



**Press Release**  
**June 2017**

**Overview**

The Barbados economy registered an uneven performance during the first half of the year. Preliminary data suggest that the expansion in real economic output continued into the second quarter, primarily reflecting sustained growth in tourism activity. The fiscal deficit narrowed moderately in the first quarter of fiscal year (FY) 2017/18, partially the result of the fiscal consolidation measures implemented in the previous fiscal year. However, the stock of international reserves fell below 10 weeks of import cover, owing in part to expected external debt service obligations and the on-going delays in securing planned foreign investment inflows.

The context for this outturn is that the Barbados economy has underperformed in the aftermath of the global financial crisis, as evidenced by low growth and significant fiscal and external imbalances. The Government of Barbados has, particularly since 2013, sought to contain the fiscal deficit through a range of tax and expenditure measures, but the fiscal deficit has remained stubbornly high. Over the three preceding fiscal years, the fiscal deficit has been out of line with available financing as access to financing on the domestic and international capital markets weakened,

resulting in a sharp increase in accommodation from the Central Bank.

The twin policy challenges for the Government remain bringing the fiscal imbalance in line with financing, and restoring the foreign reserves to an internationally acceptable level. Government has, therefore, embarked on a fiscal adjustment programme, equivalent to 6% of GDP, which targets a balanced budget in FY 2017/18.

**Table 1: Fiscal Adjustment Measures 2017/18**  
**(BDS \$Millions)**

Forecast – Before Fiscal Adjustment Measures	FY2017/18	% GDP
Total Revenue	2,986.90	31.4
Total Expenditure	3,524.50	37.0
Of which: Capital Expenditure	268.70	2.8
Fiscal Balance	(537.60)	(5.6)
Fiscal Current Account Balance	(268.90)	(2.8)
Forecast – After Fiscal Adjustment Measures	FY2017/18	% GDP
Total Fiscal Adjustment	567.00	6.0
Tax Revenue	320.00	3.4
Non-interest Expenditure	82.00	0.9
Asset Sales	70.00	0.7
Tax Amnesty	25.00	0.3
Debt Re-profiling	70.00	0.7
Total Revenue	3,401.90	35.7
Total Expenditure	3,372.50	35.4
Fiscal Balance	29.40	0.3
Fiscal Current Account Balance	298.10	3.1

Source: Ministry of Finance and Central Bank of Barbados

The core of the adjustment is anticipated to come through revenue measures equivalent to 3.4% of GDP, but proposed cuts in interest and non-interest expenditure, together with the proceeds of asset sales delayed from FY 2016/17, are scheduled to contribute 2.3% of GDP to the fiscal effort. This strategy of reducing the fiscal deficit, together with the effort to rebuild the stock of international reserves, partly through divestment proceeds, is essential to placing the economy on a sustainable growth path that restores confidence and supports the fixed exchange rate regime.

### Real Sector

Real economic activity expanded by an estimated 2.2% during the first six months of 2017. This growth was higher than in the corresponding period one year earlier, and represented a modest improvement on the average half-yearly expansion over the past decade.

Tourism value-added increased by an estimated 8.5%, compared to 3.9% one year prior. Long-stay arrivals rose by 7.5%, up from 5.6% the previous year, to bring the cumulative expansion in arrivals for the past three years to 30%. The 2017 performance was primarily due to higher demand out of the USA and Canadian markets, with arrivals from those destinations growing by 17.6% and 12.4%, respectively. For the second quarter, UK arrivals were up by 3.9%, compared to a decline in the first quarter, resulting in a six-month outturn that was on par with the corresponding period in 2016. Provisional estimates indicate that the average length-of-stay of long-stay visitors was down by 1.6%, but this negative impact

was offset by a 24% rise in cruise passenger arrivals resulting from an increase in the number of cruise ship calls.

**Table 2: Long-stay Arrivals by Source Market ('000)**

	January 1 - June 30			
	2014	2015	2016	2017 <sup>(e)</sup>
U.S.A	58.7	73.8	83.5	98.1
Canada	37.0	45.5	45.9	51.6
U.K	95.6	109.7	112.9	112.9
Germany	6.2	7.0	6.5	6.0
Other Europe	18.6	14.7	14.2	15.6
Trinidad & Tobago	13.3	12.7	15.3	16.3
CARICOM	23.5	27.1	29.2	30.2
Other Countries	11.5	13.4	13.1	14.0
<b>TOTAL LONG-STAY</b>	<b>264.4</b>	<b>303.7</b>	<b>320.7</b>	<b>344.7</b>

Source: Barbados Statistical Service and Central Bank of Barbados

Of the other traded sectors, manufacturing output is estimated to have expanded marginally, while value-added in the non-sugar agriculture industry remained flat. Output of sugar rose but the actual volume of sugar produced was only around 10,000 tonnes.

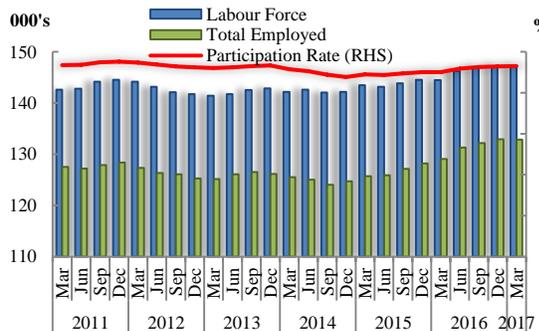
Activity in the construction industry contributed to the overall growth performance, expanding by approximately 4.3%. This increase was largely associated with the ongoing expansion of the Sandals Royal project as well as other commercial real estate. As a result of the increased construction activity, quarrying output increased by 38% as at March 2017. Value-added in the other non-traded sectors recorded modest improvements for the first six months of 2017.

