



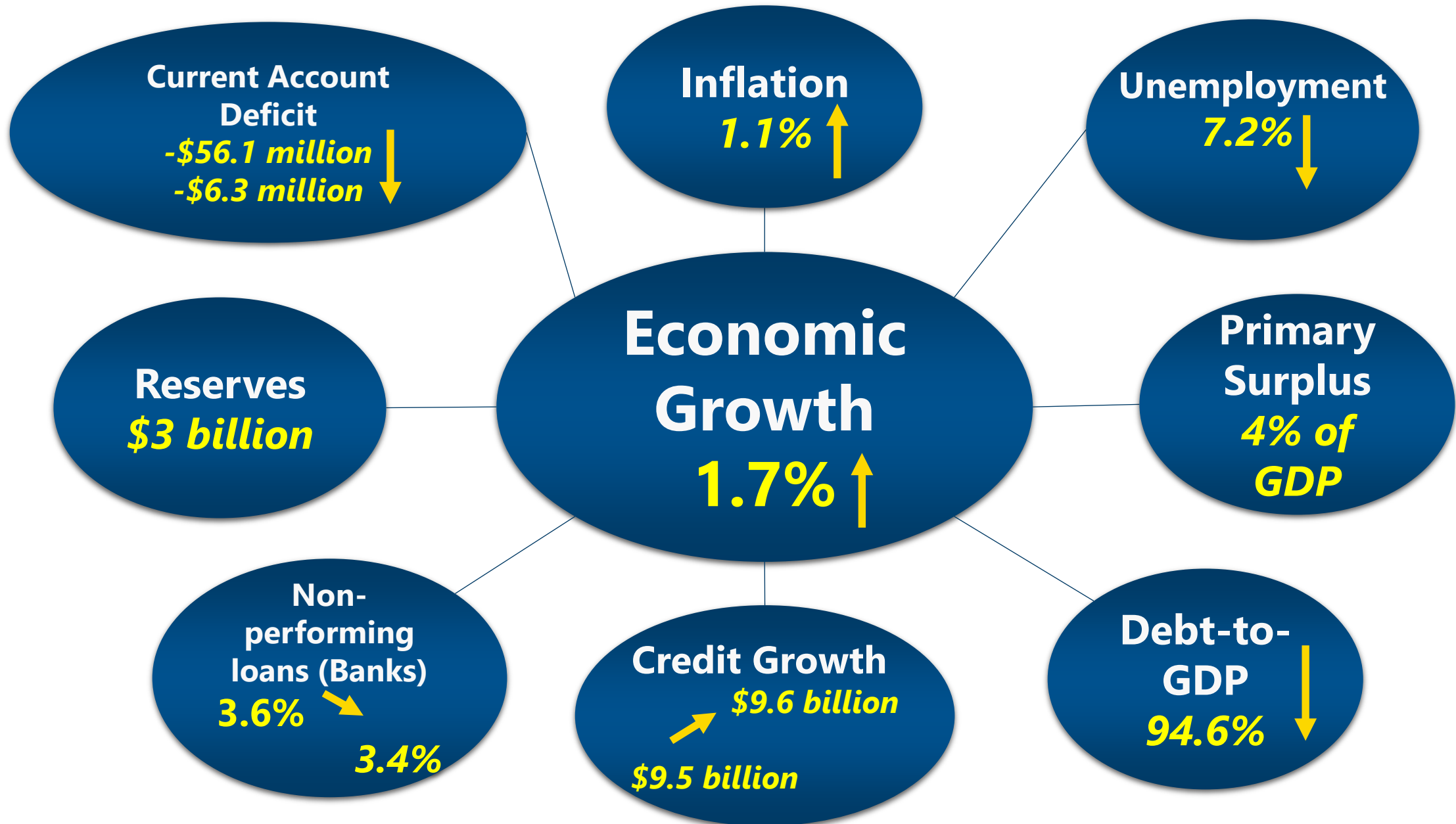
BARBADOS' ECONOMIC REVIEW





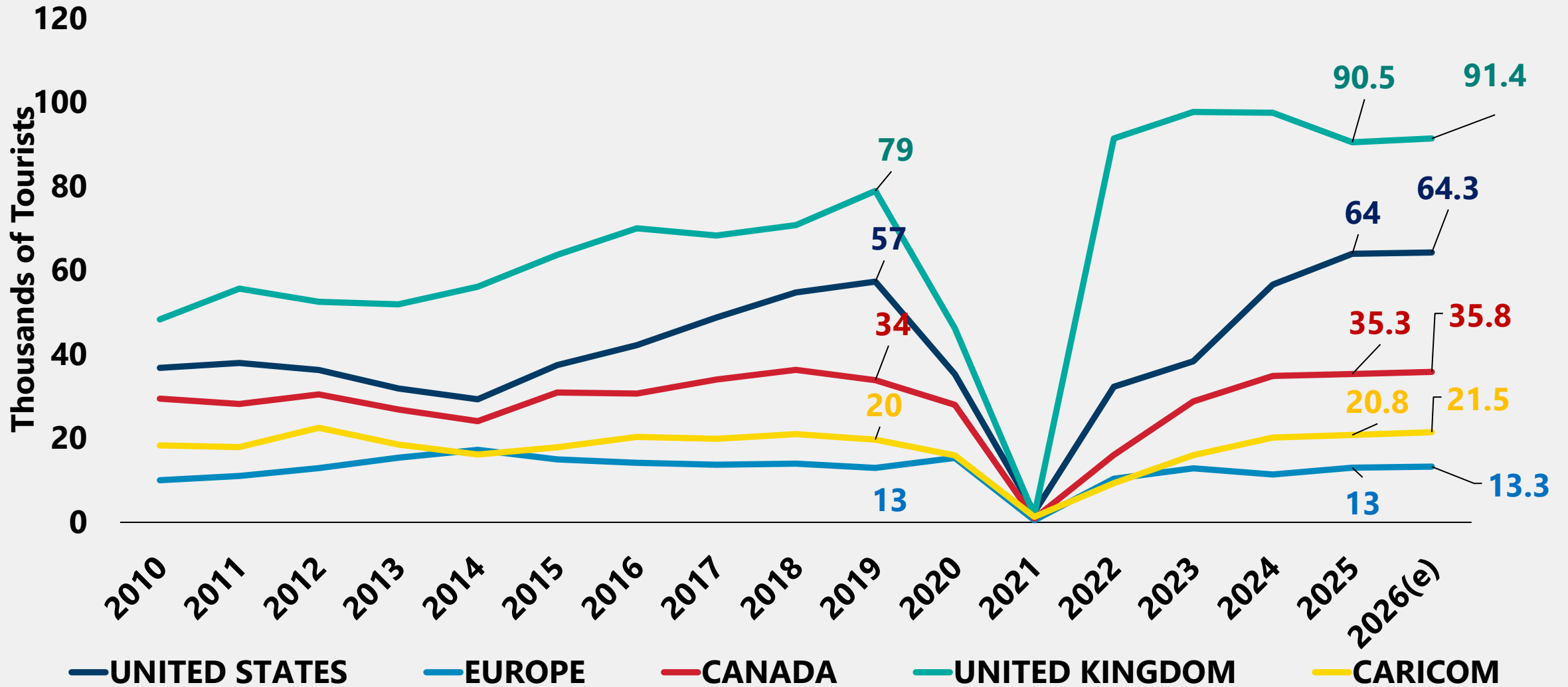
OVERVIEW OF THE ECONOMY

Strong fundamentals underpin sustained economic growth



Long-stay tourist arrivals rose by 1.2% - year-on-year increase

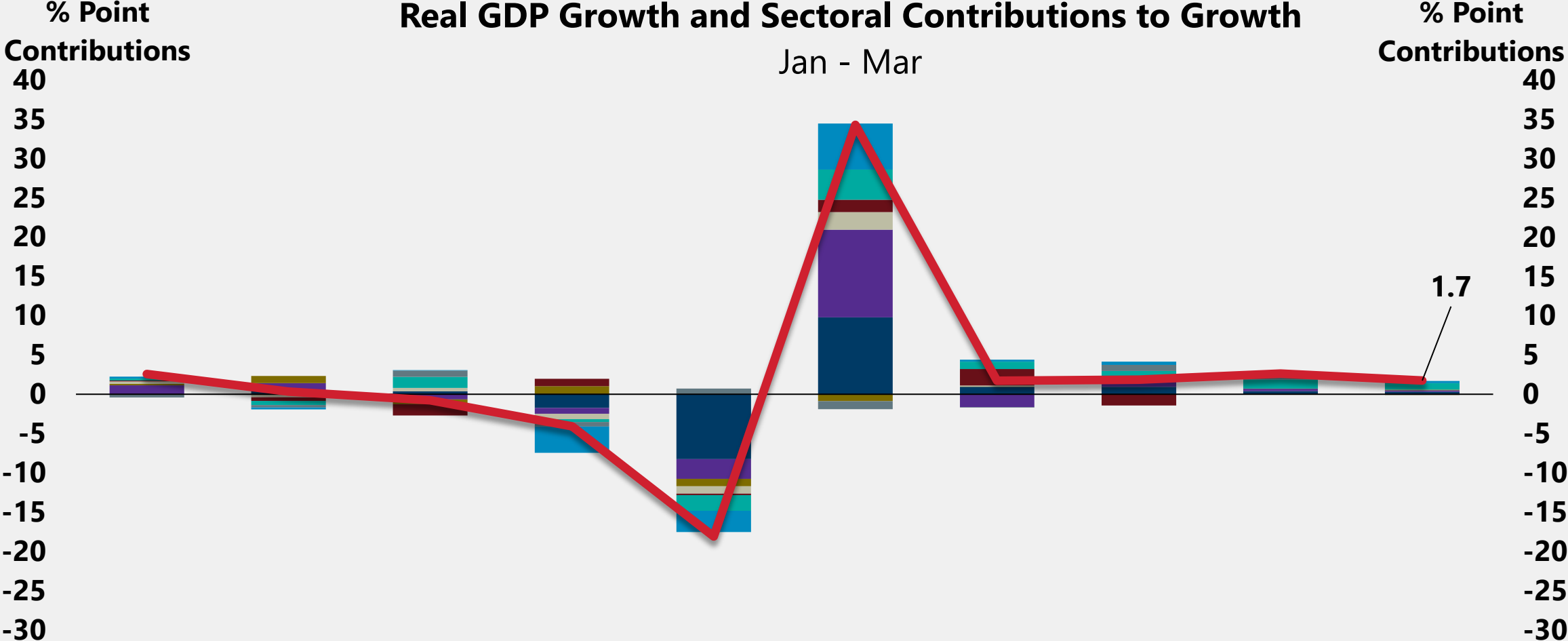
Jan - Mar



Growth was broad-based

Real GDP Growth and Sectoral Contributions to Growth

Jan - Mar



