EASTERN CARIBBEAN CENTRAL BANK

ECONOMIC AND FINANCIAL REVIEW

2025 UPDATE

Antigua and Barbuda

Finalised 2025 actuals and revised medium-term projections

Research, Statistics and Data Analytics Department
www.eccb-centralbank.org

EASTERN CARIBBEAN
CENTRAL BANK

Economic and Financial Review

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Antigua and Barbuda

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ABOUT THIS REVIEW

Important Note

This publication updates the **December 2025 Annual Economic and Financial Review (AEFR)** by reflecting finalised 2025 actual data and revised short- and medium-term macroeconomic projections. By substituting preliminary estimates with actual data, the report outlines the final outturn of core economic indicators for 2025, establishing an updated baseline for comparative analysis against the previous estimates.

Based on newly available Q1-2026 data and changing economic conditions, our growth outlook for 2026 and 2027 has been revised. These short- and medium-term projections also integrate recent surveillance conducted by our technical staff. By accounting for these factors, this review ensures that our policy recommendations remain closely aligned with domestic economic developments and broader international trends.

While these updated projections outline the most likely path forward, actual economic results may diverge from current estimates. Significant variables, including shifting geopolitical dynamics and the execution timelines of national infrastructure projects, introduce baseline uncertainties that could result in either upward or downward deviations from these forecasts. These forecasts should therefore be viewed as flexible guidelines that will be updated as new monthly data and official statistics become available.

Attribution Credit: Kevin Woods

2025 AT A GLANCE

Economic Snapshot

Slower than anticipated growth in 2025 reflected weaknesses in key services sectors from global economic headwinds. Prolonged geopolitical tensions could potentially weigh on international travel demand and inflation.

Real GDP growth

2.1%

2025, year on year

Economic expansion continued amid weak tourism and construction activity.

Inflation

3.1%

end of period (EOP)

The CPI continued its disinflationary path.

Debt-to-GDP

59.8%

public sector debt

Public debt declined, falling just below the 60.0 per cent regional anchor.

Total stayover arrivals

325,473

2025

A marginal decline in stayover arrivals reflected softness in key markets.

Top 4 GDP Contributors

Wholesale and Retail Trade	15.8%
Construction	14.4%
Accommodation and Food	13.1%
Transport and Storage	10.6%

Services remained the drivers of value-added GDP.

Trade balance

– 31.0%

goods, % of GDP

Food and construction imports widened the trade deficit.

NPL ratio

3.4% Fell in 2025

5.0% prudential benchmark

Asset quality strengthened and the NPL ratio remained within regulatory limits.

Tax revenue

18.4%

% of GDP

Tax revenue expanded in tandem with economic activity.

Overall fiscal balance

4.2%

% of GDP

Higher revenues and spending control boosted the 2025 fiscal surplus.

1 Overview

Headline assessment of Grenada in 2025

01 **The economy of Antigua and Barbuda expanded by 2.1 per cent in real terms, driven by broad based expansion in most of the major economic sectors.** The performance was constrained, however, by a contraction in the accommodation and services and wholesale and retail trade sectors and slower than estimated growth in construction.

02 **Recent fiscal policy initiatives and sustained economic growth have strengthened the overall fiscal position.** However, further traction in addressing outstanding arrears through the activities of the Liabilities Management Operation (LMO) will be critical in further strengthening fiscal and debt sustainability.

03 **The economic outlook for Antigua and Barbuda remains positive, though tilted to the downside amid intensifying global headwinds.** If global risks materialize economic activity will be severe impacted with negative macroeconomic and fiscal consequences. However, near-term risks could be mitigated through prudent fiscal management, a determination to address legacy arrears and a pivot to resilience based economic management.

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2 Recent Economic Developments

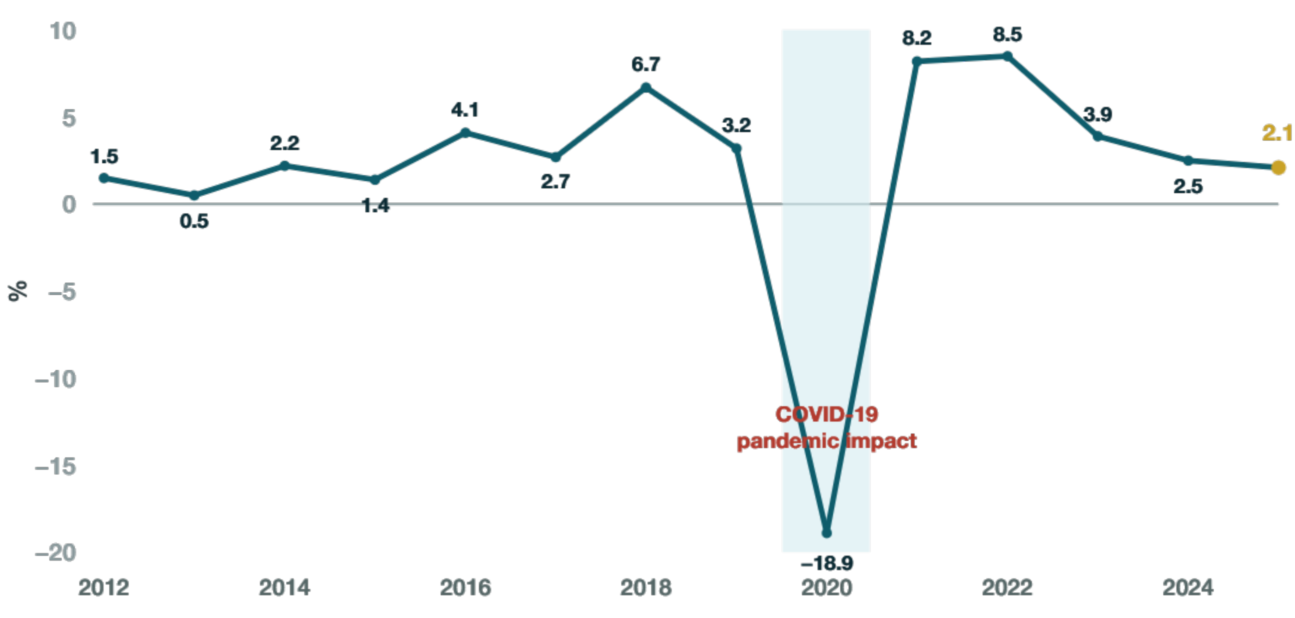
Real sector, prices, fiscal, external and monetary outturns

2.1 Real Sector Developments

Antigua and Barbuda registered economic growth of modest improvement is an inaccurate way to describe the growth movement from 2.5 per cent in 2024 to 2.1 per cent in 2025 (Figure 1). The performance fell short of initial estimates of a 5.0 per cent expansion, as major economic contributors; accommodation and services, and the wholesale and retail trade sectors underperformed relative to initial expectations. Notwithstanding the more modest expansion, increases were recorded for most of the economic sectors as the economy continued its post-pandemic expansion, and as it gradually converges to its long-term growth rate of about 2.5 per cent in real terms. A contraction in total visitor arrivals associated with marginal decreases in stayovers and cruise passengers contributed to the slower pace of GDP growth. In addition, logistical issues related to the supply of inputs (cement) into construction, delayed some projects, slowing expansion in the broader sector with adverse knock-on effects on wholesale and retail trade.

Figure 1. Real GDP Growth from 2010 to 2025 (%)

Following successive shocks, Grenada's economy sustained a robust expansion in 2025.

