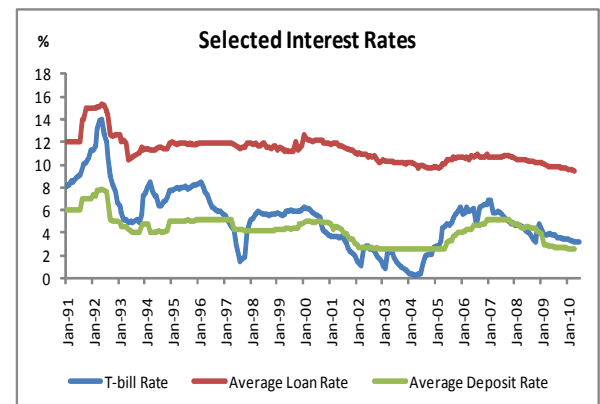
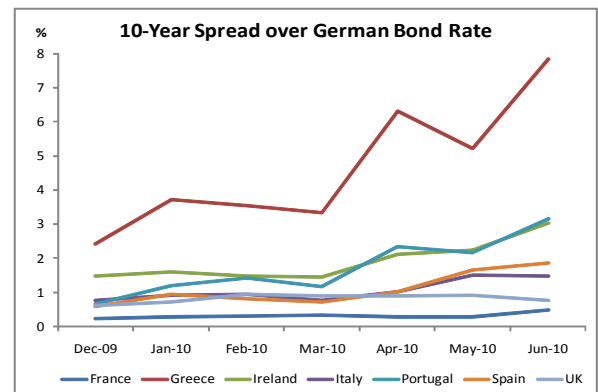
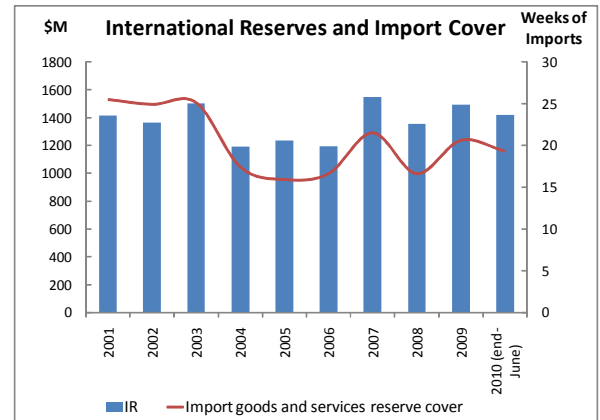


ECONOMIC REVIEW

JUNE 2010

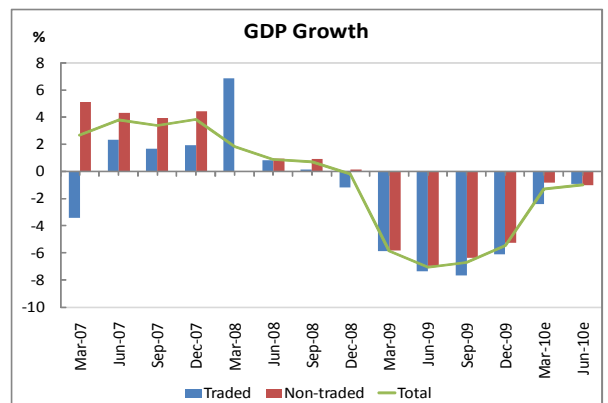
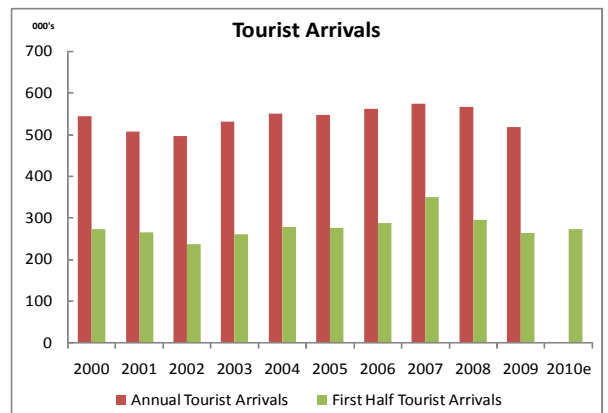
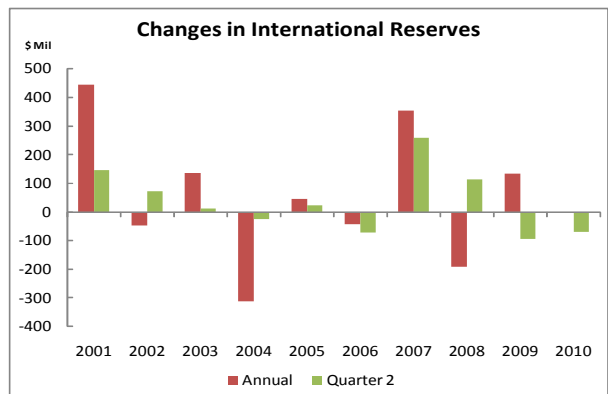
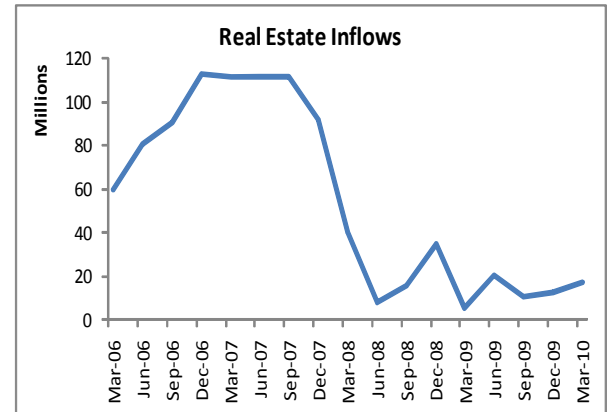
Although visitor numbers were up, Barbados' tourism performance was not robust enough to provide the usual first-half boost in foreign exchange reserves during 2010. Reserves declined by \$68 million, leaving reserve cover at about 19.3 weeks of imports, significantly more than at the end of June 2009. Overall economic growth contracted by 1.0 percent over the January to June period, compared to the first half of 2009, and unemployment increased to 10.6 percent over the first quarter, up slightly from 10.1 percent in the first quarter of 2009. Output in construction continued to contract, and demand for domestic goods and services remained weak. However, the average inflation rate for the 12 months ending March remained steady at 3.3 percent.

