



SAINT LUCIA



ECONOMIC & SOCIAL REVIEW 2008



Designed by B. Howell

NOTE/ACKNOWLEDGEMENT

The data contained in this Review have been arranged and classified to facilitate economic analysis, and may therefore not coincide exactly with the accounting systems from which they may have been derived. In addition, the figures for the year under review, and in some cases for previous years, are preliminary.

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LIST OF ACRONYMS

ACP – African, Caribbean and Pacific States
BMPU – Banana Management Production Unit
BOE – Barrels of Oil Equivalent
BOLT- Build Own Lease and Transfer
CARE – Centre for Adolescent, Rehabilitation and Education
CARICOM – Caribbean Community and Common Market
CDB - Caribbean Development Bank
CLICO - Colonial Life Insurance Company
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
ECFH - East Caribbean Financial Holdings
EDF - European Development Fund
EPA - Economic Partnership Agreement
EU – European Union
FLO- FairTrade Label Organization
GDP – Gross Domestic Product
LPG – Liquefied Propane Gas
LUCELEC – St. Lucia Electricity Services Limited
NDC - National Development Corporation
NELP – National Enrichment and Learning Program
NIC – National Insurance Corporation
NIPRO – National Insurance Poverty Development and Management Company
OECS - Organisation of Eastern Caribbean States
PROUD - Programme for the Rationalization of Unplanned Development
RGSM – Regional Government Securities Market
RDP – Roads Development Programme
SALCC - Sir Arthur Lewis Community College
SDA – Seventh Day Adventist
SDR - Special Drawing Rights
SFA - Special Framework of Assistance
SLASPA – St. Lucia Air and Sea Ports Authority
TEUS – Twenty foot Equivalent Units Containers
TRP – Tertiary Roads Programme
WIBDECO – Windward Island Banana Development Co-operation
VAT - Value Added Tax

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 **2007** **2008** **(07-08)**

POPULATION AND DEMOGRAPHY

Population	.....	168,338	170,331	1.2%
Population Density¹ - Per sq. ml	.....	809.7	819.3	1.2%
- Per sq km	.....	312.3	316.0	1.2%
Birth Rate (per 1000)	.....	13.4	13.7	2.24%
Death Rate (per 1000)	.....	6.6	7.6	15.15%
Infant Mortality Rate	.....	13.1	25.2	7.2%

EDUCATION²

		AY07/08	AY08/09	
Primary School Student Enrollment	.....	21,329	20,164	-5.5%
Secondary School Student Enrollment	.....	14,578	15,527	6.5%
Tertiary School Student Enrollment	.....	1,689	1,944	15.1%

CENTRAL GOVERNMENT FISCAL OPERATIONS³ (\$M)

		FY07/08	FY08/09	
Total Revenue & Grants	.....	744.6	816.0	9.6%
Current Revenue	.....	738.2	788.7	6.8%
Total Expenditure	.....	801.8	959.1	19.6%
Current Expenditure	.....	567.6	650.1	14.5%
Capital Expenditure	.....	234.2	309.0	31.9%
Current Balance	170.7	138.7	-18.7%
Overall Balance	-57.2	-143.2	150.3%

PRICES

Inflation Rate	2.8%	7.2%	154.5%
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DEBT (\$M)

Public Debt	1,754.0	1,774.7	1.2%
External Debt	1,099.9	980.9	-10.8%

DEBT RATIOS

Central Government Debt Service/Current Revenue	.....	22.3%	21.0%	9.9%
Public Debt/GDP	.....	67.6%	66.0%	-2.4%
External Debt Outstanding / GDP	.....	42.4%	36.5%	-14.1%
External Debt Service/Exports	.....	7.3	7.1	-2.7%

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

²Figures relate to academic years 2007/08 and 2008/09

³Figures relate to fiscal years 2007/08 and 2008/09

SAINT LUCIA - DATA SHEET

		Revised 2007	Preliminary 2008	Change (07- 08)
GDP at Factor Cost	.....		
Constant Prices (\$M)	.....	1,417.7	1,427.9	0.7%
of which: - Agriculture	.....	46.6	56.1	20.5%
- Tourism	.....	163.6	167.3	2.2%
Rate of Growth	.....	1.48%	0.72%	-51.6%
GDP per capita (US\$)		4648.1	4721.7	1.6%
MONEY AND CREDIT (\$M)				
Total Deposits	.....	3,102.7	3,318.9	7.0%
Money Supply (M1)	.....	639.0	631.7	-1.1%
Money Supply (M2)	.....	2,183.2	2,324.1	6.5%
Bank Credit to Public Sector	.....	339.4	331.2	-2.4%
Bank Credit to Private Sector	.....	3,090.8	3,449.9	11.6%
BANK CREDIT BY SECTOR:				
Agriculture	.....	30.7	36.8	20.0%
Manufacturing, mining and quarrying	.....	62.3	85.7	37.5%
Tourism	.....	756.0	851.7	12.7%
Distributive Trades	.....	239.4	253.6	5.9%
Personal	.....	1,149.4	1164.1	1.3%
Transport	.....	112.4	116.7	3.8%
Public Utilities	.....	114.4	122.3	6.9%
Construction and Land Development	.....	244.0	310.6	27.3%
Public Administration (Gov't Services)	.....	215.7	202.5	-6.1%
Professional and other Services	.....	505.7	594.2	17.5%
Total Credit	.....	3,430.0	3,738.2	9.0%
AGRICULTURE (tonnes)				
Banana Production	.....	30,318	38,359	26.5%
Fish Landing	.....	1,508.7	1,694.7	12.3%
TOURISM				
Total Visitor Arrivals	.....	931,801	947,445	1.7%
of which: - Stay-over Tourists	.....	287,518	295,761	2.9%
- Excursionists	.....	7,777	9,582	23.2%
- Cruise Ship Arrivals	.....	610,343	619,680	1.5%
- Yacht Passenger Arrivals	.....	26,163	22,422	-14.3%
MERCHANDISE FOREIGN TRADE (\$M)				
Imports (C.I.F.)	.....	1,662.0	1,772.8	6.7%
Imports (F.O.B)	.....	1,462.6	1,560.0	6.7%
Exports	.....	292.7	372.6	27.3%
Balance	.....	1,169.9	1,187.4	1.5%
RATE OF EXCHANGE (US\$)	.....	EC\$2.70	EC\$2.70	EC\$2.70

CHAPTER ONE

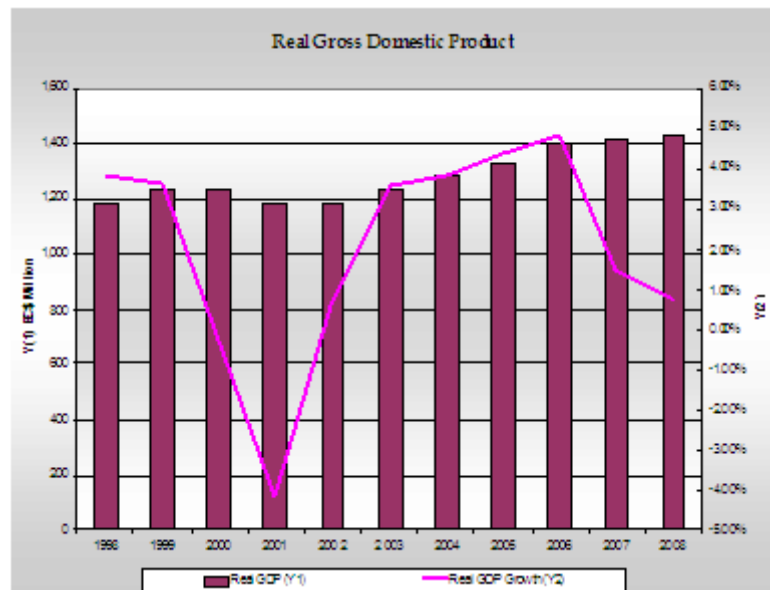
DOMESTIC ECONOMIC DEVELOPMENTS

During 2008, the rapid deterioration of the global economy contributed to the slowdown in the pace of economic activity in St. Lucia, as was experienced by most CARICOM countries. Preliminary estimates indicate that real economic growth decelerated to 0.7 percent in 2008, following growth of 1.5 percent in 2007 and below the average growth rate of 4.6 percent¹ recorded between 2005 and 2006. This outturn also represented the lowest real GDP growth since 2002.

Rising input costs stemming from high oil prices undermined the performance of many sectors over the review period. Notwithstanding, growth was spurred by increases in value-added of 2.2 percent in the hotel and restaurant sector, 20.5 percent in agriculture, 4.5 percent in banking and insurance and 5.4 percent in the real estate sector. However, these positive influences were tempered by the contractions of 14.4 percent in the construction sector, and to a lesser extent, by the declines of 3.3 percent and 5.4 percent in the distributive trades and manufacturing sectors respectively.

Tourism

Notwithstanding the recovery underway in the first half of 2008, the performance of the tourism sector was constrained by the adverse developments in the global economy which resulted in a softening of demand in major source markets in the second half of 2008. Following two years of contraction, real economic activity in the tourism sector, measured by the value-added in the hotel and restaurant sub-sectors, is estimated to have expanded by 2.2 percent in 2008. The tourism sector remained the most significant source of overall growth in the domestic economy, while directly contributing 11.7 percent to real GDP in the year under review.



¹Refers to the latest figures of the Statistics Department, including revisions to that previously published.

Total visitor arrivals increased by 1.7 percent to 947,445, reflecting higher volumes in both the stay-over and cruise segments of the sector,. Cruise ship passengers increased at a much slower pace of 1.5 percent to 619,680, after growing markedly in 2007. Yacht arrivals² contracted by 14.3 percent to 22,422 while the number of excursionists grew by 23.2 percent to 9,582. More significantly, stay-over arrivals grew by 2.9 percent to 295,761, still below the levels recorded over the period 2004 to 2006. Improved airlift and marketing contributed to the growth in arrivals recorded in all source markets with the exception of the United States (US). Arrivals from the US, St.Lucia's largest market, fell by 4.3 percent in 2008. Overall, visitors from the United Kingdom (UK) went up by 5.7 percent but demand from this market dampened, as evidenced by the downward trend in quarterly growth. The Canadian market continued to perform favourably, registering 41.0 percent more arrivals while Caribbean arrivals increased by 1.2 percent over the review period.

Despite the growth in stay-over arrivals, available data indicate that the average hotel occupancy rate fell from 64.9 percent in 2007 to 61.4 percent in 2008, owing to reduced lengths of stay from most markets. All-inclusive hotels registered 67.2 percent occupancy while conventional hotels and small properties recorded 60.2 percent and 57.4 percent respectively. Gross visitor expenditure by stay-over tourists was estimated at \$1, 176.3 million in 2008, a contraction of 9.7 percent when compared to 2007.

Agriculture

The overall performance of the agriculture sector was characterized by double-digit growth in all sub-sectors. Real output in the sector expanded at a solid pace of 20.5 percent in 2008, compared with growth of 2.3 percent in 2007. This was primarily occasioned by the strong performance of the banana industry as indicated by a 30.0 percent increase in value-added in this sub-sector in 2008. Value-added in the non-traditional crops and fisheries sub-sectors continued to expand, recording growth of 21.3 percent and 11.0 percent respectively. The livestock sub-sector grew by 12.0 percent, after posting growth of 5.6 percent in 2007. Accordingly, agriculture's contribution to real GDP increased to 3.9 percent, with bananas accounting for 1.7 percent of GDP.

Banana exports to the UK increased by 26.5 percent to 38,359 tonnes, fully recovering from the decline in 2007 which was due to the passage of Hurricane Dean. In 2008, the decline in exports in the first quarter of the year was offset by the appreciable increases posted in the subsequent months. This was attributed to the extensive replanting efforts undertaken in the Post Dean

²Refers only to visitors to the Rodney Bay Marina.

Rehabilitation Programme, favourable weather conditions and the support provided to farmers to mitigate the rising cost of inputs. In keeping with this upturn in volumes, banana exports revenue increased to \$58.9 million in 2008 from \$43.7 million in the previous year.

Similarly, production of non-traditional crops is estimated to have increased by 19.9 percent to 6,740.5 tonnes amounting to a total value of \$15.9 million. This was driven by notable growth in supermarket purchases and exports, notwithstanding the contraction in hotel purchases of 2.5 percent to 1,035.0 tonnes. In the livestock sub-sector, available data reveal that chicken production increased by 40.1 percent to 1,239.8 tonnes, valued at \$12.6 million. Egg production grew by 10.7 percent while recorded pork production fell by more than half to 206.6 tonnes.

In 2008, output in the fisheries sub-sector increased by 12.3 percent to 1,694.7 tonnes, generating earnings of \$21.7 million. This was mainly attributed to the continued deployment of Fish Aggregating Devices (FADs). Increased fish landings were recorded at most sites with the exception of Dennery, Soufriere and Bananes. There were mixed outturns by species as landings of dolphin, wahoo, snapper, lobster and conch declined while the volume of catches of flying fish, tuna and shark increased in the review period.

Manufacturing

During 2008, the manufacturing sector was challenged by further increases in input costs alongside lower external demand for some products. While manufacturing output, dominated by food & beverages, electrical and paper products, was characterized by a general decline, mixed performances were recorded in the various sub-sectors. Value-added in the sector is estimated to have contracted by 5.4 percent in 2008, following three consecutive years of positive but decelerated growth. The sector's share of GDP moved from 6.3 percent in 2007 to 5.9 percent in 2008.

The total value of output produced in the manufacturing sector fell marginally by 0.8 percent to \$171.6 million. Increases in the value of paper, electrical and metal products were offset by a 9.1 percent reduction in the value of food & beverages, the largest contributor to total output. Production of both alcoholic and non-alcoholic beverages was affected by the loss of market share in a key regional export market resulting from intense competition from a major domestic supplier. Owing to the upturn in banana production in the Windward Islands and higher demand for commercial boxes, the value of paper products rose by 21.5 percent to \$28.1 million. Reflecting the higher costs of production, the value of electrical products increased by 11.5 percent to \$35.1 million while the volume of output declined by 15.3 percent.

Construction

The construction sector, which had benefitted from an intensified road rehabilitation programme and several tourism developments in the lead-up to CWC 2007, contracted in the review period. Real growth in the construction sector is estimated to have declined by 14.4 percent in 2008, after recording a contraction of 10.3 percent in 2007 and double-digit growth in 2006 and 2005. In keeping with the relative lull in construction activity in the past two years, the sector's contribution to GDP moved from 8.8 percent in 2006 to 6.6 percent in 2008. This performance was influenced by a significant contraction in public sector construction activity and lower private sector investments including in the tourism sector, housing and other real estate developments.

There was a 57.7 percent reduction in construction related expenditure by the public sector to \$75.0 million in 2008, reflecting lower spending by both the Central Government and statutory bodies. Of this, \$66.7 million consisted of works undertaken by the Central Government, representing a decline of 60.0 percent due largely to a decline in road construction activity. During 2008, works continued on the East Coast Road Rehabilitation Project, the reconstruction and rehabilitation of several roads, including community road works. In the private sector, ongoing projects included the Le Paradis, the Landing, Bay View and the Bay Walk Mall while works commenced and were completed on the expansion of the Rodney Bay Marina. The decline in construction activity was reflected in the declines in import volumes of building materials and the level of credit disbursed for construction purposes.

Money and Prices

Developments in the monetary and financial sector mirrored the slower pace of economic growth in the review period. Preliminary national accounts data suggest that the sector, measured by activity in banking and insurance, grew by 4.5 percent in 2008, compared to more robust growth in the previous two years. However, the sector's contribution to GDP, led by the banking sub-sector, increased to 14.7 percent of GDP from 14.1 percent in 2007.

Following rapid growth over the past three years, the expansion in domestic credit slowed to 10.7 percent to \$3,310.9 million. This was due to a decelerated increase of 11.6 percent in credit to the private sector led by additional lending of 14.6 percent to businesses, mainly for tourism and construction & land development. Credit to households grew by 6.9 percent to \$1,273.8 million at the end of 2008. The Central Government remained a net borrower from the banking system as its deposits fell more significantly by 19.2 percent to \$269.2 million, notwithstanding the decline in its outstanding loans and advances.

The broad money supply (M2), expanded by 6.5 percent in 2008, largely as a result of the growth

in savings and time deposits. The stock of total deposit liabilities at the end of 2008 increased by 7.0 percent to \$3,318.9 million. Savings deposits, which grew by 5.0 percent, accounted for 41.7 percent of this amount. However, the growth in loans and advances of 8.7 percent outpaced the increase in deposits. Consequently, there was a further tightening of liquidity in the commercial banking system, as measured by the loans to deposit ratio which rose from 113.2 in 2007 to 114.9 in 2008. Interest rates on both deposits and loans remained broadly unchanged over the review period.

At the end of 2008, there was a sharp increase in St. Lucia's net foreign liabilities to \$543.3 million. This reflected a significant increase in the foreign liabilities of commercial banks to \$922.1 million, primarily reflecting liabilities to institutions outside the ECCB area.

Soaring international commodity prices, particularly for food and energy, exerted significant inflationary pressures on the price level in the domestic economy. Inflation, as measured by the change in the 12-month moving average of the consumer price index (CPI)³, accelerated to 7.2 percent compared to a rate of 2.8 percent in 2007. Movements in the CPI were driven largely by the increases in the *food* sub-index, the *electricity, gas & other fuel* sub-index and the *transportation* index. These reflected the pass-through effects of higher import prices of food and rising international oil prices. Of significance were the increases in the regulated prices of fuel which were effected in January 2008.

Central Government Fiscal Operations

In fiscal year 2008/09, an acceleration in total expenditure and slower growth in total revenue and grants led to a deterioration in the fiscal position of the Central Government. Mixed performances of major taxes and notable growth in most categories of current expenditure led to a smaller current account surplus to \$138.7 million, the equivalent of 5.3 percent of GDP. Coupled with the sizeable increase in capital expenditure to 11.8 percent of GDP, this resulted in a widening of the overall deficit to \$143.2 million from \$57.2 million in 2007/08. This corresponded to a deficit of 5.4 percent of GDP⁴ in 2008/09 compared to 2.2 percent in the previous fiscal year.

In 2008/09, total revenue and grants rose by 9.6 percent to \$816.0 million or 31.0 percent of GDP, following growth of 12.1 percent in 2007/08. Increases were recorded in receipts of grants, capital and current revenue. On the strength of larger corporate tax collections and consumption tax

³ A revised basket of goods & services was introduced, with base period of January 2008 and the corresponding re-basing of the CPI for 2007.

receipts, current revenue grew by 6.8 percent, albeit at a slower pace than the 12.3 percent recorded in 2007/08. Over the review period, revenue from income taxes and taxes on goods & services increased while collections from international trade taxes declined marginally.

Preliminary estimates suggest that total expenditure grew considerably by 19.6 percent to \$959.1 million, after declining by 3.6 percent in 2007/08. This reflected noticeable growth in both capital and current expenditure during the review period. Capital expenditure rose by 31.9 percent to a projected \$309.0 million, a turnaround from the contraction of 16.6 percent in the previous fiscal year. Current expenditure grew by 14.5 percent in 2008/09 to \$650.1 million, compared to the 2.9 percent growth in 2007/08. This was attributed to increases in all categories of expenditure. Most significantly were higher outlays on wages and salaries, resulting from negotiated increases with public sector unions, interest payments and goods & services.

At the end of 2008, total outstanding public sector liabilities, including payables of \$18.5 million, grew by 1.4 percent to \$1,793.2 million. Of this, St. Lucia's official debt increased by 1.2 percent to \$1,774.7 million, representing 66.0 percent of GDP. Central Government debt which accounted for 90.0 percent of total public debt, rose by 1.4 percent to \$1,597.1 million or 59.4 percent of GDP. This was due to a 19.2 percent increase in its domestic debt which offset the 9.4 percent decline in its external debt to \$888.5 million at the end of 2008. Government guaranteed debt rose by 1.4 percent to \$127.2 million while the stock of non-guaranteed debt fell by 4.6 percent to \$50.4 million.

Reflective of the increase in the interest rates on treasury bills, the weighted average cost of debt of the Central Government rose from 5.74 percent to 5.77 percent in 2008. However, moving in line with declining global interest rates, the average interest rate on loans dipped by six (6) basis points to 4.24 percent. Debt service payments grew by 5.0 percent to \$161.3 million, as a result of increases in both principal repayments and interest payments. The ratio of Central Government total debt service to current revenue declined from 22.3 percent in 2007 to 21.0 percent, attributed to the increase in revenue in calendar year 2008.

Trade and Balance of Payments

Preliminary estimates show that the external current account deficit widened by 4.1 percent to \$798.9 million, equivalent to 29.7 percent of GDP in 2008. This reflected a worsening of the deficit on the incomes account notwithstanding marginal improvements in the surplus on the services and current transfers sub-accounts. The deficit on the goods account narrowed negligibly from \$1,102.2 million in 2007 to \$1,096.1 million in 2008, due to higher inflows from goods procured in ports. However, in the goods account, the merchandise trade deficit increased by 1.5 percent

to \$1,187.4 million as the value of imports (at f.o.b prices⁵) grew by 6.7 percent to \$1,772.8 million while the total value of merchandise exports grew by 27.3 percent to \$372.6 million. Earnings from domestic exports rose by 30.6 percent to \$185.8 million, partly due to increased banana exports revenue.

The surplus on the capital and financial account fell from \$875.4 million to \$865.5 million in 2008. Estimated inflows of foreign direct investments and net external disbursements to the Central Government contracted in the review period. In contrast, there was a significantly larger inflow associated with borrowings by the commercial banks to accommodate the increased demand for domestic credit. However, the surplus on the capital and financial account was not sufficient to fully finance the current account deficit. This resulted in an overall deficit of \$30.4 million on the balance of payments compared to a surplus of \$50.0 million in 2007. Consequently, St. Lucia's share of imputed reserves at the Eastern Caribbean Central Bank declined by \$29.5 million or 1.1 percent of GDP.

⁵Imports at free on board (f.o.b) prices are estimated at 88.0 percent of the cost, insurance, freight (c.i.f) value of imports.

CHAPTER TWO

EXTERNAL ECONOMIC DEVELOPMENTS

International

Following four years of economic boom, real growth in global output weakened to 3.2 percent in 2008, as turmoil in the financial markets and mounting inflationary pressures in the first half of the year moderated demand. Over the past year, the global economy was hit by the surges in commodity prices and by the deepening crisis in the financial markets driven by the slump in the US housing market from mid-2007. This sub-prime mortgage meltdown triggered a full-scale credit crunch that reverberated throughout the global financial system. Insolvency concerns intensified and severely undermined consumer and investor confidence, prompting emergency resolutions of major US and European financial institutions. Given the prospect of stagflation, policymakers were challenged as they sought to stabilise the markets with extra-ordinary measures including massive liquidity provisions, extensions of deposit insurance and interventions to strengthen weak institutions. The worsening financial crisis led to a further slowdown in global demand and the worst recession since the 1930s.

Selected Global Economic Indicators⁶

	Growth (%)			Inflation (%)		
	2006	2007	2008	2006	2007	2008
World	5.0	5.2	3.2	2.4	2.2	3.6
United States	2.8	2.2	1.1	3.2	2.9	4.2
Euro Area	2.8	2.6	0.9	2.2	2.1	3.5
United Kingdom	2.9	3.1	0.7	2.3	2.3	3.8
Canada	3.1	2.7	0.6	2.0	2.1	2.5
Japan	2.4	2.4	-0.7	0.3	0.0	1.6
China	11.6	11.9	9.0	1.5	4.8	6.4
India	9.8	9.3	7.3	6.2	6.4	7.9
Russia	7.4	8.1	6.2	9.7	9.0	14.0

⁶Source: IMF World Economic Outlook (October 2008; January and March 2009 Updates). Inflation refers to the increase in average consumer prices.

The effects of the financial turmoil emerged in other developed countries. Over the last four years, global growth averaged 5.0 percent, three-quarters of which was attributed to a broad-based expansions in emerging and developing economies. Notwithstanding their resilience partly due to improved macro-economic frameworks, large accumulation of reserves, most emerging and developing countries like China and India increasingly felt the effects of the global credit crisis in 2008.

In early 2008 and amid the deteriorating economic conditions, soaring international commodity prices, particularly for food and energy, under way since 2004, propelled inflation to the highest levels in more than a decade. This commodity price boom was attributed to a number of factors, principal of which was the unabated demand from emerging markets, which principally accounted for the rise in consumption of oil, metals and grains since 2002. Additionally, the sharp depreciation of the US dollar vis-à-vis other major currencies further elevated commodity prices. Compared to 2007, oil prices advanced by 38.3 percent to average US\$100 a barrel⁷ in 2008, peaking at US\$147.27 in July. Price rises were stronger in emerging and developing countries, reflecting high weights of food in consumption baskets and rapid growth.

In the latter part of 2008, the deepening global economic downturn and the slump in demand resulted in dramatic declines in commodity prices. Oil prices declined by over sixty percent from its record high of US\$147.00 per barrel. The IMF commodity price index retreated by 37.2 percent in December 2008 relative to the same period in 2007. Notwithstanding, global inflation accelerated in 2008 compared to the previous year. However, inflationary pressures were stronger in emerging and developing countries, reflecting high weights of food in consumption baskets and rapid growth. Headline inflation reached 9.5 percent in 2008, eclipsing the 6.4 percent recorded the year before. In advanced economies, headline inflation rose to 3.5 percent while underlying inflation was contained.

World-wide inventory levels were at record highs in the latter half of 2008, resulting from a significant slowdown in international trade, particularly for Asian goods destined for North America. Growth in import volumes subsided to 5.8 percent in 2008 from 7.1 percent in 2007, reflecting a sharp drop in aggregate demand in high-income countries, alongside a severe shortage of liquidity in the global financial market. Overall, world trade volumes of goods and services increased by 4.1 percent in 2008, down from the 7.2 percent rise reported in the previous year.

⁷ West Texas Intermediate prices

While growth in global economic activity decelerated over the review period, this was accompanied by massive shedding of productive capacity worldwide with business/factory closures and rising unemployment, particularly in developed countries. Many Governments and Central Banks sought to stimulate their economies through unprecedented expansionary fiscal and monetary stimulus plans amounting in excess of US\$11 trillion to attenuate the financial distress. However, these actions did little to redress the fundamental problems rooted in the unregulated workings of the global financial system, as strains in the credit market remained acute at the end of the review period.

During 2008, the **US** economy was characterized by a deep credit crunch, declining house prices, significant contractions in consumer and business spending and waning confidence. Household consumption, which accounts for more than two-thirds of GDP, declined by an annual rate of 3.8 percent, the first downturn since 1991. In response to the financial turmoil and weakening economy, the US government pledged US\$8.5 trillion in liquidity support for the financial markets of which over US\$350 billion was spent to bail out banks. However, as economic conditions deteriorated in the last quarter leading to a full-blown recession, the US economy grew at a much slower pace than in 2007.

By the end of 2008, the labour market tightened, as the unemployment rate jumped to 7.2 percent to almost 2.6 million, the highest since 1992. Job losses were experienced largely in the auto industry and residential construction sectors as demand plummeted to record lows. The US trade deficit narrowed to \$677.1 billion from \$700.1 billion in the previous year. Both imports and exports declined in December for the fifth consecutive month as the global downturn affected domestic and foreign demand. Occasioned by the fall in oil prices and lower consumer spending on foreign-made automobiles, clothes and household appliances, imports fell considerably towards the end of the year. The notable decline in overseas sales of American-made cars, parts and engines in the final quarter led to an overall weak export performance. In an attempt to spur growth, the US Federal Reserve continued its aggressive monetary expansion policy by cutting its interest rate from 3.0 percent in January to a 0-0.25 percent range in December, the lowest in history. Nonetheless, inflation in the US eased rapidly to 0.1 percent in December 2008, moving in line with the decline in commodity prices towards the end of the year.

Dampened by the slowdown in the US economy, increasing financial strains and high commodity prices, economic activity slowed down significantly in the **Euro zone** after a first quarter rebound. Investment growth weakened partly due to the deterioration in the housing sectors in France, Ireland, Spain and Sweden. Moreover, sluggish foreign and domestic demand affected the manufacturing and service industries, which contracted steadily during the second half. Exports

in the region shrank as exports from Germany, Europe's largest economy, plunged more than 10.0 percent in 2008. This downturn was due partly to the slump in demand from the UK, the euro area's biggest trading partner. Household spending stagnated as real wage growth decelerated and unemployment rose, to 8.1 percent at the end of 2008. The external current account deficit moved from a surplus of 0.2 percent of GDP to a deficit of 0.5 percent of GDP in 2008.

After peaking in July, headline inflation in the euro area eased to 1.6 percent in December 2008, partly cushioned by the stronger euro. Attempting to limit the damage from the financial turmoil, central banks provided liquidity to banks while solvency concerns emerged. Amid fears of mounting price pressures, the European Central Bank tightened monetary policy by raising policy rates to 4.5 percent in July. However, as the turbulence in the financial markets persisted and consumer and investor sentiments dwindled, interest rates were reduced to 2.5 percent in December 2008. In addition to monetary stimulus, European policy makers attempted to coordinate €200 billion in fiscal measures among its member states to boost the economy, but failed to reverse the slide in confidence as the euro region faced its first recession in its ten-year history.

In the **UK**, real growth slowed markedly, as economic activity weakened from the first quarter. This performance reflected largely the substantial contractions in real estate and construction coupled with the decelerated growth in manufacturing and the service sectors. In the third quarter, mortgage lending dropped to the lowest level in fourteen years and residential loan approvals plunged by over 60.0 percent, as tightening credit exacerbated economic conditions.

In the first half, the appreciation of the pound sterling vis-à-vis the US dollar did not fully mitigate the impact of imported inflation as consumer prices peaked to 5.2 percent in September. In addition to lower global prices, inflationary impulses were curtailed in the final months of 2008, to some extent by the depreciation of the pound sterling and the cut in VAT from 17.5 percent to 15.0 percent in November. The number of persons unemployed in the UK reached nearly 2.0 million in 2008, equivalent to a jobless rate of 3.6 percent, representing a nine-year high. This emanated largely from redundancies in the retail, manufacturing and construction sectors. In an effort to counter the recession, the British Government announced a £20 billion package in tax cuts and spending while the Bank of England lowered its policy rate to 2 percent in the last quarter, the lowest since 1951, from 5.0 percent in April. The fiscal deficit deteriorated to 3.5 percent of GDP and there was a widening of the external current account deficit.

In **Canada**, economic activity slowed sharply since mid-2007 with marginal growth of 0.6 percent in 2008. This was due to subdued export growth which suffered from the slowdown in the US,

Canada's major trading partner and a slackening of the construction sector. Collapsing commodity prices affected the resource intensive sectors, which previously benefitted from high prices. During the first half, however, strong domestic demand supported modest increases in retail trade, accommodation services, finance and insurance.

In an effort to maintain household consumption in light of poor export performance, the Bank of Canada reduced its interest rate by 300 basis points to a fifty-year low of 1.5 percent by the end of 2008. Inflation remained within the target range in 2008, abetted by the sharp drop in energy prices, the reduction in the goods and services tax rate as well as the past appreciation of the Canadian dollar which had a dampening effect on high import prices. Nevertheless, as economic conditions worsened, driven by a sharper downturn in the construction and manufacturing sectors during the last quarter, the unemployment rate rose to 6.6 percent in December 2008.

Notwithstanding positive growth in the first quarter, economic activity in *Japan* started to contract from the second quarter due to rising commodity prices and weakening export demand, particularly from the United States and Europe. Declines in private consumption led by cuts in business investments reflected low confidence levels and expectations of a protracted recession. Industrial production fell by 9.6 percent in December and exports plunged by 35.0 percent, the sharpest declines in more than fifty years. During 2008, the slide in exports pushed the trade deficit to a record US\$9.9 billion, with sales to the US alone falling by 52.9 percent in December. The unemployment rate climbed to 4.4 percent in 2008, its highest level in forty years. This contributed to the decline in household spending which was also affected by lower wage rates. The appreciation of the yen helped to buttress the increase in consumer prices. Headline inflation in Japan rose close to 2.0 percent while core inflation, excluding food and fuel, remained around zero. In an effort to combat the economic downturn, the Bank of Japan reduced policy rates further from 0.5 percent in September to 0.1 percent in December. At the end of 2008, financial strains persisted, though to a lesser extent than in the US and Europe.

China's GDP expanded by 9.0 percent in 2008 pushing it past Germany to become the world's third-biggest economy. This represented the weakest economic expansion since 1990 due to tumbling export demand and plummeting real estate values influenced by the global recession. During the first half of 2008, economic activity remained robust as the nation prepared for the hosting of the Olympic Games in August. This event amounted to US\$43 billion in investments associated with infrastructural and other developments. Exports fell for the first time in seven years in November, imports plunged and industrial output gained the least in almost a decade due to 4,000 toy factory closures. China attempted to stem the economic slide which had cost the jobs of over 20 million migrant workers, representing an unemployment rate of approximately

4.2 percent. In November, the Government introduced a US\$585.0 billion stimulus package which included measures for low-rent housing, infrastructure in rural areas, as well as roads, railways and airports.

After reaching an 11-year high of 8.7 percent in February, inflation in China eased at the end of 2008. Inflationary pressures were heavily influenced by surging international commodity prices, but the global showdown in the latter part of 2008 helped tempered import prices, forcing policy makers to lift the temporary price controls that were imposed on energy and some staple food items in January. As inflation moderated, the Central Bank reduced the key interest rate by 216 basis points to 5.31 percent in December 2008, in an effort to boost domestic consumption.

India's GDP growth expanded at its slowest pace in five years. This outcome reflected largely the impact of the global credit turmoil and economic downturn alongside a slowdown in fixed investment. Manufacturing, which constitutes roughly 80.0 percent of India's total industrial output, contracted by 2.5 percent in December 2008 compared to the same month in 2007. This resulted in a 2.0 percent decline in industrial production in December, representing the steepest fall in over fourteen years. Nevertheless, economic growth in India during the review period was driven by the services sector including transport, ICT, and hotel and restaurant trade. Growth in private consumption remained buoyant, underpinned by strong wage gains and pay hikes for civil servants.

The Reserve Bank of India pursued tight monetary policy in response to growing price pressures. After a sixteen-year high of 12.9 percent in August, inflation was more subdued at the end of 2008. This prompted the Government to reduce the retail prices of petroleum products by as much as 10.0 percent in December, ahead of parliamentary elections in early 2009. However, concerned about the slowing economy, the Government unveiled a stimulus plan in December worth US\$4.0 billion in spending, together with tax cuts on cars and other consumer goods.

The rate of economic growth in *Russia* decelerated in 2008 as output expanded at its slowest pace since 2002. The devaluation of the ruble dampened consumer demand and Russia's export prices plunged. Industrial production, which accounts for 40.0 percent of GDP, fell by 10.3 percent in December, deepening the slowdown in economic activity. During the second half, the Central Bank of Russia spent roughly one-third of its foreign currency reserves to stem the ruble's 30.0 percent decline against the dollar. Exchange rate pressures heightened inflation expectations as imports became more expensive. However, consumer price inflation eased towards the end of the year, posting a rate of 13.3 percent in December 2008. At the end of the year, Russia announced more than US\$200.0 billion in emergency measures which involved priority access

to state loans and guarantees for a number of companies across twenty-six sectors. This was aimed at stabilising the faltering economy as unemployment accelerated to 7.7 percent at the end of 2008.

Regional

During 2008, the small open economies across the region grappled with the challenges associated with the adverse impact of soaring global commodity prices in the first half of the year and the rapidly worsening external economic environment in the second half of the year. The tourism sectors of the regional economies, which provide a major impetus for growth, were immediately and severely affected by this economic turbulence. Most countries recorded declines in arrivals with negative spill-over effects on other sectors. This was compounded by the unfavourable weather conditions and rising inputs costs which led to contractions in most agricultural outputs in 2008. Construction activity slowed down or fell in most countries as progress on private sector projects were hampered by the global financial crisis. In response, the Governments attempted to expedite public sector investments on infrastructure such as road improvements in order to stimulate the economy. However, as a result of these external shocks, the regional economies experienced low real growth in 2008.

The unprecedented increases in the cost of fuel and food filtered through to domestic prices in the region, including the costs of transportation and other goods and services produced locally. Consequently, inflation in all countries in the region elevated further in the review period, prompting Governments to implement various measures to cushion the effects of these prices. In an effort to temper these inflationary pressures, some central banks tightened their monetary policy stance. Unemployment rose in many countries, particularly in the last quarter of 2008, as low occupancy rates led to lay-offs and shortened work hours in the hotel sector and in other productive sectors.

The public finances of many countries thus deteriorated on account of higher expenditures incurred in part for salary increases, interest payments on debt and for larger transfers and subsidies. These developments also placed significant pressure on the external accounts. Higher payments for food and fuel imports accompanied by declines in earnings from tourism and exports of agricultural products, resulted in wider current account deficits. The fall-off in remittances contributed to the reduction in the surplus on the capital and financial accounts.

Selected Regional Economic Indicators

Economic Indicators	Real Growth (%)		Inflation (Period Average)(%)	
Country	2007	2008	2007	2008
Barbados	3.3	0.7	4.1	8.1
ECCU	5.2	1.7	2.7	7.5
Guyana	5.5	3.1	14.0	6.4
Jamaica	1.2	0.5	16.8	16.8
Trinidad	5.5	3.5	7.9	12.0

The pace of growth of the **Barbados** economy slowed to 0.7 percent in 2008, buoyed by an increase of 1.2 percent in the non-traded sectors which compensated for the 1.0 percent contraction in the traded sectors. Tourism value-added fell by 1.7 percent in contrast to an expansion of 3.1 percent in 2007. The construction sector contracted by 3.1 percent due to a slowdown in road works and tourism related projects. Sugar production declined by 6.9 percent, influenced by a reduction in the acreage under cultivation as Government attempted to restructure the industry. Non-sugar agriculture expanded by 3.7 percent as output from fishing compensated for the decline in production of milk, chicken and other meats. Manufacturing output contracted for the second consecutive year despite increases in production of food and beverages.

The Central Bank of Barbados continued to ease its monetary policy in 2008 by reducing the minimum deposit rate to 4.0 percent. Inflation rose to 8.1 percent, partly reflecting higher domestic prices of fuel in April. On average, the unemployment rate also increased to 8.1 percent. The fiscal deficit widened to an estimated 4.5 percent of GDP, up from 1.9 percent of GDP in 2007 on account of higher current and capital spending. The external current account deficit widened by \$376.6 million due to lower travel receipts and a higher import bill while the surplus on the financial account narrowed. This led to a reduction in the net international reserves (NIR) by \$202.0 million in 2008.

Preliminary estimates indicate slower real growth in the **Eastern Caribbean Currency Union (ECCU)** in 2008 primarily due to lower tourist arrivals and a slowdown in construction activity. Total stay-over arrivals in the ECCU fell marginally as contractions in some countries were tempered by slight increases in St. Lucia, Antigua and Dominica. Construction activity, largely public sector projects, rose by 4.0 percent, following growth of 6.0 percent in 2007. Public sector

works were centred around road developments and low income housing while progress on many private sector projects were affected by financial constraints. As a result of higher banana production in St. Lucia and Dominica, value added in the agriculture sector increased marginally following on from growth of 2.8 percent in 2007. Manufacturing output in most countries was hampered by sluggish demand and higher input costs. Inflationary pressures accelerated in all countries in the ECCU, driven by the surge in international commodity prices, the depreciation of the US dollar and shortages of local agricultural produce in some countries.

Total monetary liabilities in the ECCU moved up by 2.6 percent compared to 10.0 percent growth in 2007. Net foreign assets of commercial banks contracted as they drew down on their external assets and borrowed from foreign sources to finance the expansion in domestic credit. The liquidity ratio of the commercial banks continued to tighten in 2008. The public sector debt to GDP ratio fell to 89.6 percent from 92.6 percent, notwithstanding high ratios over 100.0 percent in Grenada and St. Kitts & Nevis at the end of 2008. The fall in foreign direct investment and tourist arrivals coupled with the surge in commodity prices led to a deterioration of the external position. The ratio of reserves to imports of goods and services stood at 4.6 months of imports as of December 2008, well above the ECCB's minimum three-month benchmark.

Economic growth in **Guyana** slowed to 3.1 percent in 2008 compared to an average of 5.0 percent recorded for the previous two years. Sugar production contracted by 15.1 percent while the domestic rice industry registered growth of 10.5 percent, its highest annual production in five years. The "Grow More" campaign resulted in increased output in both livestock and other crops. Mining and quarrying output moved up by 6.1 percent reflecting the earnings from gold as prices remained high in 2008. This compensated for the fall-off in bauxite production and diamond declarations. Manufacturing output dropped by 2.0 percent as increases in output from beverages and paints were offset by the reduction in flour production.

In 2008, an overall surplus of US\$7.0 million was realized on the balance of payments, following a deficit of US\$1.4 million in 2007. Guyana's inflation rate was 6.4 percent in 2008 down from 14.0 percent in 2007. On the fiscal accounts, the current revenue of the Central Government increased by 2.6 percent while total expenditure expanded by 6.5 percent on account of a cost of living salary adjustment and sectoral support and transfers. Growth in revenue collections from VAT and excise taxes slowed to 1.1 percent to US\$37.1 billion, reflecting the removal of VAT on basic items and reduction in excise taxes on fuel. The stock of external debt grew by 16.0 percent to US\$833.7 million with debt service payments rising by 11.0 percent to US\$21.0 million.

Real GDP growth in **Jamaica** is expected to be approximately 0.5 percent in 2008, having

contracted by 0.3 percent between January to September. Agricultural output declined as both sugar and banana production fell reflecting the impact of tropical storm Gustav in August, dry spells and the continued effects of Hurricane Ivan in 2007. However, notwithstanding a decline in the European market, stay over arrivals increased by 3.9 percent during 2008 on the strength of growth of 1.6 percent and 23.9 percent in the US and Canadian markets respectively. Cruise arrivals declined by 7.7 percent over the review period. The performance of the transport, storage & communication, manufacturing and construction sectors weakened in 2008.

Over the review period, consumer prices increased by the same rate of 16.8 percent as in 2007. In the first half of 2008, the Bank of Jamaica tightened its monetary policy by raising its open market operations rate by 235 basis points. At the end of the year, the net international reserves fell by 4.4 percent to US\$1.8 billion.

Influenced by the developments in the international oil market, growth in the **Trinidad & Tobago** economy is expected to decelerate to 3.5 percent in 2008. Value-added in the non-energy sector grew at a much faster pace of 4.8 percent than in the energy sector. Construction activity remained robust in the first half of the year as work continued on a number of private and public sector projects. Output in the manufacturing sector expanded at a slower pace of 4.2 percent compared to 14.9 percent in 2007. The agriculture sector expanded by 8.6 percent in response to initiatives by the Government to increase domestic production, despite shortages of labour and raw materials and no sugar production following the closure of the industry in 2007. Activity in the services sector slowed to 4.9 percent following growth of 6.6 percent in 2007.

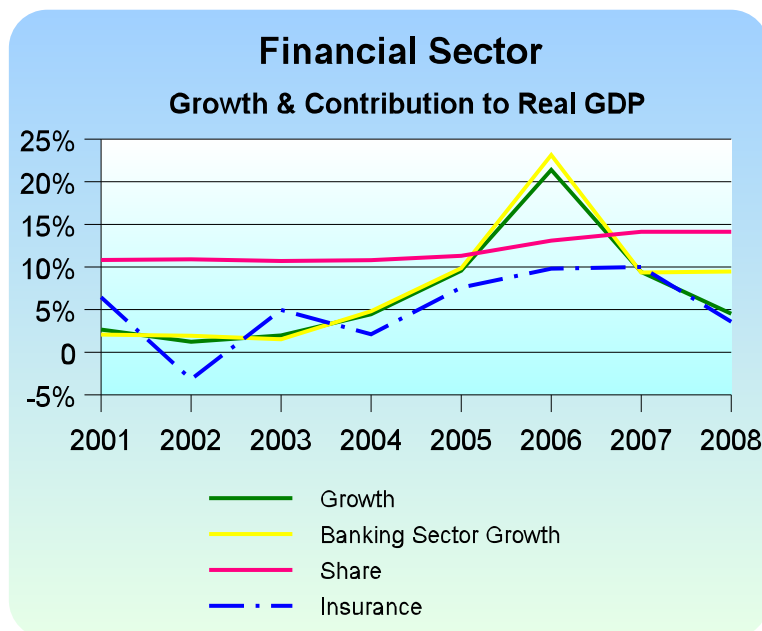
The unemployment rate for the first nine months of 2008 was recorded at 4.9 percent. In order to constrain the growth in credit, the Central Bank of Trinidad & Tobago raised its “repo” rate to 8.75 percent and increased the reserve requirements of banks, resulting in higher lending rates. However, headline inflation reached 11.9 percent on account of rising food prices, posting the highest rate since 1994. External debt levelled off at 6.0 percent of GDP while total public sector debt stood at 28.0 percent of GDP. Higher energy prices contributed to the increase in Trinidad’s net official reserves to US\$9.2 billion, equivalent to 11 months of import cover.

CHAPTER THREE

MONETARY & FINANCIAL SECTOR

MONETARY DEVELOPMENTS

Developments in the monetary and financial sector generally reflected the slower pace of growth experienced in the economy during 2008. Financial activity, as measured by the value-added in banking and insurance, is estimated to have grown by 4.5 percent in 2008, compared to growth of 9.4 percent and 21.4 percent in the previous two years. The sector's contribution to real GDP increased to 14.7 percent in 2008, of which banking accounted for 13.0 percent. Preliminary estimates indicate that the banking sub-sector grew by 4.6 percent while insurance activity expanded by 3.6 percent in the review period.



