

FISCAL DEFICITS AND EXTERNAL RESOURCE MANAGEMENT
IN ECCB MEMBER COUNTRIES DURING THE 1980s

by
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Introduction

The implications of sustained fiscal deficit for economic performance has been the primary focus of economic management for a number of countries over the past several years. The most obvious implication of large and sustained fiscal deficits, is the associated debt accumulation and the resulting claims on present and future budgetary resources. Another, is their effect on inflation and the balance of payments.

Fiscal deficits results from a multiple of causes. In the member countries of the Eastern Caribbean Central Bank (ECCB)¹, three factors may be identified as having influenced fiscal performance and debt accumulation during the decade of the 1980s. The first relates to the external economic shocks suffered during the early 1980s. These shocks included terms of trade effects, associated with the decline in the prices of the main agricultural export crops relative to import prices of oil and manufactured goods; and volume effects, resulting from the recession induced slow-down of world trade and demand for primary commodities.

¹ The ECCB is a monetary union consisting of six independent countries, Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, St Lucia and St Vincent and the Grenadines, and two United Kingdom colonies Anguilla and Montserrat. Data on the non-independent members are not as readily available; consequently the analysis of this paper pertains only to the independent members. It is nonetheless generally applicable to the other members as well.

The second factor contributing to fiscal imbalances in these countries is structural, and relates to their small size and the individuality of certain infrastructural requirements. The countries range in area from 270 and 750 square kilometers, with populations of between 46,000 and 130,000. The small size and narrow resource base of the economies limit their taxable capacities, and thereby, the amount of resources that can be mobilised domestically to produce basic items of infrastructure, such as air and port facilities, which are essential to their growth and development.

A third cause of fiscal disequilibrium is the susceptibility of the countries to natural disasters. They all at one time or another during the 1980s suffered the effects of hurricanes. Such natural disasters caused severe damage to infrastructure, the replacement costs of which have accounted for a substantial proportion of gross domestic investment.

In sum, structural weaknesses associated with size and openness, the sensitivity to shocks emanating from fluctuations in the external economic environment and the frequency of ~~natural~~ natural disasters, have often contributed significantly to the financial problems that confronted the ECCB member countries during the 1980s. It is therefore in this context that their external resource needs and recent debt experiences are best understood. This paper reviews these developments and concludes, that while it may be argued that the external debt problems of the majority of the countries are not severe, there appears to be a growing need for more effective monitoring and management of external debt. This is particularly so in light of the increasing inclination by member countries to contract external debt on commercial terms, and the implication which this could have for the group, in the context of the ECCB monetary union.

The Fiscal Balance

ECCB member countries, like other developing countries, resort to foreign financing to increase resources available for investment and foster internal growth. The investment to GDP ratio for the area during the 1980s has been quite high, averaging about 33%, of which the private sector accounted for about two-thirds and the public sector one-third.

The external borrowing requirement of the public sector is set by the extent of the unfinanced fiscal gap, which includes the repayment of existing debt obligations due, together with the desired change in external reserves.

As indicated in Table 1, the consolidated Central Government finances for the independent ECCB member countries, recorded overall deficits before grants in each year during the period 1981 to 1990, ranging between 6% and 20% of GDP. Total expenditure as a proportion of GDP for the group peaked in 1982, at 54% but fell gradually since that time to represent 39% of GDP in 1990. The highest expenditure to GDP ratios occurred during the recessionary period 1981 to 1984, which also coincided with the ~~substant~~ expenditure to rehabilitate infrastructure destroyed by natural disaster.

On an individual country basis, the Central Government were in continuous deficit throughout the period, except St Vincent and the Grenadines in 1985 and 1986, and St Lucia in 1988 and 1989. Fiscal deficits before grants were most substantial in Grenada, where the annual average was 28.9% of GDP during the decade. In Dominica, the deficits average 16.4%, in St Kitts and Nevis 12.4%, in Antigua and Barbuda 7.4%, in St Lucia 6.4% and in St Vincent and the Grenadines 4.8%.

