



# ANNUAL REPORT 2024

## SECTION 1

# 2024 CARIBBEAN ECONOMIC REVIEW AND 2025 OUTLOOK





## OVERVIEW

Real regional GDP, excluding Guyana, expanded by 1.7% in 2024<sup>1</sup>, a slowdown from 2.5% in 2023. Both service and commodity exporting economies grew, though four BMCs remained below their pre-pandemic real output levels. Tourism and construction were the key growth drivers. Including Guyana's oil-driven growth, regional growth reached 8.8%, up from 6.6%. Disinflation trends were supported by declining global commodity prices, although price levels remained elevated compared with pre-pandemic norms.

Fiscal outturns were generally positive, with most governments achieving primary surpluses. However, expenditures rose in many countries, reflecting increased outlays for personal emoluments and critical infrastructure. Regional central government debt-to-GDP declined to 50.9%, primarily driven by the increase in nominal economic growth. While several economies, such as Antigua and Barbuda, and Suriname, made significant strides in debt reduction, debt ratios exceeded 60% in nine BMCs, underscoring ongoing fiscal vulnerabilities.

CDB projects regional growth (excluding Guyana) of 2.5% in 2025, underpinned by continued growth in key sectors such as tourism, construction, and commodities. Including Guyana, the forecast rises to 4.6%. Most governments are expected to maintain fiscal surpluses which, combined with economic expansion, should support further debt reduction. Nevertheless, significant downside risks persist including potential slowdowns in major source markets such as the United States of America (US), geopolitical tensions, adverse weather events, and rising protectionism which could weigh on exports, commodity prices, and economic growth.

<sup>1</sup> The data presented in this section was accessed and analysed before February 21, 2025. More recent data may have become available since then. All estimates for 2024 are preliminary. All data reported refer to the year 2024, and comparisons are with respect to 2023, unless otherwise stated.



# BMCs Output Performance

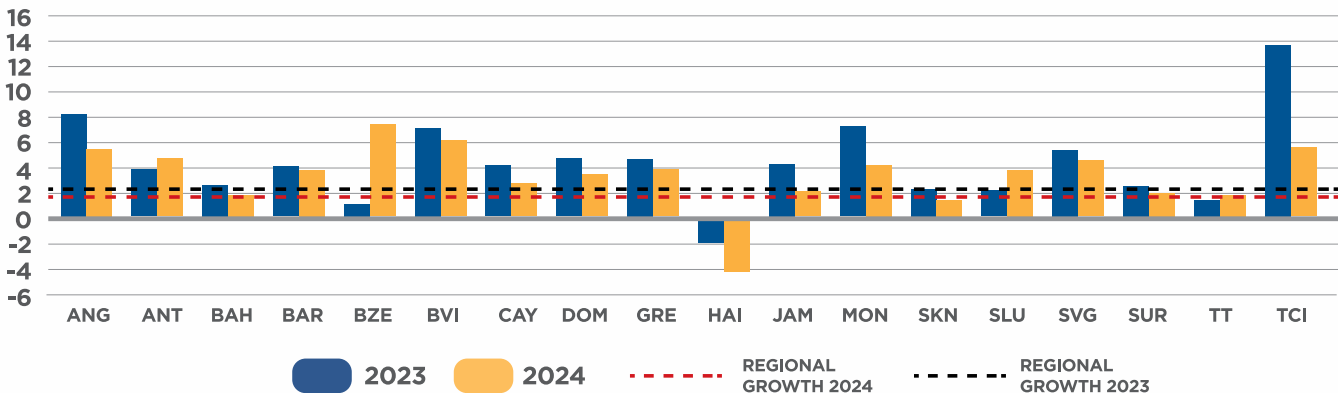
The regional economy (excluding Guyana) continued to grow in 2024, although at a slower pace. Regional real GDP, excluding Guyana, grew by 1.7% in 2024, down from growth of 2.5% recorded in the previous year (see Chart 1). Both service and commodity-exporting economies contributed positively to this outturn, with four BMCs<sup>2</sup> still lagging their pre-pandemic levels. Including Guyana’s strong performance, regional growth rose to 8.8%, up from 6.6% in 2023. The Region benefited from a steady global growth rate of 3.2%, largely driven by strong demand from the US, a key market for Caribbean exports.

