



ECONOMIC CONJUNCTURE

Annual Summary 2024

Guadeloupe's economy in 2024: a relative slowdown

In 2024, the Guadeloupean economy slowed, held back by subdued consumer spending, weaker activity in several sectors, and an uncertain international and national environment. Nonetheless, business leaders' sentiment remained broadly positive, supported by easing inflation and a rebound in investment at year-end. The banking sector continued to support the financing of the economy. 2025 is shaping up as a transition year, with stakeholders awaiting tangible spillovers from the major projects currently underway.

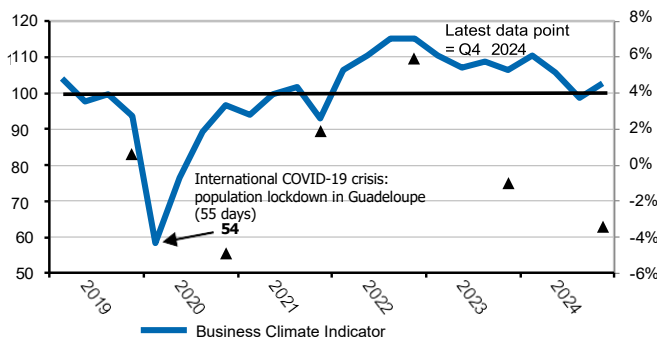
A slowing economy, without a sharp downturn

A favourable business climate...

In 2024, the business climate indicator (indicateur du climat des affaires — ICA) posted a slight decline while remaining above its long-term average. It stood at an annual average of 104.5 points, compared with 108.1 points in 2023, i.e. a year-on-year decrease of 3.6 points. The ICA followed a downward trend over the first three quarters, reaching a low in the third quarter, before rebounding at the end of the year.

Although activity was still perceived as weak, business leaders reported better control of operating expenses and improved payment terms. Against this backdrop, their sentiment remained broadly positive. Companies' turnover declared to the Regional Directorate of Public Finances (DRFIP) rose by 0.85% year-on-year, a markedly more moderate pace than in 2023 (+6.5%).

Business Climate Indicator (ICA) in Guadeloupe
(100 = long-term average)

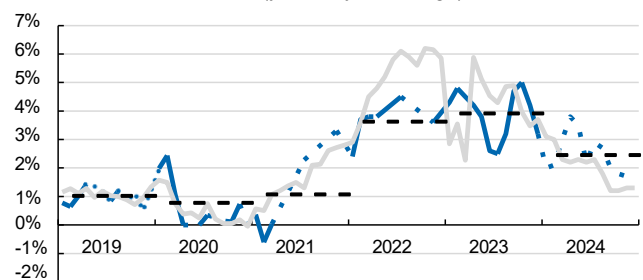


▲ GDP growth rate (right-hand scale)
Source : IEDOM economic survey. © IEDOM

... in a context of moderate inflation...

In 2024, the pace of increase in the consumer price index (CPI) slowed. On average over the year, the CPI rose by 2.6%, compared with +3.9% in 2023. This slowdown mainly reflects more moderate price increases for manufactured goods (+0.5% in 2024 versus an annual average of +2.9% in 2023) and for food (+3.4% versus +10.2% in 2023). After an acceleration at the beginning of the year, driven by these two components, inflation stabilised below 2.0% in the second half of the year.

Consumer Price Index
(year-on-year change)



Source : Insee. © IEDOM

To limit the impact of rising prices and protect purchasing power, the 'Bouclier Qualité-Prix' scheme was strengthened, with the basket expanded to include more moderately priced products while keeping the overall basket price unchanged.

Efforts to tackle the high cost of living also take the form of a VAT exemption for 69 groups of widely consumed products, from 1 March 2025. This exemption aims to reduce the prices of these essential items by an average of 20%.