### *Employment and Prices*

The average twelve-month unemployment rate for the four quarters ending March 2017 was recorded at 9.7%, down from 10.2% in the previous year, mainly due to job gains in

the construction, wholesale and retail trade, business and other services and tourism industries. In addition, the labour force participation rate grew moderately, to 65.5% for the first quarter of 2017.

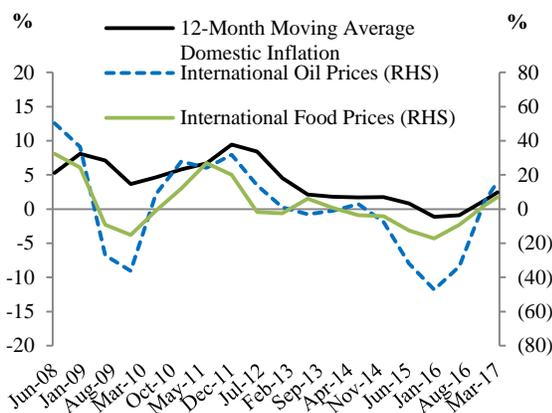
**Figure 1: The Labour Force**



Source: Barbados Statistical Service

The twelve-month moving average rate of inflation was 3.2% at the end of April 2017, compared to a general reduction in retail prices of 1% as at end April 2016. The reversal in inflation trends was partly attributable to a rebound in international oil prices at the beginning of 2017, an increase in vegetable and fish prices, and to the impact of the implementation of the National Social Responsibility Levy (NSRL) in September 2016.

**Figure 2: Inflation & International Prices**

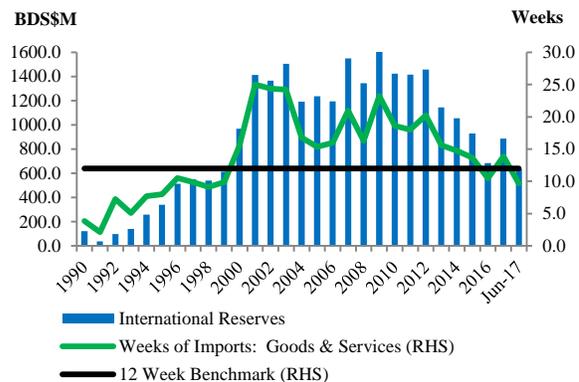


Source: Barbados Statistical Service and IMF Commodity Index

## External Sector

As at the end of June 2017, the international reserves fell to \$635.5 million, which was equivalent to an estimated 9.7 weeks of imports. The decline in the foreign reserves, which was on par with the corresponding period in 2016, reflected in part a weaker external current account balance over the first six months 2017, as higher international oil prices contributed significantly to a 44% increase in the value of imported fuel. In addition, retained imports of consumer goods and capital goods increased by an estimated 1.8% and 7.3%, respectively.

**Figure 3: International Reserves**



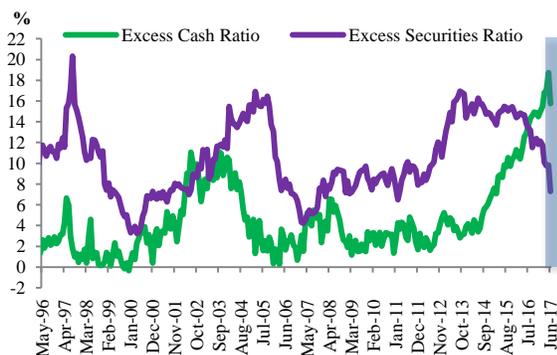
Source: Central Bank of Barbados

The financial account recorded a surplus of \$119.5 million for the first six months of 2017, which was \$66.5 million greater than that of the same period last year. This outturn is largely the result of lower net long-term public sector capital outflows relative to the first half of 2016, when Barbados made its capital subscription to the Development Bank of Latin America (CAF). On the other hand, net long-term private sector inflows of \$227.0 million were virtually unchanged compared to the corresponding period of 2016.

## Financial Sector

The financial system remained stable and liquid during the first half of 2017. Excess cash holdings of commercial banks remained high at almost 16% of domestic deposits. However, following the decision of the Central Bank to tighten its monetary policy stance by raising the securities reserve requirement ratio of commercial banks from 10% to 15% of domestic deposits, the excess securities ratio fell to 7%.

**Figure 4: Excess Reserve Ratios of Commercial Banks**



Source: Central Bank of Barbados

As at mid-year, growth in bank credit to the private sector remained sluggish at 1% due to increased lending to individuals and the wholesale and retail sectors. The growth in mortgages for private dwellings slowed but overall household credit expanded as a result of higher borrowing by way of consumer loans. The improvement in the non-performing loans ratio continued, reaching 8.7% as at March 2017.

Interest rates remained relatively stable during the first half of the year as the weighted average loan rate and the weighted average deposit rate were largely unchanged. The Treasury bill rate continued

to fluctuate within a narrow band and at end June was 20 basis points higher than at the end of 2016.

## Public Sector

### *Revenue and Expenditure*

The Central Government's deficit of \$153.7 million for the first three months of FY2017/18 was almost 9% smaller than the corresponding deficit in the previous year. This outcome was partly attributable to improved revenue collections of corporation taxes which more than doubled during the first quarter, while the recently implemented NSRL and VAT also boosted revenues. However, these gains were partly offset by lower personal income taxes and non-tax revenue.

Total Government expenditure fell modestly, as a decline in capital expenditure and net lending offset a marginal increase in current expenditure, the latter being driven by interest payments associated with the larger stock of debt. All other categories of current expenditure registered declines. The improvement in revenue, together with a modest expenditure reduction, resulted in an improvement in the primary balance which reflects the difference between revenue and non-interest expenditure.

### *Financing*

The Government's fiscal deficit continued to be financed domestically during the first quarter of the fiscal year, as foreign capital inflows, though higher than in 2016, remained inadequate to cover external amortisation payments. Commercial banks, which reduced the amount of lending to the

Government in 2016, increased their funding during the current quarter by \$205.9 million, largely because of the policy decision by the Central Bank to raise the securities requirements for commercial banks. This policy change enabled the Central Bank, which had provided almost \$300 million during the corresponding quarter of 2016, to reduce its lending by \$19.4 million in the current quarter. The National Insurance Scheme also lent less to Government during the quarter.

