GOVERNMENT OF GRENADA

PROSPECTUS 2026

Ministry of Finance


Grenada Carriacou
and Petite Martinique
Petite Martinique
N
Hillsborough
Carriacou
Saline Island
Frigate Island
Large Island
Caribbean Sea
Diamond Island
Les Tantes
Ronde Is.
Caille Is.
London Bridge
Green Is.
Sandy Is.
Bird Is.
Sauteurs
Victoria
SAINT PATRICK
SAINT MARK
Gouyave
SAINT JOHN
Grenville
SAINT ANDREW
SAINT GEORGE
SAINT GEORGE
Saint Davids
SAINT DAVID
Caribbean Sea
0
8 Km
LEGEND
Parish Boundary
National Capital
Parish Capital

Contents

ABOUT THE STATE OF GRENADA

The State of Grenada consists of three islands: Grenada, Carriacou and Petit Martinique situated between the Caribbean Sea and the Atlantic Ocean, 12.7 degrees north latitude and 61.4 degrees west longitude. The Grenada Constitutional Order of 1973, which established the Constitution of Grenada, granted Grenada independence from the United Kingdom on 07 February 1974. Grenada will celebrate Fifty-two Years of Independence in 2026. A Governor General (Grenada's Head of State) is appointed by and represents the British Monarch, and a Prime Minister is the leader of the majority party and the Head of Government. Parliament is a bicameral legislature, consisting of an elected House of Representatives and an appointed Senate. The last general election was held in June 2022 and the National Democratic Congress (NDC) contested and won 9 out of the 15 seats in the House of Assembly. In May 2023, one parliamentarian crossed the floor and the ruling party, NDC now holds 10 out of 15 Seats. Grenada's judicial system is based on the English system, including the principles and practice of English common law. (*Table 1)* sets out selected social indicators for Grenada.

Table 1: Grenada Selected Social Development Indicators

Human Development Index 68 out of 191 countries (2021)	*79.3*
Life expectancy at birth in years (2023)	*78.4*
Share of seats in Parliament (% held by women) (2023)	*33.3 percent*
Gross National Income per capita (current international $) (2023)	*17620.00*
Population	*109,021*
Population rate of growth (percent) (2023)	*0.1*
Infant mortality per 1,000 live births (2022)	*16.9*
Labour force participation rate (2nd Quarter 2023)	*66.0 percent*
Political Stability and Absence of Violence/Terrorism (percentile rank)	*85.38*

Source: World Bank (WDI 2022-23), UNDP dev. reports 2021, HDR 2023, CSO Ministry of Finance, Ministry of Health

NOTICE TO INVESTORS

The Government of Grenada is issuing this prospectus to provide information to the public. The Government accepts full responsibility for the accuracy of the information given and confirms having made all reasonable inquiries to ensure the accuracy of this. To the best of its knowledge and belief, there are no other facts, the omission of which would make any statement in this Prospectus misleading.

The Prospectus has been drawn up as per the rules of the Regional Government Securities Market. The Regional Debt Coordinating Committee and Eastern Caribbean Central Bank accept no responsibility for the content of this Prospectus, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss whatsoever arising from or reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus and its content are issued to cover the series of Government securities to be issued over the period January 2026 to December 2026. If in need of financial or investment advice, please consult a person licensed under the Securities Act or any other duly qualified person who specializes in advising on the acquisition of Government instruments or other securities.

1.0 ABSTRACT

During the period January 2026 to December 2027, the Government of Grenada is seeking to issue the following Government securities on the Regional Governments Securities Market to refinance its existing Treasury bills and Treasury notes currently on the market as follows:

91-Day Treasury bills

- Twenty million (EC$20.0M) in 91-day Treasury bills on March 6, 2026
- Thirty million (EC$30.0M) in 91-day Treasury bills on June 8, 2026.
- Twenty million (EC$20.0M) in 91-day Treasury bills on Sept 8, 2026.
- Fifteen million (EC$15.0M) in 91-day Treasury bills on December 10, 2026.

The maximum coupon rate of the new 91-day Treasury bills is 3.5 percent per annum.

365-Day Treasury Bills

- Twenty million (EC$20.0M) in 365-day Treasury bills on August 20, 2026.
- Fifteen million (EC$15.0M) in 365-day Treasury bills on October 30, 2026.
- Twenty million (EC$20.0M) in 365-day Treasury bills on December 17, 2026.

The maximum coupon rate of the new 91-day Treasury bills is 3.5 percent per annum.

2-Year Treasury Note

- Ten million (EC$10.0M) in 2-year Treasury Note on February 17, 2026.

The maximum coupon rate of the new 2-year Treasury Note is 5.5 percent per annum.

In this Prospectus, references to "Grenada" are to the State of Grenada and references to the "Government" are to the Government of Grenada. The Treasury bill issues are being raised under the authority of the Amended Public Debt Management Act 2015, Act No 28 of 2023), Part 3 Section 13, Laws of Grenada. The Constitution of Grenada stipulates that Principal and Interest payments are direct charges on the Consolidated Fund.

All Government of Grenada Treasury bills will be opened for bidding at 9:00 a.m. and close at 12:00 noon on the respective auction dates.

A competitive uniform price auction will be used.

2.0 INFORMATION ABOUT THE 2026 SECURITY ISSUANCE

Table 2: Security Details

SYMBOL	AUCTION DATES	ISSUE /SETTLEMENT DATE	MATURITY DATE	ISSUE AMT. EC$M	OVER SUBSCR. ALLOWED EC$M	TENOR (Days)	INTEREST RATE CEILING %
GDN170228	16-Feb-26	17-Feb-26	17-Feb-28	10		2 Years	5.50%
GDB080626	6-Mar-26	7-Mar-26	8-Jun-26	20		91 Days	3.50%
GDB090926	8-Jun-26	9-Jun-26	8-Sep-26	30		91 Days	3.50%
GDB210827	20-Aug-26	21-Aug-26	21-Aug-27	20		365 Days	5.00%
GDB091226	8-Sep-26	9-Sep-26	9-Dec-26	20		91 Days	3.50%
GDB270227	30-Oct-26	2-Nov-26	2-Nov-27	15		365 Days	5.00%
GDB120327	10-Dec-26	11-Dec-26	12-Mar-27	15		91 Days	3.50%
GDB181227	17-Dec-26	18-Dec-26	18-Dec-27	20		365 Days	5.00%

All ISSUES ON THE MARKET ARE IN EC DOLLARS SUBJECT TO REVISION BASED ON THE FINANCING METHOD EMPLOYED

3.0 GENERAL INFORMATION

Issuer:	Government of Grenada
Address:	Ministry of Finance Galleria Mall Grand Anse St. George's Grenada
Email:	debtunit@dmu.gov.gd
Telephone No.:	473-440-2731 /440-2928 /435-8915
Contact Persons:	Honourable Dennis Cornwall, Minister for Finance minister@mof.gov.gd Mr. Mike Sylvester, Permanent Secretary ps@mof.gov.gd Chevanne Britton, Deputy Permanent Secretary Ag. dps@mof.gov.gd Mrs. Natika Bain-Charles, Accountant General natika.bain-charles@mof.gov.gd Mr. Kerry Pierre, Head Debt Management Unit kerrypierre@dmu.gov.gd
Date of Issue:	January 2026 – December 2026
Types of Securities:	Treasury bills & Treasury Notes
Amount of Issues:	EC$150 million
Purpose Security Issue:	The Treasury bills are being issued as part of the Government's Debt Management Strategy to lower the cost of the

	Government's borrowing by reducing reliance on the overdraft facility.
Legislative Authority:	Public Debt Management Act 2015, Part 3 Section 13, Laws of Grenada amended (Act No 28 of 2023)
Loan Authorization:	Parliamentary Borrowing Limit 2026, $450,000,000
Bidding Period:	9:00 am to 12:00 noon on auction days
Method of Issue:	The price of the issue will be determined by a Competitive Uniform Price Auction with open bidding.
Listing:	The Treasury bills will be issued on the Regional Government Securities Market (RGSM) and traded on the Secondary Market trading platform of the Eastern Caribbean Securities Exchange (ECSE).
Placement of Bids:	Investors will participate in the auction through the services of licensed intermediaries who are members of the Eastern Caribbean Securities Exchange.
Minimum Bid:	EC$5,000
Bid Multiplier:	EC$1,000
Bids per Investor:	Each investor is allowed one (1) bid with the option of increasing the amount being tendered until the close of the bidding period.
Taxation:	Yields will not be subject to any tax, duty, or levy by the Participating Governments of the Eastern Caribbean Currency Union (ECCU). The countries are Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Lucia, St. Kitts and Nevis and St. Vincent and the Grenadines.
Licensed Intermediaries:	Investors will participate in the auction through the services of licensed intermediaries who are members of the Eastern Caribbean Securities Exchange (ECSE).

- Antigua Commercial Bank Ltd (ACB Caribbean)
- Bank of Nevis Limited
- Bank of Saint. Lucia Ltd.

- Bank of St Vincent and the Grenadines Ltd.
- St. Kitts Nevis Anguilla National Bank Limited
- First Citizens Investment Services Ltd. (Saint Lucia)
- Grenada Co-operative Bank Ltd.

Currency: All currency references will be the Eastern Caribbean dollar unless otherwise stated.

4.0 EXECUTIVE SUMMARY

The Government of Grenada intends to refinance short-term obligations and sustain market access via Treasury bill issuances on the Regional Government Securities Market (RGSM), under the Public Debt Management Act. For the 2026 budget year and the medium term, debt management continues to prioritize concessional borrowing, extension of maturities, and prudent risk management, consistent with the Fiscal Resilience Act (2023) anchor of public debt ≤60 percent of GDP by 2035.

Macroeconomic conditions reflect post Hurricane Beryl rebuilding. Real GDP growth is estimated at 4.2 percent (2025), then stabilizing near 3.0 percent (2026) as reconstruction winds down. Sectorally, construction and wholesale/retail led activity, while agriculture and stayover tourism normalized from exceptional 2024 levels; cruise surpassed prepandemic volumes. Inflation moderated, with period average CPI near 0.5–0.7 percent (H12025) as lower fuel costs offset modest food price increases. Hurricane Beryl rebuilding. Real GDP growth is pandemic volumes. average CPI near 2025)price increases.

Fiscal operations (2025) reflect recovery outlays and normalization of nontax receipts: the primary balance (Jan–Jun 2025) moved to a small deficit, with tax revenue +18.5 percent y/y and nontax revenue easing as Investment Migration Agency (IMA) inflows normalized. Capital expenditure accelerated (post Beryl projects, climate Beryl projects, climate resilient infrastructure), while recurrent spending was contained versus budget in selected lines. The 2026–2028 framework targets a return to a primary surplus by 2027 (≥1.5 percent of GDP per FRA), with revenue mobilization anchored in GTax rollout, customs modernization, and phasing out of temporary property out of tax waivers from 2026, alongside a more disciplined concessions regime for SOEs/SBs.

Public debt is projected to remain contained. Public sector debt falls to 67.3 percent of GDP (end 2025) on stronger than expected activity and lower than planned disbursements. Central government debt is projected to peak around 2028 with planned drawdowns (including the new hospital) and then decline, preserving convergence to the 2035 anchor of 60 percent. Portfolio risk indicators remain favourable (ATM ≈ 10.4 years, ATR ≈ 10.0 years, ~94 percent fixed rate), with FX risk mitigated by a high USD share under the EC$. Parliament has authorised up to EC$450.0 million in borrowing for the 2026 Budget under the 2026 Budget Loan Authorisation Act, 2025.

A landmark achievement was the launch of the inaugural ECCU Retail Bond by the Government of Grenada on 31 October 2025. This pilot household bond (EC$5.0 million target, 2-year tenor, 4.25% fixed rate) attracted 350 individual investors, 93% of whom were new to the RGSM, raising EC$4.2778 million (85.5% subscription). This initiative significantly advanced financial inclusion by broadening access beyond traditional institutional investors.

External sector trends show exports up in H12025 (manufacturing, food, fisheries) amid strong reconstruction related imports. Over the medium term, the current account gap should narrow as tourism stabilizes and export capacity improves.

Financial system: Banking indicators remain sound with adequate liquidity and capital, and commercial credit expanding (construction, real estate, households). The non-bank sector (credit unions, insurers, pensions) remains liquid and resilient, supervised by GARFIN. Continued progress with regional regulatory initiatives (ECCB: OFCI/ECFSB, Basel II/III rollout, AML/CFT/CPF) is expected to strengthen conduct, consumer protection, and systemic oversight.

5.0 FINANCIAL ADMINISTRATION & MANAGEMENT

The Public Finance Management Act 17 was enacted in 2015. In June of that same year, the Public Debt Management Act was passed by Parliament, The Fiscal Responsibility Act (FRA) 29 of 2015, which set the public debt target at 55% of GDP, was repealed and replaced with the Fiscal Resilience Act 11 of 2023. Section 8 (10) of the new FRA states *"the public debt target should be no more than 60% of nominal GDP to be achieved by 2035"*

The Public Debt Management Act was also amended accordingly to reflect these changes which can be found in the amendment act Public Debt Management Act No. 28 of 2023. Amendments include clarification and consistency of definitions across all the amended legislation such as:

"Public debt" includes all direct liabilities of central government, statutory bodies and state-owned enterprises, including advances, arrears, compensation claims, financial leases, government securities, loans, overdrafts, promissory notes, supplier credit agreements, contingent liabilities, including explicit contingent liabilities arising as a result of or in connection with public-private partnerships.

The 2015 Public Debt Management Act outlines in some detail the functions and deliverables of the Debt Management Unit (DMU), which reports, through the Minister of Finance, to the Parliament and people of Grenada. The Act also puts into law requirements such as the preparation and implementation of a Medium-Term Debt Strategy, Debt Sustainability Analysis, and Annual Borrowing Plans. Further, it constitutes the Public Debt Coordinating Committee, which is a technical committee that monitors the cash flow and assists with the planning and execution of debt payments and debt contraction decisions.

5.1 Debt Management Objectives

Part I Section (4) Public Debt Management Act outlines Grenada's debt management objectives as follows

(a) ensuring that the financing needs of the Government are met on a timely basis and that its debt service obligations are met at the lowest cost over the medium-to-long term, in a manner that is consistent with an acceptable and prudent degree of risk.
(b) providing a framework for the management of public debt in a manner that achieves and maintains sustainable debt; and
(c) ensuring that public debt management operations support the establishment of a well-developed domestic debt market in the medium to long term.

