



**Press Release**  
**March 2017**

The Barbados economy registered moderate growth during the first three months of 2017. The expansion was primarily driven by activity in the tourism sector, but a more robust recovery was hampered by ongoing delays to the start of anticipated investment projects. The delays also impacted the growth of international reserves during the quarter but higher tourism earnings contributed to a modest increase in reserves and a slight improvement in the import reserve cover at the end of the review period.

The Government maintained its focus on its programme of fiscal consolidation, resulting in a further narrowing of the deficit for FY2016/17. Improved tax collections, resulting from the suite of measures introduced in recent years together with the containment of non-interest expenditure enabled the deficit-to-GDP ratio to fall to its lowest level since FY2011/12. Despite these gains, the deficit was estimated to be marginally short of the target of 5.8%<sup>1</sup>, largely due to the delayed execution of planned divestment of state assets.

The financial system remained well capitalised and stable during the first quarter. Weak private sector credit demand continued to contribute to a banking system marked by high levels of excess liquidity and historically low interest rates as both deposit and lending rates declined below those of a year ago.

**Real Sector**

*Gross Domestic Product*

Growth is estimated at 2% for the first quarter, above the average first-quarter performance of the past five years. Real tourism value-added rose by 3.0%, following a strong performance during the corresponding quarter the previous year. Long-stay arrivals were up 4.4%, on the strength of increased demand and the on-going expansion of airlift from the USA and Canadian markets. UK arrivals were down 1.6%, in the aftermath of the Brexit referendum. On average, visitors' length of stay is estimated to have decreased relative to the same period last year. However, cruise passenger arrivals rose by approximately 9% during the quarter.

**Table 1 - Long-stay Arrivals by Source Market**  
**(\*000)**

	January 1 - March 31			
	2014	2015	2016	2017 <sup>(c)</sup>
U.S.A.	29.3	37.5	42.2	49.1
Canada	24.1	30.9	30.7	34.1
U.K.	56.1	63.7	70.0	68.9
Germany	4.2	5.2	4.8	4.0
Other Europe	13.1	9.8	9.3	9.7
<b>Trinidad &amp; Tobago</b>	<b>5.5</b>	<b>5.4</b>	<b>7.2</b>	<b>6.3</b>
Other Caricom	10.7	12.5	13.1	13.5
Other Countries	5.7	6.4	6.5	6.4
<b>TOTAL LONG-STAY</b>	<b>148.6</b>	<b>171.3</b>	<b>183.9</b>	<b>192.0</b>

Source: Barbados Statistical Service and Central Bank of Barbados (2017)

The other traded sectors made a modest contribution to growth during the first three months of 2017, with the manufacturing and

<sup>1</sup> August 2016 Financial Statement and Budgetary Proposals.

agricultural sectors estimated to have trended upwards. Output of sugar is no longer a significant contributor to GDP, but an early start of the harvest led to increased production during the period.

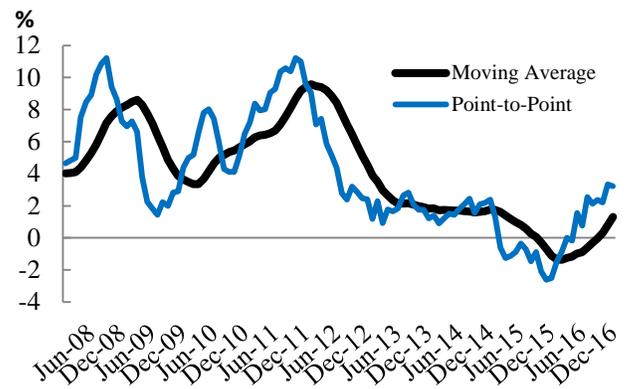
Construction activity is estimated to have expanded by almost 2% during the first three months of 2017. This outturn was influenced by the construction of various commercial projects, including Sandals Royal, the luxury arm of Sandals Resorts International, which is scheduled to open towards year-end. Other non-traded sector activity, principally in wholesale and retail and other business and general services, registered modest growth, the result of the performance of the tourism and construction sectors.

*Prices and Employment*

The unemployment rate has been trending downwards since 2014 and the average unemployment rate for the four quarters ending September 2016 was reported at 9.9% compared to 11.3% at the end of 2015.

The economy also continued to benefit from relatively low inflation, but there are signs of a modest upturn in the general price level. At the end of December 2016, the 12-month moving average rate of inflation stood at 1.3%, in contrast to the 1.1% decline recorded at the end of December 2015, primarily due to increases in the prices of food and non-alcoholic beverages.

**Figure 1 - Inflation (Monthly)**

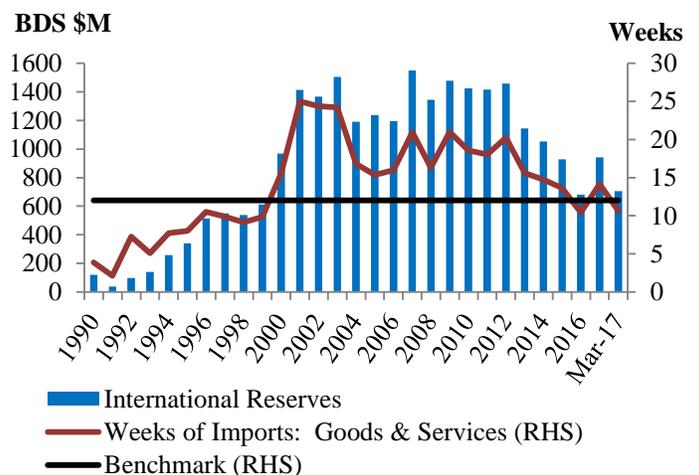


Source: Barbados Statistical Service

**External Sector**

As at March 31, 2017, the international reserves stood at \$705.4 million, following an increase of \$24.3 million in the first quarter. This improvement compares with an average first quarter increase of \$19 million over the past five years. However, the import reserve cover of 10.7 weeks at the end of March 2017, remained below the 12-week benchmark, in part a reflection of the larger than usual net public sector capital outflows in FY2016/17.