Fluctuations in the deficit have tended to reflect the lumpiness of public sector investment, largely in infrastructure, the undertaking of which is determined primarily by the availability of financing, a phenomenon exhibited by many developing countries. In the ECCB countries, as Tanzi (1985) observed in respect of most developing countries, the determination of investment expenditure levels and the identification of funding sources are largely simultaneous exercises in which the availability of financing often determines the level and even the kind of spending.

Table 1

CONSOLIDATED CENTRAL GOVERNMENT FINANCES
ECCB Member Countries (1981-1990)
(US\$M)

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
<u>ECCB AREA</u>										
<u>Total revenue</u>	<u>397.8</u>	<u>447.5</u>	<u>470.6</u>	<u>522.0</u>	<u>594.8</u>	<u>679.9</u>	<u>771.9</u>	<u>880.7</u>	<u>986.2</u>	<u>1029.0</u>
Current revenue	396.8	446.0	467.2	512.0	593.2	676.4	763.3	865.4	940.4	1017.0
Capital revenue	1.0	1.5	3.4	10.0	1.6	3.5	8.6	15.3	45.8	12.0
<u>Total expenditure</u>	<u>611.0</u>	<u>714.0</u>	<u>666.9</u>	<u>711.3</u>	<u>786.2</u>	<u>893.5</u>	<u>976.1</u>	<u>1070.8</u>	<u>1223.7</u>	<u>1228.2</u>
Current expenditure	423.7	475.8	485.3	520.9	578.5	627.4	705.2	768.4	899.4	957.8
Capital expenditure	187.3	238.2	181.6	190.4	207.7	266.1	270.9	302.4	324.3	270.4
<u>Current account balance</u>	<u>-26.9</u>	<u>-29.8</u>	<u>-18.1</u>	<u>-8.9</u>	<u>14.7</u>	<u>49.0</u>	<u>58.1</u>	<u>97.0</u>	<u>41.0</u>	<u>59.2</u>
Overall balance before grants	-213.2	-266.5	-196.3	-189.3	-191.4	-213.6	-204.2	-190.1	-237.5	-199.2
External financing	172.9	176.3	145.8	174.6	146.8	177.1	161.4	132.9	192.6	110.1
Grants	88.4	92.3	87.9	145.7	143.6	116.0	96.6	88.3	95.3	62.3
Loans	84.5	84.0	57.9	28.9	3.2	61.1	64.8	44.6	97.3	47.8
Domestic financing	40.3	90.2	50.5	14.7	44.6	36.5	42.8	57.2	44.9	89.1
<u>ECCB AREA</u>										
	<u>As Percentage of GDP</u>									
<u>Total revenue</u>	<u>32.8</u>	<u>33.9</u>	<u>33.3</u>	<u>33.2</u>	<u>33.8</u>	<u>33.8</u>	<u>34.3</u>	<u>33.8</u>	<u>34.1</u>	<u>32.8</u>
Current revenue	32.7	33.8	33.1	32.5	33.7	33.6	33.9	33.2	32.5	32.4
Capital revenue	0.1	0.1	0.2	0.6	0.1	0.2	0.4	0.6	1.6	0.4
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Total expenditure</u>	<u>50.4</u>	<u>54.1</u>	<u>47.2</u>	<u>45.2</u>	<u>44.6</u>	<u>44.4</u>	<u>43.3</u>	<u>41.0</u>	<u>42.3</u>	<u>39.1</u>
Current expenditure	35.0	36.1	34.3	33.1	32.9	31.2	31.3	29.5	31.1	30.5
Capital expenditure	15.5	18.1	12.8	12.1	11.8	13.2	12.0	11.6	11.2	8.6
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Current account balance</u>	<u>-2.2</u>	<u>-2.0</u>	<u>-1.3</u>	<u>-0.6</u>	<u>0.8</u>	<u>2.4</u>	<u>2.6</u>	<u>3.7</u>	<u>1.4</u>	<u>1.9</u>
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Overall balance before grants</u>	<u>-17.6</u>	<u>-20.2</u>	<u>-13.9</u>	<u>-12.0</u>	<u>-10.9</u>	<u>-10.6</u>	<u>-9.1</u>	<u>-7.3</u>	<u>-8.2</u>	<u>-6.3</u>
External financing	14.3	13.4	10.3	11.1	8.3	8.8	7.2	5.1	6.7	3.5
Grants	7.3	7.0	6.2	9.3	8.2	5.8	4.3	3.4	3.3	2.0
Loans	7.0	6.4	4.1	1.8	0.2	3.0	2.9	1.7	3.4	1.5
Domestic financing	3.3	6.8	3.6	0.9	2.5	1.8	1.9	2.2	1.6	2.8

