Government of Antigua and Barbuda

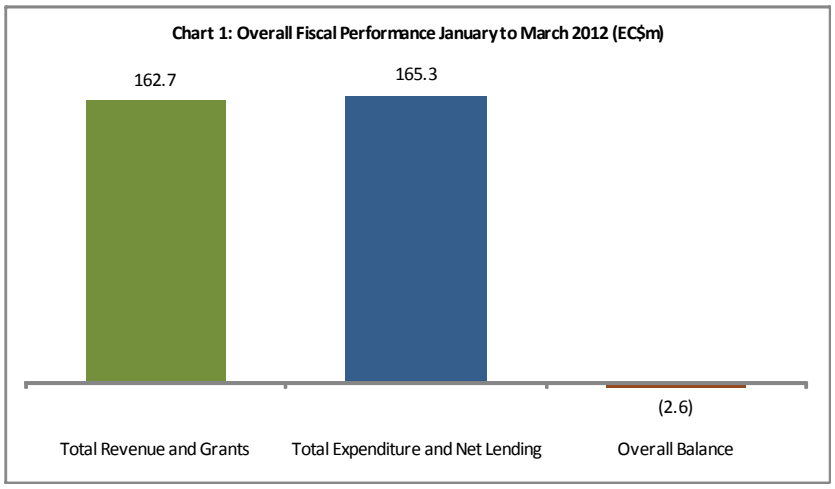
Quarterly Fiscal Review

January to March 2012

Highlights

Compared to first quarter 2011:

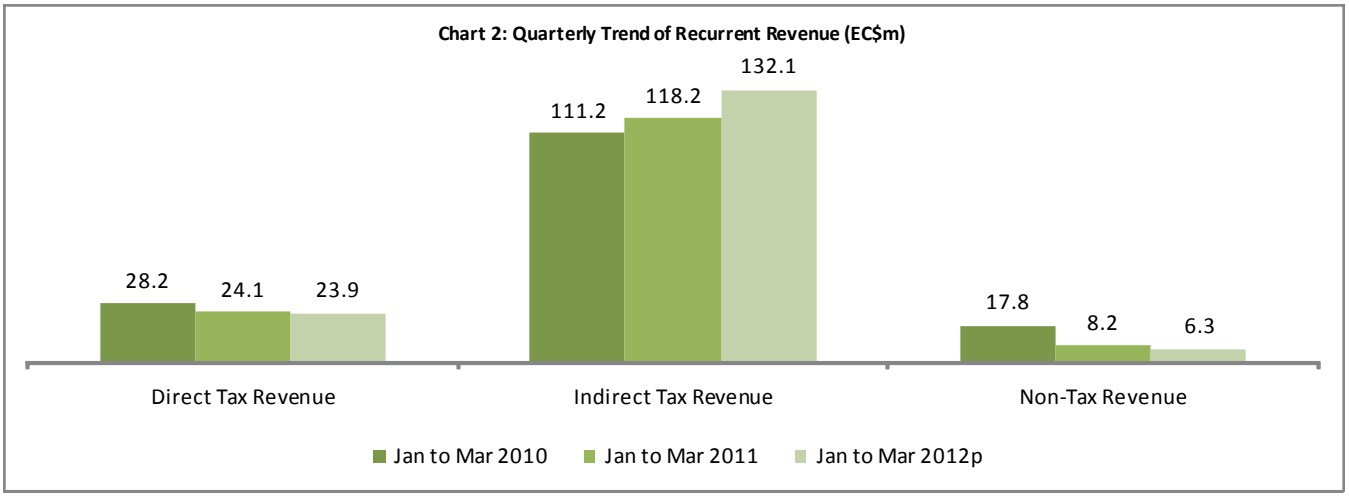
- The overall fiscal performance improved for the period January to March 2012
- Total revenue increased
- Total expenditure decreased



Revenue Performance

Total recurrent revenue increased by $13.1m (8.8%) for the period January to March 2012 compared to January to March 2011. This improvement in revenue performance is attributed to a $14.3m (291.0%) increase in revenue from stamp duties from $4.9m to $19.2m, an increase in revenue from the Antigua and Barbuda Sales Tax of $2.1m (4.2%) from $51.0m to $53.2m, and a decrease of $3.3m in corporate tax.

While there was an 8.8% increase in recurrent revenue over the period, capital receipts, which are mainly generated by crown land sales, and capital grants decreased by 99.0% falling from $17.4m in the first quarter of 2011 to $169,000 in 2012. Crown land sales fell by 87.7% from $1.4m to $169,000 and there were no capital grants for the first quarter of 2012, compared to $15.9m for the same period in 2011.



