61,148	51,278
Growth	-27.25%	2.72%	7.58%	7.70%	-41.04%	19.37%	-31.95%	15.92%	-25.70%	5.50%	-16.10%
Average Monthly Exports	11,452	11,763	10,871	11,708	6,904	8,241	5,608	6,501	4,831	5,096	4,273

SHARE OF WINDWARD ISLAND BANANA EXPORTS

(Percentage)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
St. Lucia	51.95	51.74	50.00	50.02	41.17	48.70	50.48	54.25	51.76	55.57	59.12
Dominica	25.40	19.93	20.90	19.33	21.26	17.17	15.42	16.31	18.28	18.66	13.29
St. Vincent	22.57	28.26	28.65	30.13	36.88	33.62	33.52	29.01	29.95	25.77	27.59
Grenada	0.07	0.07	0.45	0.51	0.68	0.51	0.58	0.43	0.00	0.00	0.00
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: WIBDECO

EGG PRODUCTION

	2004	2005	2006	2007				
				Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Quantity ('000 dozens)	903	1,113	848	167	227	279	160	833
Growth	21.2%	23.3%	-23.8%					-1.8%
Value (\$'000)	5,418	6,676	4,240	885	1,204	1,395	880	4,364
Growth	45.4%	23.2%	-36.5%					2.9%

Source: Ministry of Agriculture Fisheries & Forestry

LIVESTOCK PURCHASES

Livestock Category	2003		2004		2005		2006		2007	
	(Tonnes)	Value \$EC	(Tonnes)	Value \$EC	(Tonnes)	Value \$EC	(Tonnes)	Value \$EC	(Tonnes)	Value \$EC
Chicken	904.6	6,864,403	644.6	5,154,354	977.0	8,137,260	811.4	6,865,694	885.1	8,696,849
Pork	96.5	1,047,773	92.4	1,084,525	131.6	1,480,731	261.1	3,165,360	462.6	4,844,122
Total	1,001.1	7,912,176	737.0	6,238,879	1,108.6	9,617,991	1,072.5	10,031,054	1,347.7	13,540,971
Growth	1.0%	1.3%	-26.4%	-21.1%	50.4%	54.2%	-3.3%	4.3%	25.7%	35.0%

Source: Ministry of Agriculture

* Preliminary Data

SUPERMARKET PURCHASES OF "OTHER CROPS" BY CATEGORY**

Crop Category	2002		2003		2004		2005		2006		2007	
	Quantity (Tonnes)	Value \$EC	Quantity (Tonnes)	Value \$EC	Quantity (Tonnes)	Value \$EC	Quantity (Tonnes)	Value \$EC	Quantity (Tonnes)	Value \$EC	Quantity (Tonnes)	Value \$EC
Fruit & Tree Crops	712.67	862,549	631.76	911,344	497.23	669,598	409.9	686,712	478.43	836,940	517.69	1,053,457
Musa	509.51	408,179	331.78	291,487	351.41	308,673	342.7	375,488	348.20	435,821	395.07	447,259
Traditional Vegetables	328.71	1,278,238	220.47	871,980	197.34	928,486	174.9	1,029,274	289.26	1,445,767	317.96	1,725,395
Non Traditional Vegetables	404.05	916,730	352.45	903,594	285.12	843,936	287.2	1,019,810	358.52	1,261,126	373.10	1,464,277
Roots & Tubers	433.91	843,808	265.12	675,559	280.36	723,472	211.9	627,623	252.56	901,380	260.86	944,852
Condiments	49.41	302,118	45.01	267,745	32.88	230,728	30.8	276,736	35.16	272,227	42.87	400,871
Total	2,438.26	4,611,623	1,846.58	3,921,709	1,644.33	3,704,893	1,457.3	4,015,643	1,762.13	5,153,261	1907.55	6,036,112
Growth	-16.9%	-15.5%	-24.3%	-15.0%	-11.0%	-5.5%	-11.4%	8.4%	20.9%	28.3%	8.3%	17.1%

HOTEL PURCHASES OF "OTHER CROPS" BY CATEGORY**

Crop Category	2002		2003		2004		2005		2006		2007	
	Quantity (Tonnes)	Value \$EC	Quantity (Tonnes)	Value \$EC	Quantity (Tonnes)	Value \$EC	Quantity (Tonnes)	Value \$EC	Quantity (Tonnes)	Value \$EC	Quantity (Tonnes)	Value \$EC
Fruit & Tree Crops	105.5	333,579	501.4	1,328,381	468.8	1,185,995	415.2	1,021,218	487.6	1,364,804	542.5	1,656,158
Musa	101.5	130,910	72.6	112,358	84.5	140,338	80.5	126,583	88.7	160,710	109.1	210,252
Traditional Vegetables	50.8	349,168	131.8	877,271	115.7	811,269	80.2	576,365	104.9	736,618	124.3	1,025,642
Non Traditional Vegetables	49.1	214,199	122.3	529,674	126.8	550,646	101.4	461,504	121.2	553,059	137.5	672,068
Roots & Tubers	46.2	158,520	96.6	351,448	107.3	369,769	84.2	307,608	114.8	477,316	131.7	584,187
Condiments	5.1	61,468	12.3	145,221	12.7	145,145	8.0	93,590	12.6	152,149	16.0	220,873
Total	358.2	1,247,844	936.9	3,344,353	915.7	3,203,162	769.4	2,586,867	929.77	3,444,656	1,061.06	4,369,179
Growth	-53.4%	-49.2%	161.6%	168.0%	-2.3%	-4.2%	-16.0%	-19.2%	20.8%	33.2%	14.1%	26.8%

Source: Ministry of Agriculture
* Preliminary Data

DOMESTIC PURCHASES OF OTHER CROPS BY CATEGORY

Crop Category	2002		2003		2004		2005		2006		2007	
	Quantity Tonnes	Value \$EC	Quantity Tonnes	Value \$EC	Quantity Tonnes	Value \$EC	Quantity Tonnes	Value \$EC	Quantity Tonnes	Value \$EC	Quantity Tonnes	Value \$EC
Fruit & Tree Crops	818.2	1,196,127.96	1133.2	2,239,725.01	966	1,855,593.23	825.1	1,709,930.33	966.02	2,201,744.37	1,060.24	2,709,614.88
Musa	611	539,089.57	404.4	403,845.50	435.9	449,010.59	423.2	502,070.90	436.91	596,530.91	504.13	657,510.47
Traditional Vegetables	379.5	1,627,406.01	352.3	1,749,251.40	313	1,739,755.38	255.1	1,605,639.01	394.11	2,182,385.16	442.21	2,751,037.26
Non Traditional Vegetables	453.1	1,130,928.86	474.7	1,433,268.09	411.9	1,394,581.29	388.6	1,481,313.53	479.73	1,814,185.34	510.62	2,136,345.82
Roots & Tubers	480.1	1,002,328.38	361.7	1,027,006.83	387.6	1,093,240.51	296.1	935,231.01	367.35	1,378,695.54	392.53	1,529,039.36
Condiments	54.5	363,586.22	57.3	412,965.32	45.6	375,873.50	38.7	370,325.90	47.78	424,376.02	58.87	621,743.70
Total	2796.5	5,859,467.00	2783.5	7,266,062.15	2560.1	6,908,054.50	2226.7	6,602,510.66	2,691.89	8,597,917.34	2,968.61	10,405,291.49
Growth	-24.5%	-26.0%	-0.5%	24.0%	-8.0%	-4.9%	-13.0%	-4.4%	20.9%	30.2%	10.3%	21.0%

Source: Ministry of Agriculture

* Preliminary Data

** Includes Purchases by the SLMB

SUMMARY OF ESTIMATED FISH LANDINGS - 2007 (tonnes)

SITE	DOLPHIN	WAHOO	FLY'G FISH	CONCH	LOBSTER	SNAPPER	SHARK	TUNA	OTHER	TOTAL
CASTRIES	6.78	0.00	2.33	0.00	0.54	11.65	0.56	29.81	7.81	59.48
BANANNES	0.01	0.00	0.00	0.00	1.82	0.58	0.02	0.18	10.03	12.64
CHOISEUL	11.95	7.05	5.59	0.00	0.80	2.45	0.00	28.58	13.32	69.74
DENNERY	201.44	99.01	7.62	0.00	2.33	9.21	0.00	37.94	13.03	370.58
GROS ISLET	10.43	0.90	6.12	38.59	3.33	2.85	1.68	5.50	51.92	121.32
LABORIE	14.76	9.14	0.00	2.42	0.00	3.71	0.22	37.80	15.82	83.87
MICOUD	32.96	14.59	1.69	0.00	0.01	1.63	0.10	18.60	13.88	83.46
SOUFRIERE	13.78	3.81	8.37	0.00	0.01	0.15	0.00	10.83	40.93	77.88
VIEW-FORT	149.46	50.22	0.00	0.00	0.47	12.99	0.89	117.48	34.84	366.35
OTHER SITES	70.42	25.92	14.32	0.00	3.35	5.46	1.83	41.39	100.71	263.40
TOTAL	511.99	210.64	46.04	41.01	12.66	50.68	5.30	328.11	302.29	1,508.72

Source: Ministry of Agriculture

SUMMARY OF ESTIMATED VALUE OF FISH LANDINGS - 2007 (ex-vessel price, EC\$)

SITE	DOLPHIN	WAHOO	FLY'G FISH	CONCH	LOBSTER	SNAPPER	SHARK	TUNA	OTHER	TOTAL
CASTRIES	132,077	0	13,598	0	17,339	205,027	7,334	463,377	117,521	956,273
BANANNES	200	0	0	0	69,069	10,244	230	2,742	159,402	241,887
CHOISEUL	177,903	87,302	32,622	0	30,607	42,262	0	392,654	150,968	914,318
DENNERY	2,412,774	1,091,149	41,895	0	75,120	161,226	0	434,693	146,543	4,363,400
GROS ISLET	179,814	14,188	27,006	1,013,730	144,562	45,647	14,653	84,094	699,804	2,223,498
LABORIE	208,831	116,712	0	57,947	0	57,101	2,930	509,770	212,777	1,166,068
MICOUD	473,778	186,955	14,822	0	212	27,436	908	245,364	161,657	1,111,132
SOUFRIERE	1,852,503	566,477	0	0	15,368	214,711	7,474	1,429,507	358,715	4,444,755
VIEWUX-FORT	1,049,606	336,975	82,313	0	145,114	89,328	16,051	559,371	1,130,754	3,409,512
OTHER SITES	209,215	52,054	48,479	0	337	2,134	0	145,397	271,638	729,254
TOTAL	6,696,701	2,451,812	260,735	1,071,677	497,728	855,116	49,580	4,266,969	3,409,779	19,560,097

Source: Ministry of Agriculture

SELECTED VISITOR STATISTICS

	2000	2001	2002	2003	2004	2005	2006	2007
Total Visitor Arrivals	742,323	767,037	673,871	704,236	813,681	747,308	669,134	931,114
<i>of which:</i>								
Cruise Passengers	443,551	489,912	387,180	393,262	481,279	394,364	359,573	610,343
Stay-Over Arrivals	269,850	250,132	253,463	276,948	298,431	317,939	302,510	287,407
Yacht Arrivals	16,069	19,817	25,516	21,209	22,530	27,464	26,146 R	25,587
Excursionists	12,853	7,176	7,712	12,817	11,441	7,541	7,051	7,777
Paid Bednights (in millions)	1.87	1.68	1.67	1.94	2.06	2.19	2.29	2.12
Tourist Expenditure (\$EC Millions) ¹	752.3	623.9	558.5	750.8	879.3	961.2	776.1	808.3
Average Hotel Occupancy	63.8	57.0	56.1	62.7	61.9	68.7	64.9	64.9
All Inclusives	78.0	79.2	72.5	73.8	73.6	74.0	67.4	62.8
Semi-inclusive hotels ²	n/a	n/a	n/a	61.8	69.9	n/a	n/a	n/a
European Plan	46.2	48.8	45.4	54.7	51.8	66.0	61.8	59.9
Small Properties	60.3	50.4	50.4	59.6	60.4	66.2	65.6	72.1
Average Length of Stay	9.6	10.6	9.99	10.0	9.3	10.1	10.5	9.08
Cruise Ship Calls	389	378	245	262	328	258	267	314

3. Source: SLTB

1. For 2000 - 2003, the cruise component of total expenditure was revised downwards to reflect an average disembarkation ratio of 80.5% while a ratio of 82.34% was applied for 2004.

2. Based on the new classification; this category comprises hotels which are conventional but offer all-inclusive packages as well.

STAY-OVER TOURIST ARRIVALS BY COUNTRY OF ORIGIN

Country of Origin	2000	2001	2002	2003	2004	2005	2006	2007
USA	97,532	91,248	94,044	98,078	107,089	112,557	117,450	113,433
CANADA	14,968	12,213	12,927	13,494	15,315	16,506	17,491	18,640
EUROPE	98,869	82,601	76,698	90,193	97,862	100,085	85,565	88,828
<i>of which:</i>								
United Kingdom	73,433	67,046	63,277	75,426	81,370	84,725	73,312	79,180
Germany	7,292	4,818	3,929	3,582	3,289	3,318	2,569	1,592
France	10,992	5,091	3,405	6,017	7,682	7,241	3,764	3,642
Rest of Europe	7,152	5,646	6,087	5,168	5,521	4,801	5,920	4,414
CARIBBEAN	54,595	61,047	66,409	70,543	74,242	84,729	78,464	59,049
<i>of which:</i>								
Caricom	33,650	34,331	49,500	52,316	48,478	56,101	49,802	37,789
French West Indies	14,495	21,849	12,053	13,449	22,313	25,567	25,830	18,962
OTHER	3,886	3,023	3,385	4,640	3,923	4,062	3,540	7,459
TOTAL	269,850	250,132	253,463	276,948	298,431	317,939	302,510	287,407

Source: St.Lucia Tourist Board

MONTHLY ARRIVALS BY CATEGORY

MONTH	2006					2007				
	Stay-over	Excursionist	Yacht	Cruise	Total	Stay-over	Excursionist	Yacht	Cruise	Total
January	25,215	568	3,110	54,532	83,425	21,887	409	2,871	81,536	106,703
February	28,619	1,078	2,584	51,877	84,158	24,610	508	3,213	79,152	107,483
March	27,832	785	2,714	59,119	90,450	26,573	365	2,502	77,679	107,119
Quarter 1	81,666	2,431	8,408	165,528	258,033	73,070	1,282	8,586	238,367	321,305
April	29,024	879	2,747	39,384	72,034	27,716	814	1,963	57,864	88,357
May	28,055	543	2,755	5,412	36,765	25,212	900	2,341	24,336	52,789
June	21,760	395	1,427	11,069	34,651	21,823	285	1,602	19,538	43,248
Quarter 2	78,839	1,817	6,929	55,865	143,450	74,751	1,999	5,906	101,738	184,394
First Half	160,505	4,248	15,337	221,393	401,483	147,821	3,281	14,492	340,105	505,699
July	30,453	493	1,732	10,410	43,088	29,742	360	1,862	20,024	51,988
August	26,538	496	1,583	7,000	35,617	23,249	517	1,614	26,555	51,935
September	16,347	408	1,007	10,735	28,497	17,062	556	817	18,940	37,375
Quarter 3	73,338	1,397	4,322	28,145	107,202	70,053	1,433	4,293	65,519	141,298
Oct	20,453	374	1,173	11,187	33,187	19,572	692	1,268	29,332	50,864
Nov	21,153	893	1,795	40,503	64,344	22,163	960	1,972	84,639	109,734
Dec	27,061	139	3,519	58,345	89,064	27,798	1,411	3,562	90,748	123,519
Quarter 4	68,667	1,406	6,487	110,035	186,595	69,533	3,063	6,802	204,719	284,117
Second Half	142,005	2,803	10,809	138,180	293,797	139,586	4,496	11,095	270,238	425,415
TOTAL	302,510	7,051	26,146	359,573	695,280	287,407	7,777	25,587	610,343	931,114

Source: St. Lucia Tourist Board

SLASPA

MONTHLY STAY-OVER ARRIVALS BY MARKET
2007

Country of Origin	Jan	Feb	Mar	Quarter 1 2007	Apr	May	Jun	Quarter 2 2007	First Half 2007	Jul	Aug	Sept	Quarter 3 2007	Oct	Nov	Dec	Quarter 4 2007	Second Half 2007	TOTAL 2007
USA	7,871	8,489	10,200	26,560	10,502	10,770	11,148	32,420	58,980	11,522	8,344	7,033	26,899	8,444	8,873	10,237	27,554	54,453	113,433
CANADA	2,902	2,770	2,710	8,382	1,549	759	533	2,841	11,223	809	626	687	2,122	759	1,368	3,168	5,295	7,417	18,640
EUROPE	7,463	8,888	9,231	25,582	8,180	7,476	5,823	21,479	47,061	8,007	5,983	5,337	19,327	6,578	7,341	8,521	22,440	41,767	88,828
United Kingdom	6,271	7,631	8,459	22,361	7,243	6,787	5,280	19,310	41,671	6,932	5,387	4,894	17,213	6,028	6,766	7,502	20,296	37,509	79,180
Germany	197	208	194	599	124	133	83	340	939	105	82	71	258	92	133	170	395	653	1,592
France	409	569	233	1,211	346	272	183	801	2,012	440	363	107	910	141	192	387	720	1,630	3,642
Rest of Europe	586	480	345	1,411	467	284	277	1,028	2,439	530	151	265	946	317	250	462	1,029	1,975	4,414
CARIBBEAN	3,604	4,160	3,754	11,518	4,727	5,845	4,105	14,677	26,195	9,111	7,675	3,727	20,513	3,496	3,978	4,865	12,339	32,852	59,047
Caricom	2,708	2,374	2,637	7,719	3,432	3,537	3,239	10,208	17,927	4,609	4,033	2,850	11,492	2,787	2,446	3,137	8,370	19,862	37,789
French West Indies	792	1,672	950	3,414	1,068	2,045	668	3,781	7,195	4,199	3,385	687	8,271	581	1,401	1,514	3,496	11,767	18,962
Other Caribbean	104	114	167	385	227	263	198	688	1,073	303	257	190	750	128	131	214	473	1,223	2,296
OTHER/NOT STATED*	47	303	678	1,028	2,758	362	214	3,334	4,362	293	621	278	1,192	295	603	1,007	1,905	3,097	7,459
TOTAL	21,887	24,610	26,573	73,070	27,716	25,212	21,823	74,751	147,821	29,742	23,249	17,062	70,053	19,572	22,163	27,798	69,533	139,586	287,407