**Figure 2 - International Reserves**



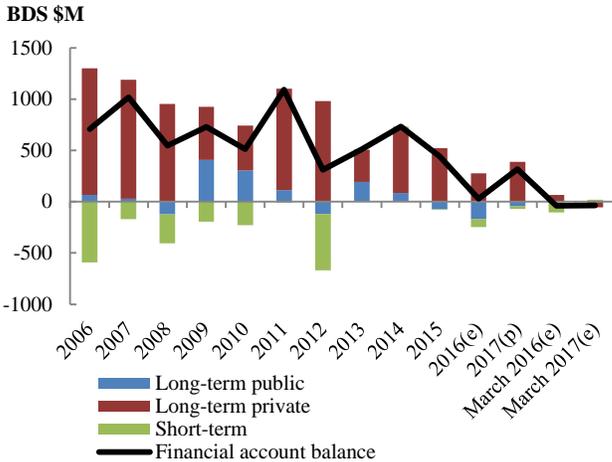
Source: Central Bank of Barbados

For the first quarter of 2017, the external current account registered a surplus of \$45.4 million, \$13.0 million below that recorded for the corresponding period of 2016. Tourism earnings grew moderately on the basis of improved activity, but these gains were largely eroded by higher retained imports, which were up 6.6%, in contrast to declines for the comparable periods since 2013. There was modest growth of consumer and capital goods, but intermediate goods increased by 12.3%, predominantly driven by rising fuel import prices.

Domestic exports grew by 2.9%, a slowdown from the 7.2% increase experienced in the same period of the previous year. Provisional data show that exports of electrical components and chemicals recorded the largest increases but exports of rum, the single largest commodity in the export sector, was stable.

Over the review period, the financial account’s deficit of \$35.7 million was slightly lower than that observed for the corresponding period of 2016. Net long-term private sector outflows of \$52.6 million were recorded, in contrast to inflows of \$66.1 million registered for the first quarter of 2016, when there were substantial inflows from the sale of shares in Banks Holdings Ltd. On the public sector side, net long-term outflows totalled \$3.0 million, marginally less than the comparable period of the previous year.

**Figure 3 - Net Financial Flows**



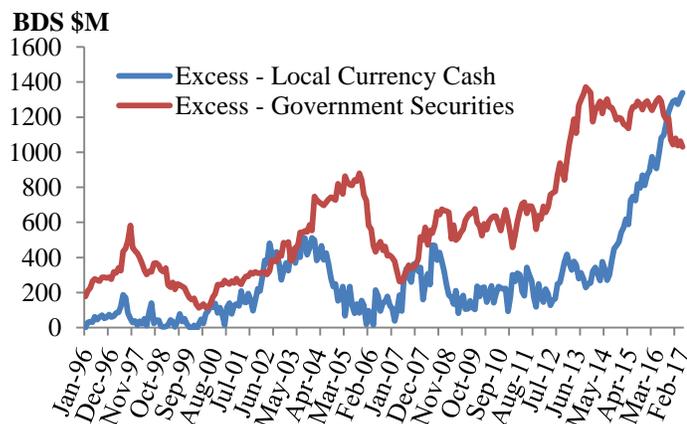
Source: Central Bank of Barbados

**Monetary and Financial Sector**

Excess liquidity in the banking system, as measured by excess cash reserves as a percentage of domestic deposits, reached 17%, up from 10.6% a year ago. This increase partly reflects the decision by some banks to substitute some of their holdings of Government securities for cash at the Central Bank.

Total domestic deposits grew by only 2%, but credit extended to the non-financial private sector remained subdued, rising by approximately 1%. Given the build-up in liquidity, deposit interest rates have fallen sharply since the abolition of minimum deposit rate in April 2015. Preliminary data indicate that the weighted average deposit rate fell to 0.25% in the first quarter of 2017, while the weighted average loan rate edged down to 6.7%. In addition, there was a decline in the average three-month rate on Treasury bills which moved to 3.1% at the end of March 2017.

**Figure 4 - Excess Reserves of Commercial Banks**



Source: Central Bank of Barbados

## Public Sector

### Revenue and Expenditure

Fiscal consolidation remained the central challenge of economic policy during the review period. The fiscal deficit for the period is estimated at \$67 million, compared to the deficit of \$59.3 million recorded in the corresponding period of 2016. Despite the small increase in the fiscal deficit during the first three months of the calendar year, the overall balance contracted to an estimated 6% of GDP for FY2016/17.

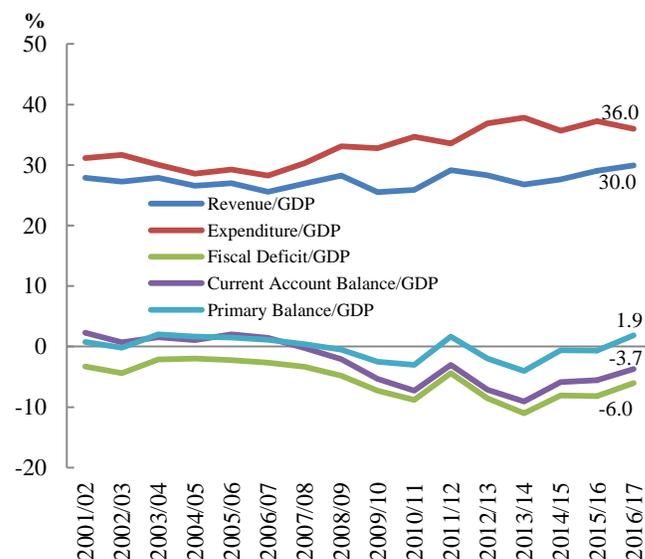
The improved fiscal outturn reflects the combined impact of higher tax collections and the containment of non-interest expenditure. The revenue-to-GDP ratio rose to 30%, largely attributable to the collection of higher indirect taxes which rose by 9.9%. The budgetary measures, including the National Social Responsibility Levy, have buoyed VAT receipts which contributed 64% of the improved indirect tax collection. Direct tax revenue expanded by 7.5%, on the basis of improved personal income taxes and corporate taxes.