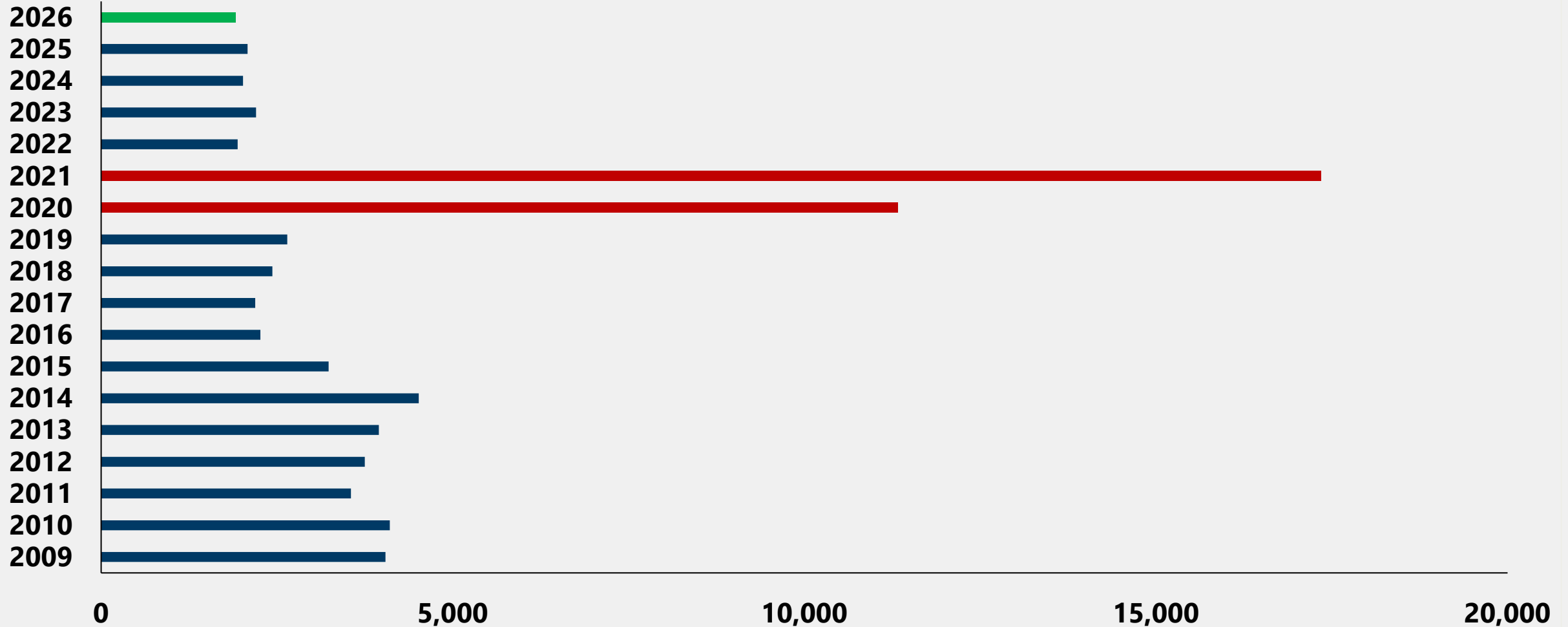
- Tourism **3.3%**
- Wholesale & Retail **0.9%**
- Agriculture **4.1%**
- Manufacturing **-2.3%**
- Government **3.4%**
- Business & Other Services **2.5%**
- Construction, Quarrying & Mining
- Other Non-tradables
- Real GDP

Labour Market Conditions Improved

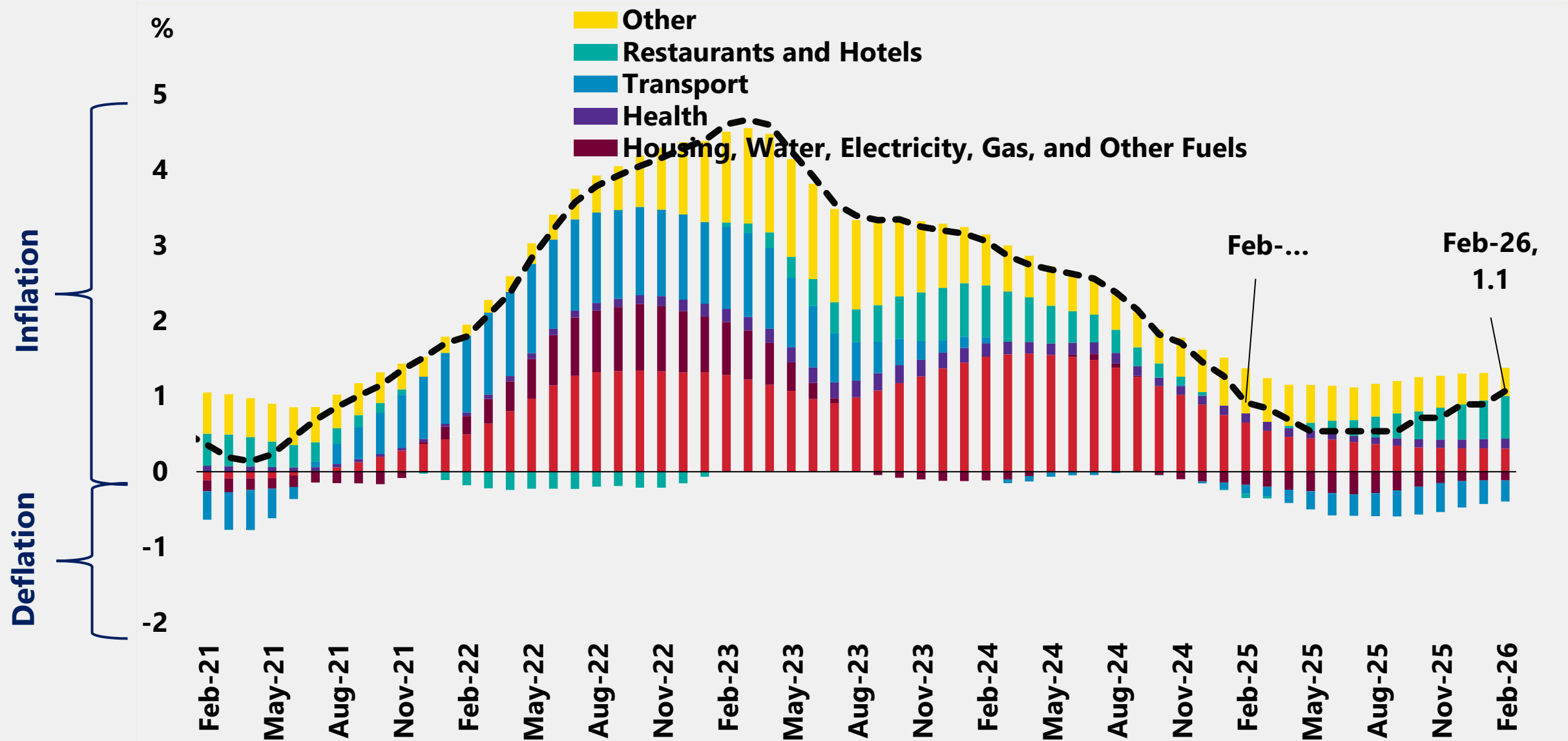
Number of unemployment claims fell below pre-pandemic levels in Q1 of 2026

