Press Release

Review of Barbados' Economic Performance:

January to March 2026

Resilient Growth, Strong Buffers: Barbados Navigates a More Uncertain Global Environment

Overview

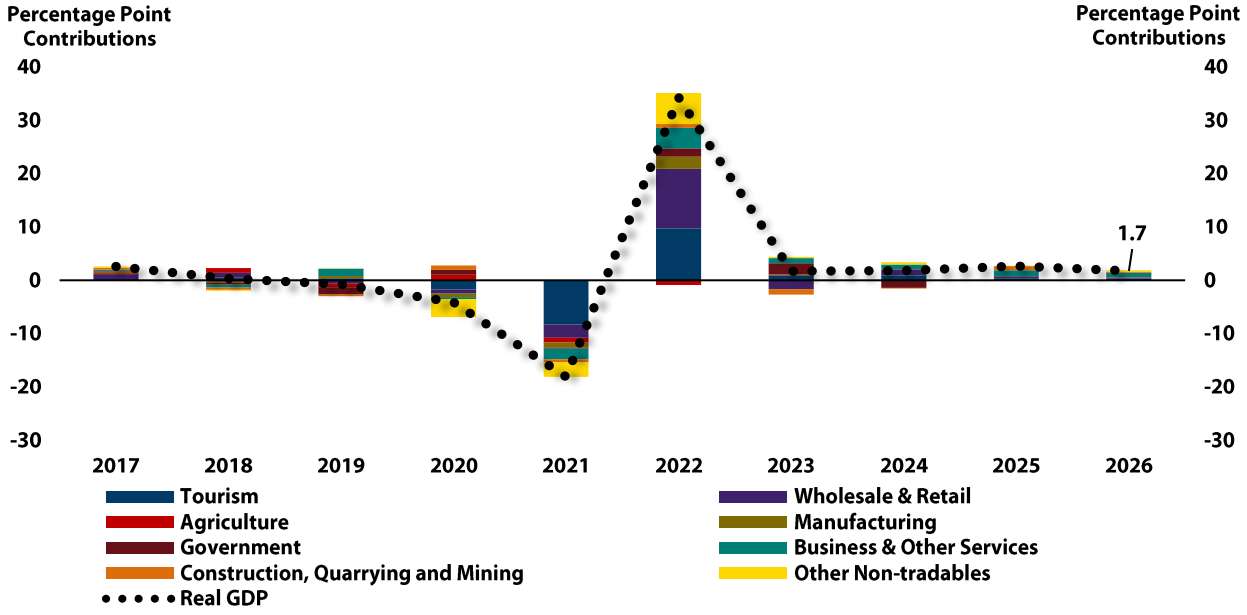
KEY INDICATORS: January to March 2026

Real GDP Growth	Inflation[1]	Unemployment[2]	International Reserves
1.7 percent	1.1 percent	7.2 percent	$ 3 billion
Current Account Deficit	**Primary Surplus (FY)**	**Fiscal Balance (FY)**	**Gross Public Sector Debt**
$6.3 million	$647.3 million (4 percent of GDP)	-$58.3 million (-0.4 percent of GDP)	94.6 percent of GDP

Stable economic growth and contained inflation prevailed during the first quarter of 2026, even as global geopolitical tensions intensified. Real GDP expanded by an estimated 1.7 percent, supported by sustained activity in tourism, business and other services, and construction. The unemployment rate stood at 7.2 percent at end-December 2025, while jobless claims fell during the first three months of 2026, signalling continued labour market resilience. The 12-month moving average inflation rate edged up modestly to 1.1 percent at end-February 2026, 0.2 percentage points higher than a year earlier, reflecting higher prices for restaurant services. Point-to-point inflation rose to 1.3 percent in February 2026 from a decline of 0.3 percent in February 2025, driven by stronger demand for restaurant dining, recreation and culture, education, transport, and healthcare services.

Figure 1: Real GDP Growth and Sectoral Contributions

January – March



Sources: Barbados Statistical Service and Central Bank of Barbados

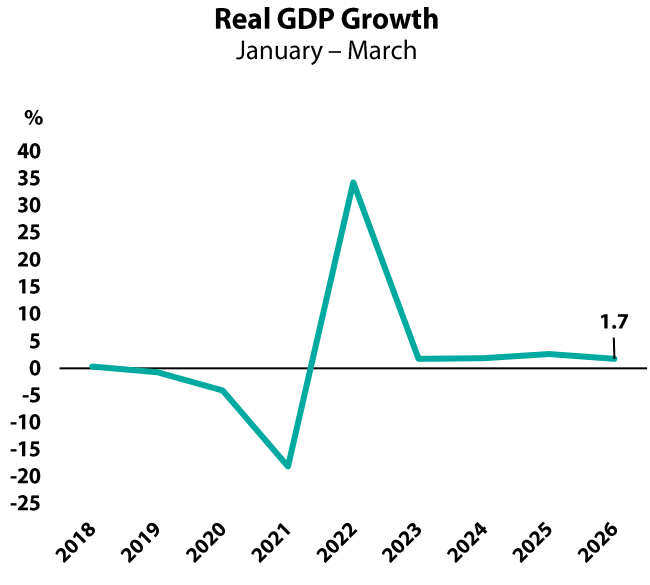
[1] 12-month moving-average inflation rate for February 2026.
[2] Unemployment as at end-December 2025.

Barbados sustained robust external buffers through the quarter. International reserves stood at $3 billion at end-March 2026, equivalent to 25.5 weeks of import cover, well above the 12-week international benchmark. Higher travel credits and a narrower merchandise trade deficit cushioned the reserve position, while lower foreign direct investment inflows and reduced multilateral disbursements following the conclusion of the IMF-supported BERT 2022 programme accounted for the modest $33.4 million decline over the quarter.

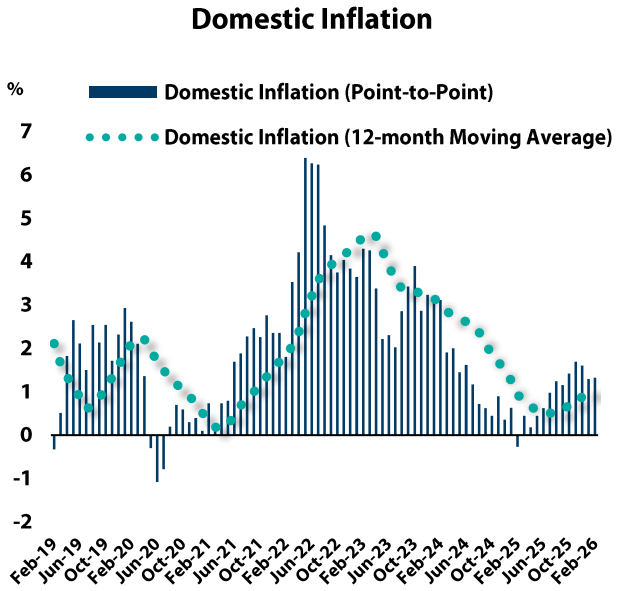
Government delivered a strong primary surplus while sustaining record capital investment in FY2025/26. Stronger domestic activity and personal income gains supported a $126.3 million increase in tax revenues, led by higher VAT and personal income tax collections. At the same time, total expenditure rose by $23 million, reflecting elevated spending on capital projects and current transfers to state-owned enterprises. The primary surplus reached $647.3 million, equal to 4 percent of GDP, while the overall deficit narrowed to $58.3 million, or 0.4 percent of GDP. Economic expansion and the primary surplus reduced the debt-to-GDP ratio by 2.7 percentage points to 94.6 percent at end-FY2025/26.

Financial system conditions remained sound, with improving asset quality, ample liquidity, and capital buffers well above regulatory requirements. During the first quarter, credit and deposits expanded by 0.8 percent and 1.4 percent, respectively, providing additional support for economic activity. Loan quality strengthened further, supported by a decline in non-performing loans, while liquidity remained elevated. Deposit-taking institutions also continued to maintain capital levels well above the regulatory requirement.

Figure 2: Selected Economic Indicators

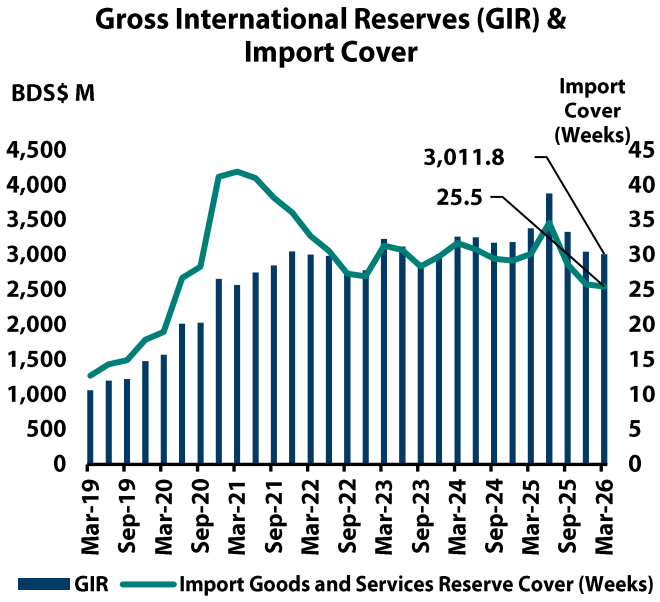


Sources: Central Bank of Barbados and Barbados Statistical Service

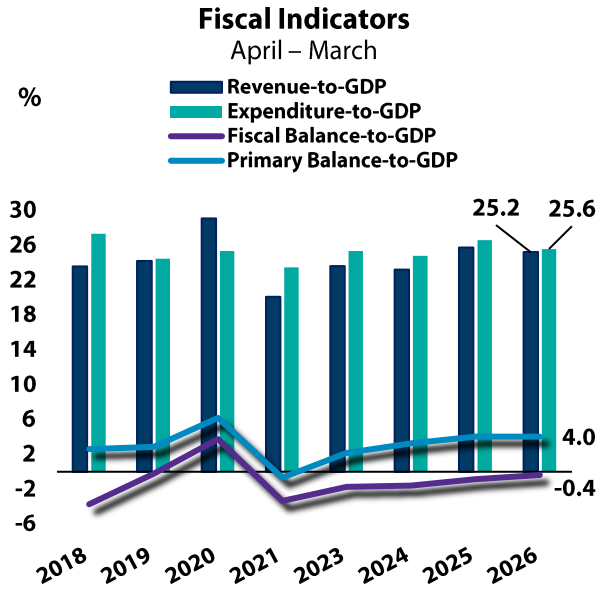


Source: Barbados Statistical Service

Figure 2 Cont'd: Selected Economic Indicators



Source: Central Bank of Barbados



Source: Ministry of Finance

Economic Activity

Broad-based economic expansion continued in the first quarter of 2026, supported by both traded and non-traded sectors. Stronger cruise activity and higher agricultural output drove a 1.6 percent expansion in the traded sector. In the non-traded sector, sustained construction activity across both public and private projects, together with growth in business and other services, supported a 1.8 percent increase in output. As a result, real GDP expanded by an estimated 1.7 percent in the first quarter of 2026.

Tourism

Long-stay arrivals strengthened during the first quarter of 2026, with broad-based gains across all major source markets. Total arrivals rose by 1.2 percent to 237,194 visitors. Arrivals from the United Kingdom increased by 1 percent to 91,429 visitors, reflecting improved airlift from Heathrow. Other European markets continued their gradual recovery, with arrivals rising by 2 percent to 13,252 visitors, supported by KLM flights, which resumed in late 2025 after a hiatus of more than one year. Regional travel also strengthened, with CARICOM arrivals expanding by 3.2 percent to 21,478 visitors.

North American markets also contributed positively during the quarter. Arrivals from the United States rose by 0.5 percent to 64,275 visitors, supported by additional seat capacity from key gateways including Washington and Charlotte, despite temporary disruptions to flight schedules during the period. Canadian arrivals increased by 1.3 percent to 35,825 visitors.

Higher room rates lifted hotel revenues, even as occupancy moderated. By end-March 2026, average hotel occupancy stood at 76.1 percent, 2.7 percentage points below a year earlier, as the expansion in room supply outpaced demand growth. Higher room rates more than offset the softer occupancy, with average revenue per available room rising by 12.4 percent. In the sharing economy segment, occupancy declined by 1.4 percentage points and average revenue per available room contracted by 1.6 percent.

Cruise activity strengthened sharply on higher cruise calls and vessel occupancy. In-transit passenger arrivals reached 359,029 at end-March 2026, an increase of 30 percent, supported by an additional 25 cruise calls and high vessel occupancy. Overall, gains across long-stay and cruise tourism lifted tourism value-added by 3.3 percent in the first quarter of 2026.