As part of its mandate, the DMU is therefore committed to continue striving towards actively managing Grenada's debt portfolio by adopting debt management objectives principally aimed at reducing public debt to its Fiscal Resilience Legislation (FRL) target and keeping it on a sustainable path over the medium to long term. This objective is to be met by:

- Reducing the cost of debt servicing by borrowing primarily on concessional terms.
- Reorganizing the structure of the debt portfolio to increase efficiency, avoid bunching and ensure effective utilization of the proceeds.

- Supporting the development of the Regional Government Securities Market; and
- Managing the risk and financial cost associated with borrowing choices by refinancing higher-cost debt and in so doing, adjusting the maturity profile of the portfolio, which will ultimately lead to lower debt service costs.

5.2 Risk Management Framework

The Government, to minimize its risk, has adopted an integrated approach to the management of Government finances and debt management. Some of these measures include:

- The requirement for Parliament to approve new debt contracted by Government except for Treasury Bills.
- The legal authority for borrowing in any one year is the loan authorization Bill for that year.
- The legal authority for the issuance of Treasury bills is the Public Debt Management Act, Part 3 Section 13, Laws of Grenada.
- The Public Finance Management Act and the Financial Resilience Legislation authorize only the Minister of Finance to contract debt on the country's behalf and sets a public debt to GDP target.
- In–house monitoring of macroeconomic variables, and debt sustainability indicators as well as evaluating new loan contracts.
- An ex-ante analysis of new public debt by the DMU in the Ministry of Finance
- The preparation, submission and implementation of a Medium-Term Debt Strategy

6.0 MACRO-ECONOMIC PERFORMANCE

6.1 Regional Developments

Regional economic activity continued to be generally positive, supported by resilience in tourism, stable monetary conditions, and acceptable regional growth. The ECCU real GDP growth is projected to average 3 to 4 percent for the period ending 2025. Inflation has shown easing regionally, a reflection of the moderate growth trajectories of major economies, improved supply chain dynamics and lower energy prices. Geopolitical tensions pose medium term risk to the outlook along with climate vulnerabilities and slowing global growth.

6.2 Performance of the Domestic Economy

Grenada's domestic economy continued its recovery momentum in 2025 following the extensive damage caused by Hurricane Beryl in July 2024. Real GDP growth for 2025 is estimated at 4.2 percent, reflecting stronger-than-anticipated activity in construction, wholesale and retail trade, and segments of manufacturing. Sectoral performance, however, remained uneven. Construction accelerated sharply, driven by post-disaster reconstruction activities and ongoing private and public investment projects, while agriculture and stayover tourism remained subdued due to weather-related shocks and the normalization of arrivals following the 2024 celebratory events. Inflationary pressures continued to ease, with the period-average inflation rate at 0.7 percent for Q1 2025, reflecting moderating global food and fuel prices and improved supply conditions. Domestic consumption remained resilient, supported by increased retail sales and improved credit flows through the financial sector. The domestic economy is projected to stabilize over the medium term, with real GDP growth forecast at 3.0 percent in 2026, gradually moderating to 2.6–3.0 percent during 2027–2028 as reconstruction winds down and activity normalizes.

6.21 Agriculture & Fishing

Agriculture remained one of the sectors most adversely affected by Hurricane Beryl, particularly in Carriacou, Petite Martinique, and northern Grenada. Key export crops experienced significant declines in the first half of 2025. Nutmeg mace and cocoa and mace show declines of 373,088 lbs (51.3 percent), 13,258lbs (33.3 percent) and 40,746llbs (9.3 percent) respectively. A clear reflection of the loss of mature trees. *Figure 1*

Figure 1: Crop Production: Jan – Jun (2024 vs. 2025) (lbs)

To support post-disaster recovery in the agricultural sector, the Government of Grenada implemented a suite of targeted interventions during the first half of 2025. These included the distribution of new farming equipment, the provision of seedlings, and continued investment in replanting and modernization programmes. Collectively, these measures aim to strengthen farm operations, accelerate rehabilitation, and facilitate a rebound in agricultural output during the latter half of 2025 and over the medium term.

Despite these policy efforts, the sector continues to grapple with persistent structural and climatic challenges. Key constraints include poor seed quality, insufficient market intelligence, limited availability of skilled labour, and high production costs. These barriers weaken productivity, inhibit resilience, and continue to delay a full sectoral recovery.

Nonetheless, the outlook for 2025 has improved meaningfully relative to earlier Medium-term projections. Total agricultural output is now projected to increase by 11.9 percent, up from the previously forecast 5.9 percent. This upgraded projection reflects improved crop yields and a strengthening of livestock production made possible by continued rehabilitation and replanting initiatives, which have bolstered sector wide performance

The fisheries sector was among the most severely impacted by Hurricane Beryl, as extensive damage to vessels, fishing gear, and coastal infrastructure significantly disrupted production and fisherfolk livelihoods. Additionally, ongoing reforestation efforts suffered setbacks, delaying the recovery of marine ecosystems and reducing the availability of high value species.

During the first half of 2025, however, the sector began demonstrating signs of steady recovery, supported by both Government action and external assistance. Key interventions included livelihood support under the CCRIF COAST insurance mechanism, a dedicated vessel repair programme, and expanded technical and safety training for fisherfolk. Approximately 279 fishers benefited directly from these initiatives, enabling many to resume operations more quickly and stabilizing household incomes

Production data for January to June 2025 indicate measurable improvement. Total landings increased by 120,525 pounds, a 3.5 percent rise compared with the same period in 2024. This rebound was largely driven by intensified fishing activity as fisherfolk sought to recover lost earnings following the hurricane. Export performance also strengthened: fish exports grew by 4.2 percent, rising to 899,310 pounds, up from 863,425 pounds in the corresponding period of 2024 *Figure 2*.

Figure 2: Fish Production & Exports (lbs.) (Jan – Jun) (2024 vs. 2025)

Despite the positive trajectory, the sector continues to face notable structural and operational challenges. These include limited airlift capacity for exports, shortages of fisheries specialists, and persistent data reliability issues that affect monitoring, planning, and resource management. A growing concern is the underreporting of fish production and exports, as direct sales to neighbouring territories bypass formal reporting channels, reducing the accuracy of official trade statistics.

Supported by ongoing recovery efforts and sustained Government intervention, the fisheries sector is now projected to expand by 20.6 percent in 2025. This marks a significant upward revision from the 11.9 percent growth forecast in the MTFF, reflecting a stronger-than-expected rebound in production, the effectiveness of recovery programmes, and continued restoration of critical coastal and marine infrastructure.

6.22 Tourism

In the first five months of 2025, tourism sector activity returned to historical norms, following the exceptional surge recorded in 2024 due to Grenada's 50th Anniversary of Independence celebrations and several major regional events. Stayover arrivals for the period January to May 2025 declined by 12.7 percent compared to the same period in 2024, reflecting the expected normalization in visitor flows after last year's unusually high base. All major source markets recorded year-over-year declines: arrivals from the United States fell by 11.1 percent, Canada by 18.3 percent, Europe by 27.4 percent, the United Kingdom by 7.7 percent, and the Caribbean by 16.6 percent. Only the "Other" markets category registered growth, increasing by 1.5 percent, indicating emerging diversification in visitor inflows despite the broader softening. (*Table 3)*

Table 3. Visitor Arrivals

Stayover Arrivals	January to May 2024	January to May 2025	2025 / 2024 % Change
United States	**46,306**	**41,147**	**-11.1**
Europe	**3,974**	**2,886**	**-27.4**

United Kingdom	**13,345**	**12,314**	**-7.7**
Canada	**10,455**	**8,539**	**-18.3**
Caribbean	**12,465**	**10,397**	**-16.6**
Other	**2,204**	**2,237**	**1.5**
Total Stayover Arrivals	**88,749**	**77,520**	**-12.7**
Cruise Passengers	**193,394**	**226,704**	**17.2**
			Source: GTA

In contrast to the decline in stayover arrivals, the cruise segment demonstrated strong performance. Cruise passenger arrivals increased by 17.2 percent, reaching 226,704 passengers during the first five months of 2025 and finally surpassing pre-pandemic levels. Interest in Grenada as a cruise destination continues to expand, supported by ongoing discussions to establish homeporting arrangements for boutique cruise lines. Notably, the Star Clipper is expected to begin homeporting operations in 2026, which would position Grenada to capture additional value from the expanding cruise tourism market.

Conversely, the yachting subsector continues to face setbacks following the passage of Hurricane Beryl, with a marked decline in arrivals during early 2025. Many vessels have diverted to neighbouring hubs such as St. Martin and Trinidad, where more favourable mooring rates and superior maintenance services create a competitive advantage. To re-attract yacht visitors, improvements to immigration processing for yachts and strategic upgrades to marina infrastructure will be essential, particularly in enhancing service quality and facilitating ease of entry for international vessels.

The hotel subsector has continued to make commendable progress in advancing Grenada's sustainability agenda. Six properties have already achieved Green Globe Certification, reflecting substantial private-sector commitment to environmental standards. Several additional properties are actively pursuing certification through investments in solar energy systems, electric vehicle fleets, rainwater harvesting, and other green technologies. At the industry level, the Grenada Hotel and Tourism Association (GHTA), in collaboration with the Grenada Green Group (G3), is implementing comprehensive waste-reduction initiatives aimed at supporting sector-wide environmental performance and strengthening the "Pure Grenada" brand.

Despite these positive strides, the broader tourism sector continues to encounter structural challenges. Among the most significant are persistent shortages of managerial and specialized talent within the local labour force, as well as continued constraints related to limited regional and international airlift. These limitations restrict access to both traditional and emerging source markets and act as a brake on sectoral expansion. Strengthening regional cooperation on air transportation remains a critical priority—not only to improve travel affordability, but also to promote the Caribbean as an interconnected, sustainable tourism destination.

Although stayover arrivals declined during early 2025, current trends indicate a gradual stabilization consistent with a return to historical demand patterns rather than evidence of a prolonged downturn. Modest growth is projected by year end, supported by targeted marketing campaigns and ongoing recovery efforts. (*Figure 4)*

Figure 4: January to June Monthly Stayover Arrivals (2024 vs. 2025)

Looking ahead, several planned hotel investments are poised to significantly expand the national accommodation stock and contribute to medium-term sector growth. Key developments include the InterContinental Grenada Resort (150 rooms), True Blue Beach Hotel & Residences (69 rooms), and Silversands Legacy in Morne Rouge (120 rooms). These projects are expected to enhance Grenada's competitiveness, diversify the tourism product, and generate additional employment opportunities across the value chain.

Grenada's tourism sector stands at a pivotal juncture. While the first half of 2025 reflects notable post-disaster challenges, the sector also displays encouraging signs of transformation, resilience, and renewal. Growth for 2025 is presently estimated at 0.71 percent, supported by advances in sustainability initiatives, strengthened public-private collaboration, and an uptick in cruise performance. Strategic intervention, data-driven planning, and continued investment in infrastructure and human capital will be essential to restoring momentum and securing long-term competitiveness in an increasingly dynamic global tourism market.

6.23 Construction

The construction sector was the fastest-growing industry in the first half of 2025, fuelled by post-disaster reconstruction and major public and private investment projects. By June 2025, imported construction materials increased by 32.3 percent to 86.7 million kilograms, with import values rising 86.7 percent to EC$167.5 million, (*Figure 5)*, reflecting strong demand driven by projects such as the InterContinental Hotel at La Sagesse, Grenada National Resort, the G-CREWS Project, the Lacalome Agro-Processing Plant, and several institutional upgrades, including SGU facilities and school reconstruction across Carriacou, St. Andrew, and St. David.

Despite this surge, retail sales of construction materials fell by 36.3 percent, largely due to contractors' shift toward bulk direct procurement rather than weaker demand. Skills shortages, particularly carpenters, masons, and steel fixers, along with limited general labour and rising input and freight costs, continue to constrain implementation capacity.

Even with these challenges, the sector's momentum remains strong. Construction output for 2025 is now projected to increase by 27.2 percent, significantly above the earlier MTFF projection of 8.6

percent, reflecting intensified rebuilding, expanded public investment, and sustained private sector activity. The sector remains a central driver of economic recovery and medium term growth.

Figure 5: ***Construction Sector Indicators (Jan – June) (2024 vs. 2025) (EC$ million)***

Source: Central Statistical Office (CSO)

6.24 Wholesale and Retail Trade

The wholesale and retail trade sector continued to demonstrate strong performance during the first half of 2025, supported by resilient household consumption and steady wholesale supply across the economy. Total retail sales reached EC$70.8 million by June 2025, an increase of 13.3 percent compared with EC$62.5 million in the first half of 2024. Growth was broad-based, driven by higher sales of household goods, agricultural produce, food items, vehicles, and building materials. When construction materials are excluded, retail sales expanded by a robust 25.7 percent, reflecting healthy consumer demand and underscoring the sector's central role in sustaining domestic economic activity.

In contrast, retail sales of construction materials declined from EC$14.1 million in the first half of 2024 to EC$9.9 million in 2025, despite a 77.0 percent surge in imported construction inputs over the same period. This divergence highlights a structural shift in procurement practices, as contractors and households increasingly source building supplies directly from overseas vendors—bypassing local retailers—a trend consistent with developments observed in the construction sector.

Overall, total retail sales increased by 9.4 percent at the end of June 2025, underscoring the sector's continued strength and its central role in supporting domestic demand. The expansion in wholesale and retail activity also bolstered demand for goods distribution services, reinforcing linkages with the transport and storage sector. For 2025, sectoral output is now projected to grow by 8.2 percent, a notable upward revision from the 5.0 percent forecast in the MTFF, reflecting stronger than expected consumption and trade activity in the first half of the year. Risks remain, however, stemming from higher global prices for imported goods and potential pressures on consumer confidence, which could weigh on purchasing power later in the year. Even so, the sector's scale, adaptability, and resilience are expected to sustain its contribution to overall economic growth through 2025.-than-expected consumption and trade activity in the first half of the year. Risks remain, however, stemming from higher global prices for imported goods and potential pressures on consumer confidence, which could

weigh on purchasing power later in the year. Even so, the sector's scale, adaptability, and resilience are expected to sustain its contribution to overall economic growth through 2025.

