

**IMMEDIATE
ATTENTION**

EBD/07/135

December 10, 2007

To: Members of the Executive Board

From: The Secretary

Subject: **Antigua and Barbuda—World Trade Organization Request for Information on Data on Gambling Services**

The Chairman of the World Trade Organization (WTO) Arbitral Panel established by the WTO has sent the attached communication to the Managing Director requesting that the Fund provide information on data on gambling services in Antigua and Barbuda (Attachment I). The staff's proposed response is attached (Attachment II).

It is not intended to publish this paper on the Fund's external website.

In the absence of an objection by an Executive Director or a request for a discussion on the recommended response by **close of business on Wednesday, December 12, 2007**, the proposed decision that appears on page 2 will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Questions may be referred to Mr. Kozlow, STA (ext. 39398).

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

ANTIGUA AND BARBUDA

World Trade Organization Request for Information on Data on Gambling Services

Prepared by the Statistics Department

In consultation with the Legal and Policy Development and Review Departments

Approved by Robert W. Edwards

December 10, 2007

1. **The Fund has received a request for information from the Chairman of a World Trade Organization (WTO) arbitral panel.** The arbitration proceedings were established following a complaint by Antigua and Barbuda against the United States concerning measures affecting the cross-border supply of gambling and betting services. In the present proceedings, the United States objects to Antigua and Barbuda's proposed level of suspension of concessions and obligations, and claims that Antigua and Barbuda's proposed "cross-retaliation"—which would include coverage of measures under not only the General Agreement on Trade in Services (GATS) that was the subject of the dispute, but also under the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS)—does not follow the applicable procedures under the Understanding on Rules and Procedures Governing the Settlement of Disputes.¹ In these proceedings, the United States and Antigua and Barbuda disagree on the level of nullification and impairment experienced by Antigua and Barbuda from lost exports of gambling services. Evidence has been presented relating to the market for such services and reference has been made to the Fund's 2006 *Balance of Payments Statistics Yearbook* country table for Antigua and Barbuda. In the attached communication to the Managing Director, the Chairman of the panel requests the Fund to provide information on the coverage, methodology, and sources of data on Antigua and Barbuda published in the IMF's 2006 *Balance of Payments Statistics Yearbook*.

¹ "United States – Measures Affecting the Cross-Border Supply of Gambling and Betting Services - Recourse by the United States to Article 22.6 of the DSU", WT/DS285/23, July 24, 2007.

2. **In view of the framework for cooperation between the Fund and the WTO, including the Fund/WTO Cooperation Agreement,² staff proposes to respond to the request with the attached letter.³** In our reply, we state that we have little information on the value of Antigua and Barbuda's remote gambling revenue as this information is provided by the authorities through the Eastern Caribbean Central Bank and the data submitted do not separately identify transactions relating to remote gambling services. The letter also describes how such transactions should be recorded under the guidelines for compiling data for the *Balance of Payments Statistics Yearbook*.

PROPOSED DECISION

3. The following draft decision is proposed for adoption by the Executive Board:
“The Statistics Department is authorized to transmit the letter contained as Attachment II to EBD/07/135.”

² *Agreement Between the International Monetary Fund and the World Trade Organization*, Selected Decisions, Thirty First Issue, p. 828.

³ The two most recent requests from WTO panels have concerned inquiries on an exchange restriction and on the balance of payments position of a member. See respectively: *Dominican Republic—Request by WTO Dispute Settlement Panel* (EBD/04/68, 06/22/04); *India—Request for Information from the World Trade Organization Dispute Settlement Panel on India* (EBD/98/76, 07/13/98).

ATTACHMENT I



WORLD TRADE ORGANIZATION
 ORGANISATION MONDIALE DU COMMERCE
 ORGANIZACIÓN MUNDIAL DEL COMERCIO

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Mr. Dominique Strauss-Kahn
 The Managing Director
 International Monetary Fund
 700, 19th Street, N.W.
 Washington, D.C. 20431
 U.S.A

Div. Reference:
 Reg. Reference:

22 November 2007

Dear Mr. Strauss-Kahn,

I am writing to seek your assistance in clarifying certain factual issues that have arisen in relation to data for Antigua and Barbuda published by the IMF. These questions arise in the context of ongoing arbitral proceedings in the WTO dispute settlement case *US – Measures Affecting the Cross-Border Supply of Gambling and Betting Services*, which I am chairing. We would be extremely grateful for any assistance you may be able to provide.

