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Investment Trends and Policy Insights



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Abbreviations

BIT	bilateral investment treaty
BVI	British Virgin Islands
CARICOM	Caribbean Community
CDB	Caribbean Development Bank
DFI	development finance institution
ECLAC	Economic Commission for Latin America and the Caribbean
FDI	foreign direct investment
GDP	gross domestic product
IIA	international investment agreement
ILO	International Labour Organization
IPA	investment promotion agency
IPF	international project finance
ISDS	investor–State dispute settlement
LAC	Latin America and the Caribbean
LSEG	London Stock Exchange Group
M&A	merger and acquisition
MDB	multilateral development bank
MNE	multinational enterprise
OECD	Organisation for Economic Co-operation and Development
OECS	Organisation of Eastern Caribbean States
OFC	offshore financial centre
PPP	public–private partnership
SDG	Sustainable Development Goal
SEZ	special economic zone
SIDS	small island developing States
TIP	treaty with investment provisions
UKCIF	United Kingdom Caribbean Infrastructure Fund
UNCTAD	United Nations Conference on Trade and Development
WIF	World Investment Forum

Executive summary

Global foreign direct investment (FDI) recovered in 2025, but the underlying trend remained subdued and uneven. Against this backdrop, investment flows to the Caribbean continued to expand. Yet headline figures conceal a highly differentiated landscape: a small number of economies, sectors and projects continue to drive regional trends, while investment remains modest in most Caribbean economies.

Excluding offshore financial centres (OFCs), FDI inflows to Caribbean economies reached $18 billion in 2025. However, investment remained concentrated in a handful of economies. Guyana and the Dominican Republic accounted for approximately 85 per cent of inflows outside OFCs. In Guyana, investment remained closely linked to hydrocarbon development, whereas inflows to the Dominican Republic were distributed across a broader range of sectors, including tourism, logistics, energy, manufacturing and business services. Suriname also recorded a strong increase linked to resource-related investment. By contrast, inflows to other economies remained comparatively modest, while Trinidad and Tobago continued to record net divestment. Relative to the size of their economies, however, FDI is significant in several Caribbean countries, underscoring both its potential contribution and their exposure to fluctuations in the international investment landscape.

A similar pattern emerges when considering project-level data. Greenfield investment recovered in 2025 but remained concentrated in a small number of economies and large projects. Trinidad and Tobago, the Dominican Republic and Guyana accounted for more than 90 per cent of announced greenfield projects. International project finance also remained driven by a limited number of large transactions, with activity concentrated in renewable energy, transport and other infrastructure sectors. Across investment modes, regional outcomes continue to be shaped by relatively few projects and investors.

At the same time, there are signs that the investment landscape is gradually broadening. Investors from developing economies increased their presence in 2025, with logistics, transport, renewable energy, digital services and selected manufacturing activities gaining prominence alongside tourism and extractive industries. Tourism remains a major pillar of investment across the region, but recent trends suggest opportunities for diversification into a wider range of activities.

The report highlights that the contribution of investment to the Caribbean's development depends not only on the volume of capital attracted but also on its capacity to strengthen productive capabilities. In resource-rich economies, recent inflows have created significant opportunities, but their longer-term development impact will depend on stronger linkages between foreign investors and domestic firms through supplier development, infrastructure, technology transfer and skills formation. More broadly, international investment can support transformation more effectively when it crowds in domestic investment and strengthens the capacity of local firms to participate in global value chains. The region's competitiveness will increasingly depend on productive capacity, connectivity, institutional effectiveness and the ability to translate investment into broader economic transformation.

The report identifies significant opportunities in sustainable and resilient investment. Renewable energy, transport and logistics infrastructure, digital services, sustainable tourism and modern business services offer promising avenues for diversification and growth. This is particularly important in a region highly exposed to climate-related shocks and with significant adaptation needs. Yet a substantial financing gap remains in climate adaptation. While renewable energy

projects have attracted considerable international investment, adaptation projects continue to struggle to mobilize private capital despite the Caribbean's high exposure to climate-related risks. Development finance institutions and risk-sharing mechanisms thus remain critical for financing climate resilience and sustainable infrastructure.

Recent policy developments have focused primarily on investment facilitation, promotion and institutional strengthening. Governments across the region have expanded one-stop services, streamlined procedures and strengthened investment promotion frameworks. More than three quarters of investment policy measures adopted in the Caribbean since 2016 have been favourable to investors, with incentives and facilitation accounting for the largest shares. This points to an increasing emphasis on implementation, investor services and targeted promotion rather than broad-based liberalization. As competition for investment intensifies, efficient investor services, regulatory predictability and effective institutions are becoming increasingly important determinants of investment performance.

The report also points to the untapped potential of regional investment integration and coordination. Intra-Caribbean investment remains limited relative to the region's economic potential. Stronger regional linkages could help address the constraints associated with small and fragmented markets, support cross-border investment projects and deepen regional value chains. More coordinated approaches to investment promotion and policy implementation could further strengthen the Caribbean's attractiveness as an investment destination.

The challenge for the Caribbean is therefore not simply to attract more capital. It is to channel investment towards diversification, productivity growth, climate resilience and sustainable development. The region's long-term prospects will depend as much on the quality and developmental impact of investment as on its scale.



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Key findings

FDI inflows to the Caribbean increased in 2025, but regional aggregates continue to mask large differences across economies

Excluding offshore financial centres (OFCs), foreign direct investment (FDI) inflows to the rest of the region reached about $18 billion in 2025, rising for a second consecutive year but still representing only a small share of global investment. OFCs continue to account for a large proportion of recorded Caribbean FDI.

Investment remains highly concentrated across economies, sectors and projects

In 2025, Guyana and the Dominican Republic accounted for approximately 85 per cent of FDI inflows to Caribbean economies excluding OFCs. Greenfield investment and international project finance were similarly concentrated, with a small number of economies and large projects contributing to significant year-to-year volatility and uneven investment outcomes across the region.

The Caribbean investment landscape is gradually diversifying

Investors from developing economies increased their presence in 2025, and investment activity expanded beyond tourism and traditional services into logistics, renewable energy, digital services and selected manufacturing activities.

Fragmented markets continue to constrain investment opportunities

Intra-Caribbean investment remains limited, while stronger linkages between regional investors and domestic firms could help overcome the constraints associated with small markets, support cross-border investment projects and enhance the Caribbean's attractiveness as an investment destination.

International project finance remains highly reliant on direct lending

Between 2000 and 2025, direct loans were the predominant financing instrument in both SIDS and the Caribbean, while guarantees and other risk-sharing instruments were used far less frequently. This suggests potential for a greater role of derisking instruments in mobilizing private investment, particularly for infrastructure and climate-resilience projects.

Investment policy is increasingly focused on facilitation

More than three quarters of investment policy measures adopted in the Caribbean since 2016 have been favourable to investors, with incentives and facilitation accounting for the largest shares. Effective institutions, investor services and regulatory predictability are becoming increasingly important success factors in attracting FDI.

FDI INFLOWS

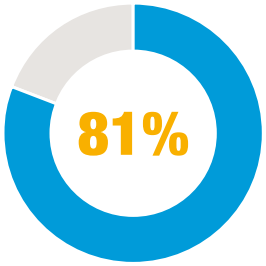
$97 bn

+10% vs 2024

Excluding offshore financial centres
(BVI and Cayman):

$18 bn

(+9% vs 2024)

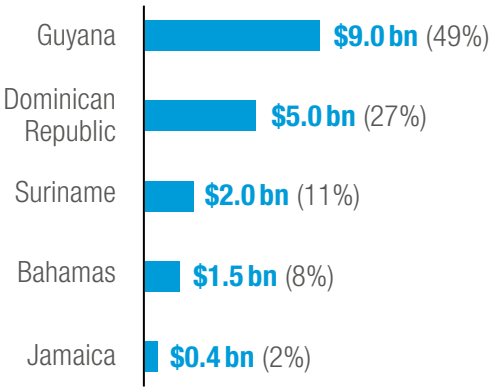


of total inflows were in BVI and Cayman

BVI:
$43 bn

Cayman Islands:
$36 bn

Top FDI recipients excluding offshore centres, 2025
(Billions of dollars and share of total excluding BVI and Cayman)



GREENFIELD PROJECTS

$4.7 bn

+33% vs 2024

- Top 3 destinations = 93% of 2025 value
- Led by Trinidad and Tobago, Dominican Republic and Guyana
- Top sectors: oil and gas, metals, transport

INTERNATIONAL PROJECT FINANCE

$3.5 bn

7 deals

-36% vs 2024

- Main sectors: oil and gas, renewable energy and power

INVESTMENT POLICY

25 measures

2021–2025

-36% vs 2024

- 76% favourable to investors
- Incentives and facilitation were the main types

FDI stock sources excl. BVI and Cayman
(Share of total, 2024)



FDI intensity
(Share of GPD)



Source: UNCTAD, based on FDI/MNE database, fDi Markets, LSEG Data & Analytics and Investment Policy Monitor database.

1. Introduction

Global foreign direct investment (FDI) increased by 6 per cent in 2025. However, this was driven by a limited number of large transactions and host economies. In the Caribbean region, FDI inflows increased by 10 per cent. Analogous to the global trend, this increase was also highly concentrated.

The economic outlook for the Caribbean remains uneven. The region grew by 6.1 per cent in 2025, but by only 1.4 per cent when Guyana is excluded, illustrating the extent to which aggregate regional performance can be shaped by a small number of rapidly expanding economies. This divergence is expected to persist: Caribbean growth is projected at 5.6 per cent in 2026 and 7.9 per cent in 2027, compared with 1.1 per cent and 2.2 per cent, respectively, excluding Guyana (ECLAC, 2026a).

Against this backdrop, understanding investment dynamics in smaller and more vulnerable economies is important. That is particularly the case for the Caribbean, where international investment plays a critical role in financing development, supporting productive capacity, facilitating technology transfer and funding infrastructure essential for economic transformation and climate resilience. Despite recent improvements in investment and access to external financing, mobilizing capital at the scale required to meet sustainable development and climate adaptation needs remains a major challenge. Caribbean economies face structural vulnerabilities associated with climate change, demographic pressures, technological transformation and migration, while increasingly frequent and severe climate-related shocks place additional pressure on infrastructure, livelihoods and public finances (United Nations Caribbean, 2026).

This report examines the economies of the Caribbean region classified by the United Nations as Small Island Developing States (SIDS), as well as other member States of the Caribbean Community (CARICOM) that fall outside this classification[1].

There is much to be learned about investment dynamics in the region. Most assessments examine Caribbean economies either within broader analyses of Latin America and the Caribbean or as part of global discussions about SIDS. That approach can add valuable insights but, on the other hand, can obscure the distinctive characteristics, opportunities and constraints shaping investment outcomes across the Caribbean.

This first edition of the Caribbean Investment Report by UNCTAD seeks to address that gap. The report contains a dedicated assessment of different international investment modes in the Caribbean. It responds to a growing demand among policymakers, investment promotion agencies, development finance institutions and private-sector stakeholders for evidence and analysis tailored to the realities of Caribbean economies.

The structure of investment flows into the region provides a rationale for the analysis. Regional FDI statistics are influenced by a small number of offshore financial centres, accounting for a significant share of recorded inflows. As a result, headline Caribbean figures can mask

[1] The report covers 16 Caribbean countries: Antigua and Barbuda, the Bahamas, Barbados, Belize, Cuba, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago. It also covers separately the territories of Anguilla, Aruba, the British Virgin Islands, the Cayman Islands, Curaçao, Montserrat and Saint Maarten.

investment trends in other economies of the region, where FDI is more closely linked to productive activity, employment creation and sustainable development. Excluding OFCs, the Caribbean represents only a marginal share of global FDI, underscoring the importance of examining investment performance beyond regional aggregates. A disaggregated approach is therefore needed to understand the distinct opportunities and challenges facing most Caribbean economies.

The timing of this inaugural report is significant. Shifts in international production networks, technological change, industrial policy initiatives and the transition to low-carbon development are reshaping the global investment landscape. Caribbean economies need to mobilize investment for economic diversification, sustainable infrastructure and climate resilience. These investment needs are particularly pressing in economies where fiscal constraints and high exposure to climate shocks limit the scope for public investment. The challenges are heightened by limited domestic markets, geographic dispersion, exposure to external economic and nature-related shocks and constrained fiscal space. Ensuring that investment contributes effectively to long-term development objectives will require policies that attract capital while strengthening its developmental impact.

The report provides a comprehensive assessment of international investment in the Caribbean. The analysis employs UNCTAD's investment databases and complementary project-level information (box 1). The statistics contribute to examining the channels through which international capital reaches the region - including foreign direct investment, announced greenfield projects, and international project finance. The analysis aims to provide evidence that supports policy dialogue and contributes to a better understanding of the role of investment in advancing the Caribbean's development prospects.

Box 1
Investment data used in this report

Investment data

UNCTAD reports international investment trends based on foreign direct investment (FDI) statistics – stocks and flows, inward and outward – provided by Member States, as well as data on two types of investment projects:

- Greenfield projects: Announcement-based data that reflect investment intentions in the reporting year and signal directional FDI trends ahead. These projects mostly occur in industrial sectors.
- International project finance (IPF) deals: Large-scale projects involving multiple investors and containing a significant debt component. These projects mostly occur in infrastructure sectors.

