volume

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Small States

Economic Review and Basic Statistics

The Commonwealth

Building Resilience in Commonwealth Small States

Small States Economic Review and Basic Statistics Volume 22

Building Resilience in Commonwealth Small States

The Commonwealth

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Foreword

The road to recovery from the economic damage of the pandemic in Commonwealth small states has been slow yet steady.

Across all Commonwealth regions, economic growth has been buoyed by the robust performance of tourism as COVID-19 restrictions relaxed. For many small states, the tourism industry has rebounded to pre-pandemic levels, driving their recovery.

However, external shocks continue to cloud the economic outlook. The lingering effects of the pandemic, combined with ongoing geopolitical tensions and conflict, have meant higher borrowing costs and reduced fiscal support for our small states.

The same states are disproportionately affected by the impacts of climate change. This year, Caribbean small states faced the devastation of Hurricane Beryl. In 2023, Vanuatu was ravaged by Category 5 Tropical Cyclone Lola, mere months after enduring back-to-back cyclones Judy and Kevin, which resulted in losses of up to 50 percent of their GDP.

These crises both illustrate and deepen the vulnerabilities small states face. Two-thirds of the world's small states are Commonwealth members, and our focus remains to build their resilience in the face of intense economic challenges.

For this reason, the 22nd volume of the *Small States Economic Review and Basic Statistics* centres on the theme of 'Building resilience in Commonwealth Small States'. This aligns with the overarching theme of the 2024 Commonwealth Heads of Government Meeting, "One Resilient Common Future: Transforming our Commonwealth", which will bring all our member countries together to build economic and environmental resilience.

This report analyses socio-economic developments in Commonwealth small states within the context of the global economy. It outlines how our small states have performed in the face of global events, assessing their macroeconomic performance, the implications of shocks on socio-economic progress, and how underlying vulnerabilities which result from their specific characteristics affect their socio-economic performance.

The report reinforces our collective prioritisation of resilience to help small states withstand future shocks, by promoting economic diversification and leveraging their strengths for more resilient economies. With tourism being crucial to many small states, this includes support for more robust and sustainable tourism industries which can make meaningful, long-term contributions to development.

The special topic of this report showcases how Commonwealth small states are making strides in sustainable tourism and moving towards regenerative tourism. The report outlines key lessons learned from a sample of Commonwealth small states, combining cutting-edge analysis and interviews with key stakeholders to generate and share best practices on sustainable tourism.

I hope this report provides valuable insights for all our member states and adds to the Commonwealth's world-leading body of work on building more resilient economies across our family of nations.

Rt Hon. Patricia Scotland
Secretary-General of the Commonwealth

Acknowledgments

This 22nd volume of the *Small States Economic Review and Basic Statistics* was prepared under the guidance of Richard Ough, previously Head of Economic Policy and Small States (EPSS). Tamara Mughogho (Economic Adviser) led and co-ordinated the drafting of the report with Attila Shaaran (Economic Research Officer), James Gregory and Olajide Oyadeyi (formerly Economic Research Officers). The *Small States Economic Review and Basic Statistics* report also benefited from contributions and support from the EPSS team, including Motselisi Matsela and Zeeshan Ali (Economic Advisers) and Enock Bamusi (Programme Assistant).

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Acronyms and Abbreviations

ADB	Asian Development Bank
AfDB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
BTB	Belize Tourism Board
CBI	Citizenship-by-Investment
CWSS	Commonwealth small states
COVID-19	coronavirus disease
CREST	Center for Responsible Travel (Belize)
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DSA	Debt Sustainability Analysis
EMDEs	emerging market developing economies
EPSS	Economic Policy and Small States
EU	European Union
EYSD	Economic Youth and Sustainable Development
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
GDP	gross domestic product
GEF	Global Environment Facility
GNI	gross national income
GSTC	Global Sustainable Tourism Council
HIV	Human Immunodeficiency Virus
ICT	information and communication technology
IPR	international poverty rate
IMF	International Monetary Fund
JNCC	Joint Nature Conservation Committee
LIC	low-income country
LMIP	lower-middle-income poverty rate
MFNPT	Ministry of Finance, National Planning and Trade, Seychelles

MTA	Malta Tourism Authority
NGO	non-governmental organisation
NSO	National Statistics Office, Malta
OECD	Organisation for Economic Co-operation and Development
PACT	Protected Areas Conservation Trust (Belize)
PPP	purchasing power parity
RPC	Regional Processing Centre
SACU	Southern Africa Customs Union
SDG	Sustainable Development Goal
SIDS	small island developing states
SMEs	small and medium-size enterprises
SPREP	Secretariat of the Pacific Regional Environment Programme
SSTF	Seychelles Sustainable Tourism Foundation
STA	Samoa Tourism Authority
TASA	Turneffe Atoll Sustainability Association
TNC	The Nature Conservancy
UMP	upper-middle-income poverty rate
UN	United Nations
UNCTAD	United Nations Trade and Development
UNDAC	United Nations Disaster Assessment Team
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNWTO	World Tourism Organization
USA	United States of America
WASH	water, sanitation and hygiene
WSC	Water Services Corporation, Malta

Overview

The *Small States Economic Review and Basic Statistics* is a biannual flagship report that focuses on recent socio-economic developments in the 33 Commonwealth Small States (CWSS). This 22nd edition of the report centres on the theme of 'Building Resilience in the Commonwealth of Small States'. The report is divided into two sections. Part 1 provides an overview of recent economic and socio-economic trends in CWSS and delves into the thematic issues affecting these small states. Part 2 covers the special topic of sustainable and regenerative tourism for resilience in small states.

Recovery in the wake of shocks

Following the resumption of normal activity post-COVID, CWSS have been on a path to economic recovery, largely sustained by a rebound in tourism, which in many small states has reached pre-pandemic levels. However, ongoing shocks – ranging from geopolitical to climatic – have marred this recovery. As such, CWSS are projected to grow at 3.3 per cent in 2025, a contraction from the 3.7 per cent growth in 2024, as a result of persistent economic challenges.

The combination of socio-economic shocks over the past few years has also affected socio-economic progress in CWSS. Geopolitical tensions in Europe and supply chain disruptions have had impacts on food security, given the reliance of CWSS on food imports. This has worsened progress on poverty indicators. Climate change shocks continue to affect socio-economic progress in the health and education sectors, by damaging social infrastructure, affecting school attendance and promoting the spread of communicable diseases.

Economic vulnerability amid shocks

CWSS are characterised by their dependence on sectors like tourism and agriculture, and their reliance on remittances and foreign direct investment. This poses a threat to their economic stability when they are hit by an external shock. The COVID-19 pandemic exposed the vulnerability to shocks of tourism industries in CWSS. Though many states have recovered to pre-pandemic tourism levels, the sector remains susceptible to future disruptions. Additionally, geopolitical tensions and rising living costs have affected financial flows such as remittances and foreign direct investment in some CWSS.

Climate change-induced shocks also limit the fiscal space in many Commonwealth small states, through the high expenditure required to rebuild economies after natural disasters. This has contributed to high debt burdens, with many CWSS at risk of debt distress.

Building resilience through sustainable and regenerative tourism

The vulnerabilities of CWSS to various shocks underscore the importance of building resilience. They can achieve this by diversifying their economies, leveraging support from international agencies and enhancing climate change adaptation. Sustainable tourism offers an avenue for small states to become more resilient, promoting diversification while fostering environmental protection and sustainability. CWSS have made strides in sustainable tourism by encouraging sustainable practices in their tourism industries, promoting innovative financing for sustainability and fostering community and local engagement. They are also at the forefront in relation to pushing for regenerative tourism, which goes beyond mitigating the adverse effects of tourism to ensure it leaves countries better-off. This report offers key lessons learnt from CWSS as they encourage sustainable tourism and move towards regenerative tourism.

What are small states?

Commonwealth small states comprise 33 of the Commonwealth's 56 member countries, spanning five regions globally. The Commonwealth defines 'small states' as sovereign countries with a population of 1.5 million or less. The Commonwealth also designates some of its larger member countries – Botswana, Jamaica, Lesotho, Namibia and Papua New Guinea – as small states because they share many of their characteristics.

Commonwealth small states

Africa
Botswana
Eswatini
Gabon
The Gambia
Lesotho
Mauritius
Namibia
Seychelles

Asia
Brunei Darussalam
Maldives

Europe
Cyprus
Malta

The Caribbean
Antigua and Barbuda
The Bahamas
Barbados
Belize
Dominica
Grenada
Guyana
Jamaica
St Kitts and Nevis
Saint Lucia
St Vincent and the Grenadines
Trinidad and Tobago

The Pacific
Fiji
Kiribati
Nauru
Papua New Guinea
Samoa
Solomon Islands
Tonga
Tuvalu
Vanuatu

Part I:

The Long Road to Recovery in Commonwealth Small States

Chapter 1

The economic impacts of overlapping shocks

KEY MESSAGES

- After a rebound in economic growth driven by the recovery of tourism, Commonwealth small states (CWSS) are expected to see growth fall to 3.7 per cent in 2024 and 3.3 per cent in 2025, as prevailing economic challenges persist. Guyana's economic performance remains robust as a result of substantial oil revenues.
- Inflation in CWSS has been declining since the spikes experienced in 2022 and remains lower than global and advanced economy inflation rates. Inflation in CWSS is projected to continue falling to 3.7 per cent in 2024 and 3.3 per cent in 2025. Among CWSS regions, African CWSS face higher inflation because of being large net importers of food.
- Government expenditures in CWSS have been decreasing since 2022 following the normalisation of spending post-COVID. The Asia-Pacific region has the highest government expenditure, supported by significant fishing revenues.
- Geopolitical tensions and prolonged COVID-19 containment measures worsened current account balances in European and Asian CWSS in 2022. However, overall current account trends in CWSS improved in 2023 and are expected to continue to do so from 2024 as a result of tourism receipts and exports of oil and natural gases in some CWSS.
- Despite CWSS recovering following COVID-19, this progress has been subdued as a result of persistent socio-economic challenges.

1.1. Introduction

Over the last three years, myriad catastrophes, including the protracted effects of COVID-19, geopolitical tensions, volatile financial and commodity markets and the persistent threats of climate change, have continued to cloud the global economic outlook. Despite the reopening of countries and the resumption of economic activity post-COVID, the path to recovery was affected by the onset of geopolitical tensions in Eastern Europe in 2022 and the Middle East in 2023. These translated into higher commodity prices and a global rise in the cost of living through

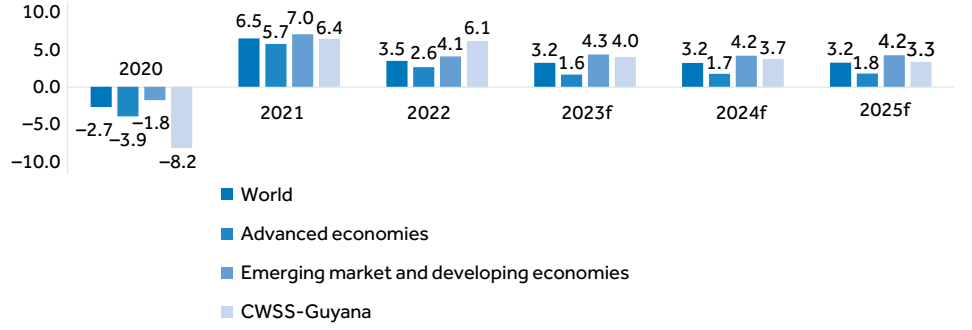
soaring food and energy prices. These simultaneous shocks experienced over the past couple of years underscore the need to build resilience, particularly for CWSS, which are often vulnerable to and disproportionately affected by external shocks, and continue to be highly vulnerable to climatic shocks.

1.2. Recovery in an uncertain world

Following the onset of geopolitical shocks in early 2022, global growth declined, falling to 3.2 per cent of gross domestic product (GDP) in 2023 (IMF, 2023a, 2024a; Figure 1.1). The economic losses were more pronounced for advanced economies, with GDP registering at 1.6 per cent in 2023. The larger economic fallout experienced in these economies resulted from the monetary policy stances many countries adopted to curtail rising inflation arising from supply chain disruptions exacerbated by geopolitical tensions in Europe (IMF, 2024a; UN, 2023a). It was also attributed to a deterioration in financial conditions and to bank turmoil, which weakened their economic recovery (World Bank, 2023a). While growth in advanced countries picked up in 2024, registering at 1.7 percent, emerging market developing economies (EMDEs) experienced a slight contraction in the same year, with growth falling from 4.3 per cent in 2023 to 4.2 per cent in 2024 and projected to remain at 4.2 per cent in 2025.

Post-COVID, economic recovery in CWSS has been buttressed by the recovery of tourism, which has recovered almost to pre-pandemic levels, given the large pent-up demand for travel. As such, CWSS registered an increase in GDP growth of 6.4 per cent in 2021. This growth contracted gradually in 2022 then fell in 2023 and 2024 to 4 per cent and 3.7 per cent, respectively, as a result of prevailing economic challenges (Figure 1.1; Box 1.1). GDP growth is expected to decline further to

FIGURE 1.1. GDP GROWTH PER COUNTRY GROUPING AS A PERCENTAGE



Source: IMF (2024a).

Note: The CWSS average presented throughout this report is calculated using IMF data. Guyana is excluded from the analysis given that its growth rate is an outlier

BOX 1.1 PENT-UP TOURISM DEMAND DRIVING GDP GROWTH IN CWSS

Following the rebound in GDP in 2021, many regions in the Commonwealth experienced a decrease in GDP in 2022, 2023 and 2024. The Caribbean continues to perform relatively well, with GDP rates higher than those in most CWSS from 2022 through to 2025 projections (Table 1.1).

TABLE 1.1. GDP GROWTH IN CWSS, 2020–2025F (%)

	2020	2021	2022	2023f	2024f	2025f
Africa	−6.4	4.8	5.5	4	3.7	3.6
Asia-Pacific	−6	3.6	3.8	3.7	3.6	3.3
Caribbean (excl. Guyana)	−14.4	6	8.6	4.2	3.7	3
Europe	−5.8	11.2	6.6	4	3.9	3.4
Caribbean	−9.6	7.2	13.1	6.6	6.2	4.3

Source: IMF (2024a).

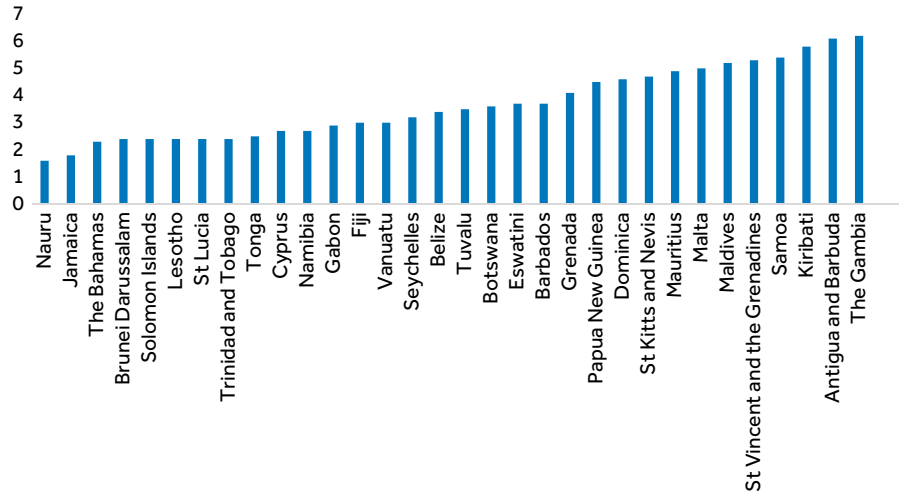
Performance in the Caribbean has been largely buoyed by Guyana, which remains in a league of its own, registering GDP growth of 33 per cent in both 2023 and 2024. This reflects an upward revision from the earlier projections of 25.2 per cent by the International Monetary Fund (IMF), attributed to oil reserves (Guyana Chronicle, 2023; OilNOW Guyana, 2023). Excluding Guyana, Caribbean economic trends have remained robust post-COVID, bolstered by the rebound in tourism, which has contributed to growth in countries like St Kitts and Nevis; Trinidad and Tobago also experienced growth boosted by the non-energy sector (IMF, 2023b, 2023c).

Across Asia-Pacific small states, GDP growth rebounded from 2021 onwards, following the resumption of tourism in countries like Maldives, then fell slightly from 2023. Overall, tourism continues to sustain growth, with construction providing an added boost in Maldives (ADB, 2023). Vanuatu is also expected to rebound following two natural disasters faced in early 2023. Events such as the Pacific Games, to be held in Solomon Islands, and national elections are also expected to sustain economic growth in this country (ibid.).

While most African countries faced economic contractions following geopolitical tensions in 2022, the two small island developing states of Mauritius and Seychelles saw growth accelerate rapidly in 2023. This was spurred by an increase in tourist arrivals and by strategies to award long-term temporary residency permits and suspend visa requirements in these two countries (AfDB, 2023a). However, growth in most African CWSS moderated in 2023 and 2024, to 4 per cent and 3.7 per cent, respectively, in response to continued risks driven by global geopolitical tensions and the tightening of financial conditions. While growth will remain subdued in African CWSS, countries like Gabon continue to perform well as a result of high demand for export products and continued economic reforms (ibid.).

In 2021, European CWSS experienced a rebound in economic growth of 11.2 per cent following the recovery in tourism activity and the increase in demand (Table 1.1). However, growth has been moderating since 2022 following continued inflationary pressures brought on by the geopolitical tensions in Eastern Europe, with GDP settling at 4 per cent in 2023 and 3.9 per cent in 2024.

FIGURE 1.2. GDP GROWTH IN CWSS, 2024 (% CHANGE)



Source: IMF (2024a).

3.3 per cent in 2025. In some small states, like Guyana, continued stellar performance of gas exports has continued to boost economic growth.

Across CWSS, excluding Guyana, The Gambia is projected to grow the most, at an estimated 6.2 per cent in 2024 (Figure 1.2). This projected growth is largely because of increased activity in all sectors (World Bank, 2024). The Gambia is followed by Antigua and Barbuda (6.1 per cent) and Kiribati (5.8 per cent). While growth in Nauru slowed in 2023 as a result of the downscaling of activities in the Australia-funded Regional Processing Centre (RPC) (ADB, 2024), it is expected to pick up in 2024. However, growth here remains low relative to that of other CWSS and Central Pacific CWSS like Kiribati and Tuvalu (Figure 1.2). Unlike Guyana, where growth is expected to stay stellar, growth in oil-producing CWSS, like Gabon and Brunei Darussalam, is expected to remain subdued, with the latter expected to grow by only 2.4 per cent, as a result of a combination of factors including weak oil and gas production.

1.3. Inflation trends across Commonwealth small states

The onset of geopolitical tensions in Europe contributed to an inflation crisis across the globe, with emerging countries suffering the brunt. This was exacerbated by the tensions in the Middle East, which commenced in 2023 and further worsened the inflation outlook. Inflationary pressures were compounded by pent-up demand following the resumption of activity post-COVID, as well as supply-side shocks, including supply chain disruptions, soaring food and energy prices, and fiscal and monetary stimulus responses.

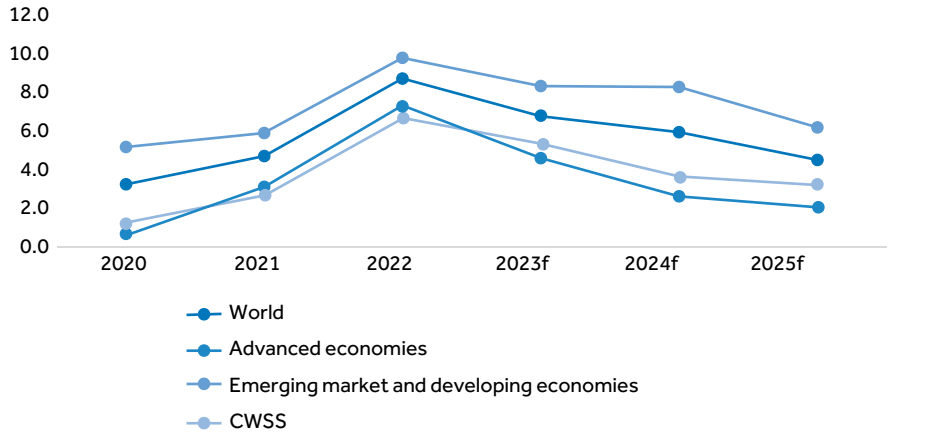
In 2023 and 2024, global inflation fell to 6.8 per cent and 5.9 per cent, respectively, as commodity prices started to fall (IMF, 2023a; UN,

2023a; World Bank, 2023a). This is also attributed to winters that have been warmer than expected, which has curtailed demand for and consumption of energy and gas. Additionally, supply chain pressures have lessened globally, contributing to the fall in inflation. However, despite headline inflation showing signs of tapering off to reflect the reduction in demand, energy and food prices, core inflation will likely remain high, and price pressures will remain sticky (IMF, 2023a; World Bank, 2023a). Average inflation in CWSS has been falling, reaching 5.4 per cent in 2023 and 3.7 per cent in 2024.

Among CWSS, African small states continued to register high inflation from 2022 onwards, albeit stabilising at 6.1 per cent in 2023 and 5.1 per cent in 2024. This reflects the pass-through from higher energy and commodity prices from the geopolitical tensions in Europe (AfDB, 2023a). The worst-hit countries have been the CWSS that are highly dependent on food imports, where inflation has hit double digits. These include The Gambia, where over 60 per cent of food is imported, Mauritius, which imports over 77 per cent of its food, and Botswana, a net importer of cereals that satisfy about 70 per cent of domestic needs for both food and feed (Ceesay, 2023; FAO, 2023; UN, 2023b). However, inflation stabilised in 2023 and 2024, falling to 6.1 per cent and 5.1 per cent, respectively.

European small states saw inflation soar to 7.1 per cent in 2022 (Table 1.2). While Cyprus' inflation peaked at 8.1 per cent in 2022, Malta experienced a lower inflation surge, of 6.1 per cent, below the 10 per cent Europe average. This was on the back of sizeable government measures to keep prices unchanged in Malta (European Commission, 2023; IMF, 2023b). Inflation decreased in both countries in 2023 and 2024 to 5.5 per cent and

FIGURE 1.3. PERCENTAGE CHANGE IN INFLATION BY COUNTRY GROUPING, 2020–2025F (%)



Source: IMF (2024a).

TABLE 1.2. PERCENTAGE CHANGE IN INFLATION BY COUNTRY GROUPING, 2020–2025F (%)

	2020	2021	2022	2023f	2024f	2025f
Africa	3	5.3	7.6	6.1	5.1	4.6
Asia-Pacific	1.7	1.5	6	6.2	4.2	3.5
Caribbean	0.3	2.4	6	4.3	2.9	2.6
Europe	−0.2	1.5	7.1	4.8	2.6	2.1

Source: WEO (2024a).

3.3 per cent, respectively, with Maltese authorities maintaining their stance of limiting energy inflation. This is also a result of tightening monetary policy to tackle inflationary pressures.

Compared with other Commonwealth regions, the Caribbean has seen inflation remain relatively low in 2023, at 4.3 per cent, and 2024, at 2.9 per cent. While inflation trends have slowed in African and Caribbean CWSS, inflation in Asia-Pacific small states began to taper off only in 2024, falling to 4.2 per cent and projected to decline further to 3.5 per cent by 2025. The delayed reduction in inflation has been the result of inflation in some Pacific countries like Kiribati, where inflation rose in response to the government's removal of price controls on gasoline and kerosine (IMF, 2023c).

