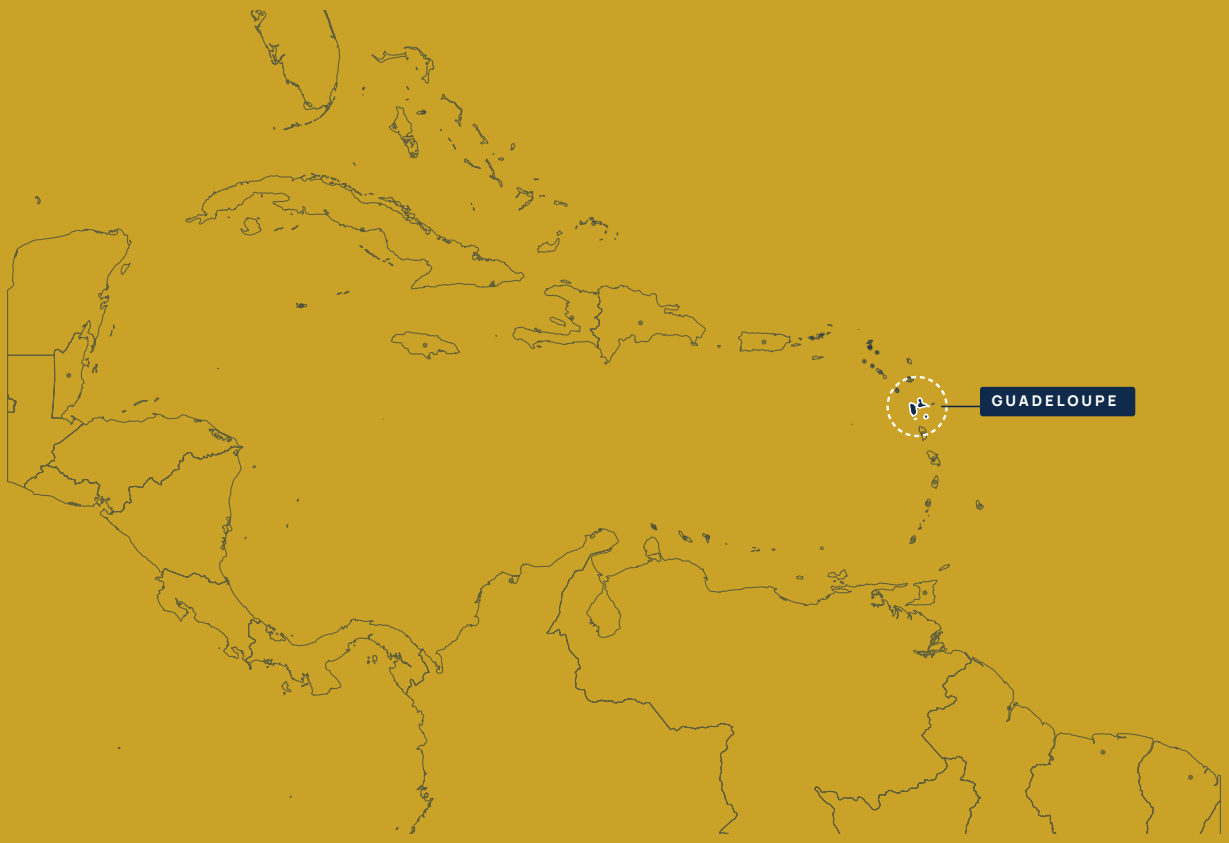


DEPARTMENT BUDGET
€888 million
Real spending, 2026 primitive budget

FRENCH DEFICIT
5.0% of GDP
2027 target in the draft Finance Law

OVERSEAS MISSION
€3.68 billion
Proposed State credits for 2027

CARIBBEAN TAX SERVICE DESK · EASTERN CARIBBEAN

Guadeloupe Budget Review 2026

What the 2026 Budget means for businesses and individuals

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FOREWORD

Guadeloupe has no national budget of its own. Its taxes are set in Paris through the annual Finance Law, while the Region and the Department adopt their own budgets for local services and investment.

