

THE WAVERLEY SERIES

SAINT KITTS AND NEVIS

An Insight of Investment, Trade and Economy

September 2026

For Advisory & Partnership

LORD WAVERLEY

office@lordwaverley.com • www.lordwaverley.com

SAINT KITTS AND NEVIS — AT A GLANCE

Capital	Basseterre
Real GDP growth	Slowed in 2025 but is projected by the IMF to rebound to 2% in 2026, supported by construction, agriculture, renewable energy projects and continued tourism expansion, strengthening to approximately 2.5% over the medium term
Inflation	Declined significantly from peaks of 2.7% (2022) and 3.6% (2023) to 1.0% in 2024 and just 0.6% through August 2025
Fiscal position	The 2025 fiscal deficit is estimated at a high 11.7% of GDP, and public debt has edged up to 58.4% of GDP, as a Citizenship by Investment revenue windfall from 2021-2023 that drove a significant increase in current spending has sharply declined since 2024; government deposits have continued to decline
IMF policy recommendation	The Fund has directly stated that formally adopting fiscal rules anchored in the adjusted primary balance is essential to reduce reliance on CBI revenue; St. Kitts and Nevis remains among the few ECCU countries without formal fiscal rules, contributing to fiscal procyclicality and limited buffers; the government's 60% regional debt ceiling target for 2035 is not legally binding
Current account	The deficit remains wide despite resilient tourism activity
Citizenship by Investment Program	Founded in 1984, the world's oldest CBI programme, offering visa-free access to more than 140 countries, is undergoing a comprehensive 2026 overhaul shifting from a predominantly donation-based model toward physical presence, economic engagement and long-term connection to the Federation; the programme was named 'Programme of the Year' at CIS 2026
New capital-markets initiative	The government launched its inaugural Household and Non-Governmental Organisation Retail Bond on 22 September 2026, aimed at broadening public participation in regional capital markets
Governing framework	Prime Minister Dr Terrance Drew leads the Federation; Saint Kitts and Nevis marked its 43rd Independence anniversary on 19 September 2026

Saint Kitts and Nevis, home to the world's oldest Citizenship by Investment programme, is undertaking one of the most significant restructurings in that programme's history this year, shifting decisively from a donation-based model toward genuine physical presence and economic engagement. This reform arrives as the IMF delivers a direct, specific warning: the CBI revenue windfall that drove a spending surge from 2021-2023 has since sharply declined, leaving a fiscal deficit estimated at 11.7% of GDP in 2025 and no formally adopted fiscal rules to constrain future procyclicality. Growth is expected to rebound to 2% in 2026, and the government launched its first-ever retail bond this week to broaden domestic capital-market participation. Investors should read the Federation as genuinely reforming its flagship revenue programme from a position of real fiscal vulnerability that the IMF has been unusually direct about.

1. INVESTMENT & FDI

A landmark restructuring of the world's oldest Citizenship by Investment programme represents Saint Kitts and Nevis' most significant current investment-policy development, shifting the model's fundamental basis.

Saint Kitts and Nevis has unveiled a comprehensive overhaul of its Citizenship by Investment Program taking effect in 2026, described as one of the most significant restructurings in the programme's history, transitioning from a predominantly donation-based model to one focused on physical presence, economic engagement, and long-term connection to the Federation; this reflects a broader maturation of the global investment migration landscape toward genuine engagement rather than purely financial qualification. For decades the programme, founded in 1984, has been among the most sought-after Caribbean CBI destinations, valued for its speed, simplicity, and visa-free access to more than 140 countries; it was named 'Programme of the Year' at CIS 2026. Separately, the Investment Gateway Summit (IGS) 2026, held 17-20 June under the theme 'Connect, Collaborate and Celebrate,' was explicitly framed as marking the Federation's strategic evolution 'from establishing credibility in 2024 to demonstrating tangible economic transformation in 2026,' with Prime Minister Dr Terrance Drew and Citizenship Unit Chairman Calvin St Just among the senior figures addressing participants directly.

- **A genuinely fundamental shift in the CBI programme's underlying model:** the move from donation-based qualification toward physical presence and economic engagement represents a structural, not merely incremental, change to how the world's oldest such programme operates.
- **Continued international industry recognition despite the reform:** the 'Programme of the Year' designation at CIS 2026 suggests the Federation has maintained strong industry standing even while undertaking significant structural change.
- **A deliberately staged, multi-year investment-promotion narrative:** IGS 2026's explicit framing as demonstrating 'tangible economic transformation,' following an earlier credibility-building phase, reflects a coordinated, longer-term investment-relationship strategy rather than a single standalone event.

2. TRADE & BUSINESS

Resilient tourism activity continues supporting Saint Kitts and Nevis' external position, even as the current account deficit remains genuinely wide and Middle East-linked oil price pressure has tempered the pace of recovery.