1.4. Growing fiscal pressure

Following the recovery from COVID-19, government expenditure in CWSS decreased from 2021 onwards, falling to 39.6 per cent in 2023. It is expected to rise again by the end of 2024 before falling in 2025 (Table 1.3). An examination of revenue trends indicates moderate fluctuations across CWSS following a contraction in 2021 to 36 per cent. However, revenue has been growing steadily, reaching 38 per cent in 2023 as a result of increased tourism.

TABLE 1.3. GOVERNMENT ACCOUNTS AS A PERCENTAGE OF GDP, 2020–2025F (%)

General government total revenue						
	2020	2021	2022	2023f	2024f	2025f
Advanced economies	36.0	37.0	37.4	35.5	35.9	36.0
EMDEs	24.9	26.0	26.3	26.5	26.3	26.3
CWSS	38.0	36.4	37.2	38.0	37.5	35.5
General government total expenditure						
	2020	2021	2022	2023f	2024f	2025f
Advanced economies	46.2	44.2	40.5	41.1	40.3	40.2
EMDEs	33.4	30.9	31.1	31.9	31.8	31.6
CWSS	43.1	40.4	39.6	39.6	40.1	38.1

Source: IMF (2024a).

Across the CWSS regions, the Asia-Pacific region registered the highest revenue-to-GDP ratios, reaching 54 per cent in 2023. This has simultaneously resulted in high expenditure levels in the region, driven by fishing revenues in Nauru, Kiribati and Tuvalu (Box 1.2). Among African CWSS, Lesotho registered the highest revenue-to-GDP ratio, of over 52 per cent, in 2023, following the rebound in Southern Africa Customs Union (SACU) revenue, which has contributed to a narrowing of its fiscal deficits (AfDB, 2023b).

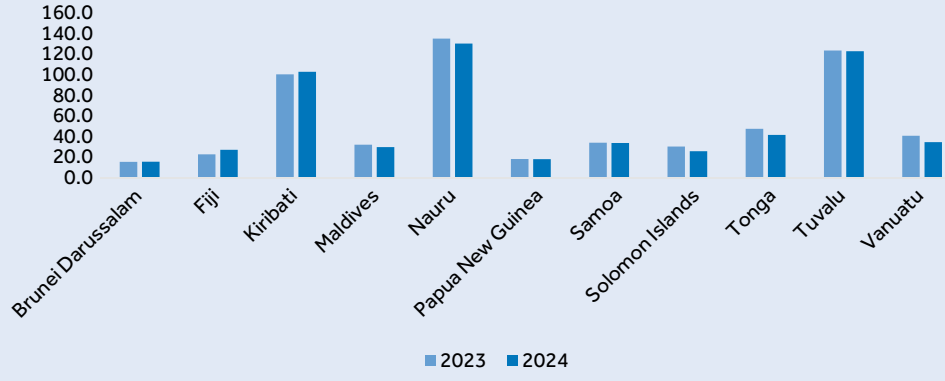
In the Caribbean, CWSS such as Dominica and St Kitts and Nevis have benefited from increased revenues from the Citizenship-by-Investment (CBI) scheme, which has supported public investment in these countries (IMF, 2023c, 2023d; Times Caribbean Online, 2022). In St Kitts and Nevis, the CBI programme contributed over 54.9 per cent of total revenue and funded 63.5 per cent of the government's total expenditure in 2021 (Times Caribbean Online, 2022). This has contributed to the country having one of the lowest debt-to-GDP ratios in the region.

BOX 1.2 THE DRIVING FORCE OF FISHING REVENUES IN THE PACIFIC

The Asia-Pacific has the widest range in revenue-to-GDP ratios,ranging from about 16 per cent in Brunei Darussalam to 130 per cent in Nauru. This latter successful revenue generation has been attributed to the presence on Nauru of the RPC for asylum-seekers (Howes and Surandiran, 2021). Expenditures in Nauru have also increased following higher revenues. With the closure of the RPC, Nauru also obtains substantive revenues from fishing licences that boost total revenue in Nauru as they do in Kiribati and Tuvalu (ADB, 2023).

Fishing revenues contributed to the narrowing of fiscal deficits in Kiribati as revenues bounced back post-COVID, representing 102 per cent of GDP. The dominance of the public sector in these three countries, where fishing licences contribute over 40 per cent to revenue, coupled with their isolation, contributed to them being less economically affected by the pandemic (World Bank, 2020).

FIGURE 1.4. REVENUE IN ASIA-PACIFIC CWSS, 2023 AND 2024 (% OF GDP)

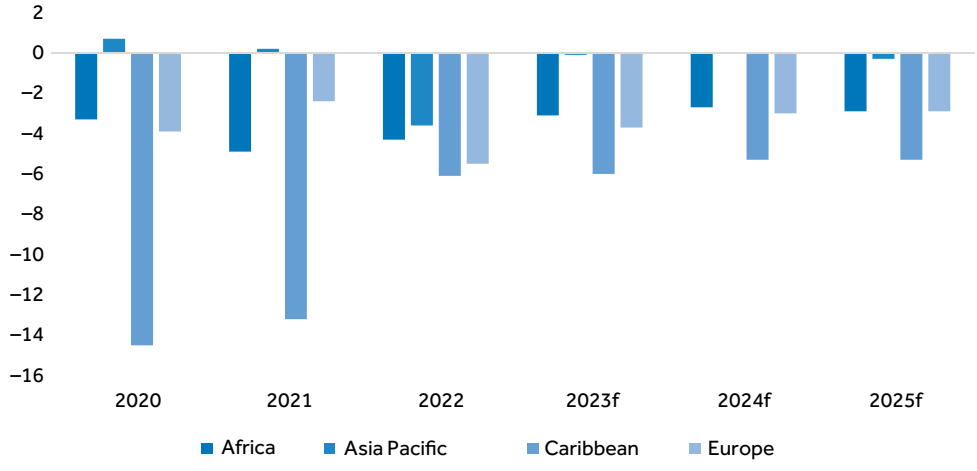


Source: IMF (2024a).

1.5. Current account trends across Commonwealth small states

The geopolitical shocks in Eastern Europe, beginning in 2022, had adverse effects on the current account balances of European and Asian CWSS (Figure 1.5). This led to Asia-Pacific small states experiencing negative current account balances for the first time in three years in 2022. This was exacerbated by the rapid worsening of current account balances in countries like Tuvalu as a result of the impact of COVID-19 containment measures on income and import-intensive infrastructure projects. In some Asian Pacific small states like Kiribati, the current account worsened due to the increased primary balance and higher import prices (IMF, 2023c). Meanwhile, Caribbean CWSS have been experiencing decreasing current account deficits, attributed to a surge in exports of natural gas and oil in countries such as Guyana and Trinidad and Tobago, and tourism receipts for non-gas producing countries. This contributed to the current account balance improving from the double digits registered in 2021 (13 per cent) to 6.1 per cent in 2022 in.Caribbean CWSS. Overall, the current account improved in CWSS in 2023 and is expected to continue improving from 2023 to 2025 throughout all CWSS. This is expected to be boosted by increased export revenue from natural resources and tourism.

FIGURE 1.5. CURRENT ACCOUNT TRENDS ACROSS COMMONWEALTH REGIONS AS A PERCENTAGE OF GDP, 2020–2025F (%)



Source: IMF (2024a).

Chapter 2

Socio-economic implications of recurring shocks

KEY MESSAGES

- Geopolitical tensions in Eastern Europe in 2022 exacerbated food insecurity, particularly for CWSS that are net food importers.
- Poverty rates increased in 2022, and this was compounded by subdued economic growth.
- Educational and health outcomes in CWSS continue to be impacted by natural hazards that damage social infrastructure. Natural disasters also heighten the spread of certain diseases like malaria, which are waterborne.

- As of 2023, CWSS recorded a lower life expectancy, at 69 years, compared with global, Organisation for Economic Co-operation and Development (OECD) and small island developing states (SIDS) averages. However, educational attainment in CWSS is higher, at 11.2 years, than the global average of 10.7 years.
- Women were disproportionately affected during COVID-19 as a result of their significant presence in the tourism industry. They continue to be impacted by rising living costs, as they typically earn lower wages than men.
- Sustainable Development Goal (SDG) attainment in CWSS has seen more of a setback than the overall Commonwealth average: the SDG index in CWSS fell by 0.34 points between 2021 and 2022 whereas the overall Commonwealth index rose by 0.18 points.
- Overall, socio-economic progress in CWSS continues to be marred by recurring shocks.

2.1. The effects of shocks on food security

The geopolitical tensions that emerged in 2022 contributed to soaring domestic food prices in many countries across the world (World Bank, 2023b). However, CWSS that rely heavily on food imports were hit the hardest by the knock-on effects. These include Cyprus, The Gambia, Malta and Namibia, where over 40 per cent of wheat imports are from Russia. Similarly, Ukraine is the source of almost 20 per cent of Cyprus' wheat and 12 per cent of The Gambia's edible oil imports, respectively (Vickers et al., 2022). As such, the crisis and ensuing escalation in the cost of living compromised food security and increased poverty levels while worsening health disparities.

For some CWSS, the geopolitical tensions affected food security, with food security indicators in Caribbean CWSS worsening between February 2022 and August 2022 (World Bank, 2023b). This was because of higher living costs disproportionately affecting the poor and vulnerable who spend a large portion of their budget on food. Climate change shocks added to the food security crisis. For instance, rainfall variability in Lesotho meant that 320,000 people in rural areas experienced a food insecurity crisis between October 2022 and March 2023. This represents 22 per cent of the population and a 15 per cent increase on the period between July and September 2022 (ibid.).

2.2. Poverty implications of shocks in small states

The recent cost of living crisis has negatively affected the poorest and most vulnerable globally. As of 2022, the number of people living in severe poverty was 682 million (8.8 per cent of the global population), a rise from 660 million in 2019 (Schoch et al., 2022; Development Initiatives, 2023). As such, the recent geopolitical tensions have reversed progress on poverty reduction, with poverty in some CWSS rising in 2022 following an initial decrease in 2021 (Table 2.1). This has been compounded by slow economic growth and high inflation. However, there is a glimmer of hope, with small states like Botswana, Eswatini and Namibia expected to experience lower poverty rates in 2023 through 2024 following increased SACU revenues. However, for other African CWSS, like Lesotho, poverty rates are expected to fall only in 2025, as economic growth remains stagnant (World Bank, 2023c). This is in line with overall expected trends across other CWSS, where poverty rates are expected to remain elevated above pre-pandemic levels as growth remains low, inflation persists and multidimensional poverty rates are affected (Table 2.1; Box 2.1).

2.3. Multidimensional impacts of shocks on education and health outcomes

For many developing CWSS, health and education outcomes are often affected by adverse shocks. During the COVID-19 pandemic, lockdowns curtailed educational progress and the surge in cases overwhelmed health sectors across CWSS. Continued shocks such as climate change also pose severe challenges to these sectors. This includes through loss of infrastructure, as exhibited in Vanuatu in the aftermath of Cyclones Judy and Kevin in early 2023, when healthcare facilities were destroyed and schools remained closed (UNICEF, 2023). Likewise, flooding and heavy rainfall in Trinidad and Tobago in 2022 resulted in school closures in affected areas (Trinidad and Tobago Weather Centre, 2022). Just as natural disasters affect health infrastructure, education

TABLE 2.1. POVERTY RATES IN SELECTED CWSS, 2019–2024F

Country	2020	2021	2022	2023f	2024f
Botswana (IPR $2.15 in.2011 PPP)	16.0	14.8	14.3	14.1	13.9
Eswatini (IPR $2.15 in.2011 PPP)	35.2	30.9	31.0	30.9	29.4
Fiji (IPR $2.15 in.2017 PPP)	2.9	3.7	1.9	1.3	1.1
Gabon (IPR $2.15 in.2011 PPP)	3.0	2.3	2.4	2.6	2.8
The Gambia (IPR $2.15 in.2011 PPP)	17.2	17.5	17.7	18.5	18.8
Kiribati (LMIP $3.65 in.2017 PPP)	21	18	18	18	17
Lesotho (IPR $2.15 in.2011 PPP)	36.6	36.6	36.3	35.8	35.4
Maldives (UMIP $6.85 in.2017 PPP)	19	7	3	2	1
Mauritius (LMIP $3.2 in.2011 PPP)	2.4	2.3	2.0	1.8	1.7
Namibia (IPR $2.15 in.2011 PPP)	20.2	19.7	18.8	18.4	18.2
Saint Lucia (IPR $2.15 in.2017 PPP)	7.5	6.6	5.0	4.7	4.6
Seychelles (IPR $2.15 in.2011 PPP)	0.6	0.5	0.5	0.4	0.4

Source: World Bank (2020).
Note: IPR: international poverty rate, LMIP: lower-middle-income poverty rate, UMP: upper-middle-income poverty rate, PPP: purchasing power parity.
Countries were selected based on data availability.

infrastructure is also severely affected in the wake of climate shocks. This was seen in Belize when Hurricane Lisa affected 77 schools, causing US$5 million worth of damage in 2022 (Channel 5 Belize, 2022).

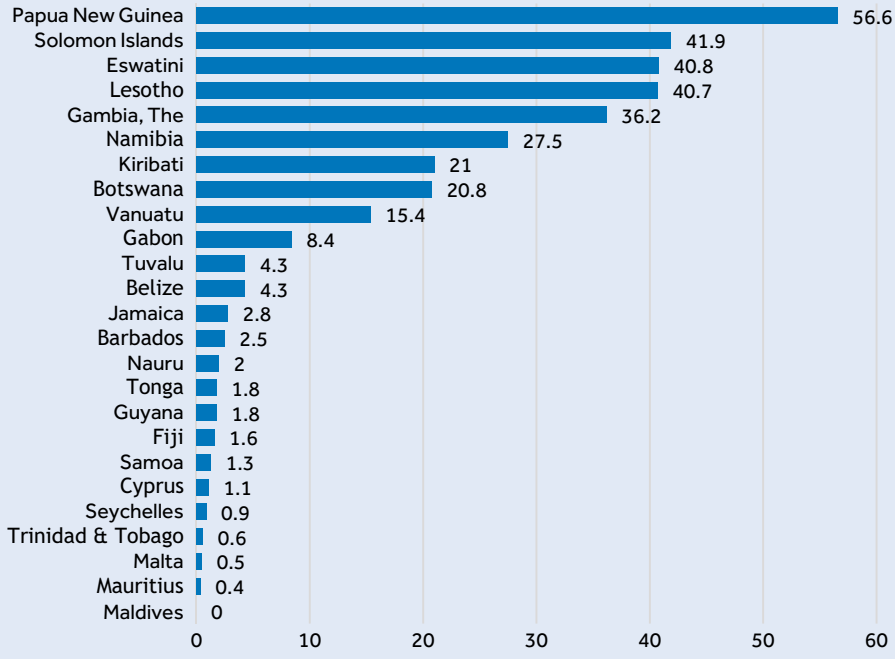
While the loss of life and damaged infrastructure count among the immediate impacts of natural disasters, they also place severe strain on the health sector. For example, the destruction of water, sanitation and hygiene (WASH) facilities inhibits treatment of ongoing diseases and affects preventative health services.

BOX 2.1. MULTIDIMENSIONAL POVERTY ACROSS SMALL STATES

Among CWSS, multidimensional poverty rates range from 0 to 56.6 per cent (Figure 2.1). While Papua New Guinea registers the highest multidimensional poverty rate among CWSS, the country has made significant strides on poverty reduction, dropping from 74.7 per cent reported in the previous survey (in 2009) to 56 per cent in 2023 (UNDP, 2023a). However, the recent wave of economic and socio-economic shocks could potentially affect long-term progress: in a survey carried out in 2022 40 per cent of households reported income reductions, while over one-third of households experienced moderate food insecurity (World Bank, 2023d). For many CWSS, high levels of multidimensional poverty are driven by high incidence of monetary poverty as well as limited access to socio-economic services, including electricity, education, health and sanitation.

The Multidimensional Poverty Index measures the percentage of households in a country deprived along three dimensions – monetary poverty, education and basic infrastructure services – to capture a more complete picture of poverty.

FIGURE 2.1. MULTIDIMENSIONAL POVERTY HEADCOUNT RATIO IN CWSS, 2023 (% OF POPULATION)



Sources: World Bank (2023e); UNDP (2023a).

Notes: The poverty surveys were conducted between 2011 and 2016 for some countries and between 2017 and 2022 for others.

Additionally, climate shocks coupled with damage to WASH infrastructure contribute to increases in waterborne diseases. Following Cyclones Judy and Kevin in Vanuatu in early 2023, water-borne diseases escalated among children in the capital, Port Vila, and in rural communities (Wilson, 2023). Similarly, one month after The Gambia experienced flooding in July 2022, there was a sharp increase in malaria cases alongside other diseases like diarrhoea. Malaria cases increased from 1,318 in June 2022 to 3,251 in July 2022 (UNDAC, 2022).

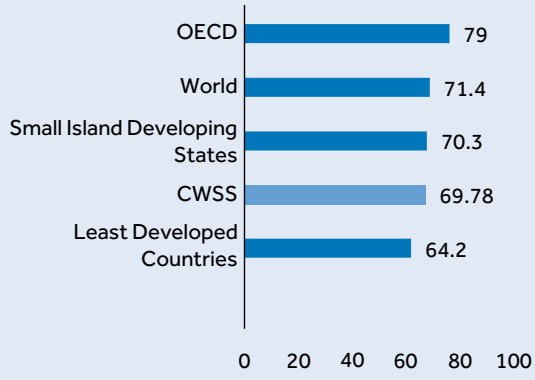
2.4. The gendered impact of shocks and impacts on other marginalised groups

During the COVID-19 pandemic, women and the youth were among the worst hit, as a result of their high presence in the tourism industry, which was severely affected by lockdowns and restrictions in the movement of persons. Additionally, climate shocks adversely affect children and the youth through school closures and increased incidence of

BOX 2.2. LIFE EXPECTANCY AND EDUCATIONAL ATTAINMENT ACROSS SELECTED COUNTRY GROUPINGS

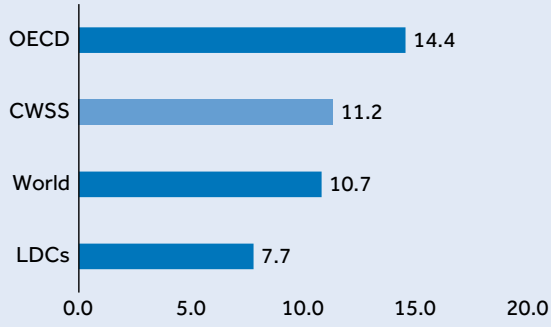
When compared with world, OECD and SIDS averages, CWSS have lower life expectancy, of 69 years (Figure 2.2). Across the Commonwealth regions, the trend varies, with Malta recording the highest life expectancy, at 83 years, and Lesotho the lowest, at 53 years (Figure 2.4). However, life expectancy in Lesotho has improved from 44 years in 1950 and is expected to rise to 66 years by the year 2100 (Database Earth, 2023). This is a result of technology advancements, improved standards of living and better healthcare availability. The low life expectancy in most African CWSS parallels that of Sub–Saharan Africa (60 years), which has been attributed to high HIV/AIDS prevalence, malnutrition and the presence of curable diseases.

FIGURE 2.2. LIFE EXPECTANCY AT BIRTH ACROSS COUNTRY GROUPINGS (NUMBER OF YEARS)



Source: UNDP (2023b).

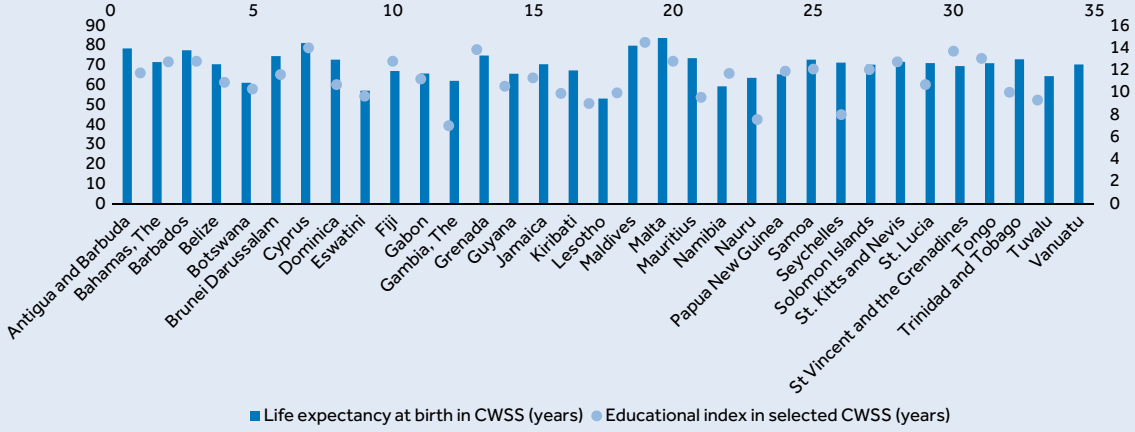
FIGURE 2.3. EDUCATIONAL INDEX ACROSS COUNTRY GROUPINGS (NUMBER OF YEARS) SOURCE: UNDP (2023B).



Source: UNDP (2023b).

Small states fare relatively well with regard to the educational index, at 11.2 years compared with the world's average of 10.7 years. This is largely driven by Caribbean and European CWSS, which score highly with regard to years of education attained relative to other CWSS (Figure 2.3). The stellar performance of education indicators in the Caribbean is largely a result of primary schooling being universal and enrolment ratios for secondary education being generally above the average for middle-income countries, coupled with high literacy rates (Swaroop, 1997).

FIGURE 2.4. LIFE EXPECTANCY AT BIRTH AND EDUCATIONAL INDEX IN CWSS, 2023



Source: UNDP (2023b).
Note: The education index is calculated as the average of mean years of schooling (of adults) and expected years of schooling (of children).

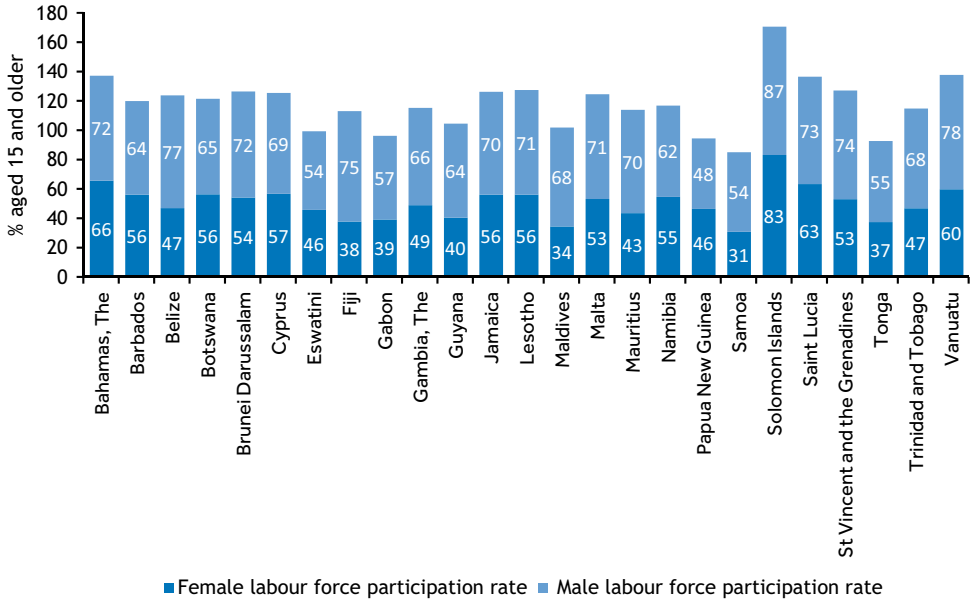
disease, while women often have to travel longer distances to fetch water as a result of climate change.

