

FISCAL SUMMARY

August 2025



Fiscal Overview

From January to August 2025, Grenada's fiscal performance was largely in line with expectations, reflecting prudent fiscal management and a steadfast commitment to budgetary targets.

In August 2025, the primary and overall fiscal balances performed ahead of baseline forecasts, narrowing the projected year-to-date deficit. These balances strengthened the state's liquidity position during a period of elevated post-disaster reconstruction spending facilitated by the temporary suspension of the 1.5% GDP primary balance fiscal rule.

Revenue and Grant Performance

- Total Revenues and Grants for August 2025 were **\$106.9 million**, exceeding the monthly target of \$104.3 million by **\$2.6 million**. Core tax revenues collected via Customs & Excise and Inland Revenue fell below their monthly targets by \$7.8 million and \$7.1 million, respectively. This underperformance is statistically linked to the implementation of 100% duty and tax waivers on building materials and consumer goods. The baseline deficit in core tax revenues was offset by a \$5.0 million above-target performance in external grants and \$16.4 million in "Other" revenue receipts.
- Compared to August 2024, total revenue intake dropped by **\$29.4 million**. This difference reflects the normalization of Investment Migration Agency (IMA) receipts, which decreased from \$55.7 million in August 2024 to \$7.0 million in August 2025.



FISCAL SUMMARY

August 2025 CONT'D



Revenue and Grant Performance (cont'd)

- For the cumulative period January to August 2025, current revenue collections totaled **\$804.6 million**, representing a **\$14.4 million** outperformance against the budgeted target. For comparison, cumulative collections at the end of August 2024 were \$1,124.0 million, a baseline that reflected non-recurrent regional disaster insurance payouts and backlogged application fees.
- Grant Inflows for August 2025 were **\$11.7 million**. This brought total year-to-date income from international and regional grants to **\$83.1 million** at the end of August 2025, exceeding the initial target of \$42.4 million due to accelerated project implementation under bilateral development agreements.



FISCAL SUMMARY

August 2025 CONT'D



Expenditure and Capital Realignment

- Recurrent Expenditure for August 2025 was **\$68.0 million**, which was \$23.2 million below the monthly projection.
- For the cumulative period January to August 2025, total Recurrent Expenditure reached **\$622.8 million**, remaining **\$88.6 million below** the programmed budgetary ceiling of \$711.4 million.
- Capital Expenditure for August 2025 was **\$46.6 million**, tracking closely to the target baseline of \$46.9 million. For the cumulative period January to August 2025, total capital expenditure reached **\$313.5 million**, representing a **\$32.0 million over-performance** against the baseline target. This expenditure rate reflects the accelerated implementation of public sector investment projects, including post-disaster infrastructure reconstruction.

Debt Servicing

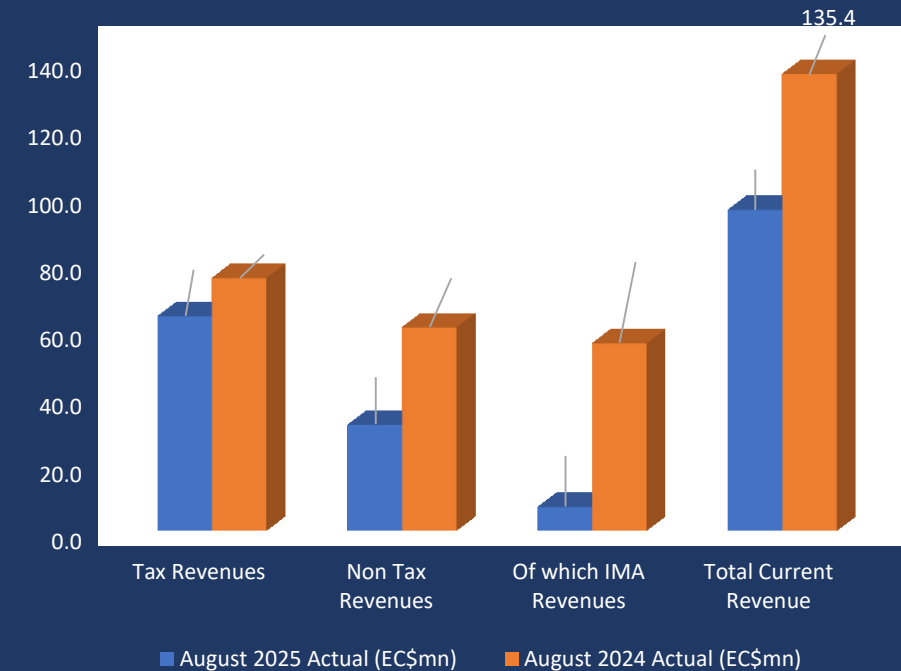
- Public debt service payments were maintained according to schedule during the month. Principal repayments for August 2025 totaled **\$54.4 million**, while interest payments stood at **\$4.8 million**, fulfilling contractual sovereign debt obligations for the period.



REVENUE BY TAX CATEGORIES



Revenue Category (Details)	August 2025 Actual (EC\$m)	August 2024 Actual (EC\$m)	Variance (EC\$m)
Taxes on Income and Profit	12.0	14.1	(2.1)
Taxes on Property	1.4	1.5	(0.1)
Taxes on Goods & Services	15.1	15.0	0.1
Taxes on International Transactions	35.2	44.4	(9.2)
Total Tax Revenue	63.7	75.0	(11.3)
Non Tax Revenues	31.5	60.4	(28.9)
Of which IMA Revenues	7.0	55.7	(48.7)
Other Exceptional Revenues	20.7	1.1	19.6
Total Current Revenue	95.2	135.4	(40.2)



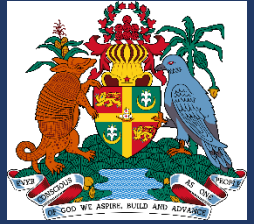
Ministry of Finance

Exceptional Revenue - Revenue that is not part of the regular collections but has a significant impact for the relevant period.