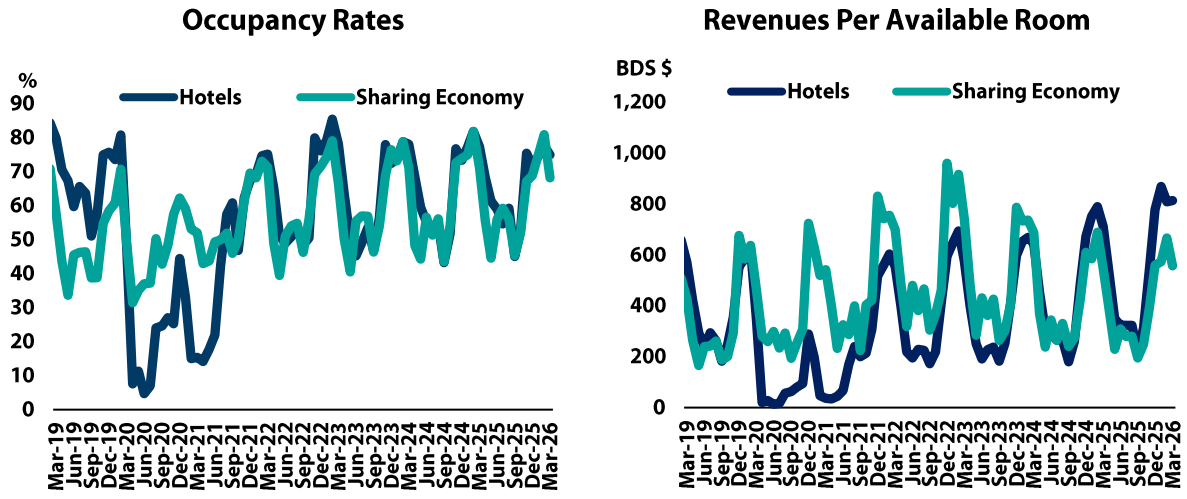
Table 1: Tourist Arrivals by Source Market

January-March

Major Markets	Average (2017-2019)	2022	2023	2024	2025	2026[(e)]	Absolute Change (2025/26)	% Changes
United States	53,609	32,305	38,360	56,609	63,954	64,275	321	0.5
Canada	34,725	16,040	28,807	34,855	35,348	35,825	477	1.3
United Kingdom	72,676	91,446	97,750	97,568	90,546	91,429	883	1.0
Europe	13,545	10,386	12,855	11,416	12,998	13,252	254	2.0
CARICOM	20,210	9,299	16,009	20,213	20,809	21,478	669	3.2
Other	6,279	4,707	5,536	8,167	10,656	10,935	279	2.6
Total Arrivals	**201,044**	**164,183**	**199,317**	**228,828**	**234,311**	**237,194**	**2,883**	**1.2**
In-transit Cruise Arrivals	**292,045**	**94,378**	**242,657**	**283,529**	**275,986**	**359,029**	**83,043**	**30**
Total Cruise Calls	**218**	**178**	**211**	**232**	**228**	**253**	**25**	**11**

(e) - estimate
Source: Barbados Statistical Service, Central Bank of Barbados

Figure 3: Accommodation Indicators

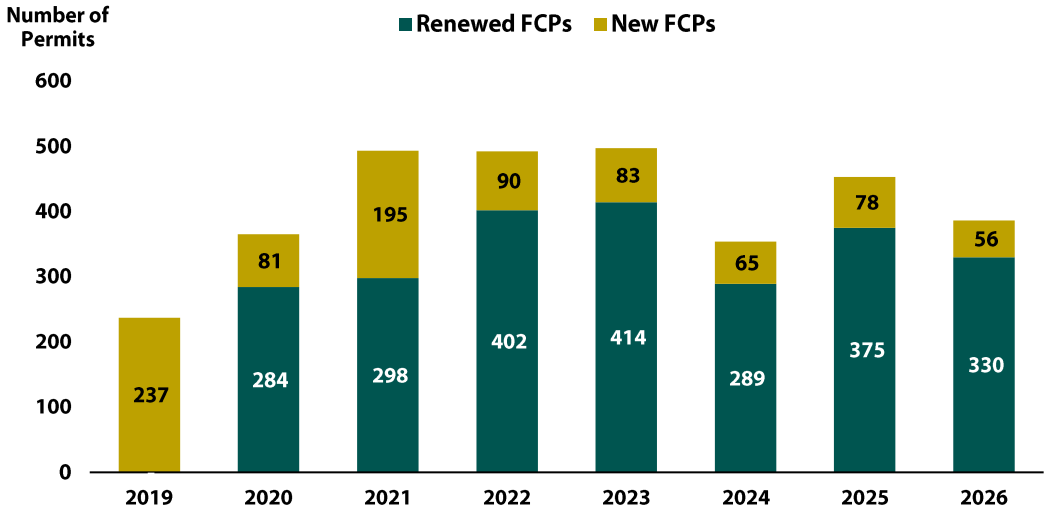


Sources: CoStar and AirDNA

Global Business Sector

Activity in the global business sector softened in early 2026, with fewer permit issuances and softer labour market conditions. Authorities issued 386 foreign currency permits during the first quarter of 2026, a decline of 14.8 percent on the corresponding period of 2025. New permit issuances fell by 28.2 percent to 56 permits, while renewals declined by 12 percent to 330 permits. Preliminary labour market data for January to February also pointed to softer conditions, with average salaries declining by 19.6 percent and employment contracting by 19.9 percent. These developments suggest a slower start to the year for the sector and highlight the need to continue strengthening Barbados' competitiveness as a jurisdiction for international business and high-value professional services.

Figure 4: Foreign Currency Permits (FCPs) Issued
January-March



Source: International Business Unit

Other Traded Activity

Agricultural output expanded for a sixth consecutive quarter, supported by stronger fishing and livestock production. Overall agricultural production increased by 4.1 percent, driven by strong gains in fishing and selected livestock output. Fish catches rose sharply by 55.2 percent on higher landings of flying fish, tuna, dolphin, and jacks. Egg production expanded by 55.7 percent, supported by higher placements of layer chicks, while pork output rose by 10.8 percent. Milk production increased by 29.1 percent, reflecting a steady improvement in lactation rates since September 2025. Food crop production declined by 8.8 percent, as lower output of root crops including sweet potatoes, cassava, and yams, amid less favourable weather conditions, more than offset a 14.5 percent increase in fruit and vegetable production of crops such as bananas, plantains, tomatoes, pumpkin, and marjoram. Chicken output also declined by 8.5 percent over the period.

Manufacturing

Manufacturing output contracted in the first quarter of 2026, as weaker performance across several subsectors outweighed gains in construction-related materials. Overall output declined by 2.3 percent during the period. Lower production of food, beverages, furniture, and chemicals drove the contraction, reflecting softer demand conditions and continued supply and market pressures in some categories. However, output of non-metallic mineral products increased by 2 percent, supported by ongoing construction activity. This gain helped to moderate, but did not fully offset the broader decline in manufacturing output.

Non-traded Activity

Non-traded sector output expanded, led by construction and supported by services activity. Construction grew by 3.5 percent, reflecting sustained work across commercial, residential, and public sector projects, including Barbados' national stadium, the Coverley Residences, Atlantic Breeze, the Pierhead Project, and several condominium developments. Business and other services activity also increased, driven by higher demand for finance, insurance, and real estate services. Electricity, gas, and water output rose by 2.5 percent, supported by higher production of potable water and natural gas. Wholesale and retail trade expanded by 0.9 percent, as stronger demand for food, information technology products, and motor vehicles offset declines in clothing, furniture, and pharmaceutical and personal care items.

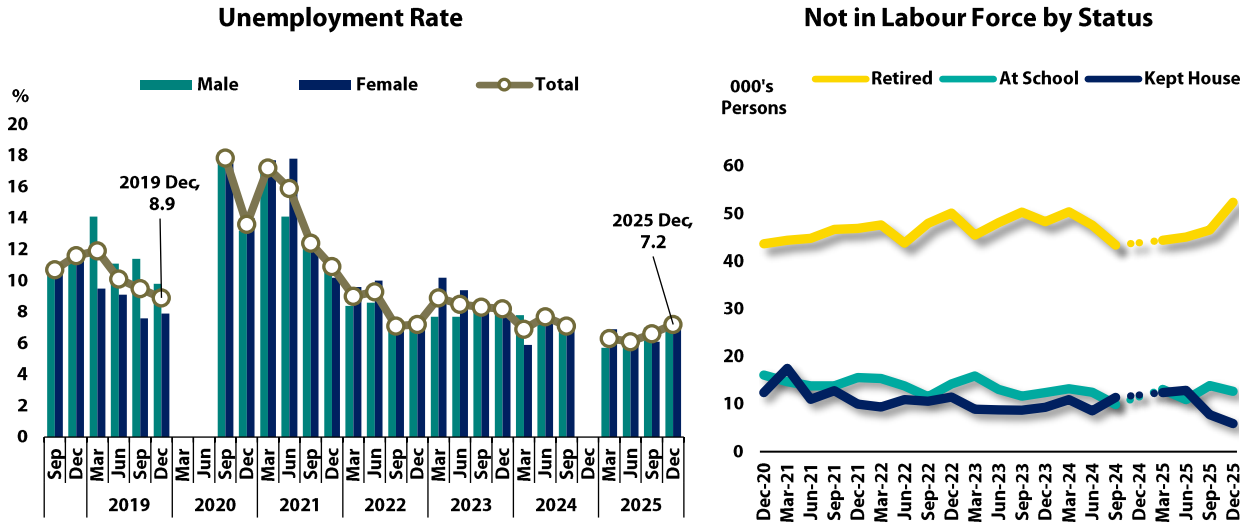
Labour Market

Labour market conditions remained favourable in the fourth quarter of 2025, with unemployment well below the average of recent years.[3] The unemployment rate stood at 7.2 percent at end-December 2025, approximately 0.5 percentage points below the average recorded in the fourth quarter of 2022 and 2023. The labour force participation rate measured 62.5 percent, while the inactive population totalled 79,800 persons, comprising 52,400 retired individuals, 12,700 students, and 5,900 persons engaged in home duties.

More recent administrative data point to continued improvement in labour market conditions. Unemployment claims fell by 8 percent during January to March 2026, representing 167 fewer claims than in the same period of 2025. This decline suggests that labour demand remained supportive during the first quarter, consistent with continued activity in tourism, construction, agriculture, and business and other services.

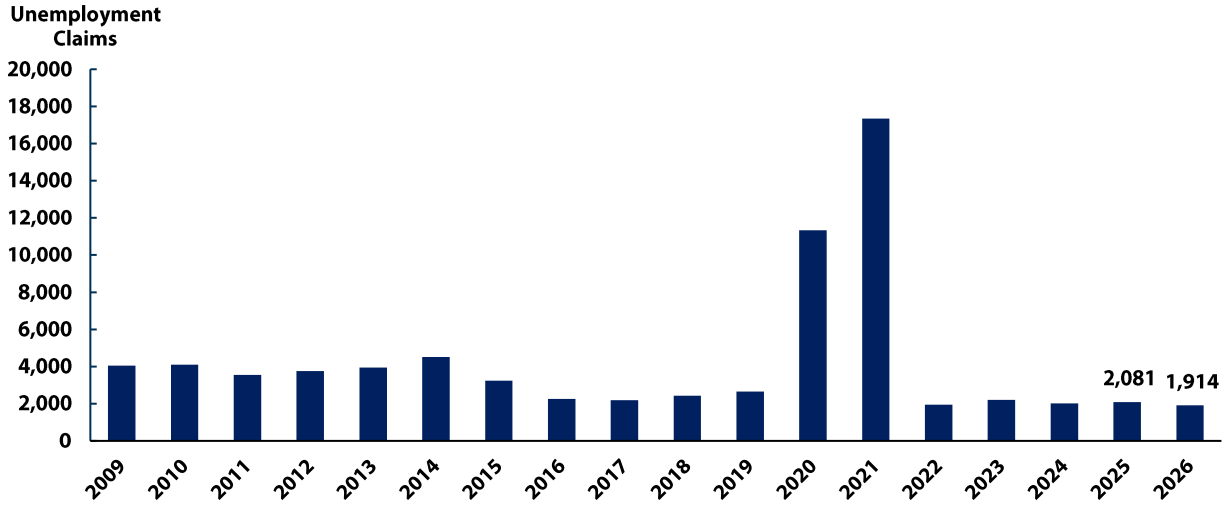
[3] Comparisons with the fourth quarter of 2024 are constrained by the unavailability of Labour Force Survey data.

Figure 5: Selected Labour Market Indicators



Source: Barbados Statistical Service

Unemployment Claims
January – March



Source: National Insurance and Social Security Service

Prices

Inflation remained low in the first quarter of 2026, despite a modest increase in domestic price pressures. The 12-month moving average inflation rate rose to 1.1 percent at end-February 2026, compared with 0.9 percent a year earlier.[4] A sharp rise in prices for restaurant dining services drove

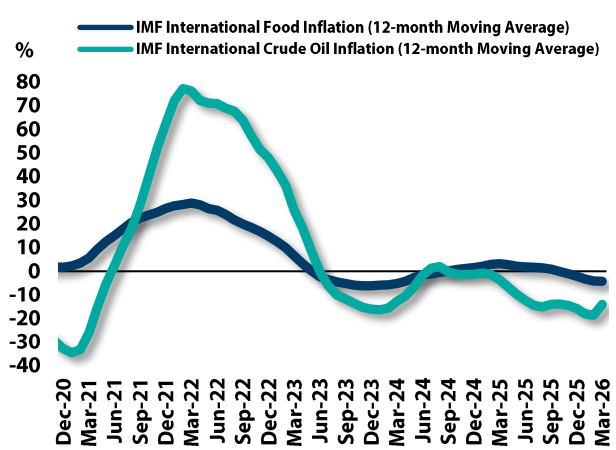
[4] The 12-month moving average inflation rate reflects the average rate of inflation over the period March 2025 to February 2026.

most of the increase over the period. At the same time, lower transport and freight costs helped to contain domestic price pressures during the 12-month period.

Point-to-point inflation also increased, reflecting stronger prices in selected service categories.[5] The point-to-point inflation rate rose from a decline of 0.3 percent in February 2025 to 1.3 percent in February 2026. Higher prices for restaurant dining services, health, education, recreational goods, and transport drove the increase. These upward pressures outweighed price declines in categories such as alcoholic beverages and communication.