Women may have been the worst hit by the cost of living crisis that followed the geopolitical tensions in Europe and other global economic shocks. This was attributed to them having lower wages and savings than men, which meant they were less prepared to face the crisis. The gender wage gap remains a challenge and culminates in larger losses for women when the cost of living rises. While European CWSS like Cyprus and Malta have a lower gender pay gap relative to the European average, at 9.7 per cent and 10.8 per cent, respectively, challenges persist (Eurostat, 2021). For other CWSS, the gender pay gap is even more pervasive in rural areas; in Fiji, for example, the rural gender pay gap stands at 25 per cent (ADB, 2022). In addition, women remain vulnerable to income shocks stemming from their lower labour force participation rates (Figure 2.5).

2.5 Implications for attainment of the Sustainable Development Goals

Small states' average SDG Index score dropped between 2021 and 2022, causing the overall Commonwealth

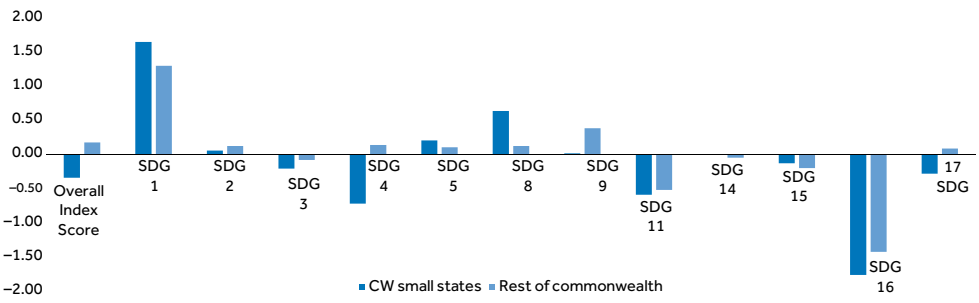
FIGURE 2.5. LABOUR FORCE PARTICIPATION RATE IN CWSS, 2023 (% AGED 15 AND OLDER)



Source: UNDP (2023c).

average to fall, despite the rest of the Commonwealth scoring positively at that time. This was a consequence of the disproportionately high impact on small states of the shocks that occurred during the COVID-19 period (during which fiscal space was heavily squeezed) (The Commonwealth, 2023). Figure 2.6 reveals the specific areas that suffered during this period. Noticeably, SDG 4: Quality Education, saw a sharp decline in small states compared with the world and the Commonwealth average. This further

FIGURE 2.6. POINT CHANGE IN SDG INDEX SCORE BETWEEN 2021 AND 2022 BY SDG TYPE



Source: UN (2023c).
Notes: The SDG index has been calculated for Commonwealth countries. SDGs that do not appear in the figure have a score change of 0 and have intentionally been left out.

reflects how continued rising debt servicing costs are constraining fiscal capacity in small states. High-interest payments as a percentage of revenue mean certain public services, such as education, are losing funding at the expense of maintaining debt. This public debt crisis continues to exacerbate development challenges in small states, not only delaying progress towards the SDGs but also reversing their achievements.

Thematic issues affecting Commonwealth small states

Chapter 3

Key economic drivers in CWSS and the need for resilience building

KEY MESSAGES

- Small states continue to be adversely affected by climatic shocks but are still not receiving sufficient climate financing to mitigate the economic impacts.
- Although uneven in some cases, tourism in CWSS has rebounded since 2021, with increases in arrivals contributing to higher receipts. However, the industry remains vulnerable to various shocks, including those related to climate change.
- After a rebound in 2021, foreign direct investment (FDI) across CWSS declined in 2022 as a result of geopolitical tensions. However, FDI trends in European CWSS like Cyprus remain exceptional, thanks to the process of bank recapitalisation, credit rating upgrades, increased investments in sectors like information and communication technology (ICT) and increased incentives.
- While remittances proved resilient during COVID-19, they decreased in some CWSS in 2022, caused by worsening conditions in migrant host countries and reduced real incomes from higher living costs.
- The agriculture sector in CWSS has been vulnerable to climate shocks over the last couple of years, affecting food production.
- Small states are characterised by their reliance on sectors like agriculture and tourism and on remittances and FDI flows, all of which are vulnerable to external shocks.

3.1. Vulnerabilities from multiple angles

Heavy reliance on tourism, trade, agriculture, FDI and remittances makes CWSS vulnerable to exogenous shocks. Over the last three years, CWSS have been exposed to a wide array of shocks, including COVID-19 and the contagion effects of geopolitical tensions that led to rising costs of living. At the same time, CWSS remain highly vulnerable to the adverse impacts of climate change and natural disasters, despite contributing very little to climate-related emissions. Over the years, the frequency of natural disasters globally has increased from 10 a year before 2000 to 20 a year (UNCTAD, 2022). Across the Commonwealth, small states continue to be hit by a wide array of climate and natural disasters and hazards that range from flooding to hurricanes to

seismic activities. In 2024, Vanuatu was ravaged by a category 5 Cyclone Lola. This was after experiencing back-to-back Cyclones Judy and Kevin, which wiped out 50 per cent of Vanuatu's GDP (The Commonwealth, 2024). Furthermore, several Caribbean small states were ravaged by Hurricane Beryl, which led to the loss of lives and widespread devastation. The damage that these natural disasters pose in small states is insurmountable and, more often than not, such states are disproportionately affected by climate change (Box 3.1).

Furthermore, despite contributing only 1 per cent to global carbon emissions, SIDS continue to face difficulties accessing finance for climate change. Out of US$100 billion pledged to developing countries, SIDS received only $1.5 billion in pledges out of $100 billion in climate finance pledged to developing countries in 2019 (Akiwumi, 2022; The Commonwealth, 2024). This poses a challenge, given the already limited fiscal space that characterise SIDS, which places further burdens on their debt stocks.

3.2. Tourism's recovery post-COVID

In 2020, the tourism industry in CWSS was severely impacted by the COVID-19 pandemic, which culminated in a 77 per cent decline in tourist arrivals. Since the reopening of travel and successful rollouts of vaccines globally, tourism arrivals have been on the rebound, despite the high cost of living and geopolitical challenges. This has fostered a rise in tourism receipts across Commonwealth regions (Figure 3.1). Small states in Europe and Asia are doing better in their recovery from the pandemic compared with other regions. The better performance of the Asian region is attributed primarily to Maldives, where recovery has been stellar. Recovery was slightly delayed

BOX 3.1. AVERAGE ANNUAL LOSSES FROM DISASTERS

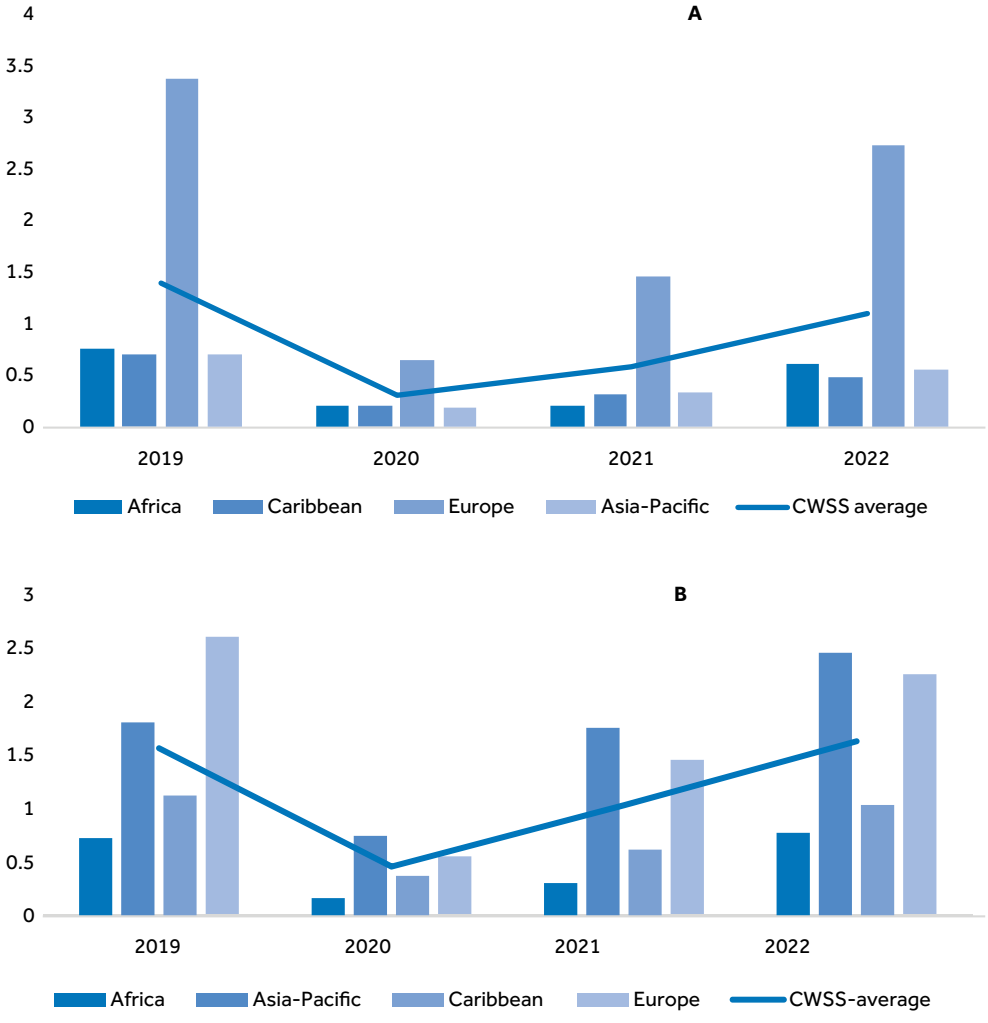
25 out of **39** SIDS are Commonwealth small states.

SIDS are disproportionately affected by natural disasters.

- In SIDS, **42%** of the population tends to be affected by climate change compared to the **20%** of the population affected in high-income countries
- SIDS experience **18%** average losses from climate change as a share of GDP compared to high-income countries who experience losses amounting to **2%** of their GDP.
- Between 1970 and 2020, SIDS lost US$153 billion as a result of weather extremes, a significant amount relative to the average GDP for SIDS of $13.7 billion.

Sources: OECD (2016); UNDP (2024).

FIGURE 3.1. INTERNATIONAL TOURISM ARRIVALS (A) AND RECEIPTS (B) IN CWSS, 2019–2022



Source: UNWTO (2023).

in CWSS Pacific countries by a delay in reopening borders until 2022, as well as reduced tourist arrivals from their main source market, China, which removed its travel restrictions only in 2023. However, since 2023, tourism has bounced back in most of CWSS, with the World Tourism Organization (UNWTO) forecasting arrivals to reach up to 90 per cent of pre-pandemic levels by the end of 2023.

The pandemic's effects on tourism were a stark reminder of the vulnerabilities that small states

face when exposed to shocks. While tourism is a vital source of revenue, adverse external shocks affecting foreign exchange earnings and employment culminate in severe losses, which have detrimental effects on those reliant on the sector. Climate shocks can also have adverse effects on small states' tourism industries as tourists cancel or postpone their trips and airports and businesses shut down. In Belize, in the aftermath of Hurricane Lisa, which hit in 2022, it was reported that there had been up to US$3.2 million in damage and $9.2 million in losses to the tourism industry (UNDP, 2023d).

3.3. Foreign direct investment trends across CWSS

For many CWSS, FDI contributes significantly to their GDP, particularly for European CWSS (Table 3.1). In 2020, while most of the regions experienced minor contractions in FDI, African CWSS experienced growth in FDI inflows. This was largely boosted by growth in FDI in countries like Gabon where mining, oil and gas, and wood sectors attract most of the investment (Lloyds Bank Trade, 2023). Following the recovery from the COVID-19 pandemic, Caribbean CWSS experienced a rebound in FDI as a share of GDP from 8.1 per cent in 2020 to 11.3 per cent in 2021. This was partly due to a recovery in tourism investment (UNCTAD, 2023a). In addition to tourism investments, investments in oil and energy sectors have boosted FDI in countries like Guyana which saw a rise in FDI as a share of GDP from 38 per cent in 2020 to 55 per cent in 2021.

However, on the back of geopolitical tensions and rising food and energy prices, FDI decreased overall across the Commonwealth regions in 2022 except for European CWSS. This is largely driven by Cyprus where successive credit rate upgrades, bank recapitalisation and continuous introduction of incentives have attracted investments into areas like finance and real estate investments (Cyprus Profile, 2023). Additionally, greenfield investments rose by 150 per cent as a share of GDP in the first half of 2022 with investments in software

TABLE 3.1. FDI TRENDS ACROSS THE COMMONWEALTH SMALL STATES (% OF GDP)

	2018	2019	2020	2021	2022
Africa	2.0	2.9	5.3	6.6	5.7
Asia	7.3	10.0	8.3	6.7	5.1
Caribbean	8.2	8.5	8.1	11.3	9.8
Pacific	2.5	1.7	1.5	2.2	1.0
Europe	12.3	112.7	-35.8	-51.3	20.7

Source: UNCTAD (2023b).

and information technology rising by 600 per cent (Financial Mirror, 2022).

3.4. Small states and remittances

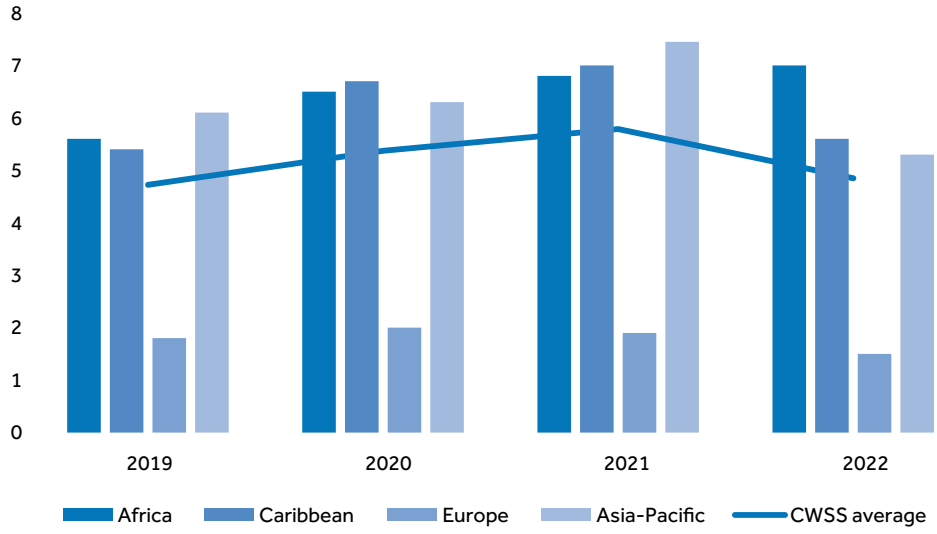
When compared with high- and middle-income country groupings, CWSS exhibit a strong reliance on remittances (Figure 3.2). Moreover, CWSS rank highly in terms of ratios of global remittances to GDP, with Tonga, Samoa and The Gambia ranking first, third and sixth, respectively. This highlights the importance that remittances play in these economies, proving to be more stable sources of capital inflows when compared with FDI and official development assistance. This was seen in 2020 when remittances proved resilient in the wake of the COVID-19 pandemic, with CWSS registering an increase from 5.0 per cent of GDP in 2019 to 5.6 per cent in 2020. However, remittances to CWSS fell in 2022 as a result of reduced migrant real incomes in the face of the higher cost of living (World Bank, 2023f).

Across Commonwealth regions, the Asia-Pacific CWSS experienced a larger decline in remittances compared with other regions in 2022 (Figure 3.3). Remittances to countries like Tonga and Samoa were expected to decline further in 2023 and 2024 as a result of weaker conditions in migrants' destination countries (World Bank, 2022; National Reserve Bank of Tonga, 2023). Caribbean CWSS also experienced large downturns in remittances while for African CWSS, remittances proved relatively resilient, rising from 6.8 per cent in 2021 to 7 per cent in 2022. For African CWSS like The Gambia, this was due to improvements in

FIGURE 3.2. PERSONAL REMITTANCES RECEIVED, 2018–2022 (% OF GDP)

Source: World Bank (2023f).

FIGURE 3.3. PERSONAL REMITTANCES RECEIVED IN CWSS, 2019–2022 (% OF GDP)



Source: World Bank (2023f).

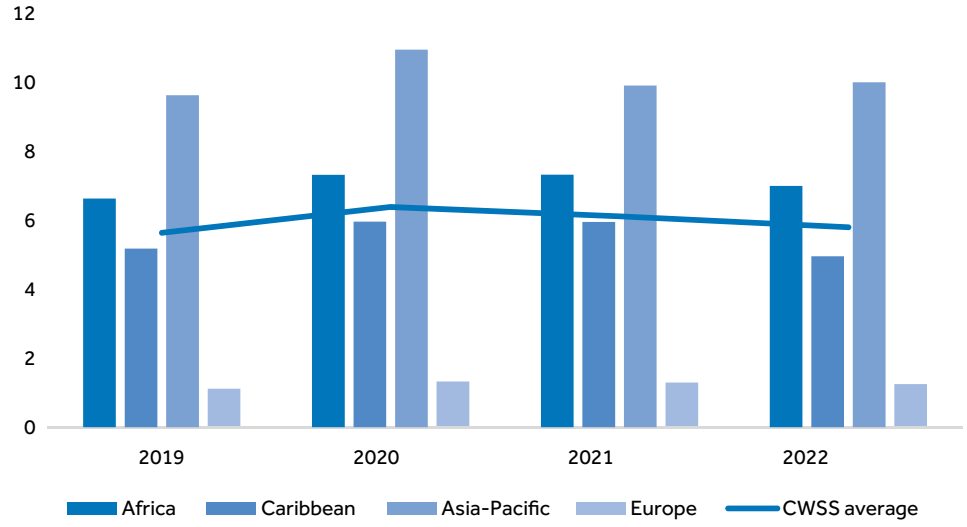
monitoring of flows, increased use of formal transfer channels and overall improvements in political and macroeconomic conditions.

3.5. Small states and agriculture, forestry and fishing

In addition to tourism, agriculture plays a key role in CWSS, contributing on average around 16 per cent to GDP in Pacific CWSS and 7 per cent in African CWSS (Figure 3.4). For Pacific CWSS like Kiribati, Solomon Islands and Vanuatu, agriculture is a major contributor to the economy and is heavily affected by climate shocks that impact production. In a rare occurrence in early 2023, back-to-back Cyclones Judy and Kevin affected agriculture in Vanuatu, with potential implications for rural livelihoods. The cyclones touched 80 per cent of the country and contributed to losses in the sector amounting to 30 per cent of GDP (CSIRO, 2023). Additionally, flooding in The Gambia in early 2022 destroyed food stocks and arable land, exacerbating the already adverse food situation following trade and supply shocks arising from the Russia–Ukraine conflict (UNDAC, 2022).

While agriculture plays an important role in some CWSS, some Caribbean CWSS have moved from dependency on the sector, including Guyana, where the share of agriculture, fisheries and forestry in GDP fell by 49 per cent in 2022. This is due to the discovery of more oil reserves and new investments in the energy sector.

FIGURE 3.4. TRENDS IN AGRICULTURE, FORESTRY AND FISHING VALUE-ADDED, 2019–2022 (% OF GDP)



Source: FAOSTAT (2023).

Chapter 4

Rising debt and debt servicing costs: implications for sustainable development in small states

KEY MESSAGES

- Debt-to-GDP ratios in CWSS have fallen post-pandemic, to 57 per cent in 2023 compared with 68 per cent registered during COVID-19.
- Despite this, debt-to-GDP ratios remain above pre-pandemic levels, with many Caribbean small states experiencing particularly high debt levels.
- Small states, many of which face moderate to high risk of debt distress, are highly vulnerable to climatic shocks, which exacerbate debt by increasing expenditure and borrowing needs for disaster recovery.

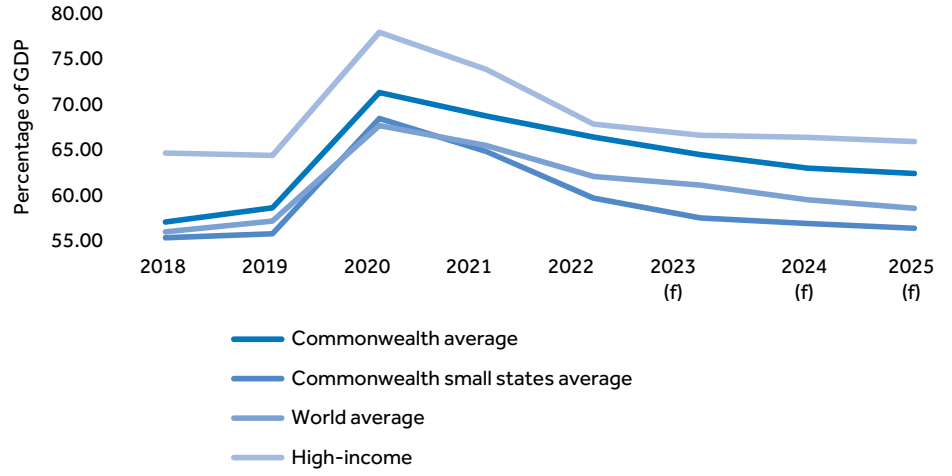
- High debt servicing costs in CWSS limit fiscal space, reducing investment in essential sectors like health and education, impeding progress on the SDGs.

4.1. Recent trends in debt across CWSS

Following the COVID-induced rise in debt-to-GDP ratios, which peaked at an average of 68 per cent in 2020, these ratios have fallen in small states (Figure 4.1). CWSS debt-to-GDP levels dropped to 57 per cent in 2023 and are projected to fall to 56.92 per cent in 2024. This would still be above the pre-pandemic level and is expected to remain so until 2025. The levels of debt are much more pronounced in Caribbean small states, such as Antigua and Barbuda, The Bahamas and Barbados, as well as other small states such as Cyprus, Dominica and Maldives, where debt levels exceeded 100 per cent of GDP between 2021 and 2022.

