



Eastern Caribbean  
Central Bank

2025

# ANNUAL ECONOMIC AND FINANCIAL REVIEW

## ANGUILLA



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DECEMBER 2025

**ECONOMIC AND  
FINANCIAL REVIEW**

**ANGUILLA**

**EASTERN CARIBBEAN CENTRAL BANK**





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# Annual Economic and Financial Review 2025

## Anguilla

Eastern Caribbean Central Bank

December 2025

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### Important Note

The forward-looking statements and economic projections for the year 2025 contained in this Annual EFR Report were developed based on an analysis of internal and external data available up to June or September 2025.

These projections are estimates, and reflect the Economists' current expectations, based on the economic and fiscal performance trends observed during the first two to three quarters (January to June/September) of 2025, coupled with prevailing market conditions and assumptions regarding future events.

Actual results may differ from those projected.



## 1 Overview

The overall economic outlook remains positive with a realised growth rate of 3.2 per cent. Tourism and construction have continued to drive Anguilla’s economy, with solid economic progress realised over the 2025 fiscal year.

- Government operations surpassed expectations, with an overall surplus of \$171.0m (12.1 per cent of GDP), driven by increased revenue receipts. The rise was predominantly driven by non-tax revenue, notably the nearly doubled income from .ai domain registrations.
- Given the improved economic conditions, the debt continued on a downward trajectory, estimated at 20.8 per cent of GDP. As a result, Anguilla maintained compliance with the ECCB’s debt-GDP target, and continued to progress towards meeting the final UK-imposed borrowing ratio.
- In contrast, domestic credit contracted by 20.5 per cent to \$250.8m, reflecting a similar trend as observed in 2024. The government’s net deposit position expanded by 22.3 per cent, corresponding to reduced levels of domestic credit. Conversely, credit to the private sector increased marginally, primarily driven by household credit.
- Within the external sector, Anguilla’s net lending position grew significantly, with the current account following this upward trajectory. While the country’s financial reserves continued to accumulate, there was a slight decline in foreign direct investment.

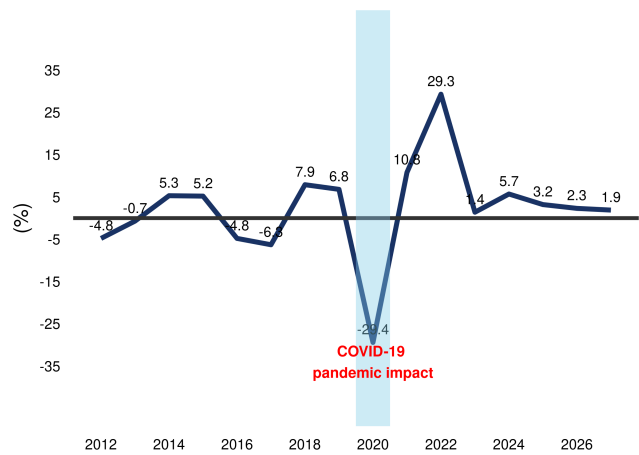
## 2 Recent Economic Developments

### 2.1 Real Sector Developments

Economic activity in Anguilla grew by 3.2 per cent<sup>1</sup> during the fiscal year 2025, representing a notable deceleration in comparison to the 5.7 per cent growth observed in 2024 (see Figure 1). This growth was driven by enhanced performance in the tourism and construction sectors, with subsequent spill-over effects contributing to improved results in the Transport and Wholesale and Retail Trade sectors.

<sup>1</sup>ECCB estimates with actual data up to June 2025.

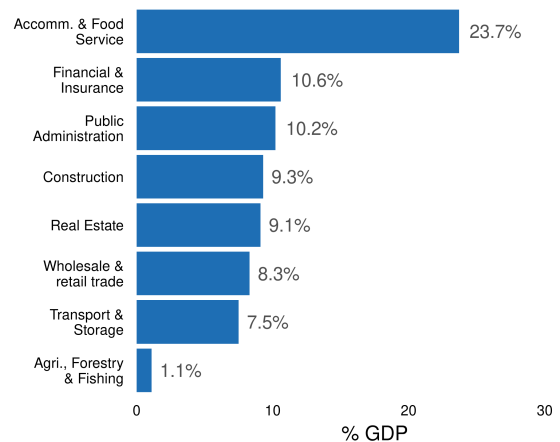
Figure 1: Real GDP Growth (%) from 2012 to 2027



Source: Central Statistics Office and ECCB

As a tourism-based economy, Anguilla recorded its most significant contribution to growth in the Accommodation and Food sector. Overall, tourism and associated sectors contributed approximately 40.0 per cent of GDP in 2025 (see Figure 2). Following accommodation, the construction sector accounted for 9.3 per cent of the GDP, representing a 0.7 percentage point increase from the previous year. Stronger activity within these sectors continues to bolster Anguilla’s economic stability.