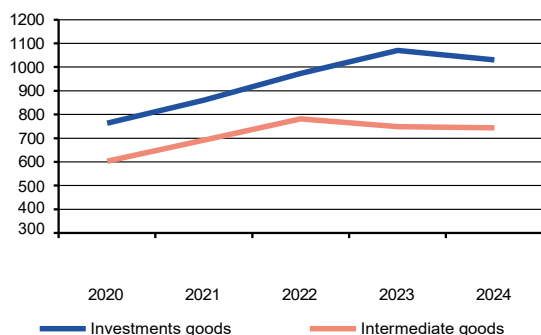
... supporting a rebound in investment

After a sluggish first half of the year, investment activity rebounded towards the end of 2024, supported by the slowdown in inflation. Companies' investment declarations to the Regional Directorate of Public Finances (DRFIP) increased by 12.7% year-on-year (after +6.1% in 2023). Investment credit production confirmed this momentum, rising by 11.8%.

Several major projects underpinned this recovery, including the extension of the seaport, the renovation of the Bas-du-Fort Marina (€20 million), the Audacia Technopole Caraïbes project (€14 million), seismic upgrading works on State-owned buildings, and the creation of the 'Délices Surgelés' processing plant (€10 million).

At the same time, imports of investment goods and intermediate goods declined over the year (-3.7% and -0.7% respectively), weighed down by a weak start to the year. A marked rebound was nevertheless observed in the fourth quarter (+7.7% and +8.9%), in connection with the decline in interest rates on equipment loans (from 4.14% to 3.19%). Corporate vulnerability continued to normalise in the post-crisis period, leading to an increase in business failures of 8.6% year-on-year.

Imports of goods for business use
(In millions of euros)

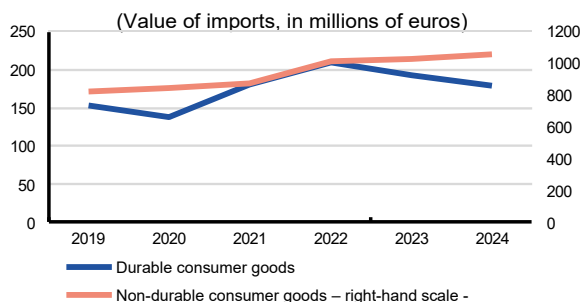


Source : Customs. © IEDOM

Household consumption weakens

In 2024, household consumption expenditure slowed. In value terms, imports of durable consumer goods fell by 7.4%. By contrast, imports of non-durable consumer goods rose slightly in value, by 2.7%. The environment of high interest rates —7.39% in the fourth quarter for the consumer credit rate, the highest level in 20 years—also weighed on recourse to credit. Growth in outstanding consumer credit slowed (+3.1% after +4.5% in 2023). In addition, the number of over-indebtedness cases reached a record level (664, i.e. +24.3% in 2024).

Household consumption indicators

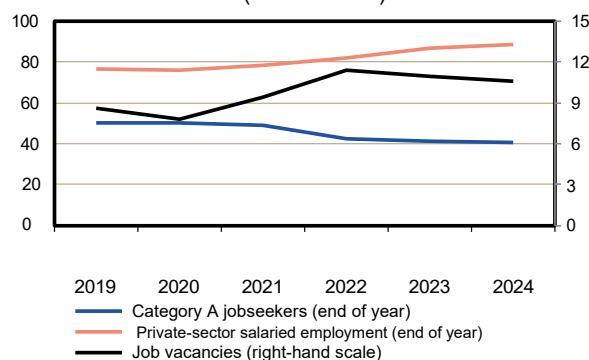


Source : Customs. © IEDOM

A slight improvement in the labour market

In 2024, the labour market in Guadeloupe showed signs of improvement. The number of category A jobseekers fell by 2.1% year-on-year, reaching 40,532 people at year-end. The unemployment rate remained high, averaging 16.8% of the labour force, compared with 7.4% in France (excluding Mayotte) in 2024. In addition, the number of job offers collected by France Travail fell by 3.5% year-on-year. Private-sector salaried employment increased slightly, by 0.5% year-on-year, totalling 88,183 employees at year-end. However, business leaders continued to face recruitment difficulties, with 48% of hiring plans considered difficult, particularly in distribution, logistics and construction. Finally, public-sector employment also increased (+0.7%), with 40,540 employees.

