



## Government of Antigua and Barbuda

### Government of Antigua and Barbuda

#### Prospectus

##### 2020 RGSM Issuance Programme

for the Period January through December

180-day and 365-day EC\$ Treasury Bills

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#### **PROSPECTUS: January 2020**

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

*This prospectus is issued for the purpose of giving information to the public interested in investing in Government of Antigua and Barbuda Bills and Bonds. The Government of Antigua and Barbuda accepts full responsibility for the accuracy of the information given and confirms, having made all reasonable inquiries, that to the best of its knowledge and belief there are no other facts, the omission of which would make any statement in the Prospectus misleading. If you are in doubt about the contents of this document or need financial or investment advice you should consult a person licensed under the Securities Act or any other duly qualified person who specializes in advising on the acquisition of government instruments or other securities.*



## Antigua and Barbuda Prospectus

### Contents

<b>Notice to Investors .....</b>	<b>1</b>
<b>Abstract .....</b>	<b>2</b>
<b>Issuer Information .....</b>	<b>3</b>
<b>Information About the Securities.....</b>	<b>5</b>
<b>Financial Administration and Management.....</b>	<b>6</b>
Macroeconomic Performance.....	7
Global and Regional Outlook.....	7
Economic Overview .....	8
Economic Outlook.....	8
Public Financial Management Development .....	10
Major Private Sector Investments .....	10
Government Infrastructure Projects.....	10
Tourism .....	11
Balance of Payments (BOP).....	13
Inflation.....	14
Monetary Policy.....	14
Commercial Bank Liquidity and Interest Rate.....	14
Financial Sector.....	14
Demographics.....	14
Fiscal Performance.....	15
Debt Dynamics .....	17
Medium Term Debt Strategy (2016-2020) .....	18
<b>Current Issues of Government Securities.....</b>	<b>20</b>
Managing Payments of Securities .....	22
GOAB Primary Market Performance .....	22
Secondary Market Activities .....	22
<b>Security Issuance Procedures, Clearance and Settlement.....</b>	<b>24</b>
<b>List of Licensed ECSE Member Broker Dealers .....</b>	<b>25</b>
<b>Issuer Information .....</b>	<b>27</b>
<b>Gross Domestic Product by Economic Activity in Current Prices (EC\$M) .....</b>	<b>29</b>
<b>Gross Domestic Product by Economic Activity at Constant Prices (EC\$M) .....</b>	<b>30</b>
<b>Balance of Payments Transactions BPM6 (F16) in EC\$M.....</b>	<b>31</b>
<b>Summary of Central Government Fiscal Operations (EC\$M) .....</b>	<b>32</b>

## **NOTICE TO INVESTORS**

This Prospectus is issued for the purpose of giving information to the public and investors interested in purchasing Treasury bills, notes and bonds issued by the Government of Antigua and Barbuda through the RGSM. The Government of Antigua and Barbuda accepts full responsibility for the accuracy of the information given and confirms, having made all reasonable inquiries, that to the best of its knowledge and belief there are no other facts, the omission of which would make any statement in this Prospectus misleading.

Statements contained in this Prospectus describing documents are provided in summary form only, and such documents are qualified in their entirety by reference to such documents. The ultimate decision and responsibility to proceed with any transaction or investment with respect to this offering rests solely with you as an investor. Therefore, prior to entering into the proposed investment, you should determine the economic risks and merits, as well as the legal, tax and accounting characteristics and consequences of this Securities offering, and that you are able to assume those risks.

This Prospectus and its content are issued for the specific Securities issues described herein. Investors are strongly encouraged to seek consultation from a person qualified and licensed under the Securities Act or any other duly qualified person who specializes in advising on the acquisition of government securities.

## ABSTRACT

The Government of Antigua and Barbuda (hereafter referred to as GoAB) is offering to raise financing through a series of issues on the Regional Government Securities Market (RGSM) between January and December of 2020. The GoAB's 2020 RGSM Issuance Programme is detailed in this Prospectus for consideration of investors and market participants in general. The securities will be issued on the RGSM between the months of January and December 2020, and will be traded on the Eastern Caribbean Securities Exchange Ltd (ECSE) under the following trading symbols:

<b>ECSE Symbol</b>	<b>Instrument</b>	<b>Amount</b>	<b>Tenor</b>	<b>Auction Date</b>
<b>AGB220720</b>	T-Bill	EC\$15 million	180-day	23 Jan 20
<b>AGB 190221</b>	T-Bill	EC\$15 million	365-day	19-Feb-20
<b>AGB160321</b>	T-Bill	EC\$10 million	365-day	13-Mar-20
<b>AGB130521</b>	T-Bill	EC\$20 million	365-day	12 May 20
<b>AGB211120</b>	T-Bill	EC\$20 million	180-day	22 May 20
<b>AGB021220</b>	T-Bill	EC\$20 million	180-day	04 Jun 20
<b>AGB071220</b>	T-Bill	EC\$15 million	180-day	09 Jun 20
<b>AGB160121</b>	T-Bill	EC\$15 million	180-day	17 Jul 20
<b>AGB250121</b>	T-Bill	EC\$15 million	180-day	28 Jul 20
<b>AGB010921</b>	T-Bill	EC\$20 million	365-day	31 Aug 20
<b>AGB021121</b>	T-Bill	EC\$20 million	365-day	30 Oct 20
<b>AGB231121</b>	T-Bill	EC\$15 million	365-day	20 Nov 20
<b>AGB120621</b>	T-Bill	EC\$20 million	180-day	11 Dec 20
<b>AGB140621</b>	T-Bill	EC\$20 million	180-day	15 Dec 20

In the event there is an oversubscription, the GoAB is willing to accept up to an additional five million Eastern Caribbean Dollars (EC\$5m) of the oversubscription amount issued in each of the issues.

The securities are being offered to refinance maturing RGSM securities, assist with the Government's short-term cash flow management requirements and facilitate ongoing liability management operations to lower the public sector's interest burden.

The securities will be issued under the authority of the Treasury Bills Act (2005) and the Finance Administration Act (2006). The securities will be governed under the laws of Antigua and Barbuda.

Bidding for the securities will open at 9:00 a.m. and will close at 12:00 noon. Settlement for successful bids will take place on the following business day of each auction.

**ISSUER INFORMATION**

Issuer..... The Government of Antigua and Barbuda (GoAB)  
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Date of Publication..... January 2020  
Purpose of the Issues.....

GoAB intends to use the net cash proceeds of the offerings to refinance maturing RGSM securities, assist in the management of the Government’s short-term cash flow requirements and facilitate ongoing proactive liability management operations to lower the Government’s interest burden. The proceeds will also be used to finance government’s infrastructure programme.

Legislative Authority..... Finance Administration Act (2006) and the Treasury Bills Act (2005), copies of which are available on the Government of Antigua and Barbuda’s official website ([www.ab.gov.ag](http://www.ab.gov.ag))

Intermediaries..... A complete list of Licensed Intermediaries who are members of the Eastern Caribbean Securities Exchange (ECSE) is available in [Appendix I](#)

Taxation.....	Yields will not be subject to any tax, duty or levy by the Participating Governments of the Eastern Caribbean Currency Union (ECCU). The countries are Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Lucia, St Kitts and Nevis and St Vincent and the Grenadines.
Reference Currency.....	Eastern Caribbean Dollars (EC\$) for the T-bills
Listing and Admission to Trading...	The securities will be listed on the ECSE and will be available for trading on the secondary market using the platform of the ECSE.
Fiscal Agent.....	Eastern Caribbean Central Bank (ECCB)
Paying Agent.....	Eastern Caribbean Central Securities Depository (ECCSD)
Governing Law.....	The Securities will be governed by the laws of Antigua and Barbuda

## INFORMATION ABOUT THE SECURITIES

1. GoAB proposes to auction the securities on the RGSM to be traded on the ECSE.
2. The auction dates are listed in the table below
3. The instruments will be settled as listed in the table below
4. The instruments' maturity dates are listed in the table below
5. The securities will be identified by the trading symbols listed below

ECSE Symbol	Instrument	Amount	Ceiling Rate	Tenor	Auction Date	Settlement Date	Maturity Date
<b>AGB220720</b>	T-Bill	EC\$15 million	4.00 per cent	180-day	23-Jan-20	21-Jan-20	22-Jul-20
<b>AGB 190221</b>	T-Bill	EC\$15 million	4.50 per cent	365-day	19-Feb-20	20-Feb-20	19-Feb-21
<b>AGB160321</b>	T-Bill	EC\$10 million	4.50 per cent	365-day	13-Mar-20	14-Mar-20	16-Mar-21
<b>AGB130521</b>	T-Bill	EC\$20 million	4.50 per cent	365-day	12-May-20	13-May-20	13-May-21
<b>AGB211120</b>	T-Bill	EC\$20 million	4.00 per cent	180-day	22-May-20	23-May-20	21-Nov-20
<b>AGB021220</b>	T-Bill	EC\$20 million	4.00 per cent	180-day	4-Jun-20	5-Jun-20	02-Nov-20
<b>AGB071220</b>	T-Bill	EC\$15 million	4.00 per cent	180-day	09-Jun-20	10-Jun-20	07-Dec-20
<b>AGB160121</b>	T-Bill	EC\$15 million	4.00 per cent	180-day	17-Jul-20	18-Jul-20	16-Jan-21
<b>AGB250121</b>	T-Bill	EC\$15 million	4.00 per cent	180-day	28-Jul-20	29-Jul-20	25-Jan-21
<b>AGB010921</b>	T-Bill	EC\$20 million	4.50 per cent	365-day	31-Aug-20	01-Sep-20	01-Sep-21
<b>AGB021121</b>	T-Bill	EC\$20 million	4.50 per cent	365-day	30-Oct-20	02-Nov-20	02-Nov-21
<b>AGB231121</b>	T-Bill	EC\$15 million	4.50 per cent	365-day	20-Nov-20	23-Nov-20	23-Nov-21
<b>AGB120621</b>	T-Bill	EC\$20 million	4.00 per cent	180-day	11-Dec-20	12-Dec-20	12-Jun-21
<b>AGB140621</b>	T-Bill	EC\$20 million	4.00 per cent	180-day	15-Dec-20	16-Dec-20	14-Jun-21

6. The interest payment for each T-bill will be made at maturity.
7. Principal repayments for each T-bill will be made at maturity.
8. Each investor is allowed one (1) bid in each respective series with the option of increasing the amount being tendered until the close of the bidding period.
9. The minimum bid amount is EC\$5,000 for EC\$ T-bills.
10. The Bid Multiplier will be set at EC\$1,000 for EC\$T-Bills.
11. The bidding period will be opened from 9 a.m. to 12 noon for EC\$ instruments on auction dates.
12. The price of the issue will be determined by Competitive Uniform Price Auction.
13. The Investors may participate in the auction through the services of a licensed intermediary. The current list of licensed intermediaries that are members of the ECSE as at December 2019, is as follows:

St. Kitts Nevis Anguilla National Bank Limited

The Bank of Nevis Limited

Bank of St. Vincent and the Grenadines Limited

First Citizens Investment Services Limited – St. Lucia

Bank of St Lucia Limited

Grenada Co-operative Bank Limited



## FINANCIAL ADMINISTRATION AND MANAGEMENT

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

The debt management objectives of GoAB are to ensure that the government's financing needs and its payment obligations are met at the lowest possible cost over the medium to long term, consistent with a prudent degree of risk.

### **2. Debt Management Strategy**

The debt management strategy of the GoAB is an integral part of its fiscal consolidation and reform programme. The key elements of the GoAB's debt management strategy include:

- i. Maintaining a satisfactory and prudent debt structure consistent with the Government's payment capacity;
- ii. Lengthening the maturity structure of Government's Debt Profile;
- iii. Sourcing financing for development projects and other general government administrative activities; and
- iv. Expanding the investor base through market development and outreach programmes.

### **3. Transparency and Accountability**

The GoAB is continuously seeking ways of improving its systems of accountability and transparency; with a view to adopting more prudent and transparent fiscal management practices, while enhancing the functioning of the Regional Government Securities Market (RGSM). As a consequence, disclosure of information on the cash flow and debt stock will be made available periodically to all investors, consistent with the rules of the Regional Debt Coordinating Committee (RDCC).

### **4. Institutional Framework**

The Debt Management Unit of the Ministry of Finance and Corporate Governance administers the Government's debt portfolio on a day-to-day basis and is responsible for implementing the Government's borrowing strategy. The unit is directly accountable to the Financial Secretary and the Minister of Finance and Corporate Governance.

### **5. Risk Management Framework**

An effective and efficient debt management system as a major element of economic management is of paramount importance to the GoAB. This effort is important for identifying and mitigating risk. The mandates of the Debt Management Unit include:

- Formulating debt management policies and strategies;
- Managing the debt portfolio to minimize cost with an acceptable risk profile;
- Conducting risk analysis and developing risk management policies; and
- Conducting debt sustainability analyses to assess optimal borrowing levels.

## Macroeconomic Performance

### Global and Regional Outlook

#### Global Outlook

A review of the July 2019 issue of the IMF's World Economic Outlook (WEO)<sup>1</sup> has revealed that global growth is projected to be 3.2 per cent for 2019 and increase slightly to 3.5 per cent in 2020. The on-going impasse between the United States and the People's Republic of China along with Brexit has raised geopolitical pressures on the global scale. Additionally the world economy faces increasing pressure from the volatility in oil prices, a reduction in consumer spending and the uncertainty around developments in technology.