Figure 2: Sector Contribution to GDP (2025)



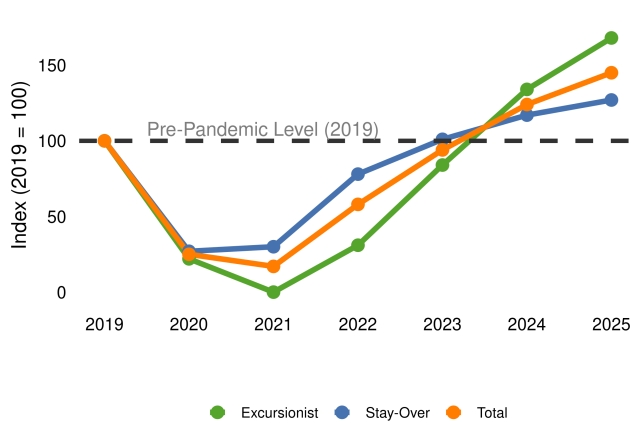
Source: Central Statistics Office and ECCB

Efforts to enhance Anguilla’s tourism product and appeal have materialised through the robust performance of the sector in 2025. Notably, the first quarter performance outpaced that of quarter 1 2024, which was a record-breaking quarter. This trend has

been maintained over the last three years, including in 2025.<sup>2</sup> Building on the momentum of 2024, the key arrivals categories continued to outpace the 2019 pre-pandemic levels (Figure 3).

**Total visitor arrivals to Anguilla are estimated at 240,983 for 2025, marking a robust 16.7 per cent year-on-year expansion from arrivals recorded in 2024 (Figure 4).** Of the total visitors in 2025, an estimated 121,463 were stay-over visitors, while 119,520 were excursionists, reflecting increases of approximately 8.8 per cent and 26.0 per cent respectively compared to 2024 (Figure 4).

**Figure 3: Tourism Sector Index (2019-2025)**

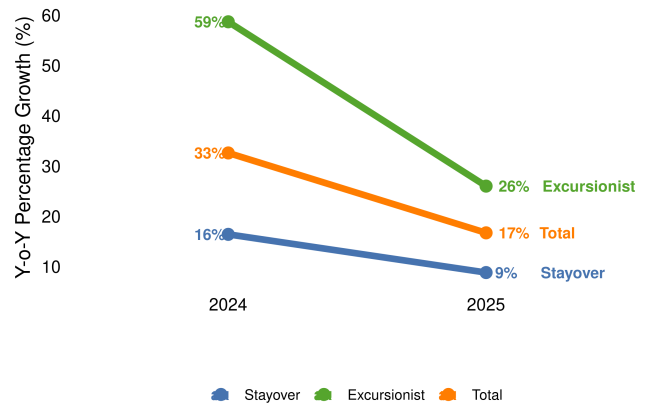


Source: Central Statistics Office and ECCB

**The majority of stayover arrivals to Anguilla continue to be dominated by visitors from the United States of America, which accounted for 69.7 per cent of these visitors.** The growth in this sector has been driven by the introduction of new flights, enhanced marketing efforts, and cross-border collaborations. Additionally, Anguilla hosted the Music Tourism Convention in November 2025, attracting hundreds of international participants.

<sup>2</sup>Anguilla’s tourism product caters specifically to high-end/luxury tourists with a peak in the tourist season realised during Quarter 1 (January to March) and Quarter 3 (October to December). This period coincides with the winter season in its main source market the United States.

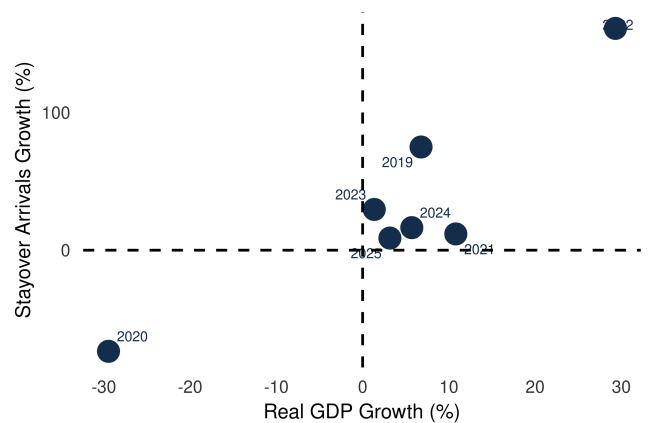
**Figure 4: Percentage Growth in Arrivals by Visitor Category (2024 vs. 2025)**



Source: Central Statistics Office and ECCB

**Stay-over arrivals and real GDP growth remain strongly and positively correlated.** Given that tourism and related sectors constitute nearly half of GDP (Figure 5), developments within the tourism industry have a substantial influence on Anguilla’s overall economic performance.