The data on the two types of projects are treated separately and are used as complementary information to explain productive FDI trends. They are statistically distinct from FDI data based on the balance of payments. For example, greenfield project announcements include estimates for projected capital expenditures in the future, not actual financial flows in the reporting year. Likewise, only a part of IPF values translates into FDI.

Project data are sourced from The Financial Times Ltd, fDi Markets (www.fDimarkets.com) for greenfield projects and from LSEG Data & Analytics for IPF. Full details on the coverage and data collection criteria, statistical methods and sources for each database can be found in the online-only methodological notes published with the *World Investment Report*. Some projects, particularly smaller ones, may not be captured in these databases, therefore do not provide an exhaustive inventory of all investment projects.

In UNCTAD's standard global and regional FDI aggregates, Caribbean offshore financial centres (OFCs) are usually excluded from the totals. This report adopts a broader approach by considering both OFCs and other Caribbean economies. Where analytically relevant, results are also presented separately excluding OFCs.

Source: UNCTAD.

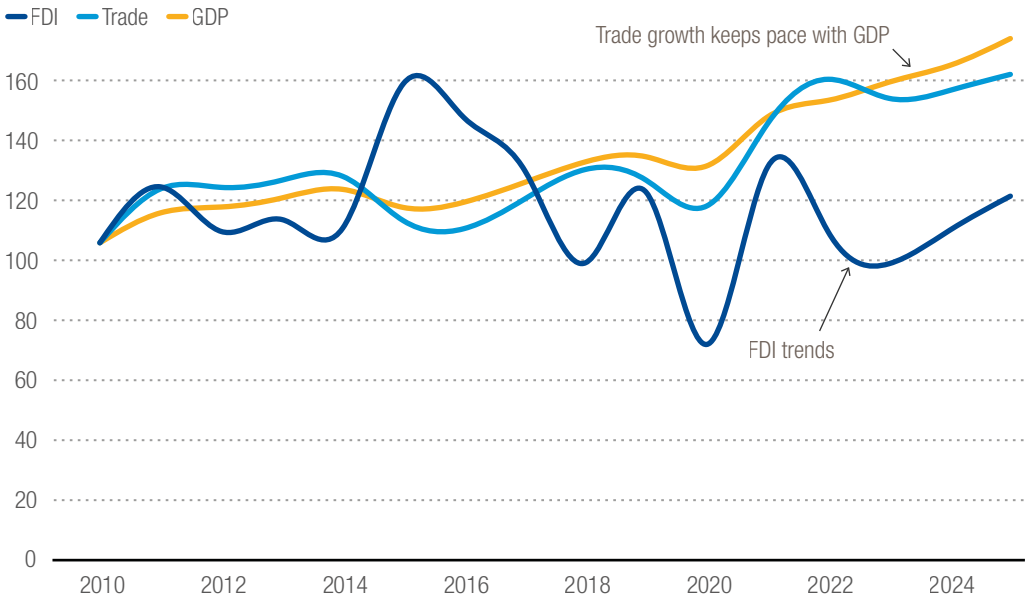
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2. Caribbean investment trends: scale, concentration and volatility

Global foreign direct investment (FDI) recovered moderately in 2025, but the underlying trend remained weak. Global FDI inflows increased by 6 per cent to $1.6 trillion, from $1.5 trillion in 2024. Excluding conduit flows through major financial centres, the increase was more limited, at 4 per cent. Over the longer term, FDI has lagged other indicators of international economic activity: while global GDP and trade expanded steadily between 2010 and 2025, FDI remained comparatively subdued and volatile. Year-to-year movements continued to be affected by large transactions, corporate restructuring and financial flows, underscoring the distinction between headline FDI flows and changes in underlying productive investment (UNCTAD, 2026a) (figure 1).

Figure 1
The long-term trend in foreign direct investment remains weak
FDI, trade and GDP trends, indexed 2010 = 100



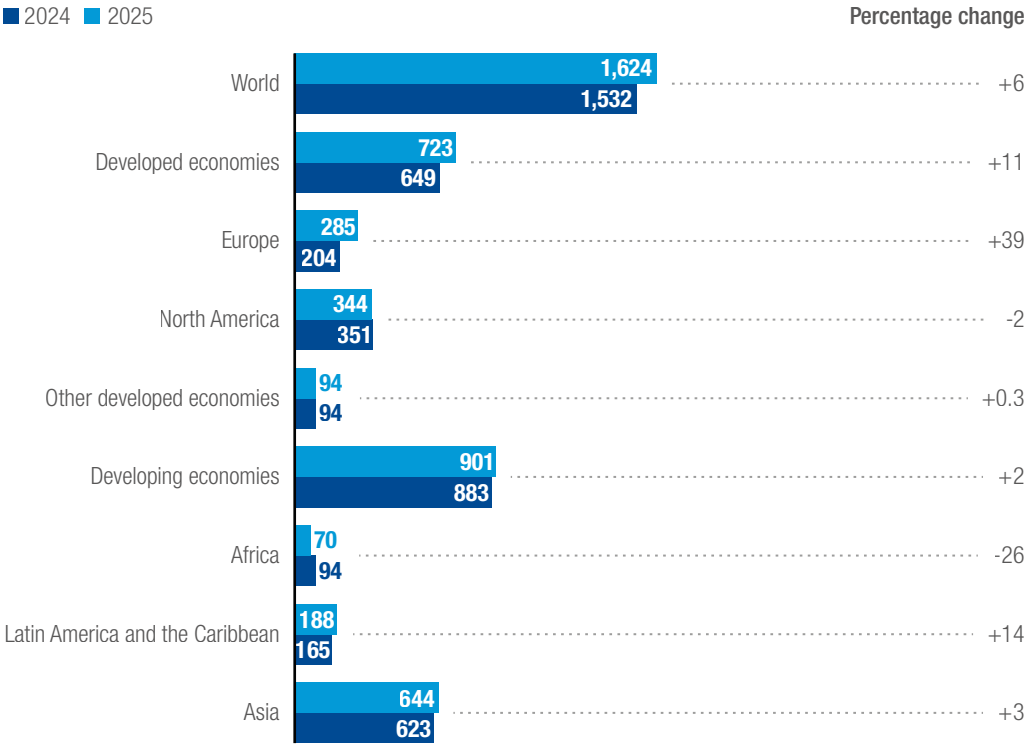
Source: UNCTAD, based on International Monetary Fund for GDP and trade.
Note: GDP is at current prices; trade is value of goods and services exports. Data presented excludes OFCs.
Abbreviations: FDI, foreign direct investment; GDP, gross domestic product.

The recovery in 2025 was uneven across country groups. FDI inflows to developed economies increased by 11 per cent to $723 billion, whereas flows to developing economies rose by only 2 per cent to $901 billion. FDI inflows to Latin America and the Caribbean, excluding Caribbean OFCs, rose 14 per cent to $188 billion, roughly a fifth of all FDI flowing to developing economies and a sharper rise than developing economies overall (UNCTAD, 2026a) (figure 2).

Figure 2

FDI inflows recovered in 2025, with Latin America and the Caribbean recording strong growth

FDI inflows by development level and region (Billions of dollars and percentage change)



Source: UNCTAD, FDI/MNE database.

Note: Data presented excludes OFCs.

FDI flows to the Caribbean have been highly volatile over the past decade, reflecting two structural features of the region's investment landscape. First, OFCs in the region account for a disproportionately large share of recorded FDI, and these flows can fluctuate substantially from year to year. Second, outside these economies, the relatively small number of investment projects means that individual announcements can lead to sizeable fluctuations in aggregate FDI flows.

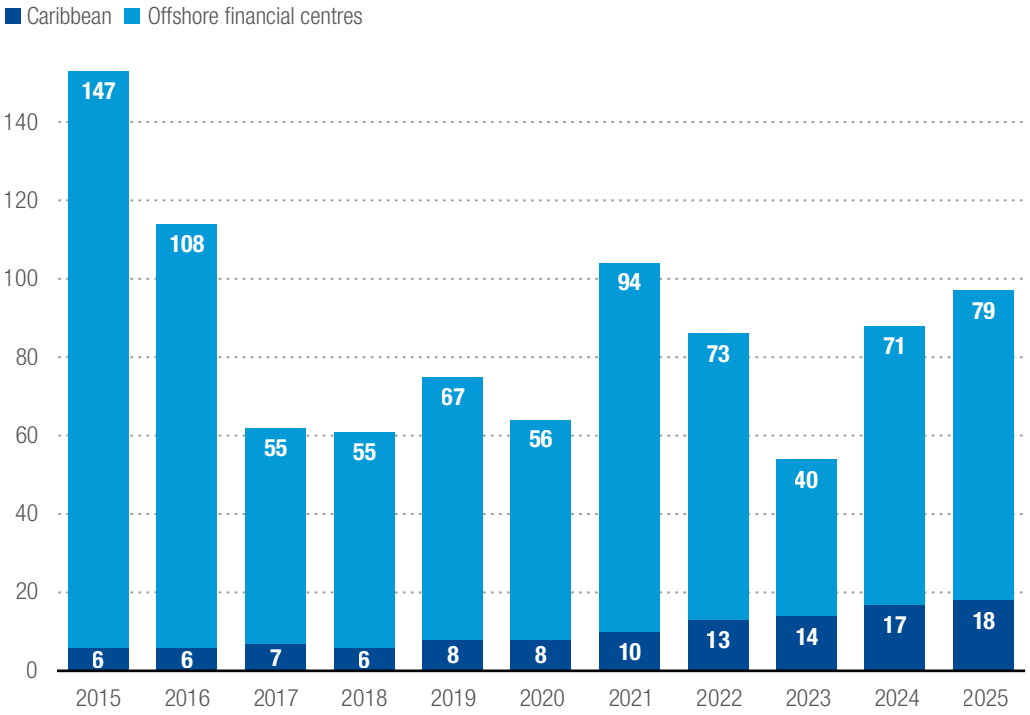
Taking into account OFCs, inflows peaked at $153 billion in 2015, fell sharply to $62 billion in 2017, and remained below $100 billion through 2020. Although inflows recovered to $104 billion in 2021, the upswing was not sustained, with flows declining to $54 billion in 2023, the lowest level recorded during the period. Inflows subsequently increased for two consecutive years, reaching $97 billion in 2025, up 10 per cent from $88 billion in 2024 (figure 3).

Aggregate FDI figures mask a highly concentrated pattern of investment across the Caribbean. In 2025, the British Virgin Islands and the Cayman Islands accounted for more than four fifths of total regional inflows, receiving $43 billion and $36 billion, respectively. Consequently, movements in aggregate FDI are driven predominantly by developments in the OFCs rather than by investment trends in most economies of the region (figure 4). Excluding them, FDI inflows rose steadily to $18 billion in 2025, an increase of 9 per cent over the previous year. Despite this growth, the region captured only 1.1 per cent of global FDI inflows, highlighting both the small scale of investment reaching most Caribbean economies and the need for a more disaggregated assessment of regional investment performance.

Figure 3

FDI inflows in the Caribbean remain volatile and heavily concentrated in offshore financial centres

FDI inflows in the Caribbean (Billions of dollars)



