

**SUMMARY OF FISCAL OPERATIONS OF THE CENTRAL GOVERNMENT OF ST.
VINCENT AND THE GRENADINES**
For the period ended September 30, 2025

The objective of this report is to present the public with a brief summary of the Government of St. Vincent and the Grenadines' fiscal operations, for the period ended September 30, 2025. The report is prepared by the Economic Research and Policy Unit, Ministry of Finance.

Preliminary data as at September 30, 2025 indicated that the Central Government fiscal operations returned mixed performances when compared to the same period in 2024. Current Revenue increased by 12.2 percent to \$643.01 million, while Current Expenditure grew by 10.6 percent to \$655.51 million. Consequently, the Current Balance improved from a deficit of \$19.66 million recorded in 2024 to a deficit of \$12.50 million in 2025. However, the Overall Balance weakened, moving from a deficit of \$167.19 million in 2024 to a deficit of \$263.89 million in 2025. This outturn was driven by a 37.8 percent increase in spending on capital projects including the Port Modernization Project, National Road Rehabilitation Project, the Housing Development Programme and the Arnos Vale Acute Referral Hospital, among others.

Table 1: Summary of fiscal operations for the period ended September 30, 2025

	Budget 2025 \$ m	Actual 2025 \$ m	Actual 2024 \$ m	% change
Current Revenue	672.40	643.01	573.02	12.2
<i>of which:</i>				
Taxes on Income & Profits	130.07	137.06	120.24	14.0
Taxes on Property	30.87	19.39	25.02	(22.5)
Taxes on Goods & Services	232.63	196.38	189.14	3.8
Taxes on International Trade	167.32	179.20	149.35	20.0
Sale of Goods & Services	75.79	83.45	68.83	21.2
Current Expenditure	640.48	655.51	592.68	10.6
<i>of which:</i>				
Compensation Employees	303.13	296.84	276.66	7.3
Use of Goods & Services	96.13	107.40	84.11	27.7
Interest Payments	67.77	77.18	61.42	25.7
Transfers	173.45	174.10	170.50	2.1
Current Balance	31.92	(12.50)	(19.66)	36.4
Primary Balance (net CCF)	(177.20)	(186.72)	(105.78)	(76.5)
Capital Expenditure	321.63	305.50	221.70	37.8
<i>Of which:</i>				
Capitalisation of Contingency Fund (CCF)	10.50	11.91	13.39	(11.0)
Capital Revenue	34.24	42.20	60.78	(30.6)
Overall Balance (net CCF)	(244.97)	(263.89)	(167.19)	(57.8)

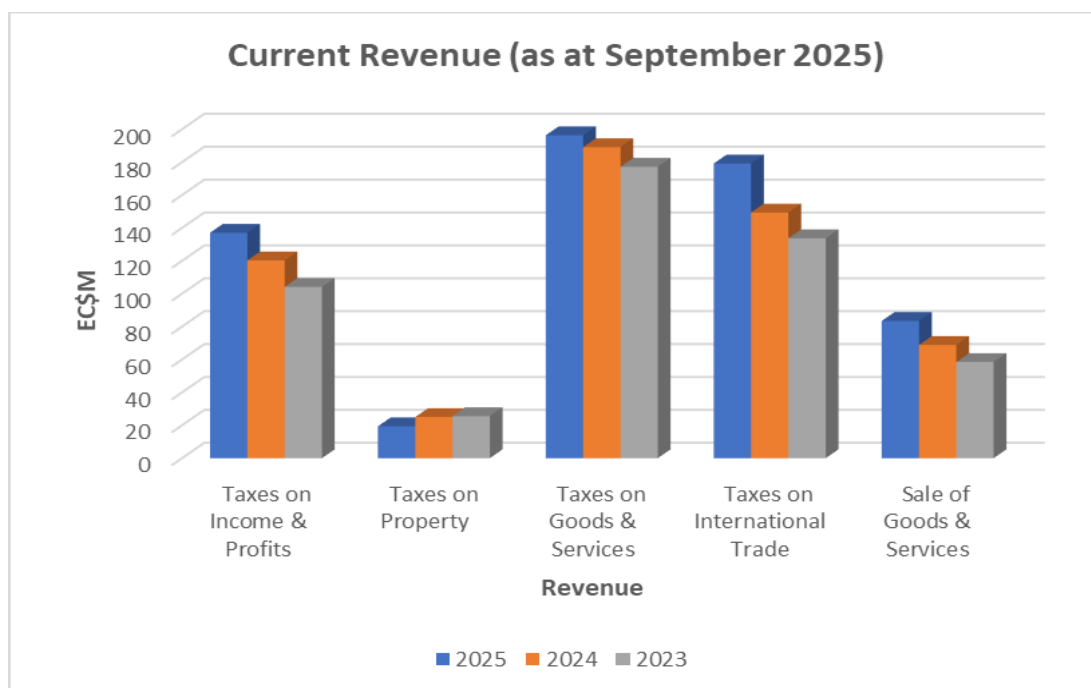
Source: Ministry of Finance and Planning

