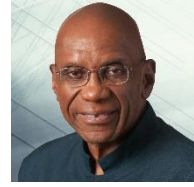




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The Model for the Caribbean is Iceland, Not Singapore

Caribbean nations are frequently encouraged to imitate the “Singapore model”, advice based on the fact that the Asian economy, a small island of similar size and population to the Caribbean, is world-renowned for its extraordinary economic performance. However, there is an equally prosperous economy, similar in geographical area and population, which offers a more comparable role model. That country is Iceland. Iceland sits at Number One in the world in the index of human development as recorded in the 2025 edition of the United Nations Development Program’s *Human Development Report*; Singapore is at Number 13. The comparison between the Caribbean and Singapore begins and ends with geographical area and population size. By every measure of economic size, potential and resource endowment, Singapore is very large compared with the Caribbean, whereas Iceland resembles this region in every economic aspect.

Singapore is a large economy by Caribbean standards. The country’s GDP of \$572 billion in 2025 put it in the same league as Sweden, Ireland and Israel. Singapore’s economy is larger than those of Thailand, the Philippines and Vietnam. Its economy is 20 times as large as that of Guyana, which has now

overtaken Trinidad and Tobago as Caricom's largest economy. Compared with a smaller economy such as Barbados, Singapore is 68 times as large.

Singapore is the world's fourth most influential financial centre, after New York, London and Hong Kong. It is the largest foreign currency trading centre in the Asia-Pacific area and the biggest wealth management hub in Asia. No country in the Caribbean appears in the ranking of the world's top financial centres.

Singapore is the second largest container port in the world after Shanghai, China, with a throughput in 2025 of 45 million 20-foot container equivalent units (TEU). It is also the world's largest transshipment hub. Kingston, Jamaica, the Caribbean's largest port, has a throughput that is only 5% of Singapore's.

Singapore has a diversified economy, with exports and services that include electrical and electronic parts, fuels, chemicals and pharmaceuticals, freight and shipping, information and communication technology and legal, accounting and headquarters services. No Caribbean country has more than two or three significant sources of foreign earnings.

In contrast to Singapore, Iceland's economy is much like any Caribbean nation's. GDP is just about 50% higher than Guyana's, the economy depends heavily on imports, and the country has just three sources of foreign earnings - tourism, aluminum processed using Iceland's abundant thermal power, and fisheries.

Iceland's road to prosperity is the economic story from which the Caribbean might wish to take inspiration. With scant natural resource endowments, in a physical environment that seems unpromising for tourism, and with an export-oriented economy which is undiversified, the country has secured an enviable quality of life for its citizens. Here is an economy very much like those of the Caribbean which has achieved a very high quality of human development.

The pundits who see Singapore as a role model for the Caribbean are clearly looking in the wrong direction. The country to which we should look for inspiration is Iceland. With none of the advantages of a tropical resort, Iceland has built an economy whose main driver is tourism. With an undiversified, import dependent economy, in a country vulnerable to extreme geothermal events, Icelanders have secured for themselves a quality of life which is on par with the world's most prosperous countries. This is the country that should attract the attention of Caribbean scholars and policymakers, in search of ideas for the better management of the small economies of our region.