

TOTAL BUDGET

XCD 1.89 billion

Estimates of revenue and expenditure, 2026

FISCAL BALANCE

−18.7% of GDP

Budgeted overall deficit, as assessed by the IMF

PUBLIC DEBT

110.3% of GDP

End-2025, Government estimate

CARIBBEAN TAX SERVICE DESK · EASTERN CARIBBEAN

Saint Vincent and the Grenadines Budget Review 2026

What the 2026 Budget means for businesses and individuals

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FOREWORD

The 2026 Budget was the first presented by the government that took office in November 2025. It introduced no new taxes, and it asks businesses to prepare for tighter concessions, a property revaluation and firmer tax collection.

The Budget pairs a large capital programme, much of it for recovery from Hurricane Beryl, with a commitment to bring public debt back towards the regional target of 60% of GDP by 2035. Revenue is to come from better collection and fewer import concessions rather than new taxes or higher rates. New duty relief is planned for yacht services and creative equipment, and a citizenship by investment programme is being prepared.

This review sets out the figures, the measures and their timing, and what they mean for each sector. It should be read with our Saint Vincent and the Grenadines Doing Business Guide and Tax Guide.

Saint Vincent and the Grenadines is served through Dawgen Global's Caribbean Service Desk, managed from our headquarters in Kingston. 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 Saint Vincent and the Grenadines. 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

The 2026 Estimates of Revenue and Expenditure were laid in the House of Assembly on 29 January 2026. The Prime Minister and Minister of Finance, Dr the Hon. Godwin Friday, delivered the Budget Address on 9 February 2026. The financial year is the calendar year.

TOTAL ESTIMATES	CURRENT REVENUE	CAPITAL PROGRAMME
XCD 1.89 billion	XCD 906.9 m	XCD 577.3 m
XCD 1,885.6 million, including debt repayment	Tax revenue XCD 762.6 million	Funded mainly by loans and grants

PUBLIC DEBT	NEW TAXES	DEBT TARGET
110.3% of GDP	None	60% of GDP
XCD 3.5 billion at end-2025, Government estimate	No new taxes and no rate increases	Regional benchmark, to be reached by 2035

Five key messages

- **No new taxes.** Tax rates are unchanged. Revenue is to come from stronger collection, including of PAYE and VAT arrears.
- **Fewer concessions.** Import duty concessions are to be cut by 20%, and a national property revaluation is planned.
- **Targeted relief.** Duty-free regimes are proposed for yacht parts and services and for creative equipment.
- **Investment and recovery.** A capital programme of XCD 577.3 million, with airports, roads and housing after Hurricane Beryl.
- **Debt back under control.** The Fiscal Responsibility Framework is to be re-established with stronger rules.

ECONOMY

02 Economic context

Growth has continued since the recovery from the 2021 eruption, inflation is low, and the main pressures are public debt and the cost of living.

REAL GDP GROWTH	INFLATION	UNEMPLOYMENT
3.7%	0.9%	17.9%
2025, IMF estimate; 2.8% projected for 2026	2025 average; IMF projects 2.2% for 2026	National rate cited in the Budget Address

CURRENT ACCOUNT	RESERVES	EXCHANGE RATE
−20% of GDP	4.5 months	XCD 2.70
2025, IMF estimate	Imputed reserves, XCD 762 million, 2025 (IMF)	To US$1, fixed since 1976

Hurricane Beryl

The July 2024 storm caused severe damage in the southern Grenadines. The Budget Address puts infrastructure damage at US$48.3 million, and reconstruction runs through the 2026 capital programme.

Tourism and remittances

Stay-over arrivals rose 14% in January to September 2025. Government targets 110,000 stay-over visitors in 2026. Remittances were XCD 236.8 million in 2025, down 3.7%.

Outlook

The IMF expects growth of about 2.5% to 2.8% a year in the medium term. It points to high public debt, the oil price, natural disasters and tourism flows as the main risks. Prices have risen about 20% since 2020, and food prices about 38% since 2019.