Revenue

Receipts from Taxes on Income and Profits grew by 14.0 percent to \$137.06 million due to higher collections from Individuals and Corporate Income Taxes. Receipts from Income Tax from Individuals increased by 8.5 percent due to the recent boost in employment particularly in the tourism and construction sectors as well as the 2.5 percent salary enhancement paid to civil servants from January 2025. The 32.8 percent rise in Corporate Income Tax collections was primarily attributable to higher projected profits reported by a number of the major taxpayers, the largest among them being in the banking sector. Additionally, payments resulting from audit assessments conducted by the Inland Revenue Department (IRD) also contributed to the higher collections. Notwithstanding the overall improved performance of this tax subgroup revenues from Non-Resident (Withholding) Tax, declined by 4.5 percent during the period.

Revenue from Taxes on Property contracted by 22.5 percent to \$19.39 million during the period. This was primarily attributed to reduced inflows from Stamp Duty on Property (which fell by 18.7 percent) and Alien Land Holding License (which declined by 55.9 percent) due largely to a reduction of land sales to non-nationals over the period. Receipt from Property Taxes at the Inland Revenue Department also declined by 5.6 percent notwithstanding the enforcement efforts launched during the month of September.

Figure 1: Items of Current Revenue as at September 30, 2025



Collections from Taxes on Goods and Services, which totalled \$196.38 million, increased by 3.8 percent as at the end of September 2025. Excise Duty (on Imports), which increased by 42.9 percent, was the main source responsible for the improved performance. The main driver of this improved performance was the collection of arrears on petroleum imports and the significant (38.1 percent) growth in the importation of motor vehicles. Similarly, Motor vehicle licence collections went up (16.9 percent) reflecting an increase in registration as a result of the surge in the importation of vehicles during the period. Revenue from other taxes also increased, including: Insurance Premium Tax (33.7 percent), Interest Levy (13.3 percent), and Telecommunications & Broadcast Licences (2.2 percent). These increases were moderated by lower takings from the VAT, which declined by 14.1 percent primarily due to lower revenue from construction activity with the completion of two major tourism developments in 2024.

Revenue from International Trade Taxes grew by 20.0 percent, reaching \$179.20 million. This upswing stemmed from higher collections from all of the major tax types under this subcategory. VAT, Import Duty and Vehicle Surtax increased markedly by 19.4 percent, 20.3 percent and 28.6 percent, respectively. The growths in Import Duty and VAT were linked to the 8.1 percent growth in merchandise imports, while the surge in Vehicle Surtax was mainly influenced by the 38.1 percent increase in the number of vehicles imported for the period.

Takings from Sales of Goods and Services grossed \$83.45 million, representing a 21.2 percent increase on the amount collected in 2024, as most of the major subcategories recorded improved performances. The Customs Service Charge was the largest contributor to the aforementioned performance as it recorded an increase of 26.8 percent fuelled by the 8.1 percent rise in the value of merchandise imports along with the collection of some outstanding amounts due from petroleum importers. Receipts from Driver's Licence also increased considerably, by 12.7 percent. On the other hand, revenue from International Financial Services and CIPO Registration Fees fell by 6.8 percent and by 11.3 percent, respectively.

