



**Press Release
June 2018**

Barbados’ Economic Recovery Plan Overview

This review is presented in the context of three major policy initiatives taken by the Government of Barbados in the second quarter of 2018. First, following the May general election, the new administration approached the International Monetary Fund (IMF) for endorsement of its home grown economic recovery and transformation plan and for balance of payments support to restore the buffer of international reserves to adequate levels. Discussions between the Government of Barbados and the IMF have already commenced on the elements of the programme that would support the disbursement of funds.

Secondly, Government announced the suspension of payments on external commercial debt obligations and indicated its intention to pursue a comprehensive restructuring of its domestic and external debt. This initiative is expected to complement the broader efforts of fiscal consolidation and facilitate a return to fiscal and debt sustainability. Preliminary discussions with external and domestic creditors have commenced and will intensify over the coming months.

Finally, as a first phase of economic reforms, the Government introduced a suite of budgetary measures that are intended to alter the incidence of taxation and provide earmarked funding for some state-owned enterprises.

These entities will ultimately need to exhibit greater efficiency as they transition to functioning independently of Government. In addition, the increase in domestic taxation was partly targeted at strengthening the social safety net and enabling urgently needed infrastructural spending. Given implementation lags, the full impact on fiscal performance will be felt during FY 2019/20.

These initiatives, combined with further structural reforms, have the potential to restore stability, engender investor confidence, create the framework for durable growth over the medium-term and enhance resilience to economic and environmental shocks.

Table 1: Budgetary Measures
Estimated Impact

Fiscal Year	Full Year Impact of Budget Measures % of GDP
Total Revenue Adjustment	2.8
Loss from NSRL and Associated VAT	-1.6
Reduction in Road Tax	-0.5
Taxes on Income	0.8
Taxes on Corporate Income	1.1
Fuel Tax	0.7
Airline Travel and Tourism Development fee	0.9
Garbage and Sewage Contribution	0.6
Room Rate Levy /Shared Accommodation	0.3
Car Registration	0.1
VAT Gain	0.3
Total Expenditure Adjustment	1.7
Current Expenditure	1.2
Capital Expenditure	0.5

Source: Central Bank of Barbados and Ministry of Finance

IMF Funding Arrangements

An IMF financing facility provides access to low-cost funding which strengthens a country's international reserves position in the short-term and creates opportunities to unlock policy based loans from other multilateral organisations such as the Inter-American Development Bank (IADB) and the Caribbean Development Bank (CDB). For Barbados, the effective implementation of its IMF-supported economic recovery and transformation programme is also likely to have a favourable impact on the sovereign credit rating and eventually restore access to international capital markets.

Given the medium-term nature of Barbados' economic adjustment needs, it is likely to qualify for support under the institution's Extended Fund Facility (EFF), as opposed to a stand-by arrangement (SBA) which is geared for shorter-term engagement. In its 1982-84 and 1992-93 IMF programmes, Barbados accessed the SBA facility which is flexible in length, usually covering a period of 12–24 months, but no more than 36 months. However, when a country faces inherent structural deficiencies and is able and willing to implement deep and sustained structural reforms, consideration can be given to a programme under an EFF which typically lasts between 36 and 48 months.

Barbados' access to IMF resources is determined by its quota, which currently stands at SDR94.5 million or approximately US\$135 million. Normal access under the EFF allows a country to borrow up to 145% of its quota annually or 435% cumulatively over the life of a programme. In exceptional circumstances, a country may borrow above normal access limits. However, the actual size of the facility will be influenced by the country's balance of payments need, the strength of its adjustment programme and its capacity to repay.

When a country borrows from the IMF, it commits to implement policies to correct structural deficiencies and restore economic growth. These commitments are referred to as conditionality, the degree of which partly reflects the nature of the adjustment required to restore macroeconomic stability. Programme design establishes quantitative performance criteria and may also incorporate measures to address issues pertaining to debt management, expenditure reform - inclusive of state-owned enterprises - tax administration and reforms to strengthen international competitiveness.

Negotiations for Fund programmes may vary in length, and the speed with which the negotiations of these reforms can be completed will influence our capacity to make the first drawdown of financing. Table 1 below summarises several recent IMF programme terms of Caribbean economies.

Table 1: Recent IMF Lending to Caribbean Countries

Country	Conclusion Date	Arrangement	SDR	US\$ Equivalent	% of Quota	Debt Restructuring
Antigua and Barbuda	2010	SBA	81	\$117.8M	600	Yes
St. Kitts and Nevis	2011	SBA	52.5	\$84.5M	590	Yes
Jamaica	2013	EFF	479	\$750M	175	Yes
Grenada	2014	ECF	14	\$21.9M	120	Yes
Suriname	2016	SBA	342	\$478M	265	No

ECF – Extended Credit Facility

Source: International Monetary Fund

Real Sector

Economic activity in Barbados is provisionally estimated to have contracted by 0.6% during the first six months of 2018.

Tourist arrivals for the first half of the year increased by an estimated 3.4%, but the expansion was not sufficient to off-set a weakening of length-of-stay on real tourism output. Visitors from the North American region continued a fourth year of strong growth, with long-stay arrivals from the United States and Canada increasing by 8.9% and 3%, respectively, while the number of United Kingdom tourists grew by 3.6%. Cruise visitors declined following a reduction in ship calls for the six months ending June 2018.

Figure 2: Tourist Arrivals



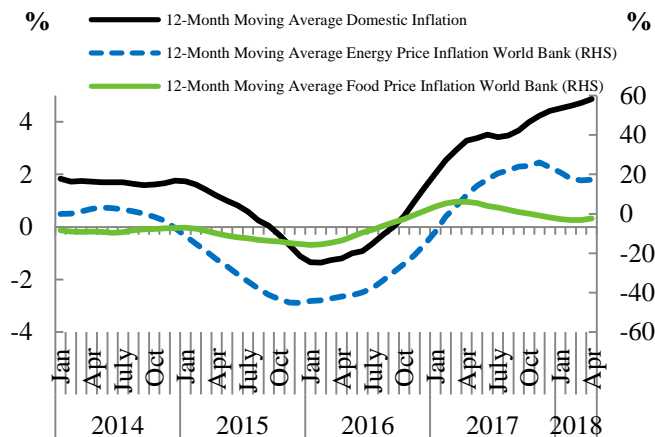
Source: Barbados Statistical Service and Central Bank of Barbados

In addition to tourism, traded sector activity benefitted from increased sugar cane production, which enabled a modest rise in sugar output.