Activity within the sector was characterized by a further tightening of liquidity in the commercial banking system as growth in domestic credit outpaced that of deposits. In the review period, commercial bank interest rates, both deposit and lending, remained largely unchanged. In an effort to meet the market's demand for credit, commercial banks drew down on their foreign assets and increased their liabilities to banks abroad. As a result and coupled with a reduction in St. Lucia's imputed share of reserves at the central bank, the net foreign liabilities of the banking system grew from \$47.7 million to \$543.3 million at the end of 2008. Owing to a significant increase in net domestic assets, the money supply, M2, expanded by 6.5 percent.

Domestic Credit⁸

During the review period, the expansion in domestic credit slowed to 10.7 percent to \$3,310.9 million, following rapid growth averaging 26.9 percent over the past three years. Increases were

⁸In 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.

recorded in private sector credit which were partly offset by the increase in the net domestic deposits of other categories. Credit to the private sector grew by 11.6 percent to \$3,449.9 million, led by additional lending of 14.6 percent to businesses. In addition, household credit grew by 6.9 percent to \$1,273.8 million.

The net credit of the Central Government in the banking system more than doubled to \$69.0 million as its deposits fell significantly by 21.4 percent to \$269.2 million coupled with a decline in the outstanding credit of the central government to \$338.2 million. However, despite the 3.5 percent fall in its outstanding loans and advances, the Central Government remained a net borrower from the banking system at the end of 2008. This was due to a deterioration in the fiscal position of the Central Government and an increase in its domestic debt.

While deposits increased by 21.3 percent to \$51.6 million in 2008, credit to subsidiaries and affiliates declined by 17.6 percent to \$172.8 million. This resulted in a 27.5 percent contraction in the net credit of subsidiaries and affiliates to \$121.2 million. Nonetheless, subsidiaries & affiliates remained net borrowers from the banking system, as credit to these institutions exceeded their accumulation of deposits.

Non-financial public enterprises and non-bank financial institutions continued to be net lenders to the banking system. Credit to non-financial public enterprises grew by 2.6 percent to \$115.3 million in 2008 while its deposits rose by 16.7 percent to \$415.4 million. Consequently, the net deposits of non-financial public enterprises moved from \$243.4 million to \$300.1 million. Credit to non-bank financial institutions grew by 52.1 percent to \$57.9 million. Deposits held by these institutions increased at a slower pace of 9.7 percent to \$87.1 million, leading to a contraction of 29.4 percent in net deposits of non-bank financial institutions.

Credit by Economic Activity

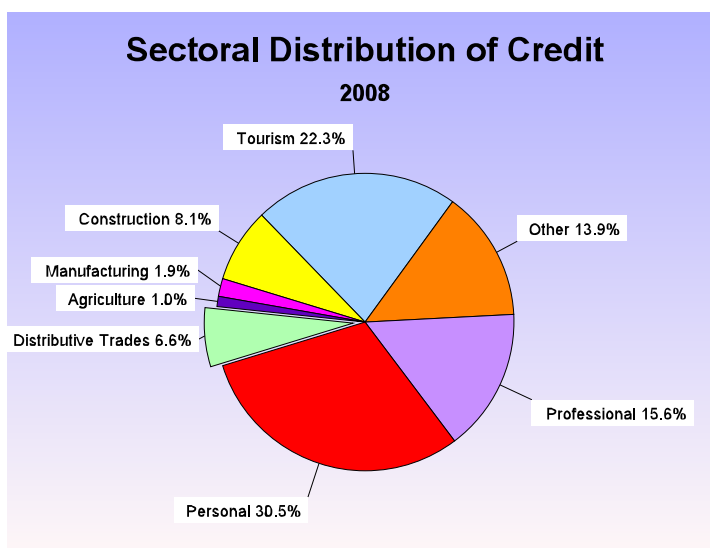
After expanding by 25.7 percent and 28.5 percent in 2006 and 2007 respectively, commercial bank credit continued to increase, albeit at a slower pace of 8.7 percent to \$3,814.5 million in 2008. An examination of credit by sector shows that the most significant share of new credit was allocated to the tourism sector, followed by construction & land development and professional & other services.

Credit to the tourism sector, commanding the second largest share of total credit, rose by 12.7 percent to \$851.7 million. Credit for professional and other services continued to expand, rising by 17.5 percent to \$594.2 million in 2008.

Loans and advances for construction and land development increased by 27.3 percent to \$310.6 million. This included financing for a number of commercial properties, expansion of hotel plant and construction of villas and condominiums.

Personal loans which accounted for approximately one third of total outstanding credit, increased by 1.3 percent to \$1,164.1 million, compared to 11.8 percent in 2007. Within this category, there

was growth of 12.2 percent in credit for acquisition of property by individuals. Lending for home construction and renovation grew at a slower rate of 6.6 percent in 2008, compared to growth of 23.9 percent in 2007. An increase of 19.8 percent was recorded in credit for house & land purchases following a decline of 17.7 percent in 2007. Credit for durable consumer goods rose by 6.0 percent, slowing from 35.3 percent in 2007, reflecting mainly the softening of demand for motor vehicles. Credit for other personal purposes declined by 13.2



percent to \$389.1 million in 2008.

During the review period, credit extended to the manufacturing sector grew by 33.0 percent to \$72.8 million while the agricultural sector benefitted from a 20.0 percent increase in financial support to \$36.8 million. Commercial bank credit to the distributive trades sector rose by 5.9 percent to \$253.6 million, compared to a 1.4 percent increase last year. In contrast, credit for entertainment and catering fell by 15.9 percent to \$31.9 million.

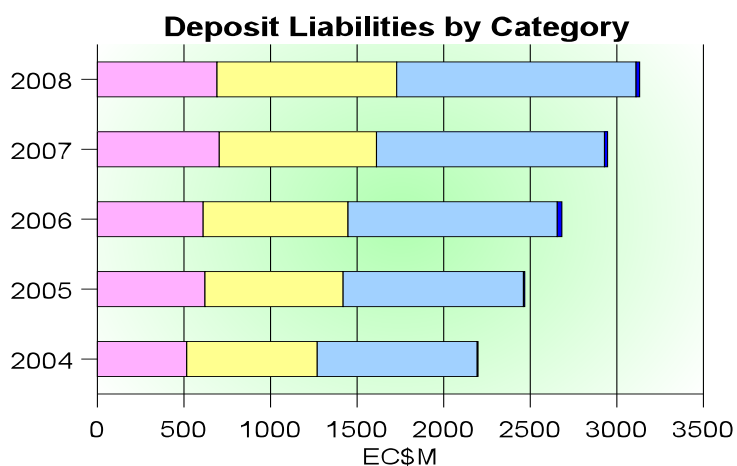
Domestic Liabilities

Influenced by the developments in the domestic economy, the gross liabilities of the banking system grew at a decelerated rate of 2.2 percent to \$5,359.9 million, after increasing by an average of 21.4 percent over the past three years. This was due to the 7.8 percent decline in deposits held by ECCB area banks.

In 2008, deposit liabilities increased by 7.0 percent to \$3,318.9 million and accounted for 61.9 percent of gross liabilities. There were increases in deposits by all categories with the exception of demand deposits which fell by 1.9 percent to \$690.9 million. Savings deposits, which

accounted for 41.7 percent of the total deposits, increased by 5.0 percent to \$1,383.2 million. Time deposits grew by 14.3 percent to \$1,037.1 million, following growth of 8.4 percent in 2007. At the end of 2008, foreign currency deposits rose by 19.3 percent to \$207.7 million.

A review of deposits by holder shows that the level of deposits held at commercial banks by residents increased by 6.8 percent to \$3,003.7 million. Similarly, deposits by non-residents, while accounting for less than 10.0 percent of total deposits, rose by 8.4 percent to \$315.2 million.



Of deposits by residents, lower balances were held by both private individuals and the Central

Government at the end of 2008 compared to 2007. Deposits by private individuals, which accounted for close to half of resident deposits, fell by 2.0 percent to \$1,472.9 million. While deposits of the Central Government declined by 3.9 percent to \$268.1 million, deposits held by statutory bodies increased by 16.7 percent to \$415.4 million. This was led by deposits of the National Insurance Corporation which grew by 16.6 percent to \$340.3 million. Commercial bank deposits by business firms and non-bank financial institutions increased by one third and 9.3 percent respectively.

Money Supply

Total monetary liabilities (M2), the broad measure of the money supply, grew by 6.5 percent to \$2,324.1 million in 2008. This was primarily due to an expansion in quasi-money⁹ notwithstanding the decline in M1 at the end of 2008.

Quasi- money which accounted for 72.8 percent of M2, grew by 9.6 percent to \$1,692.4 million by the end of 2008. Private sector savings deposits, which accounted for 71.3 percent of quasi-money expanded by 4.9 percent to \$1,206.6 million. In addition, there was a 4.1 percent increase in private sector foreign currency deposits. Notably, there was a 31.0 percent increase in the level of private sector time deposits to \$371.2 million.

⁹Composed of private sector time, savings and foreign deposits.

The narrow measure of money supply, M1, fell by 1.1 percent to \$631.7 million. This resulted from a 4.3 percent decrease in private sector demand deposits, which accounted for 77.4 percent of M1. Notwithstanding, there were increases in the other components of (M1), particularly cash held at commercial banks and currency in circulation which rose by 17.3 percent and 13.2 percent respectively. At the end of December 2008, currency held by the public advanced by 11.3 percent to \$142.6 million.

Liquidity

Liquidity in the commercial banking system tightened further during 2008. The loans to deposits ratio, the primary measure of liquidity, increased from 113.2 percent in 2007 to 114.9 percent in 2008. This was a result of an increase in loans and advances of \$303.7 million which exceeded the \$216.2 million increase in deposits.

The stock of liquid assets declined by 17.6 percent to \$896.2 million while the stock of liquid liabilities rose by 3.8 percent to \$1,199.3 million, despite the 7.8 percent decline in the outstanding borrowing from banks in other ECCB territories. Another indicator of the tight liquidity situation, the ratio of liquid assets to total deposits plus liquid liabilities, fell from 25.5 percent in 2007 to 19.8 percent in 2008.

Interest Rates

Over the review period, there was little change in the term structure of nominal interest rates within the commercial banking system. The rates on demand deposits and savings deposits remained fixed, ranging from 0.0 to 3.0 percent and 3.0 to 4.25 percent respectively. Interest paid on time deposits with various maturities remained the same as in 2007. The prime lending rate was kept in the range of 9.5 to 10.0 percent while other lending rates attracted an additional 200 basis points in the maximum interest rate. The nominal interest rate on add-on loans remained unchanged throughout 2008 while the effective interest rates on these loans ranged from 10.5 percent to 24.0 percent.

While the weighted average deposit rate declined by 8 basis points to 2.88 percent, the weighted average rate on loans rose by 19 basis points to 9.59 percent. The maximum loan period was reduced from 35 years to 30 years.

Selected Interest Rates (%)

Deposit Category	Dec '05	Dec '06	Dec '07	Dec '08
Demand Deposits	0.0 - 3.0	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	3.0 - 4.25
Time Deposits (3 - 6 months)	1.0 - 3.0	1.0 - 3.0	1.0 - 3.75	1.0 - 3.75
Time Deposits (1-2 yrs)	1.0 - 4.0	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	9.5 - 10.0

External Reserves

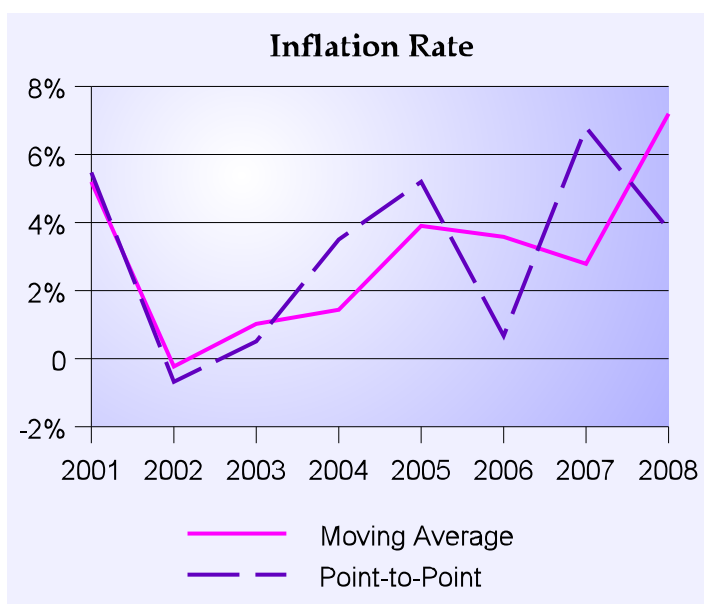
St.Lucia's net external position deteriorated over the review period. At the end of 2008, the net foreign liabilities of the banking system increased to \$543.3 million from \$47.7 million at the end of 2007. This was due to the activities of commercial banks which resulted in a reduction in their assets held in banks in other ECCU territories by 47.5 percent. In addition, commercial banks increased their liabilities with institutions outside of the ECCU area by 18.5 percent to \$922.1 million to accommodate the demand for credit, given the tight liquidity situation.

Consequently, at the end of 2008, St.Lucia's share of imputed reserves of the Eastern Caribbean Central Bank fell by 7.2 percent to \$378.8 million. This was also influenced by the widening current account deficit in the balance of payments.

PRICES

During 2008, soaring international commodity prices, particularly for food and energy, filtered through to domestic prices and exerted significant inflationary pressures on the economy. Inflation, as measured by the change in the 12-month moving average of the consumer price index (CPI)¹⁰, accelerated to 7.2 percent compared to the 2.8 percent recorded in the previous year. This represented the highest rate recorded since 1986. However, the point-to-point measure of inflation as at December 2008 slowed to 3.8 percent relative to the 6.8 percent realised in the corresponding period in 2007, as global commodity prices subsided towards the end of the year.

In the first half of 2008, most countries reported record inflation rates mainly as a result of the global commodity price surges. Underlying this was an interplay of supply and demand factors. Growing global demand placed a strain on global supplies for energy and food. In the latter part of 2008, however, there was an abrupt reversal in the price trend as commodity prices moderated on account of waning demand, precipitated by the global financial crisis.



The upward trend in global commodity prices and the weakening of the US dollar which continued in the first half of the year, were largely responsible for the record level of 'imported' inflation experienced by most economies. This was more acute in developing economies including those in the Caribbean Community (CARICOM) where domestic prices were influenced by external inflationary pressures from their main trading partners like the United States and the United Kingdom. In their response to combat the surge in inflation, particularly with respect to food and petroleum prices, the region relied heavily on fiscal and trade policy adjustments such as reductions in the consumption tax and/or the import duty (Common External Tariff) on a number of essential items.

¹⁰ A revised basket of goods & services was introduced, with base period of January 2008 and the corresponding re-basing of the CPI for 2007.

Domestically, there was a notable rise in the cost of living influenced by exogenous factors and to a lesser extent, sustained demand as wages in most sectors increased accordingly. Public officers were paid salary increases, including retroactive payments, from October. Over the review period, increases in the cost of food, energy, fuel and transport generated the most significant upward pressure on the general price level.

Inflation was driven largely by the 7.5 percent increase in the *food and non-alcoholic beverages* sub-index which is the most heavily weighted category in the CPI. This outcome reflected mainly the rise in the prices of bread, cereals, meat, fish & seafood, dairy products, and oils & fats. In the latter part of 2008, there were increases in the regulated costs of price controlled bread due to rising input costs.

The *transport* sub-index registered the largest upswing, increasing by 18.7 percent compared to the previous year, indicative of higher costs of road, air and sea transport. This was largely due to the significant rise in the domestic price of gasoline and diesel in January 2008, trucking rates and increased public bus fares, prompted by high international oil prices. In addition, increases were recorded in the price of motor vehicles as well as higher costs of spare parts/accessories and airfares. However, as international oil prices fell towards the end of the year, a downward adjustment was applied to the domestic prices of fuel in December 2008, slightly tempering the increase in the transport sub-index.

Reflective of the rising imported costs of energy in the first six months of the year, the *housing, water, electricity, gas and other fuels* sub-index advanced by 13.6 percent over the review period. However, the gradual fall in the price of electricity from August and the reduction in the government-controlled retail prices of fuel in December, influenced by falling global oil prices, abated the upward movement in the sub-index. There were steady increases in the costs of materials for home maintenance and repairs throughout the year while no increases were posted in rental costs and water charges.

The 11.4 percent rise in the *health* sub-index was driven by higher costs for medical products, outpatient medical, paramedical and hospital services. Over the review period, however, there was a moderate decline in the cost of dental services.

Reflecting largely an increase in the price of restaurant and catering services, the *restaurants and hotels* sub-index grew by 6.9 percent over the review period. The *furnishings, household equipment and maintenance* sub-index grew by 5.1 percent due mainly to the rise in the costs of household appliances, and goods and services for routine household maintenance.

There was a 2.9 percent growth in the *recreation and culture* sub-index owing to the increase in the prices of information processing and audio-visual equipment such as computers. The moderate increases in the cost of cultural services, printed matter and stationary also led to the rise in the sub-index.

The higher prices for goods and services relating to personal care contributed to the 2.8 percent increase in the *miscellaneous goods and services* sub-index. The fall in the cost of insurance and financial services, however, dampened the overall increase in the sub-index.

The *clothing and footwear* sub-index advanced by 1.2 percent largely on account of the notable increase in the cost of clothing materials and accessories. However, the decline in the price of footwear and repair costs helped subdue the rate of growth in the sub-index.

The *alcoholic beverages, tobacco and narcotics* sub-index declined by 0.2 percent. This reflected primarily the fall in the price of spirits, notwithstanding the price increases noted for all other alcoholic beverages and tobacco.

The *communication* and *education* sub-indices, however, remained unchanged over the review period. This was due largely to the stable prices reported for telephone and telefax services, as well as for early childhood and primary education.

CHAPTER FOUR

REAL SECTOR

TOURISM

The overall performance of the tourism sector in 2008 was influenced by the Government's efforts in stimulating demand for St. Lucia's product and the unfavourable developments in the external economic environment. Real activity in the sector, as measured by the hotel and restaurant sub-sectors, is estimated to have expanded by 2.2 percent in 2008, after contracting by 7.4 percent in 2007. Despite the challenges faced by the tourism sector, most notably in the second half of the year, the sector remains the principal source of overall activity in the domestic economy. Its direct contribution to real GDP was estimated at 11.7 percent in 2008.

Over the review period, growth in the tourism sector was constrained by a number of factors, including high airfares stemming from the surge in fuel prices and the deepening global financial crisis and economic downturn. These resulted

in a softening of demand for travel to St. Lucia and the wider Caribbean. The domestic industry was also affected by the loss of airlift from the US market. The decline in arrivals in the last quarter and the anticipation of significantly lower arrivals in the near future led to lay-offs at a number of hotels.

Total visitor arrivals increased by 1.7 percent to 947,445, reflecting growth in stay-over arrivals and cruise passengers. Stay over arrivals, which contributes more significantly to value added in the domestic economy, rebounded by 2.9 percent to 295,761 in contrast to a 5.0 percent decline during 2007, albeit below the 2004-2006 levels. This compares favourably to the performance in other Caribbean islands such as Antigua and Jamaica. Growth in cruise arrivals slowed to 1.5 percent to 619,680, following the 69.7 percent increase posted in 2007. Yacht arrivals contracted further by 14.3 percent while the number of excursionists grew by 23.2 percent to 9,582.



The tourism sector continued to contribute significantly to St. Lucia's foreign exchange earnings and to Government revenues. However, Gross stay-over visitor expenditure¹¹ contracted by 9.7 percent to \$1,176.3 million in 2008 from \$1,301.3 million in the previous year. This reflected the decline in the average length of stay and discounting of room rates particularly in the last quarter of the year. Estimated spending by US tourists rose by 18.5 percent on account of an increase in average daily expenditure as arrivals dropped and average length of stay remained unchanged. Expenditure by visitors from the UK, Canada and the Caribbean fell in line with the declines in their average length of stay and daily expenditure despite the increases in arrivals.

Stay-Over Arrivals

Notwithstanding accelerated declines in the third and fourth quarters of 2008, stay-over arrivals increased by 2.9 percent. While this represented a recovery from the downturn in 2007, arrivals were 7.0 percent below the highest level attained in 2005. The 2008 performance mainly reflected strong growth of 17.7 percent in the first quarter of 2008, compared to a 10.5 percent contraction in 2007. The 3.6 percent fall in the second half of the year was primarily attributed to the deteriorating economic conditions in the US and in the UK which dampened global demand for travel.

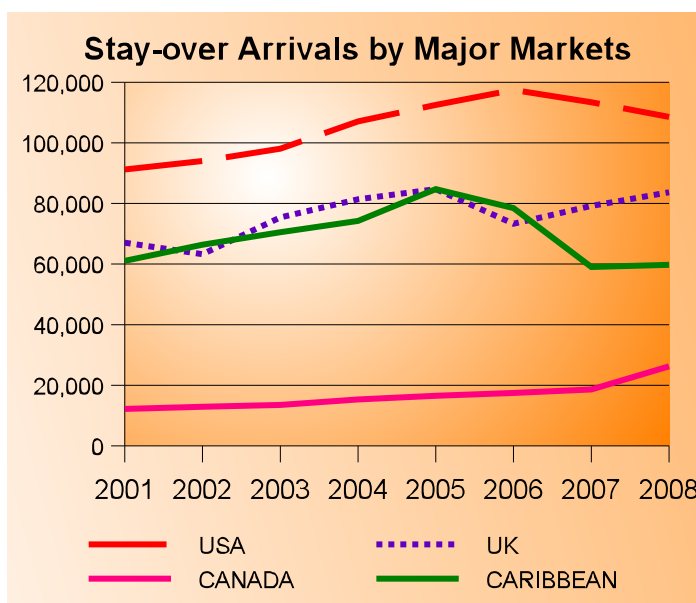
Growth was recorded in all source markets with the exception of the US and the Rest of the World which registered declines of 4.3 percent and 36.9 percent respectively. This overall favourable out-turn was occasioned by a marked increase in Canadian arrivals and considerable growth in UK visitors which compensated for the declines in other markets. In 2008, there was a slight decline in the contribution of arrivals out of the three major markets, namely the US, UK and Caribbean, which together commanded a share of 85.2 percent of total stay-over arrivals.

For the second consecutive year, arrivals from the US fell by 4.3 percent to 108,596, after declining by 3.4 percent in 2007. Arrivals from this market were 8.0 percent lower in 2008 when compared to 2006. US arrivals accounted for 36.7 percent of total stay-over arrivals, remaining the most dominant source market for St. Lucia. Owing to the deepening economic crisis in the US, the high cost of travel and the significant reduction in key airlift, there were 9,311 fewer US visitors in the period September to December 2008 when compared to the corresponding period in 2007. In addition to the loss of a number of American Eagle flights out of Puerto Rico from September, Air Jamaica terminated its services to St. Lucia from April 2008. These developments partly

¹¹This represents the value of business generated from arrivals into St. Lucia and not actual inflows of foreign exchange. Data on expenditure by cruise visitors is unavailable.

undermined the benefits of the direct flight introduced in late 2007 from New York by American Airlines and the depreciation of the US dollar in much of the review period.

Growth in arrivals from the UK market slowed to 5.7 percent to 83,693, compared to an upturn of 8.0 percent in 2007. While an 11.0 percent increase was recorded in the first three months of 2008 relative to the same period in 2007, the quarterly rate of growth decelerated subsequently with arrivals in the last quarter rising by 1.9



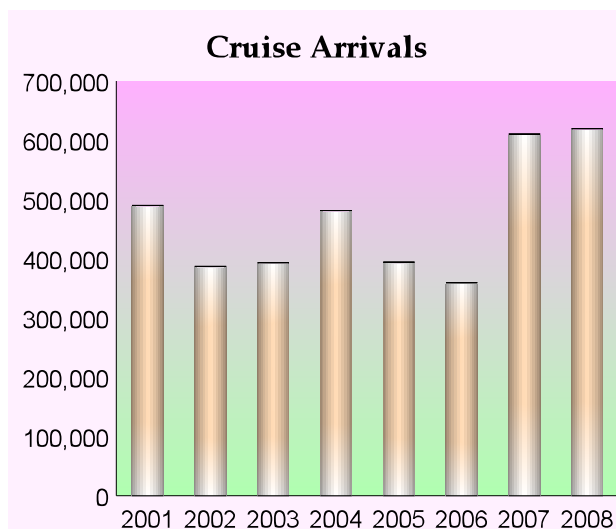
percent. The market showed resilience as the economic conditions in the UK deteriorated during the latter half of the year and the pound sterling depreciated against the euro. Targeted marketing efforts and increased airlift from the UK contributed to overall growth in arrivals from this market. The number of visitors from France and Germany which accounted for a combined share of 2.1 percent of stay-over arrivals, grew by 17.3 percent and 14.5 percent respectively, following two consecutive years of decline. This can be attributed to favourable exchange rate movements and increased marketing activities aimed at developing the growth potential of these markets.

After a cumulative contraction of 30.0 percent between 2006 and 2007, the regional market grew by 1.2 percent to 59,757. Strong increases in the months of March and August contributed to this improved performance. Arrivals from the French West Indies, particularly Martinique grew by 12.0 percent to 21,157. This upturn was in part attributed to the appreciation of the euro against the US dollar. Arrivals from Barbados and Trinidad which are key CARICOM markets fell by 4.4 percent and 2.9 percent respectively. The high cost of regional airfares and LIAT's limited seating capacity dampened demand from CARICOM nationals. The strong performance of the French West Indies market compensated for the decline in CARICOM arrivals.

Arrivals from Canada continued to trend upward since 2002, expanding progressively by 41.0 percent to 26,279 over the review period. Increases in Canadian arrivals were more pronounced in the winter months, supported by additional chartered airlift during that period. The performance was also buoyed by the relatively strong Canadian dollar for most of the year and enhanced marketing activities.

Occupancy

Notwithstanding the increase in total stay-over arrivals, the overall average hotel occupancy rate fell to 61.6 percent compared to 64.9 percent in 2007. This was due to shorter lengths of stay from most markets, primarily by UK visitors. Occupancy rates at all-inclusive hotels increased to 67.2 percent while conventional hotels (European plan type hotels) recorded slightly higher rates of 60.2 percent. However, average occupancy at small hotels declined to 57.4 percent. As in previous years, the lowest monthly occupancy rate was recorded in September at just above 50.0 percent.



Cruise & Other Arrivals

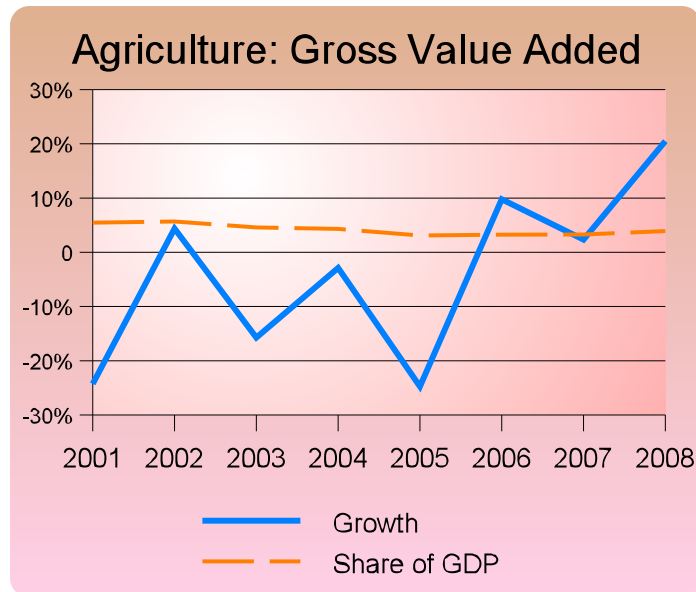
Following a sharp increase in 2007, cruise passenger arrivals rose marginally by 1.5 percent to 619,680, to post its highest level to date. The increase during the first half of the year compensated for strong contractions during the second half of the year. Cruise arrivals declined for four consecutive months from August to November as consumer demand waned owing to the deepening economic recession. The seasonality of the cruise sub-sector was highlighted by a sharp recovery in December with growth in arrivals accelerating to 18.0 percent. There were 315 cruise

ship calls in 2008, similar to that in the previous year, as reductions by some cruise lines were offset by increased calls from a major line. The cruise industry continued to discount their fares in order to attract increasing numbers of vacationers.

Data on yacht visitors at the Rodney Bay Marina indicate that arrivals contracted by 14.3 percent to 22,422, following a 2.1 percent decline in 2007. This was partly attributed to termination of services by a charter vessel in 2008 which operated regular trips throughout 2007. The number of excursionist continued to expand, registering an increase of 23.2 percent to 9,582 over the review period.

AGRICULTURE

Preliminary national accounts data show that the agriculture sector registered real growth of 20.5 percent in 2008 with strong performances in all the sub-sectors. Value-added in the banana industry is estimated at 30.0 percent alongside growth of 21.3 percent and 12.0 in other crops and livestock sub-sectors respectively. The fisheries sub-sector recorded real growth of 11.0 percent. Consequently, agriculture's contribution to GDP increased from 3.3 percent in 2007 to 3.9 percent in 2008 of which the banana industry contributed 1.7 percent to GDP.



Despite its performance, the agricultural sector was further constrained by rising costs of inputs, limited access to financing, structural and cultural constraints. Commercial bank credit to the agricultural sector in 2008 accounted for a negligible share of total credit. Improved agricultural practices and better business acumen amongst farmers will augur well for the future prospects of the sector, alongside a more organized system of production planning, marketing and distribution.

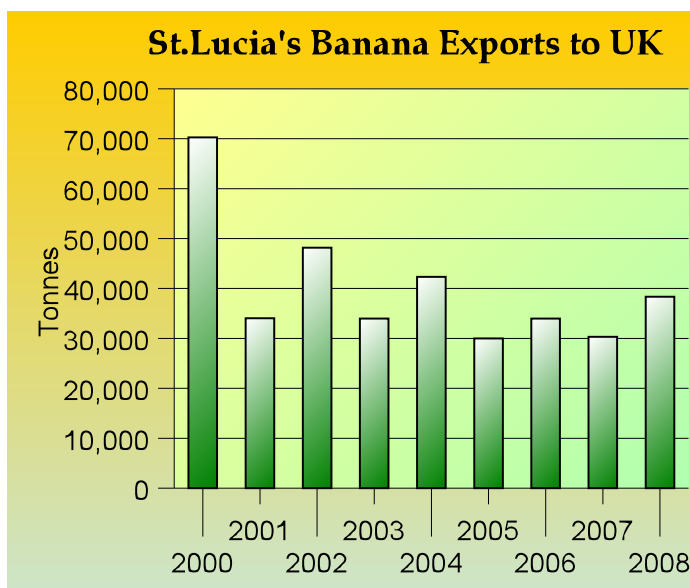
Bananas

Output

During the review period, Windward Islands banana exports to the United Kingdom rose by 7.4 percent to 55,079 tonnes. This was primarily due to marked growth in exports from St. Lucia, the largest producing country, resulting in a significant increase in its share of total Windward Islands banana exports to 69.6 percent. There was also an increase in Dominica's exports which expanded by 21.6 percent to 8,286 tonnes. By contrast, there was a notable drop in banana exports from St. Vincent, from 14,146 tonnes to 8,434 tonnes. This downturn stemmed from the infestation of the Moko disease in 2007 which led to twelve months of farm fallowing and affected production in the first half of 2008. Banana revenue from Windward Islands exports grew by 14.2

percent to \$83.3 million in 2008.

Output in the banana industry in St. Lucia recovered from the passage of Hurricane Dean in 2007



which was chiefly responsible for the 10.8 percent contraction in that year. This performance was attained in an environment in which banana producers were faced with rising input costs. In 2008, St. Lucia exported 38,359 tonnes of bananas to the UK, representing an increase of 26.5 percent, the highest level since 2004. While output during the first half of the year reflected the post effects of Hurricane Dean, the ensuing extensive rehabilitation efforts in the industry were manifested by the more than doubling of banana exports in the second half of the year.

In the first quarter of 2008, output declined by almost one third to 7,634 tonnes. This was completely reversed in the later months as a result of the replanting activities under the Post Dean Rehabilitation Programme. This included assistance provided to farmers in the areas of drainage, pruning, monitoring of leaf spot disease as well as subsidized inputs. Exports grew by 6.7 percent and 73.7 percent in the second and third quarters. This was followed by considerable growth in banana exports in the last quarter which moved from 4,003 tonnes in 2007 to 10,785 tonnes in 2008. Favourable weather conditions during the review period also contributed to this positive outturn.

Despite the depreciation of the pound sterling, the upturn in the volume of exports to the UK led to a 35.0 percent increase in export earnings to \$58.9 million. This banana exports revenue also reflected an improvement in prices from supermarkets in the UK.

Major Developments

The domestic developments impacting the banana industry in 2008 included the demands placed on the local banana companies to become fair trade compliant. This followed the decision by WIBDECO to terminate its annual supply contract with banana companies that were not certified by the German-based Fairtrade Labelling Organisation (FLO) which purchases bananas at a higher price per pound. Subsequently, there was a decrease in the amount of fruit handled by

the three major banana companies as the St. Lucia National Fairtrade Organisation, a FLO-certified group, handled the majority of bananas (29,417.3 tonnes of the total 2008 export tonnage).

The Banana Production Management Unit (BPMU) was launched in May 2008 with the objective of increasing the efficiency and productivity of the banana industry as well as higher export earnings. The BPMU plans to pursue the rescheduling of the production so that a significant portion of export volumes coincides with the increased demand for bananas in the first half of the year.

ACP banana producers who are party to the EU's Cotonou agreement (2008-2019) continued to enjoy quota free and duty-free access to the EU market as a result of the signing of the Economic Partnership Agreement in January 2009. Many ACP countries face high production costs, making competition with the large-scale South American producers difficult. The ongoing negotiations regarding the Latin-American led challenge of the EU banana regime continued to pose threats to the future of the local industry. During 2008, Latin American growers attempted to obtain further cuts in the European Union import tariffs for their bananas. The Doha Development Round of world trade talks collapsed in July 2008. Before the conclusion of those talks, a draft compromise was reached including a reduction from the current 176 euros per tonne to 150 euros per tonne, which should be maintained for some period before the final implementation of a much lower tariff of 116 euros in 2019. In addition, ACP states sought a redesigned version of the "Special Framework of Assistance for bananas" which expires in 2009. This was intended to increase the competitiveness of production in ACP banana producer countries and to support the adjustment of the ACP banana countries where objectively the industry would be unable to survive the impending tariff reductions.

Non -Traditional Crops¹²

During the review period, the non-traditional crops sub-sector recorded an improved performance, mirroring the expansion posted in the banana industry. Production of non-traditional crops, as measured by exports and the domestic sales to supermarkets and hotels, is estimated to have grown by 19.9 percent to 6,740.5 tonnes in 2008. This reflected growth in both domestic purchases and exports, and translated to a 22.8 percent increase in sales revenue to \$15.9 million.

Trending upward, the volume of domestic purchases increased by 21.7 percent to 3,613.3 tonnes, emanating from the marked growth in supermarket purchases. Earnings generated from these

¹²Includes bananas sold to countries other than the UK, largely to the region. This does not capture sales at the local markets.

domestic purchases grew by 16.5 percent to \$12.0 million. Supermarket purchases, which accounted for 71.4 percent of domestic purchases of non-traditional crops, grew by 35.2 percent to 2,578.3 tonnes. Revenue generated from supermarket purchases rose by 23.0 percent to \$7.3 million. Higher domestic demand coupled with a larger supply of agricultural produce contributed to this growth in supermarket purchases. There were increases in the quantity and value of all categories of crops, with the exception of non-traditional vegetables which declined in volume by 2.9 percent to 362.1 tonnes. The value of condiments fell by 9.3 percent while an increase of 6.2 percent was recorded in the volume purchased. Fruit and tree crops which accounted for the largest proportion of total supermarket purchases (39.2 percent) recorded the highest growth rate of 95.0 percent. This was primarily due to an increase in the purchase of bananas.

As a result of lower purchases in the second half of the year, associated with the decline in stay-over arrivals, hotel purchases fell by 2.5 percent to 1,035 tonnes in 2008. Hotel purchases amounted to \$4.7 million, representing an increase of 7.8 percent due to higher unit prices paid for some of the main non-traditional crops. Nonetheless, there exists opportunities for strengthening the linkage between the agriculture and tourism sectors which have been hampered by the absence of an organized structure to address problems associated with reliability of supply and a more appropriate payment system.

Exports of non-traditional crops rose by 18.0 percent to 3,127.0 tonnes in 2008. Total earnings from these exports increased by 47.7 percent to \$3.9 million in 2008 compared to growth of 16.9 percent to \$2.6 million in 2007. The major export crops, green bananas, breadfruit and plantain, accounted for 53.1 percent, 21.6 percent and 13.7 percent respectively of total exports. Exports of green bananas grew by 6.5 percent to 1,659.0 tonnes, while breadfruit exports increased by 7.0 percent to 674.8 tonnes. Exports of plantain recorded the highest growth rate, increasing by 66.9 percent to 429.0 tonnes.

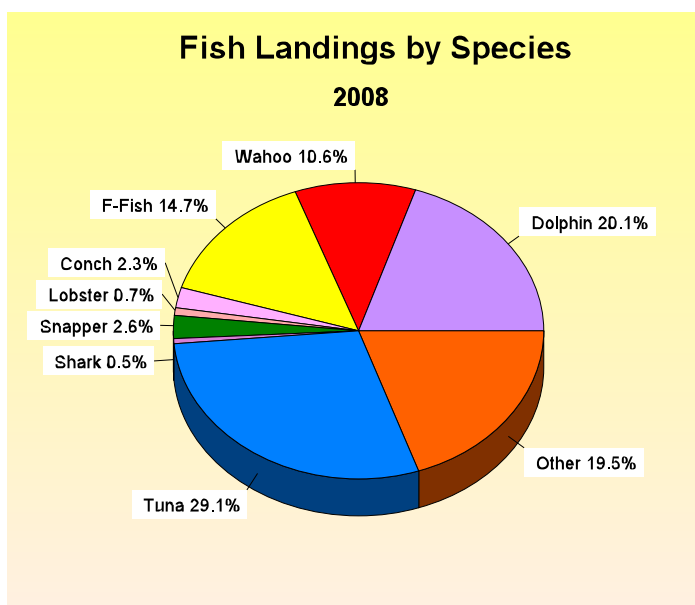
Fisheries

After growing by just under 5.0 percent in the past two years, output in the fisheries sector increased by 12.3 percent to 1,694.7 tonnes in 2008, notwithstanding a decline in fish landings at one of the leading sites. This was attributed to the continued deployment of fish aggregating devices (FADs) which resulted in a higher level of capture of pelagic species. In addition, warmer sea temperatures across the Caribbean contributed to the growth in fish landings particularly of migratory species such as flying fish.

During the review period, increases in fish output were recorded at most landing sites with the

exception of Dennery, Soufriere and Banannes which registered declines of 17.1 percent, 14.9 percent and 5.9 percent respectively. Vieux-Fort, Dennery and Gros-Islet remained the major sites with their share of fish landings accounting for 22.0 percent, 18.1 percent and 11.2 percent of total landings respectively.

An analysis of landings by species indicates that there were increases in catches of flying fish (440.3 percent), shark (63.0 percent) and other species (9.3 percent). There were decreases in landings of wahoo (14.8 percent), snapper (14.4 percent), lobster (12.3 percent) and conch (2.9 percent). Tuna and dolphin, the two major species typically landed, together accounted for 49.3 percent of total landings during 2008. While landings of tuna grew by 50.7 percent to 492.3 tonnes, landings of dolphin declined by 33.4 percent to 340.9 tonnes.



In keeping with the overall increase in landings, total revenue generated from fish landings grew by 10.9 percent to \$21.7 million. This was also due to increases in the ex-vessel prices per unit of most major species, including dolphin (15.3 percent), king fish (8.5 percent) and flying fish (4.6 percent). Earnings from catches of tuna, dolphin and wahoo accounted for 63.6 percent of total earnings from fish sales. There were lower earnings from sales of lobster and snapper as a result of the fall in their landings.

Livestock

Available data suggest that output in the livestock sub-sector expanded in 2008. While strong growth was recorded in chicken and egg production, there was a contraction in the production of pork.

Over the review period, local chicken production continued to exhibit an oscillatory pattern. Consistent with the increase in the number of additional producers, chicken production rose by 40.1 percent to 1,239.8 tonnes in 2008, following a decline of 1.0 percent in the previous year. Consequently, the value of the chicken purchased from domestic producers increased from \$8.7 million to \$12.6 million in 2008. As a result of this improved performance, local production

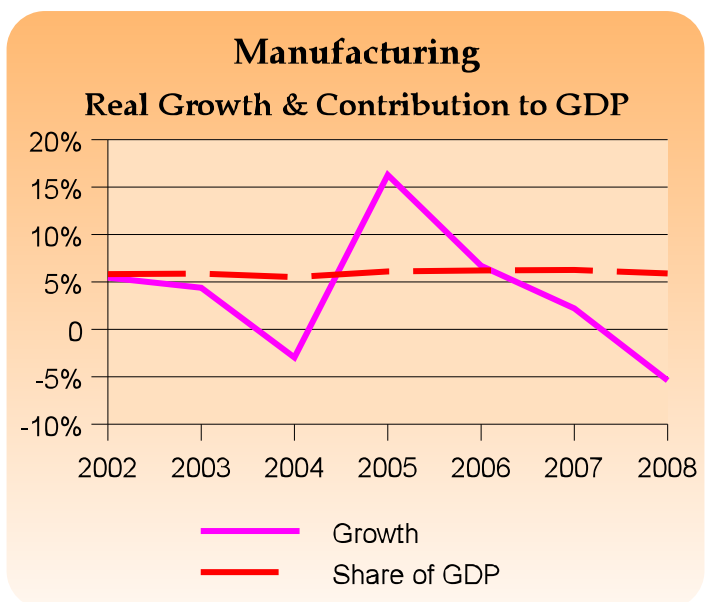
exceeded its 20.0 percent guaranteed share of the domestic market.

Preliminary official data indicate that in 2008, pork production declined by 55.3 percent to 206.6 tonnes, valued at \$2.4 million. This was occasioned by a 30.0 percent reduction in the national sow herd which reflected the response by farmers to the frequent increases in the cost of feed despite the fiscal support provided by the Government in the form of duty-free importations. Moreover, during the review period, a number of farmers ceased production while others reduced their sow numbers considerably, leading further to the downturn in pork production.

St.Lucia continued to be self-sufficient in egg production as there were no imports of eggs nor any notable period of shortages. Egg production increased appreciably by 10.7 percent to 922,000 dozens amounting to a 26.8 percent increase in value to \$5.5 million. Increases in the laying brood led to the reported growth in the number of eggs produced.

MANUFACTURING

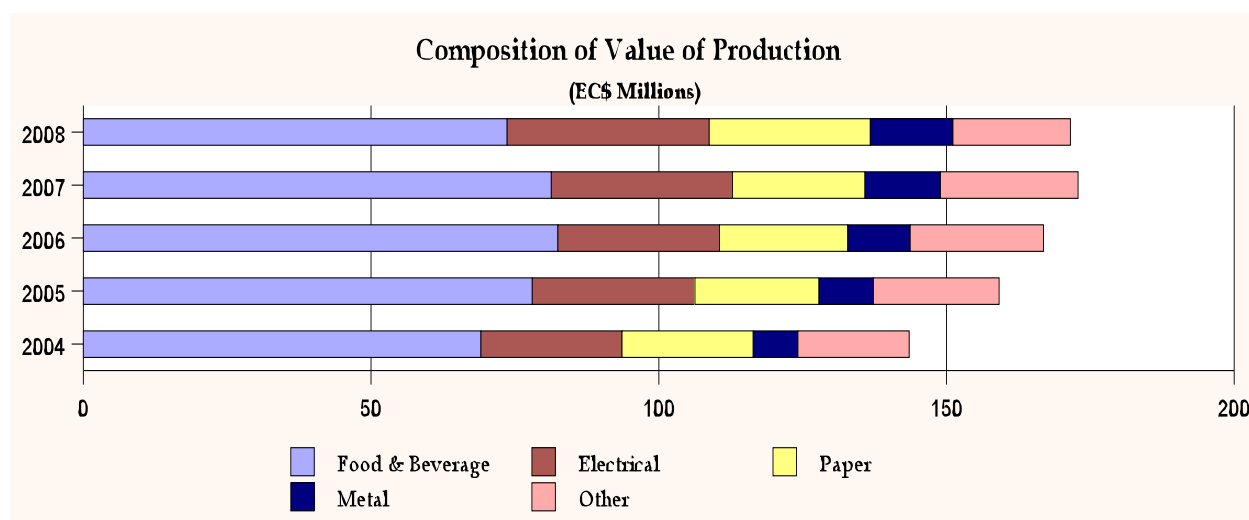
The overall performance of the manufacturing sector weakened in 2008 with mixed performances from the various sub-sectors. Manufacturers continued to face increasing operating costs, namely from inputs, utilities and freight charges associated with rising oil prices, particularly in the first half of the year. Real growth in the sector is estimated to have contracted by 5.4 percent, reflecting lower demand in a key regional market for a major export product due to heightened competition. Additionally, there was a softening of demand in the domestic market as a result of unfavourable developments in the tourism sector in the second half of the year. Given slow growth and contractions registered in key sub-sectors, manufacturing's share of GDP fell from 6.3 percent to 5.9 percent in 2008.



