



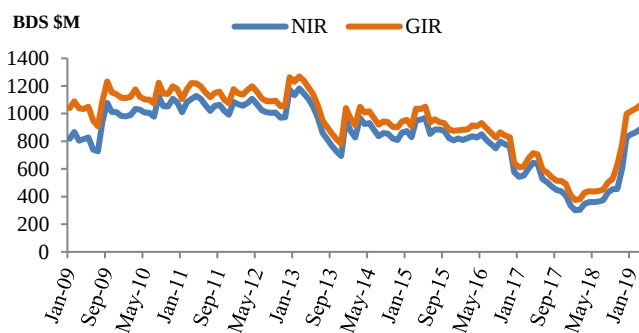
Press Release March 2019

Overview

The macroeconomic environment continued to recover during the first quarter of 2019 as Government focused on implementing the Barbados Economic Recovery and Transformation (BERT) programme. Provisional data indicate that government should meet its targets for end March, as agreed with the International Monetary Fund (IMF).

The ease in external debt service payments and on-going net purchases by the Central Bank of foreign exchange from the financial system bolstered the international reserves during the quarter and raised the import reserve cover to almost 14 weeks of imports.

Figure 1: Gross and Net International Reserves



Source: Central Bank of Barbados

The public finances, which have been a major source of the economic instability within recent years, continued to improve, the result of the

2018 domestic debt restructuring and tax and expenditure reforms. In addition, the debt stock declined further.

Government enhanced its stabilisation efforts during the quarter, demonstrating its commitment to achieve a primary surplus equivalent to 6% of GDP for FY 2019-20. Additional layoffs at state-owned enterprises, as part of a phased implementation strategy, complemented a change in tariffs at some agencies as Government targets a further reduction in transfers to some enterprises. The administration accelerated tax reforms following the major revision to the corporate tax structure at the end of 2018, and continued to pursue structural reforms designed to enhance growth and strengthen the framework for managing the public finances.

Against the background of the recently implemented fiscal consolidation measures, preliminary estimates suggest that economic activity remained subdued in the first quarter when compared to the corresponding period a year earlier. However, new private sector investment projects have started, offering the prospect of a strengthening of growth over 2019-2020 and the reversal of recent job losses.

Real Sector

For the first three months of 2019, there was an uneven performance of the productive sectors. Economic activity benefited from the growth in

the tourism sector and the enhanced thrust towards medical education services. However, weakness in non-traded sectors, especially the construction sector reversed these gains.

Tourism

Output in the tourism sector expanded by 2.2% compared to 5.7% for the same period of 2018. Long-stay arrivals grew by 2.7% to reach a first quarter historic high.

Greater seating capacity and an increase in visitors during the recently held English Cricket Tour of the Caribbean buoyed arrivals from the United Kingdom, Barbados' major source market.

Arrivals from the United States, which have trended upwards over the past five years, continued to respond to marketing efforts and accounts for 27.4% of first quarter visitors.

In contrast, the performance of other markets weakened. Persons travelling from Canada declined by 6.8%, arrivals from Trinidad and Tobago dropped by 10% and other CARICOM countries fell by 4.6%. In general, the regional market is grappling with the issue of travel cost and a recent study by the Caribbean Development Bank (2018)¹ found that rising cost related to intra-regional travel is one of the key challenges constraining growth in tourism demand in the Caribbean.

Cruise data as at the end of March indicated that arrivals had declined for the second consecutive year. An 8% reduction in calls due to an itinerary adjustment by one of the smaller cruise lines was responsible for the decline.

¹ Caribbean Development Bank. (2018). "Air Transport Competitiveness and Connectivity in the Caribbean." Retrieved from <http://www.caribbeanhotelandtourism.com/wp-content/uploads/2018/07/Air-Transport-Competitiveness-and-Connectivity-Study-2018.pdf>

Table 1: Long-Stay Arrivals by Source Market ('000)

	January - March				
	2015	2016	2017	2018 ^(p)	2019 ^(e)
U.S.A.	37.5	42.2	48.8	54.7	57.3
Canada	31.0	30.7	34.0	36.3	33.8
U.K.	63.7	70.0	68.3	70.8	78.9
Germany	5.2	4.8	4.0	4.0	4.4
Other Europe	9.8	9.3	9.8	9.9	8.6
Trinidad & Tobago	5.4	7.2	6.2	6.4	5.8
CARICOM	12.5	13.1	13.7	14.6	13.9
Other Countries	6.4	6.5	6.3	6.5	6.1
TOTAL LONG-STAY	171.4	183.9	191.0	203.3	208.8

Source: Barbados Statistical Service

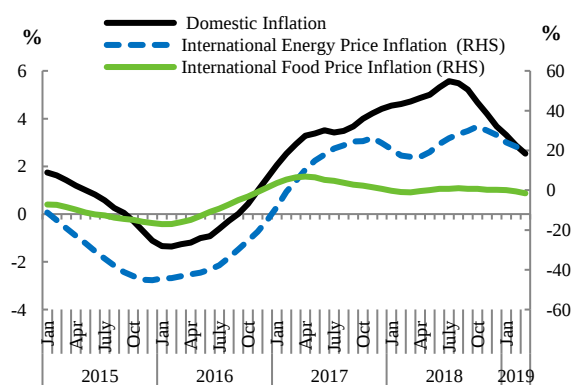
Construction

The construction sector was affected by a later than expected start-up of key investment projects. As a result, the sector encountered layoffs and activity is estimated to have declined by over 9% relative to the same quarter a year ago.

Prices and Unemployment

As at March 2019, the 12-month moving average rate of inflation slowed to 2.5%, compared to 4.7% for the same period in 2018. This improvement reflected the impact on domestic prices of the elimination of the National Social Responsibility Levy (NSRL) and the fall of international energy prices for the first quarter of 2019 relative to last year.