Number of Claims

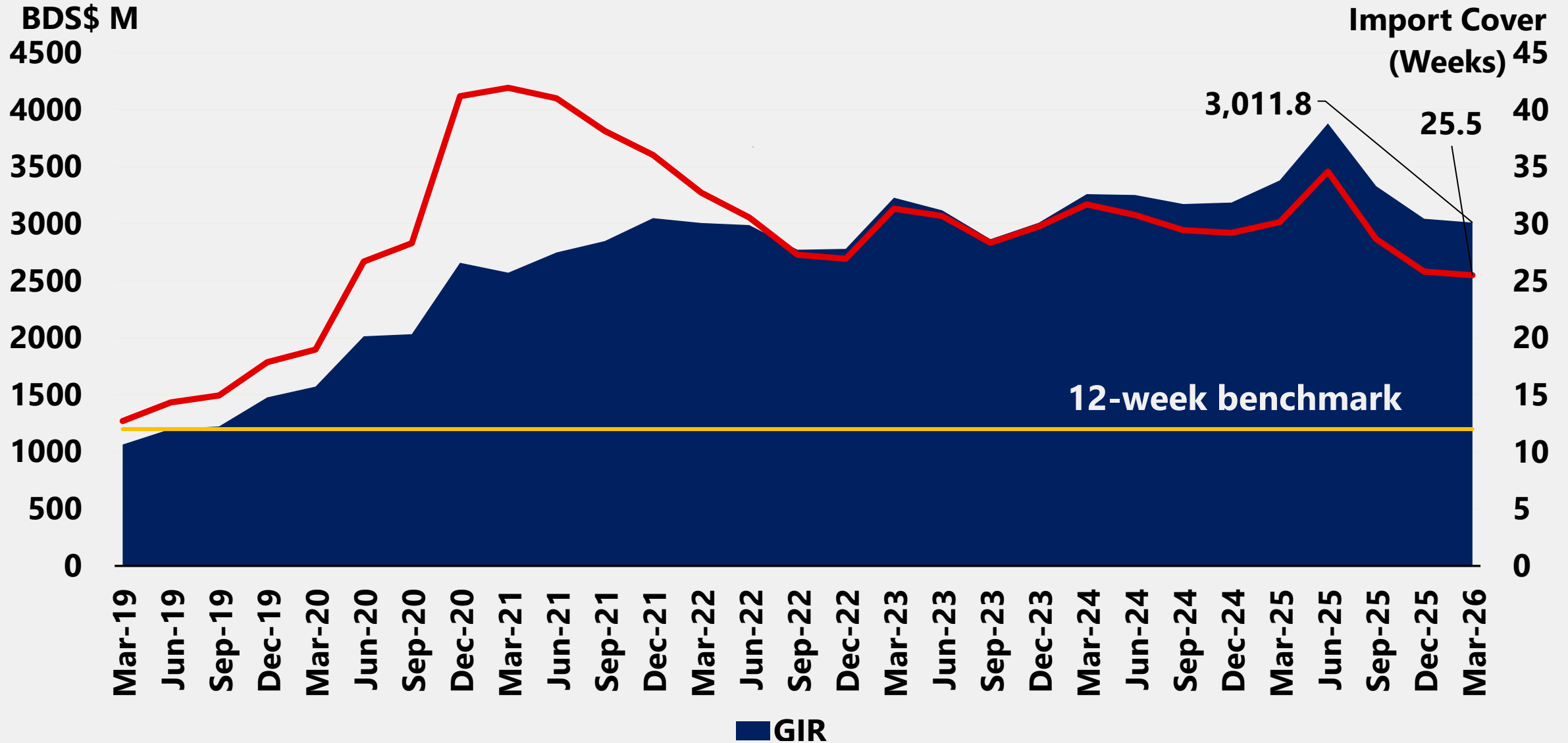
Jan-Mar Claims



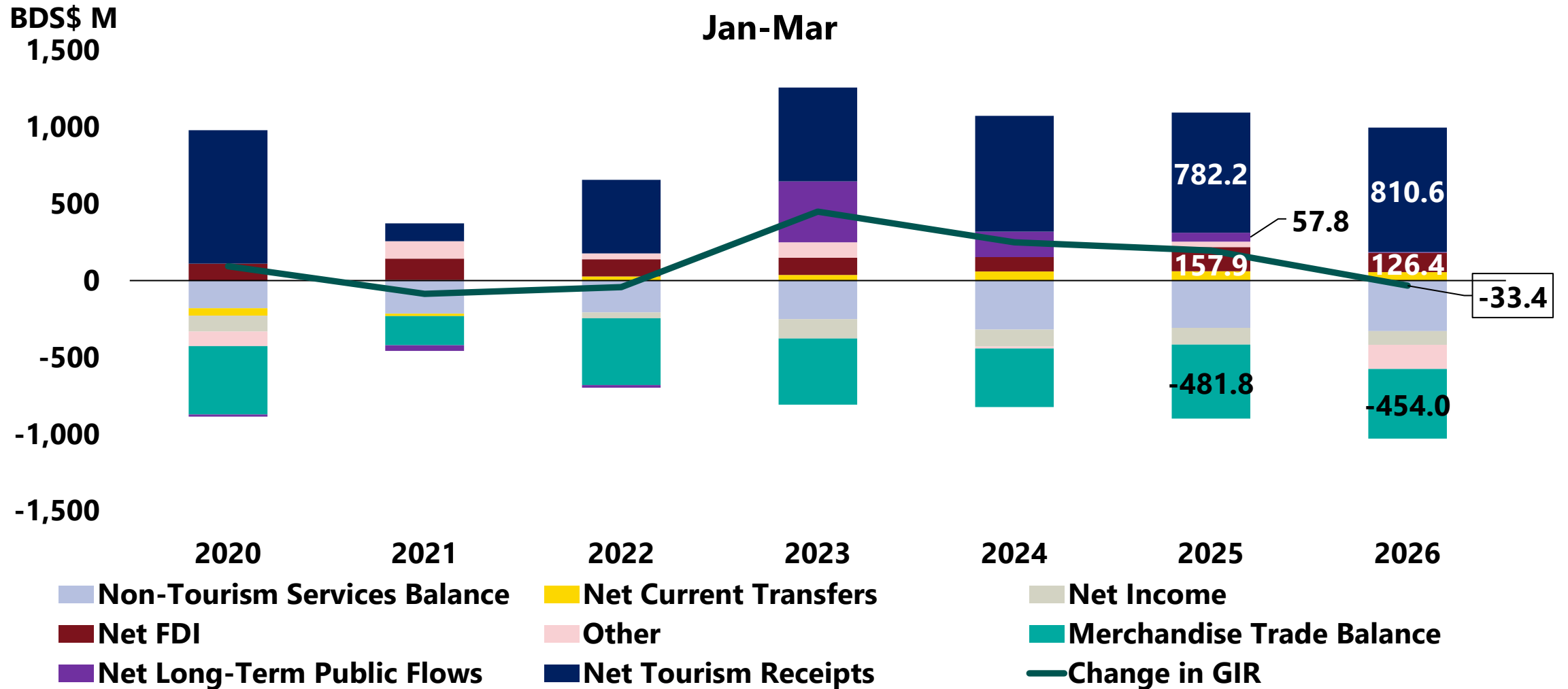
12-month moving average inflation rate edged up



Foreign reserves at end-March 2026 amounted to 25.5 weeks of import cover



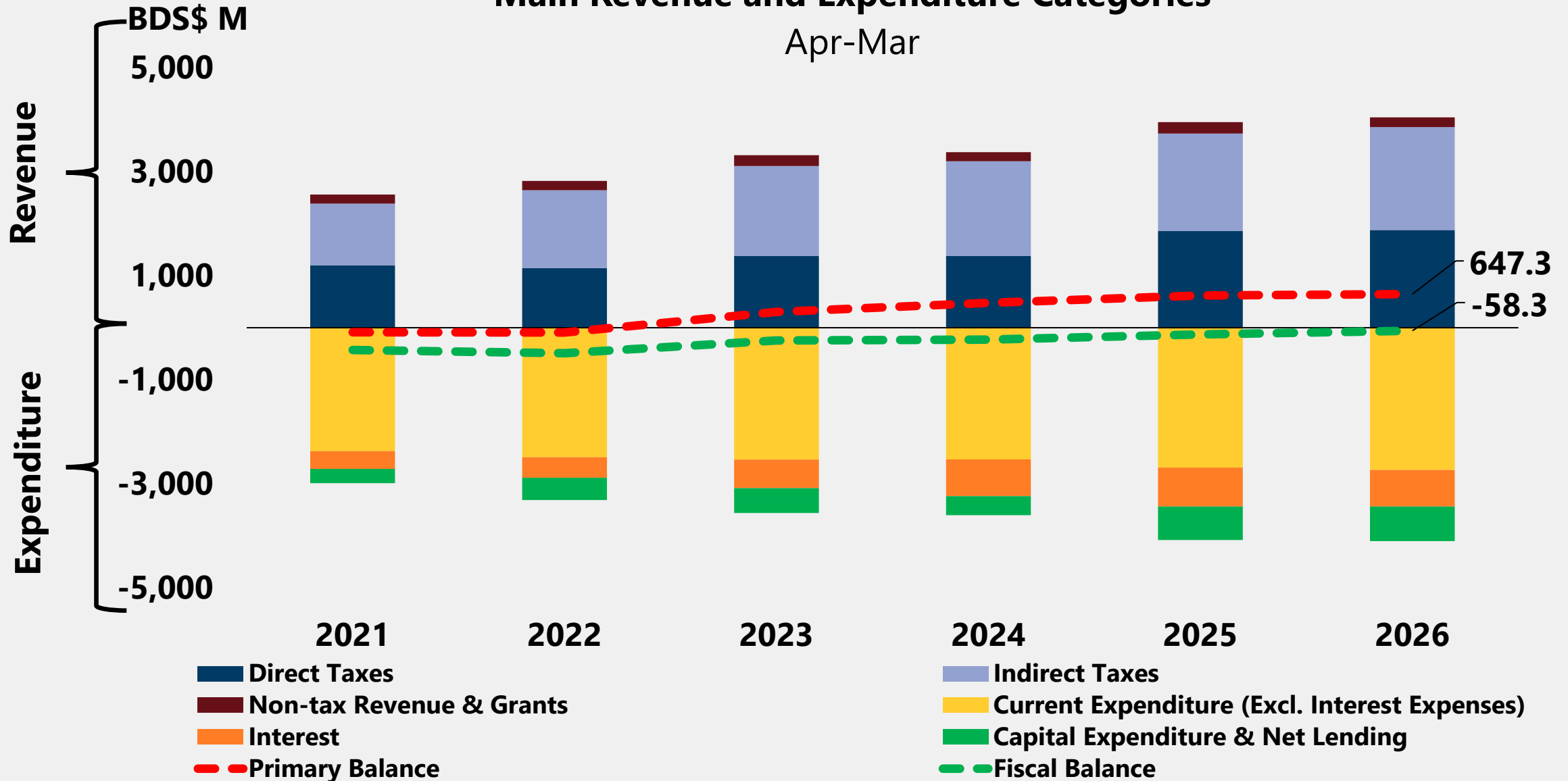
Higher travel earnings and lower imports supported the reserve position



