



**Communiqué of the 111<sup>th</sup> Meeting of the Monetary Council of the  
Eastern Caribbean Central Bank**

*Issued: 18 July 2025*

The One Hundred and Eleventh (111<sup>th</sup>) Meeting of the Monetary Council of the Eastern Caribbean Central Bank (ECCB) was held on 18 July 2025 at the Boat House, Barbuda Ocean Club, in Antigua and Barbuda, under the chairmanship of the Prime Minister and Minister for Finance, Antigua and Barbuda, Honourable Gaston A. Browne.

The Council welcomed Premier Cora Richardson-Hodge to her first meeting as the Monetary Council member for Anguilla, following general elections in Anguilla in February 2025.

**1.0 MONETARY STABILITY**

The Monetary Council received the ***Governor's Report on Monetary, Credit and Financial Conditions in the Eastern Caribbean Currency Union (ECCU)***. The Report provided global and ECCU updates on monetary, credit and financial conditions and assessed their potential impact in the near to medium term. The *Governor's Report* indicated that:

- a. The global economic environment has become considerably more uncertain.
- b. Against the backdrop of an anticipated decrease in global trade, the International Monetary Fund (IMF) has trimmed projections for 2025 global economic growth to 2.8 per cent from its earlier projections of 3.3 per cent (April 2025 IMF World Economic Outlook Report).

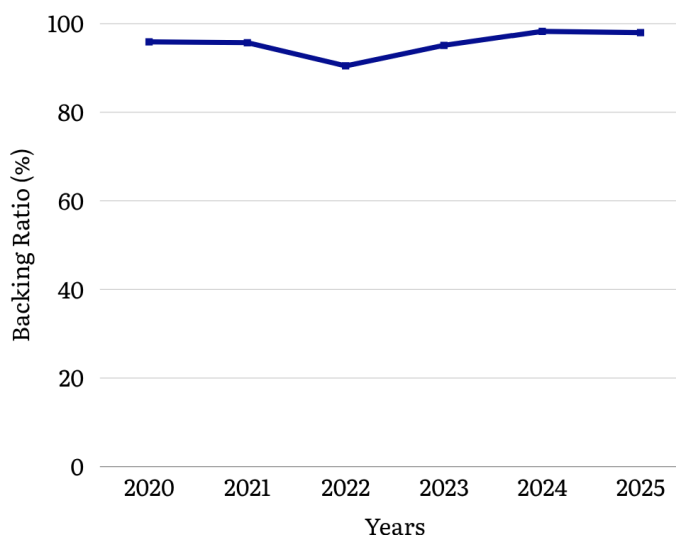


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- c. Energy prices are expected to moderate in 2025 due to weaker global demand. That said, energy prices are always susceptible to geopolitical developments.
- d. ECCU economies have demonstrated marked resilience in the face of current and emerging global challenges.
- e. The EC currency remains strong: **the Backing Ratio** (also known as the ratio of foreign assets to demand liabilities) **is 97.5 per cent**—significantly above the 60.0 per cent statutory requirement.

## Backing Ratio trend for the past five years



Source: Eastern Caribbean Central Bank.

Foreign Reserves stood at EC\$5.5 billion as at 11 July 2025 —up from EC\$5.4 billion as at 11 October 2024.

- f. Monetary, credit and financial conditions in the ECCU remain stable and accommodative.