**Figure 5: Real GDP Growth vs. Tourist Arrivals Growth**



Source: Central Statistics Office and ECCB

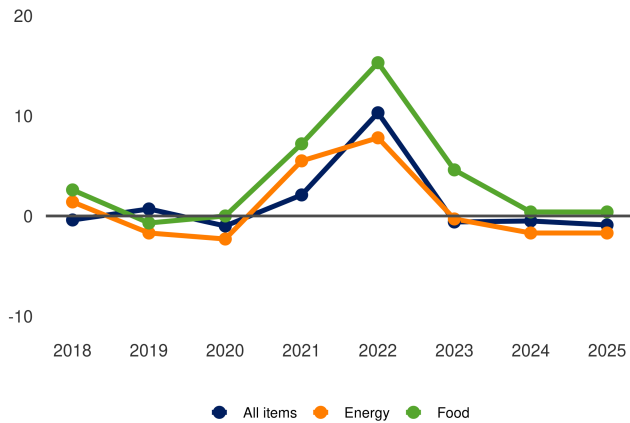
**Inflationary pressures continued to subside in 2025,<sup>3</sup> largely due to targeted efforts to reduce prices and the cost of living.<sup>4</sup>** Although Anguilla is subject to inflation from its trading partners, the

<sup>3</sup>ECCB estimates with actual data up to September 2025.

<sup>4</sup>Implementation of the GST Relief plan removed 13 per cent tax on all goods, which contributed to a decline in prices. Moreover, energy prices globally have declined and as a result have translated to a reduction in domestic prices.

economy has continued to experience deflation over the last two years. Inflation is estimated to stand at  $-0.9$  per cent as at the end of 2025, relative to  $-0.5$  at the end of December 2024 (see figure 6). A decline in energy, food, and transport prices throughout the year has contributed to this outcome.

**Figure 6: Annual Inflation Trends**



Source: Central Statistics Office and ECCB

## 2.2 Fiscal Developments

In line with an expanding economy, the government’s fiscal position strengthened materially in 2025.<sup>5</sup> Consequently, the government realised an overall surplus of \$171.0m (12.1 per cent of GDP). This fiscal position was supported by substantial increases in non-tax revenue, offset by a modest reduction in tax revenue.

Current revenue is estimated to have increased by 24.6 per cent to \$579.1m (41.1 per cent of the GDP). This growth is primarily attributed to non-tax revenue, notably the substantial increase in receipts from .ai domain sales over the fiscal year. Following the transfer of domain management in January 2025, revenue generated from the .ai domain rose, averaging between \$18.0m and \$20.0m monthly. As a result, inflows exceeded the budgeted amount and is estimated at \$232.2m (16.5 per cent of GDP) for the year 2025. This revenue source accounts for more than 30.0 per cent of the overall current revenue in 2025 (Figure 7).

<sup>5</sup>ECCB Estimates with actual data up to September 2025.

**Table 1: Central Government Fiscal Operations**

per cent GDP, unless stated otherwise

Indicator	2019	2020	2021	2022	2023	2024	2025E
Total Revenue	24.6	34.6	32.9	32.3	34.4	33.9	41.4
Current Revenue	22.9	27.3	30.6	32.3	34.2	33.5	41.1
of which AI	1.1	2.0	2.4	1.9	7.5	7.5	16.5
Tax Revenue	19.4	22.3	24.4	27.2	23.9	22.9	20.5
Total Expenditure	21.7	33.2	26.2	21.4	22.4	26.9	29.4
Current Expenditure	20.7	32.0	25.7	21.2	20.6	20.7	22.6
Interest Payments	1.8	2.4	1.7	1.3	1.2	0.9	0.9
Capital Expenditure	1.0	1.2	0.5	0.1	1.8	6.3	6.8
Current Acct Bal.	2.2	1.2	6.8	11.1	13.6	12.8	18.5
Overall Balance	2.9	1.5	6.7	11.0	12.0	7.0	12.1
Primary Balance	4.7	3.9	8.3	12.3	13.2	7.9	12.7
Financing	-2.9	-1.5	-6.7	-11.0	-12.0	-7.0	12.1
of which Domestic	-2.0	0.1	-4.6	-9.3	-10.3	-5.4	-10.6
of which External	-0.9	-1.5	-2.1	-1.7	-1.7	-1.6	-1.5
Total Public Sector Debt (ECSM)	493.2	476.5	448.0	409.9	371.0	332.1	292.8
Debt-GDP Ratio	48.1	67.5	54.4	38.3	32.0	24.0	20.8