Fiscal operations resulted in a primary surplus

Main Revenue and Expenditure Categories

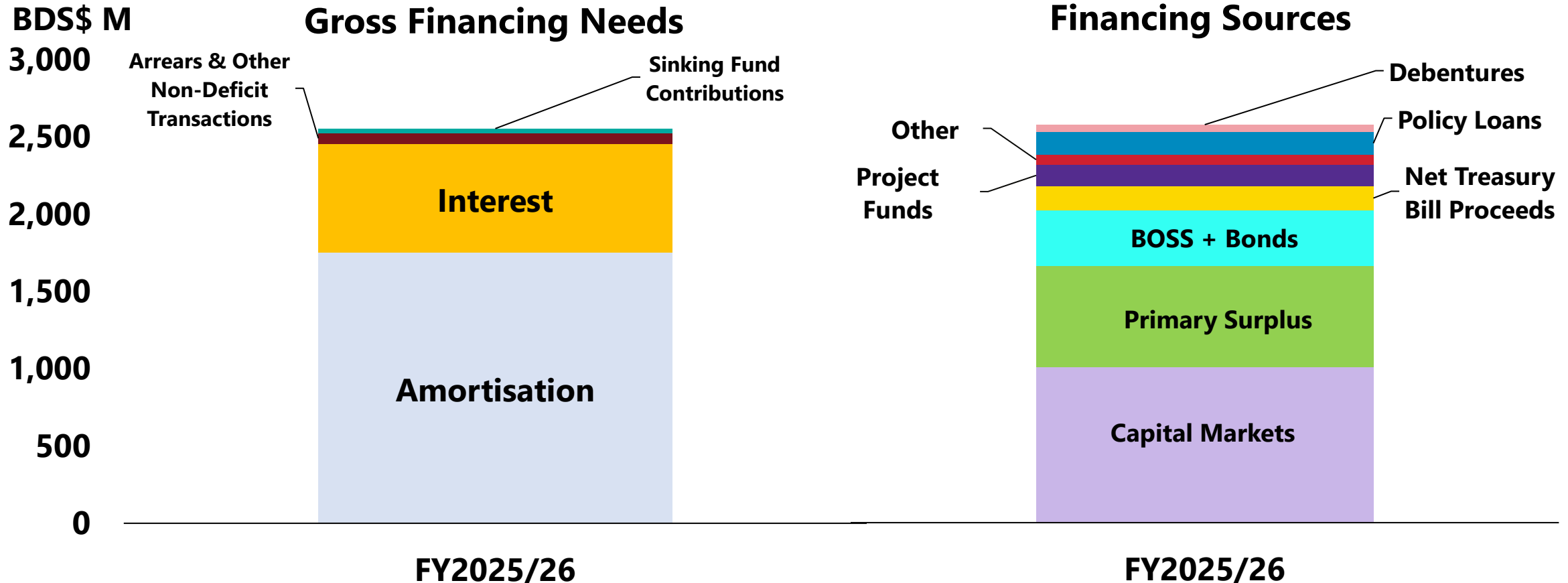
Apr-Mar



Government accessed financing from external and domestic markets

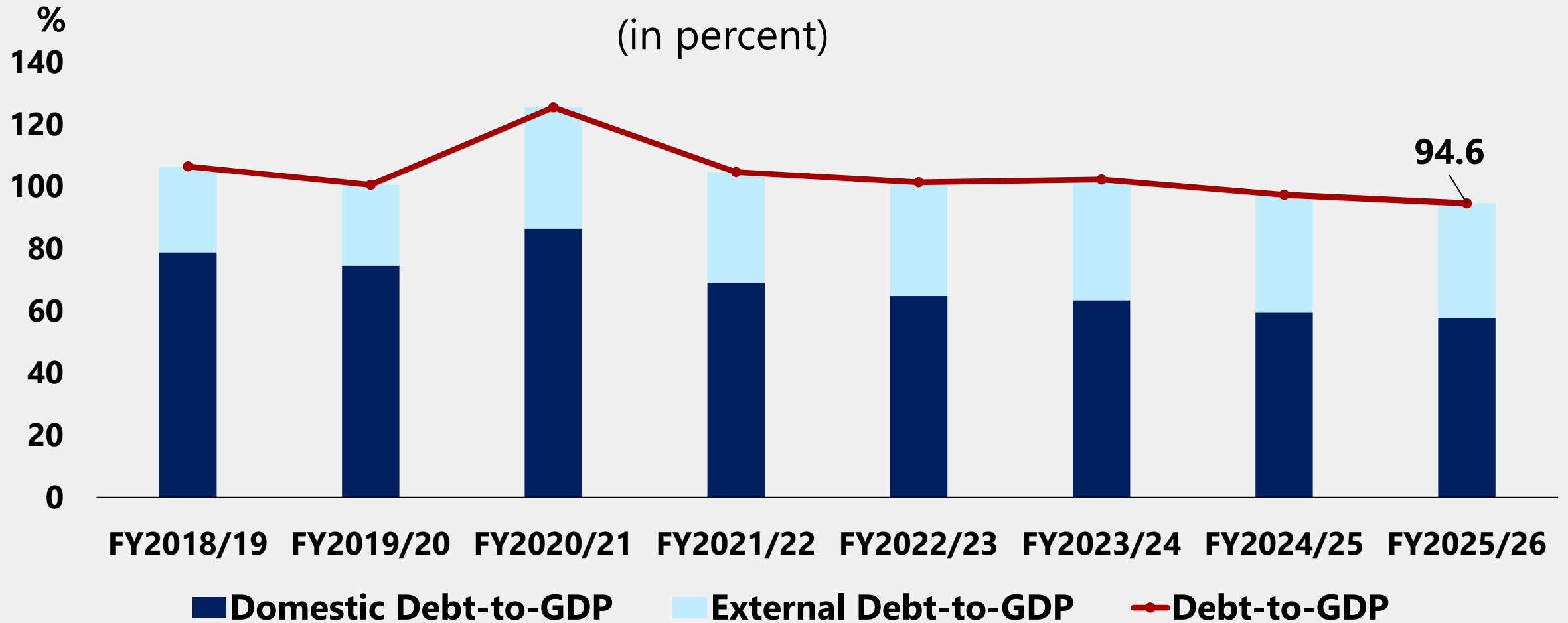
The early repayment of a portion of the 2029 Eurobonds & the IMF EFF pushed up Gross Financing Needs...

...Sources of financing included the capital markets bond, primary balance, BOSS+ bonds, project funds, policy loans, T-Bills, and debentures.



Debt-to-GDP ratio continues on a downward path

Debt-to-GDP (in percent)