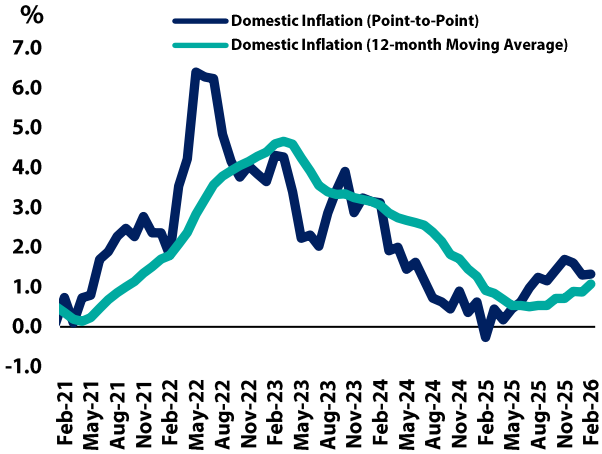
Figure 6: Domestic and International Price Developments

International Commodity Prices



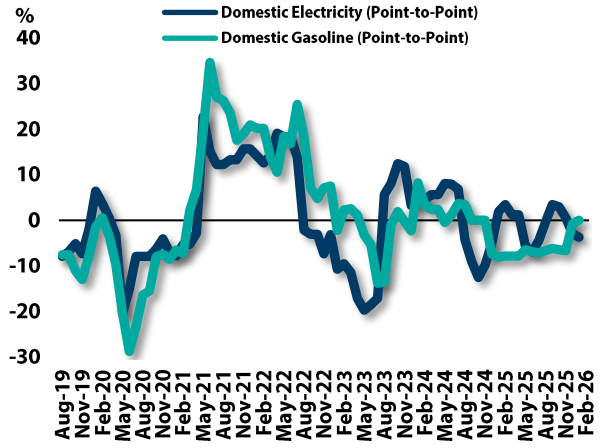
Source: International Monetary Fund

Domestic Inflation



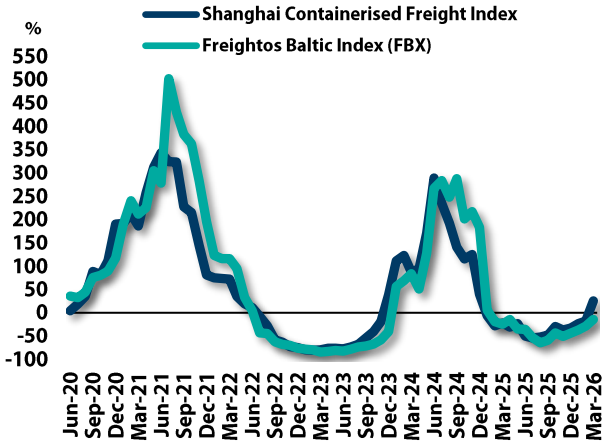
Source: Barbados Statistical Service

Domestic Electricity and Gasoline
(y-o-y % change)



Source: Barbados Statistical Service

Freight Costs
(y-o-y % change)



Sources: MacroMicro and Freightos

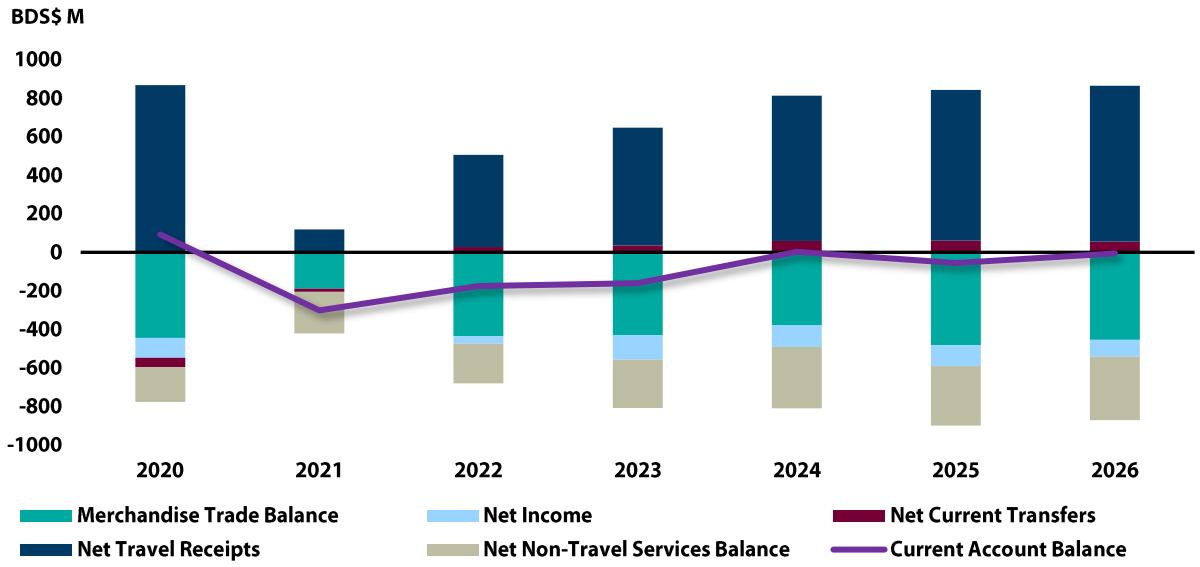
[5] The point-to-point inflation rate compares the price level in February 2026 directly with that in February 2025.

External Position

Barbados' external position remained strong in the first quarter of 2026, supported by higher tourism earnings and an improved current account balance. The current account deficit narrowed by $49.8 million to $6.3 million, reflecting stronger travel credits, a smaller merchandise trade deficit, and an improvement in the income account. At the same time, the financial account declined by $257 million, as lower net public sector inflows and reduced foreign direct investment moderated capital inflows. Gross international reserves stood at $3.0 billion at end-March 2026, equivalent to 25.5 weeks of import cover and well above the 12-week international benchmark.

The external outturn highlights the strength of Barbados' foreign exchange earning sectors, while underscoring the importance of sustained investment inflows. Tourism receipts continued to provide a strong source of foreign exchange, supported by increased long-stay and cruise activity. However, lower foreign direct investment and reduced multilateral borrowing following the completion of the IMF-supported programme contributed to the modest decline in reserves during the quarter. Overall, the reserve position continued to provide a strong buffer against external shocks.

Figure 7: Current Account Balances
January – March



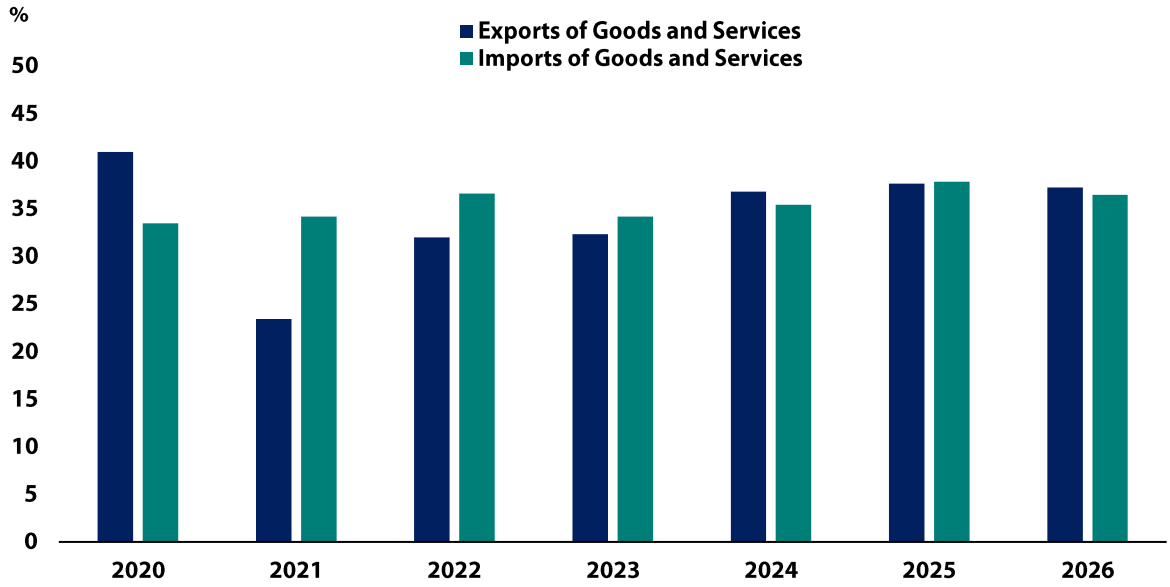
Source: Central Bank of Barbados

Merchandise Trade Developments

Lower imports and stronger re-exports narrowed the merchandise trade deficit in the first quarter of 2026. The merchandise trade deficit contracted by 5.8 percent, supported by higher re-exports of food and beverages and fuel, alongside a 1.9 percent decline in imports. The fall in imports partly reflected normalised machinery purchases after the unusually high crane acquisitions recorded in the comparable quarter of 2025, along with lower outlays for imported fuel, food, and beverages.

Some import categories continued to expand, reflecting ongoing investment and consumption demand. Higher imports of electric vehicles, electric lighting fixtures, and furniture partly offset the overall decline in imports. These developments point to a moderation in import demand, rather than a broad weakening, and contributed to the improvement in the external current account during the quarter.

Figure 8: Exports and Imports of Goods and Services as a Percent of GDP
January – March



Source: Central Bank of Barbados

Travel and Other Services

Higher travel receipts strengthened services exports, while a rise in imported services moderated the net services surplus. Travel credits expanded by 3.7 percent in the first quarter, supported by stronger tourism activity, particularly the increase in in-transit cruise arrivals. Imported services rose by 6.8 percent, driven by higher payments for professional and business services.

Income and Current Transfers

Lower government external interest payments improved the income account during the first quarter of 2026. The income account deficit narrowed as reduced government external interest costs outweighed higher interest payments to private foreign investors. This improvement supported the narrowing of the current account deficit during the quarter.

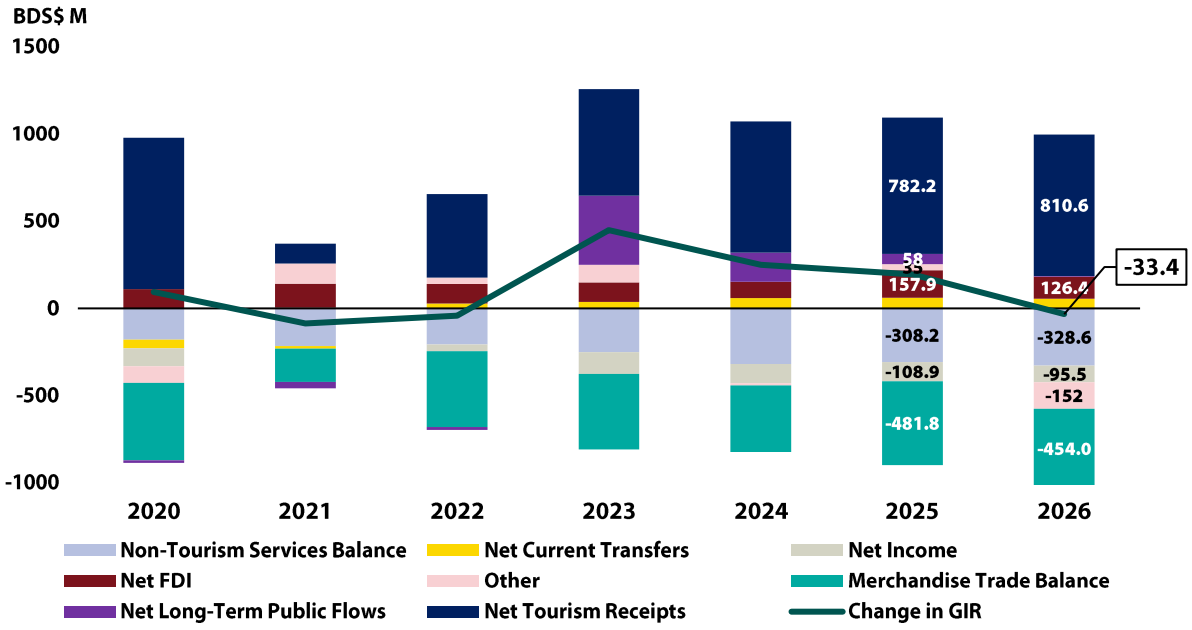
Lower corporation tax receipts from the international business sector reduced the current transfers surplus. The current transfers balance weakened relative to the same period in 2025, as corporate tax receipts declined at end-March 2026. This partly offset the gains from stronger travel receipts and the improvement in the merchandise trade and income accounts.

International Reserves

International reserves remained robust at the end of the first quarter of 2026. Reserves stood at $3 billion at end-March 2026, $33.4 million below the end-2025 level. Lower net foreign direct investment and reduced borrowing from the Inter-American Development Bank and the International Monetary Fund, following the conclusion of the IMF-supported programme, accounted for the modest decline. Import cover measured 25.5 weeks at end-March 2026, well above the 12-week international benchmark.

Figure 9: Explanation of Reserve Movements

January – March



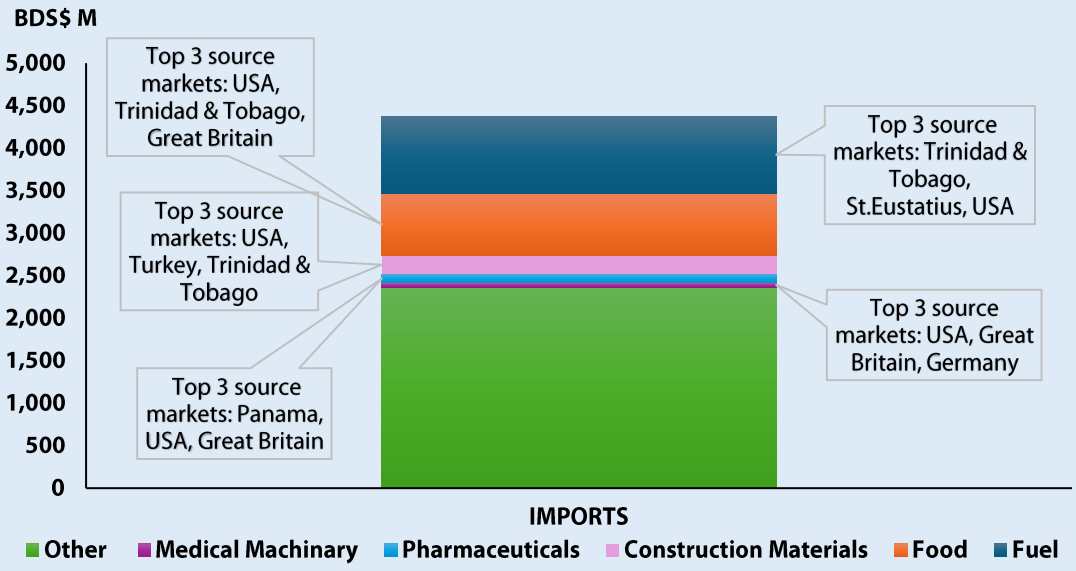
Source: Central Bank of Barbados

Beyond Prices: Supply Chain Disruptions and Import Reliability in Barbados

Recent global disruptions highlight the importance of import reliability for small, open economies. Geopolitical tensions and disruptions affecting major shipping and energy routes have increased uncertainty in global trade, energy, and maritime transport markets. For Barbados, these developments matter not only because they can raise prices, but because they can also affect the availability, timing, and reliability of essential imports.