In light of the economic importance of the sector, particularly in terms of employment, the Government continued to support the manufacturers through fiscal incentives. However, employment in the sector is reported to have declined in 2008 by 13.2 percent to approximately 3,000 as producers in some sub-sectors grappled with the deteriorating external environment and reduced demand.

Production

Following four years of modest to strong growth, the value of manufacturing output fell marginally by 0.8 percent to \$171.6 million in 2008. This was due to a significant decline of 9.5 percent in the food & beverages sub-sector which overshadowed the growth recorded in the production of paper, electrical and metal items. Production in the manufacturing sector remained concentrated in a narrow base of goods including food & beverage, electrical, paper and metals products. These sub-sectors together accounted for 88.1 percent of the total value of output in the manufacturing sector in 2008.



Food and Beverages

During the review period, the food and beverage sub-sector remained the largest contributor to total manufacturing output, accounting for 42.9 percent of the total value. In 2008, the combined value of food and beverage production fell by 9.1 percent resulting primarily from a comparatively weaker performance in the second half of the year. This was driven by the notable decline in the production of alcoholic beverages due to the loss of market share in Trinidad, the sub-sector's key export market. As a consequence of this lower demand, there was a fall in the overall level of exports of domestically produced goods. Production was also adversely affected

by the drop in stay-over arrivals. Furthermore, this sub-sector also suffered from contractions in the value of both non-alcoholic beverages and food products in 2008.

Production of Food & Beverages (EC\$ Million)

Commodity	2004	2005	2006	2007	2008	Change
Food Products	9.7	12.3	10.9	11.7	11.1	-5.1%
Non-Alcoholic Beverages	13.8	16.1	16.8	16.3	15.5	-4.9%
Alcoholic Beverages	45.6	49.6	54.8	53.3	47	-11.8%
TOTAL	69.1	78	82.6	81.3	73.6	-9.1%

Source: Statistics Department

Electrical Products

Output in the export-oriented electrical sub-sector continued its downward trend since 2005. The volume of electrical appliances produced, principally for the US market, fell by 15.3 percent in 2008. The performance of this sub-sector was impacted by reduced demand from the United States as economic conditions there worsened, particularly in the manufacturing sector. Electrical items, such as temperature sensing devices, produced in St. Lucia are used as inputs in the manufacturing of other products in the US. Competition from China, a cheaper producer, also contributed to the decline in domestic output. However, in terms of value, production of electrical products grew by 11.5 percent to \$35.1 million, reflecting higher production costs.

Paper and Paperboard

Boosted by the rebound in the Windward Islands' banana industry in the second half of 2008, production of paper and paperboard manufactures recorded strong growth of 10.0 percent in the review period. The volume of banana and commercial boxes produced increased by 39.0 percent and 5.6 percent respectively while production of toilet paper contracted by 9.3 percent. The performance of the sub-sector was also influenced by the increase in the unit price of boxes, resulting in a 21.5 percent growth to \$28.1 million in value. Exports accounted for a dominant share of local production, with Trinidad remaining a significant regional market for commercial boxes.

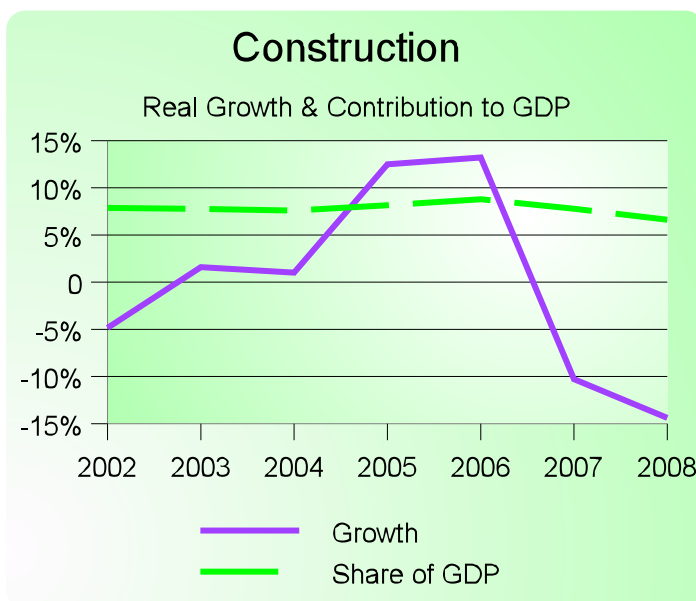
Other Sectors

The decline in construction activity contributed to the decrease in the production of metal roofing which declined by 12.0 percent. Reflective of the increased cost of inputs, the value of production grew by 8.4 percent to \$14.3 million. Decreases were recorded in the value of production in most other categories such as furniture (21.8 percent), other chemicals (16.9 percent), plastic products

(24.4 percent), printed material (2.1 percent) and basic industrial chemicals (13.9 percent). A notable decline in the value of raw coconut oil led to a drop of 2.1 percent in the value of production of copra and copra derivatives to \$3.4 million.

CONSTRUCTION

In 2005 and 2006, robust growth in the construction sector provided a major impetus to economic growth. Since then, activity in the sector is estimated to have declined by 10.3 percent in 2007 and 14.4 percent in 2008. The sector's share of real GDP fell to 6.6 percent and contributed to the lower economic growth estimated for the review period. Preliminary indications are that overall activity in the sector slowed down further, primarily as a result of a significant fall in public sector construction. In addition, available data reveal that there was a contraction in construction activity within the private sector due to a drop in the level of tourism investments and a slowdown in both residential and commercial construction. Total credit disbursed for commercial and residential purposes were significantly lower than in the previous year. The cost of construction, particularly materials, continued to increase throughout 2008, with some prices tapering off towards the end of the year.



Public Sector Construction

Expenditure on construction projects undertaken by the public sector decreased by 57.7 percent to \$75.0 million, resulting from contractions in activity by both the Central Government and statutory bodies. In the review year, construction expenditure¹³ by the Central Government totalled \$66.7 million, notably lower (60.0 percent) than the \$166.6 million spent in the previous year. The major areas of construction-related spending by the Central Government were roads, education, housing and health.

¹³This does not necessarily reflect the cost of works undertaken in the year 2008, as it includes payments with respect to works done in the previous year.

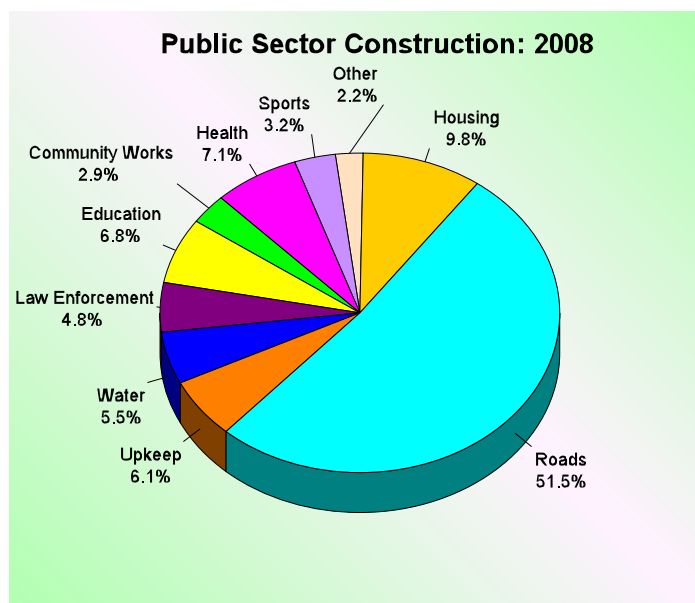
Owing to a significant fall in the second half of 2008, capital expenditure by statutory bodies fell by 22.8 percent to \$8.3 million, notwithstanding an increase of \$1.2 million in the first half of the year. Of this, spending by NIPRO amounted to \$2.4 million while WASCO and NHC spent approximately \$2.0 million and \$1.8 million respectively.

Economic Infrastructure¹⁴

During the review period, spending on economic infrastructure declined by 52.2 percent to \$51.7 million, accounting for 69.0 percent of total public sector construction expenditure. This contraction was due to the completion of works on several major projects in most categories. This expenditure was principally reflective of spending by the Central Government with respect to ongoing projects, particularly continued investment in the island's road network.

Following an intensified road rehabilitation programme, road construction which utilizes a larger amount of locally produced materials, amounted to \$38.7 million in 2008, compared to \$80.1 million spent annually between 2005 and 2007. This was mainly related to works on the East Coast Road Rehabilitation Project in the first quarter (\$9.7 million); the reconstruction and rehabilitation of several roads (\$9.2 million) and community road works (\$7.4 million). The Community Infrastructure Project involves a series of works aimed at improving and providing basic infrastructure, access and protection of properties in heavy urbanized and unplanned areas. Other road construction activity included the de-silting of rivers & drains (\$1.2 million) and works on bridges & culverts (\$2.6 million). Ongoing projects during the period consisted of works on minor roads and general maintenance of infrastructure. Final payments for works on the Road Development Project (\$2.9 million) and the Tertiary Road Programme (\$4.5 million) were also made in the review period.

Spending on the Water Supply Infrastructure Improvement Project amounted to \$1.9 million during 2008. This project which cost \$29.8 million in total, comprised the installation of mains



¹⁴This refers to the basic physical facilities which promote or enable economic growth.

and pumps to improve the availability and reliability of potable water supply across the island.

Spending on upkeep of Government's property almost doubled from \$2.1 million in 2007 to \$4.0 million in 2008. This included repairs to the OECS Building and repairs to various post offices.

Expenditure by statutory bodies on economic infrastructure totalled \$2.6 million in 2008. Of this, the Water and Sewerage Company (WASCO) spent a total of \$2 million which included a new treatment plant; storage tank; the installation of four inch mains from Morne Du Don to Balata and the installation of 6 inch water pipes on Nelson Mandela Drive at Vigie. Construction-related spending by SLASPA continued to fall, as there were no new major projects undertaken since 2006. In 2008, SLASPA incurred \$0.6 million in construction expenditure compared to \$4.0 million and \$22.2 million in 2007 and 2006 respectively.

Social Infrastructure¹³

Public sector expenditure on social infrastructure fell by 66.3 percent or \$45.9 million to \$23.3 million in 2008. Approximately, \$20.8 million was spent by the Central Government while statutory bodies spent \$2.6 million.

In keeping with Governments' commitment to education and human resource development, \$4.8 million was spent on improving the infrastructure at schools. As part of the OECS Development Project, \$1.6 million was spent on the completion of the Marigot and Gros Islet Secondary Schools and the expansion of the St. Mary's College and the Grande Riviere Secondary School.

While expenditure on health declined by 14.9 percent to \$5.4 million in 2008, its share of total spending on social infrastructure, second to housing, indicated that it remains a priority for the Government of St. Lucia. In the review year, much of the spending in the health sector was associated with the continuation of works on the Clinics Refurbishment Project (\$3.0 million) and preliminary works on the New National Hospital (\$1.4 million). This also included the Golden Hope Emergency Rehabilitation (\$0.6 million) and minor repairs at various health centres.

Capital expenditure on publicly funded housing and settlement projects increased from \$3.1 million to \$3.9 million. The PROUD and Shelter Development projects together accounted for 70.6 percent of Central Government expenditure on housing. Expenditure on sporting facilities increased from \$1.7 million to \$2.4 million, directed primarily at the construction of the Grand Stand in Soufriere and the upgrading of national sports facilities.

Spending on infrastructure associated with community development increased in 2008 to \$2.2

¹³This refers to those physical structures associated with the facilitation of human and social development.

million, \$1.0 million of which was allocated to the Basic Needs Trust Fund. There was also an increase in expenditure on works at law enforcement institutions to \$1.3 million, including establishment of a Forensic Unit, rehabilitation of the District Court and refurbishment of the Boys' Training Centre. Expenditure on disaster management fell from \$8.0 million to \$0.5 million as major projects were completed previously.

There was a 42.4 percent decrease in expenditure on social infrastructure by statutory bodies in 2008 from \$4.4 million. Approximately \$1.7 million was spent by the National Development Corporation (NDC) on housing-related developments such as the Pierrot Access Road Project, the Black Bay Sea View Road Project and the La Tourney Phase 3 Road Project. These road projects involved the cutting and construction of new roads, repairing of existing roads and installation of pipes and water lines. NIPRO expended \$1.5 million on the completion of the Richfond and Dennery Police stations. Expenditure by the National Housing Corporation rose to \$1.8 million, reflective of the commencement of infrastructural works at the Marigot Housing Development.

Private Sector Construction & Indicators of Construction Activity

Following a slackened pace of activity in the previous year, preliminary assessments including data on the volume of imports of construction materials, suggest that construction in the private sector slowed down in 2008. Private investments on a number of projects of various magnitudes related to the tourism sector continued in 2008. Preliminary indications are that spending on hotel and commercial developments and on the construction of villas and condominiums was lower than in 2007. Works on a number of projects continued throughout the year, including the Bay Walk Mall, the second phase of the Landing and Bay View. Major works commenced on the expansion and upgrade of the Rodney Bay Marina during the review period and was completed by the end of the year. However, work was suspended on a major hotel project, Le Paradis, in the second half of the year, following steady progress in the first six months of the year.

Data on imports of construction materials is a leading indicator of overall construction activity in the economy in any given period. Credit granted by the financial sector for construction purposes and the number of approved building applications can be utilized as a proxy for the level of construction activity in the private sector, notwithstanding the associated lags before commencement of works.

Imports of Construction Materials

Available data indicate that the total value of imports of building materials rose by 13.4 percent to \$114.6 million in the review period. This largely reflected the rising prices of most imported

materials while the total quantity of imports fell. Increases were recorded in the import values of all key materials with the exception of sand which fell by 24.7 percent as a result of a drop in quantity and unit prices. The import value of cement rose by 14.9 percent on account of increases in both price and volume. The price of cement per bag from CARICOM continued to increase, moving from \$17.50 at the beginning of 2007 to \$20.85 in December 2008 while the price of cement from extra-regional sources, mainly Columbia, rose by 5.7 percent to \$18.50 per bag during 2008. These were associated with rising energy and other related production costs as well as higher freight charges. The price of all categories of steel increased during 2008, with increases of over 40.0 percent in the cost of the most commonly used¹⁴ steel.

Imports of Construction Materials (EC\$ Million)

Materials	2004	2005	2006	2007	2008
Wood and wood products	20.7	31.8	37.0	26.5	26.6
Sand	4.2	3.7	3.0	3.0	2.3
Cement	12.1	17.4	27.7	24.3	27.9
Prefabricated materials	2.4	2.1	11.2	3.7	6.4
Steel	4.0	3.8	8.5	9.8	13.9
Other	38.8	45.5	65.2	33.8	37.5
TOTAL	82.1	104.4	152.6	101.1	114.6

Financial Resources

The amount of credit granted by financial institutions is an indicator of construction activity in the private sector. During 2008, notwithstanding the tight liquidity position of banks, total credit disbursed for construction purposes contracted by 25.9 percent to \$277.8 million as there were declines in both residential and commercial loans. Credit disbursed for residential construction fell by 23.2 percent to \$88.0 million with unchanged mortgage rates. Similarly, funds granted by the financial sector for commercial construction declined by 27.1 percent to \$189.8 million.

Housing and Building Applications¹⁵

Over the review period, there was an acceleration in the number of applications received by the Development Control Authority in most classifications of construction. The number of approved plans for construction also increased to 690 in 2008, from 457 in 2007. These however indicate the likelihood of construction in the future given the lags between the approval of applications and

¹⁴This refers to the prices of one length of ½" and 5/8" of steel.

¹⁵ 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.

commencement of construction activity, including the securing of financing to undertake these projects. Notably, there remains a strong demand for housing by residents, as reflected in the increase in the number of applications received for residential construction.

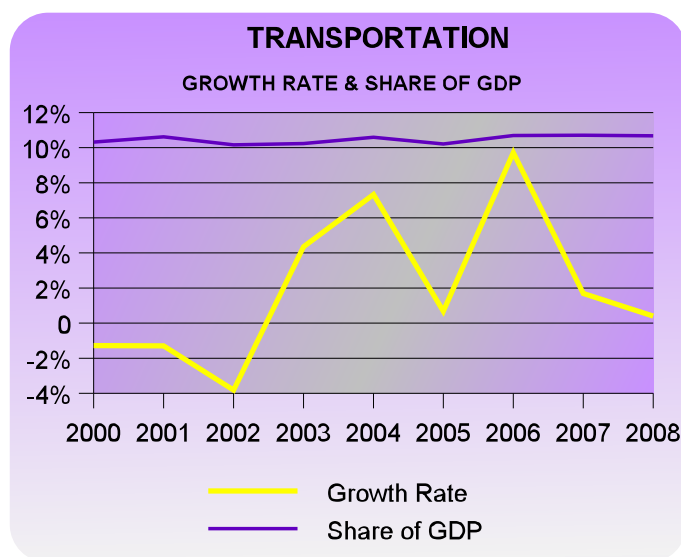
Building Applications to the Development Control Authority

Type	Applications Submitted			Applications Approved		
	2006	2007	2008	2006	2007	2008
Residential	621	673	912	454	413	603
Commercial	124	100	133	51	27	57
Touristic	23	26	27	9	12	16
Institutional	22	12	11	5	3	8
Industrial	9	8	11	6	6	6
Total	799	819	1094	525	457	690

In 2008, the number of applications submitted and approved for both commercial and tourism developments increased, suggesting confidence in the growth prospects of the economy.

TRANSPORTATION

There were mixed performances in the sub-sectors in 2008 which resulted in an overall slowdown in growth in the transport sector. Preliminary estimates suggest that there was marginal growth in value-added in the sector of 0.4 percent and its contribution to GDP remained at 10.7 percent in the review period. The pace of growth in the road sub-sector decelerated from 11.8 percent to 5.4 percent in 2008. Declines in growth of 3.8 percent and 12.8 percent were estimated for the value-added in the air and sea transport sub-sectors respectively.



Air Transport

Air transport plays a critical role in St. Lucia's economic development given its importance in providing support to the vital tourism sector. Activity in that sub-sector is also largely driven by

developments in the tourism sector and, to a much lesser extent, by the agriculture sector which has sought to utilize air cargo services to transport its exports of non-traditional crops. Consistent with the challenges faced by the tourism sector, value-added in the sector is estimated to have contracted by 3.8 percent in 2008 while its direct contribution to GDP dipped to 1.3 percent.

Over the review period, there was a reduction in the number of aircraft movements (landings and departures) from 40,427 to 38,833, reflecting declines at both airports. More significantly, the number of aircraft movements at George F.L. Charles Airport declined by 5.4 percent to 26,691 with lower movements recorded in both scheduled and non-scheduled traffic. This was mainly due to the sharp reduction in the number of daily flights by American Eagle, which took effect from September. The George F.L. Charles Airport, which accounted for almost 70.0 percent of total aircraft movements, continued to be the more extensively used airport compared to Hewanorra International Airport.

Despite temporary suspensions of several international flights, particularly out of the United States by the main carriers between September and November, there was little change in the number of landings and departures at Hewanorra International Airport in 2008. The number of non-scheduled services at this airport increased by 2.0 percent to 7,988 while the number of scheduled services dropped by 1.0 percent to 3,014. Airlift out of St. Lucia's main tourism markets was augmented with additional services in November and December. While XL Airlines ceased operations out of the United Kingdom in September, this was offset by the additional flight from British Airways in October.

In keeping with the increase in stay-over arrivals, the combined number of passengers handled at both airports grew by 1.4 percent to 872,032 in 2008. This was attributed to the 10.8 percent increase in passenger traffic to 485,475 at the Hewanorra International Airport, which handles the international flights with larger carrying capacities. As a result of the significant loss in airlift capacity during the second half of 2008, the total number of passengers handled at the George F.L. Charles fell by 8.3 percent to 386,557, representing 44.3 percent of total passenger traffic.

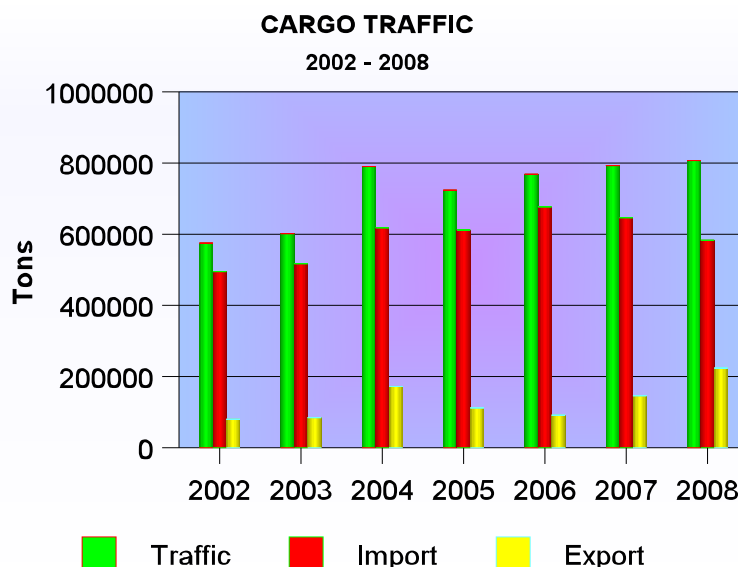
Air cargo traffic handled at both airports grew by 1.3 percent to 3,363,071 kilograms in 2008 on account of increases at the George F.L. Charles Airport. Air cargo traffic at the Hewanorra International Airport fell by 0.7 percent due to lower exports of agricultural produce owing to rising freight and production costs.

Sea Transport

Despite the increase in export activity, overall, the sea transport sub-sector is estimated to have

contracted in 2008, in line with the slower pace of activity in wholesale and retail trade. The direct contribution of sea transport to GDP fell from 2.3 percent to 2.0 percent in the review period.

Total cargo traffic at Ports Castries and Vieux-Fort increased by 1.8 percent to 807,107 tons in 2008. This was attributed to the 53.1 percent growth in the volume of exports, boosted by the increase in banana exports. By contrast, the volume of imports in 2008 declined by 9.8 percent to 583,216 tons due to lower levels at both ports. Reflective of higher banana export volumes, 90.0 percent of which are handled by Port Vieux-Fort, total cargo handled at that port increased by 37.9 percent. However, there was a 10.0 percent reduction in the volume of cargo traffic at Port Castries which handled 66.5 percent of total cargo traffic and 88.2 percent of import volumes into St.Lucia.



The volume of break bulk and containerized cargo landed at Port Castries fell by 13.9 percent and 5.5 percent to 122,162 and 378,279 tons respectively. In contrast, cargo loaded increased by 63.8 percent to 129,646 tons. Cargo loaded was the result of increased activity at Port Vieux-Fort, particularly in the export of aggregates. The volume of dry/liquid landed in 2008 fell by 32.3 percent to 40,753 tons. The total container traffic at both ports increased by 20.5 percent to 59,310 twenty foot equivalent units (TEUS). Of this, 30.0 percent was associated with transshipment activity, much of which was transacted at Port Vieux-Fort. The total volume of containers landed in 2008 grew by 17.9 percent to 30,076 twenty foot equivalent units (TEUS) on account of growth in the number of containers transhipped which offset the declines associated with domestic imports. Similarly, there was a reduction of 5.3 percent in the volume of cargo in containers loaded with domestic exports.

During the review period, there was an 8.8 percent decrease in the number of vessel calls at Port Castries to 1,139 due to reduced calls by most categories of vessels, particularly by inter-island ferries, container ships and conventional break bulk vessels. In line with the decrease in the number of ferry calls of 16.6 percent, the number of passengers on these regional vessels fell by 9.1 percent to 66,048. Port Castries recorded a negligible increase in the number of international

cruise ship calls to 315. Port Vieux-Fort recorded 143 more calls than in the previous year as a result of more calls by container ships. In 2008, the number of yacht calls at Rodney Bay Marina increased by 1.0 percent to 4, 280. This was unaffected by the expansion works undertaken during much of 2008 and was prompted by the heightened marketing of the facility.

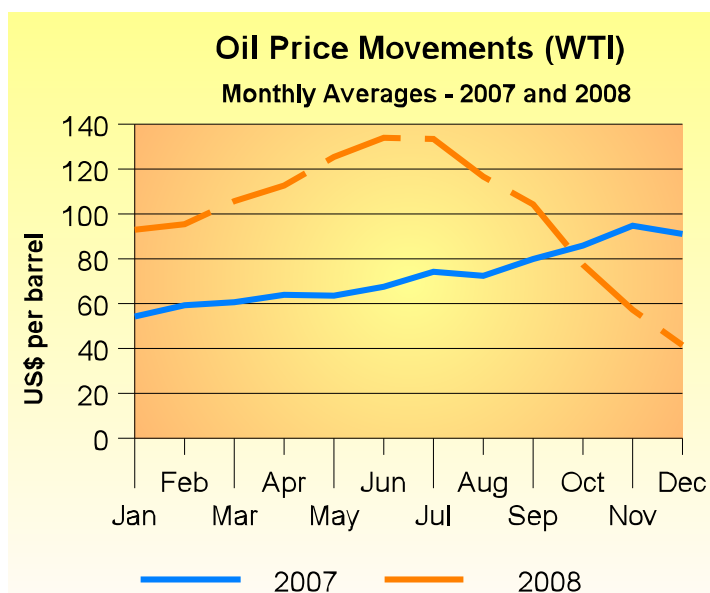
Road Transport

Value-added in the road transport sub-sector is estimated to have increased by 5.4 percent in the review period, contributing 7.4 percent to real GDP. Continued growth, albeit at a slower rate, in cruise arrivals generated activity which contributed to this expansion.

Growth in the total stock of registered motor vehicles in St.Lucia moderated to 5.0 percent to 52,183 by the end of 2008 compared to the annual average rate of 5.9 percent over the past three years. Of the 2,483 new vehicles registered, 1,908 were private vehicles, which account for more than half of the stock of vehicles on the island. There were 31 additional passenger vans with a seating capacity of 10-14 persons registered during the review year. The fleet of taxis/hired vehicles expanded by 3.9 percent to 3,589, while the registration of goods vehicles grew by 3.3 percent to 11,577 in 2008. The majority of these registrations were new vehicles.

ENERGY

Global developments in the petroleum market continued to have a significant impact on the domestic energy sector in St. Lucia, as in all other oil-importing countries. During 2008, world oil prices were driven by a confluence of supply and demand factors, resulting in a tight market and dramatic movements in crude oil prices. The supply-side issues which underpinned the surging oil prices in the first half of the year, included continued geo-political tensions in Iran and the Middle East and rising risks of disruptions with ongoing unrest in oil-producing areas in Nigeria and Venezuela. Weather-induced production shutdowns in the Gulf and little spare refinery capacity were also contributing factors. Global oil demand, spurred by growth in China, continued to expand at an unchanged pace. Low inventories in the US, the continued depreciation of the US dollar, financial market sentiments and expectations of higher prices also



exerted upward pressure on oil prices.

By contrast, in the second half of 2008, declining US oil demand and weakening economic growth prospects as the financial crisis deepened and broadened to other developed countries reversed the boom in international oil prices.

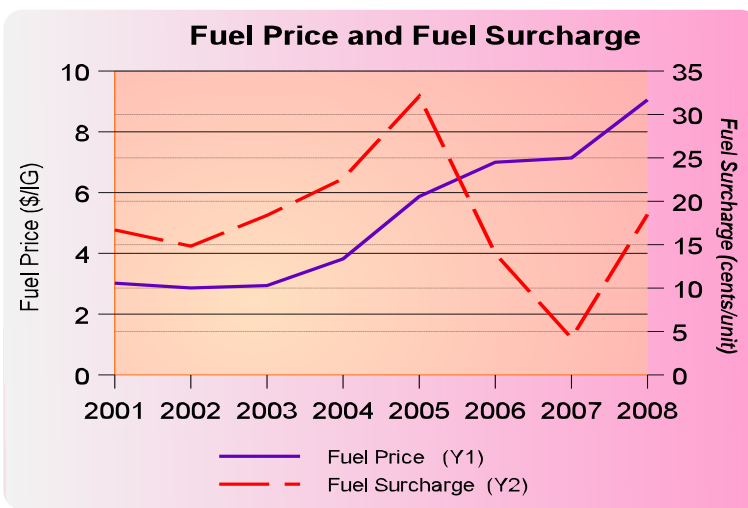
After escalating in the first half of 2008 to a record high of US\$145.29 a barrel in July, West Texas Intermediate (WTI) prices declined steadily from its peak in the latter part of the year. WTI prices

increased by 38.6 percent, averaging US\$99.95 per barrel in 2008 compared to US\$72.14 per barrel in 2007.

Mirroring the trends in international oil prices, there were two adjustments in the domestic retail prices of all petroleum products during 2008. Firstly, as oil prices approached US\$100 per barrel resulting in higher subsidies on these products, retail prices were increased in January. The price of unleaded gas moved from \$9.50 to \$12.75 per gallon while diesel prices increased from \$8.75 to \$12.75 per gallon. The price of the 20 pound and 100 pound cylinders of cooking gas (LPG) increased from \$30.00 to \$33.00 and from \$170.00 to \$210.00 respectively. Influenced by the easing in international oil prices, on December 1, 2008, retail prices were adjusted downward to \$11.50 and \$12.00 for unleaded gas and diesel per gallon respectively. The 20 pound cylinder of LPG was reduced to \$28.00 while the 100 pound cylinder fell to \$199.00. The price of bulk LPG was set at \$2.40 per pound. After increasing from \$5.20 to \$11.10 in January, the retail price of kerosene was reduced to \$6.00 per gallon.

Electricity

Throughout much of the review period, consumers were faced with significantly higher energy prices compared to previous years. Reflecting the surge in global oil

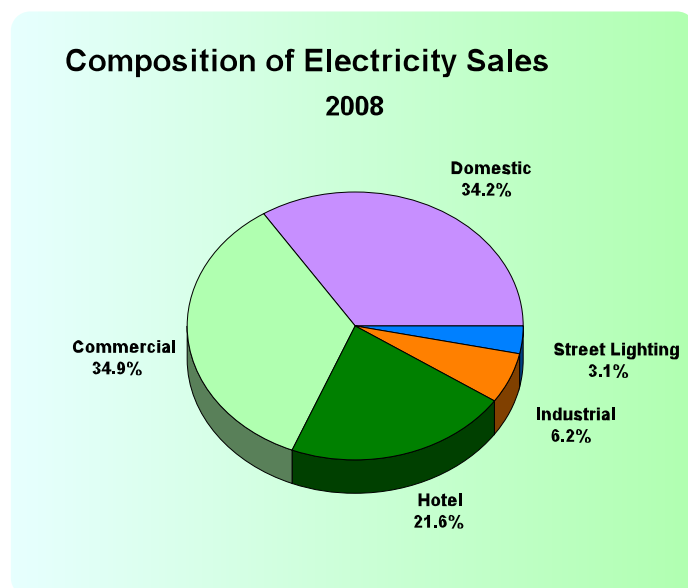


prices, the average price of fuel purchased by LUCELEC from its supplier increased by 27.0 percent to \$9.05 per imperial gallon, following an increase of 13.8 percent in 2007. As a result, the fuel surcharge¹⁶ increased from 4.2 cents per unit to 18.5 cents per unit, following the changes associated with the 2006 amendments to the Electricity Supply Act which affected the average fuel surcharge¹⁷.

Despite high prices and reduced consumption by some categories of users, total demand for electricity grew moderately and led to a 1.9 percent increase in electricity generated by LUCELEC to 352,337 Kilowatt hours. However, value-added in the sector is estimated to have contracted by 10.2 percent, resulting in the sector's contribution to real GDP of 3.0 percent in the review period.

There was a 1.5 percent decline in consumption by commercial users to 105, 374 Kilowatt hours, notwithstanding a 7.2 percent increase in the number of users. This is indicative of conservation measures adopted by users, induced by the rising costs of electricity. Commercial use continued to account for the largest share of total electricity consumption.

Similarly, following years of expansion, household consumption of electricity fell by 1.5 percent to 103,214 Kilowatt hours in 2008. The base of domestic users continued to increase, reflecting a fall in the average electricity usage per household, driven by the rising cost of electricity over the review period.



In keeping with the increase in the room stock and registrations of new properties, hotels consumed 6.6 percent more electricity in 2008, totalling 65,250 Kilowatt hours. Electricity consumption by industrial users were 19.9 percent higher in 2008, after growing by 21.6 percent in 2007.

The amount of electricity used for street lighting increased by 4.3 percent to 9,511 Kilowatt hours. In 2008, LUCELEC's internal use of electricity rose by 8.1 percent to 14,256 Kilowatt hours. There

¹⁶The 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)).

¹⁷This entailed a reclassification of a large component of the fuel surcharge into the basic tariff, effective April 2006.

was an increase in the line loss rate, resulting in a 4.1 percent increase in electricity lost in transmission to 36,106 Kilowatt hours.

Alternative Forms of Energy

Given the high and volatile cost of commercial energy and its implications for the balance of payments, the Government of St.Lucia intensified its efforts in pursuing the development of alternative and sustainable forms of energy. These attempts to reduce St.Lucia's heavy dependence on imported energy were focussed primarily on new and renewable sources of energy, particularly wind and solar (photo voltaic) energy. A draft revised Sustainable Energy Policy was further advanced during the review period. The Government of St.Lucia granted LUCELEC approval to acquire lands for the development of a wind farm.

Additionally, small-scale photo voltaic systems are currently under development. LUCELEC has agreed to the introduction, through pilot projects of net metering which is a simplified method of metering the energy consumed and produced in homes or businesses which have their own renewable energy generator. Under net metering, excess electricity produced will spin the existing home or business electricity meter backwards, effectively storing the electricity until it is needed by the customer. The customer will then pay or be paid for net difference between the power sold and purchased.

Importation of Commercial Energy

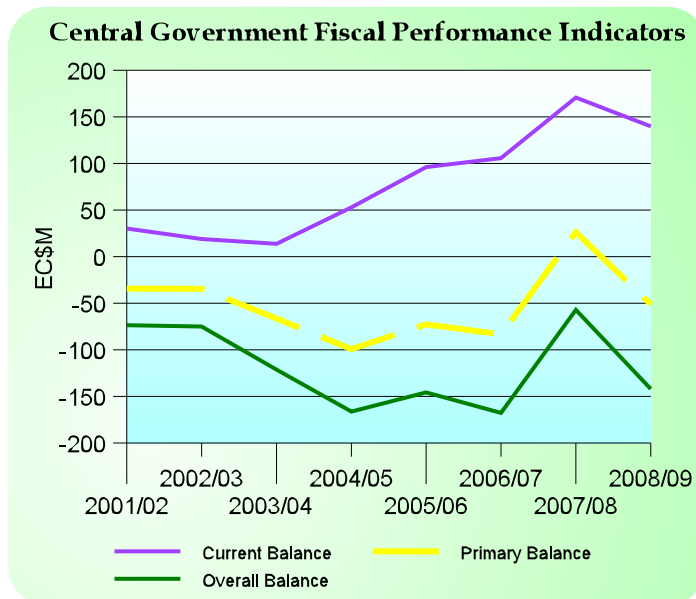
During the review period, importation of commercial energy grew by 7.7 percent to 1,386,279 Barrels of Oil equivalent (BOE). This was largely on account of the increase in volume of diesel imported, which grew by 4.1 percent to 696,281 BOE due to increases in the stock of registered diesel vehicles and diesel consumed in the production of electricity. The volume of imports of unleaded gas totalled 373,605 BOE. Imports of liquefied propane gas (LPG) fell to 88,978 BOE in 2008, while the quantity of kerosene/aviation fuel rose by 7.1 percent to 227,405 BOE.

On average, the imported price of all these fuels, as captured by the Mean Caribbean Price (MCP), rose in 2008. MCP is the average import price of fuel across the Caribbean and moves in line with world oil price changes. The average MCP for unleaded gas and diesel rose by 20.0 percent to US\$2.67 and 39.0 percent to US\$2.92 per American gallon respectively. The MCP for kerosene and LPG increased by 39.0 percent to US\$3.05 per American gallon. However, the domestic pricing of these products remained regulated by the Government. During the period April to September, Government subsidized the price of unleaded gas and diesel, despite the increases in their retail prices in January. Government also continued to subsidize the price of most categories of LPG, particularly the 20 pound cylinder, throughout 2008.

CHAPTER FIVE

CENTRAL GOVERNMENT FISCAL OPERATIONS

Preliminary estimates indicate that the fiscal operations of the Central Government resulted in a widening of the overall deficit to \$143.2 million or 5.4 percent of GDP in 2008/09, from a deficit of \$57.2 million or 2.2 percent of GDP in 2007/08. This deterioration in the fiscal position was primarily attributed to a pronounced increase in capital expenditure. The current account surplus fell to \$138.6 million or 5.3 percent of GDP from 6.5 percent of GDP in 2007/08 owing to a stronger increase in current expenditure than in current revenue. In 2008/09, a primary deficit of 2.0 percent of GDP was recorded, in contrast to a primary surplus of 1.0 percent of GDP in 2007/08.



Revenue Performance

Total revenue and grants increased by 9.6 percent to \$816.0 million in 2008/09, decelerating from the 12.1 percent growth in 2007/08. Growth in both current revenue, capital revenue and grants contributed to this revenue outturn in 2008/09 which was equivalent to 31.0 percent of GDP, up from 28.5 percent in the previous fiscal year. There was a substantial increase in the combined inflows from grants and capital revenue to \$27.2 million from \$6.4 million, principally reflective of grant funds from the European Union. Part proceeds from the sale of the Magretoute property accounted for \$5.1 million of capital revenue.

Current Revenue

At the end of 2008/09, current revenue totalled \$788.8 million, an increase of 6.8 percent compared to growth of 12.3 percent in the previous fiscal year. Tax revenue collections increased by 6.9 percent to \$736.6 million while non-tax revenue grew marginally. Net direct taxes increased by 16.3 percent to \$233.7 million while indirect taxes increased at a slower rate of 3.1 percent to \$502.9 million.

Taxes on Income & Property

Tax receipts on income remained buoyant, registering another year of strong growth with increases in all revenue lines. Owing to higher corporate taxes, tax collections on income¹⁸ increased by 17.7 percent to \$230.9 million in 2008/09, after growing by 26.3 percent in 2007/08. Despite slower growth than in 2007/08, corporate taxes rose by 23.7 percent to \$113.7 million. Nevertheless, this was occasioned by the continued increase in profits particularly by the banking sector. Taxes on incomes of individuals grew by 6.5 percent to \$75.9 million, extending on the 13.7 percent growth recorded in 2007/08. This performance was mainly due to the general increase in income levels resulting from (negotiated) salary increases awarded in both the public and private sectors during the fiscal year.

Withholding taxes more than doubled to \$12.3 million in 2008/09, partly on account of the pursuance of more aggressive tax audits and enforcement. Similarly and also driven by the re-introduction of the tax amnesty programme, the intake from arrears increased by 7.5 percent to \$37.5 million, compared to the 28.5 percent gain in 2007/08. This slowdown was due in part to a number of taxpayers reporting an inability to pay, citing cash flow constraints.

Property tax collections continued to be hampered by administrative hurdles associated with inadequate human resources at the Inland Revenue Department. In addition, low assessment response rates resulted in a growing number of properties remaining non-taxable. Moreover, during the review period, a sizeable portion of property tax collections from the Castries basin previously recorded as Central Government revenue was collected and retained by the Castries City Council. Accordingly, this led to a 42.2 percent drop in property tax receipts to \$2.7 million.

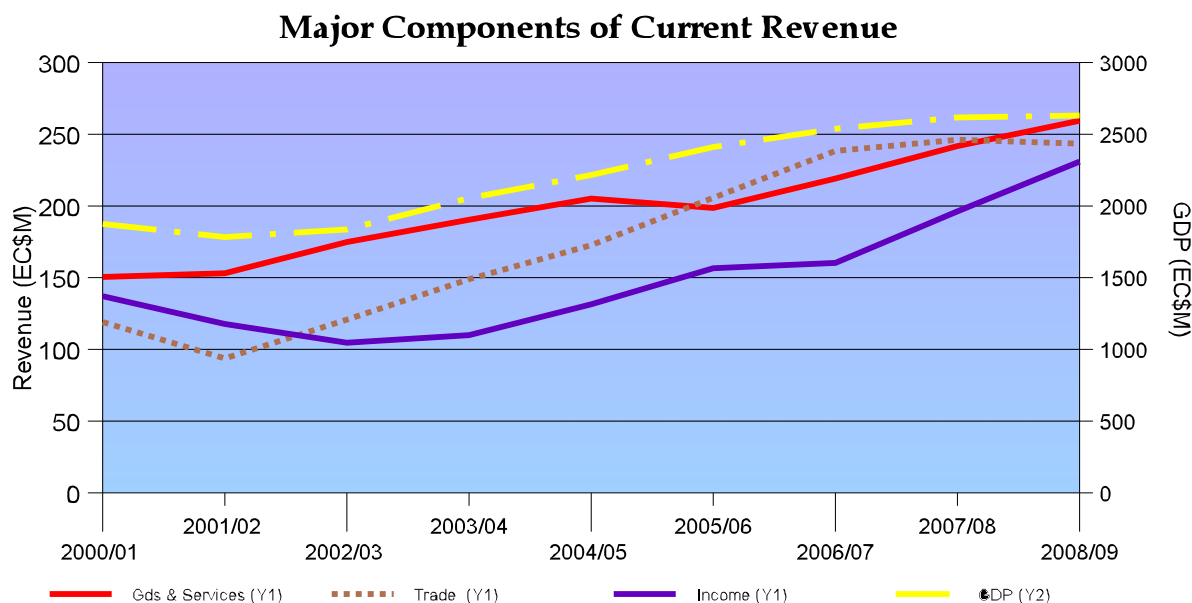
Taxes on Goods and Services

Over the review period, there was a 7.3 percent increase in taxes on goods and services to \$259.5 million, primarily on account of significantly higher consumption tax receipts. However, declines in collections from key revenue items, including stamp duties and licenses, and lower growth in some taxes led to this smaller overall increase compared to the 10.3 percent growth in 2007/08.

Consumption taxes, which represented over half of total taxes on goods and services, increased by 16.8 percent to \$142.7 million, following a 3.6 percent increase in 2007/08. This performance was largely associated with the marked increase of 21.4 percent in consumption tax on imports to \$136.3 million, occasioned by the petroleum tax receipts in the latter part of the fiscal year. These collections more than offset the subsidies incurred in the first half of the fiscal year which resulted from unchanged retail prices amidst rising international oil prices. Domestic

¹⁸This represents taxes collected on income minus payments of tax refunds of \$8.5 million.

consumption tax, however, declined by 35.2 percent to \$6.4 million, reflecting the contraction in manufacturing production coupled with a significant accumulation of arrears.



Despite the decline in stay-over arrivals over the fiscal year, hotel occupancy tax receipts grew by 4.7 percent to \$35.0 million. This reflected the effect of the lags in receipts and payments of outstanding amounts. Tax on cellular phones continued to perform favourably, albeit recording decelerated growth when compared to the 60.7 percent increase posted in 2007/08. Cellular tax collections grew by 7.2 percent to \$12.8 million over the review period, indicative of rising usage of mobile phones, boosted partly by the marketing strategies of the telecommunications companies. Following robust growth which averaged 15.0 percent over the previous four years, insurance premium tax rose by 3.4 percent to \$7.4 million. This was influenced by the increases in the purchase and value of property and personal life insurance coverage. The slowdown in the expansion of the stock of motor vehicles on the island and the decline in residential construction were also contributory factors.

In 2008/09, domestic excise taxes increased from \$2.6 million to \$6.6 million, representing a turnaround from the 33.3 percent decline recorded in 2007/08. The resumption in production by a beverage manufacturer following a fire in 2007 contributed positively to this performance. Passenger facility fee collections increased by 87.9 percent to \$5.9 million, reflecting the payment of outstanding arrears by a regional airline. Moving in tandem with the increase in fuel consumed for the generation of electricity, tax receipts from fuel surcharge rose by 1.6 percent to \$3.6 million.

However, in 2008/09, there was an 18.4 percent decline in stamp duties to \$25.7 million, in contrast to the 21.3 percent upturn in the previous year. This was attributed to increased concessions and the level of transactions associated with activity in the construction and real estate sectors. Revenue from licenses fell by 24.9 percent to \$19.8 million, reflecting the end of the triennium payment cycle with respect to drivers' licenses and reduced collections from work permits.

Taxes on International Trade and Transactions

Receipts from international trade taxes fell by 1.1 percent to \$243.5 million, after increasing by 3.3 percent in 2007/08. This outcome was led by the notable declines in some main revenue lines, most significantly excise taxes, which offset the increases recorded in other taxes.

Over the review period, airport tax receipts almost doubled to \$11.8 million. This improvement was occasioned in part by collection of outstanding amounts, more timely remittances and the \$33.00 increase in the airport tax levied on domestic travelers, made effective in January 2008. Further, the change in the administration of the tax in 2008 led to a reduction in the level of exemptions. Thruput charges went up from \$3.1 million in 2007/08 to \$6.5 million, owing to the upward adjustment in the rate from US\$0.03 to US\$0.05 for every barrel of oil re-exported from the Hess Oil Facility. During 2008/09, service charge collections grew by \$3.2 million to \$67.9 million, in keeping with the higher landed prices of imports, particularly that relating to petroleum products. Increases in the price of tickets and the payment of arrears contributed to higher travel tax receipts by 25.8 percent to \$4.4 million. Over the review period, security charge collections grew by 5.8 percent to \$0.9 million.