The Central Government's indebtedness, inclusive of debt to the Central Bank and National Insurance Scheme, represented 143.6% of GDP, compared to 142.3% of GDP one year earlier. Excluding the debt owed to these entities, the gross indebtedness of the broader public sector stood at 96.6% of GDP compared with 102.9% of GDP in 2016.

## **Outlook**

The short to medium-term outlook is for a sustained stabilisation effort by Government to facilitate the restoration of public finances, the rebuilding of international reserves and providing the platform for long-term growth.

Tighter fiscal policy will remain at the centre of the adjustment effort. Government's programme for FY 2017/18 has been based largely on increased taxation and one-off divestments, but a more durable adjustment effort will require enhanced efficiency in tax collection and expenditure reforms, particularly for the state-owned enterprises. Attaining the fiscal target set out in Government's fiscal budget creates the

potential for a substantial reduction in Government's current borrowing requirement in the context of elevated rollover risks, the containment of the Central Bank financing and the slower accumulation of debt. In addition, capping the level of public sector arrears, with a view to eliminating them, is critical to the restoration of confidence.

However, there are significant downside risks, including those associated with implementation delays and the potential contractionary impact of the measures on economic growth. In addition, the new policy measures are expected to have a short-run inflationary bias, notwithstanding the announced exemptions approved by the Government to preserve the social safety net and to cushion any potential adverse impact on external competitiveness.

Given the size of the tax adjustment and the expected impact on prices, the fiscal measures are likely to dampen consumption, particularly for imported goods, towards the end of 2017 and into 2018. For 2017, the continued strong performances in the tourism and construction sectors are expected to mitigate the dampening effects on growth in the short-term and the forecast for real GDP growth is expected to be in the region of 1.3% to 1.8%, compared to earlier estimates of 1.5% to 2.0%. A stronger adverse impact on consumption is anticipated for 2018, but a more positive outlook for growth is feasible if the implementation of foreign-funded projects is accelerated. This is critical to help mitigate any potential negative spill-over effects on employment and to contribute to the gradual rebuilding of international reserves.

**Table 1 – Economic Indicators**

	2011	2012	2013	2014	2015	2016 <sup>(p)</sup>	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2016 <sup>(p)</sup>	Jan-Jun 2017 <sup>(e)</sup>
Nominal GDP (\$ Million)	9,321.8	9,312.7	9,225.0	9,216.7	9,168.3	9,058.1	4,631.3	4,569.7	4,502.6	4,693.3
Real Growth (%)	0.7	0.3	0.0	0.0	0.9	2.0	(0.3)	0.1	1.8	2.2
Inflation (%) <sup>1</sup>	9.4	4.5	1.8	1.8	(1.1)	1.3	1.7	0.8	(0.9)	3.2
Avg. Unemployment (%) <sup>2</sup>	11.2	11.5	11.6	12.3	11.3	9.7	12.3	12.0	10.2	9.7
Foreign Exchange Reserves (\$ Million)	1,414.7	1,457.7	1,144.1	1,054.9	929.4	683.6	1,094.8	972.8	885.7	635.5
Foreign Exchange Reserves Cover, Weeks	18.0	20.2	15.6	14.8	13.7	10.5	15.0	14.0	13.9	9.7
BOP Current Account (% of GDP)	(11.8)	(8.4)	(8.5)	(9.4)	(6.3)	(4.6)	(10.5)	(7.1)	(2.6)	(3.3)
Total Imports of Goods (% of GDP)	37.1	36.2	36.4	35.9	33.5	34.0	35.5	32.7	33.2	32.3
Travel Credits (% of GDP)	20.8	19.9	21.0	19.2	20.7	22.9	21.2	22.5	26.1	26.4
Net Capital Inflows (\$ Millions)	1,094.7	312.7	513.5	734.0	441.2	47.7	342.9	194.9	53.0	119.5
Gross Public Sector Debt <sup>3</sup> (% of GDP)	85.2	86.7	96.1	101.6	102.4	100.9	99.4	101.6	102.9	96.6
External Debt Service to Curr. Acct. Credits	5.9	6.4	6.4	6.7	9.5	7.9	7.6	11.7	8.1	8.6
Treasury-Bill Rate	3.4	3.6	3.2	2.6	1.8	3.1	3.3	2.8	3.2	3.3
Average Deposit Rate <sup>4</sup>	2.7	2.5	2.5	2.5	0.4	0.3	2.5	1.4	0.4	0.2
Average Loan Rate <sup>4</sup>	6.6	6.8	7.4	7.1	6.8	6.6	7.0	7.1	6.7	6.7
Excess Liquidity Ratio	1.7	4.7	3.9	6.7	10.6	14.5	3.4	8.7	12.8	15.8
Private Sector Credit (% of GDP)	2.7	10.5	(2.2)	(4.6)	0.5	1.1	(3.9)	(0.9)	(0.9)	1.0
Private Sector Credit (% of GDP)	55.8	61.7	60.9	58.2	58.8	60.2	62.0	60.8	59.9	59.3
Domestic Deposits (% of GDP)	81.8	85.4	88.6	87.6	91.9	97.0	91.7	95.5	95.9	95.4
<b>Fiscal Year</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17<sup>(p)</sup></b>				
Fiscal Deficit (% of GDP)	(4.1)	(8.0)	(10.4)	(7.7)	(8.0)	(6.2)				
Primary Balance (% of GDP)	1.5	(1.8)	(3.8)	(0.6)	(0.6)	1.8				
Interest (% of GDP)	5.6	6.1	6.6	7.1	7.4	8.0				
Fiscal Current Account (% of GDP)	(2.9)	(6.7)	(8.6)	(5.5)	(5.4)	(4.1)				
Revenue (% of GDP)	27.4	26.4	25.3	26.1	28.3	29.3				
Expenditure (% of GDP)	31.5	34.3	35.7	33.8	36.2	35.6				
<i>Non-interest Current Expenditure (% of GDP)</i>	24.4	27.0	27.3	24.7	26.4	25.0				
<i>Capital Expenditure (% of GDP)</i>	1.3	1.3	1.8	2.1	2.6	2.2				
Gov't Interest Payments (% of Revenue)	20.7	23.2	26.1	27.2	25.9	27.8				

