

Grenada's revenue dips by 15.2 per cent

The Grenada government's revenue and grants for the first half of this year declined by 15.2 per cent, or EC\$112.6 million (One EC dollar=US\$0.37 cents) as compared to the same period last year, according to data released by the Ministry of Finance.

Last year, the government received EC\$740.3 million, declining to EC\$627.7 million for the first six months of this year.

A review of the data shows that during the month of June, there were significant reductions in revenue collected under the category of property tax and non-tax revenue. One of the non-tax revenue items that showed a significant reduction is the Citizenship by Investment (CBI) programme under which foreign investors are granted citizenship of Grenada in return for making a substantial investment in the island's socio-economic development. According to official figures, last year, the CBI's revenue was EC\$40.5 million, but for June 2025, the amount was EC\$10.5 million.

The June 2025 fiscal report said that current revenue for June 2025 was EC\$93.8 million, which was EC\$1.9 million more than the 2025 target and EC\$21.4 million less than the collections for June 2024.

Total grants in June 2025 amounted to EC\$6.5 million, which was EC\$1.9 million more than the target and EC\$6.1 million more than the actual in June 2024. Total current expenditure, excluding principal repayments for the month of June was EC\$71.4 million, which was EC\$10.2 million less than the EC\$81.6 million targeted and capital expenditure in June 2025 was EC\$45.3 million or EC\$19.1 million more than the amount spent in June 2024 and above the EC\$29.6 million monthly target.

The June fiscal report published on the Ministry of Finance website also shows that a primary balance (including grants) of minus EC\$14.8 million was recorded for the month of June 2025, which was \$3.7 million less than the month's target and EC\$37.1 million less than the amount recorded in June 2024. Total principal payments on debt for June 2025 were EC\$2.1 million, while interest payments totalled EC\$1.6 million.

"The primary balance, year-to-date, was minus EC\$11.7 million, which was EC\$43.5m more than targeted but EC\$230.5 million less than the amount recorded for January to June 2024," said the report, which explained that the overall balance, year-to-date, was minus EC\$30.4 million. This, the report said, was "significantly better than the minus \$79 million targeted for the period in 2024."

IMF predicts 3.9% growth

In its Article IV consultation with the Grenada authorities, which concluded on January 24, 2025, the International Monetary Fund stated, "Through end-June 2024, Grenada's economy was experiencing sustained strong growth supported by buoyant tourism, moderating inflation, and a narrowing current account deficit.

A surge in Citizenship-by-Investment (CBI) revenue supported a strong improvement in the fiscal position and a reduction in public debt.

“The financial system remained stable. On July 1, Hurricane Beryl caused damage in excess of 16 per cent of GDP on the Grenadian islands of Carriacou and Petite Martinique, as well as in the northern parishes of the main island. The authorities responded swiftly with a package of fiscal measures, including suspension of fiscal rules to permit temporary deficit spending in support of the recovery and reconstruction.