

THE WAVERLEY SERIES

SAINT VINCENT AND THE GRENADINES

An Insight of Investment, Trade and Economy

September 2026

For Advisory & Partnership

LORD WAVERLEY

office@lordwaverley.com • www.lordwaverley.com

SAINT VINCENT AND THE GRENADINES — AT A GLANCE

Capital	Kingstown
Real GDP growth	3.6% in 2025 following completion of major infrastructure projects, which strengthened tourism capacity; stayover arrivals rose 14% in the first three quarters of 2025 versus the same period in 2024; growth is expected to moderate slightly in 2026 but remain robust over the medium term
Inflation	Eased to 1.4% in 2025 on lower utility and transportation costs, projected to rise to 2.6% in 2026 due to higher global oil prices linked to the Middle East conflict, before stabilising near 2.1% through 2028
Fiscal position	The deficit narrowed to an estimated 11.9% of GDP in 2025 (from 15.6% in 2024) as Hurricane Beryl-related reconstruction wound down, but is projected to widen again sharply to 18.6% of GDP in 2026, driven by capital spending on new investment projects, VAT holidays, an expanded wage bill and higher social spending
Public debt	Projected at 116% of GDP in 2026, rising to 120.3% by 2028; the IMF's April 2026 Article IV mission stated directly that 'prompt and sizeable fiscal consolidation is needed,' with the fiscal situation having 'continuously deteriorated since the pandemic' amid the 2021 La Soufrière eruption, 2024 Hurricane Beryl, and now Middle East-linked oil price shocks
New Citizenship by Investment programme	Planned for launch by mid-2026 with a mandatory residency requirement and a legislatively ring-fenced investment fund (SVGIF); Prime Minister Godwin Friday describes it as a 'sovereign capital mobilisation strategy' rather than a revenue-at-all-costs scheme, launching amid direct US and EU regulatory pressure on regional CBI programmes
Political transition	Prime Minister Godwin Friday's New Democratic Party won a landslide 14 of 15 parliamentary seats (57.74% of the vote) in the 27 November 2025 election, ending Ralph Gonsalves' 24-year tenure, the longest of any then-serving democratically elected leader in the world; Gonsalves' Unity Labour Party was reduced to a single seat, held by Gonsalves himself, with his son, then-Finance Minister Camillo Gonsalves, among those defeated
Investment promotion	Invest SVG serves as the official investment promotion agency, with the government prioritising renewable energy, tourism, international financial services, agriculture and agro-processing, fisheries, light manufacturing, scientific and medical research, creative industries and ICT
Governing framework	Prime Minister Dr Godwin Friday, sworn in 28 November 2025 as the country's fifth Prime Minister since independence, with Deputy Prime Minister St Clair Leacock

Saint Vincent and the Grenadines enters this period fresh from one of the most decisive democratic transitions in recent Caribbean history: Prime Minister Godwin Friday's New Democratic Party won 14 of 15 parliamentary seats in November 2025, ending Ralph Gonsalves' 24-year tenure and defeating even his own son, the sitting Finance Minister. The new government inherits a genuinely severe fiscal position the IMF has described in

unusually direct terms, with public debt approaching 120% of GDP and the deficit projected to widen sharply to 18.6% of GDP in 2026. Friday's government is simultaneously preparing to launch a new Citizenship by Investment programme by mid-2026, timing that arrives just as the US and EU intensify regulatory pressure on comparable regional programmes, and amid direct public criticism from Gonsalves, now serving as Leader of the Opposition. Investors should read Saint Vincent and the Grenadines as a country with a fresh, overwhelming democratic mandate confronting a fiscal emergency the IMF itself calls decisive.

1. INVESTMENT & FDI

A new Citizenship by Investment programme is being launched into a genuinely difficult regulatory environment, drawing direct public criticism from the former prime minister even before its mid-2026 debut.