The defining feature of the second quarter was the extreme uncertainty of international financial markets, arising from the financial crisis in Greece and ongoing concerns about the size of budget gaps in other EU countries. This made it inadvisable for Government to float a US dollar bond in May, as had been envisaged. Instead, a bridging loan arrangement – in the amount of US\$100 million (BDS\$200 million) – was entered into with Deutsche Bank. The loan carries a current interest rate of 4.5 percent and has a maturity of up to six months.



Foreign debt service and a rise in the value of imported oil and other intermediate inputs caused the largest increases in foreign payments in the first half-year. Private capital inflows were higher than in the same period last year, with real estate vendors reporting improved interest in properties at the high end of the market. However, sales remained well below the pre-recession highs of 2007. Government signed a loan guarantee in support of the Four Seasons project in June, but no significant inflows were recorded for this project during the second quarter of the year. Inflows for public sector projects, including projects funded by the EU under its health sector programme, were slightly lower than those recorded in the same period last year.

Visitor arrival numbers rose, boosted by increases from the US and Canada. The expansion in North American visitor arrivals was helped by Government's marketing collaborations with several airlines, rising confidence in the economic recovery in the US and economic growth in Canada. The hosting of the World Twenty/20 cricket tournament in May boosted arrival numbers sufficiently to turn around what would otherwise have been a contraction in long-stay visitors in the first half of the year. The underlying frailty of the UK market was compounded by the volcanic eruption in Iceland, which disrupted flights from the UK and much of Europe. Even though arrivals from Trinidad and Tobago increased, the number of visitors from other CARICOM islands contracted, and high airfares, relative to those



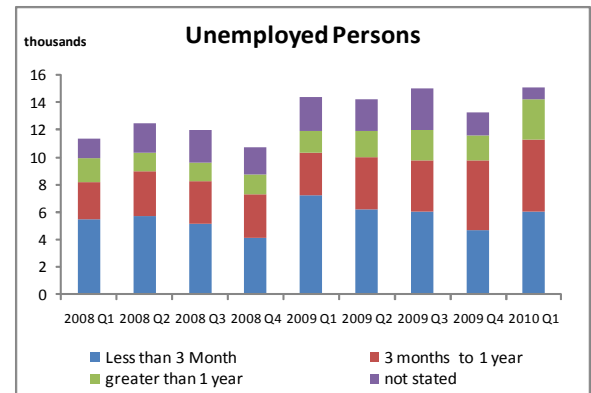
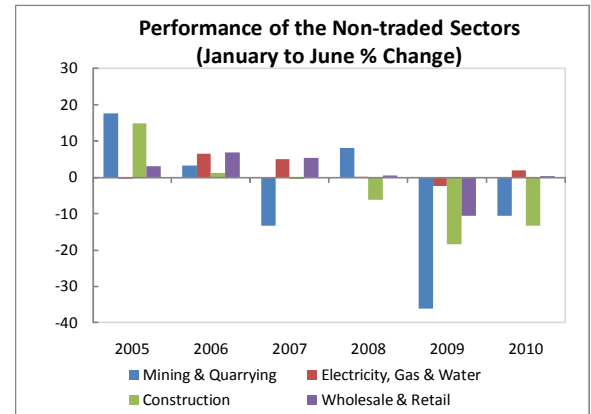
for international travel, continued to be an obstacle to intra-regional travel. Cruise arrivals rose as the North America cruise business remained buoyant, but the increase is estimated to have added only 4.7 percent to the total increase in tourist days (i.e. the number of tourists multiplied by the average number of days each visitor spends in Barbados).