Labour market indicators
(In thousands)



Sources : France Travail, Acoess. © IEDOM

External trade declines excluding petroleum products

In 2024, imports fell by 1.3% year-on-year, while exports rose by 9.7%.

However, excluding petroleum products, external trade contracted (-1.4% for imports and -7.3% for exports).

The decline in imports is partly explained by weaker investment momentum at the beginning of the year. As regards exports, only re-exports of petroleum products rose sharply (+61%, after -48% in 2023). Other export items declined, in connection with the drop in activity reported by the business leaders surveyed.

Due to its insularity and limited productive base, Guadeloupe posted a structural trade deficit (excluding services) of €3.4 billion in 2024, down 2.8% year-on-year.

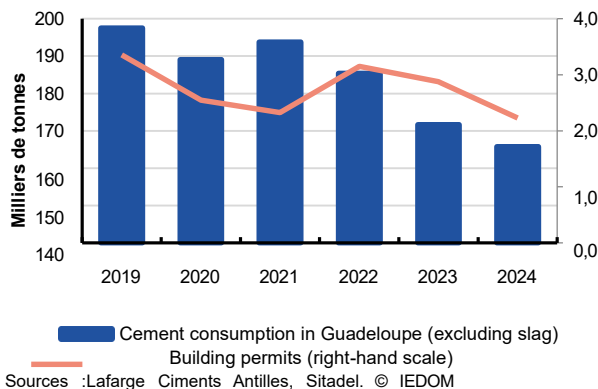
Activity declines in the main sectors

In 2024, activity in the construction and public works sector – BTP – slowed markedly, affected by the completion of major projects such as the university hospital – CHU – and by the decline in private demand – -26.7% in authorised dwellings between January and November 2024 -. In this context, the sector's turnover fell by 4.6% - 7.4% in 2023 -, reflecting weaker demand for construction materials. At the same time, public procurement contracted.

According to the Regional Economic Unit for Construction – CERC –, of the 501 public calls for tenders published in 2024 – -21% year-on-year –, only 6% resulted in a contract being awarded – -62.5% -. Sector indicators confirm this downturn: electrical compliance certificates fell by 19.9% year-on-year, and the number of building permits declined by 22.5%. The contraction in the sector's outstanding financial assets – -6.5% year-on-year, according to data reported to the SCR of the Banque de France – also reflects the observed cyclical deterioration.

Despite these difficulties, the sector could rebound in 2025, supported by several large-scale projects, notably the extension of the port of Jarry (€180 million), the Boucan/Sainte-Rose bypass (€100 million), and projects initiated in 2024 that are nearing completion (see p. 2 – investment section). The rebound in household investment (+3.7% in outstanding housing loans year-on-year), supported by the decline in interest rates, could also underpin this momentum.

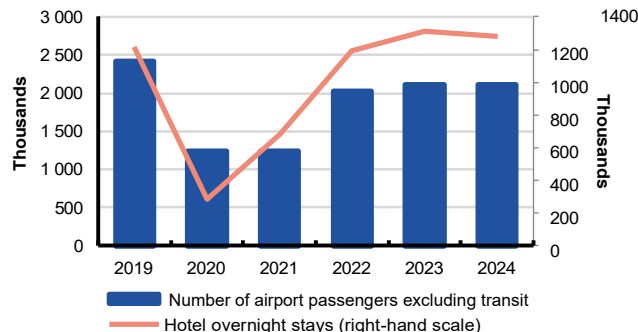
Cement consumption and building permits



Tourism activity remained stable in 2024, with a further increase in turnover in the accommodation and food service sector (+10.3% year-on-year, after +13.4% in 2023). However, sector professionals faced difficulties related to water supply disruptions, which affected their operations and generated dissatisfaction among tourists. The latter have requested compensation, which could weigh on companies' cash flow. The number of airport passengers excluding transit at Maryse Condé Airport remained at its 2023 level (+0.1%), representing 87% of the 2019 level. In the hotel sector, the number of overnight stays remained above its 2019 level (+5.3%), although it declined by 10% year-on-year. In cruise tourism, the 2023/2024 season marked a return to pre-health crisis levels, with 242 scheduled port calls. However, concerns related to insecurity and social tensions led to the cancellation of certain calls.

