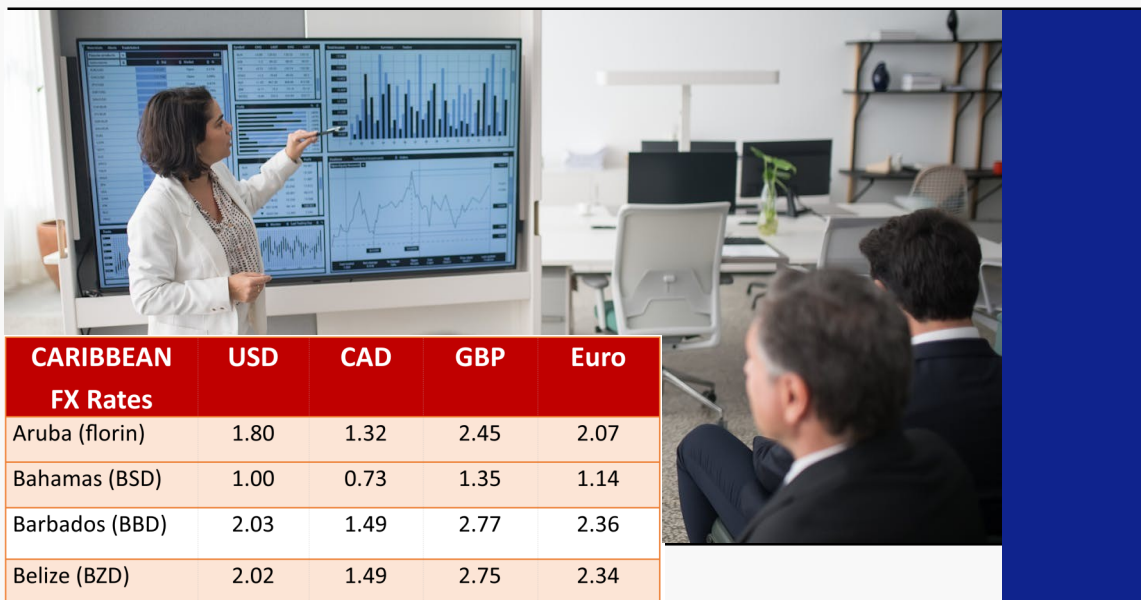




# CARIBBEAN FINANCIAL DISPATCH



CARIBBEAN FX Rates	USD	CAD	GBP	Euro
Aruba (florin)	1.80	1.32	2.45	2.07
Bahamas (BSD)	1.00	0.73	1.35	1.14
Barbados (BBD)	2.03	1.49	2.77	2.36
Belize (BZD)	2.02	1.49	2.75	2.34
Cayman Isl. (\$)	0.83	0.61	1.13	0.96
Dom Rep	58.93	43.29	79.77	67.84
Guyana (GYD)	218.00	173.00	285.00	242.32
Haiti (HTG)	131.44	96.21	178.06	151.10
Jamaica *(JMD)	159.87	117.99	216.61	187.97
OECS (XCD)	2.71	1.98	3.66	3.11
Suriname (SRD)	37.71	27.62	51.59	43.70
T&T (TTD)	6.76	5.44	9.82	9.21

Inside This Issue:

- Caribbean projected to grow by 3.9%
- Jamaica, Barbados removed from EU list
- Stock Market Roundup
- Oil prices surge by 7%
- Taiwan blacklists Huawei

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**Bermuda: Visitor arrivals down 48.6%**

Bermuda’s tourist arrivals fell 48.6% in Q1 2025, driven by a 68.7% drop in cruise visitors, per Bermuda Tourism Authority data. Only 13,368 cruise passengers arrived, down from 42,715 last year, after four of ten scheduled calls were cancelled, likely due to winter weather. In contrast, leisure air arrivals rose 10.6% to 16,019, with visitor spending up to \$28.9M. Hotel occupancy climbed 11.8%, with revenue per available room up 21.1%. Overall Q1 visitors totaled 29,387, down from 57,205. A stronger summer cruise season is forecast, with 76 calls expected. Full-year cruise passengers are projected at 510,250.