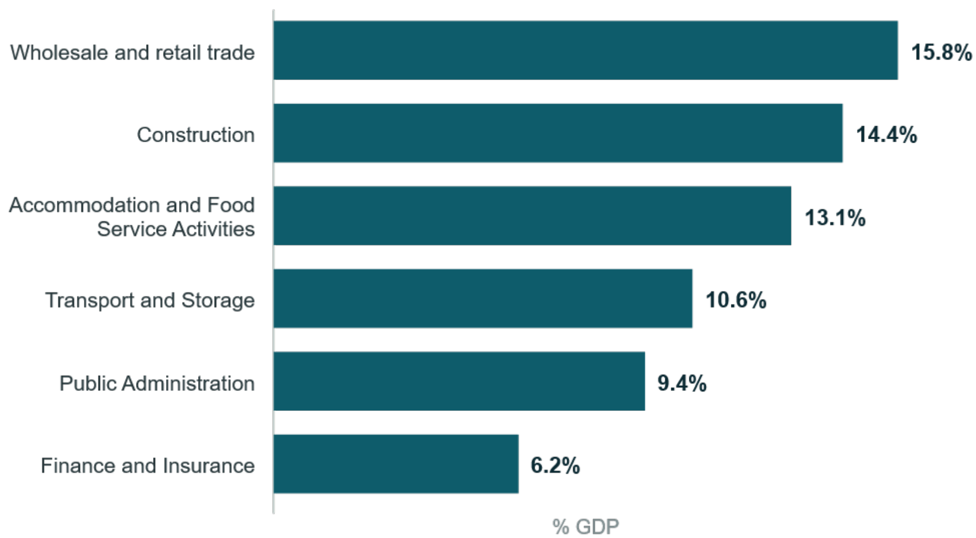


Source: ECCB.

Economic output is dominated by six sectors which account for approximately 70.0 per cent of total output at the end of 2025 (Figure 2). Of the six contributing sectors, increases were recorded for three as follows; transport and storage (8.8 per cent), construction (2.2 per cent), and public administration (1.4 per cent). Developments in these sectors also generated positive spillover effects on mining and quarrying and real estate activities contributing to expansions of 5.7 per cent and 0.7 per cent respectively. Conversely, growth was constrained by contractions in the performance of Accommodation and food service activities (5.1 per cent), Wholesale and retail trade (4.2 per cent), and Finance and insurance activities (1.6 per cent).

Figure 2. Sector Contribution to GDP (2025)

Six sectors contributed approximately 70.0 per cent of GDP.



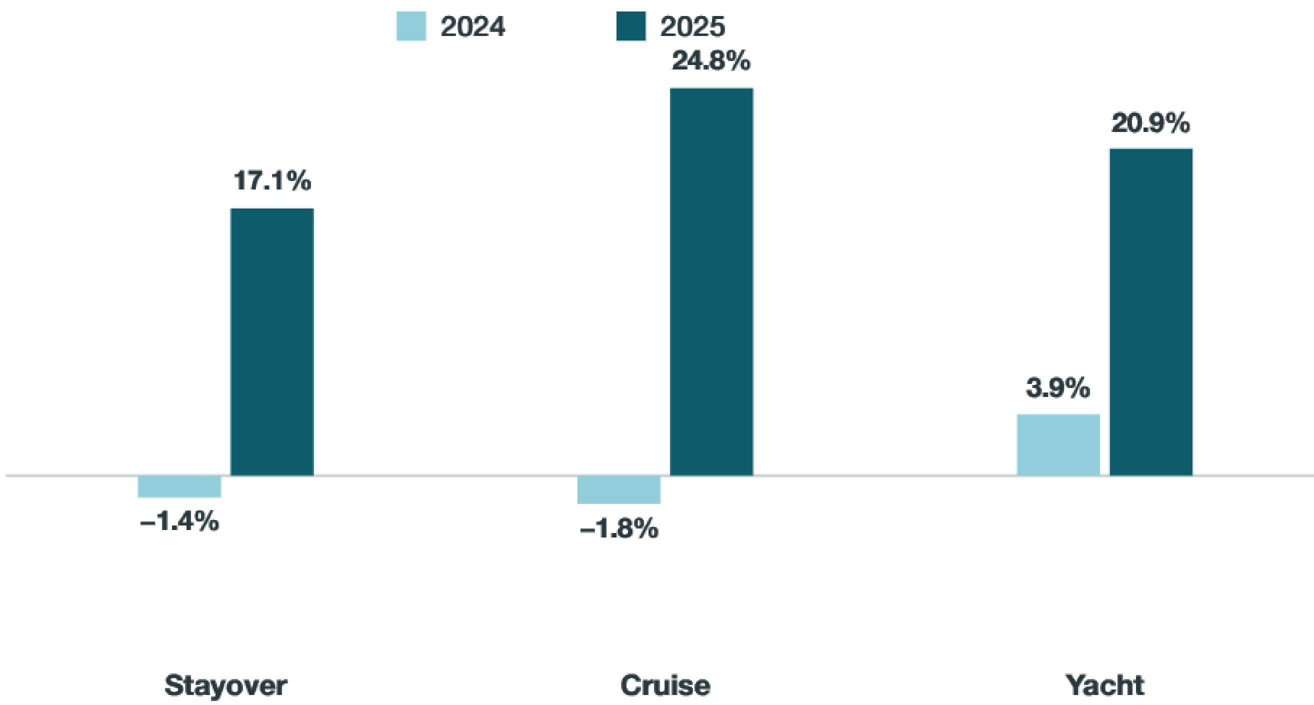
Source: ECCB.

A sustained increase in private sector investment coupled with a surge in fixed capital investment by the public sector anchored the rise in construction sector activity. Legacy tourism developments in the private sector; the Peace, Love and Happiness (PLH) and Nobu resorts on Barbuda as well as accelerated work on the Moon Gate Hotel and Spa on Antigua, represented some of the major tourism developments. Public sector developments include an ongoing infrastructural enhancement programme which includes rehabilitation work on the major roads and highways ($100.m), continuing work on the $148.0m airport runway rehabilitation project and completion work on the Booby Alley condominium housing project.

Output in the accommodations and food services activities sector fell short of initial estimates, registering a small decline due to a decrease in tourist arrivals. Stayover arrivals fell by 1.4 per cent to 325,473 and cruise ship passengers by 1.8 per cent to 768,469. Lower stayover visitors was mainly attributable to the Canadian and Caribbean markets. Lower arrivals from Canada were due to decreased airlift capacity from WestJet and Air Canada relative to 2024. This was mitigated by the improved performances of the major source markets, which recorded increases. Visitors from the USA and the UK rose by 1.3 per cent and 0.7 per cent respectively. Another major visitor category yachts expanded by 3.9 per cent in 2025 (Figure 3).

Figure 3. Percentage Growth in Arrivals by Visitor Category

Total visitor arrivals fell in 2025 on account of declines in stayovers and cruise passengers.