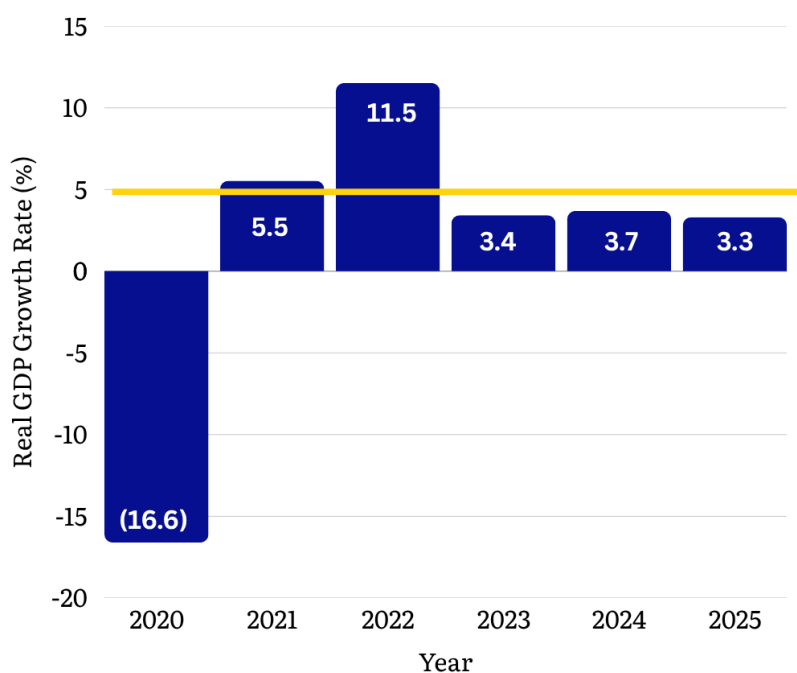


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- g. The ECCU's growth outlook is projected to expand by 3.3 per cent in 2025, down from the previously projected range of 3.5 per cent to 4.5 per cent.

**ECCU Real GDP Growth Rates  
(2020-2025)**



**Source: ECCU Central Statistics Offices and Eastern Caribbean Central Bank.**

Tourism; post-hurricane Beryl reconstruction; investments in physical infrastructure; and domestic-related construction are expected to continue to drive growth.

- h. The risks to the ECCU's economic outlook are tilted heavily to the downside as economic uncertainty abounds with renewed geopolitical and geoeconomic tensions.



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- i. Upside risks (opportunities) for the ECCU include increased investments in climate-resilient infrastructure; renewable energy development and financial inclusion through the ease of opening bank accounts and credit expansion with the rollout of the Credit Bureau.

## Loans by economic activity throughout the ECCU from January to March 2025



Source: Eastern Caribbean Central Bank.

Having considered the state of monetary, credit and financial conditions in the ECCU, the Monetary Council, on the recommendation of the Governor, agreed to:

- i. Maintain the Minimum Savings Rate at 2.0 per cent; and



- ii. Maintain the Discount Rate at 3.0 per cent for short-term credit and 4.5 per cent for long-term credit.

The Minimum Savings Rate is the lowest rate that commercial banks can offer on savings deposits. The Central Bank's Discount Rate is the rate at which the ECCB lends to member Governments and commercial banks.

## **2.0 FINANCIAL STABILITY**

The Monetary Council was advised of the following developments in the ECCU financial sector:

- a. The ECCU banking system remains resilient and stable, with a high level of liquidity.
- b. An acceleration of private sector credit—driven primarily by increased lending to households—has resulted in **the most rapid expansion in household lending since 2020.**
- c. Several regulatory initiatives are underway **to further bolster the banking sector's resilience and strength.** These initiatives include, inter alia: integrating climate-related financial risks into the regulatory framework; continued onboarding of financial institutions by the Credit Bureau; implementation of the Basel II/III framework; and the establishment of the Office of Financial Conduct and Inclusion in the Central Bank to address market conduct.

In support of financial stability, efforts at addressing risks include:

- 1. **Lowering the risk profile of Citizenship by Investment (CBI/CIP) programmes.** On 2 July, the Interim Regulatory Commission (IRC) published the draft legislation for the establishment of a regional regulator



for CBI/CIP – the **Eastern Caribbean Citizenship by Investment Regulatory Authority (ECCIRA)**. The draft legislation is available on the ECCB’s website for public comment and followed a series of in-country consultations.