Service-exporting economies grew by 1.6%, following growth of 2.8% in the previous year. Key contributors to that outcome include Belize (7.5%), Barbados (4.0%), the Cayman Islands (2.8%), and Trinidad and Tobago (1.9%). The growth was

underpinned by the continued expansion of tourism, with stayover arrivals from January to September reaching 6.8 mn, 7.1% higher than 2023, and 6.6% above the corresponding period of 2019. Ten BMCs surpassed 2019 levels of stayover arrivals, with some setting record highs. The expansion in tourism activity benefitted related sectors such as wholesale and retail, and transportation. Construction activity contributed positively to economic growth, with public investments focusing on upgrading economic and social infrastructure, including transport and utilities, and large-scale private sector investments concentrating primarily on hotel construction and commercial properties.

Natural hazards impacted several service-exporting BMCs in 2024. Hurricane Beryl caused agricultural disruptions in Barbados and Jamaica, cruise cancellations in the Cayman Islands, and significant infrastructure damage in Grenada and Saint Vincent and the Grenadines.

**Chart 1: 2024 vs 2023 Real GDP Growth (Excluding Guyana) (%)**



Sources: Central Banks, Ministries of Finance, Statistical Offices, CDB

Excluding Guyana, commodity-exporting economies have experienced a slower recovery to pre-pandemic levels. In 2024, the economy of Trinidad and Tobago expanded by 1.9%, up from 1.4%, fuelled by increased activity in non-energy sectors and a rebound in the energy sector. Suriname’s economy grew by 2.0%, down from 2.5%, as a contraction in wholesale and retail weighed on overall growth. However, the expansion was supported by growth in manufacturing, agriculture, and other services including information and communication. Guyana remained a standout performer, growing by 43.5%, up from 33% in 2023. This was attributed to increased oil production, which reached a capacity

of 660,000 barrels per day. The non-oil economy also demonstrated strong growth.

Haiti continued to grapple with political instability, a security crisis, and high inflation, ultimately contributing to the country’s sixth consecutive contraction and a deepening humanitarian crisis.

In the external sector, strong tourism receipts and increases in export values generally supported BMCs’ external positions. However, these gains were counterbalanced by a rise in merchandise imports, driven by economic expansion and hurricane-induced reconstruction efforts. Elevated

<sup>2</sup> Haiti, St. Kitts and Nevis, Suriname, and Trinidad and Tobago.



imports of food, fuel, and raw materials, alongside increased purchases of equipment and machinery for construction, tourism infrastructure upgrades, and mining and manufacturing activities, contributed to this trend. Despite this, most BMCs sustained healthy reserve asset positions.

## Labour Market

Labour market outcomes showed signs of improvement in 2024, through trends varied across countries. Labour force participation rates<sup>3</sup> increased in several countries including Barbados (63.4%), Saint Lucia (69.8%), and the Cayman Islands (83.6%), while Belize (56.5%) and Trinidad and Tobago (54.8%), saw slight declines. Meanwhile, average unemployment rates fell in most BMCs, supported by growth in tourism, services, and construction, reaching 2.5% in Belize, 2.8% in the Cayman Islands, 7.2% in Barbados, 8.5% in Grenada, 8.7% in The Bahamas, and 11.3% in Saint Lucia—all below pre-pandemic levels. However, unemployment rose to 4.8% in Trinidad and Tobago. Moreover, in Jamaica, the unemployment rate stood at 4.2% based on updated methodology<sup>4</sup>. Notably, significant disparities persist in labour markets across the Region. Unemployment rates among