IMF Article IV

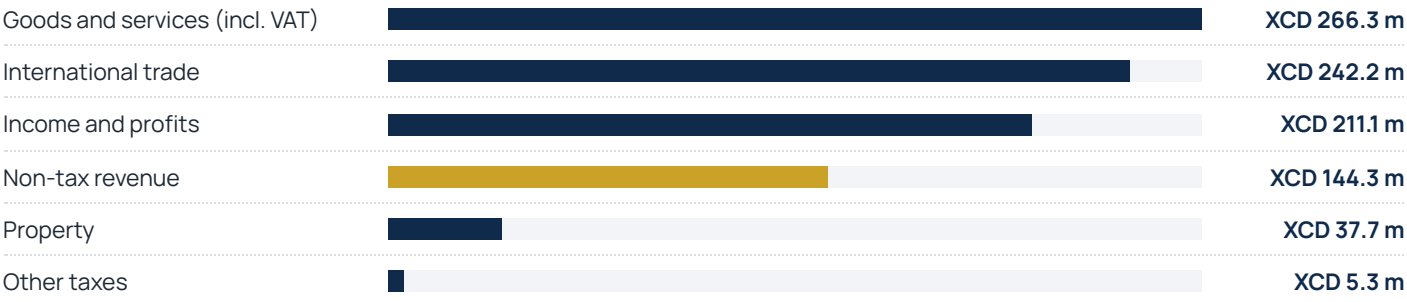
The IMF Executive Board concluded its 2026 Article IV consultation on 10 June 2026. It called for sustained fiscal consolidation, mainly through spending, and a new fiscal framework.

PUBLIC FINANCES

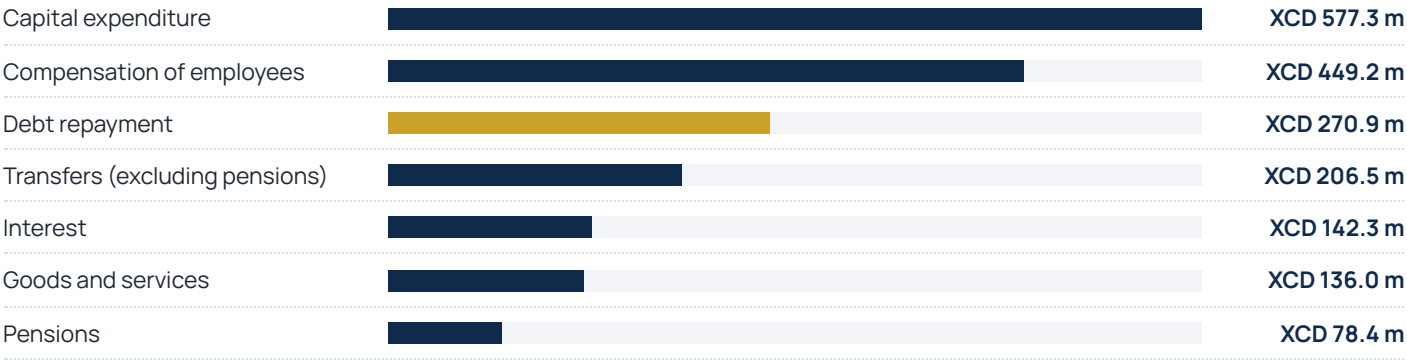
03 Fiscal framework

XCD million	2025 approved	2025 revised	2026 estimate
Current revenue	907.7	855.7	906.9
of which tax revenue	757.4	719.1	762.6
Current expenditure	913.3	983.6	1,012.4
of which interest	120.8	121.1	142.3
Capital expenditure	698.6	851.5	577.3
Debt repayment and sinking fund	237.4	237.4	295.9
Total estimates	1,849.3	2,072.5	1,885.6

Where the money comes from: current revenue, XCD 906.9 million



Where it goes: total estimates, XCD 1,885.6 million



Outturn and deficit

The Budget Address reports a 2025 overall deficit of XCD 404.4 million, 12.2% of GDP, against 16.0% in 2024. The IMF reads the 2026 Budget as an overall deficit of 18.7% of GDP, but expects about 12.4% because capital spending usually runs below budget. Gold bars show non-tax revenue and debt repayment; a XCD 25 million sinking fund contribution is not shown.

BUSINESS TAX

04 Tax measures for businesses

There are no new taxes and no rate changes. The changes for business are about concessions, collection and targeted duty relief.

Measure	What changes	Timing	Who is affected
Import duty concessions	**Planned:** total import concessions cut by 20%. Government estimates about XCD 30.4 million a year of extra revenue.	2026, as implemented	Holders of duty concessions
Tax compliance	Stronger collection of arrears, particularly PAYE and VAT. The Tax Information Management System (TIMS) is due to be fully running by 2027.	2026 to 2027	All taxpayers, especially those in arrears
Yachting	**Proposed:** a duty-free concession regime for yacht parts and services, to attract refits and provisioning	Subject to legislation	Marinas, yacht services, chandlers
Creative industries	**Proposed:** duty-free concessions for creative equipment, within a limit, and a Creative Industries Act	Subject to legislation	Creative businesses and practitioners
Property revaluation	A national revaluation, replacing the valuation list in use since July 2013	To be announced	Property owners
National Development Bank	Relaunch, with partial credit guarantees for agriculture and small business	2026	SMEs and farmers

Unchanged

Corporate income tax at the statutory rate, set under the Income Tax Act; no tax on dividends or capital gains; VAT at 16%, or 11% on hotel accommodation; withholding of 20% on payments to non-residents, 15% to CARICOM residents.