Non-interest expenditure fell by 2% during FY2016/17, partly due to a reduction in capital

spending. This resulted in an estimated primary surplus of 1.9%, compared to an average deficit of 1.6% since the 2009 recession. However, given the size of the Government's overall indebtedness, interest costs increased by 8.4% resulting in an interest to revenue ratio of 26.3%.

## Financing

**Figure 5 - Select Fiscal Indicators**



Source: Ministry of Finance and Central Bank of Barbados

In line with the trend observed over the past five years, funding of the deficit for FY2016/17 was mainly provided by domestic sources as foreign amortisation payments were almost four times the size of public capital inflows. The National Insurance Scheme and private non-bank institutions increased their holdings of Government debt but these gains were more than offset by commercial banks' reduction in their holdings of Government paper. For most of the year, the Central Bank actively accommodated Government's residual financing needs but, during the quarter, the Bank sought to minimise new credit creation. However, its exposure to Government increased principally because it had to acquire Government paper in providing short-term liquidity support to one of its banks.

Government's overall indebtedness remained high. As at March 2017, the gross public sector debt<sup>2</sup> ratio declined to 98.5% of GDP, partly reflecting the increased share of debt purchased by the Central Bank and the NIS in 2016.

## Outlook

The Barbados economy has made gains in addressing some of the macroeconomic imbalances faced in recent years. However, challenges remain and stabilisation now requires concerted attention to fiscal adjustment and the acceleration of project implementation.

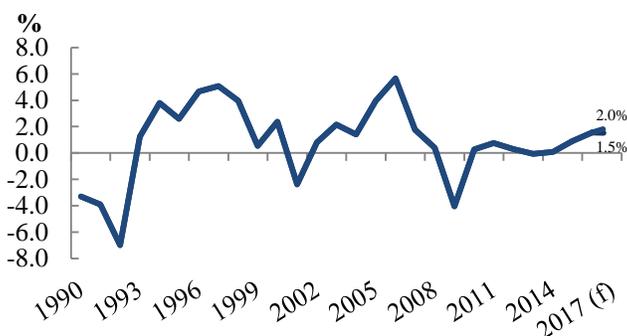
Under the current policy framework, Government's forecast for the fiscal deficit for FY2017/18 is 4.4% of GDP. However, given the financing constraints Government now faces, together with the decline in international reserves over the past three years, there is need for further fiscal consolidation. The immediate challenge is to bring the current fiscal balance in line with available financing resources so that delays in payments for the provision of services to Government can be eliminated. In this regard, the finalisation of planned asset sales is crucial. However, structural measures are needed over the medium-term to ensure the ongoing sustainability of the fiscal effort, including measures that embrace improved tax administration and expenditure containment both within central Government and state owned enterprises.

Economic growth is projected to range between 1.5% to 2.0% in 2017, mainly on the strength of tourism and new construction activity. The tourism sector remains competitive but further enhancements in product quality are needed to

<sup>2</sup> Gross Public Sector Debt is the debt owed by Government and State Owned Enterprises (SOEs) to the private and public sector less the debt of the Government that is held by the National Insurance Scheme (NIS) and the Central Bank.

sustain growth over the medium-term. The scope for fiscal stimulus through a public sector investment programme remains limited and planned private sector investment projects are therefore critical to reversing the slide in capital formation that has contributed to subdued economic activity in recent years. However, there are significant downside risks to the growth forecast, partly related to on-going delays to the start of major tourism-related projects earmarked for 2017.

**Figure 6- Real GDP Growth**



Source: Central Bank of Barbados

The international reserves are expected to stabilise during 2017, on the basis of the proceeds from the sale of Government assets, higher public sector project related inflows and the continued strengthening of the tourism sector. However, the weakness in the British pound represents a downside risk that needs to be carefully monitored as it could adversely affect tourism spending or real estate related inflows.

The prospects for the economy will be enhanced by continued diversification. The International Business and Financial Services Sector remains an important cog in fostering an improved outlook for international reserves. In addition, the continued growth of the alternative energy sector has the potential to cushion the impact of higher energy prices on the balance of payments, as Barbados continues to make progress in increasing the capacity of the renewable energy sector.