Expenditure Performance

Recurrent expenditure for the period under review decreased by $4.3m (2.5%) from $167.6m to $163.3m over the same period in 2011. Salaries and wages and goods and services have remained constant at $65.0m and $20.0m, respectively. Other changes include:

- a decrease of $1.4m (6.3%) in pensions and gratuities from $22.3m to $20.9m;
- a decrease of $3.1m (9.7%) in other transfers from $32.0m to $28.9m.

During the period under review however, there was a marked decline in capital expenditure of $14.9m (88.0%) from $16.9m to $2.0m. This overall decline in capital expenditure is associated with the 2011 Japanese Fisheries Project, despite an increase in central government capital expenditure more than doubled moving from $949,000 to $2.0m.

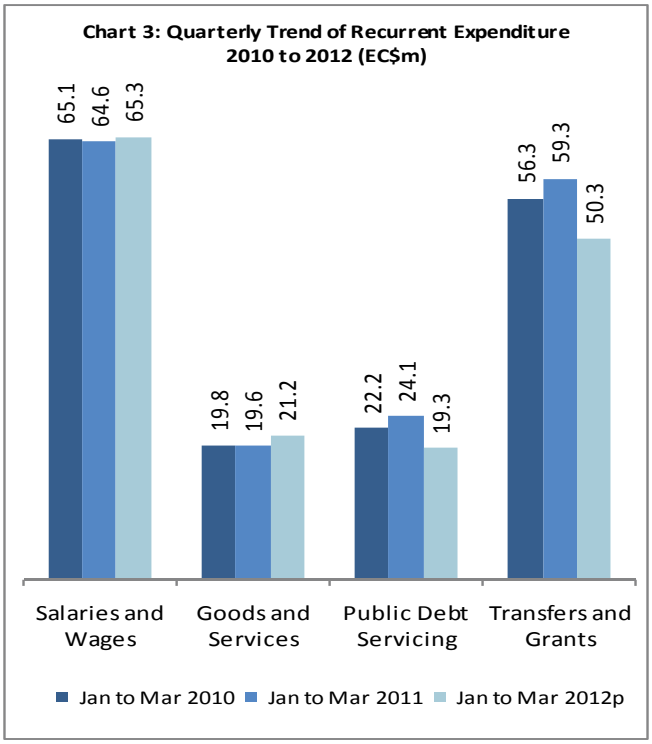
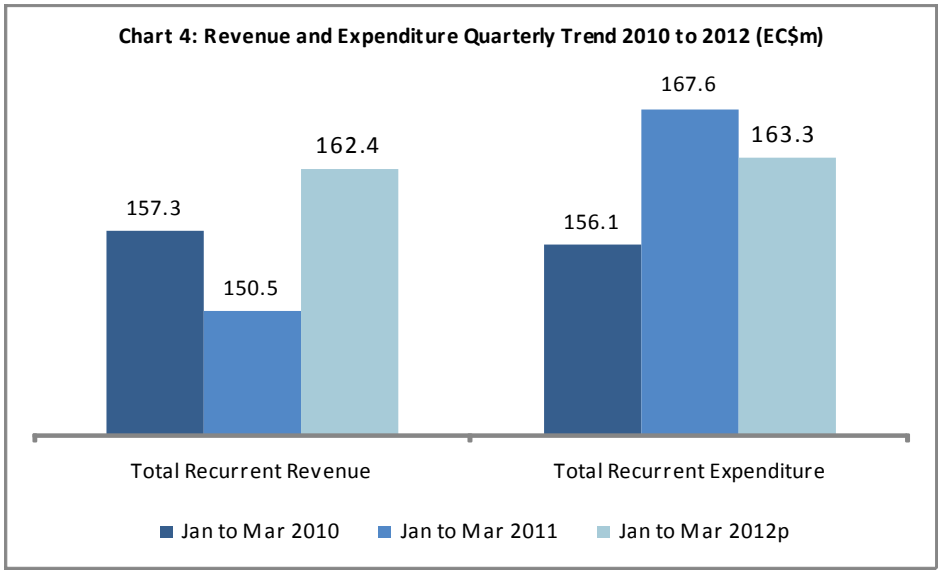


Table 2: Percentage Contribution of Expenditure Items to Total Recurrent Revenue	Jan to Mar 2010	Jan to Mar 2011	Jan to Mar 2012p
Salaries and Wages	41.5%	42.9%	40.1%
Goods and Services	13.5%	13.0%	12.2%
Public Debt Servicing	12.3%	16.0%	13.7%
Transfers and Grants	32.0%	39.4%	34.7%