Construction activity weakened and output fell by 4.0% for the first six months. In addition, the fiscal consolidation measures of recent years continued to dampen activity in the other non-traded sectors.

The average unemployment rate for the four quarters ending March 2018 was 10%, compared with 9.7% one year earlier.

Figure 3: Domestic and International Prices



Source: Barbados Statistical Service and World Bank Indicators

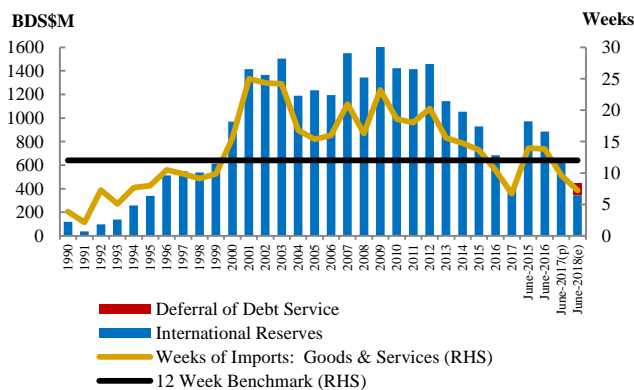
Domestic inflation, as measured by the twelve-month moving average retail price index, increased to 4.9% at the end of April, compared to a rate of 4.5% at the end of 2017. The increase in the retail price level primarily reflects the impact of the increase in the National Social Responsibility Levy (NSRL), coupled with the pass-through effects of higher energy prices.

External Sector

The international reserves rose by \$33 million to reach \$443 million during the first six months of the year. This is the first increase for the comparable period since 2008. The Central Bank received an increase in net purchases of foreign exchange from commercial banks but the overall outturn partly reflected lower outflows on debt service (\$99 million) in June following Government's decision to suspend external debt payments. The pool of reserves, at 7.2 weeks of import cover remained

below the minimum operational target of twelve weeks.

Figure 4: International Reserves



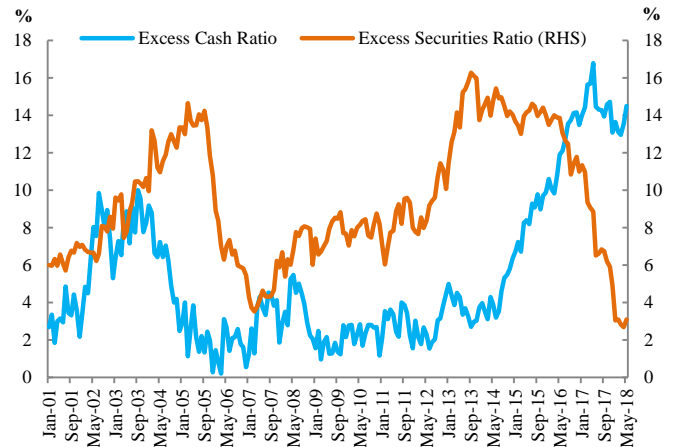
Source: Central Bank of Barbados

The deficit on the external current account of the balance of payments narrowed, on account of higher receipts from travel credits and lower external interest payments. In addition, there was an estimated 3% decline in imports despite the continued rise in oil prices during the first half of the year.

Financial Sector

The financial system remained liquid with holdings of excess cash of about 15% above the statutory requirement. Credit to the private sector by banks remained weak but there was a moderate recovery in deposits which had declined during the corresponding period a year earlier. With deposit rates stabilising at low levels, there was a continued shift in deposits away from time towards liquid demand deposits.

Figure 6: Excess Reserves Ratios of Commercial Banks



Source: Central Bank of Barbados

Public Sector

The performance for the first quarter of the 2018/19 fiscal year resulted in a small deficit of \$10 million. This reflected the improved primary surplus balance resulting from the fiscal consolidation efforts of the two preceding years and the suspension of external interest payments.

Revenues are estimated to have risen by \$69 million, with the NSRL, the foreign exchange fee (FXF) and excises being the main sources of revenue growth, contributing \$29 million, \$19 million, and \$10 million, respectively. However, the value added tax collections were flat after rising sharply the previous year.

Current expenditures contracted by \$46 million due to the reduced interest payments. Transfers to public institutions were unchanged, while capital expenditures remained consistently below budgeted allocations.

**Table 2: Composition of Expenditure
(%GDP)**

	Apr - Jun 2015	Apr - Jun 2016	Apr- Jun 2017 ^(p)	Apr- Jun 2018 ^(e)
Total Expenditure	8.0	8.3	8.1	7.3
Current Expenditure	7.6	7.6	7.5	6.8
Wages & Salaries	2.0	2.0	1.9	1.9
Goods & Services	0.7	0.7	0.7	0.6
Interest	2.2	2.3	2.4	1.8
Transfers & Subsidies	2.7	2.6	2.6	2.4
Grants to Individuals	0.7	0.7	0.7	0.7
Grants to Public Institutions	1.7	1.6	1.7	1.6
Non-Profit Agencies	0.1	0.1	0.0	0.0
Capital Expenditure & Net Lending	0.4	0.7	0.6	0.5

Source: Central Bank of Barbados and Ministry of Finance

Financing and Debt

The decision to suspend debt service payments reduced the borrowing requirements during the quarter. Financing from foreign project flows was still insufficient to offset foreign amortisation payments on multilateral borrowing, even though outflows were smaller than originally envisaged. Commercial banks provided \$50 million in financing to Government before the suspension of external payments. The Central Bank, which had scaled back its lending during the preceding year, provided \$105 million in financing during the quarter. This increase was twofold. First, government reduced its deposits at the Bank in part to cover deferred payments, including tax refunds. Secondly, the reduced funding provided by some non-banks created short-term financing pressures. The Bank views this accommodation as necessary during this transitional phase, and supports the legislative amendment to limit future central bank financing of fiscal deficits.