**Table 1 – Economic Indicators**

	2009	2010	2011	2012	2013	2014	2015	2016 <sup>(p)</sup>	Jan-Mar 2016 <sup>(p)</sup>	Jan-Mar 2017 <sup>(e)</sup>
Real Growth (%)	(4.0)	0.3	0.8	0.3	(0.6)	0.1	1.0	1.6	2.3	2.0
Tradeables (%)	(4.3)	(0.4)	(2.5)	(3.1)	0.1	(0.3)	2.6	2.2	7.3	4.7
Nontradeables (%)	(4.0)	0.4	1.6	1.2	(0.8)	0.2	0.5	1.5	0.9	1.2
Inflation (%) <sup>1</sup>	3.6	5.8	9.4	4.5	1.8	1.8	(1.1)	1.3	(1.3)	n.a.
Avg. Unemployment (%) <sup>2</sup>	10.0	10.3	11.2	11.5	11.6	12.3	11.3	9.9	11.3	n.a.
Foreign Exchange Reserves (\$ Million)	1,477.4	1,423.7	1,414.8	1,457.7	1,144.1	1,052.4	927.0	681.1	940.6	705.4
Foreign Exchange Reserves Cover, Weeks	21.0	18.6	18.0	20.2	15.6	14.7	13.6	10.4	14.2	10.7
BoP Current Account (% of GDP)	(6.6)	(5.5)	(12.2)	(8.7)	(8.6)	(9.4)	(6.3)	(4.5)	2.5	1.8
Net Capital Inflows (\$ Millions)	731.7	512.1	1,094.7	312.7	513.5	734.0	441.2	29.6	(39.7)	(35.7)
Net Public Sector Debt (% of GDP)	38.6	50.6	54.1	56.2	66.5	72.2	69.0	59.0	68.4	53.6
External Debt Service to Curr. Acct. Cred.	5.8	13.3	6.0	6.4	6.4	6.7	9.5	7.9	5.6	5.9
Treasury-Bill Rate	3.4	3.4	3.4	3.6	3.2	2.6	1.8	3.1	3.2	3.1
US Treasury-Bill Rate	0.1	0.1	0.0	0.1	0.1	0.0	0.2	0.5	0.3	0.7
Average Deposit Rate <sup>3</sup>	2.7	2.7	2.7	2.5	2.5	2.5	0.4	0.3	0.4	0.3
Average Loan Rate <sup>3</sup>	8.9	7.3	6.6	6.8	7.4	7.1	6.8	6.6	6.8	6.7
Excess Liquidity Ratio	6.3	1.3	1.7	4.7	3.9	6.7	10.6	14.5	10.6	17.0
Private Sector Credit (%)	(0.4)	1.5	2.7	10.5	(2.2)	(4.6)	0.5	1.1	(0.6)	1.0
Private Sector Credit (% of GDP)	54.2	57.0	59.6	66.3	64.3	61.6	60.9	59.6	60.0	59.5
Domestic Deposits (% of GDP)	82.3	84.0	87.4	91.8	93.5	92.8	95.3	96.1	97.4	96.9
<b>Fiscal Year</b>	<b>2009/10</b>	<b>2010/11</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)	(7.3)	(8.8)	(4.4)	(8.5)	(11.0)	(8.1)	(8.2)	(6.0)		
Primary Balance (% of GDP)	(2.5)	(3.0)	1.6	(2.0)	(4.0)	(0.6)	(0.6)	1.9		
Interest (% of GDP)	4.8	5.8	6.0	6.6	7.0	7.5	7.5	7.9		
Fiscal Current Account (% of GDP)	(5.3)	(7.2)	(3.1)	(7.1)	(9.0)	(5.9)	(5.6)	(3.7)		
Revenue (% of GDP)	25.3	25.6	29.3	28.4	26.7	27.7	29.3	30.3		
Expenditure (% of GDP)	32.5	34.3	33.7	36.9	37.7	35.8	37.5	36.4		
<i>Non-interest Expenditure (% of GDP)</i>	28.1	28.9	27.5	30.3	30.8	28.2	29.6	28.1		
<i>Capital Expenditure (% of GDP)</i>	2.0	1.5	1.4	1.4	1.9	2.2	2.6	2.3		
Gov't Interest Payments (% of Revenue)	18.8	22.3	20.7	23.2	26.1	27.2	25.9	26.3		

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

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

<sup>1</sup> - Data to December 2016 and reflects the new Barbados Statistical Service inflation weights

<sup>2</sup> - Average Annual Data to September 2016

<sup>3</sup> - Data to January 2017

n.a.- Not Available

Source: Central Bank of Barbados

**Table 2 – GDP by Sector and Activity**

(BDS \$Millions, Constant Prices)

	Avg contribution to GDP (%)	2009	2010	2011	2012	2013	2014	2015	2016 <sup>(p)</sup>	Jan-Mar 2016 <sup>(p)</sup>	Jan-Mar 2017 <sup>(e)</sup>
<b>Tradeables</b>	<b>22.9</b>	<b>230.9</b>	<b>230.0</b>	<b>224.1</b>	<b>217.2</b>	<b>217.4</b>	<b>216.7</b>	<b>222.4</b>	<b>227.3</b>	<b>65.1</b>	<b>68.1</b>
Tourism	16.5	126.9	131.4	131.2	126.3	124.3	126.2	134.3	140.8	46.9	48.3
Manufacturing	3.9	53.3	51.0	48.3	45.0	46.0	45.2	44.2	43.5	11.0	11.2
Of which:											
<i>Rum &amp; Other Beverages</i>	0.5	7.4	7.1	6.7	6.3	6.4	6.3	6.2	6.0	1.5	1.6
<i>Food</i>	1.0	13.5	13.0	12.3	11.4	11.7	11.5	11.2	11.1	2.8	2.8
<i>Furniture</i>	0.1	1.5	1.4	1.3	1.2	1.3	1.2	1.2	1.2	0.3	0.3
<i>Chemicals</i>	0.2	3.2	3.1	2.9	2.7	2.8	2.7	2.7	2.6	0.7	0.7
<i>Electronics</i>	0.3	4.0	3.9	3.7	3.4	3.5	3.4	3.3	3.3	0.8	0.8
<i>All Other Manufacturing</i>	1.7	23.6	22.6	21.4	20.0	20.4	20.0	19.6	19.3	4.9	5.0
Sugar	0.2	13.7	11.0	10.1	10.5	7.5	6.7	4.5	3.0	0.7	2.1
Other agriculture	2.3	37.0	36.6	34.5	35.3	39.6	38.6	39.4	40.0	6.5	6.6
<b>Non-tradeables</b>	<b>77.1</b>	<b>863.7</b>	<b>867.6</b>	<b>881.8</b>	<b>892.0</b>	<b>884.8</b>	<b>886.5</b>	<b>891.3</b>	<b>904.7</b>	<b>219.4</b>	<b>222.1</b>
Mining & Quarrying	0.4	5.3	5.8	5.0	4.6	3.9	4.7	5.8	5.3	1.1	1.1
Electricity, Gas & Water	3.7	43.3	44.2	43.5	43.7	43.4	43.4	43.4	44.1	10.5	10.7
Construction	7.0	76.7	69.4	76.7	70.9	62.5	61.5	61.3	63.0	19.9	20.3
Distribution	17.4	235.3	240.8	240.9	242.0	245.8	246.4	246.0	249.4	49.4	50.0
Transport, etc	10.0	113.9	114.0	114.6	116.9	117.9	118.5	120.2	122.4	28.4	28.6
Finance and Other Services	22.8	222.7	225.0	227.7	234.4	235.5	236.4	239.2	245.1	64.9	66.2
Government	15.9	166.7	168.4	173.4	179.4	175.8	175.6	175.4	175.4	45.1	45.1
<b>Total</b>		<b>1,094.6</b>	<b>1,097.6</b>	<b>1,105.9</b>	<b>1,109.2</b>	<b>1,102.2</b>	<b>1,103.2</b>	<b>1,113.7</b>	<b>1,131.9</b>	<b>284.4</b>	<b>290.2</b>
<b>Nominal GDP</b>		<b>9,202.5</b>	<b>8,893.6</b>	<b>8,717.8</b>	<b>8,664.3</b>	<b>8,742.4</b>	<b>8,705.4</b>	<b>8,847.3</b>	<b>9,144.7</b>	<b>2,297.7</b>	<b>2,391.8</b>
<b>Real Growth Rates</b>		<b>(4.0)</b>	<b>0.3</b>	<b>0.8</b>	<b>0.3</b>	<b>(0.6)</b>	<b>0.1</b>	<b>1.0</b>	<b>1.6</b>	<b>2.3</b>	<b>2.0</b>
Tradeables		(4.3)	(0.4)	(2.5)	(3.1)	0.1	(0.3)	2.6	2.2	7.3	4.7
Non-tradeables		(4.0)	0.4	1.6	1.2	(0.8)	0.2	0.5	1.5	0.9	1.2