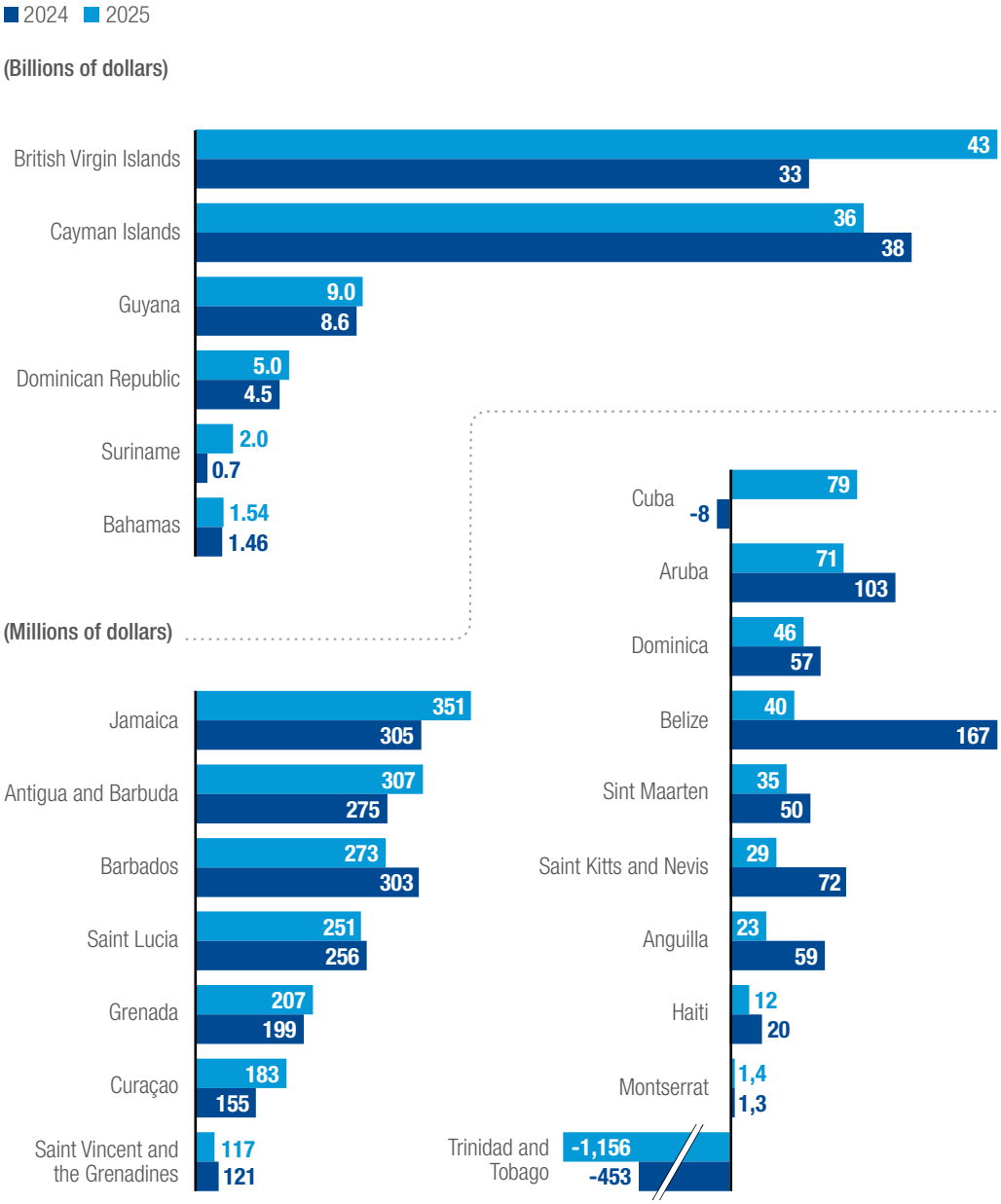
Source: UNCTAD, FDI/MNE database

Excluding OFCs, Guyana was the largest recipient, with inflows of $9 billion, followed by the Dominican Republic ($5 billion) and Suriname ($2 billion). Inflows to other Caribbean economies remained below $2 billion, while Trinidad and Tobago recorded net divestment of $1.2 billion. Across the Caribbean, FDI outside OFCs remained concentrated in tourism, real estate, energy and selected services, and in a limited number of economies (UNCTAD, 2026a). The Dominican Republic remained one of the most consistent recipients of investment in productive activities, supported by tourism, logistics and related services, while Guyana's emergence as a major recipient is more recent and closely linked to the expansion of hydrocarbon investment (ECLAC, 2026b).

FDI trends diverged markedly across individual Caribbean economies in 2025. The increase in regional inflows was largely driven primarily by the British Virgin Islands, where FDI increased by 31 per cent to $43 billion. Although inflows to the Cayman Islands declined by 7 per cent, the territory remained the region's second-largest recipient. Excluding OFCs, inflows increased in Guyana and in the Dominican Republic, reaching $9 billion and $5 billion, respectively, while Suriname recorded the strongest growth, with inflows more than tripling, from $0.7 billion to $2 billion, also linked to hydrocarbon developments (ECLAC, 2026b). Beyond these three economies, FDI inflows remained relatively modest. In Trinidad and Tobago, however, divestment increased to $1.2 billion in 2025, compared with $453 million in the previous year, due to negative reinvested earnings.[2]

[2] Negative reinvested earnings indicate that the dividends paid out to the parent company by the direct investment enterprise are higher than current income recorded (if that is the decision of the board of managers) or that the direct investment enterprise is operating at a loss.

Figure 4
FDI remains highly concentrated in a few economies
FDI inflows by Caribbean economy, 2024–2025



Source: UNCTAD, FDI/MNE database.

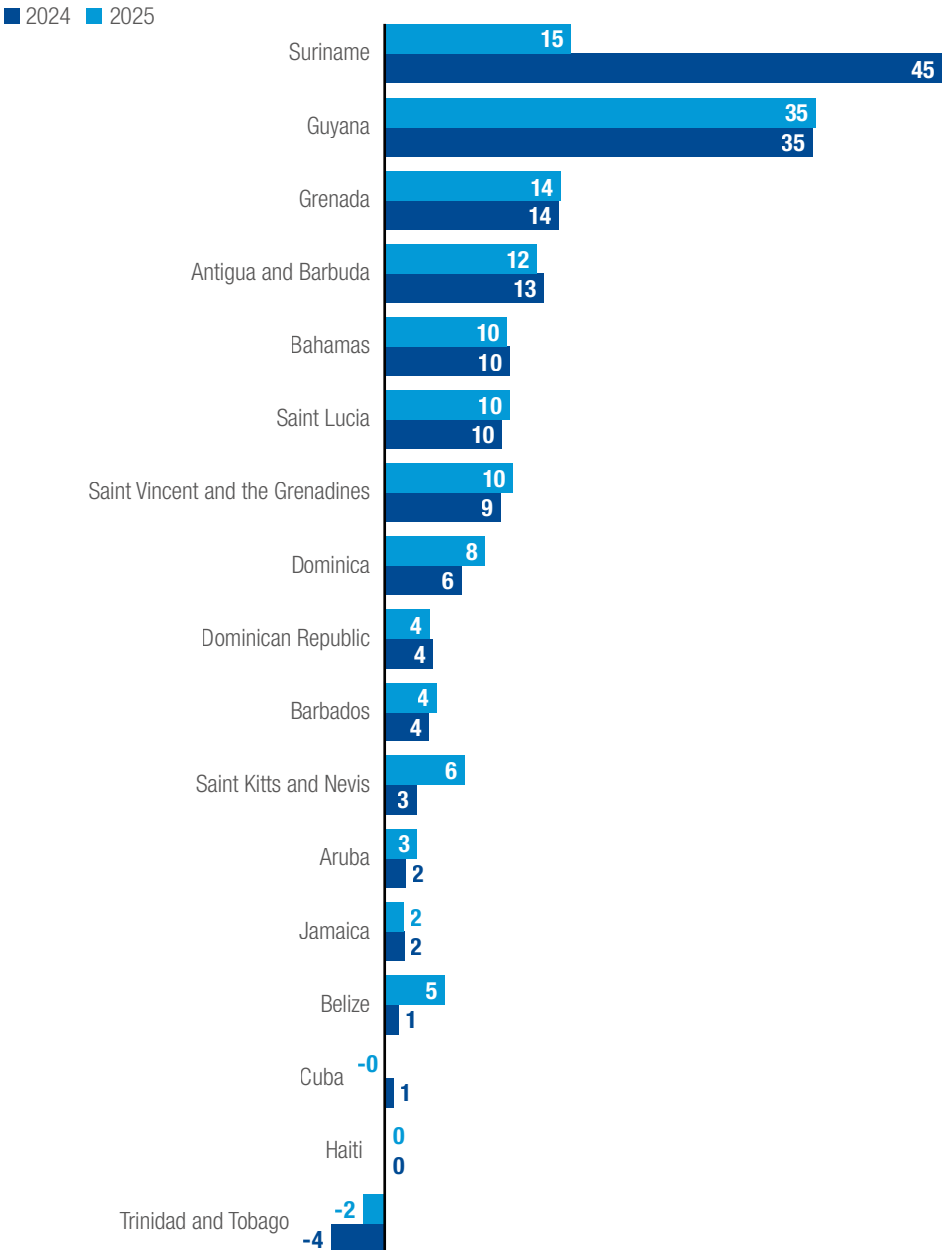
Comparisons based on absolute FDI inflows alone overlook differences in economic scale. The importance of FDI varies considerably across Caribbean economies when measured relative to GDP. In 2025, FDI inflows were equivalent to 35 per cent of GDP in Guyana and 45 per cent in Suriname. FDI was also sizeable relative to GDP in several smaller economies, including Grenada, Antigua and Barbuda and the Bahamas. By contrast, the Dominican Republic, one of the region's largest recipients in absolute terms, recorded inflows equivalent to about 4 per cent of GDP. This contrast highlights the importance of considering both the absolute scale of FDI and its magnitude relative to host-economy size when assessing investment patterns across the Caribbean (figure 5).

FDI intensity remained broadly unchanged across most Caribbean economies between 2024 and 2025, with some exceptions. Suriname recorded by far the largest increase, while the ratios declined markedly in Belize and Saint Kitts and Nevis. In Trinidad and Tobago, net negative inflows was equivalent to 4.4 per cent of GDP in 2025, compared with 1.8 per cent in 2024.

Figure 5

Suriname and Guyana recorded by far the highest FDI inflows relative to GDP in the Caribbean

FDI inflows as a share of GDP, by economy, 2024–2025 (Percentage)



Source: UNCTAD, FDI/MNE database and IMF, World Economic Outlook database; for Cuba, CEPALSTAT.

Note: The figure excludes the British Virgin Islands, Cayman Islands, Curaçao, Sint Maarten, Anguilla and Montserrat, for which GDP data were not available in the IMF World Economic Outlook database or CEPALSTAT.

The geographical origin of inward FDI stock provides a further indication of the influence of OFCs on regional investment patterns. When the British Virgin Islands and Cayman Islands are included, Hong Kong (China), China and the United States dominate the source structure. In 2024, Hong Kong (China) accounted for 28 per cent of Caribbean inward FDI stock, China for 23 per cent and the United States for 19 per cent. The composition also changed markedly from 2015, when Hong Kong (China) and the United States each accounted for around one third of the total, while China's share was only 6 per cent (figure 6a).

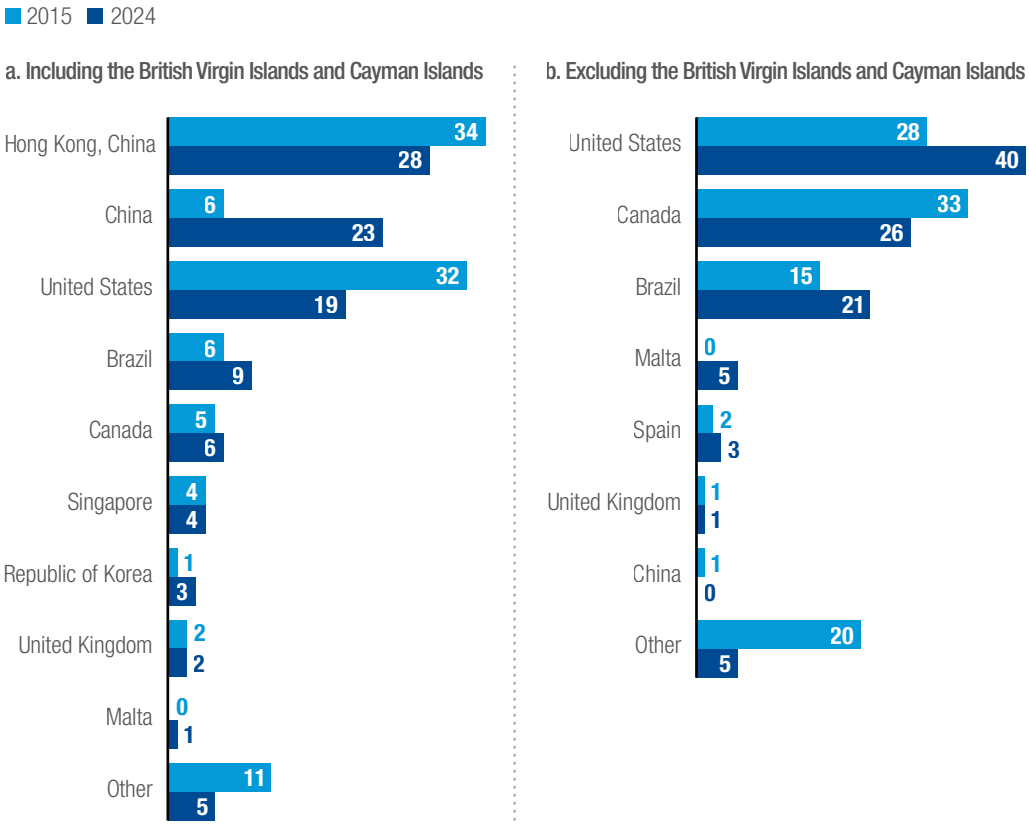
Excluding the two OFCs, however, the source composition is substantially different and increasingly concentrated. In 2024, the United States accounted for 40 per cent of inward FDI stock, followed by Canada (26 per cent) and Brazil (21 per cent). Together, these three economies represented 87 per cent of the total, up from 77 per cent in 2015. The contrast partly reflects the role of offshore financial centres as intermediaries in cross-border investment. FDI recorded in jurisdictions such as the British Virgin Islands and Cayman Islands does not necessarily represent investment ultimately deployed in those economies, as funds may be routed through holding companies or special-purpose entities before reaching their final destination (UNCTAD, 2022) (figure 6b).