The Finance Law for 2026 kept the main tax rates, preserved the overseas investment and social charge reliefs, and restored a leasing option for overseas investment for 2026. The draft Finance Law for 2027, presented on 1 October 2026, aims to cut the French deficit to 5% of GDP and is still before Parliament. Locally, the Department's 2026 budget is dominated by social spending, and the Region continues to set the octroi de mer, whose EU authorisation runs to the end of 2027.

This review sets out the measures, their status and effective dates, and what they mean for each sector. It should be read with our Guadeloupe Doing Business Guide and Tax Guide.

Guadeloupe is served through Dawgen Global's Caribbean Service Desk, managed from our headquarters in Kingston, with tax matters handled by our Caribbean Tax Service Desk. We would be glad to help you work through the impact on your business.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This review summarises the 2026 Budget and what it means for businesses and individuals in Guadeloupe. It is general information, current to October 2026; measures may change as they pass into law. Our companion Doing Business and Tax Guides give the wider picture. Speak to us before you act.

OVERVIEW

01 Budget at a glance

As an overseas department and region of France, Guadeloupe's taxes are set by the French Parliament. This review covers the Finance Law for 2026 (law no. 2026-103 of 19 February 2026), the draft Finance Law for 2027 presented by the Government on 1 October 2026, and the 2026 budgets of the Department, adopted on 31 March 2026, and the Region.

DEPARTMENT BUDGET	FRENCH DEFICIT	PUBLIC DEBT
€888 million	5.0% of GDP	121.7% of GDP
Real spending in 2026: €723m operating, €165m investment	2027 target, from an expected 5.4% in 2026	France, projected for 2027

OVERSEAS MISSION	CORPORATE TAX	TVA
€3.68 billion	25% / 15%	8.5%
Proposed State credits for 2027, up about 10%	Unchanged; 15% on the first €42,500 for qualifying SMEs	Overseas standard rate, unchanged; 2.1% reduced rate

Five key messages

- **Stable core rates.** Corporate tax, TVA and the 30% overseas income tax reduction are unchanged.
- **Overseas reliefs kept.** LODEOM, ZFANG and the investment schemes continue; a leasing option returns for 2026.
- **Higher levies on savings and large groups.** The flat tax rose to 31.4% and the large-group surtax runs for a second year.
- **A social budget locally.** Income support and care for the elderly take over 40% of the Department's operating spending.
- **2027 is still open.** The draft Finance Law is before Parliament; its measures are proposals only.

ECONOMY

02 Economic context

Guadeloupe's economy is stabilising after a weak 2025. Prices are rising slowly, tourism is recovering and unemployment remains high.

UNEMPLOYMENT
16.4%
Q2 2026, ILO basis; 8.3% in France as a whole

INFLATION
1.3%
2025 annual average, down from 2.6% in 2024

SALARIED JOBS
127,800
Q2 2026, down 0.7% over the year

HOTEL NIGHTS
+25.5%
Q2 2026, year on year; occupancy 56%

BANK LENDING
€12.3 billion
End-2025, up 4.9% over the year

FRENCH GROWTH
0.5% / 1.0%
Government forecast for 2026 and 2027

What drove 2025

IEDOM describes a year of constrained household spending and a still high level of private investment. Household over-indebtedness filings rose 23.4% to 817. Hours worked fell 1.9% in the year to Q2 2026.

Population

About 384,000 at 1 January 2023, and slowly declining, which weighs on demand and on the labour supply.

Outlook

IEDOM expects activity to rest on major projects: the extension of the port at Jarry, the water plan, Region and Department investment and new hotel capacity. The international environment remains uncertain.

The French context

Guadeloupe uses the euro, so interest rates follow the European Central Bank. The French Government plans a €54 billion effort in 2027 to reduce the national deficit.