<sup>(p)</sup> – Provisional

<sup>(e)</sup> – Estimate

Source: Central Bank of Barbados

**Table 3 – Balance of Payments**

(BDS \$Millions)

	2009	2010	2011	2012	2013	2014	2015 <sup>(p)</sup>	2016 <sup>(p)</sup>	Jan-Mar 2016 <sup>(p)</sup>	Jan-Mar 2017 <sup>(e)</sup>
<b>Current Account</b>	<b>(610.7)</b>	<b>(509.1)</b>	<b>(1,116.8)</b>	<b>(803.9)</b>	<b>(793.4)</b>	<b>(862.7)</b>	<b>(577.3)</b>	<b>(414.0)</b>	<b>58.4</b>	<b>43.7</b>
<b>Inflows</b>	<b>4,521.1</b>	<b>4,811.8</b>	<b>4,728.4</b>	<b>4,436.0</b>	<b>4,553.2</b>	<b>4,455.6</b>	<b>4,600.2</b>	<b>4,796.3</b>	<b>1,361.6</b>	<b>1,363.3</b>
Travel	2,145.6	2,076.6	1,925.3	1,835.7	1,927.9	1,776.7	1,894.7	2,076.7	712.0	730.2
Other Services	911.9	1,179.4	1,250.8	941.1	1,052.3	1,065.0	1,047.4	1,053.6	220.9	222.7
Domestic Exports	449.2	460.2	494.9	532.6	521.2	539.4	486.3	504.6	125.2	128.6
Rum	57.2	66.8	70.9	82.4	86.1	78.7	76.3	77.6	19.2	19.0
Other Beverages	14.2	13.1	12.3	10.3	13.9	13.6	12.2	20.9	1.9	1.9
Food	50.7	50.0	55.9	63.6	64.0	70.0	65.1	62.7	15.8	15.7
Sugar	40.7	22.6	21.2	22.3	15.9	18.1	7.2	7.1	0.2	0.1
Chemicals	48.8	61.4	67.3	68.0	69.6	73.6	73.9	72.2	19.1	20.0
Electronics	16.3	19.4	21.5	17.1	13.3	16.6	17.0	15.0	3.8	3.9
Printed Paper Labels	15.8	20.1	19.9	20.6	24.4	24.2	22.0	23.1	6.0	6.1
Construction Materials	43.0	38.7	30.9	25.8	45.3	44.5	42.1	45.3	11.0	13.1
Other	167.4	170.7	195.1	221.9	189.3	200.0	170.5	180.9	48.0	48.8
Re-exported goods	307.9	398.3	455.3	597.6	414.0	409.4	479.5	529.1	185.5	168.4
Income	514.5	472.4	342.9	383.5	497.5	525.1	512.0	515.4	95.1	97.7
Transfers	187.1	222.3	259.1	146.3	139.7	140.0	180.3	116.7	22.9	15.8
<b>Outflows</b>	<b>5,131.8</b>	<b>5,320.9</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>1,303.2</b>	<b>1,319.7</b>
Fuel Imports	574.1	784.4	1,067.3	1,116.1	965.6	877.5	603.6	502.9	110.4	125.0
Other Merchandise Imports	2,158.5	2,230.3	2,390.4	2,259.7	2,395.8	2,426.8	2,470.8	2,578.0	630.7	637.0
Services	1,932.2	2,249.8	2,174.4	2,087.8	1,898.0	1,802.5	1,592.4	1,492.2	398.2	418.2
Income	894.6	696.2	943.2	728.3	886.7	920.0	937.9	958.3	217.1	208.4
Transfers	146.5	144.5	337.2	164.1	166.1	169.0	176.4	181.8	57.2	56.1
<b>Capital And Financial Accounts</b>	<b>721.5</b>	<b>504.9</b>	<b>1,076.9</b>	<b>299.2</b>	<b>504.4</b>	<b>724.6</b>	<b>425.4</b>	<b>33.8</b>	<b>(42.4)</b>	<b>(30.2)</b>
Capital Account	(10.2)	(7.2)	(17.8)	(13.5)	(9.0)	(9.4)	(15.8)	4.2	(2.7)	5.5
Financial Account	731.7	512.1	1,094.7	312.7	513.5	734.0	441.2	29.6	(39.7)	(35.7)
Long-term	925.1	741.5	1,103.2	859.9	505.1	716.8	449.8	106.4	60.9	(55.7)
Public	408.6	306.6	112.1	(120.4)	194.4	84.9	(72.2)	(170.4)	(5.2)	(3.0)
Private	516.5	435.0	991.1	980.4	310.7	632.0	522.1	276.8	66.1	(52.6)
Short-term Investment Flows	(193.4)	(229.5)	(8.5)	(547.2)	8.3	17.2	(8.6)	(76.8)	(100.6)	20.0
Net Errors & Omissions	23.4	(49.4)	31.0	547.7	(24.7)	46.4	26.5	134.2	(2.5)	10.8
Overall Balance	134.1	(53.7)	(8.9)	43.0	(313.6)	(91.7)	(125.4)	(246.0)	13.6	24.3
<b>Change in FXR: - increase/+ decrease</b>	<b>(134.1)</b>	<b>53.7</b>	<b>8.9</b>	<b>(43.0)</b>	<b>313.6</b>	<b>91.7</b>	<b>125.4</b>	<b>246.0</b>	<b>(13.6)</b>	<b>(24.3)</b>

