



CARIBBEAN FINANCIAL DISPATCH



CARIBBEAN FX Rates	USD	CAD	GBP	Euro
Aruba (florin)	1.80	1.32	2.45	2.05
Bahamas (BSD)	1.00	0.73	1.37	1.15
Barbados (BBD)	2.03	1.49	2.77	2.34
Belize (BZD)	2.02	1.47	2.73	2.30
Cayman Isl. (\$)	0.83	0.61	1.13	0.95
Dom Rep	58.93	43.15	79.85	67.25
Guyana (GYD)	218.00	173.00	285.21	243.00
Haiti (HTG)	131.45	96.04	177.38	149.98
Jamaica *(JMD)	160.34	119.24	217.47	183.49
OECS (XCD)	2.71	1.97	3.65	3.08
Suriname (SRD)	36.79	26.97	50.86	42.29
T&T (TTD)	6.80	5.35	10.00	8.46

Inside This Issue:

- Antigua seeking to restructure debt portfolio
- Remote work could save Barbados \$750 M
- CBTT Governor fired amid forex dispute
- US growth reverses, Inflation up

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IMF Endorses Jamaica's Reforms

The IMF praised Jamaica's decade-long commitment to macroeconomic stability, strong institutional reforms, and policy credibility, enabling agile responses to global and climate shocks. Despite a weather-related GDP dip in FY2024/25, growth is rebounding, unemployment hit a record low of 3.7%, inflation is within the 4–6% target, and the current account remains in surplus. Public debt continues declining toward the 60% of GDP goal by FY2027/28. The IMF commended reforms in fiscal responsibility, tax/customs, wage structures, climate resilience, and AML/CFT. Risks include weather events and external shocks. The Fund encouraged a medium-term debt anchor and deeper FX and capital markets to improve resilience, productivity, and private sector investment.

REGIONAL ROUNDUP

Antigua seeking to restructure debt portfolio

Antigua and Barbuda is planning a US\$250–\$300 million bond issue to refinance costly domestic debt and reduce its debt service ratio from 30% to 20% of revenue, thereby expanding fiscal space. The government is working with Oppenheimer and potentially CAF to complete the transaction within 90 days. Simultaneously, it is negotiating with Brazil to write off penalties on a 1980s loan now valued at US\$44 M, and with Venezuela to reduce PetroCaribe obligations from over US\$500 million to US\$250 million. Annual debt servicing currently stands at US\$300 million.

Bahamas: \$1 billion trade deficit in Q1

The Bahamas incurred a \$1bn trade deficit for the first three months of 2025 despite exports more than doubling year-over-year. Imports rose 16% in Q1 2025 to \$1.196 billion, driven by strong demand in machinery and transport equipment, which accounted for \$272 million (23% of total imports), according to the Bahamas National Statistical Institute. Food and live animals made up 17% (\$209 million), while manufactured goods, fuels, and miscellaneous items totaled \$504 million (42%). Exports rose 101% to \$191 million, with key categories including manufactured goods, food, and machinery, reflecting broader growth, especially in construction.

IMF Approves Final Payout for Barbados

The IMF Executive Board has completed the fifth and final reviews of Barbados' Extended Fund Facility (EFF) and Resilience and Sustainability Facility (RSF), approving disbursements of US\$19 M (EFF) and US\$39 million (RSF). The reviews confirm strong implementation of the BERT 2022 plan, with robust economic growth (4% in 2024), moderating inflation (1.4%), and declining public debt (below 105% of GDP). The IMF praised Barbados' solid fiscal performance, structural reforms, and climate resilience efforts. While the 2025 outlook is stable, risks remain from external shocks and natural disasters. The government remains committed to a 60% debt-to-GDP target by FY2035/36 and advancing digital payments and renewable energy.

Jamaica: Imports up 1.9%; exports decline 8.9%

For January–February 2025, Jamaica's imports rose 1.9% to US\$1.32 billion, led by higher raw material and consumer goods inflows. Exports fell 8.9% to US\$306.2 million, mainly due to a 41% drop in mineral fuel exports. The U.S., China, Brazil, Nigeria, and Colombia accounted for US\$855 million in imports, up 9.3%, while exports to the U.S., Russia, Iceland, Canada, and France rose 11.7% to US\$233 million, driven by crude materials. Imports from USMCA countries climbed 8.6% to US\$543.9 million, but EU and CARICOM imports fell by 28.2% and 2.3%, respectively.