Debt in CWSS in regions like the Caribbean is exacerbated by the increased incidence and impact of climatic shocks that impose immense and disproportionate costs on small states. Small states are more vulnerable to natural disasters such as floods, storms and droughts, which are becoming more frequent and severe (UNCTAD, 2020). These

FIGURE 4.1. GENERAL GOVERNMENT GROSS DEBT, 2018–2025F



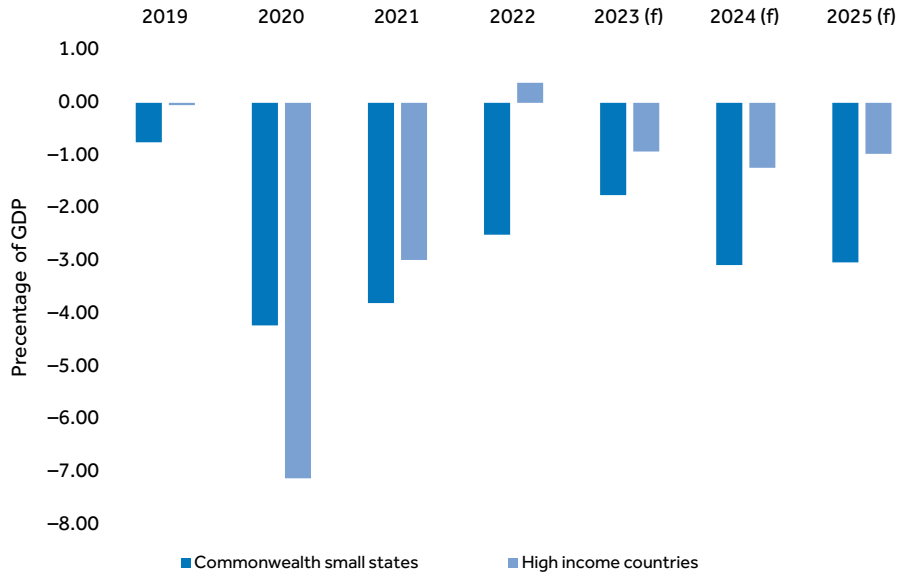
Source: Calculations from IMF (2024a).

disasters inflict costs estimated at 4.8 per cent of GDP, although individual country losses normally exceed their entire GDP (World Bank, 2023a). These disasters also reduce countries' revenue and increase their spending needs, such as for healthcare, housing and reconstruction in the event of the shock. This forces them to borrow more and worsen their debt situation.

Figure 4.2 shows the large fiscal deficit in 2020 experienced by both small states and high-income countries as a result of the rapid increase in expenditure for protective measures during the COVID-19 period. This correlates with the large spike in debt for almost all country groupings. Since that peak, both fiscal deficits and debt have shown a downward trend. By 2022, high-income countries had recovered their fiscal balance to trends similar to the pre-COVID era. On the other hand, for small states, fiscal balances – which face challenges related to high levels of volatility owing to such countries' economic structures and vulnerability to natural disasters – remain above those of high-income countries and are not showing signs of returning to pre-COVID levels in the foreseeable future, although this experience does vary among small states. Therefore, despite overall debt levels continuing to decline, the capital required to service both new and existing debt among small states is not necessarily showing the same trend, as debt servicing continues to demand substantial government expenditure.

On top of the continued limited fiscal space, compounding global shocks, and the characteristics and vulnerabilities of small states, such states are also facing the challenge of paying back their debts. Their average debt servicing cost as a share of gross national income (GNI) stood at 4.8 per cent in 2022, a substantive decline since its peak of 6.8 per cent the year prior, but still well above

FIGURE 4.2. FISCAL BALANCE IN COMMONWEALTH SMALL STATES IN COMPARATIVE PERSPECTIVE, 2019–2025F



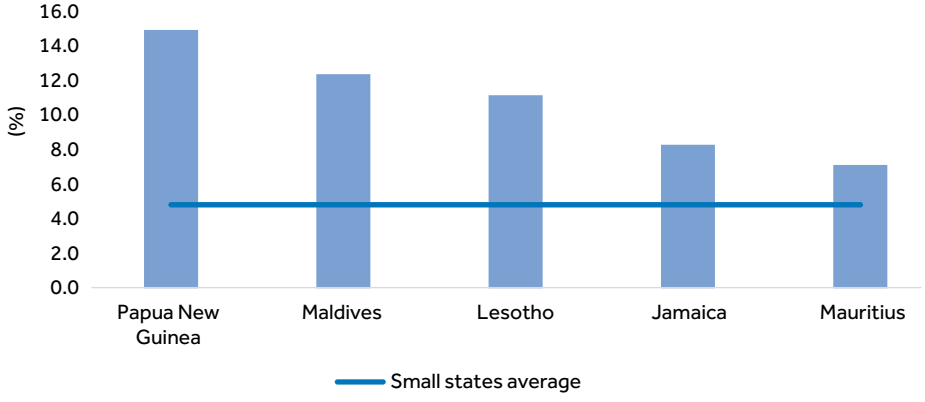
Note: Calculated as government revenue (as % of GDP) minus government expenditure (as % of GDP).
Source: Calculations from IMF (2024a).

the low-income country average of 3.1 per cent. Some small states have even higher debt servicing costs, as Figure 4.3 shows.

4.2. Debt distress in CWSS

As of February 2024, one-third of the 33 CWSS were struggling with moderate or high risk of debt distress, or, in the case of Grenada, were already in debt distress (Table 4.1). The threat of rising debt and expensive debt servicing looms over small states, which continue to face an onslaught from climatic disasters in addition to the compounding

FIGURE 4.3. DEBT SERVICE AS A SHARE OF GNI IN SELECTED CWSS, 2022



Source: World Bank (2023f).

TABLE 4.1. RISK OF DEBT DISTRESS IN SMALL STATES, FEBRUARY 2024

Moderate	High	In debt distress
Lesotho	Dominica	Grenada*
Solomon Islands	Kiribati	
Vanuatu	Maldives	
	Samoa	
	St Vincent and the Grenadines	
	Tonga	
	Tuvalu	

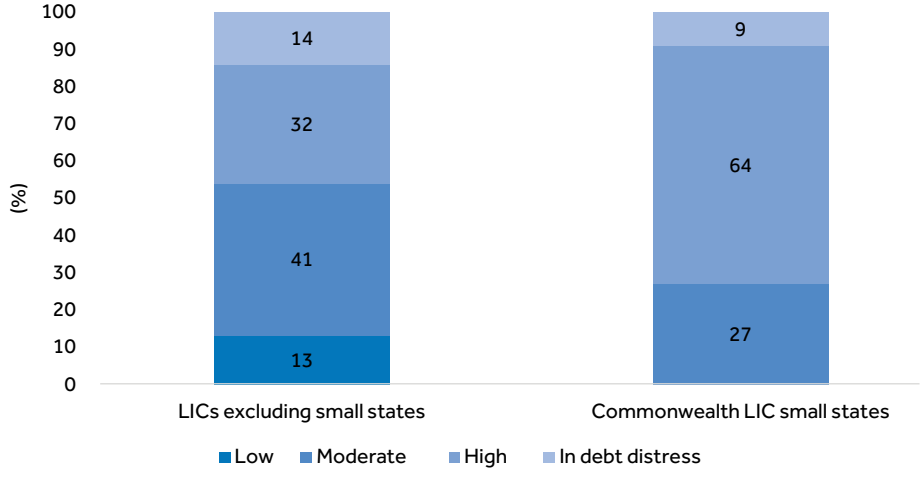
*Grenada's classification as 'in debt distress' is solely as a result of outstanding arrears (small amounts) to two bilateral creditors; its external debt is assessed as sustainable. Grenada's general government debt-to-GDP ratio is 61.1 per cent, as estimated by the IMF in its 2023 Article IV Report. The Report also indicates the following 'staff viewed the risks to external debt sustainability as high, but sustainable given the downward path under all external debt indicators' (IMF, 2023f: 66).

Note: Small states included here are those eligible for the IMF Poverty Reduction Growth Trust.
Source: IMF (2024b).

knock-on effects of COVID-19 and geopolitical tensions.

Furthermore, Figure 4.4 shows how, despite similarities with non-small state low-income countries (LICs), LICs that are small states tend to have a much higher share of high-risk cases, with all of them having debt vulnerability classified at least at moderate levels of risk or above. The trend in the share of small states with elevated debt risk has been increasing in recent years, beginning before the recent shocks, including COVID-19 (Estevão, 2019).

FIGURE 4.4. RISK OF DEBT DISTRESS, FEBRUARY 2024 (% OF LICS)



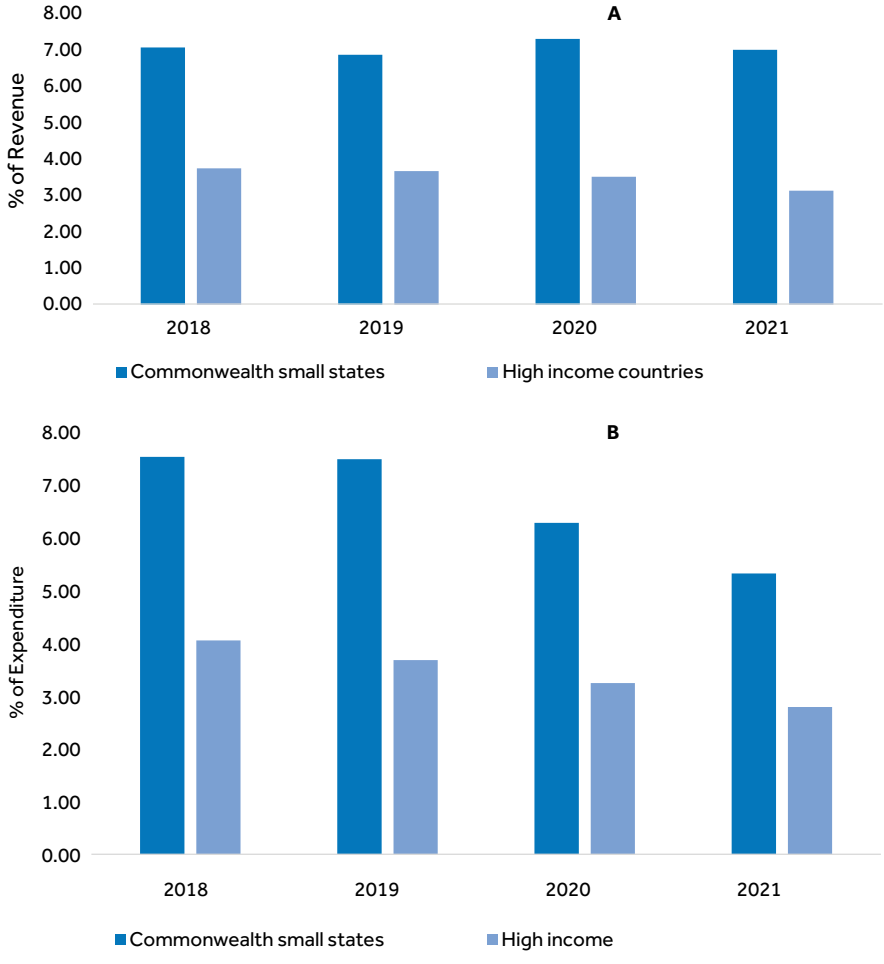
Note: LICs included here are those that have undergone IMF Debt Sustainability Analyses.
Source: IMF (2024b).

4.3. The cost of the cost of borrowing

The rising levels of debt in CWSS are also reducing these countries' fiscal space. Interest payments on external debt for small states are much higher than those for upper-middle-income countries (World Bank, 2023f). Moreover, in 2021, the gap widened as the interest rate for small states rose sharply from its low point in 2020, while the interest rate for upper-middle-income countries continued to decline. The growing reliance on external borrowing also exposes small states to currency risks, as they must repay their debts in foreign currency that may fluctuate unpredictably.

For CWSS, interest payments as a percentage of revenue and expenditure are twice as high as those of high-income countries (Figures 4.5A and 4.5B). This means that small states

FIGURE 4.5. INTEREST PAYMENTS AS A SHARE OF REVENUE AND EXPENDITURE, 2018–2021 (%)

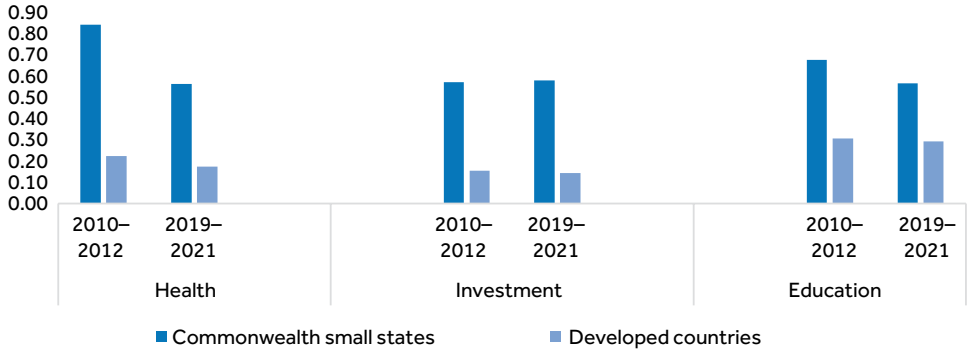


Source: World Bank (2023f).

have less revenue to invest in other important areas, such as healthcare, education and productive investment, or to reduce their debt to sustainable levels (Figure 4.6). Moreover, unlike for high-income countries, their interest payments in relation to their revenue do not show a clear gradual downward trend over time (Figure 4.5a).

These high debt levels and the relatively high cost of borrowing on existing and new debt in small states are reducing their ability to advance in areas such as healthcare, education and investment. As previously illustrated, small states have to pay a much higher proportion of their revenue for debt servicing than do developed countries. This limits their ability to invest in human and physical capital, as Figure 4.6 shows, where the ratio of spending on debt servicing in comparison with other public services remains well above the average for developed countries. Although the ratio of debt servicing to public spending decreased for small states between 2010–2012 and 2019–2021, it is still higher than that of developed countries. Moreover, some small states have a ratio above 1, meaning they spend more on debt servicing than on education or healthcare. For instance, The Bahamas, Fiji, Gabon, The Gambia, Jamaica and Saint Lucia spent more on interest payments than on education in 2019–2021. Similarly, Barbados, Fiji, Gabon, The Gambia, Jamaica, Papua New Guinea, and Trinidad and Tobago spent more on interest payments than on health in the same period (UNCTAD, 2023c). With this known, it is unsurprising that small states have struggled to keep up the momentum and good progress of their SDGs, as Section 2.5 illustrated. This public debt crisis continues to exacerbate development challenges in small states, not only delaying progress towards the SDGs but also reversing their achievements.

FIGURE 4.6. RATIO OF PUBLIC INTEREST PAYMENTS TO PUBLIC EXPENDITURE, 2010–2012 TO 2019–2021



Source: UNCTAD (2023c).

Chapter 5

Building resilience: the path forward for Commonwealth small states

Part 1 of this report has provided an overview of recent socio-economic trends across CWSS. In particular, it has described the path to recovery across CWSS, which has been bolstered by a rebound in tourism. For countries like Guyana, oil exports have contributed to remarkable growth in GDP. However, external shocks continue to threaten the long-term economic trajectory in small states. These include ongoing geopolitical tensions in Eastern Europe, which have had an impact on food security and poverty in CWSS, and rising costs of living. Additionally, CWSS remain vulnerable to climate shocks despite contributing very little to carbon emissions globally. Climate shocks in CWSS impose large-scale damages, hindering economic growth and limiting socio-economic progress. This includes adversely affecting the health and education sectors in CWSS by damaging social infrastructure, spreading diseases and limiting school attendance. Recent challenges faced in CWSS also contributed to the CWSS average SDG Index falling in 2022.

The economic fluctuations in CWSS post-COVID are indicative of the economic vulnerability of these countries to exogenous shocks. This vulnerability stems from their reliance on a few industries, which makes them susceptible to external shocks. Additionally, the environmental vulnerability to climate shocks in many small states places heavy burdens on their fiscal space, contributing to high debt burdens. This underscores the importance of building resilience in CWSS.

There are several ways in which CWSS can build resilience to withstand shocks. These include building fiscal resilience by boosting reserves to buffer against any economic shocks. Furthermore, fostering innovative technologies, promoting community engagement and improving governance can help build more resilient economies.

CWSS can also leverage support from multilateral agencies and donor partners to help garner adequate support. The Commonwealth Secretariat supports member countries through initiatives like the Climate Change Finance Access Hub, which is aimed at helping countries unlock climate finance. Additionally, the Commonwealth's Diaspora Investment Project aims to help member countries unlock extra financing for development from the diaspora by fostering the appropriate policy frameworks.

More pertinently, building resilience in CWSS also calls for enhanced economic diversification to reduce dependence on one sector of the economy, and climate change adaptation. This latter can be enhanced by promoting sustainable

practices and protecting biodiversity. Additionally, expanding to new sectors like sustainable tourism can not only promote environmental protection but also promote economic growth and encourage greater community engagement. It can also enhance job creation and the development of new infrastructure. Recognising the importance of sustainable tourism for resilience, the special report for this 22nd edition of the *Small States Economic Review and Basic Statistics* focuses on sustainable tourism in CWSS and how to build towards regenerative tourism for resilience-building.

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Part II

Preserving Paradise: Towards Regenerative Tourism for Resilience

Tamara Mughogho and James Gregory

Chapter 6

Introduction

White sandy beaches, idyllic seascapes and outstanding natural beauty. These are some of the characteristics of many CWSS that have contributed to them being the most sought-after tourist destinations, attracting millions of visitors per year. The large inflows of visitors provide a vital economic boost for many small states, contributing to their GDP, foreign exchange earnings, tax revenue and employment. However, while offering an array of benefits for many small states, the influx of tourists and rapid expansion in tourism infrastructure also poses a threat to the natural resources and local culture if not managed sustainably. This is critical for many small states, which already grapple with a myriad of external shocks as a result of their inherent vulnerabilities.

With the increased occurrence of climatic shocks, there is a need to foster tourism and travel that not only has minimal impacts on small states but also leaves them better off. In this special report, we highlight key strides made by CWSS in sustainable and regenerative tourism. The report also takes a closer look at a sample of small states – Belize, Malta, Samoa and Seychelles – that are paving the way for a future of sustainable and regenerative tourism. The report is a product of key stakeholder interviews with various partners working on sustainable tourism in Belize[1] as well as secondary research, including an extensive review of existing literature, online databases and other relevant sources for the other countries. By sharing these experiences, the report offers vital lesson-learning to help enhance sustainable and regenerative tourism in CWSS. Through nurturing sustainable and regenerative tourism, CWSS will be able to safeguard the future of tourism, to provide a vital economic backbone for many of these countries and in doing so also build resilience to be able to withstand future shocks. Building resilience though sustainable tourism remains pertinent following the adverse effects of the COVID-19 pandemic on tourism.

6.1. Sustainable and regenerative tourism: two sides of the same coin?

It is widely acknowledged that, while tourism offers extensive benefits to countries, it is not without its drawbacks. These include causing countries to neglect other industries, adverse environmental effects and seasonality in tourism that affects revenue generation (Island Innovation, 2022). As such, countries are keen to

1 The drafting team conducted a mission to Belize to collect data on sustainable tourism. Stakeholders engaged included the Ministry of Tourism and Diaspora Affairs, the Belize Tourism Board, The Nature Conservancy, the Programme for Belize, the Protected Areas Conservation Trust, the National Biodiversity Office, Belize Audubon Society, the Turneffe Atoll Sustainability Association and the Belize Tourism Industry Association.

ensure that the costs of tourism do not outweigh the benefits. Meanwhile, even though the terms 'sustainable tourism' and 'regenerative tourism' are sometimes used interchangeably, they are two different but related concepts. On the one hand, sustainable tourism entails travel that has minimal impact on environmental and culture. Regenerative tourism goes beyond this and seeks to ensure tourists make a positive impact on the places they visit. As such, the two concepts differ in terms of their purpose and their paradigm and approach (Table 6.1).

While sustainable and regenerative tourism may differ in their approaches, they offer several benefits that overlap. For local communities, these include helping preserve local culture and heritage, ensuring locals are involved in tourism and conservation efforts and improving the livelihoods of communities. On the environmental front, they include improved resilience of ecosystems and promotion of the optimal use of resources. Additionally, sustainable tourism helps promote tourism-related businesses such as travel agencies, accommodation and food industries, as well as sectors related to tourism (Biosphere, 2017). Regenerative tourism hosts several other benefits, which include enhancing collaboration by fostering partnerships with different stakeholders. It also supports economic diversification by creating different income streams by encouraging new business models of tourism (Island Innovation, 2022; Truyols, 2023). Finally, and essential for small states, since many tend to rely heavily on a single sector when following the business model of traditional tourism, regenerative practices can help decrease reliance by creating different income streams (UNWTO, 2024).

6.2. Experiences across CWSS

Despite being small in land mass and population, many CWSS have shown their might by leading the way in sustainable tourism. This includes pioneering in financing for ocean conservation. Seychelles was the first country to issue a blue bond in 2018, estimated at US$15 million. This was followed by other CWSS, like Belize in 2021 ($553 million), Barbados in 2021

TABLE 6.1. SUSTAINABLE VERSUS REGENERATIVE TOURISM

	Sustainable tourism	Regenerative tourism
Paradigm	Tourism is an industry	Tourism is a living system that coexists with the regenerative paradigm
Purpose	Minimise the social impact of tourism	Enables communities and ecosystems to evolve, renew and restore
Approach	Lessen the negative impact of tourism on ecosystems and communities	Aligns with nature and achieves harmony in economic, social, cultural, and ecological development

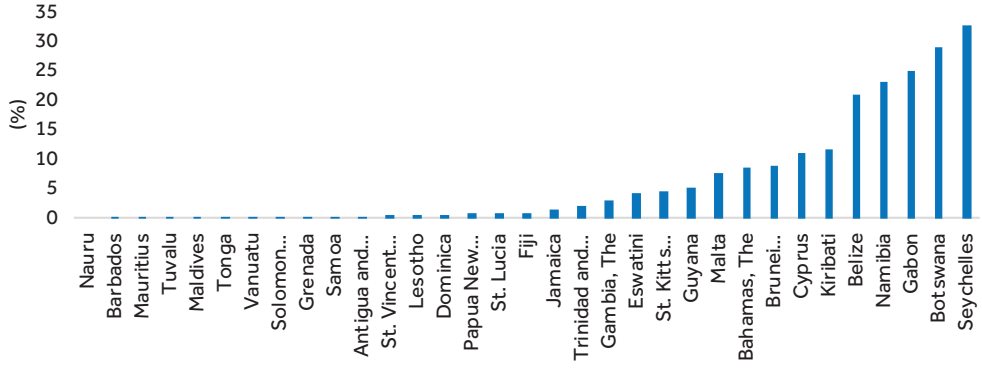
Source: Island Innovation (2022); Truyols (2023).

($150 million) and Seychelles again in 2021 ($20 million) (KPMG, 2022). In 2021, Fiji also announced plans for a blue bond to support its blue economy. Additionally, small states have made remarkable progress in protecting their natural resources. Seychelles is among the top 10 countries in the world in terms of its share of protected areas in its total territorial area (Breyer, 2022). Overall, CWSS have made significant progress in protecting their terrestrial and marine resources to varying degrees, with some having a larger share of protected spaces than others (Figure 6.1).

Small states recognise the value in preserving their natural resources and ensuring that sustainable and regenerative practices are at the core of tourism. Efforts range from promoting eco-friendly tourism and accommodation and sustainable practices, to embracing the notion of tourism as a living system that calls for multi-stakeholder collaboration. Sustainable practices in tourism include reducing waste, water conservation and promoting energy efficiency, among others.