In order to enhance the global policy environment, policymakers will have to work with their multilateral partners to ensure that they develop policies to ease the uncertainties around trade and technology. The WEO highlights that governments should focus on strengthening policies in the area of resilience and support inclusion.

#### Regional Outlook<sup>2</sup>

Geopolitical tensions, and global trade conditions are likely to affect economic activity in the region and generate uncertainty with respect to growth prospects. Many countries in the region depend on activity in advanced economies to drive growth. Factors such as the growth performance of important trading partners and commodity price trends have a significant impact on Latin America and the Caribbean.

In Latin America and the Caribbean real GDP is expected to grow by 0.6 per cent in 2019 and then rise to 2.3 per cent in 2020. A further upsurge in tensions between the US and China is likely to slow down growth. According to the IMF, growth in tourism-dependent countries of the Caribbean is likely to be around 2 per cent in 2019-20, supported by strong growth in the United States, the main market for tourism in the region. This growth will also be spurred by continued reconstruction from the 2017 hurricanes.

Meanwhile commodity-exporting countries are expected to see some recovery in growth. This recovery is expected due to enhanced energy production and higher commodity prices. In Guyana, the start of oil production in 2020 will provide a substantial boost to growth such that the IMF is projecting a growth rate of 29.6 per cent.

The Caribbean Development Bank (CDB)<sup>3</sup> has posited that there is likely to be economic growth of 2.0 per cent for 2019 across its Borrowing Member countries<sup>4</sup> (BMCs). Overall growth for CDB's BMCs was 2.0 per cent in 2018, compared to 0.7 per cent in 2017. In 2018, all BMCs, with the exception of Barbados, experienced positive economic growth driven mainly by construction and tourism. Anguilla and Antigua and Barbuda experienced the highest level of economic growth for 2018.

Table 1: Economic Growth Estimates for Latin America and the Caribbean

Country	2016	2017	2018 Est	2019 Proj	2020
Anguilla	-2.5	-6.6	<b>10.9</b>	<b>6.3</b>	<b>4.9</b>
Antigua and Barbuda	5.5	3.2	<b>7.4</b>	4.4	3.5
Bahamas, The	0.2	1.3	<b>1.6</b>	<b>2.0</b>	<b>1.6</b>
Barbados	1.6	0.9	<b>-0.4</b>	<b>0.0</b>	<b>0.6</b>
Belize	-0.5	0.8	<b>3.0</b>	<b>3.0</b>	<b>2.1</b>
Dominica	2.6	-6.8	2.3	9.0	4.7
Dominican Republic	6.6	4.6	<b>7.0</b>	<b>5.1</b>	<b>4.9</b>

<sup>1</sup>IMF's World Economic Outlook, July 2019

<sup>2</sup> IMF's Outlook for Latin America and the Caribbean: A Stalling Recovery, July 2019

<sup>3</sup> Country Economic Review, Mid-Year 2019

<sup>4</sup> Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, British Virgin Islands (BVI), Cayman Islands, Dominica, Guyana, Grenada, Haiti, Jamaica, Montserrat, St Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands

Grenada	3.7	2.5	<b>4.1</b>	3.0	3.1
Guyana	3.3	2.1	<b>4.1</b>	<b>4.4</b>	<b>29.6</b>
Haiti	1.5	1.2	<b>1.5</b>	<b>1.8</b>	<b>1.5</b>
Jamaica	1.5	0.7	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>
St. Kitts and Nevis	2.8	-2.0	2.9	3.6	2.9
St. Lucia	3.2	2.6	0.9	1.4	3.0
St. Vincent and the Grenadines	1.9	1.0	<b>2.2</b>	<b>0.3</b>	<b>1.6</b>
Suriname	-5.1	1.7	<b>2.0</b>	<b>2.3</b>	<b>2.5</b>
Trinidad & Tobago	-6.0	1.9	<b>1.9</b>	<b>1.4</b>	<b>1.5</b>
Latin America and the Caribbean	0.6	1.3	<b>2.0</b>	<b>-0.8</b>	<b>-0.1</b>

Source: Eastern Caribbean Central Bank (ECCB), CDB and IMF Estimates 2019

The IMF and CDB remain concerned about structural problems such as high public debt, limited access to finance, high unemployment and the region's vulnerability to high commodity prices and climate-related shocks. The answers to these challenges are provided as policy recommendations for prudent public expenditure frameworks, utilising and implementing fiscal rules and fiscal resilience legislation and strengthening the mobilization of domestic revenues across the region.

For the year 2018, all countries in the Eastern Caribbean Currency Union (ECCU) experienced economic expansion. Economic activity in the ECCU grew by approximately 3.8 per cent in 2018, bolstered by growth in tourism and tourism related activities and construction. For the year 2019, ECCB is projecting a growth rate of 3.3 per cent for the ECCU region.

## Economic Overview

Antigua and Barbuda is characterised as a service-based economy, with tourism and government services representing the largest sources of employment and income. Tourism and tourism-related economic activities, including sectors such as construction, financial services, transportation and real estate, account for over two-thirds of gross domestic product (GDP). In the Budget Address for the fiscal year 2019, the government outlined the following areas of focus for its economic development strategy:

- i. Enhancing performance in tourism
- ii. Promoting Investment, including the Citizenship by Investment Programme, and economic diversification
- iii. Encouraging Entrepreneurship
- iv. Renewing and upgrading critical infrastructure; and
- v. Providing better access to adequate housing

## Economic Outlook

According to the CDB mid-year economic update, the economy of Antigua and Barbuda grew by 7.4 per cent in 2018. Initial projections for 2018 had indicated that real GDP growth was expected in the region of 3.5 per cent. This level of economic growth is remarkable given the losses and damages experienced from Hurricane Irma in 2017, which amounted to 15 per cent of GDP. For the year 2019, the CDB is projecting a growth rate of 5.5 per cent while the ECCB is projecting a growth rate of 3.8 per cent in 2020 for Antigua and Barbuda.

Activity in the construction sector is expected to remain buoyant as well as activities in the tourism sector. These sectors continue to be supported by appreciable growth in the wholesale and retail trade; transport, storage and communications sectors.

The projected level of growth could be hampered by a low implementation rate for the public sector investment programme; adverse weather conditions, slowdown in growth for the country's major trading partners. On the upside, public capital investments and other major construction activity is likely to continue into 2020.

Table 2: Selected Economic Indicators

Real Economy	2014	2015	2016	2017	2018	2019
GDP (Market Prices) (1)	3,374.28	3,609.07	3,878.78	3,963.54	4,348.55	4,648.90

Real <b>GDP</b> Growth	3.81	3.59	5.59	3.50	7.91	4.93
GDP per Capita (EC\$) (1)	37,747	39,767	42,089	42,354	45,767	48,929
Annualised Inflation Rate	1.33	0.90	(1.12)	2.36	1.74	0.97
<b>Balance of Payments (in EC\$ million)</b>						
Exports	2,773.67	2,744.19	2,816.39	2,673.82	3,109.57	3,232.36
Gross Tourist Receipts	1,622.29	1,624.02	1,609.68	1,502.56	1,616.94	1,138.38
Imports	2,495.40	2,300.83	2,492.62	2,620.87	3,010.65	3,091.46
Current Account (% of GDP) (1)	9.00	79.20	(94.11)	(350.64)	(305.55)	(285.84)
Capital Account (net)	60.75	126.76	74.87	69.77	55.08	60.59
Financial Account (net)	174.54	250.85	(169.01)	(120.51)	(323.80)	(220.38)
ECCB Net Foreign Assets	3,804.49	4,205.97	4,557.25	4,706.94	4,655.69	4,454.95
<b>Public Finance</b>						
Overall Fiscal Balance (% of GDP) (1)	-2.78	2.21	-0.38	-2.44	-2.23	-1.72
Primary Balance (% of GDP) (1)	-0.15	4.64	2.29	0.11	0.10	-0.65
Interest / Revenues (as % Fiscal)	13.08	10.05	10.91	12.57	12.57	12.53
<b>Public Debt (in EC\$ million)</b>						
Gross Public Debt	3,243.17	3,185.41	3,047.58	3,166.59	3,252.45	3,214.16
Gross Domestic Debt	1,347.32	1,415.37	1,371.47	1,732.52	1,736.39	1,655.89
Gross External Debt	1,895.85	1,770.04	1,676.11	1,434.07	1,516.06	1,558.27
<b>Public Debt (% of GDP) (1)</b>						
Gross Public Debt	96.11	88.26	78.57	79.89	74.79	69.14
Gross Domestic Debt	39.93	39.22	35.36	43.71	39.93	35.62
Gross External Debt	56.19	49.04	43.21	36.18	34.86	33.52

Source: Ministry of Finance and Corporate Governance

## **Public Financial Management Development**

### **Public Financial Management and Procurement Reform**

The Government of Antigua and Barbuda has embarked on a programme to further improve the Public Financial Management (PFM) Framework. The overall objective of the PFM Programme is to improve fiscal discipline and strategic allocation of resources by strengthening policy-based budgeting and expenditure management, and enhancing the transparency and efficiency of tax administration.

It will also seek to achieve the PFM and revenue reform objectives outlined in the Action plan and the Medium Term Development Strategy. The objectives of this programme focus on (i) the introduction and institutionalization of a multi-year perspective in fiscal planning, expenditure policy and budgeting; (ii) enhancing the predictability in the availability of funds for commitment of expenditures, and cash management, and (iii) improving the comprehensiveness, accessibility, and enforcement of taxpayer obligations and liabilities, as well as the introduction of electronic systems to enhance the effectiveness in collection of tax payments. A gender perspective is taken into account during implementation of each activity.

With the generous support of the European Union it is the Government's intention to focus on procurement and contract administration; strengthening the internal audit function; improving the oversight and monitoring of State-owned Enterprises (SOEs); enhancing the relevant PFM legislation; and improving the budget process and macro-fiscal function.

Antigua and Barbuda has taken steps toward public procurement reform by taking measures to improve its public procurement framework. The country enacted a new Procurement and Contract Administration Act in 2011. This Act includes a number of elements to improve the public procurement system and brings it up to date with current best practices. A recent assessment of the procurement system has shown that the system has relative strengths in the area of integrity and accountability.

### **Major Private Sector Investments**

The construction sector continues to build momentum and spur economic activity in Antigua and Barbuda. Housing development, construction of new hotel plants and road construction are expected to continue well into 2021. Some projects, however, have recently wound down and are now operational or are preparing to be operational. The Hodges Bay Resort & Spa is now fully operational while the Hammock Cove by Elite Island Resorts, which is a 5-star property opened its doors in November 2019. The 360-room Royalton Beach Resort and Spa, operated by Sunwing opened its doors in May 2019 and already it has become a buzz of significant activity in the hotels and restaurants offering of Antigua and Barbuda.

Furthermore, at least fifteen properties have started construction and will continue construction into 2020. These include: the Marriott Courtyard Hotel at the Airport, the Callaloo Cay project, the Half Moon Bay Resort, Best Western, the Valley Church Wellness Resort, to be operated by Ambassador Calvin Ayre, and the YIDA projects. Some well-established properties will also undertake some expansion in 2019 to 2021 time period. These include over US\$200 million that will be invested in private luxury homes at Windward Beach, Jumby Bay, Mill Reef Club, Galley Bay Heights, Pearn's Point and other locations throughout the island. Further there is a US\$50 million mansion, for private dwelling at Laurie Bay; that is being constructed by Baron Lorne Thyssen. The hotel room stock is expected to increase to over 3,000 rooms by the 2021 tourist season.

In the area of cruise tourism, the Government signed a US\$50 million concession agreement with Global Ports, the world's largest, private cruise port operator early 2019. This concession agreement aims to increase the number of cruise passengers dramatically and increase the average spend of cruise tourists. The concession agreement provides for the refurbishment of the Heritage Quay and Redcliff Quay docking facilities in St. John's as well as for the development of new commercial properties.

### **Government Infrastructure Projects**

The government commenced work on a major road reconstruction and infrastructure development project in 2016. The works began with two major highways, namely the Friars Hill Road and the Sir Sydney Walwyn Highway. At its completion 18 miles of roads would be reconstructed with consideration for climate impacts. While the project has met with some

setbacks, the government is confident that the project will be completed in 2020 and make way for a second round of road projects to include the Anchorage Road, Old Parham Road and Valley Road North. A third road development project, will also be undertaken with assistance from the CDB. The roads to be included in this phase are the Darkwood Bridge, the Potters/Herberts Main Road, the Burma Road, and the Royal Gardens Road. The community roads project has been on going since 2017 and will also continue to contribute to economic output in 2020.

The Port Modernization Project is on-going, and the Port is preparing for completion and have scheduled an opening for late 2020 with contingency to early 2021. This will revolutionize the way the harbour operates and expand its carrying capacity for imports and exports and improve overall logistical capabilities for the smooth running of the facility.