Announced greenfield projects provide a complementary perspective on new investment activity in the region. This distinction is important because the large financial flows associated with offshore centres can make FDI inflows appear disproportionately high relative to real

Figure 6

Offshore financial centres strongly shape the source composition of Caribbean FDI stock

Inward FDI stock by main source economy, 2015 and 2024 (Percentage)

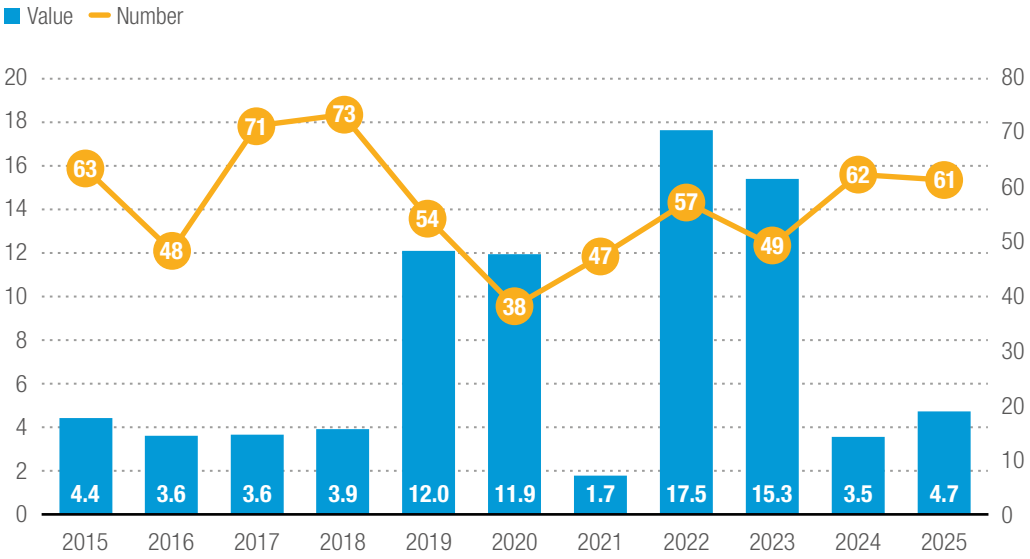


Source: UNCTAD, FDI/MNE database.

investment activity. As a result, relative to FDI flows, announced greenfield investment remains consistently below the global average (0.1 in the Caribbean *versus* 0.7 globally) over 2015–2025.

Greenfield investment has nevertheless been highly volatile over the past decade, reflecting the influence of large individual projects in relatively small economies. Announced investment increased from $4.4 billion in 2015 to nearly $18 billion in 2022, before declining to $3.5 billion in 2024. In 2025, announced investment rose by 33 per cent to $4.7 billion. The increase was not accompanied by a rise in project numbers, suggesting that the recovery reflected larger project announcements rather than a broad-based strengthening of investment activity (figure 7).

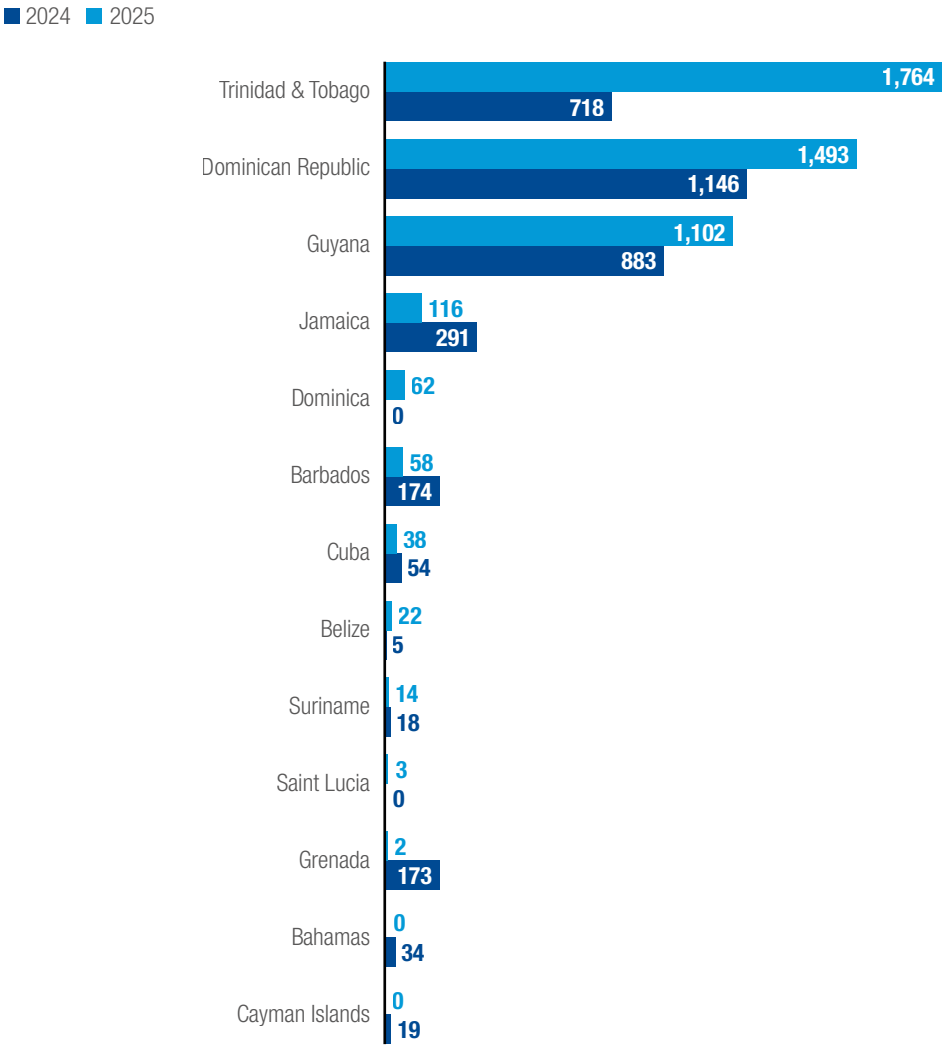
Figure 7
Large projects shape greenfield investment trends
Announced greenfield projects in the Caribbean (Billions of dollars and number)



Source: UNCTAD, based on information from The Financial Times ltd, fDi Markets (www.fDimarkets.com).

The slight 2025 recovery was also highly concentrated geographically. Trinidad and Tobago recorded the largest increase, with project values more than doubling from $718 million to $1.8 billion, driven almost entirely by three oil and gas projects announced by British Petroleum (United Kingdom). Investment also further strengthened in the Dominican Republic and Guyana, by 30 per cent and 25 per cent, respectively, to $1.5 billion and $1.1 billion. In the Dominican Republic, the increase was led by a $760 million logistics and warehousing project by DP World (United Arab Emirates), complemented by investment in tourism, renewable energy and manufacturing (box 2). In Guyana, the rise was driven mainly by a $973 million gold-mining project announced by G Mining Ventures (Canada), alongside smaller metals-related investment. Together, these three economies accounted for 93 per cent of the value of announced greenfield investment in the Caribbean in 2025. Across the rest of the region, investment activity remained subdued. Announced project values declined in Jamaica, Barbados and Grenada, and remained below $100 million in most other Caribbean economies, while several economies recorded no announced greenfield project in either 2024 or 2025 (figure 8). The geographical distribution of greenfield investment thus differs markedly from that of FDI inflows, which underscores the importance of considering different investment modalities when assessing international investment activity.

Figure 8
Greenfield investment has risen, but remained concentrated
Announced greenfield projects in the Caribbean (Millions of dollars, 2024–2025)



Source: UNCTAD, based on information from The Financial Times ltd, fDi Markets (www.fDimarkets.com).

Note: Antigua and Barbuda, Aruba, Haiti and Saint Kitts and Nevis are not shown in the graph, as their values are negligible at the scale of the figure.

Concentration is equally evident among source economies. Greenfield investment in the Caribbean has traditionally originated from a relatively small number of countries, although the composition of investors has varied significantly over time. During 2015-2025, the United States was the largest source economy, accounting for 58 per cent of announced greenfield investment, followed by Spain with 14 per cent. Together, the two countries represented more than 70 per cent of the value of announced investment during the decade.

The pattern in 2025 differed markedly from the longer-term trend. The United Kingdom was the largest source of announced investment in 2025 ($1.8 billion), followed by Canada ($1.0 billion), the United Arab Emirates ($0.8 billion) and the United States ($0.6 billion). Collectively, these four economies accounted for almost 90 per cent of announced greenfield investment in the region, underscoring the high degree of concentration among a limited number of investors (figure 9).

Box 2
Dominican Republic: from FDI attraction to strategic diversification

The Dominican Republic is entering a new phase in its FDI strategy. Building on a strong record of attracting investment in tourism, renewable energy, logistics, services and export-oriented manufacturing, the country is seeking to diversify into higher-value, technology-intensive activities.

FDI inflows reached a record $5 billion in 2025, an increase of 11 per cent over the previous year. Signs of this shift are already visible in the country's export and investment profile. Exports of medical and pharmaceutical products reached $2.9 billion in 2025, while exports of electrical and electronic products amounted to $1.17 billion. The country's free zones have also helped establish a competitive base in electronics and medical devices, providing a foundation for further upgrading in advanced manufacturing and life sciences.

The energy transition is also reshaping the investment landscape. Renewable sources account for around one quarter of electricity generation, while the energy sector's share of total FDI increased from 9 per cent in 2019 to 25 per cent in 2025. Together, these trends suggest a steady diversification of the country's productive and investment structure.

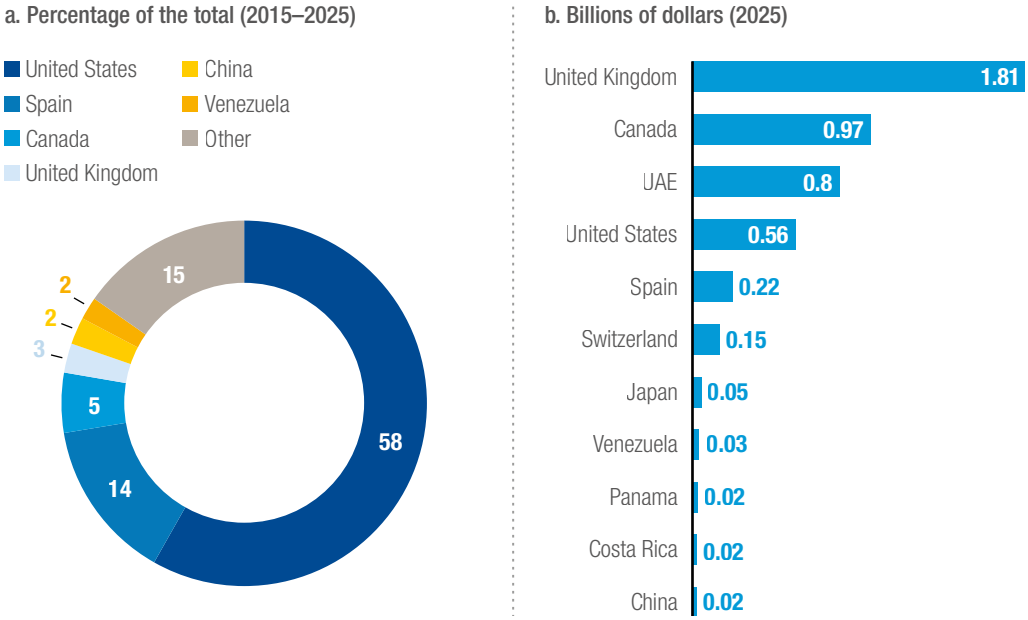
Investment facilitation has become a central pillar of the country's investment strategy. The "Burocracia Cero" programme and the Meta RD 2036 framework have streamlined and digitized investment procedures through the Single Investment Window, cutting response times by 50 per cent and reducing administrative costs by the equivalent of 1.3 per cent of GDP. Complementing these reforms, the FDI Attraction and Expansion Plan 2025-2036 targets investment in advanced manufacturing, ICT, life sciences, aerospace and logistics, while placing greater emphasis on investor aftercare and reinvestment. This focus reflects the importance of retained investment, as reinvested earnings accounted for an average of 45 per cent of FDI inflows between 2010 and 2024. The strategy also aims to deepen local linkages and support skills development, innovation and export growth.

Sector-specific strategies complement this approach by targeting FDI in higher-value activities in electronics and modern services. In semiconductors, the strategy builds on the country's established electronics manufacturing base to expand into printed circuit board manufacturing and semiconductor assembly, testing and packaging. The National Strategy for the Promotion of the Semiconductor Industry (ENFIS) supports this effort by deepening industrial capabilities and developing the skills required for more advanced activities. In parallel, the National Strategy for the Export of Modern Services (ENESM) aims to attract investment in knowledge-intensive and digitally deliverable activities, supporting a shift from business process and information technology outsourcing towards software development, cloud computing and data services. Recent investments by Google, NVIDIA and Amazon Web Services reinforce the country's ambition to become a regional digital services hub.

Diversification efforts also extend to aerospace and logistics, where policy initiatives seek to enhance the Dominican Republic's role as a regional production and distribution platform. Across these sectors, the emphasis is on linking investment attraction with workforce development and the upgrading of domestic productive capabilities.

Source: UNCTAD, based on PRODOMINICANA, 2026.

Figure 9
Greenfield investment sources shifted in 2025
Announced greenfield investment in the Caribbean by source economy, 2015–2025 (percentage of the total) and 2025 (Billions of dollars)



Source: UNCTAD, based on information from The Financial Times ltd, fDi Markets (www.fDimarkets.com).

