GOVERNMENT OF ST. CHRISTOPHER AND NEVIS

PROSPECTUS

HOUSEHOLD and NON-GOVERNMENTAL ORGANIZATION RETAIL BOND

26 OCTOBER 2026 - 26 OCTOBER 2028
DATE OF PROSPECTUS: SEPTEMBER 2026

EC $5 MILLION 2-YEAR BOND

MINISTRY OF FINANCE, FINANCE BUILDING
GOLDEN ROCK, BASSETERRE

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GOVERNMENT OF ST. CHRISTOPHER AND NEVIS

PROSPECTUS HOUSEHOLD AND NON-GOVERNMENTAL ORGANIZATION RETAIL BOND

PROSPECTUS DATE: AUGUST 2026


Saint Paul Capisterre
Saint John Capisterre
Christ Church Nichola Town
Saint Anne Sandy Point
Saint Mary Cayon
Saint Kitts
Saint Thomas Middle Island
Saint Peter Basseterre
Trinity Palmetto Point
Saint George Basseterre
Nevis
Saint James Windward
Saint Thomas Lowland
Saint Paul Charlestown
Saint George Gingerland
Saint John Figtree

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OVERVIEW

The Government of Saint Kitts and Nevis (GOSKN), in partnership with the Eastern Caribbean Central Bank (ECCB), is pleased to announce the issuance of the inaugural Retail Bond, exclusively for individual investors and non-governmental organizations on the Regional Government Securities Market (RGSM).

This prospectus contains information for the retail bond programme within the Eastern Caribbean Currency Union (ECCU). The initiative aims to foster financial inclusion, deepen regional capital markets, and democratize access to investment opportunities for citizens across the ECCU.

Financial inclusion means that citizens have knowledge and access to affordable financial products that meet their needs. The results of a 2023 Financial Literacy and Financial Inclusion (FLFI) survey undertaken by the ECCB for the Eastern Caribbean Countries showed that financial literacy was low across the ECCU with an average score of 12.2 out of 20.

The instruments offered under the retail bond programme therefore serve as an entry point for individuals to deepen their financial literacy and investment experience.

The objectives of the ECCU Retail Bond programme are:

- Promote financial literacy and inclusion across ECCU member states.
- Provide retail investors with access to secure and transparent investment opportunities.
- Provide retail investors with predictable income through interest payments.
- Support economic growth and development

The Retail Bond programme will operate under the Regional Government Securities Market (RGSM) framework, utilizing the infrastructure of the Eastern Caribbean Securities Exchange (ECSE). Oversight will be provided by the Regional Debt Coordinating Committee (RDCC) and the Eastern Caribbean Central Bank (ECCB).

This prospectus and its content are for the specific government issues described herein. Please consult a person licensed under the Securities Act 2001 for more information. The

Government of St. Kitts and Nevis wishes to reassure its investors of its commitment to servicing its debt obligations and enhancing transparency and accountability to the market.

WHY INVEST?

Investing in government securities is one of the safest and most reliable investment opportunities, as they are backed by the full faith and credit of the Government of St. Kitts and Nevis.

Investing in the Government of St. Kitts and Nevis new Retail Bond offers a unique combination of safety, predictable income, and accessibility. As an instrument backed by the full faith and credit of the government, it represents one of the most secure ways to make your money work for you within the ECCU.

This bond is designed exclusively for individual investors and non-profit institutions, providing a straightforward opportunity to earn regular interest payments while contributing directly to St. Kitts and Nevis' national development. It's the perfect entry point for new investors and a stable addition to any existing portfolio. To begin your secure investment journey, simply contact any licensed broker-dealer on the Eastern Caribbean Securities Exchange (ECSE).

INFORMATION ABOUT THE RETAIL BOND

Issuer:	The Government of the Federation of Saint Christopher (St. Kitts) and Nevis (GSKN)
Address:	Ministry of Finance Finance Building, Golden Rock P O Box 186 Basseterre St. Kitts
Email:	finsec@gov.kn
Telephone No.:	(869) 467-1092
Contact Persons:	Mr. Carlton Pogson, Financial Secretary carlton.pogson@gov.kn Mrs. Jaresa Hodge, Deputy Accountant General Jaresa.Hodge@agd.gov.kn Mr. Abo Elliott, Head Investment and Debt Management Unit abo.elliott@gov.kn
Auction Date:	22 September 2026
Term:	2 years
Issue Amount:	EC$ 5,000,000 with an option to take an additional EC$3,000,000 in the event of an oversubscription
Interest Rate:	4.50% per annum (fixed)
Subscription Period:	22 September 2026 (9:00 a.m.) to 23 October 2026 (12:00 noon)
Issue Date:	23 October 2026
Settlement Date:	26 October 2026
Maturity Date:	26 October 2028
Interest Payment:	Interest is paid semi-annually every 26 April and 26 October, beginning 26 April 2027
Principal Repayment:	The principal amount invested is due at maturity.

Minimum bid amount: EC$500

Incremental amount: EC$100

Maximum bid amount: EC$125,000

Investor Eligibility: Citizens and residents and non-government institutions of the ECCU member countries serving households.

Bids per Investor: Each investor is allowed one (1) bid with the option of increasing the amount being tendered up to a maximum of EC$125,000 until the close of the bidding period.

Trading Symbol: KNN261028

Legislative Authority: The Development Loans Act 1988 as amended by the Development Loans (Amendment) Act, 1993 and the Development Loans (Amendment) Act, 2002

Listing: The Retail Bond 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).

Paying Agent: Eastern Caribbean Securities Exchange

INVESTOR INFORMATION

Prospective investors (individuals and non-profit making institutions) are to submit applications through one of the following licensed intermediaries.

INSTITUTION	CONTACT INFORMATION	ASSOCIATED PERSONS
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	**Principals** Peter Ashe Renee Charles Joyanne Byers **Representatives** Janell Sheppard
Dominica		
Grenada		
Grenada Co-operative Bank Limited	No. 8 Church Street St George's **Tel: 473 440 2111** Fax: 473 440 6600 Email: info@grenadaco-opbank.com	**Principals** Aaron Logie Allana Joseph Kishel Francis **Representatives** Laurian Modeste Vonlyn Pope Aquila Pierre Reanne Springle
St Kitts and Nevis		

<table>
<tr><th>INSTITUTION</th><th>CONTACT INFORMATION</th><th>ASSOCIATED PERSONS</th></tr>
<tr><td>St Kitts-Nevis-Anguilla
National Bank Ltd</td><td>P O Box 343
Central Street
Basseterre

Tel: 869 465 2204
Fax: 869 465 1050
Email: donellec@sknanb.com</td><td>Principals
Anthony Galloway
Petronella Edmeade-Crooke

Representatives
Angelica Lewis</td></tr>
<tr><td>The Bank of Nevis Ltd</td><td>P O Box 450
Main Street
Charlestown

Tel: 869 469 5564 / 5796
Fax: 869 469 5798
Email: info@thebankofnevis.com</td><td>Principals
Kimala Swanston
Monique Pogson

Representatives
Denicia Small</td></tr>
<tr><td colspan="3">Saint Lucia</td></tr>
<tr><td>Bank of Saint Lucia</td><td>5th Floor, Financial Centre Building
1 Bridge Street
Castries
Tel: 758 456 6826/457 7233
Fax: 758 456 6733</td><td>Principals
Medford
Francis
Lawrence
Jean

Representatives
Yasmane
Elfridge Marcia
Jn Baptiste</td></tr>
<tr><td>First Citizens Investment Services Limited</td><td>P.O. Box 1294
John Compton Highway
Sans Souci
Castries
Tel: 758 450 2662
Fax: 758 451 7984

Website: www.firstcitizenstt.com/fcis
E-mail: invest@firstcitizensslu.com</td><td>Principals
Margaret Cox
Gale Cumberbatch

Representatives
Naveebah St Prix
Dominic Mauricette
Michelle Casseau-Felicien</td></tr>
<tr><td colspan="3">Saint Vincent and the Grenadines</td></tr>
</table>

Bank of Saint Vincent and the Grenadines Ltd	Reigate P O Box 880 Kingstown St Vincent and the Grenadines Tel: (758) 452-4125 E-mail: dwilliams@bosvg.com	**Principals** Monifa Latham Laurent Hadley **Representatives** Patricia John Chez Quow Tabisha Joseph
First Citizens Investment Services Ltd	Second Floor, Lewis Pharmacy Building, Corner of James and Middle Streets, Kingstown, Saint Vincent and the Grenadines Tel: **758 450 2662** Fax: 758 451 7984 Website: www.firstcitizenstt.com/fcis E-mail: invest@firstcitizensslu.com	**Principal** Natika Adams **Representatives** David Gavery Alma Richardson

Further information on the brokers can be found on the website of the Eastern Caribbean Securities Exchange (ECSE) https://www.ecseonline.com.

All securities will be issued in dematerialized form and settled electronically.

Income earned from this retail bond and all other instruments issued on the RGSM **will not be subject to any tax, duty or levy** by the participating governments of the Eastern Caribbean Currency Union.