Saint Vincent and the Grenadines plans to launch a Citizenship by Investment programme by mid-2026, featuring a mandatory residency requirement and a legislatively ring-fenced investment fund, the Saint Vincent and the Grenadines Investment Fund (SVGIF), designed specifically to prevent misuse of proceeds. Prime Minister Godwin Friday has stated the initiative is not a 'revenue-at-all-costs' scheme but a 'sovereign capital mobilisation strategy' intended to finance development and climate resilience without increasing the national debt, with officials characterising the programme's design around what they describe as the most stringent regional and international standards. The timing is genuinely difficult: the United States has recently suspended visa privileges for Antigua and Barbuda and Dominica over their CBI operations, and the EU has asked Caribbean CBI programmes to work toward 'discontinuation' or face visa suspension. Former Prime Minister Ralph Gonsalves, now Leader of the Opposition, has directly ridiculed the initiative, noting the government's own budget estimates list only \$10 million in projected 2026 revenue, stating the CBI unit within the Prime Minister's office currently has 'no staff, no budget,' and declaring 'the end of CBI is nigh,' characterising the pursuit of this revenue stream as 'looking for a mirage.'

- **A structurally safeguarded programme design from the outset:** the legislatively ring-fenced SVGIF and mandatory residency requirement represent specific, built-in integrity measures distinguishing this programme's design from more loosely structured predecessors elsewhere in the region.
- **A genuinely challenging regulatory environment for market entry:** launching a new CBI programme just as the US has suspended visa privileges for two regional peer programmes and the EU pushes for discontinuation represents a specific, current headwind distinct from the programme's own design merits.
- **Direct, sourced political criticism of implementation capacity:** the former prime minister's specific claims about the CBI unit's staffing and budget status represent a notable, if opposition-sourced and independently unverified, challenge to the programme's near-term operational readiness that investors should weigh alongside the government's own more optimistic framing.

2. TRADE & BUSINESS

Genuinely strong tourism growth continues supporting Saint Vincent and the Grenadines' trade position, even as Middle East-linked oil prices are beginning to push inflation upward after a period of easing.

Stayover tourism arrivals rose 14% in the first three quarters of 2025 compared with the same period in 2024, following the completion of major infrastructure projects that strengthened tourism capacity; the sector supports a significant share of employment in accommodation, food services and retail trade, with notably high female employment. Inflation eased to 1.4% in 2025 on lower utility and transportation costs, supporting

continued poverty reduction, but is projected to rise to 2.6% in 2026 due to higher global oil prices linked to the Middle East conflict, before stabilising near 2.1% through 2028.

- **A genuinely strong, quantified tourism recovery directly tied to completed infrastructure:** the 14% stayover arrival increase, explicitly linked to infrastructure project completion, represents concrete, verifiable evidence that recent capital investment is translating into tangible visitor growth.
- **Notable employment inclusivity within the tourism sector specifically:** the sector's high female employment share represents a specific, positive social-inclusion characteristic of Saint Vincent and the Grenadines' primary growth industry.
- **A clear, quantified inflation trajectory tied to a specific external cause:** the projected rise from 1.4% to 2.6%, directly attributed to Middle East-linked oil prices, provides a transparent, sourced explanation for near-term price pressure rather than unexplained volatility.

3. MAJOR ECONOMIC DEVELOPMENTS

An overwhelming democratic mandate has handed the new government a genuinely severe fiscal emergency, with the IMF calling directly for decisive, sizeable policy action.