At the end of June, Government's liability to creditors stood at 155% of GDP. This large stock of indebtedness has contributed to the deterioration in the sovereign credit rating and the ultimate decision of Government to pursue a comprehensive debt restructuring. This decision reflects Government's effort to lower its interest burden, reduce gross financing requirements, create fiscal space and ultimately reduce and stabilise the debt ratio.

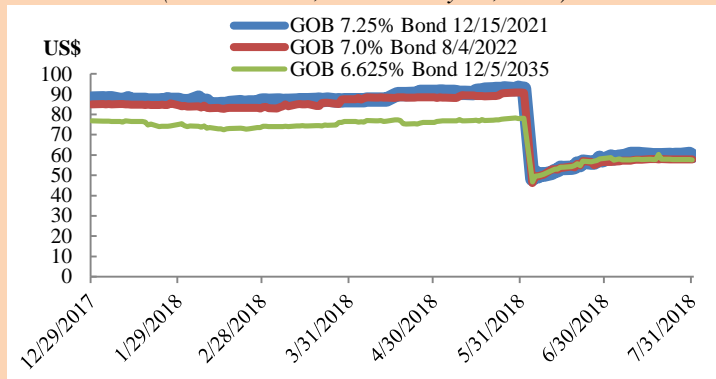
Debt Restructuring

Debt restructuring can take a variety of forms, including reductions in coupon rates, maturity extensions, reductions of outstanding principal or some combination of these options. The choice of method can be influenced by several factors including the scale of the problem, the speed of adjustment and the size and nature of the fiscal adjustment. Factors to be considered include safeguarding the soundness of the financial system and examining the impact on small savers.

On June 1, 2018 the Government of Barbados announced the suspension of interest and amortisation payments due on its debts owed to external commercial creditors. It is envisaged that in addition to foreign currency denominated external debt, domestic obligations of the central government and guaranteed debt, inclusive of treasury bills, treasury notes, debentures, bank loans and commercial bonds, which are serviced directly out of the public purse, will also be subject to the restructuring exercise.

This development resulted in varied responses in the domestic and international investor community and on June 15, 2018, the international rating agency Standard & Poor's (S&P) reduced the country's long-term foreign currency rating from (CCC+) to Selective Default (SD), as is customary when the process for a sovereign debt restructuring commences.

Figure 1: Government of Barbados International Bid Prices
(December 29, 2017 to July 31, 2018)



Source: Bloomberg

As illustrated in Figure 1, the restructuring of the external debt immediately impacted the trading price of Government of Barbados' international bonds, which fell from an average of US\$87 to US\$47 and from US\$91.8 to US\$46.8 on its medium-term and long-term instruments, respectively. The secondary trading of Government securities domestically also reflected lower prices before a temporary suspension of trading was announced by the Financial Services Commission in early July. Trading was subsequently permitted to resume from July 23, 2018.

Outlook

Barbados, with the support of its multilateral development partners, is about to embark on a major programme of fiscal consolidation and structural reforms that is intended to facilitate durable and enhanced growth over the medium-term. Work is proceeding towards a speedy conclusion of the policy framework needed to achieve agreement with the Fund, to unlock resources from the international financial institutions and to reaffirm Barbados' commitment and willingness to address its economic challenges.

Successful programme implementation is critical to building a stronger economy. In this regard, the catalytic impact of the programme should permit a gradual restoration of the international reserves buffer in excess of the 12-week benchmark. This is essential for restoring confidence and creating an environment that encourages domestic and foreign investment.

The programme provides an opportunity for a sustained improvement in the public finances. Government has already committed to realising a primary surplus of 6% of GDP from FY 2019/20 as the measures announced in the May 2018 budget take effect on a full year basis. In addition, these measures are expected to be supported by expenditure reforms that seek to reduce the transfers to state-owned enterprises, strengthen the fiscal consolidation process over the next 18-24 months and reduce domestic financing pressures.

The broader fiscal adjustment will be complemented by the debt restructuring which is intended to create fiscal space by lowering interest costs, enabling Government to generate surpluses that help in eliminating the stock of arrears on a phased basis.

An improved macroeconomic framework has the potential to strengthen growth prospects. The tourism sector remains pivotal to

economic activity but Barbados requires new investment in tourism and ancillary sectors to accelerate growth within a low inflationary environment.

The economy remains vulnerable to external oil price shocks and no significant improvement in growth for 2018 is anticipated. The current forecast is for a decline in economic activity of 0.5%. However, implementation of some of the private and public sector projects in the pipeline is expected to raise confidence and contribute to an improved outlook for growth.

In addition, accelerated growth requires continuous improvements in business facilitation, enabling speedier decision-making and creating new opportunities for an injection of foreign investment flows to support the balance of payments.

Finally, enhancing the outlook for the Barbadian economy requires a stronger policy framework together with the commitment of all stakeholders. The Bank considers the continued role of the Social Partnership as vital to the recovery effort as all sectors work to raise national productivity levels and enhance national competitiveness.

Revised Approach to the Estimation of Gross Domestic Product in Barbados

Estimates of the gross domestic product (GDP) are the most important indicator of a country's overall macroeconomic performance. GDP measures the total value of all final goods and services produced in an economy during a specific period of time, usually a year.

It has been the practice in Barbados that the Barbados Statistical Service (BSS) prepares annual estimates of nominal GDP measured using the current market prices of a particular year. The Central Bank of Barbados (CBB) produces annual and quarterly estimates of real GDP, which involves holding current market prices constant relative to the prices in a particular base year. In other words, real GDP focuses on the measurement of the "physical" amount of final goods and services, without taking into account the price fluctuations of those goods and services.