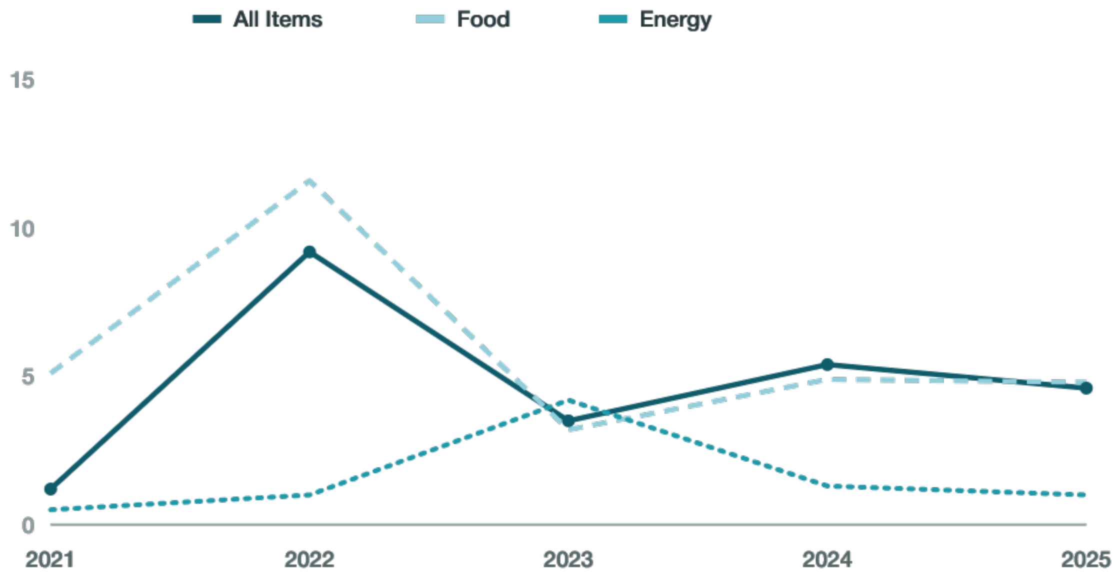
Source: ECCB.

The accommodation and services sector post pandemic has fully recovered with all visitor categories converging to pre-pandamic 2019 totals. Notwithstanding the broad-based recovery, the modest decline in the contribution of the sector centred on the Canadian and Caribbean markets. Canadian travel to the region was adversely impacted by the uncertainty initiated by the reset of trade relations with and the subsequent imposition of tariffs by the USA on that country. Meanwhile, visitors from the Caribbean market continue to be stymied by the high cost of regional travel.

Disinflationary pressures resumed following an uptick in inflation in the previous year. The rate of inflation on an end-of-period basis moderated as the consumer price index is estimated to have risen by 3.1 per cent, a deceleration from the 5.4 per cent rise in 2024, and slightly above initial forecasts of a 2.1 per cent rate in the previous report. The average rate of increase in prices faced by consumers has continued to moderate relative to the high (9.2 per cent) in 2023. The gradual slowing in the upward movement of the CPI could be traced to more moderate increases in the energy sub-index which constrained gradual increases in prices for food during the period (See Figure 4).

Figure 4. Annual Inflation Trends

Inflationary pressures, though somewhat elevated remain relatively contained.



Source: ECCB.

2.2 Government Sector

The protracted effects of a policy decision to increase the rate of the Antigua and Barbuda Sales Tax (ABST), combined with sustained economic growth continued to place central government finances on a firmer fiscal footing at the end of 2025[1]. For two consecutive years central government operations have generated on average an overall surplus of 5.3 per cent of GDP and a primary surpluse of 3.2 per cent of GDP. Overall and primary fiscal balances strengthened in 2025, to surpluses of 4.2 per cent and 6.1 per cent of GDP respectively exceeding initial estimates of 3.1 per cent and 4.6 of GDP respectively. Total revenue rose, reflecting gains in current revenue collections through higher tax receipts (18.4 per cent of GDP) consistent with bouyancy in economic activity (Table 1).

Attribution Credit: Mirjam Bleeker, www.cntraveller.com

[1] The data presented in this report reflect estimates based on data available through March 2026. Readers should note that these figures are subject to change as more complete data becomes available. Updated data for 2025 may be accessed via the statistics page on our website, and readers are encouraged to refer to this resource for the latest information (this should be placed at the start of the report, not as a footnote. See previous template which was shared).

Table 1. Fiscal Summary and Debt Indicators

Per cent of GDP, unless otherwise stated

METRIC	2019	2020	2021	2022	2023	2024	2025R
Total Revenue	**18.2**	**20.6**	**18.9**	**18.2**	**16.7**	**22.5**	**22.6**
Current Revenue	**18.1**	**19.7**	**18.2**	**18.1**	**16.7**	**22.3**	**22.5**
of which CBI	2.4	2.0	1.7	1.4	1.2	1.3	2.6
Tax Revenue	14.4	16.0	15.4	15.0	14.6	16.8	18.4
Total Grants	**–**	**0.8**	**0.7**	**–**	**–**	**–**	**–**
Total Expenditure	**21.9**	**26.0**	**23.1**	**21.6**	**18.4**	**21.0**	**19.6**
Current Expenditure	**20.0**	**23.2**	**20.8**	**19.0**	**16.7**	**19.7**	**17.9**
Interest Payments	2.5	2.5	2.3	2.4	2.4	2.4	1.9
Capital Expenditure	**1.9**	**2.8**	**2.3**	**2.6**	**1.7**	**0.6**	**0.6**
Current Account (after Grants)	**–1.9**	**–3.5**	**–2.7**	**–0.9**	**–0.1**	**2.6**	**4.6**
Overall Balance (after Grants)	**–3.7**	**–5.4**	**–4.2**	**–3.4**	**–1.7**	**2.2**	**4.2**
Primary Balance (after Grants)	**–1.2**	**–2.9**	**–2.0**	**–1.0**	**0.7**	**4.5**	**6.1**
Financing	**3.7**	**5.4**	**4.2**	**3.4**	**1.7**	**–2.2**	**–4.2**
Domestic	2.7	4.7	–8.8	–2.7	0.0	–3.1	–4.2
External	0.2	–1.5	12.3	4.6	–1.2	–0.9	0.9
MEMO ITEMS							
Total Public Sector Debt ($M)	**3,474.0**	**3,690.5**	**3,901.4**	**4,005.2**	**3,980.3**	**3,941.0**	**4,116.5**
Debt-to-GDP Ratio	**74.5**	**96.8**	**90.2**	**79.9**	**71.8**	**67.5**	**59.7**

Note: Data for 2025 are revised.

Source: Ministry of Finance and ECCB.

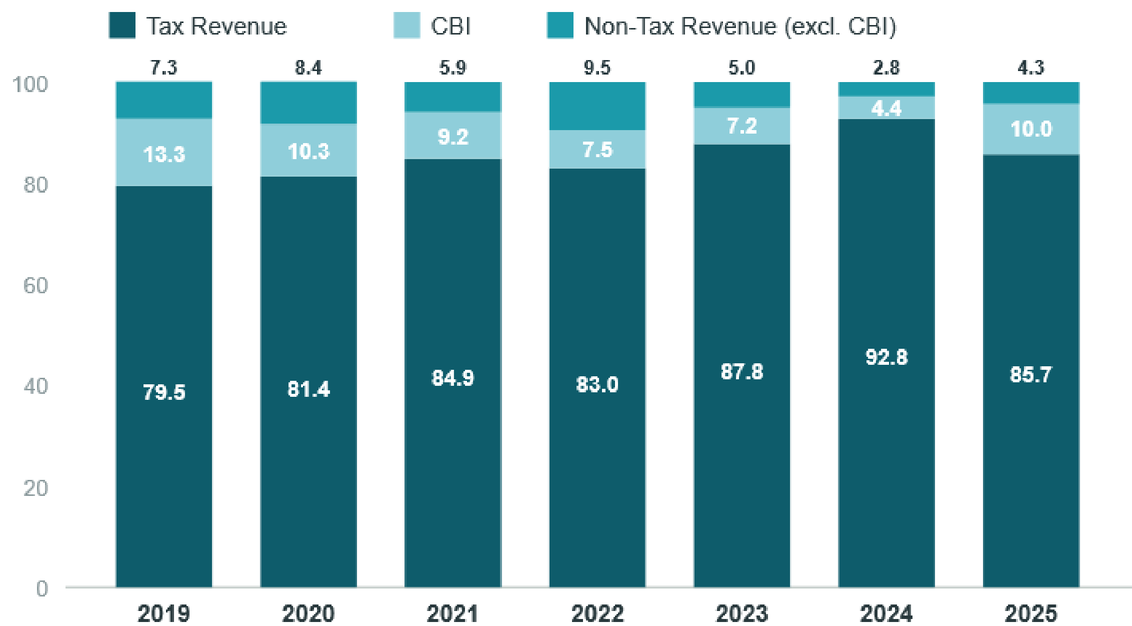
All major categories contributed to higher tax revenue receipts. Higher inflows from taxes on income and profits and capital gains (59.0 per cent); taxes on goods and services (7.0 per cent) and taxes on international trade and transactions (7.0 per cent) drove the expansion. A boom in corporate tax collections (including the collection of outstanding arrears) and higher ABST receipts accounted for a significant proportion of the increase in tax revenue across categories. The policy decision in 2024 to increase the ABST to 17.0 per cent from 15.0 per cent continued to positively underpin revenue collection.