Godwin Friday's New Democratic Party won 14 of 15 parliamentary seats and 57.74% of the popular vote in the 27 November 2025 general election, an extraordinary landslide that reduced Ralph Gonsalves' Unity Labour Party, which had governed continuously since 2001, to a single seat; Gonsalves himself, seeking an unprecedented sixth consecutive term, was the only ULP candidate to win re-election, with his own son, then-Finance Minister Camillo Gonsalves, and Agriculture Minister Saboto Caesar both among those defeated. Friday, 66, a political science PhD who had served as MP for Northern Grenadines since 2001 and led the NDP since 2016, was sworn in 28 November 2025 as the country's fifth prime minister since independence. His government inherited a fiscal position the IMF's April 2026 Article IV mission described in unusually direct terms: 'St. Vincent and the Grenadines' economy has demonstrated resilience in the face of repeated shocks, but vulnerabilities remain significant. Wide fiscal deficits, high and rising public debt, and large external imbalances underscore the need for decisive policy action,' with the mission stating plainly that 'prompt and sizeable fiscal consolidation is needed as well as structural and financial sector reforms.' The IMF noted the fiscal situation has continuously deteriorated since the pandemic, with the country having suffered the pandemic, the 2021 La Soufrière volcanic eruption, and 2024's Hurricane Beryl in the past six years, and now facing an oil price shock from the Middle East war. The fiscal deficit narrowed to 11.9% of GDP in 2025 as Beryl-related reconstruction wound down, but is projected to widen sharply again to 18.6% of GDP in 2026, driven by capital spending on new investment projects, VAT holidays, an expanded wage bill and higher social spending; public debt is projected at 116% of GDP in 2026, rising to 120.3% by 2028, with the IMF noting that achieving the government's own 60%-of-GDP debt target by 2035 will require sharp and sustained fiscal consolidation, stronger debt management, and growth-enhancing structural reforms.

- **A landslide of genuinely historic proportions:** the scale of the NDP's victory, reducing a 24-year governing party to a single seat and defeating the sitting Finance Minister who was also the outgoing prime minister's son, represents one of the most decisive democratic repudiations covered anywhere in this series.
- **An IMF assessment using unusually direct, urgent language:** the Fund's explicit call for 'decisive policy action' and 'prompt and sizeable fiscal consolidation' represents a notably candid, non-diplomatic characterisation of the fiscal emergency facing the incoming government.
- **A specific, quantified fiscal deterioration set to resume immediately:** the projected widening from 11.9% to 18.6% of GDP in a single year represents a dramatic, immediate reversal of the modest 2025

improvement, driven by identifiable new spending commitments including an expanded wage bill and VAT holidays.

- **A compounding, multi-year sequence of shocks providing important context:** the IMF's own framing, pandemic, volcanic eruption, hurricane, and now an oil price shock all within six years, illustrates that the current fiscal position reflects a genuine sequence of exceptional external events, not solely domestic policy choices.
- **An extremely high public debt trajectory relative to a distant consolidation target:** the projected rise to 120.3% of GDP by 2028, set against a 2035 target of 60%, illustrates the sheer scale of fiscal consolidation the IMF says will be required over the coming decade.

4. MAJOR PROJECTS & INFRASTRUCTURE

Recently completed tourism-capacity infrastructure has directly driven visitor growth, even as the IMF has cautioned against further public investment in commercially distortionary projects.

The IMF's 2026 Article IV mission directly supported the authorities' plan to review investment policies and strengthen public investment management, identifying critical infrastructure and disaster-resilience investment as key priorities, while cautioning that 'public investments in marketable assets can have distortionary economic effects and should be avoided.' The Fund also noted reforms are needed to strengthen the broader public investment management framework.

- **A specific, sourced caution against commercially distortionary public investment:** the IMF's direct warning about marketable-asset investments represents a targeted policy recommendation distinguishing appropriate infrastructure investment from projects that could crowd out or distort private-sector activity specifically.
- **A stated government commitment to reviewing investment policy, backed by IMF support:** the Fund's explicit endorsement of the authorities' own review plan suggests a degree of policy alignment between the new government and its principal multilateral fiscal counterpart on this specific issue.

5. CONFERENCES, FORUMS & EXHIBITIONS

No significant standalone investment conferences or forums specific to this period were identified; Saint Vincent and the Grenadines' economic reporting operates primarily through the IMF's Article IV consultation process and World Bank Macro Poverty Outlook publications described elsewhere in this briefing.

6. BUSINESS & INVESTMENT EVENTS

The IMF's April 2026 Article IV mission to Kingstown represented this year's most significant direct engagement between international financial authorities and the new government.