Across CWSS, there is a multitude of examples of best practices to support sustainable and regenerative tourism, which include promoting community tourism, agrotourism and volunteer tourism, and advocating for tourists to travel with a purpose. Box 6.1 highlights a few examples of initiatives being implemented in CWSS to bolster sustainable and regenerative tourism. These demonstrate that CWSS are not only participating in sustainable tourism but are at the forefront, setting examples for larger nations to follow.

FIGURE 6.1. SHARE OF TERRESTRIAL AND MARINE PROTECTED AREA IN TOTAL TERRITORIAL AREA IN CWSS



Source: World Bank (2023).

BOX 6.1. SUSTAINABLE AND REGENERATIVE TOURISM EXAMPLES IN CWSS

Promoting regeneration and community engagement	• The Walkers Quarry Mine in Barbados is being transformed into the Walkers Reserve to serve as an eco-tourism resort. The area is being sculpted, planted and regenerated to increase biodiversity and co-create self-sustaining ecosystems, in conjunction with stakeholders and the local community. • During the establishment of Mandina Lodge in The Gambia, 15,000 trees were planted, with 70 wells dug to help water them. The local people were consulted and incorporated into the project.
Agrotourism for sustainability	• Cyprus Agrotourism provides opportunities for visitors to stay in rural areas and engage in traditional agricultural practices. This supports local farmers and helps preserve traditional farming methods. • Guests at Grenada Chocolate Company are given an opportunity to experience the value-addition process in turning harvested cocoa into cocoa powder, chocolate bars and cocoa butter (Grenada Chocolate, 2024). • At Tanna Coffee Factory in Vanuatu, tourists can visit the farm and learn about organic farm practices. They are given an explanation of the coffee operation from the tree to the cup.
Empowering local communities	• Malealea Lodge in Lesotho facilitates community development projects, including a brick-by-brick building of classrooms in local village schools. Tourists have also taken a keen interest in participating in development projects over the years. • In Dominica, Jungle Bay Resort and Spa helps promote local livelihoods by employing and retraining local people, following a decrease in banana trade in the country, and funding projects for local children. Guests are also encouraged to participate in tree planting and cultural tours.
Educating tourists on sustainability	• Jean-Michel Cousteau Resort in Fiji hosts a soil school for guests that focuses on Soil Regenerative Agriculture, to preserve life in the soil and reverse the effects of past farming. The resort also runs a marine biology programme and supports coral reef restoration (Holhnholz, 2024). • The Nature Experience Programme in Brunei Darussalam offers educational tours and hands-on conservation activities for visitors. The tours provide visitors with an opportunity to develop a close connection with nature.
Travelling with a purpose	• In Maldives, Conrad Maldives Rangali Island is promoting sustainable travel by giving each villa a Parley Kit, to encourage guests to reduce the use of materials that have heavy impacts on the environment and ocean (Conrad Maldives Rangali Island, 2024). • The Mauritian Wildlife Foundation gives guests an opportunity to experience what it is like to work to preserve nature as part of their eco-tours. This includes working on three to four flora and fauna projects. • The Pack for a Purpose Initiative helps travellers donate to countries they visit by providing lists of needed supplies. Various resorts in CWSS are involved in this initiative, in countries like Antigua and Barbuda, Barbados, Belize, Botswana, Dominica, Fiji, Grenada, Jamaica, Namibia, St Kitts and Nevis, Saint Lucia, St Vincent and the Grenadines and Vanuatu.

Chapter 7

The Belize story: a holistic path to sustainable tourism

7.1. Overview

Belize offers tourists an eclectic mix of dense jungles, beautiful tropical beaches, vast coral reefs and historic Mayan sites and ruins. The unique offerings for adventure tourists, cultural enthusiasts and those seeking a tropical getaway have led to a rapid expansion in tourism in the Central American nation. Between 1995 and 2012, the country registered a jump in tourist arrivals from 130,809 to 277,136 (BTB, 2024a). As of 2023, tourist arrivals reached 464,717, reflecting a 25 per cent increase on the previous year (BTB, 2024b). The growth in tourism in Belize has been spurred by its political stability, abundance of natural resources and accessibility for both English and Spanish speakers (BelizeHub, 2024). Tourism is now the largest foreign exchange earner in the country, contributing over 15 per cent to GDP directly and 41.3 per cent indirectly in 2017 (Belize Chamber of Commerce and Industry, 2024).

As in many small states, the tourism industry in Belize remains vulnerable to varied external shocks. These include shocks like the September 11 attacks and the 2008 global economic crises, which had impacts on tourism through the USA being a major tourist source market for Belize, and more recently the COVID-19 pandemic, which led to a 70 percent decline in tourism arrivals (Cheng and Zetina, 2021). Additionally, climatic shocks and rising temperatures continue to affect the country's natural beauty, leading to increased incidences of coral bleaching, wildfires and sargassum seaweed encroachment. With nature-driven tourism being the backbone of tourism in Belize, and tourism

playing a key role in the economy, conserving the environment is at the heart of the Belizean government's strategy. Furthermore, as tourist traffic rises, bringing with it an expansion of tourism infrastructure, there is an increased shift to focus more on managing the increased footprint of tourists (Mitchell et al., 2017). This case study therefore highlights efforts by the Belizean government and its stakeholders to boost tourism that not just has minimal impacts on the environment and local culture but in fact preserves them for future generations.

7.2. A multi-stakeholder approach to sustainable tourism

The Belizean stance on sustainable tourism represents a symbiotic relationship between government actors, the private sector and non-profit organisations. At the national level, the Ministry of Tourism and Diaspora Relations and the Belize Tourism Board (BTB) work collaboratively to govern the industry and develop the appropriate policy frameworks. This has included through the development of the National Sustainable Tourism Master Plan, which aims to support the improvement, restoration and diversification of overnight destinations and their products and strengthen national and local capacity for sector policy, destination planning and management (BTB, 2024c). The two government entities are further supporting sustainable tourism by working on new tourism products and developing an investment portal for tourism. To reward best practices on sustainability, the Government of Belize holds annual Green and Sustainable Practices Awards for the best-performing tourism enterprises, and is collaborating with the Global Sustainable Tourism Council in one of the country's districts to highlight the top 100 stories. The government has also developed green guidelines, integrated within the National Tourism Policy developed in 2017, to further promote best practices.

Around 36 per cent of Belize's land is deemed a protected area, managed by different entities, while 28 per cent of its waters are marine protected areas (JNCC, 2024). Belize's governance of protected areas is driven by both state and non-state actors, and demonstrates all types of governance defined by the International Union for Conservation of Nature in 1994 (these include government, shared governance, privately protected, Indigenous and community-conserved; Mitchell et al., 2017). While responsibility for government-managed resources lies solely with the government, for co-managed protected areas responsibility is shared between different actors. A majority of national parks and wildlife sanctuaries are co-managed, and 40 per cent are managed by non-state partners. Marine protected areas, on the other hand, are managed primarily by the government through the Fisheries Department, with some managed

through co-management agreements (Chanoma, 2023). In the case of fully private management, authority rests with the landowner, who sometimes uses activities for profit initiatives like tourism and resource extraction or for not-for-profit schemes. Examples include the Programme for Belize (Box 7.1) and other examples highlighted throughout this case study. Community governance areas are managed by communities; these include the Community Baboon Sanctuary and Sarstoon Temash National Park (Mitchell et al., 2017).

While the Belizean government has embraced partnering with the private sector to informally assist in managing its protected areas since the 1980s, this was formalised in 2022 with the establishment of the Protected Areas Co-Management Framework. Under this, agreements were signed with several partners to co-manage protected areas. These include organisations working in the conservation sphere, including the Friends for Conservation and Development, Sarteneja Alliance for Conservation and Development,

BOX 7.1. PARTNERSHIPS TOWARDS SUSTAINABLE TOURISM

Belize Audubon Society is a local non-governmental organisation that co-manages seven of Belize's most biologically and topographically diverse protected areas. It seeks improve the integrity of land and marine protected areas. The organisation sources its operational and conservation funding from tourist revenues from national parks under its management and through funding from the Protected Areas Conservation Trust (PACT) and grant applications. Tourism products offered include cave tubing, hikes and overnight camping facilities. Revenue from these endeavours contributes to conserving and maintaining the protected area and feeds into a reserve fund used in times of crisis like during COVID-19.

St Hermans Blue Hole National Park

Protected areas under Belize Audubon Society include Victoria Peak National Monument, Cockscomb Basin Wildlife Sanctuary and the St Hermans Blue Hole National Park. The latter was reported to contain 61 mammal species and 300 bird species and attracted around 29,000 visitors in 2019.

Programme for Belize, established in 1988, is a local NGO that manages 254,000 acres of private land as a protected area. This includes the Rio Bravo Conservation and Management Area, which represents the largest private reserve and the second largest protected area in Belize. The total area protected by this NGO currently boasts 200 tree species, 390 bird species, 70 mammal species and 39 conservation species.

The programme serves as an ecological research institute with revenue obtained largely from tourism receipts and grants. Following a dip in revenue during COVID-19, the programme diversified its revenue sources to include sustainable logging. This and its Forest Management Programme help promotes the sustainable management of timber. The programme's Savana Management Programme entails patrolling surrounding areas to prevent illegal activity. The programme has supported local communities through employing women and youth from the surrounding areas and supported local communities by providing them with solar energy systems.

La Milpa Eco Lodge

Under the programme, La Milpa Eco Lodge relies on green technology such as solar energy and promotes sustainable practices such as composting. The lodge offers an array of eco-tourism activities, including birdwatching and hiking through various trails.

Additionally, visitors can immerse themselves in the local Mestizo and Mennonite cultures. A few miles from the lodge lies the La Milpa archaeological site, with ancient Mayan ruins for tourists and archaeologists to explore.

Itzamna Society, the Southern Environmental Association, Monkey Bay Wildlife Sanctuary, Belize Audubon Society and Programme for Belize, as highlighted in Box 7.1.

Beyond the borders, the government of Belize and its stakeholders also collaborate with various countries at a regional and international level in conservation and sustainable tourism efforts. This includes through projects like the Fisheries Improvement Management project between Belize and Barbados and the Aquaculture Project between Puerto Rico and Belize (TNC consultations). Through organisations like the Turneffe Atoll Sustainability Association (TASA), they also have data-sharing agreements with other countries on marine protection.

In addition to various frameworks to manage protected areas, non-state partners like the Belize Tourism Industry Association and the Belize Hotel Association help ensure that various protocols are met and sustainability maintained. The Belize Tourism Industry Association provides training and helps small businesses access finance and create business plans.

7.3. Funding mechanisms for conservation and sustainable tourism

Tourism and conservation in Belize are closely intertwined and have a reciprocal relationship. With an estimated 60 per cent of tourists

visiting the country's protected areas (Chanona, 2023), the protection of natural resources is crucial. Simultaneously, revenue collected from tourism receipts in natural parks and archaeological sites and from levies provides funding for conservation efforts in Belize. This includes a US$20 departure tax ('conservation fee') and a 15 per cent tax on cruise ship travellers managed under the Protected Areas Conservation Trust (PACT) (ibid.). PACT is an agency that the government of Belize uses as a national direct access entity for the Green Climate Fund (PACT, 2024). It is the first of its kind in Belize and second in the Caribbean region. At its conception, companies could apply for grants competitively, but it now serves as a Conservation Investment Programme. An estimated 45 per cent of PACT's income is received from the departure tax and 49 per cent from the cruise ship levy. The remaining 6 per cent is through interest and other income sources such as investments and donations (Mitchell et al., 2017).

To support financing for sustainable tourism and conservation, Belize has pioneered several initiatives that have helped raise funding for conservation. In 2021, The Nature Conservancy (TNC) closed an agreement on the Belize Blue Bonds for Ocean Conservation with the government of Belize. This blue bond was part of a debt-for-nature swap that helped reduce Belize's debt-to-GDP ratio by 12 per cent, in exchange for the government committing to protect 30 per cent of Belize's oceans and allocating up to US$180 million towards conservation over 20 years (TNC, 2023).

To further enhance financing for conservation, the government of Belize plans to sell 5.6 million tons of carbon credits. These have been valued at up to US$100 million, to be distributed to local communities for the conservation of rainforests (Silverstein, 2022). Blue carbon credits also provide a vital source of finance, contributing to Belize's protection of marine life in reserves like the Turneffe Marine Atoll Reserve (Box 7.2). In addition to these initiatives, funding for conservation and sustainability is supported through the Belize Fund for a Sustainable Future and through the country taking part in international initiatives like the Biofin initiative. This is made up of 41 countries and works with countries to create sustainable finance solutions to not only protect biodiversity but also let it flourish (consultations).

Despite the various initiatives aimed at financing conservation, funding gaps remain a challenge. This is apparent at times when tourism traffic is low, including during the COVID-19 pandemic, when several government agencies and tourism partners had to implement cost-cutting measures to respond to reduced revenue from tourists. Additionally, the seasonal nature of Belize's tourism means that revenues dip at times when tourism is reduced. To tackle this, the government holds events and festival in low seasons to attract travellers in order to smooth out income flows. Furthermore, there is an unevenness in funding for marine

BOX 7.2. BLENDED FINANCING FOR MARINE PROTECTED AREAS: THE TURNEFFE ATOLL MARINE RESERVE

The Turneffe Atoll Marine Reserve, established in 2012 and spanning 325,000 acres, is Belize's largest marine protected area (CREST, 2013). It is co-managed by the Ministry of Fisheries and Turneffe Atoll Sustainability Association (TASA). The latter's role entails protecting marine life and restoring coral reefs after bleaching events. It relies on blended financing, which includes public funds, loans and donor-matching grants. In addition, it employs alternative revenue-generating measures like crowdfunding through its conservation contribution programme.

TASA has developed a sustainable tourism model, alongside Blue Finance that is high in value and low in impact, and offers signature experiences targeted at high-value customers and adventure-seekers. It generated around BZD500,000 (US$284,232) in revenue in its first year (Global Conservation, 2024). Funds are raised from visitor fees and through 'Blue Talks': presentations made to guests on conservation where fundraising is conducted and local merchandise is sold. Eco-tourism products provided by TASA include scuba diving, snorkelling and shallow-water sports fishing (Turneffe Atoll Marine Reserve, 2024). Through its combination of tourism and commercial fishing, Turneffe has an estimated value of BZD500 million. It has provided vital shoreline protection and generated blue carbon, as well as offering livelihoods for coastal communities in the area (Anthony, 2024).

versus land conservation: initiatives like blue bonds have been useful for the blue economy but funding for terrestrial conservation is limited.

To smooth out income, various stakeholders working on sustainable tourism have diversified their methods of obtaining funding for conservation. For example, TASA, in addition to seeking grants and levies, implements a conservation contribution programme to raise funds for conservation (Box 7.2).

7.4. Preserving Belize's rich cultural history through tourism

Belize not only benefits from natural diversity but also has a rich cultural history, with civilisations dating as far back as 350 BCE. Belize is made up of a rich tapestry of cultures, including the Maya, Mestizo, Garifuna, Creole, Chinese and Mennonite communities. For tourism to be sustainable, preserving local cultures is imperative. The UNWTO highlights that sustainable tourism must respect the socio-cultural authenticity of communities and conserve their cultural heritage and values (UNWTO, 2024). In a bid to preserve the its cultural heritage and history, Belize has put in place initiatives that seek to promote the local culture, including the Garifuna Trail and the Orange Walk Trail.

The Garifuna Culture Trail is a community-led project spearheaded by the Ministry of Tourism and Diaspora Relations and BTB that showcases the culture of the Garifuna people.[1] Proclaimed a Masterpiece

1 These are the descendants of an Afro-Indigenous population from the Caribbean Island of St Vincent who were exiled to the Honduran coast in the 18th century and subsequently moved to Belize. They reside mostly in Dangriga and Hopkins towns in Belize.

of the Oral and Intangible Heritage of Humanity by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in 2001 (The Garifuna Heritage Foundation, 2021), the Garifuna Trail provides a glimpse into the vibrant culture of the Garifuna people, who are of mixed Afro and Arawakan descent. The trail includes landmarks, key attractions and businesses in Dangriga and Hopkins towns that house a large population of the Garifuna (BTB, 2024d). The enterprises showcased include the Sabals Cassava Factory Naomi Demonstration and the Belize Drumming Experience (Box 7.3). To support the promotion of Garifuna culture, the government has also developed a Garifuna Manual for the Belize Tourism Organization. This showcases the complete history of the Garifuna as well as their traditions, food, music and key events.

Similarly, the Orange Walk Cultural Trail showcases the culture, food and practices of the Maya and Mestizo populations in the Orange Walk District. This tour highlights historical buildings, monuments and spaces (Belize Living Heritage, 2024). Visitors can experience the culture of the modern-day Maya as well as Belize's over 600 ancient Mayan sites and ruins. These are managed by the Belize Institute of Archaeology and tourists pay an entrance fee that contributes to the preservation of the heritage sites. The government through the Ministry of Tourism and Diaspora Relations has invested substantially in the development of tourism products in these Mayan sites, and in 2023 BTB inaugurated the Ts'unu'un Pok-ta-Pok Ball Court to safeguard Maya heritage and promote tourism in northern Belize (BTB, 2023).

BOX 7.3. SHOWCASING BELIZEAN CULTURE THROUGH THE GARIFUNA TRAIL

Sabals Cassava Factory Naomi Demonstration: This small family-led business focuses on the value-addition of cassava to produce different products. These include cassava bread/biscuits, cassava flour and drinks. The business offers tourism products for tourists where visitors can experience the value-addition process from farm to final production.

Belize Drumming Experience: This family-led drumming experience has been running for over 40 years. The family produces drums for Belize and is run by a woman who is the only woman to produce drums in Belize. Tourists come and experience the process of drum-making and can take the drums with them as souvenirs.

7.5. Paving the way for sustainable and regenerative tourism through eco-tourism

Belize has an abundance of forests and jungles and falls under the world's top 30 most forested countries, with 56 per cent of its land covered by forests (MORFO, 2023). As such, the nation draws many adventure tourists and is a popular eco-tourism destination. A fair number of eco-lodges are making strides in ensuring that tourism is sustainable and regenerative to preserve its integrity for future generations. Examples include Chaa Creek Eco-Lodge, a 400-acre privately managed nature reserve that has a farm that provides organic farm-to-table food and also gives guests an opportunity to experience local farming techniques (Belize Travel Blog, 2021). The resort also promotes regenerative tourism through various initiatives, including the Pack-a-Pound Initiative and the Eco-Kids Summer Camp, where 10 per cent of the revenue from rooms goes into that program (Box 7.4).

BOX 7.4. SUSTAINABLE AND REGENERATIVE PRACTICES IN BELIZE'S ECO-LODGES

Caves Branch	**Pack for a Purpose** encourages travellers to use extra luggage space to bring school and medical supplies for low-income and at-risk groups. The **Bad Cats programme** includes tutoring, mentoring, a school meal programme and high school and college scholarships.
Chaa Creek Lodge	Through the **Pack a Pound Initiative,** guests can donate school supplies to Belize classrooms. The **Eco-Kids Summer Camp** educates children on biodiversity, conservation and natural Mayan healing. **Sustainable practices:** The lodge has a high filtration system for water and employs energy measures for lighting, etc. **Others** include a scholarship programme, clean-up programmes, eco-tourism education, etc.

Chabil Maar Villas	Through **Pack for a Purpose,** guests use space to carry valuable necessities for schools or medical clinics. **Environmental planning:** The villas promote sustainable water usage, waste management and landscaping. The **Sustainable Community, Social and Cultural Plan** prioritises **l**ocal employment and community development.
Hamanasi Adventure & Dive Resort	**Sustainability and regeneration:** The resort's premise lies in regenerating the ecosystem and its biodiversity and promoting improvements to the environment and communities rather than just sustaining them. Through the **Regenerative Belize Package,** guests have a chance to explore the natural and tropical eco-systems of Belize and experience the local culture. Activities under this include hiking in the Mayflower Bocawina National Park, a 7,000 acre park co-managed by the Forest Department and a community-based organisation, ensuring the preservation of this unique ecosystem and archaeological site.
Jaguar Creek	The **PathLight programme** assists at-risk children in rural Belize, including by providing tools and support to help them thrive in school.**Reforestation and wildlife rehabilitation programmes a**re also carried out.**Sustainable practices** include waste reduction, energy conservation and responsible tourism.
MuyOno Resorts	The **Travel Better Pledge** inspires each traveller to take a more environmentally friendly vacation, including by eating locally sourced ingredients and respecting wildlife, among many other things.
Sources: Belize Adventure Travel Blog (2015); Belize Hotel Association (2021); Chaa Creek (2024); Hamanasi (2024); Jaguar Creek (2024).	

7.6. Key lessons

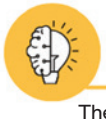
The Belizean approach to sustainable tourism represents a multifaceted and dynamic method from which we can draw several key lessons.

Nature First

Realising that its natural resources are a key driver of the tourism industry Belize takes a nature first approach through many of its tourism offerings and places conservation as a priority for the tourism industry.

Holistic Approach

Belize goes beyond viewing tourism as just an industry but a living system which warrants a multi-stakeholder efforts and community involvement. This includes through the comanagement frameworks and adopting partnerships with various stakeholders.



Innovative Financing

There is a focus on innovative financing for conservation and sustainability by key stakeholders. This includes the debt for nature swaps and implementing a levy on tourists to fund conservation.

People Centric Tourism

The Government of Belize is making deliberate efforts to preserve the local cultures to enhance sustainability. This involves things like developing manuals explaining certain local cultures. Their approach also entails supporting local communities.

Chapter 8

Preserving the natural heritage of Seychelles through sustainable tourism

8.1. Overview

Deep in the heart of the Indian Ocean lies the archipelago of Seychelles, made up of 115 small islands, where tourism plays a very significant role in the economy. The mixture of white sandy beaches, coral reefs and natural reserves attracts tourists from across the world, with 35,0879 visitors in 2023. Tourism in Seychelles thus contributes up to 23.6 per cent of GDP and 41 per cent of export revenue (MFNPT, 2022; Valmont, 2024). Tourism, along with fisheries, also offers a source of livelihood to local communities, as one of the major sources of employment in the small island nation.

The ever-increasing effects of climate change disasters have led to great concern for the future of tourism in Seychelles. In the wake of the 1998 El Niño and Indian Ocean Dipole, a mass coral reef bleaching event resulted in Seychelles losing up to 97 per cent of its live coral cover (Reef Resilience Network, 2022).

Seychelles is going beyond advocating for tourism that preserves the environment to call for tourism that leaves the country better off. At the SIDS Conference held in Antigua and Barbuda in May 2024, the Minister of Tourism for Seychelles highlighted the strides the country was making via various sustainable tourism initiatives that align with the principles of regenerative tourism. These include ecosystem restoration, risk adaptation and resilience-building (Tourism Seychelles, 2024; Travel and Tour World, 2024). Through this increased focus on regenerative tourism, Seychelles plans to focus more on community-led tourism and tourism that will have impacts on the local economy and livelihoods.

To foster regenerative tourism, the Seychelles government has also prepared a guide for hotels and guesthouses to prepare them for climate change. This guide is being

used by 60 per cent of accommodation establishments to implement climate actions daily; 40 per cent are using it in partnership with environmental NGOs (Tourism Seychelles, 2024). Seychelles has also registered substantive success in sustainable tourism through its Sustainable Seychelles programme, founded by the Department of Tourism. This entails initiatives like the Creole Rendezvous brand and a certification programme for tourism products. To support these initiatives, the Department of Tourism is also developing a Seychelles Sustainable Tourism Policy Framework.