Barbados' import dependence creates exposure to supply chain disruptions. As a small island economy, Barbados relies heavily on maritime transport and imported goods to support households, businesses, and key productive sectors. Essential imports, including fuel, food, construction materials, pharmaceuticals, and medical machinery, account for roughly 48 percent of total imports, as shown in Figure 1. This concentration highlights why reliable access to critical imports matters for households, businesses, tourism, construction, and health services.

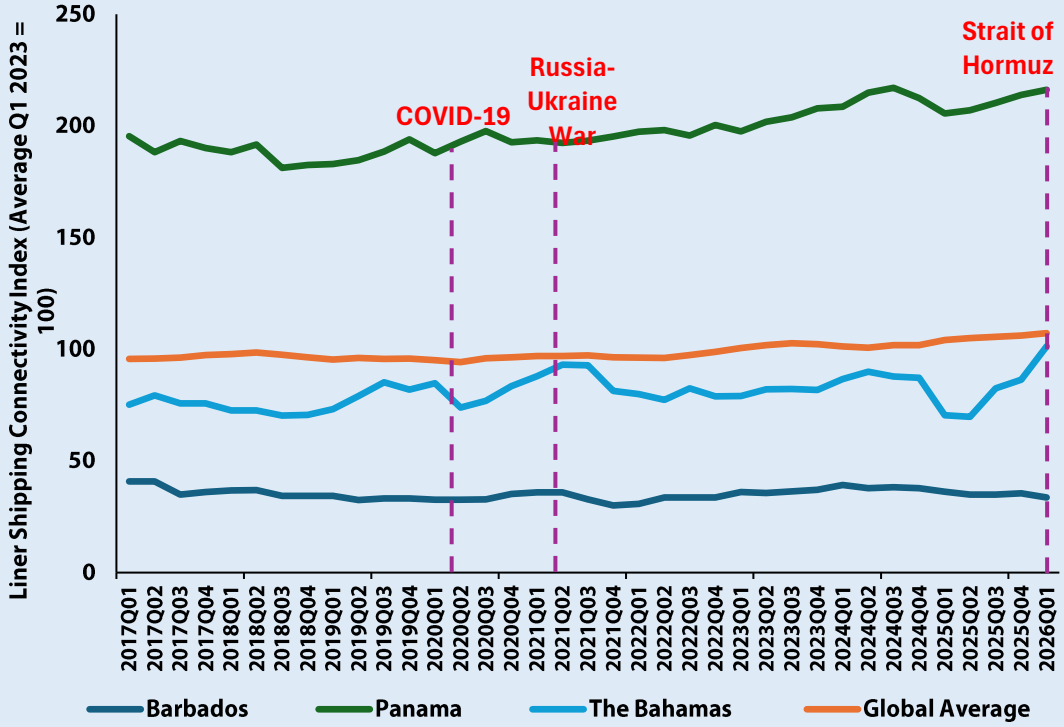
Figure 1: Composition of Barbados' Imports by Category (5-year average)



Source: Central Bank of Barbados

Limited shipping connectivity can make rerouting and supplier diversification more difficult. Barbados' position within global liner shipping networks remains below major global and regional benchmarks, as shown in Figure 2.[1] Lower connectivity can limit the speed with which importers adjust when global shocks disrupt established routes or suppliers. As a result, external disruptions, including those affecting energy flows, grain shipments, or major maritime corridors, can influence the availability and cost of goods reaching Barbados, even when trade exposure is indirect.

Figure 2: Barbados' Shipping Connectivity Remains Below Major Benchmarks

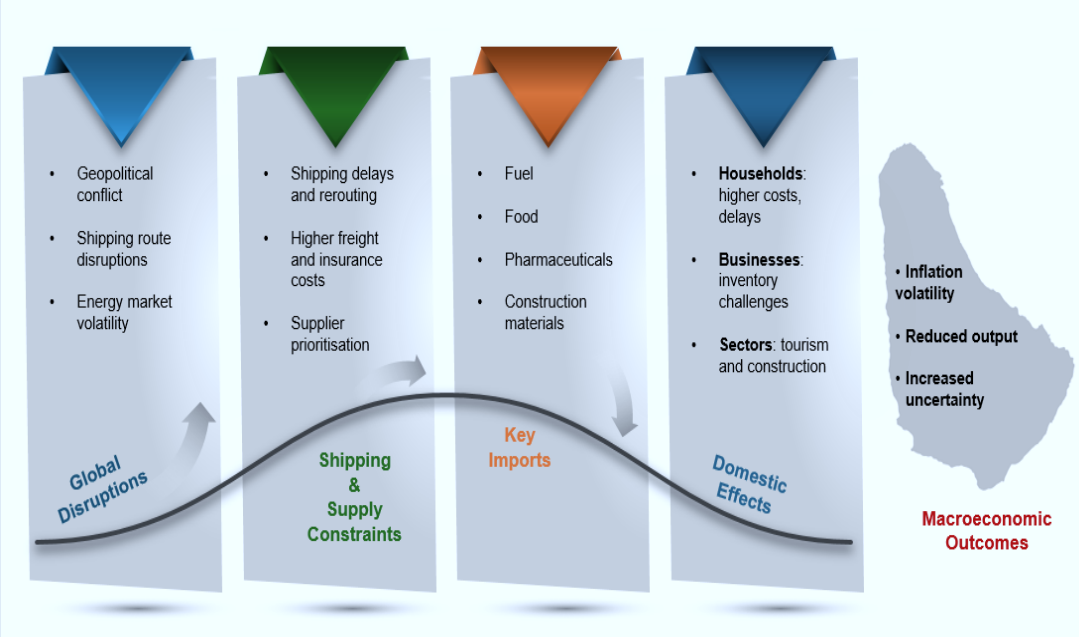


Source: United Nations Conference on Trade and Development (UNCTAD)

[1] The Liner Shipping Connectivity Index (LSCI), developed by the United Nations Conference on Trade and Development, measures a country's integration into global liner shipping networks. It is calculated from the number of ships, their container carrying capacity, the number of services and companies, the size of the largest ship, and the number of other countries connected through direct linear shipping services. An increase in the index relates to higher connectivity. United Nations Conference on Trade and Development (2022)

Supply disruptions affect households, businesses, and major sectors through both prices and availability. Delays, higher freight and insurance costs, and supplier rationing can affect the timing, cost, and reliability of critical imports. As shown in Figure 3, these pressures can move through the economy by raising import costs, delaying delivery schedules, complicating inventory planning, and reducing the availability of key inputs. Households may experience delays in accessing essential goods or face greater price volatility. Businesses may face higher operating costs, inventory challenges, and project delays. Tourism and construction are particularly exposed, given their reliance on timely access to imported inputs and materials.

Figure 3: How Global Supply Disruptions Reach the Domestic Economy



Building resilience requires attention to both prices and supply security. Barbados cannot eliminate import dependence, but it can reduce vulnerability through targeted resilience measures. These include strengthening storage capacity for critical goods, diversifying suppliers, deepening regional trade linkages, supporting selected areas of domestic production, and accelerating renewable energy investment to reduce reliance on imported fuel over time. Recent global developments therefore reinforce the need to treat import reliability as a core part of economic resilience, alongside inflation control and external reserve management.

Fiscal Operations

Government recorded a strong primary surplus in FY2025/26. Tax revenue increased by $126.3 million, led by higher VAT and personal income tax collections. Total expenditure increased by $23 million, as higher capital spending, goods and services, wages and salaries, and grants to public institutions outweighed declines in interest payments and grants to individuals. As a result, the overall fiscal deficit narrowed to $58.3 million, or 0.4 percent of GDP, compared with a deficit of $128.9 million, or 0.8 percent of GDP, in FY2024/25. The primary surplus totalled $647.3 million, equivalent to 4 percent of GDP.

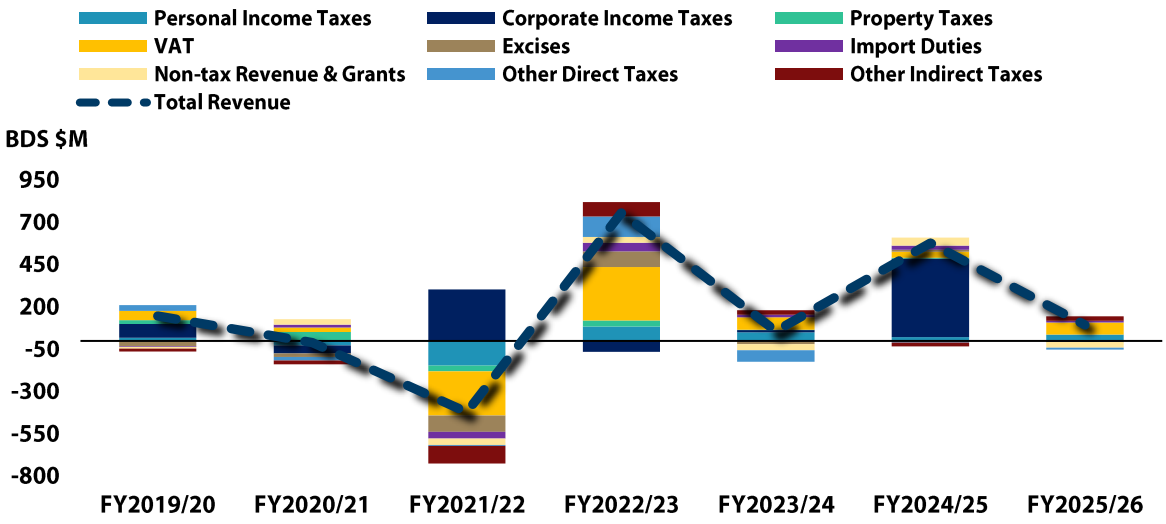
Revenue

Higher personal income tax receipts supported the increase in direct tax revenue during FY2025/26. Personal income tax receipts totalled $504.1 million, an increase of $38 million on the previous fiscal year, reflecting higher performance-related bonuses in the financial sector. Property tax collections remained broadly stable at $222.8 million, while corporation tax receipts declined by $5.9 million to $1,020.8 million. Withholding tax receipts fell by $14.9 million to $39.3 million.

VAT and import duties drove the increase in indirect tax revenue. Net VAT collections increased by $70.1 million, driven by stronger economic activity in the construction and wholesale and retail sectors. Higher import values lifted import duties by $10.3 million, while excise tax collections remained broadly in line with the previous fiscal year.

Non-tax revenue and grants declined as one off receipts from the previous year dropped out of the base. Non-tax revenue and grants fell by $32.7 million to $188 million at end-FY2025/26, mainly reflecting the non-recurrence of the dividend received from the Industrial Credit Fund for Export Barbados in FY2024/25.

Figure 10: Changes in Major Revenue Categories
April – March



Source: Ministry of Finance

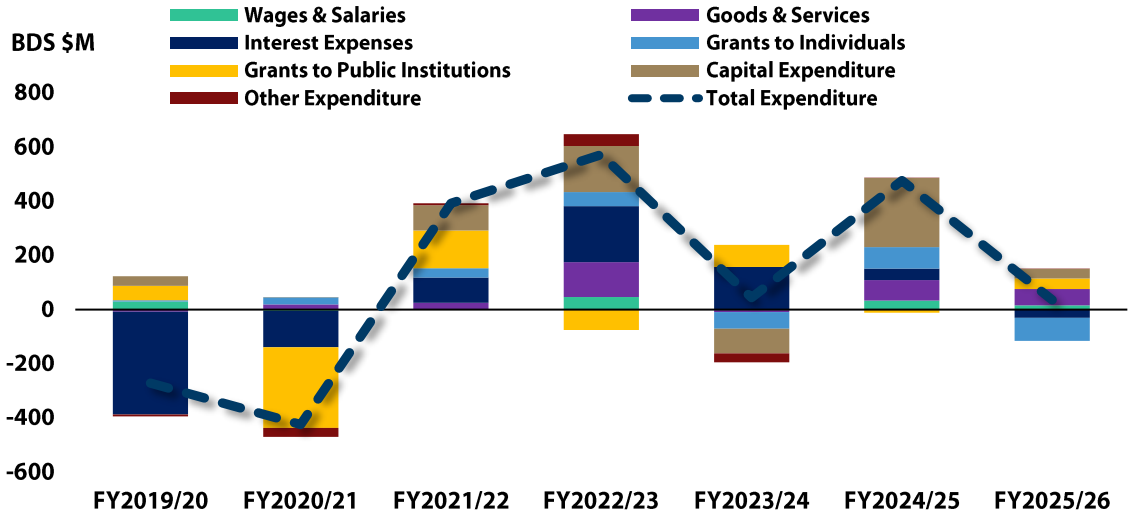
Expenditure

Lower domestic and external interest costs reduced interest spending in FY2025/26. Total interest payments fell by $44.3 million to $705.6 million. External interest declined by $21.7 million, reflecting the early repayment of the 2029 Eurobond and lower interest costs on the remaining stock of foreign liabilities. Domestic interest fell by $22.5 million, as savings from the debt-for-climate swap continued to reduce the cost of previously higher-cost obligations.

Higher spending on goods and services and transfers to state-owned enterprises led the expansion in non-interest current expenditure. Outlays for goods and services increased by $60.8 million to $659.5 million, driven by one-off spending on the 2025 Caribbean Festival of Arts (CARIFESTA) and higher spending on property maintenance and professional services. Grants to public institutions increased by $39.1 million, while subsidies increased by $14.6 million to cover operating expenses at the Queen Elizabeth Hospital, the Sanitation Service Authority, and the Transport Board. Wages and salaries increased by $15.2 million.