The improved fiscal outturn was also due to a 3.0 per cent contraction in total expenditure to 19.6 per cent of GDP. This decline was due to lower current expenditure outlays to 17.9 per cent of GDP compared with 19.7 per cent of GDP last year. The decrease in current expenditure reflected reduced outlays on transfers and subsidies, goods and services and interest payments. Outlays of transfers and subsidies fell on account of measures to contain costs, meanwhile, interest payments are estimated to have declined to 1.9 per cent of GDP compared with 2.4 per cent of GDP in 2024. Sustained efforts on the part of the authorities through the Liabilities Management Operation to consolidate and reduce government liabilities through swaps of more expensive debt for cheaper debt are gradually lowering debt servicing costs.

Revenue inflows from the Citizenship by Investment programme continued to butress non-tax revenue. A major contributor to fiscal stability is the revenue inflows generated by the Citizenship by Investment programme (CIP). Antigua and Barbuda is less dependent on the programme than some of its regional counterparts, however in 2025, CIP revenues represented 10.0 per cent of current revenue. Over the period 2019 to 2025, the CIP's contribution to current revenue has averaged 8.8 per cent of GDP (Figure 5)

Figure 5. Composition of Current Revenue

The contribution of CIP inflows to current revenue is significant.



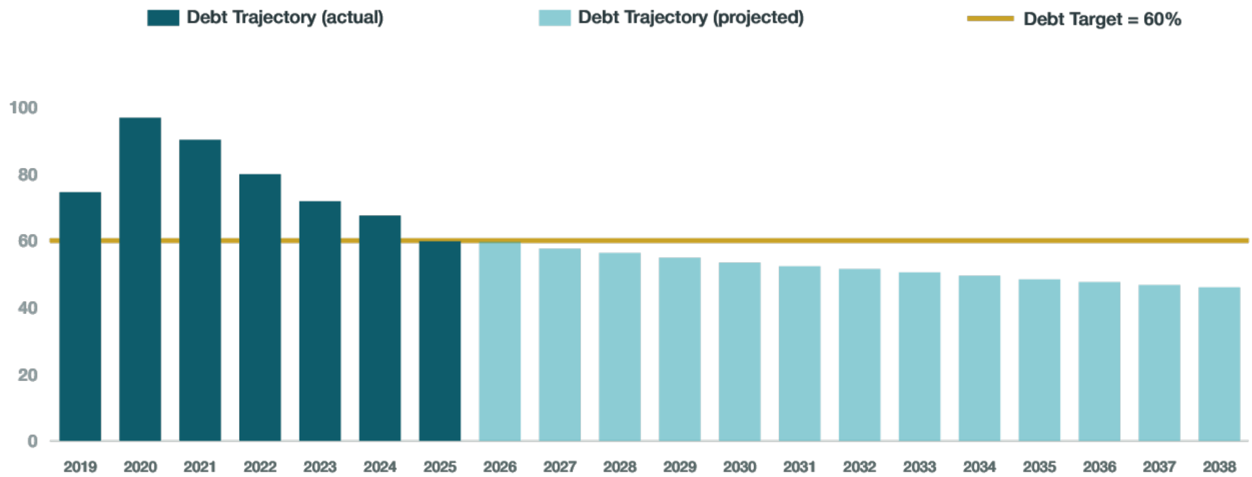
Source: MoF and ECCB.

Capital expenditure outlays trended higher to $103.5m from $77.7m, however, in proportion to GDP, outlays remained relatively unchanged at 0.6 per cent. Public investments in infrastructure; rehabilitation of the road network, upgrades to the water systems as well as public housing solutions, contributed to the increase in outlays. Over the last five years capital outlays have averaged 1.6 per cent of GDP.

At the end of 2025, the stock of disbursed outstanding public sector debt rose by 4.4 per cent to $4,116.5m (59.7 per cent of GDP), attributable to an increase in external disbursements. The policy decision to address public sector liabilities through the Liabilities Management Operation (LMO), combined with the expansion in economic activity, moderated the increase in disbursements and contributed to a reduction in the debt to GDP ratio to 59.8 per cent in 2025 from 67.5 per cent at the end of 2024 (Figure 6).

Figure 6. Public Sector Debt to GDP, with 2035 regional target

Antigua and Barbuda met the 60.0 per cent regional debt target in 2025.



Solid bars denote actuals (2019–2025); lighter bars denote projections. Source: Ministry of Finance, ECCB.

59.8%
Debt-to-GDP at end-2025, below the 60.0 per cent regional anchor

$4,116.5m
Disbursed outstanding public sector debt, up 4.4 per cent

48.8%
Projected debt-to-GDP by the end of 2035

2.3 External Developments

A widening imbalance in the external current account reflected an increase in the deficit in the merchandise trade account fueled by the demand for imports. Higher imports were related to the burgeoning tourism industry and inputs related to ongoing FDI projects. Consequently, the deficit on the current account expanded to 12.5 per cent of GDP compared with 7.5 per cent of GDP in 2024. (Table 2)

Table 2. External Accounts – Selected Indicators

In per cent of GDP, unless otherwise stated

INDICATOR	2018	2019	2020	2021	2022	2023	2024	2025R
Current Account	**(14.0)**	**(6.5)**	**(15.6)**	**(17.6)**	**(15.1)**	**(12.9)**	**(7.5)**	**(12.5)**
Trade Balance	**(34.9)**	**(33.4)**	**(28.6)**	**(29.6)**	**(34.6)**	**(32.4)**	**(29.7)**	**(31.0)**
Exports	**2.6**	**2.9**	**2.6**	**3.2**	**4.5**	**4.1**	**4.3**	**4.3**
Imports	**37.5**	**36.3**	**31.2**	**32.8**	**39.0**	**36.5**	**34.1**	**35.3**
Services	**29.1**	**34.1**	**17.3**	**19.5**	**29.0**	**28.7**	**31.3**	**28.5**
Transportation	1.0	1.6	(1.8)	(1.8)	(1.3)	(3.0)	(3.6)	(3.6)
Travel receipts	46.6	52.3	29.3	30.5	44.6	44.3	47.9	45.4
Other services	(18.6)	(19.8)	(10.2)	(9.2)	(14.3)	(12.7)	(13.0)	(15.2)
Primary Income	**(4.6)**	**(4.2)**	**0.1**	**(3.4)**	**(4.9)**	**(4.2)**	**(4.4)**	**(3.4)**
Secondary Income	**(3.5)**	**(3.1)**	**(4.4)**	**(4.1)**	**(4.6)**	**(5.0)**	**(4.6)**	**(4.7)**
Capital Account	**1.4**	**1.8**	**2.9**	**2.4**	**1.4**	**1.3**	**1.4**	**2.6**
Financial Account	**(10.7)**	**(7.9)**	**(14.1)**	**(11.7)**	**(13.4)**	**(13.9)**	**(6.0)**	**(10.8)**
of which direct Investment	(12.2)	(8.2)	(8.1)	(18.5)	(15.5)	(13.4)	(11.4)	(12.9)
of which other Investments	(3.4)	1.7	0.9	0.6	(1.4)	(1.0)	2.3	(1.9)
MEMO ITEMS								
Current Account (EC$M)	**(627.8)**	**(303.2)**	**(593.3)**	**(760.4)**	**(756.3)**	**(715.7)**	**(435.4)**	**(759.6)**
Trade Balance (EC$M)	**(1,568.4)**	**(1,557.1)**	**(1,088.6)**	**(1,281.6)**	**(1,734.2)**	**(1,798.3)**	**(1,736.6)**	**(1,881.7)**

Note: Data for 2025 are revised.