Figure 2: Twelve- Month Moving Average Inflation



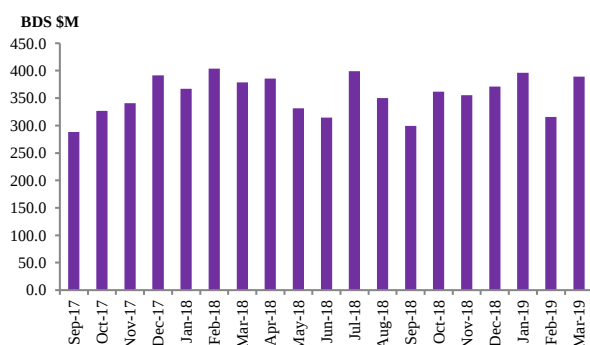
Source: Central Bank of Barbados and World Bank Indicators

As at December 2018, the average unemployment rate was 10.1% compared to 10.0% a year earlier. Indications are that within the private sector only construction faced significant job losses in the first quarter of 2019.

External Sector

The gross international reserves rose by \$64 million to reach \$1,063 million at the end of March, their highest level since March 2015. The increase in reserves since the corresponding period of the previous year reflects the impact of government's borrowings from the international financial institutions, the on-going suspension of commercial external debt service and positive net sales of foreign exchange by commercial banks to the Central Bank.

Figure 3: Total Foreign Exchange Sold by FX Dealers



Source: Central Bank of Barbados

Table 2: Reserve Cash Flow

BDS \$M	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2019
Net Central Government	(98.5)	(78.6)	(72.0)	(116.8)	(80.4)
Inflows	56.1	73.7	29.0	40.9	9.7
Outflows	154.6	152.4	101.0	157.7	90.1
Net Commercial Banks	178.6	101.2	99.6	135.2	85.1
Net Other	12.8	14.9	4.7	(0.9)	59.4
Change in GIR	92.9	37.5	32.3	17.5	64.1
GIR as at end of March	1,035.5	915.5	674.0	428.9	1,063.4

Source: Central Bank of Barbados

Current Account

The external current account balance registered an improved surplus largely due to rising travel receipts. This performance reflects higher tourist arrivals, increased average daily rates at hotels and the impact of the opening of Ross University.

Total imports increased by 0.5% for the first quarter of 2019, in contrast to a decline during the same period of last year. Imports of consumer goods dropped by 2.6%, mainly due to a decline in pharmaceuticals, toiletries, clothing, motor vehicles and furniture. A rise in fuel, electronic components and construction materials boosted the imports of intermediate goods by 1.8%, while an increase in the imports of machinery raised capital goods by 6.1%.

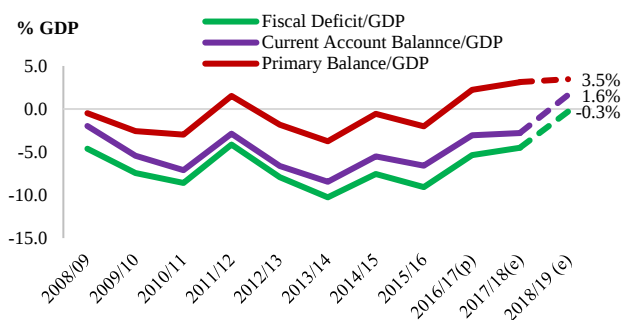
Financial Account

The financial account registered a modest surplus during the first quarter, compared to a small deficit a year earlier. This upturn was attributable to an expansion in net public inflows resulting from lower external debt service that outweighed declines in private sector inflows.

Public Finances

During FY 2018/19, government contained the overall deficit to 0.3% of GDP. The suspension of commercial external debt payments after May 2018 and the domestic debt restructuring were the main sources of the improvement as interest payments were reduced by 50%. In addition, expenditure restraint and gains in tax revenue enabled government to register a primary balance equivalent to 3.5% of GDP.

Figure 4: Fiscal Indicators



Source: Ministry of Finance

Revenue

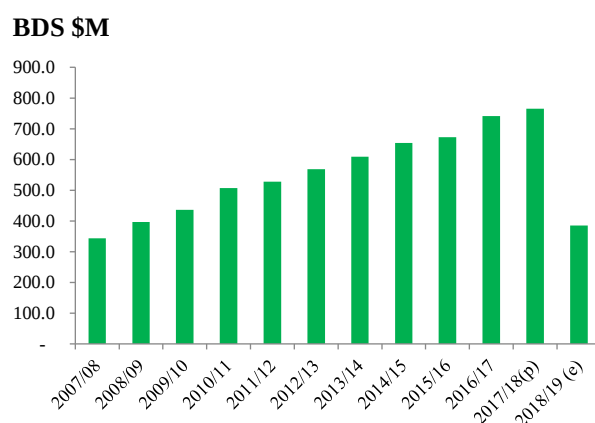
Current revenue yielded almost \$3 billion or 29.3% of GDP. The new tax measures outlined in the June 2018 budget boosted the revenue intake even though the resumption of timely payment of current year tax refunds offset some of the gains in revenue. Taxes on incomes were buoyed by the improved performance of personal income taxes (\$482 million) and corporate taxes (\$356 million). Corporate income taxes benefitted from the earnings of recently registered international business companies. Property tax receipts also grew, due in part to tax payers taking advantage of the extension of the tax amnesty.

The value added tax (\$941 million) and the new fuel tax proved to be efficient sources of revenue. In addition, collections from the Garbage and Sewage Contribution and the Hotel Room Levy boosted revenue. However, the repeal of the NSRL, coupled with declines in import duties because of lower levels of imports, weakened the growth in overall indirect taxes. The Airport Development Levy also suffered from lags in collection.

Expenditure

For FY 2018/19, Government contained non-interest expenditure within programme limits, while avoiding the continued build-up of arrears to suppliers. Wages rose by 4% as the five percent salary increase was partially offset by the reduction in employment in the last half of the year. Grants to individuals and public institutions also rose but transfers to the monitored enterprises were kept within budgeted limits. Capital spending also increased as Government sought to upgrade existing infrastructure.