However, the decline in imports of motor vehicles impacted negatively on excise tax collections, which decreased by 25.0 percent to \$32.2 million. Import duty, typically the second largest contributor to current revenue, contracted by 3.1 percent to \$103.7 million. This was due to the reduction in the import duty rates on a number of essential items during the fiscal year as a response by CARICOM to the rising cost of goods. This performance was largely attributed to the general slowdown in economic activity, manifested in the fall in the value of non-oil imports, particularly in the second half of 2008/09. This was associated with declining prices and volumes, prompted by the steady declines in international oil prices and the global economic downturn. In keeping with the reduction in rates on motor vehicles in 2007, environmental levy collections continued to decline, falling by 11.4 percent to \$16.0 million in 2008/09.

Non-Tax Revenue

Non-tax revenues rose by 5.8 percent to \$52.2 million over the review period. Fees, fines and sales, which represented the bulk of non-tax revenues, increased by 22.3 percent to \$33.9 million.

Of this, intransit fees grew to \$15.7 million, boosted by the upturn in cruise passengers over the review period along with the payment of outstanding arrears. During 2008/09, reflective of the favourable performance by the financial sector, there were notable gains in dividends, which contributed to the growth of 18.3 percent in interest and rents to \$16.1 million. Receipts from St. Lucia's share of the Eastern Caribbean Central Bank's (ECCB) profits more than doubled to \$7.0 million in 2008/09. Other non-tax revenues amounted to \$5.6 million, equivalent to an 8.6 percent increase over that in 2007/08.

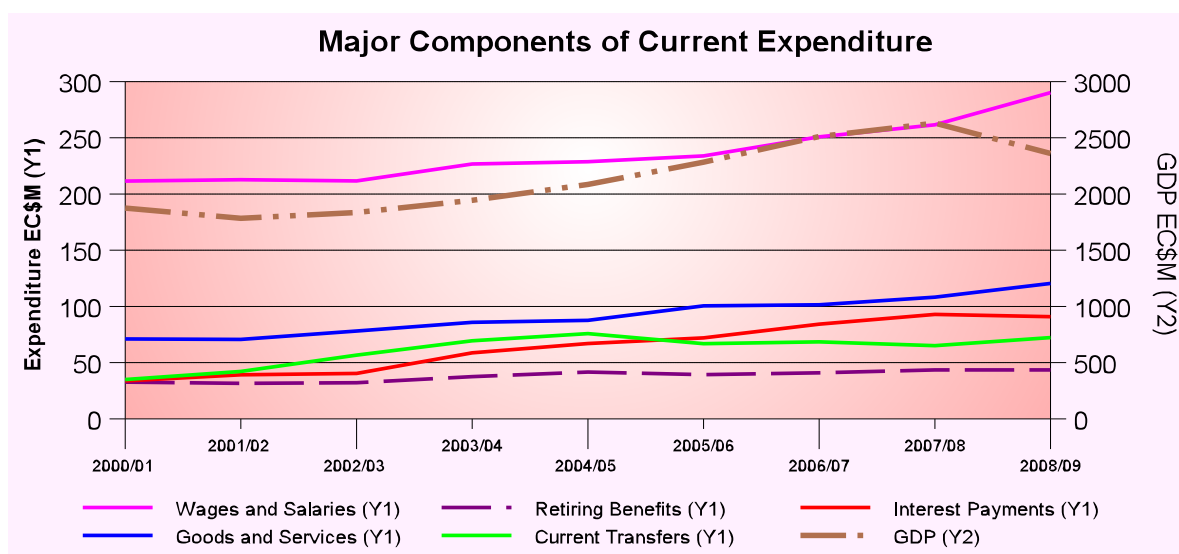
However, the deteriorating net earnings from Government departments, which moved from a deficit of \$0.5 million in 2007/08 to a deficit of \$10.4 million, dampened total receipts from non-tax revenues. This was driven by the operating loss of the Supply Warehouse due to the increase in subsidies on bulk flour, rice and sugar. This resulted from Government's policy of keeping the selling prices of these controlled basic food items unchanged while there were unprecedented increases in their imported prices.

Expenditure Performance

Central Government expenditure continued to trend upward in 2008/09. Preliminary estimates show that total expenditure advanced by 19.6 percent to \$959.1 million or 36.5 percent of GDP. This compares with expenditure of \$801.8 million or 30.6 percent of GDP in 2007/08. This was occasioned by increases in both capital and current expenditure.

Current Expenditure

Over the review period, current expenditure rose by 14.5 percent to \$650.1 million, after growing by 2.9 percent in 2007/08. This reflected notable increases in all expenditure categories, with higher salaries and wages contributing most significantly to the growth in current expenditure.



Wages, Salaries, National Insurance Payments & Retirement Benefits

During 2008/09, the wages and salaries bill grew by 16.8 percent to \$305.5 million. This represented 48.1 percent of current expenditure and 11.6 percent of GDP. This was mainly due to the 7.0 percent increase in salaries paid in the second half of the fiscal year, following negotiations between the Government and the public sector workers' unions with respect to the triennium commencing 2007/08. Of total wages & salaries, \$14.6 million reflected retroactive settlements for the eighteen months commencing April 2007.

Payments of National Insurance contributions moved from \$5.6 million to \$6.3 million. Over the review period, the outlay on retirement benefits, including gratuity payments, rose by 4.5 percent to \$45.6 million on account of a 4.6 percent increase in pension payments to \$32.1 million due to an increase in the number of pensioners.

Interest Payments

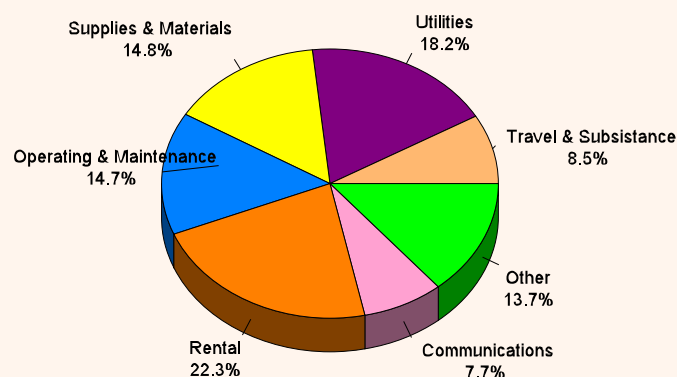
In keeping with the increase in the stock of disbursed outstanding debt, interest payments rose by 9.0 percent to \$90.9 million. This was indicative of higher payments on both foreign and domestic debt which together represented 3.5 percent of GDP. Interest payments accounted for 14.0 percent of current expenditure and 11.5 percent of current revenue.

Goods & Services

During 2008/09, spending on goods and services increased by 15.9 percent to \$125.5 million, surpassing the 6.7 percent rise posted in the previous fiscal year. This outcome was attributed to the strong growth in all expenditure items led by higher rental expenses.

In 2008/09, there was a 20.8 percent increase in rental costs to \$27.7 million, owing to the upward adjustment in the rates of renewed rental contracts and additional costs associated with new office space. This was also due to new leases under BOLT arrangements for additional fire and police stations. In keeping with the escalating global price of fuel during much of the review period, higher electricity cost resulted in a 13.7 percent increase in the total utility bill to \$22.0 million, following the 10.7 percent

Expenditure on Goods & Services
Fiscal Year 2008/09



upturn in 2007/08. Influenced by the general rise in prices, expenditure on supplies and materials grew by 11.4 percent to \$17.9 million. Similarly, operating & maintenance expenses increased by 12.0 percent to \$17.9 million over the review period.

After the 8.6 percent rise in 2007/08, expenditure on communications grew by 2.5 percent to \$9.3 million. Travel and subsistence allowances increased by 13.0 percent to \$10.8 million on account of the 15.0 percent increase granted in December 2007.

Current Transfers

Current transfers amounted to \$76.4 million, an increase of 17.4 percent over the previous fiscal year due to greater support to both the public sector agencies and the private sector. Over the review period, public sector transfers, which include grants and contributions to statutory bodies and local organisations, rose by 6.1 percent to \$62.2 million. The bulk of this represented subventions to Sir Arthur Lewis Community College and to the two main hospitals. Private sector transfers rose from \$6.5 million to \$14.2 million, largely reflecting the increase in subsidies mainly associated with transportation of secondary school students and a rebate to the National Council of Public Transportation. The number of secondary schools which benefitted from transportation subsidies was expanded, resulting in additional expenditure of over \$2.0 million. The amount of public assistance paid to indigent households was also increased during the review period.

Capital Expenditure

Based on preliminary data, capital expenditure in 2008/09 grew by 31.9 percent to \$309.0 million, a turnaround from the 16.6 percent decline reported in the previous fiscal year. This was equivalent to 11.8 percent of GDP, up from the 9.0 percent recorded in 2007/08. Final payments for projects undertaken in previous periods, the acquisition of shares in ECFH and the capitalization of the St. Lucia Development Bank accounted for some of this expenditure.

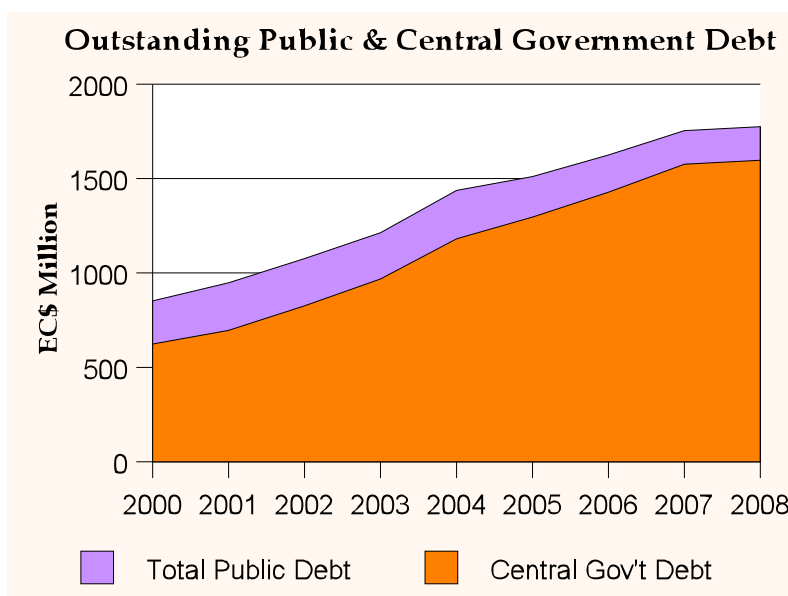
Reflecting Government's commitment to improve the country's economic infrastructure, a significant share of capital spending was directed towards the reconstruction and rehabilitation of roads and other community infrastructure developments. Crop development, part of the Post Hurricane Dean Rehabilitation Programme, contributed significantly (\$8.3 million) to total capital expenditure over the review period. Spending by the Ministry of Tourism, substantively for tourism marketing and promotion activities, accounted for approximately 20.0 percent of total capital spending. This includes additional funds made available for marketing in response to the global economic crisis. Over the review period, activities relating to housing and urban renewal, land acquisition and repairs to the sports stadium formed a sizeable part of social expenditure.

In 2008/09, bond financing contributed the largest to overall capital expenditure, falling slightly to \$120.0 million. This was followed by loans which increased by \$47.9 million to \$87.0 million over the review period. Local revenue contributed \$64.0 million to total capital expenditure, representing an increase of 3.1 percent. The total amount of grant funds used to finance capital expenditure increased more than four-fold to \$38.0 million, sourced mainly from the European Development Fund (EDF) and Special Framework of Assistance (SFA).

PUBLIC DEBT¹⁹

An improvement in the Central Government's revenue performance coupled with a low implementation rate of its capital investment programme resulted in a relatively marginal increase in the stock of public debt. At the end of December 2008, total outstanding public liabilities grew by 1.4 percent to \$1,793.2 million, including domestic payables which increased to \$18.5 million from \$14.7 million. Accordingly, St. Lucia's official debt²⁰ stood at \$1,774.7 million, advancing by a slower rate of 1.2 percent compared to an annual average growth of 11.3 between 2000 and 2007. At the end of the review period, the ratio of public debt to GDP²¹ fell to 66.0 percent from 67.6 percent of GDP in 2007, still above ECCB's prudential benchmark of 60.0 percent.

The slowdown in the pace of growth in the public debt was due to the 4.6 percent contraction in non-guaranteed debt to \$50.4 million and the deceleration in the growth of Central Government debt which accounted for 90.0 percent of total public debt. At the end of 2008, total Central Government outstanding debt was \$1,597.1 million, or 59.4 percent of GDP, representing an increase of 1.4 percent compared to 10.4 percent in 2007. However, government



¹⁹The proceeding analysis is based on a calendar year.

²⁰Excludes payables.

²¹Refers to GDP at market prices.

guaranteed debt rose by 1.4 percent to \$127.2 million.

Integral to the Government's debt management strategy is the sourcing of required levels of financing at the minimum cost. However, reflecting the impact of the severe tightening of global financial conditions in 2008, the weighted average cost of debt (WACD) of the Central Government rose by five basis points to 5.77 percent in the review period. The strain in the credit market affected treasury bills in particular with interest rates moving from 4.85 percent in 2007 to 5.73 percent in 2008. Short-term interest rates edged upwards in selected OECS countries as a result of the continued tight liquidity situation in the region.

Weighted Average Cost of Debt (WACD)

	2004	2005	2006	2007	2008
Bonds	7.46%	7.23%	7.28%	7.25%	7.17%
Treasury Bills	6.03%	4.10%	5.26%	4.85%	5.73%
Loans	3.68%	4.77%	4.18%	4.30%	4.24%
WACD	5.96%	5.93%	5.87%	5.74%	5.77%

In contrast, however, interest rates on bonds fell slightly by 8 bps over the review period. Moving in line with declining global interest rates during 2008, the average interest rate on loans declined and continued to be the cheapest source of financing in the Government's debt portfolio. This was largely attributed to the lower cost of concessionary loan funding particularly from bilateral sources, namely the Caribbean Development Bank. In addition, the average interest rate on commercial borrowing was reduced from 7.40 percent in 2007 to 7.28 percent in 2008.

The use of the Regional Government Securities Market (RGSM) has continued to result in relatively favourable interest rates on bonds and treasury bills and provided the Government with a viable avenue to raise the required funds for its short and long-term needs. During 2008, the government issued eleven (11) securities on the RGSM amounting to \$272.25 million, of which \$116.0 million represented new debt. Security instruments accounted for nearly 55.0 percent (\$877.3 million) of total central government debt, the bulk of which were in the form of bonds. The remaining 45.0 percent (\$720.2 million) of Central Government debt comprised loans and advances.

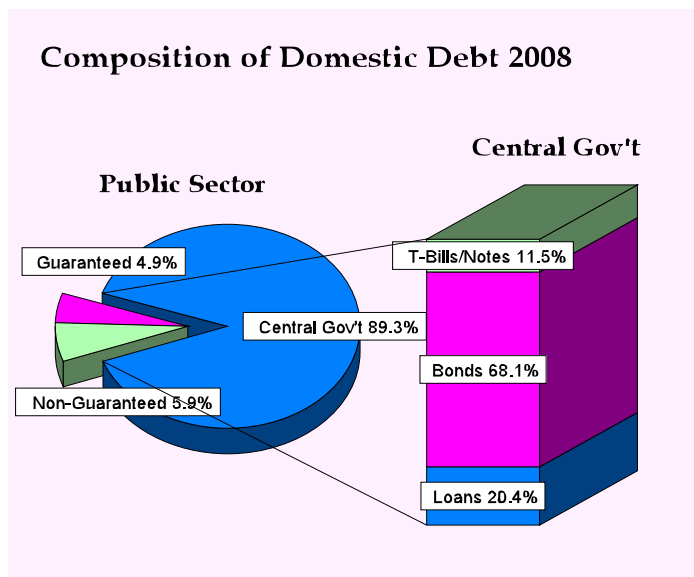
Over the review period, there was a notable change in St. Lucia's public debt maturity profile. The share of long-term liabilities to Central Government debt fell significantly from 60.0 percent in 2007 to 48.9 percent in 2008. Of this \$790.3 million in long-term liabilities with maturities

exceeding ten years, 72.8 percent comprised loans and advances while 27.2 percent were held in bonds. Furthermore, 36.7 percent of total central government debt were held in medium-term liabilities with maturities ranging from five to ten years, compared to 23.3 percent in 2007. However, the proportion of short-term debt with maturities of one to five years fell slightly to 14.4 percent, nearly half of which represented bonds. In terms of total Central Government debt, long-term liabilities accounted for the majority of external debt while its total domestic debt stock comprised only medium-term and short-term debt instruments.

A number of debt indicators are used to assess a country's capacity to meet its obligations and to determine its debt sustainability. In 2008, St. Lucia's debt service payments rose by 5.0 percent to \$161.3 million, including principal repayments which increased by 10.3 percent to \$82.9 million. However, as a result of the \$67.8 million increase in revenue collections in calendar year 2008, the ratio of Central Government total debt service to current revenue dropped from 22.3 percent to 21.0 percent. The ratio of external debt service to exports of goods and services was 7.1 percent in 2008.

Domestic Debt

The stock of public domestic debt continued to grow, increasing by 21.3 percent to \$793.8 million, following growth of 22.0 percent increase in 2007. At the end of 2008, this represented 44.7 percent of the total public sector debt. This was due to an increase in Central Government and a doubling of non-guaranteed debt, both of which partly reflected refinancing of existing external debt with domestic funding. Domestic guaranteed debt, however, continued to trend downward, declining by 3.8 percent to \$38.6 million in 2008.



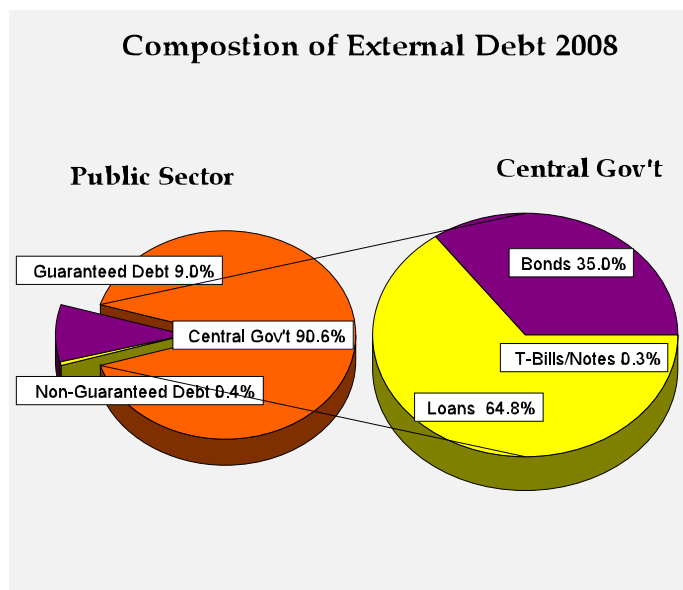
Central Government domestic debt rose by 19.2 percent to \$708.5 million, reflective of the new RGSM securities used to finance part of the 2008/09 capital budget and refinance some external debt. Correspondingly, domestic debt accounted for 44.4 percent of the total Central Government debt stock, up from the 37.7 percent in 2007. Bonds accounted for a significantly higher proportion of Central Government domestic debt from 46.8 percent in 2007 while the combined

share of treasury bills and notes fell by less than half from 25.2 percent in 2007. At the end of the review period, 20.4 percent of the stock of Central Government's domestic debt were in the form of loans compared to 27.9 percent in 2007.

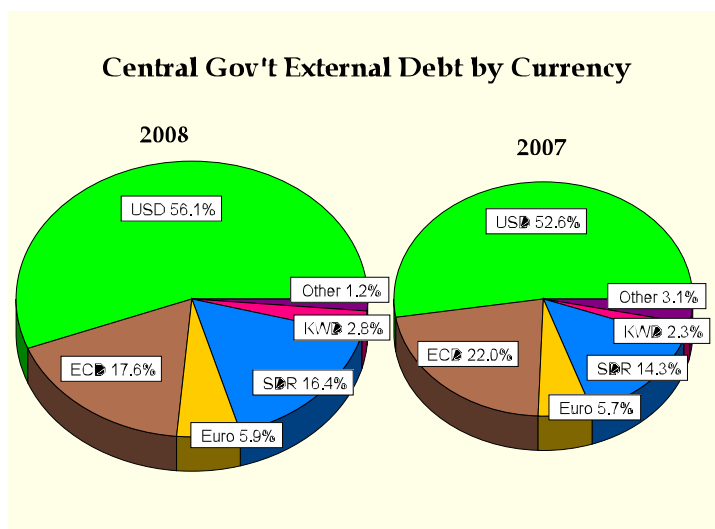
External Debt

At the end of 2008, the stock of the public sector's external debt declined by 10.8 percent to \$980.9 million, or 36.5 percent of GDP from 42.6 percent of GDP in 2007. This stemmed from the corresponding shift in the total debt of the Central Government and non-guaranteed debt towards domestic debt. At the end of December 2008, non-guaranteed external debt moved from \$33.3 million to \$3.8 million, attributed to the refinancing of a sizeable portion of the debt with domestic sources. However, guaranteed external debt grew by 3.8 percent to \$88.6 million.

Central Government external debt fell by 9.4 percent to \$888.5 million, reflecting reductions in all debt instruments. At the end of the review period, external debt accounted for 55.6 percent of the central government debt portfolio compared to 62.3 percent in 2007.



During 2008, the contribution of loans to total central government external debt remained at 65.0 percent, totaling \$575.6 million. The remaining 35.0 percent constituted predominately of bonds amounting to nearly \$313.0 million. Notwithstanding the decline in total central government external debt, new loan disbursements particularly from international institutions, were invested in ongoing capital projects related to the rehabilitation and development of roads, improvement in the water supply infrastructure, disaster mitigation & catastrophe insurance, HIV/AIDS protection & control, banana recovery, education and shelter development. In 2008, new loan funds were also disbursed to support new initiatives such as the OECS Skills for Inclusive Growth project.



External Debt by Currency

As another important part of its debt management strategy, the Government maintained the policy of minimizing the exposure of its debt to adverse exchange rate movements. At the end of the review period, 75.0 percent of the Central Government's external debt were denominated in currencies which bear no exchange rate risk, similar to 75.7 percent at the end of 2007. This includes the EC dollar, and the currencies to which the EC dollar is pegged, namely the US dollar

and the Barbadian dollar. At the end of the review period, debt contracted in US dollars stood at \$498.7 million and represented the largest share of public external debt. Loans denominated in euros and Kuwaiti dinars were the leading non-risk free debt.

Over the review period, due to sharp exchange rate fluctuations, the level of central government foreign debt was adjusted by a net parity change of minus \$11.3 million compared to a net positive parity of \$3.0 million in 2007. This resulted in a reduction in the total Central Government outstanding external debt. This was driven by the depreciation of the major currencies in 2008 including the pound sterling (28.3 percent), the Canadian dollar (17.8 percent), the euro (3.3 percent) and SDRs (3.2 percent).

External Debt By Creditor

At the end of 2008, a significant portion (65.0 percent or \$575.6 million) of the Government's debt was borrowed at concessional rates. Multi-lateral institutions contributed 55.9 percent or \$496.8 million while the outstanding debt from bi-lateral loans stood at \$78.7 million. The balance of loans from the Caribbean Development Bank (CDB) accounted for 35.2 percent of the Central Government external debt, an indication that this multilateral institution continues to remain the largest source of credit. The World Bank Group contributed 20.1 percent to the Central Government's outstanding external borrowings and represented the second largest source of concessional funding.

While remaining significant, the proportion of Central Government external debt accounted for by commercial bank lending fell from 29.0 percent to 24.1 percent or \$213.8 million. The Royal Merchant Bank remained the second largest creditor, holding 15.2 percent of the Central

Government's foreign debt. The share of loans held by Citibank fell to 8.9 percent from 9.7 percent in 2007.

External Debt By Economic Sector

Reflective of its continued commitment to the socio-economic advancement of the country, the Government has invested a significant component of its total external debt funds in improving infrastructure, promoting human development, creating business opportunities and employment as well as poverty alleviation. The largest proportion (\$268.5 million) of public outstanding external debt was spent on communications and works, mainly in the form of road construction and improvements. The share of public debt allocated to utilities, largely the water sector, stood at 10.7 percent or \$107.5 million. The hotel and tourism industry accounted for \$104.6 million of total public external debt, indicative of the ongoing investment in marketing and product development. Spending on education and training accounted for \$100.3 million of the foreign debt stock at the end of the review period. Of the external debt stock, \$11.6 million was spent on agriculture, viewed as one of the key drivers of rural development and poverty reduction.

Composition of Public Outstanding External Debt by Economic Sector		
	2008	2007
	%	%
Agriculture	1.2	1.0
Communications & Works	27.3	25.6
of which: Roads and Bridges	18.8	17.0
Education & Training	10.2	9.2
Finance & Insurance	12.5	13.7
Hotel & Tourism Industry	10.6	11.2
Utilities	10.9	10.3
Multi-Sector	11.2	10.2
Other	16.0	18.8

CHAPTER SIX

THE EXTERNAL SECTOR

TRADE & THE BALANCE OF PAYMENTS

Provisional estimates suggest that an overall deficit of \$30.4 million or 1.1 percent of GDP was recorded on the balance of payments in 2008 in contrast to a surplus of \$50.0 million or 1.9 percent of GDP in 2007. This performance was due to a worsening of the current account deficit coupled with a narrowing of the surplus on the capital and financial account.

Current Account

The external current account deficit widened in 2008 to \$798.9 million or 29.7 percent of GDP from \$767.3 million in 2007 or 29.6 percent of GDP. This was influenced mainly by a weakening of the income account, notwithstanding improvements in the goods and services accounts. The deficit on the income account expanded to \$222.4 million in 2008 compared to \$176.0 million in 2007. There were higher net outflows of investment income such as repatriation of profits of foreign owned banks, hotels and telecommunications companies. It also reflected increases in public sector debt service obligations, namely interest payments on foreign debt.

However, while the deficit on the goods accounts narrowed negligibly due to higher receipts from goods procured at the ports, the merchandise trade deficit grew by 1.5 percent to \$1,187.4 million. The latter was fueled in part by higher payments for imports associated with rising prices, particularly of fuel-related imports. This was partly offset by the 27.3 percent increase in the value of total exports, including higher banana export revenue.

Net inflows from the services account grew by 1.5 percent to \$481.2 million over the period. Net travel receipts is estimated to have increased by 2.4 percent to \$737.7 million while net outflows from other services remained in deficit. Net outflows for transportation and insurance services inched upwards by 7.3 and 6.0 percent respectively, largely reflecting increased freight and insurance payments on imports. Net inflows on current transfers advanced by 4.7 percent to \$38.4 million or 1.4 percent of GDP.

Capital and Financial Account

The surplus on the financial and capital account declined by 1.1 percent to \$865.5 million (32.2 percent of GDP) following an increase to \$875.4 million (33.8 percent of GDP) in 2007. The major components of this outcome were a weakened performance in the financial accounts and a small

improvement in the capital account. This performance was influenced mainly by activities of the Central Government, commercial banks and foreign direct investments.

On the capital account, grant receipts moved up to \$20.7 million from \$9.3 million in the previous period, reflecting proceeds from STABEX and SFA funds from the European Union (EU). These were associated with projects related to economic diversification, social transformation, agricultural development and national skills development.

The surplus on the financial account contracted by 2.5 percent to \$840.9 million, compared to an increase of 3.2 percent in 2007. This performance was led by an estimated 32.2 percent reduction in foreign direct investments to \$433.0 million, following significant increases in the previous two years. The global financial crisis contributed to this downturn as progress on major tourism related projects were stalled and foreign purchases of villas/condominiums slowed down over the review period. Net outflows on the portfolio investment account expanded to \$8.4 million.

Net inflows on other investments rose to \$416.3 million from \$222.2 million mainly on account of increased net inflows from commercial banks. These financial institutions increased their foreign liabilities by \$466.2 million, prompted by their continued tight liquidity position, in order to finance the credit extended in the domestic economy. Loan disbursements to the public sector fell to \$44.7 million while principal repayments on foreign debt increased to \$75.4 million, resulting in a lower net disbursement of \$30.7 million.

Overall Balance

An overall deficit of \$30.4 million was estimated on the balance of payments accounts for 2008 as the surplus on the financial and capital account was insufficient to fully offset the current account deficit. As a result, the overall deficit was financed by a decrease in St. Lucia's share of imputed reserves of \$29.5 million or 1.1 percent of GDP.

IMPORTS²²

Reflective of the general increase in imported prices associated with high oil prices, the value of merchandise imports grew by 6.7 percent to \$1, 772.8 million. This follows growth of 4.0 percent in 2007 and translates to 65.9 percent of GDP. Larger outlays on both consumer and intermediate goods were responsible for this increase, accounting for 80.4 percent of the total import bill. These were partially offset by the decline in the value of capital goods imported in 2008. However, indicative of the sizeable payments for fuel and the activity in the real sector, the

²²Values refer to cost, insurance and freight (c.i.f) value.

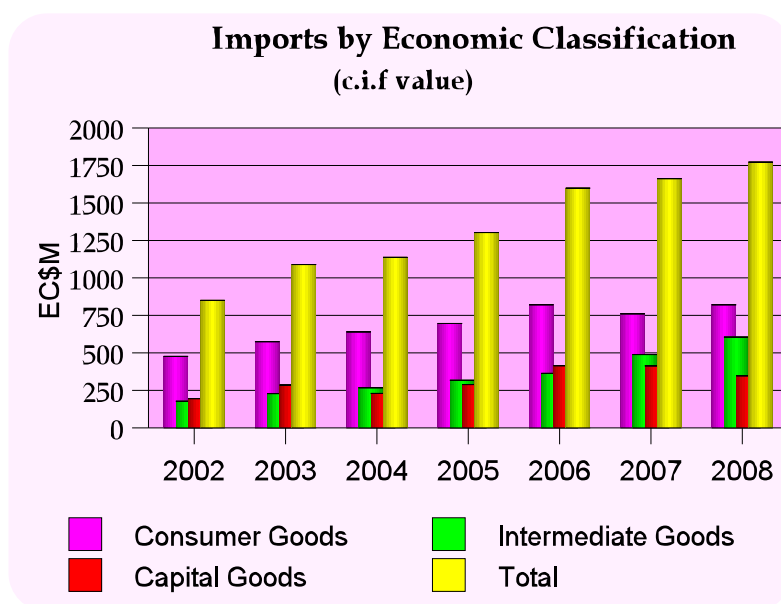
value of non-oil related imports increased negligibly by 0.3 percent to \$1,314.1 million, compared to a contraction of 5.9 percent in 2007.

The value of imports of *consumer goods* which typically contributes most significantly to the total cost of imports, rose by 7.9 percent to \$820.4 million. This outturn was driven by increases in the value of most sub-categories, including an 11.7 percent growth in the *food* import bill to \$292.0 million. This was in keeping with the global surge in food prices throughout 2008. Similarly, the value of *manufactured goods classified by material* increased by 14.8 percent to \$239.1 million, owing to rising costs including that of construction materials. The increase in the cost and volume of imports of paper also contributed to this upturn in the imports of manufactured goods, some of which were used as inputs in the increased production of boxes. The value of imports of *beverages and tobacco* rose by 4.9 percent to \$74.9 million, while the value of *miscellaneous manufactured articles* declined by 2.3 percent.

Consistent with the steady increases in the international price of oil, the value of *intermediate goods* increased by 23.9 percent to \$605.6 million in 2008, albeit at a slower pace than in 2007. This follows an average increase in spending on these imports of 22.7 percent over the previous five years. Consequently, its share of total imports moved up from 20.9 percent in 2002 to 34.2 percent in 2008. Imports of *mineral fuels,*

lubricants and related materials comprised more than 90.0 percent of the value of imports of intermediate goods and amounted to \$458.7 million. Imports of *chemicals and related products* increased by 11.7 percent to \$110.2 million due to imports of perfumery, paints, varnishes and medicaments. A contraction of 7.7 percent in the import value of *crude materials (inedible except fuels)* to \$31.0 million was partly attributed to the fall in the imports of stone. Mirroring higher prices, the value of imports of *animal and vegetable oils, fats and waxes* increased from \$4.2 million to \$5.6 million.

By contrast, the value of imports of *capital goods*, comprising mainly *machinery and transport equipment*, declined by 16.1 percent to \$346.8 million over the review period. This was due to a



decrease in the volume of motor vehicles imported particularly in the last quarter of 2008. This lull in domestic demand followed years of sustained and robust increases in vehicle imports. This also reflected the effects of the global economic crisis coupled with the tight liquidity situation faced by commercial banks. There was also a decline of 43.6 percent to \$9.1 million in the value of imports of civil engineering equipment, in line with the developments in the construction sector in 2008.

CARICOM

The total value of merchandise imports from CARICOM increased by 18.5 percent to \$477.7 million from \$403.2 million in 2007. The value of imports from the region was equivalent to 30.6 percent of total imports, representing increases in the value of intermediate and consumer goods which compensated for the reduction in imports of capital goods.

Consumer Goods imported from the regional market increased by 9.6 percent to \$175.0 million from \$159.7 million in 2007, reflective of an expansion in all sub-categories except *Miscellaneous Manufactured Articles*. The value of imports of *Food and Live Animals* grew by 9.7 percent to \$72.0 million while *Miscellaneous Manufactured Articles* moved up by 20.4 percent to \$48.6 million. A marginal increase of 3.8 percent was recorded in the import value of *Beverages and Tobacco*.

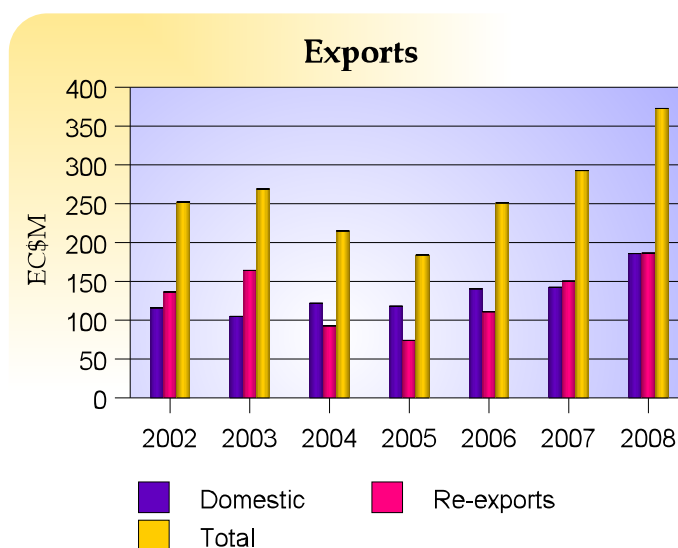
The value of imports of *Intermediate Goods* rose sharply by 31.4 percent to \$282.8 million from \$215.2 million in 2007. This was driven by the cost of *Mineral Fuels, Lubricants and Related Products* which went up to \$247.5 million from \$179.8 million. This represented the imports of refined petroleum products including unleaded gas, diesel and LPG from Trinidad.

The import value of *Capital Goods* from CARICOM contracted by 30.2 percent to \$19.8 million primarily as the major sub-category, *Machinery and Transport Equipment*, dipped by an equivalent amount.

EXPORTS

The total value of merchandise exports continued to grow since contracting in 2004, increasing by 27.3 percent in 2008 to \$372.6 million. This was due to a favourable performance in domestic exports and a 24.3 percent growth in the value of re-exports. Earnings from exports remained concentrated on a narrow range of goods, highlighting issues related to St. Lucia's competitiveness and diversification in the production and trade of agricultural and manufactured goods. The value of re-exports, principally of *intermediate goods*, grew by 24.3 percent to \$186.8 million.

The total value of all *consumer goods* exported increased by 10.2 percent to \$175.9 million. Re-exports of consumer goods contracted by 25.6 percent to \$35.4 million as a result of the decline in clothing items. The growth in earnings from the exports of consumer goods was due to higher receipts from domestic exports which accounted for approximately 37.8 percent of total exports revenue. Domestic exports of this category of goods amounted to \$140.5 million, an increase of 25.5 percent compared to 2007. Of this, earnings from domestic exports of agricultural products grew by 62.2 percent to \$65.8 million in 2008. This was principally occasioned by the increase in banana revenue from exports to the UK market and, to a much lesser extent, from the sale of bananas to Barbados, which increased by 30.0 percent to \$1.7 million. Exports receipts from *edible products and preparations*, primarily pepper sauce and other sauces, rose from \$2.4 million to \$3.4 million in 2008.



Notwithstanding increased exports to some regional countries, total export earnings from *beverages* contracted by 14.3 percent to \$45.0 million. This was attributed to a 73.6 percent decline in exports of alcoholic beverages, namely beer and shandy, to Trinidad due to competition in that market. Increased exports of these beverages to some regional markets were offset by lost market share in Antigua and Dominica. Exports revenue from *manufactured goods and articles* rebounded, growing by 51.0 percent to \$21.5 million following the contraction in 2007. This upturn was spurred by the growth in receipts from regional exports of paper products to \$15.3 million in 2008. This mainly included exports of commercial boxes to Trinidad and banana boxes to the Windward Islands which was boosted by the expansion in banana production.

The value of total exports of *intermediate goods* increased by 67.0 percent to \$118.9 million in 2008. This largely reflected the re-exports of petroleum products stored at the Hess facility, influenced by developments in the international oil prices. There was also an increase in the value of re-exports of perfumes and cosmetics associated with the duty-free shopping operations of a number of tourism-related establishments. Domestic exports of intermediate goods rose from \$9.8 million to \$17.2 million on account of higher exports revenue of construction materials (sand and stone) to Trinidad and Antigua, classified as *crude materials, inedible except fuels*. Earnings from

domestic exports of *chemicals and related products* also increased, from \$4.9 million in 2007 to \$6.9 million in the review period.

The total value of exports of *capital goods* grew by 25.8 percent to \$77.8 million, of which \$49.8 million emanated from re-exports. Foreign exchange earnings from domestic exports of these goods rose by 36.6 percent to \$28.1 million due to growth in earnings from electrical products and transmission apparatus assembled in St. Lucia. These are produced for use in the telecommunications industry in the United States.

CARICOM

Earnings generated from exports to the region moved up marginally to \$81.2 million from \$80.7 million in 2007 with increases in exports of *Intermediate Goods* and *Capital Goods* compensating for the reduction in earnings from *Consumer Goods*. Receipts from the exports of *Intermediate Goods* registered a favorable performance of \$10.2 million from \$6.6 million in 2007 while *Capital Goods* generated revenue of \$5.5 million. The intake from *Consumer Goods* fell to \$65.6 million in 2008 from \$70.4 million in the previous year.

TRADE BALANCE

The overall trade deficit inched up by 1.5 percent to \$1,187.4 million from \$1,169.9 million in 2007. As a percentage of GDP, this deficit widened to 54.7 percent from the average of 51.2 percent in the past four years. This stemmed from the increases in the trade deficits for both consumer and intermediate goods which offset the contraction in the trade deficit for capital goods.

The trade deficit for *Consumer Goods* which accounted for 46.2 percent of the overall trade deficit deteriorated by 7.2 percent to \$546.0 million in contrast to the decline of 12.8 percent in 2007. The trade deficit for *Intermediate Goods* rose by 15.4 percent, albeit at a slower pace, relative to the 40.4 percent increase recorded in 2007. This was mainly influenced by increased payments for fuel imports. The *Capital Goods* trade deficit contracted by 24.6 percent as machinery and transport equipment, the major sub-category, improved to \$227.3 million following a fall to \$301.6 million in 2007.

CHAPTER SEVEN

SOCIO-DEMOGRAPHIC INDICATORS

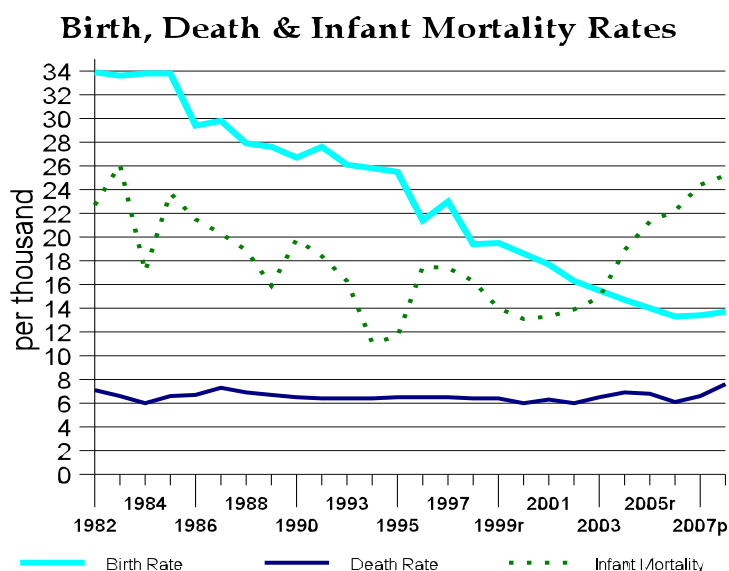
POPULATION & DEMOGRAPHY

The country's population trends and demographic characteristics are imperative for economic planning aimed at promoting sustained economic growth. In 2008, preliminary estimates establish that the population grew by 1.2 percent from 168,338 to 170,331. However, the increase in deaths exceeded the increase in live births by 2 to 1. That is, there was a 3.8 percent increase in the number of live births in comparison with a 17.0 percent increase in the number of deaths.

In keeping with demographic trends of lower birth rates than previous years, the total dependency ratio declined from 51.0 percent in 2007 to 50.0 percent in 2008. This is largely as a result of decline in the youth dependency ratio from 45.0 percent to 39.0 percent in the five year period spanning 2004 to 2008. This trend is also seen in the falling proportion of persons aged 0 to 4 and 5 to 9 (8.8 and 7.9 percent of the population respectively) relative to the age groups 10 to 14 and 15 to 19, which accounted for 9.7 percent and 10.2 percent of the population respectively.

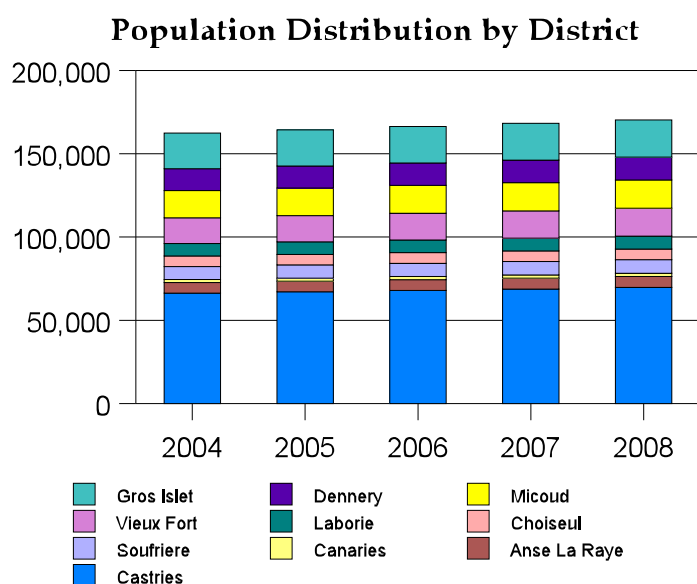
In the year under review, the birth rate was marginally higher than the previous year at 13.7 per thousand compared with 13.4 per thousand in 2007. The number of male births exceeded female births by 127. That is, the rate of increase in female births was 3.8 percent while for the male counterpart was 3.9 percent.

The death rate increased from 6.6 per thousand in 2007 to 7.6 per thousand in 2008. The trend of higher male to female deaths continued in 2008 with the number of male deaths exceeding female deaths by 135. However, the rate of increase in female deaths was 17.0 percent, the highest estimated rate of increase in 20 years. A contributing factor to the rising death rate is the rising cases of lifestyle diseases such as diabetes and hypertension.



Changing lifestyles have also contributed to the increased infant mortality by creating complications for pre- and post-natal care. The infant mortality rate has been on the rise since 2000, increasing from 13.1 per thousand to 25.2 per thousand in 2008 the highest estimated rate in over two decades.

An analysis of population data by district revealed that the distribution of the population remained heavily skewed towards the north west of the island. An estimated 54.1 percent of the population resided within the district of Gros Islet and the capital of Castries. All districts recorded a general increase in the number of inhabitants.



The population in the capital grew by 932 or 1.4 percent. The majority of the capital's inhabitants, 78.0 percent, reside in the rural areas of Castries, while an estimated 19 percent reside in the suburbs and 3.0 percent in the metropolitan area. The other major population centers Vieux Fort and Gros Islet, experienced growth of 2.2 percent or 367 inhabitants and 1.0 percent or 222 inhabitants respectively. The districts of Choiseul and Canaries recorded the slowest population growth rates, 0.5 percent and 1.8 percent respectively.

For the year 2007, Gros Islet had the highest proportion of inhabitants considered economically active (within the age group 15- 64 years) at 68.0 percent. However, for 2008 the rural areas of Castries recorded the highest proportion of economically active inhabitants amounting to 37,441 persons or 68.9 percent. This surpassed the island wide proportion of 66.9 percent.