The emergence of the United Kingdom as the largest source of greenfield investment in 2025 was driven almost entirely by three oil and gas projects announced by BP in Trinidad and Tobago, which accounted for almost 97 per cent of UK greenfield investment in the Caribbean that year. Beyond these large energy projects, UK investment was distributed across a range of smaller projects in several economies, including business and financial services, real estate and energy. Notably, most of these projects are in Commonwealth Caribbean economies, including Belize, Barbados, Guyana and Jamaica, suggesting that longstanding commercial ties continue to shape investment patterns.

Although developed economies remained the main source of greenfield investment, developing-economy investors played a larger role in 2025. Developed economies accounted for 85 per cent of announced greenfield investment over 2015–2025, compared with 12 per cent from other developing economies and 3 per cent from within the Caribbean. In 2025, the share originating from other developing economies rose to 19 per cent, driven predominantly by investment from the United Arab Emirates, while the share of developed economies declined to 81 per cent (table 1). Intra-Caribbean greenfield investment, by contrast, remained limited, accounting for only 3 per cent of announced investment over 2015–2025 and less than 1 per cent in 2025. This highlights the persistent low levels of cross-border investment within the region and the potential for stronger regional investment linkages.

The sectoral distribution of announced greenfield investment in 2025 differed markedly from longer-term patterns. Coal, oil and gas remained the largest sector, with $1.8 billion in announced investment, although this was less than half its annual average of $3.9 billion over 2015-2025. By contrast, metals recorded $1.1 billion in announced investment in 2025, more than eight times its longer-term annual average, while transportation and warehousing reached $0.8 billion, around four times its historical average. Hotels and tourism, in comparison, highlights the impact of a small number of large projects in a given year (figure 10).

Table 1

Announced greenfield investment in the Caribbean, by source economy group, 2015–2025 and 2025

(Percentage of total value)

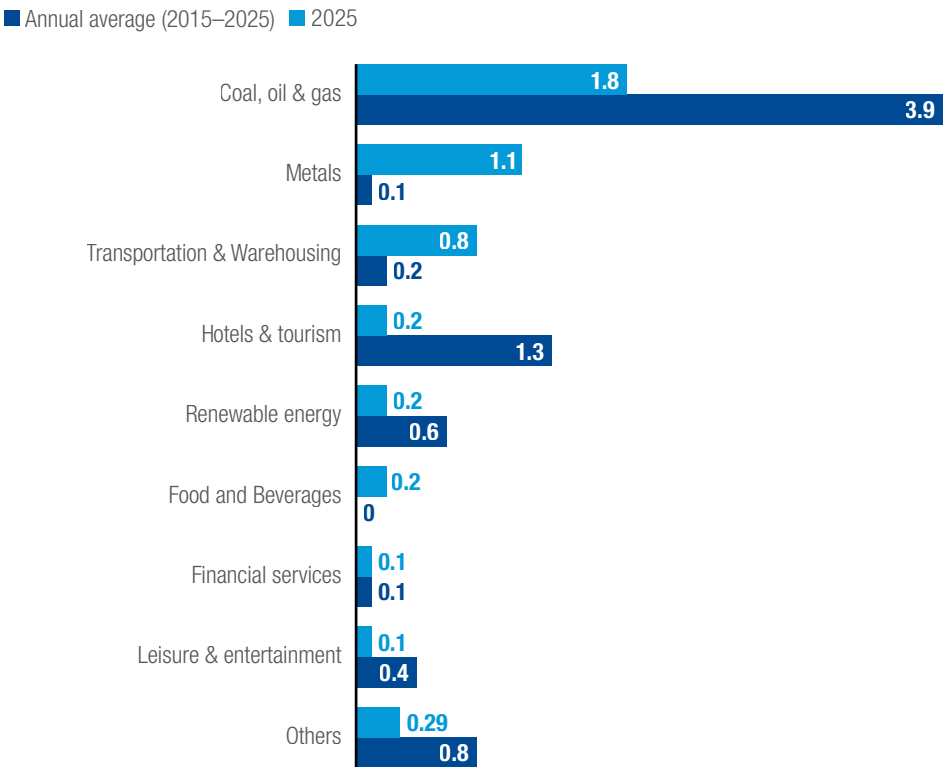
Source group	2015–2025	2025
Developed economies	85.4	80.5
Other developing economies	11.6	19.3
Intra-Caribbean	3.1	0.3

Source: UNCTAD, based on information from The Financial Times ltd, fDi Markets (www.fDimarkets.com).

Figure 10

Mining and logistics gained prominence in greenfield investment in 2025

Announced greenfield investment in the Caribbean, by sector, annual average 2015–2025 and 2025 (Billions of dollars)



Source: UNCTAD, based on information from The Financial Times ltd, fDi Markets (www.fDimarkets.com).

The prominence of extractive industries partly reflects the concentration of investment in a small number of large-scale projects. In coal, oil and gas, 94 per cent of the value of announced projects since 2019 is associated with multiple investments by ExxonMobil (United States) in Guyana, highlighting the importance of the country's emerging oil industry in shaping regional greenfield investment trends. Similarly, the sharp increase in the share of metals in 2025 was driven by a single gold-mining project announced by G Mining Ventures (Canada) in Guyana. The increase therefore does not necessarily indicate a broader regional shift towards metals investment.

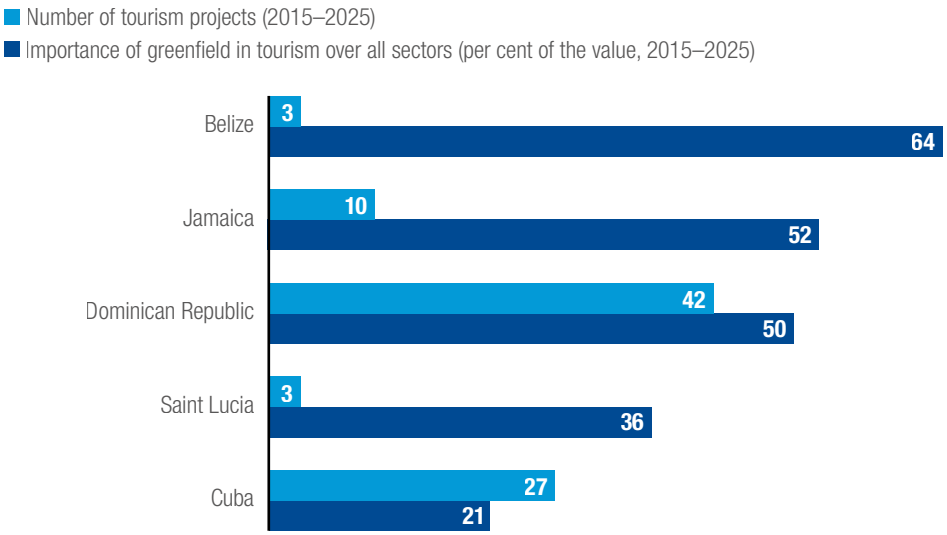
Tourism presents a different investment pattern. The sector plays a central role in Caribbean economies, accounting for approximately one third of regional GDP and directly employing 18 per cent of the labour force. Considering also indirect linkages, around one million of the region's 2.3 million workers depend on tourism for their livelihoods, underscoring its importance for income and employment generation across the region (ILO, 2025). This economic importance is reflected in longer-term investment patterns: hotels and tourism accounted for 18 per cent of the value of announced greenfield projects during 2015–2025, making it the second-largest sector after coal, oil and gas. However, announced investment has yet to return to pre-pandemic levels. After exceeding $2 billion annually in 2018–2020, project values fell sharply in 2021. The recovery in 2022 was not sustained, with announced investment falling to $1 billion in 2024 and $232 million in 2025.

Although tourism investment is concentrated in the Caribbean's largest destination economies, it remains an important investment channel across a much wider set of countries in the region. The Dominican Republic accounted for 61 per cent of announced greenfield investment in hotels and tourism during 2015–2025, followed by Jamaica (15 per cent) and Cuba (10 per cent), together representing 86 per cent of the regional total. At the country level, however, tourism represented half or more of all announced greenfield investment in the Dominican Republic and Jamaica, as well as in several smaller economies, including Antigua and Barbuda and Belize. It also represented substantial shares of greenfield investment in Grenada, Saint Lucia and Dominica. This highlights the significance of tourism on the regional investment landscape and the investment profiles of smaller Caribbean economies (figure 11).[3]

Figure 11

Tourism accounts for a large share of greenfield investment in most Caribbean economies

Hotels and tourism as a share of total announced greenfield investment, by economy (Percentage of the value) and number of projects announced, 2015–2025



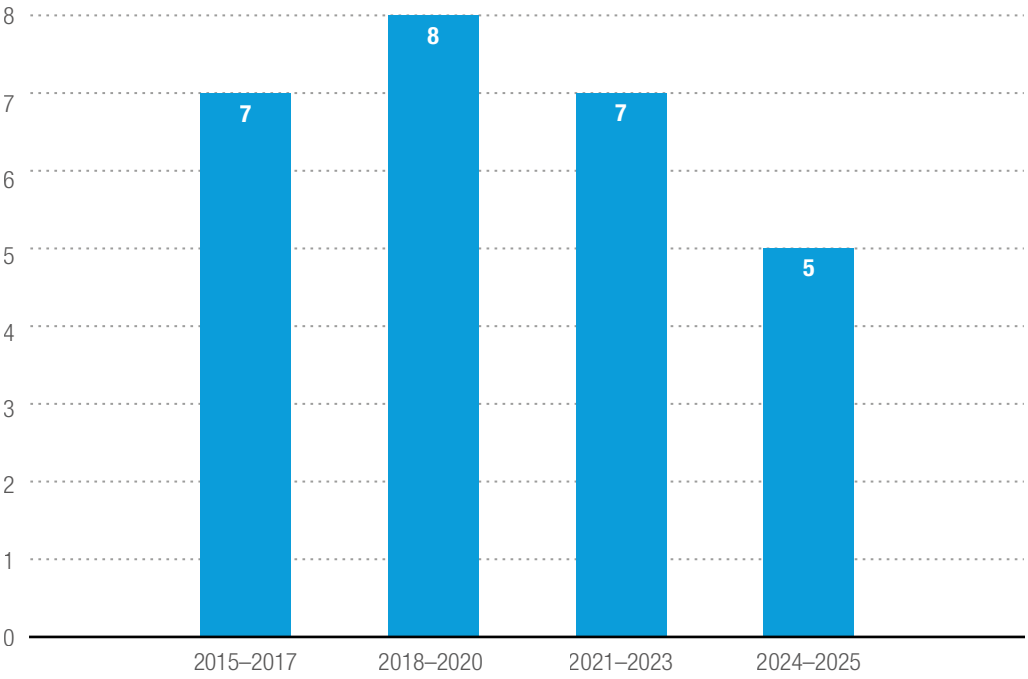
Source: UNCTAD, based on information from The Financial Times ltd, fDi Markets (www.fDimarkets.com).

Note: Only included countries with over 3 projects in the Tourism sector. For Cuba, the share shown is based on projects classified directly under hotels and tourism. Using a broader tourism-related sector cluster raises the estimated share of announced greenfield investment associated with tourism activities from 21 per cent to 76 per cent. Results for other Caribbean economies remain broadly unchanged.

[3] Investment in sustainable tourism in SIDS will be examined in a joint UNCTAD-UN Tourism study, scheduled for publication in 2027.

While greenfield investment captures new investment activity across a broad range of sectors, international project finance provides a complementary perspective on the financing of large-scale infrastructure and other capital-intensive projects in the region. International project finance activity increased markedly in 2021 and 2022, when 27 projects were announced each year, but has declined steadily since. The number of projects fell to 15 in 2023, 13 in 2024 and 7 in 2025. Project values have been more volatile, reflecting the influence of large individual transactions. In 2025, announced project values fell to $3.6 billion, from $6.5 billion in 2024, the lowest level since 2019 (figure 12).

Figure 12
International project finance activity stabilizes
International project finance in the Caribbean, yearly average (Billions of dollars)



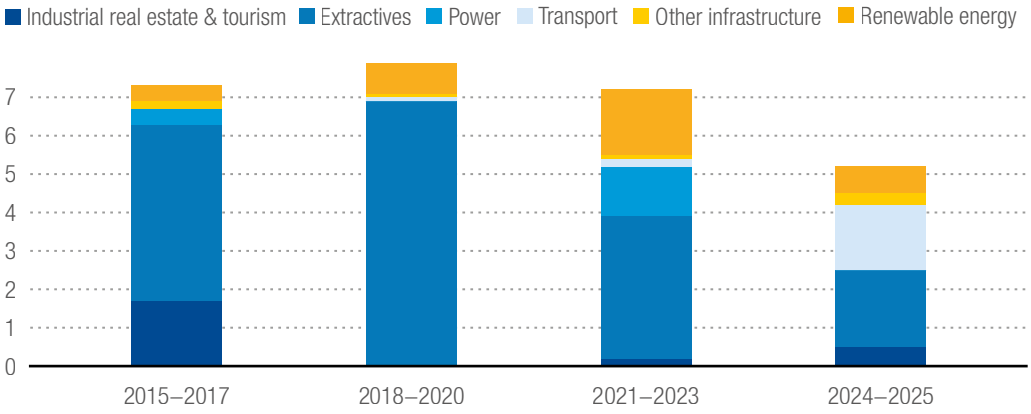
Source: UNCTAD, based on data from LSEG Data & Analytics.