8.2. Pioneering innovative financing and fostering partnerships for sustainable tourism

To finance marine conservation and sustainable fisheries and foster sustainable tourism, the government of Seychelles issued a blue bond in 2018 of US$15 million. This was the first blue bond to be issued globally, and helped advance the country's blue economy and increase its marine protected areas. Following this, the government issued a $25 million blue bond to support marine projects (KPMG, 2023). Before this, in 2015, in partnership with TNC and Seychelles Conservation and Climate Adaptation Trust, it had concluded a $21.6 million debt-for-nature swap that generated benefits for Seychelles. The government has also introduced a levy to further enhance conservation efforts and rehabilitation initiatives and to secure a sustainable future for the nation's tourism (Tourism Seychelles, 2024).

With regard to stakeholder collaboration, the Seychelles Sustainable Tourism Foundation connects various stakeholders, including the government, the private sector and NGOs, to facilitate sustainability initiatives (Hill, 2024). Partners include Ocean Project Seychelles and Wise Ocean Seychelles, NGOs that work on marine conservation, and Nature Seychelles, which conducts work on the Cousin Island Special Reserve.

8.3. Promoting sustainable and regenerative travel through the Sustainable Seychelles Certification Programme

Like many countries, Seychelles has in place tips to guide travellers to visit sustainably and leave the environment in a better position. These include banning the use of single-use plastics and plastic straws, promoting efficient travel locally and encouraging tourists to be water- and energy-smart. To boost sustainable tourism, Seychelles also encourages tourists to buy local and discover the unique Creole heritage (SSTF, 2024). With the island nation's economy

largely reliant on its ocean economy and fishing, the government also encourages tourists to use ocean resources responsibly.

The guidelines also encourage tourists to look out for sustainability labels. Introduced in 2011, the Seychelles Sustainable Tourism Label, now the Sustainable Seychelles Certification Programme, is a voluntary tourism management programme aimed at inspiring more efficient and sustainable ways of doing business (Box 8.1). A total of 24 tourism establishments are now certified following a two-year evaluation based on standards recognised by the Global Sustainable Tourism Council (GSTC). Previously reserved for accommodation establishments, the programme has been extended to tour operators and restaurants.

8.4. Seychelles' growing eco-tourism landscape and sustainability practices

Seychelles is nicknamed 'The Land of Perpetual Summer,' and it is easy to see why it is a go-to destination for travellers seeking an escape. One island that receives a great deal of foreign visitors is Cousin Islands, and this is Seychelle's oldest eco-tourism endeavour (Box 8.2). The island, which

BOX 8.1. SUSTAINABLE AND REGENERATIVE PRACTICES IN SEYCHELLES RESORTS

Berjaya Beau-Vallon Bay Resort and Casino

This resort was among the first to be certified under the Sustainable Seychelles label. Practices implemented include rainwater harvesting, recycling of items, composting green waste, reducing water waste and feeding leftover food to birds in the sanctuary and tortoises (Ministry of Finance, Trade, Investment & Economic Planning, 2020).

Hilton Seychelles Northolme Resort and Spa

Key initiatives undertaken include reducing energy and water consumption. The hotel also bottles and filters its water, resulting in 370,000 fewer plastic bottles used. Additionally, the installation of solar PV panels in 2014 cut carbon emissions by up to 95 tonnes (Ibid).

Anantara MAIA Resort

The resort has introduced a sustainable environment fee of €5 per night. This contributes to marine conservation and educational programmes. The resort also promotes greener practices, such as by using environmentally friendly chemicals, and promotes the use of digital menus (Anantara, 2024).

Le Duc de Praslin

The resort promotes local businesses through the purchase of local produce. It also encourages tourists to immerse themselves in the local culture and promote eco-friendly practices. This includes reducing fossil fuels and opting for more renewable energy and using energy-efficient equipment (Le Duc de Praslin, 2024).

BOX 8.2. THE COUSIN ISLAND SUCCESS STORY

- **1968:** Cousin Island is made a nature reserve by the International Council for Bird Preservation.
- **1972:** Birdlife International starts operating the reserve.
- **1975:** The Seychelles Government declares the island a special reserve.
- **1959–1982:** As of 1959, the island's warbler population stood at 26. By 1982, it had grown to 320 adults. As of 2024, it is estimated that the population is 3,000.
- **1990:** Other bird species were transferred from other islands, with the magpie population rising from 23 birds in 1990 to about 50.

Source: Cousin Island (2024).

is a marine protected area, operates as a no-take zone, which means that no plants or animals can be removed. Sustainability is maintained through tourist fees used to pay Cousin Island staff and for conservation costs.

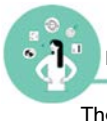
8.5. Restoring the beauty of Seychelles' coral reefs

As a fish habitat, coral reefs play a role in food security in the island, which ranks as the third highest per capita consumer of fish globally. Reefs also offer environmental protection for the coast by serving as buffers to reduce wave energy. This helps protect local communities from adverse climate-related events like floods and sea level rises. Reefs also support tourism through activities like snorkelling and diving, which generate many tourists.

To respond to coral bleaching caused by carbon dioxide emissions, Seychelles has implemented several initiatives. This includes the Reef Rescuers project in Cousin Island, the world's first large-scale coral reef restoration project. Through coral gardening, the project has resulted in 40,000 corals being raised. An initial assessment of the impacts of the project suggests it has led to increased coral recruitment and fish densities (Cousin Island, 2024). Overall, it is estimated that, throughout Seychelles, coral reef restoration has resulted in increased fish abundance and a threefold increase in fish species diversity (USAID, 2017).

8.6. Key lessons

The government of Seychelles has been a pioneer in sustainable tourism on many fronts. From this case study, several key lessons can be drawn.



Responsible Travel

The Government of Seychelles is moving towards more responsible travel. This is cognisant of the potential adverse effects of tourism that could place the abundant natural resources in the country at risk.

Financing for Sustainability

Seychelles remains a pioneer on the innovative financing front providing an example for small island states on how to finance sustainability and conservation efforts.

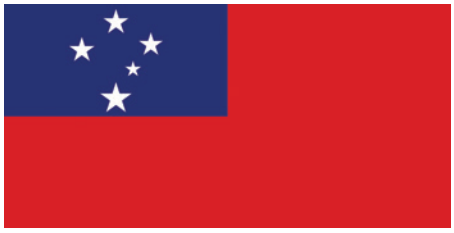
Certification for Best Practices

The emphasis on providing certification to award best practices remains imperative to ensure that good practices are rewarded. The Sustainable Seychelles label helps to serve as an indicator to tourists on which establishments are implementing eco-friendly practices.

Regenerative Tourism

Regeneration of natural resources is driving sustainable tourism in the Seychelles which will help maintain the natural beauty of the archipelago.

Chapter 9



Embracing sustainable tourism for a resilient, inclusive and green Samoa

9.1. A jewel in the Pacific: overview and background

Samoa, an archipelago in the South Pacific, comprises two main islands, Upolu and Savai'i, along with several smaller islands. Renowned for its stunning beaches, lush rainforests, vibrant coral reefs and rich Polynesian culture, Samoa relies heavily on tourism as a critical economic pillar. The island nation's natural beauty and cultural richness attract visitors from around the globe, making tourism a significant source of employment and revenue for local communities. Tourism accounts for approximately 25 per cent of the country's GDP, and demonstrated strong growth up until 2019, with international arrivals and tourism receipts having risen by over 30 per cent from 2012 (OECD, 2023). Such reliance made Samoa particularly vulnerable to the COVID-19 pandemic, which saw tourism receipts as a percentage of total exports fall from 60 per cent in 2019 to 19.8 per cent in 2020 (World Bank, 2024). However, through concerted government efforts and pent-up demand, recovery has been strong. By 2023, visitor arrivals had recovered to near pre-pandemic levels, with the tourism rebound being a key contributor to upward revisions in economic growth forecasts (ADB, 2023).

Be that as it may, the increasing influx of tourists in a post-pandemic world brings renewed environmental and social challenges, necessitating sustainable management to secure long-term benefits. Samoa has adopted innovative sustainable tourism practices to address these issues, integrating policies, community involvement and unique projects to ensure enduring benefits for both residents and visitors.

9.2. Government-led sustainability: proactive actions and policies

Recognising the importance of sustainable tourism, the government of Samoa has taken a proactive leadership approach. Samoa was the first South Pacific destination to complete the GSTC Early Adopter Programme,[1] demonstrating its commitment to global standards of sustainable tourism. This achievement underscores Samoa's dedication to being environmentally, culturally and socially sustainable and a role model for other Pacific nations (GSTC, 2014).

Additionally, the Samoa Sustainable Tourism Charter and Foundation provide a framework for tourism businesses to adopt sustainable practices that respect local people and the environment. The Foundation for a Sustainable Samoa, launched in 2017, maximises community benefits by creating opportunities for locals to improve their well-being and safeguard natural and cultural resources (Sustainable Travel International, 2017). This initiative encourages sustainable business practices among tourism providers, such as composting food waste and sourcing products locally.

To further support sustainability in the tourism industry, the government's Tourism Sector Plan 2023–2027 aims to re-establish a sustainable tourism industry through a 'no business-as-usual' approach using 'better data, better decisions and better policies.' The plan aims to ensure recovery, resilience and green growth for the sector while also striving to improve the industry's climate resilience through coastal adaptation projects, disaster risk preparedness and a tourism levy concept paper to research potential assistance for future shocks (STA, 2022). Such climate resilience issues have been a particular focus of Samoa, reflected by the reinstatement of the Climate Change Unit with the Samoa Tourism Authority (STA). Guided by the National Tourism Climate Change Adaptation Strategy, the unit focuses on preparedness, response, recovery during disasters and energy efficiency development. This includes training programmes for local businesses on sustainable practices and climate resilience (ibid.).

Lastly, in a bid to foster sustainability, the government's investment in transformative projects has helped revitalise key tourist attraction sites, such as the Ma Tree, the Coastal Walk, the Hiking Trail, Le Mafa Pass and the Garden Toilets in the Piula area. These improvements enhance the visitor experience by ensuring safety standards, providing shelter and establishing lookout sites that offer panoramic views and wildlife observation opportunities, all while promoting environmental stewardship. The Coastal Walk project, for instance,

1 The GSTC Early Adopter Programme applies a range of criteria to assess current sustainability levels and provides direction for future improvements in a country's tourism sector.

not only provides scenic views but also includes educational signage about local wildlife and conservation efforts (Pacific Tourism Organisation, 2024). Samoa has also been scaling up its efforts on signage, with the Village Signage Fabrication Project established as part of the preparations for the Commonwealth Heads of Government Meeting in October 2024 to help visitors identify and appreciate villages across the country, and encourage self-exploration (Samoa Tourism, 2024).

9.3. The role of the hospitality and transport sector

Embedded in Samoa's tourism industry is an eco-friendly approach, particularly when it comes to the impact of accommodation. The hospitality sector has long been recognised for its crucial role in preserving the natural and cultural heritage it depends on. With the evolving shape of tourists' mindsets, increasingly towards an eco-conscious approach, there is an expectation that their accommodation and footprint will leave little behind but take away a lot through genuine and unique natural and cultural experiences. Box 9.1 provides examples of sustainable initiatives within the accommodation and transport sector, unique to Samoa.

Traditional beach fales (open-sided houses), like the Taufua Beach Fales on Lalomanu Beach, offer sustainable, culturally immersive accommodation using local materials and techniques, blending harmoniously with the environment and incurring no eco-tax for tourists.

Certain accommodation providers, like Sinalei Reef Resort and Spa, contribute to local communities by providing supplies to local hospitals and sourcing produce from surrounding villages.

Eco-conscious accommodation like the Dave Parker Eco Lodge offers unique rainforest experiences with minimal environmental impact, allowing visitors to take part in making a traditional *umu* (oven of volcanic rocks).

Tourists in Samoa are encouraged to use local retro-style piki buses, which offer an economical and sustainable way to travel while providing an immersive and cultural island experience.

Many lodgings in Samoa use solar power and low-impact approaches to reduce their carbon footprint, while hotels and resorts implement water conservation measures like rainwater harvesting and greywater recycling, supported by STA.

Initiatives such as the Farm to Table programme have encouraged many restaurants to promote local cuisine and organic meals using locally sourced ingredients, to support farmers, reduce carbon footprints and create job opportunities in sustainable agriculture while linking agriculture and tourism for equitable growth.

BOX 9.1. SUSTAINABLE TOURISM PRACTICES AND ECO-FRIENDLY ACCOMMODATION IN SAMOA

Traditional beach tales, like the Taufua Beach Fales on Lalomanu Beach, offer sustainable, culturally immersive accommodation using local materials and techniques, blending harmoniously with the environment and incurring no eco-tax for tourists.

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Many accommodations in Samoa use solar power and low-impact approaches to reduce their carbon footprint, while hotels and resorts implement water conservation measures like rainwater harvesting and greywater recycling, supported by the Samoa Tourism Authority.

Initiatives such as the 'Farm to Table' programme have encouraged many restaurants to promote local cuisine and organic meals using locally sourced ingredients, to support farmers, reduce carbon footprints, and create job opportunities in sustainable agriculture while linking agriculture and tourism for equitable growth.

Piki Buses: Tourists in Samoa are encouraged to use local retro-style buses, which provide an economical and sustainable way to travel, offering an immersive and cultural island experience while on board the visual extravaganza.

9.4. Empowering communities: the importance of local involvement

Community-based eco-tourism projects empower local communities to manage and benefit from tourism activities. These projects include guided cultural tours, traditional cooking classes and handicraft workshops, providing tourists with authentic experiences while ensuring the economic benefits remain within the community.

One unique experience that enables tourists to truly understand Samoan culture is witnessing (or even partaking in) the process of tattooing. Using sharp teeth, a *tatua* (for men) or *malu* (for women) is an artistic pattern punctured into the skin to symbolise a rite of passage and a way to connect modern-day Samoans with their ancestors' traditional rites and ways of life. By allowing tourists to understand the meaning behind and be involved in the process, this product offering not only acts as a revenue-generator for locals but also maintains cultural practices.

A different, but notable, project on the environmental side is the Falealupo Rainforest Preserve, located in Savai'i. This community-managed rainforest reserve offers canopy walkways, guided tours and educational programmes about the local flora and fauna. The revenue generated from tourism supports local conservation efforts and community development projects (STA, 2024). In fact, many of Samoa's tourist attractions, such as waterfalls and swimming holes, are situated on private property and are therefore run by local families and/or villages. Entry fees support local families, promoting economic benefits within the community. Described as 'the world's most amazing swimming pool,' the iconic To-Sua Ocean Trench is a prime example, where the entrance fees help maintain the site and support the local village.

Other, more recent, community-inclusive initiatives that aim to improve the tourism sector as a whole include a country-wide beautification competition. This initiative comes as part of the country's clean-up campaign, which encourages communities to use organic and sustainable gardening practices to add tropical and cultural flair to their gardens, improving the natural beauty and appeal of Samoa.

9.5. Preserving nature: environmental initiatives

Environmental tours in Samoa offer tourists immersive experiences in the country's natural beauty while promoting low-impact tourism. These include initiatives like the Tafua Crater Hike to educate visitors about environmental conservation and support local communities. These tours are designed to minimise environmental impact while providing educational value about Samoa's unique ecosystems. Similarly, nature reserves like O le Pupu-Pue National

Park and Aleipata Marine Protected Area offer visitors opportunities to experience Samoa's natural environment while supporting and learning about conservation efforts. These protected areas are essential for promoting eco-tourism and preserving natural habitats. Under these schemes, visitors can participate in guided nature walks such as tree walks and explore caves and waterfalls.

Samoa is also making strides in protecting its marine areas to safeguard marine biodiversity and promote sustainable fishing practices. These marine protected areas are essential in maintaining healthy coral reefs and supporting marine life, which are critical to the environment and tourism. The Palolo Deep Marine Reserve, for instance, offers guided snorkelling tours that educate visitors about coral reef conservation, while strict regulations on fishing and tourism activities help preserve the underwater ecosystem (STA, 2023).

9.6. Regenerative tourism initiatives

Samoa's regenerative tourism approach includes involving tourists in reforestation projects and coral gardening initiatives. These efforts educate tourists and provide economic benefits to local communities, helping sustain Samoa's natural beauty and environmental health.

Reforestation projects in Samoa are used to help restore degraded lands and enhance biodiversity. Tourists are encouraged to participate in tree-planting activities, contributing directly to environmental restoration efforts. These projects are often part of larger community conservation efforts, such as the village-led reforestation initiative in Savai'i aiming to enhance climate resilience and water security in the region (SPREP, 2024). This Pacific Adaptation to Climate Change and Resilience Building programme spurred on the 5 Million Tree Planting Campaign (2022–2028), which involved local schools and villages in an effort to build climate resilience, enhancing Samoa's natural beauty, and further attracts eco-tourists.

Samoa also has coral gardening initiatives that involve tourists in planting and nurturing coral fragments in designated nurseries to restore damaged reefs and promote marine biodiversity. These projects are carried out in partnership with marine conservation organisations. Visitors are educated about the importance of coral reefs and can participate in restoration activities. By investing in coral restoration, Samoa is actively educating and training local communities, improving the country's climate resilience, while maintaining the natural attractiveness of the country for tourists. Community-led initiatives such as the Savaia Marine Conservation Project have created village-owned marine protected areas resulting in 100 per cent recovery of coral and the restoration of coastal vegetation and species such as giant clams (GEF, 2022). The restoration of such natural products is beneficial

not only for the environment but also for communities, given the income-generating activities it creates. For example, visitors are charged a fee for snorkelling in the lagoon, women's associations can sell their handicrafts and young ecotour guides can find employment opportunities.

9.7. Key lessons

By recognising and embracing challenges as new opportunities, Samoa has taken a leading role in sustainable tourism initiatives, from which several key lessons can be drawn.

Pro-active Government Leadership

Samoa has exemplified forward thinking sustainability by establishing and enforcing standards through proactive policies, frameworks, and strategic planning, while also revitalising and transforming many of its tourism offerings from an ecocentric perspective.

Embracing the Eco-Conscious Tourist Mindset

Samoa views the recovery and new era of travel as an opportunity to attract eco-conscious travellers who seek to explore while preserving the natural environment of their destination.

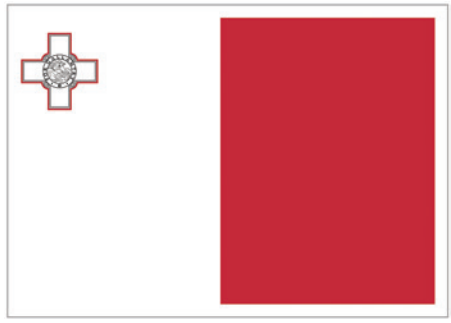
Community Involvement

Many of Samoa's tourist attractions are owned and managed by local communities, ensuring an equitable distribution of economic benefits and providing opportunities to share and preserve their rich cultural traditions with visitors.

Engaging & Utilising Tourists

Whilst diversifying tourism product offerings, Samoa has actively engaged and utilised tourists themselves, creating a by-product that regenerates rather than damages the local environment.

Chapter 10



Recovering, rethinking and revitalising the tourism industry in Malta

10.1. Overview

Malta, a picturesque archipelago in the central Mediterranean, is renowned for its rich history, stunning landscapes and vibrant culture. The island nation, composed of Malta, Gozo and Comino, attracts tourists with its UNESCO World Heritage sites like Valletta and the Hypogeum, beautiful beaches, crystal-clear waters and lively festivals. Tourism is a vital sector, significantly contributing to Malta's GDP and providing employment for a large part of the population. However, the rapid growth of tourism poses environmental and social challenges, necessitating a shift towards sustainable tourism practices to ensure the preservation of Malta's natural and cultural treasures.

Malta experienced a significant economic downturn as a result of the COVID-19 pandemic, like many other CWSS dependent on tourism. In 2019, tourism expenditure in Malta totalled over €2.2 billion, with the sector responsible for 17 per cent of the country's total employment (OECD, 2022). The pandemic led to a drastic fall in tourism receipts to €455 million in 2020. Although 2021 saw a rebound to €871 million, this was still lower than figures from a decade prior (NSO, 2024). By 2023, tourism expenditure had surged to a record €2.67 billion, surpassing pre-pandemic levels and showing a much stronger recovery than many other Mediterranean countries (MTA, 2023a). Whereas at face value expenditure per capita in 2023 remained on a par with 2013 levels, of around €900 per person, this figure needs to be seen in the light of two important elements: the first being the much shorter average length of stay (6.8 nights in 2023 compared with 8.1 nights in 2013, implying that tourists are spending the same for stays that are 17 per cent shorter) and

the second being the post-pandemic southward shift of tourism source markets for Malta given the late recovery of markets with longer flight times, including long-haul and Nordic, among others. Since expenditure numbers include flight times, the prevalence of more shorter-distance-originating tourists has automatically led to lower total per capita spends.

10.2 Strategy: recover, rethink, revitalise

Malta's strategy has shifted from recovery to rethinking and revitalising the sector through sustainable practices. This strategy focuses on three pillars: economy, environment and social cohesion, aiming to enhance the quality of tourism offerings to attract higher-spending tourists who appreciate authentic and quality experiences, while reducing the sector's environmental footprint.

Transitioning from a high-volume, low-quality tourism model to a high-quality, diversified approach is key to ensure the economic impact of tourism is maintained while minimising the undesirable effects of growing tourist numbers. Malta aims to enhance tourist offerings by investing in infrastructure, amenities and attractions to provide a richer, more varied, experience. Marketing campaigns and the development of attractions that appeal year-round, such as cultural festivals and indoor museums, help alleviate pressure during peak seasons and can extend average stays. The Valletta Baroque Festival, offering a quintessential Baroque experience every January, is a prime example of an event that attracts visitors outside the core-tourism months, promoting cultural tourism during the off-peak season. The country also diversifies its offerings to capture beyond just sun-seekers, such as heritage trails and nature reserves to attract eco-tourists and history enthusiasts, as well as 'faith' tourists who can explore some of the country's 365 churches.

Malta leverages digital technologies to enhance tourist experiences while promoting sustainability. The Digital Strategic Roadmap for Tourism in the Maltese Islands sets out key ways in which the tourism industry can benefit from a digital transformation through a co-ownership approach (MTA, 2023b). Data analytics are used to manage visitor flows, reducing overcrowding at popular sites. Digital guides and resources minimise the need for printed materials, and virtual tours offer alternatives to physical travel. Investment in new technologies make it possible to enhance the tourist experience by offering more client-centric services. There is recognition that museums and cultural institutions need to go 'phygital'[1] to stay relevant (The Malta Chamber, 2021). Doing so will enable new and traditional consumers to reach experiences regardless of their location and time. Other

1 The term 'phygital' implies the integration of physical and digital elements for a new enhanced, hybrid and immersive customer experience.

innovative digital initiatives include the use of blockchain technology to ensure transparency and traceability in sustainable tourism practices. Through supply chain tracking, accurate record-keeping related to environmental impact assessments and smart contracts, Malta is a pioneer in leveraging cutting-edge technology for tourism sustainability.