EDUCATION²³

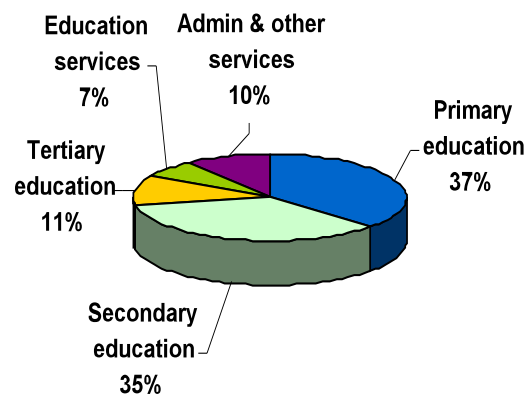
During the 2007/08 academic year, the education policy of Government continued to focus on providing lifelong quality education and training for all. Government's attention was primarily focused on building a strong foundation via the effective delivery of early childhood

²³ The analysis in this section relates to the academic year 2007/08.

education services; developing a broad, balanced and differentiated curriculum; strengthening and expanding support services for children with special needs; and enhancing the skills and competencies of adults and the youth.

Government's commitment to the advancement of the education sector was also mirrored in the distribution of its financial resources. During the fiscal year 2007/08, education expenditure as a percentage of GDP remained constant at 6.1 percent. Government invested \$161.5 million in education, which represented the second largest share of the budget.

Composition of Education Expenditure



There was a slight increase of 1.1 percent to \$127.3 million in recurrent expenditure. However, capital expenditure decreased significantly by 6.4 percent to \$34.3 million in keeping with the completion of several projects to expand the number of school plants.

The largest share of the Education budget was allocated towards primary education in 2008 (37.0 percent), followed by secondary education (35.0 percent), tertiary education (11.0 percent) and education services (7.0 percent). This trend has remained consistent over the past ten years.

Student Support Services

In an effort to respond to the needs of low income students, the 2007/08 budget allocation of the Ministry of Education included approximately \$1.0 million for student support services. These consisted of the School Feeding Programme (\$60,000), general student welfare (\$524,918) and transportation subsidies (\$423,000).

In the 2007/08 academic year, 6,557 primary school students benefited from the School Feeding Programme. This is 33.0 percent of the total primary school enrolment. This represented a 5 percentage point increase in comparison to the last academic year.

The bursaries programme provided with free school books to 725 students or 4.0 percent of total primary school enrolment, while 406 secondary school students or 3.0 percent of total secondary school enrolment also benefited. Assistance was also 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, 12.0 percent of secondary school students in forms 1 to 3 benefited from this programme.

In 2007/08, the Ministry of Education commenced the Transportation Subsidy Programme in an attempt to address complaints about irregularity and punctuality among secondary school students resulting from the inability to pay bus fares. A total of 1,500 students from 11 schools were chosen to participate in the programme.

Early Childhood²⁴

During the academic year under review, the number of pre-school centres decreased marginally from 105 to 104. All preschools remained privately owned, with 40.0 percent located in Castries and surrounding areas. The number of students enrolled in pre-school rose by 1.5 percent to 3,882. An analysis by gender indicates that 50.1 percent of the children at pre-school centres were boys, while 49.9 percent were girls.

The number of daycare centres remained the same at 36 in 2007/08, while total enrolment at daycare centres increased by 3.7 percent to 1,452. An examination of daycare enrolment figures by gender revealed that 51.9 percent were boys and 48.1 percent were girls.

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

Public Primary Education

Access

During the academic year 2007/08, the total number of primary schools remained constant at 75. However, the number of primary school students has been on a steady decline over the past eleven years. This decreasing trend is a result of the increased number of school leavers at grade 6 and other grades exceeding the student intake in Grade K. This trend is also in keeping with demographic trends indicating declining birth rates. Student enrolment declined by 5.4 percent to 20,164 in 2007/08. The percentage of girls enrolled in primary schools remained unchanged at 49.0 percent. There was surplus physical capacity of 36.6 percent in primary schools, which represents an 11.0 percent increase over last year's rate. Similar to the preceding year, the greatest surplus capacity existed in district seven schools (57.9 percent), district five schools (44.4 percent) and district four schools (40.7 percent). The available space is being utilized to implement student support programmes such as special needs, learning resource centers, library and literacy.

²⁴ Early childhood refers to children aged 1-4 years.

The *gross enrolment ratio*, which compares the population aged 5 to 11 with total enrollment, fell by 6.0 percent to 93 percent in 2007/08. 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, decreased by 5.4 percent to 87.0 percent. The net and gross enrolment rate in 2007/08 suggests less than universal primary education, however, there are 5 -11 year olds who were not enrolled in public primary schools but attend private institutions and special education centres. Moreover, in 2007/08 there were 139 five year olds attending preschools and 436 students who were 11 years old or younger attending secondary schools. The *transition rate*²⁵ from primary to secondary school was 98.0 percent.

Efficiency

In 2007/08, the completion rate at the primary school level was approximately 95.2 percent. The total number of dropouts for 2006/07 declined significantly by 60.0 percent to 27. This considerable decrease in dropouts can be attributed to the discontinuation of senior primary grades, as a result of universal secondary education. Over 70.0 percent of all primary school dropouts in the past originated from the senior primary grades. The majority of dropouts were male (77.8 percent). The repetition rate for primary schools fell marginally by 0.2 percent to 2.5 percent, with males accounting for 66.5 percent of repeaters.

Quality

The number of primary school teachers increased slightly over the previous school year by 0.3 percent, to 922 in 2007/08. Teachers at the primary level were predominantly female (87.0 percent), the same as last year's result. In keeping with the slight increase in the number of teachers, the overall teacher to student ratio for primary schools dropped slightly from 1:23 in 2006/07 to 1:22 in 2007/08. This ratio has been fluctuating over the last five years, and has not been on par with the national benchmark of 1:30.

With regards to training, 89.0 percent of teachers were qualified, that is completed a recognized programme in teacher education methods and teaching techniques. This represented an increase of 6 percentage points above the previous school 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 2007/2008 academic year, the national mean performance for English Language and Mathematics in the Grade 2 MST were 61.3 percent and 55.2 percent respectively. This represented a 7.1

²⁵ 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.

percentage increase in the mean for English Language and a 3.4 percentage increase in the mean for Mathematics.

National Mean Performances in Primary Level Examinations

Test/Subject	Mathematics			English Language		
	2006	2007	2008	2006	2007	2008
MST (Grade 2)	47.3%	51.8%	55.2%	57.6 %	54.2 %	61.3%
MST (Grade 4)	44.6%	47.1%	56%	48.7%	48.1%	48.9%
CEE (Grade 6)	37.08%	41.69%	46.13%	45.08%	43.3%	52.61%

The performance at Grade 4 in the MST mirrored that of Grade 2, with a marginal increase of 0.76 percent in English Language and an 8.9 percentage increase in the mean performance for Mathematics. In the 2007/2008 academic year, 3,223 students sat the Common Entrance Examination. Of this 97.6 percent were assigned to secondary schools, with 52.7 percent of the students scoring at or above the national mean.

Public Secondary Education

Access

The number of secondary schools remained the same at 23 in the 2007/08 academic year. There was surplus capacity of 7.0 percent in secondary schools. Total enrolment at secondary schools increased by 6.5 percent to 15,527 in 2007/08. Female enrolment accounted for 51.0 percent of total enrolment at secondary schools. The gross enrolment ratio in 2007/08 for secondary education was 90.0 percent, whilst the net enrolment ratio was 80.0 percent.

Efficiency

The total number of dropouts at the secondary school level fell significantly in 2006/07 by 37.0 percent to 138 over the previous academic year. As at the primary level, male dropouts accounted for the majority of the total number of dropouts (60.0 percent). In 2007/08 the completion rate among secondary school students was approximately 91.3 percent. There were 35 repeaters at the secondary school level; 21 females and 14 males.

Quality

In 2007/08, the number of teachers increased by 8.1 percent to 924. The increase in student enrolment resulted in an increase in the number of teachers employed at secondary schools. The teacher to student ratio remained at 1:17 in 2007/08. The percentage of teachers who were trained was 58.0 percent, whilst the percentage of graduate teachers was 56.0 percent.

There was no improvement in student performance, as measured by the 2008 Form 3 Minimum Standards Test. The mean for English Language and Mathematics was 46.9 percent and 38.1 percent respectively, this represented a 1.6 percentage point decline in the average performance for English and a decline of 0.3 percentage points in mathematics. The national mean for both English Language and Mathematics have been on the decline for the past three years.

The overall pass rate for secondary schools at the 2008 Caribbean Secondary Education Certificate (CSEC) General and Technical proficiency level Exams was 68.4 percent, an increase of 1.5 percent over the previous academic year. In contrast, the overall pass rate at the Basic proficiency level was 14.8 percent, however only 7 public secondary schools allowed students to write the Basic proficiency examinations in some subject areas.

Pass rates for schools at the General and Technical proficiency level ranged from 36.0 percent to 98.0 percent. Of the 19 public schools which wrote the examination, 4 attained an overall pass rate of above 80.0 percent. All 4 schools were from urban districts. The pass rate for Mathematics increased by 10 percentage points to 46 percent, while the pass rate for English Language declined by 6 percentage points to 47.0 percent.

Special Education

Access / Quality

During the 2007/08 academic year the number of Special Education Centres remained constant at 5. Over the past 4 years enrolment at these centres has increased steadily. However, this increasing trend was broken in 2007/08, as enrolment decreased by 2.2 percent to 265 students. Female students accounted for 40.0 percent of total enrolment at the Special Education Centres.

The Centres were staffed with 54 teachers, an increase of 3.8 percent from the last academic year. Nevertheless, the teacher to student ratio remained the same at 1:5 in 2007/08. The percentage of trained teachers was 65.0 percent, while 37.0 percent were trained in various areas of specialization such as Deaf Education and Blind Education, Multiple Handicaps and Speech Therapy.

Private Primary and Secondary Education

Access / Quality

Total Enrolment at the 6 private primary schools increased by 10.7 percent to 774 in 2007/08. The percentage of females enrolled at the private primary schools remained the same at 48.0 percent. Total enrolment at the 3 private secondary schools also increased, growing by 11.4 percent to 353 in 2007/08. Female students accounted for 52.0 percent of total enrolment at secondary schools.

The teacher to student ratio at the private primary schools remained unchanged at 1:14 in 2007/08. This ratio has remained constant over the past three years. Conversely, the teacher to student ratio for private secondary schools fell slightly from 1:12 in 2006/07 to 1:11 in 2007/08. There were 56 teachers in the private primary schools, of which 68.0 percent were qualified teachers. The number of teachers at the private secondary schools increased from 26 in 2006/07 to 32 in 2007/08.

Post – Secondary Education

Access

The total enrolment at the Sir Arthur Lewis Community College (SALCC) fell marginally by 0.8 percent to 1,676 in 2007/08.²⁶ Of this, females accounted for 62 percent. Enrolment figures at the main divisions of specialization were as follows: Arts and General Studies (400), Technical Education and Management Studies (857), Teacher Education (203), UWI (74), Health Sciences (90), Agriculture (49) and Home Economics (3).

The Post Secondary Department of the Vieux Fort Comprehensive School recorded a 1.5 percent decline in total enrolment to 268 in comparison with the previous academic year. Female students comprised 71.0 percent of total enrolment at the Post Secondary Department. Enrolment figures for the main departments were as follows: Advanced Level (103), Business Studies (112), Secretarial Studies (40) and Carpentry / Joinery (13).

Efficiency

The withdrawal rate at the SALCC was 2.3 percent in 2006/07²⁷. Mirroring the outcome of the previous 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 was 1:15 in 2006/07. The overall GCE Advanced Level pass rate at SALCC and the Vieux Fort Comprehensive Advanced Level Department was 84.4 percent and 66.1 percent, respectively in the 2008 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

²⁶ However, this figure does not include students enrolled with the Department of Continuing Education.

²⁷ This data is lagged 1 year.

incorporated into the program. The total number of learners enrolled with NELP fell by 18.7 percent to 1,134 in 2007/2008.

However, the number of NELP Centres remained the same at 13. Courses were offered in two phases for the academic year 2007/08; phase 1 ran from September 2007 to March 2008 and phase 2 from April to July 2008. There were 66 facilitators assigned to phase 1 of the NELP program and 34 to phase 2. This represented a 5.7 and 42.4 percent decline in the number of facilitators for phase 1 and phase 2, respectively. Female learners accounted for 64.0 percent of the total number of learners in phase 1 and 76.0 percent of the learners in phase 2.

With respect to the National Skills Development Centre (NSDC), there were 64 trainees enrolled in various areas of training under the Special Framework of Assistance (SFA) 2002 Program in 2007/08. Female trainees comprised 70.0 percent of total enrolment at the NSDC.

A total of 498 students, graduated from the “Hospitality and Construction Skills Training” Program in the review period. This represented 95.0 percent of total trainees in 2006/07. Of total graduates 73.3 percent were female. The number of tutors at the NSDC declined significantly by 79.2 percent to 5 over the previous academic year, because of the steep decline in the number of trainees enrolled in the various training programmes in 2007/08.

The Centre for Adolescent Rehabilitation and Education (CARE) administered a two year program in 5 districts. Total enrolment at the CARE Centres fell by 14.0 percent to 220 in 2007/2008. Of first year students 32.7 percent were female, while 17.8 percent of second year students were female. The total number of teachers at CARE declined by 11.5 percent to 23 in 2007/08, while the teacher to student ratio remained at 1:10.

Library and Information Services

Access

At the end of 2007²⁸ there were 17 public libraries, 10 Government libraries and documentation centres and 10 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 4.0 percent to 25,534 in 2007.

²⁸ Data for 2008 currently unavailable.

CHAPTER EIGHT

ECONOMIC OUTLOOK 2009

The deepening recession in the advanced economies and dim outlook for the global economy present new challenges and a high degree of uncertainty for the prospects of the domestic economy. Forecasts for growth point to an overall notable contraction in economic activity in 2009, originating from the expected double-digit decline in the tourism sector with negative spill-over effects on other sectors.

The short-term prospects of the tourism sector remain uncertain, as tourism activity is expected to weaken moreso in the second half of the year as rising unemployment and falling disposable incomes abroad will dampen the demand for travel. The anticipated fall-off in stay-over arrivals is expected to be broad-based across the major markets.

The construction sector is expected to generate much of the economic activity in the near term. The pace of construction activity is likely to pick up as Government seeks to stimulate the economy through its public investments by expediting works on a number of projects including road construction and a housing development in the south of the island. It is anticipated that private sector construction will slow further as some major hotel projects will be affected by the reduced access to credit. Financing options are likely to be limited from international sources and also from the region in the wake of the recent threats to the financial system posed by the difficulties experienced by the CLICO Group and the Stanford Group. However, barring any adverse weather conditions, the agriculture sector, particularly the banana industry, is poised for further expansion.

These performances are expected to result in a higher level unemployment. In contrast, inflationary pressures are expected to be subdued in light of the decreases in international commodity prices fueled by weakening global demand. However, international oil prices are projected to increase from their current levels in the second half of 2009 with some impact on prices of goods and services. Inflation is projected to move in tandem with that of its major trading partners, significantly below that recorded in 2008.

The fiscal position of the Central Government is expected to deteriorate with lower revenues coupled with higher current and capital expenditures in support of the implementation of counter-cyclical policies. Consequently, the required borrowing will lead to an increase in the overall debt level in 2009.

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

E.C. \$ Millions

SECTORS	1998	1999R	2000	2001	2002	2003	2004	2005	2006	2007p	2008pj
Agric., Livestock, Forestry, Fishing	122.23	113.19	114.28	98.94	94.20	85.02	91.75	74.95	78.37	81.49	103.34
- Bananas	60.04	57.56	52.67	31.08	40.47	32.31	40.64	27.15	30.56	30.02	43.16
- Other Crops	31.09	25.17	26.47	28.52	18.58	22.44	20.60	17.30	14.03	15.99	20.88
- Livestock	12.50	7.16	10.67	11.77	12.34	9.51	9.71	11.14	10.05	11.18	12.49
- Fishing	17.16	21.97	23.25	26.36	21.64	19.62	19.70	18.30	22.71	23.23	25.78
- Forestry	1.44	1.33	1.22	1.21	1.17	1.14	1.10	1.06	1.02	1.07	1.03
Mining and Quarrying	6.22	6.02	7.94	6.08	6.05	6.03	5.90	5.68	6.82	7.63	7.22
Manufacturing	82.37	84.88	82.49	77.64	78.66	87.58	96.76	116.55	129.12	139.88	126.93
Construction	117.48	137.04	130.88	125.08	118.40	114.03	119.02	150.85	187.54	169.21	142.01
Electricity and Water	63.89	75.16	85.75	86.57	82.24	89.20	99.82	98.03	96.06	107.16	110.09
- Electricity	54.34	65.54	70.38	71.16	66.68	73.01	82.12	79.74	78.18	88.77	89.13
- Water	9.55	9.62	15.37	15.41	15.56	16.19	17.70	18.28	17.88	18.38	20.96
Wholesale and Retail Trade	197.88	210.76	202.61	177.83	178.44	195.21	215.26	239.61	268.14	294.41	299.67
Hotels and Restaurants	186.23	200.85	213.87	201.26	199.57	235.15	252.64	279.07	281.15	267.63	292.48
Transport	165.41	176.85	182.91	189.31	194.19	201.24	211.13	222.89	233.20	240.59	267.69
- Road Transport	104.12	110.81	114.58	118.59	122.15	124.05	129.13	134.16	132.82	134.52	151.38
- Air Transport	23.13	25.46	26.33	27.25	27.76	30.62	33.63	38.47	42.59	45.00	50.85
- Sea Transport	38.16	40.58	42.00	43.47	44.28	46.57	48.37	50.26	57.79	61.06	65.46
Communications	102.00	104.79	111.32	122.40	131.96	140.37	147.71	161.01	165.22	174.58	180.45
Banking and Insurance	132.66	139.18	144.06	153.34	160.47	169.63	178.87	194.57	217.94	230.28	244.70
- Banking	108.86	112.70	116.68	125.01	131.46	140.27	148.48	162.99	182.04	192.35	206.39
- Insurance	23.80	26.48	27.38	28.33	29.01	29.36	30.39	31.58	35.90	37.93	38.31
Real Estate and Owner Occupied Dwellings	145.24	148.66	150.08	152.83	156.32	161.81	167.36	172.31	188.75	197.94	204.53
Producers of Government Services	205.43	227.65	239.18	249.42	247.31	248.11	261.22	282.10	302.38	297.85	323.71
Other Services	69.01	73.04	75.52	78.54	80.31	82.10	84.97	85.73	89.16	91.64	67.29
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	-198.61
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	2,112.62	2,171.50
Growth Rate	7.13%	6.62%	2.47%	-1.46%	0.39%	4.92%	6.39%	7.65%	7.37%	2.25%	2.79%

p= Provisional

pj= Projected

r= Revised

Source: Government Statistics Department (St.Lucia)

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

SECTORS	1998r	1999r	2000r	2001	2002	2003	2004	2005	2006	2007p	2008pj
Agriculture, Livestock, Forestry, Fishing	97.20	82.69	85.37	64.50	67.33	56.73	55.10	41.47	45.52	46.59	56.14
- Bananas	51.22	41.05	43.68	22.37	35.75	22.78	26.81	16.84	18.76	18.12	23.56
- Other Crops	25.56	21.14	19.57	20.48	13.50	14.27	11.30	8.15	8.94	10.10	12.25
- Livestock	9.12	6.67	7.67	7.20	6.86	6.64	6.77	6.92	6.25	6.60	7.39
- Fishing	9.84	12.48	13.21	13.22	10.02	11.88	9.10	8.48	10.52	10.76	11.94
- Forestry	1.46	1.35	1.24	1.23	1.20	1.16	1.12	1.08	1.05	1.01	1.00
Mining and Quarrying	5.83	6.72	7.45	5.71	5.82	5.83	5.72	5.50	6.59	7.45	6.86
Manufacturing	71.37	71.38	70.09	65.59	69.17	72.21	70.07	81.48	86.95	88.87	84.09
Construction	96.82	109.22	104.21	99.02	94.23	95.73	96.70	108.79	123.17	110.51	94.61
Electricity and Water	57.88	64.16	61.06	63.85	62.26	63.42	64.63	55.96	51.06	55.74	51.19
- Electricity	49.73	57.39	53.18	55.59	55.06	56.32	57.44	48.73	43.68	48.09	43.21
- Water	8.15	6.77	7.87	8.26	7.20	7.10	7.19	7.23	7.37	7.65	7.98
Wholesale and Retail Trade	151.65	156.18	146.05	124.84	126.39	136.21	147.68	156.29	170.39	178.16	172.33
Hotels and Restaurants	145.40	151.57	155.61	139.20	138.35	161.36	170.86	181.67	176.70	163.64	167.31
Transport	122.42	128.79	127.14	125.49	120.70	125.95	135.18	136.10	149.33	151.85	152.45
- Road Transport	83.03	85.04	86.90	87.05	84.73	85.18	86.09	87.46	90.09	100.73	106.19
- Air Transport	16.14	17.50	18.03	17.06	16.44	20.34	22.26	21.88	20.32	18.68	17.98
- Sea Transport	23.25	26.25	22.21	21.38	19.53	20.43	26.83	26.76	38.92	32.44	28.28
Communications	96.18	102.13	107.75	120.50	129.56	135.43	141.65	152.05	153.57	158.18	161.97
Banking and Insurance	110.99	120.79	124.42	127.72	129.29	131.85	137.73	150.91	183.20	200.47	209.51
- Banking	96.19	105.14	107.98	110.22	112.35	114.07	119.57	131.37	161.75	176.87	185.07
- Insurance	14.80	15.65	16.44	17.50	16.94	17.78	18.16	19.54	21.45	23.60	24.44
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	196.48
Producers of Government Services	138.57	144.74	145.89	149.43	146.97	143.93	149.82	162.34	165.71	172.06	186.52
Other Services	53.99	55.72	57.55	53.33	54.29	54.27	54.59	55.60	57.78	60.09	60.52
Less: Imputed Banking Service Charge	-93.77	-99.45	-101.44	-103.56	-105.49	-107.05	-112.37	-123.83	-146.15	-162.26	-172.11
TOTAL	1189.66	1,233.00	1,232.54	1,181.78	1,188.49	1,230.49	1,277.03	1,333.12	1,397.00	1,417.71	1,427.87
Growth Rate	3.81%	3.64%	-0.26%	-4.13%	0.57%	3.53%	3.78%	4.39%	4.79%	1.48%	0.72%

p=Provisional.

pj=Projected

r=Revised

Source: Government Statistics Department (St.Lucia)

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

SECTORS	1998r	1999r	2000r	2001	2002	2003	2004	2005	2006	2007p	2008pj
Agriculture, Livestock, Forestry, Fishing	-1.20%	-14.93%	3.24%	-24.45%	4.38%	-15.74%	-2.87%	-24.74%	9.77%	2.34%	20.50%
- Bananas	-1.76%	-19.86%	6.41%	-48.79%	59.81%	-36.28%	17.69%	-37.19%	11.40%	-3.41%	30.00%
- Other Crops	-4.31%	-17.29%	-7.43%	4.65%	-34.08%	5.70%	-20.81%	-27.88%	9.69%	12.93%	21.34%
- Livestock	8.70%	-26.86%	14.99%	-6.13%	-4.72%	-3.21%	1.96%	2.22%	-9.68%	5.60%	11.97%
- Fishing	2.82%	26.83%	5.85%	0.08%	-24.21%	18.56%	-23.40%	-6.81%	24.06%	2.28%	10.97%
- Forestry	-7.02%	-7.42%	-8.01%	-0.73%	-2.92%	-3.01%	-3.36%	-3.57%	-2.78%	-3.81%	-0.99%
Mining and Quarrying	1.75%	15.27%	10.91%	-23.39%	1.87%	0.30%	-2.01%	-3.80%	19.79%	13.08%	-7.87%
Manufacturing	7.32%	0.00%	-1.80%	-6.42%	5.46%	4.39%	-2.96%	16.28%	6.71%	2.21%	-5.38%
Construction	10.47%	12.81%	-4.59%	-4.98%	-4.84%	1.59%	1.01%	12.50%	13.22%	-10.28%	-14.39%
Electricity and Water	20.64%	10.85%	-4.84%	4.57%	-2.49%	1.86%	1.90%	-13.40%	-8.77%	9.18%	-8.16%
- Electricity	29.59%	15.39%	-7.33%	4.52%	-0.95%	2.28%	1.99%	-15.15%	-10.36%	10.09%	-10.15%
- Water	-15.13%	-16.88%	16.26%	4.92%	-12.88%	-1.31%	1.20%	0.60%	1.95%	3.79%	4.33%
Wholesale and Retail Trade	1.03%	2.99%	-6.49%	-14.52%	1.24%	7.77%	8.42%	5.83%	9.02%	4.56%	-3.27%
Hotels and Restaurants	2.36%	4.24%	2.67%	-10.55%	-0.61%	16.63%	5.89%	6.33%	-2.74%	-7.39%	2.24%
Transport	2.79%	5.20%	-1.28%	-1.30%	-3.82%	4.35%	7.33%	0.68%	9.72%	1.69%	0.40%
- Road Transport	2.00%	2.42%	2.19%	0.17%	-2.67%	0.53%	1.07%	1.59%	3.01%	11.81%	5.42%
- Air Transport	1.96%	8.43%	3.03%	-5.38%	-3.63%	23.72%	9.44%	-1.71%	7.13%	-8.07%	-3.75%
- Sea Transport	6.31%	12.90%	-15.39%	-3.74%	-8.65%	4.61%	31.33%	-0.26%	45.44%	-16.65%	-12.82%
Communications	2.83%	6.19%	5.50%	11.83%	7.52%	4.53%	4.59%	7.34%	1.00%	3.00%	2.40%
Banking and Insurance	4.97%	8.83%	3.01%	2.65%	1.23%	1.98%	4.46%	9.57%	21.40%	9.42%	4.51%
- Banking	4.86%	9.31%	2.70%	2.07%	1.93%	1.53%	4.82%	9.87%	23.13%	9.35%	4.64%
- Insurance	5.71%	5.74%	5.05%	6.45%	-3.18%	4.96%	2.11%	7.60%	9.80%	10.00%	3.57%
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%	5.43%
Producers of Government Services	1.49%	4.45%	0.79%	2.43%	-1.65%	-2.07%	4.09%	8.36%	2.08%	3.83%	8.40%
Other Services	3.00%	3.20%	3.28%	-7.33%	1.79%	-0.03%	0.59%	1.85%	3.92%	4.00%	0.71%
Less: Imputed Banking Service Charge	5.43%	6.05%	2.00%	2.09%	1.86%	1.48%	4.97%	10.20%	18.02%	11.02%	6.07%
Total Growth Rate	3.81%	3.64%	-0.04%	-4.12%	0.57%	3.53%	3.78%	4.39%	4.79%	1.48%	0.72%

p=Provisional

pj=Projected

r=Revised

Source: Government Statistics Department (St. Lucia)

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

SECTORS	1998p	1999r	2000r	2001	2002	2003	2004	2005	2006	2007p	2008pj
Agriculture, Livestock, Forestry, Fishing	8.17%	6.71%	6.93%	5.46%	5.66%	4.61%	4.31%	3.11%	3.26%	3.29%	3.93%
- Bananas	4.31%	3.33%	3.54%	1.89%	3.01%	1.85%	2.10%	1.26%	1.34%	1.28%	1.65%
- Other Crops	2.15%	1.71%	1.59%	1.73%	1.14%	1.16%	0.88%	0.61%	0.64%	0.71%	0.86%
- Livestock	0.77%	0.54%	0.62%	0.61%	0.58%	0.54%	0.53%	0.52%	0.45%	0.47%	0.52%
- Fishing	0.83%	1.01%	1.07%	1.12%	0.84%	0.97%	0.71%	0.64%	0.75%	0.76%	0.84%
- Forestry	0.12%	0.11%	0.10%	0.10%	0.10%	0.09%	0.09%	0.08%	0.08%	0.07%	0.07%
Mining and Quarrying	0.49%	0.55%	0.60%	0.48%	0.49%	0.47%	0.45%	0.41%	0.47%	0.53%	0.48%
Manufacturing	7.94%	7.29%	7.79%	7.29%	7.69%	8.03%	7.79%	6.11%	6.22%	6.27%	5.89%
Construction	8.14%	8.86%	8.45%	8.38%	7.93%	7.78%	7.57%	8.16%	8.82%	7.79%	6.63%
Electricity and Water	4.87%	5.20%	4.95%	5.40%	5.24%	5.15%	5.06%	4.20%	3.65%	3.93%	3.59%
Electricity	5.53%	6.38%	5.91%	6.18%	6.12%	6.26%	6.39%	3.66%	3.13%	3.39%	3.03%
Water	0.68%	0.55%	0.64%	0.70%	0.61%	0.58%	0.56%	0.54%	0.53%	0.54%	0.56%
Wholesale and Retail Trade	12.75%	12.67%	11.85%	10.56%	10.63%	11.07%	11.56%	11.72%	12.20%	12.57%	12.07%
Hotels and Restaurants	12.22%	12.29%	12.63%	11.78%	11.64%	13.14%	13.38%	13.63%	12.65%	11.54%	11.72%
Transport	10.29%	10.45%	10.32%	10.62%	10.16%	10.24%	10.59%	10.21%	10.69%	10.71%	10.68%
- Road Transport	6.98%	6.90%	7.05%	7.37%	7.13%	6.92%	6.74%	6.56%	6.45%	7.11%	7.44%
- Air Transport	1.36%	1.42%	1.46%	1.44%	1.38%	1.65%	1.74%	1.64%	1.45%	1.32%	1.26%
- Sea Transport	1.95%	2.13%	1.80%	1.81%	1.64%	1.66%	2.10%	2.01%	2.79%	2.29%	1.98%
Communications	8.08%	8.28%	8.74%	10.20%	10.90%	11.01%	11.09%	11.41%	10.99%	11.16%	11.34%
Banking and Insurance	9.33%	9.80%	10.09%	10.81%	10.88%	10.72%	10.79%	11.32%	13.11%	14.14%	14.67%
Banking	8.09%	8.53%	8.76%	9.33%	9.45%	9.27%	9.36%	9.85%	11.58%	12.48%	12.96%
Insurance	1.24%	1.27%	1.33%	1.48%	1.43%	1.45%	1.42%	1.47%	1.54%	1.66%	1.71%
Real Estate and Owner Occupied Dwellings	11.36%	11.22%	11.47%	12.37%	12.59%	12.57%	12.50%	12.66%	12.40%	13.15%	13.76%
Producers of Government Services	11.65%	11.74%	11.84%	12.64%	12.37%	11.70%	11.73%	12.18%	11.86%	12.14%	13.06%
Other Services	4.54%	4.52%	4.67%	4.51%	4.57%	4.41%	4.27%	4.17%	4.14%	4.24%	4.24%
Less: Imputed Banking Service Charge	-7.88%	-8.07%	-8.23%	-8.76%	-8.88%	-8.70%	-8.80%	-9.29%	-10.46%	-11.45%	-12.05%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

p=Provisional

pj=Projected

r=Revised

Source: Government Statistics Department (St. Lucia)

SAINT LUCIA
EXPENDITURE ON GROSS DOMESTIC PRODUCT
In Current Prices
-In Millions of EC Dollars

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007p	2008pj
EXPENDITURE ON GROSS DOMESTIC PRODUCT (M. P.)	1,775.33	1,869.37	1,910.28	1,855.03	1,903.51	2,019.29	2,163.04	2,374.13	2,519.84	2,592.89	2,690.38
Government Final Consumption Expenditure	314.65	330.85	353.70	358.51	393.22	414.74	412.18	436.85	414.43	402.80	508.87
Private Final Consumption Expenditure	1,135.99	1,208.58	1,252.38	1,239.27	1,316.18	1,491.28	1,386.25	1,630.68	2,054.20	2,188.79	2,138.55
Gross Capital Formation	433.08	500.45	490.70	459.37	415.89	408.40	451.79	551.21	736.21	705.47	695.51
Government	69.80	69.80	69.80	70.80	71.80	72.80	73.80	74.80	75.80	76.80	
Private	363.28	430.65	420.90	388.57	344.09	335.60	377.99	476.41	660.41	628.67	
Increase in Stocks											
Gross Fixed Capital Formation	433.08	500.45	490.70	459.37	415.89	408.40	451.79	551.21	736.21	705.47	695.51
Construction	264.34	325.46	310.84	299.72	282.08	270.71	285.30	343.70	445.40	401.87	350.67
- Public Sector	67.16	89.60	60.03	93.10	79.51	73.15	61.17	126.70			
- Private Sector	197.18	235.86	250.81	206.62	202.57	197.56	224.13	217.00			
Transport Equipment	31.32	37.29	40.86	42.48	35.79	46.59	64.89	91.87	168.55	171.30	165.20
- Public Sector	0.65	0.35	0.73	0.55	0.28	0.71	0.18	0.16	6.15	-	
- Private Sector	30.67	36.94	40.13	41.93	35.51	45.88	64.71	91.71	162.40	-	
Other Machinery & Equip.	137.42	137.70	139.00	117.17	98.02	91.10	101.60	115.64	122.26	132.30	179.64
- Public Sector	5.22	4.05	5.47	3.23	5.80	4.02	1.14	2.57	5.56	-	
- Private Sector	132.20	133.65	133.53	113.95	92.22	87.08	100.46	113.07	116.70	-	
Net Exports	-108.39	-170.51	-186.50	-202.12	-221.78	-295.13	-87.18	-244.61	-685.00	-704.17	-652.55
Exports of Goods and Services	1,037.30	1,031.40	1,017.56	885.09	860.82	1,053.32	1,251.34	1,347.94	1,177.50	1,186.35	1,386.04
Less: Imports of Goods and Services	1,145.69	1,201.91	1,204.06	1,087.21	1,082.60	1,348.45	1,338.52	1,592.55	1,862.50	1,890.52	2,038.59
GDP AT MARKET PRICES	1,775.33	1,869.37	1,910.28	1,855.03	1,903.51	2,019.29	2,163.04	2,374.13	2,519.89	2,592.89	2,690.38
Less: Indirect Taxes	-293.65	-289.63	-291.59	-259.90	-302.18	-339.10	-375.51	-449.81	-453.61	-480.27	-518.88
Plus: Subsidies	296.70	292.73	294.67	263.47	305.30	343.16	379.46	454.60	455.40	482.42	525.34
	3.05	3.10	3.08	3.57	3.12	4.06	3.95	4.79	1.79	2.15	6.46
GDP AT FACTOR COST	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	2,112.60	2,171.50
Growth Rate	7.13%	6.62%	2.47%	-1.46%	0.39%	4.92%	6.39%	7.65%	7.37%	2.25%	2.79%

-/ not available

p=Provisional

pj=Projected

r=Revised

Source: Government Statistics Department (St.Lucia)

ST.LUCIA BANANA EXPORTS
(Tonnes)

Period	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
JANUARY	6,397	5,809	4,417	3,945	2,903	4,923	2,400	2,280	4,121	2,247
FEBRUARY	4,651	6,019	3,973	3,963	2,843	4,045	2,321	2,146	3,329	2,476
MARCH	6,541	6,143	3,994	5,015	3,546	4,416	2,763	2,645	3,814	2,912
1st Quarter	17,589	17,971	12,384	12,923	9,292	13,385	7,485	7,071	11,264	7,634
APRIL	6,055	5,010	2,584	4,365	2,755	3,096	2,357	2,370	2,987	2,732
MAY	5,488	5,486	2,434	4,355	2,951	3,027	2,381	2,605	2,935	3,183
JUNE	5,818	6,103	2,432	5,159	3,516	3,828	2,781	3,176	3,329	3,952
2nd Quarter	17,361	16,599	7,450	13,879	9,222	9,981	7,520	8,151	9,251	9,868
1st Half Total	34,950	34,570	19,834	26,802	18,514	23,366	15,005	15,222	20,515	17,502
JULY	4,363	5,506	1,711	3,609	2,252	2,934	1,648	2,318	2,500	3,102
AUGUST	3,727	5,094	1,686	3,654	1,951	3,116	1,717	2,552	2,023	3,037
SEPTEMBER	4,851	6,861	2,288	4,265	2,371	3,818	2,702	3,432	1,277	3,933
3rd Quarter	12,941	17,461	5,685	11,528	6,574	9,869	6,067	8,302	5,800	10,072
OCTOBER	5,365	6,082	2,267	3,126	2,390	3,104	2,486	2,869	1,234	3,482
NOVEMBER	5,357	5,650	2,771	3,235	2,654	2,848	3,006	3,055	1,085	3,340
DECEMBER	6,616	6,519	3,487	3,469	3,839	3,139	3,443	4,534	1,684	3,963
4th Quarter	17,338	18,251	8,525	9,830	8,883	9,091	8,935	10,458	4,003	10,785
2nd Half Total	30,279	35,712	14,210	21,358	15,457	18,960	15,002	18,760	9,803	20,857
Annual Total	65,229	70,282	34,044	48,160	33,971	42,326	30,007	33,982	30,318	38,359
Growth	-10.7%	7.7%	-51.6%	41.5%	-29.5%	24.6%	-29.1%	13.3%	-10.8%	26.5%

Source: WIBDECO

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

MONTH	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
January	9.53	7.51	4.17	4.38	3.71	5.96	3.20	4.00	5.90	3.55
February	6.82	8.31	4.15	4.39	3.22	5.06	3.18	2.96	4.81	3.84
March	9.95	8.57	4.49	5.96	4.65	5.56	3.72	3.68	5.48	4.60
1st Quarter	26.30	24.39	12.80	14.74	11.57	16.59	10.09	10.64	16.19	11.99
April	10.00	6.93	3.49	5.22	3.59	4.00	3.17	3.31	4.35	4.30
May	9.04	7.51	3.38	5.47	3.92	3.95	3.22	3.58	4.22	4.85
June	6.91	8.65	3.36	6.45	4.63	5.04	3.93	4.35	4.82	6.05
2nd Quarter	25.95	23.09	10.23	17.15	12.14	12.99	10.31	11.24	13.4	15.20
1st Half	52.25	47.48	23.02	31.89	23.71	29.58	20.41	21.88	29.59	27.19
July	4.47	6.10	2.25	4.49	3.01	3.85	2.24	3.24	3.55	4.76
August	3.43	5.67	2.22	4.61	2.63	4.01	2.34	3.61	3.00	4.68
September	5.57	7.66	3.16	5.39	3.21	4.78	3.80	4.85	1.83	6.03
3rd Quarter	13.47	19.43	7.63	14.49	8.85	12.64	8.38	11.70	8.38	15.47
October	7.19	6.35	2.89	3.97	3.25	3.91	3.56	4.04	1.71	5.27
November	6.90	5.85	3.44	4.12	3.43	3.66	4.29	4.25	1.56	5.10
December	7.16	6.86	4.18	4.26	4.33	4.05	4.84	6.20	2.41	5.88
4th Quarter	21.25	19.06	10.51	12.35	11.01	11.63	12.69	14.49	5.68	16.25
2nd Half	34.72	38.49	18.14	26.72	19.86	24.26	21.07	26.19	14.06	31.72
TOTAL	86.97	85.97	41.16	58.61	43.57	53.84	41.48	48.07	43.65	58.91
Growth	-5.9%	-1.1%	-52.1%	42.4%	-25.7%	23.6%	-23.0%	15.9%	-9.2%	35.0%

Source: WIBDECO

WINDWARD ISLAND BANANA EXPORTS
Tonnes

Country	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
St. Lucia	104,805	71,395	73,042	65,231	70,281	34,044	48,160	33,971	42,326	30,007	33,982	30,318	38,359
Dominica	39,553	34,903	28,135	27,264	27,157	17,575	16,983	10,379	12,721	10,599	11,408	6,814	8,286
St. Vincent	43,986	31,020	39,887	37,379	42,339	30,497	33,243	22,558	22,631	17,363	15,758	14,146	8,434
Grenada	1,850	102	94	583	722	566	507	393	338	0	0	0	0
TOTAL	190,194	137,420	141,158	130,457	140,499	82,843	98,893	67,301	78,015	57,969	61,148	51,278	55,079
Growth		-27.25%	2.72%	7.58%	7.70%	-41.04%	19.37%	-31.95%	15.92%	-25.70%	5.50%	-16.10%	7.41%
Average Monthly Exports	15,850	11,452	11,763	10,871	11,708	6,904	8,241	5,608	6,501	4,831	5,096	4,273	4,590

SHARE OF WINDWARD ISLAND BANANA EXPORTS
(Percentage)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
St. Lucia	55.10	51.95	51.74	50.00	50.02	41.09	48.70	50.48	54.25	51.76	55.57	59.12	69.64
Dominica	20.80	25.40	19.93	20.90	19.33	21.21	17.17	15.42	16.31	18.28	18.66	13.29	15.04
St. Vincent	23.13	22.57	28.26	28.65	30.13	36.81	33.62	33.52	29.01	29.95	25.77	27.59	15.31
Grenada	0.97	0.07	0.07	0.45	0.51	0.68	0.51	0.58	0.43	0.00	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	100.00	100.00

Source: WIBDECO

EGG PRODUCTION

	2005	2006	2007	2008				
				Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Quantity ('000 dozens)	1,113	848	833	227	126	235	334	922
Growth	23.3%	-23.8%	-1.8%					10.7%
Value (\$'000)	6,676	4,240	4,364	1,362	756	1,410	2,004	5,532
Growth	23.2%	-36.5%	2.9%					26.8%

Source: Ministry of Agriculture Fisheries & Forestry

LIVESTOCK PURCHASES

Livestock Category	2004		2005		2006		2007		2008	
	Quantity (Tonnes)	Value\$EC	Quantity (Tonnes)	Value\$EC	Quantity Tonnes)	Value\$EC	Quantity (Tonnes)	Value\$EC	Quantity (Tonnes)	Value\$EC
Chicken	710.59	5,154,354.00	1,076.99	8,137,260	894.42	6,865,694	885	8,696,849	1,239.82	12,606,884
Pork	101.85	1,084,525.00	145.08	1,480,731	261.05	3,165,360	463	4,844,122	206.58	2,368,343
Total	990.8	6,238,879	1,222.1	9,617,991	1,156	10,031,054	1,348	13,540,971	1,446.40	14,975,227
Growth	-26.4%	-21.1%	50.4%	54.2%	-5.5%	4.3%	16.6%	35.0%	7.32%	10.59

Source: Ministry of Agriculture

* Preliminary Data

SUPERMARKET PURCHASES OF "OTHER CROPS" BY CATEGORY**

Crop Category	2003		2004		2005		2006		2007		2008	
	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	631.76	911,343.84	497.23	669,598.23	409.78	683,939.14	478.43	836,940.45	517.69	972,065.05	1,009.75	2,069,721.77
Musa	331.78	291,487.17	351.41	308,672.76	342.70	329,317.45	348.20	435,820.61	395.07	447,258.84	488.37	622,240.66
Traditional Vegetables	220.47	871,980.43	197.34	928,486.24	174.79	1,029,274.32	289.26	1,445,767.22	317.96	1,725,395.02	384.43	1,836,584.43
Non Traditional Vegetables	352.45	903,594.14	285.12	843,935.68	287.09	1,015,054.11	358.52	1,261,125.85	373.10	1,464,277.46	362.10	1,390,234.78
Roots & Tubers	265.12	675,559.18	280.36	723,471.75	211.90	616,919.70	252.56	901,379.97	260.86	944,852.33	288.13	1,039,189.28
Condiments	45.01	267,744.51	32.88	230,728.32	30.80	276,736.12	35.16	272,227.15	42.87	400,871.16	45.54	363,605.40
Total	1,846.58	3,921,709.27	1,644.33	3,704,892.98	1,457.30	3,951,240.84	1,762.13	5,153,261.25	1,907.55	5,954,719.86	2,578.32	7,321,576.32
Growth	-24.27%	-14.96%	-10.95%	-5.53%	-12.38%	6.65%	22.30%	30.42%	8.25%	15.55%	35.16%	22.95%

HOTEL PURCHASES OF "OTHER CROPS" BY CATEGORY**

Crop Category	2,003		2,004		2,005		2,006		2,007		2,008	
	Quantity Tonnes	Value \$EC	Quantity Tonnes	Value \$EC	Quantity Tonnes	Value \$EC	Quantity Tonnes	Value \$EC	Quantity (Tonnes) Tonnes	Value \$EC	Quantity Tonnes	Value \$EC
Fruit & Tree Crops	501.40	1,328,381.17	468.78	1,185,995.00	415.20	1,021,217.89	500.03	1,405,508.61	542.55	1,656,157.65	498.74	1,768,536.46
Musa	72.61	112,358.33	84.51	140,337.83	80.50	126,583.05	91.62	162,953.97	109.06	210,251.63	104.16	237,411.85
Traditional Vegetables	131.80	877,270.97	115.70	811,269.14	80.20	576,364.69	108.34	766,843.16	124.25	1,025,642.24	143.36	1,137,580.87
Non Traditional Vegetables	122.25	529,673.95	126.75	550,645.61	101.40	461,503.89	123.90	566,567.32	137.52	672,068.36	133.62	677,894.51
Roots & Tubers	96.56	351,447.65	107.26	369,768.76	84.20	307,608.02	119.16	497,478.29	131.67	584,187.03	137.27	672,865.85
Condiments	12.29	145,220.81	12.73	145,145.18	8.00	93,589.78	13.27	161,131.06	16.00	220,872.54	17.85	213,994.80
Total	936.90	3,344,352.88	915.73	3,203,161.52	769.40	2,586,867.30	956.33	3,560,482.41	1,061.06	4,369,179.45	1,035.00	4,708,284.34
Growth	161.6%	168.0%	-2.3%	-4.2%	-16.0%	-19.2%	24.3%	37.6%	11.0%	26.8%	-2.46%	7.76%