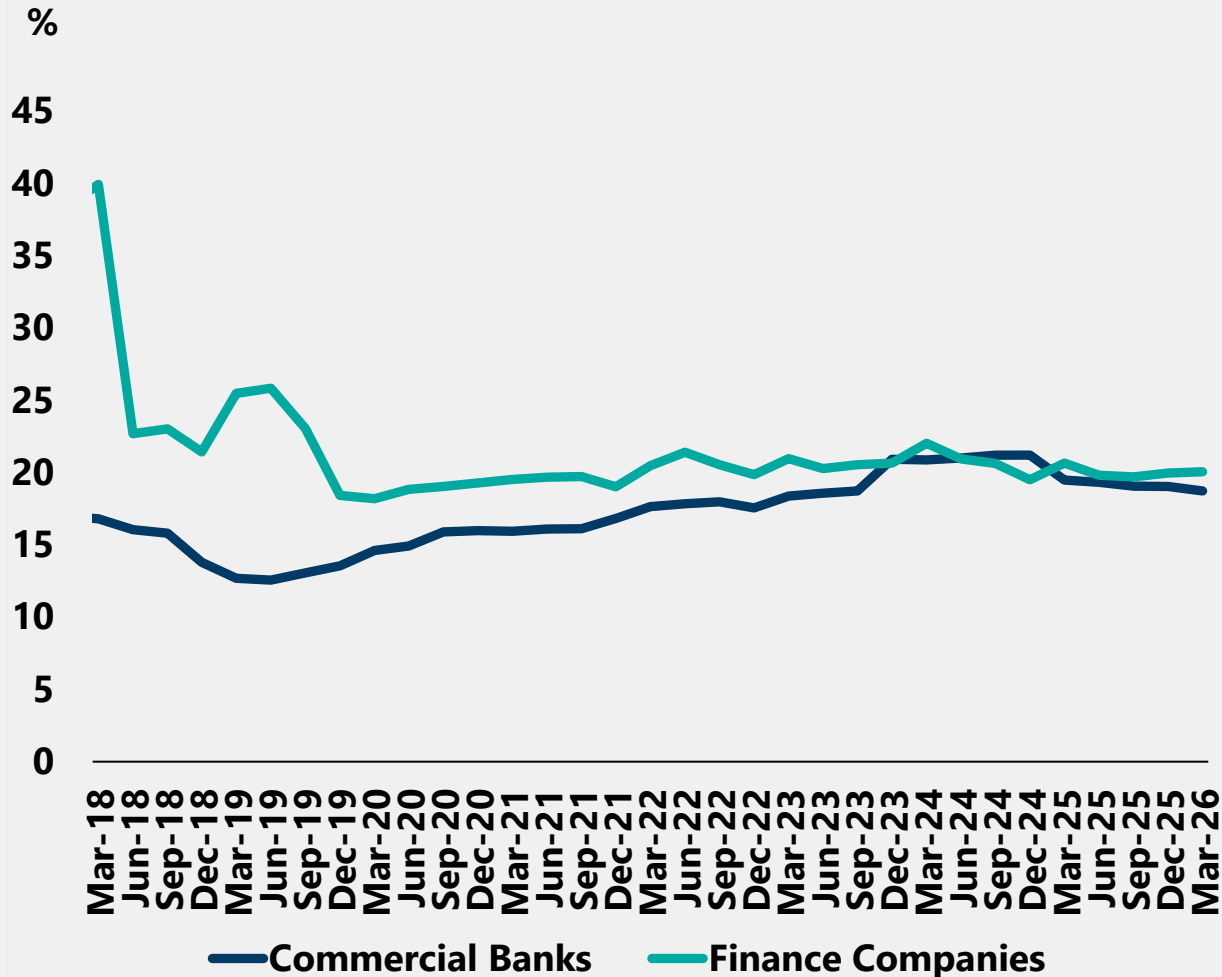


The financial system remained stable

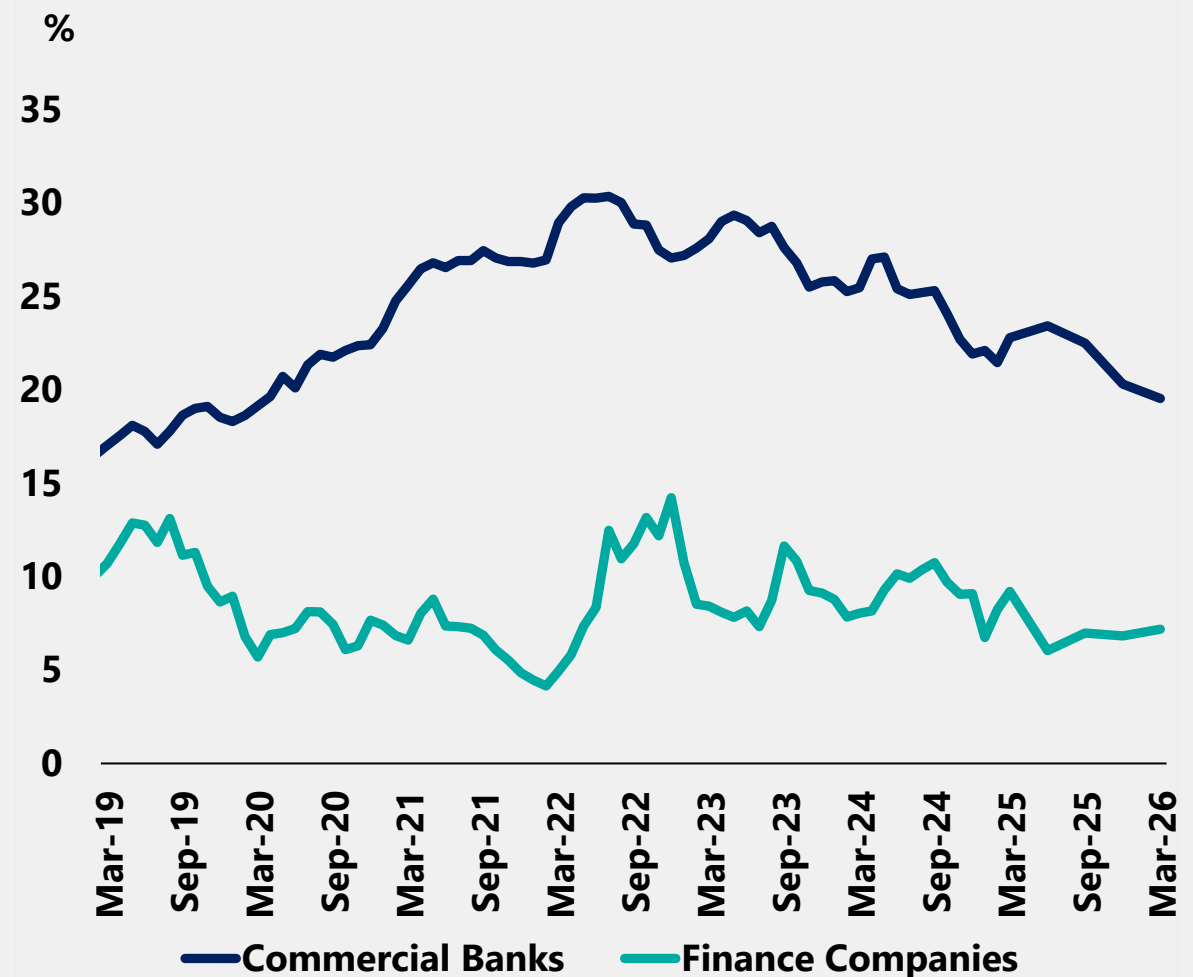
Deposit-taking institutions are well capitalised