In the context of these proceedings, the parties (the United States, and Antigua and Barbuda) have presented evidence relating to the market for remote gambling services. Reference has been made in particular to the IMF's 2006 Balance of Payments Yearbook, country table for Antigua and Barbuda (see attachment – Exhibit US 2).

We would be very grateful if you could respond to the following questions:

1. Could you please let us know the source of that data and whether it includes Antigua and Barbuda's remote gambling services? Specifically, we would like to know how you report (i) bets placed (i.e. gross amounts wagered), (ii) payments of winnings and (iii) the margin between bets placed and payments of winnings, i.e. net remote gambling revenues. In addition, could you please inform us under which item of the financial account you record the corresponding entries, e.g. under bank deposits?
2. Could you clarify whether related transactions, such as imported inputs into remote gambling (perhaps reflected in the debit position of various business services of the current account) and expatriated profits (perhaps reflected in the debit position "investment income" of the current account) are reported.
3. If none of these transactions are reported, please indicate how this is possible given that, as we understand it, the ECCB compiles the information, to a certain extent, from records of commercial banks, and not exclusively from company surveys of gambling operators, who may not report.
4. May we also ask you whether data on Antigua and Barbuda's remote gambling revenue is contained in any other information base that you may maintain or whether you may be able to point us to alternative sources of information in that regard?

We are also sending a similar inquiry to the Eastern Caribbean Central Bank. In view of the extremely tight deadlines under which we are operating in these proceedings, we would appreciate it greatly if you are able to provide us with a response to these questions by Friday, 30 November 2007.

We thank you in advance for your kind assistance and very much look forward to receiving your response, which I am certain will be of great help to the Arbitrator in its assessment of the matter before it.

Yours sincerely,

Lars Anell
Chairman

*United States - Measures Affecting the Cross-Border
Supply of Gambling and Betting Services –
Recourse by the United States to Article 22.6 of the DSU*

c.c. Mr. Edwards Director of the Statistics Department, IMF (redwards@imf.org).

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Table 1. ANALYTIC PRESENTATION, 1998–2005

(Millions of U.S. dollars)