Figure 5: Interest Expenditure



Source: Ministry of Finance

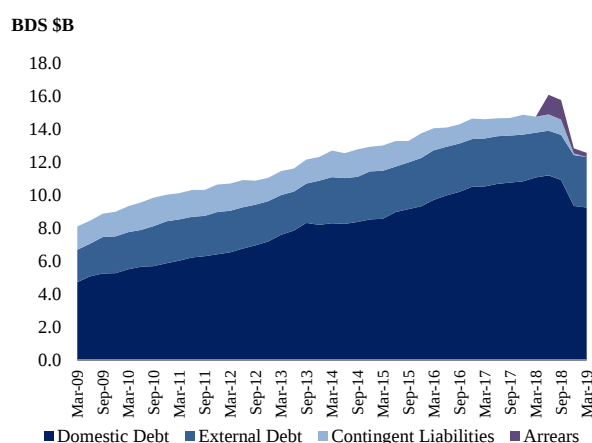
Financing and Debt

For FY 2018/19, foreign flows were the main source of Government's financing. The receipt of \$350 million in policy-based loans from the Inter-American Development Bank (IADB) and the Caribbean Development Bank (CDB) together with project funds more than offset the reduced external amortisation payments.

On the domestic market, access to new funding was considerably reduced as the Central Bank limited its monetary accommodation and there was no new debt issuance after June 2018. In addition, the non-bank private sector reduced its

exposure to Government, partly because some pensioners were repaid a percentage of their investments early, following the domestic debt restructuring. The gross public sector debt continued to fall in line with government's commitment to reduce the debt ratio to 60% by 2033. The domestic debt restructuring has significantly reduced the share of revenue absorbed by debt service. Discussions on the external debt restructuring are on-going.

Figure 6: Gross Public Sector Debt



Source: Ministry of Finance

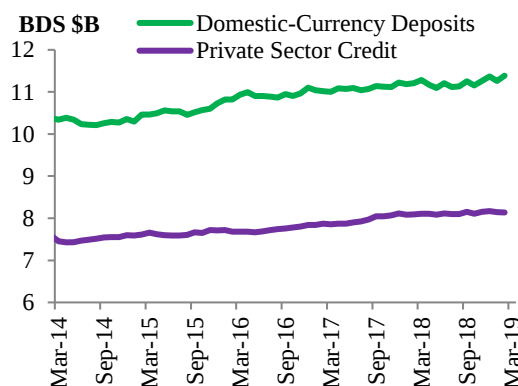
Financial Sector

The financial system remains stable, notwithstanding the impairment to commercial banks' capital buffers, resulting from Government's debt restructuring and the adoption of the IFRS 9 accounting standard in 2018. As a result, the aggregate capital adequacy ratio fell to 13% from 17% one year earlier. However, these levels remain above the prescribed minimum benchmark of 8%.

Preliminary data on deposit-taking institutions² indicated a small decline in credit to the non-financial private sector, while deposits held in

domestic currency were up by 1% for the first three months of 2019. This performance was on par with the corresponding period of 2018.

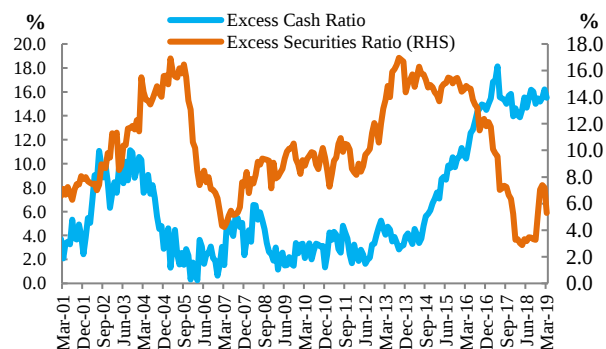
Figure 7: Financial Sector Claims on the Non-Financial Private Sector and Domestic Currency Liabilities



Source: Central Bank of Barbados

The banking system remained liquid. Commercial Banks excess cash reserves held with the Central Bank increased to 15.5% from 13.9% in the first quarter of 2018. Additionally, the excess securities ratio improved to 5.3% from 3%, driven by the reduction in the securities requirement ratio from 20% to 17.5% in November 2018.

Figure 8: Excess Reserve Ratios of Commercial Banks



Source: Central Bank of Barbados

² These include Commercial Banks, Finance and Trust Companies and Credit Unions.

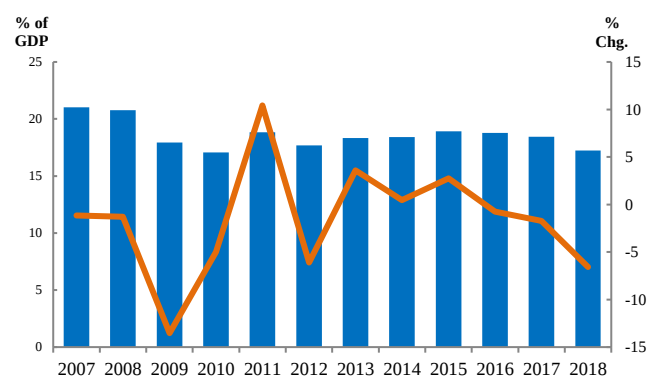
Outlook

The outlook for the Barbadian economy has become more favourable as macroeconomic indicators continue to improve in line with expectations under the BERT programme. However, there remain significant downside risks that need to be monitored and managed to prevent policy slippage, including the potential for delays of large commercial projects, negative spill-overs resulting from international economic developments and the on-going global trade tensions.

Already, the IMF has lowered its forecast for global growth from 3.5% to 3.3% over the last 6 months. The forecast for growth this year in the US economy is 2.3 % and in Canada 1.5%, while the prolonged uncertainty related to Brexit has dampened growth prospects to 1.2% for the United Kingdom. The outlook for international food prices remains muted but, given geopolitical factors, there still exists uncertainty surrounding international oil prices in 2019.

