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***ECONOMIC CHALLENGES IN THE ECCU REGION:
DEBT AND GROWTH***

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Basseterre
St Kitts

THEME:
Economic Reform:
***Towards A Programme For The Resuscitation of Economic Growth
And Development In The Caribbean***



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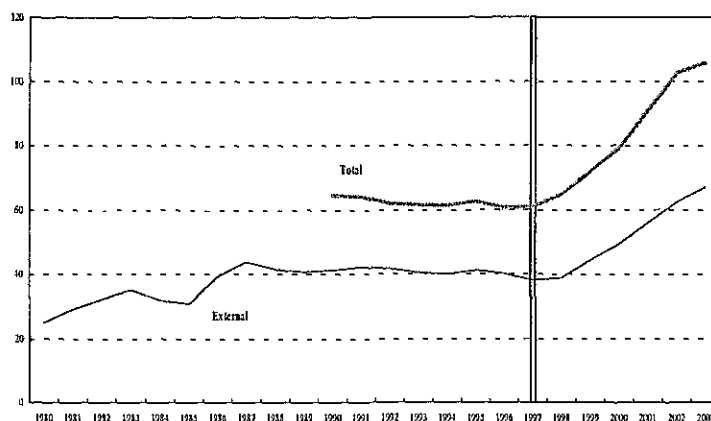


Economic Challenges in the ECCU Region: Debt and Growth

Basseterre, Nov. 25, 2003

Ratna Sahay
International Monetary Fund

Figure 1
ECCU: Public Debt, 1980-2003 1/
(percent of GDP)



Refers to the ECCU countries that are members of the IMF: Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines

Figure 2
ECCU: Public Debt, Total and External, 1980-2003
(As a percent of GDP)