Liquidity remains elevated

Capital Adequacy Ratio

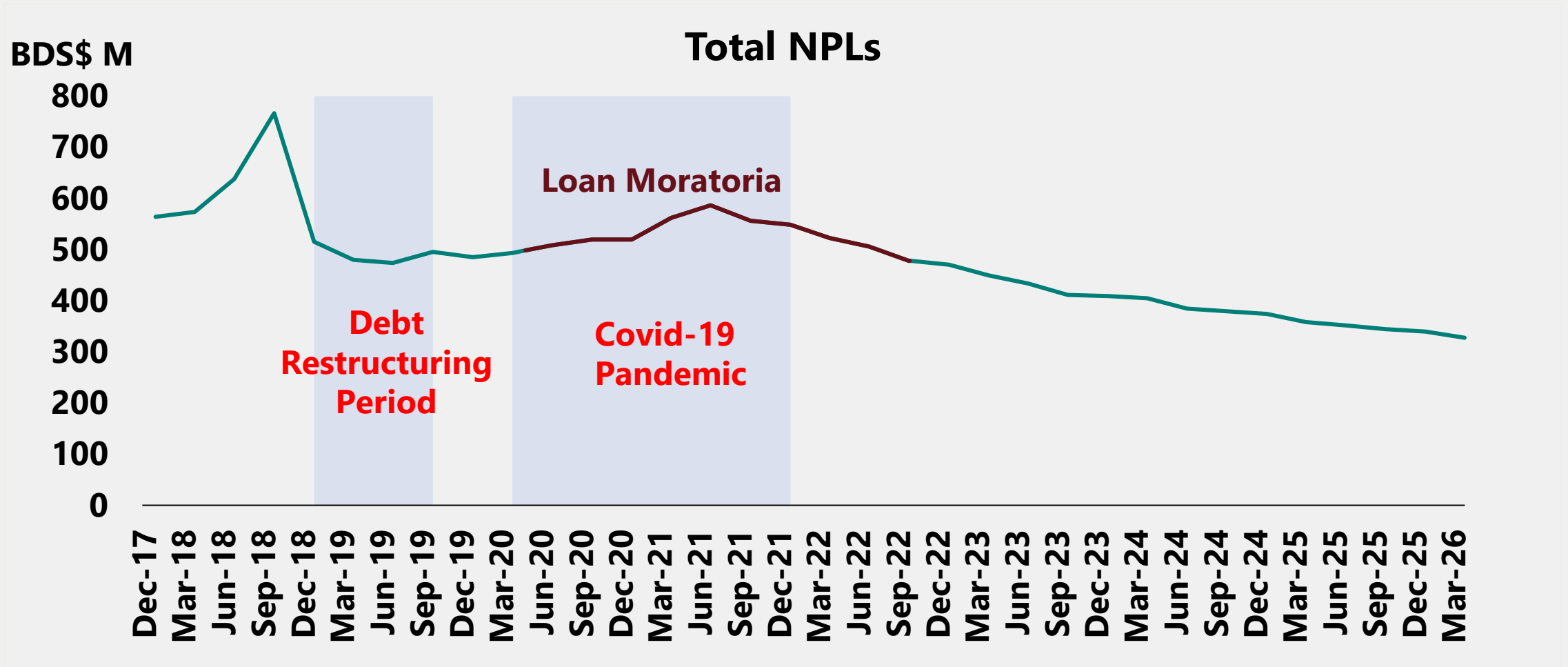


Excess Cash Ratio



Credit quality strengthened

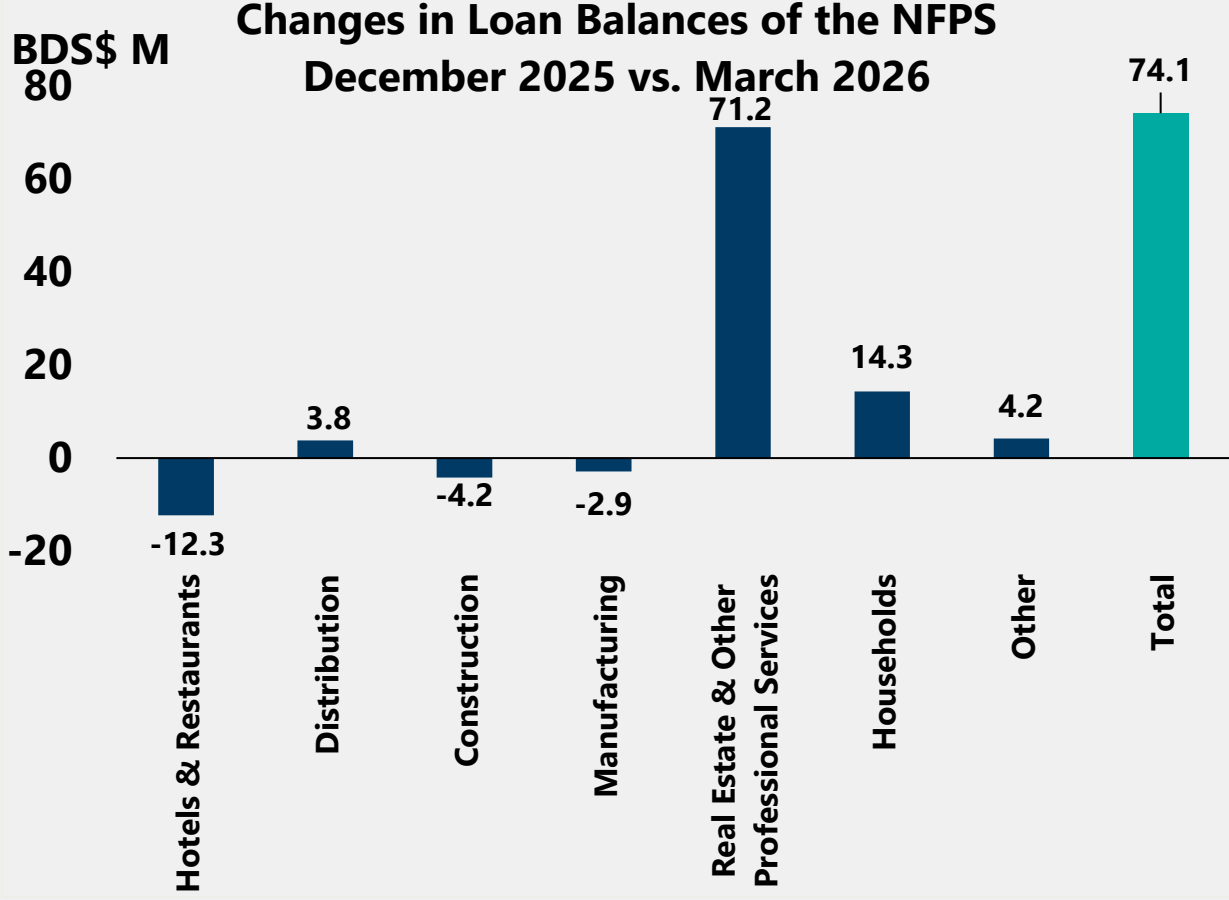
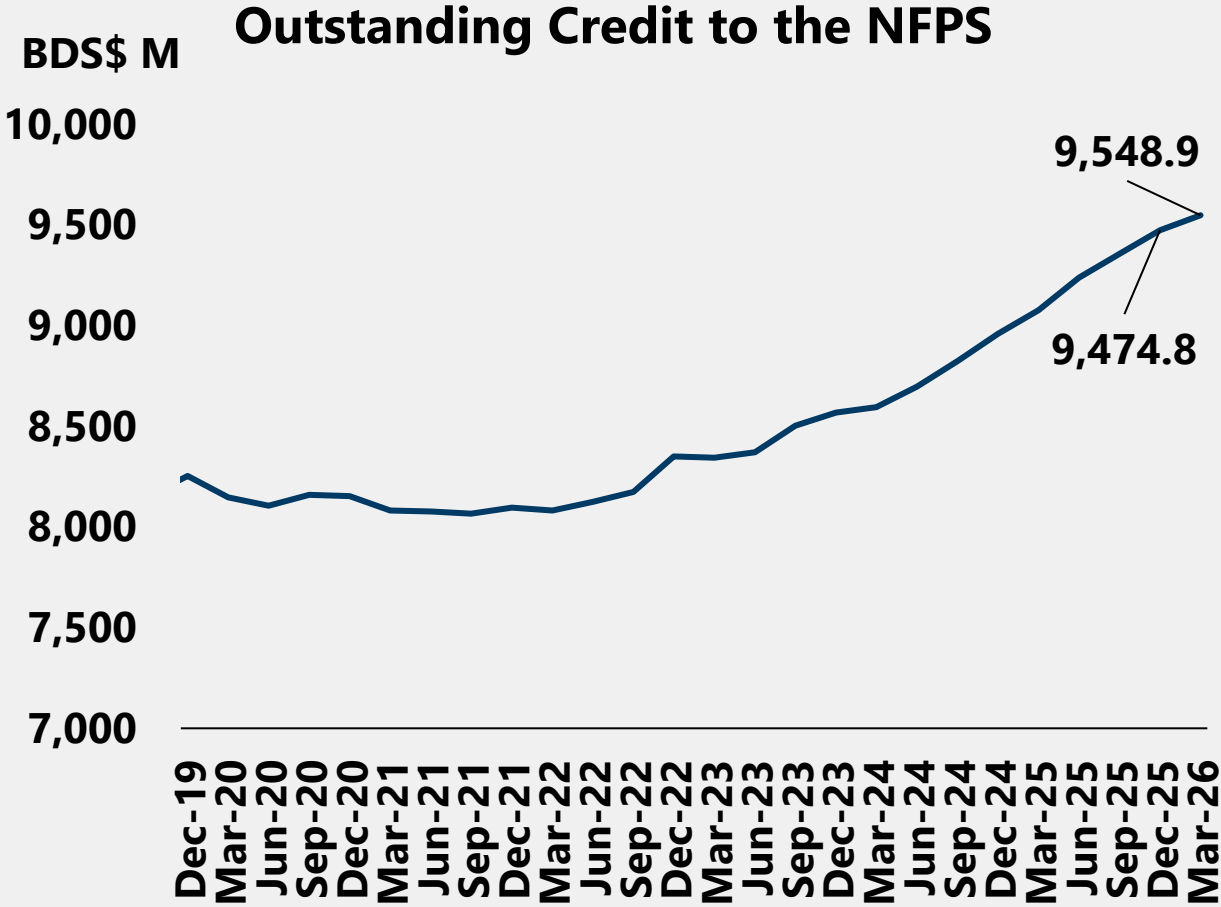
Total NPLs continued their gradual decline, underpinned by sustained economic activity



Credit growth remained steady

Overall credit to the non-financial private sector grew by 0.8%

...credit to households and real estate & other professional services led credit gains.