<sup>(p)</sup> - Provisional

<sup>(e)</sup> - Estimate

<sup>1</sup> - Data to April 2017

<sup>2</sup> - Data to March 2017

<sup>3</sup> Gross Public Sector Debt = Gross Central Government Debt - Domestic Debt held by NIS - Domestic Debt held by CBB + Other Public Sector Debt

<sup>4</sup> - Data to May 2017

n.a.- Not Available

Source: Barbados Statistical Service and Central Bank of Barbados

**Table 2 – GDP by Sector and Activity  
(BDS \$Millions, Constant Prices<sup>1</sup>)**

	2011	2012	2013	2014	2015	2016 <sup>(p)</sup>	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2016 <sup>(p)</sup>	Jan-Jun 2017 <sup>(e)</sup>
<b>Tradeables</b>	<b>224.1</b>	<b>217.2</b>	<b>217.4</b>	<b>216.7</b>	<b>222.4</b>	<b>227.5</b>	<b>113.3</b>	<b>113.6</b>	<b>115.2</b>	<b>122.5</b>
Tourism	131.2	126.3	124.3	126.2	134.3	140.8	65.7	69.4	72.1	78.3
Manufacturing	48.3	45.0	46.0	45.2	44.3	43.7	22.1	21.6	21.1	21.2
Of which:										
<i>Rum &amp; Other Beverages</i>	6.7	6.3	6.4	6.3	6.2	6.1	3.1	3.0	2.9	2.9
<i>Food</i>	12.3	11.4	11.7	11.5	11.3	11.1	5.6	5.5	5.4	5.4
<i>Furniture</i>	1.3	1.2	1.3	1.2	1.2	1.2	0.6	0.6	0.6	0.6
<i>Chemicals</i>	2.9	2.7	2.8	2.7	2.7	2.6	1.3	1.3	1.3	1.3
<i>Electronics</i>	3.7	3.4	3.5	3.4	3.3	3.3	1.7	1.6	1.6	1.6
<i>All Other Manufacturing</i>	21.4	20.0	20.4	20.0	19.6	19.4	9.8	9.6	9.4	9.4
Sugar	10.1	10.5	7.5	6.7	4.5	3.0	5.4	3.6	2.4	3.5
Other agriculture	34.5	35.3	39.6	38.6	39.4	40.0	20.2	19.0	19.6	19.6
<b>Non-tradeables</b>	<b>878.5</b>	<b>888.5</b>	<b>888.4</b>	<b>889.3</b>	<b>893.6</b>	<b>911.3</b>	<b>442.5</b>	<b>442.7</b>	<b>450.9</b>	<b>455.8</b>
Mining & Quarrying	5.0	4.6	3.9	4.7	5.8	5.3	2.2	3.0	2.4	2.7
Electricity, Gas & Water	43.5	43.7	43.4	43.4	43.3	44.1	21.4	21.3	21.5	21.9
Construction	73.3	67.4	59.9	58.3	57.7	62.5	31.4	31.4	33.5	35.0
Distribution	240.9	242.0	245.8	246.4	246.0	249.4	103.7	102.3	103.3	104.9
Transport, etc	114.6	116.9	117.9	118.5	120.2	122.4	59.2	60.0	60.8	61.6
Finance and Other Services	227.7	234.4	235.5	236.4	239.2	246.2	132.3	132.5	137.3	137.6
Government	173.4	179.4	181.9	181.7	181.4	181.4	92.3	92.1	92.1	92.1
<b>Total</b>	<b>1,102.6</b>	<b>1,105.7</b>	<b>1,105.8</b>	<b>1,106.0</b>	<b>1,116.0</b>	<b>1,138.8</b>	<b>555.8</b>	<b>556.3</b>	<b>566.1</b>	<b>578.3</b>
<b>Real Growth Rates</b>	<b>0.7</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.9</b>	<b>2.0</b>	<b>(0.3)</b>	<b>0.1</b>	<b>1.8</b>	<b>2.2</b>
Tradeables	(2.5)	(3.1)	0.1	(0.3)	2.6	2.3	(0.8)	0.3	1.4	6.3
Non-tradeables	1.5	1.1	(0.0)	0.1	0.5	2.0	(0.1)	0.0	1.9	1.1