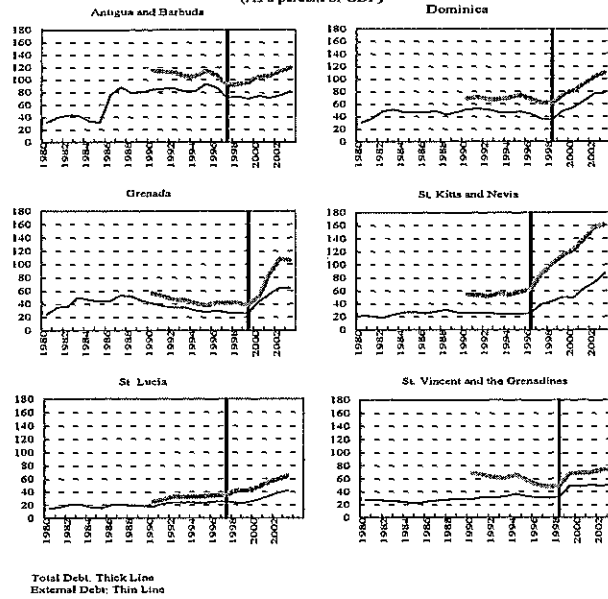
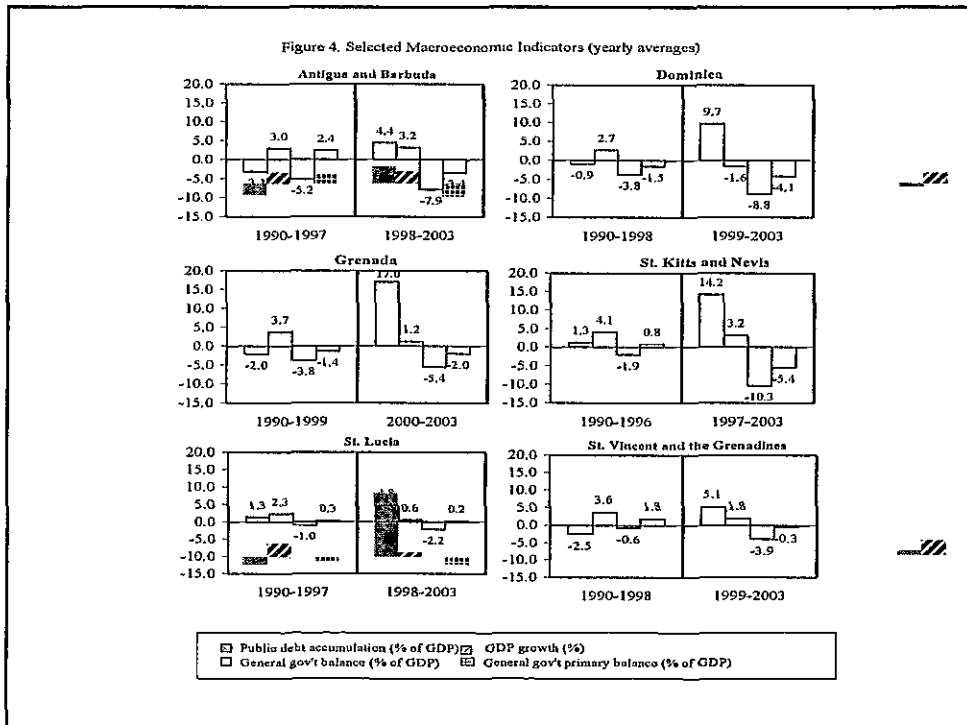
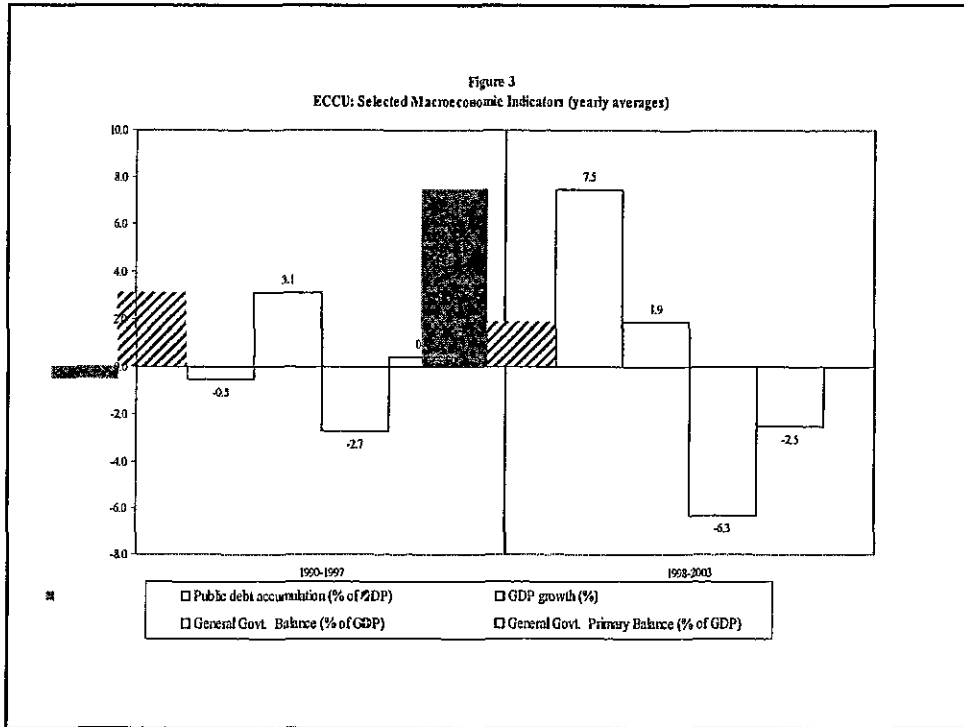


Table 1
ECCU: Contributions to Debt Accumulation
(averages, per year)

	Period 1990-97	Period 1998-2003	Period 2001-2002	Period 1998-2003 minus period 1990-97
Public debt accumulation	-0.5	7.5	11.7	8.0
Contribution of:				
Primary balance (net of grants)	-0.4	2.5	3.7	2.9
Accumulation of reserves	0.8	1.2	1.6	0.4
Interest payments	3.0	3.7	4.2	0.7
Output growth	-1.7	-1.3	0.4	0.5
Real exchange rate growth	-0.3	0.2	-0.3	0.5
Others	-1.8	1.1	2.0	2.9