Source: St. Lucia Tourist Board

* Other Caribbean includes other Commonwealth Caribbean and the Netherland Antillies

DETAILED MONETARY SURVEY
(EC\$ '000s)

	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06	Dec-07	% Change 07/06
1. NET FOREIGN ASSETS	113,648	114,455	106,819	337,795	352,719	243,039	117,618	-47,663	-140.52%
(i) Central Bank (Imputed Reserves)	207,797	235,168	248,083	282,629	351,522	308,342	356,924	408,246	14.38%
Imputed Assets	224,441	246,151	258,883	291,908	360,756	317,585	363,938	419,418	15.24%
Imputed Liabilities	16,644	10,983	10,801	9,279	9,234	9,242	7,014	11,172	59.28%
(ii) Commercial Banks (net)	-94,149	-120,713	-141,264	55,166	1,197	-65,303	-239,306	-455,909	90.51%
External (net)	-86,859	-165,155	-191,182	-143,606	-69,444	-82,707	-224,705	-292,149	30.01%
Assets	80,685	100,068	108,326	199,703	299,884	350,543	427,032	486,217	13.86%
Liabilities	167,544	265,223	299,508	343,309	369,328	433,250	651,737	778,366	19.43%
Other ECCB Territories (net)	-7,290	44,442	49,918	198,772	70,641	17,404	-14,601	-163,760	1021.57%
Assets	55,308	76,003	124,311	229,171	182,947	284,933	388,141	584,426	50.57%
Liabilities	62,598	31,561	74,393	30,399	112,306	267,529	402,742	748,186	85.77%
2. NET DOMESTIC ASSETS	1,065,739	1,119,870	1,166,497	1,032,611	1,156,413	1,468,739	1,938,584	2,227,320	14.89%
2(a) Domestic Credit	1,196,740	1,381,867	1,427,960	1,323,346	1,465,271	1,772,092	2,280,482	2,990,442	31.13%
(i) Private Sector	1,481,687	1,541,820	1,553,471	1,498,204	1,650,447	1,917,268	2,386,829	3,090,804	29.49%
Households Credit	736,164	758,537	730,671	761,999	839,543	950,990	1,068,739	1,191,791	11.51%
Business Credit	745,523	783,283	822,800	736,205	810,904	966,278	1,318,090	1,899,013	44.07%
Loans	725,312	768,869	809,970	723,314	791,396	951,759	1,301,715	1,881,346	44.53%
Investments	20,211	14,414	12,830	12,891	19,508	14,519	16,375	17,667	7.89%
(ii) Non-Bank Financial Institutions (NBFI) (Net)	-24,912	-43,421	-32,736	-39,363	-35,371	-37,781	-40,385	-41,311	2.29%
(iii) Subsidiaries and Affiliates (Net)	-1,603	165,099	162,419	155,308	174,683	168,500	180,810	167,109	-7.58%
(iv) Non-Financial Public Enterprises (Net)	-172,658	-168,563	-158,852	-186,404	-194,215	-185,241	-214,756	-243,409	13.34%
(v) Central Government (Net)	-85,774	-113,068	-96,342	-104,399	-130,273	-90,654	-32,016	17,249	-153.88%
Credit to Central Government	147,288	140,257	153,394	140,261	187,297	279,080	290,567	350,537	20.64%
Central Bank Credit	16,625	10,920	10,751	9,240	9,188	9,200	6,966	11,156	60.16%
Central bank Loans & Advances	6,238	5,104	5,501	3990.193	3,938	4,200	6,966	11,156	60.16%
Central bank Advances	1,912	1,860	3,338	2,909	3,938	4,200	6,966	11,156	60.16%
Advances to Government	-	-	-	-	-	-	-	-	-
Gov'ts Operating Accounts	1,912	1,860	3,338	2,909	3,938	4,200	6,966	11,156	60.16%
Central Bank Loans	4,326	3,244	2,163	1,081	0	0	0	0	-
Central Bank Treasury Bills Holdings	5,387	816	250	250	250	0	0	0	-
Central Bank Debentures	5,000	5,000	5,000	5,000	5,000	5,000	0	0	-
Central Bank Interest due on Securities	-	-	-	-	-	-	-	-	-
Commercial Bank Credit	130,663	129,337	142,643	131,021	178,109	269,880	283,601	339,381	19.67%
Commercial Bank Loans & Advances	84,537	87,431	69,760	31,551	34,513	58,417	87,367	151,891	73.85%
Commercial Bank Treasury Bills Holdings	10,160	18,320	20,320	18,323	5,450	27,591	23,779	12,823	-46.07%
Commercial Bank Debentures	34,579	23,339	52,183	80,873	137,898	183,856	172,355	174,243	1.10%
Deposits of Central Government (-)	233,062	253,326	249,737	244,660	317,570	369,734	322,582	333,288	3.32%
Commercial Banks Deposits	216,849	248,868	239,199	231,081	292,132	338,542	290,618	252,299	-13.19%
Central Bank Deposits	13,147	38	7,652	9,834	22,935	19,242	26,783	54,350	102.92%
Gov't Deposits, Call Acc & Fixed Deposits	13,146	35	7,649	9,828	22,933	18,959	26,783	54,349	102.93%
Sinking Fund Call Account	1	1	1	5	1	282	0.096	0	-
Gov't Operating Accounts	0	1	1	1	1	1	1	1	-
Govt Securities Proceeds	0	0	0	0	0	0	0	0	-
2(b). Others Items (Net)	-131,001	-261,996	-261,462	-290,735	-308,858	-303,353	-341,899	-763,122	123.20%
3. MONETARY LIABILITIES (M2)	1,179,387	1,234,325	1,273,316	1,370,406	1,509,132	1,711,779	2,056,202	2,179,658	6.00%
3(a) MONEY SUPPLY (M1)	286,053	283,828	287,615	343,130	481,288	547,321	560,670	635,412	13.33%
(i) Currency held by the Public	84,598	82,089	83,588	91,297	99,160	106,380	126,580	128,047	1.16%
Currency in Circulation	121,884	119,091	124,392	132,321	140,470	161,720	179,269	187,132	4.39%
Cash at Commercial Banks	37,286	37,002	40,804	41,024	41,310	55,340	52,689	59,085	12.14%
(ii) Private Sector Demand Deposits	201,455	201,739	204,027	251,833	382,128	440,941	434,090	507,365	16.88%
3(b). QUASI-MONEY	893,334	950,497	985,701	1,027,276	1,027,844	1,164,458	1,495,532	1,544,246	3.26%
(iii) Private Sector Savings Deposits	551,119	573,302	652,331	755,214	810,422	916,341	1,064,904	1,150,779	8.06%
(iv) Private Sector Time Deposits	334,661	364,399	309,589	240,191	178,695	185,881	222,691	283,275	27.21%
(v) Private Sector Foreign Currency Deposits	7,554	12,796	23,781	31,871	38,727	62,236	207,937	110,192	-47.01%

Source: Eastern Caribbean Central Bank

COMMERCIAL BANKS
TOTAL DEPOSITS BY DEPOSITORS

[In EC\$ millions]

As at Dec.31st

DEPOSITS	2001	2002	2003	2004	2005r	2006	2007	Change
RESIDENTS	1,709.71	1,724.70	1,877.45	2,070.35	2,349.91	2654.99	2808.28	5.8%
Central and Local Government	252.27	238.21	233.96	292.14	345.33	290.12	276.35	-4.7%
Statutory Bodies and Gov't Corps	233.55	224.15	282.39	293.26	304.92	329.31	354.78	7.7%
of which NIS	183.80	174.37	229.54	240.93	248.19	264.21	291.67	10.4%
Business Firms	205.79	182.59	214.75	250.83	343.51	395.00	438.48	11.0%
Private Individuals	933.65	983.36	1032.49	1120.41	1,199.66	1326.69	1502.94	13.3%
Non-Bank Financial Institutions	55.84	60.542	70.044	64.34	73.28	67.64	78.46	16.0%
Subsidiaries & Affiliates	1.182	7.71	10.12	5.83	12.86	18.40	4.33	-76.4%
Foreign Currency	27.44	28.14	33.70	43.54	70.36	227.85	152.93	-32.9%
NON-RESIDENTS	131.268	147.21	145.31	169.44	187.59	264.37	290.91	10.0%
TOTAL DEPOSITS	1,840.98	1,871.91	2,022.76	2,239.79	2,537.50	2919.37	3099.19	6.2%
<i>Growth</i>	<i>10.60%</i>	<i>1.68%</i>	<i>8.06%</i>	<i>10.73%</i>	<i>13.29%</i>	<i>15.05%</i>	<i>6.16%</i>	

COMMERCIAL BANKS
TOTAL DEPOSITS BY CATEGORY

EC\$ '000s

As at Dec. 31st

CATEGORY	2001	2002	2003	2004	2005	2006	2007	Change
DEMAND	264,351	285,099	372,297	516,406	621,348	610,721	700,611	14.7%
TIME	878,599	798,918	750,639	753,497	797,479	836,957	907,407	8.4%
SAVINGS	669,696	756,135	863,347	923,272	1,041,437	1,208,727	1,317,074	9.0%
FOREIGN CURRENCY	28,335	31,758	36,477	46,618	77,234	262,961	174,096	-33.8%
TOTAL DEPOSITS	1,840,981	1,871,910	2,022,760	2,239,793	2,537,498	2,919,366	3,099,188	6.2%
<i>Growth</i>	<i>6.49%</i>	<i>1.68%</i>	<i>8.06%</i>	<i>10.73%</i>	<i>13.29%</i>	<i>15.05%</i>	<i>6.16%</i>	

Source: Eastern Caribbean Central Bank

COMMERCIAL BANKS
ASSETS AND LIABILITIES
(EC\$ millions)

	2001	2002	2003	2004	2005	2006r	2007pre
Gross Liabilities	2,325.1	2,401.4	2,597.9	2,933.6	3,442.1	4,153.5	5,247.2
Balances due to ECCB area banks	20.8	49.4	18.0	102.7	248.6	366.1	704.1
Balances due to ECCB	2.1	1.0	4.0	-	10.2	5.8	17.2
Deposit Liabilities	1,841.0	1,871.9	2,022.7	2,239.8	2,537.5	2,919.4	3,099.2
Demand	264.4	285.1	372.3	516.4	621.3	610.7	700.6
Time	878.6	798.9	750.6	753.5	797.5	837.0	907.4
Savings	669.7	756.1	863.3	923.3	1,041.4	1,208.7	1,317.1
Gross Assets	2,325.1	2,401.4	2,597.9	2,933.6	3,442.1	4,153.5	5,247.2
Claims on ECCB area banks	56.2	78.9	184.7	134.1	214.1	295.9	481.2
Cash	37.0	40.8	41.0	50.2	68.0	63.7	77.1
Loans and Advances	1,709.2	1,721.2	1,656.3	1807.7	2,174.6	2,732.7	3,510.8
Public sector	152.3	135.5	127.9	134.6	178.4	203.6	264.7

Source: Eastern Caribbean Central Bank

COMMERCIAL BANK LIQUIDITY

As at December 31st

(in EC\$ '000s)

	2001	2002	2003	2004	2005	2006r	2007pre
(1) CASH	44,937	51,341	51,553	50,209	68,036	63,736	77,136
(2) DEPOSITS AT ECCB	115,414	133,065	153,107	199,254	143,287	151,702	148,244
TOTAL	160,351	184,406	204,660	249,463	211,323	215,438	225,380
(3) Less STAT.REQ'D RESRVS.	129,884	149,369	165,775	202,065	171,172	174,505	182,558
(4) EXCESS RESERVES (LIQUIDITY)	30,467	35,037	38,885	47,398	40,151	40,933	42,822
Less Borrowings from Deposits							
HELD FOR ECCB	0	0	0	0	0	0	0
ADJUSTED LIQUIDITY	30,467	35,037	38,885	47,398	40,151	40,933	42,822
LOANS AND ADVANCES	1,709,230	1,721,214	1,656,308	1,807,708	2,174,580	2,732,733	3,510,798
DEPOSIT LIABILITIES	1,840,981	1,871,910	2,022,760	2,239,793	2,537,498	2,919,366	3,099,188
of which:							
(i) Demand	264,351	285,099	372,297	516,406	621,348	610,721	700,611
(ii) Savings	878,599	756,135	863,347	923,272	1,041,437	1,208,727	1,317,074
(iii) Time	669,696	798,918	750,639	753,497	797,479	836,957	907,407
(iv) Foreign Currency	28,335	31,305	36,477	46,618	77,234	262,961	174,096
LOANS/DEPOSITS RATIO (%)	92.8	91.9	81.9	80.7	85.7	93.6	113.3
EXCESS RESERVES/DEPOSIT LIAB. (%)	1.65	1.87	1.92	2.12	1.58	1.40	1.38

Source: Eastern Caribbean Central Bank

COMMERCIAL BANKS STRUCTURE OF INTEREST RATES
(In percent per annum)

	2000	2001	2002	2003	2004	2005	2006	2007
Demand Deposits	3.0-6.0	3.0-6.0	3.0-5.0	0.0-4.5	0.0-3.5	0.0-3.0	0.0-3.0	0.0-3.0
Savings Deposits	4.0-6.0	4.0-6.0	3.0-5.5	3.0-4.75	3.0-4.75	3.0-4.75	3.0-4.00	3-4.25
Special Rates (if any)	4.5-9.0	4.5-8.75	4.5-8.75	3.5-8.75	1.5-8.75	1.5-8.00	1.5-8.00	1.5-8.00
Time Deposits								
- Up to 3 months	2.0-6.0	2.0-6.0	2.0-6.0	2.0-5.5	1.0-4.5	1.0-3.0	1.0-3.0	1.0-3.5
- Over 3 months to 6 months	2.0-6.25	2.0-6.25	2.0-6.0	2.0-5.75	1.0-5.5	1.0-3.0	1.0-3.0	1.0-3.75
- Over 6 months to 12 months	2.0-9.25	2.0-6.5	2.0-6.0	2.0-6.0	1.0-5.5	1.0-4.0	1.0-4.0	1.0-4.0
- Over 1 year to 2 years		2.0-8.50	2.0-8.50	2.0-7.5	1.0-4.5	1.0-4.0	1.0-4.0	1.0-4.0
- Over 2 years	-	2.5-8.50	2.5-8.50	2.0-7.0	1.0-4.5	1.0-3.75	1.0-4.0	1.0-4.0
Lending Rates								
- Prime Rate	9.5-10.5	9.5-10.5	9.5-10.5	9.5-10.0	9.5-10.0	9.5-10.0	9.5-10.0	9.5-10.0
- Other Rates, Range	9.5-23.0	6.0-18.0	7.5-18.0	6.0-18.5	5.5-18.0	6.0-17.0	6.0-17.0	6.0-17.0
Add-on Loans, Range								
- Nominal Interest Rate	8.50-18.00	8.0-18.0	8.50-18.00	7.0-18.00	6.0-18.00	7.0-18.00	7.0-13.5	7.0-13.5
- Effective Interest Rates	11.03-23.0	11.03-23.0	11.03-23.0	8.50-23.0	10.50-23.50	10.50-23.50	10.5-24.0	10.5-24.0
Weighted Deposit Rate					2.84	2.69	2.91	3.07
Weighted Credit Rate					10.68	10.52	10.20	8.84
Length of Loan Period, Range	1 mth-25years	1 mth-25years	1 mth-25years	6 mnths-35years	7mths-35years	7mths-35years	7mths-35years	7mths-35years

Source: Eastern Caribbean Central Bank

COMMERCIAL BANKS' CREDIT BY SECTOR

(In EC\$ Millions)

As as Dec.31st

	2000	2001	2002	2003	2004	2005	2006r	2007pre	Growth	Share
Agriculture	26.18	35.29	30.18	29.35	28.50	26.52	25.94	30.67	18.2%	0.9%
Fisheries	3.86	5.84	4.73	5.16	4.87	5.01	4.52	5.22	15.6%	0.1%
Mining and Quarrying	0.96	1.25	-	3.92	3.67	4.96	8.48	7.56	-10.9%	0.2%
Manufacturing	45.52	52.57	56.87	50.32	46.90	54.94	58.81	54.71	-7.0%	1.6%
Public Utilities	20.23	31.35	37.52	22.34	21.71	20.66	42.50	114.35	169.1%	3.3%
Construction & Land Dev.	84.54	99.93	110.90	101.42	108.48	121.77	166.39	243.97	46.6%	6.9%
Distributive Trades	200.35	198.92	214.05	197.79	195.16	227.72	236.19	239.38	1.4%	6.8%
Tourism	139.95	152.85	190.20	176.03	204.09	270.90	473.69	756.04	59.6%	21.5%
Entertainment & Catering	15.27	19.76	21.99	22.74	19.26	22.87	32.34	37.88	17.1%	1.1%
Transport	55.80	48.96	33.21	22.97	24.03	50.15	88.82	112.37	26.5%	3.2%
Financial Institutions	12.45	9.50	15.23	26.90	17.20	43.09	42.00	37.77	-10.1%	1.1%
Professional & Other Services	119.02	134.45	135.89	124.98	168.22	218.54	370.00	505.73	36.7%	14.4%
Gov't Services/Public Admin.	124.23	125.48	112.33	67.48	102.49	149.92	154.85	215.73	39.3%	6.1%
Personal	801.18	793.09	758.12	799.92	863.15	957.55	1,028.21	1,149.44	11.8%	32.7%
Acquisition of Property	378.29	319.51	325.70	343.83	413.38	464.95	503.29	513.10	1.9%	14.6%
Home Const. & Renovation	239.77	169.69	177.31	179.84	219.17	220.03	237.61	294.46	23.9%	8.4%
House & Land Purchase	138.52	149.82	148.38	163.99	194.22	244.92	265.68	218.64	-17.7%	6.2%
Durable Consumer Goods	103.76	90.07	63.86	64.76	80.51	109.67	138.90	187.89	35.3%	5.4%
Other Personal	319.10	383.52	368.56	391.34	369.25	382.93	386.02	448.45	16.2%	12.8%
TOTAL	1,649.52	1,709.23	1,721.21	1,656.31	1,807.72	2,174.58	2,732.73	3,510.80	28.5%	100%
Growth	5.7%	3.62%	0.70%	-3.77%	9.14%	20.3%	25.7%	28.5%		