| | Code | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|----------|---------|---------|---------|---------|---------|---------|---------|---------|
| A. Current Account¹ | 4 993 Z. | -46.77 | -57.26 | -66.77 | -64.53 | -109.21 | -102.08 | -83.44 | -135.79 |
| Goods: exports f.o.b..... | 2 100 .. | 37.38 | 37.43 | 52.36 | 41.20 | 39.50 | 45.00 | 55.36 | 57.61 |
| Goods: imports f.o.b..... | 3 100 .. | -320.84 | -352.70 | -342.39 | -321.18 | -335.64 | -353.18 | -378.94 | -415.57 |
| Balance on Goods..... | 4 100 .. | -283.46 | -315.27 | -290.03 | -279.98 | -296.14 | -308.18 | -323.58 | -357.96 |
| Services: credit..... | 2 200 .. | 428.52 | 439.21 | 414.50 | 400.68 | 394.22 | 413.34 | 467.54 | 460.79 |
| Services: debit..... | 3 200 .. | -169.09 | -177.27 | -156.07 | -169.58 | -171.45 | -182.15 | -190.41 | -204.85 |
| Balance on Goods and Services..... | 4 991 .. | -24.02 | -53.33 | -31.60 | -48.87 | -73.37 | -76.99 | -46.45 | -102.02 |
| Income: credit..... | 2 300 .. | 12.89 | 11.70 | 15.52 | 18.68 | 8.09 | 8.61 | 11.54 | 9.13 |
| Income: debit..... | 3 300 .. | -33.92 | -35.14 | -60.04 | -43.47 | -49.54 | -47.19 | -56.93 | -50.90 |
| Balance on Goods, Services, and Income..... | 4 992 .. | -45.06 | -76.77 | -76.12 | -73.66 | -114.82 | -115.56 | -91.85 | -143.79 |
| Current transfers: credit..... | 2 379 Z. | 12.42 | 23.61 | 18.43 | 22.52 | 22.97 | 29.37 | 25.13 | 25.78 |
| Current transfers: debit..... | 3 379 .. | -14.13 | -4.10 | -9.09 | -13.39 | -17.36 | -15.89 | -16.73 | -17.79 |
| B. Capital Account¹ | 4 994 Z. | 156.33 | 17.62 | 39.33 | 11.93 | 13.92 | 10.19 | 21.30 | 213.96 |
| Capital account: credit..... | 2 994 Z. | 156.33 | 17.62 | 39.33 | 11.93 | 13.92 | 10.19 | 21.30 | 213.96 |
| Capital account: debit..... | 3 994 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Total, Groups A Plus B..... | 4 981 .. | 109.56 | -39.64 | -27.44 | -52.60 | -95.28 | -91.89 | -62.14 | 78.17 |
| C. Financial Account¹ | 4 995 W. | -56.72 | 52.10 | 42.06 | 60.15 | 101.55 | 99.17 | 62.60 | -57.67 |
| Direct investment abroad..... | 4 505 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Direct investment in Antigua & Barbuda..... | 4 555 Z. | 22.77 | 32.09 | 43.12 | 98.45 | 65.87 | 166.32 | 76.55 | 113.63 |
| Portfolio investment assets..... | 4 602 .. | ..... | -0.9 | -0.1 | -0.5 | -2.92 | -0.6 | -1.38 | .76 |
| Equity securities..... | 4 610 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Debt securities..... | 4 619 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Portfolio investment liabilities..... | 4 652 Z. | -2.9 | 2.78 | 2.35 | -2.46 | .74 | 2.11 | 8.45 | -5.5 |
| Equity securities..... | 4 660 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Debt securities..... | 4 669 Z. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Financial derivatives..... | 4 910 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Financial derivatives assets..... | 4 900 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Financial derivatives liabilities..... | 4 905 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other investment assets..... | 4 703 .. | -20.41 | 74.74 | -3.8 | -3.74 | -10.83 | -9.28 | -9.72 | -1.58 |
| Monetary authorities..... | 4 701 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4 704 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4 705 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4 728 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other investment liabilities..... | 4 753 W. | -58.79 | -57.41 | -3.01 | -32.05 | 48.68 | -59.93 | -11.30 | -169.93 |
| Monetary authorities..... | 4 753 WA | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4 753 ZB | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4 753 ZC | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4 753 ZD | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Total, Groups A Through C..... | 4 983 .. | 52.85 | 12.46 | 14.62 | 7.55 | 6.26 | 7.28 | .45 | 20.50 |
| D. Net Errors and Omissions | 4 998 .. | -43.96 | -2.07 | -20.78 | 8.44 | 1.47 | 18.88 | 5.87 | -13.26 |
| Total, Groups A Through D..... | 4 984 .. | 8.89 | 10.39 | -6.16 | 16.00 | 7.73 | 26.16 | 6.33 | 7.24 |
| E. Reserves and Related Items | 4 802 A. | -8.89 | -10.39 | 6.16 | -16.00 | -7.73 | -26.16 | -6.33 | -7.24 |
| Reserve assets..... | 4 802 .. | -8.89 | -10.39 | 6.16 | -16.00 | -7.73 | -26.16 | -6.33 | -7.24 |
| Use of Fund credit and loans..... | 4 766 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Exceptional financing..... | 4 920 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Conversion rates: Eastern Caribbean dollars per U.S. dollar | 0 101 .. | 2.7000 | 2.7000 | 2.7000 | 2.7000 | 2.7000 | 2.7000 | 2.7000 | 2.7000 |

¹ Excludes components that have been classified in the categories of Group E.