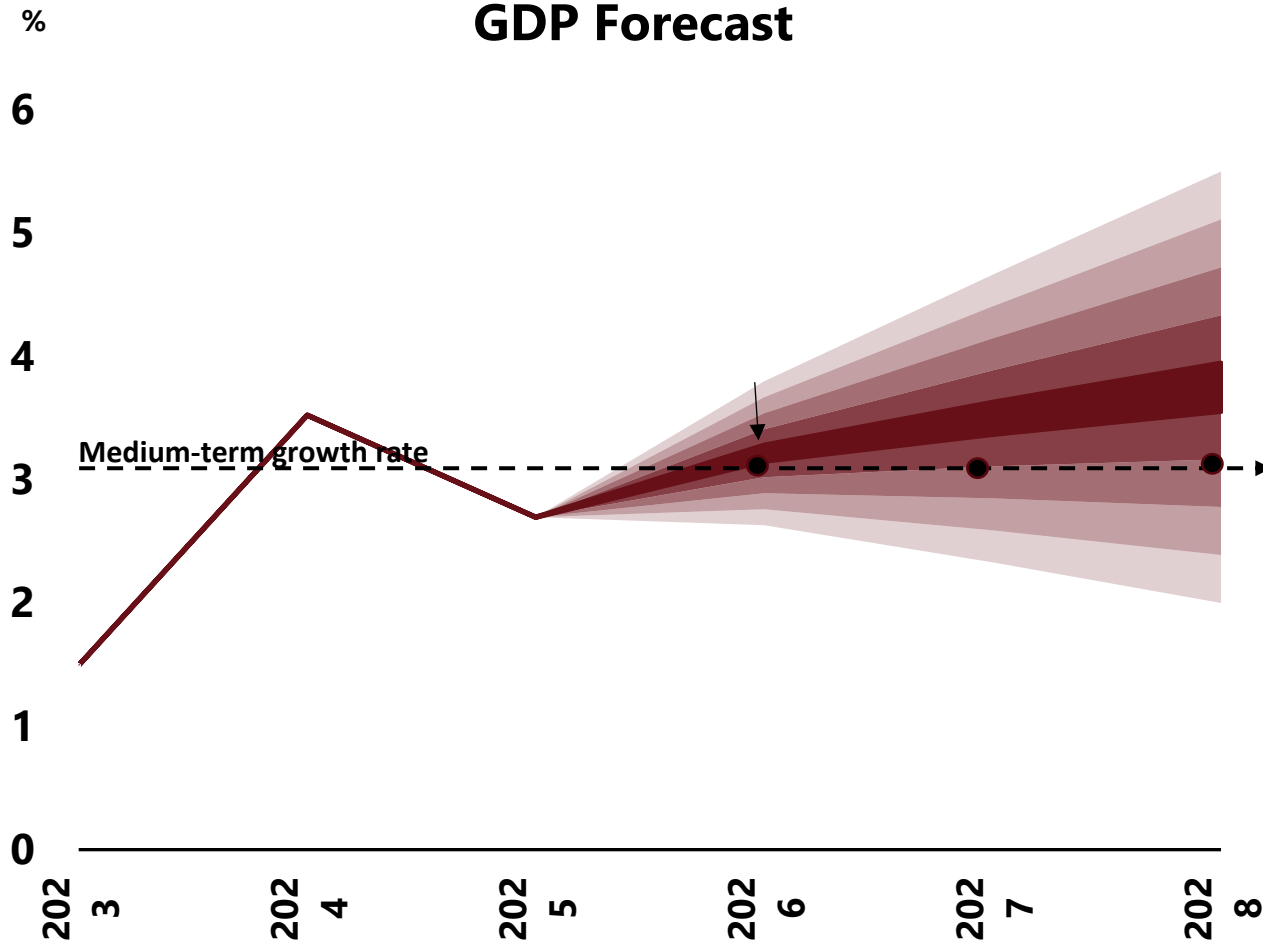
OUTLOOK FOR THE ECONOMY

The economy is expected to maintain its growth trajectory

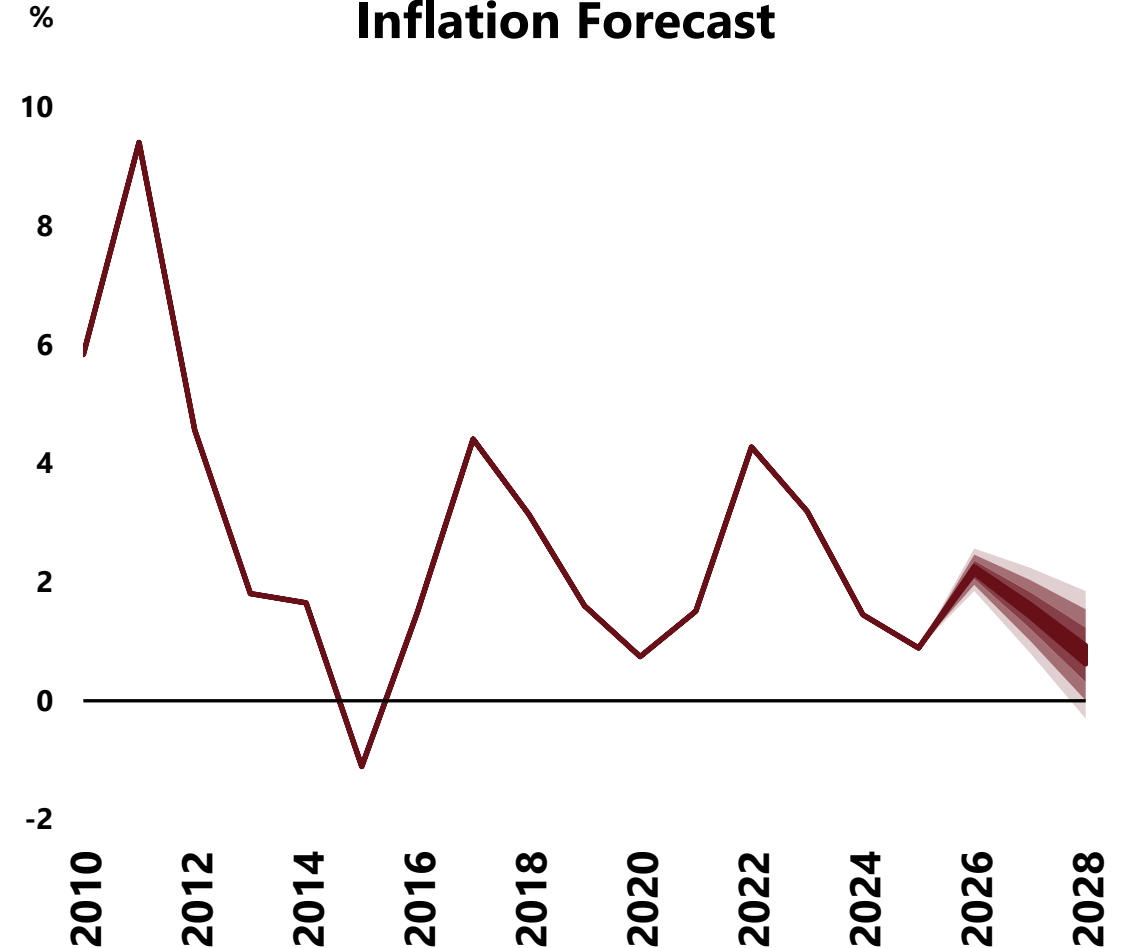
Real GDP should continue to expand by about 2% to 3% in 2026 and then remain at its medium-term rate of 3%

Inflation is expected to remain low and stable, broadly between 2% and 2.6%, averaging 2% into the medium-term.

GDP Forecast

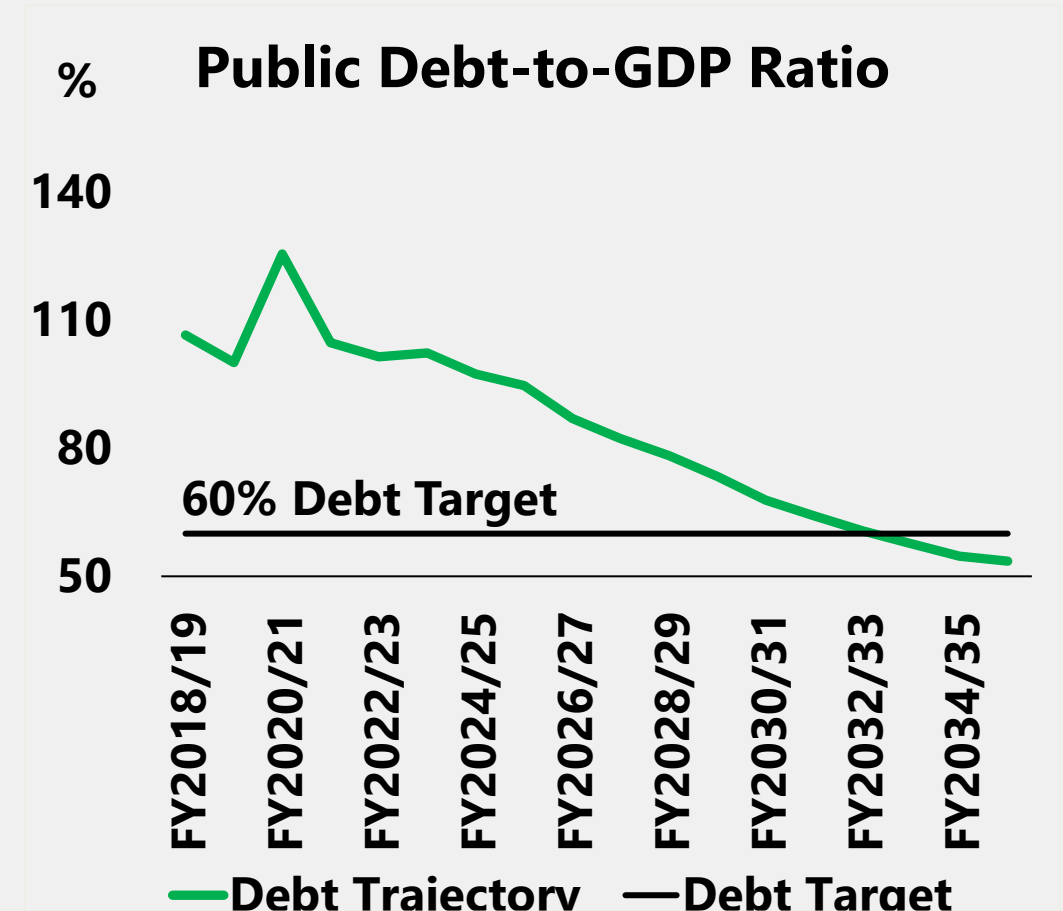
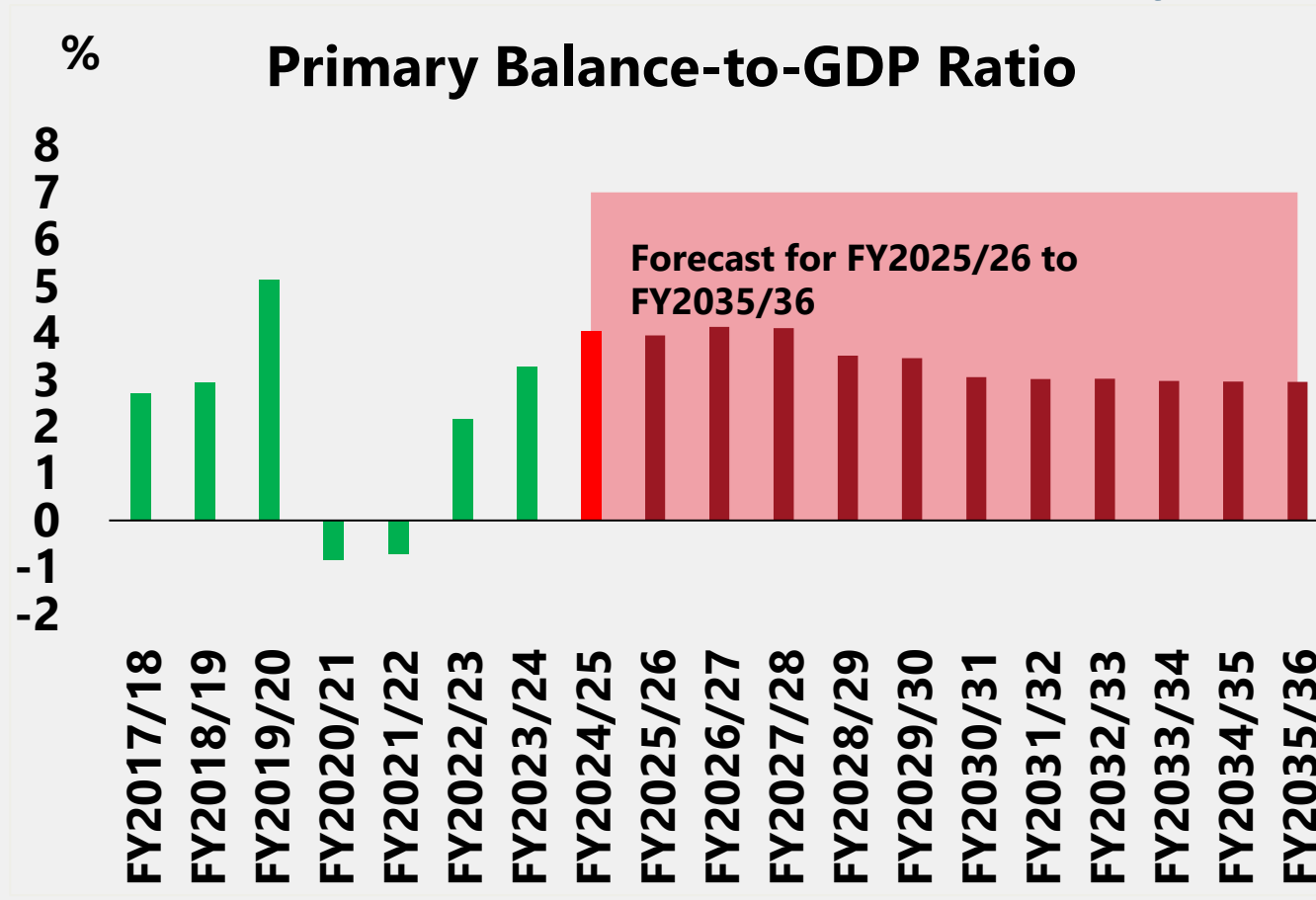