Source: National Bureau of Statistics and ECCB.

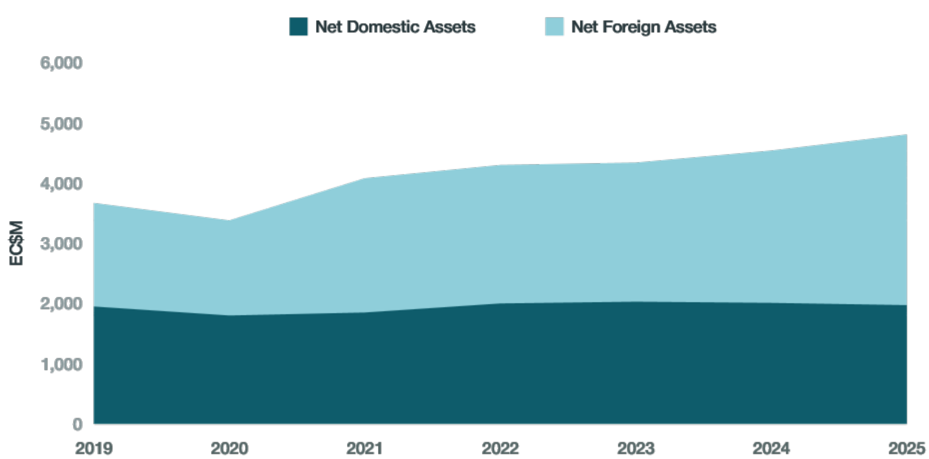
Strong import demand drove wider imbalances on the merchandise trade and current accounts. Outflows on the current account were tempered by inflows on the services account, through travel receipts, which fell relative to the previous year to 45.4 per cent of GDP from 47.9 per cent of GDP in 2024. Outflows on the current account were partly financed by inflows on the capital account which recorded an expanded surplus, 2.6 per cent of GDP, marginally higher as a per cent of GDP than the 1.4 per cent of GDP in 2024 . Meanwhile, the deficit on the financial account increased to 10.8 per cent of GDP from 6.0 per cent of GDP in the prior year of which, foreign direct investment inflows were higher (12.9 per cent of GDP) compared with 11.4 per cent in 2024. The financing of large tourism related projects dominated the main uses of foreign direct investment inflows in 2025, and have averaged 14.3 per cent of GDP over the last five years.

2.4 Monetary Sector

Monetary liabilities remained on an upward trajectory consistent with the economic expansion[2]. Broad money (M2) is estimated to have risen by 5.9 per cent to $4,808.0m, influenced primarily by the accumulation of net foreign assets, by commercial banks. (Figure 7)

Figure 7. Trends in Monetary Aggregates

The accumulation of net foreign assets continues to outpace net domestic assets.



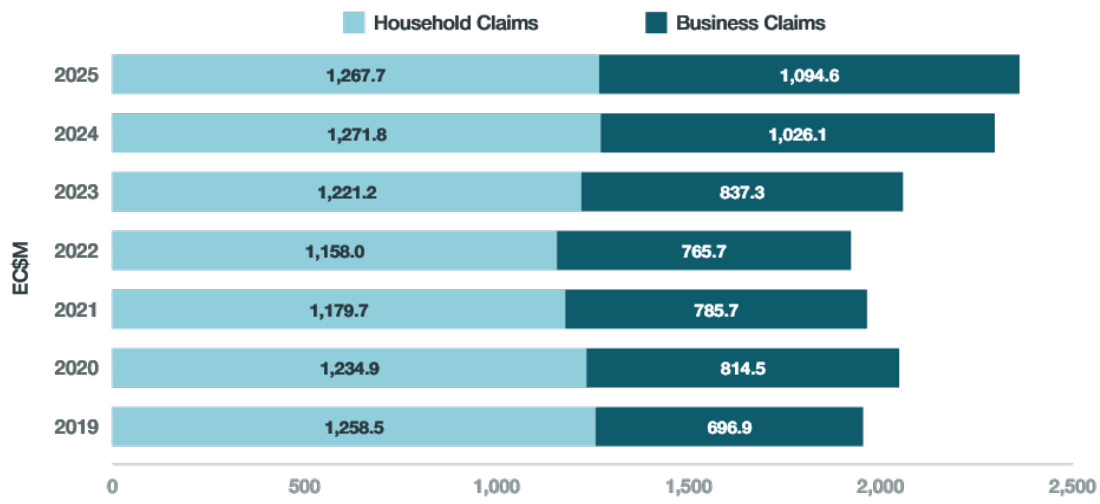
Source: ECCB.

The expansion in broad money growth was also supported by higher credit to the private sector, which rose by an estimated 2.8 per cent to $2,362.3m, representing a deceleration compared to previous estimates of an 8.1 per cent expansion. Credit growth was fueled by outstanding credit to businesses as lending to households fell. The gradual advancement in credit extended to businesses relative to credit to households may well point to more sustained investment-led growth (Figure 8). Net credit to central government also declined (4.2 per cent) as the central government continued measures to address outstanding domestic liabilities as part of a general debt consolidation and restructuring exercise. The stronger overall and primary fiscal positions also lessened the need for government borrowing.

[2] The data presented for 2025 in this report reflect actual numbers available as of March 2026. Readers should note that these figures are subject to change as more complete data becomes available. Updated data for 2025 may be accessed via the statistics page on our website, and readers are encouraged to refer to this resource for the latest information.

Figure 8. Trends in Private Sector Credit

Household credit predominates, however business credit is catching up.



Source: ECCB.

Sustained real sector growth has translated into greater stability in the financial sector as indicated by a general improvement in key financial sector indicators. The financial system maintains elevated levels of liquidity well above prudential levels (Table 3). Since the pandemic, financial institutions have applied more judicious underwriting requirements to more carefully regulate the extension of credit which has had two effects: an improvement in asset quality while elevating liquidity levels in the system.

Asset quality improved as the ratio of non-performing loans (NPL) to gross loans remained below the ECCB recommended ratio of 5.0 per cent. The NPL ratio declined to 3.4 per cent compared with 4.2 per cent at the end of 2024, on par with previous estimates. In 2021 the NPL ratio rose to 6.7 per cent as a fallout from the impact of the pandemic, subsequently, the ratio has steadily come down well within prudential guidelines of 5.0 per cent or less. The strength of the financial system was further supported by the increase in the customers' deposits to total loans ratio to 148.1 from 142.6 in 2024 (Table 3).

Table 3. Financial Stability Indicators – Selected Indicators

Per cent, unless otherwise stated

INDICATOR	2021	2022	2023	2024	2025R
Nonperforming Loans to Gross Loans	6.7	5.6	6.0	4.2	3.4
LIQUIDITY RATIOS					
Liquid Assets to Total Assets	40.5	43.6	44.1	44.2	44.4
Customer Deposits to Total (noninterbank) Loans	141.3	147.9	146.1	142.6	148.1

Note: Data for 2025 are revised.

Source: ECCB.