In response, the authorities and local stakeholders strengthened security measures to reassure cruise operators and preserve the attractiveness of the destination. In this context, sector professionals remain confident, while closely monitoring developments in air fares, influenced by oil prices and the potential increase in the airline ticket tax.

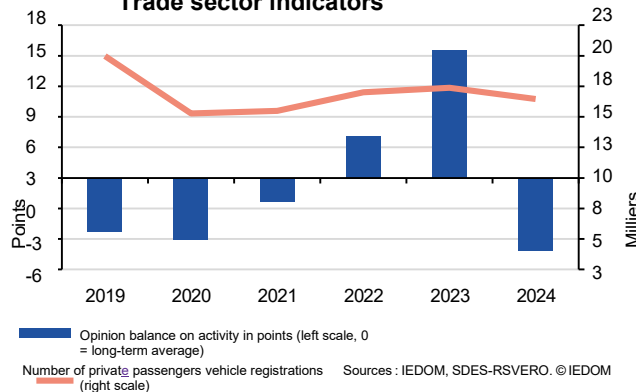
Airport passenger traffic and hotel overnight stays



Retail trade is constrained by the decline in household consumption. Sector turnover reached €5.7 billion in 2024, representing a decrease of 1.2%. VAT collection, based on the sale of goods and services, remained stable (+0.6%), after having recorded strong growth of 14.3% in 2023. Octroi de mer (dock dues) revenues also stabilised (-0.3%), following a decline of 5.7% in 2023.

At the same time, the automotive segment was affected by the crisis in the European industry, marked by a contraction in vehicle sales. New vehicle registrations declined by 6.1% (CVS) in 2024. Retail professionals surveyed report a decline in their customers' purchasing power and more hesitant purchasing decisions in an uncertain economic environment.

Trade sector indicators



Activity declined in the agri-food industry (IAA) and in the primary sector. In 2024, exports of agri-food products fell by 8.3% in value and by 26.5% in volume. In particular, exports of agricultural and industrial rum declined by 0.9% and 8.3% respectively.

In the primary sector, banana exports were stable in volume (+0.7%), while slaughtering activity in the meat sector remained weak, with a decline in bovine and porcine slaughtering (-3.9% and -7.4% year-on-year respectively). Despite a slight improvement, the financial situation of the primary and agri-food sectors remains fragile, amid rising production costs.

Banking activity supports the rebound in investment

Financing of the economy continues

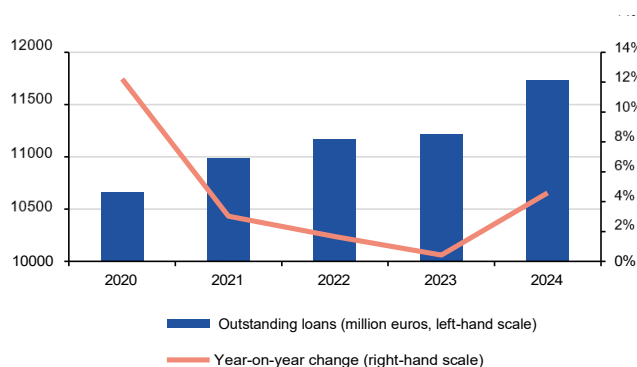
In 2024, in Guadeloupe, the total outstanding loans of banking institutions amounted to €11.7 billion. **They increased at end-2024 (+4.6%)**, after having stagnated in 2023 (+0.4%).

Despite an economic environment that remains uncertain, financing activity increased in 2024, in a context of declining interest rates towards the end of the year. Outstanding loans to households (€5.4 billion) continued to grow in 2024 (+4.5%, after +1.2% in 2023). Healthy outstanding loans to businesses (€5.1 billion) were more dynamic (+7.9%, compared with +0.3% in 2023), driven by investment loans (+11.8%) and housing loans (+7.7%).

