



# CARIBBEAN FINANCIAL DISPATCH



CARIBBEAN FX Rates	USD	CAD	GBP	Euro
Aruba (florin)	1.80	1.31	2.44	2.04
Bahamas (BSD)	1.00	0.73	1.35	1.14
Barbados (BBD)	2.03	1.47	2.74	2.30
Belize (BZD)	2.02	1.47	2.73	2.30
Cayman Isl. (\$)	0.83	0.61	1.12	0.94
Dom Rep	59.00	42.94	79.41	66.87
Guyana (GYD)	218.00	173.00	284.01	243.00
Haiti (HTG)	131.37	94.86	175.99	148.22
Jamaica *(JMD)	160.12	117.11	216.24	184.25
OECS (XCD)	2.71	1.95	3.64	3.06
Suriname (SRD)	37.61	27.06	50.73	42.59
T&T (TTD)	6.77	5.23	9.75	9.19

#### Inside This Issue:

- Bahamas revenue jumps 12.2%
- US tariff strategy in legal limbo
- Stock Market Roundup
- UK business confidence hits 9-month high
- UN may cut staff by 20%

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#### US tariffs place 84 million jobs at risk

The ILO's May 2025 World Economic and Social Outlook: May 2025 Update warns that new U.S. "reciprocal tariffs," especially on Asian economies, are shrinking global trade flows and raising inflation risks, cutting projected global GDP growth to 2.8% from 3.2%. This poses risks for service-based, U.S.-linked economies in the Caribbean like Bermuda. About 84 million workers globally, particularly in Asia and small trade-reliant states, are vulnerable due to ties to U.S. consumer demand. Global job growth for 2025 has been revised down to 1.5%, with rising protectionism and supply chain fragmentation pushing many into lower-quality, informal work.

# REGIONAL ROUNDUP

## Caribbean Development Bank signs historic EEA's

The CDB, along with CABEL and CAF, has signed groundbreaking Exposure Exchange Agreements (EEAs) totaling over US\$1.1B, enabling multilateral development banks to diversify sovereign credit risk without transferring loans. These agreements, the first among non-AAA-rated MDBs, aim to strengthen capital adequacy, expand lending capacity, and support sustainable development across the LAC. By optimizing their balance sheets, the institutions can increase financing for infrastructure, energy, & social projects while reinforcing regional cooperation and resilience.

## Jamaica's exports decline 15.2%

In January 2025, Jamaica's import bill totaled US\$647.6 million, down 6.1% from 2024, driven by declines in Fuels and Lubricants (-34.2%), Capital Goods (-15%), and Transport Equipment (-11.1%). Export earnings fell 15.2% to US\$134.2 million, mainly due to a 50.2% drop in Mineral Fuels, though domestic exports rose 2.8%. Imports from Jamaica's top five trading partners — the USA, China, Nigeria, Colombia, and Japan — increased by 9.6% to US\$398.2 million. This increase was due largely to a 1.1 per cent rise in imports of Mineral Fuels. , while export earnings from key destinations including the the USA, the Russia Federation, Iceland, the Cayman Islands and the United Kingdom grew 9.3% to US\$115.8 million, led by a 31% rise in Crude Materials.

## Bahamas revenue jumps 12.2%

From July 2024 to March 2025, The Bahamas recorded strong fiscal performance, with total revenue rising 12.2% year-over-year to \$2.5 billion— 69.4% of the annual forecast. Expenditure reached \$2.6 billion, fulfilling 73% of the budget The fiscal deficit narrowed by 16.6% to \$178.9 million (1.1% of GDP), while the primary surplus rose to \$268.4 million (1.7% of GDP). April 2025 revenue surged to \$352.7 million, pushing the government to project a full-year deficit between 0.3% and 0.7% of GDP. Debt declined slightly to 72.9% of GDP, amid ongoing tax reform and expenditure discipline.