<sup>(p)</sup> – Provisional

<sup>(e)</sup> – Estimate

Source: Central Bank of Barbados

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

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 <sup>(p)</sup>	Jan-Mar 2016 <sup>(p)</sup>	Jan-Mar 2017 <sup>(e)</sup>
<b>Total Revenue</b>	<b>2,323.7</b>	<b>2,278.9</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>2,771.7</b>	<b>905.1</b>	<b>962.3</b>
<b>Tax Revenue</b>	<b>2,156.3</b>	<b>2,168.4</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>2,617.4</b>	<b>827.0</b>	<b>884.7</b>
i) Direct Taxes	951.1	883.8	925.1	897.9	813.4	901.0	940.4	1,011.6	316.9	330.5
Personal	386.3	395.4	420.1	397.3	364.8	412.5	396.9	462.5	112.9	117.3
Corporate	372.8	294.2	286.1	268.6	174.7	156.1	224.8	240.3	107.4	115.6
Consolidation	0.0	0.0	0.0	0.0	14.4	28.1	36.4	0.0	10.4	0.0
Property	113.3	118.2	133.9	132.8	156.0	164.4	187.5	182.6	64.0	62.2
Municipal Solid Waste	0.0	0.0	0.0	0.0	0.0	32.0	0.0	0.0	0.0	0.0
Financial Institutions Asset Tax	0.0	0.0	0.0	0.0	0.0	26.9	29.2	34.5	6.6	11.8
Other	78.7	76.0	85.0	99.2	103.6	81.0	65.6	91.7	15.6	23.6
ii) Indirect Taxes	<b>1,205.2</b>	<b>1,284.5</b>	<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>1,605.8</b>	<b>510.1</b>	<b>554.1</b>
Stamp	11.3	11.8	11.7	11.2	11.6	11.0	10.1	8.9	2.0	2.4
VAT	703.8	764.8	939.9	879.0	905.6	806.2	924.7	1,017.8	337.9	357.5
Excises	147.0	146.0	161.0	141.3	115.4	135.9	169.0	184.4	67.1	73.2
Import Duties	178.4	191.3	195.6	201.2	193.6	223.6	231.6	246.2	76.5	77.7
Social Responsibility Levy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0	0.0	13.1
Other	164.7	170.6	112.3	110.2	116.8	105.1	125.7	123.6	26.6	30.4
<b>Non Tax Revenue &amp; Grants</b>	<b>167.4</b>	<b>110.5</b>	<b>204.8</b>	<b>216.5</b>	<b>177.9</b>	<b>224.5</b>	<b>191.2</b>	<b>154.3</b>	<b>78.1</b>	<b>77.6</b>
Non Tax Revenue	111.1	84.1	165.0	138.9	152.1	147.7	146.7	123.2	68.1	69.5
Grants	35.6	3.8	14.3	57.6	4.7	57.5	18.0	9.8	1.0	0.8
Post Office - Revenue	20.7	22.6	25.5	20.0	21.1	19.3	26.4	21.3	9.0	7.3
<b>Current Expenditure</b>	<b>2,809.8</b>	<b>2,919.9</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>3,112.7</b>	<b>918.3</b>	<b>961.8</b>
Wages & Salaries	861.1	860.2	867.4	882.2	871.9	803.7	787.2	777.2	198.5	199.0
Goods & Services	417.3	378.4	399.5	391.7	382.2	341.5	441.3	426.3	206.2	193.6
Interest	435.8	507.2	527.4	568.9	608.7	653.7	672.6	728.9	132.6	142.5
External	153.7	147.4	148.4	146.6	135.3	165.3	163.8	165.2	43.4	45.4
Domestic	282.1	359.8	379.0	422.3	473.4	488.4	508.8	563.6	89.2	97.1
Transfers & Subsidies	1,095.6	1,174.1	1,022.4	1,233.8	1,261.2	1,119.8	1,184.6	1,180.3	381.0	426.8
Grants to Individuals					365.1	338.5	342.1	333.1	116.7	121.1
Grants to Public Institutions					786.4	682.9	729.6	733.3	213.9	257.4
Non-Profit Agencies					37.3	29.6	32.3	33.0	8.4	9.3
<b>Capital Expenditure &amp; Net Lending</b>	<b>178.3</b>	<b>134.7</b>	<b>118.2</b>	<b>121.1</b>	<b>169.3</b>	<b>193.5</b>	<b>236.2</b>	<b>215.0</b>	<b>46.1</b>	<b>66.5</b>
<b>Fiscal Balance</b>	<b>(664.4)</b>	<b>(775.7)</b>	<b>(384.5)</b>	<b>(740.4)</b>	<b>(958.9)</b>	<b>(704.9)</b>	<b>(729.1)</b>	<b>(556.0)</b>	<b>(59.3)</b>	<b>(66.0)</b>
<b>Primary Balance</b>	<b>(228.6)</b>	<b>(268.5)</b>	<b>142.9</b>	<b>(171.5)</b>	<b>(350.2)</b>	<b>(51.2)</b>	<b>(56.5)</b>	<b>172.8</b>	<b>73.3</b>	<b>76.5</b>
<b>Fiscal Balance to GDP (%)</b>	<b>(7.3)</b>	<b>(8.8)</b>	<b>(4.4)</b>	<b>(8.5)</b>	<b>(11.0)</b>	<b>(8.1)</b>	<b>(8.2)</b>	<b>(6.0)</b>		