Sources of Financing

There are four sources of financing public expenditure beyond the regular tax system: the issue of domestic debt, the issue of foreign debt, foreign grants and revenue from monetization.

Internal sources of financing other than tax revenue have generally been used sparingly. The countries share a common currency and revenues from monetization are limited by the statute establishing the Central Bank. The amount of domestic debt the Central Bank can hold is linked to the volume of tax revenue generated by Government and is also limited by a minimum foreign exchange cover requirement equivalent to 60% of currency and other demand liabilities. The recognition that too great a reliance on domestic sources could lead to the crowding-out of private sector investors and the depletion of foreign exchange reserves have been important considerations. Domestic sources were used to finance up to 29% of public sector deficits in 1982 and 32% in 1988 but on average over the period 1981 to 1990 they provided only 11% of total financing. It is to be noted however, that the central governments' use of internal sources of financing has often been much greater than that of the consolidated public sector, due to overall surpluses generated in the rest of the public sector.

Foreign sources were therefore the predominant means of deficit financing in the years 1981 to 1990, providing on average about 75.7% of requirements, an indication of the degree of external dependence. The major portion of this financing was in the form of grants, which are attractive because they do not increase foreign indebtedness and therefore do not exert pressure on the future course of the balance of payments. They are not always without cost, however,

as at times they may be provided in exchange for particular political or economic behaviour on the part of the recipient governments (Tanzi, 1985).

Grants to the ECCB member countries have generally taken the form of project aid, and on average over the period accounted for about 64% of total external financing or 5.7% of aggregate GDP for the area. Two countries, Dominica, which as indicated earlier was twice devastated by hurricanes, and Grenada, which underwent a period of reconstruction following the political upheaval of 1983, were the major beneficiaries of grant financing. Together they accounted for about 60% of total grant disbursements to the area during the period. The major donors in this type of financing have been the United States, Canada and United Kingdom governments as well as the European Development Fund.

Concessionary loans are the next most attractive form of finance of fiscal deficits in ECCB member countries. The terms of these loans have generally involved lower than market rate of interest, a substantial grace period, and usually a long maturity. The major suppliers of this type of financing have been the Caribbean Development Bank (CDB), the European Development Fund, other international institutions and governments. For most countries, concessionary loans comprise a large proportion of the total external debt, which as we shall see, accounts for the relatively low debt service ratios evident in these countries. The available data on loan financing, which in Table 1 are shown net of repayments, do not permit the separation of the volume of this type of financing from the more expensive commercial type loans.

Traditionally, commercial loans have not been a popular source of financing, but these have been resorted to within the last four years to a much

greater extent. While all countries have made some foray into this type of external financing, the major user has been Antigua and Barbuda whose external debt rose almost fivefold between 1982 and 1990. Commercial financing has usually been provided by commercial banks, foreign suppliers and foreign governments.

Inferences about the development contribution of these flows can be gleaned from the ratios of external financing of deficit to GDP (Table 1). This ratio for the group averaged almost 12% in the period 198__, reflecting significant inflows of concessionary loan financing, but has declined steadily since then to 3.5% in 1990. This significance is also corroborated by the ratio of external public financing to gross investment, which averaged about 34% over the period.