Notwithstanding the ongoing collaborative approach to GDP estimation taken by the BSS and the CBB, including the annual reconciliation of both GDP series, the conventional practice internationally is that the official statistical agency produces estimates of both nominal and real GDP. Therefore, following an extensive consultative process, the BSS has enhanced its approach to the estimation of GDP, which includes, inter alia, the production of annual estimates of real GDP. In particular, the revision of the methodology for estimating real GDP included updating the base year for prices to 2010, to better reflect the pricing structure of the current economy.

The revised real GDP figures prepared by the BSS for the period 2006 to 2017 are to be official estimates of real GDP for Barbados. As a result, the real GDP data previously produced by the CBB will be discontinued in its current form. During its quarterly report on economic performance, the CBB will provide "provisional" estimates and indicators of sectoral economic activity, pending the release by the BSS of more detailed real GDP estimates.

Table 1 provides a comparative breakdown of the economic sectors and corresponding sectoral weights of the real GDP estimates produced by the BSS and the CBB. The BSS real GDP data have more detailed coverage and revised sectoral weights, compared to the CBB data, which are based on 1974 prices. Of note, the revised levels of real GDP are higher and the changes in sectoral weights reveal that the largest economic sector, Business and Other Services, now comprises a combination of business, real estate, financial and insurance and other professional and general services. This accounts for 35% of total real output, compared to 20% using the CBB's sectoral distribution. The BSS has also revised its preliminary estimates of nominal GDP and by extension the CBB updated its associated historical ratios to GDP, as is the usual practice when new or revised data become available.

Table 1: Comparison of Sectoral GDP Weights

	BSS	CBB
	% Share of Total	
TRADED SECTOR	22.4	20.7
Sugar, Agriculture & Fishing	1.5	4.3
<i>Sugar</i>	0.0	1.0
<i>Agriculture and Fishing</i>	1.5	3.3
Manufacturing	6.7	4.6
Accommodation and Food Services	14.2	11.8
NON-TRADED SECTOR	77.6	79.3
Mining and Quarrying	0.3	0.5
Electricity, Gas & Water Supply	2.7	4.0
Construction	6.5	7.4
Wholesale & Retail Trade	10.6	21.7
Government	12.1	15.2
<i>Public Administration, Defence & Social Security</i>	7.1	
<i>Public Education</i>	3.5	
<i>Public Health</i>	1.5	
Transportation, Storage & Communications	12.6	10.3
<i>Transportation and Storage</i>	5.5	
<i>Information & Communications</i>	7.1	
Business & Other Services	35.2	20.3
<i>Financial & Insurance</i>	10.3	
<i>Real Estate</i>	10.4	
<i>Business Services</i>	9.5	
<i>Personal & Other Services Incl. of Private Edu. & Health</i>	5.0	
<i>FISIM Adjustment</i>	2.4	
Total Value Added at Basic Prices	100.0	100.0
Taxes less Subsidies on Products		
Real Gross Domestic Product at Market Prices		

Source: Barbados Statistical Service and Central Bank of Barbados

^a For further details of the changes see the Barbados Economic and Social Report 2015 by the Ministry of Finance and Economic Affairs.

Table 1 – Economic Indicators

	2013	2014	2015	2016	2017 ^(p)	Jun 2015	Jun 2016	Jun 2017 ^(p)	Jun 2018 ^(e)
Nominal GDP (\$ Million) ¹	9,354.5	9,392.7	9,450.9	9,681.3	9,979.0	4,656.2	4,795.4	5,012.3	5,147.0
Real Growth (%)	(1.4)	0.0	2.2	2.5	0.1	1.0	3.0	1.5	(0.6)
Inflation (%) ²	1.8	1.8	(1.1)	1.5	4.5	0.8	(0.9)	3.5	4.9
Avg. Unemployment (%) ³	11.6	12.3	11.3	9.7	10.0	12.0	10.2	10.0	10.0
Foreign Exchange Reserves (\$ Million)	1,144.1	1,054.9	929.4	683.6	409.7	972.8	885.7	635.5	443.1
Foreign Exchange Reserves Cover, Weeks	15.6	14.8	13.7	10.5	6.7	14.0	13.9	9.7	7.2
BoP Current Account (% of GDP)	(8.4)	(9.2)	(6.1)	(4.3)	(3.8)	(6.5)	(2.5)	(3.0)	(1.7)
Total Imports of Goods (% of GDP)	37.8	37.0	34.2	33.5	32.1	33.8	32.8	31.4	29.6
Travel Credits (% of GDP)	20.7	18.9	20.0	21.5	21.7	22.6	24.5	24.7	24.4
Net Capital Inflows (\$ Millions)	513.5	734.0	441.2	84.9	84.4	194.9	74.2	147.1	149.8
Gross Public Sector Debt ⁴ (% of GDP)	131.5	137.0	144.2	151.2	148.4	140.6	144.9	146.9	155.0
External Debt Service to Curr. Acct. Cred.	6.4	6.7	9.5	8.0	8.3	11.5	8.1	8.7	7.0
Treasury-Bill Rate	3.2	2.6	1.8	3.1	3.2	2.8	3.2	3.1	3.0
Average Deposit Rate ⁵	2.5	2.5	0.4	0.3	0.2	1.4	0.4	0.2	0.2
Average Loan Rate ⁵	7.4	7.1	6.8	6.7	6.6	7.0	6.7	6.7	6.6
Excess Liquidity Ratio	3.9	6.7	10.6	14.5	14.1	8.7	12.8	15.6	15.5
Private Sector Credit Growth (%)	(2.2)	(4.6)	0.5	1.1	3.0	(0.9)	(0.6)	0.2	(0.5)
Private Sector Credit (% of GDP)	60.1	57.1	57.1	56.3	56.3	56.7	55.9	55.2	55.2
Domestic Deposits (% of GDP)	87.4	86.0	89.2	90.8	88.2	89.2	89.1	88.4	87.9
Fiscal Year	2013/14	2014/15	2015/16	2016/17^(p)	2017/18^(e)				
Fiscal Deficit (% of GDP)	(10.3)	(7.6)	(9.0)	(5.3)	(4.3)				
Primary Balance (% of GDP)	(3.7)	(0.5)	(2.0)	2.2	3.3				
Interest (% of GDP)	6.5	7.0	7.0	7.6	7.6				
Fiscal Current Account (% of GDP)	(8.5)	(5.5)	(6.6)	(3.0)	(2.6)				
Revenue (% of GDP)	25.0	25.8	25.7	28.0	28.5				
Expenditure (% of GDP)	35.3	33.4	34.8	33.4	32.8				
<i>Non-interest Expenditure (% of GDP)</i>	28.7	26.4	27.7	25.8	25.2				
<i>Capital Expenditure (% of GDP)</i>	1.8	2.1	2.5	2.3	1.7				
Gov't Interest Payments (% of Revenue)	26.1	27.2	27.4	26.9	26.7				

