

# **NATIONAL ACCOUNTS**

## **STATISTICS REPORT 2004**

Prepared by  
Statistics Department,  
Ministry of Finance and Economic Development

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## **PREFACE TO 2004 NATIONAL ACCOUNTS**

The National Accounts statistics report is published every year by the Statistics Department of the Ministry of Finance, Economic Development, Investment, Commerce and Tourism in collaboration with the Eastern Caribbean Central Bank. It is based on the reported returns of businesses within the various sectors of Anguilla from self-completed questionnaires distributed by the Statistics Department. Tables are prepared and revised each year by officers within the Statistics Department

We would like to take this opportunity to thank all those business people who took time out to complete and return the survey questionnaires mailed to them. Without their co-operation it would be impossible to produce this publication. We would also like to thank the Eastern Caribbean Central Bank for their assistance in compiling these tables and to all the staff of the Statistics Department, in particular Misses Deavene Guishard and Rhina Meade, for their dedication in ensuring that survey responses were received and verified.

As the economy of Anguilla develops, there is a greater need for more reliable, accurate and timely economic statistics. These statistics can only be prepared with the support of the private and public sectors. The primary users of this information are the Eastern Caribbean Central Bank and planners within the public and private sectors. We hope that the information contained in this publication will benefit the economic and social planners as well as private sector individuals and businesses in their decision-making. Any suggestions that may assist us in improving the quality and content of future publications are welcome.

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Chief Statistician

# **REVIEW OF ECONOMIC ACTIVITY IN ANGUILLA IN 2004**

## **1.0 OVERVIEW**

Total economic activity, as measured by Gross Domestic Product (GDP), in 2004, increased in real terms to 16.0% from 4.7% in 2003. This increase in 2004 was primarily due to the major construction developments on Anguilla, in particular, the Wallblake Airport Expansion project. GDP at factor cost and in current prices, was EC\$294 million compared to the revised EC\$253 million in 2003. In constant prices, the economy grew by 10.2 percentage points over the previous year at 3.5%. With an estimated mid-year population of 12, 522, the GDP per capita stood at EC\$23,479 or US\$8,761.

Inflation, as measured by the percentage change in the Consumer Price Index (CPI)<sup>1</sup> in 2004/2003, was 5.0%.

Economic growth in 2004 was also driven by the performance of the Hotels and Restaurants, Banks and Insurance, Construction, Government Services and the Communication Services sectors.

The Government Sector, which contributed 13.9 % to the overall GDP showed a decline of 4.1 percentage points from its 2003 contribution.

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<sup>1</sup> For further information on the Consumer Price Index (CPI), please visit the department's website at the following link:  
<http://www.gov.ai/statistics/consumer.htm>

## 2.0 HOTELS AND RESTAURANTS

Hotels and Restaurants continued to be the dominant sector within the Anguilla economy for the past several years; and is the highest ranked in terms of overall economic activity at EC\$85.73 million, a contribution to overall GDP of 29.2%.

Total visitor arrivals to Anguilla, the driver of this sector, increased by 10.5% to 120,788 visitors in 2004 over its 2003 corresponding figure, see Table 2.1 below. This increase in visitors was, in part, attributed to the Jazz Festival, Moonsplash and Summer Festival activities on the island. The number of stay-over visitors increased 15.1% in 2004 over its corresponding 2003 figure. Persons who stay over whether in hotels or villas, make a greater contribution to the economy than day-trippers, cruise ship visitors or yachters.