During the period under review, collections from Property Income amounted to \$18.3 million compared with the \$9.16 million collected during the corresponding period in 2024. The amount collected in 2025 reflects (as indicated earlier) greater profitability in the

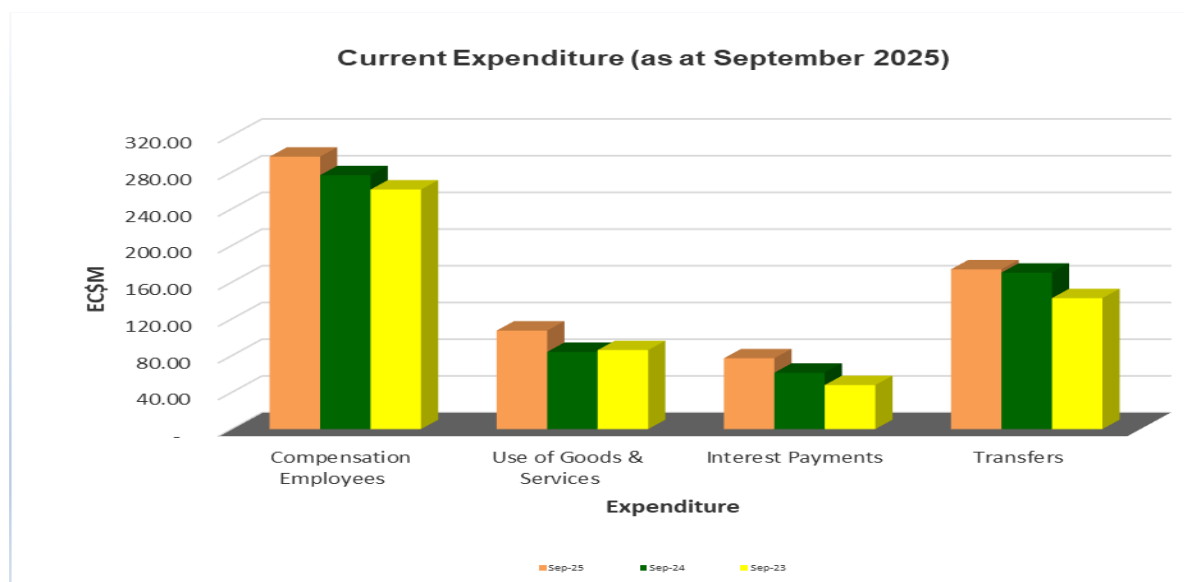
financial sector, which allowed the Bank of St. Vincent and the Grenadines (BOSVG) to make higher dividend payments, amounting to \$7.11 million. Relatedly, profits distributed by the Eastern Caribbean Central Bank (ECCB) also increased, amounting to the sum of \$5.96 million.

Capital inflows as at September 30, 2025 amounted to \$42.20 million, down from \$60.79 million collected in the corresponding period in 2024. The decrease was primarily attributed to Other Capital Receipts, which in 2024 included a \$30.0 million drawdown from the Contingencies Fund to support post-disaster recovery efforts following Hurricane Beryl, which was not applicable in 2025.