The sectoral composition of international project finance in the Caribbean has changed substantially over the past decade. Extractive industries, particularly oil and gas and mining, drove international project finance until 2023, after which renewable energy generation and transport infrastructure emerged as the largest sectors. In 2024 and 2025, transport projects also gained in importance, attracting an average of about $1.7 billion annually. Other sectors have remained considerably smaller. Project finance for industrial real estate, including the development of manufacturing facilities and zones, and for hotels, which was relatively prominent earlier in the period, has declined to negligible levels in recent years. Other infrastructure sectors include telecommunications, water and sanitation, and waste management. Although these investments remain relatively small in value, they are particularly relevant for island economies, where connectivity, water security and climate resilience are critical development priorities. Their recent resurgence, albeit from a low base, may signal growing investor interest in key infrastructure in these economies. Overall, the shift towards renewable energy and transport reflects the growing importance of infrastructure investment in the region, while the decline in industrial real estate and tourism-related projects reflects the persistent challenges in diversifying these economies (figure 13).

Figure 13

The sectoral composition of project finance is shifting

International project finance in the Caribbean, yearly average (Billions of dollars)



Source: UNCTAD, based on data from LSEG Data & Analytics.

Note: Other infrastructure include telecommunication, water and sanitation and waste recycling. Renewable include green hydrogen (produced with renewables).

International project finance in the Caribbean has historically relied on a concentrated group of sponsor home economies. Sponsors from the United States accounted for more than three quarters of project values during 2015–2020, followed at a considerable distance by China, with less than 10 per cent, and Japan, with about 4 per cent. United States-sponsored projects were concentrated in extractive industries, while Chinese companies participated in a limited number of high-value projects in tourism and manufacturing, including the establishment of the Jamaica Gansu International Industrial Park, aimed at supporting the development of aluminum manufacturing on the island.

The composition of leading sponsors became more diversified after 2021. Although the United States remained the largest source, accounting for almost half of project values, renewable energy, mining and infrastructure attracted sponsors from a wider range of economies, including Canada, the United Kingdom, the Netherlands, and Spain (table 2).

Table 2

Top 5 leading sponsor home economies of international project finance in the Caribbean, 2015–2020 and 2021–2025

(Billions of dollars and percentage)

Sponsor Home Economy	2015–2020	Share (%)
United States	35.3	78
China	4.0	8.8
Japan	1.7	3.8
The Netherlands	1.3	2.8
United Kingdom	1.2	2.7

Sponsor Home Economy	2021–2025	Share (%)
United States	15.6	49
Canada	3.9	12
United Kingdom	3.8	12
The Netherlands	3.3	10
Spain	3.2	10

Source: UNCTAD, based on data from LSEG Data & Analytics.

Note: Total value of projects in which each sponsor participated. Totals do not sum to 100 per cent, as projects may involve more than one sponsor.

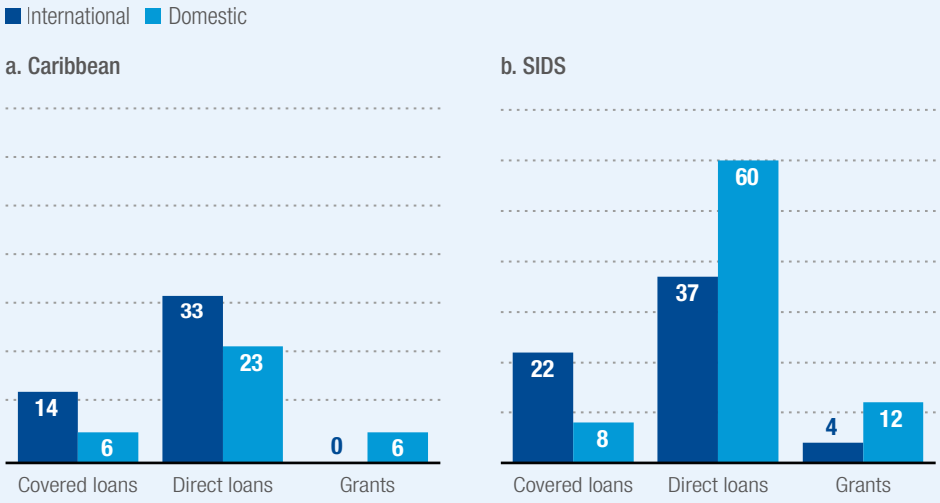
The United Arab Emirates became a more prominent source of investment after 2021, with projects in transport and renewable energy, including DP World's $860 million project to expand the port of Caucedo in the Dominican Republic, as well as investments under the UAE-Caribbean Renewable Energy Fund (UAE-CRE). The fund aims to support the deployment of hurricane-resistant renewable energy projects across 16 Caribbean countries.

The ability to mobilize financing for large-scale infrastructure and productive investment projects depends not only on private investors and project sponsors, but also on a broader ecosystem of public financial and investment-support institutions. Regional development finance institutions play a central role in the Caribbean's investment architecture. The Caribbean Development Bank (CDB), for example, supports infrastructure, private sector development and climate resilience investments through financing, technical assistance and project preparation support. Beyond the provision of capital, regional development banks help structure projects, mobilize co-financing and reduce investment risks, thereby improving project bankability and facilitating private sector participation (box 3).

Box 3
Development finance and risk allocation in SIDS and the Caribbean

Project finance in SIDS including those in the Caribbean, relies heavily on development finance institutions (DFIs), with direct lending remaining more common than risk-mitigation instruments (box figure 3.1). Between 2000 and 2025, direct loans were the predominant financing instruments in both SIDS and the Caribbean, while no grants were recorded for international projects in the Caribbean. Covered loans were more prevalent among international projects in both groups, while projects financed through direct loans in SIDS and through grants in both groups were predominantly domestic.

Box figure 3.1
International project finance deals by financing instruments, 2000–2025
(Number of projects)



Source: UNCTAD, based on data from LSEG Data & Analytics.

Note: SIDS are 39 States and 18 Associate Members of United Nations regional commissions that face unique social, economic and environmental vulnerabilities, as defined by the United Nations.

Evidence from developing countries helps explain these patterns. Bilateral institutions and export credit agencies (ECAs) are associated with higher project leverage, whereas multilateral development banks (MDBs) often operate in more challenging contexts (Santos-Paulino et al., 2026, and UNCTAD, 2026b). Covered loans backed by DFIs or ECAs support greater debt mobilization and are associated with stronger private investment effects than direct lending. By contrast, government support and grants tend to be concentrated in projects with more limited capacity to sustain commercial debt, resulting in lower leverage. Public and concessional finance can therefore play a catalytic role by enabling projects that would otherwise struggle to achieve commercial viability.

Individual projects illustrate how DFIs can support investment at different stages of development. The Dominica Geothermal PPP Project involved the construction of a 10 MW geothermal power plant in Dominica. The project initially secured financing through DFI-backed lending ($34.8 million) and was subsequently refinanced through a covered loan ($50 million). The project illustrates how MDBs can provide financing across different stages of project development, helping to advance strategic infrastructure investments in SIDS while complementing private capital. DFI lending also supports smaller climate-related infrastructure projects. For example, the Solengy Haiti Solar Project combined DFI loans, concessional finance and grant support to mobilize private investment in a solar and battery storage facility in Haiti (10 MW solar capacity; total project cost: $25.5 million). The financing structure helped reduce risks for commercial investors and demonstrates how public and private resources can be combined to support renewable energy projects in SIDS.

Similarly, the South Coast Sewage Treatment Plant Modernization Project in Barbados illustrates how guarantees can facilitate commercial lending and help create fiscal space for climate-related public investment (project cost: $595 million; MDB-backed loan: $300 million). MDB-backed financing enabled investment in upgrading critical water infrastructure while linking funding to project performance targets.

These examples highlight that direct lending, concessional finance and risk-mitigation instruments are complementary tools suited to different contexts. Guarantees can help mobilize private capital where projects are commercially viable but face specific risks, while concessional finance and public support remain important where financing constraints are greater.

Access to concessional finance remains particularly important for SIDS. Income-based eligibility criteria do not fully capture their vulnerability to climate shocks and external crises. For instance, wider use of the United Nations' Multidimensional Vulnerability Index could help better align concessional resources with countries' financing needs.

Source: UNCTAD, based on data from LSEG Data & Analytics.

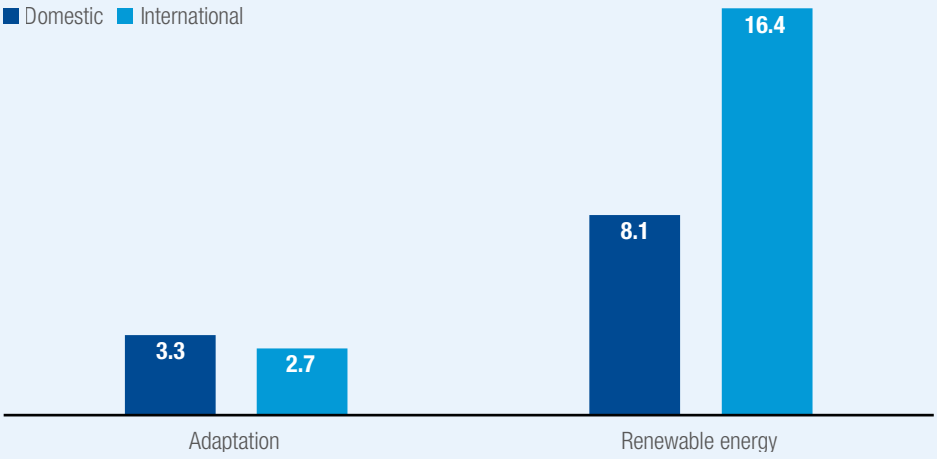
National development banks, export-import banks and other public financial institutions provide a complementary channel for investment support. Through long-term financing, trade finance, export credit and guarantees, institutions such as BANDEX in the Dominican Republic, EXIM Bank Jamaica and the Export-Import Bank of Trinidad and Tobago help firms expand productive capacity, access new markets and undertake investments linked to export growth. Regional development banks, export-import banks and other public financial institutions can help catalyse investment by sharing risks, supporting project development and mobilizing capital for regional infrastructure, productive capacity and climate-resilient investment (box 4).

Box 4
Climate resilient investment in the Caribbean

Caribbean economies face disproportionate climate risks, including rising sea levels, coastal erosion, stronger storms, and more frequent droughts. Rising temperatures also threaten the region's unique biodiversity and ecosystems. Most Caribbean SIDS are classified as middle- or high-income economies under conventional income-based criteria, which can limit their eligibility for concessional finance despite their high exposure to external and climate-related shocks (UNCTAD, 2024). This further constrains their capacity to invest in climate adaptation, resilience and sustainable development.

At the same time, substantial investment is required to address both climate mitigation and adaptation needs. While foreign investment can play an important role in financing mitigation projects, particularly in renewable energy, adaptation investment remains considerably more challenging to attract. Investments in coastal protection, resilient infrastructure, water management, disaster-risk reduction and ecosystem protection often generate significant public and social benefits but lack clearly identifiable or predictable revenue streams, limiting their attractiveness to private investors (box figure 4.1). This contributes to a marked imbalance between internationally financed mitigation and adaptation projects in the region. Over the past 25 years, the Caribbean attracted 11 international adaptation projects, with a total value of $2.7 billion. Domestic projects were twice as numerous, at 22, although their total value was only slightly higher, at $3.3 billion. By contrast, almost 90 international renewable energy projects were recorded, with a total value of over $16 billion, more than the value of domestic renewable energy projects. This marked difference highlights the limited scale of international investment in climate adaptation relative to mitigation-related activities. As a result, adaptation financing remains largely dependent on domestic public resources and development finance, underscoring the need for innovative financing mechanisms, risk-sharing instruments and stronger public–private partnerships to mobilize international capital for climate resilience.

Box figure 4.1
International investment in adaptation projects is more challenging to attract
(Billions of dollars, Caribbean economies, 2000–2025)



Source: UNCTAD, based on data from LSEG Data & Analytics.

Although renewable energy investment is primarily associated with climate mitigation, some projects can also strengthen climate resilience when designed to withstand extreme weather and support more reliable energy systems. The United Arab Emirates-Caribbean Renewable Energy Fund, for example, has supported hurricane-resistant renewable energy infrastructure projects in several Caribbean economies, including resilient solar and battery-storage systems in Antigua and Barbuda and Dominica. Such projects benefit from established revenue-generating models for electricity provision, which can make them more readily investable than many dedicated adaptation projects. For those dedicated adaptation projects, which are largely concentrated in water management and other activities with limited financial returns, development finance institutions often remain among the few viable sources of financing. For example, the Southern Plains Agricultural Development Project in Jamaica aims to redevelop approximately 795 hectares of former sugar lands into irrigated and climate-resilient agricultural hubs. The project includes modern irrigation and water pipeline infrastructure, wells, reservoirs, drainage systems and approximately 40 kilometers of farm access roads. It is co-financed by the United Kingdom Caribbean Infrastructure Fund (UKCIF) and the Caribbean Development Bank (CDB). Additional concessional financing was approved by CDB in 2026 to support completion of the project.

Source: UNCTAD.