# REGIONAL ROUNDUP

## Dominica grows by 3.5% in 2024

The IMF's latest Article IV consultation highlights Dominica's ongoing expansion, with 3.5% GDP growth in 2024 driven by tourism and investment. Inflation eased to 3.1%, with tourism arrivals surpassing pre-pandemic levels by 32%, though employment recovery remains uneven. While fiscal and external imbalances have narrowed, public debt is still 100% of GDP, and external deficits are high. The IMF urges deeper fiscal consolidation, stronger oversight of credit unions, and broader structural reforms to build resilient, inclusive growth amid disaster and global risks.

## EU removes Jamaica, Barbados from high-risk list

The European Commission has removed Jamaica from its updated list of high-risk jurisdictions with deficiencies in anti-money laundering and counter-terrorism financing (AML/CFT) controls, following its removal from the FATF grey list nearly a year ago. The update aligns with FATF assessments and a rigorous technical review. As a result, EU entities will no longer apply enhanced due diligence to transactions involving Jamaica. Barbados and Panama were also delisted, while Venezuela remains among 10 jurisdictions still classified as high-risk. The Delegated Regulation takes effect 20 days after publication in the Official Journal of the EU.

## Caribbean projected to expand by 3.9% in 2025

Growth in Latin America and the Caribbean (LAC) is forecast by the World Bank at 2.3% in 2025, rising to 2.5% in 2026–27 — the slowest pace among emerging regions. Exports face pressure from rising U.S. trade barriers and global uncertainty. Mexico is hardest hit, with growth at 0.2%, while Argentina is set to rebound by 5.5%. Brazil's growth will slow to 2.4%, and Colombia to 2.5%. The Caribbean is projected to expand 3.9% (or 6.2% with Guyana), led by tourism and oil. Jamaica is forecast to grow 1.7%; Haiti remains in contraction. Risks are tilted to the downside—trade protectionism, U.S. growth deceleration, commodity price shifts, and fiscal vulnerabilities could all dampen the outlook.

## Inflation increases by 4% in Antigua and Barbuda

Antigua and Barbuda's Consumer Price Index rose 4.0% year-on-year in February 2025, the smallest annual increase since December 2023. Core inflation stood at 4.3%. Food prices rose 1.3%, with sharp increases in bread & cereals (+7.4%) and eggs (+18.3%), though many categories declined month-on-month. The overall CPI fell 0.4% in February, driven by a 0.8% drop in food prices and a 12.4% fall in transport services. rose 2.5% on higher juice prices. The Statistics Division reports that the elevated services inflation was offset by food and transport costs.

## IMF: Declining productivity biggest obstacle to growth

IMF Deputy Managing Director Dr. Nigel Clarke has warned that the Caribbean faces a challenging growth outlook amid global trade uncertainty, crime, and declining long-term productivity. Speaking at the CDB Annual Meeting, the IMF Executive noted that regional potential growth has halved since the 1980s, with tourism-dependent economies hit hardest. He stressed that reversing productivity decline is critical, requiring deep structural reforms alongside macro-economic stability. Dr. Clarke urged policymakers to entrench fiscal and monetary discipline, rebuild fiscal buffers, broaden tax bases, and adopt credible fiscal frameworks—citing Jamaica as a model. With public debt still high, he called for fiscal discipline, sovereign wealth funds, and disaster resilience to safeguard against future shocks. Clarke underscored that fostering sustainable, inclusive growth must be the region's core priority.

## Bahamas: Gov't to slash \$1.88bn debt over 4-year cycle

The Bahamas government projects it will cut direct debt by \$1.88 billion over four years and achieve a 50% debt-to-GDP ratio one year ahead of target, according to its 2025 Fiscal Strategy Report. Forecasting \$976 million in fiscal surpluses by 2028-29, the plan relies on sustained revenue growth—despite slowing GDP—rising from \$3.9 billion to \$4.56 billion. However, concerns persist over unaddressed \$269 million in arrears and questions about achieving revenue targets. Central government debt is expected to fall from \$11.7 billion in 2024 to \$9.87 billion in 2028, with debt-to-GDP reaching 45.2% by 2030, assuming no major external shocks.



Caribbean Business Review



CBR20251



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# REGIONAL ROUNDUP

## ECCU Banks face fines for breaching Code of Conduct

Financial institutions licensed under the 2015 Banking Act in the Eastern Caribbean Currency Union (ECCU) will soon face EC\$10,000 administrative fines for breaching newly enforceable Codes of Conduct, following upcoming legislative amendments. The ECCB will be empowered to issue binding codes covering consumer protection, data privacy, product transparency, over-indebtedness prevention, complaint handling, and fraud mitigation. The amendments aim to strengthen market conduct supervision, enhance financial inclusion, and ensure fair treatment of consumers. In Grenada, the bill will be debated on 17 June before Senate approval. All codes will be published in national gazettes and carry legal force.