## Billion dollar pension scheme for farmers

Jamaica's Agriculture Ministry will establish a pension scheme for farmers, with Minister Floyd Green announcing plans to advocate for J\$1 billion in seed funding. During his 2025/26 Sectoral Debate speech, Green also revealed that 387 farmers received J\$1.4 million in 2024 under the GK Weather Protect parametric insurance programme, which covers wind, rain, and drought events. Following its success, the Ministry will allocate an additional J\$7.5 million to extend coverage to 5,000 farmers in disaster-prone areas and agro-parks.

## Bermuda: CIT consultation to Align with OECD Rules

The Bermuda Corporate Income Tax Agency has launched its first public consultation on technical amendments to the Corporate Income Tax Act 2023, aiming to clarify key provisions and align with OECD GloBE Rules under Pillar Two, which impose a 15% global minimum tax on multinational firms earning over €750 million. The proposed changes address unit-linked insurance contracts, short-term shareholdings, tax loss elections, and location rules for part-year entities, while enhancing fiscal transparency and simplifying compliance. Additional updates refine foreign currency rules and filing responsibilities. The consultation period runs from May 29 to June 19, 2025.

## US pauses student visa interviews

The U.S. Government has ordered a pause on new student visa interviews as part of a broader effort to expand social media vetting for applicants. This directive, issued by Secretary of State Marco Rubio, aims to prepare for an expansion of required social media screening and vetting, which could significantly slow down student visa processing and affect universities that rely on foreign students for funding. International student enrollment in the U.S. hit an all-time high of 1.13 million in 2023/24, marking a 7% increase from the previous year and contributing over \$50 billion to the U.S. economy. The pause is effective immediately, and while previously scheduled interviews can still proceed, new appointments will be halted until further guidance is issued



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# REGIONAL ROUNDUP

## Bahamas: First balanced budget since Independence

Prime Minister Philip Davis unveiled the Bahamas' first balanced budget since independence, featuring a projected 1.7% surplus for FY2025/26. Key measures include VAT reductions to 5% on essential items—such as baby products, feminine hygiene supplies, and prescription drugs—and the removal or reduction of Customs duties on construction materials, cleaning supplies, and energy-efficient appliances. The budget also introduces environmental levies, new visitor cards for yachts and planes, and stricter VAT enforcement. Davis reported record GDP growth of 3.7% in 2024, the lowest inflation (0.4%) in over a decade, and a drop in unemployment to 8.7%. A \$90M loan has been secured to modernize infrastructure, including BahaMix and airports.

## SVG Remittances decline, ICE to blame

Remittances to St. Vincent and the Grenadines have declined, which Finance Minister Camillo Gonsalves attributes partly to U.S. immigration enforcement. “There are reports that in major metropolitan areas of the United States and areas where Vincentians live, US Immigration and Customs Enforcement (ICE) is essentially camped out outside of these Western Unions and these MoneyGram offices,” he said. This, he noted, has had a chilling effect, particularly on migrants who regularly send money home. Despite this, Gonsalves emphasized that domestic employment is at historic highs, with unemployment now believed to be in the single digits—down from 10.8% in 2022. However, he acknowledged that labour shortages are affecting infrastructure projects, as contractors struggle to find workers.

## Gas and diesel prices rise in Barbados

Barbados continues to face rising fuel prices amid global market volatility, according to Minister in the Ministry of Finance, Ryan Straughn. While the fuel clause adjustment on electricity bills dropped to 31.7588 cents per kilowatt hour in May—the lowest since June 2021—petrol prices increased by six cents to \$3.95 per litre, and diesel rose by seven cents to \$3.40. Kerosene remained unchanged at \$1.26 per litre. Straughn emphasized government efforts to promote cleaner fuels and electric vehicles to shield consumers from external price shocks, though critics argue the fuel increases are unjustified given the recent 8.5–10% global oil price decline.