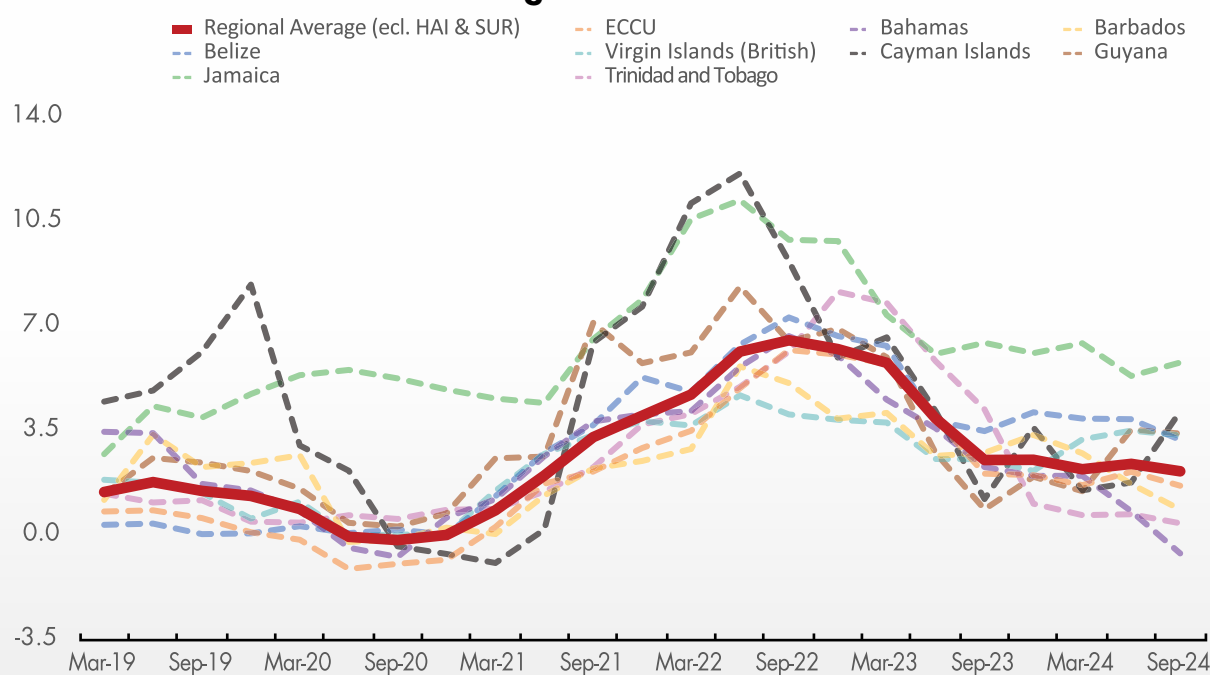
women consistently exceed those of men, and youth unemployment remains higher than national averages. Similarly, labour force participation rates are higher among men, with gender gaps of as much as 26.2 percentage points in Belize.

## Prices

Prices showed a disinflationary trend, aligning with lower global commodity prices influenced by improved supply chains and tighter global monetary policies<sup>5</sup>. The regional inflation rate dropped to 4.3%, from 8.0% the year prior, pulled down by reductions in the heavily weighted consumer price subindices for gas, electricity, other fuels, and food (see Chart 2). However, it remained above the pre-COVID (2015-19) average of 1.5%.

This improvement largely reflected a significant reduction in inflation in Suriname, aided by a stronger Surinamese dollar. However, Haiti had the highest inflation in the Region at 26.9%, exacerbated by instability which affected the supply of goods and services. At the same time, Antigua and Barbuda, the British Virgin Islands, and Montserrat experienced slight inflation increases.

**Chart 2: Regional Trends in Inflation**



Sources: Statistical Offices, CDB

<sup>3</sup> Labour force participation rates and unemployment rates for 2024 represent the average of available data from January to the time of writing and are compared with the same period in 2023.

<sup>4</sup> As a result of methodological improvements made to Jamaica's

Labour Force Survey in 2024, labour force statistics from 2024 are not directly comparable with data from previous years.

<sup>5</sup> After peaking at 8.6% in 2022, global inflation eased to 5.8% in 2024.