## SVG: 'Record-breaking' tourism performance

St. Vincent and the Grenadines (SVG) is experiencing strong tourism momentum, with record-breaking stay-over arrivals continuing into Q2 2025, according to Tourism Minister Carlos James. Hotels are at 100% occupancy for the carnival season, and airlines are increasing capacity amid strong bookings. SVG welcomed 102,766 stay-over visitors in 2024, up 27.2% from the previous year—the highest growth in the Caribbean. In Q1 2025, arrivals rose 12.8%, with a 74.8% surge in U.S. visitors, leading the region. Minister James credits the growth to enhanced infrastructure, stakeholder collaboration, and improved international air access via Argyle International Airport.

## Bahamas: Public sector debt up \$402.5M

The Bahamas' public sector debt rose by \$402.5M (3.5%) to \$13.1B in the first nine months of FY2024/25, despite a slight \$53.3M decline in Q3. Central government debt grew to \$11.7B (73.4% of GDP). Domestic debt rose \$485.6M to \$7.47B, now 57% of the total, while foreign currency debt fell \$83.1M to \$5.64B (43%). External obligations shrank \$91.5M, led by reductions to financial institutions and multilaterals. Domestically, debt to commercial banks increased \$83.5M, while liabilities to the Central Bank and private sector declined. The overall creditor profile reflects a shift toward more local currency borrowing.

## Select Commodity Prices

Futures	Price	US\$ Change	Change
WTI Crude	US\$72.98	+4.94	+7.26%
Brent Crude	US\$74.23	+4.87	+7.02%
OPEC Basket	US\$69.15	+1.68	+2.49%
Natural Gas	US\$3.581	+0.089	+2.55%
Gold	US\$3,452.60	+50.2	+1.48%
Silver	US\$36.37	+0.07	+0.21%

## Scotia Now Jamaica's Largest Mortgage Lender

Scotia Group Jamaica has become the island's largest banking mortgage provider, with its residential mortgage portfolio rising 24% year-on-year to J\$107 billion (US\$671M), surpassing traditional players VM Building Society and JN Bank. The growth is driven by attractive rates (8.5–12.49%) and low funding costs. Residential mortgages now account for 22% of Jamaica's market. SGJ's total loan book rose 4% to J\$323.9B, supporting a 7% rise in Q2 net interest income to J\$12.03B. However, higher operating expenses cut net profit by 8% to J\$5B. Total assets grew 8% to J\$763.5B. The group is also advancing digital services, piloting Apple Pay and expanding online wire transfer capabilities.

## JNGI sale complete

The sale of JN General Insurance Company (JNGI) to British Caribbean Insurance Company (BCIC) and ICD Group was finalized on June 6. All JNGI shares were transferred, and staff were made redundant, with most offered roles at BCIC. Both companies will continue normal operations for now, with no changes to policyholder experience. The only immediate change is ownership. JNGI will be rebranded as BCIC Insurance Limited, pending regulatory approval to merge both entities under one company.

# GLOBAL PULSE

## Oil Prices surge 7%

Oil prices surged over 7% on Friday, with Brent at \$74.23 and WTI at \$72.98, amid fears of Middle East supply disruptions after Israeli strikes on Iran triggered retaliation. Prices hit multi-month highs, with intraday gains topping 13%—the largest since 2022. The key concern is potential disruption to the Strait of Hormuz, which handles 20% of global oil flows. While infrastructure remains unaffected, analysts, including Goldman Sachs, raised the geopolitical risk premium but still expect no immediate supply disruptions.

## UK Economy shrinks by 0.3%

Britain's economy shrank 0.3% in April, the steepest monthly drop since October 2023, as Trump's new tariffs and the end of a UK property tax break hit growth. The services sector contracted 0.4%, led by a sharp decline in property-related activity, while exports to the U.S. plunged by £2bn, the largest monthly drop on record. Manufacturing fell 0.6%, notably in autos and industrial goods, while construction rose 0.9%. The UK goods trade deficit widened sharply to £23.2bn. Though the BoE recently upgraded its 2025 growth forecast to 1%, it expects U.S. tariffs to shave 0.3% off UK output over 3 years. Meanwhile, payroll jobs fell by 109,000 in May.