TOTAL PRODUCTION OF OTHER CROPS (IN TONNES)

	2004	2005	2006	2007	2008
Exports	1,922.82	1,356.48	1,804.34	2,651.10	3,126.96
Hotel Purchases	915.73	769.36	956.33	1,061.06	1,035.00
Supermarket Purchases	1,644.33	1,440.78	1,762.13	1,907.55	2,578.32
Total Production	4,482.88	3,566.62	4,522.80	5,619.71	6,740.28
Growth		-20.44%	26.81%	24.25%	19.94%

Source: Ministry of Agriculture
* Preliminary Data

DOMESTIC PURCHASES OF OTHER CROPS BY CATEGORY

Crop Category	2002		2003		2004		2005		2006		2007		2008	
	Quantity (Tonnes)	Value \$ EC	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	1,133.20	2,239,725.01	966.00	1,855,593.23	825.10	1,709,930.33	966.02	2,201,744.37	1,060.24	2,709,614.88	1,508.49	3,838,258.23
Musa	611	539,089.57	404.40	403,845.50	435.90	449,010.59	407.21	502,070.90	436.91	596,530.91	504.13	657,510.47	592.52	859,652.51
Traditional Vegetables	379.5	1,627,406.01	352.30	1,749,251.40	313.00	1,739,755.38	254.99	1,605,639.01	394.11	2,182,385.16	442.21	2,751,037.26	527.79	2,974,165.30
Non Traditional Vegetables	453.1	1,130,928.86	474.70	1,433,268.09	411.90	1,394,581.29	388.45	1,481,313.53	479.73	1,814,185.34	510.62	2,136,345.82	495.72	2,068,129.29
Roots & Tubers	480.1	1,002,328.38	361.70	1,027,006.83	387.60	1,093,240.51	295.80	935,231.01	367.35	1,378,695.54	392.53	1,529,039.36	425.40	1,712,055.13
Condiments	54.5	363,586.22	57.30	412,965.32	45.60	375,873.50	38.70	370,325.90	47.78	424,376.02	58.87	621,743.70	63.39	577,600.20
Total	2796.5	5,859,467.00	2,783.50	7,266,062.15	2,560.10	6,908,054.50	2,210.14	6,602,510.66	2,691.89	8,597,917.34	2,968.61	10,405,291.49	3,613.32	12,029,860.66
growth	-24.5%	-26.0%	-0.5%	24.0%	-8.0%	-4.9%	-13.7%	-4.4%	20.9%	30.2%	10.3%	21.0%	21.72%	16.52%

Source: Ministry of Agriculture

* Preliminary Data

** Includes Purchases by the SLMB

SUMMARY OF ESTIMATED FISH LANDINGS - 2008
(Tonnes)

SITE	DOLPHIN	WAHOO	FLY'G FISH	CONCH	LOBSTER	SNAPPER	SHARK	TUNA	OTHER *	TOTAL
CASTRIES	0.47	0.15	4.57	0.00	0.41	10.16	0.16	46.89	3.82	66.63
BANANNES	0.00	0.00	0.00	0.00	2.08	0.31	0.00	8.37	8.37	10.76
CHOISEUL	4.79	2.53	44.67	0.00	1.25	4.91	0.00	41.47	23.65	123.26
DENNERY	113.90	76.03	15.71	0.17	0.72	5.09	0.12	77.90	17.53	307.17
GROS ISLET	10.36	2.69	77.20	36.77	2.21	1.16	3.66	7.54	47.69	189.29
LABORIE	10.37	3.02	0.50	2.87	0.31	4.03	0.00	78.08	16.33	115.51
MICOU	24.45	15.45	0.00	0.00	0.16	1.30	0.08	27.39	23.83	92.66
SOUFRIERE	4.18	1.13	16.80	0.00	0.01	0.14	0.00	9.42	41.57	73.26
VIEUX- FORT	121.57	51.32	0.84	0.00	1.49	13.01	0.83	147.59	35.31	371.95
OTHER SITES*	50.78	27.23	88.45	0.00	2.46	3.26	3.79	56.04	112.14	344.16
TOTAL 2008	340.87	179.55	248.74	39.81	11.10	43.37	8.64	492.32	330.24	1,694.65
TOTAL 2007	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 - 2008
(ex-vessel price, EC\$)

SITE	DOLPHIN	WAHOO	FLY'G FISH	CONCH	LOBSTER	SNAPPER	SHARK	TUNAS	OTHER	TOTAL
CASTRIES	9,216	2,563	36,022	0	12,928	178,831	2,116	722,824	57,691	1,022,191
BANANNES	0	0	0	0	79,208	5,466	0	0	131,911	216,585
CHOISEUL	68,366	34,442	351,070	0	45,404	92,357	0	547,157	208,346	1,347,142
DENNERY	1,494,425	930,833	90,201	4,468	24,030	103,679	1,052	863,618	199,958	3,712,264
GROS ISLET	215,305	45,652	401,255	1,095,515	98,648	20,683	41,069	130,127	714,491	2,762,745
LABORIE	171,967	46,984	3,276	73,893	11,977	64,124	0	1,063,375	232,758	1,668,355
MICOU	446,068	205,007	38	0	5,147	26,311	925	377,511	269,404	1,330,411
SOUFRIERE	80,638	17,157	110,925	0	231	2,242	0	146,951	358,303	716,447
VIEUX- FORT	1,700,178	611,319	5,544	0	48,173	236,622	7,459	1,749,176	366,830	4,725,301
OTHER SITES	955,638	372,650	475,633	0	106,729	62,704	42,494	809,951	1,367,907	4,193,706
TOTAL 2008	5,141,801	2,266,607	1,473,963	1,173,876	432,475	793,019	95,115	6,410,690	3,907,599	21,695,146
TOTAL 2007	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	2008
Total Visitor Arrivals	742,323	767,037	673,871	704,236	813,681	747,308	695,280	931,801	947,445
of which:									
Cruise Passengers	443,551	489,912	387,180	393,262	481,279	394,364	359,573	610,343	619,680
Stay-Over Arrivals	269,850	250,132	253,463	276,948	298,431	317,939	302,510	287,518	295,761
Yacht Arrivals	16,069	19,817	25,516	21,209	22,530	27,464	26,146	26,163	22,422
Excursionists	12,853	7,176	7,712	12,817	11,441	7,541	7,051	7,777	9,582
Paid Bednights (in millions)	1.87	1.68	1.67	1.94	2.06	2.19	2.13	1.97	2.02
Tourist Expenditure (\$EC Millions) ¹	752.3	623.9	558.5	750.8	879.3	961.2	768.5	1301.3	1175.0
Average Hotel Occupancy	63.8	57.0	56.1	62.7	61.9	68.7	64.9	64.9	61.6
All Inclusives	78.0	79.2	72.5	73.8	73.6	74.0	67.4	62.8	67.2
Semi-inclusive hotels ²	n/a	n/a	n/a	61.8	69.9	n/a	n/a	n/a	n/a
European Plan	46.2	48.8	45.4	54.7	51.8	66.0	61.8	59.9	60.2
Small Properties	60.3	50.4	50.4	59.6	60.4	66.2	65.6	72.1	57.4
Average Length of Stay	9.6	10.6	9.99	10.0	9.3	10.1	10.5	9.08	8.9
Cruise Ship Calls	389	378	245	262	328	258	267	314	315

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.

Source: St. Lucia Tourist Board

STAY-OVER TOURIST ARRIVALS BY COUNTRY OF ORIGIN

Country of Origin	2001	2002	2003	2004	2005	2006	2007	2008
USA	91,248	94,044	98,078	107,089	112,557	117,450	113,433	108,596
CANADA	12,213	12,927	13,494	15,315	16,506	17,491	18,640	26,279
EUROPE	82,601	76,698	90,193	97,862	100,085	85,565	89,649	96,871
<i>of which:</i>								
United Kingdom	67,046	63,277	75,426	81,370	84,725	73,312	79,180	83,693
Germany	4,818	3,929	3,582	3,289	3,318	2,569	1,592	1,823
France	5,091	3,405	6,017	7,682	7,241	3,764	3,642	4,271
Rest of Europe	5,646	6,087	5,168	5,521	4,801	5,920	5,235	7,084
CARIBBEAN	61,047	66,409	70,543	74,242	84,729	78,464	59,047	59,757
Caricom	34,331	49,500	52,316	48,478	56,101	49,802	37,789	35,791
French West Indies	21,849	12,053	13,449	22,313	25,567	25,830	18,962	21,157
OTHER	3,023	3,385	4,640	3,923	4,062	3,540	6,749	4,258
TOTAL	250,132	253,463	276,948	298,431	317,939	302,510	287,518	295,761

Source: St. Lucia Tourist Board

MONTHLY ARRIVALS BY CATEGORY

MONTH	2007					2008				
	Stay-over	Excursionist	Yacht	Cruise	Total	Stay-over	Excursionist	Yacht	Cruise	Total
January	21,887	409	2,871	81,536	106,703	24,958	991	2,901	102,286	131,136
February	24,610	508	3,213	79,152	107,483	29,088	858	3,104	76,574	109,624
March	26,573	365	2,502	77,679	107,119	31,982	1,026	2,378	92,312	127,698
Quarter 1	73,070	1,282	8,586	238,367	321,305	86,028	2,875	8,383	271,172	368,458
April	27,716	814	1,963	57,864	88,357	24,197	704	1,779	61,622	88,302
May	25,212	900	2,917	24,336	53,365	27,782	1,129	2,826	21,748	53,485
June	21,823	285	1,602	19,538	43,248	23,223	684	996	19,619	44,522
Quarter 2	74,751	1,999	6,482	101,738	184,970	75,202	2,517	5,601	102,989	186,309
First Half	147,821	3,281	15,068	340,105	506,275	161,230	5,392	13,984	374,161	554,767
July	29,825	360	1,862	20,024	52,071	29,095	1,055	1,507	22,954	54,611
August	23,249	517	1,614	26,555	51,935	25,315	626	1,944	19,659	47,544
September	17,064	556	817	18,940	37,377	15,149	371	522	9,323	25,365
Quarter 3	70,138	1,433	4,293	65,519	141,383	69,559	2,052	3,973	51,936	127,520
As at Sept										
Oct	19,598	692	1,268	29,332	50,890	18,996	604	846	16,261	36,707
Nov	22,163	960	1,972	84,639	109,734	19,803	953	1,414	70,242	92,412
Dec	27,798	1,411	3,562	90,748	123,519	26,173	581	2,205	107,080	136,039
Quarter 4	69,559	3,063	6,802	204,719	284,143	64,972	2,138	4,465	193,583	265,158
Second Half	139,697	4,496	11,095	270,238	425,526	134,531	4,190	8,438	245,519	392,678
TOTAL	287,518	7,777	26,163	610,343	931,801	295,761	9,582	22,422	619,680	947,445

Source: St.Lucia Tourist Board
SLASPA

MONTHLY STAY-OVER ARRIVALS BY MARKET
2008

Country of Origin	Jan	Feb	Mar	Quarter 1 2008	Apr	May	Jun	Quarter 2 2008	First Half 2008	Jul	Aug	Sept	Quarter 3 2008	Oct	Nov	Dec	Quarter 4 2008	Second Half 2008	TOTAL 2008
USA	8,119	10,075	11,443	29,637	10,207	11,709	12,121	34,037	63,674	11,411	8,235	5,536	25,182	6,515	5,622	7,603	19,740	44,922	108,596
CANADA	3,915	4,553	4,410	12,878	1,549	1,037	1,017	3,603	16,481	973	995	710	2,678	818	2,411	3,891	7,120	9,798	26,279
EUROPE	9,185	10,042	9,629	28,856	8,606	8,382	6,234	23,222	52,078	8,303	6,790	5,427	20,520	7,782	7,675	8,816	24,273	44,793	96,871
United Kingdom	7,663	8,862	8,286	24,811	7,799	7,262	5,489	20,550	45,361	7,060	5,784	4,813	17,657	7,027	6,700	6,948	20,675	38,332	83,693
Germany	172	168	193	533	111	157	89	357	890	127	82	129	338	111	222	262	595	933	1,823
France	419	410	454	1,283	280	507	141	928	2,211	511	482	166	1,159	208	206	487	901	2,060	4,271
Rest of Europe	931	602	696	2,229	416	456	515	1,387	3,616	605	442	319	1,366	436	547	1,119	2,102	3,468	7,084
CARIBBEAN	3,313	4,124	6,115	13,552	3,499	6,268	3,490	13,257	26,809	7,945	8,869	3,216	20,030	3,474	3,814	5,630	12,918	32,948	59,757
Caricom	2,326	2,567	3,930	8,823	2,749	3,830	2,499	9,078	17,901	3,873	3,742	2,257	9,872	2,465	2,580	2,973	8,018	17,890	35,791
French West Indies	802	1,401	1,994	4,197	520	2,192	748	3,460	7,657	3,693	4,864	811	9,368	825	1,039	2,268	4,132	13,500	21,157
Other Caribbean	185	156	191	532	230	246	243	719	1,251	379	263	148	790	184	195	389	768	1,558	2,809
OTHER/NOT STATED*	426	294	385	1,105	336	386	361	1,083	2,188	463	426	260	1,149	407	281	233	921	2,070	4,258
TOTAL	24,958	29,088	31,982	86,028	24,197	27,782	23,223	75,202	161,230	29,095	25,315	15,149	69,559	18,996	19,803	26,173	64,972	134,531	295,761

* Other Caribbean includes other Commonwealth Caribbean and the Netherland Antillies
Source: St. Lucia Tourist Board

DETAILED MONETARY SURVEY
(EC\$ '000s)

	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06	Dec-07	Dec-08	% Change 07/08
1. NET FOREIGN ASSETS	114,455	106,819	337,795	352,719	243,039	117,618	-47,663	-543,344	1039.98%
(i) Central Bank (Imputed Reserves)	235,168	248,083	282,629	351,522	308,342	356,924	408,246	378,758	-7.22%
Imputed Assets	246,151	258,883	291,908	360,756	317,585	363,938	419,418	385,789	-8.02%
Imputed Liabilities	10,983	10,801	9,279	9,234	9,242	7,014	11,172	7,030	-37.07%
(ii) Commercial Banks (Net)	-120,713	-141,264	55,166	1,197	-65,303	-239,306	-455,909	-922,102	102.26%
External (Net)	-165,155	-191,182	-143,606	-69,444	-82,707	-224,705	-292,149	-525,604	79.91%
Assets	100,068	108,326	199,703	299,884	350,543	427,032	486,217	396,943	-18.36%
Liabilities	265,223	299,508	343,309	369,328	433,250	651,737	778,366	922,547	18.52%
Other ECCB Territories (Net)	44,442	49,918	198,772	70,641	17,404	-14,601	-163,760	-396,498	142.12%
Assets	76,003	124,311	229,171	182,947	284,933	388,141	584,426	306,737	-47.51%
Liabilities	31,561	74,393	30,399	112,306	267,529	402,742	748,186	703,235	-6.01%
2. NET DOMESTIC ASSETS	1,119,870	1,166,497	1,032,611	1,156,413	1,468,739	1,938,584	2,230,876	2,867,467	28.54%
2(a) Domestic Credit	1,381,867	1,427,960	1,323,346	1,465,271	1,772,092	2,280,482	2,990,442	3,310,891	10.72%
(i) Private Sector	1,541,820	1,553,471	1,498,204	1,650,447	1,917,268	2,386,829	3,090,804	3,449,871	11.62%
Households Credit	758,537	730,671	761,999	839,543	950,990	1,068,739	1,191,791	1,273,773	6.88%
Business Credit	783,283	822,800	736,205	810,904	966,278	1,318,090	1,899,013	2,176,098	14.59%
Loans	768,869	809,970	723,314	791,396	951,759	1,301,715	1,881,346	2,133,115	13.38%
Investments	14,414	12,830	12,891	19,508	14,519	16,375	17,667	42,983	143.30%
(ii) Non-Bank Financial Institutions (NBFI) (Net)	-43,421	-32,736	-39,363	-35,371	-37,781	-40,385	-41,311	-29,156	-29.42%
Credit	25,913	28,266	31,597	30,830	36,757	37,165	38,095	57,938	52.09%
Loans	11,150	13,338	16,269	12,350	18,162	17,770	16,572	21,671	30.77%
Investments	14,763	14,928	15,328	18,480	18,595	19,395	21,523	36,267	68.50%
Deposits	69,334	61,002	70,960	66,201	74,538	77,550	79,406	87,094	9.68%
(iii) Subsidiaries & Affiliates (Net)	165,099	162,419	155,308	174,683	168,500	180,810	167,109	121,236	-27.45%
Credit	166,281	170,129	165,423	180,512	182,768	201,923	209,607	172,803	-17.56%
Loans	883	7,466	7,825	7,950	16,041	26,034	24,730	4,161	-83.17%
Investments	165,398	162,663	157,598	172,562	166,727	175,889	184,877	168,642	-8.78%
Deposits	1,182	7,710	10,115	5,829	14,268	21,113	42,498	51,567	21.34%
(iv) Non Financial Public Enterprises (Net)	-168,563	-158,852	-186,404	-194,215	-185,241	-214,756	-243,409	-300,087	23.29%
Credit	65,110	65,322	96,035	99,499	119,970	116,152	112,415	115,278	2.55%
Loans	64,584	65,322	96,035	99,499	119,970	116,152	112,415	115,278	2.55%
Investments	526	0	0	0	0	0	0	0	-
Deposits	233,673	224,174	282,439	293,714	305,211	330,908	355,824	415,365	16.73%
(v) Federal Government (Net)	-113,068	-96,342	-104,399	-130,273	-90,654	-32,016	17,249	69,027	300.17%
(A) Central Government (Net)	-108,895	-93,836	-100,928	-128,018	-78,720	-26,935	43,464	96,138	121.19%
(B) Local Government (Net)	-4,173	-2,506	-3,471	-2,255	-11,934	-5,081	-26,215	-27,111	3.42%
Credit to Federal Government	140,257	153,394	140,261	187,297	279,080	290,567	350,537	338,215	-3.52%
Central Bank Credit	10,920	10,751	9,240	9,188	9,200	6,966	11,156	7,008	-37.18%
Central Bank Loans and Advances	5,104	5,501	3,990	3,938	4,200	6,966	11,156	7,008	-37.18%
Central Bank Advances	1,860	3,338	2,909	3,938	4,200	6,966	11,156	7,008	-37.18%
Advances to Government	0	0	0	0	0	0	0	0	-
Gov'ts Operating Accounts	1,860	3,338	2,909	3,938	4,200	6,966	11,156	7,008	-37.18%
Central Bank Loans	3,244	2,163	1,081	0	0	0	0	0	-
Central Bank Treasury Bills Holdings	816	250	250	250	0	0	0	0	-
Central Bank Debentures	5,000	5,000	5,000	5,000	5,000	0	0	0	-
Central Bank Interest Due on Securities	0	0	0	0	0	0	0	0	-
Central Bank Special Deposit Arrears	0	0	0	0	0	0	0	0	-
Commercial Bank Credit	129,337	142,643	131,021	178,109	269,880	283,601	339,381	331,207	-2.41%
To Central Government	129,090	142,263	130,747	177,861	269,864	283,501	338,957	330,212	-2.58%
Commercial Banks Loans & Advances	87,431	69,760	31,551	34,513	58,417	87,367	151,891	139,209	-8.35%
Commercial Banks Treasury Bills Holdings	18,320	20,320	18,323	5,450	27,591	23,779	12,823	39,686	209.49%
Commercial Banks Debentures	23,339	52,183	80,873	137,898	183,856	172,355	174,243	151,317	-13.16%
To Local Government	247	380	274	248	16	100	424	995	134.67%
Commercial Banks Loans & Advances	247	380	274	248	16	100	424	995	134.67%
Deposits of Federal Government (-)	253,326	249,737	244,660	317,570	369,734	322,582	333,288	269,188	-19.23%
Of Central Government	248,906	246,851	240,915	315,067	357,784	317,401	306,649	241,082	-21.38%
Commercial Banks Deposits	248,868	239,199	231,081	292,132	338,542	290,618	252,299	240,004	-4.87%
Central Bank Deposits	38	7,652	9,834	22,935	19,242	26,783	54,350	1,078	-98.02%
Govt Deposits, Call Acc & Fixed Deposits	35	7,649	9,828	22,933	18,959	26,783	54,349	1,078	-98.02%
Sinking Fund Call Account	1	1	5	1	282	0	0	0	-
Govt Operating Accounts	1	1	1	1	1	1	1	1	43.27%
Govt Bonds Proceeds	0	0	0	0	0	0	0	0	-
Govt Disaster Mitigation Loan	0	0	0	0	0	0	0	0	-
Govt Securities Proceeds	0	0	0	0	0	0	0	0	-
Of Local Government	4,420	2,886	3,745	2,503	11,950	5,181	26,639	28,106	5.51%
Commercial Banks Deposits	4,420	2,886	3,745	2,503	11,950	5,181	26,639	28,106	5.51%
Central Bank Deposits	0	0	0	0	0	0	0	0	-
Local Govt Operating Accounts	0	0	0	0	0	0	0	0	-
Local Govt Fixed Deposits	0	0	0	0	0	0	0	0	-
2(b) Other Items (Net)	-261,996	-261,462	-290,735	-308,858	-303,353	-341,899	-759,566	-443,424	-41.62%
3. MONETARY LIABILITIES (M2)	1,234,325	1,273,316	1,370,406	1,509,132	1,711,779	2,056,202	2,183,214	2,324,123	6.45%
3(a) MONEY SUPPLY (M1)	283,828	287,615	343,130	481,288	547,321	560,670	638,968	631,698	-1.14%
(i) Currency with the Public	82,089	83,588	91,297	99,160	106,380	126,580	128,047	142,566	11.34%
Currency in Circulation	119,091	124,392	132,321	140,470	161,720	179,269	187,132	211,847	13.21%
Cash at Commercial Banks	37,002	40,804	41,024	41,310	55,340	52,689	59,085	69,281	17.26%
(ii) Private Sector Demand Deposits	201,739	204,027	251,833	382,128	440,941	434,090	510,921	489,132	-4.26%
3(b) QUASI MONEY	950,497	985,701	1,027,276	1,027,844	1,164,458	1,495,532	1,544,246	1,692,425	9.60%
(iii) Private Sector Savings Deposits	573,302	652,331	755,214	810,422	916,341	1,064,904	1,150,779	1,206,555	4.85%
(iv) Private Sector Time Deposits	364,399	309,589	240,191	178,695	185,881	222,691	283,275	371,160	31.02%
(v) Private Sector Foreign Currency Deposits	12,796	23,781	31,871	38,727	62,236	207,937	110,192	114,710	4.10%

Source: Eastern Caribbean Central Bank

COMMERCIAL BANKS
TOTAL DEPOSITS BY DEPOSITORS
[In EC\$ millions]
As at Dec.31st

DEPOSITS	2002	2003	2004	2005r	2006	2007	2008	Change
RESIDENTS	1,724.70	1,877.45	2,070.35	2,349.91	2654.99	2811.83	3,003.69	6.82%
Central and Local Government	238.21	233.96	292.14	345.33	290.12	278.94	268.11	-3.88%
Statutory Bodies and Gov't Corps of which NIS	224.15 174.37	282.39 229.54	293.26 240.93	304.92 248.19	329.31 264.21	355.82 291.67	415.37 340.26	16.74% 16.66%
Business Firms	182.59	214.75	250.83	343.51	395.00	442.04	594.00	34.38%
Private Individuals	983.36	1,032.49	1,120.41	1,199.66	1,326.69	1,502.94	1,472.85	-2.00%
Non-Bank Financial Institutions	60.542	70.04	64.34	73.28	67.64	78.46	85.73	9.27%
Subsidiaries & Affiliates	7.71	10.12	5.83	12.86	18.40	4.33	9.09	109.74%
Foreign Currency	28.14	33.70	43.54	70.36	227.85	152.93	165.37	8.13%
NON-RESIDENTS	147.21	145.31	169.44	187.59	264.37	290.91	315.24	8.36%
TOTAL DEPOSITS	1,871.91	2,022.76	2,239.79	2,537.50	2,919.37	3,102.74	3,318.93	6.97%
Growth	1.68%	8.06%	10.73%	13.29%	15.05%	6.16%	6.97%	

COMMERCIAL BANKS
TOTAL DEPOSITS BY CATEGORY
EC\$ '000s
As at Dec. 31st

CATEGORY	2002	2003	2004	2005	2006	2007	2008	Change
DEMAND	285,099	372,297	516,406	621,348	610,721	704,167	690,880	-1.9%
TIME	798,918	750,639	753,497	797,479	836,957	907,407	1,037,132	14.3%
SAVINGS	756,135	863,347	923,272	1,041,437	1,208,727	1,317,074	1,383,181	5.0%
FOREIGN CURRENCY	31,758	36,477	46,618	77,234	262,961	174,096	207,739	19.3%
TOTAL DEPOSITS	1,871,910	2,022,760	2,239,793	2,537,498	2,919,366	3,102,744	3,318,932	7.0%
Growth	1.68%	8.06%	10.73%	13.29%	15.05%	6.16%	6.97%	

Source: Eastern Caribbean Central Bank

**COMMERCIAL BANKS
ASSETS AND LIABILITIES
(EC\$ Millions)**

	2001	2002	2003	2004	2005	2006r	2007pre	2008 pre	Change
Gross Liabilities	2,325.1	2,401.4	2,597.9	2,933.6	3,442.1	4,153.5	5,247.2	5,359.9	2.15%
Balances due to ECCB area banks	20.8	49.4	18.0	102.7	248.6	366.1	704.1	649.5	-7.75%
Balance due to ECCB	2.1	1.0	4.0	-	10.2	5.8	17.2	16.6	-3.48%
Deposit Liabilities	1,841.0	1,871.9	2,022.7	2,239.8	2,537.5	2,919.4	3,102.7	3,318.9	6.97%
Demand	264.4	285.1	372.3	516.4	621.3	610.7	704.2	690.9	-1.89%
Time	878.6	798.9	750.6	753.5	797.5	837.0	907.4	1,037.1	14.30%
Savings	669.7	756.1	863.3	923.3	1,041.4	1,208.7	1,317.1	1,383.2	5.02%
Gross Assets	2,325.1	2,401.4	2,597.9	2,933.6	3,442.1	4,153.5	5,247.2	5,359.9	2.15%
Claims on ECCB area banks	56.2	78.9	184.7	134.1	214.1	295.9	481.2	200.7	-58.28%
Cash	37.0	40.8	41.0	50.2	68.0	63.7	77.1	84.6	9.62%
Loans and Advances	1,709.2	1,721.2	1,656.3	1807.7	2,174.6	2,732.7	3,510.8	3,814.5	8.65%
Public sector	152.3	135.5	127.9	134.6	178.4	203.6	264.3	254.5	-3.72%

Source: Eastern Caribbean Central Bank

COMMERCIAL BANK LIQUIDITY
As at December 31st
(in EC\$ '000s)

	2001	2002	2003	2004	2005	2006r	2007pre	2008 pre
(1) CASH	44,937	51,341	51,553	50,209	68,036	63,736	77,136	84,557
(2) DEPOSITS AT ECCB	115,414	133,065	153,107	199,254	143,287	151,702	148,244	189,653
TOTAL	160,351	184,406	204,660	249,463	211,323	215,438	225,380	274,210
(3) Less STAT.REQ'D RESRVS.	129,884	149,369	165,775	202,065	171,172	174,505	182,558	222,110
(4) EXCESS RESERVES (LIQUIDITY)	30,467	35,037	38,885	47,398	40,151	40,933	42,822	52,100
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	52,100
LOANS AND ADVANCES	1,709,230	1,721,214	1,656,308	1,807,708	2,174,580	2,732,733	3,510,798	3,814,496
DEPOSIT LIABILITIES	1,840,981	1,871,910	2,022,760	2,239,793	2,537,498	2,919,366	3,102,744	3,318,932
of which:								
(i) Demand	264,351	285,099	372,297	516,406	621,348	610,721	704,167	690,880
(ii) Savings	878,599	756,135	863,347	923,272	1,041,437	1,208,727	1,317,074	1,383,181
(iii) Time	669,696	798,918	750,639	753,497	797,479	836,957	907,407	1,037,132
(iv) Foreign Currency	28,335	31,305	36,477	46,618	77,234	262,961	174,096	207,739
LOANS/DEPOSITS RATIO (%)	92.8	91.9	81.9	80.7	85.7	93.6	113.2	115
EXCESS RESERVES/DEPOSIT LIAB. (%)	1.65	1.87	1.92	2.12	1.58	1.40	1.38	1.57

Source: Eastern Caribbean Central Bank

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

Deposit/Lending Rates for various maturities	2001	2002	2003	2004	2005	2006	2007	2008
Demand Deposits	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	0.0 - 3.0
Savings Deposits	4.0 - 6.0	3.0 - 5.5	3.0 - 4.75	3.0 - 4.75	3.0 - 4.75	3.0 - 4.00	3.0 - 4.25	3.0 - 4.25
Special Rates (if any)	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	1.5 - 8.0
Time Deposits								
- Up to 3 months	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	1.0 - 3.5
- Over 3 months to 6 months	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	1.0 - 3.75
- Over 6 months to 12 months	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	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	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	1.0 - 4.0
Lending Rates								
- Prime Rate	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	9.5 - 10.0
- Other Rates, Range	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	6.0 - 19.0
Add-on Loans, Range								
- Nominal Interest Rate	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	7.0 - 13.5
- Effective Interest Rates	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	10.5 - 24.0
Weighted Deposit Rate				2.84	2.69	2.91	2.96	2.88
Weighted Credit Rate				10.68	10.52	10.20	9.40	9.59
Length of Loan Period, Range	1 mth - 25years	1 mth - 25years	6 mnths - 35years	7mths - 35years	7mths - 35years	7mths - 35years	7mths - 35years	7mths - 30years

Source: Eastern Caribbean Central Bank

COMMERCIAL BANKS' CREDIT BY SECTOR
(In EC\$ Millions)
As as Dec.31st

	2001	2002	2003	2004	2005	2006r	2,007	2008pre	Growth 08	Share 08
Agriculture	35.29	30.18	29.35	28.50	26.52	25.94	30.67	36.79	20.0%	1.0%
Fisheries	5.84	4.73	5.16	4.87	5.01	4.52	5.22	6.29	20.4%	0.2%
Mining and Quarrying	1.25	-	3.92	3.67	4.96	8.48	7.56	12.92	71.0%	0.3%
Manufacturing	52.57	56.87	50.32	46.90	54.94	58.81	54.71	72.75	33.0%	1.9%
Public Utilities	31.35	37.52	22.34	21.71	20.66	42.50	114.35	122.28	6.9%	3.2%
Construction & Land Dev.	99.93	110.90	101.42	108.48	121.77	166.39	243.97	310.64	27.3%	8.1%
Distributive Trades	198.92	214.05	197.79	195.16	227.72	236.19	239.38	253.60	5.9%	6.6%
Tourism	152.85	190.20	176.03	204.09	270.90	473.69	756.04	851.70	12.7%	22.3%
Entertainment & Catering	19.76	21.99	22.74	19.26	22.87	32.34	37.88	31.85	-15.9%	0.8%
Transport	48.96	33.21	22.97	24.03	50.15	88.82	112.37	116.67	3.8%	3.1%
Financial Institutions	9.50	15.23	26.90	17.20	43.09	42.00	37.77	38.25	1.3%	1.0%
Professional & Other Services	134.45	135.89	124.98	168.22	218.54	370.00	505.73	594.19	17.5%	15.6%
Gov't Services/Public Admin.	125.48	112.33	67.48	102.49	149.92	154.85	215.73	202.47	-6.1%	5.3%
Personal	793.09	758.12	799.92	863.15	957.55	1,028.21	1,149.44	1,164.11	1.3%	30.5%
Acquisition of Property	319.51	325.70	343.83	413.38	464.95	503.29	513.10	575.83	12.2%	15.1%
Home Const. & Renovation	169.69	177.31	179.84	219.17	220.03	237.61	294.46	313.99	6.6%	8.2%
House & Land Purchase	149.82	148.38	163.99	194.22	244.92	265.68	218.64	261.84	19.8%	6.9%
Durable Consumer Goods	90.07	63.86	64.76	80.51	109.67	138.90	187.89	199.20	6.0%	5.2%
Other Personal	383.52	368.56	391.34	369.25	382.93	386.02	448.45	389.08	-13.2%	10.2%
TOTAL	1,709.23	1,721.21	1,656.31	1,807.72	2,174.58	2,732.73	3,510.80	3,814.50	8.7%	100.0%
Growth	3.62%	0.70%	-3.77%	9.14%	20.3%	25.7%	28.5%	8.7%		

Source: Eastern Caribbean Central Bank

pre= Preliminary

r=Revised

ECCB OPERATIONS WITH ST LUCIA
(In EC\$ millions)

	2001	2002	2003	2004	2005	2006r	2007	2008
Net imputed international reserves	235.20	248.08	282.63	351.52	308.34	356.92	408.25	378.76
Net claims on commercial banks	-164.00	-167.59	-190.74	-238.62	-191.92	-210.52	-237.00	-242.12
Claims	0.06	0.05	0.04	0.05	0.04	0.05	0.02	0.02
Liabilities	-164.02	-167.64	-190.77	-238.66	-191.96	-210.57	-237.02	-242.14
Currency	-37.00	-40.80	-41.02	-41.31	-55.34	-52.69	-59.09	-69.28
Current deposits	-123.30	-126.84	-149.75	-197.35	-136.62	-157.88	-177.93	-172.86
of which Fixed Deposits	-3.80	-0.68	-0.68	-0.68	-0.68	-0.68	-0.68	-
Net claims on Statutory Bodies	0.00	0.00	0.00	0.00	0.00	0.00	-4.00	-4.00
Net Domestic Assets	-153.10	-164.49	-191.33	-252.36	-201.96	-230.34	-280.20	-236.19
Net Credit to Central Government	10.90	3.10	0.59	-13.75	-10.04	-19.82	-43.19	5.93
Treasury bills	0.82	0.25	0.25	0.25	0.00	-	-	-
Debentures	5.00	5.00	5.00	5.00	5.00	-	-	-
Temporary advances	1.86	3.34	2.90	3.94	4.20	6.97	11.16	7.01
Other Claims	3.24	2.16	1.08	-	-	-	-	-
Central Government Deposits	-13.15	-7.62	-9.83	-22.94	-19.24	-26.78	-54.35	-1.08
Liabilities to the Private Sector	82.10	83.59	91.28	99.16	106.38	126.58	128.05	142.57
Total currency issued	119.10	124.39	132.32	140.47	161.72	179.27	187.13	211.85
Currency held by banks	-37.00	-40.80	-41.02	-41.31	-55.34	-52.69	-59.09	-69.28

ST LUCIA
EXTERNAL RESERVES
(In EC\$ millions)

	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06	Dec-07	Dec-08
CENTRAL BANK:								
Net (Imputed) Share of Reserves	235.17	248.63	282.63	351.52	308.34	356.92	408.25	378.76
Percentage Change (%)	0.13	0.06	0.14	0.24	(0.12)	0.16	0.14	(0.07)
Comm. Banks Net Foreign Assets (liabilities)	(117.90)	(141.26)	55.17	1.20	(65.30)	(239.31)	(455.91)	(922.10)
Percentage Change (%)	29.28	19.82	(139.05)	(97.83)	(5,555.56)	266.45	90.51	102.26
TOTAL NET FOREIGN ASSETS(LIABILITIES)	117.27	106.82	337.79	352.72	243.04	117.62	(47.66)	(543.34)
Percentage Change (%)	0.60	(8.91)	216.23	4.42	(31.10)	(51.61)	(140.52)	1,039.97

Source: Eastern Caribbean Central Bank

CONSUMER PRICE INDEX
Annual Inflation Rates

	<i>Base Year April 1984=100</i>									<i>Base January 2008=100</i>
	1999	2000	2001	2002	2003	2004	2005	2006r	2007	2008
January	155.20	165.40	173.30	173.10	176.80	176.90	181.50	193.70	195.60	100.00
February	155.80	165.70	173.50	173.60	177.70	176.40	183.30	193.20	193.20	101.40
March	156.60	167.40	174.10	175.60	178.10	177.20	184.50	193.00	194.60	102.00
April	156.70	167.60	176.20	176.80	177.50	177.70	186.20	194.50	193.60	102.60
May	159.60	168.10	175.80	176.60	178.70	180.40	187.40	194.70	196.60	102.80
June	162.70	166.30	177.80	176.50	178.30	181.00	187.50	195.30	198.10	104.40
July	161.70	168.30	177.70	176.30	177.90	182.60	189.90	194.20	199.40	105.70
August	161.50	167.60	176.60	175.80	177.00	182.30	187.50	195.10	197.90	105.80
September	163.10	164.60	176.90	175.70	176.40	180.50	186.50	191.90	202.10	106.30
October	166.70	167.00	175.70	176.10	177.20	179.70	187.30	192.10	205.60	106.80
November	167.00	168.60	178.10	175.40	176.70	182.60	190.70	193.30	206.80	106.20
December	167.90	168.30	177.50	176.30	177.20	183.40	192.90	194.20	207.40	104.90
Annual Average	161.21	167.08	176.10	175.65	177.46	180.06	187.10	193.77	199.24	104.08
Inflation Rates as at December:										
(Moving Average)	3.48%	3.64%	5.40%	-0.26%	1.03%	1.47%	3.91%	3.56%	2.83%	7.19%
(Point to Point)	6.20%	0.24%	5.47%	-0.68%	0.51%	3.50%	5.18%	0.67%	6.80%	3.79%

Source: Statistics Department

CONSUMER PRICE INDEX
(Base Year JAN 2008=100)

CATEGORY	2006*	2007*	2008
Individual Consumption Exp.	94.4	97.1	104.1
Food and Non-Alcoholic Bev	91.5	97.3	104.6
Alch Bev, Tobacco & Narcotics	93.1	99.9	99.7
Clothing & Footwear	100.0	100.0	101.2
Housing, Water, Electricity Gas, Other Fuels	94.8	96.2	109.3
Furnishing, Household Equipment & Maintenance	95.9	97.4	102.4
Health	98.4	97.8	108.8
Transport	87.4	89.6	106.4
Communications	100.0	100.0	100.0
Recreation & Culture	98.9	99.7	102.7
Education	100.0	100.0	100.0
Restuarants and Hotels	97.2	98.4	105.2
Miscellaneous Goods & Services	93.8	97.2	99.8

CONSUMER PRICE INDEX
(Base Year JAN 2008=100)
Percentage Change

CATEGORY	2007*	2008
Individual Consumption Exp.	2.8%	7.2%
Food and Non-Alcoholic Bev	6.4%	7.5%
Alch Bev, Tobacco & Narcotics	7.3%	-0.2%
Clothing & Footwear	0.0%	1.2%
Housing, Water, Electricity Gas, Other Fuels	1.5%	13.6%
Furnishing, Household Equipment & Maintenance	1.6%	5.1%
Health	-0.6%	11.4%
Transport	2.5%	18.7%
Communications	0.0%	0.0%
Recreation & Culture	0.8%	2.9%
Education	0.0%	0.0%
Restuarants and Hotels	1.3%	6.9%
Miscellaneous Goods & Services	3.6%	2.8%

*2006 Consumer Price Index weights at January 2008 prices, effective January 2008

Source: Government Statistics Department

MANUFACTURING PRODUCTION

Commodities Manufactured	Unit	2003		2004		2005		2006		2007		2008	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Food, Beverage & Tobacco			\$64,261,194.00		\$69,099,007.00		\$78,015,330.00		\$82,474,673.00		\$81,331,009		\$73,638,052
Wearing Apparel	doz.	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	8,159	\$819,610
Textile	No.	99,988,771	\$7,234,658.00										
Corrugated Paper & Paper Board & Containers of Paper & Paper Board	No.	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	11,415,000	\$26,428,000
Other Paper & Paperboard	cases	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	76,347	\$1,637,804
Wood & Wood Products			\$2,578,895.00		\$81,164.00		\$69,296.00		\$118,957.00		\$173,300.00		\$154,823
Furniture							\$2,557,411.00		\$3,026,414.00		\$3,609,554.00		\$2,823,973
Electrical Products	No.	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	9,146,608	\$35,121,480
Basic Industrial Chemicals	cu.ft.	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		\$1,092,167
Other Chemicals			\$5,044,213.00		\$5,475,488.00		\$6,903,990.00		\$7,141,862.00		\$6,901,208.00		\$5,735,468
Plastic Products	No.	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	1,823,924	\$3,322,566
Rubber Products	No.	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	2,879	\$758,119
Printed Material			\$2,778,971.00		\$3,046,382.00	889,932	\$2,902,410.00		\$2,351,532.00		\$2,360,096.00		\$2,310,328
Metal Products	Tonnes	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	3,953	\$14,349,605
Total			\$133,401,288.00		\$138,729,297.00		\$156,076,450.00		\$164,604,973.00		\$169,172,531.00		\$168,191,995
Copra & Copra Derivatives													
Copra	L.Tonnes	1,535	\$1,364,707.00	1,094	\$1,102,750.00	714	\$819,652.00	776	\$955,788.00	644	\$791,885.00	680	\$836,269
Raw Coconut Oil	Galls	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	76,856	\$807,003
Refined Coconut Oil	Galls	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	81,653	\$1,646,436
Coconut Meal	kgs	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	410,700	\$112,852
Total Copra & Copra Derivatives			\$4,682,710.00		\$4,837,237.00		\$3,090,483.00		\$3,309,103.00		\$3,474,930.00		\$3,402,560
Total			\$138,083,998.00		\$143,566,534.00		\$159,166,933.00		\$167,914,076.00		\$172,647,461.00		\$171,594,555
Growth			0.64%		3.97%		10.87%		5.50%		2.82%		-0.80%

Source: Government Statistics Department (St.Lucia)

ELECTRICITY CONSUMPTION AND OUTPUT
Kilowatt hours (KWh)

Category	2001	2002	2003	2004	2005	2006	2,007	2008	Percentage Change (07/08)	Share of Total Sales (2008)
Domestic Use	88,443	89,083	93,329	95,877	98,917	101,635	104,784	103,214	-1.50%	34.18%
Ave. No. of Consumers	41,982	43,460	44,980	46,347	47,417	48,697	49,199	51,444	4.56%	
Commercial Use	88,577	86,679	91,779	95,697	101,597	103,431	106,924	105,374	-1.45%	34.89%
Ave. No. of Consumers	5,210	5,134	5,134	5,259	5,423	5,663	5,693	6,104	7.22%	
Hotel Use	48,440	47,317	53,109	55,446	56,884	57,485	61,227	65,250	6.57%	21.61%
Ave. No of Hotels	33	33	48	48	52	54	61	65	6.56%	
Industrial Use	12,955	12,710	13,221	13,031	12,522	12,982	15,789	18,626	17.97%	6.17%
Ave. No. of Ind Consumers	117	112	112	96	98	112	101	98	-2.97%	
Streetlighting	5,003	3,619	4,720	6,513	7,480	8,865	9,117	9,511	4.32%	3.15%
Total Sales	243,417	239,409	256,158	266,564	277,400	284,398	297,841	301,975	1.39%	100.00%
Internal use	12,211	11,939	11,973	12,134	13,407	13,071	13,185	14,256	8.12%	
Loss in transmission	29,114	33,212	37,362	30,439	33,115	34,423	34,672	36,106	4.14%	
Total Generated	284,742	284,560	305,493	309,137	323,922	331,892	345,698	352,337	1.92%	
Line Loss	10.22	11.67	12.23	9.85	10.22	10.37	10.03	10.25	2.17	

Source: LUCELEC

FUEL SURCHARGE (CENTS/UNIT)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
January	8.8	17.8	18.8	12.6	18.8	19.4	26.4	35.9	18.0	13.8
February	8.2	13.8	20.2	12.4	18.8	20.2	26.2	35.4	-5.5	10.7
March	7.9	16.4	16.2	12.0	22.4	18.6	25.9	31.5	-3.2	12.3
April	11.2	18.5	17.6	15.6	21.5	19.8	32.2	3.7	-2.4	19.8
May	10.0	16.7	16.5	15.0	16.5	19.7	32.7	7.4	0.3	22.3
June	11.5	18.2	17.9	15.6	17.8	21.9	29.6	8.0	2.2	32.6
July	10.3	17.2	16.6	14.3	16.5	20.6	32.4	6.7	3.2	34.6
August	12.8	18.1	15.7	16.3	17.7	23.5	34.0	7.5	4.6	34.4
September	12.9	20.6	16.4	15.7	18.1	26.3	37.3	8.6	2.8	23.2
October	14.4	21.3	15.4	15.9	16.3	24.3	36.5	3.6	6.7	17.1
November	14.0	22.2	15.6	17.2	18.3	30.6	35.9	18.0	9.1	4.4
December	15.4	22.8	13.4	15.4	17.8	26.3	36.0	3.6	14.9	-3.5
Average	11.45	18.63	16.69	14.83	18.38	22.60	32.10	13.97	4.23	18.48

Source: LUCELEC

FUEL PRICE (\$/IMP. GALS.)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
January	1.75	2.70	3.49	2.33	3.19	3.19	4.75	6.73	6.61	8.27
February	1.67	3.17	3.43	2.59	2.59	3.60	4.90	6.64	6.34	8.35
March	1.89	3.13	3.19	2.72	3.58	3.00	5.47	6.29	6.57	8.51
April	2.04	3.02	2.94	2.75	3.42	3.92	5.49	6.80	6.65	9.26
May	2.04	3.11	3.02	2.70	2.52	3.20	5.24	7.17	6.92	9.51
June	2.08	3.20	3.11	2.81	2.96	3.63	5.76	7.23	7.11	10.54
July	2.27	3.25	3.07	2.89	2.63	3.42	5.93	7.10	7.21	10.74
August	2.44	3.50	2.93	3.07	2.83	3.76	6.42	7.18	7.35	10.72
September	2.60	3.83	2.97	3.09	3.00	4.17	6.43	7.29	7.17	9.60
October	2.58	3.78	2.97	2.99	2.64	4.21	6.31	6.79	7.56	8.99
November	2.74	3.86	2.71	3.19	3.03	5.14	6.75	8.23	7.80	7.72
December	2.83	3.49	2.45	3.19	2.94	4.59	6.96	6.56	8.38	6.33
Average	2.24	3.34	3.02	2.86	2.94	3.82	5.87	7.00	7.14	9.05

Source : LUCELEC

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

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

PRODUCT	2001	2002	2003	2004	2005	2006	2007	2008	Change (07/08)
GAS UnLeaded	310,242.51	256,607.39	318,867.01	316,359.99	333,589.82	349,263.51	349,261.36	373,605.40	6.97%
KERO/AVJET	176,240.40	72,245.58	119,492.36	169,581.97	200,328.23	165,383.61	212,241.31	227,405.00	7.14%
L.P.G.	46,740.12	53,596.24	58,244.72	57,331.00	61,622.72	71,834.89	56,904.10	88,978.00	56.36%
DIESEL	531,771.30	499,499.93	597,568.59	608,319.43	613,630.72	654,730.63	669,181.02	696,281.60	4.05%
SPRAYTEX	12,075.69	1,476.52	350.60	867.48	N/A				
LUBRICANTS	N/A	N/A	N/A		N/A				
TOTALS	1,077,070.02	883,425.66	1,094,523.28	1,152,459.87	1,209,171.49	1,241,212.64	1,287,587.78	1,386,270.00	7.66%

Source: Gov't Energy Planning Unit

Texaco W.I. Ltd & Shell Antilles & Guinas Ltd.