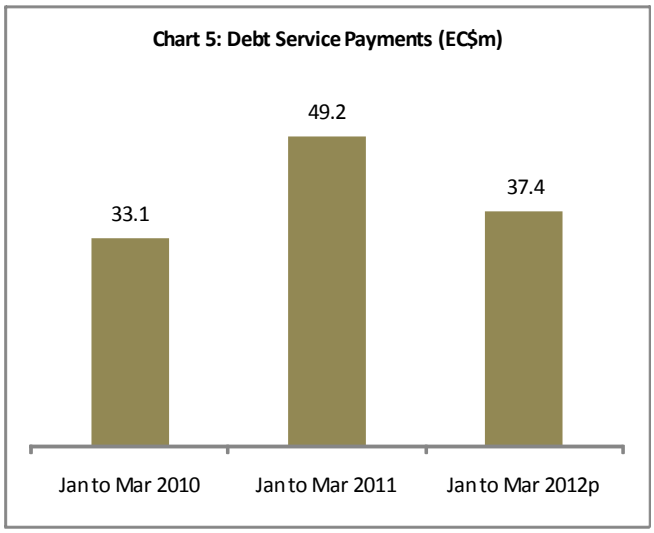


For the period January to March 2012 recurrent revenue *increased* by $13.2m (8.8%) and recurrent expenditure *decreased* by $4.3m (2.5%)

Public Debt

At the end of the period 31 March 2011, total debt (including central government and government guaranteed debt) stood at $2.7 billion following the governments restructuring with domestic and external creditors.

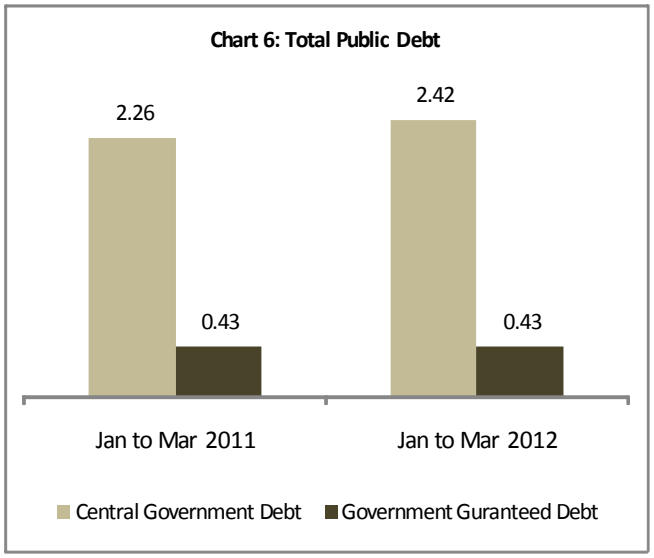
For the period ending 31 March 2012 the debt stock stands at $2.9billion. Over the period the Government and statutory bodies received disbursements from the IMF Standby Arrangement, the CDB Policy-Based Loan, RGSM Auctions and for the Wadadli Power Plant and the New Airport Terminal financed by the People's Republic of China.

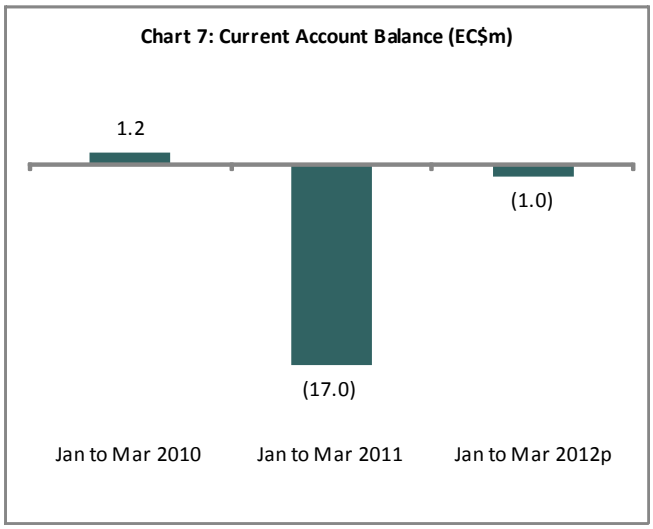


Overall Fiscal Performance

Preliminary overall fiscal balance for the period January to March 2012 shows a slight deficit of $970,000 compared to a deficit of $16.6m for the same period last year.