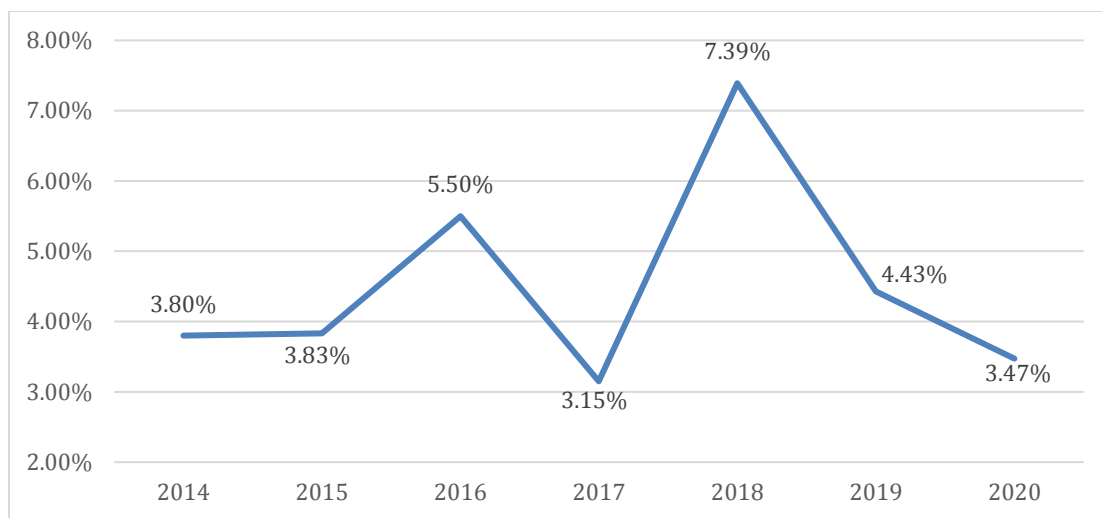
The street relighting project aims to replace approximately 14,365 (high pressure sodium) lamps with LED lamps to reduce the overall energy consumption and associated greenhouse emissions. This project started in 2016 and will continue into 2020.

Other grant-funded projects include the grid interactive solar photovoltaic and a renewable energy system. The photovoltaic project will provide backup battery banks for 13 school and clinics which provide emergency shelter and make rescue and medical care possible in the event of the disaster. This is a priority for Antigua and Barbuda as the country endeavours to become more resilient to natural disasters.

Recovery efforts from Hurricanes Irma and Maria are still underway in Barbuda. Through grant financing as well as some external borrowing for activities such as road works, reconstruction of buildings (homes, schools, etc.), and utility services to restore the sister island to normalcy. The National Office of Disaster Services continues to work along closely with the relevant authorities in Barbuda as they serve as the intermediary for agencies who have provided assistance for the reconstruction of the island. The Caribbean Development Bank has been a significant financial partner with the government providing resources in the form of loans, grants and technical assistance to rebuild Barbuda.

Meanwhile, the National Housing Project continues to construct two, three and four bedroom homes in key areas. To date, over 300 homes have been built with approximately 50 homes sold to homeowners in the Dredge Bay Area. Other sites such as Denfields and Paynters are still under construction with varying levels of completion; construction of these homes will continue and there are plans for expansion in other areas.

*Chart 1: Real GDP Growth*



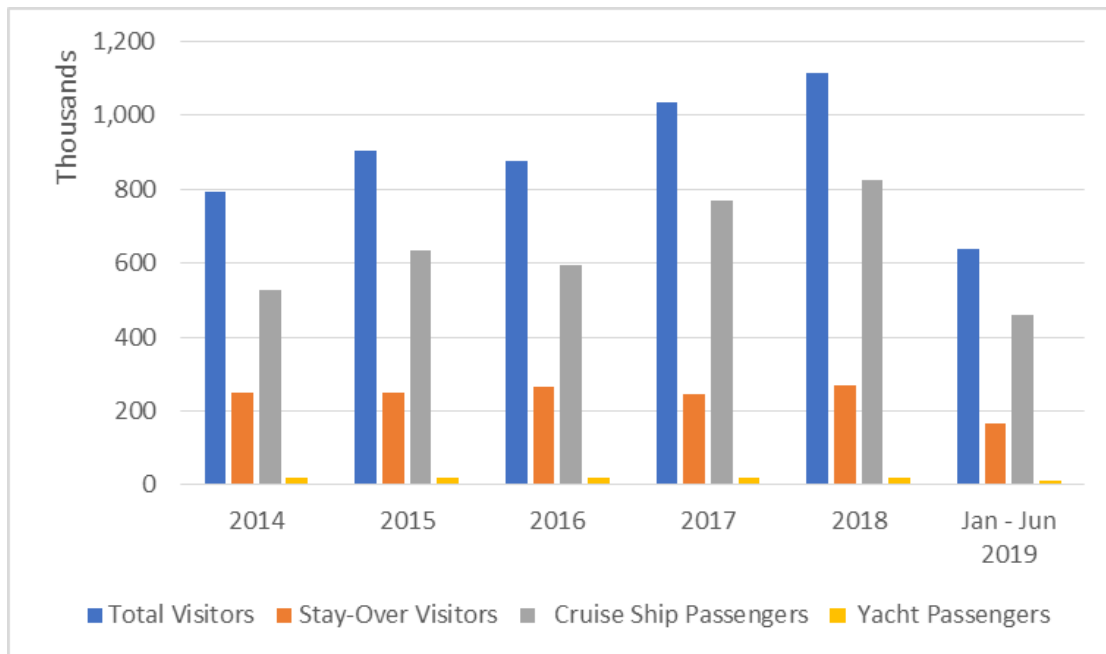
Source: Ministry of Finance and Eastern Caribbean Central Bank

## Tourism

The number of visitor arrivals for the first half of 2019 (January to June), are pacing ahead of the number of visitor arrivals for the same period in 2018. Tourism Officials anticipate that the sector is set for more growth in the future. They predict that the strong performance will continue as tourist facilities and accommodation are expanded with the opening of the luxurious Royalton Resort, and the hosting of events on the tourism calendar, such as, Antigua and Barbuda Sports fishing Tournament, the Optimist World Championships, and Antigua’s Carnival: The Caribbean’s Greatest Summer Festival.

Data from the tourism department indicate that over the beginning of the second quarter in 2019, the country saw an increase of 17.06%, with 3,979 more visitors travelling to Antigua and Barbuda when compared with the same period in 2018 when 23,322 visitors vacationed in Antigua and Barbuda.

Chart 2: Visitor arrivals for the period January to June 2014 to 2019 (thousands)



Source: Statistics Division, Antigua and Barbuda

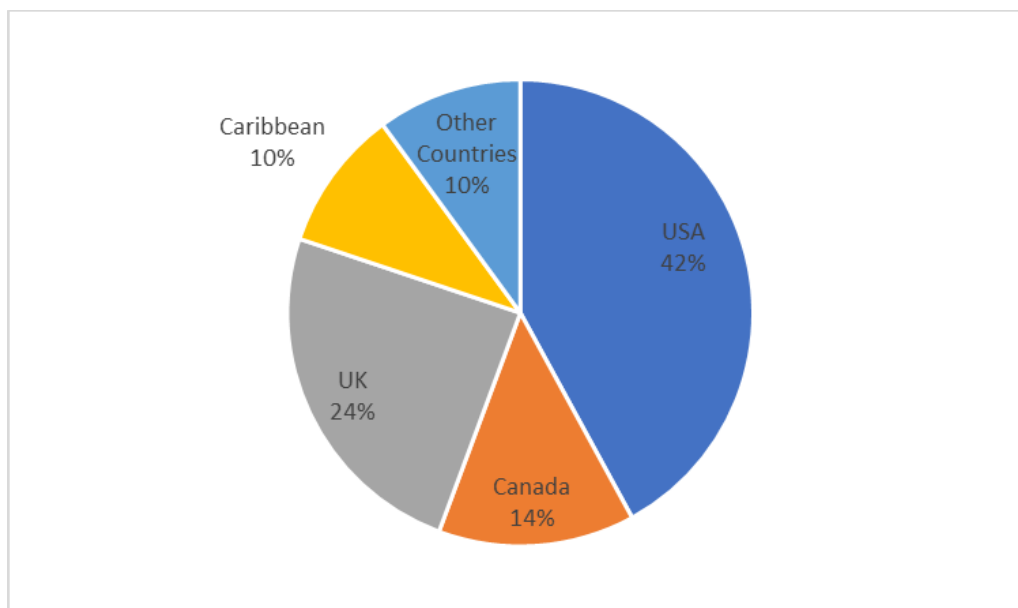
The improvement in tourism activity was primarily driven by the increase in the number of cruise ship calls to the country, which ultimately had a positive effect on the number of cruise passengers. The airlift options out of the United States have also contributed to the number of stay-over visitors from that market. The carriers from the United Kingdom have also sustained schedules that bring carriers such as British Airways to Antigua and Barbuda’s shores 6 times per week, while other air carriers have planned to add flights to the same route in 2020.

The statistics released from The Ministry of Tourism show a 10 per cent increase in total stay-over air arrivals for the month of May 2019. The figures for June and July indicate double digit increases when compared to figures during the same months in 2018.

Meanwhile, Antigua and Barbuda’s visitor air arrivals through April totalled 117,920 travellers, an 8.6 per cent year-over-year compared with the same period in 2018. Antigua and Barbuda also reported higher arrivals from the United Kingdom, Europe and the Caribbean, with increases of 9.9 per cent, 32.8 per cent and 14.8 per cent respectively.

The increase in the stay-over visitors was due to the expansion in the number of visitors from the major source markets: USA, Europe, and the Caribbean relative to the corresponding period. Visitor arrivals from the USA, the Caribbean and Europe rose by 16.59%, 2.66% and 8.08%, respectively. A noteworthy increase was also observed in the number of visitors from Latin America and other countries across the world by 44.74 and 17.74% respectively. There was a fall in the number of tourists from the Canada by 3.1%.

Chart 3: Stay Over Visitors by Source Country (Jan to June 2019)



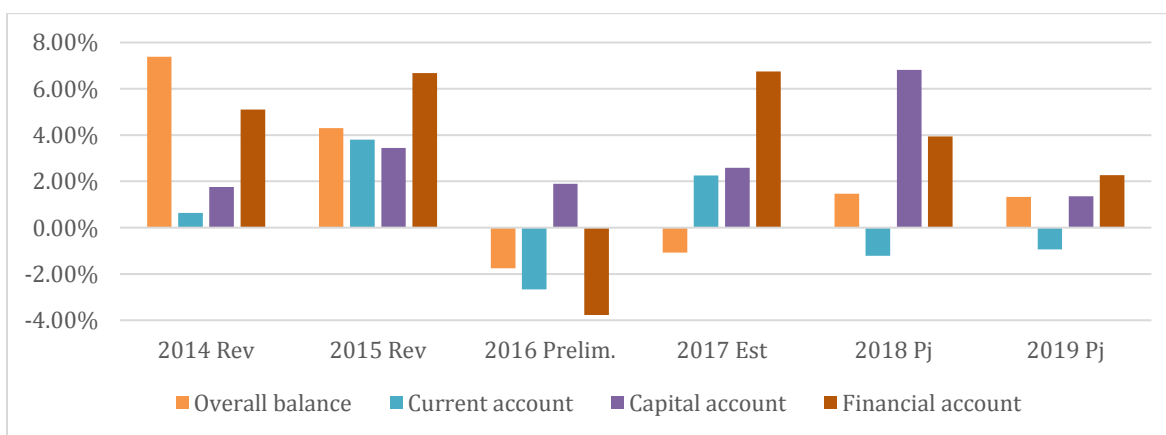
Source: Statistics Division, Antigua and Barbuda

### Balance of Payments (BOP)<sup>5</sup>

Preliminary estimates for the year 2019, indicate an overall surplus (reserve assets) of \$80.13M (1.5 per cent of GDP). This number has doubled from 2018 when the overall surplus was \$40.87M (1.08 per cent of GDP). The BOP 2019 estimates, as projected by the ECCB in collaboration with the Statistics Division, indicate a Current account and financial account deficit of \$285.84M and 220.38M respectively, while a surplus is projected for the Capital account of \$60.59M. The Primary and Secondary Income Components continue to drive the current account balance.

Over the period 2015 to 2019, the Government of Antigua and Barbuda recorded an overall surplus for the first year. This surplus dipped in 2016 when an overall deficit of \$69.2M was recorded. In 2017 the deficit was reduced to \$44.5M. Throughout the same period, the current account balance varied from a surplus of \$139.9M to a deficit of \$105.2M. The Capital Account has also fluctuated with inconsistent level of surpluses recorded during the period. Relative to the Current Account, the Financial Account recorded a deficit of \$149.0M in 2016 whilst surpluses were achieved in the other periods; for the period beginning in 2018, there was an uptick in the overall balance. The projections for 2019 also indicate an uptick. The projections on the capital account are outlined in Chart 4 below:

Chart 4 Trend in Balances (per cent of GDP) for the period 2014 to 2019



Source: Statistics Division, Antigua and Barbuda and Eastern Caribbean Central Bank

<sup>5</sup> In 2017, the methodology for the compilation of the Balance of Payments was changed from BPM5 to BPM6.



For 2019, an overall surplus of \$80.13M (13.8 per cent of GDP) is projected. This projected surplus will be generated in the Capital Account where surpluses will amount to \$60.59M. Conversely, the Primary and Secondary Income component of the Current account continue to record high levels of deficit ultimately leading to a current account deficit of \$285.84M in 2019.