Grenada Secures US\$90M OPEC Fund Partnership

Grenada has signed a 3-year Country Partnership Framework (2025–2027) with the OPEC Fund, unlocking up to US\$90 million in concessional financing for health, energy, water, transport, and food security. The agreement also includes technical assistance and PPP regulatory support. Signed in Vienna, the deal deepens collaboration and boosts the inclusive, resilient development agenda.

IDB Unveils Debt Swap and Resilience Fund

The IDB has launched a multi-country debt-for-resilience swap and a Caribbean Multi-Donor Trust Fund to support climate-vulnerable nations. Backed by US\$13 million from Canada and the UK, the fund—under the ONE Caribbean programme—will enhance resilience, food security, private sector growth, and citizen safety. AAA-rated guarantors will co-guarantee debt issuances, enabling countries to replace costly borrowing with savings for national and regional resilience—without increasing debt levels.

T&T Fires Central Bank Governor Amid Forex Dispute

Dr. Alvin Hilaire has been dismissed as Governor of the Central Bank of Trinidad and Tobago, following Cabinet advice to President Christine Kangaloo. Finance Minister Davendranath Tancoo confirmed the termination, reportedly over Hilaire's refusal to disclose major foreign exchange users. Former finance minister Larry Howai replaces him and has pledged a balanced approach—respecting confidentiality while improving policy. The move mirrors the 2015 dismissal of Jwala Rambarran and underscores continued political tension over foreign exchange management in T&T.



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REGIONAL ROUNDUP

Jamaica: BPO wanes, logistics soars

With Jamaica's BPO sector plateauing at around 52,000 jobs and US\$890 M in earnings (2023), logistics outsourcing is emerging as a key growth area. Global demand is rising, driven by companies like Amazon now shipping directly to Jamaica. The Global Services Association of Jamaica (GSAJ) and Jampro are pushing for expansion into third-party logistics (3PL), including warehousing, order fulfillment, and transport. Jamaica's strategic location, port infrastructure, and the Port Community System (PCS) position it well to serve nearshore supply chains. While reconfiguration of workspaces and upskilling are underway, significant GDP impact is expected within three years.

Antigua and Barbuda Signs Global Tax Reform Pact

Antigua and Barbuda has joined the OECD/G20 Base Erosion and Profit Shifting (BEPS) multilateral instrument (MLI), becoming its 105th signatory. The MLI allows countries to swiftly amend tax treaties to counter avoidance strategies like treaty abuse and artificial permanent establishment arrangements. It also strengthens dispute resolution frameworks, including optional binding arbitration, which 34 jurisdictions have adopted. Once Antigua and Barbuda ratifies the MLI domestically, the treaty changes will take effect on the first day of the fourth month following its deposit with the OECD. To date, over 1,600 treaties have been modified through the BEPS MLI.

St Lucia tax amnesty extended to 2026

Saint Lucia has extended its tax amnesty to May 1, 2026, waiving penalties and interest on taxes owed up to 2023. Taxpayers must pay principal only; enforcement actions will follow after the deadline. Early settlement and assistance are encouraged.

Remote Work Could Save Barbados BBD \$750M

Remote work presents a major economic opportunity for Barbados. According to the Central Bank of Barbados, if one-third of the workforce operated remotely, the country could save 846 million minutes annually—valued at nearly BBD \$750 million. With remote workers shown to be 35–40% more productive and saving 72 minutes daily, flexible work models can reduce traffic, cut oil imports, lower emissions, and revitalize local economies while preserving work-life balance.

Select Commodity Prices

Futures	Price	US\$ Change	Change
WTI Crude	US\$65.52	+0.28	+0.43%
Brent Crude	US\$67.77	+0.04	+0.06%
OPEC Basket	US\$68.13	+0.14	+0.21%
Natural Gas	US\$3.739	+0.213	+6.04%
Gold	US\$3,286.10	-1.50	-0.05%
Silver	US\$36.16	-0.20	-0.56%

OECS exiting CARICOM is not the answer—Skerrit

Dominica's PM Roosevelt Skerrit has rejected calls for OECS to exit the CSME, urging unity and honest dialogue amid regional disparities, unfulfilled treaty commitments, and rising external threats. He called for stronger CARICOM cooperation, not fragmentation, ahead of the July 6–8 Conference of Heads Meeting in Jamaica.