In recent years, the share of investment in economic activity has declined. The Bank is encouraged, therefore, by the start-up of some new private sector investment projects, which will complement tourism activity, and the impact of the new thrust in medical education services. Indeed, the rate of economic recovery will hinge on the speed of implementation of new investments and on the pace of economic diversification which is needed to supplement traditional foreign exchange earnings.

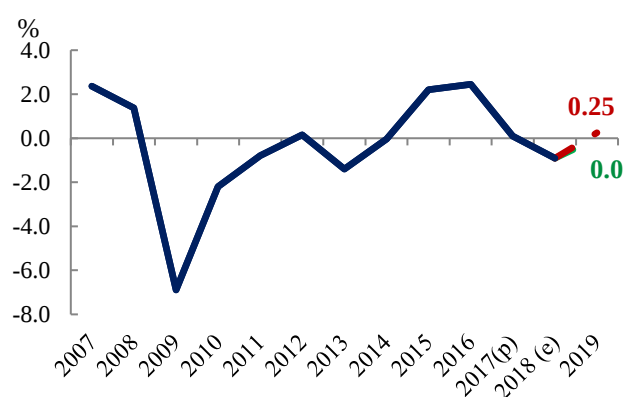
Figure 9: Investment (% of GDP)



Source: Barbados Statistical Service

The new projects, including the Kooyman retail store and the Sagicor Retirement Village, are expected to boost growth in the second half of the year and the Bank now estimates that overall growth will range between 0% to 0.25% for 2019. However, given the potential projects in the pipeline, a strengthening of the pace of activity is anticipated in 2020 and beyond as the structural reforms to enhance competitiveness and the ease of doing business take root.

Figure 10: Real GDP Growth (%)



Source: Barbados Statistical Service and the Central Bank of Barbados

Programme targets will continue to focus on building reserves, strengthening the public finances and gradually reducing debt. The dampening of domestic demand, improved investment flows and access to further drawdowns from international financial institutions are expected to buttress the build-up of reserves but the extent will be influenced by international prices.

Achieving the primary surplus of 6% of GDP remains pivotal to economic developments. This strong targeted fiscal performance, together with the combined effects of the domestic and external debt restructuring once concluded, will enable government to reduce arrears, lower the debt and facilitate further improvements in the credit ratings. The continued elimination of arrears related to tax refunds and supplier payables is essential for improving private sector cash flows and further restoring confidence.

Meeting these targets will be influenced by the effectiveness of Government's expenditure restraint and by the progress in strengthening revenue collection. These include the 2018 revenue measures which will have a full year impact in FY2019/20 and by the recently announced measures in the March 2019 budgetary statement.

It is clear that the building blocks to recovery are in place. Nonetheless, the road ahead remains challenging. What is required now is the continued commitment and engagement of all stakeholders to ensure that we achieve durable growth for all.

Table 1 - Economic Indicators

	2014	2015	2016	2017 ^(p)	2018 ^(e)	Mar 2016	Mar 2017	Mar 2018 ^(p)	Mar 2019 ^(e)
Nominal GDP (\$ Million) ¹	9,392.7	9,430.0	9,660.0	9,956.3	10,173.4	2,433.7	2,567.0	2,642.4	2,698.8
Real Growth (%)	(0.0)	2.2	2.5	0.1	(0.9)	4.0	2.5	(0.2)	(0.2)
Inflation (%) ²	1.8	(1.1)	1.5	4.5	3.7	(1.3)	2.9	4.7	2.5
Avg. Unemployment (%) ³	12.3	11.3	9.7	10.0	10.1	10.7	9.7	10.0	n.a.
Gross International Reserves (\$ Million)	942.6	878.0	640.0	411.3	999.3	915.5	674.0	428.9	1063.4
Gross International Reserves Cover, Weeks	13.7	12.4	9.3	6.1	13.5	12.6	9.8	6.3	14.0
BoP Current Account (% of GDP)	(9.2)	(6.1)	(4.3)	(3.8)	(3.8)	2.4	0.3	1.7	2.7
Total Imports of Goods (% of GDP)	35.2	32.6	31.9	30.5	29.5	30.4	29.3	27.6	27.1
Travel Credits (% of GDP)	18.9	20.1	21.5	21.7	21.8	29.3	28.6	29.2	30.6
Financial Account (\$ Millions)	745.6	442.3	84.2	143.0	964.8	(25.0)	99.0	(17.9)	(3.4)
Gross Public Sector Debt ⁴ (% of GDP)	137.0	144.2	151.2	148.4	126.3	150.5	151.5	149.0	125.6
External Debt Service to Curr. Acct. Cred.	6.7	9.5	8.0	7.2	4.2	5.6	4.1	10.1	2.6
Treasury-Bill Rate	2.6	1.8	3.1	3.2	0.5	3.2	3.1	3.1	0.5
Average Deposit Rate ⁵	2.5	0.4	0.3	0.2	0.2	0.4	0.3	0.2	0.2
Average Loan Rate ⁵	7.1	6.8	6.6	6.1	6.1	6.8	6.5	6.3	6.0
Excess Cash Ratio	6.7	10.6	14.5	14.0	15.2	10.4	16.8	13.9	15.5
Private Sector Credit Growth (%) ⁶	(1.0)	1.5	1.6	3.5	0.7	(0.4)	0.2	(0.0)	(0.5)
Private Sector Credit (% of GDP) ⁶	80.9	81.6	80.9	81.3	79.5	79.3	78.7	80.9	79.4
Domestic Currency Deposits (% of GDP) ⁶	110.2	113.5	114.6	112.5	110.7	98.4	98.2	112.5	112.4
Fiscal Year	2014/15	2015/16	2016/17^(p)	2017/18^(p)	2018/19^(e)				
Fiscal Deficit (% of GDP)	(7.6)	(9.1)	(5.3)	(4.5)	(0.3)				
Primary Balance (% of GDP)	(0.5)	(2.0)	2.2	3.1	3.5				
Interest (% of GDP)	7.0	7.1	7.6	7.6	3.8				
Fiscal Current Account (% of GDP)	(5.5)	(6.6)	(3.1)	(2.8)	1.6				
Revenue (% of GDP)	25.8	25.8	28.1	28.4	29.3				
Expenditure (% of GDP)	33.4	34.9	33.5	32.8	29.6				
<i>Non-interest Expenditure (% of GDP)</i>	26.4	27.8	25.9	25.2	25.8				
<i>Capital Expenditure (% of GDP)</i>	2.1	2.5	2.3	1.7	1.9				
Gov't Interest Payments (% of Revenue)	27.2	27.4	26.9	26.9	12.9				