^(p) - Provisional

^(e) - Estimate

¹ - Barbados Statistical Service and Central Bank of Barbados Provisional Quarterly Estimate for June 2018

² - Data to April 2018

³ - Data to March 2018

⁴ - Gross Public Sector Debt = Gross Central Government Debt - Domestic Debt held by NIS - Domestic Debt held by CBB + Other Public Sector Debt

⁵ - Data to May 2018

Source: Barbados Statistical Service and Central Bank of Barbados

Table 2 – GDP by Sector and Activity
(BDS \$Million, Constant Prices¹)

	2013	2014	2015	2016	2017 ^(p)	Jun 2015	Jun 2016	Jun 2017	Jun 2018 ^(e)
Tradeables	1,659.6	1,645.1	1,717.0	1,823.2	1,870.5	855.8	892.8	959.0	948.7
Tourism	1,056.9	1,066.5	1,115.5	1,229.0	1,256.3	548.6	600.1	651.9	636.8
Manufacturing	490.1	468.9	491.3	485.2	508.7	250.9	239.0	251.8	250.6
of which:									
<i>Rum & Other Beverages</i>	68.2	65.2	68.4	67.5	70.8	34.9	33.2	35.0	34.9
<i>Food</i>	124.6	119.2	124.9	123.3	129.3	63.8	60.8	64.0	63.7
<i>Furniture</i>	13.5	12.9	13.5	13.4	14.0	6.9	6.6	6.9	6.9
<i>Chemicals</i>	29.5	28.2	29.6	29.2	30.6	15.1	14.4	15.2	15.1
<i>Electronics</i>	37.1	35.5	37.2	36.7	38.5	19.0	18.1	19.0	19.0
<i>All Other Manufacturing</i>	217.3	207.9	217.8	215.1	225.5	111.2	105.9	111.6	111.1
Sugar	7.1	5.9	4.7	3.4	5.4	4.7	3.4	5.4	6.7
Other Agriculture	105.5	103.8	105.4	105.7	100.1	51.5	50.4	49.9	54.6
Non-tradeables	6,023.0	6,034.9	6,132.4	6,218.6	6,179.7	3,009.1	3,088.8	3,083.4	3,067.5
Mining & Quarrying	20.7	28.8	37.4	32.4	47.0	18.8	16.0	19.8	19.5
Electricity, Gas & Water	221.0	221.3	217.4	219.0	214.8	108.0	107.3	107.6	106.0
Construction	495.0	501.7	495.7	464.3	473.0	245.4	226.0	236.5	227.0
Distribution	794.7	767.7	792.4	777.2	742.2	386.3	385.0	369.4	366.3
Transport, etc	934.3	967.0	972.6	1,065.4	1,045.7	469.5	518.9	520.5	518.2
Finance and Other Services	2,598.0	2,654.4	2,752.2	2,805.6	2,801.6	1,346.1	1,407.8	1,400.6	1,403.2
Government	959.3	893.9	864.7	854.7	855.6	435.0	427.8	428.9	427.3
Total	7,682.6	7,680.0	7,849.4	8,041.8	8,050.2	3,864.9	3,981.6	4,042.3	4,016.2
Nominal GDP	9,354.5	9,392.7	9,450.9	9,681.3	9,979.0	4,656.2	4,795.4	5,012.3	5,147.0
Real Growth Rates	(1.4)	(0.0)	2.2	2.5	0.1	1.0	3.0	1.5	(0.6)
Tradeables	(2.4)	(0.9)	4.4	6.2	2.6	3.5	4.3	7.4	(1.1)
Non-tradeables	(1.1)	0.2	1.6	1.4	(0.6)	0.3	2.6	(0.2)	(0.5)