## Select Commodity Prices

Futures	Price	US\$ Change	Change
WTI Crude	US\$60.79	-0.15	-0.25%
Brent Crude	US\$63.90	-0.25	-0.39%
OPEC Basket	US\$63.78	+0.00	+0.00%
Natural Gas	US\$3.447	-0.075	-2.13%
Gold	US\$3,288.67	-29.60	-0.89%
Silver	US\$32.98	-0.34	-1.03%

## Internet banking usage in the Bahamas soars

Internet banking users in The Bahamas surged by 39% to over 164,000 in 2024, yet digital wallet usage declined, reflecting limited integration of the Sand Dollar across platforms. While total e-money accounts rose, top-ups & transaction volumes dropped significantly. Government-to-person (G2P) and business-to-person (B2P) payment adoption also remained low. Meanwhile, the Financial Services Ombudsman resolved or closed 90% of 107 complaints, mainly mortgage-related. Dormant accounts held by the Central Bank totaled 45,780, valued at US\$128 million, with \$5.8 million due for escheatment to the Government.

## Bermuda: 35% of global reinsurance capacity

Bermuda's insurance and reinsurance sector contributes nearly US\$2 billion annually—about 29% of GDP. The island commands an estimated 35% of global reinsurance capacity and has paid out roughly US\$500 billion in U.S. property and catastrophe claims alone. While this specialization makes Bermuda vulnerable to shifts in global insurance markets, S&P says the island's strong institutions and high-income status help cushion external shocks.

# GLOBAL PULSE

## US tariff strategy in legal limbo

A mid-week ruling by the U.S. Court of International Trade struck down President Trump's sweeping use of emergency powers to impose broad tariffs, ruling that such actions require congressional approval. However, a federal appeals court has since temporarily reinstated his tariff authority pending review, leaving the status of tariffs on over 60 countries uncertain. While existing levies under Section 232 remain intact, Trump may still impose temporary 15% tariffs for 150 days under Section 122 of the 1974 Trade Act. Legal experts and critics argue the administration's unilateral approach sidesteps established legislative procedures, raising constitutional and policy concerns.

## Nepal projects 4.6% growth

Nepal's economy is projected to grow by 4.61% in FY2024/25, with GDP reaching Rs 6.107 trillion, driven mainly by the services sector (62%). Inflation stands at 4.72%, while per capita income rose to USD 1,517. Federal revenue rose 12.6%, narrowing the fiscal deficit to Rs 16.19 billion. Remittances increased 9.4% to Rs 1.051 trillion, and exports surged 57.2%. Foreign reserves now cover 14.3 months of imports. Electricity access has reached 99%, and internet penetration stands at 144.23%.

## IMF Lifts UK Growth Forecast

The UK economy is now expected to grow by 1.2% in 2025, slightly above earlier IMF projections. However, the Fund has cautioned Chancellor Rachel Reeves to hold firm on her fiscal rules amid rising spending pressures. The IMF praised the government's infrastructure and planning reforms, but flagged risks from global trade tensions, US tariffs, and volatile markets, which could shave 0.3% off 2026 growth. Inflation, which unexpectedly jumped to 3.5% in April, is expected to fall back to the 2% target by late 2026, despite lingering uncertainties.

## China set to collect \$22b from BRI loans

China is shifting from global lender to top debt collector in 2025, with 75 developing countries set to repay a record \$22 billion in loans, according to the Lowy Institute. This marks a turning point for the Belt and Road Initiative, as grace periods from the 2010s expire. Under the BRI initiative, the debt service now exceeds Paris Club levels in many nations. Beijing faces growing pressure to restructure loans amid its own economic slowdown.

## US consumer confidence improves in May

U.S. consumer confidence rebounded sharply in May, with the Conference Board index jumping 12.3 points to 98.0, ending a five-month decline. The boost followed easing trade tensions, including a U.S.-China deal to reduce tariffs on Chinese imports from 145% to 30% for 90 days. However, concerns over tariffs' impact on prices and the broader economy remain prominent among consumers.