Expenditure

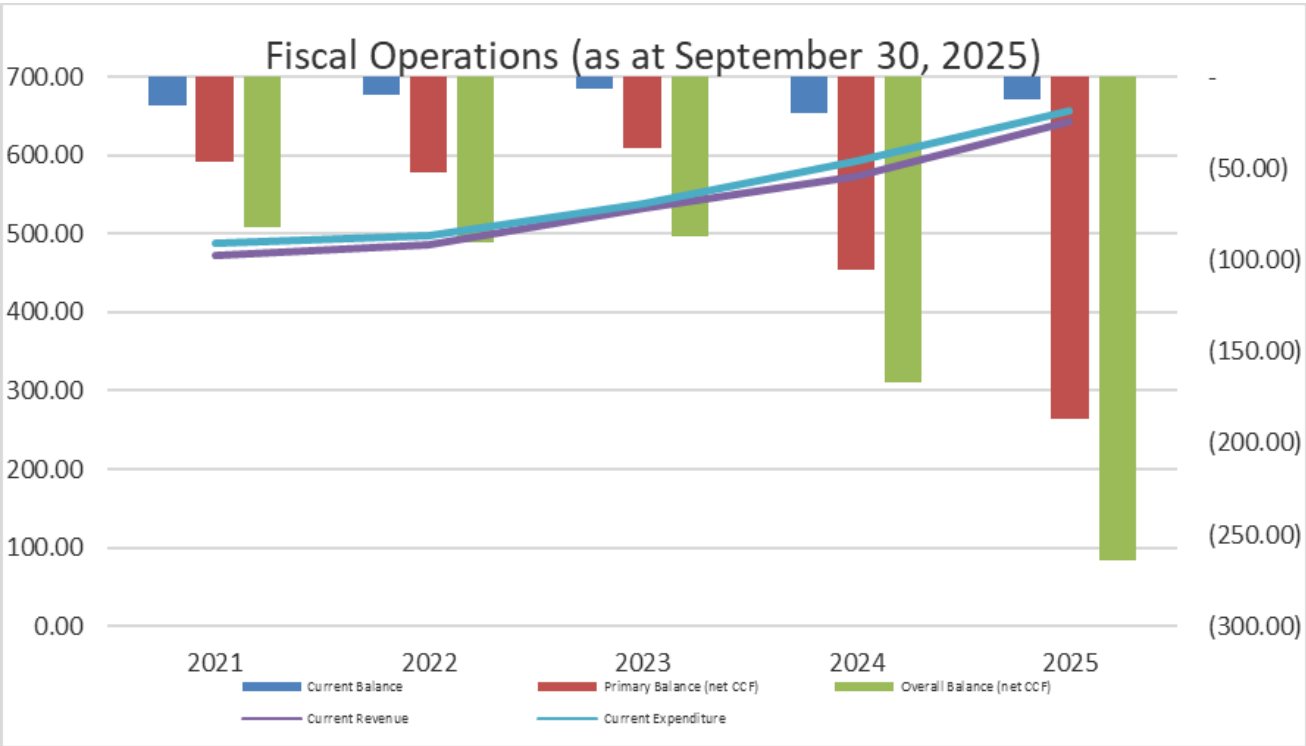
As at September 30, 2025, Current Expenditure amounted to \$655.51 million. This figure represents an increase of 10.6 percent compared to the amount spent during the same period in 2024. Expenditure on Wages and Salaries amounted to \$279.19 million, up 6.0 percent from the \$263.30 million in 2024. This increase was primarily attributed to the 2.5 percent salary enhancement granted to public servants, as well as higher increments and allowances. Additionally, Employer's Social Contribution rose to \$17.65 million, driven by the 1.0 percentage point increase in the National Insurance Services (NIS) contribution rate. All of the above contributed to an overall 7.3 percent increase in payments under Compensation of Employees. Meanwhile, the 27.7 percent growth in expenditure on Goods and Services was partly explained by the significant amount expended under Rental of Assets for Hurricane Beryl relief efforts and increase in the cost for goods and services consumed by government.

Figure 2: Items of recurrent expenditure as at September 30, 2025



Interest Payments increased during the period by 25.7 percent to \$77.18 million as a result of higher payments on the domestic and external components of the debt. The external interest payments moved from \$29.01 million in 2024 to \$37.69 million over the same period in 2025. At the same time the domestic interest payments went up from \$32.41 million in 2024 to \$39.49 million in 2025. Higher disbursements of contracted debt and rising global interest rates contributed to the increase in interest payments. Outlays on Transfers increased by 2.1 percent to \$174.10 million, mainly based on the higher amounts that were expended on Employment Related Social Benefits and Social Assistance Benefits.

Figure 3: Fiscal Recurrent Activity September 2021-2025



Preliminary data indicate that Capital Expenditure for the period amounted to \$305.51 million, up from the \$221.70 million recorded for the same period in 2024. The larger items of Capital Expenditure included the Port Redevelopment Project (\$72.47 million), National Road Rehabilitation Project (\$36.34 million), Housing Development Programme (\$34.19 million), Beryl Emergency Resilient Recovery Project (\$22.42 million), Home Reconstruction Phase III (\$13.63 million), Sandy Bay Sea Defences Resilience (\$13.29 million) and the Strengthening Health System Resilience Project (\$ 10.07 million).

Financing

Table 2 below summarizes the Central Government financing as at September 30, 2025 with comparable numbers for 2024.

Table 2: Summary of Central Government Financing as at September 30, 2025 compared with 2024

	2025 \$ M	2024 \$ M
OVERALL DEFICIT	(263.89)	(167.19)
FINANCED BY:	263.89	167.19
External Loans	273.97	60.57
Disbursements	335.97	111.20
Less: Amortisation	(62.00)	(50.62)
Domestic Financing (net)	(10.07)	106.84

Source: Ministry of Finance and Planning

Table 2 above shows a deficit of \$263.89 million for the period, financed mainly from external sources. The main source of external financing was the disbursement of loans amounting to \$335.97 million. The issuance of domestic bonds of \$102.65 million and domestic loans of \$20.00 million also contributed significantly to financing the deficit.