Government recorded its highest level of infrastructure spending to date. Capital expenditure totalled $647.9 million at the end of FY2025/26, up by $35.3 million from FY2024/25. Increased outlays reflected ongoing investment in the Reclaiming Our Atlantic Destiny programme, continued construction of the geriatric hospital, two senior citizens' villages, and the purchase of new garbage trucks and electric buses.

Figure 11: Changes in Major Expenditure Categories
April – March



Source: Ministry of Finance

Cost-of-Living Pressures and Fiscal Policy: Targeted Support and Fiscal Sustainability

Cost-of-living pressures require policy support that protects vulnerable households while preserving fiscal credibility. Higher import prices, particularly for food and energy, continue to place pressure on households and businesses. In response, Government announced measures in the FY2026/27 Budget to ease these pressures while maintaining its commitment to fiscal sustainability and the medium-term debt anchor.

Government's response combines targeted support with broader tax relief. Targeted measures include expanded transfers and subsidies for vulnerable households, a temporary electricity subsidy, a higher reverse tax credit, broader eligibility for relief, and a cost-of-living cash transfer for lower-income pensioners. Government also increased income thresholds for tax credits and raised tax-free allowances for pensioners. These measures aim to support disposable income among groups most exposed to higher living costs.

Broad-based tax measures provide wider relief but carry a larger fiscal cost. Reductions in personal income tax rates increase disposable income across a broader share of households. While this supports aggregate demand, it also extends benefits beyond the most vulnerable groups and can reduce revenue more persistently if the measures remain in place. This creates a clear policy trade-off between broad relief, targeted support, and the need to maintain the fiscal path.

Sector-specific measures can help contain price pressures and support activity. Measures such as the temporary electricity subsidy, fuel-related interventions, and selected fee reductions help limit the pass-through of external shocks to households and businesses. These interventions can support cost-sensitive sectors and reduce inflationary pressures, but their effectiveness depends on clear design, careful monitoring, and timely withdrawal where measures are temporary.

The fiscal cost remains material but manageable within the medium-term fiscal framework. The cost-of-living measures are estimated to reduce revenue by $94.06 million, or 0.55 percent of GDP, and increase expenditure by $76.01 million, or 0.45 percent of GDP. These costs remain manageable within Government's fiscal framework, but they reinforce the need to keep temporary measures time-bound and ensure that any permanent tax changes remain consistent with medium-term revenue needs. Government continues to target primary surpluses consistent with reducing public debt to 60 percent of GDP by FY2035/36.

The policy balance must remain clear. Cost-of-living support can protect households and sustain confidence during periods of external pressure, but it should not weaken the fiscal framework. The strongest approach is targeted, temporary, and transparent support that reaches those most affected while preserving fiscal discipline, debt sustainability, and Barbados' hard-earned policy credibility.

Debt and Financing

Financing requirement

Government's net financing requirement increased in FY2025/26, reflecting higher external amortisation linked to liability management operations. The net financing requirement rose by $271.7 million to $1.9 billion, equivalent to 11.9 percent of GDP. Gross financing needs increased to $2.6 billion, or 15.9 percent of GDP, while debt service rose to 15.3 percent of GDP from 14.1 percent in FY2024/25. The primary surplus of $647.3 million, or 4 percent of GDP, helped to partially offset these financing needs.

Table 2: Financing Requirement
April – March

	FY2024/25		FY2025/26	
	BDS $M	% GDP	BDS $M	% GDP
Net Financing Requirement (2-1)	**1,635.4**	**10.6**	**1,907.1**	**11.9**
1. Primary Surplus	621.0	*4.0*	647.3	*4.0*
2. Gross Financing Requirement (3+4+5+6)	**2,256.4**	**14.7**	**2,554.4**	**15.9**
3. Debt Service	**2,172.1**	**14.1**	**2,456.2**	**15.3**
Amortisation	**1,422.2**	**9.3**	**1,750.5**	**10.9**
Domestic	*1,088.8*	*7.1*	*527.5*	*3.3*
Foreign	*333.4*	*2.2*	*1,223.0*	*7.6*
Interest	**749.9**	**4.9**	**705.6**	**4.4**
Domestic	*413.9*	*2.7*	*391.4*	*2.4*
Foreign	*336.0*	*2.2*	*314.2*	*2.0*
4. Sinking Fund Contributions	**32.8**	**0.2**	**27.9**	**0.2**
5. Domestic Arrears Repayment	**5.0**	**0.0**	**0.0**	**0.0**
6. Other Non-deficit Transactions	**46.5**	**0.3**	**70.4**	**0.4**

(e) - Estimate
Sources: Central Bank of Barbados and Ministry of Finance

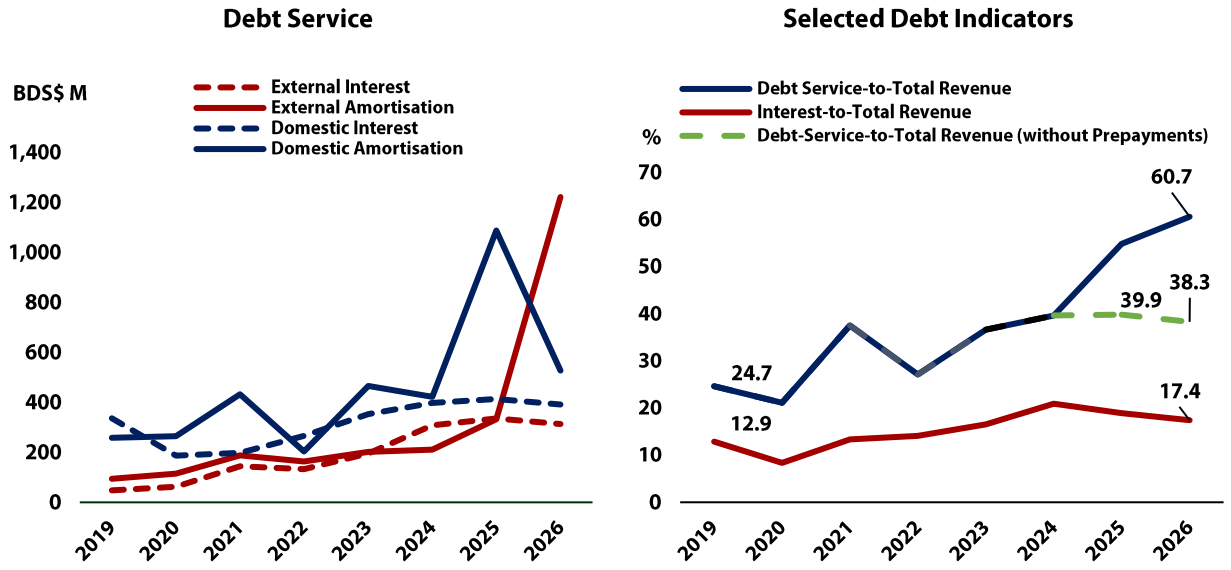
Liability management operations increased amortisation but lowered interest costs. External amortisation rose by $889.6 million, as Government prepaid 83.5 percent of the 2029 Eurobond and 33.8 percent of obligations under the IMF's Extended Fund Facility.[6] Domestic amortisation declined by $561.3 million, following the one-off debt-for-climate swap completed in FY2024/25. Total interest costs fell by $44.3 million, as external and domestic interest payments both declined. External interest fell by $21.7 million, mainly reflecting the early repayment of the 2029 Eurobond, while domestic interest declined by $22.5 million as savings continued from the debt-for-climate swap. Additional transactions included sinking fund contributions of $27.9 million and other non-deficit transactions of $70.4 million,

[6] The prepayment of the 2029 Eurobond (US$345.7 million) at end-June 2025, together with the settlement of a portion of Government's outstanding IMF liabilities (US$107.2 million) during the September quarter of FY2025/26, was financed through the issuance of a US$500 million note at an interest rate of 8 percent with a 10-year maturity.

associated with an increase in Government's capital contribution to Corporación Andina de Fomento (CAF).

Debt indicators reflected the effect of early repayment operations. The debt service to revenue ratio increased to 60.7 percent in FY2025/26, up 5.7 percentage points from the previous year, driven mainly by higher external amortisation. Excluding prepayments related to the IMF and the 2029 Eurobond, the ratio fell to 38.3 percent from 39.9 percent a year earlier, after also adjusting for early repayments of Series E, B, and D bonds in FY2024/25. The interest to total revenue ratio declined to 17.4 percent from 19 percent, reflecting lower interest costs and stronger revenue performance.

Figure 12: Debt Indicators
April – March



Sources: Central Bank of Barbados and Ministry of Finance

Domestic Financing

Domestic financing came from a diversified mix of instruments and asset divestment. BOSS Plus bond proceeds totalled $359.1 million during FY2025/26, compared with $72 million in FY2024/25.[7] The financial sector and private companies accounted for the largest shares of holdings, at 47.2 percent and 13.6 percent, respectively. Net treasury bill proceeds totalled $153.2 million, above the $118.1 million recorded in the previous fiscal year, reflecting higher commercial bank holdings. Asset divestment from equity holdings in the Paradise Beach development site and the Savannah Hotel generated $66.4 million. Debenture proceeds totalled $46.3 million, compared with $245.2 million in FY2024/25.

[7] The third issuance of BOSS+ bonds totalling $200 million, with a fixed interest rate of 4.5 percent and a 5-year maturity, issued at end-June 2025, was fully subscribed by-end January 2026. A fourth issuance took place in December 2025, with similar bond terms.

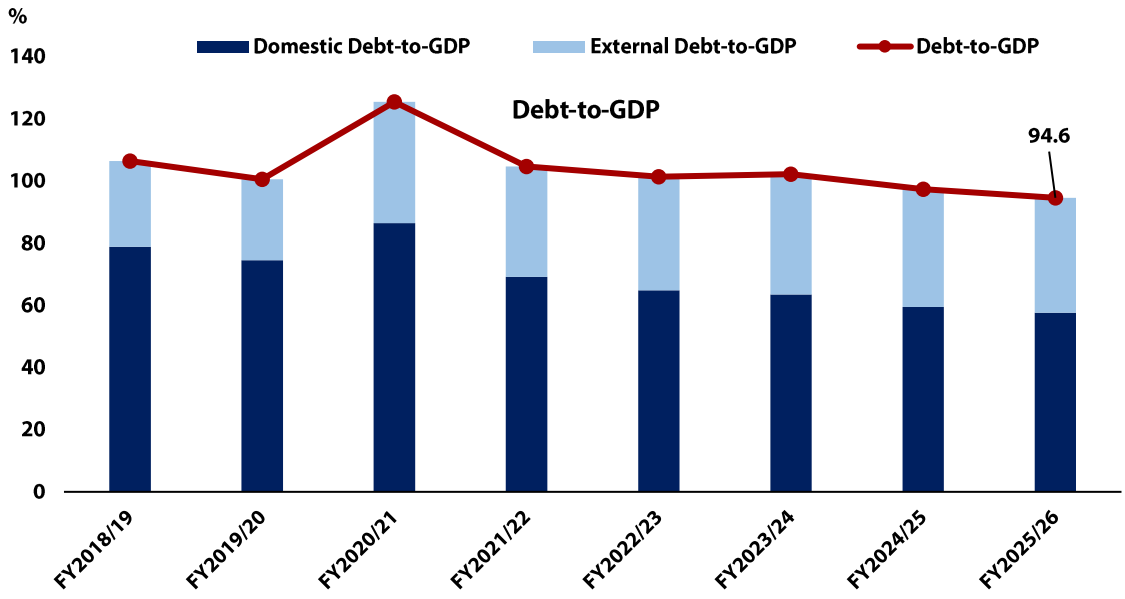
External Financing

External financing reflected capital market funding and higher project inflows. The US$500 million 2035 bond supported the refinancing of the 2029 Eurobond and the partial early repayment of IMF obligations under the Extended Fund Facility. Policy-based loan disbursements totalled $116 million, provided by the IMF under the Extended Fund Facility and the Resilience and Sustainability Facility. Project financing increased to $266.6 million from $111.8 million in FY2024/25, with CAF providing $150 million to support the Amphitheatre at the Botanical Gardens and the Reclaiming Our Atlantic Destiny programme, including the National Performing Arts Centre and the Monument at Newton. Other project financing supported the Beryl Emergency Response and Recovery Project and the Global Credit Program for micro, small, and medium sized enterprises.

Public Sector Debt

The public sector debt ratio continued to decline, supported by economic growth, primary surpluses, and GDP rebasing. Gross public sector debt totalled $15.2 billion at end-FY2025/26, while the public sector debt to GDP ratio fell to 94.6 percent, down 2.7 percentage points from end-FY2024/25. This improvement reflected strong nominal GDP growth, the effect of GDP rebasing, and continued primary surpluses, which more than offset the impact of net new debt issuance.

Figure 13: Public Sector Debt-to-GDP



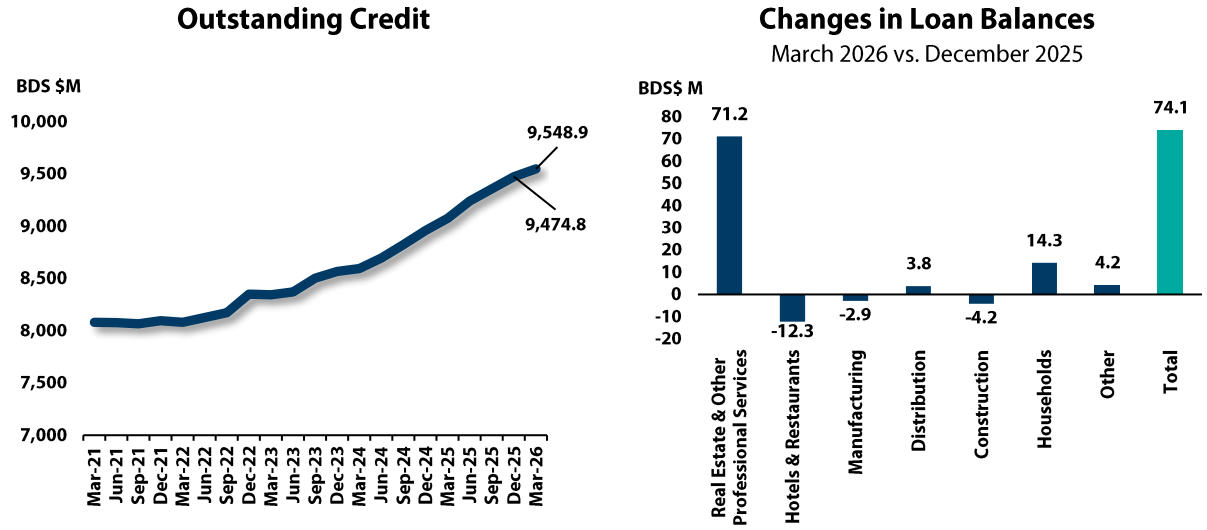
Sources: Central Bank of Barbados and Ministry of Finance

Financial Sector Developments

Financial sector conditions remained sound during the first quarter of 2026. Financial sector activity remained consistent with the broader macroeconomic environment, as lending to the non-financial private sector expanded and deposits increased. At the same time, lower non-performing loans strengthened asset quality, while high liquidity and strong capital positions reinforced the resilience of deposit-taking institutions.