External Debt Management and Performance

There are several aspects to the management of foreign debt. First and foremost, those with the responsibility to manage the foreign debt must have a clear picture of the size and shape of such debt, and its evolution over time ~~through~~ the accretion of new loans and the repayment of past ones. They should have readily available answers to such questions as: how much principal, interest and other charges are falling due in the current year, the next year, and the years immediately following; what proportion of the debt is sensitive to changes in interest rates; how much of the debt is likely to be affected by a change in the exchange rate of a specific currency, and so on.

Secondly, external debt management is an important component of economic policy. The aim is to improve the external debt profile achieve a sustainable balance of payments equilibrium, and at the same time ensure that external debt

accumulation fuel capital accumulation and thus economic growth. The total external debt outstanding of the ECCB member states increased from US\$181m in 1982 to US\$596m in 1990, an average annual rate of growth of 16% (See Table 2).

The debt outstanding of the individual countries has however grown at varying rates, ranging from an annual rate of about 9.7% in St Lucia and St Vincent to almost 24% in Antigua and Barbuda. Antigua's debt had been virtually stagnant between 1982 and 1985, but it rose sharply in 1986 and 1987, when several large development projects financed from commercial sources were undertaken. Consequent to this sharp rise, the share of Antigua's debt in the ECCB group's total debt has increased from 30% in 1982 to almost 44% in 1990. The volume of external debt outstanding of Dominica and Grenada grew at slower rates than for the group as a whole, 11.2% and 12.7% respectively, while for St Kitts and Nevis it was slightly higher at 16.9%.

The ratio of external debt to GDP relates the size of a country's debt to its aggregate income. Table 2 shows that the external debts of Antigua, Dominica and Grenada since 1986 have been in excess of 50% of nominal GDP, while the three other countries had ratios in the range of 20% to 35%. From a global developing country perspective, the ratios are all relatively moderate. As regards recent trends, except for Antigua and Barbuda and Dominica, there have been no substantial changes. This relative stability of the ratios for the countries indicates that debt has tended to grow at roughly the same pace as GDP.

Table 2

Public and Publicly Guaranteed External Debt Outstanding
In ECCB Member Countries 1982-1990
(US\$M)

	1982	1983	1984	1985	1986	1987	1988	1989	1990
Antigua & Barbuda	54.0	55.7	53.3	65.2	175.9	233.1	243.3	260.7	264.1
Dominica	34.4	40.9	43.8	48.8	56.6	64.9	65.7	72.0	85.5
Grenada	32.1	46.8	46.8	49.3	54.2	62.2	68.6	70.2	87.3
St Kitts & Nevis	10.9	11.5	16.6	19.0	19.1	21.2	26.6	31.7	36.4
St Lucia	28.3	29.9	28.0	29.6	32.7	40.7	41.3	51.7	67.4
St Vincent and the Grenadines	21.2	22.7	22.8	24.3	29.6	34.8	44.9	50.7	55.3
ECCB Total	180.9	207.5	211.3	226.2	368.1	456.9	490.4	537.0	596.0

As Percentage of GDP

Antigua & Barbuda	46.0	42.2	35.8	37.6	86.1	97.2	85.2	80.5	77.6
Dominica	56.8	61.2	58.4	56.6	60.3	62.2	54.7	56.1	61.7
Grenada	44.1	61.8	56.6	54.0	51.9	52.4	52.9	48.0	55.8
St Kitts & Nevis	21.2	22.8	28.1	29.9	24.1	23.9	25.2	27.0	27.5
St Lucia	24.4	25.0	21.4	20.5	20.7	24.7	21.5	24.4	29.3
St Vincent and the Grenadines	30.0	28.8	25.6	26.0	28.1	29.6	33.7	35.1	33.6

SOURCE: ECCB Estimates

In terms of the fiscal and balance of payments implications, the amount of financial resources that have to be devoted each year to payment of principal and interest is of even greater interest than the volume of debt outstanding. External borrowing imposes constraints on the future policies of governments. Specifically, projected revenue must be enough to provide the local currency equivalent of the government's debt obligations; and projected export earnings must be sufficient to accommodate the foreign exchange requirements. The former requirement will be met more easily when the projects financed are successful; but even where returns are adequate to cover cost, the government's ability to raise revenue may constrain severely its ability to service the debt. (Hope and Klein, 1983).