Source: Ministry of Finance and ECCB

Note: Fiscal balances are expressed inclusive of grants

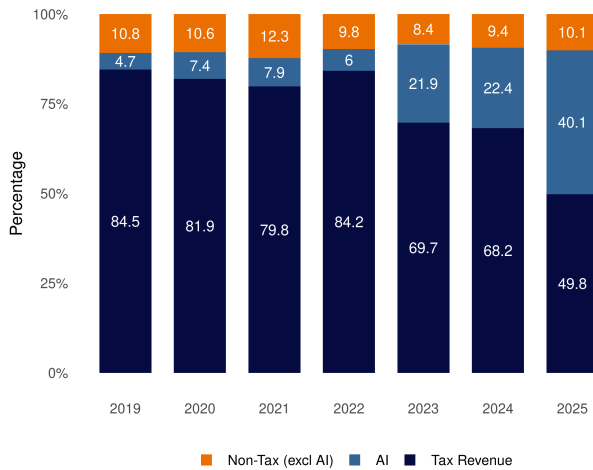
In contrast, tax revenue is estimated to have declined by 9.1 per cent, driven by reduced receipts from taxes on goods and services. Implemented Goods and Services Tax relief policies accounted for this decline (See Box 1 for details). Other tax categories recorded moderate growth over the period but did not significantly offset the decline.

Total expenditure is estimated to have risen by 10.9 per cent to \$414.1m (29.4 per cent of GDP) (see Table 1). Current expenditure reflected this trend, increasing to \$318.6m (22.6 per cent of GDP), compared to \$286.8m (20.7 per cent of GDP) in 2024. The primary factors contributing to this growth are fluctuations in goods and services, transfers, and subsidies.

Capital expenditure is estimated to have increased by 10.2 per cent to \$95.5m (6.8 per cent of GDP). Given the robust economic growth experienced over the past three years, the Government of Anguilla has maintained an expansive Public Sector Investment Programme (PSIP). Significant infrastructure initiatives included the completion of the Clayton J Lloyd Inter-

national Airport Terminal Building, the Vivian Vanterpool Primary School Block, and various road projects. Additionally, construction commenced this year on the Albena Lake Hodge Comprehensive Technical Block, along with other projects.

**Figure 7: Composition of Current Revenue**



Source: Ministry of Finance and ECCB

**In line with the trends observed over the previous two fiscal years, the debt has exhibited a downward trajectory and has successfully met the established debt ratio targets.** The total debt stock is projected to be approximately \$292.8m as of December 2025, following amortisations of an estimated \$39.6m. A reduction in all debt categories, coupled with the absence of new borrowings, has contributed to this decline. Anguilla remains in compliance with the ECCU Monetary Council’s debt-to-GDP target of 60.0 per cent with a debt-to-GDP ratio of 20.8 per cent. This indicates that Anguilla is on a sustainable fiscal trajectory, as debt reduction contributes to increased fiscal space.

**Current projections indicate that Anguilla will achieve full compliance with all three debt ratios by year-end 2025.** Beyond the ECCU debt-ratio target, Anguilla is required to adhere to three debt-borrowing ratios implemented by the UK (refer to Table 2: Framework for Fiscal Sustainability and Development). Driven by consistent debt amortization and robust revenue growth, the Government is expected to achieve full statutory compliance with all fiscal ratios by year-end 2025.

**Table 2: Framework for Fiscal Sustainability and Development**

*Anguilla’s borrowing is constrained by the following ratios in the Framework for Fiscal Sustainability and Development)*

Requirements	2021	2022	2023	2024	2025E	Target
Net debt not to exceed 80.0% of recurrent revenue	165.4	100.3	46.1	14.6	-0.31	2030
Debt service not to exceed 10.0% of recurrent revenue	18.5	14.9	12.6	11.3	9.2	2030
Liquid Assets sufficient to cover at least 25.0% or 90 days of recurrent expenditure.	0.26	26.7	74.5	89.7	87.4	2030

Source: Ministry of Finance and ECCB estimates

### 2.3 External Developments

Anguilla maintained a net lending balance for fiscal year 2025,<sup>6</sup> recording a surplus of \$401.1m (28.5 per cent of GDP). This represented a marginal increase from \$390.4m (28.2 per cent of GDP) in 2024. Consistent with overall economic conditions, the current account surplus improved by an estimated 7.0 per cent to \$401.2m, equivalent to 28.5 per cent of the country’s GDP (see Table 3). Increased inflows from the .ai domain revenue and travel receipts drove this development.