6.25 Private Education

St. George's University (SGU) continues to anchor Grenada's private education sector, generating substantial foreign exchange earnings and supporting economic activity across housing, transportation, retail, and related services. Enrolment increased by 9 percent in the first half of 2025 relative to the same period in 2024, with broad-based gains across the institution: the School of Medicine expanded by 182 (9.3 percent), the School of Veterinary Medicine by 114 (12.4 percent), and the Preclinical Programme by 25 (10.6 percent). For the August 2025 term, total enrolment is projected to rise by 2.6 percent to 4,803 students, underscoring sustained international demand. (*Figure 6)*

Figure 6 : Year-on-Year Total Foreign Enrolment

However, the outlook is moderated by emerging external risks. The One Big Beautiful Act, passed in July 2025, restricts access to key U.S. student-loan facilities and removes Pell Grant eligibility for study-abroad programmes. Given SGU's heavy reliance on U.S. students, these changes could constrain financing options and temper future enrolment unless alternative funding channels are secured. In response, SGU is actively pursuing partnerships with private lenders to preserve student access to financing and stabilize future intake.

Despite these headwinds, private education output is projected to grow by 0.4 percent in 2025, supported by SGU's strong enrolment performance in the first half of the year

6.26 Manufacturing

The manufacturing sector continued to expand during the first half of 2025, reflecting stronger industrial capacity and deeper linkages with agriculture, construction, and regional trade. Growth was led by prepared animal feed, supported by the Government's significant investments in livestock production, which boosted domestic demand and increased feed output by 10.3 percent. Grain Mill and Bakery Products also strengthened, rising by 5.2 percent to EC$9.7 million, driven in part by increased flour exports to regional markets including Belize, Dominica, St. Kitts and Nevis, and St. Lucia.

Other manufacturing activities also registered modest gains. Toilet paper production grew by 4.4 percent, while beverages and tobacco and chemicals and paints rose by 1.1 percent and 0.2 percent, respectively. Despite its slower growth rate, the beverages and tobacco subsector remained the largest contributor to manufacturing output and a key source of export earnings.

Figure 7: Industrial Production (Jan - June) (2024 vs. 2025) (EC$ million)

New capacity additions are helping to reinforce the sector's long-term foundation. Ongoing investments in a coconut processing plant, a chill room, and a forthcoming agro-processing facility are expected to expand value-added production and strengthen backward linkages with agriculture.

These initiatives align with the Government's industrial strategy to reduce import dependence, enhance food security, and support manufacturing-led employment.

Challenges persist, however. Firms continue to face volatile commodity prices, supply-chain disruptions, and limited access to raw materials, all of which weigh on production efficiency. Shipping delays and shortages of skilled labour have particularly affected producers in the beverages, tobacco, chemicals, and paints subsectors. Prolonged pressures in these areas could slow output growth and delay the benefits of recent investments.

Despite these risks, the manufacturing sector's outlook remains positive. Sub-sectoral expansion, rising regional demand, and improvements in port operations and supply-chain efficiency are expected to sustain growth over the remainder of the year. Manufacturing output is projected to increase by 2.4 percent in 2025, with stable performance anticipated over the medium term as new capacity comes online and domestic value chains continue to strengthen.

6.27 Inflation

During the first half of 2025, the period-average inflation rate was estimated at 0.5 percent, indicating a continued moderation in consumer prices. Grenada's Consumer Price Index (CPI) rose marginally from 119.7 in the first half of 2024 to 120.3 in the corresponding period of 2025. This modest increase reflects the combined effects of lower fuel prices and a moderate rise in food prices. (*Table 4)*

Fuel prices declined by 0.4 percent at the end of June 2025, consistent with the global softening of oil and gas prices. The reduction was largely attributable to higher global oil production and weaker demand, amid persistent geopolitical tensions and slower international trade activity. In contrast, food prices increased by 1.4 percent, with the food price index rising from 140.6 in mid-2024 to 142.5 in mid-2025. This increase stemmed from ongoing pressures in global food markets.

Recent trade policy shifts, the Russia–Ukraine conflict, instability in the Red Sea affecting shipping routes, and lingering supply-chain constraints since the pandemic have all contributed to sustained cost pressures internationally, raising the likelihood that food prices may remain elevated in the near term.

Table 4: Period Average Consumer Price Index (January to June) (2024 vs. 2025)

	January to June 2024	January to June 2025	Rate of Change (Inflation %)
Food	140.6	142.5	1.4
Fuel	109.9	109.4	- 0.4
All Items	119.7	120.3	0.5
			Source: CSO

On a year-on-year basis, consumer price movements remained relatively contained as at June 2025. Fuel prices declined by 0.6 percent, reflecting easing global energy costs, while food prices increased by 1.3 percent, pushing the food price index to 142.7, up from 140.9 in June 2024. These combined developments resulted in a modest end-of-period inflation rate of 0.2 percent in June 2025, broadly in line with the subdued period-average inflation outturn for the year.

Together, these trends point to continued stabilization in domestic prices amid gradual normalization of food supply conditions and a softening of international commodity markets. *(Figure 8)*

Figure 8 - Consumer Price Index (Year on Year)

Grenada's Consumer Price Index trajectory remains aligned with broader international conditions, although food and commodity price movements continue to pose risks to domestic inflation. The Ministry of Finance will continue to closely monitor domestic and global price trends throughout 2025 and into the medium term, ensuring timely policy responses to support macroeconomic stability.

Figure 9: Grenada and US Inflation Rate

7.0 GOVERNMENT FISCAL PERFORMANCE

Grenada's central government fiscal performance softened during the first six-months of 2025, relative to the corresponding period in 2024, but performed strongly against the budgeted targets. This outcome was shaped in-part by increased spending on reconstruction and recovery efforts, alongside a moderation in revenue from the Investment Migration Agency (IMA)[1] due to the clearance of a substantial application backlog.

The primary deficit for January to June 2025 was recorded at EC$8.4 million, down from the EC$218.9 million surplus recorded during the same period in 2024. Similarly, the overall fiscal balance shifted

[1] Previously known as the Citizenship by Investment (CBI) Programme

from a surplus of EC$194 million in the same period of 2024, to a deficit of EC$27.1 million in 2025. (*Figure 10)*

Figure10: Fiscal Balances (January to June) (EC$ million)

For the first half of the year, total revenue and grants amounted to EC$636.4 million, comprising EC$608.2 million in total revenue and EC$28.2 million in grants. This resulted in a 14 percent decline in total revenue and grants, compared to the same period in 2024, and was largely due to a contraction in non-tax revenue. Grant receipts, however, increased by 141.0 percent over the period to EC$28.2 million, but not significantly enough to offset the overall decline in revenue. (*Table 5)*

Despite this decline, tax revenue increased by 18.5 percent year-on-year, reaching EC$463.2 million. Within this category, taxes on income and profit rose by 10.0 percent, taxes on international transactions by 7.0 percent, and taxes on domestic transactions by 4.0 percent. In contrast, taxes on property registered a 32.0 percent decline compared to the same period in 2024. This decline is the result of the lower intake of Property Transfer Tax collected during the first six months of 2025 in comparison to 2024, as well as the waiver on property taxes for household and businesses in Carriacou and Petite Martinique and, to a more limited extent, on mainland Grenada which were impacted by Hurricane Beryl.

Non-tax revenue fell markedly by 49.0 percent to EC$145.0 million, accounted for by a 58.0 percent decline in IMA receipts. Revenues from the IMA dropped from EC$247.7 million in 2024, to EC$103.2 million in 2025, as inflows moderated and returned to more typical levels.

Finally, comparing the actual outturn for the period January to June 2025 against the budgetary targets, total revenue and grants surpassed expectations by EC$14.4 million. Revenue collection alone outperformed the target by EC$15.9 million, driven primarily by higher-than-expected revenues from the IMA and Customs Department (Taxes on international transactions).

Table 5 - Total Revenue and Grants, (January to June)

	2025 Target	**2025 Actual**	**2024 Actual**	**Variance 2025 Actual vs Target**		**Variance 2025 Actual vs 2024 Actual**	
	In EC$M	***EC$M***	***EC$M***	***EC$M***	***%***	***In EC$M***	***%***
Total Revenue and Grants	**622.0**	**636.4**	**740.3**	**14.4**	**2%**	**(-103.9)**	(-14%)
Total Revenue	592.3	608.2	728.6	15.9	**3%**	**(-120.4)**	(-17%)
Tax Revenue	**452.5**	**463.2**	**444.7**	**10.7**	2%	**18.5**	4%
Taxes on Income and Profit	97.2	99.4	90.3	2.2	2%	9.1	10%
Taxes on Property	23.1	19.0	28.0	**(4.1)**	(-18%)	**(9.0)**	(-32%)
Taxes on Domestic Transactions	105.6	107.6	103.8	2.0	2%	3.8	4%
Taxes on International Transactions	226.6	237.2	222.6	10.6	5%	14.6	7%
Non-Tax Revenue	139.8	145.0	283.9	5.2	4%	**(138.9)**	(-49%)
Of which IMA Revenues	79.1	103.2	247.7	24.1	30%	**(144.5)**	(-58%)

Total Grants	29.7	28.2	11.7	**(-1.5)**	**(-5%)**	16.5	141%

Recurrent expenditure grew by 5.0 percent, reaching EC$451.0 million between January and June 2025. The main components were:

- Employee compensation: EC$167.3 million (+5.0 percent)
  - Reflects moderate increases in personal emoluments and social contributions.
  - Growth was influenced by the regularization of public officers.
  - More significantly, it reflects retroactive payments for Police Officers' salary and grade adjustments, completed in May 2025.
- Goods and services: EC$92.7 million (+15.0 percent)
  - Increased procurement to support recovery and ongoing Government operations.
- Current transfers: EC$172.3 million (+35.0 percent)
  - The fastest-growing component, driven by expanded social support and recovery-related outlays.

Capital Expenditure

Capital expenditure grew sharply, increasing by 82 percent compared with the same period in 2024. The surge in spending reflects intensified reconstruction and infrastructure development activities, including:

- Post-Beryl reconstruction: EC$48.0 million
- Grenada Climate-Resilient Water Sector (G-CREWS) Project – Phase II: EC$13.7 million
- Grenada Home Improvement and Resilience Project: EC$7.5 million
- Major road construction and maintenance: EC$23.6 million
- School maintenance and renovations across Carriacou, St. Andrew, and St. David: EC$3.3 million

These investments align with the Government's broader infrastructure strengthening strategy and its commitment to accelerating climate-resilient development.

Despite the overall increase in spending, total expenditure was 5.0 percent below the budget target for the first six months of 2025. (*Table 6)* This reflects slower execution in selected recurrent categories. However, capital expenditure exceeded its target by 10.0 percent, signalling improved project execution and a gradual acceleration in capital formation as post-disaster reconstruction and development initiatives advance.

Table 6: Total Expenditure (January to June) (2024 vs. 2025)

	2025 Target	2025 Actual	2024 Actual	Variance 2025 Actual vs Target		Variance 2025 Actual vs 2024 Actual	
	In EC$M	In EC$M	In EC$M	EC$M	%	EC$M	%
Total Expenditure	701.0	663.5	546.3	(37.5)	-5%	117.2	21%
Recurrent Expenditure	508.1	451.0	429.4	(57.1)	-11%	21.6	5%
Employee Compensation	204.1	167.3	159.3	(36.8)	-18%	8.0	5%
Goods and Services	114.8	92.7	80.6	(22.1)	-19%	12.1	15%
Interest Payments	23.8	18.7	24.8	(5.1)	-21%	(6.1)	-25%
Current Transfers	165.4	172.3	127.4	6.9	4%	44.9	35%
Capital Expenditure	192.9	212.5	116.9	19.6	10%	95.6	82%

Based on the estimated outturns for the full year, Grenada's fiscal performance in 2025 is expected to show a moderate improvement relative to the Budget, as tax collections strengthened and expenditure growth remained contained. Total revenue and grants are estimated at EC$1,264.8 million, in line with budget expectations but with a marginal shortfall of 0.2 million. This performance was underpinned by higher-than-expected non-tax revenue collections, particularly from IMA and the Customs Division, and a lower than budgeted performance from Grants and taxes on Property, Income and Domestic goods and consumption.

Tax revenue for the full year is estimated to be EC$931.9 million or 0.5 percent below target. This performance is due to lower collections on taxes by the Inland Revenue Department (income, property and domestic goods and services) on account of the Hurricane Beryl suite of fiscal incentives which rolled over into 2025. Taxes on international trade and transactions collected by the Customs and Excise Division are expected to surpass target by EC$7.5 million.

Non-tax revenue is on track to exceed the budgeted amount by EC$14.9 million. Within this category, the IMA is estimated to collect an additional EC$25.5 million more than initially targeted. Despite this stronger-than-expected outturn relative to the budget, IMA receipts are estimated at 4.1 percent of nominal GDP for 2025, reflecting a normalization to the average of 4.6 percent recorded during the 2021-2022 period.

Total expenditure is estimated to reach EC$1,490.0 million for the full year of 2025, which is 7.0 percent below the planned spending envelope. These efficiencies are on account of lower current outlays for employee compensation and goods and services, which were contained by 21.0 percent and 18.8 percent respectively. In contrast, Interest Payments are forecast to be greater than budgeted by 18.0 percent due to the resumption of payments to the 2030 bondholders which were deferred for two periods post-Beryl.

Given the pace of current project implementation, Capital Expenditure is also likely to be 7.6 percent above the budgeted allocation.

The overall fiscal deficit for 2025 is estimated at EC$225.2 million, which is 33.3 percent better than the Budget forecast, on account of stronger non-tax revenue performance and lower current expenditure. (*Table 7)* As a result of these fiscal efficiencies, the primary balance (including grants) is estimated to close the year moderately better than projected with a deficit of EC$73.2 million.