Expenditure on salaries and wages ($65.1m) represents 40.1% of recurrent revenue, (see Table 2) while debt servicing ($37.3m) and goods and services ($19.8m) represent 30.0% and 12.2% respectively. Total committed expenditure ($165.3m) was greater than revenue ($162.7m) by





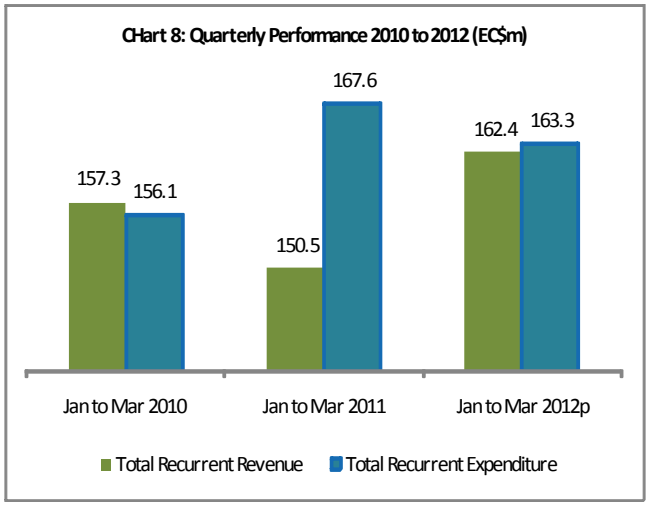


Table 1: Economic Classification of Government Finances	Jan to Mar 2010	Jan to Mar 2011	Jan to Mar 2012p	Jan to Mar 2012 / Jan to Mar 2011	
				$ change	*% change*
TOTAL REVENUE AND GRANTS	**170.9**	**167.9**	**162.7**	**(5.15)**	**(3.1)**
Total Recurrent Revenue	**157.3**	**150.5**	**162.4**	**11.8**	**7.9**
Direct Tax Revenue	28.2	24.1	23.9	(0.2)	(0.8)
Indirect Tax Revenue	111.2	118.2	132.1	13.9	11.8
of which:					
ABST (gross)	42.3	51.0	53.2	2.1	4.2
Stamp Duty	7.0	4.9	19.2	14.3	291.0
Non-Tax Revenue	17.8	8.2	6.3	(1.9)	(22.9)
Total Capital Revenue	**13.6**	**17.3**	**0.3**	(17.0)	(98.0)
Grants and Contributions	13.0	16.0	0.0	(16.0)	(100.0)
Capital Revenue from Sale of Assets	0.6	1.4	0.3	(1.0)	(75.2)
TOTAL EXPENDITURE	**169.9**	**184.5**	**165.3**	**(19.2)**	**(10.4)**
Total Recurrent Expenditure	**156.1**	**167.6**	**163.3**	**(4.2)**	**(2.5)**
Salaries and Wages	65.3	64.6	65.1	0.5	0.7
Goods and Services	21.2	19.6	19.8	0.1	0.6
of which:					
Rent	0.8	6.3	6.6	0.2	3.9
Travel	0.8	0.8	0.6	(0.2)	(21.1)
Public Debt Servicing	19.3	24.1	22.2	(1.8)	(7.6)
Domestic Interest	10.8	10.1	16.3	6.2	61.3
External Interest	8.5	14.0	5.9	(8.0)	(57.6)
Transfers and Grants	50.3	59.3	56.3	(3.0)	(5.0)
of which: Pensions and gratuities	17.7	22.3	20.9	(1.3)	(6.0)
Total Capital Expenditures and Net Lending	13.8	16.9	2.0	(14.9)	(88.3)
CURRENT ACCOUNT BALANCE	**1.2**	**(17.0)**	**(1.0)**	**16.1**	**94.3**
PRIMARY BALANCE	**20.3**	**7.5**	**19.6**	**12.2**	**76.7**
OVERALL BALANCE	**0.9**	**(16.6)**	**(2.6)**	**14.0**	**84.3**

p means provisional

Explanatory Notes

Central government refers to the activities of the Government excluding those for statutory bodies. Transactions at this level reflect the legal budget of the central government.

Current account balance is the difference between recurrent revenue and recurrent expenditure.

*Overall Balance: O*n a cash basis, total incomings and outgoings from the budget must always balance. The overall balance is the difference between the total revenue and grants and total expenditure.

The primary balance excludes interest payments from expenditure. It can be said to provide an indicator of current fiscal effort, since interest payments are predetermined by the size of previous deficits.

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