**Table 3: External Accounts - Selected Indicators**

*(per cent GDP, unless otherwise stated)*

Indicator	2019	2020	2021	2022	2023	2024	2025E
Current Account	-43.0	-33.0	-46.8	-3.3	30.4	26.9	28.5
Goods Trade Balance	-61.4	-47.6	-54.9	-49.8	-45.8	-38.3	-41.7
of which Exports	4.7	2.3	4.1	5.7	4.7	4.0	4.1
of which Imports	66.0	49.9	59.0	55.5	50.5	42.2	45.8
Services Trade Balance	27.6	4.0	6.6	47.0	74.9	68.5	70.6
of which Travel	44.2	18.4	19.2	58.9	79.8	71.4	70.0
Primary Inc. Balance	-9.9	5.0	2.6	2.0	3.3	-1.4	1.6
Secondary Inc. Balance	0.6	5.6	-1.1	-2.6	-1.9	-1.9	-2.1
Capital Acct Balance	-0.2	1.4	0.3	0.4	1.8	1.2	0.0
Financial Acct Balance	-32.9	-15.1	-37.2	-5.4	19.9	18.8	26.2
of which: FDI	-37.2	-28.7	-39.1	-8.9	-6.4	-0.8	-0.4
Memo Items							
Current Acct (EC\$M)	-441.1	-233.3	-385.8	-35.8	353.1	373.4	401.2

Source: Central Statistics Office and ECCB

<sup>6</sup>ECCB Estimates with actual data up to September 2025.

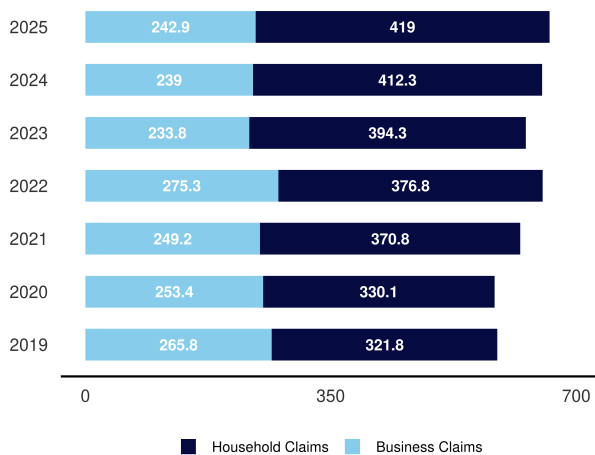
The generated surpluses were directed towards foreign asset accumulation, maintaining the trend observed in 2024. Reserves expanded by an estimated \$32.8m in 2025, partially influenced by higher receipts from .ai domain sales. Concurrently, an increase in commercial banks’ assets was observed.

Net inflows of direct investments declined further by 42.0 per cent to \$6.0m (0.4 per cent of GDP), as government and other local entities assume a more active role in construction-related projects.

### 2.4 Banking and Monetary Developments

Despite overall strong economic performance, domestic credit is estimated<sup>7</sup> to decrease by 20.5 per cent to \$250.8m in 2025, analogous to the trends observed in the fiscal year 2024. General government’s net deposit position expanded by 22.3 per cent to \$413.4m as government reserves increased, following a pause on expenditure during the transition to the new administration. In addition, the expansion in .ai revenue is estimated to contribute to the government’s enhanced reserve position. Consequently, the net domestic assets of commercial banks have contracted markedly, resulting in a negative balance of \$36.2m.

Figure 8: Trends in Private Sector Credit



Source: ECCB

<sup>7</sup>Banking and monetary statistics reflect ECCB estimates, based on available data as of September 2025.

Similarly, claims on other sectors increased modestly by 1.6 percent, driven by stronger growth in private sector credit. Household credit accounted for most of the private sector credit movement (see Figure 8). Policy action is necessary to stimulate business credit in Anguilla as a strategy to enhance productivity and optimize the utilization of available liquidity.

In tandem with enhanced economic activity, the money supply is estimated to have expanded slightly to \$1,435.1m in 2025, up from \$1,412.1m in 2024. This growth was primarily driven by higher receipts from quasi-money, particularly foreign currency deposits, which are projected to have risen from \$1,009.4m to \$1025.8m. Similarly, Net Foreign Assets (NFA) are estimated to have increased by 15.9 per cent, to \$1,471.3m.

Table 4: Financial Stability Indicators - Selected Indicators

Indicator	2019	2020	2021	2022	2023	2024	2025E
Non-Performing Loans	25.8	23.5	20.1	18.4	14.5	12.1	11.8
Liquidity Ratios							
Liquid Assets to Total Assets	48.5	42.2	47.8	42.3	51.2	53.5	49.0
Total Deposits to Total Loans	185.5	183.0	176.7	179.8	209.5	206.4	214.6

Source: ECCB

There was a marginal improvement in asset quality, reflecting persistent efforts to mitigate credit risk. The non-performing loan (NPL) ratio declined moderately, as the banking sector continued in its efforts to address the non-performing loan ratio (Table 4). Despite these incremental gains, Anguilla’s NPL ratio remained at 11.8 per cent, which is 6.8 percentage points above the ECCB’s benchmark of 5.0 per cent.