- **IMF 2026 Article IV mission, Kingstown:** held 21-28 April 2026 and led by Sergei Antoshin, this mission's concluding statement, described extensively in Section 3, represented the most substantive recent assessment of Saint Vincent and the Grenadines' economic and fiscal position.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Continued IMF engagement and the absence of a bilateral investment treaty with the United States define two contrasting dimensions of Saint Vincent and the Grenadines' current international relationships.

- **IMF:** the 2026 Article IV consultation, described extensively in Section 3, represents the country's most consequential current multilateral fiscal-policy relationship, with the authorities having expressed interest in additional technical assistance from the Fund.
- **United States:** Saint Vincent and the Grenadines does not have a bilateral investment treaty with the United States, a specific structural gap relevant to US investors considering formal legal protections.
- **CARICOM and OECS:** continued membership in these regional bodies underpins Saint Vincent and the Grenadines' broader trade and monetary integration framework, including the Eastern Caribbean Currency Union.
- **US and EU regulators (CBI-linked):** the direct regulatory pressure both jurisdictions are placing on regional CBI programmes, described in Section 1, represents an active, consequential relationship shaping the design and prospects of Saint Vincent and the Grenadines' own forthcoming programme.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

The IMF's direct call for comprehensive tax reform, including broadening the VAT base, represents the most significant near-term private-sector policy development under discussion.

The IMF stated that tax revenue needs to be preserved and tax administration further strengthened, with a comprehensive tax reform resulting in a more growth-friendly and equitable system; specifically, the Fund recommended broadening the VAT base to improve efficiency and collection, stating there is no room to lower the VAT standard rate and that the special reduced rate for tourism should instead be brought in line with the standard rate. Invest SVG continues serving as the government's official investment promotion agency, facilitating FDI and maintaining dialogue with current and potential investors across the government's prioritised niche sectors.

- **A specific, direct IMF recommendation to raise the tourism VAT rate:** the explicit call to align the tourism sector's special VAT rate with the standard rate represents a concrete, sector-specific tax-policy recommendation with direct implications for tourism-sector businesses and pricing.
- **A clearly prioritised, multi-sector investment promotion framework:** Invest SVG's specifically named priority sectors provide a clear, actionable reference point for entrepreneurs and investors evaluating where government facilitation support is most readily available.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Renewable energy, international financial services, and the forthcoming Citizenship by Investment programme define Saint Vincent and the Grenadines' most concretely promoted new investment channels.

- **Renewable energy:** specifically named among Invest SVG's priority sectors, this represents a concrete diversification-linked investment opportunity, particularly relevant given the IMF's broader emphasis on resilience investment.
- **International financial services:** identified as a priority niche market, this sector builds on the country's existing small offshore banking presence and continued adoption of international regulatory standards.

- **The forthcoming CBI programme:** once launched, the SVGIF-linked investment channel described in Section 1 will represent Saint Vincent and the Grenadines' newest formal investment-migration pathway, though its practical scale and reception remain to be demonstrated given the challenging regulatory backdrop.

SUMMARY ASSESSMENT

Saint Vincent and the Grenadines enters this period fresh from one of the most decisive democratic transitions in recent Caribbean history: Prime Minister Godwin Friday's New Democratic Party won 14 of 15 parliamentary seats in November 2025, ending Ralph Gonsalves' 24-year tenure and defeating even his own son, the sitting Finance Minister. The new government inherits a genuinely severe fiscal position the IMF has described in unusually direct terms, with public debt approaching 120% of GDP and the deficit projected to widen sharply to 18.6% of GDP in 2026.

Friday's government is simultaneously preparing to launch a new Citizenship by Investment programme by mid-2026, timing that arrives just as the US and EU intensify regulatory pressure on comparable regional programmes, and amid direct public criticism from Gonsalves, now serving as Leader of the Opposition, who has questioned the initiative's staffing, budget and revenue projections. Investors should read Saint Vincent and the Grenadines as a country with a fresh, overwhelming democratic mandate confronting a fiscal emergency the IMF itself calls decisive, where genuine tourism-sector strength and a historic political reset coexist with a debt trajectory requiring sustained, difficult consolidation over the coming decade.