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3. Investment policy trends

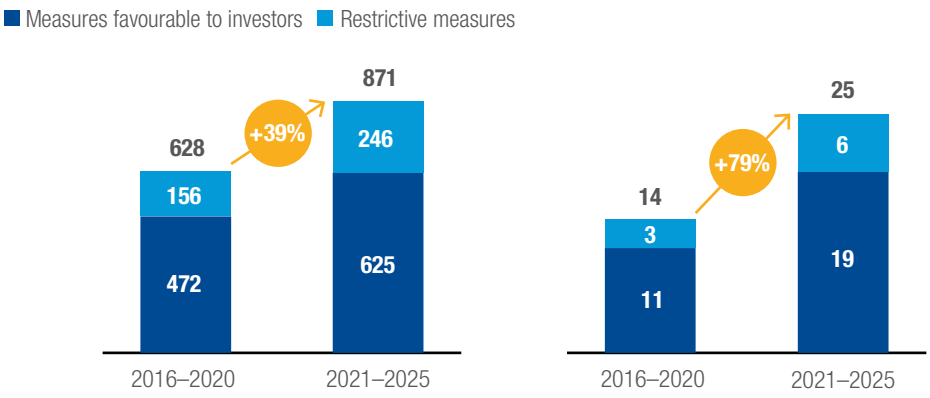
a. National investment policies

Globally, in 2025, national investment policymaking became more active and more selective. The number of new measures reached a record high of 229 amid heightened global uncertainty. Most remained favourable to investors (73 per cent), increasingly in the form of targeted incentives, facilitation and selective liberalization aimed at channeling investment towards strategic sectors such as clean energy, digital infrastructure, advanced manufacturing and critical minerals. At the same time, the number and share of measures introducing new restrictions or tighter regulatory conditions for foreign investors increased, continuing a gradual shift towards a more cautious approach to investment openness (figure 14).

The shift reflected expanded investment screening, new entry restrictions, localization requirements and tighter rules in strategic sectors. Some developing economies also scaled back or eliminated investment incentives amid growing concerns about fiscal sustainability and the effectiveness of incentive regimes.

National investment policymaking became more active in the Caribbean during 2021-2025, broadly mirroring the increase in policy activity observed globally. The region adopted 25 investment policy measures during the period, compared with 14 in 2016-2020, an increase of 79 per cent, compared to 39 per cent worldwide. Despite the relatively small size of most Caribbean economies, the region recorded a marked increase in investment policymaking activity. More than three quarters of these measures were favourable to investors, with incentives, investment facilitation and promotion featuring prominently. Restrictive measures remained a minority, although their number doubled from three in 2016-2020 to six in 2021-2025.

Figure 14
Investment policy activity increased markedly in Caribbean economies during 2021–2025
Measures by nature, worldwide (left) and in the Caribbean (right) (number)



Source: UNCTAD, Investment Policy Monitor database.

Of the measures adopted, the majority remained favourable to investors. A total of 39 investment policy measures has been adopted across the Caribbean since 2016, and 77 per cent of them were favourable to investors. This share was slightly below that of other developing countries (84 per cent), but substantially higher than in developed countries (52 per cent), placing the Caribbean closer to the broader policy pattern observed across developing economies (figure 15).

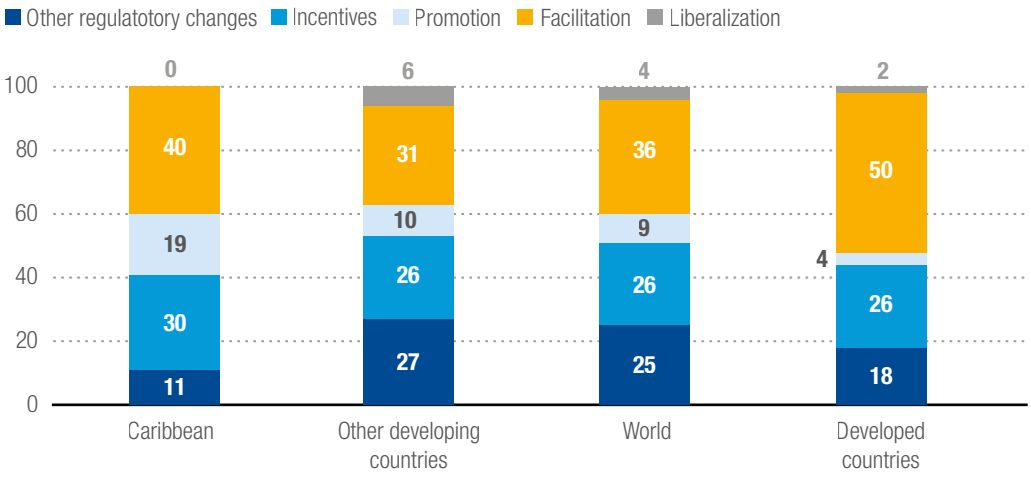
Figure 15
Caribbean investment policy measures predominantly favourable to investors
Share of investment policy measures favourable to investors, 2016-2025 (Percentage)



Source: UNCTAD, Investment Policy Monitor database.

Over the past decade, the most common measures favourable to investors in the Caribbean were related to incentives (15 measures), facilitation (12 measures) and promotion (8 measures). Together, incentives and facilitation accounted for more than two-thirds of all favourable measures adopted in the region. This suggests that Caribbean economies have focused primarily on attracting, supporting and facilitating investment projects, rather than introducing broad-based liberalization reforms. Compared with other country groups, Caribbean economies also relied relatively more on investment facilitation and promotion, while liberalization measures played a smaller role in the policy mix (figure 16). This orientation is reflected in a range of policy measures spanning from incentives, facilitation and promotion (box 5).

Figure 16
Incentives and facilitation are the main type of measures adopted in Caribbean economies
Measures favourable to investors, by category and region, 2016-2025 (Percentage)



Source: UNCTAD, Investment Policy Monitor database.

Note: Policy measures falling under multiple categories are weighed equally across those categories.

Box 5
Illustrative investment policy measures adopted in Caribbean countries since 2016

Incentive measures included the adoption of new SEZ legislation and reforms to existing zone frameworks in Antigua and Barbuda, Jamaica and Trinidad and Tobago, as well as targeted tax incentives for strategic sectors and large-scale projects in Jamaica. Facilitation efforts centred on streamlining administrative procedures, including the establishment of one-stop services in Cuba and the Dominican Republic, reforms to accelerate foreign investment approvals in Cuba, and initiatives in Jamaica aimed at facilitating diaspora investment. Governments also strengthened their institutional capacity for investment promotion, including through the creation or reform of investment promotion agencies in the Dominican Republic, Suriname and Trinidad and Tobago.

Alongside these investor-favorable measures, some of governments also introduced restrictions in specific areas of foreign investment. Restrictive measures remained relatively uncommon during 2016-2025, representing just 23 per cent of all measures. Of the nine restrictive measures recorded, seven affected the treatment and operation of investments and only two concerned entry restrictions. These measures relate mainly to landownership by non-citizens, economic permanent residence schemes and citizenship-by-investment programmes. Overall, this points to a selective rather than broadly restrictive approach: governments continued to strengthen frameworks for attracting and facilitating investment while tightening controls in a limited number of specific policy areas.

Box Table 5.1
Selected investment policy measures in Caribbean countries, by policy category, since 2016

Category	Illustrative measures
Incentives	SEZ incentives in Antigua and Barbuda, Jamaica, and Trinidad and Tobago; targeted incentives for large-scale projects and pioneer/strategic industries in Jamaica; port-related incentives in the Bahamas
Facilitation	One-stop investment services in Cuba and the Dominican Republic; reforms to streamline foreign investment approvals in Cuba; diaspora investment facilitation in Jamaica
Promotion	Strengthening of investment promotion institutions in the Dominican Republic, Suriname and Trinidad and Tobago; establishment of a public-private partnership (PPP) framework and the General Directorate of Public-Private Partnerships (DGAPP) in the Dominican Republic.
Restrictions	Tighter rules on land ownership by non-citizens; stricter requirements for economic permanent residence; tighter rules governing citizenship-by-investment programmes

Source: UNCTAD, 2026.

Note: In the Dominican Republic, investment promotion functions predate the establishment of ProDominicana in 2017 and were previously carried out by the Centre for Export and Investment of the Dominican Republic (CEI-RD), established under Law 98-03 in 2003.

Overall, recent policy developments demonstrate a continued emphasis on attracting and facilitating investment while selectively strengthening regulatory oversight in areas deemed economically or strategically significant.

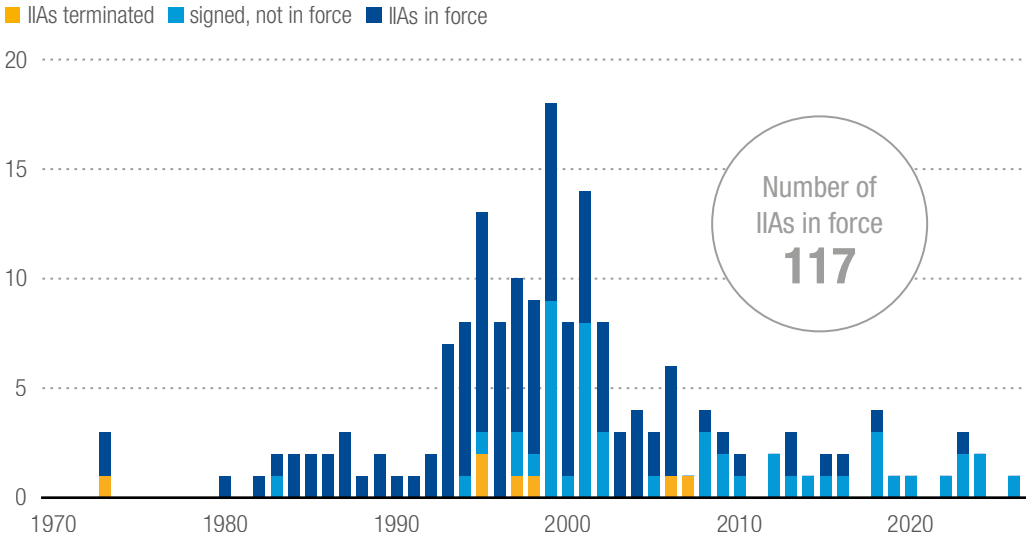
b. International investment policies

Caribbean economies are parties to a relatively extensive network of international investment agreements (IIAs). As of 2026, countries and territories in the region have concluded 176 IIAs (figure 17), equivalent to about 6 per cent of the global total, comprising 161 bilateral investment treaties (BITs) and 15 treaties with investment provisions (TIPs).[4] Of these, 117 treaties are in force, while 52 have been signed but are not in force. Another seven agreements have been terminated.

Among the agreements currently in force, 95 per cent (110 out of 117) were concluded before 2010, meaning that much of the region's treaty framework consists of old-generation agreements which are typically lacking right to regulate safeguards and refinements to substantive standards that have become more common in recent investment agreements.

Caribbean economies have also concluded 13 IIAs among each other, including 9 BITs and 4 TIPs. At the regional level, the Caribbean Community's (CARICOM) Revised Treaty of Chaguaramas provides the principal framework governing investment relations among member States. In addition, CARICOM has concluded investment-related agreements as a group with third parties, including the United States, the European Community and Costa Rica.

Figure 17
The Caribbean investment treaty network mostly consists of old-generation agreements from the 1990s–2000s
Number and status of Caribbean economies' IIAs, by date of signature



Source: UNCTAD, IIA Navigator database, accessed 01 October 2026.
Note: IIA = international investment agreement.

Within the regional aggregate of 176 concluded IIAs, the number of agreements signed by individual economies varies considerably: Cuba alone has concluded 60 BITs, by far the largest number in the region, followed by Jamaica (17), Trinidad and Tobago (14) and the Dominican Republic (13)[5].

[4] TIPs include Free Trade Agreements (FTAs), Economic Partnership Agreements (EPAs) or other regional economic agreements with investment provisions.
[5] For more detail, please see Annex Table 2.

Overall, the Caribbean IIA network broadly mirrors the global investment treaty landscape: an aging stock of IIAs that continues to dominate the regime (UNCTAD, 2024). These old-generation treaties can constrain governments' ability to regulate in the public interest and leave them exposed to investor–State arbitration, highlighting the need for comprehensive reform (UNCTAD 2026a). IIA reform focuses on reviewing older-generation agreements and pursuing actions to enhance safeguards for the right to regulate, achieve balanced commitments, and integrate sustainable development considerations more effectively. IIA reform has gained momentum in the last decade, with countries across different regions and levels of development seeking to modernize their networks of old-generation IIAs through a range of approaches, including the renegotiation, replacement, regional consolidation and termination of outdated treaties.