Foreign exchange receipts from sugar were 20 percent lower than in the first half of 2009, as a result of the severe drought which depressed crop yields. Furthermore, sugar farmers received about 25 percent less per tonne of cane, due to a combination of the phased reduction of guaranteed prices, and a fall in the value of the euro vis-à-vis the US dollar. The resulting losses sustained by farmers may result in a further shrinkage of land under cultivation. Output in the manufacturing sector fell by nearly 7.7 percent in the first quarter (the most recent data available) compared with the same quarter of 2009. The largest items – food, beverages and tobacco – all fell significantly. New registrations of international business and financial companies in the first quarter were only about half the number registered in the same quarter a year ago.

There was a modest rise in electricity, gas and water but the output of businesses and other services and transport, storage and communication was essentially unchanged. Construction is estimated to have fallen by over 13 percent.

Traded Sector Performance (second quarter)			
	% Change (Q2)		% of GDP (Q2)
	2009	2010	2010
Tourism	-8.9	2.7	16.2
Sugar	1.2	-20.3	1.6
Non-Sugar Agriculture & Fishing	1.5	2.7	3.6
Manufacturing*	-6.7	-7.7	4.7
<i>Food Processing</i>	-7.9	-9.2	0.9
<i>Garments</i>	-65.4	-92.8	0.1
<i>Electronics</i>	-45.3	36.9	0.3
<i>Beverages and Tobacco</i>	23.2	-4.5	0.7
<i>Chemicals</i>	-20.8	-9.4	0.2
<i>Wooden Furniture</i>	-21.6	9.4	0.1
<i>Other Non-Metallic Minerals Products</i>	-14.5	-10.9	0.2
<i>Other Manufacturing Industries</i>	-5.2	-9.4	1.0

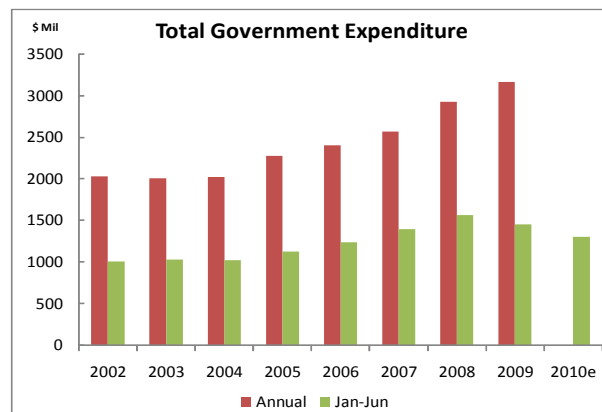
* Data to March



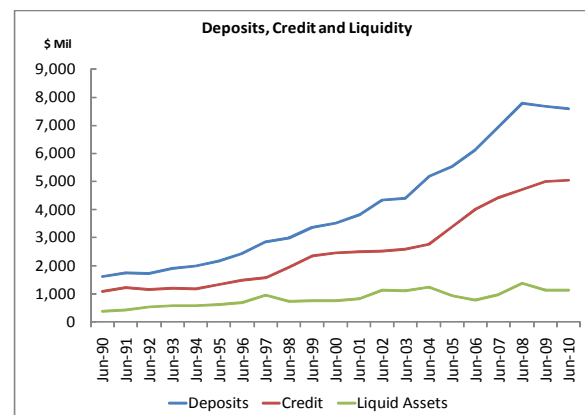
The fiscal deficit to May was reduced to 8.6 percent of GDP, compared with 10.2 percent in the same period last year. Revenues contracted by 9.1 percent, mainly because of a 28.8 percent decline in corporate tax revenue. Receipts from the VAT have recovered somewhat, and were 10.5 percent higher than for the first five months last year. In order to achieve a measure of fiscal consolidation, cuts were made in transfers and subsidies, reducing expenditure on that item by 10.4 percent. Expenditures on Government's wages bill and on government purchases were also reduced, by 6 percent and 14.6 percent, respectively.

The government deficit was financed mainly by domestic commercial banks and the NIS, with a small contribution from foreign project funds. Government debt outstanding rose to the equivalent of 97.2 percent of GDP compared to 96.2 percent at the end of December 2009. This is equivalent to a ratio of net general government debt to GDP of 52.2%, taking account of NIS holdings and government deposits.

The banking system remained very liquid, with cash reserves at the equivalent of 7.5 percent of deposits, 2.5 percentage points above Central Bank requirements. Bank deposits rose marginally, while credit demand remained weak. Interest rates on deposits and loans were unchanged, although the interest rate on treasury bills softened a little.