Source: Eastern Caribben Central Bank

ECCB OPERATIONS WITH ST LUCIA

(In EC\$ millions)

	2000	2001	2002	2003	2004	2005	2006r	2007
Net imputed international reserves	207.80	235.20	248.08	282.63	351.52	308.34	356.92	408.25
Net claims on commercial banks	-125.43	-164.00	-167.59	-190.74	-238.62	-191.92	-210.52	-237.00
Claims	0.019	0.06	0.050	0.039	0.05	0.04	0.05	0.02
Liabilities	-125.45	-164.02	-167.64	-190.77	-238.66	-191.96	-210.57	-237.02
Currency	-37.29	-37.00	-40.80	-41.02	-41.31	-55.34	-52.69	-59.09
Current deposits	-84.41	-123.30	-126.84	-149.75	-197.35	-136.62	-157.88	-177.93
of which Fixed Deposits	-3.80	-3.80	-0.68	-0.68	-0.68	-0.68	-0.68	-0.68
Net claims on Statutory Bodies	-1.25	-0.003	-0.003	-0.003	-0.004	-0.004	-0.004	-0.004
Net Domestic Assets	-123.20	-153.10	-164.49	-191.33	-252.36	-201.96	-230.34	-280.20
Net Credit to Central Government	3.50	10.90	3.10	0.59	-13.75	-10.04	-19.82	-43.19
Treasury bills	5.38	0.82	0.25	0.25	0.25	0.00	-	-
Debentures	5.00	5.00	5.00	5.00	5.00	5.00	-	-
Temporary advances	1.91	1.86	3.34	2.90	3.94	4.20	6.97	11.16
Other Claims	4.32	3.24	2.16	1.08	-	-	-	-
Central Government Deposits	-10.29	-13.15	-7.62	-9.83	-22.94	-19.24	-26.78	-54.35
Liabilities to the Private Sector	84.60	82.10	83.59	91.28	99.16	106.38	126.58	128.05
Total currency issued	121.90	119.10	124.39	132.32	140.47	161.72	179.27	187.13
Currency held by banks	-37.30	-37.00	-40.80	-41.02	-41.31	-55.34	-52.69	-59.09

ST LUCIA EXTERNAL RESERVES (In EC\$ millions)

	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06	Dec-07
CENTRAL BANK:								
Net (Imputed) Share of Reserves	207.8	235.17	248.08	282.03	351.52	308.34	356.92	408.25
Percentage Change (%)	6.24	13.17	5.72	13.67	24.38	-12.28	15.76	14.38
Comm. Banks Net Foreign Assets (liabilities)	-94.1	-120.7	-141.3	55.2	1.2	-65.3	-239.3	-455.9
Percentage Change (%)	20.1	28.3	17.0	-139.1	-97.8	-5555.6	266.5	90.5
TOTAL NET FOREIGN ASSETS(LIABILITIES)	113.7	114.5	106.8	337.8	352.7	243.0	117.6	-47.7
Percentage Change (%)	43.2	0.71	-6.68	216.23	4.42	-31.10	-51.61	-140.52

Source: Eastern Caribbean Central Bank

CONSUMER PRICE INDEX
Annual Inflation Rates
(Base Year April 1984 =100)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006r	2007pre
January	150.40	154.40	155.20	165.40	173.30	173.10	176.80	176.90	181.50	193.70	195.60
February	150.00	153.80	155.80	165.70	173.50	173.60	177.70	176.40	183.30	193.20	193.20
March	149.60	154.80	156.60	167.40	174.10	175.60	178.10	177.20	184.50	193.00	194.60
April	150.00	155.40	156.70	167.60	176.20	176.80	177.50	177.70	186.20	194.50	193.60
May	150.20	154.00	159.60	168.10	175.80	176.60	178.70	180.40	187.40	194.70	196.60
June	152.50	156.10	162.70	166.30	177.80	176.50	178.30	181.00	187.50	195.30	198.10
July	154.20	155.60	161.70	168.30	177.70	176.30	177.90	182.60	189.90	194.20	199.40
August	152.90	158.70	161.50	167.60	176.60	175.80	177.00	182.30	187.50	195.10	197.90
September	151.80	155.50	163.10	164.60	176.90	175.70	176.40	180.50	186.50	191.90	202.10
October	151.40	155.90	166.70	167.00	175.70	176.10	177.20	179.70	187.30	192.10	205.60
November	152.40	157.10	167.00	168.60	178.10	175.40	176.70	182.60	190.70	193.30	206.80
December	152.60	158.10	167.90	168.30	177.50	176.30	177.20	183.40	192.90	194.20	207.40
Annual Average	151.50	155.78	161.21	167.08	176.10	175.65	177.46	180.06	187.10	193.77	199.24
Inflation Rates as at December:											
(Moving Average)	0.02%	2.83%	3.48%	3.64%	5.40%	-0.26%	1.03%	1.47%	3.91%	3.56%	2.83%
(Point to Point)	1.60%	3.60%	6.20%	0.24%	5.47%	-0.68%	0.51%	3.50%	5.18%	0.67%	6.80%

Source: Government Statistics Department

CONSUMER PRICE INDEX
(Base Year April 1984=100)

CATEGORY	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006r	2007pre
ALL ITEMS	151.5	155.8	161.2	167.1	176.1	175.7	177.5	180.1	187.1	193.8	199.2
FOOD	156.7	163.3	168.0	170.4	175.5	173.4	177.0	178.5	191.1	199.9	209.5
BEVERAGE & TOBACCO	141.9	141.8	143.1	147.0	153.0	157.0	159.2	159.4	161.8	176.1	182.8
CLOTHING & FOOTWEAR	203.0	208.2	219.6	236.4	236.9	237.0	237.0	248.9	248.9	248.9	248.9
HOUSING	112.4	112.6	112.6	110.4	137.3	137.2	137.2	137.2	137.2	137.4	137.6
FUEL & LIGHT	126.9	123.3	124.1	133.0	133.8	131.7	135.6	140.4	151.2	158.9	165.0
FURNISHING & HH EQUIP.	154.5	159.3	168.9	178.2	133.8	131.7	135.6	140.4	191.9	195.0	196.9
MEDICAL CARE & HEALTH	193.2	198.6	215.0	222.1	229.2	239.8	236.1	248.7	249.4	264.0	261.1
TRANSPORT & COMM.	161.6	164.0	164.4	172.4	177.7	184.2	185.5	182.5	188.0	195.4	198.7
ENT., ED.& CULTURE	168.5	172.9	196.0	246.3	299.8	299.4	298.5	301.6	304.3	308.0	309.7
MISCELLANEOUS	134.1	138.2	145.8	152.3	153.4	154.4	153.9	157.0	158.4	167.3	169.1

Source: Government Statistics Department

CONSUMER PRICE INDEX
(Base Year April 1984 = 100)
Percentage Change

CATEGORY	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
ALL ITEMS	0.0%	2.8%	3.5%	3.6%	5.4%	-0.3%	1.0%	1.5%	3.9%	3.6%	2.8%
FOOD	-2.6%	4.2%	2.9%	1.4%	3.0%	-1.2%	2.1%	0.8%	7.1%	4.6%	4.8%
BEVERAGE & TOBACCO	0.2%	-0.1%	0.9%	2.7%	4.1%	2.6%	1.4%	0.1%	1.5%	8.8%	3.8%
CLOTHING & FOOTWEAR	5.1%	2.6%	5.5%	7.7%	0.2%	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%
HOUSING	0.0%	0.2%	0.0%	-2.0%	24.4%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
FUEL & LIGHT	1.8%	-2.8%	0.6%	7.2%	0.6%	-1.6%	3.0%	3.5%	7.7%	5.1%	3.8%
FURNISHING & HH EQUIP.	4.0%	3.1%	6.0%	5.5%	-24.9%	-1.6%	3.0%	3.5%	0.0%	1.6%	1.0%
MEDICAL CARE & HEALTH	5.3%	2.8%	8.3%	3.3%	3.2%	4.6%	-1.5%	5.3%	0.3%	5.8%	-1.1%
TRANSPORT & COMM.	1.4%	1.5%	0.2%	4.9%	3.0%	3.7%	0.7%	-1.7%	3.0%	3.9%	1.7%
ENT., ED. & CULTURE	4.9%	2.6%	13.4%	25.6%	21.7%	-0.1%	-0.3%	1.0%	0.9%	1.2%	0.5%
MISCELLANEOUS	2.4%	3.1%	5.5%	4.4%	0.7%	0.7%	-0.3%	2.0%	0.9%	5.6%	1.1%

Source: Government Statistics Department

MANUFACTURING PRODUCTION

Commodities Manufactured	Unit	2002		2003		2004		2005		2006		2007	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
Food, Beverage & Tobacco		NA	\$60,052,889.00		\$64,261,194.00		\$69,099,007.00		\$78,015,330.00		\$82,474,673.00		\$81,004,812.00
Wearing Apparel	doz.	17,337	\$1,464,552.00	11,977	\$1,011,098.00	15,871	\$1,035,824.00	15,300	\$886,429.00	17,944	\$786,741.00	14,279	\$838,507.00
Textile	No.	103,930,114	\$4,846,851.00	99,988,771	\$7,234,658.00								
Corrugated Paper & Paper Board & Containers of Paper & Paper Board	No.	14,069,000	\$21,206,563.00	10,260,000	\$20,039,754.00	10,997,600	\$21,350,754.00	9,762,500	\$19,713,000.00	11,352,000	\$21,560,000.00	10,341,000	\$21,253,000.00
Other Paper & Paperboard	cases	101,479	\$2,227,537.00	82,468	\$1,790,480.00	68,910	\$1,494,120.00	86,801	\$1,850,644.00	83,212	\$1,803,086.00	84,171	\$1,841,110.00
Wood & Wood Products			\$1,926,789.00		\$2,578,895.00		\$81,164.00		\$69,296.00		\$118,957.00		\$173,300.00
Furniture									\$2,557,411.00		\$3,026,414.00		\$3,609,554.00
Electrical Products	No.	20,821,769	\$25,368,595.00	13,941,696	\$18,477,267.00	14,579,258	\$24,509,763.00	11,890,114	\$28,279,338.00	10,915,601	\$28,083,471.00	10,797,595	\$31,488,638.00
Basic Industrial Chemicals	cu.ft.	1,636,137	\$426,024.00	1,635,706	\$408,833.00	1,722,437	\$836,085.00	1,882,319	\$1,287,939.00		\$1,522,732.00		\$1,267,950.00
Other Chemicals			\$4,740,829.00		\$5,044,213.00		\$5,475,488.00		\$6,903,990.00		\$7,141,862.00		\$6,901,208.00
Plastic Products	No.	1,708,018	\$3,157,175.00	1,659,461	\$3,014,081.00	1,774,021	\$3,295,694.00	1,810,817	\$3,442,505.00	1,995,202	\$4,055,133.00	2,004,835	\$4,395,084.00
Rubber Products	No.	3,541	\$683,514.00	3,052	\$571,573.00	3,556	\$743,398.00	3,286	\$724,484.00	3,559	\$827,090.00	3,265	\$920,446.00
Printed Material			\$2,762,909.00		\$2,778,971.00		\$3,046,382.00	889,932	\$2,902,410.00		\$2,351,532.00		\$2,360,096.00
Metal Products	Tonnes	2,886	\$4,282,809.00	4,089	\$6,190,271.00	3,991	\$7,761,618.00	4,171	\$9,443,674.00	4,292	\$10,853,282.00	4,494	\$13,118,826.00
Total			\$133,147,036.00		\$133,401,288.00		\$138,729,297.00		\$156,076,450.00		\$164,604,973.00		\$169,172,531.00
Copra & Copra Derivatives													
Copra	L.Tonnes	1,270	\$1,138,311.00	1,535	\$1,364,707.00	1,094	\$1,102,750.00	714	\$819,652.00	776	\$955,788.00	644	\$791,885.00
Raw Coconut Oil	Galls	69,867	\$733,607.00	54,035	\$576,368.00	136,610	\$1,434,402.00	105,759	\$1,214,980.00	116,138	\$1,134,705.00	95,125	\$998,818.00
Refined Coconut Oil	Galls	151,092	\$2,039,742.00	193,063	\$2,552,895.00	160,766	\$2,170,345.00	71,494	\$965,170.00	88,729	\$1,118,750.00	118,139	\$1,594,873.00
Coconut Meal	kgs	329,967	\$145,360.00	428,667	\$188,740.00	649,200	\$129,740.00	453,400	\$90,681.00	499,300	\$99,860.00	389,500	\$89,354.00
Total Copra & Copra Derivatives			\$4,057,020.00		\$4,682,710.00		\$4,837,237.00		\$3,090,483.00		\$3,309,103.00		\$3,474,930.00
Total			\$137,204,056.00		\$138,083,998.00		\$143,566,534.00		\$159,166,933.00		\$167,914,076.00		\$172,647,461.00
Growth			16.27%		0.64%		3.97%		10.87%		5.50%		2.82%

ELECTRICITY CONSUMPTION AND OUTPUT
Kilowatt hours (KWh)

Category	2000	2001	2002	2003	2004	2005	2006	2,007	Percentage Change (07/06)	Share of Total Sales (2007)
Domestic Use	85,075	88,443	89,083	93,329	95,877	98,917	101,635	104,784	3.10%	35.18%
Ave. No. of Consumers	40,042	41,982	43,460	44,980	46,347	47,417	48,697	49,199	1.03%	
Commercial Use	85,192	88,577	86,679	91,779	95,697	101,597	103,431	106,924	3.38%	35.90%
Ave. No. of Consumers	5,444	5,210	5,134	5,134	5,259	5,423	5,663	5,693	0.53%	
Hotel Use	46,670	48,440	47,317	53,109	55,446	56,884	57,485	61,227	6.51%	20.56%
Ave. No of Hotels	37	33	33	48	48	52	54	61	12.96%	
Industrial Use	13,249	12,955	12,710	13,221	13,031	12,522	12,982	15,789	21.62%	5.30%
Ave. No. of Ind Consumers	114	117	112	112	96	98	112	101	-9.82%	
Streetlighting	3,893	5,003	3,619	4,720	6,513	7,480	8,865	9,117	2.84%	3.06%
Total Sales	234,080	243,417	239,409	256,158	266,564	277,400	284,398	297,841	4.73%	100%
Internal use	11,759	12,211	11,939	11,973	12,134	13,407	13,071	13,185	0.87%	
Loss in transmission	29,108	29,114	33,212	37,362	30,439	33,115	34,423	34,672	0.72%	
Total Generated	274,946	284,742	284,560	305,493	309,137	323,922	331,892	345,698	4.16%	
Line Loss (%)	10.59	10.22	11.67	12.23	9.85	10.22	10.37	10.03		

Source: LUCELEC

FUEL SURCHARGE (CENTS/UNIT)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
January	14.4	8.8	17.8	18.8	12.6	18.8	19.36	26.40	26.40	0.02
February	12.8	8.2	13.8	20.2	12.4	18.83	20.23	26.21	35.43	0.06
March	12.6	7.9	16.4	16.2	12	22.4	18.6	25.92	31.95	0.03
April	13.7	11.2	18.5	17.6	15.6	21.53	19.78	32.18	3.73	0.02
May	12.1	10	16.7	16.5	15	16.5	19.66	32.74	7.40	0.00
June	12.5	11.5	18.2	17.9	15.6	17.76	21.89	29.60	8.02	0.02
July	9.9	10.3	17.2	16.6	14.3	16.52	20.6	32.42	6.67	0.03
August	10.4	12.8	18.1	15.7	16.3	17.7	23.49	33.98	7.46	0.05
September	9.8	12.9	20.6	16.4	15.7	18.11	26.34	37.34	8.57	0.03
October	10.1	14.4	21.3	15.4	15.9	16.32	24.28	36.50	3.55	0.07
November	10.3	14	22.2	15.6	17.2	18.28	30.61	35.92	1.83	0.09
December	9.9	15.4	22.8	13.4	15.4	17.84	26.34	36.00	3.55	0.15
Average	11.54	11.45	18.63	16.69	14.83	18.38	22.60	32.10	12.05	0.05

Source: LUCELEC

FUEL PRICE (\$/IMP. GALS.)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
January	2.34	1.75	2.70	3.49	2.33	3.19	3.19	4.75	6.28	5.53
February	2.26	1.67	3.17	3.43	2.59	2.59	3.6	4.90	6.05	6.01
March	2.16	1.89	3.13	3.19	2.72	3.58	3	5.47	6.38	6.17
April	2.17	2.04	3.02	2.94	2.75	3.42	3.92	5.49	6.98	6.62
May	2.11	2.04	3.11	3.02	2.7	2.52	3.2	5.24	7.05	6.87
June	2.00	2.08	3.20	3.11	2.81	2.96	3.63	5.76	6.91	7.07
July	1.94	2.27	3.25	3.07	2.89	2.63	3.42	5.93	6.98	7.28
August	1.87	2.44	3.50	2.93	3.07	2.83	3.76	6.42	7.16	7.00
September	1.99	2.60	3.83	2.97	3.09	3.00	4.17	6.43	6.36	7.64
October	1.99	2.58	3.78	2.97	2.99	2.64	4.21	6.31	6.89	8.03
November	1.87	2.74	3.86	2.71	3.19	3.03	5.14	6.75	6.63	9.03
December	1.73	2.83	3.49	2.45	3.19	2.94	4.59	6.96	6.54	8.87
Average	2.04	2.24	3.34	3.02	2.86	2.94	3.82	5.87	6.68	7.18

Source : LUCELEC

This represents the fuel price paid by LUCELEC to Hess, the main sup

IMPORTATION OF COMMERCIAL ENERGY
(in Barrels of Oil Equivalent (BOE))

PRODUCT	2000	2001	2002	2003	2004	2005	2006	2007	Change (07/06)
GAS UnLeaded	300,778.15	310,242.51	256,607.39	318,867.01	316,359.99	333,589.82	349,263.51	349,261.36	0.00%
KERO/AVJET	190,376.57	176,240.40	72,245.58	119,492.36	169,581.97	200,328.23	165,383.61	212,241.31	28.33%
L.P.G.	50,380.85	46,740.12	53,596.24	58,244.72	57,331.00	61,622.72	71,834.89	56,904.10	-20.78%
DIESEL	540,414.45	531,771.30	107,053.59	115,820.94	121,309.81	613,630.72	654,730.63	669,181.02	2.21%
SPRAYTEX	9,781.56	12,075.69	1,476.52	350.60	867.48	N/A	N/A	N/A	-
LUBRICANTS	7,096.10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
TOTAL	1,098,827.68	1,077,070.02	490,979.32	612,775.63	665,450.25	1,209,171.49	1,241,212.64	1,287,587.78	3.74%

Source: Gov't Energy Planning L
Texaco W.I. Ltd & Shell.