Table 3 shows that the total amount of debt service obligations of the ECCB countries doubled from US\$17m to US\$34m in the four years 1982 to 1986 levelled off in the next two years, but then rose sharply in 1989 and again in 1990 to a total of US\$87.3m. The debt service obligations of the group increased by an average rate of 14.6% over the period, a slightly slower pace than the total volume of debt. With respect to most of the countries, the debt service payments have moved broadly in the same fashion as the total volume of their debts. The heavy borrowing by some in recent years have not yet made their full impact on the debt service obligations; in the years to come sharp increases can be expected.

Table 3
External Debt Service Payments of ECCB Members
(US\$M)

	1982	1983	1984	1985	1986	1987	1988	1989	1990
Antigua & Barbuda ^(a)	7.3	9.4	9.1	10.2	11.1	13.3	14.7	43.3	61.0
Dominica	1.4	2.8	4.4	4.2	4.9	6.1	5.7	5.4	5.0
Grenada ^(a)	2.2	2.2	6.4	8.6	7.6	5.3	6.3	7.4	8.5
St. Kitts & Nevis	0.7	0.7	1.1	1.5	4.8	1.2	1.6	2.0	2.8
St. Lucia	4.2	2.0	<u>3.1</u>	4.3	3.5	3.5	3.3	5.1	5.7
St. Vincent & the Grenadines	1.5	1.7	2.3	3.1	3.1	2.3	2.8	3.1	4.3
ECCB Total	17.3	18.8	26.4	32.0	34.8	31.7	34.4	66.3	87.3

As a Percentage of Foreign
Exchange Earnings

Antigua & Barbuda	7.5	6.8	5.5	5.8	5.6	6.1	6.2	22.5	25.7
Dominica	4.0	7.0	10.1	9.4	9.1	9.6	8.4	8.4	5.8
Grenada	6.9	6.2	17.6	20.5	15.8	7.6	6.9	9.0	9.6
St. Kitts & Nevis	1.4	1.5	2.0	2.6	8.3	1.8	1.9	2.4	3.0
St. Lucia	4.7	2.2	3.4	4.2	2.6	2.1	2.2	2.5	2.5
St. Vincent & the Grenadines	2.9	2.7	3.2	3.8	3.5	2.7	2.2	2.9	3.6

(a) Includes Arrears

SOURCE: ECCB Estimates

The absolute amount of debt service obligations does not take account of differences in the capacity of countries to service their foreign debt. Since debt service obligations have to be discharged in foreign currencies, the proportion which debt service payments bear to foreign exchange earnings is often used as a measure of a country's debt servicing capacity. In the instance of the ECCB member countries, when making such measurements, it is usual to include, in addition to exports of goods and net tourist earnings, net inward remittance income, as these are regular and substantial sources of foreign exchange. The ratios reported in Table 3 are relatively modest, except in the case of Antigua and Barbuda. The debt profile of some of the countries suggests significant increases in this ratio in the next few years.

The burden of servicing public sector foreign debt falls directly or indirectly on the government budget. Having to set aside too large a share of government revenue for debt servicing, in the midst of a large number of competing claims for expenditure of high social and economic priority, often causes difficulties for small developing countries. The ratio of debt service obligations to public revenue provides a measure of debt servicing capacity which may be more indicative of the debt burden for countries like those of the ECCB member states. This view was advanced by Ellis and Williams (1985) who argued that traditional indices like the debt service-to-export ratio give an overly optimistic picture of the burdens of ECCB member countries.