**2. Monitoring and managing systemic risks in the financial system.**

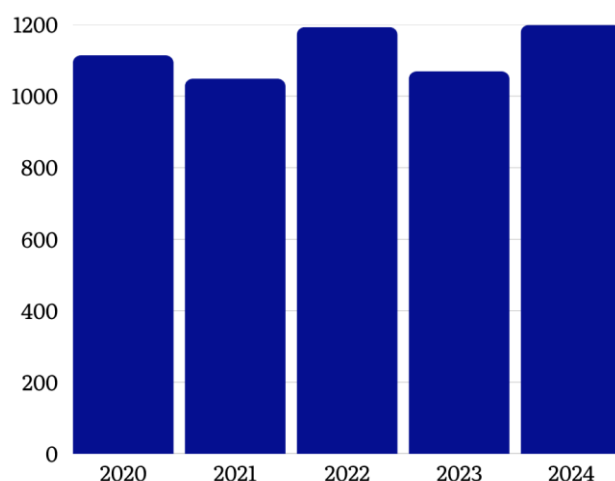
The Monetary Council considered and approved the institutional arrangements to support macro-prudential stability. The Council directed the ECCB to draft the **Financial Stability Law**, which will provide the legal authority for the establishment of a Regional Financial Stability Committee (RFSC). The RFSC will include the ECCB and all financial regulators in the Currency Union.

**3.0 FISCAL AND DEBT SUSTAINABILITY**

The ECCU fiscal situation showed signs of improvement in 2024, due to increased economic activity and stronger fiscal management. The Regional Government Securities Market (RGSM) continues to be a vital source of funding for member Governments.



RGSM funds raised in the past  
five years (EC\$ Millions)



Source: Eastern Caribbean Securities Exchange and Eastern Caribbean Central Bank.

At the end of January 2025, the RGSM achieved a milestone of \$20 billion raised by ECCU governments since its inception in 2001. The **RGSM also recorded an almost 10.0 per cent increase in the amounts raised over the first three months of 2025** compared with the corresponding three months of 2024. **This is the highest first quarter performance since 2022.**

#### 4.0 GROWTH AND COMPETITIVENESS

The start of **the Resilient Renewable Energy Infrastructure Investment Facility (RREIIF)**, a regional multi-million-dollar World Bank-financed initiative developed under the leadership of the Eastern Caribbean Central Bank in partnership with ECCU member governments, is welcomed. The initiative aims

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to mobilise concessional finance and private capital to scale up renewable energy development in the ECCU.

**Positive economic “ripple” effects from this initiative will include: increased energy security; grid and infrastructure development; and job creation.**

## **5.0 FINANCIAL INCLUSION**

**To address public concerns about the difficulty of opening bank accounts, the ECCB and the ECCU Bankers’ Association have launched the *ECCU First Step Savings Account*.** Individuals are required to present only one form of valid photo ID as part of a simplified due diligence and enhanced customer experience. This account is interest-bearing and is not subject to minimum balances. The current limit, however, for this account is \$36,000.

## **6.0 DATE AND VENUE OF THE 112<sup>TH</sup> MEETING OF THE MONETARY COUNCIL**

The Council agreed that the 112<sup>th</sup> Meeting of the Monetary Council will be convened on Friday, 31 October 2025 at 9:00 a.m. via virtual transmission.





## **7.0 PARTICIPATION**

Council Members attending the meeting were:

1. Honourable Gaston Browne, Prime Minister and Minister for Finance, Antigua and Barbuda (Chairman)
2. Honourable Cora Richardson-Hodge, Premier and Minister for Finance, Anguilla
3. Honourable Dennis Cornwall, Minister for Finance, Grenada
4. Honourable Reuben Meade, Premier and Minister for Finance, Montserrat
5. Honourable Dr Terrance Drew, Prime Minister and Minister for Finance, Saint Christopher (St Kitts) and Nevis
6. Honourable Philip J Pierre, Prime Minister and Minister for Finance, Saint Lucia

**18 July 2025**

### **About the Eastern Caribbean Central Bank**

The Eastern Caribbean Central Bank (ECCB) was established in October 1983. The ECCB is the Monetary Authority for: Anguilla, Antigua and Barbuda, Commonwealth of Dominica, Grenada, Montserrat, Saint Christopher (St Kitts) and Nevis, Saint Lucia and Saint Vincent and the Grenadines.

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