Training and education programmes, such as the STEP initiative, are implemented to provide high-standard training to locals, promoting a skilled workforce that can uphold a sustainable and stewardship ethos. An upskilled workforce with more competitive wages and sociable working hours has helped eradicate the unsociable stigma attached to working in the tourism sector. Improving the quality of service within the sector also works in parallel with attracting higher-ticket tourists. Ensuring satisfaction among this customer segment can enhance the chances of repeat tourism, which has been falling over time in Malta.

10.3. Environmental and circular economy approaches

Malta's strategy includes robust measures to protect and enhance the natural environment. The Malta Tourism Authority (MTA) is endorsing the GSTC standards, the Green Key certificate and the EU Ecolabel for ensuring the environmental, socio-economic and cultural sustainability of hotels, guesthouses and other tourist accommodation on the Maltese Islands. These three schemes will replace the current ECO certification, which was a national scheme recognised by the GSTC as fully reflecting the GSTC criteria.

Developed industries for eco-tourists, including snorkelling, diving, hiking, birdwatching and cycling, attract visitors interested in sustainable travel. Notable areas for these activities include national parks like Salina National Park and Gozo's Inland Sea for snorkelling and exploring underwater caves. EcoMarine Malta combines sustainable marine-life watching with scientific research. Sailing boat tours connect and educate people on the natural environment and the importance of the marine ecosystem. With a biologist always on board, the use of solar panels, sails when the wind allows and a 'no-rush' ethos, this offering demonstrates how the industry can ensure fun for tourists and safety for the environment. Malta has also made progress in fostering sustainability in its transport industry and infrastructure through initiatives like the transformation of the Valletta Cruise Port and the introduction of sustainable travel (Box 10.1).

Malta has made strides in adopting a circular economy approach within the tourism sector. Waste management and reduction efforts are evident as government entities such as Circular Economy Malta encourage hotels and restaurants to minimise food waste

BOX 10.1. PROMOTING SUSTAINABLE TRANSPORT INFRASTRUCTURE

Valletta Cruise Port has turned around what is usually considered an environmental wrecking ball industry into a globally recognised sustainable and vital contributor to Malta's economy. The shore-side electricity project has transformed Malta's potential as a cruise-receiving country, boasting over 800,000 passengers and contributing over $87 million a year to the Maltese economy. As part of the Grand Harbour Clean Air Project, Valletta Cruise Port allows cruise ships to switch off their engines and connect to shore power, drastically reducing emissions and improving air quality. This initiative has earned Valletta the title of 'World's Best Cruise Terminal for Sustainability 2022' in addition to it winning the 'Best Port of Call Global' in 2023 and 2024.

The modernisation of Malta's public transportation system is a key component of its sustainability strategy. The introduction of electric and hybrid buses aims to reduce carbon emissions and alleviate traffic congestion, particularly in tourist-heavy areas. Maltese residents are also entitled to free public transport through the Tallinja Card, further improving the atmosphere in town centres by reducing the usage of individual vehicles. These initiatives are supported by the development of extensive bike-sharing programmes and pedestrian-friendly urban planning, appealing to and creating harmony among both tourists and residents.

through initiatives like food donation programmes and composting (Circular Economy Malta, 2018). Malta also promotes reducing single-use plastics by offering alternatives such as reusable straws and utensils.

Sustainably financing these environmental initiatives is crucial for their long-term success. Malta leverages various funding mechanisms, including public–private partnerships, EU grants and environmental levies. The government collaborates with private entities to fund large-scale projects like the Grand Harbour Clean Air Project, while EU grants have supported smaller, community-based initiatives. Environmental levies collected from tourists, such as eco-contributions from accommodation providers, are reinvested into sustainability projects, ensuring that the tourism sector contributes directly to the preservation

of Malta's natural resources. Green Bonds were also launched for the first time in Malta in 2023 through the Water Services Corporation (WSC). The €25 million issuance aims to finance a number of projects, including Gozo's reverse osmosis plant, solar farms and enhancing wastewater treatment plants and water networks to address Malta's water scarcity, climate change and pollution challenges (WSC, 2023). MTA is also participating in an EU-funded project called Cross-Re-Tour. The objective of this is to support small and medium-size enterprises (SMEs) in tourism to become more sustainable and more digital. The main areas of focus are water, energy, plastic, food, equipment/furniture, mobility, client-nudging and staff-nudging.

The project involves a partnership between eight different organisations from different countries. This is a three-year project that mainly involves three phases.

Phase 1: Interested tourism SMEs/NGOs/public organisations participate in an online dialogue to discuss challenges faced in green and digital transition; additionally, their state of transformation readiness is assessed.

Phase 2: The dialogue is extended through tourism SMEs engaging with digital and green service providers to identify potential solutions.

Phase 3: Funding is given to a total of 10 SMEs to the tune of €30,000 per innovative project (per country). Total funding for Malta is €300,000. Each project is fully funded by the EU.

10.4. Community, culture and public involvement

Malta's wealth of historical sites necessitates ongoing preservation efforts. Major restoration projects, often in collaboration with international organisations, ensure the longevity of these cultural treasures. Initiatives such as the restoration of Valletta's fortifications and the conservation of ancient temples are vital for maintaining Malta's appeal as a cultural tourism destination.

Local councils and NGOs play a crucial role in promoting sustainable tourism in Malta. They work together on projects that enhance local environments and preserve cultural heritage. Regular beach clean-up campaigns involve residents and tourists in conservation efforts, maintaining the cleanliness and ecological health of beaches. Collaborative projects such as those by the Gaia Foundation create and maintain walking trails that highlight Malta's historical and natural sites, promoting low-impact tourism and educating visitors about the importance of conservation. The foundation's work in rehabilitating coastal areas and restoring habitats directly supports sustainable tourism by preserving the natural landscapes that attract visitors.

Promoting local artisans and crafts is an integral part of Malta's sustainable tourism strategy. Programmes supporting local artists not only bolster the economy but also provide tourists with unique cultural

experiences. Markets, workshops and festivals showcase traditional Maltese crafts, enhancing the cultural fabric of the tourism sector.

Unique schemes such as MTA's Free Independent Travellers Scheme have helped local accommodation providers retain as much revenue as possible. When the scheme was active, travellers would receive €50–100 depending on the star rating of the hotel, if it were booked directly with the participating accommodation provider. This financial incentive was to encourage independent travel, optimising revenue levels for the industry by reducing commission taken from international accommodation platforms.

10.5. Key lessons

Malta's experience and comprehensive approach beyond tourism recovery provides a multitude of key lessons for other countries that are looking to grow tourism revenues but minimise the negative impacts of rising tourist numbers.

Emphasise Quality over Quantity

Malta focuses on attracting higher spending tourists rather than increasing the volume of visitors, which can lead to enhanced economic benefits while reducing environmental and social impacts. Investing in diverse tourism offerings, improved service training, and high-quality infrastructure has enriched the visitor experience.

Leverage Digital Technologies

Recognised as a world-renowned hub for the application of emerging technologies, Malta takes advantage of data analytics and digital tools to manage visitor flows and reduce overcrowding at popular sites. The introduction of digital guides and virtual tours has enhanced tourist management and promoted ecofriendly tourism practices.

Integrating Environmental Sustainability

Malta has implemented ecocertification programs and promoted practices like energy efficiency and waste reduction from the cruise sector right through to boutique accommodations. This integration of sustainability into tourism products has helped mitigate environmental impacts and improve visitor satisfaction.

Foster Community Involvement & Cultural Preservation

Malta involves local communities and NGOs in tourism development projects, ensuring benefits for both residents and the environment. This support for heritage preservation, environmental conservation, and cultural promotion has made tourism a positive force for local development and installed a 'steward' type attitude for local communities.

Chapter 11

Conclusion

Throughout this special report, we have seen examples of how CWSS are paving the way for sustainable tourism as well as pushing towards regenerative tourism. The report has shown how small states have been pioneers in financing for the blue economy and how they are pushing towards sustainable and regenerative tourism through various initiatives. Promoting sustainable tourism is imperative in CWSS to help build resilience to economic, social and environmental shocks. This can be through promoting development of a wide array of activities that can foster diversification, creating jobs, promoting local business growth, improving livelihoods and supporting the local economy. On the environmental front, sustainable tourism practices can help mitigate climate change and enhance resource management and the protection of ecosystems. Through promoting sustainable tourism, countries can also realise social and cultural cohesion and the preservation of local cultures.

Several key lessons can be drawn and possibly applied in other small states.

- **A multi-stakeholder approach.** The case studies have highlighted the importance of involving relevant partners in the management of protected areas and conservation. This includes the private sector and local communities that benefit from tourism and are affected by it.
- **International collaboration.** As ecosystems transcend national boundaries, cross-border co-ordination in conservation is vital. Furthermore, sharing of best practices at the international level can help countries advance their initiatives.
- **Diversified funding sources.** The COVID-19 pandemic showed how vulnerable small states are when funding reserves dry up. As such, there is a need for continued efforts to find new and innovative ways to finance conservation. Lessons can be drawn from CWSS that have had experience in innovative forms of funding. Countries can also provide extra financial support to small businesses and support businesses run by women and youth to empower them.
- **Promoting the local economy and culture.** Countries can ensure the cultures are preserved and that indigenous practices can be used to help in conservation.
- **Environmental considerations.** These include establishing or enhancing protected areas to protect the environment and enhancing environmental regulations and enforcement. This also entails development of the appropriate green infrastructure and promoting regeneration.

- **Promoting responsible travel.** This can be through promoting sustainable practices and encouraging tourists to travel responsibly. Having certification programmes can also help travellers identify the most eco-friendly resorts.

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Statistical Annexes

GDP growth rate at constant prices (% change)

Country	2018	2019	2020	2021	2022	2023	2024	2025	2026	Estimates start after
Antigua and Barbuda	6.8	4.3	-17.5	6.6	8.5	5.9	6.1	4.0	2.8	2022
The Bahamas	2.9	-0.7	-23.5	17.0	14.4	4.3	2.3	1.8	1.6	2022
Barbados	-0.7	0.3	-12.7	-1.3	13.8	4.4	3.7	2.8	2.3	2022
Belize	1.1	4.2	-13.7	17.9	8.7	4.7	3.4	2.5	2.5	2022
Botswana	4.2	3.0	-8.7	11.9	5.8	3.2	3.6	4.6	4.0	2022
Brunei Darussalam	0.1	3.9	1.1	-1.6	-1.6	1.4	2.4	2.5	2.9	2023
Cyprus	5.6	5.5	-3.4	9.9	5.1	2.5	2.7	2.9	3.0	2023
Dominica	3.5	5.5	-16.6	6.9	5.6	4.7	4.6	4.3	3.3	2022
Eswatini	2.4	2.7	-1.6	10.7	0.5	5.1	3.7	3.3	3.2	2022
Fiji	3.8	-0.6	-17.0	-4.9	20.0	8.0	3.0	3.4	3.4	2022
Gabon	0.9	3.8	-1.8	1.5	3.0	2.3	2.9	2.7	2.6	2022
The Gambia	7.2	6.2	0.6	5.3	4.9	5.6	6.2	5.8	5.0	2023
Grenada	4.4	0.7	-13.8	4.7	7.3	4.8	4.1	3.7	3.0	2021
Guyana	4.4	5.4	43.5	20.1	62.3	33.0	33.9	18.7	21.1	2022
Jamaica	1.8	1.0	-9.9	4.6	5.2	2.2	1.8	1.7	1.6	2022
Kiribati	3.5	3.3	-0.6	8.5	3.9	4.2	5.8	4.1	3.3	2022
Lesotho	-1.5	-3.1	-5.3	1.7	1.6	1.9	2.4	2.5	2.4	2023
Maldives	8.7	7.3	-32.9	37.7	13.9	4.4	5.2	6.5	5.0	2022
Malta	7.4	7.1	-8.2	12.5	8.1	5.6	5.0	4.0	3.6	2023
Mauritius	4.0	2.9	-14.5	3.4	8.9	6.9	4.9	3.7	3.5	2023
Namibia	1.1	-0.8	-8.1	3.5	4.6	3.2	2.7	2.6	2.6	2022
Nauru	-1.2	8.5	2.0	7.2	2.8	0.6	1.6	1.3	1.2	2021
Papua New Guinea	-0.3	4.5	-3.2	-0.8	5.2	2.7	4.5	3.7	3.5	2022
St Kitts and Nevis	2.1	4.1	-14.6	-0.9	8.8	3.5	4.7	4.3	3.8	2022
Saint Lucia	2.9	-0.2	-23.6	11.3	15.7	3.0	2.4	2.1	1.8	2022
St Vincent and the Grenadines	3.2	0.7	-3.7	0.8	5.5	6.2	5.3	3.9	2.8	2021
Samoa	-0.6	4.5	-3.1	-7.1	-5.3	8.0	5.4	3.4	2.7	2023
Seychelles	4.9	5.5	-11.7	0.6	15.0	3.7	3.2	3.8	3.8	2022
Solomon Islands	2.7	1.7	-3.4	2.6	2.4	3.0	2.4	2.5	2.6	2022
Tonga	0.2	0.7	0.5	-2.7	-2.0	2.6	2.5	2.4	1.4	2022
Trinidad and Tobago	-0.6	0.4	-9.1	-1.0	1.5	2.1	2.4	2.3	0.9	2022
Tuvalu	1.4	13.8	-4.3	1.8	0.7	3.9	3.5	2.5	2.2	2021
Vanuatu	2.9	3.2	-5.0	-1.6	1.9	2.2	3.0	3.5	3.1	2020

Source: IMF World Economic Outlook, April 2024.

Debt to GDP (% of GDP)

Country	2018	2019	2020	2021	2022	2023	2024	2025	2026	Estimates start after
Antigua and Barbuda	87.3	84.1	100.1	95.4	87.1	80.6	76.4	73.9	72.2	2022
The Bahamas	62.5	60.3	75.4	99.8	88.6	83.8	84.0	83.3	82.6	2023
Barbados	125.4	116.2	148.1	131.5	119.6	114.8	107.5	101.0	95.1	2023
Belize	78.8	78.5	103.0	82.3	67.1	66.2	62.9	61.1	60.0	2022
Botswana	14.9	16.5	18.7	18.7	17.8	19.4	18.0	16.8	16.0	2023
Brunei Darussalam	2.6	2.6	2.9	2.5	2.1	2.3	2.3	2.1	2.1	2022
Cyprus	101.1	93.0	115.0	99.3	85.6	77.4	70.7	65.1	60.0	2023
Dominica	85.6	97.7	112.5	108.5	102.9	97.2	98.7	95.9	93.8	2023
Eswatini	33.9	39.5	41.0	40.2	41.0	37.8	37.2	38.0	38.8	2023
Fiji	45.8	49.0	63.6	83.3	91.0	82.7	81.1	80.6	80.2	2022
Gabon	61.1	60.0	78.3	65.8	63.7	70.5	73.1	78.9	84.6	2022
The Gambia	83.6	83.0	85.9	83.1	82.9	71.7	64.3	59.7	55.4	2023
Grenada	64.0	58.6	71.4	69.9	62.8	62.0	61.2	60.7	55.1	2022
Guyana	47.0	43.6	51.1	43.2	25.1	27.0	31.2	30.7	28.0	2022
Jamaica	94.4	94.3	110.1	94.2	77.1	71.8	67.5	64.7	62.1	2023
Kiribati	19.0	19.0	17.2	14.1	13.3	11.7	9.9	13.7	17.3	2021
Lesotho	48.2	58.2	54.7	58.4	62.9	63.6	63.2	62.3	62.2	2023
Maldives	72.0	78.8	154.2	120.0	110.4	118.7	121.1	118.8	117.0	2022
Malta	43.4	40.0	52.2	53.9	51.6	51.8	53.6	55.0	56.3	2022
Mauritius	64.0	82.2	94.7	88.8	84.2	81.1	81.0	80.8	80.6	2023
Namibia	48.7	57.6	64.3	70.4	70.5	67.2	65.4	64.2	63.4	2022
Nauru	71.1	59.6	56.3	20.5	22.2	20.2	23.4	20.9	18.4	2021
Papua New Guinea	36.7	40.6	48.7	52.6	48.3	52.1	52.1	52.0	50.9	2022
St Kitts and Nevis	53.9	54.3	68.0	69.1	60.6	54.4	51.7	49.9	49.5	2022
Saint Lucia	60.2	61.9	94.2	82.9	74.2	74.3	75.8	77.2	76.6	2023
St Vincent and the Grenadines	69.4	68.1	79.5	90.0	87.9	85.8	87.5	85.8	82.8	2023
Samoa	49.4	44.3	43.2	46.3	43.7	33.4	29.1	29.7	31.1	2023
Seychelles	51.3	48.9	77.4	71.2	58.9	56.7	58.3	57.2	54.8	2023
Solomon Islands	7.9	7.9	13.5	16.0	17.3	18.0	19.8	21.1	22.0	2022
Tonga	45.9	41.3	43.6	47.6	45.4	41.1	43.8	50.0	57.6	2021
Trinidad and Tobago	40.5	45.3	60.6	60.0	50.7	54.3	56.0	56.2	56.3	2023
Tuvalu	11.9	11.6	12.3	11.5	10.1	8.3	7.0	5.9	5.0	2022
Vanuatu	45.3	45.1	48.0	48.5	44.1	40.4	44.0	47.6	51.9	2020

Source: IMF World Economic Outlook, April 2024.

Government revenue (% of GDP)

Country	2018	2019	2020	2021	2022	2023	2024	2025	2026	Estimates start after
Antigua and Barbuda	19.8	18.8	19.7	19.4	19.3	20.2	20.5	20.6	20.6	2022
The Bahamas	16.4	18.6	18.5	18.7	21.0	20.9	21.9	22.1	22.0	2023
Barbados	29.0	28.9	30.2	28.2	29.0	26.7	27.3	27.3	27.2	2023
Belize	25.5	24.6	24.6	22.5	22.5	22.8	23.1	23.2	23.2	2022
Botswana	30.6	28.3	25.7	29.0	28.7	28.7	28.7	28.6	28.0	2023
Brunei Darussalam	28.6	28.7	17.5	21.1	28.9	15.7	15.8	15.6	15.4	2022
Cyprus	39.0	39.4	38.5	40.0	41.2	42.9	43.4	43.4	43.3	2023
Dominica	44.7	39.6	59.2	58.8	62.6	43.7	41.3	40.4	40.1	2023
Eswatini	25.1	27.3	28.7	24.5	23.8	27.6	27.5	25.6	25.6	2023
Fiji	28.1	26.8	23.6	20.7	21.4	23.0	27.4	27.4	27.1	2022
Gabon	16.9	19.6	17.6	14.7	18.4	19.9	18.8	17.5	17.3	2022
The Gambia	15.1	21.2	23.0	16.7	17.4	21.6	20.1	19.6	19.5	2023
Grenada	27.0	26.6	28.1	31.6	32.7	36.5	40.7	29.2	28.8	2022
Guyana	25.0	25.6	22.8	18.7	15.4	17.7	17.3	16.0	14.2	2022
Jamaica	30.6	30.6	29.5	31.0	30.1	31.1	31.2	31.2	31.3	2023
Kiribati	114.0	119.1	104.7	72.2	69.0	100.7	103.2	92.3	82.2	2021
Lesotho	47.4	47.8	54.4	48.8	43.6	52.5	52.4	47.1	46.1	2023
Maldives	27.2	26.9	26.4	25.7	30.5	32.3	30.0	29.3	29.2	2022
Malta	37.9	36.2	35.7	35.5	33.8	35.1	34.1	33.7	33.4	2022
Mauritius	21.8	22.1	21.6	24.1	24.3	24.3	23.3	23.0	23.2	2023
Namibia	31.2	31.9	33.4	30.5	30.1	33.6	34.5	32.0	31.2	2022
Nauru	120.3	137.0	152.2	137.4	158.3	135.5	130.6	97.9	85.3	2021
Papua New Guinea	17.7	16.3	14.7	15.1	16.7	18.3	18.2	18.7	19.4	2022
St Kitts and Nevis	35.6	36.6	33.5	46.6	45.6	42.5	39.5	37.7	35.9	2022
Saint Lucia	22.1	21.5	21.6	21.6	21.8	21.5	21.1	21.0	21.1	2023
St Vincent and the Grenadines	25.9	26.9	27.9	30.5	27.9	27.4	28.8	28.9	28.9	2023
Samoa	30.0	33.3	35.9	36.5	38.5	34.2	34.0	33.3	33.0	2023
Seychelles	32.2	32.2	31.0	33.1	30.0	31.5	33.9	34.1	33.2	2023
Solomon Islands	34.1	32.2	31.0	29.0	30.0	30.5	26.0	27.0	26.9	2022
Tonga	42.6	41.7	44.2	48.3	45.2	47.8	41.8	37.9	36.2	2021
Trinidad and Tobago	23.8	26.8	23.3	22.8	27.8	28.7	26.2	27.7	27.6	2023
Tuvalu	156.4	111.8	138.6	109.5	127.9	123.9	123.2	116.8	115.4	2022
Vanuatu	39.5	42.6	41.4	46.8	36.7	41.0	34.8	32.3	32.2	2020

Source: IMF World Economic Outlook, April 2024.

Government expenditure (% of GDP)

Country	2018	2019	2020	2021	2022	2023	2024	2025	2026	Estimates start after
Antigua and Barbuda	22.3	22.8	25.9	24.0	23.5	22.2	21.5	21.6	21.5	2022
The Bahamas	19.7	20.3	25.9	31.8	26.8	24.9	24.4	24.2	23.8	2023
Barbados	29.3	25.4	35.0	32.9	31.0	28.6	29.0	27.7	27.3	2023
Belize	26.9	27.5	33.1	25.8	23.0	23.7	23.9	24.3	24.3	2022
Botswana	35.6	36.9	36.5	31.4	28.7	29.3	32.3	29.3	27.4	2023
Brunei Darussalam	32.2	32.4	33.2	29.3	26.4	28.8	29.1	28.3	27.6	2022
Cyprus	42.6	38.1	44.2	41.9	38.8	39.9	40.9	41.0	41.0	2023
Dominica	63.4	48.3	66.8	67.0	69.7	47.6	44.8	43.3	42.8	2023
Eswatini	34.6	34.0	33.3	29.0	27.6	28.8	28.3	28.3	28.4	2023
Fiji	32.5	30.4	31.6	34.3	33.5	30.1	31.8	31.8	31.4	2022
Gabon	17.1	17.5	19.8	16.6	19.1	21.7	23.0	23.9	24.3	2022
The Gambia	19.0	23.9	25.3	21.5	22.3	24.6	22.7	20.9	20.5	2023
Grenada	22.4	21.6	32.7	31.2	31.8	30.0	34.6	28.9	28.4	2022
Guyana	27.6	28.1	30.5	26.0	20.5	23.5	26.0	19.0	16.4	2022
Jamaica	29.4	29.7	32.6	30.1	29.8	30.9	31.0	30.8	30.6	2023
Kiribati	108.8	108.3	101.2	82.9	87.3	102.0	125.5	107.1	95.0	2021
Lesotho	51.9	53.5	54.4	54.2	48.8	49.4	49.7	49.3	48.9	2023
Maldives	32.5	33.6	49.9	39.5	41.5	45.7	42.2	38.6	36.1	2022
Malta	36.0	35.7	45.3	42.9	39.4	39.8	38.4	37.7	37.0	2022
Mauritius	23.9	30.2	32.1	28.2	27.4	27.5	27.0	26.1	26.2	2023
Namibia	36.3	37.4	41.5	39.2	36.1	37.3	36.7	35.4	34.9	2022
Nauru	90.8	106.0	109.4	93.0	133.5	116.4	116.9	91.0	81.4	2021
Papua New Guinea	20.3	20.7	23.5	22.0	21.9	22.8	22.2	21.3	20.8	2022
Samoa	30.0	31.8	30.5	34.7	33.1	31.2	34.9	35.4	35.5	2023
Seychelles	32.7	31.2	45.8	38.7	30.7	32.9	35.3	34.5	33.5	2023
Solomon Islands	32.6	33.7	33.4	32.7	34.2	31.9	29.6	29.6	29.6	2022
St Kitts and Nevis	33.8	37.3	36.5	41.2	49.6	41.6	39.7	38.6	37.8	2022
Saint Lucia	23.1	25.0	33.1	27.0	23.3	23.6	23.5	23.3	23.3	2023
St Vincent and the Grenadines	26.3	29.1	32.7	37.9	37.5	38.1	36.2	32.3	28.6	2023
Tonga	39.7	38.6	38.8	49.3	45.9	47.4	48.4	46.0	45.4	2021
Trinidad and Tobago	29.5	30.5	35.1	31.1	27.5	29.8	29.0	29.6	29.0	2023
Tuvalu	126.0	112.9	124.7	123.4	119.1	121.9	121.3	119.5	118.7	2022
Vanuatu	33.3	39.8	43.4	44.4	43.1	44.0	42.2	39.5	39.2	2020

Source: IMF World Economic Outlook, April 2024.