## **Inflation<sup>6</sup>**

The Consumer Price Index data at the end of March 2019 reflected a 0.9 per cent increase over the year 2018-2019. Over the 12-month period of March 2018 to March 2019, the Index increases were recorded in the following categories: fish and Seafood 16.4 per cent, non-alcoholic Beverages 9.8 per cent, articles of clothing and clothing accessories 9.4 per cent, Vegetables 5.7 per cent, restaurant and hotels 6.8 per cent, recreation and culture 3.2 per cent, health and medical products and equipment 0.5 per cent and 2.2 per cent respectively, and alcoholic beverages 0.4 per cent.

Decreases were recorded in the following categories: poultry, milk cheese and egg 4.6 per cent, fruit 3.9 per cent, meat and meat products 2.1 per cent, beef and veal 0.4 per cent, bread and cereals 0.3 per cent. The Energy Index remained unchanged.

## **Monetary Policy**

Antigua and Barbuda is a member of the Eastern Caribbean Central Bank (ECCB), which manages monetary policy and the exchange rate system for its eight members. The common currency, the Eastern Caribbean dollar (EC\$), has been pegged to the U.S. dollar (US\$) at the rate of EC\$2.70 to US\$1.00 since July 1976.

## **Commercial Bank Liquidity and Interest Rate**

Liquidity in the commercial banking system increased relative to June 2018 over the one year period up to June 2019. As at June 2019, the ratio of liquid assets to total deposits at mid-year rests at 55.8, while liquid assets to short term liabilities was 60.2 per cent.

At the end of June 2019, the interest rate spread between loans and deposits increased from 7.0 per cent at the end of December 2018 to 7.1 per cent. The weighted average interest rate on deposits and Weighted Average Lending Rate elevated by 1.0 percentage point to 2.0 per cent and 9.0 per cent, respectively.

## **Financial Sector**

The financial sector has been relatively stable following the interventions by Government and the ECCB in 2017. The government continues to honour its obligations to the former ABI depositors whose funds were placed in the Depositor Protection Trust (DPT) in the form of a Depositors Protection Bond. The balance on this bond is now, EC\$109.9M and annual principal repayments continue until maturity, 30 April 2025.

With the recent investment by the Government in the Caribbean Union Bank (CUB), the government now holds a significant share in the institution and the Bank is currently reviewing its goals as it seeks to maintain and improve its financial viability. As at November 2019, the government remained a shareholder in CUB and the Eastern Caribbean Amalgamated Bank (ECAB).

## **Demographics**

Preliminary data as at July 2019 indicates that the population of Antigua and Barbuda grew by 12.7 per cent when compared to the 2011 population census. Furthermore the population is projected to grow by a steady rate of 1.5 per cent annually commencing 2019. The official language is English and Anglicanism and the Seventh Day Adventist are the primary religious denominations. The country has a relatively large immigrant population, which represents 18.0 per cent of the total population.

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<sup>6</sup> The Statistics Division of the Government of Antigua and Barbuda has introduced a new basket of goods starting January 2019. This work is still ongoing and at the time of publishing, additional data was not available.

Table 3: Selected Demographic Statistics

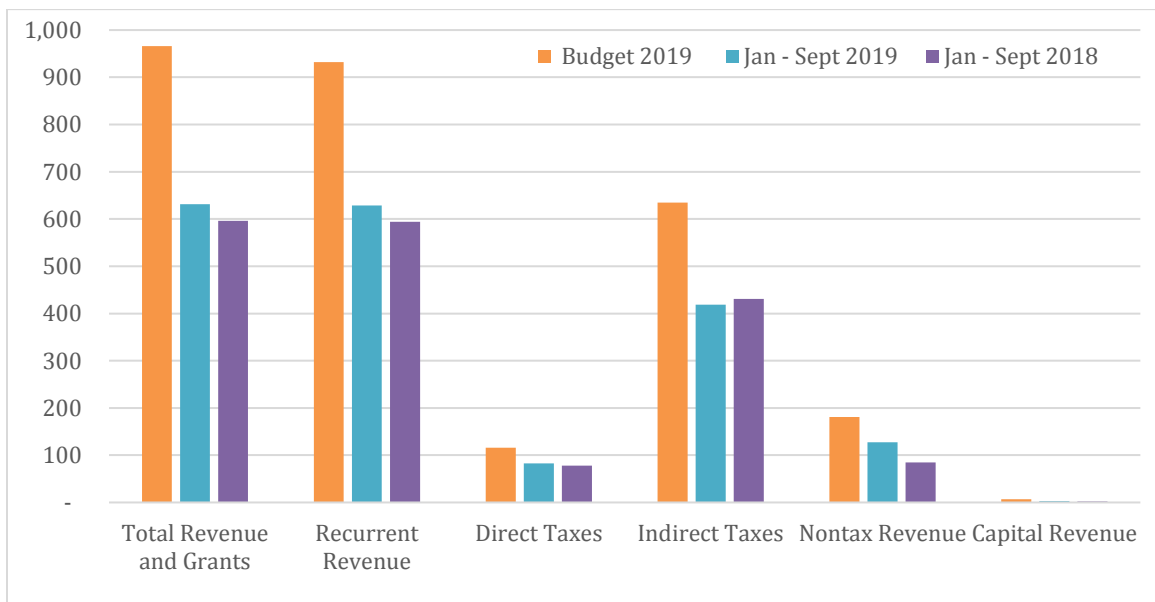
Key Indicators	2014	2015	2016	2017	2018	2019	2020
Population Estimates	89,575	90,945	92,351	93,777	95,211	96,651	98,093
No. of Live births	1,100	1,159	1063	1108	1015	n/a	n/a
No. of Deaths	588	526	526	542	581	n/a	n/a

Source: Statistics Division, Antigua and Barbuda

## Fiscal Performance

Budget Estimates for 2019, projected an overall deficit of \$78.82M (2.3 per cent of GDP) and a primary surplus of \$19.3M. The estimates outlined \$966.2m in Revenue and Grants based on a projected increase in importation of goods and increased efficiency at the port. Meanwhile, Central Government expenditure was projected to amount to \$1,045.0M.

Chart 4: Revenue Performance (EC\$ million)

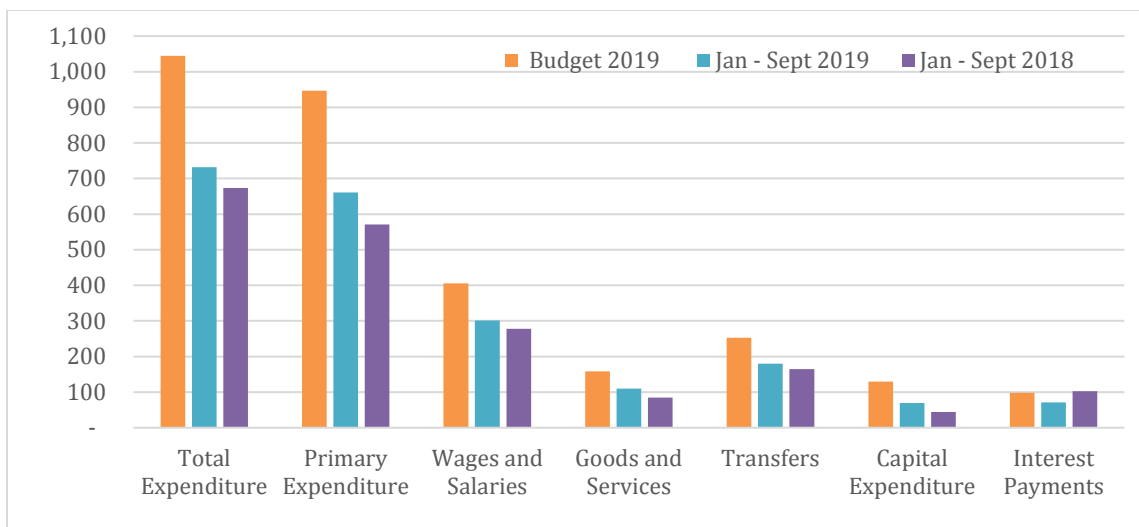


Source: Ministry of Finance and Corporate Governance

For the period January to September 2019, the fiscal operations of the central government resulted in an overall deficit of \$116.1M compared to a deficit of \$77.5M in the corresponding period of 2018. Central Government recorded a current account deficit of \$63.5M and a primary deficit of \$30.9M. The above chart outlines the levels of revenue collection over the period. Current revenue rose to \$628.5M (5.8 per cent) in keeping with improved revenue collection in taxes such as the Property Tax (35.6 per cent), CIP Receipts (145.8 per cent), Stamp Duties (3.8 per cent), Consumption Duties (14.4 per cent). There were some areas of decreased levels of collection, namely Antigua and Barbuda Sales Tax (7.3 per cent) and the Revenue Recovery Charge (4.9 per cent).

The growth in government expenditure continues to outpace the growth in revenues as evidenced by the data presented in the chart below displaying the categories of expenditure for the two period under consideration, January to September 2018 and January to September 2019 actuals compared to Budget 2019. Total Expenditure increased from \$673.6M over the period January to September 2018 to \$747.2M over the period January to September 2019. There were notable increases in Transfers and Subsidies (\$30.4M), Goods and Services (\$25.8M) and Wages and Salaries (\$23.6M). During the period, the amount spent on Interest Payments fell by 16.9 per cent to \$85.2M.

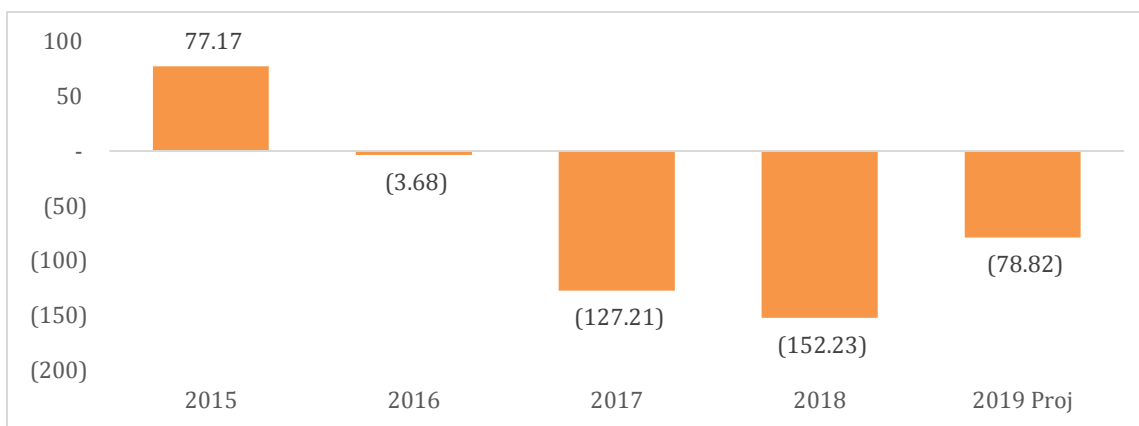
Chart 5: Expenditure Performance (EC\$ million)



Source: Ministry of Finance and Corporate Governance

As the Government continues to spearhead the recovery activities on the sister island in addition to other on-going Central Government projects, Capital Expenditure has increased to \$55.2m.

Chart 6: Overall Fiscal Balance (EC\$ million)

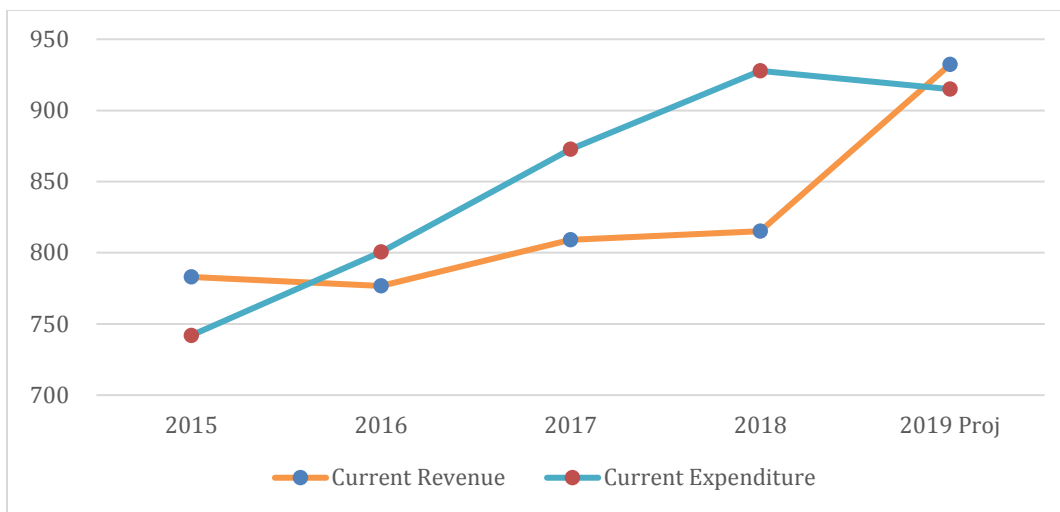


Source: Ministry of Finance and Corporate Governance

The Government of Antigua and Barbuda recorded an overall deficit over the period January to September 2019. The Chart above outlines the overall deficit over the last five years. As at September 2019, the overall deficit was \$116.1M. The overall deficit is expected to be approximately 78.8M at the end of 2019

Estimates for 2019, show that current revenue would exceed the current expenditure leading to a current account surplus. However over the period January to September, a current account deficit of \$63.5M was recorded. Chart 9 below shows the trend in the current balances over the period 2015 to 2019.