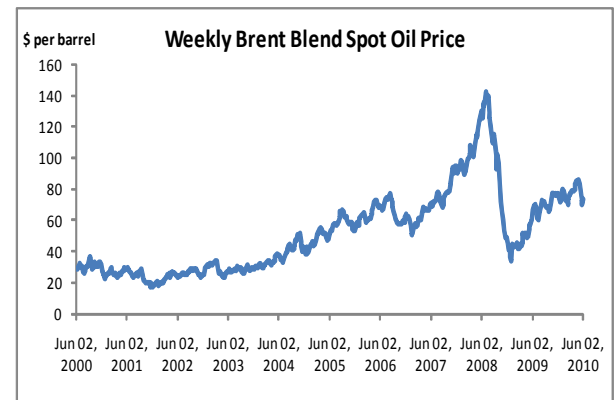
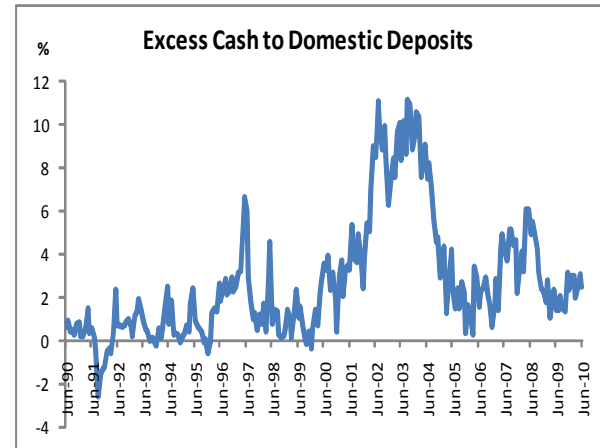


Government Financing (\$Mil)						
	2009Q2	2010Q2 ^p	Changes	2008/2009	2009/2010	Changes
Total Financing	158.6	163.8	5.3	410.6	731.2	320.6
Domestic Financing	153.6	143.8	-9.8	486.7	487.0	0.3
Central Bank	23.8	59.1	35.3	214.5	-56.8	-271.2
Commercial Banks	105.0	14.7	-90.3	-12.2	91.5	103.7
National Insurance Board	30.5	30.9	0.4	257.2	296.2	39.0
Private Non-Bank	52.5	39.1	-13.4	152.3	320.9	168.6
Other	-58.2	0.0	58.2	-125.0	-164.8	-39.8
Foreign Financing (net)	4.9	20.0	15.1	-76.1	244.2	320.3
Capital Markets	0.0	200.0	200.0	0.0	232.1	232.1
Project Funds	42.9	31.0	-11.9	75.4	118.0	42.6
Amortisation	-38.0	-211.0	-173.0	-151.5	-105.9	45.6



The remainder of the year is clouded in uncertainty, about the strength of the recovery in Barbados' main tourism markets, about the prospects for tourism globally and regionally, about future energy prices in the wake of the oil spill in the Gulf of Mexico, and with regard to the volatility in international financial markets. Nevertheless, in an update to the World Economic Outlook released last Thursday (July 8), the IMF reported stronger than expected recovery in the world economy in the first half of the year, with global output now expected to rise 4.6 percent in 2010. Growth rates are projected at 1.2 percent for the UK, 3.3 percent for the US and 3.6 percent for Canada. The IMF warns that the current increased financial turbulence will have adverse effects, however. There are growing fears that the US economy could slide back into recession, because the expansionary effects of spending by the Federal Government have been largely undone by fiscal tightening at the state and municipal level, and US unemployment remains high. In Europe and the US, premature concerns about debt increases threaten to stall expansionary fiscal policies before their effects have taken firm root. The imposition of an airline passenger tax by the UK government is another possible difficulty in the path of recovery for Barbados' tourism.

Growth in Barbados' real output in 2010 is still expected to be marginal, and unemployment is unlikely to be ameliorated before year end. There may be an increase in energy prices, which would result in a rising



tendency in the inflation rate. In order to protect the foreign exchange reserves and preserve Barbados' external credit rating, government continues on a path of fiscal consolidation, toward the achievement of the goals of the Medium Term Fiscal Strategy. It is essential to maintain macroeconomic stability and a balance of foreign exchange outflows and inflows, so that the economy remains poised to take early advantage of recovery in tourism demand and other foreign exchange earning activities.

Table 1:**Main Economic Indicators**

	2005	2006	2007	2008	2009	Jun-09	Jun-10
<i>Real growth (%)</i>	3.9	3.6	3.8	-0.2	-5.5	-7.1	-1.0
<i>Tradables (%)</i>	-0.4	-0.3	1.9	-1.2	-6.1	-7.4	-0.9
<i>Nontradables (%)</i>	5.5	4.9	4.5	0.2	-5.3	-7.0	-1.0
<i>Inflation (%)</i>	6.1	7.3	4.0	8.1	3.6	8.6**	3.3**
<i>Unemployment (%)</i>	9.1	8.7	7.4	8.1	10.0	10.1**	10.6**
<i>Foreign Exchange Reserves (\$ Million)</i>	1236.5	1193.9	1547.9	1356.8	1490.7	1265.9	1420.3
<i>Foreign Exchange Reserves cover, weeks</i>	15.9	16.6	21.5	16.6	20.6	16.4	19.3
<i>BoP current account (as % GDP)</i>	-10.0	-6.4	-4.4	-10.6	-5.6	-3.7	-5.2
<i>Net capital inflow</i>	631.9	695.9	923.6	330.2	616.6	52.4	383.4
<i>Fiscal deficit (% of GDP)</i>	-3.5	-1.6	-1.6	-5.1	-8.9	-10.2***	-8.6***
<i>Fiscal Current Account (as % of GDP)</i>	0.8	3.1	1.4	-1.5	-5.3	-5.3***	-5.4***
<i>Revenue (as % of GDP)</i>	27.4	29.3	30.2	31.6	31.7	34.2***	30.2***
<i>Expenditure (as % of GDP)</i>	30.9	31.0	31.8	36.7	40.6	44.4***	38.8***
<i>Debt (as % of GDP), Gross Central*</i>	67.7	70.7	77.8	84.5	96.2	89.7	97.2
<i>Debt (as % of GDP), Net General*</i>	32.0	38.2	41.8	42.9	50.2	45.6	52.2
<i>External debt service to BoP current account credits</i>	7.8	7.8	7.2	7.6	8.2	7.8	16.6
<i>Govt interest payments (as % of revenue)</i>	14.4	14.2	12.9	16.0	16.9	11.6	15.3
<i>Treasury-bill rate</i>	6.3	6.6	4.9	4.8	3.4	3.9	3.2
<i>US treasury-bill rate</i>	3.9	4.8	3.0	0.0	0.1	0.2	0.2
<i>Average deposit rate</i>	4.1	5.1	4.8	4.1	2.7	2.8	2.6
<i>Average loan rate</i>	10.6	10.9	10.6	10.3	9.7	9.8	9.4

