

THE WAVERLEY SERIES

MONTSERRAT

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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MONTSERRAT — AT A GLANCE

Capital	Brades (seat of government); the former capital, Plymouth, remains uninhabited and buried under volcanic material
Defining context	The Soufrière Hills Volcano's eruption, beginning 18 July 1995, devastated much of the island and forced roughly two-thirds of the population to flee abroad; only the northern half of the island is populated, with the southern portion remaining uninhabitable; the last eruption occurred in 2013
Real GDP growth	Projected at 3% for 2026, underpinned by strong performance across public services, real estate, construction and financial services, according to Premier and Minister of Finance Reuben T. Meade
2026/27 Budget	EC\$345.95 million in total, an EC\$8 million decrease from the previous year; capital expenditure of approximately EC\$162.2 million (just under half the total) and recurrent expenditure of EC\$183.3 million
Budget theme	'Economic Restoration and Transformation with Social Empowerment,' with Premier Meade stating the budget supports a vision of 'a restored rebuilt Montserrat that in years ahead will not survive only because of budgetary support'
Growth sectors being cultivated	Eco-tourism, boutique hospitality, geothermal and renewable energy, agribusiness, food production, fisheries and aquaculture, construction, real estate development, and information and communication technology
Key infrastructure development	Official groundbreaking of a new National Hospital, described as a landmark, transformative healthcare project
UK relationship	The annual UK-Montserrat Budget Support Mission, bringing together the UK Foreign, Commonwealth and Development Office and the Government of Montserrat, ran 23-27 February 2026, reflecting continued direct UK budgetary partnership
Governing framework	A self-governing British Overseas Territory; economic growth and investment promotion are managed through the Office of the Premier in partnership with the Caribbean Association of Investment Promotion Agencies (CAIPA)

Montserrat continues its decades-long path of restoration following the 1995 Soufrière Hills Volcano eruption, which rendered half the island uninhabitable and remains the defining fact shaping the territory's economy and geography. Growth is projected at a modest but genuine 3% for 2026, supported by construction, real estate, public services and financial services, while Premier Reuben T. Meade has explicitly framed the current budget around building an economy that will not depend on budgetary support indefinitely. Investors should read Montserrat as a genuinely small, UK-supported territory in active, methodical rebuilding mode, cultivating specific new growth sectors, eco-tourism, geothermal energy and ICT among them, from a uniquely constrained geographic and demographic starting point.

1. INVESTMENT & FDI

A structured partnership between the Office of the Premier and the Caribbean Association of Investment Promotion Agencies is actively cultivating specific new growth sectors aimed at reducing Montserrat's long-term dependence on budgetary support.

Economic growth and investment promotion in Montserrat are managed through the Office of the Premier, supported by the Caribbean Association of Investment Promotion Agencies (CAIPA); the two organisations work in partnership to create new investment opportunities focused on sustainable economic development and resilience. Key growth sectors currently being cultivated include eco-tourism, boutique hospitality, geothermal and renewable energy, agribusiness, food production, fisheries and aquaculture, construction, real estate development, and information and communication technology. Continued opportunities for business expansion also exist through public investment in infrastructure, transportation and digital connectivity, supported by a stable legal framework.

- **A deliberately diversified, specifically named sector-cultivation strategy:** the explicit list spanning eco-tourism, geothermal energy, agribusiness and ICT represents a genuine, structured diversification effort rather than reliance on a single traditional sector.
- **A structured regional partnership supporting investment promotion:** the CAIPA relationship provides Montserrat with continued access to broader Caribbean investment-promotion expertise and networks despite the territory's small individual scale.
- **Continued public investment as a direct enabler of private business expansion:** the explicit link drawn between infrastructure, transportation and digital connectivity investment and business expansion opportunities reflects a coordinated, rather than purely private-sector-led, approach to growth.

2. TRADE & BUSINESS

Financial services, real estate and construction together anchor Montserrat's projected 2026 growth, even as global economic uncertainty has been directly acknowledged as a risk factor.