Inflation Forecast



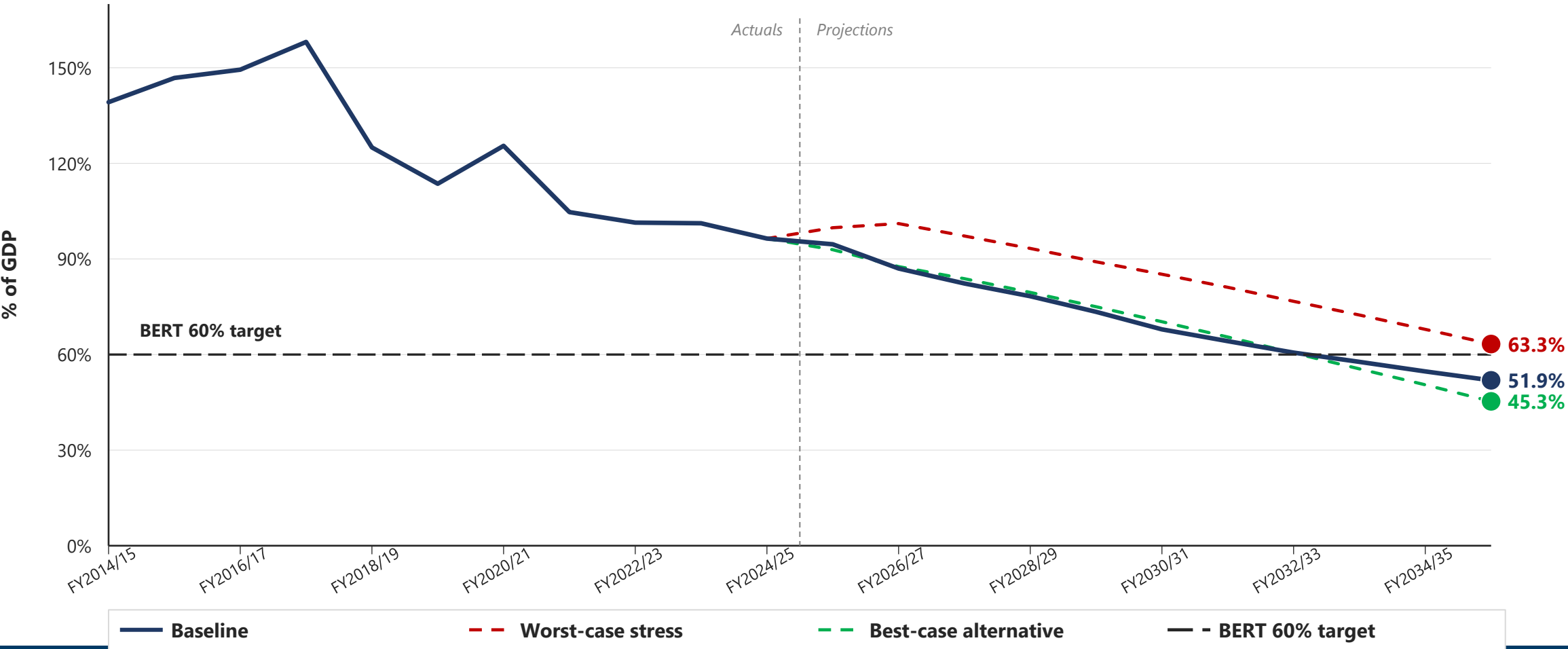
Continued growth and a strong fiscal stance will continue to improve debt indicators.

The primary balance path is consistent with achieving the long-term debt anchor of 60% of GDP.



Debt sustainability is robust to standardised shocks

Even under worst-case stress, public debt continues to decline; baseline reaches the 60% BERT anchor by FY2032/33



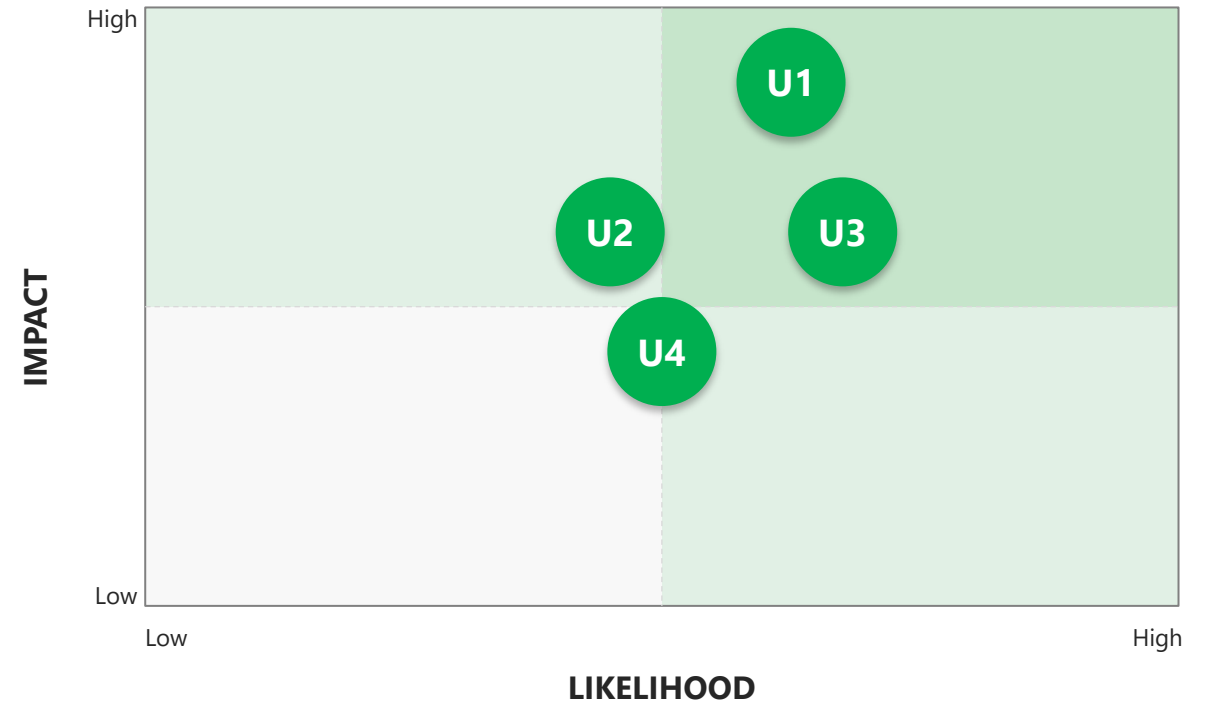
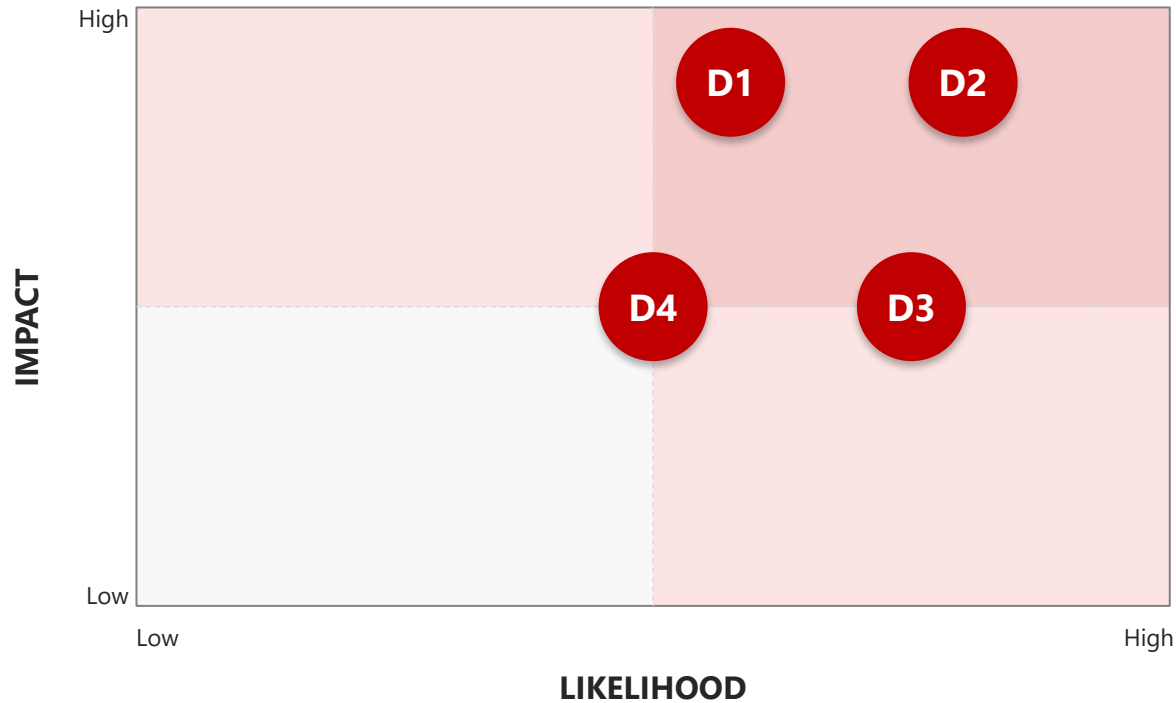
Source: Central Bank of Barbados Debt Sustainability Analysis. Methodology: IMF Public Debt Dynamics Tool (TNM/2021/005). Stress envelope reflects standardised shocks to growth, primary balance, and interest rates.

Uncertainties and Risks to the Outlook

A balanced risk profile, with downside pressures matched by domestic upside opportunities

DOWNSIDE RISKS

UPSIDE OPPORTUNITIES



- D1** Slower global growth
- D2** Geopolitical tensions / oil prices
- D3** Trade uncertainty
- D4** Weather disruptions

- U1** Stronger tourism
- U2** Climate-smart infrastructure
- U3** Public & private investment
- U4** Productivity / BERT 2026 reforms

An aerial photograph of a city at dusk, with a large yellow triangle in the bottom left corner. The text "THANK YOU" is overlaid in the center.

THANK YOU