Table 7 - Central Government's Actual 2024 Fiscal Performance

	2025			
	Estimated Outturn	**Budget**	**Variance**	
	EC$M	EC$M	EC$M	%
Total Revenue & Grants	**1,264.8**	**1,265.0**	**(0.2)**	**(0.0)**
Total Revenue	**1,202.8**	**1,192.5**	**10.3**	**0.9**
Tax Revenue	**931.9**	**936.4**	**(4.5)**	**(0.5)**
Taxes on Income	200.1	204.1	**(4.0)**	**(2.0)**
Taxes on Property	34.2	41.0	**(6.8)**	**(16.5)**
Taxes on Domestic Goods & Consumption	201.3	202.5	**(1.2)**	**(0.6)**

Taxes on International Trade & Transactions	496.3	488.8	**7.5**	**1.5**
Non - Tax Revenue	**270.9**	**256.0**	**14.9**	**5.8**
o/w IMA Revenues	165.9	140.4	**25.5**	**18.2**
Grants	**62.0**	**72.5**	**(10.5)**	**(14.5)**
Total Expenditure	**1,490.0**	**1,602.4**	**(112.4)**	**(7.0)**
Primary Expenditure	**1,338.1**	**1,473.6**	**(135.5)**	**(9.2)**
Current Expenditure	**1,031.5**	**1,105.9**	**(74.4)**	**(6.7)**
Employee compensation	324.8	411.0	**(86.2)**	**(21.0)**
o/w wages, salaries & allowances	303.4	377.6	**(74.2)**	**(19.7)**
Goods and Services	187.5	231.1	**(43.6)**	**(18.8)**
Interest Payments	152.0	128.8	**23.2**	**18.0**
Transfers	367.2	335.0	**32.2**	**9.6**
Capital Expenditure	**458.6**	**496.5**	**(37.9)**	**(7.6)**
o/w Grant financed	**35.8**	**59.2**	**(23.4)**	**(39.6)**
Overall balance	**(225.2)**	**(337.4)**	**112.2**	**(33.3)**
Primary balance (including grants)	**(73.2)**	**(208.6)**	**135.4**	**(64.9)**
Source: Ministry of Finance				

8.0 PUBLIC DEBT ANALYSIS

Public sector debt is projected to decline to 67.3 percent of GDP by end-2025, down from 71.3 percent at end-2024. This outperforms earlier forecasts of 70.8 percent, driven by stronger-than-anticipated GDP growth in 2025 and lower-than-planned disbursements on new and existing loan facilities. Public sector debt is projected at EC$2,274.2 million for December 2025. The debt profile remains firmly on a downward path and is expected to achieve the Fiscal Resilience Act's (FRA) target of 60.0 percent of GDP by 2035.

The 2025 Budget and New Hospital Loan Authorization Act, 2025 approved borrowing totalling $825.0 million, comprising $420.0 million for budget support and $405.0 million for the new hospital project. Budget financing authorization was largely met during the period, while that of the new hospital lags due to ongoing negotiations.

In October 2025, Grenada piloted the first ECCU Retail Bond under the ECCB/RGSM programme to promote household participation and financial literacy. The 2-year bond was issued at 4.25% (fixed rate). It closed with EC$4.2778 million raised from 350 investors (93% new to RGSM), including 157 below the traditional EC$5,000 minimum. While undersubscribed, the strong retail interest underscores growing demand. Ongoing efforts include an Investor Sentiment Survey and preparations for the St Kitts and Nevis pilot issuance.

8.1 Central Government External Debt

The stock of disbursed outstanding Central Government (CG) debt amounted to EC$2,251.5 million (or 55.6 percent of GDP) at end-September 2025, which is an increase from end-September 2024 when it was EC$2,179.5 million. Despite the increase in the nominal debt stock, the ratio is projected to decline to 54.3 percent of GDP by end- December 2025.

Over the medium-term CG debt is expected to increase due to disbursements on new and existing facilities, including the new hospital project. Nonetheless, the CG debt-to-GDP ratio is expected to remain contained and is projected to peak at 56.7 percent in 2028 before resuming its downward trajectory

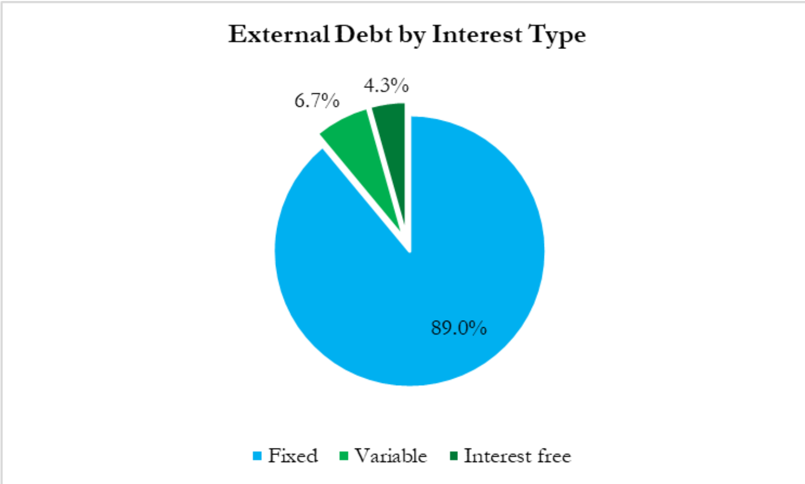
8.12 External Debt by Creditor Type and Interest Rate Type

At the end of 2025, the composition of Central Government's external debt is estimated to be as follows: multilateral creditors 73.3 percent; bilateral creditors 18.7 percent; other non-residents 7.9 percent; and commercial loans 0.1 percent. Multilaterals include IDA, CDB, International Monetary Fund (IMF), Organization for Petroleum Exporting Countries (OPEC), International Bank for Reconstruction and Development (IBRD), International Fund for Agricultural Development (IFAD) and CARICOM Development Fund (CDF). Bilateral creditors include The People's Republic of China, Kuwait, Trinidad, EXIM Bank of China, EXIM Bank of the US, and Bank of Alba *(Figure 11)*.

Figure 11: External Debt by Creditor

At end- September 2025, on average, 89.0% of the external portfolio comprised loans contracted at fixed interest rates. Loans at variable interest rates and interest-free loans held 6.7% and 4.3% of the external portfolio respectively *(Figure 12)*.

Figure 12- External Debt by Interest Type



Source: MoF

8.13 Currency Composition of External Debt

At end-2025, the currency composition of external debt is estimated to be as follows: USD $1,189.4 million (72.1 percent), Special Drawing Rights (XDR) $265.0 million (16.1 percent), China Yuan Renminbi (CNY) $164.7 million (10.1 percent), Kuwaiti Dinar (KWD) $13.7 million (0.8 percent), Euro (EUR) $7.9 million (0.5 percent) and Great Britain Pound (GBP) $1.9 million (0.1 percent).

Figure 13- External Debt by Currency

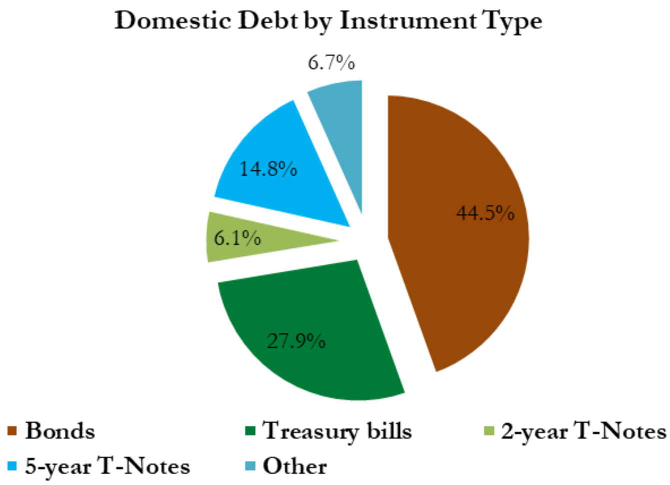
Source: MoF

8.2 Domestic debt

8.21 Domestic Debt by Instrument

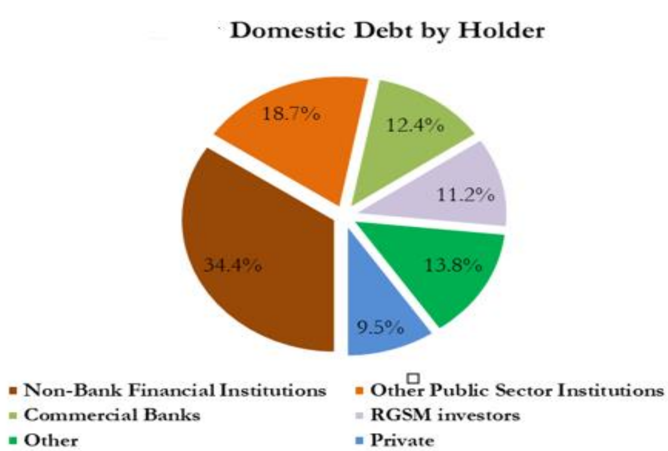
As of end-2025, domestic debt was estimated to be $549.9 million. The instrument type that constitutes the highest share of the domestic portfolio is bonds at 44.5%, followed by Treasury bills which accounted for 27.9%. Treasury notes and other domestic liabilities (inclusive of loans) accounted for the remaining 27.6% *(Figure 14)*.

Figure 14- Domestic Debt by Instrument



As at end-September 2024, non-bank financial institutions were the majority holders of the Government of Grenada's domestic debt, accounting for $129.8 million (34.4%) of the domestic portfolio. They were followed by public sector institutions which accounted for $70.6 million (18.7 percent) and investors in the Regional Government Securities Market which accounted for $42.2 million (11.2 percent). The residual of the Government's domestic liabilities was shared between Commercial Banks at $46.7 million (12.4 percent), private individuals at $36.0 million (9.5 percent), and other holders who accounted for $52.2 million (13.8 percent) of the domestic portfolio *(Figure 15).*

Figure 15- Domestic Debt by Holder



Source: MoF

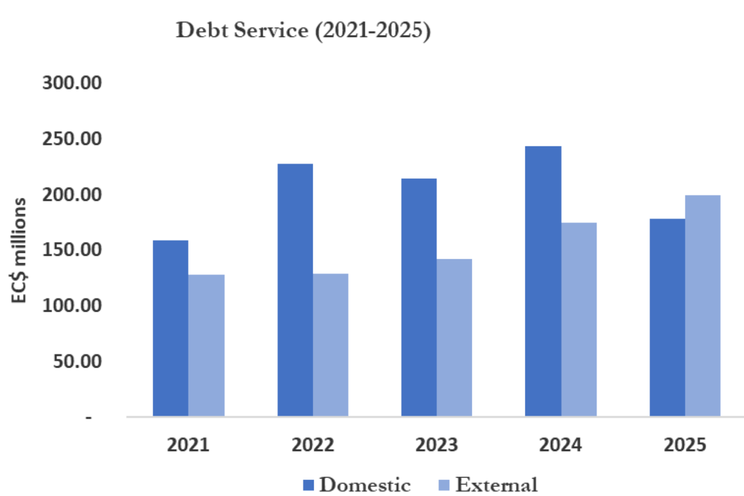
8.3 The Debt of State-Owned Enterprises (SOEs)

The non-guaranteed debt stock (contingent liabilities) of Statutory Bodies and State-Owned Enterprises was EC$152.5 million at the end-June 25. These loans are owed by nine (9) SOEs, of which the majority are domestic loans with long-term durations. The inclusion of the debt owed by Petro Caribe ($372.1 million), brings the total non-guaranteed SOEs debt stock to EC$525.0 million. This represents 13.2 percent of nominal GDP and is projected to be 13.0 percent at the end of 2025; the impact of strong GDP growth can also be observed here.

8.4 Debt Service

Figure 16 shows debt service payments during the period 2021 to 2025. Debt service payments fluctuated throughout the period. The spike in domestic debt service in 2022 resulted because an analysis of the debt numbers revealed that a portion of reissuances was omitted in error. The spike in 2024 was a result of the significant increase in bonus interest payments to the 2030 bondholders based on the extraordinary performance of the CBI Programme in 2023.

Figure 16: Debt Service Budgeted & Actual Payments



Source: MoF

Credit Rating

Since 2012 Standard & Poor's has lowered Grenada's foreign currency sovereign credit rating to "SD," or selective default, from "B-/B," and has also lowered its local currency sovereign credit ratings to "CCC+/C" from "B-/B." Grenada has not had another international credit rating since then and has not issued any new debt on the international capital market. Negotiations on external arrears with one bilateral creditor (Trinidad and Tobago) are almost complete, so Grenada's overall debt rating remains "in debt distress".

8.5 Medium-Term Debt Strategy

The Government of Grenada remains firmly on track to achieving its legislated debt-to-GDP target of 60 percent by 2035, guided by a disciplined and forward-looking debt-management framework. Debt financing continues to be efficiently sourced through the Regional Government Securities Market (RGSM), over-the-counter instruments, and well-structured multilateral and bilateral arrangements, ensuring access to stable and cost-effective funding.

Grenada's Medium-Term Debt Management Strategy (MTDS)—formulated in accordance with Section 5(1) of the Public Debt Management Act (2023)—sets out the Government's strategic approach to building and maintaining an optimal debt portfolio. The MTDS prioritizes concessional borrowing, the extension of the maturity profile, the regularization of legacy bilateral arrears, and continued improvements in transparency, monitoring, and risk management. These measures are designed to meet the Government's financing needs at the lowest feasible cost, subject to a prudent level of risk, while supporting the development of a more efficient and liquid domestic securities market.

Looking ahead to 2026–2028, the MTDS will continue to operationalize these objectives. The strategy emphasizes maintaining a sustainable borrowing path, containing refinancing and interest-rate risks, and strengthening Grenada's capacity to absorb external shocks. Combined, these efforts reinforce the Government's commitment to responsible debt management, safeguard fiscal sustainability, and support the broader macroeconomic and financial-sector goals underpinning long-term development.

8.51 Cost and Risk Indicators of the Existing Portfolio

Interest rate risk

Rising interest rates may result in financial losses and, consequently, expose the portfolio to risk. One indicator of interest rate risk is ATR. Grenada's set benchmark for the ATR of its total debt portfolio is 10.0 years or above. At end-2025, ATR is projected to be approximately 10.0 years which meets target, 20.6 percent of the portfolio is subject to a change in one year. The portfolio is exposed to interest rate risk primarily due to the short lifespan of domestic instruments, which resulted in an ATR of 4.4 years of the domestic portfolio, 41.5 percent of which is subject to re-fixing in one year. The ATR of the external debt portfolio is projected at 11.8 years, and 13.6% of the external portfolio is expected to re-fix within one year. However, a significant amount (92.3 percent) of external debt is contracted at fixed interest rates, which helps stabilize exposure. The remaining 7.7 percent consists of floating-rate debt from both multilateral and bilateral creditors.