3 Medium-Term Macroeconomic Outlook

Global context, domestic projections and risks to 2027

3.1 Global Outlook

The International Monetary Fund (IMF) in its April 2026 World Economic Outlook (WEO), posited that after being rattled by a sudden but far-reaching trade dispute, the global economy faces another threat. A prolonged conflict in the Middle East between Iran and the United States puts in jeopardy; global growth and threatens to upend the disinflationary environment.

The IMF estimates the global economy to slow due to the war in the Middle East, with growth estimated at 3.1 per cent in 2026 and a projected further expansion of 3.2 per cent 2027. The revised estimate for 2026 reflects slower growth than the initial forecast of 3.4 per cent, while the projection for 2027 remains unchanged. Inflation is expected to rise slightly in 2026 before declining again in 2027, with emerging and developing economies facing the greatest challenges.

Overall, the confluence of a number of legacy factors combined with more recent developments firmly tilt prospects to the downside. The outlook is negative as risks such as a prolonged conflict, increased geopolitical tensions, renewed trade disputes, high public debt, and weaker institutions could further reduce growth and disrupt financial markets. Softer growth is estimated for most advanced economies except the United States of America where the outlook points to an acceleration in output. On the upside however, faster productivity gains from artificial intelligence or reduced trade tensions could improve economic performance (Table 4).

Table 4. World Economic Outlook: Growth Projections

Real GDP growth, per cent

COUNTRY/GROUP	2025R	2026E	2027F
World Output	**3.4**	**3.1**	**3.2**
Advanced Economies	**1.9**	**1.8**	**1.7**
United States	2.1	2.3	2.1
Euro Area	1.4	1.1	1.2
United Kingdom	1.3	0.8	1.3
Canada	1.7	1.5	1.9
Emerging Market and Developing Economies	**4.4**	**3.9**	**4.2**
China	5.0	4.4	4.0
Latin America and the Caribbean	2.4	2.3	2.7

Note: Data for 2025 are revised; data for 2026 are estimates and data for 2027 are forecasts.

Source: IMF, WEO April 2026.

The medium-term assessment is based on a projected convergence of Antigua and Barbuda to its average long-term growth rate (2.5 per cent) coupled with several ongoing and announced public and private sector investment projects. The economy is poised to expand at a more rapid rate (2.9 per cent) in real terms in 2026 and to slow to a 2.3 per cent rate in 2027. Construction sector activity was more muted than initially estimated, the result of concrete shortages as one of the plants was offline temporarily and there were sporadic cement shortages. Some of the logistical and production issues have been resolved which should facilitate accelerated output in 2026 and the medium term. Conditional to the implementation of the substantial number of announced foreign direct investment projects, construction prospects appear favourable.

Prospects for the tourism industry appear improved relative to 2025, as Antigua and Barbuda is strongly positioned to benefit from the hosting of meetings, incentives, conferences and exhibitions (MICE) related events. A recovery in tourism activity is estimated in 2026 after a dip in stayovers and cruise passengers in the previous year. The hosting of the Commonwealth Heads of Government Meeting (CHOGM) in November 2026 will provide a welcome boost to stayovers and provide invaluable marketing publicity for the destination. Cruise arrivals, another major tourism contributor, is estimated to increase, all things being equal, as work nears completion on the upland sea-port development. One mitigating factor to improved performance in the number of cruise passengers is the inability of the destination to berth Oasis Class ships[3], which is dependent on the further dredging of the St John's harbour. The timely resolution of this issue combined with ongoing home porting activities should position the destination to surpass the record cruise passenger arrivals of 2018. Notwithstanding the positive outlook, developments in the medium term are subject to geopolitical risks. Adverse developments in this spheres threaten to stoke inflationary pressures and derail medium term growth prospects.

Fiscal and debt sustainability prospects have improved; however more proactive measures are required to further support public finances. Positive real sector developments will buoy a sustained fiscal position underscored by surpluses on both the primary and overall balances albeit lower than in 2025 (Table 5). Consistent with improved fiscal outcomes Antigua and Barbuda met the 60.0 per cent debt to GDP target in 2025, as the expansion in GDP outpaced that of outstanding debt. The debt to GDP ratio fell to 59.8 per cent at the end of 2025 and based on current estimated debt dynamics is projected to fall incrementally to 48.8 per cent of GDP at the end of 2035.

2.9%
Projected real GDP growth in 2026

2.3%
Projected real GDP growth in 2027

Nov 2026
Antigua and Barbuda hosts the Commonwealth Heads of Government Meeting (CHOGM)

[3] Oasis Class ships are currently the largest cruise vessels in the world.

Table 5. Medium-Term Outlook – Selected Indicators (ATG)

Per cent GDP, unless otherwise stated

INDICATOR	2025R	2026E	2027F
REAL SECTOR			
Real GDP (EC$M)	**4,791.3**	**4,932.0**	**5,043.4**
Real GDP (per cent growth rate)	**2.1**	**2.9**	**2.3**
Inflation (end of period; per cent)	**3.1**	**1.8**	**2.0**
GOVERNMENT SECTOR			
Current Revenue	**22.5**	**21.1**	**20.7**
Current Expenditure	**17.9**	**17.2**	**17.0**
Capital Expenditure	**0.6**	**1.6**	**1.5**
Primary Balance	**6.1**	**4.7**	**4.9**
Overall Balance	**4.2**	**2.7**	**2.9**
Financing	**(4.2)**	**(2.7)**	**(2.9)**
EXTERNAL SECTOR			
Balance of trade	**(31.0)**	**(31.3)**	**(33.6)**
Travel receipts	**45.4**	**43.7**	**43.0**
Current account	**(12.5)**	**(11.0)**	**(10.8)**
Foreign Direct Investment	**(12.9)**	**(10.8)**	**(9.4)**
MONETARY SECTOR (EC$M)			
Money Supply	**4,808.0**	**5,120.9**	**5,337.2**
Net Foreign Assets	**2,834.6**	**3,013.8**	**2,937.0**
Net Domestic Assets	**1,973.4**	**2,107.1**	**2,400.2**
Domestic Credit	**2,979.3**	**3,207.9**	**2,931.1**
Of which credit to the private sector	2,362.3	2,516.0	2,622.3
Of which credit to businesses	1,094.6	1,165.8	1,215.0
Of which credit to households	1,267.7	1,350.2	1,407.2
MEMO ITEMS			
Total public sector debt (EC$M)	**4,116.5**	**3,919.7**	**3,722.8**
Total public sector debt-GDP	**59.8**	**59.6**	**57.6**

Note: Data for 2025 are revised; data for 2026 are estimates and data for 2027 are forecasts.

Source: Central Statistics Office and ECCB.

The deficit on the external account is projected to widen as import payments increase consistent with expansion in the real sector. The imbalance will be moderated by inflows on the services account in line with a more optimistic outlook for tourism. External borrowing is likely to be constrained by ongoing access issues related to unresolved Paris Club arrears. Ongoing initiatives by the LMO aimed at creating space for additional borrowing are still in the process of being resolved. Constrained in the near term by the limited ability to borrow externally, the debt to GDP ratio is projected to gradually decline due to a stable fiscal position and robust economic growth.

Risks

Risks are heavily tilted to the downside with no immediate or medium-term resolution to the war resulting in higher fuel and energy prices, negatively impacting global growth. Table 6 below presents a risk matrix which outlines the prevailing global and domestic risks that may impact Antigua and Barbuda's macroeconomic stability and growth trajectory in the short to medium-term. These threats are categorised based on their likelihood and potential magnitude.