Chart 7: Current Balances for the period 2013 to 2018 (EC\$M)



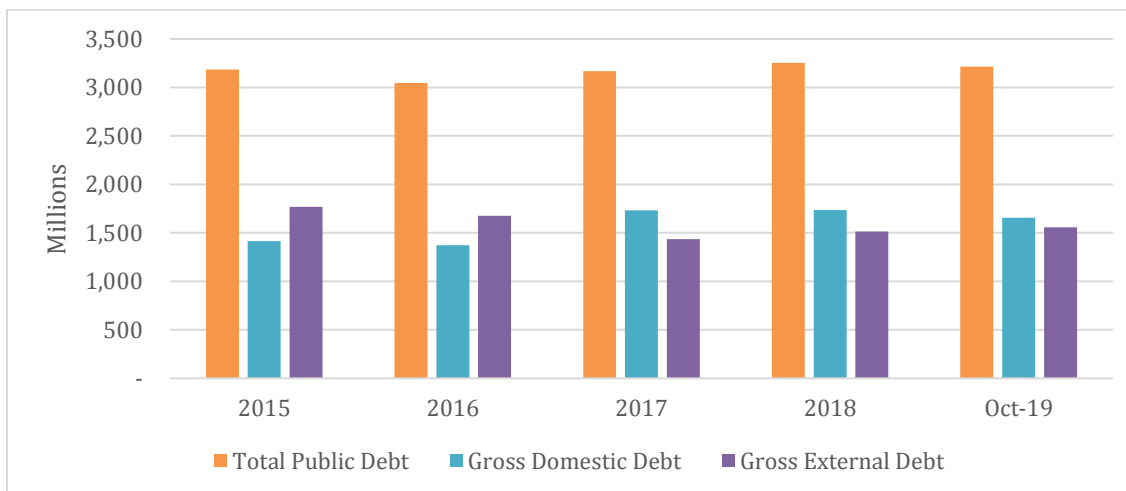
Source: Ministry of Finance and Corporate Governance

During 2020, it is expected that the Road Rehabilitation Programme will drive the level of capital expenditure and other public sector projects scheduled to commence in the year. This level of capital expenditure is likely to have an effect on the fiscal outturn for 2020. Furthermore some of these projects will be financed by loans, grant funding and proceeds and auctions offered on the Regional Government Securities Market (RGSM), see the [Debt Dynamics](#) for further details.

### Debt Dynamics

Total public sector debt as at October 2019 stood at 3,214.2M, of which external debt accounted for 1,558.3M or 48.5% of the total debt. This figure represents a 1.2% reduction in debt stock when compared to December 2018. Total debt levels have fluctuated over the period, 2014 to 2019 (October), between \$3,047.6m and \$3,353.5m. Chart 9 below show the debt levels of the public sector from 2015 to October 2019.

Chart 8: Total Public Debt (October 2019)

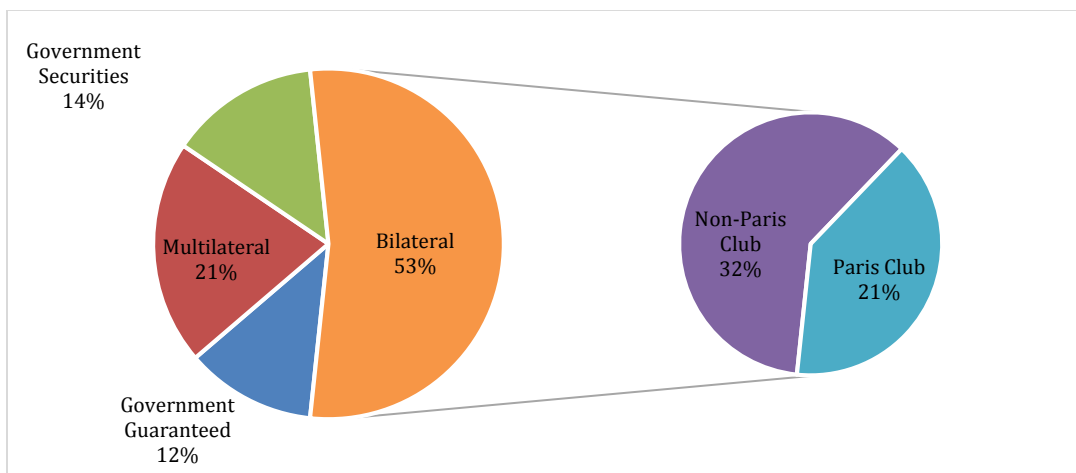


Source: Debt Management Unit, Ministry of Finance and Corporate Governance

As at October 2019, the government has received \$213.9M in disbursements from external sources. The disbursements were used to fund various projects and investments such as the Street Lighting Retrofitting project, the Basic Education II project, the Road Rehabilitation project, the Wind and Solar project as well as other general expenditure. Over the same period the external debt grew by 2.8 per cent to \$1,558.3m (33.5 per cent of GDP).

The external government and government guaranteed debt portfolio is made up of various creditor categories including Multilateral, Bilateral (Paris Club and Non-Paris Club) and Other Sectors. Chart 10 below shows the composition of the external debt portfolio.

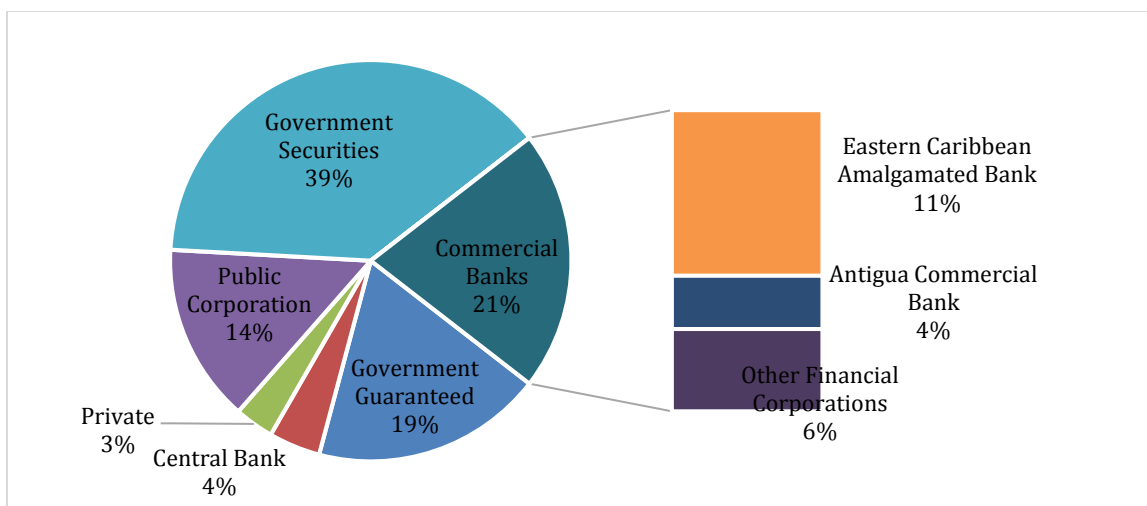
Chart 9: External Debt Composition (October 2019)



Source: Debt Management Unit, Ministry of Finance and Corporate Governance

Meanwhile, the domestic portfolio accounted for \$1,655.9M (51.5 per cent) of the total debt stock as at October 2019. This represents a 4.6 per cent reduction in the stock of domestic debt from December 2018. In 2019, the Government of Antigua and Barbuda recorded a total of \$170.5M in disbursements from domestic sources and made a total of \$316.7M in debt service payments. Domestic debt includes various creditor categories mainly, Government securities, debt to Public Corporations, Commercial Banks (indigenous and foreign branches), Central Bank and guaranteed debt; this is evident in chart 11 below.

Chart 10: Domestic Creditor Category Composition (October 2019)



Source: Debt Management Unit, Ministry of Finance and Corporate Governance

For 2020 it is expected that funds will be disbursed from the United Kingdom Capital Investment Fund (UK-CIF) and the CDB for the road development project, as the Road projects continue as well as the Street Light Retrofitting Project and the Basic Education Project. Other sources of disbursement include the World Bank and the Abu Dhabi Development fund for on-going projects in Antigua and Barbuda.

### Medium Term Debt Strategy (2016-2020)

The Medium-term Debt Management Strategy (MTDS) 2016-2020 aims to fulfil some specific debt management objectives to include:

1. To maintain a satisfactory and prudent debt structure consistent with the Government’s payment capacity;
2. To refinance high cost loans and credit facilities;

3. To reduce debt servicing and to adjust the maturity profile of Central Government Debt in a way that balances lower financing cost and risk;
4. To support the development of a well-functioning domestic and regional market;
5. To improve transparency.

The Strategy was originally presented to parliament as part of the budget estimates for 2016 and was updated in 2019.

The current operational targets set for the risk indicators are as follows:

- Non – USD denominated loans should less than 20% of the debt portfolio
- Debt maturing in less than a year should be less than 15% and
- Average time to Maturity (ATM) would be less than or equal to 8.2 years

The Government intends to continue prioritizing external financing on concessional terms from multilateral and bilateral creditors, while at the same time developing the domestic capital markets. The Regional Government Securities Market will continue to be a viable source of funds for debt financing and cash flow management throughout the period.

*Table 4: Strategy Debt Composition*

<b>% Borrowing by Creditor Type</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>External</b>	<b>25%</b>	<b>30%</b>	<b>40%</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>
Bilateral	3%	11%	32%	40%	44%	48%
Multilateral	15%	17%	8%	10%	11%	12%
Commercial	7%	2%	0%	0%	0%	0%
<b>Domestic</b>	<b>75%</b>	<b>70%</b>	<b>60%</b>	<b>50%</b>	<b>45%</b>	<b>40%</b>
<b>RGSM</b>						
Bonds	2%	21%	18%	20%	18%	16%
T-Bills	17%	49%	42%	30%	27%	24%
Bank Recapitalisation	47%	0%	0%	0%	0%	0%
Commercial	10%	0%	0%	0%	0%	0%

The Debt Strategy as represented in Table 4 shows that the government intends to reduce its share of T-bills by 2020 in the RGSM and increase its share in Bonds. The table also shows that the Government intends to increase its share of bilateral borrowing over the medium term as a share of its external debt. The bilateral debt is expected to rise from 3 per cent of the external debt in 2015 to 48% of external debt in 2020 driven mainly by financing for projects from bilateral partners.

At August 2018 the government had achieved its ATM targets however other targets remain outstanding. In light of this, the strategy is being monitored and updated per best practice.

**CURRENT ISSUES OF GOVERNMENT SECURITIES**

<b>Trading Symbol</b>	<b>Issue Date</b>	<b>Original Amount Issued</b>	<b>Outstanding Amount</b>	<b>Coupon (p.a.)</b>	<b>Tenor</b>	<b>Maturity Date</b>
<b>EC\$ RGSM Treasury Bonds</b>						
<b>AGG100721</b>	29-Jul-11	EC\$5,530,000	EC\$2,212,000	7.75%	10-year	29-Jul-21
<b>AGG100428</b>	20-Apr-18	EC\$15,000,000	EC\$15,000,000	7.50%	10-year	23-Apr-28
<b>AGN220521</b>	22-May-19	EC\$10,000,000	EC\$10,000,000	6.00%	2-year	22-May-21
<b>AGN180922</b>	18-Sep-19	EC\$20,000,000	EC\$20,000,000	6.25%	3-year	18-Sep-22
<b>AGN091021</b>	09-Oct-19	EC\$15,000,000	EC\$15,000,000	6.00%	2-year	09-Oct-21
<b>US\$ RGSM Treasury Bonds</b>						
<b>FAG070720</b>	31-Jul-13	US\$13,100,000 EC\$35,370,000	US\$2,620,000 EC\$7,074,000	7.50%	7-year	31-Jul-20
<b>FAG100923</b>	26-Sep-13	US\$5,050,000 EC\$13,635,000	US\$4,040,000 EC\$10,908,000	7.75%	10-year	26-Sep-23
<b>FAG070121</b>	23-Jan-14	US\$7,500,000 EC\$20,250,000	US\$2,250,000 EC\$6,075,000	7.50%	7-year	23-Jan-21
<b>FAN030822</b>	3-Aug-17	US\$7,885,000 EC\$21,289,500	US\$7,885,000 EC\$21,289,500	7.00%	5-year	3-Aug-22
<b>FAG100828</b>	30-Aug-18	US\$25,000,000 EC\$67,500,000	US\$25,000,000 EC\$67,500,000	7.49%	10-year	18-Aug-28
<b>EC\$ RGSM Treasury Bills</b>						
<b>AGB110320</b>	12-Mar-19	EC\$15,000,000	EC\$15,000,000	5.00%	365-day	11-Mar-20
<b>AGB070520</b>	8-May-19	EC\$25,000,000	EC\$25,000,000	4.00%	365-day	7-May-20
<b>AGB040620</b>	5-June-19	EC\$25,000,000	EC\$25,000,000	3.50%	365-day	4-June-20
<b>AGB180120</b>	23-July-19	EC\$20,000,000	EC\$20,000,000	3.50%	180-day	19-Jan-20
<b>AGB260820</b>	27-Aug-19	EC\$25,000,000	EC\$25,000,000	5.50%	365-day	26-Aug-20
<b>AGB281020</b>	29-Oct-20	EC\$25,000,000	EC\$25,000,000	3.63%	365-day	28-Oct-20
<b>AGB171120</b>	18-Nov-20	EC\$20,000,000	EC\$20,000,000	3.50%	365-day	17-Nov-20
<b>AGB190520</b>	21-Nov-19	EC\$16,143,000	EC\$16,143,000	5.00%	180-day	19-May-20
<b>AGB310520</b>	3-Dec-19	EC\$25,000,000	EC\$25,000,000	5.00%	180-day	31-May-20
<b>US\$ Non-RGSM Treasury Bonds</b>						
<b>FAG150626</b>	30-Jun-11	US\$13,729,680 EC\$37,070,136	US\$8,924,292.0 EC\$24,095,588.4	8.00%	15-year	30-Jun-26