Refinancing Risk

Refinancing or rollover risk refers to the possibility of having to refinance debt at higher costs or, in some cases, being unable to reissue instruments at all. Grenada's overall operational target to refinance debt is 8.0 years or above, measured by Average Time to Maturity (ATM). The ATM of Grenada's total debt portfolio at end-2025 is estimated to be 10.4 years, which is above target. This is largely due to external debt with an ATM of 12.3 years, 6.6 percent of which will mature in one year. On the other hand, domestic debt has higher exposure to refinancing risk because of its short lifespan. At end-2025, the ATM of domestic debt is estimated to be 4.4 years, of which 41.5 percent will mature in one year. *(Table 8)*

Foreign Currency Risk

Changes in currency exchange rates expose the portfolio to exchange rate risk. Grenada's debt portfolio has minimal exposure to foreign exchange risk. By end-2025, foreign debt is estimated to be 75.0 percent of the portfolio, which is within the set benchmark of maximum 80.0 percent. It should be noted that 72.1 percent of external debt is denominated in USD, to which the XCD is pegged, minimizing the portfolio's exposure to exchange rate risk. The pegging of the XCD to the USD provides a level of stability, mitigating the impact of exchange rate fluctuations on the foreign currency-denominated debt.

Table 8: Cost and Risk Indicators of Central Government's estimated at the end of 2025

Risk Indicators		External Debt	Domestic Debt	Total Debt
Amount (in millions of XCD)		1,649.6	549.9	2,199.5
Amount (in millions of USD)		611.0	203.7	814.6
Debt as % GDP		40.7	13.6	54.3
PV as % of GDP		30.3	14.3	44.6
Cost of debt	Interest payment as % GDP	1.2	0.7	1.9
	Weighted Av. IR (%)	3.1	5.1	3.6
Refinancing risk	ATM (years)	12.3	4.4	10.4
	Debt maturing in 1yr (% of total)	6.6	41.5	15.4
	Debt maturing in 1yr (% of GDP)	2.7	5.6	8.2
Interest rate risk	ATR (years)	11.8	4.4	10.0
	Debt refixing in 1yr (% of total)	13.6	41.5	20.6
	Fixed rate debt (% of total)	92.3	100.0	94.2
FX risk	FX debt (% of total debt)			75.0
	ST FX debt (% of reserves)			9.1

Source: Medium Term Debt Strategy 2026-28

8.52 Redemption Profile

The risks inherent in Grenada's debt portfolio can be seen in the redemption profile. The profile shows the scheduled amortization of all outstanding debt(*Figure 17).* A significant portion of domestic debt, namely T-Bills, one (1) 2-year T-note, and two (2) 5-year T-notes will mature in 2026. In 2027, one (1) 2-year T-note will mature. The spike in 2029 is due to the maturity of one (1) 2-year T-note and two (2) 5-year T-notes. In contrast, because external debt has longer maturity and concessional terms, it shows a more even and extended redemption profile than domestic debt.

Figure 17: Grenada Redemption Profile as of the end of December 2025 (EC$M)

Source: MTDS

8.53 Debt Management Strategy

The strategy selected for the period 2026-2028 aligns closely with the current financing mix of the Government. It recommends prioritizing financing from external multilateral creditors on concessional terms, continuing to draw down committed undisbursed balances from existing creditors and reissuing Treasury bills and Treasury notes on both domestic and regional markets. The strategy also considers government borrowing for a major project (The New Hospital Project) at improved rates. The strategy underwent rigorous analysis, including the evaluation of different stress scenarios involving moderate and extreme degrees of interest and exchange rate shocks.

During this analysis, the chosen strategy demonstrated superior performance when compared to alternative approaches, particularly in terms of risk indicators. The strategy selected is deemed the most practical for meeting the government's financing needs while adhering to the debt management targets and objectives outlined in the Public Debt Management Act. This careful selection is indicative of a prudent and strategic approach to managing the government's financial requirements in a manner that minimizes risks and aligns with broader debt.

The selected strategy showed reduced rollover risk, an average time to maturity of 10.5 years and an average time to refixing of 10.2 years al by 2028 by year end 2028. All improvements on the current period. Grenada remains on target to meet its debt to GDP ratio of 60 percent by 2035.

9.0 EXTERNAL SECTOR

Trade:

The first half of 2025 unfolded amid elevated global uncertainty, shaped by persistent geopolitical tensions, shifting trade policies, and uneven global economic growth. Despite these external headwinds, Grenada's external sector remained broadly stable, supported by post-disaster reconstruction activities, steady foreign inflows, and an adequate level of international reserves. Strong import demand, particularly for construction materials and equipment associated with Hurricane Beryl recovery efforts, continued to weigh on the external balance. However, these pressures were largely offset by resilient services inflows and continued access to concessional financing.

Looking ahead, sustaining external stability will depend on the pace of export diversification, the continued recovery of tourism, and Grenada's ability to attract private investment while maintaining access to affordable external financing.

Advancements in real-sector performance—particularly in manufacturing, agriculture, and fisheries—contributed to stronger export activity in the first half of 2025. Total exports reached EC$53.5 million, a 20.8 percent increase compared with the same period in 2024 (*Figure 18)*

Figure 18 - Grenada's Trade Data (Total exports and Imports) - First Quarter 2023-2024

Food exports grew by 42.1 percent to EC$27.1 million, largely explained by greater supplies of fish and other agricultural produce. Beverages exports expanded by 42.2 percent to EC$9.3 million, with notable performances in exported animal feed and flour. *(Table 9)* Three categories recorded declines: Crude Materials (-86.6 percent), Chemicals and Related Products (-12.0 percent), and Machinery and Transport Equipment (-13.4 percent), largely due to lower re-export and trans-shipment activity following post-disaster disruptions. However, as reconstruction and investment cycles advance, activity in these categories is expected to normalize, bringing trade flows closer to pre-disaster levels. Strengthened export performance supported external receipts and provided partial relief to current account pressures during the period.

Table 9 - Value of Grenada's 2024 - 2025 Exports (1st half)(EC $'000)

CODE	Export Item	January to June 2024	January to June 2025	% change
0	Food	19,068.9	27,093.8	42.1
1	Beverages & Tobacco	6,562.3	9,330.9	42.2
2	Crude Materials, Inedible, except Fuels	1,153.3	154.5	(-86.6)
3	Mineral Fuel, Lubricants & Related Materials	0.0	1.7	n/a
4	Animals & Vegetable Oils, Fats & Waxes	0.0	0.2	n/a
5	Chemicals & Related Products, N.E. S	5,794.0	5,099.4	(-12.0)
6	Manufactured Goods Classified Chiefly by Material	2,852.7	3,531.8	23.8
7	Machinery & Transport Equipment	8,395.5	7,267.1	(-13.4)
8	Miscellaneous Manufactured Articles	264.0	811.1	207.2
9	Commodities & Transactions Not Classified Elsewhere in the SITC	198.3	211.3	6.6
	TOTAL	**44,289.0**	**53,501.8**	**20.8**
				Source: CSO

Total imports increased by 13.1 percent to EC$928.5 million in the first half of 2025, consistent with elevated reconstruction needs and firm domestic consumption. The largest increases were recorded in crude materials (up 42.1 percent), animal and vegetable oils (up 43.8 percent), manufactured goods (up 28.4 percent), and machinery and transport equipment (up 26.6 percent). Food imports rose by EC$17.9 million to EC$192.3 million, reflecting higher global commodity prices and stable domestic demand. Conversely, imports of mineral fuels (-12.2 percent), chemicals (-0.5 percent), and beverages and tobacco (-0.4 percent) declined marginally, consistent with stabilizing energy prices and moderating demand in select categories.*(Table 10)*

The overall increase in import activity illustrates Grenada's active reconstruction and investment cycle, with continued inflows of capital and intermediate goods supporting production across key sectors, though contributing to current account pressures.

Table 10 - Value of Grenada's 2024 - 2025 imports (1st half)(EC $'000)

CODE	Import Item	January to June 2024	January to June 2025	% change
0	Food	174,451.7	192,282.9	10.2
1	Beverages & Tobacco	23,654.0	23,558.1	(-0.4)
2	Crude Materials, Inedible, Except Fuels	19,283.7	27,395.6	42.1
3	Mineral Fuel, Lubricants & Related Materials	152,081.8	133,500.1	(-12.2)
4	Animals & Vegetable Oils, Fats & Waxes	3,077.1	4,425.7	43.8
5	Chemicals & Related Products, N.E.S	65,634.0	65,280.6	(-0.5)
6	Manufactured Goods Classified Chiefly by Material	121,934.8	156,572.0	28.4
7	Machinery & Transport Equipment	169,644.5	214,850.0	26.6
8	Miscellaneous Manufactured Articles	91,021.3	108,778.6	19.5
9	Commodities & Transactions Not Classified Elsewhere in the SITC	13.1	1,903.5	14,430.5
	TOTAL	**820,796.0**	**928,547.1**	**13.1**
				Source: CSO

Overall trade developments showed a similar pattern, with merchandise imports increasing as services receipts softened. The combined effect of lower tourism earnings and stronger import demand widened the current account deficit in the first half of 2025. Over the medium term, the current account balance is expected to improve gradually as export capacity in agriculture, manufacturing, and fisheries strengthens and tourism performance stabilizes

10.0 MONETARY AND FINANCIAL SECTOR ANALYSIS

Between Sep 2024 and September 2025, Grenada's financial sector demonstrated resilience, with moderate liquidity and profitability growth in commercial banking and positive membership and asset trends in credit unions. However, capital adequacy concerns highlight the need for strategic oversight to ensure long-term stability.

10.1 Risk

Banking Sector Stability and Risk Exposure

From September 2024 to September 2025, key stability indicators improved. Regulatory Capital to Risk-Weighted Assets rose from 13.89 to 15.20 percent, while Tier 1 Capital increased from 11.08 to 11.88 percent. These show improved capital buffers but volatility early in the year is a caution indicator

.

A shift in loan portfolio allocation saw resident loans decline from 87.89 to 86.4 percent while non-resident loans increased from 12.00 to 13.62 percent. Within domestic credit, non-financial corporate exposure rose to (+2.08 pp) as household/other domestic sectors declined (−3.13 pp). Real-estate credit inched up for both residential (+1.23 pp) and commercial (+1.05 pp) segments. Large exposures to capital improved slightly (−0.40 pp), suggesting marginally lower concentration risk.

Liquidity and Foreign Exchange Risk

Liquidity remains comfortable but moderate. Liquid assets to total assets and to short-term liabilities eased moved (−3.01 pp and −2.10 pp, respectively), yet remain high by regional norms, suggesting continued capacity to meet short-term obligations. The customer-deposits-to-loans ratio declined (−21.69 pp to 169.31%), signalling a narrower funding cushion even though it still denotes ample deposits relative to credit.

FX risk is high but slightly lower. The net open foreign-exchange position to capital fell (−11.95 pp to 243.05%), and the shares of FX-denominated loans and liabilities dipped modestly. Despite this improvement, the NOP/capital level remains elevated, so exchange-rate sensitivity remains a key supervisory watch-item.

10.2 Assets

Net Foreign Assets (NFA)

Net Foreign Assets for the period Nov 2024-Nov 2025 decreased by 8.61percent ($245.49 million). Central Bank Imputed Reserves' decreased by 8.84 percent ($94.26 million) *(Figure 19)*. This coincides with higher import demands, external payments, and use of foreign liabilities which lower NFA.

Figure 19: Net Foreign Assets

Source: ECCB Summarized Monetary Survey

Net Domestic Assets (NDA)

During the same 12-month period, Net Domestic Assets grew by 58.79 percent moving from $555.72 million to $882.44 million. This expansion helped sustain broad money growth even with a weakened external position.

There was an expansion by an 41.80 percent or $463.13 million in Domestic Credit. This is expalained by the contraction in Net Claims on Government by $281.89 million vs an expansion in Claims on the Other Sectors of 181.28 million or 8.70 percent. i.e., stronger credit to private sector and households. (*Figure 20)* This is consistent with robust reconstruction activity and steady internal demand.

Figure 20: Net Domestic Assets

Source: ECCB Summarized Monetary Survey

10.3 Liabilities

Grenada's monetary aggregates continued to evolve over the twelve-month period from November 2024 to November 2025, reflecting shifts in liquidity conditions, deposit preferences, and broader monetary dynamics. Monetary liabilities (M2) increased from EC$3,407.39 million to EC$3,488.62 million, representing growth of 2.38 percent over the period. Although this is more moderate than the 8.9 percent expansion recorded in the previous year, the increase still signals expanding liquidity within the economy, which supports household consumption, business transactions, and ongoing post-disaster reconstruction activity. As always, higher liquidity must be balanced against potential inflationary pressures, particularly given the strong import demand observed throughout 2025.

Narrow money (M1) also increased, rising from EC$1,661.40 million to EC$1,697.78 million (2.2 percent). This growth was driven by increases in both currency outside depository corporations (6.76 percent) and transferable deposits (1.5 percent). Higher currency holdings are consistent with greater cash-based spending and transaction activity, while the rise in transferable deposits reflects continued stability in short-term liquidity and business operations. These movements indicate that transaction balances remained strong, supported by steady household income flows and increased economic activity linked to construction, services, and tourism recovery. *Table (11)*

Growth in quasi-money (M2 minus M1) was slightly higher than M1, expanding from EC$1,745.98 million to EC$1,790.84 million (2.27 percent). Within this category, other national-currency deposits grew by 3.66 percent, indicating a modest preference for interest-bearing savings instruments. In contrast, foreign-currency deposits declined by 1.89 percent over the period, a reversal from the previous year's increase. This suggests that households and firms held relatively fewer foreign-currency balances, potentially influenced by improved domestic liquidity conditions, stabilising inflation, or reduced precautionary demand for foreign currency amid more predictable economic recovery trends.