Table 6. Risk Assessment Matrix

IDENTIFIED RISK FACTOR	LIKELIHOOD	MACROECONOMIC IMPACT
DOWNSIDE RISKS		
Escalating Middle East conflict threatens global growth	High	Likely to result in significant macroeconomic consequences including weaker global growth, with rising energy prices resulting in higher inflation including for transportation combining to potentially negatively impact major tourism source markets. Rising inflation in key import source markets resulting in imported inflation increasing domestic prices likely in Q3 and Q4.
Rising geopolitical tensions and subsequent retaliatory tariffs stifle global trade.	High	Rising geopolitical tensions resulting in higher tariffs impacting global trade resulting in increased uncertainty, weaker growth and potentially additional inflationary stimulus.
Elevated global inflationary expectations trigger prolonged restrictive monetary policy	Medium	Higher inflationary expectations prompting higher global interest rates increasing servicing costs for variable interest rate loans.
Tightening fiscal space in advanced economies constrains foreign aid budgets.	Medium	Tightening fiscal space in advanced economies significantly reducing development assistance, particularly support for climate resilience investment.
Climatic events and natural disasters.	High	Frequent weather shocks disrupt agriculture, tourism, and infrastructure, create unplanned fiscal demands, and exacerbate debt dynamics.
UPSIDE RISKS		
An end to military hostilities in the Middle East.	Low	Immediate cessation of military conflict in the Middle East and resumption of global oil supplies. Resulting in stronger growth and easing of inflationary pressures positively impacting tourism arrivals and easing domestic price pressures.
An easing of conflict-related trade disputes and shipping bottlenecks.	Low	Easing of trade frictions resulting in a rebound in global trade supporting improved growth and easing inflationary pressures in major import source markets.
The stabilisation of the global economic environment.	Low	Fiscal policy efforts increase fiscal space and positively debt ratios.

3.2 Downside Risks

Intensified geo-political conflicts raise the spectre of increased global economic and social upheaval (Box 1). The confluence of transnational conflicts most recently the USA/Iran conflict, the four-year Russia/Ukraine war and sporadic border skirmishes in the Middle East and Asia heighten global tensions and economic uncertainty. Additionally, the impasse in the Strait of Hormuz related to the USA/Iran war poses a logistical risk and threatens to accelerate inflationary pressures through higher energy and transportation costs.

Another key risk is the sustainability of regional Citizenship by Investment programmes including Antigua and Barbuda's own programme. Intensified regulatory scrutiny of regional programmes threatens to render them ineffective as revenue sources in the absence of enhanced credibility. Ongoing initiatives by the Eastern Caribbean Citizenship by Investment Regulatory Authority (ECCIRA) a regional regulator for citizenship by investment programmes in the ECCU is a possible mitigating factor. The ECCIRA which was established in 2025 enacted a joint Memorandum of Association which stipulates codes of conduct for regional citizenship by investment programmes

The realisation of potential risks could be grouped into three scenarios. A best case, likely scenario and worst-case scenario. The likely scenario would entail the outcomes previously outlined in the downside risks, A best case scenario would entail a cessation of hostilities, with concomitant positive impacts on growth and fiscal outcomes leading to improved fiscal and debt stability. A worst-case; would suggest an escalation of hostilities prompting accelerated inflationary pressures, lower growth prospects and reduced fiscal surpluses.

3.3 Upside Risks

- Hosting the Commonwealth Heads of Government Meeting (CHOGM) in November 2026, represents a major opportunity for increased tourism activity and marketing of the destination.
- Large inflows of foreign direct investment are expected to underpin current and announced tourism-related investments going forward, providing further impetus to the construction sector.
- The implementation of an announced expansive capital investment programme to upgrade the road network could well position the country to facilitate future investment.
- Notwithstanding the uncertainty, the economy of Antigua and Barbuda continues to expand and is projected to grow by an average of 2.6 per cent over the period 2026 and 2027, about 0.2 percentage points slower than in the previous December 2025 AEFR.

4 Policy Recommendations and Issues

Priorities to address imbalances and anchor resilient growth

The economy of Antigua and Barbuda maintained a sustained expansion in the face of significant economic headwinds; however, more may be required as challenges intensify. Performance has been bolstered by continued expansion in construction both in the private and public sectors. Notwithstanding a modest contraction in the accommodations and services sector, a proxy of tourism activity, developments related to the hospitality industry and related ancillary services represent major contributions to national output. An intensification of marketing efforts which highlight the relative security of the destination in the context of upheaval in the Middle Eastern tourism product would represent a timely intervention in the short to near-term. The improved fiscal position reflects a gradual strengthening in tax effort in tandem with buoyant economic growth. Recent improvements in fiscal outcomes, however, are sensitive to economic swings, associated with heavy reliance on indirect taxes. Further diversification of the tax base to reduce exposure to variability caused by economic swings would better position the country to enhance fiscal and debt stability. Many of the recommendations outline in the previous December 2025 report remain relevant to the current report.

1. **The continued broadening of the tax base should lay the basis for comprehensive fiscal restructuring to enhance shock resilience.** Policy decisions taken in January 2024 to broaden the tax base by increasing the ABST rate and to strengthen property tax collections have yielded improvement in tax buoyancy. Reforms could be extended to consider further diversification of the tax base through reduced reliance on trade-related taxes as well as taxing emerging sectors and minimizing tax avoidance. Policy decisions to monitor and reduce the granting of discretionary concessions have yielded encouraging results and the maintenance of this stance can have far-reaching implications for tax buoyancy and the efficient allocation of services.

2. **The resolution of long-standing arrears to the Paris Club could be facilitated through the timely conclusion of Liabilities Operation Management.** The fiscal and debt issues are further complicated by the persistent impact of the debt owed to the Paris Club. Over the years, a mutually agreed upon mechanism for the resolution of the outstanding arrears has proven elusive. A timely resolution to this impasse could unlock access to international credit markets, increasing borrowing options for the government of Antigua and Barbuda. A high per-capita GDP precludes Antigua and Barbuda from access to low-interest multilateral loans, while the unresolved Paris Club debt further restricts access to developmental finance. Bringing the Liabilities Management Operation to a conclusion could assist in consolidating existing debt, better positioning the authorities to address the Paris Club issues.

4 Policy Recommendations and Issues

Priorities to address imbalances and anchor resilient growth

3 **Make use of Climate-Related Financing Instruments.** An area where Antigua and Barbuda could benefit from access to developmental financing is by tapping into climate-related financing. The results from past efforts to source developmental finance through initiatives such as sourcing green and blue bonds and debt for nature swaps have been mixed owing to detailed reporting requirements. Efforts to re-engage creditors who offer innovative credit instruments could benefit Antigua and Barbuda through the promotion of fiscal and economic resilience.

4 **Skills upgrading.** Antigua and Barbuda's ability to compete globally will depend on its investment in skills training and upskilling of the workforce to meet international standards. The advancement of skills includes the digitalisation of public sector services to increase efficiency through lower costs and the timelier provision of government services. Reforms have been made in the Customs department with the adoption of ASYCUDA World that have resulted in significant savings in the reduction of processing times for the clearance of goods. Continued investments are needed to prioritize the teaching and acquisition of STEM[4] skills that better position the country to leverage existing and emerging technologies such as Artificial Intelligence (AI) to increase national output.

BIG PUSH

To achieve a doubling of real GDP within a decade, requiring sustained annual growth of approximately 7.0 per cent, ECCU member governments should execute on coordinated **"Big Push"**[1] strategies across seven key transformational areas. Transitioning from incremental reform to simultaneous, high-impact intervention, priority policies should focus on reducing structural import leakages via food security and renewable energy transitions, while modernising infrastructure through digital integration. Furthermore, targeted investments must align human capital with future sector demands, boost tourism benefits, and strengthen institutional frameworks for financial inclusion and savings mobilization to insulate long-term growth from external shocks.