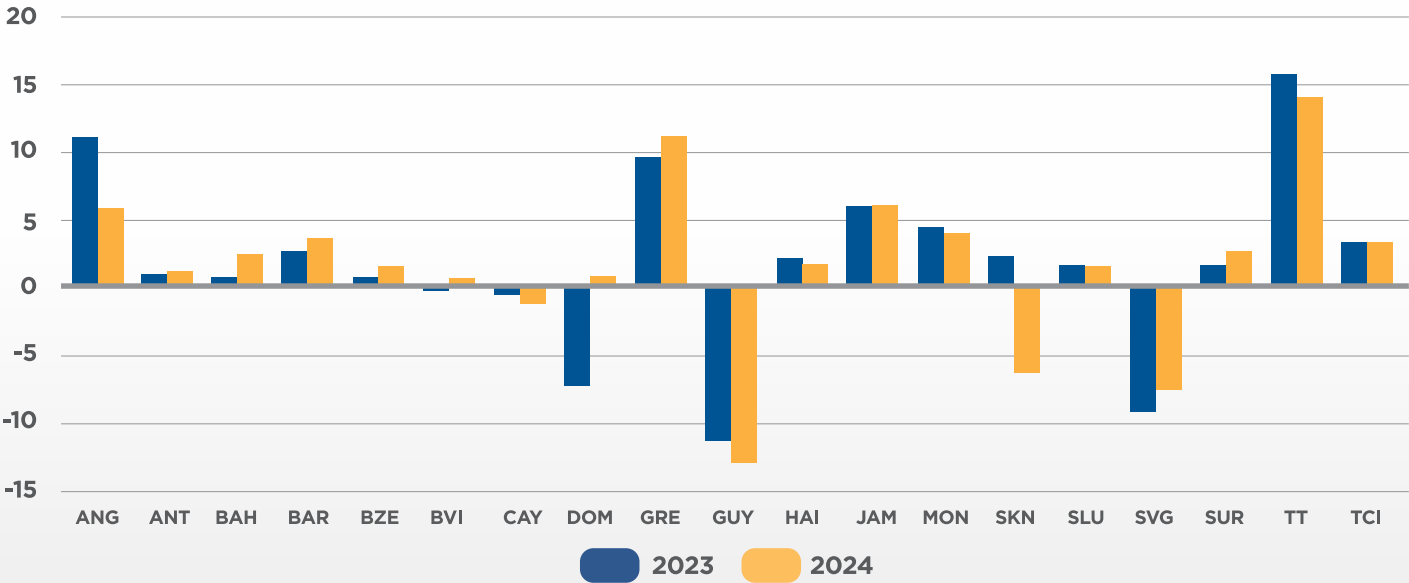
While food inflation eased, it remained well above the pre-COVID average, at 5.7%. When excluding Haiti and Suriname, the rate moderated to 3.6%, closely aligning with the global food inflation rate of 3.0%. In some BMC economies, localised factors like adverse weather events led to supply shortages, pushing up food prices in both the affected countries and those dependent on imports from them. Governments maintained measures in 2024 to protect consumers’ purchasing power, which had been significantly weakened by three years of high inflation. Such measures included reduced taxation on fuel, food and other essential items, as well as limits on markups for some basic goods.

Revenue-boosting measures, such as an increase in the sales tax rate in Antigua and Barbuda from 15% to 17% and the implementation of tax compliance and collection strategies in Grenada and The Bahamas, contributed to increased tax revenue.