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Table 2. STANDARD PRESENTATION, 1998–2005

(Millions of U.S. dollars)

| | Code | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|----------|---------|---------|---------|---------|---------|---------|---------|---------|
| CURRENT ACCOUNT | 4 993 .. | -46.77 | -57.26 | -66.77 | -64.53 | -109.21 | -102.08 | -83.44 | -135.79 |
| A. GOODS | 4 100 .. | -283.46 | -315.27 | -290.03 | -279.98 | -296.14 | -308.18 | -323.58 | -357.96 |
| Credit | 2 100 .. | 37.38 | 37.43 | 52.36 | 41.20 | 39.50 | 45.00 | 55.36 | 57.61 |
| General merchandise: exports f.o.b..... | 2 110 .. | 14.81 | 16.36 | 23.77 | 17.08 | 17.42 | 18.58 | 19.64 | 20.97 |
| Goods for processing: exports f.o.b..... | 2 150 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Repairs on goods..... | 2 160 .. | .95 | .01 | .01 | .01 | .01 | ..... | .07 | .07 |
| Goods procured in ports by carriers..... | 2 170 .. | 21.62 | 21.06 | 28.58 | 24.12 | 22.07 | 26.42 | 35.64 | 36.57 |
| Nonmonetary gold..... | 2 180 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Debit | 3 100 .. | -320.84 | -352.70 | -342.39 | -321.18 | -335.64 | -353.18 | -378.94 | -415.57 |
| General merchandise: imports f.o.b..... | 3 110 .. | -318.33 | -350.41 | -338.29 | -313.77 | -328.50 | -345.26 | -370.14 | -406.22 |
| Goods for processing: imports f.o.b..... | 3 150 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Repairs on goods..... | 3 160 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Goods procured in ports by carriers..... | 3 170 .. | -2.51 | -2.30 | -4.10 | -7.41 | -7.14 | -7.92 | -8.80 | -9.35 |
| Nonmonetary gold..... | 3 180 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| B. SERVICES | 4 200 .. | 259.43 | 261.94 | 258.43 | 231.10 | 222.77 | 231.19 | 277.13 | 255.94 |
| Total credit | 2 200 .. | 428.52 | 439.21 | 414.50 | 400.68 | 394.22 | 413.34 | 467.54 | 460.79 |
| Total debit | 3 200 .. | -169.09 | -177.27 | -156.07 | -169.58 | -171.45 | -182.15 | -190.41 | -204.85 |
| Transportation services, credit | 2 205 .. | 66.15 | 60.00 | 65.72 | 74.06 | 76.17 | 74.60 | 79.75 | 81.83 |
| Passenger | 2 850 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Freight | 2 851 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other | 2 852 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Sea transport, passenger..... | 2 207 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Sea transport, freight..... | 2 208 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Sea transport, other..... | 2 209 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Air transport, passenger..... | 2 211 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Air transport, freight..... | 2 212 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Air transport, other..... | 2 213 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other transport, passenger..... | 2 215 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other transport, freight..... | 2 216 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other transport, other..... | 2 217 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Transportation services, debit | 3 205 .. | -60.44 | -62.14 | -56.52 | -57.79 | -56.43 | -61.39 | -66.59 | -72.27 |
| Passenger | 3 850 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Freight | 3 851 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other | 3 852 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Sea transport, passenger..... | 3 207 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Sea transport, freight..... | 3 208 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Sea transport, other..... | 3 209 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Air transport, passenger..... | 3 211 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Air transport, freight..... | 3 212 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Air transport, other..... | 3 213 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other transport, passenger..... | 3 215 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other transport, freight..... | 3 216 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other transport, other..... | 3 217 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Travel, credit | 2 236 .. | 281.57 | 289.98 | 290.54 | 272.07 | 273.77 | 299.82 | 337.72 | 327.25 |
| Business travel..... | 2 237 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Personal travel..... | 2 240 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Travel, debit | 3 236 .. | -28.96 | -30.24 | -30.70 | -31.55 | -33.09 | -34.82 | -37.50 | -39.87 |
| Business travel..... | 3 237 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Personal travel..... | 3 240 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other services, credit | 2 200 BA | 80.79 | 89.23 | 58.25 | 54.55 | 44.27 | 38.92 | 50.07 | 51.71 |
| Communications..... | 2 245 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Construction..... | 2 249 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Insurance..... | 2 253 .. | 19.74 | 30.29 | 15.91 | 11.98 | 8.89 | 5.73 | 13.64 | 13.57 |
| Financial..... | 2 260 .. | 6.76 | 6.26 | ..... | ..... | ..... | ..... | ..... | ..... |
| Computer and information..... | 2 262 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Royalties and licence fees..... | 2 266 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other business services..... | 2 268 .. | 49.79 | 43.69 | 33.45 | 34.77 | 30.09 | 27.98 | 30.03 | 31.58 |
| Personal, cultural, and recreational..... | 2 287 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Government, n.i.e..... | 2 291 .. | 4.51 | 9.01 | 8.89 | 7.80 | 5.29 | 5.21 | 6.40 | 6.57 |
| Other services, debit | 3 200 BA | -79.68 | -84.89 | -68.85 | -80.24 | -81.92 | -85.93 | -86.33 | -92.71 |
| Communications..... | 3 245 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Construction..... | 3 249 .. | -1.83 | -2.55 | -2.33 | -2.37 | -3.43 | -3.47 | -1.44 | -4.70 |
| Insurance..... | 3 253 .. | -15.92 | -26.97 | -15.69 | -27.88 | -30.77 | -31.00 | -31.24 | -32.62 |
| Financial..... | 3 260 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Computer and information..... | 3 262 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Royalties and licence fees..... | 3 266 .. | -31 | -26 | -29 | -47 | -51 | -51 | -53 | -56 |
| Other business services..... | 3 268 .. | -58.15 | -48.13 | -41.04 | -39.92 | -39.04 | -42.76 | -45.05 | -46.58 |
| Personal, cultural, and recreational..... | 3 287 .. | | | | | | | | |
| Government, n.i.e..... | 3 291 .. | -3.47 | -6.37 | -9.50 | -9.60 | -8.18 | -8.17 | -8.08 | -8.25 |