^(p) - Provisional

^(e) - Estimate

¹ - Central Bank of Barbados and Barbados Statistical Service

² - Twelve month moving average

³ - Four quarter average

⁴ - Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt

⁵ - Data to January 2019

⁶ - Based on consolidated data for deposit-taking institutions (Commercial Banks, Finance & Trust Companies and Credit Unions)

n.a. - Not Available

Source: Barbados Statistical Service and Central Bank of Barbados

Table 2 - GDP by Sector and Activity
(BDS \$Millions, Constant Prices)

	Avg contribution to GDP (%)	2014	2015	2016	2017 ^(p)	2018 ^(e)	Mar 2016	Mar 2017	Mar 2018 ^(p)	Mar 2019 ^(e)
Tradeables	26.6	1,645.1	1,717.0	1,823.2	1,870.5	1,861.3	481.7	522.7	540.5	550.8
Tourism	19.3	1,066.5	1,115.5	1,229.0	1,256.3	1,261.9	341.7	368.9	389.9	398.6
Manufacturing	6.1	468.9	491.3	485.2	508.7	492.3	114.7	126.4	125.5	125.4
of which:										
<i>Rum & Other Beverages</i>	<i>0.8</i>	<i>65.2</i>	<i>68.4</i>	<i>67.5</i>	<i>70.8</i>	<i>68.5</i>	<i>16.0</i>	<i>17.6</i>	<i>17.5</i>	<i>17.4</i>
<i>Food</i>	<i>1.5</i>	<i>119.2</i>	<i>124.9</i>	<i>123.3</i>	<i>129.3</i>	<i>125.1</i>	<i>29.2</i>	<i>32.1</i>	<i>31.9</i>	<i>31.9</i>
<i>Furniture</i>	<i>0.2</i>	<i>12.9</i>	<i>13.5</i>	<i>13.4</i>	<i>14.0</i>	<i>13.6</i>	<i>3.2</i>	<i>3.5</i>	<i>3.5</i>	<i>3.5</i>
<i>Chemicals</i>	<i>0.4</i>	<i>28.2</i>	<i>29.6</i>	<i>29.2</i>	<i>30.6</i>	<i>29.6</i>	<i>6.9</i>	<i>7.6</i>	<i>7.6</i>	<i>7.5</i>
<i>Electronics</i>	<i>0.5</i>	<i>35.5</i>	<i>37.2</i>	<i>36.7</i>	<i>38.5</i>	<i>37.2</i>	<i>8.7</i>	<i>9.6</i>	<i>9.5</i>	<i>9.5</i>
<i>All Other Manufacturing</i>	<i>2.7</i>	<i>207.9</i>	<i>217.8</i>	<i>215.1</i>	<i>225.5</i>	<i>218.2</i>	<i>50.8</i>	<i>56.0</i>	<i>55.6</i>	<i>55.6</i>
Sugar	<i>0.1</i>	<i>5.9</i>	<i>4.7</i>	<i>3.4</i>	<i>5.4</i>	<i>6.1</i>	<i>1.0</i>	<i>3.3</i>	<i>0.0</i>	<i>1.1</i>
Other Agriculture	<i>1.2</i>	<i>103.8</i>	<i>105.4</i>	<i>105.7</i>	<i>100.1</i>	<i>101.1</i>	<i>24.3</i>	<i>24.1</i>	<i>25.1</i>	<i>25.8</i>
Non-tradeables	73.4	6,034.9	6,132.4	6,218.6	6,179.7	6,115.8	1,543.5	1,552.2	1,530.6	1,516.1
Mining & Quarrying	0.5	28.8	37.4	32.4	47.0	40.0	7.0	10.0	9.4	9.4
Electricity, Gas & Water	2.6	221.3	217.4	219.0	214.8	213.1	53.0	53.4	53.2	54.7
Construction	4.6	501.7	495.7	464.3	473.0	438.3	111.1	115.8	106.3	96.0
Distribution	8.9	767.7	792.4	777.2	742.2	734.5	193.3	187.2	185.1	183.6
Transport, etc	13.0	967.0	972.6	1,065.4	1,045.7	1,042.0	260.1	268.4	267.3	267.8
Finance and Other Services	33.3	2,654.4	2,752.2	2,805.6	2,801.6	2,793.0	702.9	698.6	691.9	687.3
Government	10.5	893.9	864.7	854.7	855.6	854.9	216.0	218.8	217.5	217.4
Total		7,680.0	7,849.4	8,041.8	8,050.2	7,977.1	2,025.2	2,075.0	2,071.1	2,067.0
Nominal GDP		9,392.7	9,430.0	9,660.0	9,956.3	10,173.4	2,433.7	2,567.0	2,642.4	2,698.8
Real Growth Rates		(0.0)	2.2	2.5	0.1	(0.9)	4.0	2.5	(0.2)	(0.2)
Tradeables		(0.9)	4.4	6.2	2.6	(0.5)	5.5	8.5	3.4	1.9
Non-tradeables		0.2	1.6	1.4	(0.6)	(1.0)	3.5	0.6	(1.4)	(0.9)

^(p) - Provisional

^(e) - Estimate

¹ - BSS' 2010 Base Year Series

Source: Central Bank of Barbados, Barbados Statistical Service

Table 3 - Balance of Payments
(BDS \$Millions)