^(p) - Provisional

^(e) - Estimate

¹ - Barbados Statistical Service 2010 Base Year Series

Source: Barbados Statistical Service and Central Bank of Barbados

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

	2013	2014	2015	2016	2017 ^(p)	Jun 2015	Jun 2016	Jun 2017 ^(p)	Jun 2018 ^(e)
Current Account	(782.5)	(865.8)	(577.1)	(411.6)	(377.2)	(301.2)	(117.7)	(151.5)	(86.9)
Inflows	4,564.1	4,452.5	4,600.5	4,798.7	4,835.1	2,294.5	2,494.8	2,477.5	2,490.5
Travel	1,938.7	1,773.6	1,894.9	2,079.1	2,164.6	1,053.5	1,174.7	1,237.0	1,253.8
Other Services	417.1	429.8	412.2	418.4	429.9	158.8	164.4	168.8	174.0
Domestic Exports	521.2	539.4	486.3	504.6	509.7	233.9	249.6	247.5	259.8
Rum	86.1	78.7	76.3	77.6	83.9	41.0	40.0	41.5	41.9
Other Beverages	13.9	13.6	12.2	20.9	15.2	5.6	4.9	6.7	5.5
Food	64.0	70.0	65.1	62.7	64.6	31.4	31.7	30.3	28.1
Sugar	15.9	18.1	7.2	7.1	13.5	0.5	0.3	0.3	0.2
Chemicals	69.6	73.6	73.9	72.2	72.5	36.0	37.2	35.0	41.0
Electronics	13.3	16.6	17.0	15.0	15.7	9.5	7.5	9.1	7.4
Printed Paper Labels	24.4	24.2	22.0	23.1	22.7	10.3	11.6	11.2	12.1
Construction Materials	45.3	44.5	42.1	45.3	42.1	20.4	23.5	18.2	20.3
Other	824.5	835.2	805.7	816.1	814.7	396.6	410.5	412.9	421.0
Re-exported Goods	414.0	409.4	479.5	529.1	461.1	200.0	303.2	220.2	193.7
Income	497.5	525.1	512.0	515.4	529.8	237.5	240.1	246.7	252.9
Transfers	139.7	140.0	180.3	116.7	104.7	93.1	45.2	39.5	38.8
Outflows	5,346.6	5,318.3	5,177.5	5,210.3	5,212.3	2,595.7	2,612.5	2,628.9	2,577.4
Total Imports of Goods	3,361.5	3,304.4	3,074.4	3,080.9	3,040.3	1,494.7	1,495.1	1,493.6	1,445.5
Fuel Imports	965.6	877.5	603.6	502.9	626.2	363.1	217.5	305.7	357.9
Other Merchandise Imports	2,395.8	2,426.8	2,470.8	2,578.0	2,414.1	1,131.6	1,277.6	1,187.9	1,087.6
Services	932.4	925.0	988.8	989.3	1,014.0	562.8	558.9	569.1	581.3
Income	886.7	920.0	937.9	958.3	977.3	442.3	453.6	462.5	442.6
Transfers	166.1	169.0	176.4	181.8	180.6	96.0	104.9	103.7	107.9
Capital Account	(14.0)	(16.7)	(16.4)	(5.7)	(2.4)	(8.1)	(5.8)	(2.6)	53.5
Financial Account	513.5	734.0	441.2	84.9	84.4	194.9	74.2	147.1	149.8
Long Term	505.1	716.8	449.8	161.7	174.6	180.3	148.9	209.4	141.3
Public	194.4	84.9	(72.2)	(170.4)	(136.9)	(189.2)	(82.2)	(41.2)	(83.4)
Private	310.7	632.0	522.1	332.1	311.4	369.5	231.0	250.6	224.8
Short-term Investment Flows	8.3	17.2	(8.6)	(76.8)	(90.1)	14.6	(74.6)	(62.3)	8.5
Net Errors & Omissions	(30.5)	59.2	26.8	86.5	21.2	32.4	5.6	(41.1)	(83.1)
Overall Balance	(313.6)	(89.3)	(125.5)	(245.8)	(273.9)	(82.0)	(43.6)	(48.1)	33.4
Change in FX: - increase/+ decrease	313.6	89.3	125.5	245.8	273.9	82.0	43.6	48.1	(33.4)
Memo									
Retained Imports	3,124.3	3,068.8	2,756.7	2,714.0	2,739.2	1,373.3	1,270.6	1,351.9	1,327.9
of which: Consumer Goods	1,218.5	1,226.5	1,089.0	1,135.9	1,143.2	542.2	546.4	559.3	579.3
Capital Goods	518.8	518.1	553.6	554.2	522.9	253.0	262.9	270.4	250.7
Intermediate Goods	1,370.6	1,310.8	1,100.2	1,011.4	1,062.6	572.4	455.7	516.9	492.6

^(p) - Provisional

^(e) - Estimate

Source: Central Bank of Barbados

Table 4 – Monetary Aggregates and Financial Stability Indicators for the Banking System

	2013	2014	2015	2016	2017 ^(p)	Jun 2015	Jun 2016	Jun 2017 ^(p)	Jun 2018 ^(e)
Net International Reserves	2,433.1	2,367.6	2,498.8	2,311.9	1,992.3	2,275.7	2,451.2	2,147.9	2,139.5
Monetary Authorities	1,144.1	1,054.9	929.4	683.6	409.7	972.8	885.7	635.5	443.1
Commercial Banks	1,289.0	1,312.8	1,569.5	1,628.3	1,582.6	1,302.9	1,565.5	1,512.5	1,696.5
Net Domestic Assets	5,400.4	5,668.4	5,789.3	6,283.7	6,542.8	5,790.8	5,758.3	6,318.3	6,530.9
Credit to Public Sector	2,651.9	2,994.0	3,424.0	3,799.5	4,110.1	3,122.0	3,581.3	3,889.8	4,186.2
Central Government (net)	2,673.4	2,911.4	3,461.9	4,021.9	4,282.4	3,191.8	3,734.0	4,058.9	4,392.5
Rest of Public Sector	(21.5)	82.5	(37.9)	(222.5)	(172.3)	(69.8)	(152.6)	(169.1)	(206.3)
Credit to Rest of Financial System	32.9	31.3	45.6	23.9	24.3	28.0	29.5	23.6	39.8
Liabilities to Other Financial Institutions	707.6	562.6	753.3	702.9	841.9	688.4	769.1	821.8	957.6
Credit to Private Sector	5,622.3	5,363.5	5,392.0	5,451.5	5,615.2	5,316.6	5,360.4	5,462.2	5,585.7
Medium and Long-term Foreign Liabilities	(1,326.6)	(1,316.0)	(1,366.8)	(1,348.6)	(1,291.9)	(1,335.9)	(1,361.2)	(1,304.3)	(1,281.9)
Net Unclassified Assets	(568.1)	(567.9)	(737.4)	(690.9)	(847.5)	(440.1)	(873.1)	(757.6)	(883.3)
Liabilities to Private Sector	7,833.5	8,036.0	8,288.1	8,595.6	8,535.1	8,066.5	8,209.5	8,466.3	8,670.4
Currency in Circulation	504.7	555.6	534.1	574.7	589.7	516.7	535.5	551.4	537.5
Demand Deposits	1,965.8	2,185.7	2,626.3	3,067.5	3,193.1	2,319.8	2,581.0	3,079.7	3,321.4
Time Deposits	1,094.0	943.9	786.0	667.1	607.1	893.5	720.1	635.8	559.8
Savings Deposits	4,269.1	4,350.8	4,341.7	4,286.3	4,145.3	4,336.6	4,372.8	4,199.4	4,251.8
Memo Items									
Domestic Deposits in the Banking System	8,175.9	8,077.9	8,429.4	8,788.4	8,798.5	8,358.8	8,533.1	8,747.0	8,892.7
Banking System Financial Stability Indicators¹									
Capital Adequacy Ratio (CAR)	17.6	16.4	15.8	17.2	17.0	16.4	16.0	17.3	16.8
Loan to Deposit Ratio	70.0	70.3	65.5	62.3	63.3	66.6	64.3	62.3	63.0
Liquid Assets to Total Assets	18.0	20.3	25.2	27.4	26.7	23.2	26.3	27.8	26.7
Non-Performing Loans Ratio	11.7	11.5	10.6	8.9	7.9	11.1	9.6	8.8	8.0
Provisions to Non-Performing Loans	44.9	47.7	55.5	62.7	80.4	54.0	65.0	65.0	76.8
Return on Average Assets (RoAA)	0.8	0.6	1.4	1.5	1.3	0.8	1.6	1.4	1.3