FINANCIAL ADMINISTRATION AND MANAGEMENT

Debt Management Objectives

The fundamental objectives of the Government of St. Kitts and Nevis' Debt Management Strategy are to meet all of the Government's financing requirements at the lowest possible cost and with a prudent degree of risk and to lengthen the maturity of the debt due within the medium to long term. To achieve the above objectives, the Government intends to:

- Ensure that the Government's financing needs and debt service obligations over the medium-term are met at the lowest possible cost and an acceptable level of risk.

- Minimize existing risks inherent in the debt portfolio by extending the maturity of short-term debt instruments.

- Strengthen cash buffers to improve resilience to economic shock posed by natural disasters.

- Re-establishing the Government's presence on the (RGSM).

Debt Management Strategy

The Central Government's debt management strategy will focus on reducing refinancing risk. In order to achieve this, the debt management strategy includes:

- Contract debt with longer maturities, lower interest rates and grace periods to reduce debt servicing cost.

- A continuous assessment of the Treasury Bills portfolio to determine the maximum level that the Government can accommodate without increasing the debt stock and refinancing risk.

- Periodic review of the interest rate offered on each T-Bills category to ensure that the rates offered are in line with market rates.

- **Lengthen the maturity structure of domestic debt** – The high percentage of short-term debt in the domestic portfolio poses a refinancing risk. Therefore, consideration will be given to financing domestic borrowing through the issuance of medium to long-term bonds which would lengthen the maturity structure of the domestic debt portfolio and reduce refinancing risk.

- **Establish a Growth and Resilience Fund** – The Government of St. Kitts and Nevis is committed to establishing a Growth and Resilience Fund to preserve and manage savings from the CBI inflows. The Fund will reduce the Federation's vulnerability to exogenous shocks by building precautionary buffers to finance post-natural disaster activities and build resilience against natural disasters.

Transparency and Accountability

The Government of St. Kitts and Nevis continues to strive to improve its transparency and accountability in its stewardship of the economy. The Government of St. Kitts and Nevis ensures that the Budget Estimates and the Quarterly Statistical Debt Bulletins are published on the Ministry of Finance website in a timely manner. Further, debt statistics and economic data are submitted to the Eastern Caribbean Central Bank (ECCB) for publication.

Institutional Framework

The Investment and Debt Management Unit (IDMU) within the Ministry of Finance of the Government of St. Kitts and Nevis has responsibility for supervising the debt obligations of the Government to ensure that a full account thereof is made to Cabinet and other debt management entities. Submit borrowing requirements to Cabinet and the Minister of Finance for authorization or approval as may be necessary.

Risk Management Framework

The Government's risk management framework consists of the following:

- The monitoring of macroeconomic and debt sustainability indicators by the Fiscal Unit and the IDMU for emerging risks.

- Prepare and submit the Medium-Term Debt Strategy for approval by Cabinet for implementation.

- Submit annual debt strategies and quarterly debt reports to Cabinet for information.

- Verify that projects/loans presented by the Nevis Island Administration (NIA) and Public Corporations for a Government guarantee qualify for such and processes applications accordingly.

MACROECONOMIC PERFORMANCE

The Gross Domestic Product (GDP)

The economy is estimated to have grown moderately by 2.0 percent, in real terms, to EC$2,337.6m in 2024 (see Figure 1 below). This uptick in economic activity is attributable to increases in the level of activity in key sectors such as Construction (2.5%), Tourism-related Accommodation and Restaurant Services (8.2%), Transportation and Communication Services (5.2%) and Public Administration (4.9%).

Further economic expansion of 1.1 percent to EC$ 2.362.3 million is estimated for 2025. This growth rate represents a tapering of the rate of economic recovery following the drastic negative impact of the Covid-19 pandemic in the Federation. Hereto, whilst Construction remained at 2.5% growth rate, lower growth rates were recorded for previously rapidly growing sectors of Tourism-related Accommodation and Restaurant

Services (2.6%), and Transportation and Communication Services (1.0%). Notably, Public Administration is estimated to decline by 2.5%, attributed to fiscal austerity measures introduced in light of the drastic decline in Citizenship by Investment (CBI) revenues. As of 2025, St. Kitts and Nevis has now returned basically to the pre-pandemic level of economic activity (see Figure 1 below).

Figure 1: Real GDP at Market Prices Growth Rate at Constant Prices 2016 – 2030

Source: Department of Statistics, Ministry of Sustainable Development

The GDP growth for 2025 has been mainly driven by contributions from several key sectors including Manufacturing, Hotels and Restaurants, Construction, Wholesale and Retail and Financial Services. Moderate progress in Transport, Storage and Communications sectors and Real Estate, Renting and Business Activities has also supported this growth. Over medium term, between 2026 to 2030, the economy is projected to expand in real terms at an average rate of approximately 2.5 percent per annum, culminating in an estimated output of EC$2,672.8 million dollars in 2030 (see Figures 2 below).

Figure 2: St. Kitts and Nevis Constant Prices GDP Estimates (EC$M) 2012 – 2030

Source: Department of Statistics, Ministry of Sustainable Development

Growth in the medium term is expected to be more broad-based with economic expansion projected across all major sectors (see Figure 3). This diversified trajectory underscores the resilience of the domestic economy and suggests a balanced contribution to overall output. Notwithstanding these positive developments, significant downside risks remain. Shocks to the forecast for the domestic economy, such as the ripple effects of current geo-political tensions in Europe and the Middle East, lower than expected growth of the global economy due to the US tariff war with partner countries, the delayed start/progress of work on major domestic construction projects, and the impact of adverse weather conditions could temper the forecast and highlight the need for prudent fiscal policy management and sustained investment to safeguard the growth outlook.

Figure 3: St. Kitts and Nevis GDP Growth Rate at Constant Prices by Sector: 2025 – 2027

Source: Department of Statistics, Ministry of Sustainable Development

In summary, following the prolonged negative impact of the COVID-19 pandemic (2020 to 2021), and a period of significant recovery (2022 to 2024), the growth of Federation's economy has slowed significantly to 1.1 percent in 2025. Further, the medium-term outlook indicates an average economic growth rate of 2.5 percent per annum. The services-related sectors such Construction, Distributive trade, Hotels and Restaurants, Wholesale and Retail Trade, Financial Services, Transportation, Storage and Communications, Real Estate, Renting and Business Services and Public Administration are anticipated to contribute significantly to the medium-term growth prospects. Yet, these positive prospects are notwithstanding several downside risks to the Federation's open economy, namely: (i) the prolonged and escalating geo-political tensions impacting on supply chains and commodity prices, (ii) a downturn in global economic growth, which may negatively impact travel and foreign direct investment, and (iii) natural disasters including hurricanes, droughts and/or floods causing significant interruption to economic activity. Again, such negative impacts could stall or reverse the positive economic projects.

The Consumer Price Index (CPI)

The Consumer Price Index (CPI), sometimes referred to as the Cost-of-Living Index, is a measure of the average change in prices over time of a basket of consumer goods and services purchased by households. The calculation of a change in the index generates the inflation rate.

Figure 4 shows the inflation rate, represented by the change in the indices of the major categories of the CPI over the period 2018 to 2025, and the projected estimates for 2026 and 2027. After several years of marginal increases, the inflation rate ticked up from 1.2 percent for the year 2021, to 2.7 percent in 2022, and 3.6 in 2023. This significant increase in the inflation rate in 2022 is attributed mainly to price increases in the Food and Beverages, 10.4 and 5.1 percent in 2022 and 2023 respectively. These increases in the general price level, particularly in the Food and Beverages category, were as a result of the slow recovery of production operations and supply chains issues following the COVID-19 pandemic, as well as Russia-Ukraine war affecting global oil prices and cereal production. However, between 2024 and 2025, the rate of inflation has moderated to approximately 1 percent as global oil production and prices have stabilized, and shipping logistics have return to a level of normalcy.

Figure 4: St. Kitts and Nevis - Inflation Rate 2018 – 2027

Source: Statistics Department, Ministry of Sustainable Development

For the year 2026, the inflation rate is forecasted to increase modestly to 2.5 percent, the Food and Beverages index is projected to increase significantly by 5.0 percent, while the Non-food Commodities index is anticipated to increase more moderately by 1.9 percent. These results are attributed to the geopolitical conflicts that continue to have negative ripple effects on production, prices, trade, and freight movements of commodities, and these effects will impact prices in the domestic economy. These exogenous impacts are expected to taper off in 2027 and result in a fall in inflation to just below 2 percent.

The External Sector

Given the openness of the economy and limited domestic resource capacity, St. Kitts and Nevis imports much of the goods and services intended for consumption, production and capital formation. Hence, there is a heavy reliance on foreign direct investment flows to make payment for imports of goods and services, while at the same time, there remain limited opportunities for export of goods and services.

In 2023, the current account deficit stood at EC$330.4m (11.9 percent of GDP). This deficit is estimated to have increased slightly to an average at 12.9 percent of GDP for the years 2024 and 2025. As the economy continues its further expansion, coupled with the impact of geopolitical wars and trade tensions, there is a moderate level of worsening of the Current Account deficit.