LOADED AND LANDED CARGO

	LANDED	YEAR	QUANTITY	LOADED	YEAR	QUANTITY
(1) Break Bulk (in Tons)	Domestic Imports	1999	187,205	Domestic Exports	1999	84,770
		2000	158,883		2000	87,382
		2002	137,213		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
		2008	154,840		2008	202,366
	Transshipment (In)	1999	991	Transshipment (Out)	1999	849
		2000	481		2000	493
		2002	500		2002	546
		2003	20		2003	24
		2004	59		2004	39
		2005	544		2005	46
		2006	11		2006	33
		2007	44		2007	30
		2008	899		2008	1140
	Sub-Total	1999	188,196	Sub-Total	1999	85,619
		2000	159,364		2000	87,875
		2002	137,713		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
		2008	155,739		2008	203,506
(2) Dry/Liquid Bulk (in Tons)	Domestic Imports	1999	227,464	Domestic Exports	1999	Nil
		2000	136,040		2000	Nil
		2002	119,615		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
		2008	40,753		2008	126
	Transshipment (In)	1999	Nil	Transshipment (Out)	1999	Nil
		2000	Nil		2000	Nil
		2002	Nil		2002	Nil
		2003	Nil		2003	Nil
		2004	Nil		2004	Nil
		2005	Nil		2005	Nil
		2006	Nil		2006	Nil
		2007	Nil		2007	Nil
		2008	Nil		2008	Nil
	Sub-Total	1999	227,464	Sub-Total	1999	Nil
		2000	136,040		2000	Nil
		2002	119,615		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
		2008	40,753		2008	126
(3) Containers (in TEUs)	Domestic Imports	1999	12,839	Domestic Exports	1999	1,849
		2000	12,561		2000	2,244
		2002	13,666		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
		2008	20,156		2008	2,690
	Transshipment (In)	1999	2,661	Transshipment (Out)	1999	2,492
		2000	1,108		2000	999
		2002	3,680		2002	3,528
		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
		2008	9,920		2008	9,739
	Sub-Total	1999	15,500	Sub-Total	1999	4,341
		2000	13,669		2000	3,243
		2002	17,346		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
		2008	30,076		2008	12,428

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	177,751	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	28,203	185,322	191,420	376,742
2008	13,928	12,763	26,691	153,926	167,970	321,896
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
2008	6,053	6,089	12,142	233,791	232,438	466,229

Source : St. Lucia Air & Sea Ports Authority

* Excludes intransit passengers

AIRCRAFT MOVEMENT BY ACTIVITY

TOTAL							
AIRCRAFT MOVEMENTS	2002	2003	2004	2005	2006	2007	2008
Scheduled Service Landings*	24,499	22,952	24,232	21,930	24,427	16,373	15,425
Non-scheduled Service Landings*	13,457	16,508	18,003	20,048	20,718	20,855	20,448
Other Service Landings*	2,896	2,354	2,320	2,483	2,682	3,197	2,962

G. F. L. CHARLES AIRPORT

	2002	2003	2004	2005	2006	2007	2008
Scheduled Service Landings*	21,780	20,270	21,284	19,146	21,184	13,329	12,409
Non-scheduled Service Landings*	8,400	10,767	11,698	11,866	12,214	13,022	12,460
Other Service Landings*	2,310	1,741	1,562	1,510	1,462	1,850	1,822

HEWANORRA AIRPORT

	2002	2003	2004	2005	2006	2007	2008
Scheduled Service Landings*	2,719	2,682	2,948	2,784	3,243	3,044	3,014
Non-scheduled Service Landings*	5,057	5,741	6,305	8,182	8,504	7,833	7,988
Other Service Landings*	586	613	758	973	1,220	1,347	1,140

Source: St. Lucia Air & Sea Ports Authority

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

VEHICLE REGISTRATION

	2002	2003	2004	2005	2006	2007	2008
GOODS VEHICLES	9,542	9,862	10,252	10,670	11,198	11,211	11,577
TAXIS/HIRED VEHICLES	1,924	2,026	2,211	2,544	3,056	3,453	3,589
MOTORCYCLES	797	816	819	823	825	840	842
PRIVATE VEHICLES	21,330	22,283	23,477	25,013	26,847	29,361	31,269
Less than 2800 Lbs.	20,878	21,828	23,020	24,553	26,386	28,689	30,594
Greater than 2800 Lbs.	452	455	457	460	461	672	675
PASSENGER VANS	3,438	3,482	3,491	3,485	3,481	3,612	3,646
0 - 9 Seats	473	475	475	474	473	483	485
10-14 Seats	2,785	2,828	2,838	2,832	2,828	2,935	2,966
15-25	94	94	94	95	95	107	107
Over 25 seats	86	85	84	84	85	87	88
TRACTOR TRAILERS	16	17	17	20	24	34	35
EARTH MOVING EQUIPMENT/TRACTORS	309	308	306	307	307	290	290
OTHER/NOT STATED	1,181	1,232	1,261	1,305	1,334	899	935
TOTAL	38,566	40,050	41,830	44,167	47,072	49,700	52,183

Source: Ministry of Communications, Works, Transport & Public Utilities

ST. LUCIA PUBLIC SCHOOLS
CXC GENERAL AND TECHNICAL
PROFICIENCY ENTRIES AND RESULTS BY SUBJECT: 2008

SUBJECT	General and Technical		
	No. Sat	No. Pass	Pass Rate (%)
Agricultural Science (Single Award)	197	179	90.9
Agricultural Science (Double Award)	154	142	92.2
Biology	342	255	74.6
Caribbean History	226	136	60.2
Chemistry	259	176	68.0
Clothing and Textiles	152	124	81.6
Electrical and Electronic Technology	95	77	81.1
Economics	64	52	81.3
English A	2237	1052	47.0
English B (Literature)	240	124	51.7
Food and Nutrition	503	459	91.3
French	511	371	72.6
Geography	293	151	51.5
Home Economics Management	2	2	100.0
Integrated Science	601	552	91.9
Mathematics	2114	969	45.8
Music	15	14	93.3
Office Administration	643	588	91.5
Physics	250	193	77.2
Principles of Accounts	532	355	66.7
Principles of Business	1284	1049	81.7
Social Studies	1511	1128	74.7
Spanish	517	320	61.9
Technical Drawing	295	168	57.0
Theatre Arts	45	40	88.9
Visual Arts	128	73	57.0
Electronic Document Preparation and Management	285	276	96.8
Physical Education and Sports General	63	63	100.0
Human and Social Biology	500	400	80.0
Building Technology (Construction)	150	117	78.0
Building Technology (Woods)	42	35	83.3
Information Technology	635	543	85.5
Mechanical Engineering Technology	14	11	78.6
Total	14899	10194	68.4

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	10,947	10,382	21,329	118	801	919
2007/08	75	10,255	9,909	20,164	118	804	922

Source: Ministry of Education

**SECONDARY SCHOOLS
ANALYSIS OF SCHOOLS, PUPILS AND TEACHERS**

Academic Year	No. of pupils				No. of Teachers		
	Number of. schools	Male	Female	TOTAL	Male	Female	TOTAL
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
2007/08	23	7,588	7,939	15,527	308	616	924

Source: Ministry of Education

CAMBRIDGE ADVANCED LEVEL EDUCATION PASS RATE

Institution	% Pass Rate (Grades A-E)							
	2001	2002	2003	2004	2005	2006	2007	2008
Sir Arthur Lewis Community College (SALCC)	72.07	75.30	81.3	79.76	79.31	80.41	81.72	84.36
Vieux Fort Comprehensive Sec. Sch. (VFCSS)	59.38	76.90	70.76	65.8	69.5	83.14	67.52	66.12

Source: Ministry of Education

**GOVERNMENT RECURRENT EXPENDITURE ON EDUCATION
(EC\$ Millions)**

Head Title	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Early Childhood Educ.	0.38	0.24	0.39	0.36	0.27	0.36	0.45	0.45	0.53	1.91	2.01
Special Education	1.13	1.26	1.31	1.45	1.35	1.49	1.52	1.65	1.64	1.79	2.04
Primary Education	38.23	37.77	42.13	43.32	45.96	45.28	44.4	46.20	46.12	49.59	48.21
Secondary Education	25.96	25.21	28.53	28.41	30.44	32.29	32.13	34.29	35.81	39.25	45.15
Tertiary Education	13.54	14.31	13.81	13.15	13.75	12.86	12.65	12.50	14.09	13.56	13.56
Adult Education	0.88	0.30	0.65	0.63	0.58	0.86	0.85	0.80	0.66	0.65	0.73
Total	80.12	79.09	86.82	87.32	92.35	93.14	92.00	95.89	98.85	106.75	111.70

Source: Ministry of Finance

ESTIMATED MID-YEAR POPULATION AND VITAL STATISTICS

POPULATION ESTIMATES	1998	1999R	2000	2001	2002	2003	2004r	2005p	2006e	2007e	2008e
ESTIMATES	151,952	153,703	155,996	157,898	159,133	160,620	162,434	164,330	166,387	168,338	170,331
LIVE BIRTHS											
Male	1,506	1,497	1,406	1,405	1,330	1,270	1,243	1,137	1,164	1,187	1,233
Female	1,444	1,500	1,498	1,383	1,268	1,216	1,141	1,161	1,045	1,066	1,106
Total	2,950	2,997	2,904	2,788	2,598	2,486	2,384	2,298	2,209	2,253	2,339
of unmarried parents	2,532	2,543	2,493	2,369	2,229	2,111	2,035	1,978	1,906	1,944	2,012
Birth rate (per 1000 of pop.)	19.4	19.5	18.6	17.7	16.3	15.5	14.7	14.0	13.3	13.4	13.7
STILL BIRTHS											
Male	21	27	23	13	27	16	16	15	26	22	27
Female	18	19	18	19	24	21	23	16	7	19	23
Total	39	46	41	32	51	37	39	31	33	41	50
DEATHS											
Male	536	515	508	531	512	584	598	627	562	609	713
Female	440	466	433	467	448	462	516	483	457	494	578
Total	976	981	941	998	960	1,046	1,114	1,110	1,019	1,103	1,291
of which infants under one year											
Male	26	25	21	16	17	16	22	30	22	31	30
Female	22	17	17	21	19	21	23	19	27	24	29
Total	48	42	38	37	36	37	45	49	49	55	59
Death Rate	6.4	6.4	6.0	6.3	6.0	6.5	6.9	6.8	6.1	6.6	7.6
Infant Mortality Rate	16.3	14.0	13.1	13.3	13.9	14.9	18.9	21.3	22.2	24.4	25.2
MARRIAGES	627	732	655	513	500	540	542	641	650	680	720
DIVORCES	59	63	49	76	45	113	131	135	125	145	151

Source: Government Statistics Department

e=Estimated

r=Revised

p=Preliminary

ESTIMATED MID - YEAR POPULATION BY SEX and AGE GROUP

GROUP	2005e			2006e			2007e			2008p		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	6,923	7,055	13,978	7,165	7,217	14,382	8,883	8,417	17,300	7,599	7,363	14,962
5-9	7,694	7,691	15,385	7,488	7,513	15,001	6,821	7,056	13,877	6,670	6,791	13,461
10-14	8,750	8,591	17,341	8,703	8,528	17,231	8,547	8,392	16,939	8,300	8,248	16,548
15-19	8,680	8,885	17,565	8,752	8,893	17,645	8,719	8,731	17,450	8,773	8,731	17,504
20-24	7,748	8,040	15,788	8,020	8,292	16,312	8,296	8,677	16,973	8,416	8,756	17,172
25-29	6,606	6,948	13,554	6,751	7,061	13,812	6,905	7,119	14,024	7,175	7,448	14,623
30-34	6,043	6,469	12,512	6,156	6,588	12,744	6,262	6,766	13,028	6,367	6,766	13,133
35-39	5,686	6,100	11,786	5,686	6,106	11,792	5,719	6,101	11,820	5,776	6,220	11,996
40-44	5,331	5,701	11,032	5,460	5,844	11,304	5,569	5,992	11,561	5,626	6,019	11,645
45-49	4,317	4,390	8,707	4,437	4,651	9,088	4,735	4,970	9,705	4,917	5,223	10,140
50-54	3,274	3,200	6,474	3,426	3,342	6,768	3,599	3,549	7,148	3,798	3,753	7,551
55-59	2,408	2,598	5,006	2,529	2,677	5,206	2,703	2,783	5,486	2,829	2,861	5,690
60-64	1,893	2,191	4,084	1,926	2,230	4,156	1,979	2,316	4,295	2,062	2,375	4,437
65-69	1,679	1,897	3,576	1,658	1,905	3,563	1,681	1,937	3,618	1,648	1,954	3,602
70-74	1,419	1,593	3,012	1,442	1,634	3,076	1,455	1,699	3,154	1,439	1,681	3,120
75-79	907	1,036	1,943	925	1,075	2,000	998	1,170	2,168	1,018	1,206	2,224
80+	1,191	1,653	2,844	1,155	1,603	2,758	1,116	1,564	2,680	1,065	1,458	2,523
TOTAL	80,549	84,038	164,587	81,679	85,159	166,838	83,987	87,239	171,226	83,478	86,853	170,331

Source: Government Statistics Department

p-Preliminary

r=Revised

e=Estimated

ESTIMATED MID-YEAR POPULATION BY DISTRICT

Administrative Areas	1999	2000	2001	2002	2003	2004r	2005p	2006e	2007e	2008e
Castries	61,823	62,967	64,404	64,957	65,565	66,365	67,286	68,209	69,928	69,731
Vieux Fort	14,624	14,833	14,757	14,904	15,130	15,409	15,675	15,942	16,629	16,723
Soufriere	8,953	9,075	7,665	7,706	7,759	7,824	7,930	8,037	8,296	8,103
Micoud	17,423	17,708	16,051	16,143	16,267	16,407	16,599	16,794	17,215	16,991
Dennerly	12,778	12,966	12,767	12,876	12,997	13,105	13,279	13,458	13,843	13,711
Anse-la-Raye	6,203	6,356	6,071	6,136	6,215	6,298	6,364	6,468	6,578	6,567
Canaries	1,923	1,935	1,787	1,789	1,812	1,835	1,874	1,920	1,945	1,984
Laborie	8,727	8,861	7,365	7,414	7,458	7,539	7,618	7,705	7,869	7,753
Gros-Islet	13,994	13,972	20,892	21,034	21,207	21,370	21,643	21,929	22,519	22,333
Choiseul	7,255	7,323	6,139	6,174	6,210	6,282	6,319	6,376	6,404	6,435
Total	153,703	155,996	157,898	159,133	160,620	162,434	164,587	166,838	171,226	170,331

Source: Government Statistics Department

p-Preliminary

r-Revised

e-Estimated

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

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08r	2008/09pre	Change
Total Revenue & Grants	497.27	533.04	559.68	615.94	664.37	744.59	815.95	9.6%
of which:								
Grants	36.29	32.89	0.00	6.00	6.64	6.37	20.47	221.3%
Capital revenue	19.85	8.64	0.87	0.63	0.63	0.00	6.72	0.0%
Current Revenue	441.13	491.50	558.81	609.31	657.10	738.22	788.75	6.8%
Tax Revenue	404.97	453.05	512.91	566.66	621.96	688.90	736.60	6.9%
of which:								
Taxes on Income	104.95	109.91	131.48	156.61	160.34	196.26	230.92	17.7%
Taxes on Goods & Services	174.83	190.43	205.11	198.57	219.11	241.74	259.49	7.3%
Taxes on International Trade	120.82	148.89	172.67	205.69	238.35	246.18	243.46	-1.1%
Others	4.37	3.82	3.65	5.78	4.15	4.72	2.73	-42.2%
Non Tax Revenue	36.16	38.45	45.90	42.66	35.15	49.31	52.16	5.8%
 Total Expenditure	 572.22	 658.29	 726.06	 761.71	 832.10	 801.78	 959.10	 19.6%
Capital Expenditure	150.00	176.51	219.88	248.44	280.67	234.21	309.00	31.9%
Current Expenditure	422.22	481.78	506.18	513.27	551.43	567.57	650.10	14.5%
of which:								
Wages & Salaries	211.62	226.70	228.79	233.65	250.93	261.62	305.45	16.8%
Interest Payments	40.49	58.81	67.06	73.02	84.27	83.38	90.90	9.0%
Goods & Services	78.13	85.89	87.64	96.12	101.48	108.29	125.48	15.9%
Current Transfers	56.76	69.43	75.85	67.15	68.50	65.08	76.38	17.4%
 Current Balance	 18.91	 9.72	 52.63	 96.04	 105.67	 170.65	 138.66	 -18.7%
 Primary Balance	 -34.46	 -66.45	 -99.32	 -72.75	 -83.47	 26.19	 -52.25	 -299.5%
Overall Balance	-74.95	-125.26	-166.38	-145.77	-167.74	-57.19	-143.15	150.3%

R=Revised

Pre-Preliminary

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

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08r	2008/09pre
Total Revenue & Grants	27.08%	27.40%	26.84%	26.97%	26.45%	28.45%	31.02%
of which:							
Grants	1.98%	1.69%	0.00%	0.23%	0.25%	0.24%	0.78%
Capital revenue	1.08%	0.44%	0.04%	0.02%	0.02%	0.00%	0.26%
Current Revenue	24.02%	25.27%	26.80%	23.28%	25.11%	28.21%	29.98%
Tax Revenue	22.05%	23.29%	24.60%	21.65%	23.76%	26.32%	28.00%
of which:							
Taxes on Income	5.72%	5.65%	6.30%	5.98%	6.13%	7.50%	8.78%
Taxes on Goods & Services	9.52%	9.79%	9.84%	7.59%	8.37%	9.24%	9.86%
Taxes on International Trade	6.58%	7.66%	8.28%	7.86%	9.11%	9.41%	9.25%
Others	0.24%	0.20%	0.17%	0.22%	0.16%	0.18%	0.10%
Non Tax Revenue	1.97%	1.98%	2.20%	1.63%	1.34%	1.88%	1.98%
 Total Expenditure	 31.16%	 33.64%	 34.81%	 29.10%	 31.79%	 30.63%	 36.46%
Capital Expenditure	8.17%	9.08%	10.54%	9.49%	10.72%	8.95%	11.75%
Current Expenditure	22.99%	24.56%	24.26%	19.61%	21.07%	21.69%	24.71%
of which:							
Wages & Salaries	11.52%	11.66%	10.97%	8.93%	9.59%	10.00%	11.61%
Interest Payments	2.20%	2.81%	3.21%	2.79%	3.32%	3.19%	3.46%
Goods & Services	4.25%	4.42%	4.20%	3.67%	3.88%	4.14%	4.77%
Current Transfers	3.09%	3.57%	3.64%	2.57%	2.62%	2.49%	2.90%
 Current Balance	 1.03%	 0.71%	 2.53%	 3.67%	 4.04%	 6.52%	 5.27%
 Primary Balance	 -1.88%	 -3.42%	 -4.76%	 -2.78%	 -3.19%	 1.00%	 -1.99%
Overall Balance	-4.08%	-6.23%	-7.97%	-5.57%	-6.41%	-2.19%	-5.44%

R=Revised

Pre=Preliminary

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

	2003/04	2004/05	2005/06	2006/07	2007/08r	2008/09pre	Change
Total Revenues and Grants	533.04	559.68	615.94	664.37	744.59	815.95	9.6%
Capital Grants	32.89	0.00	6.00	6.64	6.37	20.47	221.3%
Capital Revenue	8.64	0.87	0.63	0.63	0.00	6.72	
CURRENT REVENUE	491.50	558.81	609.31	657.10	738.22	788.75	6.8%
Tax Revenue	453.05	512.91	566.66	621.96	688.90	736.60	6.9%
Taxes on Income	109.91	131.48	156.61	160.34	196.26	230.92	17.7%
Individuals	43.75	49.69	58.27	64.04	71.33	75.97	6.5%
Withholdings	3.86	3.73	17.00	12.50	5.22	12.26	135.1%
Corporations	44.80	54.65	59.51	65.24	91.95	113.70	23.7%
Arrears	24.89	31.62	29.98	27.20	34.91	37.52	7.5%
Less Tax Refunds	-7.40	-8.21	-8.15	-8.63	-7.15	-8.53	19.4%
Tax on Property	3.82	3.65	5.78	4.15	4.72	2.73	-42.2%
Property Tax	3.82	3.65	5.78	4.15	4.72	2.73	-42.2%
Tax On Goods And Services	190.43	205.11	198.57	219.11	241.74	259.49	7.3%
Consumption Tax	121.00	123.46	112.41	117.87	122.09	142.66	16.9%
Consumption tax (imports)	114.43	117.16	104.20	111.98	112.24	136.28	21.4%
Consumption tax (domestic)	6.57	6.31	8.21	8.05	9.85	6.38	-35.2%
Excise tax (domestic)	7.17	7.57	6.42	3.89	2.59	6.61	155.3%
Hotel Occupancy tax	22.17	26.26	29.35	29.53	33.45	35.02	4.7%
Insurance Premium Tax	4.11	4.52	4.93	5.90	7.17	7.41	3.4%
Licences	16.63	18.82	15.50	16.97	26.30	19.76	-24.9%
Fuel Surcharge	3.11	3.21	2.78	3.44	3.57	3.63	1.6%
Stamp Duties (Inland Revenue)	11.48	15.21	18.02	25.96	31.49	25.70	-18.4%
Cellular Tax	4.75	6.04	7.63	9.05	11.95	12.81	7.2%
Passenger Facility Fee	0.00	0.00	1.54	4.35	3.14	5.89	87.9%
Taxes on International Trade and Transactions	148.89	172.67	205.69	238.35	246.18	243.46	-1.1%
Import Duty	69.45	75.25	90.06	98.35	107.01	103.65	-3.1%
Thruput Charges	0.40	0.63	2.01	1.12	3.11	6.52	109.7%
Travel Tax	4.91	5.50	5.17	3.95	3.51	4.41	25.8%
Service Charge (imports)	39.31	46.34	52.23	65.38	64.77	67.93	4.9%
Environmental Levy	11.74	13.46	17.96	21.56	18.03	15.97	-11.4%
Airport Tax	4.39	5.98	4.14	6.87	5.90	11.81	100.1%
Security Charge	0.15	0.82	0.84	2.00	0.88	0.93	5.8%
Excise tax (imports)	18.53	24.69	33.28	39.12	42.98	32.23	-25.0%
Non-Tax Revenue	38.45	45.90	42.66	35.15	49.31	52.16	5.8%
Earnings From Govt. Depts.	5.43	5.81	3.76	3.01	-0.49	-10.40	2027.1%
E.C.C.B. Profits	1.79	1.72	0.00	0.00	3.32	6.96	110.1%
Interest and rents	7.39	6.41	14.95	8.95	13.63	16.12	18.2%
Fees, Fines and Sales	20.31	23.00	20.87	19.29	27.73	33.92	22.3%
Other Non Tax Revenues	3.54	8.96	3.07	3.91	5.12	5.56	8.6%

R=Revised

Pre=Preliminary

* April to March

CENTRAL GOVERNMENT REVENUE*

ECONOMIC CLASSIFICATION

(EC\$ millions)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08r	2008/09pre
Total Revenues and Grants	27.1%	27.4%	26.8%	27.0%	26.5%	28.4%	31.0%
Capital Grants	2.0%	1.7%	0.0%	0.3%	0.3%	0.2%	0.8%
Capital Revenue	1.1%	0.4%	0.0%	0.0%	0.0%	0.0%	0.3%
CURRENT REVENUE	24.0%	25.3%	26.8%	26.7%	26.2%	28.2%	30.0%
Tax Revenue	22.1%	23.3%	24.6%	24.8%	24.8%	26.3%	28.0%
Taxes on Income	5.7%	5.7%	6.3%	6.9%	6.4%	7.5%	8.8%
Individuals	2.6%	2.2%	2.4%	2.6%	2.5%	2.7%	2.9%
Withholdings	0.3%	0.2%	0.2%	0.7%	0.5%	0.2%	0.5%
Corporations	2.3%	2.3%	2.6%	2.6%	2.6%	3.5%	4.3%
Arrears	1.0%	1.3%	1.5%	1.3%	1.1%	1.3%	1.4%
Less Tax Refunds	-0.5%	-0.4%	-0.4%	-0.4%	-0.3%	-0.3%	-0.3%
Tax on Property	0.2%	0.2%	0.2%	0.3%	0.2%	0.2%	0.1%
Property Tax	0.2%	0.2%	0.2%	0.3%	0.2%	0.2%	0.1%
Tax On Goods And Services	9.5%	9.8%	9.8%	8.7%	8.7%	9.2%	9.9%
Consumption Tax	6.1%	6.2%	5.9%	4.9%	4.7%	4.7%	5.4%
Consumption tax (imports)	5.9%	5.9%	5.6%	4.6%	4.5%	4.3%	5.2%
Consumption tax (domestic)	0.3%	0.3%	0.3%	0.4%	0.3%	0.4%	0.2%
Excise tax (domestic)	0.3%	0.4%	0.4%	0.3%	0.2%	0.1%	0.3%
Hotel Occupancy tax	1.1%	1.1%	1.3%	1.3%	1.2%	1.3%	1.3%
Insurance Premium Tax	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
Licences	0.5%	0.9%	0.9%	0.7%	0.7%	1.0%	0.8%
Fuel Surcharge	0.1%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Stamp Duties (Inland Revenue)	1.1%	0.6%	0.7%	0.8%	1.0%	1.2%	1.0%
Cellular Tax	0.1%	0.2%	0.3%	0.3%	0.4%	0.5%	0.5%
Passenger Facility Fee	0.0%	0.0%	0.0%	0.1%	0.2%	0.1%	0.2%
Taxes on International Trade and Transactions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Import Duty	3.1%	3.6%	3.6%	3.9%	3.9%	4.1%	3.9%
Thruput Charges	0.1%	0.0%	0.0%	0.1%	0.0%	0.1%	0.2%
Travel Tax	0.1%	0.3%	0.3%	0.2%	0.2%	0.1%	0.2%
Service Charge (imports)	1.6%	2.0%	2.2%	2.3%	2.6%	2.5%	2.6%
Environmental Levy	0.5%	0.6%	0.6%	0.8%	0.9%	0.7%	0.6%
Airport Tax	0.2%	0.2%	0.3%	0.2%	0.3%	0.2%	0.4%
Security Charge	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Excise tax (imports)	0.9%	1.0%	1.2%	1.5%	1.6%	1.6%	1.2%
Non-Tax Revenue	2.0%	2.0%	2.2%	1.9%	1.4%	1.9%	2.0%
Earnings From Govt. Depts.	0.2%	0.3%	0.3%	0.2%	0.1%	0.0%	-0.4%
E.C.C.B. Profits	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	0.3%
Interest and rents	0.6%	0.4%	0.3%	0.7%	0.4%	0.5%	0.6%
Fees, Fines and Sales	0.8%	1.0%	1.1%	0.9%	0.8%	1.1%	1.3%
Other Non Tax Revenues	0.2%	0.2%	0.4%	0.1%	0.2%	0.2%	0.2%

r=Revised

pre=Preliminary

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

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08r	2008/09pre	Change
Wages and Salaries	211.62	226.70	228.79	233.65	250.93	261.62	305.45	16.8%
wages	27.72	28.17	29.43	28.77	32.74	34.82	35.86	3.0%
salaries	183.90	187.68	193.81	192.26	216.99	226.79	254.95	12.4%
retro-active	0.00	10.86	5.55	12.63	1.20	0.00	14.64	0.0%
N.I.S	3.02	3.37	5.23	4.01	4.92	5.60	6.31	12.7%
Retiring Benefits	32.21	37.58	41.61	39.32	41.33	43.61	45.58	4.5%
Interest Payments	40.49	58.81	67.06	73.02	84.27	83.38	90.90	9.0%
domestic	20.04	17.97	20.86	24.10	27.68	32.44	38.46	18.5%
foreign	20.44	40.84	46.20	48.93	56.59	50.94	52.44	3.0%
Goods and Services	78.13	85.89	87.64	96.12	101.48	108.29	125.48	15.9%
Current Transfers	56.76	69.43	75.85	67.15	68.50	65.08	76.38	17.4%
public sector	52.34	56.64	66.38	61.86	61.26	58.58	62.17	6.1%
private sector	4.42	12.79	9.47	5.29	7.23	6.50	14.21	118.7%
subsidies	1.20	7.02	3.97	0.90	3.30	2.53	8.17	222.7%
other	3.22	5.77	5.50	4.38	3.93	3.96	6.04	52.3%
Current Expenditure	422.22	481.78	506.18	513.27	551.43	567.57	650.10	14.5%
Capital Expenditure	150.00	176.51	219.88	248.44	280.67	234.21	309.00	31.9%
Local Revenue	8.39	7.08	31.19	11.20	11.99	62.08	64.00	3.1%
Grants	22.50	19.68	71.57	8.04	10.52	9.33	38.00	307.4%
Loans	119.11	90.42	63.43	110.39	106.35	39.08	87.00	122.6%
Bonds	0.00	59.32	53.69	118.81	151.82	123.73	120.00	-3.0%
Total Expenditure	572.22	658.29	726.06	761.71	832.10	801.78	959.10	19.6%

* April to March

R=Revised

Pj=projected

CENTRAL GOVERNMENT EXPENDITURE TO GDP

APRIL TO MARCH

ECONOMIC CLASSIFICATION

(% GDP)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08r	2008/09pre
Wages and Salaries	11.52%	11.66%	10.97%	10.23%	9.99%	10.00%	11.61%
wages	1.51%	1.45%	1.41%	1.26%	1.30%	1.33%	1.36%
salaries	10.01%	9.65%	9.29%	8.42%	8.64%	8.67%	9.69%
retro-active	0.00%	0.56%	0.27%	0.55%	0.05%	0.00%	0.56%
N.I.S	0.16%	0.17%	0.25%	0.18%	0.20%	0.21%	0.24%
Retiring Benefits	1.75%	1.93%	2.00%	1.72%	1.65%	1.67%	1.73%
Interest Payments	2.20%	3.02%	3.22%	3.20%	3.35%	3.19%	3.46%
domestic	1.09%	0.92%	1.00%	1.06%	1.10%	1.24%	1.46%
foreign	1.11%	2.10%	2.22%	2.14%	2.25%	1.95%	1.99%
Goods and Services	4.25%	4.42%	4.20%	4.21%	4.04%	4.14%	4.77%
Current Transfers	3.09%	3.57%	3.64%	2.94%	2.73%	2.49%	2.90%
public sector	2.85%	2.91%	3.18%	2.71%	2.44%	2.24%	2.36%
private sector	0.24%	0.66%	0.45%	0.23%	0.29%	0.25%	0.54%
subsidies	0.07%	0.36%	0.19%	0.04%	0.13%	0.10%	0.31%
other	0.18%	0.30%	0.26%	0.19%	0.16%	0.15%	0.23%
Current Expenditure	22.99%	24.77%	24.27%	22.47%	21.95%	21.69%	24.71%
Capital Expenditure	8.17%	9.08%	10.54%	10.88%	11.17%	8.95%	11.75%
Local Revenue	0.46%	0.36%	1.50%	0.49%	0.48%	2.37%	2.43%
Grants	1.23%	1.01%	3.43%	0.35%	0.42%	0.36%	1.44%
Loans	6.49%	4.65%	3.04%	4.83%	4.23%	1.49%	3.31%
Bonds	0.00%	3.05%	2.57%	5.20%	6.04%	4.73%	4.56%

Nominal GDP at Market Prices

R=Revised

Pj=Projected

TOTAL PUBLIC SECTOR OUTSTANDING DEBT

As at December 31

(in EC\$000's)

	2003	2004	2005	2006	2007r	2008pr	Change
1. TOTAL OUTSTANDING LIABILITIES	14.6% 1,233,367.21	18.2% 1,457,986.40	4.8% 1,528,237.67	7.4% 1,641,899.85	7.7% 1,768,688.98	1.4% 1,793,216.00	1.4%
2. OFFICIAL DEBT	1,213,174.70	1,437,793.89	1,510,933.57	1,624,735.27	1,754,039.68	1,774,680.35	1.2%
A. Central Government							
Outstanding Debt	968,158.80	1,181,362.21	1,296,258.27	1,427,373.44	1,575,724.86	1,597,086.04	1.4%
- Domestic	231,197.30	377,848.32	395,340.26	470,080.51	594,502.85	708,543.18	19.2%
- External	736,961.50	803,513.89	900,918.00	957,292.93	981,222.01	888,542.85	-9.4%
- Treasury Bills/Notes				18,643.20	22,551.46	12,738.28	-43.5%
- Bonds				359,541.44	329,304.48	299,338.53	-9.1%
- Loans				579,108.29	629,366.06	576,466.05	-8.4%
- <i>Bilateral</i>				70,281.06	83,169.62	78,704.94	-5.4%
- <i>Multilateral</i>				508,827.23	546,196.45	497,761.11	-8.9%
B. Government Guaranteed							
Outstanding Debt	214,861.00	180,067.20	160,136.77	143,680.87	125,501.82	127,224.12	1.4%
- Domestic	74,359.70	51,541.64	47,545.20	45,430.42	40,160.88	38,637.80	-3.8%
- External	140,501.30	128,525.56	112,591.57	98,250.45	85,340.95	88,586.32	3.8%
C. Public Non-Guaranteed							
Outstanding Debt	57,154.90	56,171.97	54,538.53	53,680.96	52,812.99	50,370.19	-4.6%
- Domestic	24,466.30	23,185.60	21,976.76	20,750.89	19,525.02	46,573.69	138.5%
- External	32,688.60	32,986.37	32,561.77	32,930.07	33,287.97	3,796.50	-88.6%
3. Outstanding Payables	20,192.51	20,192.51	17,304.10	17,164.58	14,649.30	18,535.65	26.5%
TOTAL (Domestic)	330,023.30	452,575.56	464,862.22	536,261.82	654,188.75	793,754.67	21.3%
TOTAL (External)	910,151.40	965,025.82	1,046,071.34	1,088,473.45	1,099,850.92	980,925.68	-10.8%

Source: Ministry of Finance, Debt Department

r=Revised; pr= preliminary

DISTRIBUTION OF CENTRAL GOVERNMENT OUTSTANDING LIABILITIES (EC\$'000)
BY CLASS OF HOLDER & TERM OF INSTRUMENT
as at December 31, 2008

	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					2,000.0			2,000.0		11,603.8			11,603.8	13,603.8
1. ECCB					2,000.0			2,000.0		11,603.8			11,603.8	13,603.8
B. Financial Institutions					132,251.0	144,182.9		276,433.9	83,382.0	47,294.3	410.3		131,086.7	407,520.5
1. Commercial Banks					117,415.5	144,182.9		261,598.4	80,682.0	30,746.5	410.3		111,838.9	373,437.2
2. Insurance Companies					14,384.5	0.0		14,384.5	2,600.0	16,468.5			19,068.5	33,453.0
3. Other					451.0			451.0	100.0	79.3			179.3	630.3
C. Non-Financial Private Sector					167,976.0			167,976.0	26,036.0	1,477.6			27,513.6	195,489.6
D. Non-Financial Public Sector					58,989.0			58,989.0	10,000.0	20,512.1			30,512.1	89,501.1
E. Other (Private Individuals & Agencies included)					2,249.0			2,249.0	247.0	342.6			589.6	2,838.6
F. Short term credits														
Sub-Total	0.0	0.0	0.0	0.0	363,465.0	144,182.9	0.0	507,647.9	119,665.0	81,230.3	410.3	0.0	201,305.7	708,953.5
11. EXTERNAL														
A. Monetary Authorities					10,064.0			10,064.0						10,064.0
1. ECCB					10,064.0			10,064.0						10,064.0
B. Int'l Development Institutions		496,863.4		496,863.4										496,863.4
1. C.D.B.		312,838.3		312,838.3										312,838.3
2. E.I.B.		1,898.3		1,898.3										1,898.3
3. I.F.A.D.		2,240.7		2,240.7										2,240.7
4. OPEC		1,350.2		1,350.2										1,350.2
5. IDA		129,917.7		129,917.7										129,917.7
6. IBRD		48,618.3		48,618.3										48,618.3
C. Foreign Governments		78,704.9		78,704.9										78,704.9
1. France		54,536.1		54,536.1										54,536.1
2. Kuwait		24,168.9		24,168.9										24,168.9
C. Other Foreign Institutions					75,454.0			75,454.0	10,335.0	2,403.3			12,738.3	88,192.3
1. Regional					75,454.0			75,454.0	10,335.0	2,403.3			12,738.3	88,192.3
2. Extra Regional					0.0			0.0					0.0	0.0
E. OTHER	214,718.2			214,718.2										214,718.2
1. Royal Merchant Bank	134,664.3			134,664.3										134,664.3
2. Citibank	79,156.3			79,156.3										79,156.3
3. Other	897.7			897.7										897.7
Sub-Total	214,718.2	575,568.3	0.0	790,286.6	85,518.0	0.0	0.0	85,518.0	10,335.0	2,403.3	0.0	0.0	12,738.3	888,542.8
PAYABLES												18,535.6	18,535.6	18,535.6
GRAND TOTAL	214,718.2	575,568.3	0.0	790,286.6	448,983.0	144,182.9	0.0	593,165.9	130,000.0	83,633.6	410.3	18,535.6	232,579.5	1,616,031.9

Note (1) The long term "other" figure of \$70,198.9 representing securities (promissory notes) to Multilateral Development Institutions viz : IMF/IBRD has been omitted.

(2) The short term loans and advances figure includes \$410 representing the overdraft facility with Commercial Banks.

(3) The figure \$18,535.6 representing outstanding payables is not broken down into the external and domestic components.

