

THE WAVERLEY SERIES

SAINT LUCIA

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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SAINT LUCIA — AT A GLANCE

Capital	Castries
Real GDP growth	4.7% in 2024 (strong expansion), moderating to 1.7% in 2025 amid weaker tourism from temporary hotel closures and reduced airlift, offset by strong construction, domestic demand and credit expansion; the IMF expects a 2026 rebound as tourism picks up, gradually settling toward a medium-term potential rate of 1.5% as infrastructure and tourism-related projects complete
Inflation	Negative in 2024 on lower international food and energy prices, projected to rise to 0.8% in 2025
IMF risk assessment	Risks to the outlook remain tilted to the downside: weaker-than-expected tourism and construction performance could further constrain growth, and an increase in recognised non-performing loans could depress credit growth
2026/27 Budget	A record EC\$2.18 billion, the largest in Saint Lucia's history, presented 24 March 2026; the Prime Minister acknowledged the budget was built on pre-escalation oil prices and pledged to inform the public of any adjustments made necessary by the shifting Middle East situation
Citizenship by Investment Programme	Contributes under 10% of national revenue, notably lower than some regional peer programmes where the figure reaches 50%; proceeds support infrastructure, security, health services and roadworks
Tax relief	Pensioners now pay no tax on either government or private-sector pensions, with increased allowances; implementing legislation is to be retroactive
Tourism and real estate	Continued expansion in the hotel sector and renewed investor interest in developments in Rodney Bay and surrounding areas
Governing framework	Prime Minister Philip J. Pierre (Saint Lucia Labour Party), re-elected in the 1 December 2025 general election, with Dr Ernest Hilaire continuing as Deputy Prime Minister and Minister for Tourism, Investment, Creative Industries, Culture and Information

Saint Lucia enters this period on a genuinely positive footing: Prime Minister Philip J. Pierre was re-elected in December 2025, the IMF confirmed a 2026 tourism-driven growth rebound following a temporary 2025 slowdown, and the government presented a record EC\$2.18 billion budget while candidly acknowledging it may need revision given the shifting Middle East situation. Saint Lucia also hosted the region's Caribbean Investment Summit this year, with its own Citizenship by Investment programme notably contributing under 10% of national revenue, well below the dependence seen in some regional peer programmes. Investors should read Saint Lucia as a genuinely stable, tourism-anchored economy where the IMF's own downside risks, tourism and construction softness, and a rising non-performing loan trend, warrant direct attention alongside the broadly positive growth and governance narrative.

1. INVESTMENT & FDI

Saint Lucia's hosting of the Caribbean Investment Summit positioned the island at the centre of a genuinely sophisticated regional conversation on the future of investment migration, extending well beyond traditional single-passport transactions.

Saint Lucia hosted the 2026 Caribbean Investment Summit (CIS26) from 6-9 May, bringing more than 300 delegates together under the theme 'The Convergence Advantage in Global Capital and Mobility,' exploring the intersection of capital, compliance and competitiveness, including harmonisation of regional frameworks with regulatory standards in the United States, United Kingdom and European Union, and the evolution of investment migration beyond single-passport transactions toward integrated wealth management strategies including estate planning, asset protection and multi-jurisdictional portfolio structuring. At least four regional prime ministers confirmed attendance: Saint Lucia's Philip J. Pierre, Antigua and Barbuda's Gaston Browne, Grenada's Dickon Mitchell, and St Kitts and Nevis' Terrance Drew, with CIP Board Chairman Julian Charles noting the region is entering 'a new phase of regulatory convergence' with governments moving toward clearer frameworks and stronger coordination. Tourism and Investment Minister Dr Ernest Hilaire specifically noted that while Saint Lucia's own CIP contributes under 10% of national revenue, in some territories the figure reaches 50%, with local CIP funds supporting infrastructure, security, health services and roadworks. Prime Minister Pierre emphasised positioning CBI within a broader development financing architecture, advocating a more strategic, forward-looking approach to how these programmes are engaged and represented internationally.

- **A genuinely sophisticated, forward-looking investment migration framing:** the explicit shift toward integrated wealth management, estate planning and multi-jurisdictional structuring reflects a more mature articulation of CBI's role than a simple passport-for-investment transaction.
- **A notably lower CBI revenue dependence than some regional peers:** Saint Lucia's under-10% national revenue contribution from its CIP, set directly against territories reaching 50%, represents a specific, comparative fiscal-diversification strength worth noting directly.
- **A genuinely high-level, multi-country regional gathering:** the confirmed attendance of four sitting prime ministers reflects the summit's substantive regional significance rather than a purely technical industry conference.