*Represents Central Government debt inclusive of Public Private Partnership (PPP) guaranteed debt

** To March

*** Jan to May

Table 2:

GDP by Sector and Activity
(\$ millions, constant prices)

	<i>Avg contribution to GDP (%)</i>	2005	2006	2007	2008	2009	Jun-09	Jun-10^P
Tradables	24.1	276.1	275.3	280.6	277.3	260.3	140.5	139.3
<i>Tourism</i>	14.5	161.7	164.3	169.3	167.3	156.2	84.2	86.5
<i>Rum & Other beverages</i>	0.5	6.4	6.4	6.3	6.2	5.4	2.7	2.5
<i>Food</i>	0.9	11.8	11.7	11.5	11.3	9.9	4.9	4.6
<i>Furniture</i>	0.1	1.3	1.3	1.2	1.2	1.1	0.5	0.5
<i>Chemicals</i>	0.2	2.8	2.8	2.7	2.7	2.3	1.2	1.1
<i>Other manufacturing</i>	1.1	13.5	13.4	13.3	13.0	11.3	5.7	5.3
<i>Sugar</i>	1.3	16.4	14.5	14.6	13.6	13.7	11.0	8.8
<i>Other agriculture</i>	3.4	34.7	33.7	34.7	35.7	37.0	18.8	19.3
Nontradables	75.9	787.1	825.7	862.5	863.8	818.4	398.6	394.6
<i>Electricity, etc</i>	4.0	38.9	42.6	43.1	43.0	43.3	20.9	21.3
<i>Construction</i>	6.8	99.3	98.9	98.9	91.1	72.9	41.9	36.4
<i>Distribution</i>	21.4	215.9	230.9	246.0	244.0	231.2	99.2	99.5
<i>Transport, etc</i>	8.8	91.3	96.3	102.2	105.1	94.6	47.2	47.9
<i>Finance, other svcs</i>	19.0	183.7	194.7	206.0	210.4	204.4	102.8	101.8
<i>Government</i>	15.5	148.1	152.6	157.1	161.8	166.7	83.6	85.0
Total		1063.2	1101.0	1143.1	1141.1	1078.6	539.2	533.8
Nominal GDP		7369.9	7769.4	8075.1	7976.1	7789.7	3278.3	3382.9
Real growth rate(%)		3.9	3.6	3.8	-0.2	-5.5	-7.1	-1.0
Tradable(%)		-0.4	-0.3	1.9	-1.2	-6.1	-7.4	-0.9
Nontradables(%)		5.5	4.9	4.5	0.2	-5.3	-7.0	-1.0