0.558948627

DISTRIBUTION OF OUTSTANDING LIABILITIES

DISTRIBUTION OF PUBLIC SECTOR OUTSTANDING LIABILITIES (EC\$'000)

BY CLASS OF HOLDER & TYPE OF LIABILITY
as at December 31, 2008

	OFFICIAL DEBT													
	(a) CENTRAL GOV'T.					(b) GOVERNMENT GUARANTEED				(c) NON-GUARANTEED				GRAND TOTAL
	(d) ARREARS			(e) CURR.	(f) TOTAL	(g) ARREARS		(h) CURR.	(i) TOTAL	(j) ARREARS		(k) CURR.	(l) TOTAL	
	PRIN.	INT.	SUB TOTAL		d + e	PRIN.	INT.		g + h	PRIN.	INT.		j + k	
1. DOMESTIC														
A. Monetary Authorities				13,603.8	13,603.8									13,603.8
1. ECCB				13,603.8	13,603.8									13,603.8
B. Financial Institutions				407,110.2	407,110.2	8,651.2		34,554.8	43,206.0			46,573.7	46,573.7	496,889.8
1. Commercial Banks				373,026.9	373,026.9	8,651.2		34,554.8	43,206.0			46,573.7	46,573.7	462,806.6
2. Insurance Companies				33,453.0	33,453.0									33,453.0
3. Other				630.3	630.3									630.3
C. Non-Financial Private Sector				195,489.6	195,489.6									195,489.6
D. Non-Financial Public Sector				89,501.1	89,501.1									89,501.1
E. Other (Private Individuals & Agencies included)				2,838.6	2,838.6									2,838.6
F. Short term credits				0.0	0.0									0.0
Sub-Total	0.0	0.0	0.0	708,543.2	708,543.2	8,651.2	0.0	34,554.8	43,206.0	0.0	0.0	46,573.7	46,573.7	798,322.9
11. EXTERNAL														
A. Monetary Authorities				10,064.0	10,064.0									10,064.0
1. ECCB				10,064.0	10,064.0									10,064.0
B. Int'l Development Institutions				496,863.4	496,863.4			86,403.7	86,403.7			3,796.5	3,796.5	587,063.6
1. C.D.B.				312,838.3	312,838.3			64,869.9	64,869.9					377,708.2
2. E.I.B.				1,898.3	1,898.3			21,533.8	21,533.8			3,796.5	3,796.5	27,228.6
3. I.F.A.D.				2,240.7	2,240.7									2,240.7
4. OPEC				1,350.2	1,350.2									1,350.2
5. IDA				129,917.7	129,917.7									129,917.7
6. IBRD				48,618.3	48,618.3									48,618.3
C. Foreign Governments				78,704.9	78,704.9			2,182.6	2,182.6					80,887.6
1. France				54,536.1	54,536.1			2,182.6	2,182.6					56,718.7
2. Kuwait				24,168.9	24,168.9									24,168.9
C. Other Foreign Institutions				88,192.3	88,192.3									88,192.3
1. Regional				88,192.3	88,192.3									88,192.3
2. Other Regional														0.0
3. Extra Regional														0.0
E. OTHER				214,718.2	214,718.2									214,718.2
1. Royal Merchant Bank				134,664.3	134,664.3									134,664.3
2. Citibank				79,156.3	79,156.3									79,156.3
3. FINCOR				0.0	0.0									0.0
4. Other				897.7	897.7									897.7
Sub-Total	0.0	0.0	0.0	888,542.9	888,542.9	0.0	0.0	88,586.3	88,586.3	0.0	0.0	3,796.5	3,796.5	980,925.7
PAYABLES				18,535.6	18,535.6									18,535.6
GRAND TOTAL	0.0	0.0	0.0	1,615,621.6	1,615,621.6	8,651.2	0.0	123,141.1	131,792.3	0.0	0.0	50,370.2	50,370.2	1,797,784.1

LISTING OF OFFICIAL DEBT
as at December 31, 2008

LOAN	REFERENCE	CURRENCY	INTEREST RATE	EXCHANGE RATE	CURRENT BALANCE	
					FOREIGN CURRENCY	EC\$ EQUIVALENT
1. Central Government						
DOMESTIC						
COMMERCIAL BANKS						
Cricket World Cup 2007 - First Caribbean Internation Bank	(CSDRMS 2005503)	EC	5.25%	1.0000		50,213,168.79
Construction of New Prison	(CSDRMS 1998706)	EC	8.00%	1.0000		0.00
Short Term Employment Programme - RBTT	(CSDRMS 1997702)	EC	8.00%	1.0000		2,973,913.09
Demand Loan - FCIB	(CSDRMS 2006002)	EC	6.25%	1.0000		31,595,777.11
Scotia Bank US\$12Million	(CSDRMS 2007001)	EC	7.50%	1.0000		27,000,000.00
BOSL US\$12 Million	(CSDRMS 2007006)	EC	6.75%	1.0000		32,400,000.00
Bonds						
2002/2012		EC	7.00%	1.0000		45,299,000.00
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 (FCIB)	(CSDRMS 2005500)	EC	6.75%	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	(CSDRMS 2007007)	EC	7.50%	1.0000		28,100,000.00
2007/2017 FLG101017	(CSDRMS 2007008)	EC	7.75%	1.0000		1,666,008.00
2007/2017 LCG101117	(CSDRMS 2007009)	EC	7.50%	1.0000		26,990,000.00
2008/2018 LCG100118 (EC\$16m) (FCIB)	(CSDRMS 2007001)	EC	7.50%	1.0000		16,000,000.00
2008/2018 LCG100718 (EC\$70M)	(CSDRMS 2008005)	EC	7.50%	1.0000		67,860,000.00
Treasury Note						
2004/2009 LCN230709	(CSDRMS 2004604)	EC	5.79%	1.0000		42,569,000.00
2005/2010 LCN141010	(CSDRMS 2005001)	EC	5.50%	1.0000		48,200,000.00
2008/2013 LCN090713		EC		1.0000		28,896,000.00
Treasury Bills						
Special Issue		EC	4% & 5%	1.0000		32,678,582.55
LCB210109 (EC\$25 Million)		EC		1.0000		24,159,161.10
LCB060309 (EC\$16Million)		EC		1.0000		14,327,422.74
LCB170309 EC\$11M)		EC		1.0000		10,065,149.00
SUB - TOTAL (Central Gov't)						708,543,182.38
2. Government Guaranteed						
(a) Dennerly Farmco		EC		1.0000		2,172,246.65
(b) Freezone Management Authority		EC		1.0000		154,290.48
(c) NDC		EC		1.0000		5,000.00
(d) Radio St. Lucia Ltd.		EC		1.0000		1,652,147.81
(e) Soufriere Regional Development Foundation		EC		1.0000		1,290,083.97
(f) St. Lucia Air & Sea Ports Authority		EC		1.0000		9,427,233.37
(g) St. Lucia Fish Marketing Corporation		EC		1.0000		4,343,465.28
(h) St. Lucia Livestock Development		EC		1.0000		263,572.55
(i) St. Lucia Marketing Board		EC		1.0000		526,639.40
(j) St. Lucia National Housing Corp.		EC		1.0000		8,651,194.00
(k) St. Lucia Tourist Board		EC		1.0000		1,460,298.83
(l) Water and Sewerage Authority		EC		1.0000		8,691,624.83
SUB - TOTAL (Gov't Guaranteed)						38,637,797.17
3. Public Non-Guaranteed						
St. Lucia Air & Sea Ports Authority						
Bank of Nova Scotia						
--Ferry Terminal and LPC Extension	(CSDRMS 2003521)	EC\$		1.0000		7,181,962.59
--Upgrading of Terminal & Rehab. Of Runway of Hewanorra Airport	(CSDRMS 1991720)	EC\$		1.0000		11,117,193.73
Bank of St. Lucia						
--Purchase Equipment & Financing of Capital Projects		EC\$		1.0000		7,037,477.42
St. Lucia National Lotteries Authority						
- National Stadium, Beausejour Cricket Ground		ECD	10.25%	1.0000		21,237,061.02
SUB - TOTAL (Gov't Non-Guaranteed)						46,573,694.76
TOTAL (Domestic)						793,754,674.31
B. EXTERNAL						
Bonds						
-Royal Merchant Bank						
EC\$63.5 M	CSDRMS 2000071	EC\$	8.95%	1.0000	63,500,000.00	63,500,000.00
US\$41M	CSDRMS 2003090	USD	7.75%	2.7000	26,357,142.85	71,164,285.70
-CITIBANK						
US\$25M	CSDRM 2002080-81	USD	7.75%	2.7000	12,500,000.00	33,750,000.00
BDS\$10M	CSDRMS 2002082	BDS	7.25%	1.3500	7,500,000.00	10,125,000.00
EC\$20M	CSDRMS 2001060	EC\$	9.90%	1.0000	12,500,000.00	12,500,000.00
US\$15M	CSDRMS 2003030	USD	7.80%	2.7000	8,437,500.00	22,781,250.00
-Other: RGSM, NSDB						
NSDB 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
2008/2018 LCG100718 (EC\$70M)		EC\$		1.0000		2,140,000.00
Treasury Note						
2004/2009 LCN230709		EC	5.79%	1.0000		7,431,000.00
2005/2010 LCN141010		EC	5.50%	1.0000		1,800,000.00
2008/2013 LCN090713		EC		1.0000		1,104,000.00
Treasury Bills						
LCG210109 (EC\$25 M)		EC		1.0000		199,743.02
LCB060309 (EC\$16 M)		EC		1.0000		1,433,234.00
LCB170309 (EC\$11 Million)		EC		1.0000		770,302.14
LOANS						
Bilateral:						
(i) Rodney Bay Sewerage (CSDRMS 2001040)	C LC 0006 01 C	EUR	5.00%	0.0000	1,268,491.78	4,815,829.04
(ii) Castries Cul-De Sac Highway (CSDRMS 1995051)	C LC 1005 01 C	USD	3.50%	2.7000	1,636,363.63	4,418,181.80
(iii) Northern Water Supply (CSDRMS 2001020)	C LC 1009 01G	EUR	5.00%	0.0000	2,100,000.00	7,972,650.00
(iv) Rehabilitation of Tertiary Roads (CSDRMS 2003050)	CLC 3000 01 Z	EUR	3.50%	0.0000	9,832,580.18	37,329,390.65
Kuwait Fund for Arab Economic Development						
(i) Castries Cul-De Sac Highway (CSDRMS 1995040)	470	KWD	4.00%	0.0000	666,674.00	6,519,671.72
(ii) Castries/Choc Bay Junction Hwy.Imp. (CSDRMS 2002020)	646	KWD	4.00%	0.0000	1,804,734.18	17,649,217.44

LISTING OF OFFICIAL DEBT
as at December 31, 2008

LOAN		REFERENCE	CURRENCY	INTEREST RATE	EXCHANGE RATE	CURRENT BALANCE	
						FOREIGN CURRENCY	EC\$ EQUIVALENT
Multilateral: Caribbean Development Bank:							
Vigie Terminal (Paid Off)		3/SFR-OR	ECD	8.00%	1.00000	0.00	0.00
West Indies Shipping Corporation	(CSDRMS19992030)	6/SFR-R-ST.L	ECU	2.00%	0.0000	46,044.84	174,809.24
Rural Electrification (Paid -off)		21/SFR-STL	USD	4.00%	2.7000	0.00	0.00
Purchase of Equity - SLDB	(CSDRMS1982020)	27/SFR-ST.L	USD	0.75%	2.7000	255,777.76	690,599.95
Water Supply		37/SFR	CAD	4.00%	0.0000	0.00	0.00
			STG	4.00%	0.0000	0.00	0.00
			USD	4.00%	2.7000	0.00	0.00
			SWKR	4.00%	0.0000	0.00	0.00
(CSDRMS 1986015)			SDR	4.00%	0.0000	818,771.55	3,371,758.56
Feeder Roads		38/SFR-STL	USD	4.00%	2.7000	0.00	0.00
Technical Vocational Education	(CSDRMS 1987020)	39/SFR-ST.L	SDR	0.75%	0.0000	1,440,180.15	5,930,762.67
	(CSDRMS 1987010)	39/SFR-ST.L	USD	2.00%	2.7000	624,241.42	1,685,451.83
Water Supply (4th Loan)	(CSDRMS 1990012)	8/SFR-OR-STL	USD	2.00%	2.7000	3,312,310.63	8,943,238.70
	(CSDRMS 2008015)		USD	5.92%	2.7000	605,772.28	1,635,585.16
	(CSDRMS 1990013)		CAD	5.92%	0.0000	0.00	0.00
	(CSDRMS 1990014)		STG.	5.92%	0.0000	0.00	0.00
Road Improvement and Maintenance	(CSDRMS 2008027)	13/SFR-OR-ST.L	USD	5.92%	2.7000	386,724.34	1,044,155.72
	(CSDRMS 19920012)		USD	2.00%	2.7000	316,586.15	854,782.61
Road Improvement & Maintenance		43/SFR-ST.L	SDR	0.75%	0.0000	1,013,479.84	4,173,580.92
Road Improvement & Maintenance	(CSDRMS 1994011)	15/SFR-OR-ST.L	USD	2.00%	2.7000	1,155,625.00	3,120,187.50
	(CSDRMS 2008021)		USD	5.92%	2.7000	1,533,260.27	4,139,802.73
	(CSDRMS 1994013)		TTD	5.92%	0.0000	0.00	0.00
	(CSDRMS 1994014)		ECD	5.92%	1.0000	0.00	0.00
	(CSDRMS 1994015)		EUR	5.92%	0.0000	0.00	0.00
	(CSDRMS 1994016)		STG	5.92%	0.0000	0.00	0.00
Caribbean Court of Justice	(CSDRMS 2003070)	15/OR-STL	USD	5.92%	2.7000	1,320,000.00	3,564,000.00
Economic Reconstruction Programme (Schools & Health)	(CSDRMS 2003081)	28/SFR-OR-ST.L	USD	2.50%	2.7000	1,747,536.43	4,718,348.36
	(CSDRMS 2008017)		USD	5.92%	1.0000	1,434,737.36	1,434,737.36
Banana Recovery Project	(CSDRMS 2003011)	27/SFR-OR	USD	2.50%	2.7000	2,886,697.32	7,794,082.76
Rehabilitation of Storm Damages	(CSDRMS 1995011)	45/SFR-STL	USD	2.00%	2.7000	3,481,116.85	9,399,015.50
OECS Waste Management Project	(CSDRMS 1995044)	18/SFR-OR-ST.L	USD	5.92%	2.7000	1,408,235.28	3,802,235.26
	(CSDRMS 1995043)		USD	2.00%	2.7000	1,110,000.00	2,997,000.00
	(CSDRMS 2000020)	18/SFR-OR-ST.L (ADD)		2.00%	2.7000	1,882,601.32	5,083,023.56
Basic Education Reform Project	(CSDRMS 1995092)	16/SFR-OR-ST.L	USD	2.00%	2.7000	2,654,318.17	7,166,659.06
	(CSDRMS 1995091)			5.92%	2.7000	700,000.05	1,890,000.14
Rural Enterprise Project	(CSDRMS 19970110)	47/SFR-ST.L	USD	2.50%	2.7000	594,127.44	1,604,144.09
Disaster Mitigation	(CSDRMS 1998011)	20/SFR-OR-ST.L	USD	5.92%	2.7000	722,632.92	1,951,108.88
	(CSDRMS 1998012)		USD	5.92%	2.7000	2,773,873.19	7,489,457.61
Roads Development Project	(CSDRMS 2008020)	12/OR-ST.L	USD	5.92%	2.7000	23,457,868.84	63,336,245.87
	(CSDRMS 2000022)		STG.	5.92%	0.0000	0.00	0.00
	(CSDRMS 2000023)		ECD	5.92%	1.0000	0.00	0.00
Roads Development Project	(CSDRMS 2008025)	12/OR-ST.L (ADD)	USD	5.92%	2.7000	2,414,690.55	6,519,664.49
	(CSDRMS 2003021)		STG.	5.92%	0.0000	0.00	0.00
	(CSDRMS 2003022)		ECD	5.92%	1.0000	0.00	0.00
Roads Development Project	(CSDRMS 2008026)	2ND 12/OR-ST.L (ADD)	USD	5.92%	2.7000	22,403,799.63	60,490,259.00
	(CSDRMS 2005008)		GBP	5.92%	0.0000	0.00	0.00
Basic Education Reform Project	(CSDRMS 2000061)	22/SFR-OR-ST.L	USD	3.50%	2.7000	3,400,000.00	9,180,000.00
	(CSDRMS 2008028)		USD	5.92%	2.7000	1,888,235.35	5,098,235.45
	(CSDRMS 2000063)		ECD	5.92%	1.0000	0.00	0.00
Landslide Immediate Response	(CSDRMS 2000031)	48 SFR-ST.L	USD	2.50%	2.7000	499,999.99	1,349,999.97
Hurricane Lenny Immediate Response	(CSDRMS 2000032)	49 SFR-ST.L	USD	2.50%	2.7000	158,847.30	428,887.71
Shelter Development Project	(CSDRMS 2001052)	23/SFR-OR-STL	USD	3.50%	2.7000	2,325,719.39	6,279,442.35
	(CSDRMS 2008029)		USD	5.92%	2.7000	2,596,459.61	7,010,440.95
	(CSDRMS 2001054)		ECD	5.92%	1.0000	0.00	0.00
Natural Disaster Management -Rehabilitation-Landslide		24/SFR-OR-ST.L	USD	2.50%	2.7000	2,080,566.16	5,617,528.63
			USD	5.92%	2.7000	1,322,973.79	3,572,029.23
		24/SFR-OR-ST.L (ADD)	USD	5.92%	2.7000	54,953.43	148,374.26
			USD	2.50%	2.7000	29,193.76	78,823.15
Student Loan Scheme # 6	(CSDRMS 2002052)	26/SFR-OR-ST.L	USD	2.50%	2.7000	2,041,051.45	5,510,838.92
	(CSDRMS 2002051)		USD	5.92%	2.7000	4,143,952.94	11,188,672.94
Fifth Water Supply Project	(CSDRMS 2001102)	25/SFR-OR-ST.L	USD	2.50%	2.7000	1,832,779.69	4,948,505.16
	(CSDRMS 2001101)		USD	5.92%	2.7000	2,031,664.73	5,485,494.77
	(CSDRMS 2003060)	25/SFR-OR-ST.L (ADD)	USD	5.92%	2.7000	461,501.76	1,246,054.75
Regional Tourism Emergency	(CSDRMS 2002092)	50 SFR-ST.L	USD	2.50%	2.7000	164,583.37	444,375.10
Improvement of Drainage Systems	(CSDRMS2002090)	51 SFR-ST.L	USD	2.50%	2.7000	110,512.17	298,382.86
Natural Disaster Mgmt - Immediate Response -Hurricane Lili (2002093)		52 SFR-ST.L	USD	2.50%	2.7000	255,592.96	690,100.99
Economic Reconstruction Programme - Tourism Dev. (2008022)		14/OR-ST.L	USD	5.92%	2.7000	1,814,153.90	4,898,215.53
	(CSDRMS 2003103)		STG	5.92%	0.0000	0.00	0.00
	(CSDRMS 2003102)		CAD	5.92%	0.0000	0.00	0.00
	(CSDRMS 2003105)		XCD	5.92%	1.0000	0.00	0.00
	(CSDRMS 2003104)		TTD	5.92%	0.0000	0.00	0.00
Flood Mitigation	(CSDRMS 2008030)	29/SFR-OR-ST.L	USD	5.92%	2.7000	3,701,140.62	9,993,079.67
	(CSDRMS 2004109)		USD	2.50%	2.7000	1,617,081.56	4,366,120.21
			EUR	5.92%	0.0000	0.00	0.00

LISTING OF OFFICIAL DEBT
as at December 31, 2008

LOAN	REFERENCE	CURRENCY	INTEREST RATE	EXCHANGE RATE	CURRENT BALANCE	
					FOREIGN CURRENCY	EC\$ EQUIVALENT
Policy Based Loan (pending)	30/SFR-ST.L	USD				0.00
Basic Education Enhancement (pending)						
European Investment Bank (EIB)						
St Lucia Project (Conditional Loan on Rick Capital Resources) (CSDRMS 1984060)		ECU	2.00%	0.0000	0.00	0.00
Conditional Loan Risk Capital SLDB II- A (CSDRMS 1994120)	70984	ECU	0.00%	0.0000	500,000.00	1,898,250.00
International Fund for Agricultural Dev. (IFAD)						
Rural Enterprise Project (CSDRMS 1996020)	I 414 LC	SDR	2.68%	0.0000	544,112.85	2,240,694.80
OPEC						
(i) Castries Cul-De Sac Highway (CSDRMS 1995050)	625P	USD	5.00%	2.7000	500,060.00	1,350,162.00
(ii) Roseau Dam Project (CSDRMS 1990200)	508P	USD	5.50%	2.7000	0.00	0.00
The World Bank						
Watershed & Environmental Project						
- IDA (CSDRMS 1995020)	27680	SDR	0.75%	0.0000	1,551,249.99	6,388,156.05
- IBRD (CSDRMS 1995021)	39250	USD	5.32%	2.7000	490,000.00	1,323,000.00
Water Supply Project (Roseau Dam)						
-IDA (CSDRMS 1990040)	21200	SDR	0.75%	0.0000	3,150,000.00	12,971,920.50
-IBRD (CSDRMS 1990050)	31840	USD	5.32%	2.7000	0.00	0.00
Basic Education Reform Project						
-IDA (CSDRMS 1995031)	26760	SDR	0.75%	0.0000	2,069,998.65	8,524,399.34
-IBRD (CSDRMS 1995030)	38370	USD	4.62%	2.7000	278,087.03	750,834.98
OECS Telecommunications Reform Project						
- IDA (CSDRMS 1998021)	30880	SDR	0.75%	0.0000	414,719.30	1,707,843.11
-IBRD (CSDRMS 1998020)	43370	USD	5.01%	2.7000	397,018.08	1,071,948.82
Emergency Recovery & Disaster Management Project						
-IDA (CSDRMS 1998031)	31510	SDR	0.75%	0.0000	2,172,498.58	8,946,501.23
-IBRD (CSDRMS 1998030)	44190	USD	5.01%	2.7000	1,961,456.51	5,295,932.58
Poverty Reduction Fund						
- IDA (CSDRMS 1999010)	32770	SDR	0.75%	0.0000	1,200,000.00	4,941,684.00
- IBRD (CSDRMS 1999020)	45080	USD	5.01%	2.7000	1,000,271.42	2,700,732.83
OECS Waste Management Project						
- IDA (CSDRMS 1995024)	27160	SDR	0.75%	0.0000	1,455,784.59	5,995,022.85
- IBRD (CSDRMS 1995025)	38810	USD	4.85%	2.7000	251,984.42	680,357.93
Water Sector Reform Project IBRD						
-IDA (CSDRMS 2002002)	35920	SDR	0.75%	0.0000	1,100,000.00	4,529,877.00
-IBRD (CSDRMS 2002001)	70960	USD	2.61%	2.7000	607,700.76	1,640,792.05
Emergency Recovery						
-IDA (CSDRMS 2002072)	36120	SDR	0.75%	0.0000	3,599,997.65	14,825,042.32
-IBRD (CSDRMS 2002071)	71020	USD	5.29%	2.7000	1,256,106.49	3,391,487.52
OECS Education Development						
-IDA (CSDRMS 2002010)	36610	SDR	0.75%	0.0000	4,800,000.00	19,766,736.00
-IBRD (CSDRMS 2002011)	71240	USD	4.82%	2.7000	5,287,081.70	14,275,120.59
Disaster Mitigation Project II						
-IBRD (CSDRMS 2004112)	72380	USD	2.54%	2.7000	2,085,211.08	5,630,069.92
-IDA (CSDRMS 2004111)	39360	SDR	0.75%	0.0000	2,600,000.00	10,706,982.00
HIV/AIDS Prevention & Control						
-IDA (CSDRMS 2004108)	39470	SDR	0.75%	0.0000	1,066,920.27	4,393,652.36
-IBRD (CSDRMS 2004113)	72520	USD	5.16%	2.7000	487,529.66	1,316,330.08
Water Supply Infrastructure Improvement Project						
-IDA (CSDRMS 2007018)	40650	SDR	0.80%	0.0000	2,600,000.00	10,706,982.00
-IBRD (CSDRMS 2005001)	72970	USD	4.61%	2.7000	3,850,000.00	10,395,000.00
-IDA (CSDRMS) Addl Financing	40651	SDR		0.0000	1,298,659.90	5,347,972.37
Telecom & Information & Communication Tech. Dev Project						
-IDA (CSDRMS 2005005)	40570	SDR	0.50%	0.0000	137,407.61	565,854.16
-IBRD (CSDRMS 2005004)	47770	USD	4.61%	2.7000	54,315.07	146,650.69
OECS Catastrophe Insurance Project						
-IDA (CSDRMS 2007001)	42710	SDR	0.75%	0.0000	2,172,439.67	8,946,258.63
OECS Skills for Inclusive Growth						
-IDA	43000	SDR	0.75%	0.0000	158,536.32	652,863.66
Other						
(i) Bordelais Correctional Facility	CSDRMS 1998109	ECD	8.00%	1.0000	0.00	0.00
RMB	CSDRMS 1998090	USD	8.00%	2.7000	0.00	0.00
(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%	0.0000	228,881.00	897,694.17
SUB - TOTAL (Central Gov't)						888,542,854.18
2. GOVERNMENT GUARANTEED						
(a) National Development Corporation (N.D.C.)						
CDB Loans:						
Industrial Estate VII (CSDRMS 1988021)	7/SFR-STL	USD	5.92%	2.7000	135,031.96	364,586.29
(CSDRMS 1988022)			2.20%	2.7000	82,182.59	221,892.99
Industrial Estate VIII (CSDRMS 2008019)	11/SFR-OR	USD	5.92%	2.7000	299,421.24	808,437.35
(CSDRMS 1991032)		USD	2.00%	2.7000	549,843.00	1,484,576.10
(CSDRMS 1991033)		TTD	5.92%	0.0000	0.00	0.00
(b) LUCELEC						
Expansion Project II						
European Investment Bank (EIB)	LOAN #1.3768	STG	5.15%	0.0000	-	0.00
		YEN	5.15%	0.0000	-	0.00
		USD	5.15%	2.7000	-	0.00
Generator Expansion II	CSDRMS 1997020	USD	3.78%	2.7000	667,602.50	1,802,526.75
	Tranche 1	USD	3.19%	2.7000	1,865,613.02	5,037,155.15

LISTING OF OFFICIAL DEBT
as at December 31, 2008

		As at December 31, 2000		CURRENT BALANCE			
LOAN		REFERENCE	CURRENCY	INTEREST RATE	EXCHANGE RATE	FOREIGN CURRENCY	EC\$ EQUIVALENT
(c) BANK OF ST. LUCIA (SLDB). CDB Loans:							
Student Loans	(CSDRMS2008016)	9/SFR-OR	USD	5.92%	2.7000	24,194.02	65,323.85
	(CSDRMS 1990032)		BZD	5.50%	1.3500	0.00	0.00
			USD		2.7000	95,671.03	258,311.78
Consolidated Line of Credit II	(CSDRMS 1988011)	40/SFR-STL	USD	3.00%	2.7000	627,515.10	1,694,290.77
			EUR	4.00%	0.0000	0.00	0.00
Consolidated Line of Credit III	(CSDRMS 1991052)	12/SFR-OR	USD	2.00%	2.7000	386,998.86	1,044,896.92
	(CSDRMS 1991051)			5.92%	2.7000	393,470.46	1,062,370.24
Consolidated Line of Credit IV	(CSDRMS 1993011)	14/SFR-OR-STL	USD	2.00%	2.7000	657,926.95	1,776,402.77
	(CSDRMS 1993012)			5.92%	2.7000	1,805,150.18	4,873,905.49
Consolidated Line of Credit V	(CSDRMS 1995071)	17/SFR-OR-STL	USD	2.00%	2.7000	649,164.37	1,752,743.80
	(CSDRMS 1995072)			5.92%	2.7000	2,190,015.79	5,913,042.63
Consolidated Line of Credit VI	(CSDRMS 1998041)	19/SFR-OR-STL	USD	2.00%	2.7000	809,128.36	2,184,646.57
	(CSDRMS 1998042)			5.92%	2.7000	3,395,810.85	9,168,689.30
Consolidated Line of Credit VII	(CSDRMS 2000011)	21/SFR-OR-STL	USD	2.00%	2.7000	1,298,001.65	3,504,604.46
	(CSDRMS 2000012)			5.92%	2.7000	4,935,844.56	13,326,780.31
European Investment Bank: St. Lucia Development Bank II B AFF.01	(CSDRMS 1994051)	17714	USD	4.2%& 3%	2.7000	0.00	0.00
	CSDRMS 1994052		STG	4.20%	0.0000	0.00	0.00
St. Lucia Development Bank II B	(CSDRMS 1994053)	17714	YEN	3.00%	0.0000	0.00	0.00
	(CSDRMS 1994054)		CHF	3.00%	0.0000	0.00	0.00
Bank of St Lucia Global Loan	(CSDRMS 2001111)	21435	EUR	3.00%	0.0000	3,870,439.61	14,694,123.98
Agence Francaise De Developpement: Refinancing Industry & Tourism (CSDRMS 1993091)		CLC 1001 01 Y	USD	4.00%	2.7000	222,953.50	601,974.45
(d) Air & Sea Ports Authority CDB:							
Fourth Airport Project	(CSDRMS 1991022)	10/SFR-OR-ST.L	USD	2.00%	2.7000	1,613,056.81	4,355,253.39
	(CSDRMS 1991021)	10/SFR-OR-ST.L	USD	5.92%	2.7000	632,449.17	1,707,612.76
Air Cargo Facility		35/SFR-ST.L	USD	4.00%	2.7000	0.00	0.00
Upgrading Cruiseship Facilities	(CSDRMS 1995081)	11/OR-STL	ECD	5.92%	1.0000	0.00	0.00
	(CSDRMS 2008018)		USD	5.92%	2.7000	3,445,000.12	9,301,500.32
Agence Francaise De Developpement Hewanorra Airport Extension Project (CSDRMS 2001103)		C LC 0002 01 Y	EUR	5.00%	0.0000	416,350.51	1,580,674.71
SUB - TOTAL (Gov't Guaranteed)							88,586,323.13
3. Non-Guaranteed							
Bank of St. Lucia (SLDB) SLDB II - C (Conditional Loan on Risk Capital Resources) - (CSDRMS1994041)		70985	EUR	0.00%	0.0000	1,000,000.00	3,796,500.00
SUB - TOTAL (Non-Guaranteed)							3,796,500.00
TOTAL (External)							980,925,677.31
TOTAL (Gov't Guaranteed)							127,224,120.30
TOTAL (Non-guaranteed)							50,370,194.76
TOTAL (Central Gov't)							1,597,086,036.56
GRAND TOTAL							1,774,680,351.62

Source: Debt Department

DISTRIBUTION OF PUBLIC SECTOR LOANS BY CREDITOR

CENTRAL GOVERNMENT (external debt)		
CDB:	312,838,300.13	35.21%
E.I.B.:	1,898,250.00	0.21%
I.F.A.D.:	2,240,694.80	0.25%
IDA	129,917,747.57	14.62%
IBRD	48,618,257.99	5.47%
OPEC	1,350,162.00	0.15%
AGENCE FRANCAISSE	54,536,051.50	6.14%
KUWAIT FUND	24,168,889.16	2.72%
CITIBANK	79,156,250.00	8.91%
ROYAL MERCHANT BANK	134,664,285.70	15.16%
ANGLOCO	0.00	0.00%
EYRE-SPOTTISWOODE	897,694.17	0.10%
OTHER NSDB	14,584,000.00	1.64%
RGSM	81,268,992.00	9.15%
T.BILLS	2,403,279.16	0.27%
SUB TOTAL	888,542,854.18	1.00
GOVERNMENT GUARANTEED		
CDB	64,869,868.09	73.23%
EIB	21,533,805.88	24.31%
AGENCE FRANCAISSE	2,182,649.16	2.46%
SUB TOTAL	88,586,323.13	1.00
NON-GUARANTEED		
EIB	3,796,500.00	100.00%
FINCOR	0.00	0.00%
SUB TOTAL	3,796,500.00	1.00
GRAND TOTAL	980,925,677.31	

Source: Debt & Investment Unit

Composition of Public External Debt by Economic Sector (EC\$'000)

Economic Sector	2008		2007	
	Disbursed Outstanding Debt	Percentage of DOD	Disbursed Outstanding Debt	Percentage of DOD
Agriculture, Fishing & Forestry	11,621	1.2%	10,927	1.0%
Communications & Works	268,500	27.3%	281,760	25.6%
Roads & Bridges	184,342	18.8%	187,236	17.0%
Telecommunications	713	0.1%	465	0.0%
Other	83,446	8.5%	94,059	8.6%
Education & Training	100,329	10.2%	101,290	9.2%
Foreign Affairs	0	0.0%	0	0.0%
Computer Technology	2,780	0.3%	3,120	0.3%
Finance, Insurance, Etc.	122,728	12.5%	150,476	13.7%
Housing & Urban Development	13,290	1.4%	11,294	1.0%
Industrial Development	11,083	1.1%	16,377	1.5%
Health & Social Welfare	5,710	0.6%	2,334	0.2%
Hotel & Tourism Industry	104,562	10.6%	123,601	11.2%
Utilities	107,478	10.9%	113,278	10.3%
Multi-sector	109,767	11.2%	111,695	10.2%
Other	124,658	12.7%	173,698	15.8%
TOTAL	982,506	100.0%	1,099,850	100.0%

Source: Debt & Investment Unit

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

COMMODITY GROUP	2003	2004r	2005	2006r	2007pre	2008pre	change
CONSUMER GOODS	574.96	640.03	696.49	820.65	760.24	820.35	7.91%
0. Food & Live Animals	204.01	225.93	234.16	255.40	261.33	292.02	11.74%
1. Beverage & Tobacco	41.29	45.74	47.86	55.42	71.44	74.93	4.88%
6. Manufactured Goods Classified Chiefly by Material	165.77	183.72	204.20	283.41	208.23	239.14	14.84%
8. Miscellaneous Manufactured Articles	163.89	184.64	210.27	226.42	219.23	214.25	-2.27%
INTERMEDIATE GOODS	228.82	267.80	317.37	363.52	488.72	605.63	23.92%
2. Crude Materials, Inedible Except Fuels	24.01	27.25	35.80	43.99	33.63	31.04	-7.72%
3. Mineral Fuel, Lubricants and Related Materials	123.48	148.08	180.96	205.97	352.16	458.71	30.25%
4. Animal and Vegetable Oils & Fats	2.03	2.70	4.14	3.98	4.20	5.64	34.40%
5. Chemicals and Related Products	79.30	89.77	96.47	109.57	98.73	110.24	11.66%
CAPITAL GOODS	285.62	229.93	288.50	414.29	413.08	346.78	-16.05%
7. Machinery and Transport Equipment	285.36	229.74	288.15	413.59	412.32	344.84	-16.37%
9. Miscellaneous	0.26	0.19	0.35	0.70	0.75	1.94	159.31%
TOTAL	1,089.40	1,137.76	1,302.36	1,598.46	1,662.04	1,772.76	6.66%

Source: Government Statistics Department

r=revised; pre=preliminary

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

COMMODITY GROUP	2003	2004r	2005	2006r	2007pre	2008pre	change
CONSUMER GOODS	505.97	563.23	612.91	722.17	669.01	721.91	7.91%
0. Food & Live Animals	179.53	198.82	206.06	224.75	229.97	256.98	11.74%
1. Beverage & Tobacco	36.34	40.25	42.12	48.77	62.87	65.94	4.88%
6. Manufactured Goods Classified Chiefly by Material	145.88	161.68	179.69	249.40	183.24	210.44	14.84%
8. Miscellaneous Manufactured Articles	144.22	162.48	185.04	199.25	192.92	188.54	-2.27%
INTERMEDIATE GOODS	201.36	235.66	279.29	319.90	430.07	532.95	23.92%
2. Crude Materials, Inedible Except Fuels	21.13	23.98	31.50	38.71	29.60	27.31	-7.72%
3. Mineral Fuel, Lubricants and Related Materials	108.66	130.31	159.25	181.26	309.90	403.66	30.25%
4. Animal and Vegetable Oils & Fats	1.79	2.38	3.64	3.50	3.69	4.97	34.40%
5. Chemicals and Related Products	69.78	79.00	84.89	96.42	86.88	97.01	11.66%
CAPITAL GOODS	251.35	202.34	253.88	364.58	363.51	305.17	-16.05%
7. Machinery and Transport Equipment	251.12	202.17	253.58	363.96	362.85	303.46	-16.37%
9. Miscellaneous	0.23	0.17	0.30	0.62	0.66	1.71	159.31%
TOTAL	958.68	1,001.23	1,146.07	1,406.64	1,462.59	1,560.03	6.66%

Source: Government Statistics Department

r=revised; pre=preliminary

IMPORTS BY STANDARD INTERNATIONAL TRADE CLASSIFICATION
Percentage of Total

COMMODITY GROUP	2003	2004r	2005r	2006pre	2007pre	2008pre
CONSUMER GOODS	52.78%	56.25%	53.48%	51.34%	45.74%	46.28%
0. Food & Live Animals	18.73%	19.86%	17.98%	15.98%	15.72%	16.47%
1. Beverage & Tobacco	3.79%	4.02%	3.67%	3.47%	4.30%	4.23%
6. Manufactured Goods Classified Chiefly by Material	15.22%	16.15%	15.68%	17.73%	12.53%	13.49%
8. Miscellaneous Manufactured Articles	15.04%	16.23%	16.15%	14.16%	13.19%	12.09%
INTERMEDIATE GOODS	21.00%	23.54%	24.37%	22.74%	29.41%	34.16%
2. Crude Materials, Inedible Except Fuels	2.20%	2.39%	2.75%	2.75%	2.02%	1.75%
3. Mineral Fuel, Lubricants and Related Materials	11.33%	13.01%	13.90%	12.89%	21.19%	25.88%
4. Animal and Vegetable Oils & Fats	0.19%	0.24%	0.32%	0.25%	0.25%	0.32%
5. Chemicals and Related Products	7.28%	7.89%	7.41%	6.85%	5.94%	6.22%
CAPITAL GOODS	26.22%	20.21%	22.15%	25.92%	24.85%	19.56%
7. Machinery and Transport Equipment	26.19%	20.19%	22.13%	25.87%	24.81%	19.45%
9. Miscellaneous	0.02%	0.02%	0.03%	0.04%	0.04%	0.11%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

IMPORTS BY STANDARD INTERNATIONAL TRADE CLASSIFICATION
Percentage Change

COMMODITY GROUP	2003	2004r	2005r	2006pre	2007pre	2008pre
CONSUMER GOODS	20.51%	11.32%	8.82%	17.83%	-7.36%	7.91%
0. Food & Live Animals	20.75%	10.74%	3.64%	9.07%	2.32%	11.74%
1. Beverage & Tobacco	27.85%	10.77%	4.64%	15.80%	28.91%	4.88%
6. Manufactured Goods Classified Chiefly by Material	15.50%	10.83%	11.14%	38.79%	-26.53%	14.84%
8. Miscellaneous Manufactured Articles	23.85%	12.66%	13.88%	7.68%	-3.17%	-2.27%
INTERMEDIATE GOODS	28.84%	17.03%	18.51%	14.54%	34.44%	23.92%
2. Crude Materials, Inedible Except Fuels	10.85%	13.49%	31.38%	22.89%	-23.55%	-7.72%
3. Mineral Fuel, Lubricants and Related Materials	47.44%	19.92%	22.21%	13.82%	70.97%	30.25%
4. Animal and Vegetable Oils & Fats	114.75%	32.97%	53.10%	-3.82%	5.50%	34.40%
5. Chemicals and Related Products	11.31%	13.21%	7.46%	13.58%	-9.89%	11.66%
CAPITAL GOODS	46.21%	-19.50%	25.47%	43.60%	-0.29%	0.00%
7. Machinery and Transport Equipment	46.18%	-19.49%	25.42%	43.53%	-0.31%	-16.37%
9. Miscellaneous	92.54%	-27.15%	80.53%	103.69%	6.84%	159.31%
TOTAL	28.16%	4.44%	14.47%	22.74%	3.98%	6.66%

Source: Government Statistics Department

r=revised; pre=preliminary

TOTAL RE-EXPORTS BY STANDARD INTERNATIONAL TRADE CLASSIFICATION
(EC\$ Millions)

COMMODITY GROUP	2002	2003	2004	2005	2006	2007	2008pre	change
CONSUMER GOODS	25.55	33.88	12.09	12.21	27.17	47.62	35.42	-25.6%
0. Food & Live Animals	0.97	1.09	0.55	0.76	0.14	1.69	1.85	9.6%
1. Beverages & Tobacco	0.59	0.93	0.30	0.44	0.32	0.31	0.34	10.6%
6. Manufactured Goods Classified Chiefly by Material	11.83	12.53	4.67	2.51	3.32	21.88	9.77	-55.3%
8. Miscellaneous Manufactured Articles	12.16	19.34	6.57	8.50	23.39	23.75	23.45	-1.2%
INTERMEDIATE GOODS	39.40	47.40	52.26	29.07	58.05	61.40	101.67	65.6%
2. Crude Materials, Inedible except Fuels	0.52	0.29	0.75	0.56	0.47	0.42	3.31	693.5%
3. Mineral Fuels, Lubricants and Related Materials	35.10	43.90	49.96	26.80	54.71	56.33	84.37	49.8%
4. Animal and Vegetable Oils, Fats and Waxes	0.00	0.00	0.02	0.02	0.00	0.00	0.01	
5. Chemicals and Related Products	3.77	3.21	1.53	1.69	2.87	4.66	13.99	200.3%
CAPITAL GOODS	71.46	82.83	28.78	24.71	25.64	41.34	49.75	20.4%
7. Machinery and Transport Equipment	65.43	77.54	26.45	22.84	23.39	37.39	46.18	23.5%
9. Miscellaneous	6.03	5.29	2.33	1.87	2.24	3.95	3.57	-9.6%
TOTAL	136.41	164.11	93.13	65.99	110.85	150.36	186.84	24.3%

Source: Government Statistics Department (St.Lucia)

pre=preliminary

**DOMESTIC EXPORTS BY STANDARD INTERNATIONAL TRADE CLASSIFICATION
(EC\$ MILLIONS)**

COMMODITY GROUP	2002	2003	2004r	2005r	2006r	2007p	2008pre	change
CONSUMER GOODS	106.20	94.64	107.22	106.15	110.58	111.93	140.47	25.5%
0. Food & Live Animals	63.68	48.08	57.28	56.21	51.95	40.58	65.80	62.2%
1. Beverages & Tobacco	23.29	28.73	31.62	31.62	40.73	52.55	45.04	-14.3%
6. Manufactured Goods Classified Chiefly by Material	10.83	9.70	11.44	11.44	14.33	14.26	21.52	50.9%
8. Miscellaneous Manufactured Articles	8.41	8.13	6.88	6.88	3.57	4.55	8.10	78.1%
INTERMEDIATE GOODS	1.70	2.19	6.75	3.96	6.29	9.81	17.23	75.6%
2. Crude Materials, Inedible except Fuels	0.58	1.11	2.73	1.53	3.08	4.90	10.32	110.5%
3. Mineral Fuels, Lubricants and Related Materials	0.00	0.00	0.00	0.00	0.00	0.01	0.05	227.1%
4. Animal and Vegetable Oils, Fats and Waxes	0.13	0.01	0.21	0.00	0.00	0.00	0.00	-5.9%
5. Chemicals and Related Products	0.99	1.06	3.82	2.43	3.20	4.90	6.87	40.3%
CAPITAL GOODS	8.03	8.01	7.91	7.96	23.42	20.55	28.08	36.6%
7. Machinery and Transport Equipment	8.01	8.01	7.89	7.78	23.26	20.04	27.46	37.0%
9. Miscellaneous	0.02	0.01	0.02	0.19	0.17	0.52	0.63	21.0%
TOTAL	115.93	104.84	121.88	118.07	140.29	142.30	185.78	30.6%

Source: Statistics Department

TOTAL EXPORTS BY ECONOMIC FUNCTION

COMMODITY GROUP	2002	2003	2004r	2005r	2006r	2007p	2008pre	change
CONSUMER GOODS	131.75	128.52	119.31	118.36	137.76	159.56	175.89	10.23%
0. Food & Live Animals	64.65	49.17	57.84	56.97	52.09	42.27	67.66	60.07%
1. Beverages & Tobacco	23.88	29.65	31.91	32.06	41.05	52.86	45.38	-14.14%
6. Manufactured Goods Classified Chiefly by Material	22.66	22.23	16.11	13.95	17.65	36.14	31.29	-13.40%
8. Miscellaneous Manufactured Articles	20.57	27.47	13.45	15.38	26.97	28.30	31.55	11.50%
INTERMEDIATE GOODS	41.09	49.59	59.02	33.04	64.33	71.22	118.90	66.96%
2. Crude Materials, Inedible except Fuels	1.10	1.40	3.48	2.09	3.55	5.32	13.62	156.14%
3. Mineral Fuels, Lubricants and Related Materials	35.10	43.90	49.96	26.80	54.71	56.34	84.41	49.82%
4. Animal and Vegetable Oils, Fats and Waxes	0.13	0.01	0.23	0.03	0.00	0.00	0.01	2341.03%
5. Chemicals and Related Products	4.76	4.28	5.35	4.12	6.07	9.56	20.86	118.26%
CAPITAL GOODS	79.49	90.84	36.68	32.67	49.06	61.89	77.83	25.76%
7. Machinery and Transport Equipment	73.44	85.55	34.34	30.61	46.65	57.42	73.64	28.24%
9. Miscellaneous	6.05	5.29	2.34	2.06	2.41	4.47	4.19	-6.10%
TOTAL	252.34	268.95	215.01	184.06	251.14	292.66	372.62	27.32%

Source: Statistics Department

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

COMMODITY GROUP	2,002	2,003	2004r	2005 r	2006r	2007p	2008pre	change
CONSUMER GOODS	-288.09	-377.45	-443.92	-494.55	-584.42	-509.45	-546.02	7.18%
0. Food & Live Animals	-84.03	-130.36	-140.98	-149.09	-172.67	-187.71	-189.33	0.86%
1. Beverages & Tobacco	-4.54	-6.69	-8.34	-10.06	-7.72	-10.01	-20.56	105.29%
6. Manufactured Goods Classified Chiefly by Material	-103.64	-123.65	-145.57	-165.74	-231.75	-147.11	-179.15	21.78%
8. Miscellaneous Manufactured Articles	-95.88	-116.75	-149.03	-169.66	-172.28	-164.63	-156.99	-4.64%
INTERMEDIATE GOODS	-115.19	-151.97	-176.65	-246.24	-255.56	-358.86	-414.05	15.38%
2. Crude Materials, Inedible except Fuels	-17.96	-19.93	-20.50	-29.41	-35.16	-24.28	-13.69	-43.61%
3. Mineral Fuels, Lubricants and Related Materials	-38.60	-64.76	-80.35	-132.45	-126.55	-253.56	-319.25	25.91%
4. Animal and Vegetable Oils, Fats and Waxes	-0.70	-1.78	-2.15	-3.61	-3.50	-3.69	-4.96	34.15%
5. Chemicals and Related Products	-57.93	-65.50	-73.65	-80.77	-90.35	-77.33	-76.16	-1.51%
CAPITAL GOODS	-92.41	-160.51	-165.66	-221.21	-315.52	-301.62	-227.34	-24.63%
7. Machinery and Transport Equipment	-98.34	-165.57	-167.83	-222.97	-317.31	-305.42	-229.82	-24.75%
9. Miscellaneous	5.93	5.06	2.17	1.76	1.79	3.81	2.49	-34.70%
TOTAL	-495.69	-689.93	-786.23	-954.88	-1,155.50	-1169.93	-1187.41	1.49%

Source: Statistics Department

p=provisional

pre=preliminary

r=revised

BALANCE OF PAYMENTS
(EC\$Millions)

	2004r	2005	2006r	2007r	2008pre
CURRENT ACCOUNT	-241.28	-411.17	-766.59	-767.26	-798.87
Goods	-679.59	-889.25	-1089.78	-1102.17	-1096.11
Merchandise	-724.23	-955.70	-1155.50	-1169.94	-1187.41
Repair on goods	0.02	0.02	0.03	0.02	0.03
Goods procured in ports by carriers	44.62	66.43	65.69	67.75	91.27
Services	587.03	638.84	441.29	474.25	481.24
Transportation	-131.82	-140.00	-158.94	-171.25	-183.70
Travel	774.48	850.28	657.14	720.09	737.67
Insurance Services	-18.87	-20.79	-26.40	-22.16	-23.52
Other Business Services	-28.55	-47.98	-25.91	-39.71	-36.34
Government Services	-8.21	-2.67	-4.60	-12.72	-12.87
Income	-186.27	-195.78	-150.45	-175.98	-222.36
Compensation of Employees	0.36	0.46	0.30	0.51	0.51
Investment Income	-186.63	-196.24	-150.75	-176.49	-222.87
Current Transfers	37.55	35.02	32.35	36.64	38.36
General Government	-0.50	-3.34	-1.21	7.53	7.41
Other Sectors	38.05	38.36	33.56	29.11	30.95
CAPITAL AND FINANCIAL ACCOUNT	296.27	345.56	866.31	875.43	865.44
CAPITAL ACCOUNT	9.32	14.41	30.70	13.14	24.52
Capital Transfers	9.32	14.41	30.70	13.14	24.52
Acquisition & Disposition of Non-Produced, Non-Financial Assets	0.00	0.00	0.00	0.00	0.00
FINANCIAL ACCOUNT	286.94	331.15	835.61	862.29	840.92
Direct Investment	206.60	211.23	631.62	638.86	432.99
Portfolio Investment	43.98	64.92	-8.00	1.27	-8.39
Other Investments	36.36	55.00	211.99	222.16	416.32
Public Sector Loans	45.40	20.20	64.02	21.32	-30.68
Commercial Banks	53.97	66.50	174.00	216.60	466.19
Other	-63.01	-31.70	-26.03	-15.76	-19.19
ERRORS AND OMISSIONS	-12.39	-20.72	63.45	58.16	96.93
OVERALL BALANCE	67.38	-44.89	36.27	50.01	-30.36
FINANCING	-67.38	44.89	-36.27	-50.01	30.36
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	1.51	1.71	12.31	1.31	0.87
Change in Imputed Reserves	-68.89	43.18	-48.58	-51.32	29.49

Source :ECCB & Department of Economic Affairs, MOF

p=provisional

pre=preliminary

r=revised

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