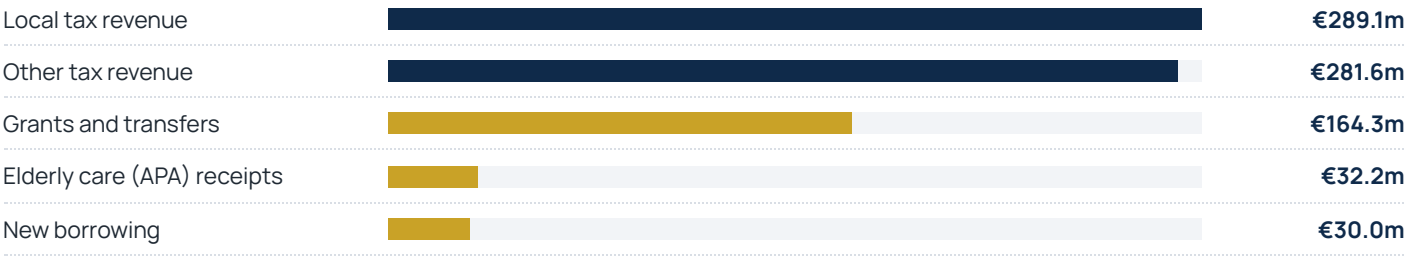
PUBLIC FINANCES

03 Fiscal framework

Three budgets matter: the French State budget, which sets taxes and funds the overseas mission, and the budgets of the Department and the Region.

France, general government	2025	2026	2027 draft
Deficit, % of GDP	—	5.4% expected	5.0% target
Public debt, % of GDP	115.7%	119.3%	121.7%
Real GDP growth	—	0.5%	1.0%

Department of Guadeloupe, 2026: real operating revenue €785.3 million



Department, € million	Operating	Investment	Total
Real spending, 2026	723.0	165.3	888.3
Budget including internal transfers	817.2	197.3	1,014.5

Gold bars show grants, earmarked receipts and borrowing. Real spending in 2026 is lower than the €966 million voted for 2025.

The Region

The Region sets the octroi de mer, which funds the Region and the communes. Its 2026 budget focuses on economic and resource sovereignty, human investment, public procurement and road repair.

BUSINESS TAX

04 Tax measures for businesses

The Finance Law for 2026 left the corporate tax rates unchanged. The changes for businesses concern large groups, holding companies, overseas investment and energy.

Measure	What changes	Effective	Who is affected
Large-group surtax	Exceptional contribution extended for a second year: 20.6% of corporate tax, 41.2% above €3 billion of turnover	Years ending from 31 Dec 2026	Groups with French turnover of €1.5bn or more
Holding company tax	20% tax on certain luxury and non-operating assets	Years ending from 31 Dec 2026	Family holding companies
Overseas investment credit	Leasing with a purchase option restored for companies in difficulty	Leases signed in 2026	Investing companies
LODEOM	New scales for employer charge exemptions; full relief up to set SMIC multiples by scheme	1 Jan 2026	Employers
CVAE	Capped at 0.28% of value added in 2026 and 2027; abolition by 2030	2026	Turnover over €500,000
IFER on solar plants	Rate rises 88%, from €8.51 to €16.05 per kW, for three years	1 Jan 2027	Plants commissioned before 2021

Unchanged

Corporate tax of 25%, or 15% on the first €42,500 for qualifying SMEs; ZFANG allowance of 50% of profit up to €150,000; Girardin schemes to 2029; payroll tax at 2.95%.

Proposed for 2027

The draft renews the surtax for a third year at lower rates; the National Assembly deleted that article on 27 October 2026. It also proposes higher taxes on motorway and airport operators.

INDIVIDUALS

05 Tax measures for individuals and households

Income tax bands were indexed for inflation and the overseas reduction is unchanged. Savers pay more on investment income from 2026.