### Fiscal and Debt Performance

Most BMC Governments achieved a primary surplus (see Chart 3). Higher revenue collections and continued fiscal consolidation efforts, resulted in a regional primary surplus of 1.6% of GDP, excluding Guyana. When including Guyana, the regional primary surplus shrinks to 0.1% of GDP, reflecting the country’s large primary deficit. Total revenue grew in tandem with the economic expansion, keeping the tax revenue-to-GDP ratio consistent with historical averages at approximately 21.1%. Key contributors to this growth included increases in taxes on domestic goods and services, as well as taxes on international trade. Revenue-boosting measures, such as an increase in the sales tax rate in Antigua and Barbuda from 15% to 17% and the implementation of tax compliance and collection strategies in Grenada and The Bahamas, contributed to increased tax revenue. Non-tax revenue also rose, but at a slower pace. Antigua and Barbuda and Grenada recorded higher Citizenship-by-Investment (CBI) programme revenues but there was a substantial decline in CBI receipts in St. Kitts and Nevis. Concurrently, Anguilla continued to benefit from robust growth in domain name registration fees, while Guyana gained significantly from oil revenues and carbon credit sales.

**Chart 3: 2024 vs 2023 Primary Balance to GDP (%) by Country**



Sources: Central Banks, Ministries of Finance, Statistical Offices, CDB

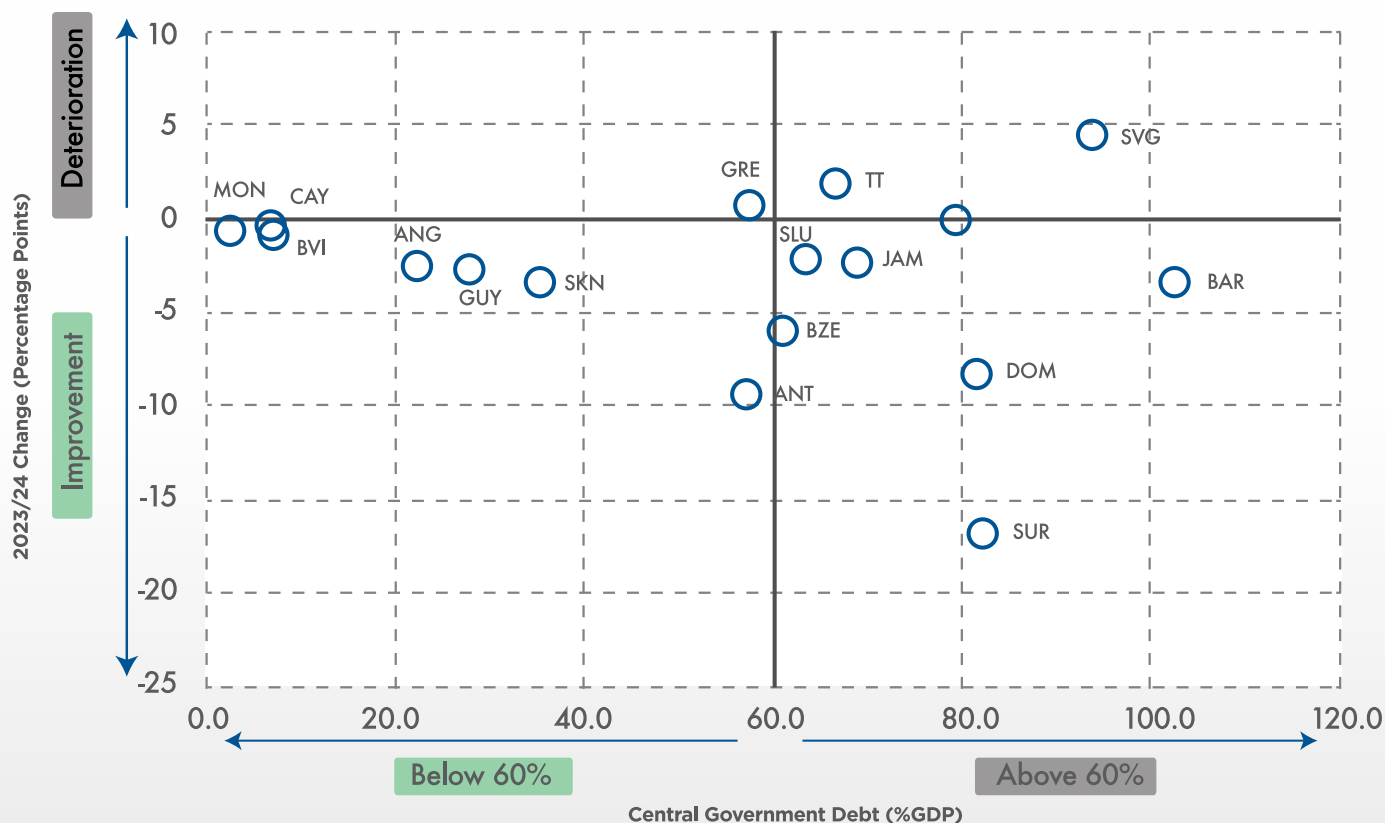
Total expenditure grew but remained consistent with historical averages at 23.5%. All recurrent spending categories increased, particularly personal emoluments which grew by 11.3% due to public sector wage increases in 10 BMCs, spending on goods and services, and on higher interest payments.