<sup>(p)</sup> - Provisional

<sup>(e)</sup> - Estimate

<sup>1</sup>1974 Base year

Source: Central Bank of Barbados

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

	2011	2012	2013	2014	2015	2016 <sup>(p)</sup>	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2016 <sup>(p)</sup>	Jan-Jun 2017 <sup>(e)</sup>
<b>Current Account</b>	<b>(1,100.8)</b>	<b>(781.8)</b>	<b>(782.4)</b>	<b>(865.8)</b>	<b>(577.3)</b>	<b>(415.7)</b>	<b>(485.5)</b>	<b>(324.4)</b>	<b>(117.9)</b>	<b>(152.9)</b>
<b>Inflows</b>	<b>4,744.4</b>	<b>4,458.1</b>	<b>4,564.2</b>	<b>4,452.5</b>	<b>4,600.2</b>	<b>4,794.6</b>	<b>2,200.5</b>	<b>2,271.3</b>	<b>2,494.6</b>	<b>2,498.3</b>
Travel	1,941.3	1,857.8	1,938.8	1,773.6	1,894.7	2,075.0	980.6	1,030.3	1,174.5	1,238.9
Other Services	1,250.8	941.1	1,052.3	1,065.0	1,047.4	1,053.6	472.8	476.4	482.0	486.4
Domestic Exports	494.9	532.6	521.2	539.4	486.3	504.6	249.5	233.9	249.6	244.1
Rum	70.9	82.4	86.1	78.7	76.3	<b>77.6</b>	39.2	41.0	40.0	40.2
Other Beverages	12.3	10.3	13.9	13.6	12.2	20.9	5.8	5.6	4.9	5.9
Food	55.9	63.6	64.0	70.0	65.1	62.7	37.3	31.4	31.7	33.0
Sugar	21.2	22.3	15.9	18.1	7.2	7.1	0.9	0.5	0.3	5.8
Chemicals	67.3	68.0	69.6	73.6	73.9	72.2	34.5	36.0	37.2	35.7
Electronics	21.5	17.1	13.3	16.6	17.0	15.0	9.0	9.5	7.5	8.7
Printed Paper Labels	19.9	20.6	24.4	24.2	22.0	23.1	13.5	10.3	11.6	10.3
Construction Materials	30.9	25.8	45.3	44.5	42.1	45.3	24.4	20.4	23.5	13.6
Other	195.1	221.9	189.3	200.0	170.5	180.9	84.9	79.0	92.9	90.9
Re-exported goods	455.3	597.6	414.0	409.4	479.5	529.1	211.3	200.0	303.2	242.8
Income	342.9	383.5	497.5	525.1	512.0	515.4	237.6	237.5	240.1	246.7
Transfers	259.1	146.3	139.7	140.0	180.3	116.7	48.6	93.1	45.2	39.5
<b>Outflows</b>	<b>5,845.1</b>	<b>5,239.9</b>	<b>5,346.6</b>	<b>5,318.3</b>	<b>5,177.5</b>	<b>5,210.3</b>	<b>2,685.9</b>	<b>2,595.7</b>	<b>2,612.5</b>	<b>2,651.2</b>
Total Imports of Goods	3,457.7	3,375.8	3,361.5	3,304.4	3,074.4	3,080.9	1,645.8	1,494.7	1,495.1	1,515.8
Fuel Imports	1,067.3	1,116.1	965.6	877.5	603.6	502.9	499.2	363.1	217.5	313.0
Other Merchandise Imports	2,390.4	2,259.7	2,395.8	2,426.8	2,470.8	2,578.0	1,146.6	1,131.6	1,277.6	1,202.8
Services	1,107.1	971.7	932.4	925.0	988.8	989.3	511.5	562.8	558.9	569.1
Income	943.2	728.3	886.7	920.0	937.9	958.3	436.3	442.3	453.6	462.5
Transfers	337.2	164.1	166.1	169.0	176.4	181.8	92.3	96.0	104.9	103.7
<b>Capital Account</b>	<b>(17.8)</b>	<b>(13.5)</b>	<b>(9.0)</b>	<b>(9.4)</b>	<b>(15.8)</b>	<b>(8.5)</b>	<b>(7.3)</b>	<b>(7.5)</b>	<b>(7.2)</b>	<b>(0.9)</b>
<b>Financial Account</b>	<b>1,094.7</b>	<b>312.7</b>	<b>513.5</b>	<b>734.0</b>	<b>441.2</b>	<b>47.7</b>	<b>342.9</b>	<b>194.9</b>	<b>53.0</b>	<b>119.5</b>
Long-term	1,103.2	859.9	505.1	716.8	449.8	124.5	343.7	180.3	147.6	185.8
Public	112.1	(120.4)	194.4	84.9	(72.2)	(170.4)	23.9	(189.2)	(82.2)	(41.2)
Private	991.1	980.4	310.7	632.0	522.1	294.9	319.8	369.5	229.8	227.0
Short-term Investment Flows	(8.5)	(547.2)	8.3	17.2	(8.6)	(76.8)	(0.8)	14.6	(94.6)	(66.3)
Net Errors & Omissions	15.0	525.6	(35.6)	51.9	26.4	130.6	100.6	55.0	28.4	(13.8)
Overall Balance	(8.9)	43.0	(313.6)	(89.3)	(125.5)	(245.8)	(49.3)	(82.0)	(43.6)	(48.1)
<b>Change in FXR: - increase/+ decrease</b>	<b>8.9</b>	<b>(43.0)</b>	<b>313.6</b>	<b>89.3</b>	<b>125.5</b>	<b>245.8</b>	<b>49.3</b>	<b>82.0</b>	<b>43.6</b>	<b>48.1</b>
<i>Memo</i>										
Retained Imports	3195.8	2961.7	3124.3	3068.8	2756.7	2714.0	1521.1	1373.3	1270.6	1352.8
Of Which: Consumer Goods	1149.1	1003.4	1218.5	1226.5	1089.0	1135.9	588.2	542.2	546.4	556.2
Capital Goods	535.3	439.4	518.8	518.1	553.6	554.2	253.1	253.0	262.9	282.0
Intermediate Goods	1495.0	1505.3	1370.6	1310.8	1100.2	1011.4	674.6	572.4	455.7	509.9