Income per share (2025 income)	Rate
Up to €11,600	0%
€11,601 to €29,579	11%
€29,580 to €84,577	30%
€84,578 to €181,917	41%
Above €181,917	45%

Bands rose by 0.9% for inflation. Residents of Guadeloupe reduce their tax by 30%, capped at €2,450. The minimum tax of 20% on very high incomes continues until the French deficit falls below 3% of GDP.

Proposed for 2027

The draft Finance Law indexes the bands again and contains no increase in income tax rates.

Measure	From
Flat tax on investment income: 31.4% (12.8% plus 18.6% social levies)	1 Jan 2026
Rents, property gains and life insurance stay at 17.2% social levies	1 Jan 2026
SMIC €12.02 an hour	1 Jan 2026
SMIC €12.31 an hour (€1,867.02 a month)	1 Jun 2026

Household costs

Transfer duties on existing property stay at about 5.8%: Guadeloupe kept its departmental rate at 4.5%. Penalties on new cars by CO2 and weight continue to rise in 2026 and 2027.

The Social Security Finance Law for 2027 was rejected by the National Assembly at first reading and goes to the Senate in November.

INDIRECT TAXES

06 Indirect taxes, customs and other revenue

Guadeloupe is outside the EU VAT area. TVA rates are unchanged, and the main question for 2027 and beyond is the future of the octroi de mer.

Tax	Position	Status
TVA	8.5% standard, 2.1% reduced, 1.75% and 1.05% special rates	Unchanged
Octroi de mer	On imports, including from mainland France, and on local production above €550,000 turnover. Rates are set by the Region, with lower rates for local goods.	EU authorisation to 31 Dec 2027
Octroi de mer after 2027	The European Commission proposed on 10 September 2026 to extend the regime to 2030	Awaits EU Council approval
Car penalties	CO2 and weight penalties on new cars rise again; overseas adjustments were not adopted	2026 and 2027
E-invoicing	All TVA-registered businesses must be able to receive e-invoices; large and mid-sized firms issue them	1 Sep 2026
E-invoicing, SMEs	Small businesses must issue e-invoices	1 Sep 2027

Customs

Goods from outside the EU pay the EU common customs tariff, and all imports bear octroi de mer and TVA. Excise applies to alcohol, tobacco and fuel.

Local revenue

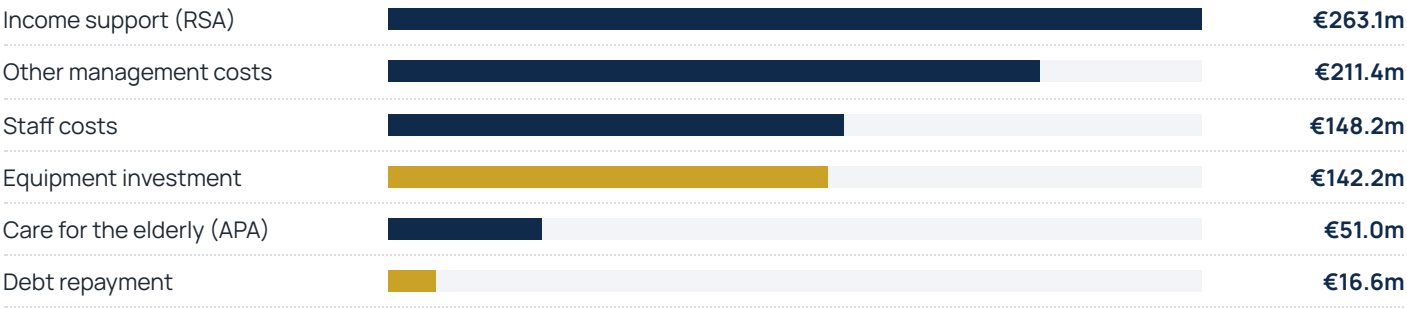
The Department's tax receipts include property transfer duties and its share of national taxes. Property tax rates are set by the communes.

SPENDING

07 Spending priorities and capital programme

Social support dominates the Department's budget. Investment is led by water, roads, the port and EU co-financed projects.