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

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	March 2016	March 2017
<b>Government</b>										
External Debt (of which)	2,414.4	2,731.9	2,770.5	2,644.9	2,868.0	3,041.6	2,979.0	2,876.8	3,037.0	2,857.1
SDRs (+)	194.4	196.1	210.4	200.8	195.4	200.6	182.1	183.5	182.1	183.5
PPP-Prison	282.2	278.8	275.1	271.0	266.5	261.5	243.1	249.9	249.9	243.1
Domestic Debt (of which)	3,405.3	3,661.4	4,032.1	4,591.8	5,381.9	5,701.9	6,325.4	7,019.5	6,534.3	6,893.0
PPP-Justice Improvement	127.1	132.3	132.9	-	-	-	-	-	-	-
PPP-Coast Guard	47.9	43.3	38.7	34.1	29.5	26.0	21.6	20.4	21.6	20.4
PPP-ABC Highway	161.7	158.3	151.7	144.7	137.0	128.9	120.4	111.1	115.8	96.8
Debentures	1,820.1	1,962.7	2,279.7	2,566.3	2,563.1	2,560.3	2,621.8	2,804.6	2,911.5	2,870.6
T-bills	735.2	890.8	953.4	1,238.0	2,042.0	2,275.6	2,842.7	3,381.6	2,788.0	3,311.9
<b>Gross Government Debt</b>	<b>5,819.7</b>	<b>6,393.3</b>	<b>6,802.6</b>	<b>7,236.7</b>	<b>8,249.9</b>	<b>8,743.6</b>	<b>9,304.3</b>	<b>9,896.3</b>	<b>9,571.2</b>	<b>9,750.2</b>
Government Assets (-)	1,633.0	1,514.0	1,613.5	1,516.3	1,451.0	1,330.4	1,136.8	1,173.7	1,244.7	1,176.3
Government Assets	872.3	964.6	1,074.2	1,005.8	1,051.8	971.2	744.9	743.1	834.0	739.2
Deposits	239.8	351.3	363.2	198.1	222.7	152.1	111.9	119.5	149.4	114.1
Central Bank	90.2	233.1	263.6	79.3	103.4	52.8	16.7	20.1	26.4	14.7
Commercial Banks	149.6	118.3	99.6	118.9	119.3	99.3	95.1	99.4	122.9	99.5
Sinking Fund	632.5	613.3	711.0	807.7	829.1	819.1	633.0	623.6	684.6	625.0
Sinking funds for Dom. Debt	409.2	425.6	470.9	524.3	559.2	469.8	373.7	280.7	382.2	281.2
Sinking funds for Fgn. Debt	223.3	187.7	240.1	283.4	269.9	349.3	259.3	342.9	302.4	343.8
Other Government Assets	760.8	549.4	539.3	510.5	399.2	359.3	391.9	430.6	410.7	437.1
Liquid NIS Assets	468.0	382.4	380.5	330.1	186.2	153.2	185.9	224.5	204.7	231.1
Cash	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8
Due From Banks and Fin. Inst	457.2	371.6	369.7	319.3	175.4	142.4	175.0	213.7	193.8	220.3
External Assets of NIS	292.7	166.9	158.8	180.4	213.0	206.1	206.1	206.1	206.1	206.1
<b>Net Government Debt</b>	<b>4,186.7</b>	<b>4,879.3</b>	<b>5,189.1</b>	<b>5,720.3</b>	<b>6,798.9</b>	<b>7,413.1</b>	<b>8,167.5</b>	<b>8,722.6</b>	<b>8,326.5</b>	<b>8,573.9</b>
<b>Public Sector</b>										
Gross Government Debt	5,819.7	6,393.3	6,802.6	7,236.7	8,249.9	8,743.6	9,304.3	9,896.3	9,571.2	9,750.2
Debt Held By Central Bank (-)	101.8	95.0	223.7	236.9	490.0	555.4	1,071.5	1,748.0	1,128.3	1,895.1
T-Bills	26.8	20.0	148.7	161.9	415.0	418.5	733.5	1,144.8	554.9	1,258.9
Debentures	75.0	75.0	75.0	75.0	75.0	137.0	338.1	603.1	573.5	636.2
Public Corporations' Debt (+)	1,295.0	1,538.5	1,609.0	1,334.6	1,360.4	1,425.7	1,385.8	1,323.9	1,322.4	1,255.9
Domestic	1,067.2	1,223.7	1,252.3	1,000.1	1,048.3	1,135.7	1,116.9	1,102.0	1,057.6	1,034.0
External	227.8	314.8	356.7	334.5	312.0	290.0	268.9	221.9	264.9	221.9
<b>Gross Public Sector Debt</b>	<b>7,012.9</b>	<b>7,836.9</b>	<b>8,187.8</b>	<b>8,334.3</b>	<b>9,120.2</b>	<b>9,613.9</b>	<b>9,618.6</b>	<b>9,472.2</b>	<b>9,765.3</b>	<b>9,111.0</b>
Net Government Debt	4,186.7	4,879.3	5,189.1	5,720.3	6,798.9	7,413.1	8,167.5	8,722.6	8,326.5	8,573.9
Other Central Bank Assets (-)	1,535.9	1,513.3	1,551.2	1,757.4	1,775.4	1,795.5	2,171.2	2,667.6	2,236.0	2,768.1
Foreign Assets	1,126.1	1,150.2	1,174.1	1,262.8	1,031.8	934.5	869.4	630.7	902.8	656.4
Other Foreign Assets	931.7	960.9	971.1	1,069.1	842.7	740.3	693.2	453.1	745.7	478.9
SDRs	194.4	189.3	203.0	193.7	189.1	194.2	176.2	177.5	157.1	177.5
Domestic Assets	409.8	363.1	377.1	494.6	743.6	861.0	1,301.8	2,036.9	1,333.2	2,111.7
Public Corporations' Deposits	289.4	306.6	311.7	209.6	197.8	198.5	207.9	239.8	253.2	210.5
<b>Net Public Sector Debt</b>	<b>3,554.6</b>	<b>4,503.0</b>	<b>4,711.5</b>	<b>4,851.0</b>	<b>5,696.0</b>	<b>6,289.4</b>	<b>6,102.8</b>	<b>5,391.2</b>	<b>6,031.5</b>	<b>4,956.1</b>
Gross Government Debt/GDP	63.2	71.9	78.0	83.9	96.4	100.4	105.2	108.2	108.6	105.4
Gross Public Sector Debt/GDP	76.2	88.1	93.9	96.6	106.5	110.4	108.7	103.6	110.8	98.5
Net Government Debt/GDP	45.5	54.9	59.5	66.3	79.4	85.2	92.3	95.4	94.5	92.7
Net Public Sector Debt/GDP	38.6	50.6	54.1	56.2	66.5	72.2	69.0	59.0	68.4	53.6
<i>Memo Debt Held by NIS (-)</i>	1,867.3	2,213.8	2,380.9	2,602.0	2,877.7	2,993.6	3,142.4	3,429.1	3,170.4	3,486.4
T-Bills	122.8	185.3	270.9	303.6	241.8	197.6	221.0	173.0	129.3	199.0
Debentures	1,744.5	2,028.5	2,110.0	2,298.4	2,635.9	2,795.9	2,921.4	3,256.1	3,041.1	3,287.4