Debt service to revenue ratios which are given in Table 4, indicate for most of the countries a very different picture of the external debt service burden. Although the ratios for St Kitts and Nevis, St Lucia and St Vincent are much lower than for the other countries, they are nevertheless about twice the

respective ratios of debt service to foreign exchange earnings. With regard to Dominica, the ratio of external debt service to public revenue is about 50% higher, while in the case of Grenada, the two are about the same. In Antigua, however, the ratio of debt service to public revenue is substantially larger than its debt service ratio with respect to foreign exchange earnings, and both ratios have exhibited a strong rising trend since 1988.

Table 4

Debt Service Payments of ECCB Members

As a Percentage of Government Revenue, 1982-1989

	1982	1983	1984	1985	1986	1987	1988	1989	1990
Antigua & Barbuda	18.0	23.8	19.6	19.7	18.7	19.8	21.3	57.7	73.8
Dominica	4.9	10.9	14.9	13.0	14.4	16.5	14.7	12.1	10.0
Grenada	7.8	6.7	18.2	21.1	18.9	13.8	11.3	15.2	15.9
St. Kitts & Nevis	2.9	2.9	3.3	5.0	6.9	4.6	4.8	5.4	7.7
St. Lucia	9.9	4.3	6.2	7.1	5.0	4.9	3.9	5.3	5.8
St. Vincent & the Grenadines	6.1	5.4	6.1	7.1	8.7	5.9	6.3	6.2	7.6

SOURCE: Ministries of Finance and ECCB Estimates

Looked at from a global perspective, except for Antigua and Barbuda the debt profile of the ECCB member countries appears to be relatively modest. However, it would be inappropriate to apply such global standards to the ECCB member states all of which are highly open economies. The export income earnings of these countries typically account for more than 60% of GDP, and therefore a 15% debt service ratio would translate to debt service payments that would amount to more than 9% of GDP. Thus, even relatively low debt servicing ratios with respect to foreign exchange earnings or revenue can represent sizeable in me burdens to the small economies of the ECCB member states.

Concluding Observations

The analysis of this paper suggests that while foreign financing of public sector deficits in the ECCB member countries have been substantial, the foreign debt implications have been moderate relative to other developing countries. This has been due to the largely concessional nature of their borrowing.

Traditional donor concessional assistance has been diminishing, and a greater burden is therefore put on internal resources to finance investment.

In order to increase the resources available for investment and continue to foster internal growth, some member countries have resorted increasingly to foreign financing at commercial terms.

There appears therefore to be a growing need to establish mechanisms to more effectively monitor and manage external debt both at the group and individual country level. The group interest in the first instance stems from the aggregate effect of debt operations on the external reserves held jointly by the ECCB; and secondly, from the repercussions of the debt problems of any individual country on the group. As Mehran, Johnson and Landell-Mills (1975) noted, that "Several countries with relatively sophisticated debt monitoring systems have faced debt servicing problems because of a change in market perceptions of the region, which was brought about by the debt-servicing problems of another country in the same region".