**Table 3: Balance of Payments
(\$ millions)**

	Average Contribution to Foreign Exchange	2005	2006	2007	2008	2009	Jun-09	Jun-10
<u>Current Account</u>		-733.5	-498.5	-356.4	-843.0	-435.2	-142.4	-211.1
<u>Inflows</u>	100.0	3929.5	4383.7	4832.1	4818.8	4167.4	2080.1	2131.2
<i>Travel</i>	48.7	1792.2	2113.3	2377.3	2388.7	2138.6	1119.9	1150.8
<i>Other services</i>	14.9	802.6	639.7	516.6	689.3	607.3	276.4	269.5
<i>Rum</i>	1.3	50.7	44.3	67.5	66.0	57.2	12.6*	16.9*
<i>Other beverages</i>	0.3	17.9	9.8	11.8	15.3	14.2	3.2*	2.8*
<i>Other Food</i>	1.2	42.0	46.2	55.5	62.7	50.7	12.1*	11.0*
<i>Sugar</i>	0.9	44.4	39.2	37.3	45.1	40.7	0.4*	0.08*
<i>Chemicals</i>	1.6	56.1	60.2	74.6	66.8	57.5	11.9*	18.4*
<i>Electronics</i>	0.7	28.7	37.6	21.6	23.8	16.3	4.6*	4.6*
<i>Crude</i>	1.1	33.4	46.3	52.3	49.6	37.4	9.7*	11.8*
<i>Other mfg</i>	3.5	142.0	203.0	189.1	197.9	179.8	47.1*	41.3*
<i>Income</i>	7.6	239.8	222.1	403.8	356.9	280.0	128.5	122.6
<i>Transfers</i>	7.2	265.2	283.8	331.6	281.1	261.7	117.9	118.2
<u>Outflows</u>	100.0	4663.0	4887.2	5188.5	5661.6	4602.7	2222.5	2315.6
<i>Imports</i>	60.6	2863.0	3026.8	3220.4	3463.8	2595.7	1234.4	1276.1
<i>Services</i>	27.0	1170.5	1236.8	1212.0	1410.7	1269.7	617.1	646.3
<i>Income</i>	11.6	495.2	505.4	536.7	599.6	560.1	290.8	313.0
<i>Transfers</i>	3.6	134.3	118.1	219.5	187.5	177.1	80.2	80.2
<u>Capital Account</u>		631.9	695.9	923.6	330.2	616.6	52.4	383.4
<i>Long term</i>		313.1	1028.8	1573.8	224.0	429.2	-0.6	303.5
<i>Public</i>		217.0	82.1	23.6	-99.7	338.4	35.3	17.8
<i>Private</i>		96.1	946.7	1550.2	323.7	90.9	-35.9	294.5**
<i>Other</i>		27.6	89.2	220.4	-69.1	227.0	32.8	69.4
<i>Trade credits</i>		396.2	-239.9	-893.9	245.0	n.a	n.a	n.a
<i>Other short term</i>		291.3	-422.1	-870.6	175.3	-39.7	20.1	15.6
<u>Errors</u>		-36.5	-114.8	-10.6	14.5	-97.1	-66.5	-12.8
<u>Overall balance</u>		-138.1	82.6	556.6	-498.3	84.2	-156.6	159.6
<u>Change in FXR: + increase/- decrease</u>		138.1	-82.6	-556.6	498.3	-84.2	156.6	-159.6
<i>CBB: - increase/+ decrease</i>		-46.1	42.5	-354.0	191.1	-133.9	93.6	67.5
<i>Commercial banks: + increase/- decrease</i>		-184.2	125.1	202.6	-307.2	-49.7	-63.0	227.1

* January to March

** Book Entry: Includes unremitted profits of subsidiary reinvested and recorded as a liability to the parent company

**Table 4: Government Fiscal Operations
(\$ millions)**

	2005	2006	2007	2008	2009	Jan-May 2009	Jan-May 2010p
<u>Total revenue</u>	2021.1	2278.5	2440.6	2519.4	2467.1	1117.9	1016.5
<u>Direct taxes</u>	766.8	959.2	1026.2	1027.0	1066.0	499.3	391.6
<i>Personal</i>	295.7	310.3	325.3	335.3	410.4	203.8	217.8
<i>Corporate*</i>	294.3	430.9	499.8	471.2	412.2	202.5	144.2
<i>Property</i>	127.4	151.7	115.6	120.3	155.2	54.3	15.4
<i>Other</i>	49.4	66.3	85.5	100.2	88.2	38.7	14.2
<u>Indirect</u>	1122.1	1216.9	1280.9	1351.3	1175.4	494.9	555.2
VAT	609.9	704.6	792.5	817.5	677.3	289.2	319.6
Excises	172.4	175.7	157.2	162.7	144.8	61.6	68.9
Import duties	191.7	188.6	194.3	212.7	183.3	72.7	69.6
Other	148.2	148	136.9	158.3	170	71.4	97.1
<u>Non tax revenue</u>	132.2	102.5	133.4	141.2	225.7	123.7	69.7
<u>Current expenditure</u>	1959	2038.3	2324.9	2641	2879.7	1292.3	1198.8
<i>Wages, salaries</i>	676	694.1	797.6	783.7	881	376.6	352.5
<i>G&S</i>	241.3	243.8	311.3	387.2	437.8	204.5	174.7
<i>Interest</i>	291	324.3	314.2	394.7	425.3	135	155.5
<i>External</i>	106.1	121.4	111.9	148.8	149.4	41	56.8
<i>Domestic</i>	184.8	202.9	202.4	245.9	275.9	94	98.7
<i>Transfers, subsidies</i>	750.8	776.1	901.7	1075.4	1135.6	576.2	516.1
<u>Current account balance</u>	62.1	240.2	115.7	-121.6	-412.6	-174.4	-182.3
<u>Capital expenditure, net lending</u>	319.2	368.2	241.4	286.8	283.8	159.6	106.9
<u>Total expenditure</u>	2278.2	2406.5	2566.3	2927.8	3163.5	1451.9	1305.7
Fiscal balance	-257.1	-128	-125.7	-408.3	-696.4	-334.0	-289.2
<i>Fiscal balance to GDP</i>	-3.5	-1.6	-1.6	-5.1	-8.9	-10.2	-8.6
<i>Current account balance to GDP</i>	0.8	3.1	1.4	-1.5	-5.3	-5.3	-5.4

p - provisional

*Corporate tax for 2009 does not include by \$45.6 million of taxes generated in 2008 but not recorded until Q1 2009.