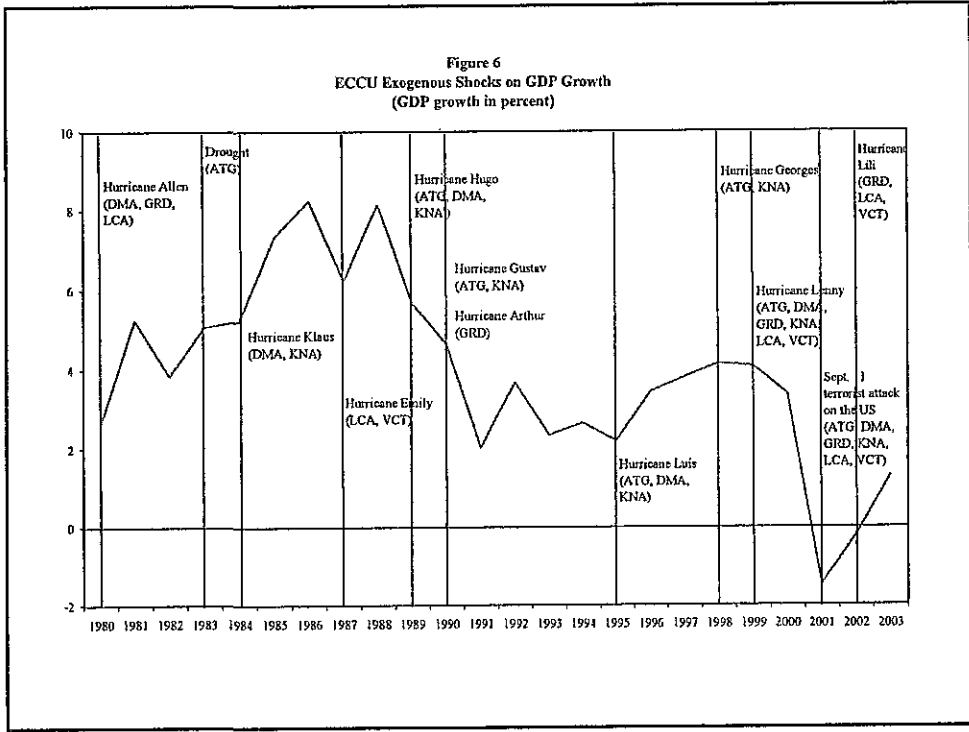
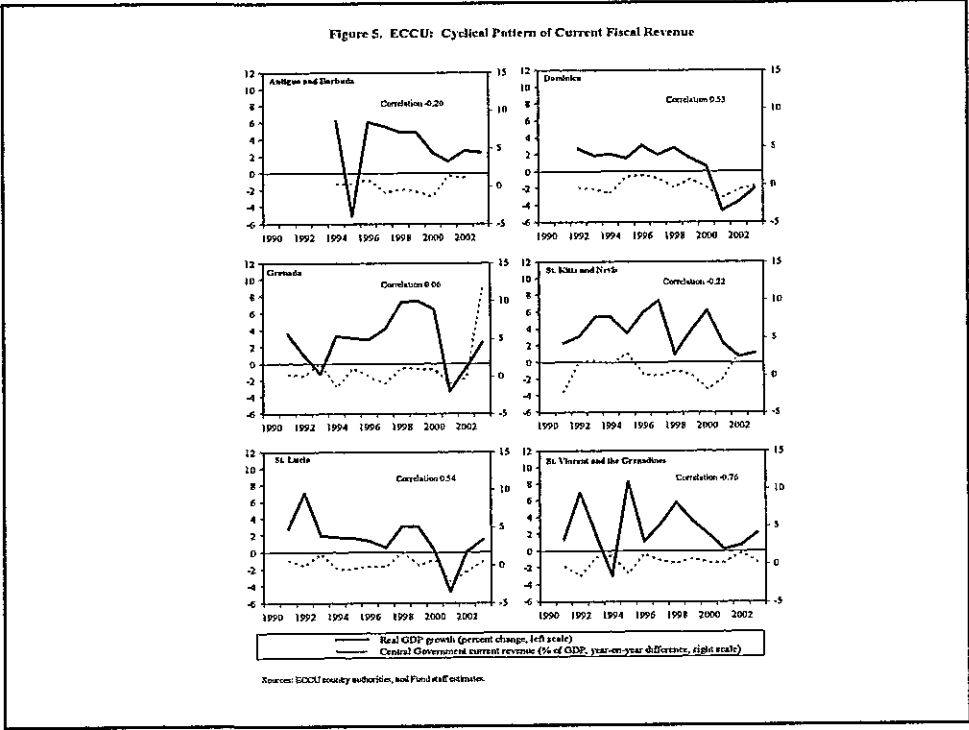