<b>Trading Symbol</b>	<b>Issue Date</b>	<b>Original Amount Issued</b>	<b>Outstanding Amount</b>	<b>Coupon (p.a.)</b>	<b>Tenor</b>	<b>Maturity Date</b>
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<b>FAG100724</b>	29-Jul-14	US\$5,000,000 EC\$13,500,000	US\$5,000,000 EC\$13,500,000	8.00%	10-year	29-Jul-24
<b>FAG071221</b>	1-Dec-14	US\$2,500,000 EC\$6,750,000	US\$2,500,000 EC\$6,750,000	7.25%	7-year	1-Dec-21
<b>FAG100325</b>	11-Mar-15	US\$5,000,000 EC\$13,500,000	US\$5,000,000 EC\$13,500,000	5.00%	10-year	11-Mar-25
<b>PP050420</b>	16-Apr-15	US\$10,000,000 EC\$27,000,000	US\$10,000,000 EC\$27,000,000	5.00%	5-year	16-Apr-20
<b>FAG100926</b>	5-Sep-16	US\$7,574,000 EC\$20,449,800	US\$6,311,667 EC\$17,041,500	6.50%	10-year	5-Sep-26
<b>FAG071023</b>	31-Oct-16	US\$9,000,000 EC\$24,300,000	US\$8,333,333 EC\$22,500,000	6.00%	7-year	31-Oct-23
<b>EC\$ Non-RGSM Treasury Bills</b>						
<b>AGB260620</b>	27-Jun-19	EC\$6,000,000	EC\$6,000,000	4.00%	365-day	27-Jun-20
<b>PP151119</b>	16-Aug-19	EC\$351,671.6	EC\$351,671.6	0.00%	180-day	15-Nov-19
<b>PP150220</b>	19-Aug-19	EC\$351,671.6	EC\$351,671.6	0.00%	180-day	15-Feb-20
<b>PP230920</b>	24-Sept-19	EC\$20,000,000	EC\$20,000,000	0.00%	365-day	23-Sept-20
<b>PP290920</b>	29-Sept-19	EC\$845,244.5	EC\$845,244.5	5.50%	365-day	29-Sept-20
<b>PP190520</b>	21-Nov-19	EC\$13,727,618.7	EC\$13,727,618.7	4.00%	180-day	19-May-20
<b>EC\$ Non-RGSM Treasury Bonds</b>						
<b>AGG300740</b>	1-Jul-10	EC\$330,000,000	EC\$223,530,000	3.00%	30-year	1-Jul-40
<b>AGG151228</b>	1-Jan-14	EC\$8,500,000	EC\$8,489,133.9	7.00%	15-year	31-Dec-28
<b>AGG151029</b>	29-Oct-14	EC\$5,000,000	EC\$5,000,000	8.00%	15-year	29-Oct-29
<b>AGN271119</b>	27-Nov-14	EC\$10,000,000	EC\$00,000,000	7.00%	5-year	27-Nov-19
<b>AGG151229</b>	17-Dec-14	EC\$10,000,000	EC\$10,000,000	8.00%	15-year	17-Dec-29
<b>AGN220320</b>	22-Mar-15	EC\$10,000,000	EC\$10,000,000	7.00%	5-year	22-Mar-20
<b>AGG100525</b>	26-May-15	EC\$10,000,000	EC\$10,000,000	8.00%	10-year	26-May-25
<b>AGG101225</b>	11-Dec-15	EC\$10,000,000	EC\$10,000,000	3.0% (Step up) <sup>7</sup>	10-year	11-Dec-25
<b>PP100425</b>	16-Apr-16	EC\$157,000,000	EC\$94,200,000	2.00%	10-year	30-Apr-25
<b>AGG0327AA</b>	13-Mar-17	EC\$20,000,000	EC\$15,789,473.7	6.50%	10-year	13-Mar-27
<b>Trading Symbol</b>	<b>Issue Date</b>	<b>Original Amount Issued</b>	<b>Outstanding Amount</b>	<b>Coupon (p.a)</b>	<b>Tenor</b>	<b>Maturity Date</b>
<b>PP050322</b>	15-Mar-17	EC\$650,000	EC\$650,000	3.00%	5-year	15-Mar-22
<b>AGG100927</b>	20-Sep-17	EC\$4,000,000	EC\$4,000,000	3.00%	10-year	20-Sep-27
<b>PP201127</b>	20-Nov-17	EC\$1,925,000	EC\$1,925,000	6.50%	4-year	20-Nov-27

<sup>7</sup> Step up Interest Rate: 2016 – 2018 @ 3per cent; 2019 – 2021 @ 6per cent; 2022 – 2025 @ 8per cent



<b>PP070925</b>	17-Sep-18	EC\$4,200,000	EC\$4,200,000	2.00%	7-year	17-Sept-25
<b>PP311021</b>	31-Oct-18	EC\$10,000,000	EC\$10,000,000	5.75%	3-year	31-Oct-21
<b>PP100227</b>	25-Feb-19	EC\$10,000,000	EC\$10,000,000	7.25%	10-year	25-Feb-27
<b>PP100329</b>	21-Mar-19	EC\$20,000,000	EC\$18,500,000	6.50%	10-year	08-Mar-29
<b>AGN101020</b>	10-Apr-19	EC\$20,000,000	EC\$20,000,000	5.74%	18-mnth	10-Oct-20
<b>AGG050624</b>	25-Jun-19	EC\$15,000,000	EC\$15,000,000	7.00%	5-year	25-Jun-24

Source: Debt Management Unit, Ministry of Finance and Corporate Governance

## Managing Payments of Securities

In order to ensure that the government has adequate cash to cover the payment of securities the government makes provision through the use of sinking funds as well as cash buffers. Additionally, in the event of natural disasters the government is a member of the Caribbean Catastrophe Risk Insurance Facility (CCRIF). CCRIF makes financing available to its members' parametric insurance products for tropical hurricanes, earthquakes and excess rainfall. The government has been a member of the facility since its inception in 2007. Based on the CCRIF 2016/2017 report their claims paying capacity remains within the financial security guidelines of the facility. Further the facility is comfortably able to pay losses for a 1-in 1,000-year series of catastrophe events. With respect to sinking fund performance, the Government of Antigua and Barbuda maintains a sinking fund account at the Central Bank, which is used to service major pay-outs of securities as they become due.

## GOAB Primary Market Performance

During 2019 the Government of Antigua and Barbuda has maintained a consistent presence on the RGSM mostly listing short term securities. At the time of issuing this prospectus the government would have issued a total of EC\$185 million in Treasury Bills and Bonds and received bids totalling over EC\$256.6 million. Over the same period the government also issued private placement securities and raised an additional amount of \$115 million.

Table 5: GOAB Primary Market Performance, 2018

<b>Auction Date</b>	<b>Tenor</b>	<b>Amount</b>	<b>Cut Off Yield</b>	<b>Over-subscription</b>
March 11, 2019	365 Days	10 (5) M	5.00 per cent	11.908M
May 7, 2019	365 Days	20 (5) M	4.00 per cent	10.839M
June 4, 2019	365 Days	20 (5)M	3.50 per cent	12.769M
June 18, 2019	180 Days	10 (5) M	1.995 percent	14.95M
July 22, 2019	180 Days	15 (5)	3.50 per cent	9.435M
August 26, 2019	365 Days	20 (5)M	5.50 per cent	7.361M
September 17, 2019	3 years	15 (5)	6.25 per cent	9.455M
October 8, 2019	2 years	10 (5)	6.00 per cent	6.458M
October 28, 2019	365 Days	20 (5)	3.627 per cent	13.501M

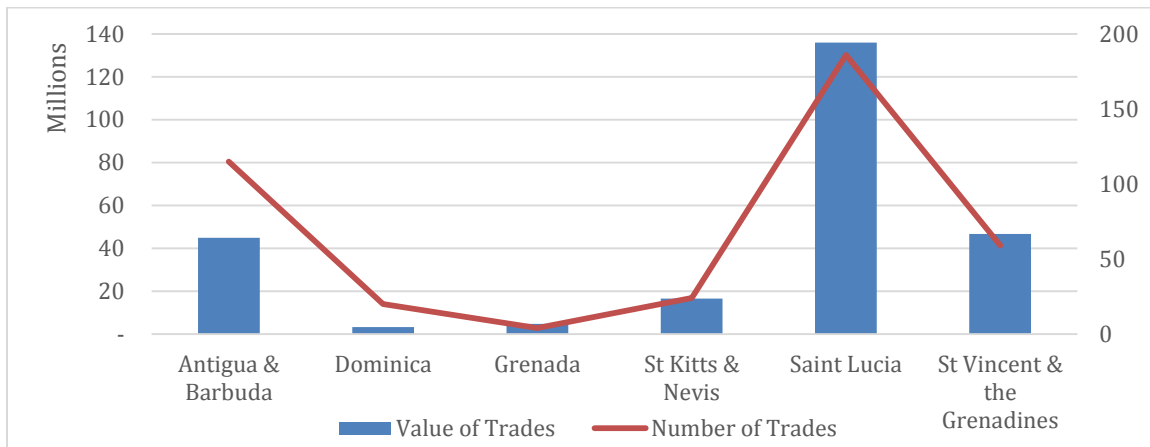
Source: Debt Management Unit, Ministry of Finance and Corporate Governance

## Secondary Market Activities

Secondary Market trades for RGSM Securities began in 2003 with a total of EC\$2.7M of Government of St. Vincent and the Grenadines securities being traded. Over the 15-year period, a total of EC\$252.2M securities have been traded on the

Secondary Market. The chart below shows the total value and number of trades since 2003. Over the 16 year period, a total of EC\$136.0M of Government of St. Lucia securities were traded in 186 trades. Other trades included securities from Government of St. Vincent and the Grenadines (EC\$46.7M) and GOAB (EC\$44.9M).

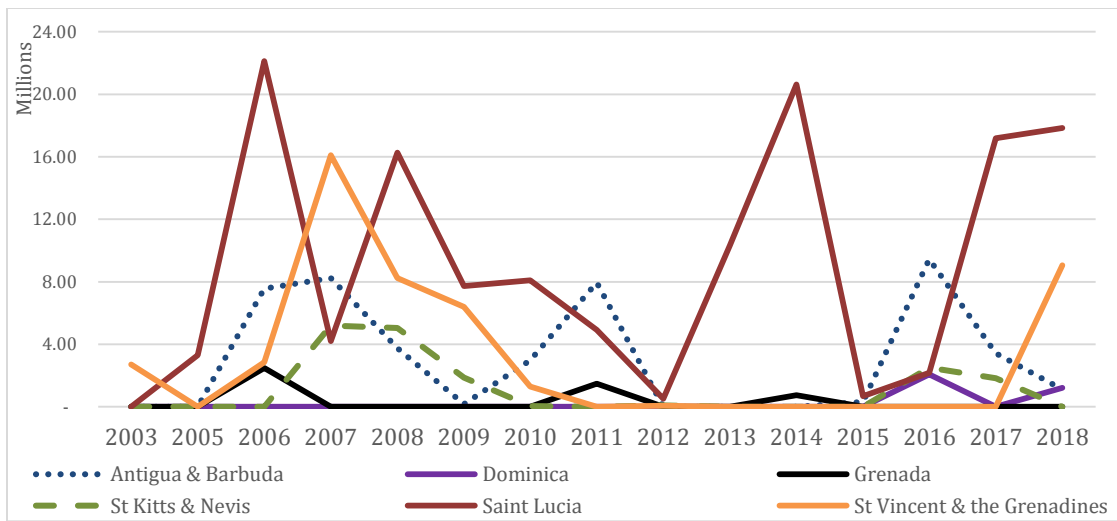
Chart 11: Secondary Market Performance by Country



Source: Debt Management Unit, Ministry of Finance and Corporate Governance

Activities on the secondary market remains consistent with Government of Saint Lucia, Government of St. Vincent and the Grenadines and GOAB securities being more actively traded over the period, see Chart 13. Within the last five (5) years, a total of EC\$14.3M GOAB securities have been traded, of which EC\$1.1M was traded in 2018.

Chart 12: Secondary Market Performance, 2003 to October 2018



Source: Debt Management Unit, Ministry of Finance and Corporate Governance

## **SECURITY ISSUANCE PROCEDURES, CLEARANCE AND SETTLEMENT**

The series of Treasury Securities will be issued on the RGSM and listed on the ECSE. This market operates on the ECSE trading platform for both primary issuance and secondary trading. The pricing methodology to be used for the initial sale of the securities will be a Competitive Uniform Price Auction. The ECSE is responsible for disseminating market information, providing intermediaries with market access, administering the auction process and monitoring the auctions.