	2014	2015	2016	2017 ^(p)	2018 ^(e)	Mar 2016	Mar 2017	Mar 2018 ^(p)	Mar 2019 ^(e)
<u>Current Account</u>	(860.7)	(578.4)	(414.6)	(380.5)	(384.1)	57.7	8.7	45.2	73.8
Inflows	4,457.6	4,599.1	4,795.7	4,832.1	4,846.8	1,360.9	1,330.8	1,361.8	1,419.7
Travel	1,773.6	1,894.9	2,079.1	2,161.4	2,222.4	712.1	734.6	771.3	824.6
Other Services	429.8	412.2	418.4	429.9	444.7	62.1	63.9	66.2	68.3
Domestic Exports	539.4	486.3	504.6	509.7	510.2	125.2	113.9	122.8	139.2
Rum	78.7	76.3	77.6	83.9	79.8	19.2	20.2	20.2	20.9
Food	70.0	65.1	62.7	64.6	65.3	17.8	15.3	15.3	15.6
Sugar	18.1	7.2	7.1	13.5	0.4	0.2	0.1	-	0.1
Chemicals	73.6	73.9	72.2	72.5	80.3	19.1	17.0	20.5	20.6
Printed Paper Labels	24.2	22.0	23.1	22.7	26.6	6.0	4.7	6.6	5.4
Construction Materials	44.5	42.1	45.3	42.1	51.7	11.0	9.0	12.8	17.2
Other	230.3	199.7	216.8	210.4	206.2	51.9	47.6	47.5	59.4
Re-exported Goods	409.4	479.5	529.1	461.1	385.7	185.5	146.2	128.0	109.3
Net Export of Goods under Merchanting	640.3	633.9	632.2	635.4	633.8	158.0	158.9	158.5	158.5
Income	525.1	512.0	515.4	529.8	543.0	95.1	97.7	100.1	104.8
Transfers	140.0	180.3	116.7	104.7	107.0	22.9	15.8	15.0	15.0
Outflows	5,318.3	5,177.5	5,210.3	5,212.6	5,230.9	1,303.2	1,322.2	1,316.6	1,345.9
Total Imports of Goods	3,304.4	3,074.4	3,080.9	3,040.3	2,997.7	741.0	751.9	728.3	732.2
Fuel Imports	877.5	603.6	502.9	626.2	712.2	110.4	171.1	184.6	187.3
Other Merchandise Imports	2,426.8	2,470.8	2,578.0	2,414.1	2,285.5	630.7	580.8	543.7	544.8
Services	925.0	988.8	989.3	1,014.0	1,041.5	287.9	293.2	301.4	309.7
Income	920.0	937.9	958.3	977.6	1,003.8	217.1	221.0	228.7	243.4
General Government	166.3	164.8	166.8	167.4	164.3	43.4	44.5	45.1	49.0
Other Sectors	753.7	773.1	791.4	810.2	839.5	173.7	176.5	183.6	194.4
Transfers	169.0	176.4	181.8	180.6	187.9	57.2	56.1	58.3	60.6
Capital Account	(16.7)	(16.4)	(5.7)	(2.4)	50.9	(3.2)	(1.6)	56.3	(1.8)
Financial Account	745.6	442.3	84.2	143.0	964.8	(25.0)	99.0	(17.9)	(3.4)
Net Foreign Direct Investment	1,634.6	160.1	376.7	468.2	464.8	119.2	117.1	90.9	168.8
All Other Investment Flows	(889.0)	282.2	(292.5)	(325.2)	500.1	(144.2)	(18.1)	(108.8)	(172.2)
Net Long-term Public	96.5	(71.1)	(171.1)	(78.3)	543.2	(5.2)	21.2	(59.7)	21.0
Net Long-term Private	(1,002.6)	361.9	(44.6)	(156.8)	(18.7)	(38.3)	(59.3)	(52.2)	(171.7)
Net Short-term	17.2	(8.6)	(76.8)	(90.1)	(24.4)	(100.6)	20.0	3.1	(21.4)
Net Errors & Omissions	33.1	88.0	98.1	11.2	(43.7)	7.9	(72.1)	(66.1)	(4.6)
Overall Balance	(98.7)	(64.5)	(238.0)	(228.7)	588.0	37.5	34.0	17.5	64.1
<u>Change in GIR: - increase/+ decrease</u>	98.7	64.5	238.0	228.7	(588.0)	(37.5)	(34.0)	(17.5)	(64.1)

^(p) - Provisional

^(e) - Estimate

Source: Central Bank of Barbados

Table 4 - Summary of Government Operations
(BDS \$Millions)