Capital expenditure growth reflected ongoing infrastructure development, including roads, bridges, utilities, schools, housing, energy projects, and expansions of air and seaports, as well as rehabilitation works following adverse weather events in Grenada, Saint Vincent and the Grenadines, and the Cayman Islands. In Guyana, capital expenditure surged by an extraordinary 53.2% to reach 12.6% of GDP, as the Government accelerated priority investments.

Central government debt-to-GDP ratios declined in most BMCs, reducing the regional ratio to 50.9%,

although debt ratios remain above 60% in 9 BMCs (see Chart 4). The decline in the regional debt ratio was primarily driven by nominal GDP growth which countered a 3.3% increase in overall debt levels. In the five overseas territories, debt ratios continued to fall, averaging just 6.6% of GDP. Guyana's debt ratio dropped to 27.8%, supported by its oil-driven economic expansion. In Suriname, a strengthened exchange rate, debt restructuring, and high nominal GDP growth significantly improved debt dynamics, lowering the debt ratio to 82.4% from 99%. In Jamaica, amortisation payments fell by 22.9%, reflecting the success of the Government's liability management efforts in reducing debt levels. Notably, Guyana, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago incurred additional debt to finance fiscal deficits. In Saint Vincent and the Grenadines, borrowing for post-hurricane reconstruction raised the country's debt ratio to 93.8%.

**Chart 4: 2024 vs 2023 Central Government Debt to GDP (%) Across BMCs**



Sources: Central Banks, Ministries of Finance, Statistical Offices, CDB





## 2025 Outlook

Excluding Guyana, CDB forecasts regional growth of 2.5% in 2025. Guyana is projected to grow by 11.9%. Including Guyana, the regional growth forecast climbs to 4.6%. Other commodity-exporting economies are expected to accelerate as their post-COVID recovery continues, supported by growth in both the commodity and non-commodity sectors. In contrast, service-exporting economies are expected to grow by 2.2% with tourism and related sectors, along with construction activity, remaining the main impetus of growth. Disinflationary trends are forecast to persist across BMCs, consistent with anticipated declines in global commodity prices.

Most BMC governments will continue to target primary fiscal surpluses, supported by rising revenues in line with economic growth. However, these surpluses will be limited by higher expenditures as governments prioritise critical capital investments. Additionally, sustained primary surpluses, alongside economic expansion, are expected to contribute to a continued reduction in debt-to-GDP ratios.

The outlook remains subject to downside risks and heightened global policy uncertainty. A slowdown in key source markets could dampen demand for the Region's exports. Geopolitical tensions and the resurgence of protectionist trade policies present further risks to global trade and commodity prices, potentially suppressing growth. Additionally, the persistent threat of adverse weather events remains a significant concern. Considering these risks, it is imperative to pursue robust regional initiatives aimed at enhancing resilience. BMC governments will need to continue to upgrade infrastructure and institutions to drive competitiveness and diversify exports. Increased focus on climate change adaptation will also be necessary to reduce the impact of climate-related hazards. Strengthening internal and external buffers will play a critical role in mitigating vulnerabilities and ensuring sustainable growth.