Belize Names and Shames Major Tax Defaulters

The Belize Tax Service has named delinquent businesses with millions in arrears after repeated failed compliance efforts. Citing Section 64A of the Tax Administration and Procedure Act, officials emphasized that tax obligations are mandatory and enforcement will be firmly pursued across all sectors, nationwide.

US Tightens Visa Screening Rules

US Embassies across the Caribbean have implemented stricter visa screening rules, requiring applicants to disclose social media usernames from the past five years on the DS-160 form. Failure to comply may result in visa denial and future ineligibility. Additionally, student (F), vocational (M), and exchange (J) visa applicants must set social media accounts to public for identity and admissibility checks. Consular officers will review content for hostility toward the U.S. as part of national security vetting measures.

GLOBAL PULSE

U.S. Growth Reverses, Inflation surges

U.S. Q1 GDP was revised to -0.5%, down from -0.2% and reversing Q4's 2.4% growth. Inflation surged, with the PCE Price Index at 3.7% and core PCE at 3.5%, up from 2.6%. Goods exports fell 5.2% in May—largest drop since 2020—amid rising tariffs and global trade frictions and an era of general geopolitical uncertainty. Jobless claims fell to 236,000, but continuing claims hit 1.974 million, highest since 2021, indicating labour market softening. The outlook remains fragile as inflation and trade pressures persist.

Tanker Rates Soar to Highest Since 2023

Tanker freight rates have surged amid rising Middle East tensions. The benchmark rate for supertankers hauling 2 million barrels of crude from the Persian Gulf to China jumped 12% to \$76,000 per day—the highest since March 2023, according to Baltic Exchange data. Rates have more than doubled since Israel's initial missile strike on Iran, as shipowners demand risk premiums for navigating the Strait of Hormuz. Forward freight agreements for June were bid at 100 Worldscale points, reflecting elevated risk. The Joint Maritime Information Center has warned of increased threats and advised vessels to implement risk mitigation measures.

China-EU tech exports surge, US plunge

In May, China's high-tech exports to the EU surged, driving a 22% rise in the trade deficit. Lithium battery exports rose 52% overall—Estonia (+1,207%), Bulgaria (+1,068%), Germany (+56.4%). Smartphone imports in Germany jumped 221.6%, laptops 33.2%. Meanwhile, U.S. imports of Chinese smartphones fell 75.7%, laptops 52.3%, and batteries 22.8%. Low-value parcel shipments to the EU rose 72% to \$2.69B, led by Shein and Temu. The EU plans a €2 fee on sub-€150 parcels.

Canada's inflation holds at 1.7%

Canada's CPI rose 1.7% year-on-year in May, unchanged from April, as housing and travel costs eased. Core inflation held at 3%, with common CPI at 2.6%. Shelter inflation dropped to 3%, its lowest in years, driven by immigration caps and weaker Ontario demand. Airfare fell 10.1%, gasoline 15.5%, and public transit 5.1%, offsetting a 4.9% rise in new car prices. With inflation pressures easing, the Bank of Canada is expected to hold rates at 2.75% in July, possibly allowing just one cut this year.

UK Launches 10-Year Innovation Strategy

Britain's new 10-year industrial strategy outlines sweeping reforms and investments to cut electricity bills from 2027 and boost innovation. It includes £2.8 billion for advanced manufacturing R&D, £30 billion annually for clean energy by 2035, and a £150 million fund for creative industries. Up to £600 million is allocated for a Health Data Research Service, alongside a push for AI in professional services. The UK aims to lead in frontier tech and strengthen EU energy cooperation.

Canada's Oil Sands Output to Hit Record

Canada's oil sands output is projected to hit a record 3.5 million bpd in 2025, up 5% from 2024, per S&P Global Commodity Insights. Production is forecast to rise to 3.9 M bpd by 2030, despite weaker prices and export risks. A plateau is expected later this decade but at higher levels than previously anticipated. Canadian producers are consistently outperforming U.S. peers due to the strong quality of Western Canada's reserves and structurally lower breakeven production costs.

EU Eases Energy Costs for Industry

The European Union relaxed its strict state-aid rules, allowing heavy industries temporary electricity price relief for up to three years, capped at 50% of consumption and average wholesale costs. The move, part of the EU's Clean Industrial Deal, comes amid concern over Europe's industrial competitiveness versus the U.S. and China. Companies must invest part of the aid into green transition efforts. Projects exceeding €200 M or 10% of costs require Commission approval, with nuclear, solar, wind, and hydrogen projects eligible for support.