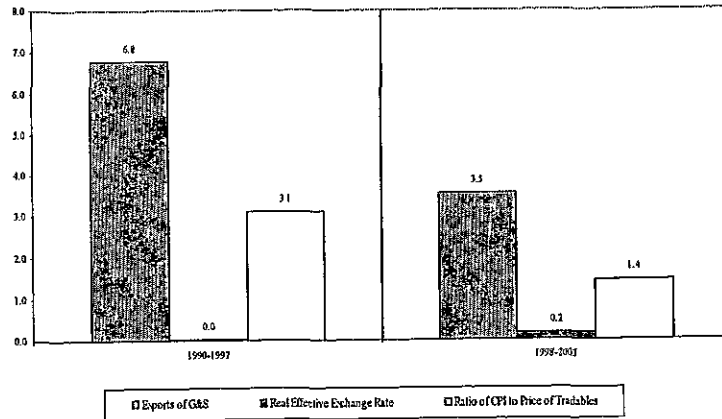
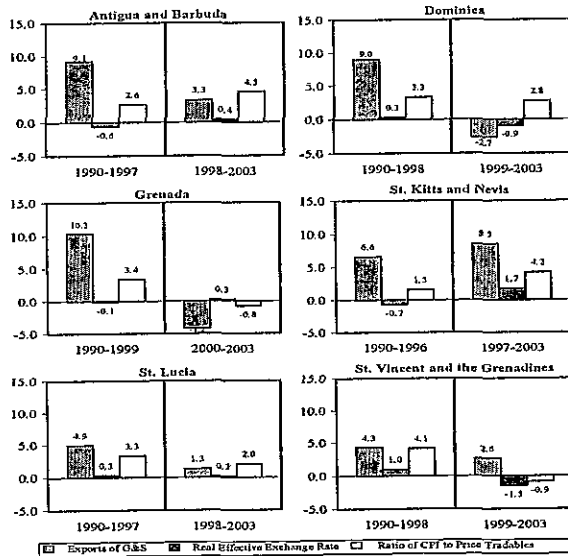