<sup>(p)</sup> - Provisional

<sup>(e)</sup> - Estimate

Source: Central Bank of Barbados

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

	2011/12	2012/13	2013/14	2014/15	2015/16 <sup>(p)</sup>	2016/17 <sup>(p)</sup>	Apr-Jun 2014	Apr-Jun 2015 <sup>(p)</sup>	Apr-Jun 2016 <sup>(p)</sup>	Apr-Jun 2017 <sup>(e)</sup>
<b>Total Revenue</b>	<b>2,550.5</b>	<b>2,457.3</b>	<b>2,334.3</b>	<b>2,407.3</b>	<b>2,592.7</b>	<b>2,651.6</b>	<b>558.3</b>	<b>556.5</b>	<b>631.3</b>	<b>640.9</b>
<b>Tax Revenue</b>	<b>2,345.7</b>	<b>2,240.8</b>	<b>2,156.4</b>	<b>2,182.8</b>	<b>2,401.5</b>	<b>2,511.1</b>	<b>518.0</b>	<b>535.8</b>	<b>592.5</b>	<b>617.9</b>
i) Direct Taxes	925.1	897.9	813.4	901.0	940.4	972.9	205.0	224.3	239.1	227.6
Personal	420.1	397.3	364.8	412.5	396.9	469.8	131.0	138.1	140.4	123.9
Corporate	286.1	268.6	174.7	156.1	224.8	241.2	33.9	42.7	47.6	79.2
Consolidation	0.0	0.0	14.4	28.1	36.4	0.0	8.3	10.6	0.0	0.0
Property	133.9	132.8	156.0	164.4	187.5	135.1	7.3	10.2	6.2	4.6
Municipal Solid Waste				32.0			0.4			
Financial Institutions Asset Tax				26.9	29.2	32.6	4.4	6.4	14.0	8.5
Other	85.0	99.2	103.6	81.0	65.6	94.3	19.7	16.3	30.9	11.5
ii) Indirect Taxes	<b>1,420.6</b>	<b>1,342.9</b>	<b>1,343.0</b>	<b>1,281.8</b>	<b>1,461.1</b>	<b>1,538.2</b>	<b>313.0</b>	<b>311.4</b>	<b>353.3</b>	<b>390.3</b>
Stamp	11.7	11.2	11.6	11.0	10.1	9.3	3.3	2.7	2.2	1.8
VAT	939.9	879.0	905.6	806.2	924.7	914.2	207.0	188.4	217.4	226.4
Excises	161.0	141.3	115.4	135.9	169.0	218.8	26.0	34.9	40.4	55.5
Import Duties	195.6	201.2	193.6	223.6	231.6	247.8	47.6	47.7	56.3	58.8
Social Responsibility Levy						28.3				12.9
Other	112.3	110.2	116.8	105.1	125.7	119.8	29.1	37.7	37.1	35.0
<b>Non Tax Revenue &amp; Grants</b>	<b>204.8</b>	<b>216.5</b>	<b>177.9</b>	<b>224.5</b>	<b>191.2</b>	<b>140.5</b>	<b>40.3</b>	<b>20.7</b>	<b>38.8</b>	<b>23.0</b>
Non Tax Revenue	165.0	138.9	152.1	147.7	146.7	109.5	32.5	14.2	31.5	19.0
Grants	14.3	57.6	4.7	57.5	18.0	9.8	1.4	0.0	0.0	0.0
Post Office - Revenue	25.5	20.0	21.1	19.3	26.4	21.3	6.4	6.5	7.3	4.0
<b>Current Expenditure</b>	<b>2,816.7</b>	<b>3,076.6</b>	<b>3,124.0</b>	<b>2,918.7</b>	<b>3,085.7</b>	<b>3,021.4</b>	<b>731.9</b>	<b>729.0</b>	<b>742.5</b>	<b>745.6</b>
Wages & Salaries	867.4	882.2	871.9	803.7	787.2	778.5	199.5	195.7	193.2	191.6
Goods & Services	399.5	391.7	382.2	341.5	441.3	375.3	66.0	63.5	61.8	59.1
Interest	527.4	568.9	608.7	653.7	672.6	736.0	206.7	214.8	229.7	237.9
External	148.4	146.6	135.3	165.3	163.8	164.4	47.6	53.5	51.2	50.5
Domestic	379.0	422.3	473.4	488.4	508.8	571.6	159.1	161.4	178.5	187.5
Transfers & Subsidies	1,022.4	1,233.8	1,261.2	1,119.8	1,184.6	1,131.6	259.7	255.0	257.8	257.0
Grants to Individuals			365.1	338.5	342.1	324.3	71.0	70.7	68.4	71.1
Grants to Public Institutions			786.4	682.9	729.6	709.5	167.9	165.4	159.6	168.9
Non-Profit Agencies			37.3	29.6	32.3	31.9	9.3	8.1	8.1	4.4
<b>Capital Expenditure &amp; Net Lending</b>	<b>118.2</b>	<b>121.1</b>	<b>169.3</b>	<b>193.5</b>	<b>236.2</b>	<b>201.5</b>	<b>27.0</b>	<b>34.1</b>	<b>57.7</b>	<b>49.0</b>
<b>Fiscal Balance</b>	<b>(384.5)</b>	<b>(740.4)</b>	<b>(958.9)</b>	<b>(704.9)</b>	<b>(729.1)</b>	<b>(571.3)</b>	<b>(200.6)</b>	<b>(206.6)</b>	<b>(168.9)</b>	<b>(153.7)</b>
<b>Primary Balance</b>	<b>142.9</b>	<b>(171.5)</b>	<b>(350.2)</b>	<b>(51.2)</b>	<b>(56.5)</b>	<b>164.7</b>	<b>6.1</b>	<b>8.2</b>	<b>60.8</b>	<b>84.3</b>
<b>Fiscal Balance to GDP (%)</b>	<b>(4.1)</b>	<b>(8.0)</b>	<b>(10.4)</b>	<b>(7.7)</b>	<b>(8.0)</b>	<b>(6.2)</b>				