Department of Guadeloupe, main spending lines, 2026



Gold bars show investment and debt repayment.

State spending for the overseas

The draft Finance Law proposes €3.68 billion for the overseas mission in 2027, about 10% more than in 2026. About half compensates social charge exemptions such as LODEOM, and €730 million goes to improving living conditions.

Major projects

- Jarry port extension
- Water plan
- Road repair
- New hotel capacity
- EU-funded programmes

The Region has committed €10 million under its 2021–2026 programme to strengthen the national road network, and road repair is a stated priority for 2026. The Department's 2026 investment of €165.3 million includes €142.2 million of equipment spending.

DEBT

08 Debt, financing and fiscal rules

French public debt continues to rise. Local authorities may borrow only to invest, and the Department's debt is moderate.

French public debt, % of GDP

2025 actual	115.7%
2026 estimate	119.3%
2027 draft	121.7%

Debt charges for all public bodies are projected to rise from 2.2% of GDP in 2025 to 3.7% in 2030.

Fiscal rules

France is under the EU excessive deficit procedure and aims to bring its deficit below 3% of GDP. The 2027 deficit target is 5.0%.

Department of Guadeloupe

- Outstanding debt of about €320 per inhabitant, equal to 15.65% of real operating revenue
- New borrowing of €30 million planned in 2026
- Debt repayment of €16.6 million in 2026

Risks to watch

The cost of income support, a shrinking population, the end of the octroi de mer authorisation in 2027 and the outcome of the 2027 Finance Law for State transfers to local authorities.

The 2027 timetable

The National Assembly's finance committee rejected the draft on 9 October 2026, and the floor debate began on 13 October. The Assembly has until 17 November to decide at first reading, after which the Senate examines the text. If Parliament does not decide within the constitutional time, the Government may implement the draft by ordinance.

SECTOR IMPACT

09 What it means for your sector

Sector	What the Budget means
Tourism and hospitality	Hotel nights are recovering strongly. ZFANG and LODEOM reliefs continue for eligible businesses. New hotel capacity is one of the drivers IEDOM identifies.
Financial services	Higher social levies on investment income from 2026. Bank lending reached €12.3 billion at the end of 2025.
Construction and real estate	Pipeline from the port extension, the water plan and road repair. Transfer duties unchanged at about 5.8%. Girardin schemes continue to 2029.
Distribution and retail	Octroi de mer rates and the regime after 2027 are the key issue. Household spending remains constrained.
Energy	IFER on solar plants built before 2021 rises 88% from January 2027, with no exemption for non-interconnected areas.
Agriculture and agri-food	Local producers benefit from octroi de mer differentials, whose future depends on the EU decision.
Holding companies and groups	The 20% tax on luxury assets and the large-group surtax apply to years ending from 31 December 2026.
SMEs	15% corporate tax band unchanged. E-invoicing applies from September 2026, with issuing from September 2027.
Employers generally	Update payroll for the new LODEOM scales and the June 2026 SMIC rise.

ACTION PLAN

10 Action points and key dates

Businesses

- [ ] Check LODEOM relief under the 2026 scales
- [ ] Be ready to receive e-invoices; plan issuing
- [ ] Sign 2026 leases to use the leasing option
- [ ] Model the IFER rise for solar assets
- [ ] Review group exposure to the surtax and holding tax
- [ ] Track the 2027 Finance Law and octroi de mer

Individuals

- [ ] Review investment income at the 31.4% flat tax
- [ ] Check the 30% overseas reduction on your notice
- [ ] Update withholding rates for income changes

Date	What happens
1 January 2026	Flat tax 31.4%; new LODEOM scales
19 February 2026	Finance Law for 2026 enacted
31 March 2026	Department 2026 budget adopted
1 June 2026	SMIC €12.31 an hour
1 September 2026	E-invoice reception for all
17 November 2026	Assembly first-reading deadline for the 2027 draft
31 December 2026	First year-ends for surtax and holding tax
1 January 2027	IFER rise on solar plants
1 September 2027	E-invoice issuing for SMEs
31 December 2027	Octroi de mer authorisation ends unless extended

Dates assume a calendar year-end.