LOADED AND LANDED CARGO

	LANDED	YEAR	QUANTITY	LOADED	YEAR	QUANTITY
(1) Break Bulk (in Tons)	Domestic Imports	2002	137,213	Domestic Exports	2002	64,004
		2003	139,363		2003	70,554
		2004	156,523		2004	160,179
		2005	159,982		2005	98,312
		2006	194,235		2006	79,133
		2007	178,872		2007	129,616
	Transshipment (In)	2002	500	Transshipment (Out)	2002	546
		2003	20		2003	24
		2004	59		2004	39
		2005	544		2005	46
		2006	11		2006	33
		2007	44		2007	30
	Sub-Total	2002	137,713	Sub-Total	2002	64,550
		2003	139,383		2003	70,578
		2004	156,582		2004	160,218
		2005	160,526		2005	98,358
		2006	194,246		2006	79,166
		2007	178,916		2007	129,646
(2) Dry/Liquid Bulk (in Tons)	Domestic Imports	2002	119,615	Domestic Exports	2002	Nil
		2003	127,090		2003	1,654
		2004	181,350		2004	20
		2005	129,096		2005	1,654
		2006	119,342		2006	0
		2007	60,172		2007	455
	Transshipment (In)	2002	Nil	Transshipment (Out)	2002	Nil
		2003	Nil		2003	Nil
		2004	Nil		2004	Nil
		2005	Nil		2005	Nil
		2006	Nil		2006	Nil
		2007	Nil		2007	Nil
	Sub-Total	2002	119,615	Sub-Total	2002	Nil
		2003	127,090		2003	1,654
		2004	181,350		2004	20
		2005	129,096		2005	1,654
		2006	119,342		2006	0
		2007	60,172		2007	455
(3) Containers (in TEUs)	Domestic Imports	2002	13,666	Domestic Exports	2002	3,025
		2003	14,255		2003	3,143
		2004	16,370		2004	3,566
		2005	18,918		2005	4,438
		2006	15,344		2006	4,022
		2007	20,895		2007	2,841
	Transshipment (In)	2002	3680	Transshipment (Out)	2002	3528
		2003	3,654		2003	3,538
		2004	5,042		2004	4,746
		2005	5,031		2005	7,425
		2006	5,403		2006	5,235
		2007	4,621		2007	4,474
	Sub-Total	2002	17,346	Sub-Total	2002	6,553
		2003	17,909		2003	6,681
		2004	21,412		2004	8,312
		2005	23,949		2005	11,863
		2006	20,746		2006	9,257
		2007	25,515		2007	7,315

Source : St Lucia Air and Sea Ports Authority

AIRPORT TRAFFIC STATISTICS

AIRCRAFT LANDINGS				PASSENGERS		
G.F.L. Charles						
Year	Arrivals	Departures	Movements	Disembarked	Embarked	Total Handled*
1999	15527	15,504	31,031	177,385	180,751	358,136
2000	16,093	16,099	32,192	193,222	201,086	394,308
2001	16,432	16,352	32,784	198,682	204,979	403,661
2002	16,231	16,259	32,490	199,287	205,190	404,477
2003	16,374	16,404	32,778	210,561	216,919	427,480
2004	17,290	17,290	34,580	227,866	236,584	464,450
2005	16,260	16,260	32,522	206,468	212,628	419,096
2006	17,430	17,430	34,860	200,404	211,738	412,142
2007	14,119	14,084	28,201	185,322	191,420	376,742
Hewanorra						
	Arrivals	Departures	Movements	Disembarked	Embarked	Total Handled*
1999	5,748	5,764	11,512	179,905	181,933	361,838
2000	5,012	4,966	9,978	178,112	173,566	351,678
2001	4,318	4,653	8,971	153,973	148,242	302,215
2002	4,098	4,100	8,198	138,586	137,072	275,658
2003	4,518	4,518	9,036	157,186	153,421	310,607
2004	4,978	4,969	9,947	180,875	173,240	354,115
2005	5,970	5,969	11,939	199,617	194,732	394,349
2006	6,492	6,477	12,969	209,085	204,876	413,961
2007	6,111	6,113	12,224	213,527	205,251	418,778

Source : St.Lucia Air & Sea Ports Authority

* Excludes intransit passengers

AIRCRAFT MOVEMENTS BY ACTIVITY

TOTAL							
AIRCRAFT MOVEMENTS	2001	2002	2003	2004	2005	2006	2007
Scheduled							
Service Landings*	24,077	24,499	22,952	24,232	21,930	24,427	16,373
Non-scheduled							
Service Landings*	13,938	13,457	16,508	18,003	20,048	20,718	20,855
Other							
Service Landings*	4,874	2,896	2,354	2,320	2,483	2,682	3,197

G. F. L. CHARLES AIRPORT

	2001	2002	2003	2004	2005	2006	2007
Scheduled							
Service Landings*	21,122	21,780	20,270	21,284	19,146	21,184	13,329
Non-scheduled							
Service Landings*	8,532	8,400	10,767	11,698	11,866	12,214	13,022
Other							
Service Landings*	3,762	2,310	1,741	1,562	1,510	1,462	1,850

HEWANORRA AIRPORT

	2001	2002	2003	2004	2005	2006	2007
Scheduled							
Service Landings*	2,955	2,719	2,682	2,948	2,784	3,243	3,044
Non-scheduled							
Service Landings*	5,406	5,057	5,741	6,305	8,182	8,504	7,833
Other							
Service Landings*	1,112	586	613	758	973	1,220	1,347

Source: St. Lucia Air & Sea Ports Authority

* Landings, as used in this table, mean Arrivals & Departures.

VEHICLE REGISTRATION

	2001	2002	2003	2004	2005	2006	2007
GOODS VEHICLES	9,186	9,542	9,862	10,252	10,670	11,198	11,211
TAXIS/HIRED VEHICLES	1,881	1,924	2,026	2,211	2,544	3,056	3,453
MOTORCYCLES	768	797	816	819	823	825	840
PRIVATE VEHICLES	20,156	21,330	22,283	23,477	25,013	26,847	29,361
Less than 2800 Lbs.	19,702	20,878	21,828	23,020	24,553	26,386	28,689
Greater than 2800 Lbs.	454	452	455	457	460	461	672
PASSENGER VANS	3,335	3,438	3,482	3,491	3,485	3,481	3,612
0 - 9 Seats	472	473	475	475	474	473	483
10-14 Seats	2,684	2,785	2,828	2,838	2,832	2,828	2,935
15-25	93	94	94	94	95	95	107
Over 25 seats	86	86	85	84	84	85	87
TRACTOR TRAILERS	16	16	17	17	20	24	34
EARTH MOVING EQUIPMENT/TRACTORS	270	309	308	306	307	307	290
OTHER/NOT STATED	663	1,181	1,232	1,261	1,305	1,334	899
TOTAL	36,275	38,566	40,050	41,830	44,167	47,072	49,700

Source: Ministry of Communications, Works, Transport & P.

ST. LUCIA PUBLIC SCHOOLS

CXC GENERAL AND TECHNICAL

PROFICIENCY ENTRIES AND RESULTS BY SUBJECT: 2007

<i>SUBJECT</i>	<i>General and Technical</i>		
	No.Sat	No. Pass	Pass Rate %
Agricultural Science (Single Award)	110	53	48.18
Agricultural Science (Double Award)	221	168	76.02
Biology	365	264	72.33
Caribbean History	215	144	66.98
Chemistry	257	169	65.76
Clothing and Textiles	106	86	81.13
Electrical and Electronic Technology	71	64	90.14
Economics	44	32	72.73
English A	2171	1141	52.56
English B (Literature)	317	237	74.76
Food and Nutrition	446	417	93.50
French	468	363	77.56
Geography	264	151	57.20
Home Economics Management	27	26	96.30
Integrated Science	860	742	86.28
Mathematics	1984	714	35.99
Music	19	18	94.74
Office Administration	506	452	89.33
Physics	241	132	54.77
Principles of Accounts	566	372	65.72
Principles of Business	1164	923	79.30
Social Studies	1515	1258	83.04
Spanish	464	281	60.56
Technical Drawing	318	189	59.43
Theatre Arts	17	15	88.24
Visual Arts	121	79	65.29
Electronic Document Preparation and Management	232	228	98.28
Physical Education and Sports General	40	39	97.50
Human and Social Biology	363	232	63.91
Building Technology (Construction)	113	74	65.49
Building Technology (Woods)	57	41	71.93
Information Technology	543	449	82.69
Mechanical Engineering Technology	9	6	66.67
Total	14214	9559	67.25

Source: Ministry of Education

PRIMARY SCHOOLS
ANALYSIS OF SCHOOLS, PUPILS AND TEACHERS

ACADEMIC YEAR	No.of Schools	Number of Pupils			Number of Teachers		
		Male	Female	TOTAL	Male	Female	TOTAL
1992/93	85	16,456	15,472	31,928	203	971	1,174
1993/94	82	16,179	15,439	30,486	169	969	1,138
1994/95	84	15,986	15,208	31,194	195	985	1,180
1995/96	86	16,004	15,368	31,372	195	944	1,139
1996/97	84	16,159	15,389	31,548	213	962	1,175
1997/98	84	16,111	15,326	31,437	220	948	1,168
1998/99	82	14,393	14,232	29,631	176	959	1,135
1999/00	82	14,991	13,984	28,975	171	910	1,081
2000/01	82	14,991	13,627	28,618	180	872	1,052
2001/02	82	14,588	13,367	27,955	170	892	1,062
2002/03	81	14,323	12,852	27,175	158	899	1,057
2003/04	78	13,522	12,151	25,673	153	886	1,039
2004/05	78	13,193	11,816	25,009	151	873	1,024
2005/06	78	12,559	11,410	23,969	154	853	1,007
2006/07	75	10947	10382	21329	118	801	919

Source: Ministry of Education

SECONDARY SCHOOLS
ANALYSIS OF SCHOOLS, PUPILS AND TEACHERS

Academic Year	Number of. schools	No. of pupils			No. of Teachers		
		Male	Female	TOTAL	Male	Female	TOTAL
1992/93	14	3,973	5,196	9,169	199	308	507
1993/94	14	4,193	5,528	9,721	249	323	572
1994/95	14	4,435	5,755	10,190	279	340	619
1995/96	15	4,431	5,883	10,314	247	373	620
1996/97	15	4,870	6,212	11,082	247	385	632
1997/98	15	5,050	6,490	11,540	255	375	630
1998/99	16	5,406	6,441	11,847	264	376	640
1999/00	18	5,367	7,163	12,530	253	392	645
2000/01	18	5,544	7,194	12,738	256	422	678
2001/02	18	5,488	7,255	12,743	256	454	710
2002/03	18	5,469	7,186	12,655	261	445	706
2003/04	19	5,659	7,272	12,931	256	474	730
2004/05	19	5,745	7,070	12,815	267	463	730
2005/06	19	5,800	7,165	12,965	265	473	738
2006/07	23	6,854	7,724	14,578	294	561	855

Source: Ministry of Education

CAMBRIDGE ADVANCED LEVEL EDUCATION PASS RATE

Institution	% Pass Rate (Grades A-E)							
	2000	2001	2002	2003	2004	2005	2006	2007
Sir Arthur Lewis Community College (SALCC)	76.31	72.07	75.30	81.3	79.76	79.31	80.41	81.72
Vieux Fort Comprehensive Sec. Sch. (VFCSS)	72.19	59.38	76.90	70.76	65.8	69.5	83.14	67.52

Source: Ministry of Education

GOVERNMENT RECURRENT EXPENDITURE ON EDUCATION (EC\$ Millions)

Head Title	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Early Childhood Educ.	0.25	0.38	0.24	0.39	0.36	0.27	0.36	0.45	0.45	0.53	1.91
Special Education	0.91	1.13	1.26	1.31	1.45	1.35	1.49	1.52	1.65	1.64	1.79
Primary Education	37.33	38.23	37.77	42.13	43.32	45.96	45.28	44.4	46.20	46.12	49.59
Secondary Education	24.47	25.96	25.21	28.53	28.41	30.44	32.29	32.13	34.29	35.81	39.25
Tertiary Education	11.53	13.54	14.31	13.81	13.15	13.75	12.86	12.65	12.50	14.09	13.56
Adult Education	0.57	0.88	0.30	0.65	0.63	0.58	0.86	0.85	0.80	0.66	0.65
Total	75.06	80.12	79.09	86.82	87.32	92.35	93.14	92.00	95.89	98.85	106.75

Source: Ministry of Finance

ESTIMATED MID-YEAR POPULATION AND VITAL STATISTICS

POPULATION ESTIMATES	1998	1999r	2000	2001	2002	2003	2004r	2005p	2006e	2007e
ESTIMATES	151,952	153,703	155,996	157,898	159,133	160,620	162,434	164,587	166,838	171,226
LIVE BIRTHS										
Male	1,506	1,497	1,406	1,405	1,330	1,270	1,243	1,137	1,150	1,192
Female	1,444	1,500	1,498	1,383	1,268	1,216	1,141	1,161	1,106	1,150
Total	2,950	2,997	2,904	2,788	2,598	2,486	2,384	2,298	2,256	2,342
<i>of unmarried parents</i>	2,532	2,543	2,493	2,369	2,229	2,111	2,035	1,978	1,918	1,991
Birth rate (per 1000 of pop.)	19.4	19.5	18.6	17.7	16.3	15.5	14.7	14.0	13.5	13.7
STILL BIRTHS										
Male	21	27	23	13	27	16	16	15	21	20
Female	18	19	18	19	24	21	23	16	7	10
Total	39	46	41	32	51	37	39	31	28	30
DEATHS										
Male	536	515	508	531	512	584	598	627	660	695
Female	440	466	433	467	448	462	516	483	560	603
Total	976	981	941	998	960	1,046	1,114	1,110	1,220	1,298
<i>of which infants under one year</i>										
Male	26	25	21	16	17	16	22	30	28	31
Female	22	17	17	21	19	21	23	19	23	24
Total	48	42	38	37	36	37	45	49	51	55
Death Rate	6.4	6.4	6.0	6.3	6.0	6.5	6.9	6.7	7.3	7.6
Infant Mortality Rate	16.3	14.0	13.1	13.3	13.9	14.9	18.9	21.3	22.6	23.5
MARRIAGES	627	732	655	513	500	540	542	644	602	650
DIVORCES	59	63	49	76	45	113	131	135	130	140

Source: Government Statistics Department

e=Estimated

r=Revised

p=Preliminary

ESTIMATED MID - YEAR POPULATION BY SEX and AGE GROUP

GROUP	2004r			2005p			2006e			2007e		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	6,628	6,886	13,514	6,923	7,055	13,978	7,165	7,217	14,382	8,883	8,417	17,300
5-9	8,000	7,939	15,939	7,694	7,691	15,385	7,488	7,513	15,001	6,821	7,056	13,877
10-14	8,783	8,667	17,450	8,750	8,591	17,341	8,703	8,528	17,231	8,547	8,392	16,939
15-19	8,598	8,873	17,471	8,680	8,885	17,565	8,752	8,893	17,645	8,719	8,731	17,450
20-24	7,475	7,733	15,208	7,748	8,040	15,788	8,020	8,292	16,312	8,296	8,677	16,973
25-29	6,493	6,875	13,368	6,606	6,948	13,554	6,751	7,061	13,812	6,905	7,119	14,024
30-34	5,919	6,353	12,272	6,043	6,469	12,512	6,156	6,588	12,744	6,262	6,766	13,028
35-39	5,693	6,090	11,783	5,686	6,100	11,786	5,686	6,106	11,792	5,719	6,101	11,820
40-44	5,176	5,506	10,682	5,331	5,701	11,032	5,460	5,844	11,304	5,569	5,992	11,561
45-49	4,098	4,110	8,208	4,317	4,390	8,707	4,437	4,651	9,088	4,735	4,970	9,705
50-54	3,117	3,064	6,181	3,274	3,200	6,474	3,426	3,342	6,768	3,599	3,549	7,148
55-59	2,305	2,538	4,843	2,408	2,598	5,006	2,529	2,677	5,206	2,703	2,783	5,486
60-64	1,865	2,144	4,009	1,893	2,191	4,084	1,926	2,230	4,156	1,979	2,316	4,295
65-69	1,708	1,914	3,622	1,679	1,897	3,576	1,658	1,905	3,563	1,681	1,937	3,618
70-74	1,399	1,561	2,960	1,419	1,593	3,012	1,442	1,634	3,076	1,455	1,699	3,154
75-79	915	1,025	1,940	907	1,036	1,943	925	1,075	2,000	998	1,170	2,168
80+	1,235	1,749	2,984	1,191	1,653	2,844	1,155	1,603	2,758	1,116	1,564	2,680
TOTAL	79,407	83,027	162,434	80,549	84,038	164,587	81,679	85,159	166,838	83,987	87,239	171,226