## 3 Medium-Term Macroeconomic Outlook

### 3.1 Outlook

Global growth, particularly US growth, is projected to decelerate over the medium term. This trend reflects prevailing economic uncertainty, shifts in trade policy and slowing labour force growth. Despite

ongoing global challenges, the economy is expected to maintain positive performance across all sectors over the medium term (2026-2027).

**Table 5: Medium-Term Outlook - Selected Indicators**

per cent GDP, unless otherwise stated

Indicator	2025	2026	2027
<b>Real Sector</b>			
Nominal GDP (EC\$m)	1,408.6	1,454.2	1,501.6
Real GDP (EC\$m)	1,019.4	1,043.3	1,063.6
Real GDP Growth	3.2	2.3	1.9
Inflation (end of period; per cent)	-0.9	-0.5	-0.6
<b>Government Sector</b>			
Current Revenue	41.1	40.2	38.7
Current Expenditure	22.6	25.3	25.4
Capital Expenditure	6.8	7.2	6.7
Primary Balance	12.7	8.5	7.2
Overall Balance	12.1	7.8	6.7
Financing	-12.1	-7.8	-6.7
<b>External Sector</b>			
Goods Trade Balance	-41.7	-43.4	-43.3
Travel receipts	70.0	70.7	67.4
Current account	28.5	28.1	28.7
Foreign Direct Investment	-0.4	-2.6	-2.6
<b>Monetary Sector (EC\$m)</b>			
Money Supply	1,435.1	1,481.6	1,529.8
Net Foreign Assets	1,471.3	1,449.7	1,482.0
Net Domestic Assets	-36.2	31.9	47.8
Domestic Credit	250.8	425.6	331.8
Of which credit to the private sector	661.9	683.3	705.5
Of which credit to businesses	242.9	250.7	258.9
Of which credit to households	419.0	432.6	446.6
<b>Memo Items:</b>			
Total public sector debt (EC\$m)	292.8	253.1	213.4
Total public sector debt to GDP	20.8	17.4	14.2

Source: Central Statistics Office and ECCB

**Growth is anticipated to reach 2.3 per cent in 2026 before moderating to 1.9 per cent in 2027.** This growth trajectory is supported by sustained activity in the construction and tourism sectors. While current

projections anticipate a cooling of price levels in the medium-term, these inflationary forecasts remain subject to significant revision due to heightened global uncertainty.

**Government operations are expected to improve as revenue outpaces expenditure.** Current revenue is forecast to increase, to reach 40.2 per cent of GDP (\$584.9m) in 2026, with a slight decline to 38.7 per cent of GDP (\$581.4m) in 2027. This growth is primarily anticipated to be driven by non-tax revenue. Revenue generated from the .ai domain name is expected to continue rising as the digital market develops. Further, the Government of Anguilla has allocated funds for capacity building initiatives for local individuals involved in .ai management and for investments in opportunities designed to expand this revenue stream.

**Elevated expenditure levels are expected to materialise over the review period.** This increase is projected due to higher allocations towards increasing staffing, and social and development programmes, among several other economic development initiatives. Moreover, capital expenditure is forecasted at 7.2 per cent of GDP and 6.7 per cent of GDP in 2026 and 2027, respectively. These funds will be allocated to several projects, including the construction of a government office complex, the completion of the Clayton J. Lloyd International Airport Development, a road development programme, and the national water distribution network, among others. Debt is expected to continue its downward trajectory, with the debt-to-GDP ratio reaching 17.4 per cent and 14.2 per cent in 2026 and 2027, respectively.

**Based on projected economic conditions, current account is estimated to mirror the performance observed in 2025, maintaining its position as a net lender over the forthcoming two years (2026 and 2027).** The merchandise trade deficit is anticipated to continue expanding, constituting 43.4 per cent of GDP in 2026 and 43.3 per cent of GDP in 2027, driven by rising imports. Enhanced performance in the services sector is expected to persist in moderating this growth. Reserves are projected to decline in 2026 as capital is deployed toward the completion of various infrastructure projects. However, a recovery is anticipated in

2027, with reserves projected to trend upward following this period of intensive investment.