By contrast, operating loans continued to decline (-7.1%), after having experienced historically strong growth in 2020 linked to the introduction of State-Guaranteed Loans (PGE) during the health crisis. At the end of November 2024, €738 million in PGE had been granted to 4,849 local businesses, with the retail sector predominating both in number and in amount. €231 million in PGE remained to be repaid (i.e. 31% of the amount granted), and 83% of PGE were under repayment over the maximum maturity.

Loans to local authorities (€899.1 million) declined again year-on-year (-8.6%, after -0.8% in 2023), reflecting the fragile financial situation of some authorities.

Evolution of outstanding loans



Source : IEDOM, SURFI, RUBA.

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Credit risk in the local banking sector deteriorated in 2024. Total gross doubtful loans amounted to €600.2 million (+7.7% year-on-year). The overall doubtful loan ratio thus stood at 4.9% at end-December 2024, representing an increase of 0.2 percentage points over one year.

Local banking institutions finance 75% of the territory's needs, using 92% local savings. Growth in their outstanding loans (+2.6%) was less marked than that of institutions not established locally (+11.1%).

Financial assets continue to grow

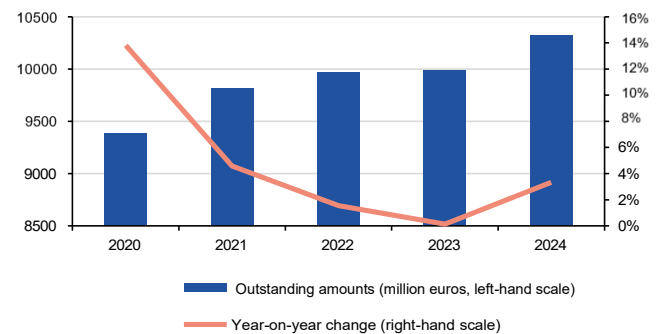
In 2024, financial assets held with banking institutions amounted to €10.3 billion, **increasing by 3.3% year-on-year** (after +0.1% in 2023).

With €6.8 billion in assets, households remain the main depositors. Their outstanding deposits increased across all categories of banking products (+3.4%, after -0.6% in 2023). Demand deposits of Guadeloupean households returned to growth (+2.9%), while liquid or short-term investments continued to increase (+5.5%), and, to a lesser extent, long-term investments also rose (+1.9%).

Corporate financial assets also increased (+4.5%, after +3.4% in 2023), reaching €2.9 billion. Faced with PGE repayments, inflation and high operating costs in an economic environment that remains fragile, some businesses drew on their savings. This situation is reflected in a decline in corporate demand deposits for the third consecutive year (-2.1%). However, liquid or short-term investments by businesses were buoyant (+33.6%), driven by term accounts (+37.8%), which remained attractive in 2024.

For all economic agents, demand deposits were stable (+0.3%), while liquid or short-term investments increased by 9.3%. This development was mainly driven by market-rate savings products (essentially term accounts), which recorded strong growth of 29.1% year-on-year. At the same time, regulated savings accounts also increased (+2.6%), notably Livret A (+5.0%), sustainable development savings accounts (+6.6%) and popular savings accounts (+26.5%).

Evolution of financial assets



Source : IEDOM, SURFI, RUBA.

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Opposite trends in interest rates on corporate and household loans

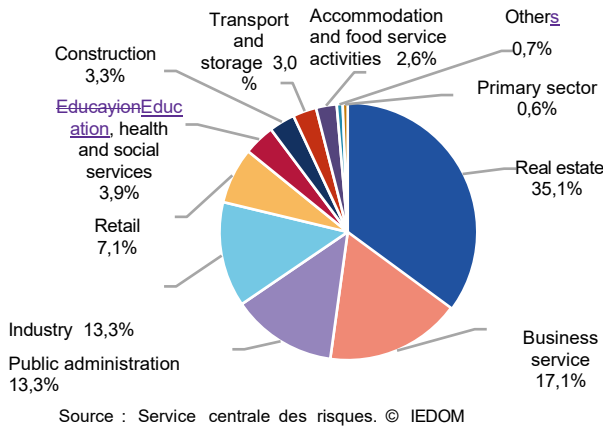
At end-2024, **the main interest rates on loans to businesses declined**, following the reduction in ECB policy rates initiated as early as June 2024. In the fourth quarter, average interest rates on working capital loans and equipment loans fell by 147 and 95 basis points year-on-year respectively, to 4.28% and 3.19%. They remained below the national average rates (respectively 4.79% and 4.06%).