In the net Goods and Services trade category, it was estimated at EC$ -241.9m (8.6% of GDP) in 2023. This category is estimated to worsen to 10.2 percent of GDP over the period 2024 and 2025, as the net inflows from the services subcategory, particularly from tourism, are outweighed by the larger net outflows on the goods trade subcategory. Notably, net import of Goods is estimated at an average of 32.8 percent of GDP, compared to net export of Services which is estimated at an average of 24.1 percent (2022 – 2024). Notwithstanding the aforementioned, it is anticipated that further development in the tourism sector, in the medium term will generate sufficient foreign inflows to moderate the gap on the goods account.

Net Secondary Income or Current Transfers are estimated to remain at less than 2.0 percent of GDP. However, the estimates reveal that between 2023 and 2025, inflows of current transfers (remittances) would have declined significantly, while outflows have steadily increased.

The Capital Account is estimated to record surpluses, mainly because of the inflows from the Citizenship by Investment Program (CBI) via the non-refundable cash option. Net Capital inflows for 2022 and 2023 averaged 8.8 percent of GDP. However, due to an anticipated decline in CBI revenue, net inflows are expected to decline on average of 3.1 percent of GDP for 2024/2025.

In the Financial Account, foreign direct investment is estimated to have declined significantly in the period following the Covid-19 pandemic. This phenomenon is expected to be the status quo until new major private sector projects, including but not limited to hotels, and condo/villa projects, come onstream.

As a result of the decline in inflows in the Capital and Financial Account categories in recent years, net borrowing is expected to increase to cover the deficit on the Current Account. From 2022, net borrowing has increased from 1.5 percent to an average of 9.4 percent over the period 2023 to 2025.

As St. Kitts and Nevis strategically move towards becoming a Sustainable Island State (SIS), the growth and development initiatives enacted are expected to improve the economic situation and strengthen the sustainable growth and resilient development. This transition could take the Federation of St. Kitts and Nevis from being a net borrower from, to net lender to- the rest of the world.

Agriculture, Livestock and Forestry

The Agricultural sector in St. Kitts and Nevis, although very small at approximately 2 percent of GDP, is important to the development of the nation. Innovation and advancement in the agricultural sector are essentially rooted in the country's Sustainable Island State Agenda, with the aim to achieve key SDGs of Goal 1: End Poverty, Goal 2: Zero Hunger, Goal 8: Promote Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for All, Goal 12: Ensure Sustainable Consumption and Production Patterns, and Goal 13: Take Urgent Actions to Combat Climate Change and its Impact.

The Government has committed to working with individuals and organizations to tackle the challenges that are facing the agricultural sector. This commitment enacts a proactive approach to building progressive, sustainable, resilient, and inclusive agriculture production and agro-processing systems.

Tourism and Visitor Expenditure

The tourism sector continued its strong post-pandemic recovery, recording significant growth throughout 2024 and 2025. In 2025, total visitor arrivals by air and sea reached a record high of 1,068,202 people, representing an 18.5 percent increase over the previous year. Arrivals by sea, comprising cruise ship and yacht passengers, accounted for 87.2 percent of total visitor arrivals.

The USA remains the main source market, but visitors from the United Kingdom, Canada, and the Caribbean is substantial, which reflects the success of the marketing and promotional activities of the Tourism Authorities on St. Kitts and Nevis, and the Federation's position as a premier leisure destination.

The medium-term outlook for tourism remains positive with moderate but sustained growth in visitor arrivals projected across all major source markets. The USA is expected to remain the dominant source market.

Table 1 St. Kitts and Nevis Visitor Arrivals

Category	Type	2024	2025	% Change	2025 (Percentage)
Air	Stayover and Excursionists	134,047	136,519	1.8	12.8
Sea	Cruise and Yacht Passengers	767,486	931,683	21.3	87.2
Total Visitors		**901,532**	**1,068,202**	**18.5**	**100.0**

Source: Department of Statistics; Ministry of Sustainable Development

The growth in visitor arrivals has led to higher visitor expenditure- a key source of foreign exchange and has contributed to economic activity. According to the statistics from the ECCB, visitors to the Federation spent EC$1,117.74 million in 2025. This trend is expected to continue given travelers' high confidence in the Caribbean region and particularly St. Kitts-Nevis as a safe travel destination and value for money destination.

Table 2 Travel Services (EC$M)

Particular	2023	2024	2025^{E}	2026^{P}	2027^{P}
Travel Receipts	960.86	1,073.33	1,117.74	1,144.33	1,204.61

Source: Eastern Caribbean Central Bank (ECCB)

Labour Force and Employment

Employment data from the Social Security Board indicate that the average number of jobs continued on an upward trajectory, reaching 27,018 in 2025. The Public Administration and Defense sector remained the largest employer accounting for 39.8 percent of the workforce. Other major sectors of the labour market include Hotels and Restaurants (12.6 percent), Wholesale and Retail Trade (11.7 percent), Financial Services (5.9 percent) and Transportation, Storage and Communication (5.7 percent).

Table 3 Employment by Economic Activity

EMPLOYMENT BY ECONOMIC ACTIVITY, 2019-2025

Economic Activity	2019	2020	2021	2022	2023	2024	2025
Agriculture, Hunting, Forestry and Fishing	243	223	243	249	264	308	293
Mining, Quarrying and Manufacturing	1,567	1,310	1,172	1,200	1,185	1,209	1,186
Electricity, Gas and Water Supply	322	323	389	408	416	415	417
Construction	1,527	1,093	1,141	1,109	1,051	1,069	1,043
Wholesale and Retail Trade	2,997	2,558	2,569	2,791	3,000	3,140	3,164
Hotels and Restaurants	3,277	2,102	1,869	2,662	2,966	3,242	3,390
Transport, Storage and Communications	1,550	1,177	1,086	1,305	1,411	1,540	1,544
Financial Intermediation	1,209	1,253	1,333	1,411	1,455	1,565	1,583
Real Estate, Renting and Business Activities	1,374	1,157	1,210	1,264	1,351	1,366	1,373
Public Administration and Defence	10,110	10,114	9,968	10,270	11,098	11,136	10,749
Education	742	668	672	654	636	644	596
Health and Social Work	237	215	241	289	322	347	326
Other Community, Social and Personal Services	1,160	934	927	1,021	1,068	1,142	1,133
Private Households with Employed Persons	271	222	233	249	267	245	213
Extra-Territorial Organizations and Bodies	15	10	11	10	10	10	10
Total	**26,602**	**23,359**	**23,065**	**24,894**	**26,499**	**27,378**	**27,018**

Source: St. Christopher and Nevis Social Security Board

Note: Industry figures are rounded annual averages of monthly registered jobs. Totals are calculated from unrounded monthly aggregates and may differ slightly from the sum of the rounded industry figures.

In addition, labour market information from the 2022 Population and Housing Census indicates that the labour force participation rate was 74.5 percent, the employment to population ratio was 63.6 percent and the unemployment rate was 14.6 per cent (reflecting the conditions at the onset of the post COVID-19 economic recovery). The age-specific labour indicators show considerable variations across age groups, reflecting the transitions from education to employment, peak earning years and eventual retirement.

Overall, these age-specific labour market indicators suggest that the Federation maintained a strong/resilient core working-age labour force despite the economic disruptions associated with COVID-19 pandemic. As labour market conditions continue to normalize, policies that promote productive employment, enhance workforce skills and productivity, and expand employment opportunities—particularly for youth—will be important to maximizing the economic benefits of the country's favorable working-age population while preparing for the longer-term effects of population ageing.

Table 4 Labour Force Indicators by Age Group

Age Group	Employment Rate (%)	Unemployment Rate (%)	Labour Force Participation Rate (%)
Total	**63.6**	**14.6**	**74.5**
15 – 19	12.0	45.0	21.9
20 – 24	61.5	24.9	81.9
25 – 29	68.9	16.3	82.3
30 – 34	80.8	13.0	92.9

35 - 39	85.7	11.4	96.7
40 – 44	86.8	10.3	96.7
45 – 49	86.2	10.4	96.3
50 – 54	81.7	12.9	93.8
55 – 59	74.4	12.8	85.4
60 – 64	52.1	13.8	60.4
65 – 69	32.5	14.4	38.0
70 and Over	10.9	4.6	11.5

Source: Labour Force Survey 2022, Department of Statistics; Ministry of Sustainable Development

External Sector Statistics- Portfolio Investment, Reserves and Overall Financing

St. Kitts and Nevis maintains a favourable investment climate that facilitates the free movement of capital. Portfolio investment activity is managed by the Eastern Caribbean Stock Exchange (ECSE), and Regional Government Securities Market (RGSM)-subsidiaries of ECCB.

Official external sector statistics indicate that portfolio investment liabilities in St. Kitts and Nevis by non-residents remained relatively low, averaging EC$136.3 million or approximately 4.5% of GDP over the last three years. Additionally, in the same period, debt securities accounted for more than three quarters of the portfolio investment stock, suggesting that foreign investors continued to favour debt instruments over equity. Similarly, portfolio investment income to non-residents consisted primarily of interest income.