Rate cuts not confirmed

Cuts to the corporate and personal rates announced in late 2025 were not part of the Budget. Confirm the rate for your year with the IRD before filing or pricing a transaction.

INDIVIDUALS

05 Tax measures for individuals and households

Income tax and national insurance are unchanged by the Budget. Relief for households came through one-off payments and higher social assistance.

Chargeable income	Rate
Up to the standard deduction	0%
First XCD 5,000 above it	10%
Next XCD 5,000	20%
Balance	Top rate set under the Income Tax Act

The standard deduction is set by the IRD. A higher threshold announced for 2026 has not been confirmed as in force, so confirm the deduction and top rate for the year with the IRD.

Household support

- Public Assistance raised from XCD 360 to XCD 500 a month for about 4,600 recipients
- A tax-free cost-of-living bonus of XCD 1,000 to XCD 2,000 for about 12,000 public employees, from 30 January 2026
- A VAT-free shopping day on 19 December 2025

NIS (2026)	Rate
Employee	6.5%
Employer	7.5%
Self-employed	13.5%

Rates from 1 January 2026 on earnings up to XCD 5,200 a month. They are rising in stages under pension reform, which the IMF expects to be phased in by 2028.

Homeowners

The national revaluation will update the assessed values on which property tax is charged. Property tax is due by 31 July. No change to the rates has been announced.

Unchanged

No tax on dividends, capital gains, gifts or estates.

INDIRECT TAXES

06 Indirect taxes, customs and other revenue

Taxes on goods, services and trade raise more than half of current revenue. The Budget left the rates alone and targets concessions and collection.

Item	Position	Timing
VAT	Unchanged at 16%, and 11% on hotel accommodation and marina and shipyard berthing. Budgeted at XCD 263.1 million, of which XCD 142.1 million on imports.	In force
Import concessions	**Planned:** 20% cut. Concessions cost XCD 152.3 million in 2025.	2026
Yacht parts and services	**Proposed:** duty-free concession regime	Subject to legislation
Creative equipment	**Proposed:** duty-free concessions within a limit	Subject to legislation
Fuel relief	Temporary cut in fuel excise, customs service charge halved on petroleum and removed on LPG and power-station diesel	90 days from late May 2026
Freight for customs value	Shipping surcharges excluded; freight valued at January 2026 rates	From late May 2026
Solar PV systems	Full tax waiver maintained	Continuing

Administration

TIMS is due to be fully operational by 2027. The Vincy Single Window for Trade Facilitation (VSWiFT) will link 16 trade agencies.

Citizenship by investment

Proceeds are to go to a ring-fenced investment fund. The launch was planned for mid-2026; Government now targets early 2027.

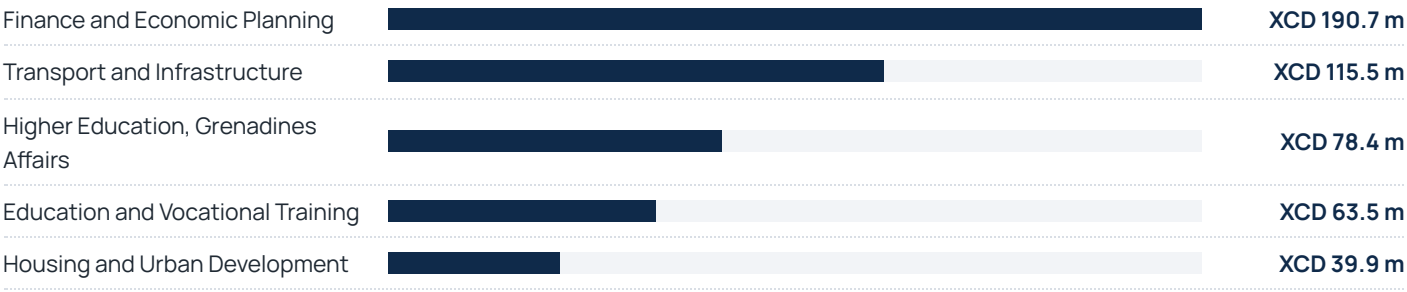
The IMF advised against lowering the standard VAT rate and suggested aligning the tourism rate with it. No change has been announced.