The IMF's 2026 Article IV Staff Report notes that amid higher oil prices linked to the war in the Middle East, growth is still projected to rebound in 2026, albeit less than expected before the war's outbreak, while inflation is projected to increase moderately; the current account deficit remains wide despite resilient tourism activity. Stay-over arrivals have surpassed pre-pandemic levels, according to separate IMF reporting.

- **A specific, quantified external shock tempering an otherwise genuine recovery:** the direct IMF acknowledgment that the Middle East conflict has reduced the expected pace of 2026 growth represents a concrete, sourced external headwind distinct from the Federation's own domestic policy choices.
- **Genuinely strong, verified tourism-sector recovery:** stay-over arrivals surpassing pre-pandemic levels represents real, independently confirmed strength in the Federation's core tourism sector.
- **A persistent structural external imbalance despite this tourism strength:** the current account deficit's continued width, even amid resilient tourism, indicates the imbalance reflects broader structural factors beyond the tourism sector's performance alone.

3. MAJOR ECONOMIC DEVELOPMENTS

A direct, specific IMF warning about fiscal deficits and CBI revenue dependence coincides with genuine, verified progress on inflation and a projected 2026 growth rebound.

The IMF's 2026 Article IV mission concluding statement is unusually direct: a CBI revenue windfall between 2021 and 2023 led to a significant increase in current spending, and following a sharp decline in CBI revenues since 2024, the fiscal deficit in 2025 is estimated at a high 11.7% of GDP, with public debt edging up to 58.4% of GDP and government deposits continuing to decline. The Fund states formally adopting fiscal rules anchored in the adjusted primary balance is essential to reduce reliance on CBI revenue and strengthen fiscal consolidation credibility, noting that while the government's stated objective of reaching the regional 60% debt ceiling by 2035 signals commitment, this target is not legally binding, and St. Kitts and Nevis remains among the few ECCU countries without formal fiscal rules, contributing to fiscal procyclicality and limited buffers. Financial soundness has improved but vulnerabilities persist, particularly among public banks. Separately, Acting Financial Secretary Carlton Pogson told the Budget 2026 National Forum on 29 October 2025 that the economy is forecast to grow 1.1% for fiscal year 2025, reflecting the tapering of post-pandemic recovery and a return to pre-COVID activity levels, with inflation having declined significantly from 2.7% and 3.6% in 2022 and 2023 respectively to 1.0% in 2024 and 0.6% through August 2025; the medium-term outlook through 2030 anticipates average annual growth of approximately 2.5%, with GDP projected to reach EC\$2.7 billion by decade's end, broad-based across every sector. The government continues advancing its Sustainable Island State Agenda (SISA), a long-term national development strategy aimed at transforming the Federation into a more diversified, resilient economy.

- **An unusually direct, specific IMF fiscal warning naming exact figures:** the Fund's explicit citation of the 11.7% deficit, 58.4% debt level, and declining government deposits together represents a candid, quantified assessment rather than generalised fiscal caution.
- **A specific, structural policy gap directly identified by the IMF:** the explicit statement that St. Kitts and Nevis remains among the few ECCU countries without formal fiscal rules represents a concrete, comparative institutional shortfall relative to regional peers, not merely an abstract recommendation.
- **A genuinely strong, sustained disinflation trend:** the decline from 3.6% to 0.6% inflation over roughly two years represents real, verified price stability progress independent of the more concerning fiscal metrics described above.
- **A specific, named financial-sector vulnerability:** the direct identification of public banks specifically as carrying persistent vulnerabilities, even amid overall improved financial soundness, represents a targeted risk area worth distinguishing from the banking sector's broader improvement.

4. MAJOR PROJECTS & INFRASTRUCTURE

Construction, agriculture and renewable energy projects are specifically identified by the IMF as central to Saint Kitts and Nevis' 2026 growth rebound.

- **Renewable energy projects:** specifically cited by the IMF as a key driver of the 2026 growth pickup, alongside construction and agriculture, this sector represents a concrete, currently active infrastructure investment area.
- **Construction sector activity:** identified as a primary near-term growth driver, this reflects continued capital investment supporting the broader economic rebound.
- **Agriculture and diversification projects:** tied directly to the Sustainable Island State Agenda, continued agricultural development represents part of the government's broader economic diversification strategy.

5. CONFERENCES, FORUMS & EXHIBITIONS

The Investment Gateway Summit 2026 provided Saint Kitts and Nevis its most significant international investment-promotion platform this year, alongside the Federation's active UNGA81 diplomatic engagement.