Credit growth remained steady during the first quarter. Credit to the non-financial private sector increased by 0.8 percent, led by higher lending to real estate and other professional services, which rose by $71.2 million. Additional borrowing by households and businesses in the distribution sector also supported the expansion. Repayments by tourism-related businesses, construction firms, and manufacturers moderated the net increase, but overall credit conditions remained supportive of economic activity.

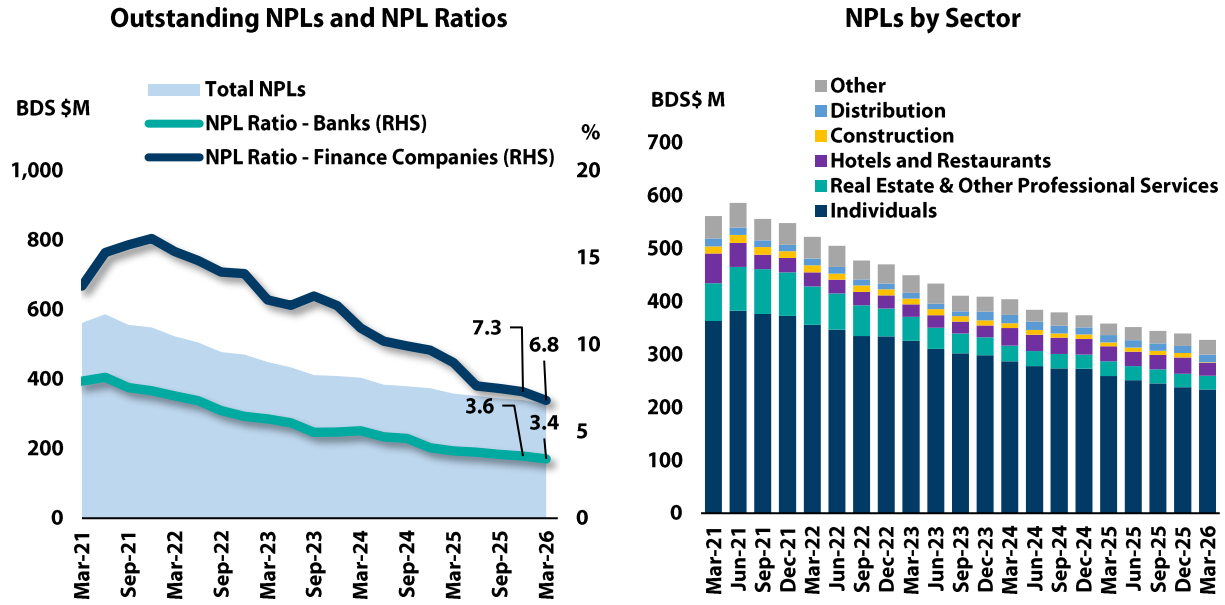
Figure 14: Credit to the Non-Financial Private Sector



Sources: Central Bank of Barbados and Financial Services Commission

Stronger repayment capacity improved asset quality further. The total stock of non-performing loans declined by 3.6 percent, driven mainly by better loan performance among hospitality and construction businesses, as well as households. Stronger tourism receipts, increased construction activity, and continued labour market stability helped improve cash flows and supported loan repayments. As a result, the non-performing loan ratio fell to 3.4 percent for commercial banks and 6.8 percent for finance companies.

Figure 15: Non-Performing Loans (NPLs) of Commercial Banks and Finance Companies

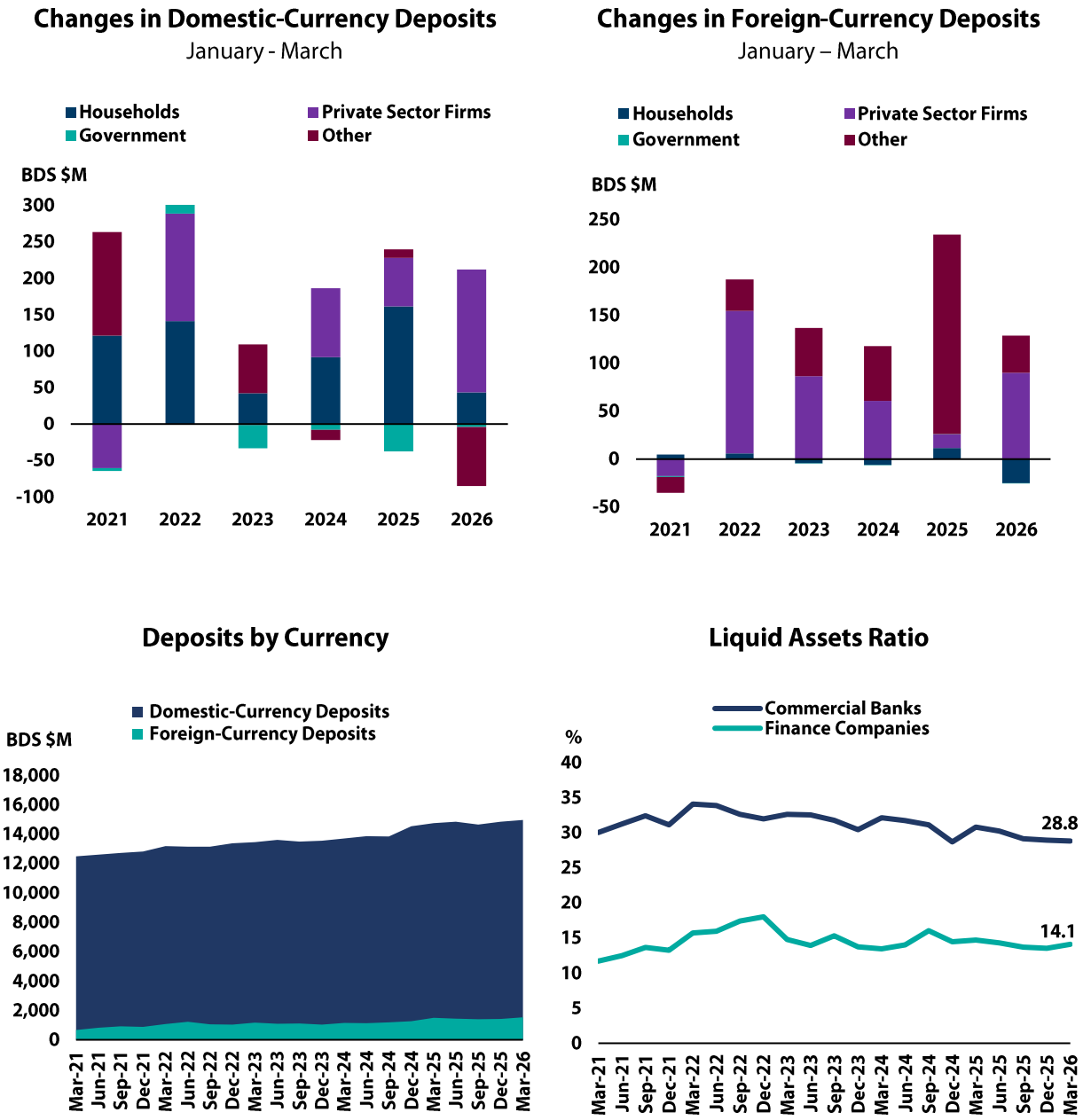


Source: Central Bank of Barbados

Deposit growth continued, led by foreign-currency balances. Total deposits increased by 1.4 percent during the first quarter. Domestic currency deposits rose by 0.9 percent, supported mainly by real estate-related firms and households, although lower balances held by public corporations and construction firms tempered overall growth. Foreign currency deposits increased by 7.3 percent, led by hospitality businesses and other non-resident sectors, reflecting strong foreign exchange inflows during the peak tourist season. A decline in household foreign currency balances partly offset this growth.

Liquidity remained elevated across deposit-taking institutions. Commercial banks maintained a relatively stable liquid asset ratio, while finance companies recorded an increase, supported by higher transferable deposits. At the end of the quarter, the excess domestic cash ratio stood at 19.5 percent for commercial banks and 7.2 percent for finance companies, leaving the system well positioned to support lending and absorb shocks.

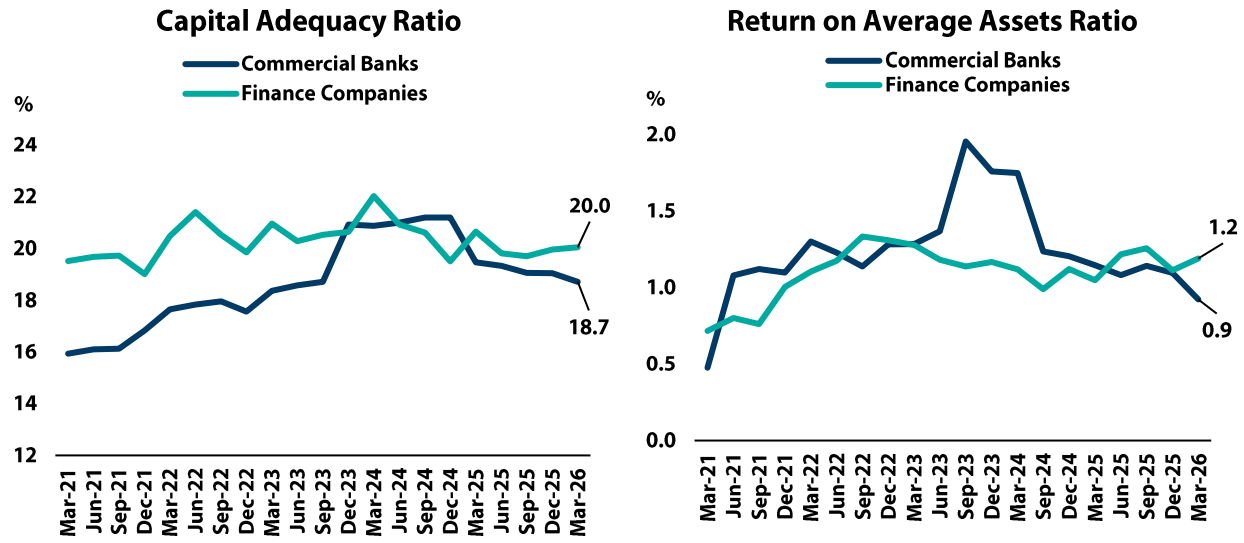
Figure 16: Deposits Held at Deposit-Taking Institutions (DTIs)



Sources: Central Bank of Barbados and Financial Services Commission

Capital buffers remained robust, alongside stable earnings performance. The capital adequacy ratio stood at 18.7 percent for commercial banks and 20 percent for finance companies, well above the 8 percent regulatory benchmark. Commercial bank profitability softened as net interest income declined, while finance companies improved their earnings slightly as operating expenses fell. Overall, capital and earnings indicators continued to support financial system resilience.

Figure 17: Capital Adequacy and Profitability



Source: Central Bank of Barbados

Outlook

Barbados' economy is expected to continue expanding in 2026, supported by tourism, construction, and business and other services. Real GDP growth is projected to fall within the range of 2 to 3 percent, as public and private sector investment continues to support economic activity. Infrastructure upgrades, renewable energy projects, and tourism-related developments are expected to support employment, enhance productive capacity, and strengthen medium-term growth. Measures announced in the FY2026/27 Budget should also reinforce private investment, improve access to finance, support small and medium-sized enterprises, and encourage higher-value activity in areas such as green technology, digital services, and advanced manufacturing.

Targeted policy measures should support growth while strengthening resilience. In tourism, lower regional travel fees and extended concessions are expected to encourage intra-regional travel and provide greater certainty for investment in tourism properties and services. In agriculture, expanded rebates, climate-smart support, and targeted incentives should help reduce operating costs, improve energy efficiency, and strengthen domestic food production. These measures should support growth while contributing to food security and economic resilience.

Global conditions remain uncertain and present downside risks to the outlook. Global growth is expected to slow in 2026, while geopolitical tensions, higher energy prices, and trade uncertainty continue to weigh on confidence. Weaker growth or heightened uncertainty in key source markets could reduce external demand, soften travel activity, and affect demand for local exports. These risks reinforce the need to maintain strong macroeconomic buffers and continue diversifying sources of growth.

Inflation is expected to rise moderately but remain contained. Higher international commodity prices and geopolitical tensions could place upward pressure on domestic prices, particularly through

fuel, electricity, and transport costs. However, temporary policy measures, including electricity subsidies, fuel-related interventions, and hedging strategies, should help cushion households and businesses from the full impact of higher oil prices. Against this backdrop, inflation is expected to remain within a range of 2 to 2.6 percent over the short to medium term.

The external position is expected to remain stable in 2026. Continued tourism earnings, together with anticipated current transfer inflows, should support international reserves and keep import cover above the 12-week international benchmark. However, sustained geopolitical disruptions or higher global oil prices could raise import costs and weigh on tourism activity. Barbados' strong reserve position remains an important defence against short-term external shocks.