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Table 2 (Continued). STANDARD PRESENTATION, 1998–2005

(Millions of U.S. dollars)

| | Code | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| C. INCOME | 4 300 .. | -21.04 | -23.44 | -44.52 | -24.79 | -41.45 | -38.58 | -45.39 | -41.77 |
| <i>Total credit</i> | 2 300 .. | <i>12.89</i> | <i>11.70</i> | <i>15.52</i> | <i>18.68</i> | <i>8.09</i> | <i>8.61</i> | <i>11.54</i> | <i>9.13</i> |
| <i>Total debit</i> | 3 300 .. | <i>-33.92</i> | <i>-35.14</i> | <i>-60.04</i> | <i>-43.47</i> | <i>-49.54</i> | <i>-47.19</i> | <i>-56.93</i> | <i>-50.90</i> |
| Compensation of employees, credit | 2 310 .. | 8.74 | 8.09 | 6.65 | 12.99 | 3.32 | 5.22 | 6.16 | 6.32 |
| Compensation of employees, debit | 3 310 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Investment income, credit | 2 320 .. | 4.14 | 3.60 | 8.87 | 5.70 | 4.77 | 3.40 | 5.38 | 2.81 |
| Direct investment income..... | 2 330 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Dividends and distributed branch profits..... | 2 332 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Reinvested earnings and undistributed branch profits..... | 2 333 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Income on debt (interest)..... | 2 334 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Portfolio investment income..... | 2 339 .. | 1.63 | .78 | 1.19 | 1.19 | .71 | .70 | .06 | .09 |
| Income on equity..... | 2 340 .. | 1.63 | .78 | 1.19 | 1.19 | .71 | .70 | .06 | .09 |
| Income on bonds and notes..... | 2 350 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Income on money market instruments..... | 2 360 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other investment income..... | 2 370 .. | 2.52 | 2.82 | 7.68 | 4.51 | 4.06 | 2.70 | 5.33 | 2.72 |
| Investment income, debit | 3 320 .. | -33.92 | -35.14 | -60.04 | -43.47 | -49.54 | -47.19 | -56.93 | -50.90 |
| Direct investment income..... | 3 330 .. | -15.51 | -22.10 | -22.25 | -26.22 | -24.13 | -23.87 | -24.68 | -26.13 |
| Dividends and distributed branch profits..... | 3 332 .. | -8.17 | -14.59 | -13.90 | -10.84 | -12.31 | -11.60 | -11.04 | -11.74 |
| Reinvested earnings and undistributed branch profits..... | 3 333 .. | -6.99 | -6.70 | -7.48 | -11.73 | -8.33 | -9.00 | -11.27 | -11.99 |
| Income on debt (interest)..... | 3 334 .. | -3.6 | -8.1 | -8.7 | -3.65 | -3.49 | -3.27 | -2.37 | -2.40 |
| Portfolio investment income..... | 3 339 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | -8.1 |
| Income on equity..... | 3 340 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Income on bonds and notes..... | 3 350 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Income on money market instruments..... | 3 360 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other investment income..... | 3 370 .. | -18.41 | -13.04 | -37.80 | -17.25 | -25.40 | -23.31 | -32.25 | -23.96 |
| D. CURRENT TRANSFERS | 4 379 .. | -1.71 | 19.51 | 9.35 | 9.13 | 5.61 | 13.48 | 8.40 | 8.00 |