Premier Meade stated that the economy is projected to grow 3% in 2026, underpinned by strong performance across public services, real estate, construction and financial services, while separately acknowledging that the budget is being delivered amid global economic uncertainty, citing conflicts in key regions and disruptions to major trade and supply patterns as relevant external risk factors.

- **A genuinely diversified set of growth drivers for a very small economy:** the combination of public services, real estate, construction and financial services together contributing to growth reflects a broader base than reliance on any single sector.
- **A direct, honest acknowledgment of external risk exposure:** Premier Meade's explicit citation of global conflicts and trade disruptions reflects appropriate transparency about the external environment's potential impact on a small, trade-dependent economy.

3. MAJOR ECONOMIC DEVELOPMENTS

A modestly reduced but purposefully framed budget continues Montserrat's long-term transition away from dependence on external budgetary support, decades after the Soufrière Hills eruption reshaped the island.

Presenting the 2026/27 Budget Estimates on 20 April 2026, Premier and Minister of Finance Reuben T. Meade set total spending at EC\$345.95 million, an EC\$8 million decrease from the previous year, framed under the

theme 'Economic Restoration and Transformation with Social Empowerment.' Capital expenditure was set at approximately EC\$162.2 million, just under half the total budget, funding ongoing initiatives under the Capital Investment Programme for Resilient Economic Growth (CIPREG) alongside EU, Caribbean Development Bank and other donor-funded programmes; recurrent expenditure of EC\$183.3 million funds salaries, wages and government operational costs. The Ministry of Buildings, Utilities, Infrastructure, Labour and Transportation saw its allocation rise to EC\$65.48 million from EC\$53.0 million. Meade told the Legislative Assembly that the budget 'allows us to continue working towards that vision of a restored rebuilt Montserrat that in years ahead will not survive only because of budgetary support,' a direct acknowledgment of the territory's continued reliance on external financial assistance more than three decades after the Soufrière Hills Volcano's 18 July 1995 eruption devastated much of the island and forced roughly two-thirds of the population to flee abroad; only the northern half of the island remains populated today, with the southern portion, including the former capital Plymouth, still uninhabitable, and volcanic activity as recently as 2013.

- **A directly stated, long-term policy goal of reducing budgetary-support dependence:** Meade's explicit framing represents a clear, articulated government objective against which future fiscal self-sufficiency progress can be measured over subsequent budget cycles.
- **A specific, targeted infrastructure spending increase:** the rise in the Buildings, Utilities, Infrastructure, Labour and Transportation ministry's allocation represents a concrete, quantified prioritisation within an otherwise slightly reduced overall budget.
- **A defining geographic and demographic constraint now more than three decades old:** the continued uninhabitability of the island's southern half, including the former capital, means Montserrat's entire economic and development planning must be understood against this uniquely constrained physical starting point.

4. MAJOR PROJECTS & INFRASTRUCTURE

The groundbreaking of a new National Hospital represents Montserrat's most significant current healthcare infrastructure investment, supported by continued donor-funded capital programmes.

- **New National Hospital groundbreaking:** described by the Ministry of Health and Social Services as a landmark project signifying 'a bold and transformative step,' this represents Montserrat's most significant current healthcare infrastructure development.
- **Capital Investment Programme for Resilient Economic Growth (CIPREG):** this ongoing programme, alongside EU and Caribbean Development Bank funding, continues to anchor Montserrat's broader capital infrastructure investment pipeline.
- **Geothermal energy development:** continued interest in this sector is reinforced by the OECS Commission's regional 'Power Below The Surface' publication charting geothermal energy potential across the Eastern Caribbean, of which Montserrat forms part.

5. CONFERENCES, FORUMS & EXHIBITIONS

Montserrat's participation in a regional climate finance conference reflects continued engagement with Caribbean-wide development and resilience financing discussions.