^(p) - Provisional

^(e) - Estimate

¹ Data as at March 2018 for Prudential Indicators

Source: Central Bank of Barbados

Table 5 – Summary of Government Operations
(BDS \$Million)

	2013/14	2014/15	2015/16	2016/17	2017/18 ^(p)	Apr -Jun 2015	Apr -Jun 2016	Apr-Jun 2017 ^(p)	Apr-Jun 2018 ^(e)
Total Revenue	2,334.3	2,407.3	2,458.4	2,754.0	2,864.3	556.5	592.3	677.8	746.7
Tax Revenue	2,156.4	2,182.8	2,266.3	2,494.5	2,675.2	535.8	552.1	654.8	703.7
i) Direct Taxes	813.4	901.0	875.6	970.5	983.2	224.3	216.0	236.5	249.5
Personal	364.8	412.5	396.8	488.3	470.9	138.1	125.4	131.9	133.2
Corporate	174.7	156.1	215.2	248.2	281.4	42.7	47.5	78.8	83.4
Consolidation	14.4	28.1	36.3	3.2	0.0	10.6	3.2	0.0	0.0
Property	156.0	164.4	132.8	135.4	137.5	10.2	6.6	4.6	7.0
Municipal Solid Waste	0.0	32.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Institutions Asset Tax	0.0	26.9	29.0	32.6	48.7	6.4	14.1	10.8	15.9
Other	103.6	81.0	65.5	62.7	44.8	16.3	19.2	10.4	10.0
ii) Indirect Taxes	1,343.0	1,281.8	1,390.7	1,524.0	1,691.9	311.4	336.1	418.3	454.3
Stamp	11.6	11.0	10.1	9.4	10.4	2.7	2.2	1.8	2.3
VAT	905.6	806.2	861.4	890.3	891.3	188.4	201.5	236.0	239.2
Excises	115.4	135.9	169.0	225.6	303.3	34.9	39.6	67.4	77.5
Import Duties	193.6	223.6	231.6	245.2	218.6	47.7	56.3	64.0	58.9
Social Responsibility Levy	0.0	0.0	0.0	29.3	152.3	0.0	0.0	14.2	43.6
Other	116.8	105.1	118.6	124.3	115.9	37.7	36.6	35.0	32.8
Non Tax Revenue & Grants	177.9	224.5	192.1	259.5	189.1	20.7	40.3	23.1	43.0
Non Tax Revenue	152.1	147.7	147.5	228.4	149.0	14.2	33.0	19.1	38.9
Grants	4.7	57.5	18.1	9.8	22.0	0.0	0.0	0.0	0.0
Post Office - Revenue	21.1	19.3	26.4	21.3	18.1	6.5	7.3	4.0	4.1
Current Expenditure	3,124.0	2,918.7	3,085.5	3,053.0	3,123.7	729.0	745.4	756.5	709.9
Wages & Salaries	871.9	803.7	787.2	784.4	782.2	195.7	193.3	192.0	197.5
Goods & Services	382.2	341.5	441.3	385.4	364.3	63.5	64.2	66.5	66.8
Interest	608.7	653.7	672.5	741.7	764.7	214.8	229.8	239.5	192.0
External	135.3	165.3	163.7	168.0	168.0	53.5	51.2	50.5	9.7
Domestic	473.4	488.4	508.8	573.7	596.7	161.4	178.6	189.0	182.4
Transfers & Subsidies	1,261.2	1,119.8	1,184.5	1,141.5	1,212.5	255.0	258.1	258.7	253.7
Grants to Individuals	365.1	338.5	342.1	327.3	358.2	70.7	68.5	71.7	68.9
Grants to Public Institutions	786.4	682.9	729.6	714.4	761.2	165.4	159.6	170.0	171.2
Non-Profit Agencies	37.3	29.6	32.3	32.7	19.0	8.1	8.2	4.4	3.6
Capital Expenditure & Net Lending	169.3	193.5	236.3	225.1	171.8	34.1	69.2	56.2	47.1
Fiscal Balance	(958.9)	(704.9)	(863.4)	(524.1)	(431.2)	(206.6)	(222.2)	(134.9)	(10.3)
Primary Balance	(350.2)	(51.2)	(190.8)	217.6	333.5	8.2	7.5	104.6	181.7
Fiscal Balance to GDP (%)	(10.3)	(7.6)	(9.0)	(5.3)	(4.3)				

^(p) - Provisional
^(e) - Estimate

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

Table 6 – Government Financing
(BDS \$Millions)