## Oil prices fall on possible larger OPEC+ output

Oil prices fell on Friday as investors weigh a potentially larger OPEC+ output hike for July. Price dipped into negative territory after news reports that OPEC+ may discuss an increase in July output larger than the 411,000 barrels per day (bpd) that the group had made for May and June. The potential OPEC+ output hike comes as the global surplus has widened to 2.2 million bpd, and growing uncertainty over U.S. tariff policy. JPMorgan analysts expect prices to stay within current levels before easing into the high \$50s by year-end.

## UN may cut staff by 20%

The UN Secretariat is preparing to cut its \$3.7 billion budget by 20%—eliminating about 6,900 jobs—as part of a sweeping reform effort dubbed “UN80.” The move, driven by a deepening financial crisis exacerbated by \$1.5 billion in unpaid U.S. dues and delayed payments from China, reflects Secretary-General António Guterres' push to consolidate agencies, reduce duplication, and shift resources globally. The cuts, effective January 2026, come amid broader U.S. foreign aid reductions.

## US postpones EU tariff until July 9

U.S. President Donald Trump has postponed the imposition of a 50% tariff on all EU imports until July 9 following a weekend call with European Commission President Ursula von der Leyen, who urged more time to reach a trade agreement. The delay comes amid stalled negotiations and heightened transatlantic tensions. Talks will now focus on critical sectors such as semiconductors, automobiles, pharmaceuticals, and aluminium, led by EU Trade Commissioner Maroš Šefčovič.



Redefining Radio

# GLOBAL PULSE

## IMF projects single-digit inflation for Pakistan

The IMF projects that Pakistan’s inflation will average below 10% over the next six fiscal years, signaling a sharp improvement from recent highs. Inflation is expected at 5.1% in FY2024–25, rising modestly to 7.7% in FY2025–26 before stabilizing at 6.5% through 2029–30. This marks a major shift from the 29.2% peak in FY2022–23. The recent average of 4.73% during the current fiscal year reflects tighter monetary policy, improved food supply, and currency stability. Sustaining this trend will depend on fiscal discipline, energy price control, and ongoing reforms.

## US Core Capital Goods decline to a 6-month low

U.S. business investment is weakening, with April seeing the sharpest drop in core capital goods orders in six months—down 1.3%—as companies grapple with policy uncertainty and shifting tariffs. Equipment shipments also declined, suggesting a soft start to Q2. Economists blame President Trump’s tariff volatility for disrupting planning, despite a short-term lift from front-loading ahead of duties. Consumer confidence jumped in May, but labor market concerns persist. Meanwhile, housing demand is cooling under pressure from high mortgage rates and economic uncertainty, and durable goods orders fell 6.3%, driven by steep declines in transportation and commercial aircraft orders.

## Syria to reopen stock market June 2

Syria is preparing to recommence operations of its stock market from June 2, according to a report by the state news agency SANA and confirmed by the Finance Minister. The Syrian stock market had ceased trading since December 5. The suspension was due to the necessity to evaluate the operational and financial condition of the companies involved in the market. In a significant political shift, former President Bashar al-Assad was removed from power by rebels in December. The reopening of the stock market signals a step towards economic normalization following this change in leadership.

## UK Business Confidence Hits Nine-Month High

UK business confidence surged in May to its highest level since August 2024, according to Lloyds Bank’s Business Barometer. The index rose 11 points to 50%, driven by easing global trade tensions and recovering financial markets. Economic optimism climbed 16 points, with 40% of businesses planning to hire and 34% expecting wage growth of 3% or more. Confidence improved across key sectors, with construction hitting 56%, services surpassing 54%, and manufacturing rising to 40%. Regionally, the East Midlands reached a record 66%. Retail, however, fell five points to 40 per cent, its lowest point since January.