Source: Government Si

p-Preliminary

r-Revised

e-Estimated

ESTIMATED MID-YEAR POPULATION BY DISTRICT

Administrative Areas	1998	1999	2000	2001	2002	2003	2004r	2005p	2006e	2007e
Castries	60,934	61,823	62,967	64,404	64,957	65,565	66,365	67,286	68,209	69,928
Vieux Fort	14,448	14,624	14,833	14,757	14,904	15,130	15,409	15,675	15,942	16,629
Soufriere	8,910	8,953	9,075	7,665	7,706	7,759	7,824	7,930	8,037	8,296
Micoud	17,194	17,423	17,708	16,051	16,143	16,267	16,407	16,599	16,794	17,215
Dennerly	12,603	12,778	12,966	12,767	12,876	12,997	13,105	13,279	13,458	13,843
Anse-la-Ray	6,090	6,203	6,356	6,071	6,136	6,215	6,298	6,364	6,468	6,578
Canaries	1,919	1,923	1,935	1,787	1,789	1,812	1,835	1,874	1,920	1,945
Laborie	8,630	8,727	8,861	7,365	7,414	7,458	7,539	7,618	7,705	7,869
Gros-Islet	14,055	13,994	13,972	20,892	21,034	21,207	21,370	21,643	21,929	22,519
Choiseul	7,169	7,255	7,323	6,139	6,174	6,210	6,282	6,319	6,376	6,404
Total	151,952	153,703	155,996	157,898	159,133	160,620	162,434	164,587	166,838	171,226

Source: Government Statistics Department

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

	2001/02	2002/03	2003/04	2004/05 R	2005/06	2006/07 r	2007/08 pre	Change
Total Revenue & Grants	458.18	497.27	533.04	559.68	615.94	664.37	731.96	10.2%
<i>of which:</i>								
Grants	26.30	36.29	32.89	0.00	6.00	6.64	4.14	-37.7%
Capital revenue	2.68	19.85	8.64	0.87	0.63	0.63	0.00	
Current Revenue	429.21	441.13	491.50	558.81	609.31	657.10	727.83	10.8%
Tax Revenue	385.27	404.97	453.05	512.91	566.66	621.96	683.68	9.9%
<i>of which:</i>								
Taxes on Income	117.77	104.95	109.91	131.48	156.61	160.34	194.91	21.6%
Taxes on Goods & Services	153.08	174.83	190.43	205.11	198.57	219.11	237.64	8.5%
Taxes on International Trade	93.76	120.82	148.89	172.67	205.69	238.35	245.97	3.2%
Others	4.67	4.37	3.82	3.65	5.78	4.15	5.16	24.3%
Non Tax Revenue	43.94	36.16	38.45	45.90	42.66	35.15	44.15	25.6%
Total Expenditure	531.71	572.22	654.22	725.86	761.71	832.10	790.23	-5.0%
of which, Capital & Net Lending	132.59	150.00	176.51	219.88	248.44	280.67	218.47	-22.2%
Capital Expenditure	132.59	150.00	176.51	219.88	248.44	280.67	218.47	-22.2%
Net Lending	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Current Expenditure	399.12	422.22	477.71	505.98	513.27	551.43	571.76	3.7%
<i>of which:</i>								
Wages & Salaries	212.75	211.62	226.70	228.79	233.65	250.93	258.18	2.9%
Interest Payments	39.18	40.49	54.74	66.87	73.02	84.27	92.91	10.3%
Goods & Services	70.72	78.13	85.89	87.64	96.12	101.48	105.37	3.8%
Current Transfers	42.20	56.76	69.43	75.85	67.15	68.50	66.81	-2.5%
Current Balance	30.09	18.91	13.79	52.83	96.04	105.67	156.07	47.7%
Primary Balance	-34.35	-34.46	-66.45	-99.31	-72.75	-83.47	34.65	-141.5%
Overall Balance	-73.53	-74.95	-121.19	-166.18	-145.77	-167.74	-58.26	-65.3%

R=Revised

Pre-Preliminary

* April to March

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

	2002/03	2003/04	2004/05	2005/06 r	2006/07r	2007/08 pre
Total Revenue & Grants	27.08%	27.40%	26.84%	26.97%	26.45%	27.82%
<i>of which:</i>						
Grants	1.98%	1.69%	0.00%	0.26%	0.26%	0.16%
Capital revenue	1.08%	0.44%	0.04%	0.03%	0.02%	0.00%
Current Revenue	24.02%	25.27%	26.80%	26.68%	26.16%	27.66%
Tax Revenue	22.05%	23.29%	24.60%	24.81%	24.76%	25.98%
<i>of which:</i>						
Taxes on Income	5.72%	5.65%	6.30%	6.86%	6.38%	7.41%
Taxes on Goods & Services	9.52%	9.79%	9.84%	8.69%	8.72%	9.03%
Taxes on International Trade	6.58%	7.66%	8.28%	9.01%	9.49%	9.35%
Others	0.24%	0.20%	0.17%	0.25%	0.17%	0.20%
Non Tax Revenue	1.97%	1.98%	2.20%	1.87%	1.40%	1.68%
Total Expenditure	31.16%	33.64%	34.81%	33.35%	33.13%	30.03%
of which, Capital & Net Lending	8.17%	9.08%	10.54%	10.88%	11.17%	8.30%
Capital Expenditure	8.17%	9.08%	10.54%	10.88%	11.17%	8.30%
Net Lending	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Current Expenditure	22.99%	24.56%	24.26%	22.47%	21.95%	21.73%
<i>of which:</i>						
Wages & Salaries	11.52%	11.66%	10.97%	10.23%	9.99%	9.81%
Interest Payments	2.20%	2.81%	3.21%	3.20%	3.35%	3.53%
Goods & Services	4.25%	4.42%	4.20%	4.21%	4.04%	4.00%
Current Transfers	3.09%	3.57%	3.64%	2.94%	2.73%	2.54%
Current Balance	1.03%	0.71%	2.53%	4.20%	4.21%	5.93%
Primary Balance	-1.88%	-3.42%	-4.76%	-3.19%	-3.32%	1.32%
Overall Balance	-4.08%	-6.23%	-7.97%	-6.38%	-6.68%	-2.21%

Memorandum Items:

Market Prices (EC\$mn) 1,836.30 1,945.03 2,085.40 2,284.06 2,511.77 2,631.50

R=Revised

Pre=Preliminary

CENTRAL GOVERNMENT REVENUE*

ECONOMIC CLASSIFICATION

(EC\$ millions)

	2002/03	2003/04	2004/5	2005/06 R	2006/07 R	2007/08 Pre	Change
Total Revenues and Grants	497.27	533.04	559.68	615.94	664.37	731.96	10.2%
Capital Grants	36.29	32.89	0.00	6.00	6.64	4.14	-37.7%
Capital Revenue	19.85	8.64	0.87	0.63	0.63	0.00	-100.0%
CURRENT REVENUE	441.13	491.50	558.81	609.31	657.10	727.83	10.8%
Tax Revenue	404.97	453.05	512.91	566.66	621.96	683.68	9.9%
Taxes on Income	104.95	109.91	131.48	156.61	160.34	194.91	21.6%
Individuals	47.70	43.75	49.69	58.27	64.04	71.33	11.4%
Withholdings	4.89	3.86	3.73	17.00	12.50	5.22	-58.3%
Corporations	42.17	44.80	54.65	59.51	65.24	91.95	40.9%
Arrears	18.79	24.89	31.62	29.98	27.20	34.91	28.4%
Less Tax Refunds	-8.60	-7.40	-8.21	-8.15	-8.63	-8.50	-1.5%
Tax on Property	4.37	3.82	3.65	5.78	4.15	5.16	24.3%
Property Tax	4.37	3.82	3.65	5.78	4.15	5.16	24.3%
Tax On Goods And Services	174.83	190.43	205.11	198.57	219.11	237.64	8.5%
Consumption Tax	112.76	121.00	123.46	112.41	117.87	122.09	3.6%
Consumption tax (imports)	107.76	114.43	117.16	104.20	111.98	112.24	0.2%
Consumption tax (domestic)	4.93	6.57	6.31	8.21	8.05	9.85	22.4%
Excise tax (domestic)	6.31	7.17	7.57	6.42	3.89	2.59	-33.3%
Hotel Occupancy tax	19.49	22.17	26.26	29.35	29.53	33.45	13.3%
Insurance Premium Tax	4.21	4.11	4.52	4.93	5.90	7.17	21.6%
Licences	8.72	16.63	18.82	15.50	16.97	22.20	30.8%
Fuel Surcharge	2.72	3.11	3.21	2.78	3.44	3.57	3.8%
Stamp Duties (Inland Revenue)	19.56	11.48	15.21	18.02	25.96	31.49	21.3%
Cellular Tax	1.13	4.75	6.04	7.63	9.05	11.95	32.0%
Passenger Facility Fee	0.00	0.00	0.00	1.54	4.35	3.14	-28.0%
Taxes on International Trade and Transactions	120.82	148.89	172.67	205.69	238.35	245.97	3.2%
Import Duty	57.41	69.45	75.25	90.06	98.35	107.01	8.8%
Thruput Charges	0.96	0.40	0.63	2.01	1.12	3.11	176.5%
Travel Tax	2.52	4.91	5.50	5.17	3.95	3.30	-16.4%
Service Charge (imports)	30.17	39.31	46.34	52.23	65.38	64.77	-0.9%
Environmental Levy	9.63	11.74	13.46	17.96	21.56	18.03	-16.4%
Airport Tax	4.07	4.39	5.98	4.14	6.87	5.90	-14.1%
Security Charge	0.00	0.15	0.82	0.84	2.00	0.88	-56.1%
Excise tax (imports)	16.06	18.53	24.69	33.28	39.12	42.98	9.9%
Non-Tax Revenue	36.16	38.45	45.90	42.66	35.15	44.15	25.6%
Earnings From Govt. Depts.	3.60	5.43	5.81	3.76	3.01	1.48	-50.8%
E.C.C.B. Profits	2.28	1.79	1.72	0.00	0.00	3.32	
Interest and rents	10.66	7.39	6.41	14.95	8.95	12.44	39.0%
Fees, Fines and Sales	15.47	20.31	23.00	20.87	19.29	23.40	21.3%
Other Non Tax Revenues	4.15	3.54	8.96	3.07	3.91	3.51	-10.1%

R=Revised

Pre=Preliminary

* April to March

CENTRAL GOVERNMENT REVENUE TO GDP
ECONOMIC CLASSIFICATION
(% GDP)

	2002/03	2003/04	2004/05	2005/06	2006/07r	2007/2008p
Total Revenues and Grants	27.08%	27.40%	26.84%	26.97%	26.45%	27.82%
Capital Grants	1.98%	1.69%	0.00%	0.26%	0.26%	0.16%
Capital Revenue	1.08%	0.44%	0.04%	0.03%	0.02%	0.00%
CURRENT REVENUE	24.02%	25.27%	26.80%	26.68%	26.16%	27.66%
Tax Revenue	22.05%	23.29%	24.60%	24.81%	24.76%	25.98%
Taxes on Income	5.72%	5.65%	6.30%	6.86%	6.38%	7.41%
Individuals	2.60%	2.25%	2.38%	2.55%	2.55%	2.71%
Withholdings	0.27%	0.20%	0.18%	0.74%	0.50%	0.20%
Corporations	2.30%	2.30%	2.62%	2.61%	2.60%	3.49%
Arrears	1.02%	1.28%	1.52%	1.31%	1.08%	1.33%
Less Tax Refunds	-0.47%	-0.38%	-0.39%	-0.36%	-0.34%	-0.32%
Tax on Property	0.24%	0.20%	0.17%	0.25%	0.17%	0.20%
Property Tax	0.24%	0.20%	0.17%	0.25%	0.17%	0.20%
Tax On Goods And Services	9.52%	9.79%	9.84%	8.69%	8.72%	9.03%
Consumption Tax	6.14%	6.59%	6.72%	6.12%	6.42%	6.65%
Consumption tax (imports)	5.87%	5.88%	5.62%	4.56%	4.46%	4.27%
Consumption tax (domestic)	0.27%	0.34%	0.30%	0.36%	0.32%	0.37%
Excise tax (domestic)	0.34%	0.37%	0.36%	0.28%	0.15%	0.10%
Hotel Occupancy tax	1.06%	1.14%	1.26%	1.28%	1.18%	1.27%
Insurance Premium Tax	0.23%	0.21%	0.22%	0.22%	0.23%	0.27%
Licences	0.47%	0.86%	0.90%	0.68%	0.68%	0.84%
Fuel Surcharge	0.15%	0.16%	0.15%	0.12%	0.14%	0.14%
Stamp Duties (Inland Revenue)	1.07%	0.59%	0.73%	0.79%	1.03%	1.20%
Cellular Tax	0.06%	0.24%	0.29%	0.33%	0.36%	0.45%
Passenger Facility Fee				0.07%	0.17%	0.12%
Taxes on International Trade and Transactions	6.58%	7.66%	8.28%	9.01%	9.49%	9.35%
Import Duty	3.13%	3.57%	3.61%	3.94%	3.92%	4.07%
Thruput Charges	0.05%	0.02%	0.03%	0.09%	0.04%	0.12%
Travel Tax	0.14%	0.25%	0.26%	0.23%	0.16%	0.13%
Service Charge (imports)	1.64%	2.02%	2.22%	2.29%	2.60%	2.46%
Environmental Levy	0.52%	0.60%	0.65%	0.79%	0.86%	0.69%
Airport Tax	0.22%	0.23%	0.29%	0.18%	0.27%	0.03%
Security Charge	0.00%	0.01%	0.04%	0.04%	0.08%	0.03%
Excise tax (imports)	0.87%	0.95%	1.18%	1.46%	1.56%	1.68%
Non-Tax Revenue	1.97%	1.98%	2.20%	1.87%	1.40%	1.68%
Earnings From Govt. Depts.	0.20%	0.28%	0.28%	0.16%	0.12%	0.06%
E.C.C.B. Profits	0.12%	0.09%	0.08%	0.00%	0.00%	0.13%
Interest and rents	0.58%	0.38%	0.31%	0.65%	0.36%	0.47%
Fees, Fines and Sales	0.84%	1.04%	1.10%	0.91%	0.77%	0.89%
Other Non Tax Revenues	0.23%	0.18%	0.43%	0.13%	0.16%	0.13%

Memorandum Items:

GDP at Market Prices (EC\$M) 1,836.30 1,945.03 2,085.40 2,284.06 2,511.77 2,631.50

R=Revised

Pre=Preliminary

CENTRAL GOVERNMENT EXPENDITURE
ECONOMIC CLASSIFICATION*
(EC\$ millions)

	2002/03	2003/04R	2004/05R	2005/06	2006/07r	2007/2008pre	Change
Wages and Salaries	211.62	226.70	228.79	233.65	250.93	258.18	2.9%
wages	27.72	28.17	29.43	28.77	32.74	34.16	4.3%
salaries	183.90	187.68	193.81	192.26	216.99	224.02	3.2%
retro-active	0.00	10.86	5.55	12.63	1.20	0.00	-100.0%
N.I.S	3.02	3.37	5.23	4.01	4.92	5.37	9.2%
Retiring Benefits	32.21	37.58	41.61	39.32	41.33	43.13	4.3%
Interest Payments	40.49	58.81	67.06	73.02	84.27	92.91	10.3%
domestic	20.04	17.97	20.86	24.10	27.68	30.66	10.8%
foreign	20.44	40.84	46.20	48.93	56.59	62.25	10.0%
Goods and Services	78.13	85.89	87.64	96.12	101.48	105.37	3.8%
Current Transfers	56.76	69.43	75.85	67.15	68.50	66.81	-2.5%
public sector	52.34	56.64	66.38	61.86	61.26	60.45	-1.3%
private sector	4.42	12.79	9.47	5.29	7.23	6.35	-12.2%
subsidies	1.20	7.02	3.97	0.90	3.30	2.68	-18.7%
other	3.22	5.77	5.50	4.38	3.93	3.67	-6.6%
Current Expenditure	422.22	481.78	506.18	513.27	551.43	571.76	3.7%
Capital Expenditure	150.00	176.51	219.88	248.44	280.67	218.47	-22.2%
Local Revenue	8.39	7.08	31.19	11.20	11.99	58.99	392.0%
Grants	22.50	19.68	71.57	8.04	10.52	4.37	-58.5%
Loans	119.11	90.42	63.43	110.39	106.35	43.69	-58.9%
Bonds	0.00	59.32	53.69	118.81	151.82	111.42	-26.6%
Total Expenditure	572.22	654.22	725.86	761.71	832.10	790.23	-5.0%

* April to March

R=Revised

Pj=projected

CENTRAL GOVERNMENT EXPENDITURE TO GDP
APRIL TO MARCH
ECONOMIC CLASSIFICATION
(% GDP)