	2013/14	2014/15	2015/16	2016/17	2017/18 ^(e)	Apr -Jun 2015	Apr -Jun 2016	Apr-Jun 2017 ^(p)	Apr-Jun 2018 ^(e)
Total Financing	958.9	704.9	863.4	524.1	431.2	206.6	222.2	134.9	10.3
Domestic Financing	637.1	695.2	837.7	685.7	610.3	341.4	291.5	165.3	31.9
Central Bank	216.9	341.1	423.2	792.1	72.5	139.5	301.3	(19.4)	105.1
Commercial Banks	253.7	(141.7)	182.4	(433.5)	257.9	109.6	(115.7)	171.3	50.0
National Insurance Board	231.9	48.6	71.2	180.2	3.1	0.6	91.0	(16.7)	0.9
Private Non-Bank	121.6	62.6	108.5	94.6	(57.2)	70.0	54.8	(5.3)	(34.5)
Other	(187.0)	384.6	52.3	52.3	334.0	21.8	(39.9)	35.4	(89.6)
Foreign Financing (Net)	321.8	9.7	25.7	(161.7)	(179.1)	(134.8)	(69.2)	(30.4)	(21.6)
Capital Markets	377.0	49.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Funds	96.0	79.0	204.1	57.2	113.8	3.0	4.5	55.1	5.5
Policy Loans	0.0	0.0	99.3	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	(151.2)	(118.7)	(277.8)	(218.8)	(292.8)	(137.8)	(73.7)	(85.5)	(27.1)
Divestment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

^(p) - Provisional
^(e) - Estimate

Source: Central Bank of Barbados

Table 7 – Public Debt Outstanding
(BDS \$Millions)

	2013	2014	2015	2016	2017 ^(p)	Jun 2015	Jun 2016	Jun 2017	Jun 2018 ^(e)
Gross Central Government Debt¹	10,874.0	11,445.1	12,243.0	13,397.3	13,665.9	11,730.0	12,938.8	13,571.0	13,888.1
Domestic Debt	8,201.4	8,520.4	9,319.8	10,511.2	10,840.1	8,971.4	9,989.0	10,688.3	11,180.5
Central Bank ²	747.3	807.9	1,303.6	2,012.4	2,227.7	1,023.3	1,630.6	2,131.6	2,282.3
Commercial Banks	1,997.8	1,946.9	2,070.0	2,030.9	2,144.9	2,038.5	2,148.2	2,022.9	2,130.8
National Insurance	2,877.7	2,993.6	3,152.7	3,481.0	3,518.9	3,081.3	3,271.7	3,493.2	3,525.7
Insurance Companies ³	491.0	498.7	514.6	522.3	527.2	504.3	508.2	535.4	824.3
PPP	306.9	294.3	272.9	256.8	241.8	282.2	265.8	248.2	240.6
Other	1,780.7	1,978.9	2,006.1	2,207.8	2,179.7	2,041.8	2,164.4	2,257.1	2,176.7
External Debt	2,868.0	3,125.4	3,105.3	3,069.7	3,003.3	2,940.7	3,133.4	3,060.1	2,893.8
International Financial Institutions	733.1	882.6	1,012.4	1,062.5	1,043.7	859.6	1,059.8	1,034.1	977.8
Bonds	1,616.8	1,735.1	1,619.3	1,548.3	1,452.8	1,602.5	1,611.0	1,515.5	1,409.0
PPP	266.5	261.5	256.0	249.9	243.1	256.0	249.9	243.1	237.0
Bilateral	56.2	45.6	35.5	25.5	86.1	40.6	29.2	89.8	83.8
SDRs (+)	195.4	200.6	182.1	183.5	177.5	182.1	183.5	177.5	186.2
Contingent Liabilities	1,430.9	1,425.7	1,385.8	1,238.2	1,144.0	1,558.1	1,089.0	1,089.0	976.8
Domestic Debt	1,119.9	1,135.7	1,116.9	965.8	884.6	1,164.8	850.4	850.4	765.7
Foreign Debt	311.0	290.0	268.9	272.4	259.4	393.3	238.7	238.7	211.1
Gross Public Sector Debt⁴	12,304.9	12,870.8	13,628.8	14,635.5	14,809.9	13,288.1	14,027.9	14,660.0	16,064.9
Central Government Financial Assets	1,051.8	971.2	744.8	752.0	715.2	866.2	805.5	776.6	687.2
Central Bank	103.4	52.8	16.7	20.1	20.3	2.6	21.1	46.8	2.2
Commercial Banks	119.3	99.3	95.1	99.4	96.0	136.3	97.0	103.1	106.4
Sinking Funds	829.1	819.1	633.0	632.6	598.8	727.3	687.5	626.6	578.6
Other Public Sector Financial Assets	197.8	198.5	207.9	239.8	189.0	213.6	231.4	190.9	188.3
Public Corporations' Deposits	197.8	198.5	207.9	239.8	189.0	213.6	231.4	190.9	188.3
Gross Public Sector Debt/GDP (%)	131.5	137.0	144.2	151.2	148.4	140.6	144.9	146.9	155.0
Gross Central Government Debt/GDP (%)	116.2	121.9	129.5	138.4	136.9	124.1	133.6	136.0	134.0
External Debt/GDP (%)	30.7	33.3	32.9	31.7	30.1	31.1	32.4	30.7	27.9
Net Central Government ⁵ /GDP (%)	105.0	111.5	121.7	130.6	129.8	115.0	125.3	128.2	127.4

^(p) - Provisional

^(e) - Estimate

¹ - Gross Central Government Debt = Domestic Debt (inclusive of NIS) + External Debt (excluding SDRs)

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

³ - Reflects the reclassification of holdings by insurance companies to other financial institutions

⁴ - Gross Public Sector Debt = Gross Central Government Debt (excluding SDRs) + Contingent Liabilities + Arrears^{*}

⁵ - Net Central Government Debt = Gross Central Government Debt (excluding SDRs) - Central Government Financial Assets

^{*} - Arrears estimated at \$1.2 billion for June 2018 and are subject to revisions of offsetting balances to state-owned enterprises