Table 5 External Sector Statistics- Portfolio Investment Indicators (EC$M)

Particulars	2023	2024	2025	2026P	2027P
Total Portfolio Investment- Liabilities	142.36	138.31	128.31	123.82	120.04
Of which Debt Securities	115.01	110.55	100.30	95.52	91.46
Portfolio Investment Income- Payments	5.58	2.41	1.95	1.63	1.62
Of which Interest Income	3.18	2.41	1.95	1.63	1.62

Source: Eastern Caribbean Central Bank (ECCB)

Reserve Assets and Overall financing

Reserve asset transactions exhibited considerable volatility over the 2023–2025 period. Reserve assets moved from a net contraction of EC$21.48 million in 2023, to net a increase by EC$22.01 million in 2024, and then net contraction of EC$124.66 million in 2025. These fluctuations were primarily driven by shifts in other reserve assets, specifically currency and deposits (claims on monetary authorities), while movements in IMF's Special Drawing Rights (SDRs) remained relatively insignificant and unchanged throughout the period.

Overall, variations in Reserve Assets transactions reflect evolving external liquidity conditions, foreign exchange reserve management, and the financing of external transactions, with no material impact on the soundness and overall stability of the financial systems of St. Kitts and Nevis.

Table 6 External Sector Statistics – Reserve Assets (EC$M) 2023-2027

Particulars	**2023**	**2024**	**2025^{E}**	**2026^{P}**	**2027^{P}**
Reserve Assets	-21.48	22.01	-124.66	-127.16	-132.23
Special drawing rights	-0.09	-0.48	-0.15	0.00	0.00
Reserve position in the IMF	0.00	0.00	0.00	0.00	0.00
Other reserve assets (Claims on Monetary Authorities)	-21.39	22.49	-124.52	-127.16	-132.23

Source: Eastern Caribbean Central Bank (ECCB)

Given the limited resource base of St. Kitts and Nevis as a Small Island Developing State (SIDS), a significant proportion of goods for consumption and production inputs is imported. Consequently, the domestic economy has recorded persistent deficits on the Current Account which widens in line with growth in economic activity. Further, given the significant declines in Citizenship by Investment (CBI) revenues in recent years, surpluses generated on the Capital Account are insufficient to offset the deficits on the Current Account. As a result, St. Kitts and Nevis relies on external borrowing to finance domestic consumption, production and investment.

For 2025, the Current Account deficit is estimated at EC$457.31 million (14.3 percent of GDP), whilst the Capital Account surplus was recorded at EC$41.25 million (1.3 percent of GDP). This resulted in a deficit balance on the Current and Capital Accounts of EC$415.77 million (13.0 percent of GDP) - necessitating external financing.

Similarly, the Balance on the Financial Account, which covers equity, debt security and other investments, reflects a persistent net borrowing position relative to the rest of the World. In 2025, the Balance on the Financial Account registered at EC$474.02 million (14.8 percent of GDP) as liabilities to the Rest of the World.

These estimates underscore the Federation's structural status as a net borrower and reliance on external financial inflows to bridge the Current Account shortfalls. Faced with these challenges, the Government, under the Sustainable Island State Agenda (SISA), remains committed to implementing targeted policy measures to spur sustainable economic growth, and accelerate diversification. The measures should significantly reduce the imbalances on the External Sector Accounts, while overall enhancing the well-being of the citizens and residents of the Federation.

Table 7 External Sector Statistics– Net lending and borrowing data, 2023-2025

Particulars	**2023**	**2024**	**2025^{E}**	**2026^{P}**	**2027^{P}**
Balance on Current Account	-383.16	-369.38	-457.31	-551.22	-527.82
Balance on Capital Account	227.16	68.98	41.54	38.58	35.37
Balance on Current and Capital Account – Net Lending (+)/ Net Borrowing (-)	-156.00	-300.40	-415.77	-512.64	-492.45
Balance on Financial Account	-264.78	-524.45	-474.02	-534.19	-488.27

Source: Eastern Caribbean Central Bank (ECCB)

Demographics: Population Size, Density, Growth Rate and Age Profile

According to the 2022 Population and Housing Census, the usually resident population of St. Kitts and Nevis of 51,320 persons, comprising 25,000 males (48.7 per cent) and 26,320 females. The population is predominantly English-speaking, and affiliated with

Christianity. With a total land area of approximately 261 square kilometers, St. Kitts and Nevis has a population density of approximately 197 persons per square kilometer.

The Federation’s age demographic structure has undergone significant transformation over the past two decades, reflecting the Federation's continued demographic transition. Notably, the proportion of children in the population has declined steadily, while the working-age population has expanded. This expansion in the working-age population provides a favourable demographic environment to support sustained economic growth, productivity, enhancement and labour force development.

Table 8 Population by Broad Age Group, 2001, 2011 and 2022

Age Group	2001	2011	2022	2022 (Percent)
0 – 14 years	13,442	10,691	9,738	19.0
15 – 64 years	29,203	32,843	36,520	71.1
65 years and over	3,680	3,661	5,062	9.9
Total Population	**46,325**	**47,195**	**51,320**	**100.0**

Source: Department of Statistics; Ministry of Sustainable Development

Based on the intercensal growth rate of 0.76 percent (2011 – 2022), the population is estimated to have increased to approximately 52,502 by mid-2025, and 54,542 by mid-2030, reflecting continued, albeit modest, population growth.

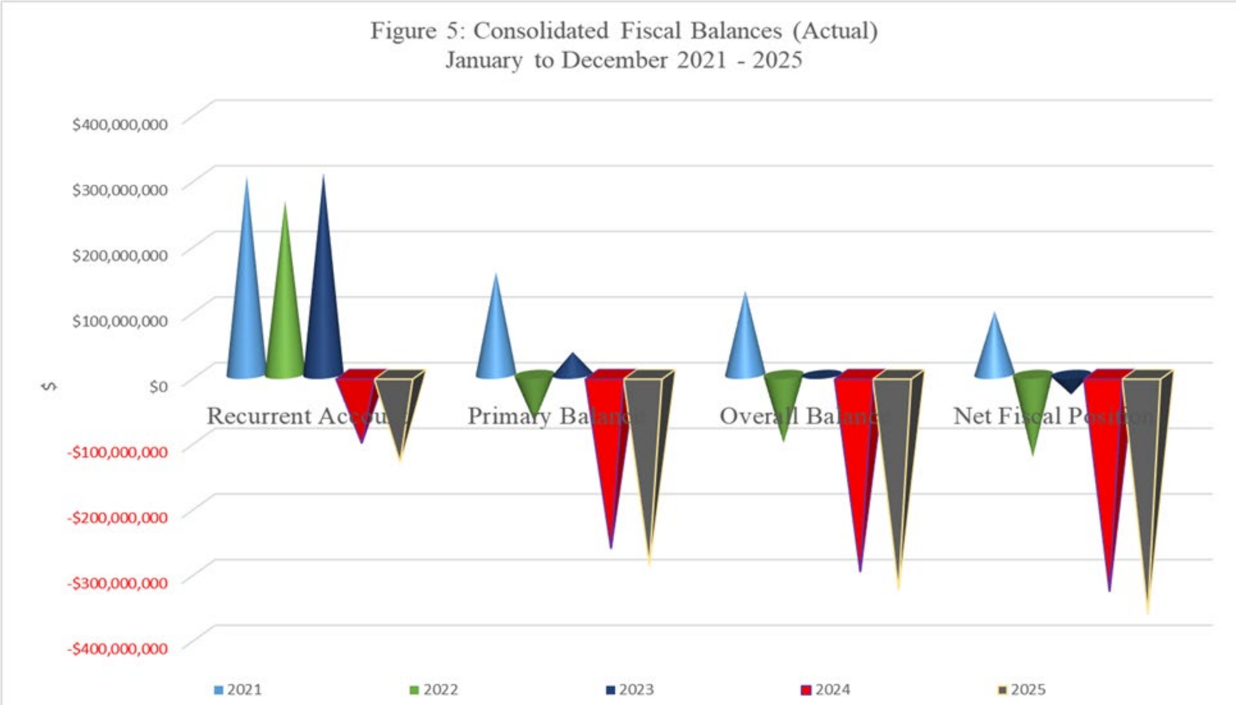
Table 9 Population Projections

2022	2023	2024	2025	2026	2027	2028	2029	2030
51,320	51,712	52,107	52,505	52,906	53,310	53,718	54,128	54,542

Source: Department of Statistics; Ministry of Sustainable Development

Government Preliminary Fiscal Performance, 2025

Figure 5 illustrates the consolidated (Central Government and Nevis Island Administration) fiscal balances for the last 5 consecutive years. The analysis reveals a cumulative preliminary Net Fiscal deficit of $364.4m (12.5 percent of GDP) (see table 1). In addition to the Net Fiscal deficit, all key indicators including the Recurrent Account, Overall Balance and Primary Balance each recorded deficits during the review period. The Recurrent deficit amounted to $134.2m or 4.6 percent of GDP reflecting that expenditure commitments exceeded revenue collections. Similarly, the Primary Balance recorded a deficit of $290.5m, or 10.0 percent of GDP while the Overall Balance also remained in deficit, recording $328.6m or 11.3 percent of GDP.