	2002/03	2003/04	2004/05r	2005/06	2006/07r	2007pre
Wages and Salaries	11.52%	11.66%	10.97%	10.23%	9.99%	9.81%
wages	1.51%	1.45%	1.41%	1.26%	1.30%	1.30%
salaries	10.01%	9.65%	9.29%	8.42%	8.64%	8.51%
retro-active	0.00%	0.56%	0.27%	0.55%	0.05%	0.00%
N.I.S	0.16%	0.17%	0.25%	0.18%	0.20%	0.20%
Retiring Benefits	1.75%	1.93%	2.00%	1.72%	1.65%	1.64%
Interest Payments	2.20%	3.02%	3.22%	3.20%	3.35%	3.53%
domestic	1.09%	0.92%	1.00%	1.06%	1.10%	1.17%
foreign	1.11%	2.10%	2.22%	2.14%	2.25%	2.37%
Goods and Services	4.25%	4.42%	4.20%	4.21%	4.04%	4.00%
Current Transfers	3.09%	3.57%	3.64%	2.94%	2.73%	2.54%
public sector	2.85%	2.91%	3.18%	2.71%	2.44%	2.30%
private sector	0.24%	0.66%	0.45%	0.23%	0.29%	0.24%
subsidies	0.07%	0.36%	0.19%	0.04%	0.13%	0.10%
other	0.18%	0.30%	0.26%	0.19%	0.16%	0.14%
Current Expenditure	22.99%	24.77%	24.27%	22.47%	21.95%	21.73%
Capital Expenditure	8.17%	9.08%	10.54%	10.88%	11.17%	8.30%
Local Revenue	0.46%	0.36%	1.50%	0.49%	0.48%	2.24%
Grants	1.23%	1.01%	3.43%	0.35%	0.42%	0.17%
Loans	6.49%	4.65%	3.04%	4.83%	4.23%	1.66%
Bonds	0.00%	3.05%	2.57%	5.20%	6.04%	4.23%
TOTAL EXP	31.16%	33.64%	34.81%	33.35%	33.13%	30.03%

GDP at Market Prices (EC\$M) 1,836.30 1,945.03 2,085.40 2,284.06 2,511.77 2,631.50

r=Revised

Pj=Projected

TOTAL PUBLIC SECTOR OUTSTANDING LIABILITIES

As at December 31, 2007

(in EC\$000's)

	2001	2002	2003	2004	2005r	2006	2007	Change
TOTAL OUTSTANDING LIABILITIES	974,330.00	1,092,455.90	1,239,113.36	1,420,152.65	1,528,242.94	1,641,899.85	1,774,398.18	8.07%
1. OFFICIAL DEBT	947,776.30	1,076,637.20	1,213,174.70	1,399,960.15	1,510,938.84	1,624,735.27	1,760,487.18	8.36%
A. Central Gov't.								
Outstanding Debt	695,938.30	826,110.20	968,158.80	1,175,864.31	1,296,263.53	1,427,373.44	1,582,172.36	10.85%
- Domestic	310,579.30	318,480.00	231,197.30	345,882.34	395,340.26	470,080.51	596,867.01	26.97%
- External	385,359.00	507,630.20	736,961.50	829,981.97	900,923.27	957,292.93	985,305.35	2.93%
B. Government Guaranteed								
Outstanding Debt	212,499.10	197,147.80	187,861.00	167,923.96	160,136.77	143,680.87	125,501.82	-12.65%
- Domestic	42,808.40	45,616.10	74,359.70	39,177.32	47,545.20	45,430.42	40,160.88	-11.60%
- External	169,690.70	151,531.70	140,501.30	128,746.64	112,591.57	98,250.45	85,340.95	-13.14%
C. Public Non-Guaranteed								
Outstanding Debt	39,338.90	53,379.20	57,154.90	56,171.97	54,538.53	53,680.96	52,812.99	-1.62%
- Domestic	16,907.30	22,970.50	24,466.30	23,185.60	21,976.76	20,750.89	19,525.02	-5.91%
- External	22,431.60	30,408.70	32,688.60	32,986.37	32,561.77	32,930.07	33,287.97	1.09%
Outstanding payables	26,553.70	15,818.70	25,938.66	20,192.51	17,304.10	17,164.58	13,911.00	-18.96%
Total Domestic	370,295.00	387,066.60	330,023.30	408,245.26	464,862.22	536,261.82	656,552.91	22.43%
Total External	577,481.30	689,570.60	910,151.40	991,714.98	1,046,076.61	1,088,473.45	1,103,934.27	1.42%

Source: Debt & Investment Unit

r=Revised

Central Gov't Debt/GDP (%)	37.52	43.40	47.95	54.36	54.60	56.65	61.03
Public Sector Debt/GDP (%)	51.09	56.56	60.08	64.72	63.64	64.48	67.90

DISTRIBUTION OF CENTRAL GOVERNMENT OUTSTANDING LIABILITIES
BY CLASS OF HOLDER & TERM OF INSTRUMENT
as at December 31, 2007

	LONGTERM [>10 years]				MEDIUM TERM [>5 - 10YRS]				SHORT TERM [1 - 5 Years]					TOTAL
	Bonds	Loans & Advances	Other	Sub-total	Bonds	Loans & Advances	Other	Sub-total	Bonds	Treasury Bills	Loans & Advances	Other	Sub-Total	
1. DOMESTIC														
A. Monetary Authorities														
1. ECCB		0.0		0.0	0.0			0.0	2,000.0	0.0			2,000.0	2,000.0
B. Financial Institutions														
1. Commercial Banks	472.5	0.0		472.5	36,938.0	88,400.0	76,682.0	202,020.0	46,200.0	12,840.6	78,491.5		137,532.1	340,024.6
2. Insurance Companies	4,443.5			4,443.5	1,285.0	0.0	600.0	1,885.0	7,256.0	17,874.8			25,130.8	31,459.4
3. Other	36,790.0			36,790.0	54,273.0		8,250.0	62,523.0	1,203.0	79.3			1,282.3	100,595.3
C. Non-Financial Private Sector							0.0	0.0	0.0	0.0			0.0	0.0
D. Non-Financial Public Sector	15,000.0			15,000.0	56,364.0		5,000.0	61,364.0	15,000.0	26,404.8			41,404.8	117,768.8
E. Other (Private Individuals & Agencies included)	50.0			50.0	380.0		237.0	617.0	2,015.0	331.6			2,346.6	3,013.6
F. Short term credits								0.0					0.0	0.0
Sub-Total	56,756.0	0.0	0.0	56,756.0	149,240.0	88,400.0	90,769.0	328,409.0	73,674.0	57,531.2	78,491.5	0.0	209,696.7	594,861.7
11. EXTERNAL														
A. Monetary Authorities														
1. ECCB				0.0	0.0			0.0	11,064.0	0.0	0.0		11,064.0	11,064.0
B. Int'l Development Institutions						0.0		0.0			0.0		0.0	327,018.9
1. C.D.B.		327,018.9		327,018.9				0.0					0.0	327,018.9
2. E.I.B.		2,070.9		2,070.9				0.0					0.0	2,070.9
3. I.F.A.D.		2,426.8		2,426.8				0.0					0.0	2,426.8
4. OPEC		1,800.1		1,800.1				0.0					0.0	1,800.1
5. IDA		123,381.6		123,381.6				0.0					0.0	123,381.6
6. IBRD		49,461.2		49,461.2				0.0					0.0	49,461.2
C. Foreign Governments				0.0										
1. France		60,545.9		60,545.9				0.0					0.0	60,545.9
2. Kuwait		22,623.7		22,623.7				0.0					0.0	22,623.7
C. Other Foreign Institutions														
1. Regional				0.0				0.0			0.0		0.0	0.0
2. Extra Regional				0.0	0.0	1,742.2		1,742.2					0.0	1,742.2
E. OTHER														
1. Royal Merchant Bank	188,773.3			188,773.3	0.0			0.0					0.0	188,773.3
2. Citibank	95,447.9			95,447.9				0.0			0.0		0.0	95,447.9
3. Other	23,144.0			23,144.0	30,260.0	0.0	9,231.0	39,491.0	18,410.0	13,320.5			31,730.5	94,365.5
Sub-Total	307,365.2	589,329.1	0.0	896,694.3	30,260.0	1,742.2	9,231.0	41,233.2	29,474.0	13,320.5	0.0	0.0	42,794.5	980,722.0
PAYABLES												13,911.0	13,911.0	13,911.0
GRAND TOTAL	364,121.2	589,329.1	0.0	953,450.3	179,500.0	90,142.2	100,000.0	369,642.2	103,148.0	70,851.6	78,491.5	13,911.0	266,402.1	1,589,494.7

Note (1) The long term "other" figure of \$63892.5 representing securities (promissory notes) to Multilateral Development Institutions viz : IMF/IBRD has been omitted.

(2) The short term loans and advances figure includes \$2315 representing the overdraft facility with Commercial Banks.

(3) The figure \$17164.5 representing outstanding payables is not broken down into the external and domestic components.

DISTRIBUTION OF PUBLIC SECTOR LIABILITIES
BY CLASS OF HOLDER & TYPE OF LIABILITY
as at December 31, 2007

	OFFICIAL DEBT														GRAND TOTAL
	(a) CENTRAL GOV'T.					(b) GOVERNMENT GUARANTEED				(c) NON-GUARANTEED					
	(d) ARREARS			(e) CURR.	(f) TOTAL	(g) ARREARS	INT.	(h) CURR.	(i) TOTAL	(j) ARREARS	INT.	(k) CURR.	(l) TOTAL		
	PRIN.	INT.	SUB TOTAL		d + e	PRIN.			g + h	PRIN.			j + k		
1. DOMESTIC															
A. Monetary Authorities															
1. ECCB	0.0	0.0	0.0	2,000.0	2,000.0				0.0				0.0	2,000.0	
B. Financial Institutions						0.0		40,160.9	40,160.9		0.0	19,525.0	19,525.0	399,710.5	
1. Commercial Banks			0.0	340,024.6	340,024.6								0.0	31,459.4	
2. Insurance Companies				31,459.4	31,459.4				0.0				0.0	100,595.3	
3. Other			0.0	100,595.3	100,595.3				0.0				0.0		
C. Non-Financial Private Sector				0.0	0.0				0.0				0.0	0.0	
D. Non-Financial Public Sector			0.0	117,768.8	117,768.8				0.0				0.0	117,768.8	
E. Other (Private Individuals & Agencies included)				3,013.6	3,013.6				0.0				0.0	3,013.6	
F. Short term credits			0.0	0.0	0.0				0.0				0.0	0.0	
Sub-Total	0.0	0.0	0.0	594,861.7	594,861.7	0.0	0.0	40,160.9	40,160.9	0.0	0.0	19,525.0	19,525.0	654,547.6	
11. EXTERNAL															
A. Monetary Authorities															
1. ECCB				11,064.0	11,064.0			0.0	0.0				0.0	11,064.0	
B. Int'l Development Institutions															
1. C.D.B.				327,018.9	327,018.9			69,800.8	69,800.8				0.0	396,819.7	
2. E.I.B.				2,070.9	2,070.9			9,862.0	9,862.0			3,926.3	3,926.3	15,859.2	
3. I.F.A.D.				2,426.8	2,426.8				0.0				0.0	2,426.8	
4. OPEC				1,800.1	1,800.1				0.0				0.0	1,800.1	
5. IDA				123,381.6	123,381.6				0.0				0.0	123,381.6	
6. IBRD				49,461.2	49,461.2				0.0				0.0	49,461.2	
C. Foreign Governments															
1. France				60,545.9	60,545.9			5,678.1	5,678.1				0.0	66,224.1	
2. Kuwait				22,623.7	22,623.7			0.0	0.0				0.0	22,623.7	
C. Other Foreign Institutions															
1. Regional				0.0	0.0			0.0	0.0				0.0	0.0	
2. Other Regional				0.0	0.0			0.0	0.0				0.0	0.0	
3. Extra Regional				1,742.2	1,742.2			0.0	0.0				0.0	1,742.2	
E. OTHER															
1. Royal Merchant Bank				188,773.3	188,773.3			0.0					0.0	188,773.3	
2. Citibank				95,447.9	95,447.9			0.0	0.0				0.0	95,447.9	
3. FINCOR				0.0	0.0			0.0	0.0	0.0	0.0	22,284.3	22,284.3	22,284.3	
4. Other				94,365.5	94,365.5			0.0	0.0				0.0	94,365.5	
Sub-Total	0.0	0.0	0.0	980,722.0	980,722.0	0.0	0.0	85,340.9	85,340.9	0.0	0.0	26,210.6	26,210.6	1,092,273.5	
Payables	0.0	0.0	0.0	13,911.0	13,911.0				0.0				0.0	13,911.0	
GRAND TOTAL	0.0	0.0	0.0	1,589,494.7	1,589,494.7	0.0	0.0	125,501.8	125,501.8	0.0	0.0	45,735.6	45,735.6	1,760,732.1	

Source: Debt & Investment Unit

LISTING OF OFFICIAL DEBT
as at December 31, 2007

LOAN	REFERENCE	CURRENCY	INTEREST RATE	EXCHANGE RATE	CURRENT BALANCE	
					FOREIGN CURRENCY	EC\$ EQUIVALENT
DOMESTIC						
1. Central Government						
COMMERCIAL BANKS						
Redraining of Cul-de-Sac River	(CSDRMS 1997700)	EC	8.00%	1.0000		0.00
Cricket World Cup 2007	(CSDRMS 2005503)	EC	5.25%	1.0000		56,000,000.00
Construction of New Prison	(CSDRMS 1998706)	EC	8.00%	1.0000		12,000,000.00
Short Term Employment Programme	(CSDRMS 1997702)	EC	8.00%	1.0000		3,186,682.57
Demand Loan	(CSDRMS 2006002)	EC	6.25%	1.0000		32,400,000.00
Scotia Bank \$US12Million	(CSDRMS 2007001)	EC	7.50%	1.0000		\$30,510,000.00
BOSL US\$12 Million	(CSDRMS 2007006)	EC	6.75%	1.0000		\$32,400,000.00
Bonds						
2002/2012		EC	7.00%	1.0000		45,317,000.00
2004/2014 LCG100714	(CSDRMS 2004603)	EC	7.00%	1.0000		39,989,000.00
2004/2014 LCG101114	(CSDRMS 2004606)	EC	7.00%	1.0000		27,375,000.00
2004/2010 LCG061110	(CSDRMS 2004605)	EC	6.00%	1.0000		12,110,000.00
Refinancing of Citibank Bond	(CSDRMS 2005500)	EC	5.75%	1.0000		16,200,000.00
2005/2015 LCG101015	(CSDRMS 2005005)	EC	6.50%	1.0000		18,923,000.00
2006/2016 LCG100116	(CSDRMS 2006003)	EC	6.50%	1.0000		18,355,000.00
2006/2016 LCG100816	(CSDRMS 2006010)	EC	7.40%	1.0000		44,598,000.00
2007/2017 LCG101017		EC	7.50%	1.0000		28,100,000.00
2007/2017 FLG101017		EC	7.75%	1.0000		1,666,008.00
2007/2017 LCG101117		EC	7.50%	1.0000		26,990,000.00
Treasury Note						
2004/2009 LCN230709	(CSDRMS 2004604)	EC	5.79%	1.0000		42,569,000.00
2005/2010 LCG141010	(CSDRMS 2005001)	EC	5.50%	1.0000		48,200,000.00
Treasury Bills						
Special Issue		EC	4% & 5%	1.0000		32,672,200.00
LCB230108		EC	5.50%	1.0000		807,845.83
LCG231107		EC	5.99%	1.0000		26,498,276.13
SUB - TOTAL (Central Gov't)						596,867,012.53
2. Government Guaranteed						
(a) Dennery Farmco		EC		1.0000		2,359,960.35
(b) Freezone Management Authority		EC		1.0000		265,805.99
(c) NDC		EC		1.0000		5,000.00
(d) Radio St. Lucia Ltd.		EC		1.0000		1,707,147.27
(e) Soufriere Regional Development Foundation		EC		1.0000		1,586,952.13
(f) St. Lucia Air & Sea Ports Authority		EC		1.0000		10,022,083.98
(g) St Lucia Fish Marketing Corporation		EC		1.0000		3,168,134.25
(h) St Lucia Livestock Development		EC		1.0000		409,760.22
(i) St Lucia Marketing Board		EC		1.0000		698,809.00
(j) St. Lucia National Housing Corp.		EC		1.0000		9,077,533.00
(k) St Lucia Tourist Board		EC		1.0000		1,484,229.00
(l) Water and Sewerage Authority		EC		1.0000		9,375,460.00
SUB - TOTAL (Gov't Guaranteed)						40,160,875.19
3. Public Non-Guaranteed						
St. Lucia Air & Sea Ports Authority		EC\$				
Bank of Nova Scotia		USD		1.0000 2.7000		19,525,024.32 0.00
SUB - TOTAL (Non-Guaranteed)						19,525,024.32
TOTAL (Domestic)						656,552,912.04
B. EXTERNAL						
Bonds						
-Royal Merchant Bank	CSDRMS 2000071	EC\$	8.95%	1.0000	63,500,000.00	63,500,000.00
	CSDRMS 2003090	USD	7.75%	2.7000	32,214,285.71	86,978,571.42
-CITIBANK	CSDRM 2002080-81	USD	7.75%	2.7000	15,625,000.00	42,187,500.00
	CSDRMS 2002082	BDS	7.25%	1.3500	8,333,333.33	11,250,000.00
	CSDRMS 2001060	EC\$	9.90%	1.0000	14,166,666.66	14,166,666.66
	CSDRMS 2003030	USD	7.80%	2.7000	10,312,500.00	27,843,750.00
-Other						
2002/2012		EC\$	7.00%	1.0000		14,584,000.00
2004/2014 LCG100714		EC\$	7.00%	1.0000		10,011,000.00
2004/2014 LCG101114		EC\$	7.00%	1.0000		2,625,000.00
2004/2010 LCG061110		EC\$	6.00%	1.0000		14,890,000.00
2005/2015 LCG101015		EC\$	6.50%	1.0000		6,077,000.00
2006/2016 LCG100116		EC\$	6.50%	1.0000		6,645,000.00
2006/2016 LCG100816		EC\$	7.40%	1.0000		5,402,000.00
2007/2017 LCG101017		EC\$	7.50%	1.0000		2,900,000.00
2007/2017 FLG101017		EC\$	7.75%	1.0000		17,233,992.00
2007/2017 LCG101117		EC\$	7.50%	1.0000		3,010,000.00
Treasury Note						
2004/2009 LCN230709		EC	5.79%	1.0000		7,431,000.00
2005/2010 LCG141010		EC	5.50%	1.0000		1,800,000.00
Treasury Bills						
LCG231107		EC	0.0599	1		98,506.60
LCG230108		EC	0.0600	1		10,857,798.00
LOANS						
Bilateral:						
(i) Rodney Bay Sewerage (CSDRMS 1991040)	C LC 0006 01 C	EUR	5.00%	3.9263	1,585,615.87	6,225,603.59
(ii) Castries Cul-De Sac Highway (CSDRMS 1995051)	C LC 1005 01 C	USD	3.50%	2.7000	2,454,545.44	6,627,272.69
(iii) Northern Water Supply (CSDRMS 2001020)	C LC 1009 01C	EUR	5.00%	3.9263	2,800,000.00	10,993,640.00
(iv) Rehabilitation of Tertiary Roads (CSDRMS 2003050)	CLC 3000 01 Z	EUR	3.50%	3.9263	9,347,073.95	36,699,416.45
Kuwait Fund for Arab Economic Development						
(i) Castries Cul-De Sac Highway (CSDRMS 1995040)	470	50KWD	4.00%	9.8450	833,340.00	8,204,232.30