**Table 2.1: Visitors to Anguilla, 1993 - 2004**

<b>Year</b>	<b>Excursionists</b>	<b>Stay over Visitors</b>	<b>Total Visitors</b>
1993	73,692	37,658	<b>111,350</b>
1994	82,075	43,705	<b>125,780</b>
1995	68,555	38,531	<b>107,086</b>
1996	48,741	37,498	<b>86,239</b>
1997	70,684	43,181	<b>113,865</b>
1998	69,922	43,874	<b>113,796</b>
1999	59,947	46,782	<b>106,729</b>
2000	68,680	43,789	<b>112,469</b>
2001	56,243	47,965	<b>104,208</b>
2002	67,149	43,969	<b>111,118</b>
2003	62,367	46,915	<b>109,282</b>
2004	66,801	53,987	<b>120,788</b>

### **3.0 BANKS AND INSURANCE**

The financial sector had the second largest ranking to the overall economic activity within the island. It contributed, in constant dollars, EC\$43.99 million or a segment of 20.2% of GDP and in current dollars, EC\$44.54 million or 15.1% to GDP in 2004. There are four commercial banks, one development bank, a Central Bank office and ten insurance companies operating in Anguilla. There are a number of companies that operate as insurance agents and brokers representing a number of overseas insurance companies and other businesses that carry out activities auxiliary to financial intermediation.

Banks and Insurance companies output increased by 25.8% in constant prices over the corresponding 2003 figure.

### **4.0 CONSTRUCTION**

The Construction sector ranked as the third largest contributing sector to the economy in 2004. The Wallblake Airport Runaway Extension and Refurbishing Project, along with extensive road construction were contributing factors in the positioning of this sector. The Construction sector contributed EC\$43.16 million or 14.7% to GDP in 2004.

This sector showed a 45.3% increase in dollar value real terms over the 2003 corresponding figures. Never in the history of the compilation of the Anguilla National Accounts has such an increase in this sector been recorded.

### **5.0 GOVERNMENT SERVICES**

Government Services had the fourth largest industry ranking, contributing EC\$41.01 million or 13.9% to GDP in 2004. This represents a nominal decrease of 10.0% in 2004 from 2003. This, in part, was attributable to the statutorisation of one of Government's Departments in 2004.

The current expenditures of Government according to the National Accounts definitions grew in 2004 by 20.9%, while revenues increased by 36.4%. This resulted in a small surplus, the third consecutive surplus on the current account since 2002, of EC\$1.8 million. The main contributors to the increase in Government revenues were indirect taxes excluding import duties and property taxes.

## **6.0 COMMUNICATIONS**

Activity within the Communications sector increased in 2004 by 19.3% in current prices or 20.1% in constant prices. This comes after a decline in 2003 by 5.6% in current prices or 5.2% in constant prices. The Communications sector represented EC\$25.34 million or 4.6% of GDP. During 2004, this sector experienced some changes within the regulatory framework resulting in the establishment of a Public Utilities Commission (PUC) and the liberalisation of this sector, which before allowed for a monopoly.

## **7.0 WHOLESALE AND RETAIL TRADE**

In 2004, the Wholesale and Retail sector ranked seventh in terms of its contribution to GDP. Activity within this sector, as it relates to its GDP contribution, declined in 2004 to 7.1% compared to 7.5% in 2003.

Economic activity in this sector totalled EC\$20.86 million in the year 2004, which was a decrease by 9.1% over its 2003 corresponding value after an increase of 9.9% in 2003 over the 2002 value. The returns in the retail sector are mostly comprised of 4 large supermarkets and automotive retailers. There are many smaller retailers and shops catering to the tourist sector.

## **8.0 OTHER SECTORS**

The Mining & Quarrying industry is a “a spin-off” from the Construction industry, and likewise had a relatively good performance as a result of the strength of the Construction industry in 2004, as the quarry provides much of the raw materials used in construction.

The Transport sector includes all modes of transportation on Road, Sea and Air for passengers and other materials. The real rate of growth was 18.6% and contributed 5.0% to the overall GDP by economic activity. Air Transportation was affected this year by the limitation of flights to the island towards the end of the year. This caused visitors’ final flight destination to be to a neighbouring island, St. Martin, where they then had to be transported, using the ferry service, to Anguilla.

Electricity & Water continued to show positive growth in 2004 growing by 6.5% in real terms. All other sectors this year also experienced positive economic growth in 2004.