2. TRADE & BUSINESS

A temporary 2025 tourism slowdown, driven by hotel closures and reduced airlift, is expected to give way to a genuine 2026 rebound, even as the IMF has directly flagged downside risks to this recovery.

Following a strong 4.7% expansion in 2024, growth moderated to a projected 1.7% in 2025 as weaker tourism, driven by temporary hotel closures and reduced airlift, was partly offset by strong construction activity, domestic demand and credit expansion; the IMF expects the economy to rebound in 2026 as tourism picks up, before gradually settling toward a medium-term potential rate of about 1.5% as tourism stabilises and planned infrastructure and tourism-related projects are completed. However, the Fund directly stated that risks to the outlook remain tilted to the downside, acknowledging that weaker-than-expected performance in the tourism and construction sectors specifically could further constrain growth, and that an increase in recognised non-performing loans could depress credit growth.

- **A specific, identified cause behind the 2025 slowdown rather than broad-based weakness:** the direct attribution to temporary hotel closures and reduced airlift indicates the slowdown reflects identifiable, potentially reversible factors rather than a structural deterioration in tourism demand.

- **A genuine, IMF-confirmed rebound expectation for 2026:** the Fund's own projection of a tourism-driven recovery represents credible, independent validation of the near-term growth outlook, distinct from government messaging alone.
- **A direct, specific downside risk around rising non-performing loans:** the IMF's explicit flag on NPLs potentially depressing credit growth represents a concrete, sourced financial-sector risk factor investors should weigh alongside the broadly positive growth narrative.

3. MAJOR ECONOMIC DEVELOPMENTS

A re-elected government presented Saint Lucia's largest-ever budget with genuine transparency about Middle East-linked fiscal uncertainty, even as the IMF's endorsement reinforces confidence in recent policy management.

Prime Minister Philip J. Pierre, re-elected in the 1 December 2025 general election, welcomed the IMF's January 2026 conclusion of its 2025 Article IV consultation, which confirmed growth would rebound in 2026 following the 2025 tourism-driven slowdown; Pierre said the assessment 'affirms that recent fiscal and economic policies have restored stability and set the country on a path of sustainable growth,' adding that 'this confirmation from a leading international financial institution underscores the effectiveness of the policies implemented by the government, policies designed to safeguard livelihoods, support investment, and promote economic resilience.' On 24 March 2026, Pierre presented what he described as the largest budget in Saint Lucia's history, with Estimates of Expenditure totalling EC\$2.18 billion, built using oil prices available before the recent escalation in the Middle East; Pierre directly acknowledged that 'the geopolitical situation was not what it is now' and pledged that 'if and when adjustments are required, we will come to the public and inform them.' Earlier, at a January 2026 pre-Cabinet briefing, Pierre outlined continuity in infrastructure development, expanded social and education initiatives, and stronger environmental enforcement, alongside further tax relief for pensioners, who now pay no tax on either government or private-sector pensions, with increased allowances and retroactive implementing legislation.

- **A genuine electoral mandate underpinning continued policy direction:** Pierre's re-election provides a direct, democratic basis for the continuity in economic policy he has subsequently outlined, rather than policy proceeding under a lame-duck or contested government.
- **Independent IMF validation directly cited by the government itself:** Pierre's explicit invocation of the IMF's own conclusions represents a notable instance of government messaging being anchored in independently verified, rather than self-generated, economic assessment.
- **An unusually transparent acknowledgment of budget uncertainty:** Pierre's direct, public acknowledgment that the record budget was built on now-outdated oil price assumptions, paired with an explicit commitment to inform the public of any needed adjustments, reflects a notably candid approach to fiscal communication.
- **A concrete, quantified social policy commitment:** the pension tax exemption, applied to both government and private-sector pensions with increased allowances and retroactive effect, represents a specific, measurable improvement in retiree welfare rather than a general policy statement.

4. MAJOR PROJECTS & INFRASTRUCTURE

Continued infrastructure development and renewed hotel-sector investment interest, particularly around Rodney Bay, anchor Saint Lucia's current project pipeline.

