

SVG'S ECONOMY ON THE UPSWING

THE ISSUE

Two weeks ago, the World Bank issued its economic growth forecast for the Caribbean for the year 2025. The World Bank projects real economic growth for SVG at 4.9 percent, second only to Guyana's 10 percent; the latter's economy is power-charged by its nascent oil and natural gas industry. If one takes the outlier, Guyana, out of the equation, the average projected economic growth for the rest of the CARICOM region is 2.9 percent, way below the projected real economic growth for SVG of 4.9 percent.

This projection comes in a sequence to robust economic growth in SVG, post-COVID. And during the COVID period 2020-2021 (which includes the time of the volcanic eruptions of April 2021, and Hurricane Elsa in July 2021), SVG performed much better than the rest of CARICOM, save and except the outlier, Guyana.

During the period since the general elections of November 2020, some impressive macro-economic accomplishments in SVG have come to the fore, including:

1. The largest single increase in minimum wages ever, in excess of one-third on an average; and for some categories of workers, increases by nearly 100 percent.
2. Salary increases for public servants, cumulatively, over a three-year period (2023-2025) of 7 percent; for nurses an additional 5 percent tax free since January 1, 2024. And there are built-in increments for more than one-half of public servants, amounting to 2 percent annually.
3. A decrease in personal income tax and corporate tax: At the top, the rate fell from 30 percent to 28 percent; and, at the bottom, there was an increase in the threshold below which no personal income tax is to be paid from \$22,000 to \$25,000 annually; in short, no worker pays any income tax on his/her first \$25,000 annually.
4. Record levels of capital expenditure achieved by the central government in each of the post-COVID years, arriving at a level in excess of \$500 million in 2024; the last year of the NDP time in government, 2000, capital

expenditure was a paltry \$35 million. The ongoing physical infrastructure projects are truly amazing.

5. The opening of the Sandals Resort at Buccament in March 2024; over 300 rooms/suites costing nearly US \$300 million (EC\$800 million). Tourism expansion is being ramped up.
6. The start-up of the US\$270 million Modern Port Project in Kingstown, due for completion in August 2025.
7. The start-up of the \$100 million Acute Care Hospital at Arnos Vale; started early this year, due for completion in late 2027.
8. The sharp rise in tourism arrivals sparked by hotel expansion and airlift: International carriers ply routes to and from SVG with the cities of London, Toronto, New York (3 carriers), Charlotte, Miami, and in early December 2025, Atlanta. Regional carriers have been added to the roster.
9. The reform of the NIS so as to protect workers' pensions and to provide NIS sustainability for at least another 35 years; barring any cataclysmic event.
10. Medium-to-Low Inflation: Three years ago, the inflation rate was nearly 7 percent driven by external forces; in 2025, inflation has moderated to 2 percent annually.
11. Monetary stability: Exchange rate of EC\$ fixed to US\$ at EC\$2.70 to US\$1.00. No foreign exchange restriction.
12. Banking and financial stability continues.
13. Fiscal consolidation and stability; manageable public debt.
14. Recovery and reconstruction continue apace after COVID (2020-2021), volcanic eruptions (April 2021), Hurricane Elsa (July 2021), Hurricane Beryl (July 2024), intermittent period droughts (2020) – 2025).
15. Strengthening of food security: Recovery and consolidation in agriculture and fisheries.
16. Further economic diversification: Culture, the arts, sports, entertainment, professional services, and light manufacturing.

17. Robust advances in the backbone of telecommunications.

2001 – 2025: SOCIO-ECONOMIC GROWTH ACCELERATES

The nominal Gross Domestic Product (GDP) at market prices at the end of the year 2000 was under EC\$800 million; in 2025, the similar metric is EC\$3.2 billion, more than four times the number for 2000. The average GDP per head of population in 2000 was under EC \$8,000; in 2025, the comparable figure is EC\$29,000. Inflation over the 2001-2025 is estimated, point-to-point, at roughly 50 percent, in the application of a GDP deflator. Thus, on an average, personal incomes have more than doubled in real terms. This is reflected, too, in the incomes of the working people. In the case of public servants, the salaries and benefits, in real terms, have increased faster than the growth of real GDP; in other words, they have benefited well from the GDP increases.