**Table 5: Government Fiscal Operations
(Percentages)**

	2005	2006	2007	2008	2009	Jan-May 2009	Jan-May 2010 ^p
<i>Total revenue</i>	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Direct taxes</i>	37.9	42.1	42.0	40.8	43.2	44.7	38.5
<i>Personal</i>	14.6	13.6	13.3	13.3	16.6	18.2	21.4
<i>Corporate</i>	14.6	18.9	20.5	18.7	16.7	18.1	14.2
<i>Property</i>	6.3	6.7	4.7	4.8	6.3	4.9	1.5
<i>Other</i>	2.4	2.9	3.5	4.0	3.6	3.5	1.4
<i>Indirect</i>	55.5	53.4	52.5	53.6	47.6	44.3	54.6
VAT	30.2	30.9	32.5	32.4	27.5	25.9	31.4
Excises	8.5	7.7	6.4	6.5	5.9	5.5	6.8
Import duties	9.5	8.3	8.0	8.4	7.4	6.5	6.8
Other	7.3	6.5	5.6	6.3	6.9	6.4	9.5
<i>Non tax revenue & Grants</i>	6.5	4.5	5.5	5.6	9.1	11.1	6.9
<i>Current expenditure</i>	86.0	84.7	90.6	90.2	91.0	89.0	91.8
<i>Wages, salaries</i>	29.7	28.8	31.1	26.8	27.8	25.9	27.0
<i>Goods and Services</i>	10.6	10.1	12.1	13.2	13.8	14.1	13.4
<i>Interest</i>	12.8	13.5	12.2	13.5	13.4	9.3	11.9
<i>External</i>	4.7	5.0	4.4	5.1	4.7	2.8	4.4
<i>Domestic</i>	8.1	8.4	7.9	8.4	8.7	6.5	7.6
<i>Transfers, subsidies</i>	33.0	32.2	35.1	36.7	35.9	39.7	39.5
<i>Current account balance</i>	2.7	10.0	4.5	-4.2	-13.0	-5.3	-5.4
<i>Capital expenditure, net lending</i>	14.0	15.3	9.4	9.8	9.0	11.0	8.2
<i>Total expenditure</i>	100.0	100.0	100.0	100.0	100.0	100.0	100.0

p - provisional

**Table 6: Public Debt Outstanding
(BDS\$ millions)**

	2005	2006	2007	2008	2009	Jun-10P
Gross Central Government Debt	4987.3	5493.9	6283.0	6742.0	7492.4	7854.8
External Debt	1554.4	1643.7	1720.9	1981.5	2246.9	2062.2
Domestic Debt	3373.4	3377.7	3984.1	4470.5	5120.5	5667.5
Justice Improvement	0.0	125.0	125.0	125.0	125.0	125.0
Coast Guard	59.5	59.5	59.5	59.5	59.5	59.5
Prison	0.0	288.0	288.0	288.0	288.0	288.0
ABC Highway	0.0	0.0	165.0	165.0	165.0	165.0
Less Other Central Government Assets	853.9	701.3	765.2	825.9	869.2	861.8
Deposits	424.7	212.2	213.7	219.4	236.8	201.8
Central bank	295.5	112.8	97.0	61.2	90.2	77.9
Commercial Banks	129.1	99.4	116.7	158.3	146.6	123.8
Sinking Fund	429.2	489.1	551.6	606.5	632.5	660.0
Sinking funds for dom. debt	306.0	329.6	355.3	371.3	409.2	429.9
Sinking funds for fgn. debt	123.2	159.5	196.3	235.2	223.3	230.1
Net Central Government Debt	4133.4	4792.6	5517.7	5916.1	6623.1	6993.0
Gross General Government Debt	3811.7	4239.3	4858.4	5069.0	5541.1	5837.8
Central Government Debt (NIS and CBB)	1175.6	1254.5	1424.6	1673.0	1951.3	2016.9
Held by NIS	1100.9	1253.9	1404.0	1673.0	1849.6	1941.2
T-Bills	30.4	125.4	120.8	128.5	105.1	105.1
Debentures	1070.5	1128.5	1283.3	1544.6	1744.5	1836.1
Held By Central Bank	74.7	0.6	20.5	0.0	101.7	75.7
T-Bills	74.1	0.0	19.9	0.0	26.7	0.7
Debentures	0.6	0.6	0.6	0.0	75.0	75.0
Net General Government Debt	2357.1	2970.3	3372.3	3424.5	3911.1	4215.3
Other Central Government Assets	853.9	701.3	765.2	825.9	869.2	861.8
Sinking Fund	429.2	489.1	551.6	606.5	632.5	660.0
Sinking funds for dom. debt	306.0	329.6	355.3	371.3	409.2	429.9
Sinking funds for fgn. debt	123.2	159.5	196.3	235.2	223.3	230.1
Government Deposits	424.7	212.2	213.7	219.4	236.8	201.8
Central Bank	295.5	112.8	97.0	61.2	90.2	77.9
Commercial Banks	129.1	99.4	116.7	158.3	146.6	123.8
Other General Government Assets*	600.7	567.8	720.8	818.5	760.8	760.8
Liquid NIS Assets	424.8	400.9	505.8	525.7	468.0	468.0
Cash	10.6	16.3	16.1	13.1	10.8	10.8
Due From Banks and Fin. Inst	414.2	384.6	489.7	512.6	457.2	457.2
External Assets of NIS	175.9	166.9	215.0	292.9	292.7	292.7
Gross Central Government Debt/GDP	67.7	70.7	77.8	84.5	96.2	97.2
Net Central Government Debt/GDP	56.1	61.7	68.3	74.2	85.0	86.6
Gross General Government Debt/GDP	51.7	54.6	60.2	63.6	71.1	72.3
Net General Government Debt/GDP	32.0	38.2	41.8	42.9	50.2	52.2
Note: GDP Ratios reflect revisions to the CBB estimates of Domestic GDP						
*Due to data unavailability, the 2010 amounts have been kept constant at 2009 levels						