## US consumer prices rise by 0.1%

U.S. consumer prices rose 0.1% in May, below expectations, as lower gas prices offset rising housing costs. Core inflation climbed 2.8% year-on-year. Retailers, still working through pre-tariff inventories, have delayed price hikes, though increases are expected as Trump-era tariffs take effect. Shelter and healthcare costs rose, while airfares and auto prices fell. Concerns are rising over data quality due to staffing cuts at the Bureau of Labor Statistics.

## Pakistan records 2.6% growth

Pakistan's Economic Survey 2024–25 reports 2.68% GDP growth, below the 3.6% target, with mixed sector performance and contested data. Inflation fell to 4.7%, while remittances boosted reserves to \$11.5B. Investment-to-GDP rose to 13.8%, though private investment stayed weak. Tax revenues missed by over Rs1T, but public investment surged 34.2%. Per capita income rose 9.75% to \$1,824. A revised NFC formula is proposed, and medium-term growth is projected at 5.7%.

## Disaster aid centralized under office of US President

President Trump plans to phase out FEMA after the current hurricane season, shifting disaster relief distribution to the President's office, possibly via Homeland Security. He said States should assume more responsibility, with less federal aid. Homeland Security Secretary Kristi Noem supported the move, urging states to develop mutual aid agreements. This marks a major shift from FEMA's current role managing post-disaster response. The agency currently operates with a \$30 billion budget and more than 20,000 staff.

## Boeing airplane orders rise to highest level since '23

Boeing booked 303 orders in May—its highest since Dec 2023—and delivered 45 aircraft, nearly twice last year's pace, as it stabilizes 737 Max output at 38 monthly. Year-to-date, it trails Airbus in deliveries (220 vs. 243) but leads in net orders (512 vs. 215), aided by a Qatar Airways deal. Deliveries to China are set to resume after a trade pause. With a 5,943-aircraft backlog, Boeing eyes more deals at the upcoming Paris Air Show.

## Canada's manufacturing sales decline 2.8%

Canada's manufacturing sales dropped 2.8% in April—the sharpest fall since October 2023—amid U.S. tariffs targeting steel, aluminum, and autos. Sales hit their lowest since January 2022, led by declines in petroleum (-10.9%), vehicles (-8.3%), and metals (-4.4%). Nearly half of manufacturers and 43% of wholesalers reported tariff impacts. Wholesale sales also slid 2.3%, led by motor vehicles and parts. The data underscores rising economic strain as trade tensions between the U.S. and Canada escalate.

## World Bank lowers global growth forecast

The World Bank has sharply lowered its global growth forecast to 2.3% for 2025, down from 2.7%, citing trade uncertainty as a key drag—potentially marking the slowest growth since 2008 outside of recessions. U.S. and euro area projections were also cut, to 1.4% and 0.7% respectively. The Bank warned that escalating trade tensions could worsen the outlook but noted that resolving disputes and halving tariffs could boost growth by 0.2 percentage points.



Redefining Radio

# GLOBAL PULSE

## UK firms hold off on hiring as vacancies fall

UK job vacancies fell by 63,000 to 736,000 between March and May as firms slowed hiring amid rising costs and uncertainty. Unemployment rose to 4.6%, the highest in nearly four years, while wage growth eased to 5.2%, still ahead of 3.5% inflation—potentially supporting rate cuts. Payrolls dropped by 55,000 in April, with more declines expected. Businesses face higher National Insurance costs, drawing criticism ahead of a Spending Review focused on NHS and defence.

## U.S. tariffs on China now 55%

President Trump announced a new U.S.-China trade “framework,” with existing tariffs totaling 55%—including 25% base, 10% reciprocal, and 20% on fentanyl-linked goods. No new tariffs were imposed, and a prior hike to 145% was reduced to 30% for 90 days under a Geneva deal. Stocks rose on easing May inflation, though markets remain cautious. The agreement includes Chinese access to U.S. universities and rare earth mineral imports.