Overall, the monetary liabilities data for the year ending November 2025 depict an economy with moderate liquidity growth, a stable transaction base, and a slight rebuilding of savings balances. The shift away from foreign-currency deposits and the steady rise in national-currency savings point toward greater domestic financial confidence, even as reconstruction-driven credit demand continues to shape the broader monetary landscape. While the pace of monetary expansion remains contained, ongoing vigilance will be required to manage the balance between supporting economic momentum and preserving price stability.

Table 11: Monetary Liabilities (Nov 2025 - Nov 2025)

	Nov 24	Nov 25	Variance
	EC$ (M)	**EC$ (M)**	**%**
MONETARY LIABILITIES (M2)	3047.39	3488.62	**2.38**
MONEY SUPPLY (M1)	1661.4	1697.78	2.19
Currency with the Public	218.29	233.05	6.76
Currency in Circulation	284.74	293.22	2.98
Cash at Commercial Banks	66.45	60.17	(-9.45)
Private Sector Demand Deposits	1081.94	1092.94	1.02
QUASI MONEY	1745.98	1790.84	2.57
Private Sector Foreign Savings Deposits	1215.93	1285.22	5.71
Private Sector Time Deposits	81.90	68.89	(-15.9)
Private Sector Foreign Currency Deposits	306.43	336.43	9.65
	Source: ECCB Monetary Survey		

10.4 Financial Soundness

Broad money (M2) grew by 2.38 percent, supported by a 58.79 percent increase in NDA, which offset an 8.61 percent decline in NFA driven by lower external claims and a 19.06 percent rise in banks' foreign liabilities. Transaction balances and EC-dollar savings rose, while FX deposits declined by 1.89 percent.

Consistent with these monetary developments, the closest available Financial Soundness Indicators (Sep-2024 - 2025) show stronger capital, adequate but moderating liquidity, elevated yet slightly lower foreign currency exposure, and mixed profitability. (*Table 12*)

Table 12 - Financial Soundness Indicators

	Sep 2024	Sep 2025	Variance
Regulatory Capital to Risk-Weighted Assets (CAR)	13.89	15.2	1.31
Regulatory Tier 1 Capital to Risk-Weighted Assets	11.08	11.88	0.80
Loans to Residents	87.89	86.38	(-1.51)
Loans to Non-residents	12.11	13.62	1.52
Foreign-currency liabilities to total liabilities	22.04	19.45	(-2.58)
Liquid Assets to Total Assets	52.79	49.99	(-2.60)
Liquid Assets to Short-Term Liabilities	59.35	56.90	(-2.45)
Net Open Position in Foreign Exchange to Capital	256.84	243.05	(-13.79)

Liquidity indicators remain comfortable, with Liquid Assets to Total Assets declining from 52.79 to 49.99 percent and Liquid Assets to Short-Term Liabilities dipping from 58.88 to 56.90 percent. The sectors still has ample ability to meet short-term obligations. However, given the post-Bery l economic climate and ongoing external risks, maintaining strong liquidity remains essential.

10.5 Commercial Banks

Commercial loans expanded strongly over the twelve months to September 2025, rising from EC$2,329.2 million in September 2024 to EC$2,585.9 million in September 2025, representing an 11.0 percent increase. Consequently, the loan-to-deposit ratio increased from 50.2 percent to 56.3 percent over the same period, reflecting a faster pace of credit growth relative to deposit mobilization. Lending remained concentrated in the construction and real estate sectors. Construction and land development loans increased from EC$669.9 million to EC$762.8 million, while real estate activities rose from EC$735.3 million to EC$805.8 million, continuing to drive overall credit expansion in the banking system. *Figure 21.* Private household loans grew from EC$272.0 million to EC$349.6 million, fuelled by higher borrowing for medical expenses (up from EC$1.25 million to EC$1.99 million, +59 percent) and personal vehicle loans (EC$67.3 million to EC$74.9 million, +11%). Loans for personal travel remained broadly stable, declining slightly from EC$0.99 million to EC$0.87 million. (*Figure 21*)

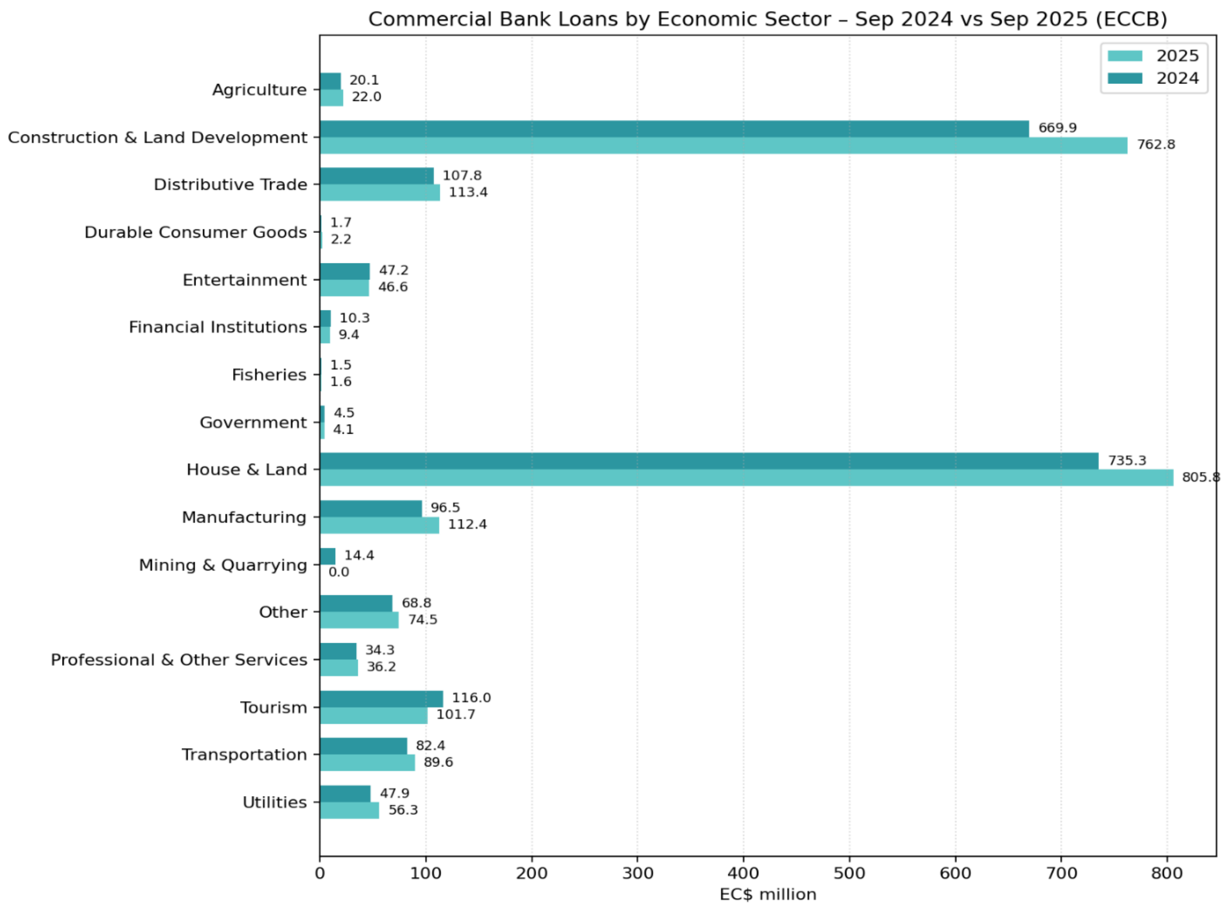
Loans to public administration and social security increased modestly from EC$4.48 million to EC$4.08 million, maintaining elevated levels relative to pre-2024. Lending to arts, entertainment, and recreation remained historically high, easing slightly from EC$47.23 million to EC$46.61 million. Additionally, credit to professional and technical services, manufacturing, and utilities (electricity, gas, air-conditioning, water, and waste management) registered meaningful increases, supporting business activity and infrastructure needs. Manufacturing credit, in particular, rose from EC$96.53 million to EC$112.38 million, while utilities increased from EC$45.41 million to EC$53.73 million.

Conversely, credit to agriculture, forestry and fishing remained subdued, inching upward from EC$21.54 million to EC$23.67 million following earlier declines in 2023–2024. Lending to mining and quarrying, which had experienced a temporary lift in early 2024, fell back to zero by September 2025. Credit to the wholesale and retail trade (distributive trade) edged down from EC$107.83 million to

EC$113.39 million, while lending to financial institutions softened from EC$10.35 million to EC$9.37 million.

Overall, loans continue to be heavily concentrated in construction, real estate and household consumption, while productive sectors such as agriculture and manufacturing, despite recent improvements, could benefit from targeted incentives to stimulate further credit expansion amid ongoing reconstruction and broader economic transformation.

Figure 21: Commercial Bank Loans by Economic Sector (2024 vs. 2025).



Finally, interest rates on loans, savings and fixed-time deposits remained unchanged throughout the period, with regular savings accounts earning up to 3.0 percent and banks' prime lending rates peaking at 10.0 percent, maintaining stable borrowing and deposit conditions between September 2024 and September

10.6 Non-Bank Financial Sector

Grenada's non-bank financial sector continued to demonstrate resilience and financial strength through 2025, supported by prudent risk-management practices and sustained balance-sheet expansion across regulated institutions. The sector, comprising ten credit unions, twenty-six licensed insurance companies, fifty pension plans, money service businesses, and various micro-lenders, operates under the supervision of the Grenada Authority for the Regulation of Financial Institutions (GARFIN), which ensures compliance with prudential standards and safeguards system stability

Credit Unions – As of September 30, 2025, the credit union sector maintained its position as the largest component of the non-bank financial system.

- Total assets rose to EC$1.59 billion, reflecting continued year-on-year growth in membership and lending.
- Total loans remained strong at EC$1.18 billion, supporting household consumption and micro-enterprise activity.
- Total deposits also expanded steadily, recorded at EC$1.30 billion.
- Sector participation remained broad-based, with 93,000 member accounts across the ten credit unions.

Insurance Companies – Grenada's insurance sector strengthened further through 2025 with solid asset growth, strong capital buffers, and continued profitability across both general and long-term insurers. Total industry assets rose to EC$614.6 million as at September 30, 2025, EC$590.64 million in September 2024, reflecting broad-based balance-sheet expansion. On the liabilities side, the sector maintained EC$331.8 million in total obligations, with the largest components reflecting statutory technical reserves, including the Unexpired Risk Provision (EC$61.55 million), Claims Provision (EC$36.23 million), and Life & Annuity reserves (EC$111.91 million). Deposit administration funds stood at EC$61.87 million, supporting long-term savings and pension-related product

Overall, the insurance sector remained stable, liquid, profitable, and adequately capitalized through November 2025. Strong underwriting results, prudent reserving, and sustained investment income reinforced the sector's ability to support economic resilience, including post-hurricane recovery, while GARFIN's supervisory oversight ensured compliance with statutory and prudential requirements.

Pension Funds – The pension fund sector remained stable, with assets totalling EC $296 million, marking a growth from $281.00 million in 2024. The sector includes 50 registered pension plans, of which 44 are active, underscoring its capacity to support long-term financial security for retirees.

Overall, Grenada's non-bank financial sector continues to thrive, showcasing strong capital retention, liquidity, and expansion, reinforcing its critical role in the country's financial system.

10.7 Financial Regulatory Development

In 2025, Grenada advanced key financial regulatory reforms to strengthen digital resilience and consumer protection. The Eastern Caribbean Asset Management Corporation (Amendment) Bill, the Payment Systems and Services Bill, and the Eastern Caribbean Deposit Insurance Corporation Agreement Bill were all passed by the House of Representatives and received assent from the Governor-General.

At the regional level, the Eastern Caribbean Central Bank (ECCB) is advancing the operationalization of two new institutions, the Office for Financial Consumer Interests (OFCI) and the Eastern Caribbean Financial Services Board (ECFSB), to strengthen consumer protection, regulatory consistency, and financial stability across the ECCU. The ECCB's medium-term priorities also include expanded public outreach on the Basic Bank Account to improve financial inclusion; finalization of a strengthened AML/CFT/CPF policy framework to enhance system-wide risk management; continued implementation of Basel II/III, including the supervisory and market-discipline pillars to bolster capital adequacy; and the rollout of updated payment-system oversight manuals and FMI reporting templates to reinforce systemic-risk mitigation. Collectively, these reforms are expected to support a safer, more efficient, and more transparent financial system aligned with global financial-stability and anti-financial-crime standards.

11.0 UNEMPLOYMENT

Labour market conditions continued to improve into early 2025. The unemployment rate declined to a historic low of 9.8 percent in the first quarter of 2025. This improvement builds on the sustained downward trend observed since 2022, when the unemployment rate stood at 13.9 percent.

The Labour Force Survey indicates that unemployment measured 10.8 percent during the second quarter of 2025, reflecting normal seasonal movements and labour market adjustment associated with ongoing post-Beryl reconstruction activities. The economically active population was recorded at 57,359 persons during this period.

12.0 MEDIUM TERM POLICY OBJECTIVES AND FORECAST 2026-2028

Grenada's medium-term fiscal strategy is designed to guide the economy from the immediate post–Hurricane Beryl recovery phase toward a more sustainable, growth-focused trajectory. As reconstruction needs diminish, fiscal resources will be gradually reoriented toward advancing the country's long-term development priorities, as outlined in the National Sustainable Development Plan (2020–2035), the Medium-Term Debt Strategy, and Vision 75. This shift will prioritize growth-enhancing public investment, strengthened social protection systems, and climate-resilience measures, underpinned by continued improvements in public financial management and targeted revenue-mobilization efforts. The overarching objective is to safeguard fiscal sustainability, support macroeconomic stability, and preserve sufficient buffers to respond to future climate or external shocks.

The fiscal stance will remain moderately expansionary in the near term to support economic revitalization. However, the overall fiscal position is projected to improve steadily as expenditure growth is contained over the medium term, enabling a return to a primary surplus by 2027, in keeping with the fiscal rule requiring a minimum primary balance of 1.5 percent of GDP. The Government also reaffirms its commitment to the long-term fiscal anchor of reducing public debt to 60 percent of GDP by 2035, consistent with regional debt sustainability targets. This calibrated approach balances short-term recovery needs with long-term development imperatives and is intended to foster resilience, maintain fiscal credibility, and support an inclusive and transformative growth path through 2028.