Source: Ministry of Finance (MoF)

The performance of the Government's fiscal operations during 2025 was affected by reduced receipts from the CBI Program. The decline in receipts coincided with increased competition from other jurisdictions offering similar programs and the implementation of reforms aimed at enhancing the Program's integrity and security.

Total Revenue and Grants amounted to $897.1m (30.9 percent of GDP) during the review period. Of the amount, $852.7m (95.0 percent) was derived from revenue sources while $44.3m comprised of grant funding. Total Revenue and Grants declined by $46.3 compared with the previous fiscal year, when collections amounted to $943.4m. **(see Appendix I)**.

Recurrent Revenue amounted to $852.7m (29.3 percent of GDP) during the review period, representing a decline of $62.6m (6.8 percent) compared with previous fiscal year. (**See Appendix I)**. Tax revenue totaled $569.5m, exceeding the previous year's collections and reflecting a growth of 2.2 percent growth in this revenue sub-category. The increase was primarily attributable to higher collections from Taxes on International Trade and Transactions. Non-tax revenue amounted to $283.2m, compared with

$350.2m in the previous fiscal year. The decrease was primarily attributable to lower receipts from the CBI Program.

- **Taxes on Income** of $148.4m declined by $44,830 relative to the previous fiscal year, reflecting lower collections from Withholding Taxes ($4.1m) and Corporate Income Tax ($1.6m) but was buttressed by an increase in collections from Housing and Social Development Levy ($3.9m) and Unincorporated Business Tax ($1.8m).

- **Taxes on Property** totaled $17.3m and was $1.8m (9.4 percent) less than the collections recorded during 2024. The decrease was attributable to revisions in the recording of condominium tax receipts. Conversely, House Tax receipts of $17.3m exceeded those of the corresponding period in 2024 by $1.1m (6.9 percent), reflecting increased collection of arrears.

- **Taxes on Domestic Goods and Consumption** for the period under review totaled $156.2m and represented an increase of $0.8m (0.5 percent) relative to the comparable period's performance. The positive variance was driven by increased VAT and Island Enhancement Fund receipts. The uptick in VAT proceeds was associated with the payment of arrears totaling $0.3m.

- **Taxes on International Trade and Transactions** amounted to $247.6m, representing an increase of $5.4m (2.2 percent) compared with the corresponding period in 2024. Receipts from sub-categories Import Duty, Customs Service Charge and Excise tax amounted to $81.7m, $52.1m and $15.2m respectively, exceeding the levels recorded in 2024 by $1.8m (2.2 percent), $3.3m (6.9 percent) and $3.4m (29.0 percent) respectively. These increases were partially offset by a decline in VAT receipts from $84.0m in 2024 to $80.1m in 2025. The decline in VAT coincided with the implementation of a policy measure that reduced the VAT rate on imported building materials from 17 percent to 13 percent under the First Time Homeowner's initiative. **(See Appendix I).**

- **Non-Tax Revenue** recorded a total of $283.2m during the review period, representing a decrease of $67.1m (19.1 percent) compared with 2024. The decline was primarily attributable to a 54.6 percent reduction in proceeds from the CBI program.

From January to December 2025, St. Kitts and Nevis' Total Expenditure amounted to $1,225.8m (42.2 percent of GDP). Government expenditure decreased by $18.8m (1.5 percent) relative to 2024. The year-over-year decline was mainly reflected in the Goods and Services and Transfers expenditure categories.

- **Goods and Services** of $231.1m reflected a year-over-year decline of $39.5m (14.6 percent). The performance of this sub-category was primarily influenced by a contraction in Professional and Consultancy Fees. This decline was largely attributable to a significant reduction in applications under the CBI Program. In relation to Professional and Consultancy Fees, the most significant reduction was observed in background checks. Importantly, expenditure on background checks no longer falls within the remit of the Government, as the CBI Unit has transitioned into a statutory corporation as of October 2024. This structural change has shifted responsibility for such costs away from the public sector, contributing to the overall decline in expenditure.

- **Transfers** amounted to $280.6m during the review period, reflecting a decline of $20.4m (6.8 percent) compared with the $301.0m recorded in the same period of 2024. The outturn reflected increases in Public Assistance and Retiring Benefits of $36.5m and $9.9m respectively which were more than offset by a reduction of $66.9m in Grants and Contributions.

- **<u>Personal Emoluments, Wages and Allowances</u>** amounted to $437.0m. The amount was $23.9m (5.8 percent) more than the previous year. The year-over-year increase was associated with the payment of a thirteenth-month salary, which contributed to higher expenditure under the Personal Emoluments and Wages subcategories.

- **<u>Interest Payments</u>** amounted to $38.1m, representing an increase of $2.6m (7.2 percent) compared to the previous year. The increase reflected the accounting treatment applied to payments associated with Treasury Bills. (**See Appendix I)**.

- **<u>Capital Expenditure and Net Lending</u>** was $238.9m, $14.6m (6.5 percent) above the amount spent for the corresponding period of 2024.

Over the medium-term, 2026-2028, the Government intends to strengthen fiscal sustainability by placing strong emphasis on containing recurrent expenditure. This disciplined approach to spending will be complemented by comprehensive tax reform aimed at creating a fairer, more equitable and more efficient tax system. Fiscal policy priorities will also focus on credible public investments, particularly, in renewable energy and water infrastructure to stimulate sustainable economic growth. Based on the projections presented in Appendix II, deficits are estimated for 2026 ($175.5m), 2027 ($119.3m) and 2028 ($156.6m). The medium-term outlook shows an improvement in government's fiscal position for 2026 compared to 2027.

Risks To Outlook

For 2026, real GDP is forecasted to grow by 2.8 percent (EC$2.46b). The growth rate is indicative of an increase in economic activity. The major sectors that contribute positively to the predicted growth rate include tourism, construction activity, banking and finance and transport, storage and communications sectors.

Over the medium term, 2026 to 2030, the economy is projected to grow in real terms at an annual average rate of 2.5 percent. Growth in the medium term is expected to be broader based on economic expansion in all sectors. However, notwithstanding the aforementioned, there could be significant downside risks that could negate the outturn of the economic outlook. The three main risks are Macroeconomic Risks, State-Owned Enterprises Risks and Risks associated with the Government such as Risk of Natural Disasters. These threats could potentially stall or reverse the strong forecasted medium-term economic outlook and the performance of the public finances.

This section identifies and analyzes the 3 main fiscal risks that can impede the effective implementation of the Government's fiscal policy strategy designed to advance economic transformation and sustainable growth and innovation include the following:

Macroeconomic Risks

Lower than Projected Economic Growth

Fluctuations in key macroeconomic variables such as real GDP growth and inflation can lead to deviations in fiscal outcomes from initial projections and therefore constitute significant sources of fiscal risk. For example, prolonged and escalating geo-political tensions (tensions in the Middle East), through their impact on global supply chains and commodity prices, could lead to shifts in the Federation's major trading partners. These developments can further dampen economic growth and consequently affect the performance of the expenditure and revenue forecasts. In addition, uncertain global economic conditions may present a significant risk to the Federation's economic stability, particularly due to its heavy reliance on tourism receipts.

Lower-than-Projected Revenue

Significantly lower tax revenue due to the exogenous shocks and limited external grant funding could have negative implications for the Government's ability to finance its fiscal operations. Further, with the inherent sensitivities associated with CBI Programs in general and the reclassification of the CBI Unit as a statutory corporation, inflows to the Central Government would be reduced significantly as a portion of the program revenues will now be retained by the corporation in accordance with its new legal and financial framework.

Higher Public Sector Debt

The occurrence of fiscal deficits for the Central Government operations may require borrowing from domestic or external sources to finance the deficit. The Government has also begun negotiations to contract new debt from external creditors to finance major projects including the smart hospital and the expansion of the power plant. Additional borrowings could result in a higher debt stock which may over time elevate the Debt-to-GDP ratio beyond the established 60 percent benchmark thereby posing risks to fiscal sustainability.

State-Owned Enterprises Risks and Risks associated with Government Programs

The underperformance of some State-Owned Entities (SOEs) has resulted in financial support to these entities. The continued provision of substantial budgetary support to SOEs may result in the contraction of debt by the Central Government. Contingent liabilities arising from SOEs, including the new arrangement for the operations of the CIU, can be a major source of fiscal risk to the Government's operations, if those entities do not function in a manner that is viable and self-sustainable. Moreover, escalating costs associated with public assistance and short term social and work programs may pose significant fiscal risk, resulting in upward pressure on the government's expenditure levels.