	USD	EUR	JPY	GBP	CHF	CAD	INTL F/X RATES
USD		0.8813	144.06	0.743	0.823	1.374	
EUR	1.135		163.492	0.843	0.9341	1.559	
JPY	0.0069	0.0061		0.0052	0.0057	0.0095	
GBP	1.3456	1.1857	193.835		1.107	1.850	
CHF	1.2152	1.071	175.735	0.9032		1.671	
CAD	0.7278	0.6412	104.81	0.541	0.5983		

# MARKET WATCH

## Caribbean Stock Market

 <b>JSE Index</b>	<b>324,831.62</b>	<b>▲0.14%</b>
 <b>All T&amp;T Index</b>	<b>1,535.91</b>	<b>▲0.01%</b>
 <b>BISX All Share</b>	<b>3,057.57</b>	<b>▲2.11%</b>
 <b>BSE Local</b>	<b>2,810.56</b>	<b>0.00%</b>
 <b>BSX Index</b>	<b>2,778.39</b>	<b>0.00%</b>
 <b>ECSE</b>	<b>162.81</b>	<b>0.00%</b>

<b>JSE Composite</b> 374,106.01 ▲0.26%	<b>TTSE Composite</b> 1046.63 ▲0.01%	<b>Carib. Exchange</b> 937.69 ▲3.58%	<b>BSE Composite</b> 681.01 ▲0.04%
<b>TTSE X Listed</b> 73.21 0.00%	<b>JSE X Listed</b> 48.62 ▼0.94%	<b>TTSE SME</b> 91.76 0.00%	<b>JSE Select</b> 7,886.65 ▲0.47%

### Top Gainers:

Pulse Investments Ltd	J\$0.97	▲12.79%
Mayberry Jamaican	J\$11.09	▲12.36%

### Top Losers:

Eppley Car. Property	J\$39.16	▼14.50%
138 Student Living	J\$188.08	▼10.86%

### RFHL Seeks full ownership of Cayman National Bank

Republic Financial Holdings Limited (RFHL), via its subsidiary RBTTBL, is making an all-cash offer to acquire full ownership of Cayman National Bank at US\$7.75 per share. RFHL currently owns 74.98% of the bank and aims to purchase the remaining shares. RFHL has been operating in the Cayman Islands since 2006. Cayman National, founded in 1974, is the largest indigenous financial institution in the Cayman Islands and also operates in the Isle of Man. An official offer circular is expected shortly.

### AS Bryden's T&T shareholders seeking US\$10.76M in Jamaica

Former shareholders of AS Bryden & Sons Holdings Ltd are selling over 10.76 million Class A preference shares on the Jamaica Stock Exchange, following the expiration of a three-year lock-up period. The shares, issued as part of Seprod Ltd's US\$45.9 million acquisition of a 60% stake in AS Bryden in 2022, pays a 6% annual dividend and are redeemable from 2037. The move coincides with Seprod's ongoing takeover bid to raise its ownership in AS Bryden from 50.14% to nearly 80%, ahead of AS Bryden's anticipated listing on the TTSE.

### Advantage General net profit plunges nearly 80%

Advantage General Insurance Company Limited saw its net profit plunge nearly 80% in 2024 to J\$83.8 million, down from J\$415.3 million in 2023, despite an 18% rise in insurance revenue to J\$9.8 billion. The steep drop was driven by a sharp increase in insurance service expenses, which surged over 50% to J\$7.1 billion, eroding gains from stronger investment income. Profit before tax fell to J\$140 million, even as net investment returns rose 27% to J\$594 million. The company remains viable, but cost pressures weighed heavily on earnings.