Figure 7
ECCU: Exports and Real Exchange Rate
(percent changes, yearly averages)



The Real Effective Exchange Rate is calculated as the price index of the domestic country (region) divided by the weighted price index of foreign partners.

Figure 8. Exports and Real Exchange Rate 1/
(percent changes, yearly averages)



1/ The Real Effective Exchange Rate is calculated as the price index of the domestic country divided by the weighted price index of foreign partners.

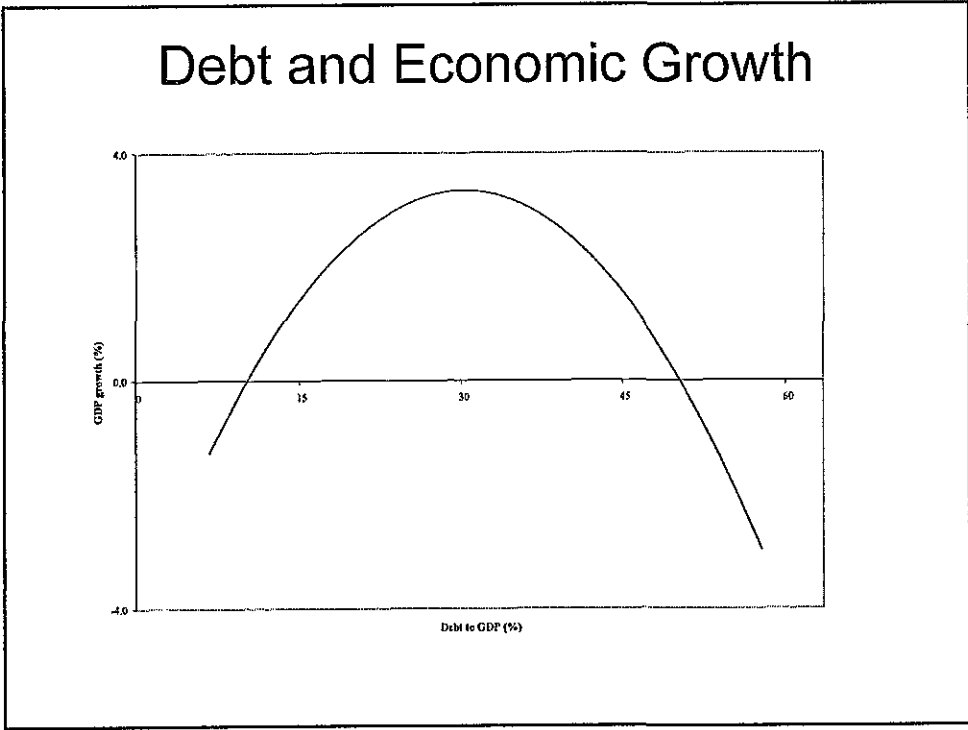
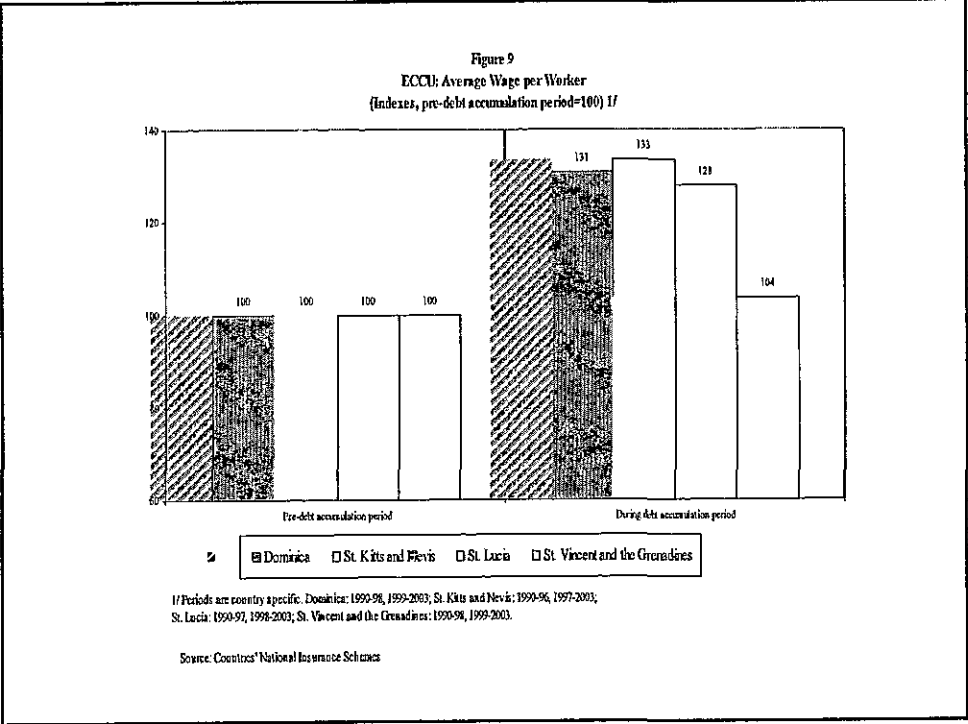
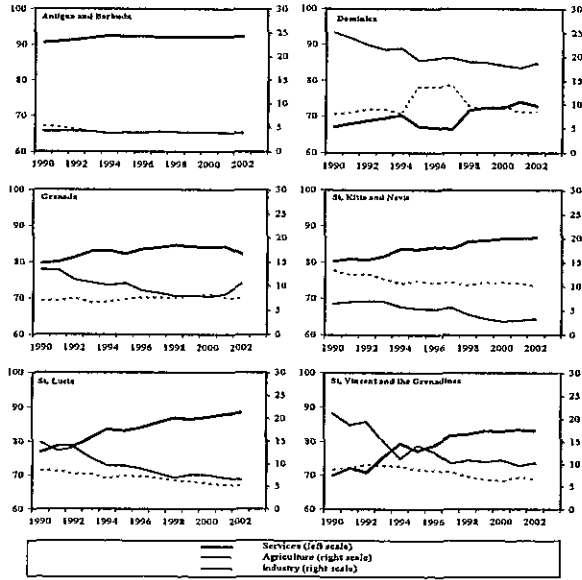


Figure 11. ECCU: Sectoral Share of GDP



Sources: ECCU country authorities, and Fund staff estimates.