Fiscal discipline will remain central to macroeconomic stability. Government continues to target a primary surplus of 4.1 percent of GDP in FY2026/27 while advancing its capital programme and providing support to households. Maintaining this balance will require careful management of cost-of-living measures, continued reform of state-owned enterprises, and disciplined execution of public investment. These efforts remain essential to achieving the medium-term objective of reducing public debt to 60 percent of GDP by FY2035/36.

The financial system is expected to remain stable and supportive of growth. Strong liquidity, improved asset quality, and robust capital buffers should allow deposit-taking institutions to continue supporting lending to the non-financial private sector. These conditions should help reinforce economic activity while preserving financial system resilience.

Barbados enters 2026 with stable growth, strong external buffers, and a credible fiscal framework. The outlook remains positive, but the global environment requires vigilance. Sustaining the country's progress will depend on preserving macroeconomic stability, maintaining fiscal discipline, strengthening competitiveness, and ensuring that public and private investment translates into durable, inclusive, and productivity-enhancing growth.

Appendix 1 – Economic Indicators

	2020	2021	2022	2023[(e)]	2024[(e)]	2025[(e)]	Mar 2025[(e)]	Mar 2026[(e)]
Nominal GDP ($ Million)[1]	10,806.5	11,897.8	13,773.3	14,446.5	15,195.1	15,888.4	4,127.7	4,299.9
Real Growth (%)	-16.5	9.0	14.4	1.5	3.5	2.7	2.6	1.7
Inflation (M.A., %)[2]	0.7	1.5	4.3	3.2	1.5	0.9	0.9	1.1
Unemployment (Annual, %)[3]	N/A	14.1	8.4	7.9	N/A	6.5	N/A	7.2
Gross International Reserves ($ Million)[4]	2,658.1	3,049.8	2,781.1	3,010.3	3,186.2	3,045.3	3,381.1	3,011.8
Gross International Reserves Cover, Weeks[4]	41.2	36.1	26.9	29.8	29.2	25.8	30.2	25.5
BoP Current Account (% of GDP)	-5.1	-7.8	-7.6	-7.6	-3.7	-5.7	(1.4)	(0.1)
Total Imports of Goods (% of GDP)	26.4	26.7	29.6	27.9	26.9	27.4	27.2	25.6
Travel Credits (% of GDP)	11.7	11.0	13.8	15.9	17.3	17.4	19.5	19.4
Financial Account ($ Millions)	1,713.4	1,131.4	779.6	1,266.9	747.2	1,033.0	269.7	12.7
Gross Public Sector Debt (% of GDP)[5]	118.6	112.3	102.0	102.2	97.2	95.4	97.4	94.6
Central Government External Debt (% of GDP)	36.8	37.7	34.5	37.7	36.7	37.0	37.5	36.5
External Debt Service to Curr. Acct. Cred.	9.1	6.0	6.9	9.0	9.0	24.6	13.0	8.0
Treasury-Bill Rate[6]	0.5	0.5	0.5	2.4	1.9	0.6	1.7	0.4
Weighted-Average Deposit Rate	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Weighted-Average Loan Rate	5.9	5.7	5.5	5.4	5.2	5.2	5.2	5.2
Excess Domestic Cash Ratio	22.4	26.8	27.0	25.8	21.9	20.3	22.8	19.5
Private Sector Credit Growth (%)[7]	-1.2	-0.7	3.1	2.6	4.6	5.8	1.3	0.8
Private Sector Credit (% of GDP)[7]	75.5	68.1	60.6	59.3	59.0	59.6	59.1	59.5
Domestic Currency Deposits (% of GDP)[7]	113.7	107.7	97.1	93.8	95.7	93.4	96.0	93.2
Fiscal Year	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**Jan-Mar 2025**	**Jan-Mar 2026**
Fiscal Balance (% of GDP)	-4.2	-3.8	-1.7	-1.6	-0.8	-0.4	(2.3)	(0.1)
Primary Balance (% of GDP)	-0.8	-0.7	2.2	3.3	4.0	4.0	(1.0)	0.9
Interest (% of GDP)	3.3	3.1	3.9	4.9	4.9	4.4	1.3	1.0
Fiscal Current Account (% of GDP)	-1.5	-0.5	1.6	1.0	3.3	3.8	0.0	1.2
Revenue (% of GDP)	25.0	22.1	23.6	23.2	25.8	25.2	6.8	6.4
Expenditure (% of GDP)	29.2	26.0	25.3	24.8	26.6	25.6	9.1	6.5
Non-interest Expenditure (% of GDP)	25.8	22.9	21.4	19.9	21.7	21.2	7.8	5.5
Capital Expenditure (% of GDP)	2.7	3.3	3.4	2.5	4.2	4.1	2.3	1.3
Gov't Interest Payments (% of Revenue)	13.4	14.1	16.5	20.9	19.0	17.4	19.2	15.7

(e) – Estimate
1 - Central Bank of Barbados and Barbados Statistical Service
2 - 12-month moving averages for 2025 and 2026 reflect data up to February.
3 - End-of-period unemployment rate for December 2025.
4 - Based on prevailing market rates rather than the IMF programme rates previously used.
5 - Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt (Guaranteed Contingent Liabilities).
6 - 0.5 rate represents the T-bills rolled over at a fixed rate during the 2018 debt restructuring.
7 - Based on consolidated data for deposit-taking Institutions (Commercial Banks, Finance & Trust Companies and Credit Unions).
N/A - Not Available
Sources: Barbados Statistical Service, Ministry of Finance, Accountant General and Central Bank of Barbados

Appendix 2– GDP by Sector and Activity (BDS$ Millions, Constant Prices)[1]

	2020	2021	2022	2023	2024	2025[(e)]	Mar 2025[(e)]	Mar 2026[(e)]
Traded Sector	**1,361.6**	**1,202.2**	**1,820.7**	**1,960.2**	**2,020.5**	**2,082.2**	**596.8**	**606.2**
Tourism	**378.8**	**313.5**	**863.6**	**977.3**	**1,044.7**	**1,077.4**	**341.2**	**352.5**
Agriculture	**362.3**	**258.4**	**211.9**	**238.7**	**228.6**	**258.6**	**61.2**	**63.7**
Sugar	10.7	10.4	10.5	12.2	11.3	10.8	3.3	3.3
Non-Sugar Agriculture	351.7	248.0	201.4	226.5	217.2	247.8	57.9	60.4
Manufacturing	**620.5**	**630.3**	**745.2**	**744.2**	**747.2**	**746.2**	**194.4**	**190.0**
of which:								
Beverages and Tobacco	76.1	78.1	84.8	87.7	89.1	85.3	*19.7*	*19.0*
Food	99.3	107.7	113.4	116.4	118.8	122.4	*29.4*	*29.1*
Furniture	11.5	12.2	12.4	12.7	12.8	12.9	*3.2*	*3.1*
Chemicals	28.1	27.7	29.6	30.0	30.0	29.4	*6.7*	*6.4*
Other Non-Metallic Mineral Products	137.9	148.6	163.9	131.5	132.7	134.1	*29.3*	*29.9*
Non-traded Sector	**8,846.1**	**9,923.7**	**10,910.0**	**10,960.8**	**11,356.0**	**11,654.7**	**2,971.9**	**3,024.8**
Mining & Quarrying	56.0	51.6	58.8	60.7	59.7	60.8	13.5	13.7
Electricity, Gas & Water	288.1	304.4	307.5	315.4	332.4	330.9	79.3	81.3
Construction	748.2	732.2	737.4	654.8	726.3	797.5	183.8	190.2
Wholesale & Retail	1,549.3	2,455.2	2,797.3	2,702.3	2,920.5	2,952.6	757.2	763.9
Transportation, Storage & Communication	1,040.8	1,184.3	1,375.8	1,448.3	1,460.9	1,486.6	403.4	411.1
Business & Other Services	4,087.2	4,079.7	4,425.8	4,499.8	4,574.6	4,744.3	1,193.6	1,223.5
Government	1,076.6	1,116.3	1,207.4	1,279.5	1,281.7	1,282.1	341.1	341.1
Real GDP	**10,207.7**	**11,126.0**	**12,730.8**	**12,921.1**	**13,376.5**	**13,736.9**	**3,568.7**	**3,631.0**
Nominal GDP	**10,806.5**	**11,897.8**	**13,773.3**	**14,446.5**	**15,195.1**	**15,888.4**	**4,127.7**	**4,299.9**
Real Growth Rates	**-16.5**	**9.0**	**14.4**	**1.5**	**3.5**	**2.7**	**2.6**	**1.7**
Tradeables	-35.3	-11.7	51.4	7.7	3.1	3.1	2.0	1.6
Non-tradeables	-12.6	12.2	9.9	0.5	3.6	2.6	2.8	1.8

(e) – Estimate
1 - BSS' 2023 Base Year Series
Sources: Barbados Statistical Service and Central Bank of Barbados

Appendix 3 – Balance of Payments (BDS$ Millions)

	2020	2021	2022 (e)	2023 (e)	2024 (e)	2025 (e)	Mar 2025(e)	Mar 2026(e)
Current Account Balance	**(554.5)**	**(924.0)**	**(1,042.7)**	**(1,102.0)**	**(564.1)**	**(904.2)**	**(56.1)**	**(6.3)**
o/w: Exports of Goods and Services	2,749.0	3,601.8	4,604.5	4,719.9	5,342.0	5,578.5	1,554.1	1,598.7
o/w: Imports of Goods and Services	3,355.4	4,399.5	5,347.8	5,259.8	5,672.7	6,135.5	1,562.0	1,570.6
Merchandise Trade Balance	**(1,779.7)**	**(1,345.2)**	**(1,887.7)**	**(2,064.1)**	**(1,943.6)**	**(2,256.8)**	**(481.8)**	**(454.0)**
Exports of Goods	1,073.6	1,832.2	2,190.6	1,970.8	2,141.2	2,101.1	641.7	648.4
Domestic	449.1	444.3	525.9	480.6	475.3	443.8	118.0	113.5
Re-exports	241.0	237.7	493.4	440.8	438.5	397.6	132.9	142.7
Net Export of Goods under Merchanting	383.4	1,150.2	1,171.2	1,049.3	1,227.3	1,259.6	390.8	392.2
Imports of Goods	2,853.3	3,177.4	4,078.3	4,034.8	4,084.7	4,357.9	1,123.5	1,102.4
o/w: Fuel	519.0	685.8	1,122.8	1,010.6	951.7	766.3	262.5	248.6
Services Balance	**1,173.2**	**547.5**	**1,144.4**	**1,524.2**	**1,612.9**	**1,699.9**	**474.0**	**482.0**
Exports	1,675.4	1,769.6	2,413.9	2,749.2	3,200.8	3,477.4	912.5	950.3
o/w: Travel	1,262.3	1,312.3	1,903.5	2,304.1	2,622.3	2,765.9	804.5	834.1
Imports	502.2	1,222.1	1,269.5	1,225.0	1,588.0	1,777.6	438.5	468.2
Income Account Balance	**(134.9)**	**(192.5)**	**(329.2)**	**(551.7)**	**(562.6)**	**(593.6)**	**(108.9)**	**(89.3)**
Credits	338.7	412.4	449.1	473.4	475.6	492.3	93.9	98.9
Debits	473.7	604.8	778.3	1,025.0	1,038.2	1,086.0	202.9	188.1
Current Transfers Balance	**186.8**	**66.2**	**29.8**	**(10.4)**	**329.2**	**246.4**	**60.7**	**54.9**
Credits	396.6	284.4	268.5	238.4	599.3	530.8	134.7	132.8
Debits	209.8	218.2	238.7	248.8	270.1	284.4	74.0	77.9
Capital Account	**(4.5)**	**0.5**	**15.0**	**(4.9)**	**3.5**	**28.3**	**0.4**	**(8.4)**
Financial Account	**1,713.4**	**1,131.4**	**779.6**	**1,266.9**	**747.2**	**1,033.0**	**269.7**	**12.7**
Net Foreign Direct Investment	509.2	417.8	528.9	459.8	523.0	709.5	157.9	126.4
All Other Investment Flows	1,204.2	713.6	250.7	807.1	224.2	323.5	111.8	(113.6)
Net Long-term Public	932.7	730.5	77.6	647.6	232.4	169.6	57.8	4.2
o/w: IMF	96.2	(4.1)	83.6	165.5	60.5	(72.8)	(9.2)	13.9
Net Long-term Private	251.3	99.5	310.1	243.6	184.8	286.5	78.8	(86.7)
Net Short-term	20.2	(116.4)	(136.9)	(84.1)	(192.9)	(132.5)	(24.8)	(31.2)
Net Errors & Omissions	**22.9**	**228.4**	**169.2**	**(14.0)**	**(47.7)**	**(376.1)**	**(55.8)**	**(31.4)**
Overall Balance	**1,177.2**	**436.3**	**(78.9)**	**146.0**	**138.9**	**(219.0)**	**158.1**	**(33.4)**
Change in GIR: - increase/+ decrease[1]	**(1,179.6)**	**(391.7)**	**268.6**	**(229.2)**	**(175.9)**	**156.2**	**(194.9)**	**33.4**
BOP change in GIR (-increase/+decrease)[1]	**(1,177.2)**	**(436.3)**	**78.9**	**(146.0)**	**(138.9)**	**219.0**	**(158.1)**	**33.4**
Memorandum Items:								
Gross International Reserves (GIR)	**2,658.1**	**3,049.8**	**2,781.1**	**3,010.3**	**3,186.2**	**3,045.3**	**3,381.1**	**3,011.8**
Gross International Reserves Cover, Weeks	**41.2**	**36.1**	**26.9**	**29.8**	**29.2**	**25.8**	**30.2**	**25.5**

(e) – Estimate
o/w – Of which
1 - The change in gross international reserves (GIR) reflects both transactions and non-transaction factors, such as valuation changes. The BOP change in GIR includes only transaction-related movements, excluding valuation effects.
Source: Central Bank of Barbados

Appendix 4 -Summary of Government Operations (BDS$ Millions)