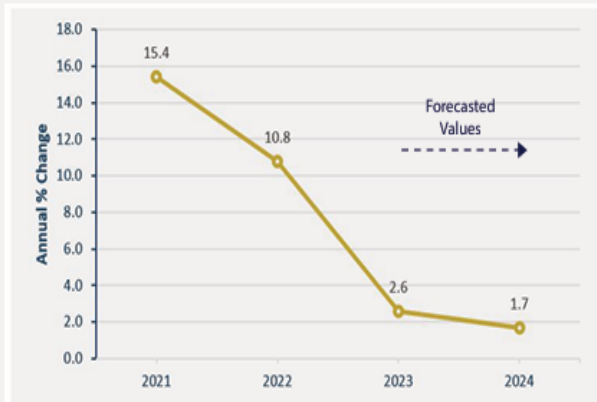
### KPREIT assets under management jump 24%

Kingston Properties Limited (KPREIT) posted strong first-quarter results for 2025, with rental income up 24% year-over-year to US\$1.38 million and net profit after tax rising 6% to US\$1 million. Funds from operations surged 55% to US\$519,851, driven by strategic acquisitions, notably in the UK and Jamaica. Assets under management expanded 24% to US\$88.38 m, while total loans rose to US\$34.24 m, maintaining a conservative debt-to-assets ratio of 39%. Occupancy improved to 92%. Book value per share rose to J\$9.46, and the stock price gained 21% year-over-year.

# STATISTICAL CORNER

## THE BAHAMAS- ECONOMIC GROWTH

### Real Gross Domestic Product 2021-2024



## International Stock Market Performance

		Index	Change	% Change
DJIA	USA	42,207.07	+54.34	+0.13
S&P 500	USA	5,911.69	-0.48	-0.01
NASDAQ	USA	19,113.77	-62.11	-0.32
FTSE 100	UK	8,772.38	+55.93	+0.64
DAX	Germany	24,011.88	+78.65	+0.33
CAC 40	France	7,751.89	-27.83	-0.36
Nikkei 225	Japan	37,965.10	-467.88	-1.22
Taiwan SE	Taiwan	21,347.30	-10.42	-0.05



CENTRAL BANK  
OF THE BAHAMAS

## Quarterly Economic Review

December 2024

### Economy at a Glance

During the fourth quarter, preliminary indications are that the Bahamian economy maintained its positive growth trajectory, but at a moderated pace, relative to the prior year. Tourism output remained at a healthy level, owing largely to robust gains in sea visitors, as the high value-added stopover segment continued to face capacity accommodation constraints. Further, domestic inflation slowed, underpinned by the pass-through effects of lower global oil prices on imported oil and other goods.

### Balance of Payments



### Inflation



### Real Sector

#### TOURISM

Total visitor arrivals grew by 15.9% to 2.8 million, exceeding the 2.4 million visitors in the same period of 2023. Contributing, sea passengers rose by 19.6%; however, air traffic declined by 3.9%.

	QIV 2024	QIV 2023
Sea Visitors	2.8M	2.4M
Air Traffic	2.5M	2.1M
Sea Passengers	0.4M	0.4M

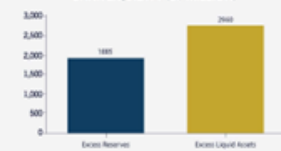
#### CONSTRUCTION

Total Mortgage disbursements increased more than two-fold in Q4 2024 to \$43.1 million (residential mortgages disbursements up by \$13.3 million and commercial disbursements rose by \$12.1 million) from \$20.0 million in 2023.

	QIV 2024	QIV 2023
Total Mortgage Disbursements	\$43.1M	\$20.0M

### Liquidity

#### BANK LIQUIDITY (B\$ MILLION)



#### Credit



#### Credit Quality



### FISCAL & DEBT

Provisional data on the Government's budgetary operations for Q4 of FY 2024/25 showed that the fiscal deficit widened vis-à-vis the comparative FY2023/24 period, as the rise in total expenditure, overshadowed the growth in aggregate revenue.

#### Fiscal Operations

##### DEFICIT/SURPLUS



##### DEBT



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