APPENDIX
SUMMARY CENTRAL GOVERNMENT FINANCES

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
ANTIGUA AND BARBUDA										
Total revenue	79.9	94.5	88.8	107.1	116.2	156.0	176.4	198.3	235.7	2318
Current revenue	79.4	93.6	87.8	98.8	115.7	155.3	174.9	193.5	202.7	2235
Capital revenue	0.5	0.9	1.0	8.3	0.5	0.7	1.5	4.8	33.0	83
Total expenditure	116.9	151.8	111.6	127.1	132.9	213.3	198.8	244.4	296.5	2465
Current expenditure	88.3	106.4	99.2	108.6	118.0	139.7	161.4	199.6	225.2	2280
Capital expenditure	28.6	45.4	12.4	18.5	14.9	73.6	37.4	44.8	71.3	185
Current account balance	-8.9	-12.8	-11.4	-9.8	-2.3	15.6	13.5	-6.1	-22.5	-45
Overall balance before grants	-37.0	-57.3	-22.8	-20.0	-16.7	-57.3	-22.4	-46.1	-60.8	-147
External financing	26.3	33.1	7.5	2.9	2.3	33.5	5.8	7.3	35.7	-63
Grants	9.7	2.9	0.7	2.1	1.8	6.6	6.1	6.5	3.3	34
Loans	16.6	30.2	6.8	0.8	0.5	26.9	-0.3	0.8	32.4	-97
Domestic financing	10.7	24.2	15.3	17.1	14.4	23.8	16.6	38.8	25.1	210
DOMINICA										
Total revenue	56.8	58.2	69.9	74.7	84.8	94.9	111.2	127.2	124.2	1346
Current revenue	56.7	57.7	69.7	74.6	84.7	92.9	106.3	120.6	123.8	1333
Capital revenue	0.1	0.5	0.2	0.1	0.1	2.0	4.9	6.6	0.4	13
Total expenditure	85.7	88.3	104.1	125.7	131.1	121.0	137.2	153.8	185.0	2059
Current expenditure	62.7	62.6	69.5	74.5	81.6	85.0	93.3	98.6	106.0	1301
Capital expenditure	23.0	25.7	34.6	51.2	49.5	36.0	43.9	55.2	79.0	758
Current account balance	-6.0	-4.9	0.2	0.1	3.1	7.9	13.0	22.0	17.8	32
Overall balance before grants	-28.9	-30.1	-34.2	-51.0	-46.3	-26.1	-26.0	-26.6	-60.8	-713
External financing	24.7	29.2	32.6	45.8	43.3	28.1	36.5	32.6	41.4	372
Grants	12.2	14.4	20.5	35.9	36.7	17.5	28.2	21.4	22.2	197
Loans	12.5	14.8	12.1	9.9	6.6	10.6	8.3	11.2	19.2	175
Domestic financing	4.2	0.9	1.6	5.2	3.0	-2.0	-10.5	-6.0	19.4	341

SUMMARY CENTRAL GOVERNMENT FINANCES

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
GRENADA										
Total revenue	63.3	74.4	81.3	87.2	103.3	93.7	103.6	122.4	130.8	1449
Current revenue	63.0	74.4	81.3	87.1	103.3	93.6	103.5	122.2	130.6	1441
Capital revenue	0.3	0.0	0.0	0.1	0.0	0.1	0.1	0.2	0.2	08
Total expenditure	139.2	175.2	157.2	149.9	181.2	178.9	165.4	176.6	202.4	2183
Current expenditure	64.4	71.6	74.4	87.7	99.3	102.2	121.7	118.4	168.5	1616
Capital expenditure	74.8	103.6	82.8	62.2	81.9	76.7	43.7	58.2	33.9	567
Current account balance	-1.4	2.8	6.9	-0.6	4.0	-8.6	-18.2	3.8	-37.9	-175
Overall balance before grants	-75.9	-100.8	-75.9	-62.7	-77.9	-85.2	-61.8	-54.2	-71.6	-734
External financing	73.9	66.9	69.5	78.5	75.9	69.9	53.1	14.7	54.3	499
Grants	34.9	45.0	34.6	68.7	76.7	64.4	17.4	8.1	24.7	159
Loans	39.0	21.9	34.9	9.8	-0.8	5.5	35.7	6.6	29.6	340
Domestic financing	2.0	33.9	6.4	-15.8	2.0	15.3	8.7	39.5	17.3	235
ST. KITTS & NEVIS										
Total revenue	49.5	46.3	46.7	48.3	49.4	61.2	73.7	80.1	93.5	998
Current revenue	49.4	46.2	44.5	46.8	48.4	60.5	71.7	78.2	92.1	985
Capital revenue	0.1	0.1	2.2	1.5	1.0	0.7	2.0	1.9	1.4	13
Total expenditure	62.2	61.9	60.9	62.5	77.0	81.3	142.3	124.6	117.6	1129
Current expenditure	51.1	51.4	49.6	52.2	56.7	58.5	69.1	77.0	83.8	997
Capital expenditure	11.1	10.5	11.3	10.3	20.3	22.8	73.2	47.6	33.8	132
Current account balance	-1.7	-5.2	-5.1	-5.4	-8.3	2.0	2.6	1.2	8.3	-12
Overall balance before grants	-12.7	-15.6	-14.2	-14.2	-27.6	-20.1	-68.6	-44.5	-24.1	-131
External financing	4.4	8.0	5.5	14.0	5.8	4.5	15.8	33.1	21.3	05
Grants	4.4	5.8	5.8	4.7	5.0	5.4	11.7	11.8	7.5	25
Loans	0.0	2.2	-0.3	9.3	0.8	-0.9	4.1	21.3	13.8	-20
Domestic financing	8.3	7.6	8.7	0.2	21.8	15.6	52.8	11.4	2.8	126