Ireland: 75,000 jobs at risk from US pharma tariffs

Ireland's Finance Minister Paschal Donohoe warned that proposed U.S. pharmaceutical tariffs could endanger up to 75,000 jobs and destabilize Ireland's economy, which relies on corporate tax revenue from U.S. giants like Apple and Pfizer. Donohoe noted that job losses could impact future roles, not just current ones, and stressed the risks of slashing public investment, drawing lessons from the 2008 financial crisis.



Redefining Radio

GLOBAL PULSE

Americans cutting back on recreational spending

U.S. retail sales fell 0.9% in May—the sharpest drop since January—after a tariff-fueled buying spree earlier. Car sales plunged 3.5%, with declines also at gas stations, home improvement stores, and restaurants. Excluding autos, sales dipped 0.3%. Rising uncertainty, tariff anxiety, and cautious consumers may signal a broader slowdown. Despite 4.2% unemployment, weaker sentiment could dampen future spending and threaten GDP growth in the second half of 2025.

Pakistan: Govt cuts export port charges by 50%

Pakistan has slashed export port charges by 50% at Port Qasim to boost trade and support local businesses. Maritime Minister Junaid Anwar Chaudhry said the move aligns with efforts to modernize the maritime sector. The Marine Fisheries Department met its \$410M export target, while ship recycling earned Rs6B (US\$21.1M). Plans include launching a Marine and Aquaculture Policy and creating an Aquaculture Industrial Zone to promote sustainable coastal development.

US Fed Signals Steady Course

Federal Reserve Chair Jerome Powell told Congress the U.S. economy remains solid, with 2.5% GDP growth in 2023 and a 4.2% unemployment rate. Core PCE inflation eased to 2.6% in May, though short-term expectations rose amid tariff concerns. The Fed is holding rates at 4.25–4.5% and continuing balance sheet runoff. Powell emphasized a balanced approach to employment and inflation, noting uncertainty around the duration of tariff effects on the economy.

WTO: Global trade increases for June but...

The WTO's Goods Trade Barometer for June 2025 indicates a rise in global trade, driven by front-loading purchases, but also suggests a potential slowdown later in 2025. The barometer currently stands at 103.5, above the baseline of 100 and slightly higher than the previous reading of 102.8. However, weakening export orders point to a possible decrease in trade growth in the coming months.

BoE's Bailey Flags Inflation Uncertainty

Bank of England Governor Andrew Bailey noted rising inflation has added uncertainty to the UK's price outlook, though signs of labor market slack are emerging. Speaking recently, he reiterated that interest rates—currently at 4.25%—are not on a fixed path but expected to decline gradually. Bailey cited global uncertainties, oil market volatility, and unpredictable geopolitical developments, while investors anticipate rates falling to 3.75% by end-2025.


China Bets Big on Consumer-Driven Growth

Chinese Premier Li Qiang pledged to transform China's \$19T economy into a "mega-sized consumer powerhouse," shifting from manufacturing to consumption-led growth. Speaking at the WEF, he positioned China as a stabilizing force amid global tensions. Despite weak sentiment and deflationary pressures, rising retail sales and other factors show demand strength. China allocated 138B yuan in subsidies and vowed to share EV and AI advances globally, countering U.S. tech restrictions.

	USD	EUR	JPY	GBP	CHF	CAD	
USD		0.8546	144.65	0.743	0.7986	1.3685	INTL F/X RATES
EUR	1.170		168.36	0.854	0.937	1.6042	
JPY	0.0069	0.006		0.005	0.0055	0.0095	
GBP	1.371	1.169	198.29		1.100	1.8787	
CHF	1.253	1.070	181.29	0.914		1.7140	
CAD	0.730	0.623	105.64	0.5322	0.5834		

MARKET WATCH

Caribbean Stock Market

 JSE Index	312,696.64	▲0.43%
 All T&T Index	1506.10	▲0.10%
 BISX All Share	3,041.57	0.00%
 BSE Local	2,786.83	▼0.02%
 BSX Index	2,838.67	▲0.04%
 ECSE	162.77	▼0.02%

JSE Composite 361,144.30 ▲0.51%	TTSE Composite 1,029.33 ▼0.61%	Carib. Exchange 920.32 ▲0.12%	BSE Composite 674.28 ▼0.02%
TTSE X Listed 72.68 ▼2.74%	JSE X Listed 46.99 ▲0.09%	TTSE SME 91.81 0.00%	JSE Select 7,568.44 ▼0.18%