The Government will advance a strengthened medium-term revenue-mobilization agenda centred on the full rollout of the G-Tax system, which is expected to raise tax-administration efficiency and achieve an estimated 80 percent compliance rate once fully implemented. Revenue performance will be further supported by intensified taxpayer outreach, strengthened field enforcement, and focused audits of large and medium-sized taxpayers. Complementary reforms within the Customs and Excise Division will continue to modernize customs operations, enhance regulatory oversight at ports of entry, and improve overall compliance. Beginning in 2026, the temporary property-tax waiver introduced after Hurricane Beryl—together with other needs-based incentives—will be phased out. A new concessions framework for State-Owned Enterprises and Statutory Bodies will also be introduced to ensure exemptions are limited to major transformative projects. Collectively, these measures aim to stabilize revenues, reduce tax expenditure, and broaden the fiscal base.

On the expenditure side, the 2026 framework seeks to balance residual recovery needs with broader national development priorities. While reconstruction spending will taper, strategic investments will continue to advance resilience and long-term transformation. Recurrent spending will prioritize essential services (education, health, and social protection) together with increased personnel costs related to the regularization of public-sector employment. Capital expenditure will remain elevated in 2026 before moderating in 2027, driven by sectoral priorities including:

- Education and youth development, particularly school infrastructure improvements under the GEEP programme.
- Climate-resilient infrastructure, including G-CREWS and new coastal-protection projects.
- Economic transformation, through UBEC and establishment of the Project Polaris SPV for construction of the climate-smart teaching hospital.
- Security enhancements, including acquisition of a new Coast Guard vessel.

Public-expenditure management will continue to be strengthened through improved procurement practices, enhanced PSIP monitoring, and expanded institutional capacity. The Suspension Clause under the Fiscal Resilience Act (2023) will remain active to support exceptional recovery spending, with a planned return to the primary-balance rule by 2027.

Medium-term forecasts under the Fiscal Framework (2026–2028) reflect this gradual transition from recovery to consolidation. Total revenue and grants are projected to rise from EC$1.36 billion in 2026 to EC$1.51 billion in 2028, driven primarily by tax revenues averaging 24.4 percent of GDP, while grants are expected to average 0.7 percent of GDP. Total expenditure is forecast to moderate from EC$1.67 billion (39.3 percent of GDP) in 2026 to EC$1.50 billion (31.5 percent of GDP) in 2028, reflecting the tapering of capital outlays from 13.6 percent to 8.2 percent of GDP as reconstruction winds down. Employee compensation is projected to average 9.4 percent of GDP, though the composition of expenditure will shift as statutory bodies such as the Grenada Hospital Authority and the planned National Health Insurance (NHI) assume greater operational responsibilities. (*Table13)*

The fiscal position is expected to improve steadily over the medium term. The overall balance is projected to move from a deficit of EC$309.8 million in 2026 to a surplus of EC$11.4 million in 2028. The primary balance is forecast to shift from a deficit of EC$229.2 million in 2026 to a surplus of

EC$80.0 million in 2027 and EC$79.7 million in 2028, enabling a return to compliance with the fiscal rule of a minimum primary surplus of 1.5 percent of GDP by 2027. This trajectory supports the Government's broader commitment to restoring fiscal buffers, reinforcing resilience, and ensuring long-term fiscal sustainability.

Table 13: Medium-Term Fiscal Framework 2025-2027 (Millions of ECD, unless stated otherwise)

In millions of Eastern Caribbean Dollars, unless stated otherwise						
	2026		**2027**		**2028**	
	Projected	% GDP	Projected	% GDP	Projected	% GDP
Total Revenue & Grants	**1,359.2**	**32.0%**	**1,414.7**	**31.5%**	**1,508.3**	**31.7%**
Total Revenue	**1,321.5**	**31.1%**	**1,394.2**	**31.1%**	**1,475.8**	**31.0%**
Tax Revenue	1,037.4	24.4%	1,096.5	24.4%	1,162.7	24.4%
Non - Tax Revenue	284.1	6.7%	297.7	6.6%	313.1	6.6%
Grants	**37.6**	**0.9%**	**20.5**	**0.5%**	**32.6**	**0.7%**
Total Expenditure	**1,668.9**	**39.3%**	**1,410.0**	**31.4%**	**1,496.9**	**31.5%**
Primary Expenditure	**1,588.4**	**37.4%**	**1,334.7**	**29.8%**	**1,428.6**	**30.0%**
Current Expenditure	**1,091.8**	**25.7%**	**1,040.5**	**23.2%**	**1,107.9**	**23.3%**
Employee compensation	410.2	9.7%	413.0	9.2%	446.0	9.4%
Wages, salaries & allowances	387.2	9.1%	389.7	8.7%	421.7	8.9%
Social Contribution to employees	23.0	0.5%	23.2	0.5%	24.3	0.5%
Goods and Services	254.5	6.0%	206.5	4.6%	251.5	5.3%
Interest Payments	80.6	1.9%	75.3	1.7%	68.3	1.4%
Transfers	346.6	8.2%	345.8	7.7%	342.1	7.2%
Cumulative Capital Expenditure	**577.2**	**13.6%**	**369.5**	**8.2%**	**389.0**	**8.2%**
o/w: Core PSIP Capital Expenditure	370.4	8.7%	182.1	4.1%	190.2	4.0%
o/w: Initiatives	206.7	4.9%	187.4	4.2%	198.8	4.2%
o/w: Grant financed	37.6	0.9%	20.5	0.5%	32.6	0.7%
Overall balance	**-309.8**	**-7.3%**	**4.7**	**0.1%**	**11.4**	**0.2%**
Primary balance (excluding grants)	**-266.9**	**-6.3%**	**59.4**	**1.3%**	**47.1**	**1.0%**
Primary balance (including grants)	**-229.2**	**-5.4%**	**80.0**	**1.8%**	**79.7**	**1.7%**
Memo Item						
GDP (Nominal market Prices)		**4,244.5**		**4,486.2**		**4,757.1**
Real GDP growth (%)		**4.1%**		**4.9%**		**5.3%**
						Source: Ministry of Finance

12.1 Medium Term Outlook

Grenada's medium-term outlook remains cautiously optimistic, amid heightened global uncertainty stemming from geopolitical tensions, evolving trade policies, tighter financial conditions, and commodity-price volatility. Sustained recovery from Hurricane Beryl, together with ongoing public and private investment, will be central to growth prospects. Over the forecast horizon, the economy is poised to benefit from resilience-building initiatives, stronger institutional capacity, and a supportive international environment.

Global conditions are projected to stabilize gradually. According to the IMF's July 2025 World Economic Outlook, global growth is expected to reach 3.0 percent in 2025 and 3.1 percent in 2026, supported by improving financial conditions, a softer U.S. dollar, moderate fiscal expansion in key economies, and generally favourable trade dynamics following recent tariff adjustments. Global headline inflation is projected to ease to 4.2 percent in 2025 and 3.6 percent in 2026, consistent with earlier expectations.

Growth among Grenada's principal trading partners in particular, is forecast to remain steady. Real GDP in 2026 is projected to expand by.

- 1.7 percent in the United States
- 1.4 percent in the United Kingdom,
- 1.6 percent in Canada, and
- 4.1 percent in China

Figure 22 1: Medium-Term Real GDP Projections for Grenada and Major Trading Partners in % of GDP

12.2 Risks to Outlook

12.21 Macroeconomic Risks

This section outlines the principal risks that may adversely affect public finances and the implementation of Government policies aimed at transformation, resilience, and sustainable development. The key categories of risk include:

- Macroeconomic Risks,
- Budget Implementation Risks,
- State-Owned Enterprise Risks, and

- Climate Risks.

Grenada's medium-term fiscal projections remain highly sensitive to global and regional economic conditions. Heightened geopolitical tensions, including Venezuela, Ukraine and the Middle East, continue to disrupt trade and financial markets, increasing uncertainty for small, open economies such as Grenada. These developments could raise import costs for food and fuel, prolong inflationary pressures, and weaken domestic economic performance. A slowdown in major source markets, particularly the United States and the United Kingdom, would negatively affect tourism, remittances, and foreign direct investment, with potential spillovers to fiscal revenues and national development outcomes.

External scrutiny of the Investment Migration Agency (IMA formerly CBI) Programme, especially from the OECD and the FATF, poses an additional risk to non-tax revenue performance, reinforcing the need for continued revenue diversification and strengthened compliance. At the same time, the growing frequency and severity of climate-related shocks, as underscored by the recent impact of Hurricane Beryl, elevate macro-fiscal vulnerabilities and highlight the importance of sustained investment in resilience and adequate fiscal buffers. These pressures may increase demands for social support and subsidies, underscoring the need for fiscal prudence and resilient financial frameworks.

Sensitivity analysis illustrates how external shocks could affect baseline fiscal indicators *(Table 14)*.

- Scenario 1: A two-percentage-point reduction in 2025 GDP growth lowers tax revenues and worsens the primary balance and debt ratios, moving them further from Fiscal Resilience Act (FRA) targets.
- Scenario 2: An export shock reduces goods and services receipts, contracts GDP, and widens the primary deficit.
- Scenario 3: A natural-disaster shock produces the most significant deviations from FRA targets, sharply deteriorating the primary balance and raising the debt-to-GDP ratio.

Together, these scenarios demonstrate the continued exposure of public finances to external shocks and underscore the need for ongoing fiscal-risk monitoring, strong buffers, and prudent financial management.

Table 14: Sensitivity of Key Fiscal Variables to Economic Shocks

Economic Assumptions	***Estimated Impact (2025)***			
	Primary Balance		***Public Debt***	
	% of GDP	*Difference from Baseline (% of GDP)*	*% of GDP*	*Difference from Baseline (% of GDP)*
Scenario 1: **Real GDP is 2pp lower than the 2025 forecast**	(-13.8)	Lower by 8.7pp	74.5%	Higher by 3.1pp

Scenario 2: **Inflation is 2pp higher than the 2025 forecast**	(-2.2)	Higher by 2.9	73.6	Higher by 2.2
Scenario 3: **Combined Real GDP and Inflation Shock: GDP growth is 2pp lower and inflation is 2pp higher relative to the 2025 forecasts**	(-9.3)	Lower by 4.2pp	80.5%	Higher by 9.1pp

Source: Ministry of Finance

12.22 Budget Implementation Risks

Another key risk to budget execution is the potential shortfall in non-tax revenue, particularly from the Citizenship by Investment Programme, due to uncertainty surrounding the timing and scale of inflows amid evolving international regulatory pressures. Additionally, lower-than-expected customs and import duty collections, stemming from adverse trade shocks, could further constrain in-year revenue performance and disrupt cash flow planning.

On the expenditure front, persistent inflationary pressures on construction materials elevate the risk of cost overruns on capital projects. Furthermore, unanticipated emergency recovery spending could further divert resources away from budgeted programmes, affecting the execution of planned investments.

Effective financial management and close monitoring of emerging trends are therefore essential to mitigate the above risks and ensure effective budget implementation in the medium term.

12.23 Climate Risks

According to the 2025 Global Climate Risk Index Report, which assesses the exposure and vulnerability to extreme events across 182 countries using data from 2000-2022, Grenada is ranked 17th, with a score of 14,754,235. This ranking showcases Grenada's high exposure and susceptibility to natural hazards, including hurricanes, storms, floods, and heat waves.

In response to the recent devastation caused by Hurricane Beryl, the Government remains committed to enhancing resilience to climate change through its ongoing and planned adaptation and mitigation efforts, in line with its Disaster Resilience Strategy. The Government has implemented a risk-layering approach to natural hazard financing, incorporating insurance, contingency funds, concessional lines of credit, and reserved budgetary resources. Furthermore, as part of its 2015 debt restructuring, the Government included hurricane clauses in its restructured bonds, which will automatically trigger reprofiling in the aftermath of hurricanes and similar natural events, once specific conditions are met.

12.24 Financial Sector Risk

Despite the financial challenges confronting businesses in key productive sectors—intensified by the COVID-19 pandemic, commodity price shocks from geopolitical tensions, global inflation, and the recent impact of Hurricane Beryl—financial institutions are still expected to maintain capital adequacy standards. To navigate persistent macroeconomic uncertainties, it is imperative to strengthen financial sector surveillance and implement sustained measures to safeguard stability. Financial institutions should enhance internal risk assessments and early warning systems, while improving communication with debtors, to mitigate the risk of rising non-performing loans (NPLs) and prevent further tightening within the financial sector.

12.25 Public-Private Partnerships Risk

Following the 2023 revision of the Fiscal Responsibility Act, now the Fiscal Resilience Act, the definition of public sector debt was expanded to include explicit contingent liabilities arising from, or in connection with, public-private partnerships (PPPs). As at Nov 2025, the Government of Grenada had two significant PPP arrangements with implications for fiscal risk.

The Digicel Partnership, a 15-year agreement under the Caribbean Regional Communication Programme, is a World Bank-funded regional initiative involving Grenada, Saint Lucia, St. Vincent, and the Grenadines. It supports digital transformation efforts, with Grenada's financial commitment classified as a current liability due to concessional loan financing, meaning no explicit contingent liabilities are directly linked to this PPP.

The Grenville Commercial Complex is a PPP in which the Government holds a 51% stake in a commercial rental project valued at EC$18.8 million. The financial risk lies in capital investment and the project's success in generating rental income. However, the project has faced significant delays, posing further risks to its financial viability

12.26 State-Owned Enterprises (SOEs) Risks

The operations of State-Owned Enterprises (SOEs) and Statutory Bodies (SBs) continue to present potential contingent liabilities for the Central Government. These obligations, whether explicit or implicit, do not immediately impact Government finances but may require fiscal support if adverse shocks occur. Most SOE and SB loans are local-currency, fixed-rate, long-term facilities, typically sourced from domestic commercial banks or through Government on-lending, which helps limit exposure to exchange-rate and interest-rate risks. Occasional borrowing from regional institutions, such as the Caribbean Development Bank, supplements this predominantly domestic financing structure.

Current assessments indicate that SOEs with non-guaranteed debt have generally met their repayment obligations and maintain adequate cash flow to manage liabilities, keeping the overall risk from implicit contingent liabilities low. Nevertheless, the Government will continue to monitor fiscal risks closely by reviewing audited and unaudited financial statements, strengthening oversight, and ensuring timely intervention where necessary to safeguard public finances.