| Credit | 2 379 .. | 12.42 | 23.61 | 18.43 | 22.52 | 22.97 | 29.37 | 25.13 | 25.78 |
| General government..... | 2 380 .. | 1.93 | 2.82 | 3.67 | 4.55 | 3.43 | 4.61 | 4.26 | 4.38 |
| Other sectors..... | 2 390 .. | 10.49 | 20.79 | 14.76 | 17.97 | 19.54 | 24.76 | 20.86 | 21.41 |
| Workers' remittances..... | 2 391 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other current transfers..... | 2 392 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Debit | 3 379 .. | -14.13 | -4.10 | -9.09 | -13.39 | -17.36 | -15.89 | -16.73 | -17.79 |
| General government..... | 3 380 .. | -1.67 | -1.27 | -1.27 | -3.82 | -4.06 | -3.56 | -3.59 | -3.81 |
| Other sectors..... | 3 390 .. | -12.47 | -2.83 | -7.81 | -9.56 | -13.30 | -12.33 | -13.14 | -13.97 |
| Workers' remittances..... | 3 391 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other current transfers..... | 3 392 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| CAPITAL AND FINANCIAL ACCOUNT | 4 996 .. | 90.73 | 59.33 | 87.55 | 56.09 | 107.74 | 83.20 | 77.57 | 149.05 |
| CAPITAL ACCOUNT | 4 994 .. | 156.33 | 17.62 | 39.33 | 11.93 | 13.92 | 10.19 | 21.30 | 213.96 |
| <i>Total credit</i> | 2 994 .. | <i>156.33</i> | <i>17.62</i> | <i>39.33</i> | <i>11.93</i> | <i>13.92</i> | <i>10.19</i> | <i>21.30</i> | <i>213.96</i> |
| <i>Total debit</i> | 3 994 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Capital transfers, credit | 2 400 .. | 156.33 | 17.62 | 38.36 | 11.93 | 13.92 | 10.19 | 21.30 | 213.96 |
| General government..... | 2 401 .. | 152.89 | 14.18 | 35.03 | 8.60 | 10.59 | 6.86 | 17.97 | 210.62 |
| Debt forgiveness..... | 2 402 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other capital transfers..... | 2 410 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 2 430 .. | 3.44 | 3.44 | 3.33 | 3.33 | 3.33 | 3.33 | 3.33 | 3.33 |
| Migrants' transfers..... | 2 431 .. | 3.44 | 3.44 | 3.33 | 3.33 | 3.33 | 3.33 | 3.33 | 3.33 |
| Debt forgiveness..... | 2 432 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other capital transfers..... | 2 440 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Capital transfers, debit | 3 400 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 3 401 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Debt forgiveness..... | 3 402 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other capital transfers..... | 3 410 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 3 430 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Migrants' transfers..... | 3 431 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Debt forgiveness..... | 3 432 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other capital transfers..... | 3 440 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Nonproduced nonfinancial assets, credit | 2 480 .. | ..... | ..... | .96 | ..... | ..... | ..... | ..... | ..... |
| Nonproduced nonfinancial assets, debit | 3 480 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |

Table 2 (Continued). STANDARD PRESENTATION, 1998–2005

(Millions of U.S. dollars)

| | Code | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|----------|--------|-------|-------|-------|-------|--------|-------|--------|
| FINANCIAL ACCOUNT..... | 4 995 .. | -65.60 | 41.71 | 48.22 | 44.15 | 93.82 | 73.00 | 56.27 | -64.90 |
| A. DIRECT INVESTMENT..... | 4 500 .. | 22.77 | 32.09 | 43.12 | 98.45 | 65.87 | 166.32 | 76.55 | 113.63 |
| Direct investment abroad..... | 4 505 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Equity capital..... | 4 510 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Claims on affiliated enterprises..... | 4 515 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Liabilities to affiliated enterprises..... | 4 520 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Reinvested earnings..... | 4 525 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other capital..... | 4 530 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Claims on affiliated enterprises..... | 4 535 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Liabilities to affiliated enterprises..... | 4 540 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Direct investment in Antigua & Barbuda..... | 4 555 .. | 22.77 | 32.09 | 43.12 | 98.45 | 65.87 | 166.32 | 76.55 | 113.63 |
| Equity capital..... | 4 560 .. | 3.49 | 10.80 | 28.60 | 34.65 | 38.06 | 65.91 | 51.07 | 78.42 |
| Claims on direct investors..... | 4 565 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Liabilities to direct investors..... | 4 570 .. | 3.49 | 10.80 | 28.60 | 34.65 | 38.06 | 65.91 | 51.07 | 78.42 |
| Reinvested earnings..... | 4 575 .. | 6.99 | 6.70 | 7.48 | 11.73 | 8.33 | 9.00 | 11.27 | 11.99 |
| Other capital..... | 4 580 .. | 12.29 | 14.59 | 7.04 | 52.07 | 19.48 | 91.41 | 14.20 | 23.23 |
| Claims on direct investors..... | 4 585 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Liabilities to direct investors..... | 4 590 .. | 12.29 | 14.59 | ..... | ..... | ..... | 91.41 | 14.20 | 23.23 |
| B. PORTFOLIO INVESTMENT..... | 4 600 .. | -2.29 | 2.69 | 2.34 | -2.50 | -2.17 | 2.06 | 7.07 | .21 |
| Assets..... | 4 602 .. | ..... | -0.09 | -0.01 | -0.05 | -2.92 | -0.06 | -1.38 | .76 |
| Equity securities..... | 4 610 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4 611 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4 612 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4 613 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4 614 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Debt securities..... | 4 619 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Bonds and notes..... | 4 620 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4 621 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4 622 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4 623 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4 624 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Money market instruments..... | 4 630 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4 631 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4 632 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4 633 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4 634 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Liabilities..... | 4 652 .. | -2.29 | 2.78 | 2.35 | -2.46 | .75 | 2.11 | 8.45 | -5.5 |
| Equity securities..... | 4 660 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4 663 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4 664 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Debt securities..... | 4 669 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Bonds and notes..... | 4 670 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4 671 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4 672 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4 673 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4 674 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Money market instruments..... | 4 680 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4 681 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4 682 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4 683 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4 684 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| C. FINANCIAL DERIVATIVES..... | 4 910 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4 911 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4 912 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4 913 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4 914 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Assets..... | 4 900 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4 901 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4 902 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4 903 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4 904 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Liabilities..... | 4 905 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4 906 .. | | | | | | | | |
| General government..... | 4 907 .. | | | | | | | | |
| Banks..... | 4 908 .. | | | | | | | | |
| Other sectors..... | 4 909 .. | | | | | | | | |

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Table 2 (Concluded). STANDARD PRESENTATION, 1998–2005

(Millions of U.S. dollars)