[1] For more information on the "Big Push" Agenda, refer to the ECCB website at https://www.eccb-centralbank.org.

[4] STEM: Science, Technology, Engineering and Mathematics.

A Appendix: Selected Economic Indicators

Grenada, 2022 to 2027

Table 7. Selected Economic Indicators

In EC$M, unless otherwise stated. Shaded columns (2026, 2027) denote revised forecasts.

INDICATOR	2022	2023	2024	2025R	2026E	2027F
REAL SECTOR						
Nominal GDP (EC$M)	**5,014.2**	**5,546.1**	**5,838.4**	**6,073.5**	**6,468.6**	**6,741.9**
Real GDP (EC$M)	**4,407.2**	**4,577.6**	**4,693.9**	**4,791.3**	**4,932.1**	**5,043.4**
Real GDP Growth (%)	**8.5**	**3.9**	**2.5**	**2.1**	**2.9**	**2.3**
Inflation (eop, %)	**9.2**	**3.3**	**5.4**	**2.2**	**2.0**	**2.0**
GOVERNMENT SECTOR						
Current Revenue	**906.2**	**923.9**	**1,299.8**	**1,365.5**	**1,362.9**	**1,397.9**
Current Expenditure	**951.1**	**927.0**	**1,149.7**	**1,084.3**	**1,112.6**	**1,147.1**
Capital Expenditure	**132.3**	**96.0**	**35.8**	**37.4**	**105.7**	**99.3**
Primary Balance	**(48.8)**	**36.5**	**265.3**	**370.6**	**302.2**	**327.5**
Overall Balance	**(170.9)**	**(94.2)**	**127.1**	**253.5**	**174.1**	**196.8**
Debt Servicing as a share of Current Revenue (%)	**55.3**	**62.6**	**44.1**	**41.2**	**46.7**	**45.5**
Financing	**170.9**	**94.2**	**(127.1)**	**(253.5)**	**(174.1)**	**(196.8)**
EXTERNAL SECTOR						
Balance of trade	**(1,734.2)**	**(1,798.3)**	**(1,736.6)**	**(1,881.7)**	**(2,027.0)**	**(2,112.6)**
Travel receipts	**2,236.5**	**2,456.9**	**2,795.7**	**2,756.6**	**2,825.8**	**2,900.1**
Current account	**(756.3)**	**(715.7)**	**(435.4)**	**(759.6)**	**(626.0)**	**(729.0)**
Foreign Direct Investment	**(778.9)**	**(741.8)**	**(663.7)**	**(732.4)**	**(701.1)**	**(637.1)**
MONETARY SECTOR						
Money Supply	**4,198.2**	**4,338.4**	**4,808.0**	**4,808.0**	**5,120.9**	**5,337.2**
Net Foreign Assets	**2,363.1**	**2,370.6**	**2,834.6**	**2,834.6**	**3,013.8**	**2,937.1**
Net Domestic Assets	**1,835.1**	**1,967.8**	**2,007.2**	**1,973.4**	**2,107.1**	**2,400.2**
Domestic Credit	**2,633.5**	**2,783.8**	**2,914.3**	**2,979.3**	**3,207.9**	**2,931.1**
Of which credit to the private sector	1,923.7	2,058.6	2,297.9	2,362.3	2,516.0	2,622.3
Of which credit to businesses	765.7	837.3	1,094.6	1,094.6	1,165.8	1,215.0
Of which credit to households	1,158.0	1,221.2	1,267.7	1,267.7	1,350.2	1,407.2
MEMO ITEMS						
Total public sector debt (EC$M)	**4,005.2**	**3,980.3**	**3,941.0**	**4,116.5**	**3,919.7**	**3,722.8**
Total public sector debt-GDP (%)	**79.9**	**71.8**	**67.5**	**59.8**	**59.6**	**57.6**

Note: Data for 2025 are revised; data for 2026 are estimates and data for 2027 are forecasts.

Source: Central Statistics Office, Ministry of Finance and ECCB.

SPECIAL FEATURE

Box I: Antigua and Barbuda's Fiscal Response to the USA/Iran Conflict

The global economic outlook improved slightly in 2026 relative to previous assessments based on the circumvention of a protracted tariff war as several countries opted to quickly conclude trade deals with the US after the imposition of "reciprocal tariffs". The outlook however, worsened when on 28 February 2026 the United States and Israel launched a preemptive strike against the Islamic Republic of Iran. The actions by the US and Israel triggered retaliatory responses. In addition to direct military response, Iran took aggressive actions to threaten the passage of oil tankers and ships carrying agricultural produce through the Strait of Hormuz, effectively closing the Strait and curtailing the supply of approximately 20.0 per cent of the world's oil output. The combination of these events triggered a sharp increase in crude oil prices globally with attendant consequences on the countries of the Eastern Caribbean Currency Union (ECCU).

Antigua and Barbuda as a small open economy, highly dependent on imports is especially vulnerable to oil price shocks. The ongoing crisis in the Middle East threatens to have far reaching impacts on Antigua and Barbuda and the rest of the ECCU economies. These include higher prices for critical downstream fuels such as gasoline, diesel, LPG and aviation fuel, all essential for the smooth functioning of the regional economies.

As a consequence of higher petroleum prices regional authorities have attempted to mitigate the full effect of price increases through pricing frameworks and implicit subsidies. During previous periods of heightened volatility, most notably in 2022, regional member governments utilized a range of fiscal buffers to moderate the pass-through of rising international crude prices to the local economy. Other mitigating measures range from the removal or suspension of levies and taxes on fuel, and the waiver of import duties and VAT on fuel and fuel products, while some countries have placed caps on prices charged for LPG. Policy measures to partially insulate consumers from the full effects of oil price shocks have fiscal consequences including higher expenditure costs including the price of fuel and fuel related products, the fiscal costs of subsidies and reduced revenue in cases where the price of gasoline and diesel are fixed or subject to a partial passthrough. **Energy price shocks also threaten to reduce the number of visitors to the region by lowering the disposable incomes of travelers from the source markets and increasing airline fares.** Temporary price shocks may have limited negative impacts on forward hotel bookings made in previous periods; however, the perception of protracted price increases could trigger cancellations of travel plans going forward. The cumulative impact of higher fiscal costs and reduced visitor expenditure could contribute to lower valued-added and a decline in the rate of growth of GDP. A contraction in the major sectors driving economic growth would generate negative spillovers, adversely impacting related sectors further reducing economic growth.

In response to the Middle East crisis Antigua and Barbuda has opted to limit intervention in the market, refraining from the use of additional subsidies and tax rebates compared to its regional counterparts. Constrained by fiscal pressures since the pandemic (2020), policy makers have been cautious in applying active policy measures to protect consumers from the inflationary impacts of the conflict beyond the pre-existing fuel pricing regime. The authorities in Antigua and Barbuda maintain a fixed price at the pump and allow the consumption tax on fuel to act as a shock absorber. Therefore, when the world market price of fuel is low, the government benefits from the additional consumption tax collected via the fixed price regime. Conversely, when the price of fuel increases this reduces the amount of consumption tax that the authorities collect at the pump. During periods of high prices for energy, the authorities provide an implicit subsidy as consumers are concealed from the full cost of energy. To date no other explicit tax relief measures or concessions have been granted to consumers in response to the recent conflict. The policy stance appears to be effective, with limited fiscal cost to the government except for the forgone consumption tax. The sustainability of this fiscal/policy position could be severely tested if international oil prices rebound with the resumption of hostilities and remain elevated for a protracted period. If the downside risk of higher energy prices were to occur, policy makers may be forced to provide additional relief measures with consequential adverse fiscal implications.

Antigua and Barbuda

Economic and Financial Review

2025 UPDATE

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