- **Continued major infrastructure projects:** Prime Minister Pierre confirmed the government will continue on the same path as the prior term specifically regarding major infrastructure projects already underway.
- **Hotel sector expansion:** continued growth in this sector was specifically cited by Pierre as a source of confidence in the country's improving investment profile.
- **Rodney Bay area development:** renewed investor interest in developments in this specific area was directly highlighted as a positive signal for Saint Lucia's broader tourism and real estate investment climate.
- **CariGenetics Saint Lucia partnership:** a new partnership between CariGenetics Saint Lucia and a laboratory partner represents an emerging development in the island's life sciences and biotechnology sector specifically.

5. CONFERENCES, FORUMS & EXHIBITIONS

The Caribbean Investment Summit 2026 represented Saint Lucia's most significant international investment-promotion platform this year, drawing strong global interest across multiple continents.

- **Caribbean Investment Summit 2026 (CIS26):** held 6-9 May 2026 with more than 300 delegates, this summit, described in detail in Section 1, drew reported strong international interest from North America, Europe, the Middle East, Asia and Africa, according to organisers Open Interactive.
- **Leadership Forum, Secrets Resort:** held as part of CIS26's high-level segment on 6 May, this forum featured direct remarks from Prime Minister Pierre and Minister Hilaire setting a deliberate, strategic tone for the summit's broader discussions.

6. BUSINESS & INVESTMENT EVENTS

The March 2026 budget presentation and January 2026 pre-Cabinet briefing together served as the government's primary channels for communicating its economic agenda this year.

- **2026/27 Budget Presentation, 24 March 2026:** Prime Minister Pierre's tabling of the EC\$2.18 billion Estimates of Revenue and Expenditure, described in Section 3, represented the year's central fiscal-policy communication event, with debate running 25-26 March.
- **Pre-Cabinet briefing, January 2026:** Pierre's outline of the government's 2026 agenda, spanning infrastructure continuity, social initiatives and tax relief, provided an early, direct signal of policy priorities ahead of the formal budget.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Continued IMF engagement and Saint Lucia's central convening role among CBI-territory governments define the island's most consequential current institutional relationships.

- **IMF:** the concluded 2025 Article IV consultation, directly cited by Prime Minister Pierre as validating government policy, represents Saint Lucia's most significant recent multilateral economic-policy relationship.

- **Fellow CBI-territory governments:** the direct participation of the Antigua and Barbuda, Grenada, and St Kitts and Nevis prime ministers at CIS26 reflects Saint Lucia's convening role among Caribbean nations sharing similar investment-migration policy interests.
- **Regulatory counterparts in the US, UK and EU:** CIS26's explicit focus on harmonising regional CBI frameworks with these major markets' regulatory standards reflects an active, ongoing compliance-alignment relationship.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Targeted pension tax relief and continued environmental enforcement reflect the government's broader approach to balancing social support with sustainable private-sector development.

Beyond the pension tax exemption described in Section 3, Prime Minister Pierre's 2026 agenda specifically includes stronger environmental enforcement alongside expanded social and education initiatives, reflecting a broader policy balance between growth promotion and regulatory oversight. Pierre expressed direct confidence that 'the investment profile of the country' would improve, citing continued hotel-sector expansion and renewed Rodney Bay-area development interest as supporting evidence.

- **A stated commitment to balancing enforcement with growth promotion:** the explicit inclusion of stronger environmental enforcement alongside investment-profile optimism suggests the government intends to pursue growth without relaxing regulatory standards.
- **A directly stated, sourced confidence in improving investment conditions:** Pierre's specific citation of hotel-sector and Rodney Bay developments as evidence for his investment-profile optimism provides concrete grounding for this broader claim.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Hotel sector expansion, Rodney Bay-area real estate development, and life sciences partnerships define Saint Lucia's most concretely promoted new investment channels.

- **Hotel sector expansion:** continued growth in this sector, described in Section 4, represents Saint Lucia's most consistently cited current tourism-investment opportunity.
- **Rodney Bay-area real estate development:** renewed investor interest in this specific area offers a concrete, geographically targeted real estate investment opportunity.
- **CariGenetics Saint Lucia partnership:** this emerging life sciences and biotechnology development, described in Section 4, represents a novel, diversification-linked investment opportunity beyond Saint Lucia's traditional tourism base.

SUMMARY ASSESSMENT

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