## Taiwan blacklists Huawei and SMIC

Taiwan has blacklisted Huawei Technologies Co and Semiconductor Manufacturing International Corporation. (SMIC). The new restrictions imposed by Taipei are likely to at least partially cut off Huawei and SMIC's access to Taiwan's plant construction technologies, materials and equipment essential to build AI semiconductors, like those made by Taiwan Semiconductor Manufacturing Co. for the likes of Nvidia Corp.

## US deficit hits \$1.36 Trillion

The U.S. deficit hit \$316 billion in May, bringing the fiscal year-to-date total to \$1.36 trillion—14% higher than last year. Despite a 15% rise in tax revenue and a 59% surge in tariff collections (\$86B), soaring debt interest payments—now the third-largest expense at \$92B—are straining finances. Total debt stands at \$36.2 trillion, with financing costs expected to exceed \$1.2 trillion this year.

## UK exports to US decline to a 28-year low

U.K. goods exports to the U.S. plunged by £2 billion in April—the largest monthly drop since 1997—amid newly imposed U.S. tariffs. Exports fell to £4.1 billion, driven by declines in autos, chemicals, and metals, while U.S. imports dipped £400 million. Despite a partial trade deal announced in May, tariffs remain in force. The U.K.'s goods trade deficit widened to £60 billion, while GDP shrank 0.3% in April as services and labour weakened.

## China's economy remains stable

China's economy remained stable in May, driven by strong manufacturing, high-tech, and private sector growth, according to VAT invoice data. Manufacturing accounted for 30.1% of corporate sales, with equipment manufacturing up 7.5%. High-tech sales rose 15%, and core digital sectors grew 11.2%. Sales of industrial and special-purpose robots surged 13.2% and 28.3%. Private firms outpaced national growth, making up 72.3% of total sales and leading gains in manufacturing, tech, and innovation.

	USD	EUR	JPY	GBP	CHF	CAD	
USD		0.8653	144.10	0.737	0.812	1.3588	INTL F/X RATES
EUR	1.155		166.47	0.851	0.937	1.5704	
JPY	0.0069	0.006		0.0051	0.0056	0.0094	
GBP	1.357	1.1751	195.49		1.100	1.8432	
CHF	1.232	1.066	177.513	0.908		1.6737	
CAD	0.736	0.6373	106.057	0.5422	0.5975		

# MARKET WATCH

## Caribbean Stock Market

 <b>JSE Index</b>	<b>313,828.14</b>	<b>▲0.42%</b>
 <b>All T&amp;T Index</b>	<b>1,511.02</b>	<b>▼0.38%</b>
 <b>BISX All Share</b>	<b>3,025.48</b>	<b>0.00%</b>
 <b>BSE Local</b>	<b>2,799.84</b>	<b>0.00%</b>
 <b>BSX Index</b>	<b>2,829.61</b>	<b>0.00%</b>
 <b>ECSE</b>	<b>162.81</b>	<b>0.00%</b>

<b>JSE Composite</b> 362,704.98 ▲0.33%	<b>TTSE Composite</b> 1,038.00 ▲1.12%	<b>Carib. Exchange</b> 923.57 ▲0.43%	<b>BSE Composite</b> 677.37 0.00%
<b>TTSE X Listed</b> 74.457 ▲3.43%	<b>JSE X Listed</b> 48.62 ▲1.49%	<b>TTSE SME</b> 91.81 0.00%	<b>JSE Select</b> 7,585.80 ▲0.11%

### Top Gainers:

Sterling Investments Ltd	J\$3.30	▲14.19%
JMMB Group Ltd 7.15%	J\$2.92	▲13.62%

### Top Losers:

Jam.Public Serv. 7.0%	J\$36.76	▼15.01%
Caribbean Producers Ltd	J\$8.04	▼10.57%

### Medical Disposables posts J\$281m loss

Medical Disposables & Supplies Ltd (MDS) posted a net loss of \$281.1M for FY2025, narrowing slightly from \$316M last year. Revenue rose 4.7% to \$3.88B, with gross profit up 22.8%, but higher costs and credit impairment charges (\$129M, up from \$15M) pressured results. Operating loss improved to \$151.7M, supported by foreign exchange gains, though finance costs remained high (\$154M). MDS reported a \$250M cash outflow, with elevated debt levels. Focus now shifts to margin improvement and tighter cost control to support recovery.