Top Gainers:

Sagicor Real Estate Fund	J\$13.42	▲10.18%
JPSCO 7%	J\$41.60	▲10.05%

Top Losers:

Berger Paints Ja. Ltd	J\$6.50	▼13.10%
Lasco Manuf. Ltd	J\$6.21	▼7.73%

Access Financial seeks J\$774.7 M IDB Invest Loan

Access Financial Services (AFS) is seeking a J\$774.7 million senior unsecured loan from IDB Invest to expand its MSME and green loan portfolios. The 7-year facility, including a one-year moratorium, aims to strengthen AFS's market share by increasing access to financing for women-led enterprises and energy-efficient initiatives. Board approval is expected in July.

SVL Ramps Up Fintech Push

Supreme Ventures is evolving into a fintech leader with its SV Games platform and Evolve suite, including WhatsApp loans. Despite profit declines, it targets regional growth, a remittance network, and a US\$100M transformation of Caymanas Park into a 24/7 entertainment hub.

Carnival Ups Profit Forecast as Cruise Demand Surges

Carnival Corp raised its 2025 profit forecast to US\$1.97 per share, up from US\$1.83, after second-quarter revenue beat estimates at US\$6.33 billion. Strong demand for Caribbean and Mediterranean cruises and bundled onboard packages drove growth. The Carnival is investing US\$600 million in Celebration Key, a private Grand Bahama resort launching in July, as part of a broader push for exclusive cruise destinations.

First Global Bank to Close 8 Agency Locations in Ja.

First Global Bank (FGB) will shutter eight of its agency banking locations in Jamaica on July 31, 2025, as part of its strategic pivot toward digital and self-service banking. The closures—come amid growing investment in online platforms and customer demand for faster, more convenient services. Launched in 2018 to boost financial inclusion through third-party agents like GK One, the agency network had grown to 13 outlets by 2021.

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Wigton Acquires Flash Stake to Boost EV Drive

Wigton Energy Limited has acquired a 51% stake in Flash Holdings Limited as part of a strategic move to support the expansion of its electric vehicle subsidiary, Flash Motors Company Limited. While the controlling interest may be temporary—subject to FMCL meeting performance targets by March 2028—it signals Wigton's commitment to the EV sector. Additionally, Wigton has issued a one-year corporate guarantee on a loan secured by FMCL from IDB Invest. The transaction will trigger updates to Wigton's financial reporting to reflect its new controlling interest.

STATISTICAL CORNER

JAMAICA — AT A GLANCE

Category	Indicator	Value / Detail
Demographics	Population (2023)	2.84 million
Demographics	Literacy Rate (2022)	91.7%
Demographics	Poverty Rate (2021)	16.7%
Demographics	Unemployment Rate (Jan 2025)	3.7%
Economy	Per Capita GDP (2023)	US\$6,850
Economy	IMF Quota (SDRs / % of total)	382.9 million / 0.08%
Economy	Key Export Markets	U.S., U.K., Canada
Exports	Main Products	Alumina, Bauxite, Tourism, Chemicals, Mineral Fuels
Exports	Key Export Markets	U.S., U.K., Canada

International Stock Market Performance

		Index	Change	% Change
DJIA	USA	42,206.82	+ 35.16	+0.08%
S&P 500	USA	5,967.84	-13.03	-0.22
NASDAQ	USA	19,447.41	-98.86	-0.51
FTSE 100	UK	8,774.65	-17.15	-0.20
DAX	Germany	23,350.55	+293.17	+1.27
CAC 40	France	7,589.66	+36.21	+0.48
Nikkei 225	Japan	38,403.23	-85.11	-0.22
Hang Seng	Hong Kong	23,530.48	+292.74	+1.26

COUNTRY FOCUS — JAMAICA

SELECTED ECONOMIC INDICATORS

	2022/3 ACTUAL	2023/4 ACTUAL	2024/5 PROJECTED	2025/26 PROJECTED
Real GDP Growth (%)	4.7	1.8	-0.8	2.2
Inflation (avg %)	9.5	6.2	5.1	5.0
Public Debt (% of GDP)	77.0	73.4	69.2	64.9
Central Govt Primary Balance (% of GDP)	5.8	5.7	5.9	5.2
Unemployment (%)	4.5	4.2	3.7	...

Source: IMF Article IV Consultation—June 2025

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