**Table 6: Risk Assessment Matrix**

Risks	Like-lihood	Impact
Intensification of geopolitical conflict. Geopolitical tensions have been driven by elevated regional conflicts in areas like the Middle East and Eastern Europe, which may threaten global energy supplies and create market uncertainty.	Medium	Medium: While the price of crude oil remains below its post-pandemic average, intensified conflict in the Middle East may result in increased oil prices and other energy market disruptions. An uptick in global crude oil prices, may intensify inflationary pressures, possibly leading to an erosion of disposable incomes, which may stifle travel demand from source markets, widen fiscal and trade deficits, and impact food and energy security.
Trade uncertainty. The US introduced significant tariffs in early 2025. While subsequent negotiations lowered effective rates from their peaks, tariffs remain historically high, creating persistent trade policy uncertainty for emerging and advanced economies.	Medium	Medium. Uncertainty surrounding trade policies may deteriorate consumer sentiment and spending power, potentially reducing tourism demand within the ECCU region. Increased tariffs can lead to retaliation, thereby driving inflation in the US higher. Higher levels of inflation, particularly in the US are also likely to be transferred to domestic consumers and worsen consumer well-being by eroding real purchasing power. US arrivals account for a significant share of stayover arrivals in Anguilla.
Escalation of the US-Venezuela Conflict. This conflict has been characterized by increased US naval presence and anti-narcotics strikes in the Caribbean, which may raise the potential for military confrontation.	Medium	Medium: Military confrontation may lead to a humanitarian and migration crisis within the sub-region. If this confrontation materialises, it may lead to a potential influx of refugees which may strain essential public services and increase public expenditure, further deteriorating fiscal balances. This may also be transmitted to the tourism sector through travel restrictions which may ultimately impact economic activity.
Risks from Artificial Intelligence: The rapid adoption of and investment in AI involve the potential for a sharp, dot-com-style market repricing if the profit expectations linked to AI investments fail to materialise.	Medium/High	Medium/High. Disruptions in the artificial intelligence market resulting in a reduction in participation can potentially reduce the revenue inflows and tighten fiscal space from the .ai domain name for Anguilla. Closure of this revenue stream will require a reevaluation of expenditures and other policy decisions as this stream accounts for more than 25.0 per cent of inflows and funds a portion of capital expenditure.
Implementation Capabilities and Labour Supply: Public Investment Plan is outpacing the growth of labour supply on the island.	Medium	Medium. While tourism and construction continue to drive Anguilla's economy, the outlook is subject to the timely execution of public sector projects. Achieving projected growth levels will require addressing current limitations in technical labor supply and streamlining project delivery frameworks

Foreign direct investment is also forecast to rise to 2.6 per cent of GDP during this period (2026 and 2027), supported by the initiation of a new resort projects. Similarly, domestic credit is expected to expand, influenced by a decline in general government liabilities owing to increased expenditure.

### 3.2 Risks

**Medium-term risks are predominantly skewed to the downside.** These are driven by intensifying geopolitical conflicts, uncertainties in global trade policy, and potential escalations in the US-Venezuela relationship. Further, the sustainability of revenue from .ai domain sales may face risks from a potential market correction or the bursting of the artificial intelligence investment bubble. Such a downturn would significantly reduce this specialized revenue stream, which may necessitate a recalibration of fiscal projections given the dependence on this revenue source (Table 6).

**On the upside, tourist arrivals is anticipated to rise in light of an expansion of airlift.** This will be supported by the entry of Anguilla Air under Bermuda Airlines. Such strategic partnerships are expected to continue, underpinned by the operationalisation of the new Clayton J Lloyd International Airport terminal and ongoing runway expansion project. Fiscal flexibility is anticipated to improve, provided that .ai domain receipts sustain their strong performance, which in turn, would facilitate a continued reduction in public debt. Further, the ongoing labour survey will provide updated data, enabling data-driven policy decisions on the labour market and Anguilla's positioning.

### 4 Policy Recommendations

The ECCB's recommendations from the 2024 Annual Economic Report remain relevant to the country; however, the following three policies are being reiterated in light of economic developments.<sup>8</sup>

- 1. Policies to manage improved fiscal space.** Given Anguilla's economic position, specifically its expanded fiscal space, the need for prudence and sound economic decisions has been recognised. In this regard, policies and guidelines should be developed to ensure that public investment management and tax policy decisions are evidence-based and sustain-

<sup>8</sup>Discussions regarding the formation of a National Wealth Fund for Anguilla are currently ongoing. This has been a recommendation emanating from the 2024 Annual and Economic Financial Review and .ai Policy Response Brief.

- able. These policies must be supported by legislation and procedures that strengthen capacity and ensure long-term growth and development.
2. **Implementation of contingency plans to respond to shocks.** Anguilla is a small open economy subject to external shocks. It would be prudent for the Government of Anguilla to implement policies that help build buffers and contingency plans in preparation for potential shocks, given its improved economic standing.
  3. **Development of a National Policy for Climate Change Transition.** To capitalize on the renewable energy initiatives currently in development, it is important that government formalizes a national policy framework to govern the energy transition. This policy would delineate Anguilla's Nationally-Determined Contributions (NDCs), ensuring that energy projects are aligned with these commitments.
  4. **Implementation of policies and incentives that improve the business environment.** Enhancing the business environment for Micro, Small, and Medium-Sized Enterprises (MSMEs) requires legislative reform and strategic external partnerships to unlock new commercial opportunities. Formalizing this support structure is essential for a thriving MSME sector.