### Lasco Financial revenue dips 2.4%

Lasco Financial Services Ltd reported a mixed FY2025 performance. Revenue declined 2.4% to J\$2.15 billion, impacted by lower income and higher credit loss provisions. Operating profit fell to \$158 million from \$256 million, while net profit dropped to \$58.6 million from \$162 million, driven by higher taxation and finance costs. The company maintained strong equity of \$2.33 billion but experienced a 26% decline in cash to \$539 million. Operating in money services and microlending, Lasco is focusing on expanding its digital financial solutions amid evolving market demands.

### Wigton revenues decline 10%

Wigton Windfarm faced a challenging FY2025, with revenues declining 10% to J\$1.85 billion, primarily due to reduced wind output linked to variability in wind patterns. Net profit dropped sharply to J\$303 million, down from J\$839 million in FY2024, reflecting the revenue decline and higher operating costs. The company maintained solid gross margins but experienced rising administrative and finance costs. Cash balances decreased by 30%, reflecting ongoing investments and dividend payments

### CIBC Caribbean net income up 4%

CIBC Caribbean delivered a strong performance for the first half of FY2025 ending April 30, 2025, reporting net income of US\$80 million, up 4% year-on-year, and a solid return on equity of 13.2%. Revenues rose 3% to US\$318 million, driven by higher net interest income amid elevated interest rates, while operating expenses grew 2%, reflecting continued investments in technology and regulatory compliance. The bank's capital position remained robust with a Tier 1 capital ratio of 27.6%, and credit quality was stable with a loan loss ratio of 0.36%. CIBC Caribbean continues to maintain strong liquidity and funding profiles,

# STATISTICAL CORNER

## BERMUDA—TOURISM REVIEW



### Visitor Air Arrivals



### AVERAGE LENGTH OF STAY

Average Length of Stay	Q1 2022	Q1 2023	Q1 2024	Q1 2025	# CHG	% CHG
Leisure Visitors	6.68	6.27	6.04	5.88	-0.16	-2.6%
Business Visitors	7.69	5.26	4.62	4.80	0.18	3.9%
Visiting Friends & Relatives	17.25	13.29	12.09	12.14	0.05	0.4%
<b>Country of Origin</b>						
US	6.22	5.11	4.85	4.78	-0.07	-1.4%
Canada	11.91	8.61	9.32	8.67	-0.65	-7.0%
UK	9.64	8.54	8.37	8.00	-0.37	-4.4%
<b>Intended Address</b>						
Hotel or Similar	6.08	5.14	4.72	4.63	-0.09	-1.9%
Rental House/Apt	12.17	10.47	9.86	9.48	-0.38	-3.9%
Friends & Relatives	16.62	13.92	12.70	12.38	-0.32	-2.5%
<b>Total AVG</b>	<b>9.03</b>	<b>7.22</b>	<b>6.94</b>	<b>6.73</b>	<b>-0.21</b>	<b>-3.0%</b>

BERMUDA | Last Yet Fossil | Source: Department of Immigration & Visitor Arrival Forms

## International Stock Market Performance

		Index	Change	% Change
DJIA	USA	42,197.79	-769.83	-1.79
S&P 500	USA	5,976.97	-68.29	-1.13
NASDAQ	USA	21,631.04	-282.28	-1.29
FTSE 100	UK	8,846.48	-38.44	-0.43
DAX	Germany	23,516.23	-255.22	-1.07
CAC 40	France	7,684.68	-80.43	-1.04
Nikkei 225	Japan	37,834.25	-338.84	-0.89
Hang Seng	Hong Kong	23,892.56	-142.82	-0.59

## Executive Summary

PERCENTAGES ARE % CHANGE COMPARING 2025 to 2024

Q1 2025

### LEISURE AIR ARRIVALS



### CRUISE



### AVERAGE LENGTH OF STAY (DAYS)

TOTAL = 6.73  
LEISURE = 5.88  
AT HOTELS = 4.63  
AT VRPS = 9.48

### AIR CAPACITY (SEATS)



### ESTIMATED LEISURE VISITOR EXPENDITURE

AIR Q1 2024	AIR Q1 2025	% CHG
<b>\$26.9M</b>	<b>\$28.9M</b>	<b>7.7% ↑</b>
<b>\$1,858</b> PER PERSON	<b>\$1,809</b> PER PERSON	<b>-2.6% ↓</b>

### HOTELS



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Joseph



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