| | Code | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|---------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| D. OTHER INVESTMENT..... | 4700 .. | -79.20 | 17.33 | -3.39 | -35.79 | 37.85 | -69.21 | -21.02 | -171.51 |
| Assets..... | 4703 .. | -20.41 | 74.74 | -38 | -3.74 | -10.83 | -9.28 | -9.72 | -1.58 |
| Trade credits..... | 4706 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4707 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4709 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4710 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4712 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Loans..... | 4714 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4715 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4718 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4719 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4721 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4722 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4724 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4725 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4727 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Currency and deposits..... | 4730 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4731 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4732 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4733 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4734 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other assets..... | 4736 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4737 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4739 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4740 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4742 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4743 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4745 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4746 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4748 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Liabilities..... | 4753 .. | -58.79 | -57.41 | -3.01 | -32.05 | 48.68 | -59.93 | -11.30 | -169.93 |
| Trade credits..... | 4756 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4757 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4759 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4760 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4762 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Loans..... | 4764 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4765 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Use of Fund credit and loans from the Fund.....</i> | 4766 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4768 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4769 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4771 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4772 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4774 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4775 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4777 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Currency and deposits..... | 4780 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4781 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4782 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4783 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4784 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other liabilities..... | 4786 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Monetary authorities..... | 4787 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4789 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| General government..... | 4790 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4792 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Banks..... | 4793 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4795 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Other sectors..... | 4796 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| <i>of which: Short-term.....</i> | 4798 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| E. RESERVE ASSETS..... | 4802 .. | -8.89 | -10.39 | 6.16 | -16.00 | -7.73 | -26.16 | -6.33 | -7.24 |
| Monetary gold..... | 4812 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Special drawing rights..... | 4811 .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Reserve position in the Fund..... | 4810 .. | ..... | ..... | ..... | ..... | ..... | -.01 | ..... | ..... |
| Foreign exchange..... | 4803 .. | -8.67 | -10.36 | 6.17 | -16.17 | -7.92 | -26.11 | -6.37 | -7.18 |
| Other claims..... | 4813 .. | -.21 | -.03 | -.01 | .17 | .20 | -.05 | .04 | -.05 |
| NET ERRORS AND OMISSIONS..... | 4998 .. | -43.96 | -2.07 | -20.78 | 8.44 | 1.47 | 18.88 | 5.87 | -13.26 |

ATTACHMENT II



INTERNATIONAL MONETARY FUND
WASHINGTON, D. C. 20431

CABLE ADDRESS
INTERFUND

December --, 2007

Mr. Lars Anell
Chairman
United States – Measures Affecting the Cross-Border
Supply of Gambling and Betting Services
World Trade Organization
Centre William Rappard
154, Rue de Lausanne
Case postale, CH – 1211 Genève 21
Switzerland

Dear Mr. Anell:

The Fund's Executive Board has authorized me to respond to your letter, dated November 22, 2007, to Mr. Strauss-Kahn, seeking clarifications of statistical data for Antigua and Barbuda published by the IMF in the *Balance of Payments Statistics Yearbook*.

As a general reply, I can say that we have very little information on the value of Antigua and Barbuda's remote gambling revenue.

In response to your specific questions, please find below our responses:

1. The data published in the *Yearbook* for Antigua and Barbuda were supplied by the Eastern Caribbean Central Bank (ECCB). The ECCB is responsible for compiling balance of payments statistics for all member countries in collaboration with the statistical offices of its member countries.

The data supplied by the ECCB do not separately identify remote gambling services. Under classification rules for services, receipts for gambling services are a subset of personal, cultural, and recreational services (code 2 287 of Table 2 in the attachment to your letter), but this line has a zero entry for all years shown for Antigua and Barbuda. We also have received copies of many of the survey report forms now used by the ECCB, as well as of those that

the ECCB plans to utilize in the future, and we do not see where gambling services are separately identified or covered. Also, the description of balance of payments data compiled by the ECCB and set out in Part III of the *Balance of Payments Statistics Yearbook* does not refer to gambling services.

Transactions related to gambling, however, may be captured in the financial account because (as you point out in question #3), financial account transactions are, to some extent, reported by commercial banks, and the transactions of gambling site operators would be an undifferentiated component of higher level financial account aggregates reported by these institutions.

2. Transactions related to gambling, including imports of business services and repatriation of profits by gambling site operators, should be covered in the data in the *Yearbook*, but here too the data would be undifferentiated components of higher level aggregates. We cannot determine how comprehensively the data are captured in practice.

3. National compilers strive to report transactions in their jurisdictions following the concepts and guidelines outlined by the IMF. In our opinion, it is likely that receipts and payments, and imports and exports, of gambling site operators are captured to some extent in the data that are reported in the *Yearbook*, but the data in the *Yearbook* do not specifically identify gambling services. Data in the *Yearbook* are classified in broader categories, such as “personal, cultural, and recreational services” or direct investment income.

4. Essentially all of the data in the *Yearbook* for Antigua and Barbuda are provided by the ECCB. The IMF does not conduct any independent data collection of importers or exporters of gambling services. We therefore believe that the ECCB, and probably also the authorities in Antigua and Barbuda, are best placed to provide answers to your detailed questions about remote gambling revenue.

If you have any additional questions or need clarification of the above, please do not hesitate to contact me.

Sincerely yours,

Robert W. Edwards
Director
Statistics Department