SPENDING

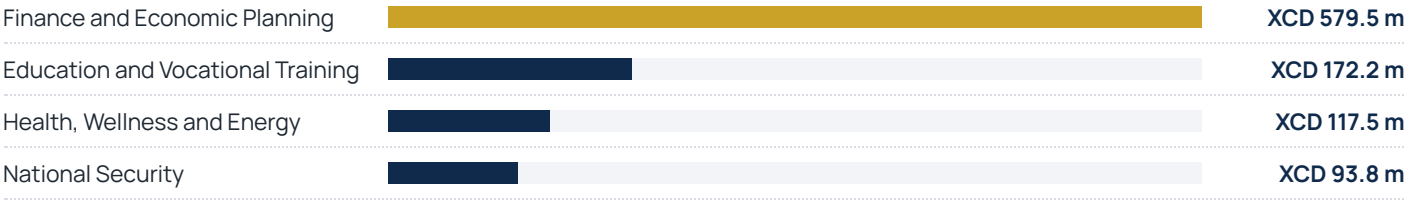
07 Spending priorities and capital programme

Finance, education and health carry the largest recurrent budgets. The capital programme focuses on transport, the Grenadines, schools and housing.

Capital programme by ministry, 2026



Largest recurrent budgets, 2026



Ministry names shortened. The Ministry of Finance (gold) carries debt service, pensions and central provisions.

Announced allocations

- Roads XCD 87.2 million and bridges XCD 20.0 million
- Airports XCD 62.0 million, including XCD 40.0 million at Canouan
- Project HOPE housing XCD 35 million
- Overland water supply XCD 23 million

Other priorities

Tourism Authority XCD 13 m · Agriculture XCD 33.2 m · Social welfare XCD 36.9 m · Airline revenue guarantees · Grenadines reconstruction

DEBT

08 Debt, financing and fiscal rules

Public debt rose sharply after the pandemic, the eruption and Hurricane Beryl. Government aims to bring it to the regional benchmark of 60% of GDP by 2035.

Public debt, % of GDP (IMF, no new policies)

2025 estimate	113.1%
2026	120.1%
2027	126.1%
2028	131.3%
2029	135.6%
2030	140.0%

Government puts debt at 110.3% of GDP at end-2025. With the IMF's recommended policies, debt peaks at about 124% in 2028 and then falls.

Fiscal rules

Government will re-establish the Fiscal Responsibility Framework with stronger rules and aims for a sustained primary surplus. The IMF supports a fiscal council and a medium-term debt strategy.

Financing 2026, XCD million

External loans	573.9
Local loans	200.0
Other receipts	160.4
Grants	43.4

Debt repayment is budgeted at XCD 270.9 million. Parliament also approved bank overdraft borrowing of up to XCD 85 million for the year.

Risks to watch

The IMF puts the 2026 gross financing need at 27.9% of GDP, with a gap of about 4.8% of GDP. It also points to oil prices, disasters and links between the state and banks.

Debt service

Debt service takes about 39% of current revenue, according to the Budget Address. Interest alone is budgeted at XCD 142.3 million, up from XCD 121.1 million in 2025.

SECTOR IMPACT

09 What it means for your sector

Sector	What the Budget means
Tourism and hospitality	VAT on hotel accommodation stays at 11%. Tourism Authority funding includes airline revenue guarantees. Hotels holding duty concessions should model the planned 20% cut.
Yachting and marine	A proposed duty-free regime for yacht parts and services could lower costs for refits and provisioning once enacted.
Construction and real estate	A XCD 577.3 million capital programme for roads, bridges, airports and housing. The national revaluation will change property tax bases.
Manufacturing and distribution	Concession holders face a 20% cut. Freight is valued at January 2026 rates for customs. VSWiFT should speed clearance.
Energy	Diesel still generates about 85% of power. Solar systems stay tax-free, and fuel relief was given for 90 days from late May 2026.
Financial services	The National Development Bank relaunch brings partial credit guarantees. The IMF has recommended stronger oversight of credit unions.
Creative and digital	Proposed duty-free creative equipment and a Creative Industries Act.
Agriculture and fisheries	Ministry budget of XCD 33.2 million, subsidised seeds and a 30% fertiliser discount.
SMEs	New credit through the National Development Bank. VAT registration stays above XCD 300,000. Arrears will be pursued.
Employers generally	NIS at 7.5% employer and 6.5% employee in 2026, with further rises to come. Keep PAYE and NIS current.