- **Third Caribbean Nationally Determined Contributions Finance conference, Grenada:** held 31 March-2 April, this event convened regional and international leaders, development partners, investors, financiers and youth advocates, with Montserrat represented among the participating territories.

6. BUSINESS & INVESTMENT EVENTS

A dedicated MSME financial literacy training workshop represents this year's most direct capacity-building engagement with Montserrat's small business community.

- **Financial Literacy and Management Training Workshop, 12-16 January 2026:** delivered by the Government of Montserrat's Business Trade and Investment (BTI) Unit in collaboration with the Caribbean Development Bank's Caribbean Technological Consultancy Services (CTCS) Network, this four-day workshop equipped 18 micro, small and medium enterprises with direct financial management training.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A continued, structured UK budgetary partnership and donor-funded development financing define Montserrat's most consequential current international relationships.

- **United Kingdom:** the annual Budget Support Mission, bringing together the FCDO and the Government of Montserrat, represents Montserrat's central, structured bilateral financial relationship, reflecting the territory's continued reliance on UK budgetary partnership even as it works toward greater self-sufficiency.
- **European Union:** continued EU funding supports the Capital Investment Programme for Resilient Economic Growth alongside other donor-funded initiatives.
- **Caribbean Development Bank:** CDB financing and technical support, including the CTCS Network's MSME training described in Section 6, represents a substantial, active development-financing relationship.
- **St Helena:** a reciprocal health systems exchange between Montserrat and this fellow British Overseas Territory, facilitated by the UK Health Security Agency, reflects continued cross-territory cooperation among smaller UK Overseas Territories specifically.
- **OECS:** the Organisation of Eastern Caribbean States' regional geothermal energy initiative, described in Section 4, situates Montserrat's energy diversification ambitions within a broader regional cooperation framework.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Direct, hands-on financial literacy training for local MSMEs represents a concrete, near-term investment in Montserrat's small private-sector base.

The four-day Financial Literacy and Management Training Workshop delivered by the BTI Unit and CDB's CTCS Network specifically equipped 18 micro, small and medium enterprises with practical financial management skills, representing a direct, measurable investment in Montserrat's small private-sector capacity given the territory's genuinely limited number of independent businesses.

- **A specific, quantified MSME capacity-building achievement:** the direct engagement of 18 named enterprises over four days represents a concrete, verifiable outcome rather than a general capacity-building initiative.
- **A meaningful intervention given Montserrat's genuinely small private-sector base:** in a territory of Montserrat's scale, training reaching 18 MSMEs represents a proportionally significant engagement with the local business community.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Geothermal energy, eco-tourism, and healthcare-linked construction define Montserrat's most concretely promoted new investment channels.

- **Geothermal and renewable energy:** specifically identified as a priority growth sector and reinforced by regional OECS research, this represents Montserrat's most distinctive current energy-sector investment opportunity.
- **Eco-tourism and boutique hospitality:** named among the government's specifically cultivated growth sectors, these offer investment opportunities suited to Montserrat's unique volcanic landscape and small-scale tourism positioning.
- **Healthcare-linked construction and services:** the new National Hospital project, described in Section 4, offers continued construction and related service-sector investment opportunities.

SUMMARY ASSESSMENT

Montserrat continues its decades-long path of restoration following the 1995 Soufrière Hills Volcano eruption, which rendered half the island uninhabitable and remains the defining fact shaping the territory's economy and geography. Growth is projected at a modest but genuine 3% for 2026, supported by construction, real estate, public services and financial services, while Premier Reuben T. Meade has explicitly framed the current budget around building an economy that will not depend on budgetary support indefinitely.

Investors should read Montserrat as a genuinely small, UK-supported territory in active, methodical rebuilding mode, cultivating specific new growth sectors, eco-tourism, geothermal energy and ICT among them, from a uniquely constrained geographic and demographic starting point, with continued UK, EU and Caribbean Development Bank support remaining central to the territory's development trajectory for the foreseeable future.