<sup>(p)</sup> Provisional

<sup>(e)</sup> Estimate

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

**Table 5 – Public Debt Outstanding  
(BDS \$Millions)**

	2011	2012	2013	2014	2015	2016 <sup>(p)</sup>	Jun 2014	Jun 2015	Jun 2016 <sup>(p)</sup>	Jun 2017 <sup>(p)</sup>
<b>Gross Central Government Debt<sup>1</sup></b>	<b>9,183.4</b>	<b>9,838.8</b>	<b>11,127.6</b>	<b>11,737.0</b>	<b>12,446.6</b>	<b>13,325.4</b>	<b>11,367.6</b>	<b>11,987.3</b>	<b>12,951.4</b>	<b>13,276.6</b>
Domestic Debt	6,412.9	7,193.8	8,259.6	8,695.4	9,467.7	10,448.6	8,429.7	9,136.8	9,991.0	10,552.0
Central Bank <sup>2</sup>	471.3	497.0	747.3	807.9	1,303.6	2,077.4	655.2	1,023.3	1,630.6	2,131.6
Commercial Banks	1,264.0	1,571.0	1,949.2	1,967.3	2,069.4	2,157.2	2,085.5	2,053.1	2,002.6	2,133.8
National Insurance	2,380.9	2,602.0	2,877.7	2,993.6	3,142.4	3,429.1	2,967.6	3,081.3	3,261.4	3,455.9
Insurance Companies	638.0	843.2	890.3	848.6	801.3	778.0	872.1	827.7	807.5	781.7
PPP	323.3	178.8	166.5	154.9	141.9	131.5	162.5	145.2	137.4	102.9
Other	1,335.4	1,501.8	1,628.6	1,923.1	2,009.1	1,875.4	1,686.8	2,006.2	2,151.5	1,946.1
External Debt	2,770.5	2,645.0	2,868.0	3,041.6	2,978.9	2,876.8	2,937.9	2,850.5	2,960.4	2,724.6
International Financial Institutions	796.6	736.6	743.7	835.0	942.2	974.9	755.0	808.9	988.2	919.8
Bonds	1,439.1	1,387.3	1,616.8	1,698.9	1,576.0	1,443.0	1,670.2	1,562.9	1,509.6	1,319.3
PPP	275.1	271.0	266.5	261.5	243.1	249.9	261.5	256.0	249.9	243.1
Bilateral	49.3	49.3	45.6	45.6	35.5	25.5	50.6	40.6	29.2	58.9
SDRs (+)	210.4	200.8	195.4	200.6	182.1	183.5	200.6	182.1	183.5	183.5
<b>Other Public Sector Debt</b>	<b>1,609.0</b>	<b>1,334.6</b>	<b>1,360.4</b>	<b>1,425.7</b>	<b>1,385.8</b>	<b>1,323.9</b>	<b>1,410.2</b>	<b>1,421.5</b>	<b>1,309.4</b>	<b>1,249.3</b>
Domestic Debt	1,252.3	1,000.1	1,048.3	1,135.7	1,116.9	1,102.0	1,109.2	1,142.5	1,047.5	1,027.4
Foreign Debt	356.7	334.5	312.0	290.0	268.9	221.9	301.0	279.0	261.9	221.9
<b>Gross Public Sector Debt<sup>3</sup></b>	<b>7,940.20</b>	<b>8,074.00</b>	<b>8,862.90</b>	<b>9,361.20</b>	<b>9,386.40</b>	<b>9,142.80</b>	<b>9,155.00</b>	<b>9,304.20</b>	<b>9,368.80</b>	<b>8,938.40</b>
<b>Central Government Financial Assets</b>	<b>1,074.20</b>	<b>1,005.90</b>	<b>1,051.80</b>	<b>971.20</b>	<b>744.80</b>	<b>752.10</b>	<b>723.40</b>	<b>866.20</b>	<b>805.60</b>	<b>772.50</b>
Central Bank	263.6	79.3	103.4	52.8	16.7	20.1	0.5	2.6	21.1	46.8
Commercial Banks	99.6	118.9	119.3	99.3	95.1	99.4	96.6	136.3	97.0	99.1
Sinking Funds	711.0	807.7	829.1	819.1	633.0	632.6	626.3	727.3	687.5	626.6
<b>Other Public Sector Financial Assets</b>	<b>851.0</b>	<b>720.1</b>	<b>597.0</b>	<b>557.8</b>	<b>599.8</b>	<b>723.8</b>	<b>517.2</b>	<b>628.3</b>	<b>631.7</b>	<b>674.3</b>
NIS <sup>4</sup>	539.3	510.5	399.2	359.3	391.9	484.0	359.3	414.7	400.3	477.6
Public Corporations' Deposits	311.7	209.6	197.8	198.5	207.9	239.8	157.9	213.6	231.4	196.7
Gross Public Sector Debt/GDP (%)	85.2	86.7	96.1	101.6	102.4	100.9	99.4	101.6	102.9	96.6
Gross Central Government Debt/GDP (%)	98.5	105.7	120.6	127.3	135.8	147.1	123.5	130.9	142.3	143.6
External Debt/GDP (%)	29.7	28.4	31.1	33.0	32.5	31.8	31.9	31.1	32.5	29.5
Net Public Sector <sup>5</sup> /GDP (%)	64.5	73.7	82.5	88.9	92.0	90.0	89.9	89.8	91.6	86.2
Net Central Government <sup>6</sup> /GDP (%)	87.0	94.9	109.2	116.8	127.6	138.8	115.6	121.5	133.5	135.2

<sup>(p)</sup> Provisional

<sup>1</sup> Gross Central Government Debt = Domestic Debt (inclusive of NIS) + External Debt

<sup>2</sup> Comprises Treasury bills, Debentures and Ways & Means Account Balance

<sup>3</sup> Gross Public Sector Debt = Gross Central Government Debt - Domestic Debt held by NIS - Domestic Debt held by CBB + Other Public Sector Debt

<sup>4</sup> Estimates

<sup>5</sup> Net Public Sector Debt = Gross Public Sector Debt - Central Government Financial Assets - Other Financial Sector Financial Assets

<sup>6</sup> Net Central Government Debt = Gross Central Government Debt - Central Government Financial Assets