Table 7: Financial Sector Summary Indicators
(In BDS\$ millions unless otherwise stated)

	2005	2006	2007	2008	2009	Jun-09	Jun-10
Commercial banks							
<i>Assets/liabilities</i>	8297.3	9069.3	11357.2	11801.4	11166.6	10965.1	11509.9
<i>Cash</i>	126.8	130.2	142.6	141.4	135.0	111.1	106.0
<i>Net balance at CBB</i>	150.9	197.3	403.7	384.7	440.8	401.8	452.4
<i>Borrowing</i>	26.2	29.6	74.0	37.3	44.6	36.0	31.3
<i>Treasury-bills</i>	450.5	279.6	420.4	462.3	540.3	549.2	583.0
<i>Other govt securities</i>	719.1	594.5	610.4	625.4	630.3	637.8	621.6
<i>Credit to Non-financial Private Sector</i>	3791.8	4292.9	4513.5	5010.9	5074.0	5010.2	5035.9
<i>Total Loans</i>	4081.8	4713.7	5097.2	5703.0	5857.5	5716.1	5756.2
<i>Net foreign assets</i>	371.9	497.1	699.7	392.5	342.8	329.4	511.0
<i>Net Caribbean</i>	-20.1	94.2	-9.8	-406.4	62.0	69.1	34.6
<i>Domestic Deposits</i>	5838.9	6297.3	7344.3	7607.1	7586.9	7684.2	7614.8
<i>Total Deposits</i>	7005.9	7337.8	9056.4	8935.0	8783.6	8976.6	8908.4
<i>Excess cash reserves</i>	18.5	38.7	159.5	173.4	178.2	106.3	141.9
<i>Ratio to deposits</i>	0.3	0.6	2.2	2.3	2.3	1.4	1.9
<i>Excess liquid assets</i>	742.7	417.0	659.4	679.1	757.4	717.7	796.6
<i>Ratio to deposits</i>	12.7	6.6	9.0	8.9	10.0	9.3	10.5
<i>Liquid Assets</i>	771.5	715.5	1084.5	1061.4	1211.2	1135.7	1183.5
<i>Liquid assets to deposits</i>	13.2	11.4	14.8	14.0	16.0	14.8	15.5
<i>Non Performing Loan Ratio</i>	5.5	4.5	2.9	3.5	4.3	3.3	na
<i>Return on Assets</i>	na	2.0	1.7	1.4	1.6	1.8	na
<i>Net foreign assets ratio</i>	4.5	5.5	6.2	3.3	3.1	3.0	4.4
<i>Foreign Currency Deposits</i>	1167.0	1040.5	1712.0	1327.9	1196.7	1292.4	1212.7
<i>Foreign Currency Loans</i>	82.4	95.5	48.6	52.1	27.1	51.0	33.5
<i>Foreign Currency Deposits to Total Deposits (%)</i>	16.7	14.2	18.9	14.9	13.6	14.4	13.6
<i>Foreign Currency Loans to total Loans (%)</i>	2.0	2.0	1.0	0.9	0.5	0.9	0.6
Interest rates							
<i>Treasury-bill 3 month</i>	6.26	6.56	4.90	4.81	3.44	3.85	3.23
<i>US treasury-bill 3 month</i>	3.89	4.85	3.00	0.03	0.05	0.18	0.18
<i>Average deposit</i>	4.12	5.11	4.80	4.07	2.65	2.8	2.62
<i>Average lending</i>	10.63	10.87	10.62	10.25	9.66	9.83	9.44
<i>5 year savings bond</i>	5.75	5.75	6.75	5.50	5.10	5.10	5.10**
<i>10 year debentures</i>	7.00*	8.50*	7.50	6.63	6.25	6.63**	6.25**
<i>20 year debentures</i>	7.75	7.50	7.50**	7.50**	7.50**	7.50**	7.50**
<i>* indicates rates on 12-year debentures</i>							
<i>** No issues since the previous year-end</i>							