Risk of Natural Disasters

The Federation's geographical position exposes the twin island to natural disaster risks including hurricanes, storms, floods, and heat waves. This risk is highlighted by its ranking of 47th on the Global Climate Risk Index (CRI), placing the federation among the 50 countries most vulnerable to natural disasters and most impacted by extreme weather events. The natural disaster risk is directly linked to the federation's fiscal and economic stability as a single catastrophic event has the potential to reverse years of economic progress. To mitigate some of the risks associated with natural catastrophes, an increased need for climate adaptation and resilience investment is necessary to reduce vulnerability.

St. Kitts and Nevis continues to invest in projects that assist in coastal protection, improving the building codes, implementing water security/management as one of the sustainable island state agenda pillars to build more resilience. Additionally, the Government's access to climate finance and insurance mechanisms such as that offered by the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC) and Catastrophe Deferred Drawdown Option (CAT DDO) helps to function as a financial buffer to start the recovery process and may reduce reliance on external financing in the event of a natural disaster.

PUBLIC SECTOR DEBT ANALYSIS

Year-over-year analysis showed the debt ratio increasing from 57.6 percent in December 2024 to 58.9 percent by the end of December 2025. St. Kitts and Nevis' Debt-to-GDP ratio is currently below the 2035 debt ratio benchmark of 60 percent but is expected to exceed it by December 2026 climbing to 61.0 percent.

However, the debt ratio is expected to trend downward in 2027 to 58.1 percent of GDP and continue its downward trajectory to 55.0 percent by the end of 2028. The reversal in the upward trajectory of the debt was due to a year-over-year forecast increase in economic growth and a gradual reduction in the total public sector debt from a high of EC 1.84 billion in 2026 (see Appendix IV).

Central Government Debt

As of 31 December 2024, the Central Government's outstanding debt was recorded at EC$ 616.4 million, representing 21.6 percent of GDP. The Central Government debt increased to EC$ 692.5 million by 31 December 2025 or 23.8 percent of GDP and is projected to continue upwards to EC$ 918.4 million (30.4 percent of GDP) by 31 December 2026. Further increases are forecasted in 2027 and 2028 of EC$ 952.9 million and EC$ 971.4 million, respectively (see Appendix IV).

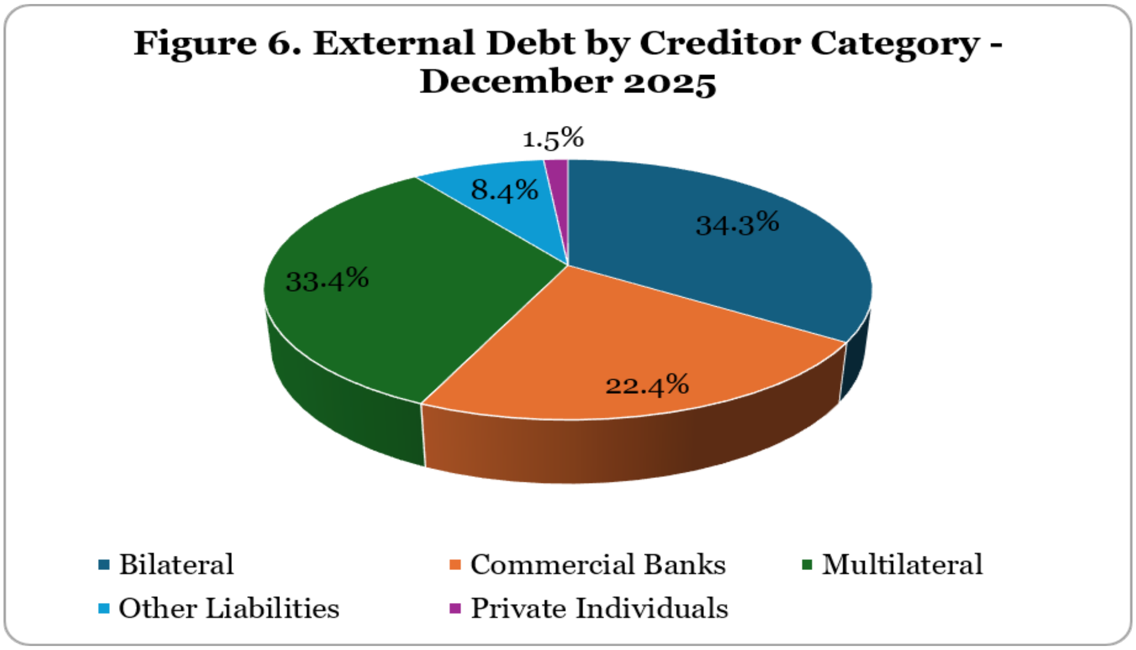
Non-Central Government Debt

As of December 2024, the Non-Central Government outstanding debt (debt contracted by the NIA and public corporations in St. Kitts and Nevis) was recorded at EC$ 1,032.0 million or 36.0 percent of GDP. At the end of December 2025 Non-Central Government debt declined by EC$ 10.5 million to EC$ 1,021.5 million. This downward trajectory was expected to continue from 2026 to 2028 as the Non-Central Government debt would decrease to EC$ 924.7 million, EC$ 871.3 million and EC$ 820.0 million, respectively. Over the period 2025 to 2028 the Non-Central Government debt to GDP ratio was expected to decline from 35.1 percent to 25.2 percent (see Appendix IV).

External Debt

External Debt by Creditor Category

Bilateral creditors accounted for 34.3 percent of public sector external financing while Multilateral sources accounted for 33.4 percent. The largest source of Bilateral financing was the Export-Import Bank of the Republic of China whereas the major holder of Multilateral financing was the Caribbean Development Bank.

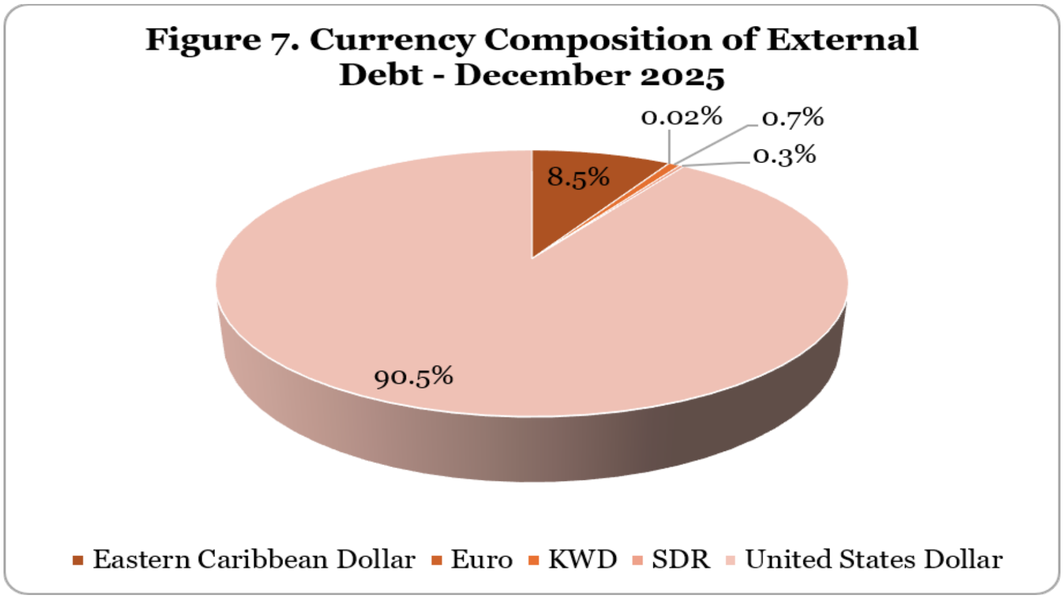


Source: Ministry of Finance (MoF)

The external debt portfolio also comprises financing from Commercial Banks, Other Liabilities and Private Individuals, accounting for 22.4 percent, 8.4 percent, and 1.5 percent, respectively (see Figure 6).

Currency Composition by External Debt

As at the end of December 2025, external public sector debt was mainly comprised of United States Dollars (90.5 percent) and Eastern Caribbean Dollars (8.5 percent). The remaining debt was denominated in Kuwaiti Dinar (KWD) (0.7 percent), Special Drawing Rights (SDR) (0.3 percent) and Euro (0.02 percent) (see Figure 7).