Explicit Contingent Liabilities - Guaranteed Debt

As at Nov 2025, Central Government holds no guaranteed debt within its loan portfolio.

Implicit Contingent Liabilities- Non- Guarantee Debt

Nine State-Owned Enterprises (SOEs) held non-guaranteed debt totalling $152.5 million (Not inclusive of Petrocaribe EC$372.1 mil), primarily in local currency with fixed interest rates and long-term amortization schedules, reducing exposure to interest rate and exchange rate fluctuations. SOEs and Statutory Bodies (SBs) rely mainly on domestic commercial banks, larger SOEs with lending facilities, or Central Government on-lending arrangements, with occasional borrowing from regional institutions like the Caribbean Development Bank. Debt owed to other SOEs also represents implicit contingent liabilities, as the Government may bear the risk of non-repayment.

Most SOEs with non-guaranteed debt have met their loan obligations on time and have sufficient financial resources to manage debt despite potential shocks, keeping implicit contingent liabilities low. To mitigate fiscal risks, the Government will continue monitoring and evaluating SOEs and SBs, using both audited and unaudited financial statements, ensuring timely interventions where necessary.

13.0 SECURITY ISSUANCE PROCEDURES AND SETTLEMENT AND SECONDARY MARKET ACTIVITIES

The Treasury bills will be issued on the Regional Government Securities Market using the ECSE trading platform for both primary issuance and secondary trading. The pricing methodology to be used for selling the securities will be that of a competitive uniform price auction with open bidding. The ECSE and its subsidiaries are responsible for processing, clearance, and settlement of securities and providing the intermediaries with access to their settlement projections report, which indicates the obligations of the intermediary. Intermediaries are responsible for interfacing prospective creditors, collecting applications for subscriptions and processing bids on the ECSE platform. A list of licensed intermediaries is provided in Appendix I.

Successful investors will be informed of their payment obligations and funds deducted from their respective accounts with the intermediaries. As an issuer on the RGSM, the Government of Grenada will be subject to the rules and procedures established by the Regional Debt Coordinating Committee for the operation of the market including ongoing reporting and disclosure requirements.

14.0 CURRENT ISSUES OF GOVERNMENT SECURITIES ON THE REGIONAL GOVERNMENT SECURITIES MARKET

RGSM TREASURY BILLS AND BONDS

Issues Outstanding	EC$ 144.3 million
Type of Issue	Government of Grenada Treasury Bills and Bonds
Maturity in Days	91 and 365 Days
Date of Issues	January 2025 to December 2025

Yields Max 5.5 percent

Discount Price EC$95.50

Treasury Bills and bonds outstanding as of December 30th, 2025, are listed in *Table 15*.

Table 15: Treasury Bills listed on RGSM as of December 30th, 2025

Auction Name	*Issue date*	*Maturity date*	*Term*	*Total of bids received EC($m)*	*Price EC($m)*	*Total amount accepted EC($m)*	*Yield%*	*Total bids*	*Successful bids*
GDB290525	*27-Feb-25*	*29-May-25*	*91*	*29*	*14.9*	*15*	*2*	*12*	*10*
GDB010925	*2-Jun-25*	*1-Sep-25*	*91*	*20*	*19.8*	*20*	*3.5*	*12*	*12*
GDB190826	*19-Aug-25*	*19-Aug-26*	*365*	*31*	*28.6*	*30*	*5*	*12*	*11*
GDB031225	*3-Sep-25*	*29-Sep-26*	*91*	*20*	*19.8*	*20*	*3.5*	*13*	*13*
GDB291026	*29-Oct-25*	*29-Oct-26*	*365*	*32*	*19.4*	*20*	*3*	*14*	*7*
GDB060326	*5-Dec-25*	*6-Mar-26*	*91*	*18*	*14.9*	*15*	*3*	*13*	*10*
GDB161226	*16-Dec-25*	*16-Dec-26*	*365*	*26*	*19*	*20*	*5*	*14*	*14*
GDG241127	*05-Dec-25*	*24-Nov-25*	*2 years*	*4.3*	*4.3*	*4.3*	*4.25*	*350*	*350*

Source: Ministry of Finance

Table 16: Upcoming Issues of Government Securities on the Regional Market 2026

SYMBOL	AUCTION DATES	ISSUE /SETTLEMENT DATE	MATURITY DATE	ISSUE AMT. EC$M	TENOR (Days)	INTEREST RATE CEILING %
GDN170228	16-Feb-26	17-Feb-26	17-Feb-28	10	2 Years	5.50%
GDB080626	6-Mar-26	9-Mar-26	8-Jun-26	20	91 Days	3.50%
GDB090926	8-Jun-26	9-Jun-26	8-Sep-26	30	91 Days	3.50%

GDB210827	20-Aug-26	21-Aug-26	21-Aug-27	20	365 Days	5.00%
GDB091226	8-Sep-26	9-Sep-26	9-Dec-26	20	91 Days	3.50%
GDB270227	30-Oct-26	2-Nov-26	2-Nov-27	15	365 Days	5.00%
GDB120327	10-Dec-26	11-Dec-26	12-Mar-27	15	91 Days	3.50%
GDB181227	17-Dec-26	18-Dec-26	18-Dec-27	20	365 Days	5.00%

ALL ISSUES ON THE MARKET ARE IN EC DOLLARS

APPENDICES

APPENDIX I[2]: KEY AMMENDMENTS

Item	2015 FRA	2023 FRA
Fiscal Objectives	Fiscal & debt sustainability & fiscal risk management	Retained
Debt Target	55% or 60% of GDP (unclear)	60.0% of GDP by 2035
Primary Balance Rule	Floor of 3.5% of GDP	Floor of 1.5% of GDP
Primary Expenditure Rule	Ceiling of 2% annual real growth	Removed
Wage Bill Rule	9% of GDP 2% real annual growth (unclear)	Ceiling of 13.0% of GDP Annually
Contingent Liabilities related to PPPs	Ceiling of 5% of GDP	Removed
Escape Clause	Ambiguity about frequency of activation	Clear guidance about frequency of activation and the renaming of the Section as the Suspension Clause
Recovery Plan	Immediate preparation upon suspension	Removed as a standalone document, but measures proposed to return to compliance with the FRA are contained in the Mid-year Economic Report (if suspension occurs within the first half of the fiscal year) and included in the Medium-term Economic and Fiscal Strategy Report if suspension occurs within the second half of a fiscal year
Reports	Six	Single consolidated Medium-term Economic & Fiscal Strategy Report
Medium-term Fiscal Framework	No provisions	Explicit provisions
Coverage	Central Gov't & Covered Public Entities	Central Gov't & All SOEs & SBs for Public Debt. Central Gov't only for fiscal flow variables
Stated –owned Enterprises (SOEs) and Statutory Bodies (SBs)	Fiscal rules apply to both Central Government and "covered public entities"	New Section with explicit provisions for all SOEs & SBs
Independent Fiscal Oversight Committee	Ex-post assessment only	Ex-ante and Ex-post assessments

[2] Revised

APPENDIX II[3]: LIST OF LICENSED ECSE MEMBER BROKER-DEALERS

Territory	Institution	Name of Licensee	Type of License
ANTIGUA & BARBUDA	Antigua Commercial Bank Limited trading as ACB Caribbean Thames & St. Mary's Streets, St. Johns, ANTIGUA Tel: 268 481 4200 Email: pnashe@acbonline.com	Peter Ashe Renee Charles Joyanne Byers Janell Sheppard	Principal Principal Principal Representative
GRENADA	Grenada Co-operative Bank Ltd No 8 Church Street St. George's Tel: 473 440 2111 Fax: 473 440 6600 Email: info@grenadaco-opbank.com	Allana Joseph Aaron Logie Kishel Francis Laurian Modeste	Principal Principal Representative Representative
	St Kitts-Nevis-Anguilla	Anthony Galloway	Principal
ST KITTS AND NEVIS	National Bank Ltd	Petronella Edmeade-Crooke	Principal
	P O Box 343		
	Central Street	Marlene Nisbett	Representative
	Basseterre	Angelica Lewis	Representative
	Tel: 869 465 2204		
	Fax: 869 465 1050		
	Email: donellec@sknanb.com		
	The Bank of Nevis Ltd	Judy Claxton	Principal
	P O Box 450		
	Main Street, Charleston	Denicia Small	Representative
		Nikesia Pemberton	Representative
	Tel: 869 469 5564/5796		
	Fax: 869 469 5798		
	E mail: info@thebankofnevis.com		
SAINT LUCIA	Bank of St Lucia Ltd	Medford Francis	Principal

[3] Revised

		Lawrence Jean	Principal
	5th Floor, Financial Centre Building	Cedric Charles	Principal
	1 Bridge Street, Castries	Deesha Lewis	Representative
		Shaiiede Kallicharan	Representative
	Tel: 758 456 6826/457 7233	Mervin Simeon	Representative
	Fax: 758 456 6733	Yasmane St Marthe	Representative
		Stephanie Gustave-Antoine	Representative
	First Citizens Investment Services Limited	Margaret Cox	Principal
		Alma Richardson	Principal
	P O Box 1294	David Gavery	Representative
	John Compton Highway	Gale Cumberbatch	Representative
	Sans Souci, Castries	Nayeebah St. Prix	Representative
		Dominic Mauricette	Representative
	Tel: 758 450 2662		
	Website: www.firstcitizenstt.com/fcis		
	E-mail: invest@firstcitizensslu.com		
ST VINCENT AND THE GRENADINES	Bank of St Vincent and the Grenadines Ltd	Laurent Hadley Monifa Latham	Principal Principal
	P O Box 880 Cnr. Bedford and Grenville Streets Kingstown Tel: 784 457 1844 Fax: 784 456 2612/ 451 2589 Email: info@bosvg.com	Chez Quow Tabisha Joseph Patricia John	Representative Representative Representative

APPENDIX III: OUTSTANDING DEBT 2021 -2025(e)

	2020	2021	2022	2023	2024	2025(e)
	In EC$M unless stated otherwise					
Total Public Debt	2502.7	2675.3	2623.3	2690.6	2733.8	2724.1
External Debt (incl. Gov't Guarantees)	1531.3	1643.4	1650.1	1751.0	1817.1	1649.6
Domestic Debt (incl. Gov't Guarantees)	457.1	464.7	425.2	404.5	386.8	549.9
SoE Debt	514.3	567.2	548	535.1	529.9	524.6
Total Public Debt to GDP (%)	88.9	88.2	79.4	74.5	72.1	67.3
External Debt to GDP	54.4	54.2	49.9	48.5	47.9	40.8
Domestic Debt to GDP	16.2	15.3	12.9	11.2	10.2	13.6
SoE Debt to GDP	18.3	18.7	16.6	14.8	14.0	12.96
Central Government Debt	1988.4	2103.4	2075.3	2155.5	2203.9	2199.5
External Debt	1531.3	1639.7	1650.1	1751.0	1817.1	1649.6
Domestic Debt	457.1	463.7	425.2	404.5	386.8	549.9
Central Government Debt to GDP (%)	70.6%	69.4%	62.8%	59.7%	58.2%	54.3%
External Debt	54.4	54.2	50.7	48.5	47.9	40.8
Domestic Debt	16.2	15.3	13.1	11.2	10.2	13.6
Total Debt Service	**272.3**	**286.4**	**356.4**	**299.0**	**418.1**	**223.9**
External	121.6	128.1	128.7	121.0	175.0	88.1
Domestic	150.7	158.3	227.7	177.9	243.1	135.8
Memo Item: Nominal GDP (EC$M)	**2817.2**	**3030.0**	**3304.8**	**3608.3**	**3789.2**	**4047.7**

APPENDIX IV: REAL GDP GROWTH RATES AND MEDIUM-TERM PROJECTIONS

	Actual	Actual	Actual	Est.	Est.	Est.	Forward Estimates		
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Agriculture, Livestock and Forestry	-15.0	15.0	-22.5	-25.3	-20.3	-23.9	11.9	8.5	9.4
Fishing	-13.0	17.6	0.0	-4.0	-6.4	-13.1	20.5	-12.6	6.2
Mining & Quarrying	-8.0	18.8	11.0	-27.0	5.0	5.0	21.4	3.5	7.7
Manufacturing	-10.2	11.1	8.3	12.0	5.9	4.6	2.4	1.1	1.2
Electricity & Water	-6.4	-0.8	6.7	4.3	6.6	7.6	-0.6	3.7	5.2
Construction	-20.5	25.7	25.5	-11.7	2.7	7.4	27.2	12.1	13.9
Wholesale & Retail Trade	-15.4	6.5	0.1	17.2	5.4	2.5	8.2	7.2	5.8
Hotels & Restaurants	-68.2	37.6	60.9	19.3	9.8	9.4	0.3	1.8	1.9
Transport, Storage & Communications	-25.6	-8.5	16.5	11.8	7.8	3.2	6.0	5.7	8.7
						2.0	1.0	2.4	3.8
Financial Intermediation	4.3	4.1	4.5	6.4	4.6	4.6	5.0	3.4	3.6
Real Estate, Renting and Business Activities	-7.0	0.8	3.4	2.6	2.7	2.7	3.2	3.7	4.4
Public Administration	-2.0	0.1	3.5	-2.3	2.7	2.7	3.4	3.1	2.5
Education	-0.3	1.7	-4.1	3.6	1.4	1.4	0.7	0.9	0.5
Health and Social Work	-1.7	2.4	2.7	1.5	1.1	1.1	2.9	3.1	3.3
Other Community, Social & Personal Services	-11.4	1.2	1.0	-5.9	1.3	1.3	0.2	0.6	0.4
Activities of Private Households as Employers	-4.3	0.0	1.1	1.9	0.8	0.8	0.9	0.9	1.1
Real Gross Value added (not GDP)	-13.7	5.2	6.2	2.8	3.4	2.8	6.2	4.3	5.3
Real Gross Domestic Product	-13.8	4.7	7.3	4.5	3.7	3.3	**6.2**	**4.1**	**4.9**
Nominal GDP	-14.0	7.6	9.1	9.2	6.1	5.0	**6.8**	**4.9**	**5.7**
Nominal GDP (EC$ Millions)	2817.2	3030.0	3304.8	3608.3	3830.1	4061.8	4329.0	4584.1	4584.1

Source: Eastern Caribbean Central Bank & Ministry of Finance