	2014/15	2015/16	2016/17	2017/18 ^(p)	2018/19 ^(e)	Jan-Mar 2016	Jan- Mar 2017	Jan-Mar 2018 ^(p)	Jan-Mar 2019 ^(e)
Total Revenue	2,407.3	2,458.4	2,754.0	2,845.4	2,993.6	770.8	1,024.2	858.9	933.1
Tax Revenue	2,182.8	2,266.3	2,494.5	2,656.3	2,812.4	691.8	851.8	769.7	870.6
i) Direct Taxes	901.0	875.6	970.5	968.9	1,126.9	252.1	330.8	291.4	372.7
Personal	412.5	396.8	488.3	462.6	482.1	112.8	162.9	130.1	168.4
Corporate	156.1	215.2	248.2	275.1	355.5	97.8	127.8	122.1	152.2
Consolidation	28.1	36.3	3.2	0.0	0.0	10.3	0.0	0.0	0.0
Property	164.4	132.8	135.4	137.6	161.3	9.3	14.7	15.9	17.9
Municipal Solid Waste	32.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Institutions Asset Tax	26.9	29.0	32.6	48.7	44.6	6.4	9.9	11.4	7.2
Other	81.0	65.5	62.7	44.9	83.4	15.5	15.6	11.9	27.0
ii) Indirect Taxes	1,281.8	1,390.7	1,524.0	1,687.4	1,685.5	439.7	521.0	478.3	497.9
Stamp	11.0	10.1	9.4	10.5	10.9	2.0	2.8	3.6	3.0
VAT	806.2	861.4	890.3	887.3	940.9	274.6	274.0	229.6	272.8
Excises	135.9	169.0	225.6	303.1	271.2	67.1	117.3	119.8	86.5
Import Duties	223.6	231.6	245.2	218.6	213.8	76.5	76.6	50.2	55.5
Social Responsibility Levy	0.0	0.0	29.3	152.0	49.4	0.0	17.4	45.8	0.1
Other	105.1	118.6	124.3	115.9	199.4	19.5	32.9	29.3	80.0
Non-Tax Revenue & Grants	224.5	192.1	259.5	189.1	181.2	79.0	172.4	89.2	62.5
Non-Tax Revenue	147.7	147.5	228.4	149.0	161.5	68.9	164.3	59.8	49.9
Grants	57.5	18.1	9.8	22.0	0.1	1.1	0.8	22.0	0.1
Post Office - Revenue	19.3	26.4	21.3	18.1	19.6	9.0	7.3	7.4	12.5
Current Expenditure	2,918.7	3,085.5	3,053.0	3,123.8	2,826.4	918.1	884.5	884.3	913.7
Wages & Salaries	803.7	787.2	784.4	782.3	811.9	198.5	200.7	198.8	206.6
Goods & Services	341.5	441.3	385.4	364.3	356.3	206.2	143.1	119.1	139.9
Interest	653.7	672.5	741.7	764.7	384.9	132.5	152.7	157.0	68.6
External	165.3	163.7	168.0	168.0	48.0	43.4	44.5	45.1	13.3
Domestic	488.4	508.8	573.7	596.7	336.9	89.2	108.2	111.9	55.3
Transfers & Subsidies	1,119.8	1,184.5	1,141.5	1,212.5	1,273.3	380.9	388.0	409.4	498.5
Grants to Individuals	338.5	342.1	327.3	358.3	362.8	116.7	116.4	118.1	132.5
Grants to Public Institutions	682.9	729.6	714.4	761.2	814.8	213.9	237.8	245.3	318.0
Non-Profit Agencies	29.6	32.3	32.7	19.0	18.3	8.4	8.7	6.1	7.9
Capital Expenditure & Net Lending	193.5	236.3	225.1	171.8	197.8	46.2	67.6	60.2	124.2
Fiscal Balance	(704.9)	(863.4)	(524.1)	(450.2)	(30.6)	(193.5)	72.1	(85.6)	(104.8)
Primary Balance	(51.2)	(190.8)	217.6	314.5	354.3	(61.0)	224.8	71.4	(36.2)
Fiscal Balance to GDP (%)	(7.6)	(9.1)	(5.3)	(4.5)	(0.3)				

^(p) - Provisional

^(e) - Estimate

Source: Sources: Accountant General, Ministry of Finance and Central Bank of Barbados

Table 5 - Government Financing
(BDS \$Millions)

	2014/15	2015/16	2016/17	2017/18 ^(p)	2018/19 ^(e)	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2018 ^(p)	Jan-Mar 2019 ^(e)
Total Financing	704.9	863.4	524.1	450.2	30.6	193.5	(72.1)	85.6	104.8
Domestic Financing	695.2	837.7	685.7	629.3	(315.5)	156.6	(88.3)	148.9	118.4
Central Bank	349.1	426.2	783.2	92.8	(166.4)	19.6	77.6	(4.0)	66.1
Commercial Banks	(141.7)	182.4	(433.5)	257.9	82.8	66.8	(192.6)	(20.8)	24.4
National Insurance Board	48.6	71.2	180.2	3.1	8.9	28.6	57.3	5.9	0.0
Private Non-Bank	62.6	108.5	94.6	(57.2)	(119.6)	22.3	37.2	25.1	(36.1)
Other	376.7	49.4	61.3	332.8	(111.2)	19.3	(67.8)	142.7	74
Arrears Payments	n.a.	n.a.	n.a.	n.a.	(10.0)	n.a.	n.a.	n.a.	(10.0)
Foreign Financing (Net)	9.7	25.7	(161.7)	(179.1)	346.2	36.9	16.2	(63.3)	(13.5)
Capital Markets	49.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Funds	79.0	204.1	57.2	113.8	87.9	20.0	26.2	28.6	10.6
Policy Loans	0.0	99.3	0.0	0.0	350.0	50.0	0.0	0.0	0.0
Amortisation	(118.7)	(277.8)	(218.8)	(292.8)	(91.7)	(33.1)	(10.0)	(91.9)	(24.1)
Divestment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