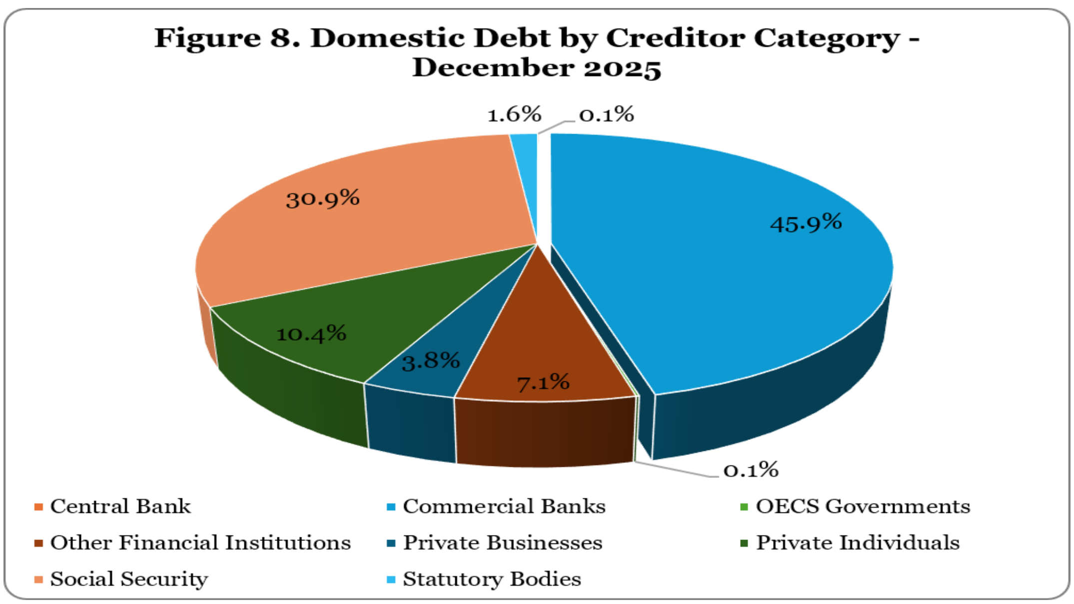


Source: Ministry of Finance (MoF)

Domestic Debt

Domestic Debt by Creditor Category

As of 31 December 2025, Commercial Banks were the major source of financing for domestic debt accounting for 45.9 percent. Of the commercial banks, the St Kitts-Nevis-Anguilla National Bank Ltd and the Bank of Nevis Ltd. were the major sources of funding.

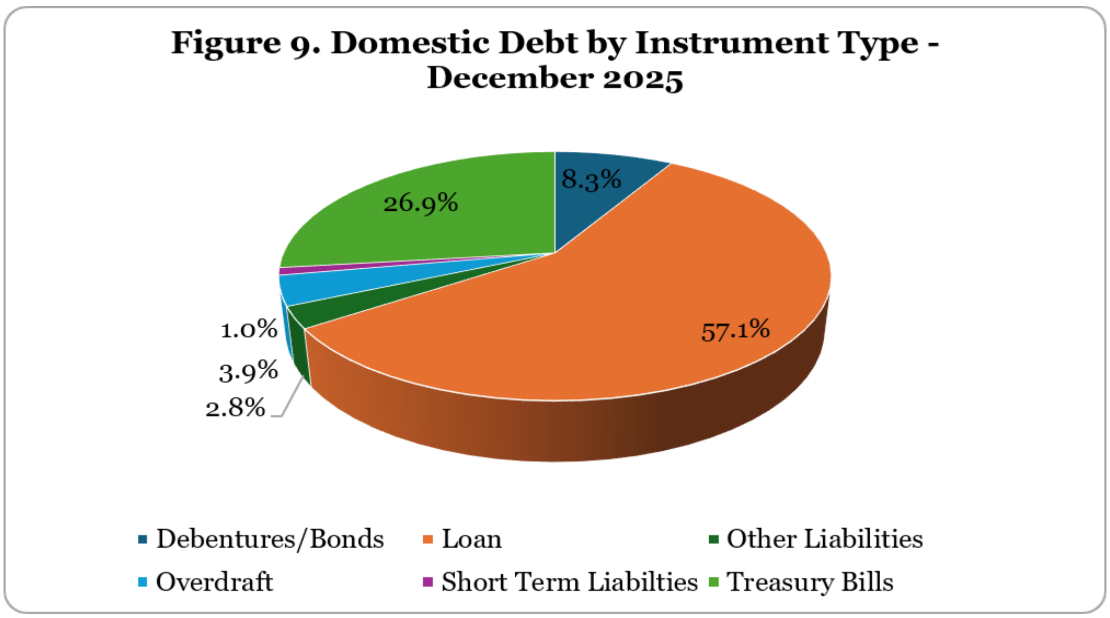


Source: Ministry of Finance (MoF)

The Social Security Board, which was the second largest source of domestic financing, accounted for 30.9 percent of the domestic debt. Other notable contributors of domestic financing were Private Individuals (10.4 percent) and Other Financial Institutions (7.1 percent) (see Figure 8).

Domestic Debt by Instrument

As of 31 December 2025, loans comprised the largest share of domestic debt, contributing 57.1 percent of total domestic debt. The stock of Treasury Bills comprised the second largest share of domestic debt with 26.9 percent. Bonds accounted for 8.3 percent followed by Overdraft (3.9 percent), Other Liabilities (2.8 percent) and Short-Term Liabilities (1.0 percent) (see Figure 9).



Source: Ministry of Finance (MoF)

DEBT PORTFOLIO RISK INDICATORS

Table 10 provides a summary of the refinancing risk, exchange rate risk and interest rate risk indicators as well as costs indicators for the period 2024 to 2028.

Table 10: St. Kitts and Nevis Public Sector Debt Portfolio Risk Indicators

Risk Indicators	2024 Actual	2025 Actual	2026 Forecast	2027 Forecast	2028 Forecast
Refinancing Risk					
Short Term Debt	22.2%	25.7%	26.3%	26.6%	27.1%
Average Time to Maturity (years)	8.7	8.3	7.7	7.5	7.4
Market Risks					
Exchange Rate Risk					
Share of Foreign Currency Debt	25.4%	23.6%	30.4%	31.9%	33.2%
Interest Rate Risk					
Variable Rate Risk	15.9%	14.3%	17.9%	17.6%	16.9%
Average Time to Refixing (years)	8.0	7.7	6.1	6.0	6.0
Other Risk Indicators					
Central Gov. Debt Service (EC$M)	36.7	37.7	59.5	67.0	75.0
Interest Payments (EC$M)	15.2	16.8	26.5	32.2	31.3
Principal Payments (EC$M)	21.5	20.9	33.0	34.8	43.7
Central Gov. Debt Service (% of GDP)	1.3%	1.3%	2.0%	2.1%	2.3%
Weighted Average Interest Rate	4.2%	4.3%	4.3%	4.2%	4.2%
External Debt	3.0%	3.1%	4.0%	3.9%	3.8%
Domestic Debt	4.5%	4.5%	4.4%	4.4%	4.4%

Source: Ministry of Finance (MoF)

Refinancing Risk

In terms of refinancing risk, the **percentage of short-term debt** increased from 22.2 percent in 2024 to 25.7 percent by December 2025. The percentage of short-term debt was expected to rise to 26.3 percent in 2026 and grow marginally to 26.6 percent in 2027 and 27.1 percent in 2028. The rise in short-term financing was as a result of a projected growth in short-term facilities and a corresponding reduction in the proportion of long-term facilities.

The increase in short-term debt resulted in the **Average Time to Maturity (ATM)** declining from 8.7 years in 2024 to 8.3 years by December 2025 and 7.7 years by December 2026. In 2027, the ATM is expected to decrease to 7.5 years and a further decline in 2028 to 7.4 years.

Market Risk

Regarding market risk, the indicator **percentage share of foreign currency debt** has declined from 25.4 percent in 2024 to 23.6 percent by 2025. By end-December 2026, the share of foreign currency debt is expected to increase to 30.4 percent. By 2027 and 2028, the percentage share of foreign currency debt is forecasted to increase to 31.9 percent and 33.2 percent, respectively. The anticipated increase in foreign currency debt would be mainly attributed to projected disbursements on new borrowing in US Dollar denominated debt. As the EC Dollar is pegged to the US Dollar, any increase in US Dollar denominated borrowing would not increase the exchange rate risk.

In 2025, **variable rate risk** decreased from 15.9 percent in 2024 to 14.3 percent in 2025. However, as result of forecasted new borrowing, this indicator is expected to increase to 17.9 percent in 2026 but decline to 16.9 percent by 2028. **The Average Time to Refixing (ATR)** declined from 8.0 years in 2024 to 7.7 years in 2025 and a further 6.0 years by 2028.

Other Indicators

Debt service payments increased from EC$ 36.7 million in 2024 to EC$ 37.7 million by the end of 2025. Debt Service payments are projected to grow in 2026 to EC$ 59.5 million and increase in 2027 to EC$ 67.0 million and EC$ 75.0 million in 2028. The increase in debt service payments are a result of current debt obligations becoming due and the projected new borrowing.

The **central government debt service as percent of GDP ratio** showed that this ratio is expected to increase to 2.0 percent in 2026 compared to 1.3 percent in 2024 and 2025. In 2027 and 2028, the ratio is anticipated to increase to 2.1 percent and 2.3 percent, respectively.

The **weighted average interest rate** of the total public sector debt stock increased slightly from 4.2 percent in 2024 to 4.3 percent in 2025 and 2026. By 2028, the weighted average interest rate was expected to decline to 4.2 percent.