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

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

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Jan-Mar 2016 <sup>(p)</sup>	Jan-Mar 2017 <sup>(e)</sup>
<b>Total Financing</b>	<b>664.4</b>	<b>775.7</b>	<b>384.5</b>	<b>740.4</b>	<b>958.9</b>	<b>704.9</b>	<b>729.1</b>	<b>556.0</b>	<b>59.3</b>	<b>66.0</b>
<b>Domestic Financing</b>	<b>424.0</b>	<b>520.0</b>	<b>362.3</b>	<b>762.9</b>	<b>637.1</b>	<b>695.2</b>	<b>703.5</b>	<b>717.7</b>	<b>22.4</b>	<b>74.7</b>
Central Bank	(48.6)	(40.2)	(168.4)	106.4	171.7	395.3	565.9	851.7	16.7	85.3
Commercial Banks	91.6	(35.2)	349.4	452.7	253.7	(141.7)	182.4	(435.5)	66.8	(194.6)
National Insurance Board	233.4	331.5	112.9	334.3	231.9	48.6	71.2	180.2	28.6	57.3
Private Non-Bank	329.6	189.0	179.3	285.4	121.6	62.6	108.5	92.6	22.3	35.2
Other	(182.1)	74.9	(110.9)	(415.9)	(141.8)	330.4	(224.5)	28.7	(112.0)	91.6
<b>Foreign Financing (net)</b>	<b>240.3</b>	<b>255.7</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>36.9</b>	<b>(8.8)</b>
Capital Markets	232.1	600.0	0.0	0.0	377.0	49.3	0.0	0.0	0.0	0.0
Project Funds	115.9	15.8	25.9	35.1	96.0	79.0	204.1	57.2	20.0	26.2
Policy Loans	0.0	140.0	140.0	0.0	0.0	0.0	99.3	0.0	50.0	0.0
Amortisation	(107.7)	(500.1)	(143.6)	(146.3)	(151.2)	(118.7)	(277.8)	(218.8)	(33.1)	(35.0)
Divestment	0.0	0.0	0.0	88.8	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 – Key Financial Stability Indicators for the Domestic Commercial Banking System**

	2011	2012	2013	2014	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4
<b>Solvency Indicators</b>									
Capital Adequacy Ratio (CAR)	19.3	21.0	19.7	20.5	18.9	18.5	19.7	19.8	19.8
<b>Liquidity Indicators<sup>#</sup></b>									
Loan to Deposit Ratio (%)	70.9	73.6	70.0	70.3	65.5	63.6	64.1	63.0	62.3
Demand Deposits to Total Deposits (%)	32.1	29.3	32.3	33.9	39.6	40.8	40.0	42.1	44.0
Domestic Demand Deposits to Total Domestic Deposits	27.6	26.8	29.3	30.9	35.7	37.7	36.8	38.9	40.3
Liquid Assets (% of Total Assets)	12.0	14.6	18.0	20.3	25.3	25.2	26.3	27.0	27.4
<b>Credit Risk Indicators (%)</b>									
Total Assets (Growth Rate)	(4.7)	11.5*	2.8	(1.3)	4.0	4.4	2.5	3.8	3.7
Domestic Assets (Growth Rate)	(6.1)	6.1*	6.5	(0.6)	3.3	0.5	0.2	0.5	2.7
Loans and Advances (Growth Rate)	(0.5)	-1.1*	(2.6)	(0.4)	(0.8)	(2.2)	(1.1)	(1.5)	(0.5)
Non-performing loans ratio	11.1	12.9	11.7	11.5	10.6	10.4	9.6	9.4	8.9
Substandard loans/ Total loans	8.7	9.9	8.6	9.0	8.0	8.0	7.8	7.6	7.2
Doubtful loans/ Total loans	1.8	2.3	2.5	2.0	1.5	1.4	1.0	1.0	1.0
Loss Loans/ Total loans	0.6	0.8	0.6	0.5	1.1	1.0	0.8	0.8	0.7
Provisions to non-performing loans	32.9	33.9	44.9	47.7	55.5	59.3	64.6	66.0	63.2
<b>Foreign Exchange Risk Indicators</b>									
Deposits in Foreign Exchange (% of Total Deposits)	6.6	4.9	4.4	4.8	6.7	5.7	5.8	6.0	7.0
<b>Profitability Indicators</b>									
Return on Assets (ROA)	1.0	1.1	0.8	0.7	0.9	0.9	1.0	1.0	1.0

\* Reflects removal of financial consolidation

#Includes foreign components unless otherwise stated.

Source: Central Bank of Barbados