YOUR PARTNER

11 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, helps businesses and individuals in Guadeloupe turn the Finance Law into a plan.

Budget impact assessment

Modelling the measures against your costs, prices, margins and tax position.

Tax planning and restructuring

Group and holding structures, dividends and investment timing.

Compliance updates and payroll changes

LODEOM scales, SMIC changes, DSN, TVA and e-invoicing readiness.

Incentives and concessions

ZFANG, Girardin schemes and the overseas investment credit.

Cash flow and pricing reviews

Forecasts, octroi de mer and pricing, and working capital.

Engagement with the tax authority

Rulings, claims, audits and correspondence with the DGFiP and Customs.

Start with a conversation

Tell us how the 2026 Budget affects your plans, and we will set out the steps for your situation. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email **guadeloupe@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about the 2026 Budget

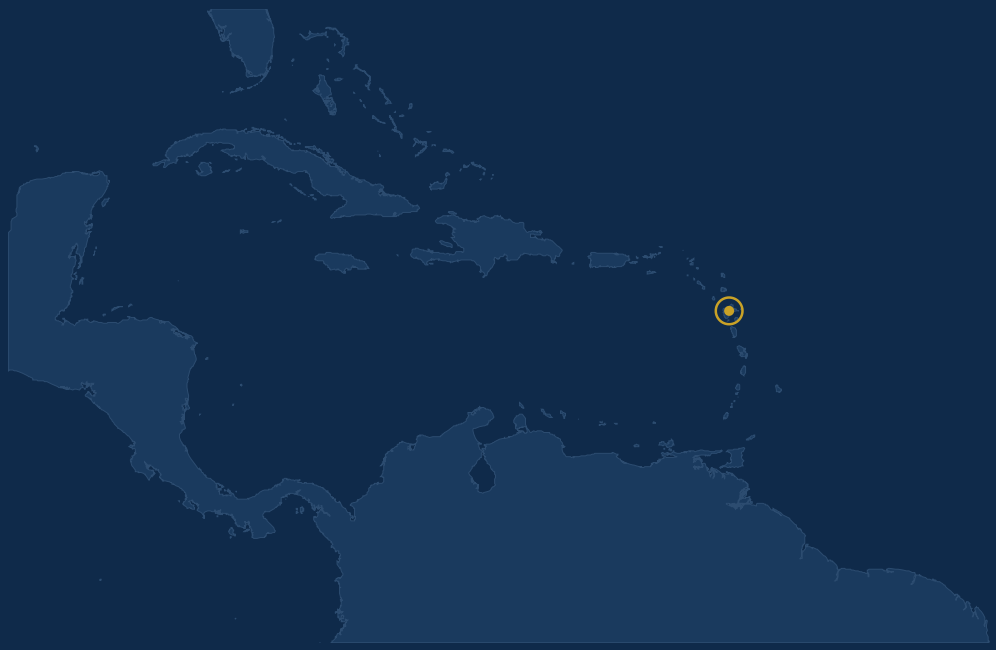
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Key official sources

- Ministry of the Economy and Finance (economie.gouv.fr)
- Direction générale du Trésor (tresor.economie.gouv.fr)
- National Assembly (assemblee-nationale.fr)
- Légifrance (legifrance.gouv.fr)
- Direction générale des Finances publiques (impots.gouv.fr)
- Département de la Guadeloupe (cg971.fr)
- Région Guadeloupe (regionguadeloupe.fr)
- INSEE (insee.fr)
- IEDOM (iedom.fr)



This publication contains general information only, current to October 2026, and is not professional advice. Budget figures are estimates, and the draft Finance Law and Social Security Finance Law for 2027 were still before Parliament at the time of writing; their measures may change or be dropped before they become law. Confirm the current position with Dawgen Global or the relevant authority before acting. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request.
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