SUMMARY CENTRAL GOVERNMENT FINANCES

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
ST. LUCIA										
Total revenue	90.4	103.9	111.3	120.1	147.5	171.1	193.7	229.7	267.8	2656
Current revenue	90.4	103.9	111.3	120.1	147.5	171.1	193.6	227.9	257.0	2653
Capital revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.1	1.8	10.8	03
Total expenditure	128.9	148.5	147.4	161.3	173.2	197.5	210.1	220.8	262.3	2702
Current expenditure	94.1	116.5	117.3	123.6	145.2	154.3	160.4	163.4	199.4	2064
Capital expenditure	34.8	32.0	30.1	37.7	28.0	43.2	49.7	57.4	62.9	638
Current account balance	-3.7	-12.6	-6.0	-3.5	2.3	16.8	33.2	64.5	57.6	589
Overall balance before grants	-38.5	-44.6	-36.1	-41.2	-25.7	-26.4	-16.4	8.9	5.5	-46
External financing	28.5	24.4	22.2	29.5	15.9	16.1	26.2	10.0	8.9	43
Grants	14.4	13.4	18.7	27.4	16.3	16.6	24.3	17.6	11.5	86
Loans	14.1	11.0	3.5	2.1	-0.4	-0.5	1.9	-7.6	-2.6	-43
Domestic financing	10.0	20.2	13.9	11.7	9.8	10.3	-9.8	-18.9	-14.4	03
ST. VINCENT										
Total revenue	57.9	70.2	72.6	84.6	93.6	103.0	113.3	123.0	134.2	1523
Current revenue	57.9	70.2	72.6	84.6	93.6	103.0	113.3	123.0	134.2	1523
Capital revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	00
Total expenditure	78.1	88.3	85.7	84.8	90.8	101.5	122.3	150.6	159.9	1744
Current expenditure	63.1	67.3	75.3	74.3	77.7	87.7	99.3	111.4	116.5	1320
Capital expenditure	15.0	21.0	10.4	10.5	13.1	13.8	23.0	39.2	43.4	424
Current account balance	-5.2	2.9	-2.7	10.3	15.9	15.3	14.0	11.6	17.7	203
Overall balance before grants	-20.2	-18.1	-13.1	-0.2	2.8	1.5	-9.0	-27.6	-25.7	-221
External financing	15.1	14.7	8.5	3.9	3.6	25.0	24.0	35.2	31.0	245
Grants	12.8	10.8	7.6	6.9	7.1	5.5	8.9	22.9	26.1	122
Loans	2.3	3.9	0.9	-3.0	-3.5	19.5	15.1	12.3	4.9	123
Domestic financing	5.1	3.4	4.6	-3.7	-6.4	-26.5	-15.0	-7.6	-5.3	-24

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