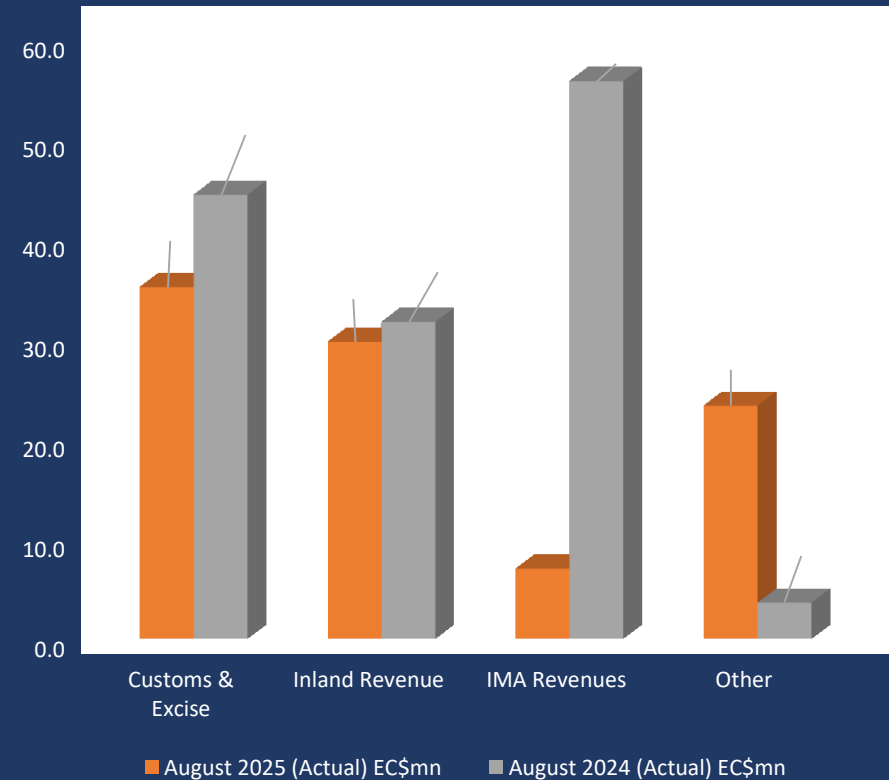




REVENUE COLLECTION BY MAJOR



	August 2025 (Target) EC\$mn	August 2025 (Actual) EC\$mn	August 2024 (Actual) EC\$mn	Var (2025 Actual vs. 2025 Target) EC\$mn	Var (2025 Actual vs. 2024 Actual) EC\$mn
Customs & Excise	43.0	35.2	44.4	(7.8)	(9.2)
Inland Revenue	36.8	29.7	31.7	-7.1	-2.0
IMA Revenues	10.9	7.0	55.7	(3.9)	(48.7)
Other	6.9	23.3	3.6	16.4	19.7
Total Revenue	97.6	95.2	135.4	-2.4	(40.2)





RECURRENT EXPENDITURE BY CATEGORY



	August 2025 Target EC\$mn	August 2025 Actual EC\$mn	August 2024 Actual EC\$mn	Variance (2025 Actual vs 2025 Target) EC\$mn	Variance (2025 Actual vs 2024 Actual) EC\$mn
Employee Compensation (Wages, Salaries, Allowances & Employees Social Contributions)	34.4	27.6	26.3	(6.8)	1.3
Goods & Services	17.2	14.4	17.3	(2.8)	(2.9)
Interest Payments	5.6	4.8	4.4	(0.8)	0.4
Transfers & Subsidies	28.1	21.2	17.4	(6.9)	3.8
Of which IMA Subventions	-	-	-	-	-
IMA Expenses	5.9	0.0	9.5	-5.9	-9.5

Ministry of Finance

Revised Treatment of IMA Expenditures from Fiscal Year 2025: Central Government now provides a subvention to the IMA for citizenship processing costs, replacing direct payments by Central Government.





FISCAL SUMMARY TABLE



	Jan - August 2025 (Target) EC\$m	Jan - August 2025 (Actual) EC\$m	Jan - August 2024 (Actual) EC\$m	Variance (2025 Actual vs 2025 Target) EC\$m	Variance (2025 Actual vs 2024 Actual) EC\$m
Total Revenues & Grants	832.6	887.7	1138.5	55.1	-250.8
Revenues	790.2	804.6	1124.0	14.4	-319.4
Grants	42.4	83.1	14.5	40.7	68.6
Total Expenditure	992.9	936.3	734.3	-56.6	202.0
Recurrent Expenditure	711.4	622.8	568.8	-88.6	54.0
o/w: Interest Payments	32.1	26.2	31.8	-5.9	-5.6
Capital Expenditure	281.5	313.5	165.5	32.0	148.0
Primary Balance	-128.2	-22.4	436.0	105.8	-458.4
Overall Balance	-160.3	-48.6	404.2	111.7	-452.8
Memo Items					
<i>IMA Revenues</i>	99.0	124.5	373.2	25.5	-248.7
<i>Contributions to NTF</i>	47.7	64.3	229.3	16.6	-165.0
<i>Approved Projects - Government Contributions</i>	28.6	39.9	108.9	11.3	-69.0
<i>Other IMA Related Fees</i>	22.7	20.3	35.0	-2.4	-14.7
Total Principal Payments	201.2	121.6	186.6	-79.6	-65