^(p) - Provisional

^(e) - Estimate

n.a. - Not Available

Source: Central Bank of Barbados

**Table 6 - Public Debt Outstanding
(BDS \$Millions)**

	2014	2015	2016	2017	2018	Mar-16	Mar-17	Mar-18	Mar-19 ^(p)
Gross Central Government Debt¹	11,445.1	12,243.0	13,397.3	13,665.9	12,755.8	12,901.1	13,619.0	13,960.9	12,769.9
Domestic Debt	8,520.4	9,319.8	10,511.2	10,840.1	9,247.4	9,699.2	10,521.5	11,067.4	9,234.7
Central Bank ²	807.9	1,303.6	2,012.4	2,227.7	703.8	1,337.5	2,120.8	2,230.9	724.9
Commercial Banks	1,946.9	2,070.0	2,030.9	2,144.9	2,340.2	2,297.9	1,838.6	2,098.9	2,337.7
National Insurance	2,993.6	3,152.7	3,481.0	3,518.9	2,938.4	3,180.7	3,508.0	3,524.8	2,943.8
Insurance Companies	498.7	514.6	522.3	527.2	1,021.4	823.0	794.2	741.6	1,149.3
PPP	294.3	272.9	256.8	241.8	-	271.9	255.6	240.6	-
Other	1,978.9	2,006.1	2,207.8	2,179.7	2,243.6	1,788.2	2,004.1	2,230.7	2,079.0
Arrears	n.a.	n.a.	n.a.	n.a.	309.5	n.a.	n.a.	n.a.	293.0
External Debt	2,924.8	2,923.2	2,886.2	2,825.8	2,970.8	3,201.9	3,097.5	2,893.5	2,937.7
International Financial Institutions	882.6	1,012.4	1,062.5	1,043.7	1,379.5	1,067.7	1,049.1	1,031.6	1,368.7
Bonds	1,735.1	1,619.3	1,548.3	1,452.8	1,142.8	1,668.0	1,542.5	1,362.5	1,135.7
PPP	261.5	256.0	249.9	243.1	237.0	249.9	243.1	235.7	228.9
Bilateral	45.6	35.5	25.5	86.1	211.5	34.2	79.3	86.1	204.4
Arrears ³					228.1				304.4
Other Public Sector Debt	1,425.7	1,385.8	1,238.2	1,144.0	94.3	1,341.6	1,158.8	976.8	92.9
Domestic Debt	1,135.7	1,116.9	965.8	884.6	-	1,027.8	920.0	765.7	-
Foreign Debt	290.0	268.9	272.4	259.4	94.3	313.8	238.8	211.1	92.9
Gross Public Sector Debt⁴	12,870.8	13,628.8	14,635.5	14,809.9	12,850.1	14,242.7	14,777.8	14,937.7	12,862.8
Central Government Financial Assets	971.2	744.8	752.0	715.2	795.0	833.9	736.9	733.0	684.8
Central Bank	52.8	16.7	20.1	20.3	389.4	26.4	14.7	34.0	344.4
Commercial Banks	99.3	95.1	99.4	96.0	174.6	122.9	95.7	118.8	150.2
Sinking Funds	819.1	633.0	632.6	598.8	231.0	684.6	626.5	580.2	190.2
Other Public Sector Financial Assets	198.5	207.9	239.8	189.0	465.8	253.2	195.9	199.0	465.8
Public Corporations' Deposits	198.5	207.9	239.8	189.0	465.8	253.2	195.9	199.0	465.8
Gross Public Sector Debt/GDP (%)	137.0	144.2	151.2	148.4	126.3	150.5	151.5	149.0	125.6
Gross Central Government Debt/GDP (%)	121.9	129.5	138.4	136.9	125.4	136.3	139.6	139.2	124.7
External Debt/GDP (%)	31.1	30.9	29.8	28.3	31.4	33.8	31.8	28.9	31.7
Net Central Government ⁵ /GDP (%)	111.5	121.7	130.6	129.8	117.6	127.5	132.0	131.9	118.0

^(p) - Provisional

^(e) - Estimate

¹ Gross Central Government Debt = Domestic Debt + External Debt+ Domestic and External Arrears

² Comprises Treasury Bills, Debentures and Ways & Means Account Balance

³ Arrears= Principal, Interest and Penalties on External Debt

⁴ Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt

⁵ Net Central Government Debt = Gross Central Government Debt - Central Government Financial Assets

Source: Accountant General, Ministry of Finance and Central Bank of Barbados

**Table 7 – Select Monetary Aggregates and Financial Stability Indicators for the Banking System
(BDS \$Millions)**

	2014	2015	2016	2017	2018	Mar 2016	Mar 2017	Mar 2018	Mar 2019 ^(p)
Central Bank of Barbados									
Net International Reserves	861.7	821.4	574.9	334.7	832.3	836.7	600.6	348.6	889.3
Monetary Base	1530.9	1959.0	2444.3	2331.7	2621.3	1953.2	2521.6	2388.1	2722.2
Net Domestic Assets	669.2	1137.6	1869.3	1996.9	1789.0	1116.5	1921.0	2039.5	1832.9
Deposit-taking Institutions¹									
Credit to Public Sector ²									
Central Government (net)	1957.9	2186.7	2063.6	2164.5	1904.0	2242.3	1872.9	2122.2	1929.6
Rest of the Public Sector	514.9	422.6	368.2	344.8	204.8	404.9	368.7	331.4	99.3
Credit to Rest of Financial System	275.4	291.3	274.7	248.7	274.5	297.7	261.8	271.3	270.4
Credit to the Non-Financial Private Sector ³	7596.7	7714.0	7836.3	8113.0	8168.6	7680.7	7851.9	8109.6	8124.3
Total Deposits	10816.1	11372.5	11837.7	11978.7	11967.1	11531.1	11747.7	11974.8	12256.3
Transferable Deposits ⁴	8349.4	8946.4	9589.1	9667.6	9844.5	9098.7	9510.9	9776.0	10117.4
Non-Transferable Deposits	2466.7	2426.0	2248.5	2311.1	2122.6	2432.4	2236.8	2198.9	2138.9
Memo Items									
Domestic Currency Deposits	10354.1	10727.3	11097.5	11223.9	11365.1	10931.2	11005.7	11282.8	11505.7
Foreign Currency Deposits	462.0	645.1	740.2	754.8	602.0	599.9	742.0	692.0	750.7
Banking System Financial Stability Indicators⁵									
Capital Adequacy Ratio (CAR)	16.4	15.8	17.0	17.0	13.9	15.8	17.0	16.8	12.6
Loan to Deposit Ratio	72.3	66.7	63.7	64.4	63.0	65.0	64.1	63.6	60.6
Liquid Assets to Total Assets	24.7	29.9	32.5	32.6	17.4	30.6	31.6	32.5	18.8
Non-Performing Loans Ratio	11.1	10.2	8.6	7.7	7.4	10.0	8.4	7.9	7.2
Provisions to Non-Performing Loans	47.7	55.5	62.7	80.4	67.3	59.3	66.0	76.8	69.1
Return on Average Assets (12-month)	0.6	1.4	1.5	1.3	(0.2)	1.5	1.4	1.3	(1.3)

^(p) - Provisional

¹ Comprises of Commercial Banks, deposit taking Finance & Trust Companies and Credit Unions

² Reflects both securities holdings and loans.

³ Does not include credit to the non-resident sector

⁴ These comprise of call deposits, demand deposits and savings deposits with unrestricted withdrawal privileges

⁵ Includes data revisions

Source: Central Bank of Barbados