ACTION PLAN

10 Action points and key dates

Businesses

- [ ] Model the effect of a 20% cut on your duty concessions
- [ ] Settle PAYE and VAT arrears before enforcement
- [ ] Prepare for TIMS registration and online filing
- [ ] Check freight values used in customs declarations
- [ ] Track the yacht and creative regimes as they are enacted
- [ ] Confirm the corporate rate for your year with the IRD

Individuals

- [ ] File 2026 returns and pay tax by 31 March 2027
- [ ] Check payroll applies 2026 NIS rates
- [ ] Review property values ahead of the revaluation

Date	What happens
1 January 2026	New NIS rates; 2026 financial year begins
29 January 2026	2026 Estimates laid
9 February 2026	Budget Address
31 March 2026	Individual and December year-end company returns
Late May 2026	90-day fuel and freight relief begins
31 July 2026	Property tax due
31 December 2026	Financial year ends; estimated tax instalment
Early 2027	Citizenship by investment launch (targeted)
31 March 2027	2026 returns due
2027	TIMS fully operational

Company dates assume a December year-end. Proposed measures take effect only once enacted.

YOUR PARTNER

11 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, helps businesses and individuals turn the Budget into a plan.

Budget impact assessment

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

Tax planning and restructuring

Investment timing, group structure, losses and transactions.

Compliance updates and payroll changes

TIMS, PAYE and NIS changes, VAT and settlement of arrears.

Incentives and concessions

Fiscal Incentives Act, Hotels Aid Act, project concessions and the new yacht and creative regimes.

Cash flow and pricing reviews

Forecasts, repricing for duty and freight changes, and working capital.

Engagement with the tax authority

Rulings, objections, audits and correspondence with the IRD 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 **saintvincentandthegrenadines@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about the 2026 Budget

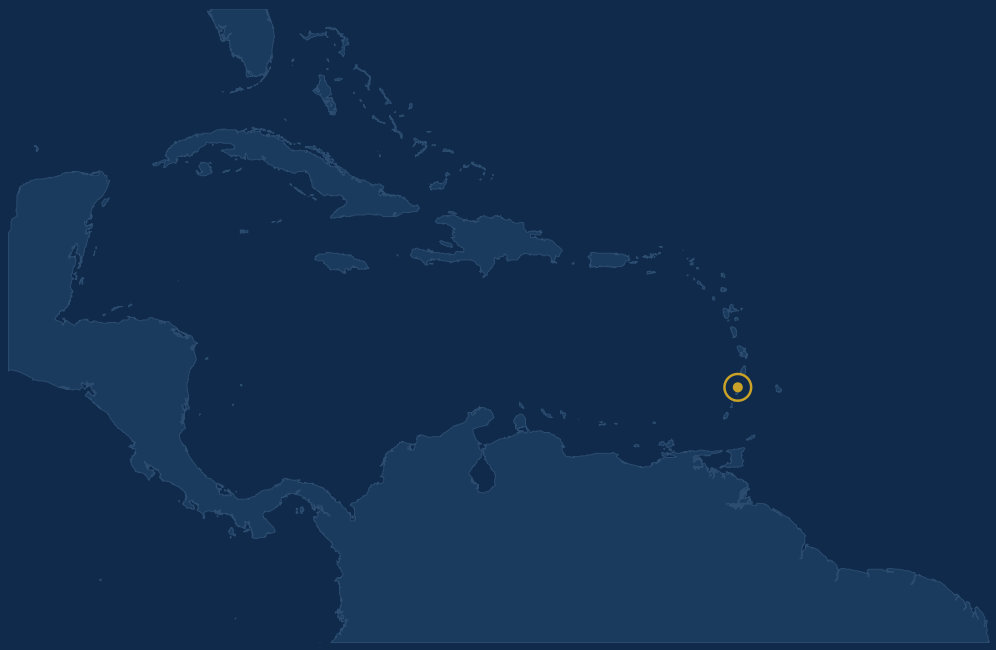
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Key official sources

- Ministry of Finance (finance.gov.vc)
- House of Assembly (assembly.gov.vc)
- Office of the Prime Minister (pmoffice.gov.vc)
- Inland Revenue Department (ird.gov.vc)
- National Insurance Services (nissvg.org)
- Eastern Caribbean Central Bank (eccb-centralbank.org)
- Government of Saint Vincent and the Grenadines (gov.vc)
- International Monetary Fund (imf.org)



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