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26[(e)]	Jan-Mar 2025	Jan-Mar 2026[(e)]
Total Revenue	**2,563.3**	**2,823.8**	**3,320.0**	**3,378.0**	**3,955.8**	**4,049.4**	**1,045.6**	**1,028.5**
Tax Revenue	**2,387.8**	**2,646.1**	**3,110.6**	**3,205.5**	**3,735.1**	**3,861.4**	**981.7**	**977.8**
i) Direct Taxes	**1,202.9**	**1,148.2**	**1,381.2**	**1,379.8**	**1,861.7**	**1,880.6**	**479.4**	**442.4**
Personal	308.1	385.0	393.4	443.4	466.1	504.1	122.8	145.6
Corporate	612.9	450.5	548.8	563.1	1,026.7	1,020.8	294.2	235.5
Pandemic Levy (Individuals)	0.0	0.0	13.5	3.7	0.0	0.0	0.0	0.0
Pandemic Levy (Corporations)	0.0	0.0	74.7	0.0	0.0	0.0	0.0	0.0
Property	181.6	205.2	217.0	218.7	223.3	222.8	25.3	26.1
Financial Institutions Asset Tax	45.6	46.2	53.0	53.5	56.7	58.4	14.4	14.5
Other	54.7	61.4	80.8	97.4	88.9	74.6	22.7	20.7
ii) Indirect Taxes	**1,185.0**	**1,497.9**	**1,729.5**	**1,825.7**	**1,873.5**	**1,980.8**	**502.3**	**535.4**
Stamp	7.6	13.4	21.6	18.2	17.0	17.0	5.0	4.3
VAT	706.3	884.6	1,022.6	1,095.5	1,131.8	1,201.9	312.4	332.8
Excises	154.1	212.3	247.2	228.6	241.3	242.1	58.2	58.9
Import Duties	191.9	220.6	241.9	257.2	280.2	290.5	73.1	73.2
Social Responsibility Levy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	124.9	167.0	196.1	226.2	203.1	229.3	53.6	66.2
o/w: Fuel Tax	63.8	70.2	80.9	76.8	80.8	79.5	21.2	20.1
o/w: Room Rate/Shared Accommodation	9.5	25.2	40.2	42.4	43.1	45.3	14.2	15.5
Non-tax Revenue & Grants:	**175.4**	**177.8**	**209.4**	**172.5**	**220.7**	**188.0**	**63.8**	**50.7**
Non-tax Revenue	169.5	159.7	173.4	159.4	213.2	175.8	62.0	44.6
o/w: Foreign Exchange Fee	65.2	78.7	94.4	101.1	108.3	117.9	27.2	30.2
Grants	0.0	5.7	20.0	1.0	0.0	0.4	0.0	0.0
Post Office Revenue	5.9	12.3	16.0	12.1	7.5	11.7	1.8	6.1
Current Expenditure	**2,716.8**	**2,889.2**	**3,088.7**	**3,238.9**	**3,441.9**	**3,442.1**	**1,041.0**	**841.0**
Wages & Salaries	808.0	834.8	854.6	852.4	885.4	900.6	232.7	228.3
Goods & Services	399.8	493.2	529.0	522.4	598.8	659.5	234.4	188.6
Interest	342.6	398.9	549.2	707.3	749.9	705.6	200.6	161.5
External	144.1	132.4	196.0	308.4	336.0	314.2	93.2	70.7
Domestic	198.5	266.5	353.3	398.9	413.9	391.4	107.4	90.8
Transfers & Subsidies	1,166.3	1,162.3	1,155.9	1,156.8	1,207.8	1,176.4	373.3	262.5
Grants to Individuals	423.7	454.2	475.0	413.8	492.7	408.2	193.4	89.1
Grants to Public Institutions	657.3	631.8	581.4	661.9	650.8	690.0	158.1	156.3
Subsidies	49.7	33.6	48.2	46.3	24.5	39.1	7.4	7.2
Subscriptions & Contributions	20.3	21.9	23.7	21.1	20.1	21.2	8.1	6.2
Non-Profit Agencies	15.3	20.7	27.7	13.7	19.7	17.9	6.3	3.8
Capital Expenditure & Net Lending	**276.1**	**425.2**	**476.2**	**369.6**	**642.8**	**665.6**	**360.0**	**203.0**
Capital Expenditure	278.3	421.6	449.5	357.6	612.6	647.9	347.8	199.1
Net Lending	-2.2	3.6	26.7	12.0	30.3	17.7	12.2	4.0
Fiscal Balance	**-429.6**	**-490.6**	**-244.9**	**-230.5**	**-128.9**	**-58.3**	**(355.4)**	**(15.5)**
Primary Balance	**-87.0**	**-91.6**	**304.3**	**476.8**	**621.0**	**647.3**	**(154.9)**	**146.1**
Fiscal Balance-to-GDP (%)	**-4.2**	**-3.8**	**-1.7**	**-1.6**	**-0.8**	**-0.4**	**(2.3)**	**(0.1)**

(e) – Estimate
o/w – Of which
Source: Ministry of Finance

Appendix 5 -Government Financing (BDS$ Millions)

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26[e]	Mar 2025	Mar 2026[e]
Fiscal Balance	**(429.6)**	**(490.6)**	**(244.9)**	**(230.5)**	**(128.9)**	**(58.3)**	**(355.4)**	**(15.5)**
Arrears Payments	(61.9)	(41.1)	(38.2)	(21.0)	(5.0)	0.0	0.0	0.0
Other non-deficit transactions	0.0	0.0	0.0	(30.3)	(79.1)	(98.3)	(15.8)	(4.2)
Financing	**491.5**	**531.7**	**283.1**	**281.8**	**213.0**	**156.6**	**371.2**	**19.7**
Domestic Financing (Net)	**(340.1)**	**107.0**	**(217.9)**	**(247.7)**	**11.2**	**(3.0)**	**302.5**	**38.1**
Central Bank	(66.6)	331.6	(132.6)	(174.6)	270.0	(56.1)	230.4	39.6
Commercial Banks	106.6	(24.5)	99.9	131.3	679.9	139.2	5.1	24.1
National Insurance Board	(207.9)	15.3	(60.2)	(83.3)	(439.0)	(80.8)	(23.4)	(25.4)
Private Non-Bank	(34.9)	(47.1)	(136.8)	76.2	(172.2)	63.1	(34.5)	46.2
Other	(137.3)	(168.3)	11.7	(197.2)	(327.5)	(134.7)	124.9	(46.4)
Divestment	0.0	0.0	0.0	0.0	0.0	66.4	0.0	0.0
Foreign Financing (Net)	**831.6**	**424.7**	**501.1**	**529.5**	**201.8**	**159.5**	**68.7**	**(18.5)**
Capital Markets	0.0	0.0	146.5	0.0	0.0	1,000.0	0.0	0.0
Project Funds	51.2	91.4	72.6	113.1	111.8	266.6	7.1	57.1
Policy Loans	968.1	496.6	483.6	627.6	423.4	116.0	200.0	0.0
Amortisation	(187.7)	(163.3)	(201.7)	(211.2)	(333.4)	(1,223.0)	(138.4)	(75.6)

(e) – Estimate
Source: Central Bank of Barbados

Appendix 6 -Public Debt Outstanding (BDS$ Millions)

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26[e]
Gross Central Government Debt[1]	**12,819.1**	**13,310.3**	**14,224.8**	**14,873.1**	**14,888.0**	**15,131.0**
Gross Central Government Debt/GDP (%)	125.0	104.4	101.1	102.1	96.9	94.2
Domestic Debt	**8,872.7**	**8,824.1**	**9,117.9**	**9,250.0**	**9,134.8**	**9,267.8**
Short Term	**708.1**	**710.1**	**662.3**	**822.9**	**912.7**	**1,157.6**
Treasury Bills[2]	**495.1**	**495.1**	**495.1**	**667.7**	**785.8**	**939.0**
Central Bank	207.2	207.2	207.2	207.2	207.2	207.2
Commercial Banks	285.1	285.1	285.1	432.9	572.5	701.1
Other	2.8	2.8	2.8	27.6	6.1	30.6
Loans	**213.0**	**215.0**	**167.2**	**155.2**	**126.9**	**218.6**
Central Bank	213.0	215.0	167.2	155.2	126.9	218.6
Long Term	**8,164.6**	**8,113.9**	**8,455.6**	**8,427.0**	**8,222.0**	**8,110.3**
Bonds	**8,083.7**	**8,091.2**	**8,051.6**	**8,047.0**	**7,298.0**	**7,191.9**
Central Bank	414.4	444.4	626.8	626.8	590.7	505.3
Commercial Bank	2,048.8	2,058.3	2,034.2	2,061.5	1,934.5	1,955.9
NIS	2,650.2	2,665.4	2,605.2	2,521.9	2,082.8	2,002.1
Insurance Companies	815.8	815.1	810.6	782.1	765.0	770.8
Pension Funds	311.7	321.9	317.1	315.3	324.3	326.5
Other	1,842.7	1,786.1	1,657.6	1,739.4	1,600.7	1,631.2
Loans & Tax Certificates	**1.5**	**0.1**	**146.6**	**146.6**	**739.3**	**733.2**
Commercial Banks	1.4	(0.0)	146.5	146.5	739.2	733.1
Other	0.1	0.1	0.1	0.1	0.1	0.1
Arrears	**79.4**	**22.6**	**257.5**	**233.4**	**184.8**	**185.2**
External Debt	**3,946.4**	**4,486.2**	**5,106.8**	**5,623.2**	**5,753.3**	**5,863.2**
Long Term	**3,946.4**	**4,486.2**	**5,106.8**	**5,623.2**	**5,753.3**	**5,863.2**
International Bonds	1,072.9	1,072.9	1,070.7	1,069.3	913.2	1,140.2
Bilateral	244.4	312.6	376.3	384.9	387.5	373.8
Multilateral	2,381.3	2,882.4	3,323.3	3,861.7	4,175.8	4,134.3
IMF (Budget Support)	368.2	464.8	530.8	744.7	958.7	851.2
Commercial	247.8	218.3	336.5	307.2	276.7	214.9
Arrears	0.0	0.0	0.0	0.0	0.0	0.0
Other Public Sector Debt (Guaranteed Contingent Liabilities)	**51.9**	**46.0**	**36.2**	**26.3**	**69.5**	**69.8**
External Debt	**51.9**	**46.0**	**36.2**	**26.3**	**69.5**	**69.8**
Long Term	**51.9**	**46.0**	**36.2**	**26.3**	**69.5**	**69.8**
Bonds	31.1	31.1	26.0	23.3	17.5	13.6
Multilateral	20.9	14.9	10.2	3.0	52.1	56.2
Gross Public Sector Debt[3]	**12,871.1**	**13,356.3**	**14,261.0**	**14,899.4**	**14,957.6**	**15,200.8**
Gross Public Sector Debt/GDP (%)	125.5	104.7	101.4	102.3	97.4	94.6

e) – Estimate
1 Gross Central Government Debt = Domestic Debt + External Debt
2 Treasury Bills - Inclusive of Treasury Bills held for a fixed period
3 Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt (Guaranteed Contingent Liabilities)
Sources: Ministry of Finance, Accountant General and Central Bank of Barbados

Appendix 7 -Select Monetary Aggregates and Financial Stability Indicators for the Banking System (BDS$ Millions)

	2020	2021	2022	2023	2024	2025	Mar 2025	Mar 2026[(e)]
Monetary Authorities								
Net International Reserves[1]	2,208.5	2,605.7	2,330.6	2,556.5	2,775.9	2,691.1	2,959.0	2,633.3
Monetary Base	3,551.8	4,132.8	4,389.2	4,401.1	4,282.9	4,220.6	4,633.9	4,190.9
Net Domestic Assets	1,282.7	1,467.9	2,002.3	1,742.4	1,396.6	1,402.5	1,552.6	1,429.9
Deposit-taking Institutions[2]								
Credit to Public Sector[3]								
Central Government (net)	2,056.5	2,100.1	2,249.8	2,418.0	3,194.9	3,353.9	3,201.9	3,383.6
Rest of the Public Sector	85.3	144.5	157.1	142.6	136.8	119.8	131.8	120.8
Credit to Rest of Financial System	262.8	246.1	280.2	294.7	309.9	275.6	302.3	291.9
Credit to the Non-Financial Private Sector[4]	8,153.7	8,096.8	8,350.7	8,568.0	8,959.4	9,474.8	9,076.9	9,548.9
Total Deposits	12,976.2	13,697.0	14,413.4	14,582.5	15,810.8	16,261.5	16,247.9	16,492.8
Transferable Deposits[5]	11,178.9	11,855.8	12,643.9	12,900.2	14,009.4	14,218.3	14,308.1	14,454.0
Non-Transferable Deposits	1,797.3	1,841.1	1,769.4	1,682.3	1,801.3	2,043.2	1,939.8	2,038.8
Memo Items								
Domestic Currency Deposits	12,283.2	12,809.9	13,376.8	13,547.9	14,539.3	14,835.4	14,741.8	14,962.7
Foreign Currency Deposits	693.0	887.0	1,036.5	1,034.6	1,271.4	1,426.1	1,506.0	1,530.1
Banking System Financial Stability Indicators[6]								
Capital Adequacy Ratio (CAR)	16.0	16.8	17.6	20.9	21.2	19.0	19.5	18.7
Loan to Deposit Ratio	57.1	53.0	53.1	54.3	57.0	58.9	55.8	58.6
Liquid Assets to Total Assets	27.5	31.1	32.0	30.5	28.7	28.9	30.8	28.8
Non-Performing Loans Ratio	7.3	7.3	5.9	5.0	4.1	3.6	3.9	3.4
Provisions to Non-Performing Loans	56.3	53.0	53.1	54.1	46.5	45.0	46.7	47.4
Return on Average Assets (12-month)	0.8	1.1	1.3	1.8	1.2	1.1	1.1	0.9

(e) – Estimate
1 - Based on prevailing market rates rather than the IMF programme rates previously used.
2 - Comprises Commercial Banks, deposit-taking Finance & Trust Companies and Credit Unions
3 - Reflects both security holdings and loans.
4 - Does not include credit to the non-resident sector
5 - These comprise of call deposits, demand deposits and savings deposits with unrestricted withdrawal privileges
6 - Data on commercial banking sector
Source: Central Bank of Barbados