By contrast, **average rates on personal loans, consumer credit and overdrafts increased**. They reached 7.39% (+76 basis points compared with 2023) and 13.41% (+58 basis points), levels higher than national averages (respectively 6.46% and 7.38%). Housing loan rates, however, declined, standing at 3.49% (-17 basis points year-on-year).

Real estate remains the leading financed sector

On 31 December 2024, the amounts of credit declared in Guadeloupe by banking institutions to the Central Credit Register (SCR) of the Banque de France totalled €7.1 billion (+2.6% year-on-year, compared with +3.9% in 2023).

Sectoral breakdown of risks as at 31 December 2024



Outlook for 2025: activity remains fragile

At the start of 2025, Guadeloupean business leaders surveyed as part of the business climate survey are more cautious than in 2024. In a global environment that remains uncertain – marked by geopolitical and economic tensions, as well as announcements by the US government regarding increases in customs duties – many fear stagnation, or even a slight downturn in activity. Several sectors are reporting a mixed first quarter.

Tourism remains one of the most dynamic drivers. Guadeloupe continues to attract visitors, notably thanks to a buoyant cruise season: 285 port calls are scheduled, representing a 15% increase compared with the 2023/2024 season. Nevertheless, sector professionals remain vigilant. Water outages, power cuts, high transport costs and the consequences of the 2024 blackout are undermining the destination’s image.

The construction and public works sector (BTP) has entered a pivotal phase. The decline in inflation and interest rates are favourable factors for a recovery in the sector. However, it must contend with the closure of the Deshaies quarry, payment delays and recruitment difficulties. The completion of the university hospital (CHU) project in the first half of the year, together with the financial fragility of certain players, increases the risk of cascading business failures. These uncertainties are heightening concerns about the sector’s outlook.

Three sectors alone account for nearly two thirds of these outstanding loans. The real estate sector ranks first, with €2.5 billion in loans, representing 35.1% of the total. Its growth remained moderate in 2024 (+1.3%), following a strong increase in the previous year (+7.4%).

This is followed by business services – including financial and insurance services, professional, scientific and technical activities, administrative and support services, as well as information and communication activities and other service activities – which account for €1.2 billion in loans, up 5.4%. Public administrations come next, with outstanding loans amounting to €0.9 billion, posting a slight increase (+1.6%) after a decline in 2023.

The recovery will depend heavily on the materialisation of announced projects:

- the Department’s multiannual investment plan (€993 million over 2024–2028, including €206 million in 2025);
- the extension of the port of Jarry (€180 million, scheduled for completion in August 2025);
- the Water Plan (€533 million mobilised for drinking water supply and sanitation);
- the construction of new hotel facilities, including the Pullman hotel in Moule (€32 million, completion expected in mid-2025) and a five-star hotel in Saint-François (€90 million, scheduled for 2028).

However, public procurement – traditionally a key driver of the construction sector – is slowing, notably due to budgetary pressures on local authorities. In this context, close attention will need to be paid to developments in order books and to the sector’s ability to withstand a potential cyclical downturn.

Finally, companies’ capacity to adapt, innovate and commit to the ecological, energy and digital transitions will be decisive in supporting the economy. This momentum is confronted with a major structural challenge: demographic decline. This weakens domestic demand, limits labour supply and weighs on the attractiveness of the territory. This dual cyclical and structural challenge will affect Guadeloupe’s ability to turn ongoing projects into drivers of growth. In this context, developments in the social climate, financing conditions and global prices will be key factors to monitor closely throughout the year.

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