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

**Table 6 – Government Financing  
(BDS \$Millions)**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Apr-Jun 2014	Apr-Jun 2015	Apr-Jun 2016 <sup>(p)</sup>	Apr-Jun 2017 <sup>(e)</sup>
<b>Total Financing</b>	<b>384.5</b>	<b>740.4</b>	<b>958.9</b>	<b>704.9</b>	<b>729.1</b>	<b>571.3</b>	<b>200.6</b>	<b>206.6</b>	<b>168.9</b>	<b>153.7</b>
<b>Domestic Financing</b>	<b>362.3</b>	<b>762.9</b>	<b>637.1</b>	<b>695.2</b>	<b>703.5</b>	<b>732.9</b>	<b>224.0</b>	<b>341.4</b>	<b>238.1</b>	<b>184.1</b>
Central Bank	(168.4)	106.4	171.7	395.3	565.9	850.3	176.4	222.7	298.3	(19.4)
Commercial Banks	349.4	452.7	253.7	(141.7)	182.4	(438.5)	(4.2)	109.6	(103.9)	205.9
National Insurance Board	112.9	334.3	231.9	48.6	71.2	180.2	(25.6)	0.6	91.0	(30.5)
Private Non-Bank	179.3	285.4	121.6	62.6	108.5	92.6	24.6	70.0	54.8	6.3
Other	(110.9)	(415.9)	(141.8)	330.4	(224.5)	48.4	52.8	(61.4)	(102.1)	21.8
<b>Foreign Financing (net)</b>	<b>22.2</b>	<b>(22.5)</b>	<b>321.8</b>	<b>9.7</b>	<b>25.7</b>	<b>(161.7)</b>	<b>(23.4)</b>	<b>(134.8)</b>	<b>(69.2)</b>	<b>(30.4)</b>
Capital Markets	0.0	0.0	377.0	49.3	0.0	0.0	0.0	0.0	0.0	0.0
Project Funds	25.9	35.1	96.0	79.0	204.1	57.2	9.4	3.0	4.5	55.1
Policy Loans	140.0	0.0	0.0	0.0	99.3	0.0	0.0	0.0	0.0	0.0
Amortisation	(143.6)	(146.3)	(151.2)	(118.7)	(277.8)	(218.8)	(32.9)	(137.8)	(73.7)	(85.5)
Divestment	0.0	88.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

<sup>(p)</sup> Provisional

<sup>(e)</sup> Estimate

Source: Central Bank of Barbados

**Table 7 – Consolidated Banking System: Central Bank and Commercial Banks  
(BDS \$Millions)**

	2011	2012	2013	2014	2015	2016 <sup>(p)</sup>	Jun 2014	Jun 2015	Jun 2016 <sup>(p)</sup>	Jun 2017 <sup>(e)</sup>
<b>Net International Reserves</b>	2,527.3	2,910.8	2,433.1	2,367.6	2,498.8	2,274.6	2,390.3	2,275.7	2,426.3	2,254.1
Monetary Authorities	1,414.7	1,457.7	1,144.1	1,054.9	929.4	683.6	1,094.8	972.8	885.7	635.5
Commercial Banks	1,112.6	1,453.0	1,289.0	1,312.8	1,569.5	1,591.1	1,295.5	1,302.9	1,540.6	1,618.6
<b>Net Domestic Assets</b>	4,417.1	4,467.8	5,400.4	5,668.4	5,789.3	6,320.9	5,493.6	5,790.8	5,796.7	6,281.0
Credit to Public Sector	601.4	1,098.0	1,789.9	2,174.8	2,742.3	3,175.8	2,203.2	2,377.9	2,925.1	3,315.1
Central Government (net)	839.7	1,278.2	1,811.4	2,092.2	2,780.2	3,398.2	2,034.0	2,447.7	3,058.1	3,462.0
Rest of Public Sector	(238.4)	(180.2)	(21.5)	82.5	(37.9)	(222.5)	169.2	(69.8)	(133.0)	(146.9)
Credit to the Rest of Financial System	278.1	75.0	32.9	31.3	45.6	23.9	32.9	28.0	29.5	26.7
Liabilities to Other Financial Institutions	746.8	703.7	707.6	562.6	753.3	702.9	577.0	688.4	778.7	776.3
Credit to Private Sector	5,199.9	5,746.1	5,622.3	5,363.5	5,392.0	5,451.5	5,402.7	5,316.6	5,340.9	5,516.0
Medium and Long-term Foreign Liabilities	(444.6)	(1,451.7)	(1,326.6)	(1,316.0)	(1,366.8)	(1,311.4)	(1,321.9)	(1,335.9)	(1,324.0)	(1,292.5)
Net Unclassified Assets	(169.8)	46.5	293.9	251.3	(55.7)	(101.2)	2.9	304.0	(194.0)	(133.8)
Liabilities to Private Sector	6,944.4	7,378.6	7,833.5	8,036.0	8,288.1	8,595.6	7,883.9	8,066.5	8,223.0	8,535.1
Currency in Circulation	498.2	510.8	504.7	555.6	534.1	574.7	471.2	516.7	535.5	479.9
Total Deposits	6,446.2	6,867.8	7,328.8	7,480.4	7,754.0	8,020.8	7,412.7	7,549.8	7,687.5	8,055.2
<b>Memo Items</b>										
Domestic Deposits in the Banking System	7,622.9	7,956.7	8,175.9	8,077.9	8,429.4	8,788.4	7,990.8	8,358.8	8,556.3	8,847.7
<b>Banking System Financial Stability Indicators<sup>1</sup> (%)</b>										
Capital Adequacy Ratio (CAR)	19.3	21.0	19.7	20.5	18.9	19.6	20.0	21.1	19.7	19.7
Non-performing Loans Ratio	11.1	12.9	11.7	11.5	10.6	8.9	12.2	11.1	9.6	8.7

<sup>(p)</sup> Provisional

<sup>(e)</sup> Estimate

<sup>1</sup> Data as at March 2017

Source: Central Bank of Barbados