The pace of treaty making of Caribbean economies has slowed since 2010, suggesting a more cautious and calibrated approach to IIAs. This places greater emphasis on the reform and modernization of the existing treaty stock, rather than on the conclusion of new agreements alone. The most recent agreements by Caribbean countries are four BITs signed with the United Arab Emirates.[6]

The continued prominence of agreements concluded before 2010 is particularly relevant in the context of investor–State dispute settlement (ISDS) in the form of international arbitration. Globally, the cumulative number of known treaty-based ISDS cases reached 1,463 over the period 1987–2025. Caribbean countries have faced a total of 23 such investor–State arbitrations as respondents, almost half of which (11) were filed against the Dominican Republic. The disputes arose across a range of economic sectors, including activities associated with infrastructure and services, highlighting the broad reach of investment treaty protections and the economy-wide implications of treaty-based investor claim All 23 cases were brought pursuant to IIAs signed before 2010, highlighting the continuing legal and policy implications of the region's existing treaty framework. Global experience indicates the potential level of financial exposure associated with treaty-based investment disputes (UNCTAD, 2025). More than 150 known ISDS cases have involved compensation claims exceeding $1 billion, and at least 14 awards have surpassed that threshold.[7]

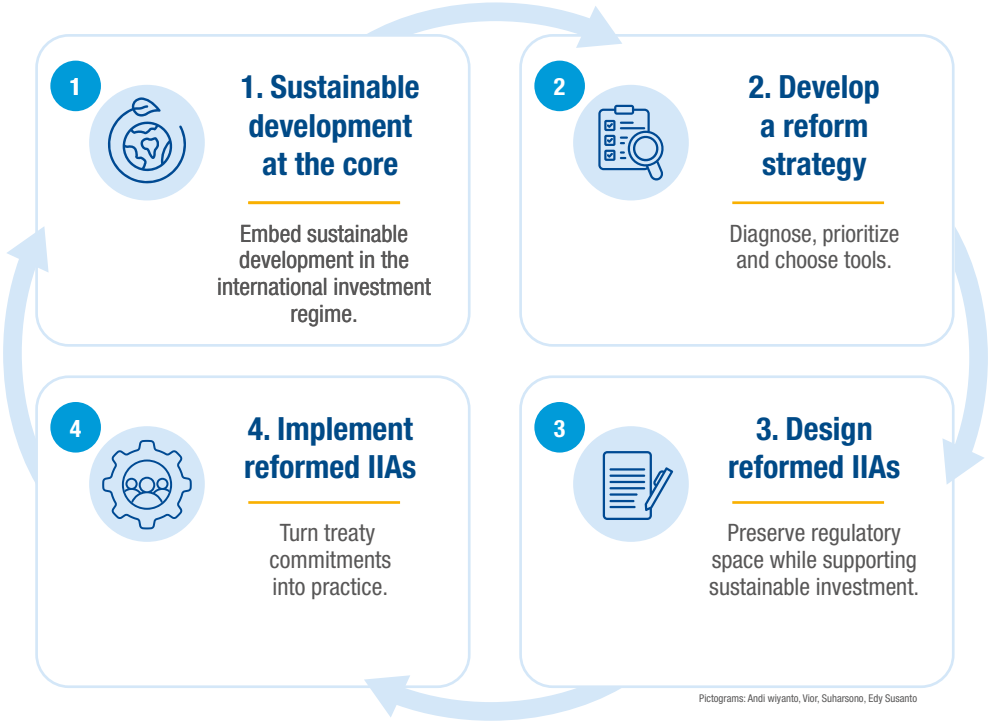
In this context, reform of the region's treaty network is particularly important, as developing countries' exposure to ISDS-related legal and financial risks is generally greater (figure 18). For Caribbean economies, the challenge is therefore not only to maintain an enabling framework for investment, but also to ensure that treaty commitments are aligned with national development priorities and evolving policy objectives. Ongoing international efforts, including UNCTAD's work on guiding principles for IIA reform, provide an opportunity for countries and regions to review the existing stock investment treaties and pursue reforms that can support sustainable development while preserving an appropriate balance between investor protection and the State's right to regulate.

Reform of the region's treaty network is particularly important, as developing countries' **exposure to ISDS-related legal and financial risks is generally greater**

[6] Cuba–United Arab Emirates BIT (2023); Saint Vincent and the Grenadines–United Arab Emirates BIT (2018); Antigua and Barbuda–United Arab Emirates BIT (2016); Belize–United Arab Emirates BIT (2015).

[7] Data retrieved from UNCTAD, ISDS Navigator, https://investmentpolicy.unctad.org/investment-dispute-settlement.

Figure 18
UNCTAD's Guiding Principles on IIA Reform



Source: UNCTAD.


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4. Concluding remarks

Investment in the Caribbean remains concentrated in a small number of economies, sectors and projects. The source and sectoral composition of investment has become more diversified, with investors from developing economies playing a larger role and growing activity in sectors beyond tourism and traditional services. However, the diversification remains uneven and continues to be influenced by a limited number of large projects.

The findings of this report highlight the importance of the quality and developmental impact of investment. In resource-rich economies, recent investment has created opportunities, but realizing the benefits will depend on strengthening linkages between extractive activities and the wider economy, including through infrastructure development, local supplier networks and skills formation. Attracting investment is only part of the challenge facing the Caribbean. Investment competitiveness ultimately on mutually reinforcing elements, among others: building regional scale, developing skills, strengthening productive firms, investing in productive assets and enhancing connectivity.

The report also underscores the importance of linkages between foreign and domestic investment. The extent to which international investment contributes to productive transformation will depend on its capacity to stimulate domestic investment, support local supplier development, facilitate technology and knowledge transfer, strengthen skills and expand opportunities for local firms. The considerations are particularly relevant in Caribbean economies, where the small scale of domestic markets and enterprises can constrain participation in international investment projects, and hence global value chains. Stronger linkages between foreign investors and local firms can help ensure that investment generates broader and more permanent development benefits.

In this context, special economic zones (SEZs) can support investment and diversification efforts, particularly where they can help in overcoming constraints related to small domestic markets, infrastructure costs and limited productive capacity. However, establishing SEZs can be fiscally and institutionally demanding, particularly for small economies with limited public resources. International experience suggests that SEZs are neither a necessary condition nor a sufficient guarantee for attracting higher levels of FDI. Their effectiveness depends on strategic specialization, adequate infrastructure and services, sound governance, and integration with broader investment, trade and industrial development strategies. Accordingly, fiscal incentives should be used selectively, with greater emphasis on infrastructure provision, investment facilitation and the development of productive capabilities.

Regional and international partnerships will remain important for the Caribbean's investment prospects. While developed economies continue to be the main source of investment, investors from developing economies are playing an increasingly important role. At the same time, intra-Caribbean investment remains limited relative to the region's size and potential. Deeper regional investment integration could support the development of regional value chains, expand opportunities for Caribbean firms and enhance the region's attractiveness as an investment destination. The constraints associated with small and fragmented markets could be addressed by facilitating cross-border investment projects and strengthening regional investment promotion efforts.

A related challenge is strengthening the coherence and effectiveness of investment policy frameworks across the region. More coordinated approaches to investment promotion, facilitation and retention, combined with stronger institutional cooperation among investment-related agencies, could reduce fragmentation and improve investor engagement. Greater alignment of investment policies and regulatory frameworks would help strengthen the Caribbean's value proposition and support a more strategic approach to attracting investment that advances regional development objectives.

The report, and related consultations, further highlight the role of institutions in addressing structural constraints related to scale, access to long-term finance and project preparation. Regional development banks, export-import banks and other public financial institutions play an important role in financing infrastructure, supporting productive investment and reducing project risks. Their contribution is particularly significant in climate-resilient and adaptation-related investments, where public financing alone is often insufficient, and commercial financing might not be viable. Financing mechanisms, risk-sharing instruments and project preparation support remain important elements of the region's investment ecosystem.

Looking ahead, the Caribbean's investment prospects will be shaped by both global and domestic factors. In an increasingly competitive international investment environment, the ability to attract and retain investment is likely to depend not only on incentives but also on the availability of investable projects, the effectiveness of investment facilitation, the quality of infrastructure, institutional capabilities and the strength of regional connectivity. Factors such as greater regional integration, customs modernization, transport infrastructure and modern special economic zones serving activities beyond manufacturing, including tourism, logistics and services, are likely to play an important role in shaping the region's investment competitiveness.

Heightened geopolitical uncertainty may redirect tourism flows and investment towards destinations perceived as relatively stable and accessible. Similarly, higher hydrocarbon prices could strengthen investment flows into extractive industries in hydrocarbon-producing economies in the region. Finally, intensifying technological competition could contribute to a reconfiguration of global value chains and FDI, potentially creating opportunities for Caribbean economies to attract investment in selected technology-enabled and tradable activities. However, prolonged global tensions may prompt major investors, including those from emerging economies, to place greater emphasis on domestic investment reducing flows directed to the region.

The evidence presented in this report suggests that the region's long-term development prospects will depend not only on its capacity to attract capital, but also on its ability to leverage investment in support of economic diversification, productivity growth, climate resilience and sustainable development.

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The findings of this report provide a timely contribution to discussions at the 9th edition of the World Investment Forum to be held in Doha, Qatar, in October 2026, including ministerial meetings, multi-stakeholder dialogues and sessions dedicated to the investment challenges and opportunities facing small island developing States. The Forum will offer a unique platform for governments, investors, development finance institutions, regional organizations and business leaders to explore partnership-based approaches to investment promotion, project development and financing. Such dialogue will be particularly relevant as Caribbean economies seek to mobilize investment at the scale required to support economic diversification, climate resilience and sustainable development.

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Annex tables

Annex Table 1
FDI inflows by Caribbean economy, 2024–2025
(Billions of dollars)

Economy	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Caribbean	**153**	**114**	**62**	**61**	**75**	**64**	**104**	**86**	**54**	**88**	**97**
Anguilla	0.12	0.11	0.11	0.22	0.16	0.07	0.08	0.03	0.05	0.06	0.02
Antigua and Barbuda	0.14	0.11	0.14	0.19	0.12	0.05	0.29	0.33	0.31	0.27	0.31
Aruba	-0.03	0.03	0.09	0.11	-0.14	0.14	0.14	0.26	-0.18	0.10	0.07
Bahamas, The	0.71	1.26	0.90	0.95	0.61	0.90	1.18	1.25	1.54	1.46	1.54
Barbados	0.42	0.27	0.21	0.24	0.22	0.26	0.24	0.20	0.22	0.30	0.27
Belize	0.06	0.04	0.02	0.12	0.09	0.08	0.14	0.13	0.09	0.17	0.04
British Virgin Islands	66.71	49.02	39.61	34.39	39.10	26.35	50.20	45.87	22.95	32.86	42.91
Cayman Islands	80.50	58.82	15.17	20.68	28.17	30.09	44.09	26.78	17.46	38.34	35.78
Cuba	-0.12	0.07	0.02	0.10	0.03	-	0.17	0.13	-0.01	-0.01	0.08
Curaçao	0.15	0.13	0.17	-	0.20	0.16	0.15	0.16	0.15	0.15	0.18
Dominica	0.01	0.05	-	0.10	0.08	0.01	0.03	0.01	0.04	0.06	0.05
Dominican Republic	2.20	2.41	3.57	2.54	3.02	2.56	3.20	4.10	4.39	4.52	5.03
Grenada	0.19	0.11	0.19	0.23	0.26	0.16	0.19	0.20	0.26	0.20	0.21
Guyana	0.12	0.06	0.21	1.23	1.70	2.07	4.47	4.39	7.25	8.63	8.97
Haiti	0.11	0.10	0.37	0.11	0.08	0.03	0.05	0.04	0.02	0.02	0.01
Jamaica	0.92	0.93	0.89	0.77	0.67	0.27	0.32	0.32	0.49	0.31	0.35
Montserrat	-	-	-	-	-	-	-	-	-	-	-
Saint Kitts and Nevis	0.13	0.13	0.05	0.05	0.04	-	0.02	0.03	0.03	0.07	0.03
Saint Lucia	0.21	0.18	0.10	0.06	0.09	0.10	0.07	0.10	0.25	0.26	0.25
Saint Vincent and the Grenadines	0.12	0.06	0.15	0.03	0.06	0.06	0.17	0.07	0.06	0.12	0.12
Sint Maarten	0.04	0.05	0.06	-0.05	0.07	0.02	0.03	0.01	0.04	0.05	0.04
Suriname	0.27	0.30	0.10	0.12	-0.01	-	0.21	0.31	0.51	0.68	2.04
Trinidad and Tobago	0.18	-0.02	-0.47	-0.70	0.18	1.06	-0.93	1.17	-1.50	-0.45	-1.16

Source: UNCTAD/FDI/MNE database.

Note: "-" denotes values below $0.005 billion, which round to zero at the level of precision shown.

Annex Table 2

Number of IIAs concluded by Caribbean economies and treaty-based ISDS cases for Caribbean respondents

(Number)

Name	Number of BITs	Number of TIPs	Publicly known treaty-based ISDS cases as respondent
Anguilla	0	1	0
Antigua and Barbuda	3	11	0
Aruba	0	1	0
Bahamas	2	11	0
Barbados	11	11	1
Belize	8	11	4
British Virgin Islands	0	1	0
Cayman Islands	0	1	0
Cuba	60	4	1
Curaçao	0	1	0
Dominica	3	11	0
Dominican Republic	13	7	11
Grenada	2	11	2
Guyana	10	11	1
Haiti	9	11	0
Jamaica	17	11	0
Montserrat	0	9	0
Saint Kitts and Nevis	1	11	0
Saint Lucia	2	11	0
Saint Vincent and the Grenadines	3	11	0
Suriname	5	11	0
Trinidad and Tobago	14	11	3
Total	**161**	**15**	**23**

Source: UNCTAD, IIA Navigator and ISDS Navigator databases.

Note: Saint Maarten is not listed. Total without double counting. Number of known treaty-based ISDS cases as of 31 December 2025.



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