The ECSE, through the Eastern Caribbean Central Securities Depository (ECCSD), will be responsible for facilitating clearance and settlement for the securities allotted. The ECCSD will ensure that funds are deposited to the account of the GoAB. The ECSE, through the Eastern Caribbean Central Securities Depository (ECCSD), will record and maintain ownership of the government securities in electronic book-entry form. The ECCSD will mail confirmation of proof of ownership letters to all investors who were successful in the auction.

The ECCSD will also process corporate action on behalf of issuing governments. Intermediaries will be responsible for interfacing with prospective investors, collecting applications for subscription and processing the same for bidding on the ECSE platform. Investors must provide the intermediaries with funds to cover the cost of the transaction. For this particular offering, investors will pay the applicable brokerage fees to the intermediaries. A list of licensed intermediaries who are members of the ECSE is provided (see Appendix I). Successful clients will be informed of their payment obligations and funds will be deducted from their respective accounts with the intermediary.

As an issuer in the RGSM, the GoAB will be subject to the rules, guidelines and procedures developed by the Regional Debt Coordinating Committee (RDCC) for the operation of the market, including ongoing reporting and disclosure requirements.

## APPENDIX I

### LIST OF LICENSED ECSE MEMBER BROKER DEALERS

<b>INSTITUTION</b>	<b>CONTACT INFORMATION</b>	<b>ASSOCIATED PERSONS</b>
<b>Grenada</b> Grenada Co-operative Bank Limited	No. 8 Church Street St. George's  <b>Tel: 473 440 2111</b> Fax: 473 440 6600 Email: brokerage@grenadaco-opbank.com	<b>Principal</b> Aaron Logie Allana Joseph  <b>Representatives</b> Carla Sylvester Kishel Francis
<b>St Kitts and Nevis</b> St Kitts Nevis Anguilla National Bank Ltd	P O Box 343 Central Street Basseterre  <b>Tel: 869 465 2204</b> Fax: 869 465 1050 Email: national_bank@sknanb.com	<b>Principals</b> Anthony Galloway Petronella Edmeade-Crooke  <b>Representatives</b> Angelica Lewis Marlene Nisbett
The Bank of Nevis Ltd	P O Box 450 Main Street Charlestown <b>Tel: 869 469 5564 / 5796</b> Fax: 869 469 5798 E mail: info@thebankofnevis.com	<b>Principals</b> Brian Carey Monique Williams  <b>Representatives</b> Judy Claxton Denicia Small Nikesia Pemberton
<b>St Lucia</b> Bank of Saint Lucia	5th Floor, Financial Centre Building 1 Bridge Street Castries <b>Tel: 758 456 6826 / 457 7233</b> Fax: 758 456 6733	<b>Principals</b> Medford Francis Lawrence Jean Cedric Charles  <b>Representatives</b> Deesha Lewis
First Citizens Investment Services Limited	P.O. Box 1294 John Compton Highway Sans Souci Castries <b>Tel: 758 450 2662</b> Fax: 758 451 7984 Website: www.firstcitizenstt.com/fcis E-mail : invest@firstcitizensslu.com	<b>Principals</b> Omar Burch-Smith Temelia Providence  <b>Representative</b> Samuel Agiste Shaka St Ange

### **St Vincent and the Grenadines**

Bank of St Vincent and the  
Grenadines Ltd

P O Box 880  
Cnr. Bedford and Grenville  
Streets  
Kingstown  
**Tel: 784 457 1844**  
Fax: 784 456 2612/ 451 2589  
Email: info@bosvg.com

**Principal**  
Laurent Hadley  
Monifa Latham

**Representatives**  
Chez Quow  
Patricia John

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## APPENDIX II

### ISSUER INFORMATION

#### **History**

The Nation of Antigua and Barbuda is located in the Eastern Caribbean. It is comprised of the islands of Antigua (108 sq. ml. /280 sq. km), Barbuda (67 sq. ml. /161 sq. km.) and Redonda (1/2 sq. ml. /1.3 sq. km). The written history of the country can be traced back to 1493 when Christopher Columbus first visited the island of Antigua during his second voyage to the new continent. History records that Christopher Columbus first met the Arawak Indians living on Antigua and that before Columbus' arrival the island was known as Wadadli. Columbus renamed the island Santa Maria de la Antigua after a church in the city of Seville, Spain. The island of Antigua was colonized by the British in 1632 and fast became a part of the chain of sugar colonies. Barbuda was colonized from Antigua in 1661 and was used mainly to raise livestock, provide wood, charcoal and other provisions to the sugar plantations operating in Antigua.

Antigua was administered as a part of the British Leeward Islands Administration until 1967 when it gained associated statehood status with internal self-government. Barbuda was leased by the British Government to the Codrington Family from 1685 through 1870. On becoming a Crown Colony, Barbuda's affairs were administered from Antigua with the exception of land ownership. The British Government granted Antigua and Barbuda full independence within the Commonwealth on 1 November 1981.

#### **Political Environment**

The *Constitutional Order of 1981* prescribes Antigua and Barbuda's form of government and guarantees fundamental rights and individual freedoms. Enshrined in the Constitution is the establishment of the Barbuda Council, which is vested with the authority to administer the affairs of Barbuda. Constitutional amendments require the affirmative vote of a two-thirds majority of each house of Parliament and the approval of a majority of the voters in Antigua and Barbuda by referendum. Legislation requires passage by both Houses of Parliament and assent by the Governor General. The constitutional functions of the Governor General are largely of a formal or ceremonial nature.

The Parliament is a bicameral legislature, consisting of an elected House of Representatives and an appointed Senate. The House of Representatives has 17 members elected in accordance with the provisions of the Constitution. The Governor General appoints the Senate's 17 members, eleven on the advice of the Prime Minister, one on advice of the Barbuda Council, one from the business community, and four on the advice of the Leader of the Opposition. The Parliament, unless dissolved earlier, continues to serve for five years from the date of the most recent general election. Shortly after the dissolution of Parliament, General Elections must be held to elect the members of the House of Representatives and to facilitate the appointment of a Government to administer the affairs of the country for the next five years.

After obtaining independence, Antigua and Barbuda adopted a modified Westminster parliamentary system based on the British model. A Governor General is appointed by, and represents, the British Monarch (the country's head of state), and a Prime Minister is both leader of the majority party and the head of Government. The Right Hon. Sir Vere Cornwall Bird, now deceased, was the Nation's first Prime Minister and led the country until 1994, when he retired from active politics. His party, the Antigua Labour Party (ALP) remained in Government led by the Hon. Lester Bird until March 23, 2004 when the United Progressive Party (UPP), under the leadership of Hon. Baldwin Spencer, was elected. Since the elections of 2004, the UPP has pursued anti-corruption measures through a trio of government legislation: the *Prevention of Corruption Act*, the *Freedom of Information Act* and the *Integrity in Public Life Act*.

Antigua and Barbuda has a history of political stability. In March 2009 the country held general elections where the United Progressive Party, under the leadership of Prime Minister, Honourable Baldwin Spencer, retained leadership of the Government. Following the 2009 elections, the opposition party, ALP, challenged three of the seats won by the UPP on the grounds of breach of electoral law. However, all three seats were eventually upheld by the Eastern Caribbean Supreme Court in October 2010.

On June 12, 2014 the Antigua and Barbuda Labour Party was victorious at the polls of the general elections held in Antigua and Barbuda and won 14 of the 17 seats which form the Government of Antigua and Barbuda. The new government has continued the thrust of the previous administration in the area of fiscal and debt management and will continue to honour its obligations to investors in Government of Antigua and Barbuda Securities.

The government is focused on bringing new investments to Antigua and Barbuda in order to increase growth and provide jobs for the citizens and residents of Antigua and Barbuda. It is expected that with the new push on Foreign Direct Investment there will be increased economic activity in the areas of Construction and Tourism. Further, the country has recently completed the requirements of the Financial Action Task Force (FATF) and now has an improved jurisdiction for financial services, which will augur well for the International Financial Services Sector.

### **Judicial and Legislative Environment**

Antigua and Barbuda's judicial system is based on the English system, including the principles and practice of English common law. The member states of the Organization of Eastern Caribbean States (OECS) share a single supreme court, the Eastern Caribbean Supreme Court. The Supreme Court is headed by the Chief Justice, and administers the laws of each OECS member state. It has two divisions, the High Court of Justice and the Court of Appeal. The High Court of Justice meets in Antigua bi-annually and the Court of Appeal is headquartered in St. Lucia. Appeals from the Court of Appeal go to the Judicial Committee of the Privy Council in London, England, which is currently the country's court of last resort.

Antigua and Barbuda is a signatory to the Caribbean Court of Justice, which is currently the court of original jurisdiction in respect of matters pertaining to the interpretation and application of the CARICOM Treaty.

**APPENDIX IIIA****GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY IN CURRENT PRICES  
(EC\$M)**

	2014	2015	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry	30.13	30.28	31.50	32.90	34.79	36.54	38.42
Crops	19.89	20.88	21.93	22.92	23.96	25.30	26.71
Livestock	9.32	8.48	8.66	9.05	9.89	10.29	10.76
Forestry	0.92	0.92	0.92	0.93	0.94	0.95	0.96
Fishing	25.74	27.91	29.31	38.19	40.48	42.95	45.34
Mining & Quarrying	31.71	28.25	31.48	35.93	41.77	44.93	46.97
Manufacturing	92.96	96.83	105.79	98.72	106.94	99.62	104.13
Electricity & Water	118.31	152.08	175.17	159.68	148.72	160.71	169.73
Electricity	105.02	144.11	168.37	154.03	136.53	147.65	155.89
Water	13.29	7.98	6.80	5.65	12.19	13.05	13.84
Construction	303.27	316.82	383.35	467.49	622.24	721.30	821.20
Wholesale & Retail Trade	436.87	449.40	455.79	449.77	467.08	493.12	525.69
Hotels & Restaurants	374.52	383.64	424.46	419.93	447.88	493.21	518.76
Hotels	270.57	274.31	301.54	289.56	300.16	339.54	354.94
Restaurants	103.95	109.33	122.92	130.38	147.72	153.67	163.82
Transport, Storage and Communications	316.11	378.96	408.41	384.71	411.78	434.37	460.03
Transport and Storage	222.54	256.42	271.86	256.05	274.45	294.28	315.70
Road Transport	134.24	138.98	143.68	147.44	153.42	165.88	181.04
Sea Transport	2.54	2.82	2.99	3.22	3.64	3.49	3.63
Air Transport	42.44	71.64	70.46	53.37	64.46	70.38	74.30
Supporting and Auxiliary Transport Activities	43.32	42.98	54.73	52.03	52.93	54.53	56.73
Communications	93.58	122.55	136.55	128.66	137.33	140.09	144.32
Financial Intermediation	223.63	241.39	254.72	272.47	283.92	296.56	308.08
Banks	170.18	185.00	201.64	214.69	224.85	235.08	244.10
Insurance	50.28	50.54	49.22	53.94	55.06	57.29	59.60
Activities Auxiliary to Financial Intermediation	3.17	5.86	3.86	3.85	4.00	4.18	4.37
Real Estate, Renting and Business Activities	419.81	468.01	468.26	489.14	509.04	540.95	566.88
Owner Occupied Dwellings	244.32	249.83	253.08	265.20	272.34	283.34	294.79
Real Estate Activities	29.85	44.00	43.62	45.27	50.60	52.64	54.77
Renting of Machinery and Equipment	8.23	7.54	6.67	7.34	8.30	9.32	9.79
Computer and Related Activities	1.09	1.17	1.20	1.32	1.21	1.11	1.16
Business Services	136.32	165.46	163.70	170.01	176.60	194.54	206.37
Public Administration, Defence & Compulsory Social Security	252.83	256.65	270.68	279.02	339.42	357.29	368.08
Education	169.50	157.57	186.76	185.24	198.21	206.53	216.04
Public	64.99	65.62	69.57	71.60	87.59	92.02	95.74
Private	104.51	91.95	117.19	113.64	110.62	114.51	120.30
Health and Social Work	87.35	93.13	97.54	99.96	113.37	120.17	124.22
Public	72.49	74.06	77.55	79.63	93.13	99.74	102.75
Private	14.86	19.07	19.99	20.33	20.24	20.43	21.46
Other Community, Social & Personal Services	79.13	80.76	80.15	80.51	81.81	84.78	87.74
Activities of Private Households as Employers	15.31	12.54	11.39	10.27	9.73	9.97	10.17
Less: FISIM	50.65	51.04	55.29	59.33	59.68	63.92	66.18
<b>GVA in Basic Prices</b>	<b>2,926.52</b>	<b>3,123.18</b>	<b>3,359.46</b>	<b>3,444.61</b>	<b>3,797.50</b>	<b>4,079.06</b>	<b>4,345.30</b>
<b>Growth Rate</b>	<b>5.80</b>	<b>6.72</b>	<b>7.57</b>	<b>2.53</b>	<b>10.24</b>	<b>7.41</b>	<b>6.53</b>
Plus: Product Taxes	473.76	511.89	545.32	544.93	577.05	595.84	614.64
Less: Subsidies	26.00	26.00	26.00	26.00	26.00	26.00	26.00
<b>GDP in Market Prices</b>	<b>3,374.28</b>	<b>3,609.07</b>	<b>3,878.78</b>	<b>3,963.54</b>	<b>4,348.55</b>	<b>4,648.90</b>	<b>4,933.94</b>
<b>Growth Rate</b>	<b>5.78</b>	<b>6.96</b>	<b>7.47</b>	<b>2.19</b>	<b>9.71</b>	<b>6.91</b>	<b>6.13</b>