Current account balance (US$ billions)

Country	2018	2019	2020	2021	2022	2023	2024	2025	2026	Estimates start after
Antigua and Barbuda	-0.2	-0.1	-0.2	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2	2022
The Bahamas	-1.2	-0.3	-2.3	-2.4	-1.1	-1.0	-1.0	-0.9	-0.9	2023
Barbados	-0.2	-0.1	-0.3	-0.5	-0.6	-0.5	-0.5	-0.5	-0.4	2022
Belize	-0.2	-0.2	-0.1	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	2023
Botswana	0.1	-1.2	-1.5	-0.3	0.6	-0.1	-0.3	0.6	0.2	2022
Brunei Darussalam	0.9	0.9	0.5	1.6	3.3	2.9	2.9	3.0	3.1	2022
Cyprus	-1.0	-1.4	-2.5	-1.8	-2.3	-3.0	-2.9	-3.1	-3.2	2022
Dominica	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	2022
Eswatini	0.1	0.2	0.3	0.1	-0.1	0.1	0.1	0.1	0.0	2022
Fiji	-0.5	-0.7	-0.6	-0.7	-0.9	-0.3	-0.4	-0.4	-0.5	2022
Gabon	1.2	0.8	-0.1	0.7	2.2	0.9	0.8	0.6	0.5	2021
The Gambia	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	2023
Grenada	-0.1	-0.1	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	2022
Guyana	-1.4	-3.6	-0.9	-2.0	3.4	3.4	4.8	3.6	6.3	2022
Jamaica	-0.2	-0.3	-0.2	0.1	-0.1	0.3	0.1	-0.2	-0.4	2022
Kiribati	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	2022
Lesotho	-0.1	-0.1	0.0	-0.1	-0.2	-0.1	0.0	-0.2	-0.1	2023
Maldives	-1.5	-1.5	-1.3	-0.5	-1.0	-1.5	-1.4	-1.1	-1.1	2022
Malta	0.9	1.4	0.3	0.2	-0.5	0.4	0.6	0.6	0.7	2022
Mauritius	-0.6	-0.7	-1.0	-1.5	-1.5	-0.8	-0.9	-0.9	-0.9	2022
Namibia	-0.5	-0.2	0.3	-1.4	-1.6	-1.3	-0.9	-0.9	-1.1	2022
Nauru	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2022
Papua New Guinea	3.1	3.7	3.4	3.5	5.3	5.1	3.9	4.7	4.4	2022
St Kitts and Nevis	-0.1	-0.1	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	2022
Saint Lucia	0.0	0.1	-0.3	-0.2	-0.1	-0.2	-0.1	-0.1	-0.1	2022
St Vincent and the Grenadines	-0.1	0.0	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	2022
Samoa	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	2023
Seychelles	0.0	-0.1	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	2022
Solomon Islands	0.0	-0.2	0.0	-0.1	-0.2	-0.2	-0.1	-0.1	-0.1	2022
Tonga	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2021
Trinidad and Tobago	1.6	1.0	-1.4	2.7	5.4	2.6	1.6	1.9	1.8	2022
Tuvalu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2021
Vanuatu	0.0	0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	2021

Source: IMF World Economic Outlook, April 2024.

Imports (goods and services) (% change)

Country	2018	2019	2020	2021	2022	2023	2024	2025	2026	Estimates start after
Antigua and Barbuda	9.6	4.9	-34.0	5.7	25.8	3.9	7.0	4.7	3.6	2022
The Bahamas	-3.3	-2.6	-21.7	14.0	-3.0	17.0	6.4	4.8	4.0	2023
Barbados	-7.3	5.0	-10.4	-8.5	7.4	7.7	8.1	6.3	5.2	2022
Belize	2.4	2.9	-23.0	32.1	10.2	-3.0	5.3	3.3	2.7	2023
Botswana	15.9	11.6	5.0	2.3	-11.8	-10.2	8.6	9.1	11.9	2022
Brunei Darussalam	30.8	12.6	-2.7	30.1	8.6	-12.8	-0.9	2.6	1.9	2023
Cyprus	4.3	9.5	3.2	15.4	18.3	5.1	-2.9	2.0	2.4	2023
Dominica	25.6	8.6	-31.0	2.9	11.0	18.9	-3.2	7.4	2.1	2022
Eswatini	4.6	1.5	-1.3	14.0	3.4	-12.5	3.4	2.5	2.0	2022
Gabon	-15.7	10.5	3.9	-6.6	-8.7	1.6	9.7	4.5	3.3	2021
The Gambia	8.3	11.1	2.8	0.5	11.3	17.2	4.0	-2.7	3.4	2023
Grenada	4.8	3.2	-11.5	-8.4	13.7	30.2	5.6	-5.6	2.4	2022
Guyana	16.9	10.0	26.1	16.2	6.7	14.7	28.3	-1.3	-0.6	2022
Jamaica	-0.2	11.8	-15.7	-0.4	13.0	15.8	9.3	10.5	9.3	2022
Kiribati	-15.9	7.4	-19.6	24.0	29.1	-1.8	5.7	0.9	3.1	2022
Lesotho	-4.4	0.5	-3.1	-1.7	0.1	5.5	4.4	2.8	1.0	2023
Maldives	15.1	3.1	-36.0	29.6	22.4	-2.7	-0.5	11.6	4.0	2022
Malta	9.1	10.5	1.5	5.1	11.7	4.6	1.0	2.1	1.8	2022
Mauritius	3.6	1.4	-11.9	10.9	8.8	1.5	3.8	4.1	4.2	2022
Namibia	2.9	-8.5	-15.9	32.4	15.2	1.3	3.2	-0.3	2.6	2022
Papua New Guinea	7.2	3.2	-6.4	5.5	8.1	2.9	-1.8	6.3	4.8	2022
St Kitts and Nevis	2.3	3.9	-23.6	-16.2	31.4	6.7	4.0	6.2	-4.6	2022
Saint Lucia	-2.0	-0.1	-21.9	3.3	15.8	23.2	4.3	4.7	4.2	2022
St Vincent and the Grenadines	-6.0	-0.2	-5.7	-5.6	6.7	24.2	10.2	3.8	2.8	2022
Seychelles	13.7	0.3	-28.3	9.1	8.7	10.7	2.9	9.9	4.9	2022
Solomon Islands	3.2	3.3	-21.1	-8.8	6.7	13.6	-6.3	8.8	6.7	2022
Tonga	-1.1	2.3	-3.2	n/a	n/a	n/a	n/a	n/a	n/a	2022
Trinidad and Tobago	-10.1	-14.2	-9.6	0.2	10.8	-12.0	2.7	3.8	2.1	2022

Source: IMF World Economic Outlook, April 2024.

Exports (goods and services) (% change)

Country	2018	2019	2020	2021	2022	2023	2024	2025	2026	Estimates start after
Antigua and Barbuda	2.7	13.9	-50.1	17.9	56.8	9.4	11.0	4.7	3.8	2022
The Bahamas	23.8	6.4	-67.0	90.4	54.2	7.1	6.4	2.9	2.4	2023
Barbados	-1.7	6.8	-36.5	-2.7	21.4	14.9	11.4	5.0	4.4	2022
Belize	10.0	4.2	-21.9	32.7	14.0	0.8	3.4	2.5	2.5	2023
Botswana	11.9	-8.8	-18.6	31.7	-5.6	-23.0	12.7	27.7	1.3	2022
Brunei Darussalam	-9.7	24.0	29.4	-1.9	-7.5	-3.4	3.3	10.5	7.6	2023
Cyprus	7.2	8.7	1.6	21.6	13.6	-1.5	0.7	1.8	2.3	2023
Dominica	-29.3	37.1	-51.3	19.4	47.9	30.8	8.3	13.8	6.4	2022
Eswatini	-2.8	16.3	-2.4	8.8	-0.4	10.0	1.2	3.6	1.7	2022
Gabon	-3.0	15.5	4.6	2.4	-2.8	-3.2	3.5	1.7	2.3	2021
The Gambia	26.3	19.8	-57.1	-8.9	89.5	24.2	26.6	11.6	10.4	2023
Grenada	-0.2	0.8	-63.2	-26.8	198.2	35.9	1.8	6.7	3.1	2022
Guyana	-1.2	7.0	161.6	46.4	100.7	37.9	42.7	4.1	21.1	2022
Jamaica	14.6	9.2	-41.1	25.9	36.2	19.1	8.5	5.9	5.7	2022
Kiribati	-37.4	75.6	-37.5	-53.7	87.5	1.6	13.1	9.4	6.2	2022
Lesotho	0.3	-0.4	-21.3	16.1	-6.1	6.2	11.0	3.6	3.8	2023
Maldives	0.0	6.0	-47.6	74.2	10.2	-1.0	5.4	17.0	6.9	2022
Malta	8.4	9.7	-1.8	7.6	8.6	8.7	3.1	2.9	2.5	2022
Mauritius	3.4	-4.9	-39.2	-7.2	41.2	10.2	9.7	9.7	6.9	2022
Namibia	10.4	-7.5	-15.3	11.9	22.6	3.1	8.1	5.1	1.2	2022
Papua New Guinea	-7.7	9.3	-1.5	12.2	-10.4	8.8	4.3	4.0	3.7	2022
St Kitts and Nevis	12.7	-3.8	-35.2	-4.1	28.3	15.2	1.0	2.3	2.6	2022
Saint Lucia	1.1	4.1	-59.4	38.1	66.6	4.7	3.7	3.6	3.3	2022
St Vincent and the Grenadines	7.7	1.8	-32.9	-27.3	72.4	26.7	13.0	7.2	6.3	2022
Seychelles	27.1	6.3	-28.2	9.4	1.4	6.3	-0.2	16.5	3.2	2022
Solomon Islands	13.1	-14.9	-28.4	-13.3	-2.6	32.1	-10.6	10.2	6.5	2022
Tonga	1.6	-5.7	-4.3	n/a	n/a	n/a	n/a	n/a	n/a	2022
Trinidad and Tobago	0.9	-17.1	-26.8	39.9	31.0	-27.5	-5.8	5.7	0.1	2022

Source: IMF World Economic Outlook, April 2024.

Remittances inflows (US$ millions)

Country	2019	2020	2021	2022	2023
Antigua and Barbuda	36.9	36.2	45.3	34.8	49.4
The Bahamas	-	50.8	53.0	57.9	55.0
Barbados	85.2	85.2	85.2	85.2	85.2
Belize	96.8	120.7	135.4	142.6	152.0
Botswana	59.4	44.2	60.6	68.5	60.2
Brunei Darussalam	-	0.9	0.9	0.9	2.0
Cyprus	535.5	567.6	627.1	522.5	600.0§
Dominica	47.5	33.7	40.2	37.8	59.2
Eswatini	118.7	112.5	132.2	126.5	120.4
Fiji	286.6	317.2	393.6	458.8	500.0
Gabon	18.5	18.5	18.5	18.5	18.5
The Gambia	274.8	416.4	547.1	501.8	627.5
Grenada	63.4	70.4	62.1	70.2	49.3
Guyana	380.4	429.1	547.9	525.0	548.8
Jamaica	2,562.5	3,066.9	3,706.7	3,687.6	3,709.1
Kiribati	20.1	14.9	13.4	28.4	15.0
Lesotho	529.1	449.9	474.5	533.1	493.5
Maldives	4.4	4.7	4.9	5.1	4.7
Malta	245.3	259.4	269.5	226.0	233.1
Mauritius	318.5	284.7	272.5	273.8	279.3
Namibia	65.6	64.0	46.5	53.8	61.9
Papua New Guinea	29.3	2.3	11.9	3.0	3.1
St Kitts and Nevis	42.2	31.6	37.1	37.6	37.5
Saint Lucia	43.2	56.4	63.3	62.0	62.9
St Vincent and the Grenadines	79.3	63.0	70.1	88.6	71.4
Samoa	155.2	204.2	248.4	280.0	264.9
Seychelles	23.6	10.1	9.5	10.0	10.6
Solomon Islands	25.5	27.5	51.0	81.1	84.6
Tonga	177.7	185.5	220.3	225.3	222.0
Trinidad and Tobago	144.0	194.4	234.0	204.4	177.2
Tuvalu	2.4	2.2	3.0	2.5	3.0
Vanuatu	152.1	127.1	199.8	197.8	176.6

Source: World Development Indicators, 2024.

Consumer prices (index score)

Country	2018	2019	2020	2021	2022	2023	2024	2025	2026	Estimates start after
Antigua and Barbuda	99.6	101.0	102.1	103.8	111.6	117.2	120.3	122.8	125.2	2022
The Bahamas	105.4	108.0	108.1	111.2	117.4	121.0	123.5	126.3	128.8	2023
Barbados	99.0	100.5	101.0	102.5	107.7	113.1	117.4	120.8	123.7	2022
Belize	99.7	99.9	100.0	103.2	109.7	114.5	118.0	120.7	122.2	2023
Botswana	331.0	340.1	346.5	369.7	414.7	436.0	453.5	473.9	495.3	2023
Brunei Darussalam	99.4	99.0	100.9	102.7	106.5	106.9	108.3	109.3	110.4	2023
Cyprus	100.2	100.8	99.7	101.9	110.1	114.5	117.1	119.5	121.9	2023
Dominica	103.7	105.3	104.5	106.1	114.3	118.3	121.6	124.1	126.6	2022
Eswatini	327.4	335.9	348.9	361.9	379.3	398.1	413.5	426.1	438.8	2023
Fiji	121.2	123.3	120.1	120.3	125.5	128.4	133.5	137.8	142.1	2023
Gabon	134.9	137.6	140.0	141.5	147.5	152.8	156.0	159.4	163.0	2023
The Gambia	481.6	515.9	546.5	586.7	654.3	765.3	881.0	973.7	1037.5	2022
Grenada	111.3	111.9	111.1	112.4	115.4	118.9	120.9	123.3	125.8	2022
Guyana	116.2	118.6	120.1	124.1	132.1	138.1	142.0	148.4	156.6	2022
Jamaica	96.2	100.0	105.2	111.4	122.9	130.9	140.0	147.0	154.5	2023
Kiribati	86.2	84.6	86.8	88.6	93.3	101.9	106.5	109.7	112.4	2023
Lesotho	78.9	83.0	87.1	92.4	100.0	106.3	113.1	119.2	125.7	2023
Maldives	98.2	99.5	97.9	98.1	100.7	103.3	107.2	110.4	112.7	2022
Malta	103.9	105.5	106.4	107.1	113.7	120.1	123.5	126.2	128.7	2023
Mauritius	103.2	103.7	106.3	110.6	122.5	131.2	137.6	142.5	147.9	2023
Namibia	132.7	137.6	140.6	145.7	154.6	163.7	171.5	179.8	188.4	2023
Nauru	104.9	109.3	111.4	112.6	116.6	123.8	129.7	133.5	137.1	2021
Papua New Guinea	138.6	143.9	151.0	157.7	166.0	169.9	177.0	185.5	194.4	2022
Samoa	105.2	107.5	109.1	105.8	115.0	128.8	133.4	137.9	142.0	2023
Solomon Islands	103.5	105.2	108.3	108.2	114.1	119.2	123.4	127.4	131.3	2022
St Kitts and Nevis	106.2	105.9	104.6	105.9	108.7	112.7	115.4	118.0	120.4	2022
Saint Lucia	117.1	117.7	115.6	118.4	126.0	130.5	132.8	135.4	138.2	2022
St Vincent and the Grenadines	110.4	111.4	110.8	112.5	118.9	124.3	128.0	130.5	133.1	2022
Seychelles	109.9	111.8	113.2	124.2	127.5	126.2	125.9	129.2	133.1	2023
Tonga	96.6	99.8	100.2	101.6	110.3	121.5	128.1	133.4	138.3	2023
Trinidad and Tobago	123.4	124.7	125.4	128.0	135.5	141.7	143.8	147.0	150.0	2023
Tuvalu	159.5	165.0	168.1	178.5	199.2	211.5	220.2	228.1	235.5	2022
Vanuatu	154.8	159.0	167.5	171.4	182.9	204.9	220.5	233.8	244.1	2022

Source: IMF World Economic Outlook, April 2024.

Inflation (% change)

Country	2018	2019	2020	2021	2022	2023	2024	2025	2026	Estimates start after
Antigua and Barbuda	1.2	1.4	1.1	1.6	7.5	5.1	2.6	2.0	2.0	2022
The Bahamas	2.3	2.5	0.0	2.9	5.6	3.1	2.0	2.2	2.0	2023
Barbados	5.2	1.6	0.5	1.5	5.0	5.0	3.9	2.8	2.4	2022
Belize	0.3	0.2	0.1	3.2	6.3	4.4	3.1	2.3	1.3	2023
Botswana	3.2	2.7	1.9	6.7	12.2	5.1	4.0	4.5	4.5	2023
Brunei Darussalam	1.0	-0.4	1.9	1.7	3.7	0.4	1.3	1.0	1.0	2023
Cyprus	0.8	0.5	-1.1	2.2	8.1	3.9	2.3	2.0	2.0	2023
Dominica	1.0	1.5	-0.7	1.6	7.7	3.5	2.8	2.1	2.0	2022
Eswatini	4.8	2.6	3.9	3.7	4.8	4.9	3.9	3.1	3.0	2023
Fiji	4.1	1.8	-2.6	0.2	4.3	2.3	4.0	3.2	3.1	2023
Gabon	4.8	2.0	1.7	1.1	4.3	3.6	2.1	2.2	2.2	2023
The Gambia	6.5	7.1	5.9	7.4	11.5	17.0	15.1	10.5	6.6	2022
Grenada	0.8	0.6	-0.7	1.2	2.6	3.0	1.7	2.0	2.0	2022
Guyana	1.3	2.1	1.2	3.3	6.5	4.5	2.8	4.6	5.5	2022
Jamaica	3.7	3.9	5.2	5.9	10.3	6.5	7.0	5.0	5.0	2023
Kiribati	0.6	-1.8	2.6	2.1	5.3	9.3	4.5	3.0	2.5	2023
Lesotho	4.8	5.2	5.0	6.0	8.3	6.3	6.4	5.4	5.4	2023
Maldives	1.4	1.3	-1.6	0.2	2.6	2.6	3.8	3.0	2.0	2022
Malta	1.7	1.5	0.8	0.7	6.1	5.7	2.9	2.1	2.0	2023
Mauritius	3.2	0.5	2.5	4.0	10.8	7.0	4.9	3.6	3.8	2023
Namibia	4.3	3.7	2.2	3.6	6.1	5.9	4.8	4.8	4.8	2023
Nauru	-14.4	4.2	1.9	1.1	3.6	6.2	4.7	3.0	2.7	2021
Papua New Guinea	4.4	3.9	4.9	4.5	5.3	2.3	4.2	4.8	4.8	2022
St Kitts and Nevis	-1.0	-0.3	-1.2	1.2	2.7	3.6	2.5	2.2	2.0	2022
Saint Lucia	2.6	0.5	-1.8	2.4	6.4	3.7	1.8	2.0	2.0	2022
St Vincent and the Grenadines	2.3	0.9	-0.6	1.6	5.7	4.6	3.0	2.0	2.0	2022
Samoa	3.7	2.2	1.5	-3.0	8.7	12.0	3.6	3.3	3.0	2023
Seychelles	3.7	1.8	1.2	9.8	2.6	-1.0	-0.2	2.6	3.1	2023
Solomon Islands	3.5	1.6	3.0	-0.1	5.5	4.5	3.5	3.2	3.1	2022
Tonga	6.8	3.3	0.4	1.4	8.5	10.2	5.4	4.2	3.7	2023
Trinidad and Tobago	1.0	1.0	0.6	2.1	5.8	4.6	1.5	2.2	2.0	2023
Tuvalu	2.2	3.5	1.9	6.2	11.5	6.2	4.1	3.6	3.2	2022
Vanuatu	2.4	2.7	5.3	2.3	6.7	12.0	7.6	6.0	4.4	2022

Source: IMF World Economic Outlook, April 2024.

Unemployment (% of total labour force)

Country	2018	2019	2020	2021	2022	2023	2024	2025	2026	Estimates start after
The Bahamas	10.4	10.1	26.2	17.6	10.8	8.8	8.8	8.9	9.0	2019
Barbados	10.1	10.1	15.7	14.1	8.5	8.4	8.2	8.2	8.0	2022
Belize	9.4	9.0	13.7	10.2	6.1	3.4	3.4	3.4	3.4	2023
Brunei Darussalam	8.7	6.8	7.3	4.9	5.9	4.9	4.9	4.9	4.9	2022
Cyprus	8.4	7.1	7.6	7.5	6.8	6.1	5.9	5.7	5.5	2022
Fiji	4.5	4.5	13.4	9.0	6.5	5.5	5.0	4.7	4.5	2020
Jamaica	9.1	7.7	10.2	8.4	6.3	4.4	n/a	n/a	n/a	2022
Malta	3.7	3.6	4.4	3.4	2.9	2.5	2.5	2.5	2.5	2023
Mauritius	6.9	6.7	9.2	9.1	6.8	6.3	6.3	6.3	6.3	2022
Seychelles	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2020

Source: IMF World Economic Outlook, April 2024.

The Commonwealth

The Small States Review and Basic Statistics is a flagship publication of the Commonwealth Secretariat highlighting the development indicators of Commonwealth Small States and disseminating knowledge of their economic performance.

The secretariat has published the Small States Review since 1995, covering various aspects relating to the sustainable development of these countries. This 22nd volume looks at the performance of small states following the COVID-19 pandemic and their path to recovery amidst ongoing shocks. The report looks at the macro and socioeconomic trends in Commonwealth small states and how they have fared relative to the global economy.

The 22nd volume of this report is centred on the theme of Building Resilience in Commonwealth Small States and the special paper in this edition focuses on sustainable and regenerative tourism in Commonwealth small states.

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