APPENDICES

1. Fiscal Performance (2024 -2025)
2. Medium Term Projections 2026-2028 (EC millions)
3. Outstanding Government Securities
4. Total Public Sector Debt Ratios Actuals and Forecast 2024 to 2028
5. Budget Information 2026
6. Audit Report 2025
7. Statistical Bulletins
8. Statistical Data
9. St. Kitts and Nevis Voluntary National Review
10. Sustainable Island State Agenda National Development Planning Framework (2023 - 2037)
11. St. Kitts-Nevis Ministry of Agriculture- Transformation and Growth Strategy (2022 – 2031)
12. Future Tourism: Tourism Diagnostic Report, St. Kitts and Nevis June 2022
13. Transforming Our World: The 2030 Agenda for Sustainable Development

Appendix I: Fiscal Performance (2024-2025)

St. Kitts and Nevis	Actual Jan-Dec 2025	Actual Jan-Dec 2024	Increase/ (Decrease) $	Percentage Variance %
TOTAL REVENUE AND GRANTS	**897,121,159**	**943,424,443**	**(46,303,284)**	**(4.9)**
RECURRENT REVENUE	**852,694,971**	**915,289,249**	**(62,594,278)**	**(6.8)**
Tax revenue	**569,508,826**	**565,050,702**	**4,458,124**	**0.8**
Taxes on Income	148,405,761	148,450,591	(44,830)	(0.0)
Taxes on Property	17,318,268	19,105,423	(1,787,155)	(9.4)
Taxes on Domestic Goods & Consumption	156,229,867	155,385,882	843,985	0.5
Taxes on International Trade & Transactions	247,554,931	242,108,806	5,446,125	2.2
Non - Tax Revenue	**283,186,145**	**350,238,547**	**(67,052,402)**	**(19.1)**
TOTAL EXPENDITURE	**1,225,760,335**	**1,244,584,098**	**(18,823,763)**	**(1.5)**
RECURRENT EXPENDITURE	**986,873,821**	**1,020,296,976**	**(33,423,155)**	**(3.3)**
Personal Emoluments, Wages & Allowances	436,989,562	413,043,416	23,946,147	5.8
Goods and Services	231,122,837	270,669,568	(39,546,731)	(14.6)
Interest Payments	38,113,073	35,538,255	2,574,818	7.2
Transfers & Subsidies	280,648,349	301,045,738	(20,397,389)	(6.8)
RECURRENT A/C SURPLUS/(DEFICIT)	**(134,178,850)**	**(105,007,727)**	**(29,171,123)**	**27.8**
Capital Revenue	**85,500**	**82,800**	**2,700**	**3.3**
Grants	**44,340,688**	**28,052,393**	**16,288,294**	**58.1**
Capital Expenditure and Net Lending	**238,886,514**	**224,287,122**	**14,599,392**	**6.5**
OVERALL BALANCE SURPLUS/(DEFICIT)	**(328,639,176)**	**(301,159,656)**	**(27,479,521)**	**9.1**
PRIMARY BALANCE	**(290,526,103)**	**(265,621,401)**	**(24,904,703)**	**9.4**
Net Fiscal Position	**(364,403,183)**	**(331,084,513)**	**(33,318,670)**	**10.1**

Appendix II: Medium Term Projections 2026-2028 (EC millions)

	2026		2027		2028	
	Projected	% GDP	Projected	% GDP	Projected	% GDP
Total Revenue & Grants	1,068,530,620	35.351	1,099,312,203	35.058	995,528,954	30.533
Total Revenue	1,026,472,841	33.960	1,056,076,035	33.679	949,960,071	29.135
Tax Revenue	655,095,415	21.673	665,038,858	21.209	678,712,876	20.816
Non - Tax Revenue	371,377,426	12.287	391,037,177	12.471	271,247,195	8.319
Grants	41,957,779	1.388	43,136,168	1.376	45,543,884	1.397
Total Expenditure	1,244,053,883	41.158	1,218,599,471	38.862	1,035,725,337	31.766
Current Expenditure	1,007,464,186	33.331	1,020,129,312	32.533	905,782,710	27.780
Capital Expenditure	236,589,697	7.827	198,470,159	6.329	129,942,627	3.985
Overall Balance	(175,523,263)	(5.807)	(119,287,268)	(3.804)	(156,553,486)	(4.802)
Primary Balance	(134,105,980)	(4.437)	(75,645,886)	(2.412)	(80,964,922)	(2.483)
Total Public Sector Debt	1,843.10	60.977	1,813.20	57.825	1,769.40	54.268
GDP (Nominal market Prices)	3,022.595		3,135.686		3,260.505	
Real GDP Growth (%)	2.8%		1.8%		2.7%	
Source: Ministry of Finance						

Appendix III: Outstanding Government Securities

Private Placement Bond (ECSE)

Issue Date	Instrument Type	Issue Amount	Rate	Maturity Date	Trading Symbol
18-Apr-12	45 Year Gov't Bond	$134,406,530 XCD	1.50%	18-Apr-57	KNG450457
18-Apr-12	20 Year Gov't Bond	$19,563,227 USD	3.00%	18-Apr-32	FKG200432

Over-the-Counter T-Bills

Instrument	Currency	Issue Date	Maturity Date	Rate	EC Equivalent
91-day T-Bill	ECD	28-Oct-25	27-Jan-26	3.75%	$55,472,585
182-day T-Bill	ECD	29-Jul-25	27-Jan-26	3.85%	$3,033,000
182-day T-Bill	ECD	28-Oct-25	28-Apr-26	3.85%	$9,427,500
365-day T-Bill	ECD	13-May-25	13-May-26	4.00%	$117,373,000
365-day T-Bill	ECD	12-Aug-25	12-Aug-26	4.00%	$51,976,000
365-day T-Bill	ECD	10-Nov-25	10-Nov-26	4.00%	$2,476,000
365-day T-Bill	ECD	10-Feb-25	10-Feb-26	4.00%	$180,000

Appendix IV: Total Public Sector Debt Ratios Actuals and Forecast 2024 to 2028

	2024 Actual	2025 Actual	2026 Forecast	2027 Forecast	2028 Forecast
	In EC$M unless stated otherwise				
Total Public Sector Debt	1,648.4	1,714.0	1,843.1	1,824.2	1,791.4
External Debt	327.7	325.0	491.5	525.0	548.1
Domestic Debt	1,320.7	1,389.0	1,351.6	1,299.2	1,243.3
Total Public Debt to GDP (%)	57.6	58.9	61.0	58.1	55.0
External Debt to GDP (%)	11.5	11.2	16.3	16.7	16.8
Domestic Debt to GDP (%)	46.1	47.7	44.7	41.4	38.2
Central Government Debt	616.4	692.5	918.4	952.9	971.4
External Debt	289.2	292.1	463.5	502.2	530.0
Domestic Debt	327.2	400.4	454.9	450.7	441.4
Central Government Debt to GDP (%)	21.6	23.8	30.4	30.4	29.8
Non-Central Government Debt	1,032.0	1,021.5	924.7	871.3	820.0
External Debt	38.4	32.9	28.1	22.8	18.0
Domestic Debt	993.6	988.6	896.6	848.5	802.0
Non-Central Gov. Debt to GDP (%)	36.0	35.1	30.6	27.8	25.2
Nominal GDP	2,859.5	2,908.1	3,022.6	3,135.7	3,260.5

Source: Ministry of Finance (MoF)

Appendix V: Budget Information 2025

2025 Budget Estimates of the Government of St. Kitts and Nevis Ministry of Finance website: https://mof.gov.kn/publications/#1544727947138-0f68685b-2c92

Appendix VI: Audit Report 2024

Audit Report 2024 - The Public Accounts of the Government of St. Kitts and Nevis Ministry of Finance website: https://mof.gov.kn/publications/#1544727947138-0f68685b-2c92

Appendix VII: Statistical Bulletins

Statistical Bulletin Ministry of Finance website: https://mof.gov.kn/publications/#1544727947138-0f68685b-2c92

Appendix VIII: Statistical Data

Department of Statistics, Ministry of Sustainable Development, Statistical Data
Eastern Caribbean Central Bank, Statistical Data

Appendix IX: St. Kitts and Nevis Voluntary National Review

St. Kitts and Nevis Voluntary National Review (July 2023, and June 2026), Prepared by the Ministry of Sustainable Development.

Appendix X: Sustainable Island State Agenda National Development Planning Framework (2023 - 2037)

Sustainable Island State Agenda/National Development Planning Framework (2023 - 2037), Prepared by the Ministry of Economic Development and investment.

Appendix XI: St. Kitts-Nevis Ministry of Agriculture- Transformation and Growth Strategy 2022 – 2031

St. Kitts-Nevis Ministry of Agriculture- Transformation and Growth Strategy 2022 - 2031, Prepared by the Ministry of Agriculture.

Appendix XII: Future Tourism: Tourism Diagnostic Report, St. Kitts and Nevis June 2022

Future Tourism: Tourism Diagnostic Report, St. Kitts and Nevis, June 2022, UNDP Barbados and the Eastern Caribbean, Prepared by Dr. Mareba Scott.

Appendix XIII: Transforming Our World: The 2030 Agenda for Sustainable Development

Transforming Our World: The 2030 Agenda for Sustainable Development, A/RES/70/1, Prepared by the United Nations.