Source: Eastern Caribbean Central Bank  
Estimates as at November 5, 2019



**APPENDIX IIIB****GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT CONSTANT PRICES  
(EC\$M)**

	2014	2015	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry	22.56	22.03	22.57	22.91	22.85	23.37	23.93
Crops	15.09	15.05	15.46	15.64	16.08	16.48	16.90
Livestock	6.55	6.06	6.19	6.35	5.84	5.95	6.10
Forestry	0.92	0.92	0.92	0.92	0.93	0.93	0.93
Fishing	20.39	22.04	23.15	29.65	30.27	31.18	31.96
Mining & Quarrying	30.11	26.76	29.82	34.09	39.54	42.11	43.58
Manufacturing	60.48	61.40	65.33	63.73	67.84	61.05	61.66
Electricity & Water	100.82	105.88	106.58	107.60	108.09	113.72	117.17
Electricity	78.79	82.59	84.89	85.81	85.27	89.54	91.78
Water	22.03	23.30	21.70	21.79	22.82	24.18	25.39
Construction	235.07	244.33	291.26	349.94	447.86	501.61	551.77
Wholesale & Retail Trade	364.09	371.85	377.96	379.33	384.33	393.93	407.72
Hotels & Restaurants	373.96	382.28	406.61	397.50	429.71	467.99	484.37
Hotels	283.63	288.70	303.00	289.28	308.94	346.01	358.12
Restaurants	90.33	93.58	103.61	108.22	120.77	121.98	126.25
Transport, Storage and Communications	265.88	288.10	296.17	299.43	324.31	334.79	347.57
Transport and Storage	165.06	171.67	171.63	178.44	193.49	202.66	212.80
Road Transport	106.03	107.40	108.85	107.37	110.67	117.31	125.52
Sea Transport	2.03	2.24	2.38	2.56	2.90	2.75	2.83
Air Transport	34.51	35.31	37.52	34.69	37.47	39.72	40.71
Supporting and Auxiliary Transport Activities	22.50	26.72	22.88	33.82	42.46	42.88	43.74
Communications	100.82	116.43	124.54	120.99	130.82	132.13	134.77
Financial Intermediation	230.65	234.12	231.24	246.68	260.00	266.22	271.15
Banks	174.46	176.81	176.20	186.81	198.80	203.77	207.44
Insurance	52.38	52.64	51.27	56.19	57.36	58.51	59.68
Activities Auxiliary to Financial Intermediation	3.81	4.66	3.77	3.68	3.84	3.94	4.04
Real Estate, Renting and Business Activities	340.69	381.87	392.31	403.22	416.82	434.01	445.82
Owner Occupied Dwellings	203.41	206.51	209.70	216.23	219.55	223.94	228.42
Real Estate Activities	29.87	44.25	45.43	44.18	48.34	49.31	50.29
Renting of Machinery and Equipment	7.19	6.61	5.59	6.15	6.91	7.61	7.83
Computer and Related Activities	1.22	1.01	1.08	1.11	1.22	1.10	1.14
Business Services	99.00	123.48	130.51	135.54	140.80	152.06	158.14
Public Administration, Defence & Compulsory Social Security	211.72	216.20	228.01	235.04	255.75	263.94	266.58
Education	147.53	136.27	161.67	160.43	163.51	166.10	169.42
Public	59.08	59.65	63.24	65.09	71.08	73.21	74.68
Private	88.45	76.63	98.43	95.34	92.43	92.89	94.75
Health and Social Work	78.10	82.34	86.58	88.96	92.57	96.08	97.19
Public	65.90	67.33	70.50	72.39	76.50	80.33	81.13
Private	12.20	15.02	16.09	16.57	16.07	15.75	16.07
Other Community, Social & Personal Services	71.11	71.59	67.89	67.84	71.37	72.50	73.57
Activities of Private Households as Employers	12.76	10.38	9.45	8.32	7.85	7.97	8.05
Less: FISIM	52.17	53.37	47.00	48.88	51.82	54.41	55.23
GVA in Basic Prices	2,513.74	2,604.07	2,749.61	2,845.79	3,070.86	3,222.16	3,346.30
<b>Growth Rate</b>	3.81	3.59	5.59	3.50	7.91	4.93	3.85
Plus: Product Taxes less Subsidies	384.60	405.13	425.05	428.72	445.61	450.13	453.31
GDP in Market Prices	2,898.34	3,009.21	3,174.65	3,274.51	3,516.47	3,672.29	3,799.61
<b>Growth Rate</b>	3.80	3.83	5.50	3.15	7.39	4.43	3.47

Source: Eastern Caribbean Central Bank  
Estimates as at November 5, 2019

**APPENDIX IV:****BALANCE OF PAYMENTS TRANSACTIONS BPM6 (F16) IN EC\$M**

Description	2016 Rev	2017 Prelim	2018 Prelim	2019 Proj	2020 Proj
<b>I. Current account</b>	<b>(94.11)</b>	<b>(350.64)</b>	<b>(305.55)</b>	<b>(285.84)</b>	<b>(246.31)</b>
<b>1.A Goods and services</b>	<b>323.77</b>	<b>52.95</b>	<b>98.92</b>	<b>140.90</b>	<b>201.96</b>
<b>1.A.a Goods</b>	<b>(1,061.35)</b>	<b>(1,233.08)</b>	<b>(1,527.41)</b>	<b>(1,553.90)</b>	<b>(1,564.84)</b>
<i>1.A.a.1 General merchandise on a balance of payments b</i>	(1,061.35)	(1,233.08)	(1,527.41)	(1,553.90)	(1,564.84)
<b>1.A.b Services</b>	<b>1,385.12</b>	<b>1,286.02</b>	<b>1,626.33</b>	<b>1,694.80</b>	<b>1,766.80</b>
<i>1.A.b.1 Manufacturing services on physical inputs owned</i>	-	-	-	-	-
<i>1.A.b.2 Maintenance and repair services n.i.e.</i>	(38.45)	(39.22)	(42.07)	(44.57)	(46.90)
<i>1.A.b.3 Transport</i>	120.42	81.85	68.87	73.63	90.93
<i>1.A.b.4 Travel</i>	1,823.96	1,766.80	2,139.64	2,228.06	2,302.41
<i>1.A.b.5 Construction</i>	(28.39)	(23.32)	(29.81)	(28.32)	(28.69)
<i>1.A.b.6 Insurance and pension services</i>	22.88	(4.57)	(12.63)	(13.64)	(13.38)
<i>1.A.b.7 Financial services</i>	(18.58)	(21.49)	(21.71)	(21.75)	(22.88)
<i>1.A.b.8 Charges for the use of intellectual property n.i.e.</i>	(10.87)	(13.40)	(14.37)	(14.51)	(14.58)
<i>1.A.b.9 Telecommunications, computer, and information</i>	(17.26)	(5.24)	6.63	6.32	6.10
<i>1.A.b.10 Other business services</i>	(414.86)	(404.90)	(414.05)	(433.04)	(445.83)
<i>1.A.b.11 Personal, cultural, and recreational services</i>	(57.72)	(54.45)	(58.40)	(61.88)	(65.11)
<i>1.A.b.12 Government goods and services n.i.e.</i>	4.00	3.96	4.24	4.50	4.73
<b>1.B Primary income</b>	<b>(262.18)</b>	<b>(268.84)</b>	<b>(258.78)</b>	<b>(274.18)</b>	<b>(288.50)</b>
<b>1.B.1 Compensation of employees</b>	<b>(8.17)</b>	<b>(11.73)</b>	<b>(12.59)</b>	<b>(13.33)</b>	<b>(14.03)</b>
<b>1.B.2 Investment income</b>	<b>(254.01)</b>	<b>(257.11)</b>	<b>(246.20)</b>	<b>(260.85)</b>	<b>(274.47)</b>
<i>1.B.2.1 Direct investment</i>	(225.36)	(219.05)	(206.12)	(218.39)	(229.79)
<i>1.B.2.2 Portfolio investment</i>	6.69	6.25	7.45	7.90	8.31
<i>1.B.2.3 Other investment</i>	(35.33)	(44.31)	(47.53)	(50.36)	(52.99)
<i>1.B.2.4 Reserve assets (Credit)</i>	-	-	-	-	-
<b>1.B.3 Other primary income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>1.C Secondary income</b>	<b>(155.70)</b>	<b>(134.74)</b>	<b>(145.70)</b>	<b>(152.55)</b>	<b>(159.77)</b>
<b>1.C.1 General government</b>	<b>(6.21)</b>	<b>14.68</b>	<b>(4.49)</b>	<b>(6.96)</b>	<b>(7.25)</b>
<b>1.C.2 Financial corporations, nonfinancial corporations,</b>	<b>(149.50)</b>	<b>(149.43)</b>	<b>(141.20)</b>	<b>(145.60)</b>	<b>(152.52)</b>
<b>2. Capital account</b>	<b>74.87</b>	<b>69.77</b>	<b>55.08</b>	<b>60.59</b>	<b>66.65</b>
<b>2.1 Gross acquisitions (DR.) / disposals (CR.) of nonproduced nonfinancial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.2 Capital transfers</b>	<b>74.87</b>	<b>69.77</b>	<b>55.08</b>	<b>60.59</b>	<b>66.65</b>
<b>Net lending (+) / net borrowing (-) (balance from current account and capital account)</b>	<b>(19.24)</b>	<b>(280.87)</b>	<b>(250.47)</b>	<b>(225.25)</b>	<b>(179.66)</b>
<b>3. Financial account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net lending (+) / net borrowing (-) (balance from financial account)</b>	<b>(169.01)</b>	<b>(120.51)</b>	<b>(323.80)</b>	<b>(220.38)</b>	<b>(192.97)</b>
<b>3.1 Direct investment</b>	<b>(160.51)</b>	<b>(430.04)</b>	<b>(445.61)</b>	<b>(415.25)</b>	<b>(399.48)</b>
<b>3.2 Portfolio investment</b>	<b>13.43</b>	<b>54.88</b>	<b>249.45</b>	<b>24.04</b>	<b>(80.58)</b>
<b>3.3 Financial derivatives (other than reserves) and employee stock ownership plans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3.4 Other investment</b>	<b>47.28</b>	<b>299.12</b>	<b>(168.50)</b>	<b>90.70</b>	<b>202.78</b>
<b>3.5 Reserve assets</b>	<b>(69.21)</b>	<b>(44.46)</b>	<b>40.87</b>	<b>80.13</b>	<b>84.32</b>
<b>Net errors and omissions</b>	<b>(149.78)</b>	<b>160.36</b>	<b>(73.32)</b>	<b>4.87</b>	<b>(13.31)</b>

Source: Statistics Division, Ministry of Finance and Corporate Governance

Note: All Data are Preliminary

Estimates as at March 30, 2019

**APPENDIX V****SUMMARY OF CENTRAL GOVERNMENT FISCAL OPERATIONS (EC\$M)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Jan - Sept 2019</b>
<b>Total Revenue and Grants</b>	<b>679.58</b>	<b>869.95</b>	<b>950.79</b>	<b>821.91</b>	<b>859.19</b>	<b>631.10</b>
Current Revenue	664.41	782.96	776.71	809.07	815.27	628.50
of which: Tax Revenue	571.12	622.65	641.21	636.42	679.65	501.44
Capital Revenue	1.38	65.86	174.07	10.80	28.23	2.60
Total Grants	13.79	21.13	-	2.05	15.70	-
<b>Total Expenditure</b>	<b>775.28</b>	<b>792.78</b>	<b>954.47</b>	<b>949.12</b>	<b>1,011.42</b>	<b>747.17</b>
Current Expenditure	720.19	741.98	800.61	872.76	927.79	691.99
Wages and Salaries	307.61	307.22	328.53	341.41	419.40	301.46
Goods and Services	124.74	106.65	128.24	134.02	129.27	110.24
Interest Payments	90.74	90.69	92.58	107.20	124.03	85.18
Transfers and Subsidies	197.09	237.42	251.27	290.13	255.09	195.11
<b>Capital Expenditure and Net Lending</b>	<b>55.10</b>	<b>50.80</b>	<b>153.86</b>	<b>76.36</b>	<b>83.64</b>	<b>55.18</b>
Current Account Balance	<b>(55.78)</b>	<b>40.98</b>	<b>(23.90)</b>	<b>(63.69)</b>	<b>(112.52)</b>	<b>(63.49)</b>
Per cent of GDP	(1.65)	1.14	(0.62)	(1.61)	(2.59)	(1.37)
Primary Balance after grants	<b>(4.96)</b>	<b>167.86</b>	<b>88.90</b>	<b>(20.01)</b>	<b>(28.21)</b>	<b>(30.89)</b>
Per cent of GDP	(0.15)	4.65	2.29	(0.50)	(0.65)	(0.66)
Overall Balance	<b>(95.70)</b>	<b>77.17</b>	<b>(3.68)</b>	<b>(127.21)</b>	<b>(152.23)</b>	<b>(116.07)</b>
Per cent of GDP	(2.84)	2.14	(0.09)	(3.21)	(3.50)	(2.50)

Source: Ministry of Finance and Corporate Governance  
Data as at October 31, 2019