## 5 Appendices

### Box 1: Major Tax Policy Changes

The Goods and Services Tax (GST) was introduced on 1 July 2022 at a rate of 13.0 per cent as a broad-based tax. GST was implemented as a new source of revenue to address fiscal challenges and to help Anguilla move towards fiscal sustainability.

In preparation for GST, five existing taxes: Accommodation Tax, Communication Levy, Environmental Levy, Public Entertainment Tax, and the Interim Goods Tax were repealed. Both businesses and the government were required to adopt new accounting systems compatible with large-scale filing and processing requirements. Following implementation, revenues outperformed budgeted estimates year on year.

In 2025, the new administration prioritised the implementation of a GST Relief Plan aims to address public feedback and mitigate social pressures. This policy adjustment focused on balancing administrative objectives with the economic welfare of the citizenry. This plan to reduce the cost of living, ease inflation and stimulate the economy. On 1 August 2025, the Goods and Services Tax (GST) Relief Plan took effect repealing GST on goods in five (5) sectors, namely Restaurants, Entertainment, Manufacturing, Wholesale and Retail. The repealed tax was renamed the General Services Tax as it should only be applied to services rendered. Moreover, at the port, an Imported Goods tax (non-compounded) was implemented at 9.0 per cent, replacing the 13.0 per cent. This tax will be applied to all imported goods, with no claim-back provisions.

The relief plan is estimated to result in a 21.0 per cent decline in revenue. However, the decline is not expected to significantly impact overall revenue outturn, particularly given the improved performance of the .ai domain revenue. The recent adjustments to tax policy and the simultaneous expansion of fiscal outlays with estimated reductions in revenue present important considerations for long-term public sector management. Utilising .ai domain receipts highlights the evolving role of non-traditional revenue streams in public financial management and their influence on fiscal sustainability. Maintaining an equilibrium between economically-sound governance and social welfare enhancements remains a central objective for Anguilla's strategic planning.



## Selected Economic Indicators

Indicator	2022	2023	2024	2025	2026	2027
<b>Real Sector</b>						
Nominal GDP (EC\$M)	1,070.6	1,159.5	1,386.1	1,408.6	1,454.2	1,501.6
Real GDP (EC\$M)	922.4	934.9	988.2	1,019.4	1,043.3	1,063.6
Real GDP Growth (%)	29.3	1.4	5.7	3.2	2.3	1.9
Inflation (eop; %)	10.3	-0.6	-0.5	-0.9	-0.5	-0.6
<b>Government Sector</b>						
Current Revenue	346.3	396.8	464.8	579.1	584.9	581.4
Current Expenditure	227.3	239.1	286.8	318.6	368.5	381.2
Capital Expenditure	1.5	20.6	86.6	95.5	105.0	100.0
Primary Balance	131.3	153.6	109.7	179.3	123.2	107.4
Overall Balance	117.5	139.1	96.6	171.0	113.2	100.2
Debt Servicing to Current Revenue	0.1	0.1	0.1	0.1	0.1	0.1
Financing	-117.5	-139.1	-96.6	-171.0	-113.2	-100.2
<b>External Sector</b>						
Balance of trade	-532.9	-531.3	-530.8	-587.3	-630.7	-650.9
Travel receipts	631.0	925.4	990.2	938.1	971.7	1,013.1
Current account	-35.8	353.1	373.4	401.2	407.8	431.8
Foreign Direct Investment	-95.3	-74.0	-10.3	-6.0	-37.5	-38.9
<b>Monetary Sector</b>						
Money Supply	1,129.9	1,264.1	1,412.1	1,435.1	1,481.6	1,529.8
Net Foreign Assets	727.0	965.8	1,269.6	1,471.3	1,449.7	1,482.0
Net Domestic Assets	403.0	298.3	142.6	-36.2	31.9	47.8
Domestic Credit	505.3	371.4	315.5	250.8	425.6	331.8
of which credit to the private sector	652.1	628.1	651.3	661.9	683.3	705.6
of which credit to businesses	275.3	233.8	239.0	242.9	250.7	258.9
of which credit to households	376.8	394.3	412.3	419.0	432.6	446.6
<b>Memo Items:</b>						
Total public sector debt (EC\$M)	409.9	371.0	332.1	292.8	253.1	213.4
Total public sector debt to GDP (%)	38.3	32.0	24.0	20.8	17.4	14.2

Source: Central Statistics Office and ECCB

Figures in EC\$M, unless otherwise stated