LISTING OF OFFICIAL DEBT
as at December 31, 2007

LOAN	REFERENCE	CURRENCY	INTEREST RATE	EXCHANGE RATE	CURRENT BALANCE	
					FOREIGN CURRENCY	EC\$ EQUIVALENT
(ii) Castries/Choc Bay Junction Hwy.Imp. (CSDRMS 20020)	646	KWD	4.00%	9.8450	1,464,647.26	14,419,452.27
Multilateral:						
Caribbean Development Bank:						
Vigie Terminal	3/SFR-OR	ECD	8.00%	1.00000	0.00	0.00
West Indies Shipping Corporation	6/SFR-R-ST.L	ECU	2.00%	3.9263	49,094.22	192,758.64
Rural Electrification	21/SFR-STL	USD	4.00%	2.7000	0.00	0.00
Purchase of Equity - SLDB	27/SFR-ST.L	USD	0.75%	2.7000	267,957.66	723,485.68
Water Supply	37/SFR	CAD	4.00%	2.6956	0.00	0.00
		STG	4.00%	5.4700	0.00	0.00
		USD	4.00%	2.7000	0.00	0.00
		SWKR	4.00%	0.4159	0.00	0.00
		SDR	4.00%	4.2538	852,190.79	3,625,049.18
Feeder Roads	38/SFR-STL	USD	4.00%	2.7000	31,992.66	86,380.18
Technical Vocational Education	39/SFR-ST.L	SDR	0.75%	4.2538	1,493,851.47	6,354,545.38
	39/SFR-ST.L	USD	2.00%	2.7000	653,275.90	1,763,844.93
Water Supply	8/SFR-OR-STL	USD	2.00%	2.7000	3,454,775.59	9,327,894.09
		USD	6.25%	2.7000	611,024.27	1,649,765.53
		CAD	6.25%	2.6956	169,084.12	455,783.15
		STG.	6.25%	5.4700	29,880.31	163,445.30
Road Improvement and Maintenance	13/SFR-OR-ST.L	IU	6.25%	2.7000	538,835.91	1,454,856.96
		USD	2.00%	2.7000	329,916.11	890,773.50
Road Improvement & Maintenance	43/SFR-ST.L	SDR	0.75%	4.2538	1,045,653.80	4,448,002.13
Road Improvement & Maintenance	15/SFR-OR-ST.L	USD	2.00%	2.7000	1,263,125.00	3,410,437.50
		USD	6.25%	2.7000	1,530,421.68	4,132,138.54
		TTD	6.25%	0.4294	598,553.41	257,018.83
		ECD	6.25%	1.0000	65,529.00	65,529.00
		EUR	6.25%	3.9263	27,086.38	106,349.25
		STG	6.25%	5.4700	70,707.19	386,768.33
Caribbean Court of Justice	15/OR-STL	USD	6.25%	2.7000	1540000.00	4,158,000.00
Economic Reconstruction Programme	28/SFR-OR-ST.L	USD	2.50%	2.7000	2,707,802.71	7,311,067.32
		EC	6.25%	1.0000	231,785.25	231,785.25
Banana Recovery Project	27/SFR-OR	USD	2.50%	2.7000	2,439,093.73	6,585,553.07
Rehabilitation of Storm Damages	45/SFR-STL	USD	2.00%	2.7000	3,612,479.75	9,753,695.33
OECS Waste Management Project	18/SFR-OR-ST.L	USD	6.25%	2.7000	1,508,823.52	4,073,823.50
		USD	2.00%	2.7000	1,110,000.00	2,997,000.00
		USD	2.00%	2.7000	1,882,601.32	5,083,023.56
Basic Education Reform Project	16/SFR-OR-ST.L	USD	2.00%	2.7000	2,747,452.13	7,418,120.75
		USD	6.25%	2.7000	793,333.39	2,142,000.15
Rural Enterprise Project	47/SFR-ST.L	USD	2.50%	2.7000	643,638.06	1,737,822.76
Disaster Mitigation	20/SFR-OR-ST.L	USD	6.25%	2.7000	776,161.28	2,095,635.46
		USD	6.25%	2.7000	2,773,873.19	7,489,457.61
Roads Development Project	12/OR-ST.L	USD	6.25%	2.7000	23,249,096.35	62,772,560.15
		STG.	6.25%	5.4700	931,831.17	5,097,116.50
		ECD	6.25%	1.0000	862,570.89	862,570.89
		USD	6.25%	2.7000	2,274,164.03	6,140,242.88
	12/OR-ST.L (ADD)	STG.	6.25%	5.4700	170,010.61	929,958.04
		ECD	6.25%	1.0000	86,649.26	86,649.26
		USD	6.25%	2.7000	20,220,830.29	54,596,241.78
		GBP	6.25%	5.4700	1,349,729.94	7,383,022.77
Basic Education Reform Project	22/SFR-OR-ST.L	USD	3.50%	2.7000	3,612,500.00	9,753,750.00
		USD	6.25%	2.7000	1,920,398.13	5,185,074.95
		ECD	6.25%	1.0000	253,042.74	253,042.74
Landslide Immediate Response	48 SFR-ST.L	USD	2.50%	2.7000	499,999.99	1,349,999.97
Hurricane Lenny Immediate Response	49 SFR-ST.L	USD	2.50%	2.7000	158,847.30	428,887.71
Shelter Development Project	23/SFR-OR-STL	USD	3.50%	2.7000	2,175,269.61	5,873,227.95
		CSDRMS 2001053	6.25%	2.7000	1,905,710.09	5,145,417.24
		CSDRMS 2001054	6.25%	1.0000	75,337.13	75,337.13
Natural Disaster Management -Rehabilitation-Landslide	24/SFR-OR-ST.L	USD	2.50%	2.7000	2,068,604.45	5,585,232.02
		USD	6.25%	2.7000	1,386,194.42	3,742,724.93
	24/SFR-OR-ST.L (ADD)	USD	6.25%	2.7000	58,316.27	157,453.93
		USD	2.50%	2.7000	29,193.76	78,823.15
Student Loan Scheme # 6	26/SFR-OR-ST.L	USD	2.50%	2.7000	2,193,288.30	5,921,878.41
		USD	6.25%	2.7000	4,453,039.89	12,023,207.70
Fifth Water Supply Project	25/SFR-OR-ST.L	USD	2.50%	2.7000	1,343,016.81	3,626,145.39
		USD	6.25%	2.7000	2,162,779.63	5,839,505.00
		USD	6.25%	2.7000	490,345.61	1,323,933.15
Regional Tourism Emergency	50 SFR-ST.L	USD	2.50%	2.7000	208,472.26	562,875.10
Improvement of Drainage Systems	51 SFR-ST.L	USD	2.50%	2.7000	135,070.43	364,690.16
Natural Disaster Mgmt - Immediate Response -Hurricane Li	52 SFR-ST.L	51 USD	2.50%	2.7000	312,391.40	843,456.78

LISTING OF OFFICIAL DEBT
as at December 31, 2007

LOAN	REFERENCE	CURRENCY	INTEREST RATE	EXCHANGE RATE	CURRENT BALANCE	
					FOREIGN CURRENCY	EC\$ EQUIVALENT
Economic Reconstruction Programme - Tourism Dev.	14/OR-ST.L	USD	6.25%	2.7000	1,800,087.11	4,860,235.20
		STG	6.25%	5.4700	86,186.40	471,439.61
		CAD	6.25%	2.6956	146,099.56	393,825.97
		XCD	6.25%	1.0000	347,461.11	347,461.11
		TTD	6.25%	0.4294	81,807.68	35,128.22
Flood Mitigation	29/SFR-OR-ST.L	USD	6.25%	2.7000	3,802,548.30	10,266,880.41
		USD	2.50%	2.7000	1,480,843.76	3,998,278.15
		EUR	6.25%	3.9263	18,029.19	70,788.01
European Investment Bank (EIB)						
SLDB Equity (CSDRMS 1984060)		ECU	2.00%	3.9263	27,440.00	107,737.67
Conditional Capital Resources (CSDRMS 1994040)	70984	ECU	0.00%	3.9263	500,000.00	1,963,150.00
International Fund for Agricultural Dev. (IFAD)						
Rural Enterprise Project CSDRMS 1996020	I 414 LC	SDR	2.68%	4.2538	570,507.85	2,426,826.29
OPEC						
(i) Castries Cul-De Sac Highway (CSDRMS 1995050)	625P	USD	5.00%	2.7000	666,720.00	1,800,144.00
(ii) Roseau Dam Project (CSDRMS 199020)	508P	USD	5.50%	2.7000	0.00	0.00
The World Bank						
Watershed & Environmental Project						
- IDA (CSDRMS 1995020)	27680	SDR	0.75%	4.2538	1,593,750.00	6,779,493.75
- IBRD (CSDRMS 1995021)	39250	USD	5.32%	2.7000	760,000.00	2,052,000.00
Water Supply Project (Roseau Dam)						
-IDA (CSDRMS 1990040)	21200	SDR	0.75%	4.2538	3,250,000.00	13,824,850.00
-IBRD (CSDRMS 1990050)	31840	USD	5.32%	2.7000	0.00	0.00
Basic Education Reform Project						
-IDA (CSDRMS 1995031)	26760	SDR	0.75%	4.2538	2,127,500.00	9,049,959.50
-IBRD (CSDRMS 1995030)	38370	USD	4.62%	2.7000	587,887.03	1,587,294.98
OECS Telecommunications Project						
- IDA (CSDRMS 1998021)	30880	SDR	0.75%	4.2538	425,352.00	1,809,362.34
-IBRD (CSDRMS 1998020)	43370	USD	5.01%	2.7000	485,386.99	1,310,544.87
Emergency Recovery & Disaster Management Project						
-IDA (CSDRMS 1998031)	31510	SDR	0.75%	4.2538	2,200,000.00	9,358,360.00
-IBRD (CSDRMS 1998030)	44190	USD	5.01%	2.7000	2,468,122.29	6,663,930.18
Poverty Reduction Fund						
- IDA (CSDRMS 1999010)	32770	SDR	0.75%	4.2538	1,200,000.00	5,104,560.00
- IBRD (CSDRMS 1999020)	45080	USD	5.01%	2.7000	1,218,770.16	3,290,679.43
OECS Waste Management Project						
- IDA (CSDRMS 1995024)	27160	SDR	0.75%	4.2538	1,495,667.42	6,362,270.07
- IBRD (CSDRMS 1995025)	38810	USD	4.85%	2.7000	1,170,000.00	3,159,000.00
Water Sector Reform Project IBRD						
-IDA (CSDRMS 2002002)	35920	SDR	0.75%	4.2538	1,100,000.00	4,679,180.00
-IBRD (CSDRMS 2002001)	70960	USD	2.61%	2.7000	383,238.96	1,034,745.19
Emergency Recovery						
-IDA (CSDRMS 2002072)	36120	SDR	0.75%	4.2538	3,600,000.00	15,313,680.00
-IBRD (CSDRMS 2002071)	71020	USD	5.29%	2.7000	1,338,045.51	3,612,722.88
OECS Education Development						
-IDA (CSDRMS 2002010)	36610	SDR	0.75%	4.2538	4,800,000.00	20,418,240.00
-IBRD (CSDRMS 2002011)		USD	4.82%	2.7000	3,864,740.82	10,434,800.21
Disaster Mitigation Project II						
-IBRD (CSDRMS 2004112)	72380	USD	2.54%	2.7000	2,034,509.83	5,493,176.54
-IDA (CSDRMS 2004111)	39360	SDR	0.75%	4.2538	2,600,000.00	11,059,880.00
HIV/AIDS Prevention & Control						
-IDA (CSDRMS 2004108)	39470	SDR	0.75%	4.2538	425,064.57	1,808,139.67
-IBRD (CSDRMS 2004113)	72520	USD	5.16%	2.7000	21,500.00	58,050.00
Water Supply Infrastructure Improvement Project						
-IDA (CSDRMS 2007018)	40650	SDR	0.80%	4.2538	1,300,000.00	5,529,940.00
-IBRD (CSDRMS 2005001)	72970	USD	4.61%	2.7000	3,850,000.00	10,395,000.00
-IDA (CSDRMS)	40651	SDR		4.1624	1,300,000.00	5,411,120.00

LISTING OF OFFICIAL DEBT
as at December 31, 2007

LOAN	REFERENCE	CURRENCY	INTEREST RATE	EXCHANGE RATE	CURRENT BALANCE	
					FOREIGN CURRENCY	EC\$ EQUIVALENT
Telecom & Information & Communication Tech. Dev Project						
-IDA (CSDRMS 2005005)	40570	SDR	0.50%	4.2538	131,323.38	558,623.39
-IBRD (CSDRMS 2005004)	47770	USD	4.61%	2.7000	136,760.91	369,254.46
OECS Catastrophe Insurance Project						
-IDA (CSDRMS 2007001)	42710	SDR		4.2538	3,000,000.00	12,761,400.00
Other						
(i) Bordelais Correctional Facility	CSDRMS 1998109	ECD	8.00%	1.0000	30,000,000.00	30,000,000.00
RMB	CSDRMS 1998090	USD	8.00%	2.7000	3,072,118.96	8,294,721.19
(iii) Angloco - Purchase of First Response Water Tenders		USD	5.24%	2.7000	0.00	0.00
(iv) Eyre Spottiswoode - Publishing Laws of St. Lucia		STG	0.00%	5.4700	318508	1,742,238.76
SUB - TOTAL (Central Gov't)						985,305,350.60
2. GOVERNMENT GUARANTEED						
(a) National Development Corporation (N.D.C.)						
CDB Loans:						
Industrial Estate VII	7/SFR-STL	USD	6.25%	2.7000	305,979.15	826,143.71
			2.20%	2.7000	189,824.64	512,526.53
Industrial Estate VIII (CSDRMS 1991031)	11/SFR-OR	USD	2.20%	2.7000	390,148.74	1,053,401.60
(CSDRMS 1991032)		USD	2.00%	2.7000	568,982.10	1,536,251.67
(CSDRMS 1991033)		TTD	6.25%	0.4319	105,841.84	45,713.09
(b) LUCELEC						
Expansion Project II						
European Investment Bank (EIB)	LOAN #1.3768	STG	5.15%	5.4700	0.00	0.00
		YEN	5.15%	25.9692	0.00	0.00
		USD	5.15%	2.7000	0.00	0.00
Generator Expansion II CSDRMS 1997020	Tranche 1	USD	3.78%	2.7000	877,152.35	2,368,311.35
	Tranche 2	USD	3.19%	2.7000	2,451,199.03	6,618,237.38
(c) BANK OF ST. LUCIA (SLDB).						
CDB Loans:						
Student Loans	9/SFR-OR	USD	6.25%	2.7000	175,222.73	473,101.37
		BZD	5.50%	1.3500	9,219.11	12,445.80
Consolidated Line of Credit II	40/SFR-STL	USD	3.00%	2.7000	697,239.00	1,882,545.30
		EUR	4.00%	3.9263	0.00	0.00
Consolidated Line of Credit III	12/SFR-OR	USD	2.00%	2.7000	524,627.28	1,416,493.66
			6.25%	2.7000	515,998.48	1,393,195.90
Consolidated Line of Credit IV	14/SFR-OR-STL	USD	2.00%	2.7000	783,246.35	2,114,765.15
			6.25%	2.7000	2,185,181.78	5,899,990.81
Consolidated Line of Credit V	17/SFR-OR-STL	USD	2.00%	2.7000	745,336.87	2,012,409.55
			6.25%	2.7000	2,380,451.95	6,427,220.27
Consolidated Line of Credit VI	19/SFR-OR-STL	USD	2.00%	2.7000	879,487.36	2,374,615.87
			6.25%	2.7000	3,691,098.75	9,965,966.63
Consolidated Line of Credit VII	21/SFR-OR-STL	USD	2.00%	2.7000	1,410,871.37	3,809,352.70
			6.25%	2.7000	3,986,568.59	10,763,735.19
European Investment Bank:						
St. Lucia Development Bank II B AFF.01 (CSDRMS 1994051)	17714	USD	4.2%& 3%	2.7000	154,381.60	416,830.32
(CSDRMS 1994052)		STG	4.20%	5.4700	64,459.53000	352,593.63
St. Lucia Development Bank II B (CSDRMS 1994053)	17714	YEN	3.00%	24.0321	2,013.74	48,394.40
(CSDRMS 1994054)		CHF	3.00%	2.3649	24,388.95	57,677.43
Agence Francaise De Developpement:						
Refinancing Industry & Tourism	CLC 0001 01 Y	USD	4.00%	2.7000	286,667.34	774,001.82
(d) Air & Sea Ports Authority						
CDB:						
Fourth Airport Project	10/SFR-OR-ST.L	USD	2.00%	2.7000	1,739,571.07	4,696,841.89
	10/SFR-OR-ST.L	USD	6.25%	2.7000	862,430.69	2,328,562.86
Air Cargo Facility	35/SFR-ST.L	USD	4.00%	2.7000	0.00	0.00
Upgrading Cruiseship Facilities	11/OR-STL	ECD	6.25%	1.0000	358,333.39	358,333.39
		USD	6.25%	2.7000	3,665,617.33	9,897,166.79
Agence Francaise De Developpement						
Hewanorra Airport Extension Project (CSDRMS 2001103)	C LC 0002 01 Y	EUR	5.00%	3.9263	1,249,043.51	4,904,119.53
SUB - TOTAL (Gov't Guaranteed)						85,340,945.56
3. Non-Guaranteed						
Bank of St. Lucia (SLDB)						
SLDB Conditional Loan on Risk Capital Resources II-C (CSDRMS 1994051)	70985	EUR	0.00%	3.9263	1,000,000.00	3,926,300.00
St. Lucia National Lotteries Authority						
FINCOR - National Stadium		USD	10.25%	2.7000	5,039,249.00	13,605,972.30
Beausejour Cricket Ground		ECD	10.25%	1.0000	15,755,698.00	15,755,698.00
SUB - TOTAL (Non-Guaranteed)						33,287,970.30
TOTAL (External)						1,103,934,266.45
TOTAL (Gov't Guaranteed)						125,501,820.75
TOTAL (Non-guaranteed)						52,812,994.62
TOTAL (Central Gov't)						1,582,172,363.13
GRAND TOTAL						1,760,487,178.49