According to the United Nations Development Programme (UNDP) which constructs the Human Development Index (HDI), and measures countries accordingly, SVG has moved from “the medium level” human development in 2000 to “a high level of human development” in the post-COVID period. This index includes measurements of per capita income, years of schooling, poverty and unemployment, life expectancy, social protection, and certain health indicators.

All of this progress on the socio-economic front is evident in the following facts, among others:

1. Steep rise in real average per capita incomes as shown above.
2. More persons are in paid employment than ever before: Unemployment has fallen from 21 percent of the population to approximately 10 percent. The number of active workers (employees and own-account workers) registered at the NIS has moved from some 30,000 at the end of 2000 to 46,000 at the end of 2024; and the total population has remained stable over that time period.
3. Poverty has fallen from 37 percent of the population in 2000 to more than one-half of that number in 2024; indigence (“dirt poor” poverty) was 26 percent in 2000 and dropped to under 5 percent in 2024; undernourishment has followed the same decline as indigence.
4. The number of houses has nearly doubled in 24 years from around 25,000 in 2000 to 47,000 in 2024. And the quality of the houses has improved immensely.

5. Water and electricity connection to homes has jumped from under 70 percent of the homes (a smaller number) to 90 percent of the homes (a much larger number) between the years 2000 and 2025.
6. Life expectancy at birth has risen sharply; maternal deaths are now statistically zero; in-fact mortality has slumped dramatically; immunization of children under the age of 5 years is statistically 100 percent.
7. Social protection has widened and strengthened: Public assistance for poor people has risen from \$50 per month in 2000 to \$300 monthly, in 2025; today nearly 5,000 persons (mainly elderly, unable to work, or disabled) are on public assistance. At the NIS, minimum pensions, and average pensions, have risen substantially; and as the NIS system matures nearly 10,000 persons receive NIS pensions — there is large growth in the number of pensioners; the over-60 segment of the population is the fastest growing in the country.
8. In 2000, there were sharply 8,000 vehicles on the road; today, there are nearly 35,000 vehicles on the road.
9. In 2000, there were hardly any cell phones and little or no internet. Today, there are over 120,000 cell phones and internet penetration to homes is in excess of 75 percent.
10. Access to quality, affordable health has been enhanced by leaps and bounds.
11. Recreation, sports, and culture have advanced immeasurably in every material particular.
12. Overall, good governance and a deepening of democracy have advanced to among the best in the world, as assessed by independent observers.

TOWARDS THE FUTURE

The ULP government in communion with the people, inclusive of the people's genius, have fashioned for now, and the future, the following for our country's advancement and development: A people-centred vision; a philosophy of social democracy as applied to our country's situation; the rubric of our Caribbean civilisation and its magnificent Vincentian component through which to pursue our path to sustainable development in our own defined way; the quest to build a modern, competitive, many-sided post-colonial economy which is at once local, national, regional, and global; an economic approach grounded in a tri-partite

partnership between the private, cooperative (including credit unions), and the state sectors; the shaping of a bundle of appropriate policies and programmes against the background of the above elaborations and in the context of the 17 Sustainable Development Goals; the strengthening of good governance, democracy, an alive constitutionalism, and people's human rights, inclusive of citizen security; the pursuit of deepening a mature regionalism; and an efficacious foreign policy, inclusive of a foreign trade policy.

The details of all these ideas, directions, policies, and programmes are available in our 2025 Election Manifesto, the many speeches of our leaders, our various official documents, and the writings of our leaders, inclusive of the prolific outpouring of writings from Comrade Ralph. And listen carefully to the ULP's specific policies and programmes, progressive and uplifting, for the next five years. Creative ideas galore!

Meanwhile, the NDP wallows in rubbish, verbal abuse, and plans to sell-out our country and our very patrimony. The NDP will be defeated again! The NDP and its fellow-travellers, all self-seeking to the core, are already "eating ah food" from the European, Chinese, and Indian wannabe sellers of our passports and assorted hegemons from mainland China. NDP eating Chinese take-away and Indian cuisine from overseas. And we ain't dreaming. These are facts!

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