- **Investment Gateway Summit (IGS) 2026:** held 17-20 June 2026 across tourism, real estate, agriculture and technology sectors, described in Section 1, this summit represented the Federation's central investment-promotion event of the year.
- **81st United Nations General Assembly, New York:** Acting Prime Minister Hanley led the Saint Kitts and Nevis delegation on 21 September 2026, part of the Federation's active diplomatic calendar surrounding its independence anniversary.
- **Concordia Annual Summit:** First Lady Diani Prince-Drew represented a Caribbean voice at this international summit, reflecting continued high-level diplomatic engagement.

6. BUSINESS & INVESTMENT EVENTS

The launch of Saint Kitts and Nevis' inaugural retail bond represents this year's most significant direct capital-markets development for domestic households and organisations.

- **Household and Non-Governmental Organisation Retail Bond launch, 22 September 2026:** the Eastern Caribbean Securities Exchange CEO called this launch part of 'a new era of investment inclusion,' describing it as creating an accessible pathway for citizens and eligible organisations to participate directly in investment while contributing to the continued development of the Eastern Caribbean economy.
- **Budget 2026 National Forum, St Kitts Marriott Resort:** held 29 October 2025, this forum provided the detailed fiscal and growth outlook presented by Acting Financial Secretary Carlton Pogson, described in Section 3.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Continued IMF policy engagement and a deepening diplomatic footprint, including a new High Commission in Singapore, define Saint Kitts and Nevis' expanding international relationships.

- **IMF:** the 2026 Article IV consultation, described extensively in Section 3, represents the Federation's most consequential current multilateral fiscal-policy relationship.
- **Singapore:** the government's announced establishment of a High Commission in Singapore reflects a deliberate expansion of Saint Kitts and Nevis' diplomatic and economic presence in Asia.
- **CELAC and India:** Senior Minister Douglas's call for deeper CELAC-India cooperation on agricultural diversification reflects an active effort to broaden the Federation's international partnerships beyond its traditional Western relationships.
- **Guyana:** Guyana Defence Force troops joined Saint Kitts and Nevis' 43rd Independence parade, reflecting continued regional CARICOM solidarity and cooperation.
- **Eastern Caribbean Securities Exchange (ECSE):** the ECSE's direct role in facilitating the new retail bond, described in Section 6, represents a concrete regional capital-markets partnership.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Specific legislative reforms easing small business licensing and payment systems regulation reflect direct, near-term government support for private-sector development.

Liquor licence amendments were passed to make licensing easier specifically for small businesses, and the Payment Systems and Services Bill, 2026 was passed in the National Assembly, both representing concrete, near-term regulatory reforms directly affecting the private-sector operating environment. The new retail bond, described in Section 6, further extends direct investment participation opportunities to households and non-governmental organisations specifically.

- **A specific, targeted small-business licensing reform:** the liquor licence amendments' explicit focus on easing requirements for small businesses represents a concrete, near-term regulatory relief measure rather than a broader, less-targeted reform.
- **Modernised payment systems regulation supporting broader financial-sector development:** the Payment Systems and Services Bill's passage represents a specific legislative foundation for continued financial-sector modernisation and innovation.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Renewable energy, the new retail bond, and reformed CBI-linked investment channels define Saint Kitts and Nevis' most concretely promoted new investment opportunities.

- **Renewable energy projects:** specifically identified by the IMF as a key 2026 growth driver, described in Section 4, this sector represents a concrete, currently active investment opportunity.
- **Household and NGO Retail Bond:** this newly launched instrument offers a specific, accessible new capital-markets investment channel for domestic households and eligible organisations.
- **Reformed Citizenship by Investment pathways:** the restructured programme's new emphasis on physical presence and economic engagement, described in Section 1, opens a genuinely different qualifying investment pathway for prospective applicants going forward.

SUMMARY ASSESSMENT

Saint Kitts and Nevis, home to the world's oldest Citizenship by Investment programme, is undertaking one of the most significant restructurings in that programme's history this year, shifting decisively from a donation-based model toward genuine physical presence and economic engagement. This reform arrives as the IMF delivers a direct, specific warning: the CBI revenue windfall that drove a spending surge from 2021-2023 has since sharply declined, leaving a fiscal deficit estimated at 11.7% of GDP in 2025 and no formally adopted fiscal rules to constrain future procyclicality, a specific institutional gap the Fund notes distinguishes the Federation from most of its ECCU peers.

Growth is expected to rebound to 2% in 2026, inflation has fallen sharply to just 0.6%, and the government launched its first-ever retail bond this week to broaden domestic capital-market participation. Investors should read the Federation as genuinely reforming its flagship revenue programme from a position of real fiscal vulnerability that the IMF has been unusually direct about, even as underlying tourism strength,

disinflation and diversification efforts under the Sustainable Island State Agenda continue providing genuine grounds for cautious optimism.