Source: Debt & Investment Unit

DISTRIBUTION OF PUBLIC SECTOR EXTERNAL DEBT BY CREDITOR

CENTRAL GOVERNMENT DECEMBER 2007		
CDB:	327,018,873.23	33.19%
E.I.B.:	2,070,887.67	0.21%
I.F.A.D.:	2,426,826.29	0.25%
IDA	129,829,058.72	13.18%
IBRD	49,461,198.75	5.02%
OPEC	1,800,144.00	0.18%
AGENCE FRANCAISSE	60,545,932.73	6.14%
KUWAIT FUND	22,623,684.57	2.30%
CITIBANK	95,447,916.66	9.69%
ROYAL MERCHANT BANK	188,773,292.61	19.16%
ANGLOCO	0.00	0.00%
EYRE-SPOTTISWOODE	1,742,238.76	0.18%
OTHER NSDB	14,584,000.00	1.48%
RGSM	78,024,992.00	7.92%
TREASURY BILLS	10,956,304.60	1.11%
SUB TOTAL	985,305,350.60	100%
GOVERNMENT GUARANTEED		
CDB	69,800,779.70	81.79%
EIB	9,862,044.50	11.56%
AGENCE FRANCAISSE	5,678,121.35	6.65%
SUB-TOTAL	85,340,945.56	100%
NON-GUARANTEED		
EIB	3,926,300.00	11.79%
FINCOR	29,361,670.30	88.21%
SUB-TOTAL	33,287,970.30	100%
GRAND TOTAL	1,103,934,266.45	

Source: Debt & Investment Unit

IMPORTS BY STANDARD INTERNATIONAL TRADE CLASSIFICATION
(At C.I.F Prices)
(EC\$Millions)

COMMODITY GROUP	2002	2003	2004r	2005	2006r	2007pre
CONSUMER GOODS	477.10	574.96	640.03	696.49	820.65	760.21
0. Food & Live Animals	168.95	204.01	225.93	234.16	255.40	261.33
1. Beverage & Tobacco	32.30	41.29	45.74	47.86	55.42	71.44
6. Manufactured Goods Classified Chiefly by Material	143.52	165.77	183.72	204.20	283.41	208.23
8. Miscellaneous Manufactured Articles	132.32	163.89	184.64	210.27	226.42	219.22
INTERMEDIATE GOODS	177.60	228.82	267.80	317.37	363.52	489.07
2. Crude Materials, Inedible Except Fuels	21.66	24.01	27.25	35.80	43.99	33.63
3. Mineral Fuel, Lubricants and Related Materials	83.75	123.48	148.08	180.96	205.97	352.52
4. Animal and Vegetable Oils & Fats	0.95	2.03	2.70	4.14	3.98	4.20
5. Chemicals and Related Products	71.24	79.30	89.77	96.47	109.57	98.73
CAPITAL GOODS	195.34	285.62	229.93	288.50	414.29	413.02
7. Machinery and Transport Equipment	195.21	285.36	229.74	288.15	413.59	412.32
9. Miscellaneous	0.14	0.26	0.19	0.35	0.70	0.70
TOTAL	850.04	1,089.40	1,137.76	1,302.36	1,598.46	1,662.31

Source: Government Statistics Department
r=revised; pre=preliminary

IMPORTS BY STANDARD INTERNATIONAL TRADE CLASSIFICATION
(At F.O.B Prices)
(EC\$Millions)

COMMODITY GROUP	2002	2003	2004r	2005	2006r	2007pre
CONSUMER GOODS	419.84	505.97	563.23	612.91	722.17	668.99
0. Food & Live Animals	148.68	179.53	198.82	206.06	224.75	229.97
1. Beverage & Tobacco	28.42	36.34	40.25	42.12	48.77	62.87
6. Manufactured Goods Classified Chiefly by Material	126.30	145.88	161.68	179.69	249.40	183.24
8. Miscellaneous Manufactured Articles	116.45	144.22	162.48	185.04	199.25	192.91
INTERMEDIATE GOODS	156.29	201.36	235.66	279.29	319.90	430.38
2. Crude Materials, Inedible Except Fuels	19.06	21.13	23.98	31.50	38.71	29.59
3. Mineral Fuel, Lubricants and Related Materials	73.70	108.66	130.31	159.25	181.26	310.21
4. Animal and Vegetable Oils & Fats	0.83	1.79	2.38	3.64	3.50	3.70
5. Chemicals and Related Products	62.69	69.78	79.00	84.89	96.42	86.88
CAPITAL GOODS	171.90	251.35	202.34	253.88	364.58	363.46
7. Machinery and Transport Equipment	171.78	251.12	202.17	253.58	363.96	362.84
9. Miscellaneous	0.12	0.23	0.17	0.30	0.62	0.62
TOTAL	748.04	958.68	1,001.23	1,146.07	1,406.64	1,462.83

Source: Government Statistics Department
r=revised; pre=preliminary

IMPORTS BY STANDARD INTERNATIONAL TRADE CLASSIFICATION
Percentage of Total

COMMODITY GROUP	2002	2003	2004r	2005r	2006r	2007pre
CONSUMER GOODS	56.13%	52.78%	56.25%	53.48%	51.34%	45.73%
0. Food & Live Animals	19.88%	18.73%	19.86%	17.98%	15.98%	15.72%
1. Beverage & Tobacco	3.80%	3.79%	4.02%	3.67%	3.47%	4.30%
6. Manufactured Goods Classified Chiefly by Material	16.88%	15.22%	16.15%	15.68%	17.73%	12.53%
8. Miscellaneous Manufactured Articles	15.57%	15.04%	16.23%	16.15%	14.16%	13.19%
INTERMEDIATE GOODS	20.89%	21.00%	23.54%	24.37%	22.74%	29.42%
2. Crude Materials, Inedible Except Fuels	2.55%	2.20%	2.39%	2.75%	2.75%	2.02%
3. Mineral Fuel, Lubricants and Related Materials	9.85%	11.33%	13.01%	13.90%	12.89%	21.21%
4. Animal and Vegetable Oils & Fats	0.11%	0.19%	0.24%	0.32%	0.25%	0.25%
5. Chemicals and Related Products	8.38%	7.28%	7.89%	7.41%	6.85%	5.94%
CAPITAL GOODS	22.98%	26.22%	20.21%	22.15%	25.92%	24.85%
7. Machinery and Transport Equipment	22.96%	26.19%	20.19%	22.13%	25.87%	24.80%
9. Miscellaneous	0.02%	0.02%	0.02%	0.03%	0.04%	0.04%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

IMPORTS BY STANDARD INTERNATIONAL TRADE CLASSIFICATION
Percentage Change

COMMODITY GROUP	2002	2003	2004r	2005r	2006r	2007pre
CONSUMER GOODS	2.07%	20.51%	11.32%	8.82%	17.83%	-7.36%
0. Food & Live Animals	-9.35%	20.75%	10.74%	3.64%	9.07%	2.32%
1. Beverage & Tobacco	1.74%	27.85%	10.77%	4.64%	15.80%	28.90%
6. Manufactured Goods Classified Chiefly by Material	-4.42%	15.50%	10.83%	11.14%	38.79%	-26.53%
8. Miscellaneous Manufactured Articles	33.47%	23.85%	12.66%	13.88%	7.68%	-3.18%
INTERMEDIATE GOODS	-12.07%	28.84%	17.03%	18.51%	14.54%	34.54%
2. Crude Materials, Inedible Except Fuels	-6.22%	10.85%	13.49%	31.38%	22.89%	-23.57%
3. Mineral Fuel, Lubricants and Related Materials	-21.71%	47.44%	19.92%	22.21%	13.82%	71.15%
4. Animal and Vegetable Oils & Fats	-42.62%	114.75%	32.97%	53.10%	-3.79%	5.53%
5. Chemicals and Related Products	1.39%	11.31%	13.21%	7.46%	13.58%	-9.89%
CAPITAL GOODS	18.15%	46.21%	-19.50%	25.47%	43.60%	-0.31%
7. Machinery and Transport Equipment	18.16%	46.18%	-19.49%	25.42%	43.53%	-0.31%
9. Miscellaneous	15.02%	92.54%	-27.15%	80.53%	103.69%	0.00%
TOTAL	1.83%	28.16%	4.44%	14.47%	22.74%	3.99%

Source: Government Statistics Department

r=revised; pre=preliminary

DOMESTIC EXPORTS BY ECONOMIC FUNCTION

COMMODITY GROUP	2002	2003	2004r	2005r	2006r	2007pre	Change
CONSUMER GOODS	106.20	94.64	107.22	106.15	110.58	118.48	7.1%
0. Food & Live Animals	63.68	48.08	57.28	56.21	51.95	47.12	-9.3%
1. Beverage & Tobacco	23.29	28.73	31.62	31.62	40.73	52.54	29.0%
6. Manufactured Goods Classified Chiefly by Material	10.83	9.70	11.44	11.44	14.33	14.26	-0.5%
8. Miscellaneous Manufactured Articles	8.41	8.13	6.88	6.88	3.57	4.55	27.4%
INTERMEDIATE GOODS	1.70	2.19	6.75	3.96	6.29	9.80	55.9%
2. Crude Materials, Inedible Except Fuels	0.58	1.11	2.73	1.53	3.08	4.90	58.9%
3. Mineral Fuel, Lubricants and Related Materials	0.00	0.00	0.00	0.00	0.00	0.00	-
4. Animal and Vegetable Oils & Fats	0.13	0.01	0.21	0.00	0.00	0.13	-
5. Chemicals and Related Products	0.99	1.06	3.82	2.43	3.20	4.77	49.0%
CAPITAL GOODS	8.03	8.01	7.91	7.96	23.42	20.55	-12.3%
7. Machinery and Transport Equipment	8.01	8.01	7.89	7.78	23.26	20.04	-13.8%
9. Miscellaneous	0.02	0.01	0.02	0.19	0.17	0.52	209.6%
TOTAL	115.93	104.84	121.88	118.07	140.29	148.83	6.1%

Source: Statistics Department

TOTAL EXPORTS BY ECONOMIC FUNCTION

COMMODITY GROUP	2002	2003	2004r	2005r	2006r	2007pre	Change
CONSUMER GOODS	131.75	128.52	119.31	118.36	137.75	166.52	20.9%
0. Food & Live Animals	64.65	49.17	57.84	56.97	52.09	48.81	-6.3%
1. Beverage & Tobacco	23.88	29.65	31.91	32.06	41.05	53.02	29.2%
6. Manufactured Goods Classified Chiefly by Material	22.66	22.23	16.11	13.95	17.65	36.14	104.8%
8. Miscellaneous Manufactured Articles	20.57	27.47	13.45	15.38	26.97	28.55	5.9%
INTERMEDIATE GOODS	41.09	49.59	59.01	33.03	64.33	69.53	8.1%
2. Crude Materials, Inedible Except Fuels	1.10	1.40	3.48	2.09	3.55	5.32	49.8%
3. Mineral Fuel, Lubricants and Related Materials	35.10	43.90	49.96	26.80	54.71	56.02	2.4%
4. Animal and Vegetable Oils & Fats	0.13	0.01	0.23	0.03	0.00	0.13	-
5. Chemicals and Related Products	4.76	4.28	5.35	4.12	6.07	8.06	32.8%
CAPITAL GOODS	79.49	90.84	36.68	32.67	49.06	61.87	26.1%
7. Machinery and Transport Equipment	73.44	85.55	34.34	30.61	46.65	57.43	23.1%
9. Miscellaneous	6.05	5.29	2.34	2.06	2.41	4.45	84.6%
TOTAL	252.34	268.95	215.01	184.06	251.14	297.92	18.6%

Source: Statistics Department

**TRADE BALANCE BY STANDARD INTERNATIONAL TRADE CLASSIFICATION
(EC\$ Millions)**

	2002	2003	2004	2005	2006	2007	Change
CONSUMER GOODS	-288.09	-377.45	-443.92	-494.55	-584.41	-502.47	-14.0%
0. Food & Live Animals	-84.03	-130.36	-140.98	-149.09	-172.66	-181.16	4.9%
1. Beverages & Tobacco	-4.54	-6.69	-8.34	-10.06	-7.72	-9.85	27.6%
6. Manufactured Goods Classified Chiefly by Material	-103.64	-123.65	-145.57	-165.74	-231.75	-147.10	-36.5%
8. Miscellaneous Manufactured Articles	-95.88	-116.75	-149.03	-169.66	-172.28	-164.36	-4.6%
INTERMEDIATE GOODS	-115.19	-151.97	-176.65	-246.24	-255.56	-360.85	41.2%
2. Crude Materials, Inedible except Fuels	-17.96	-19.93	-20.50	-29.41	-35.16	-24.27	-31.0%
3. Mineral Fuels, Lubricants and Related Materials	-38.60	-64.76	-80.35	-132.45	-126.55	-254.19	100.9%
4. Animal and Vegetable Oils, Fats and Waxes	-0.70	-1.78	-2.15	-3.61	-3.50	-3.57	2.0%
5. Chemicals and Related Products	-57.93	-65.50	-73.65	-80.77	-90.35	-78.82	-12.8%
CAPITAL GOODS	-92.41	-160.51	-165.66	-221.21	-315.52	-301.58	-4.4%
7. Machinery and Transport Equipment	-98.34	-165.57	-167.83	-222.97	-317.31	-305.41	-3.8%
9. Miscellaneous	5.93	5.06	2.17	1.76	1.79	3.83	114.0%
TOTAL	-495.69	-689.93	-786.23	-962.00	-1155.49	-1164.90	0.8%

Source: Statistics Department

BALANCE OF PAYMENTS
(EC\$Millions)

	2003r	2004r	2005	2006r	2007pre	Change
CURRENT ACCOUNT	-297.00	-231.07	-405.84	-760.48	-754.98	-0.7%
Goods	-663.48	-679.59	-889.24	-1089.78	-1095.82	0.6%
Merchandise	-689.73	-724.23	-955.70	-1155.50	-1164.91	
Repair on goods	0.02	0.02	0.02	0.03	0.03	
Goods procured in ports by carriers	26.23	44.62	66.43	65.69	69.06	
Services	468.17	592.41	644.63	454.08	470.93	3.7%
Transportation	-136.98	-131.82	-140.00	-158.94	-166.64	4.8%
Travel	665.30	779.85	856.07	669.92	696.64	4.0%
Insurance Services	-18.21	-18.87	-20.79	-26.40	-27.19	3.0%
Other Business Services	-34.36	-28.55	-47.98	-25.91	-27.03	4.4%
Government Services	-7.58	-8.21	-2.67	-4.60	-4.86	5.5%
Income	-136.45	-181.44	-196.25	-157.12	-162.55	3.5%
Compensation of Employees	0.25	0.36	0.46	0.30	0.31	2.8%
Investment Income	-136.70	-181.80	-196.71	-157.42	-162.86	3.5%
Current Transfers	34.76	37.55	35.02	32.35	32.47	0.4%
General Government	0.06	-0.50	-3.34	-1.21	-1.48	21.7%
Other Sectors	34.69	38.05	38.36	33.56	33.94	1.1%
CAPITAL AND FINANCIAL ACCOUNT	406.17	306.72	372.07	833.66	838.60	0.6%
CAPITAL ACCOUNT	46.14	9.32	14.41	30.70	15.57	-49.3%
Capital Transfers	46.14	9.32	14.41	30.70	15.57	-49.3%
Acquisition & Disposition of Non-Produced, Non-Financial Assets	0.00	0.00	0.00	0.00	0.00	
FINANCIAL ACCOUNT	360.03	297.40	357.66	802.96	823.03	2.5%
Direct Investment	287.35	206.60	211.23	631.62	631.52	0.0%
Portfolio Investment	169.47	43.98	64.92	-41.40	-45.07	8.8%
Other Investments	-96.79	46.81	81.50	212.74	236.58	11.2%
Public Sector Loans	38.28	55.85	46.71	64.76	41.68	-35.6%
Commercial Banks	-196.43	53.97	66.50	174.00	216.60	24.5%
Other	61.36	-63.01	-31.70	-26.03	-21.70	-16.6%
ERRORS AND OMISSIONS	-59.74	3.27	-7.41	-36.91	-32.30	-12.5%
OVERALL BALANCE	49.44	72.37	-41.18	36.27	51.32	41.5%
FINANCING	-49.44	-72.37	41.18	-36.27	-51.32	41.5%
Change in SDR Holdings	0.00	0.00	0.00	0.00	0.00	
Change in Reserve Position with IMF	0.00	0.00	0.00	0.00	0.00	
Change in Government Foreign Assets	-14.89	-3.49	-2.00	12.31	0.00	
Change in Imputed Reserves	-34.55	-68.89	43.18	-48.58	-51.32	5.6%

Source :ECCB & Department of Economic Affairs, MOF

COPYRIGHT 2008- Ministry of Economic Affairs, Economic Planning, Investment & National Development

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system, without permission in writing from the producer.

www.stlucia.gov.lc

**PRINTED BY THE ECONOMIC AFFAIRS UNIT
SAINT LUCIA
2008**

