



Press Release

Review of Barbados' Economic Performance:

January to September 2026

Strong Buffers, Moderating Growth: Barbados Builds on Stability as External Risks Rise



Overview

KEY INDICATORS: January to September 2026

Real GDP Growth 1.4 percent	Inflation¹ 1.5 percent	Unemployment² 6.6 percent	International Reserves \$2.8 billion
Current Account Deficit \$532.6 million	Primary Surplus (Apr-Sep) \$507.5 million (3 percent of GDP)	Fiscal Balance (Apr-Sep) \$150.1 million (0.9 percent of GDP)	Gross Public Sector Debt 93.6 percent of GDP

Barbados sustained economic growth during the first nine months of 2026, as growth in the non-traded sector offset weaker performance in the traded sectors. Real GDP expanded by an estimated 1.4 percent, compared with 2.3 percent in the corresponding period of 2025. The non-traded sector grew by 1.8 percent, as expansion in business and other services and in wholesale and retail trade outweighed a marginal decline in construction. In contrast, the traded sector contracted by 0.6 percent as tourism and manufacturing activity weakened. Domestic activity therefore remained the principal source of growth, although the expansion became less broadly based in a challenging international environment.

Tourist arrivals demonstrated resilience, but shorter visitor stays constrained the sector's contribution to economic growth. Long-stay arrivals increased marginally by 0.2 percent, while in-transit cruise arrivals rose by 17.3 percent. However, shorter average stays reduced visitor nights, contributing to a 1.2 percent decline in tourism value added. Higher hotel room rates supported accommodation revenues, although occupancy levels fell. These developments highlight the importance of strengthening visitor spending and tourism earnings, alongside growth in arrival numbers.

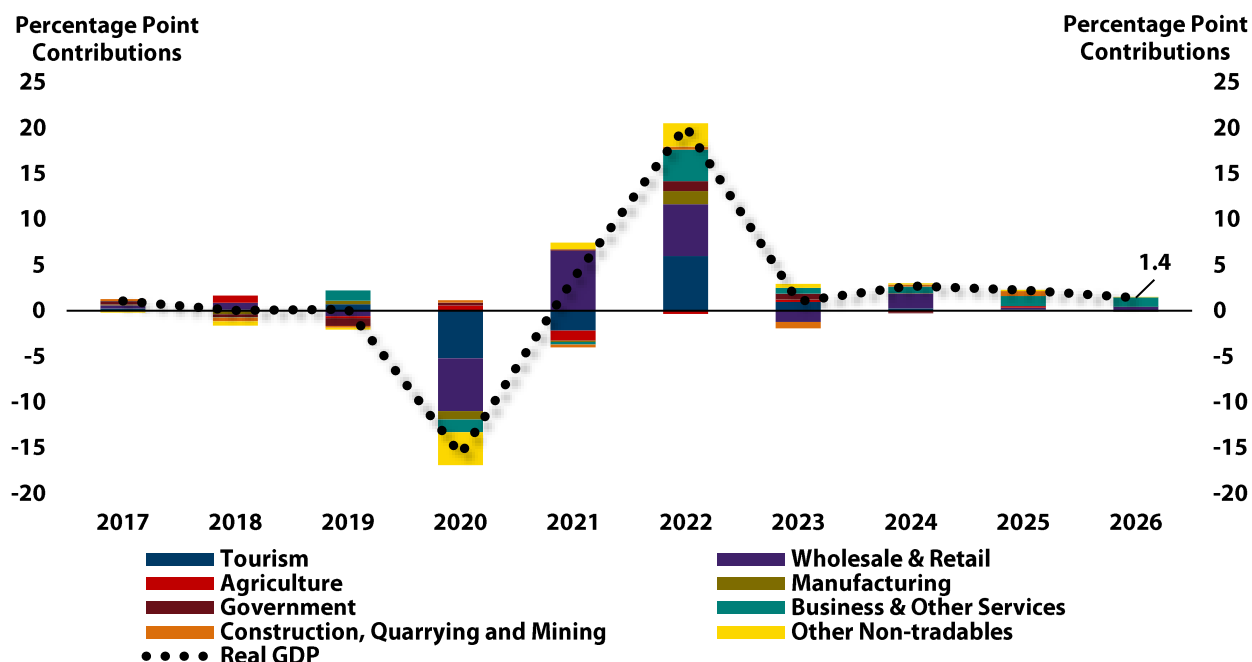
Labour market conditions showed mixed results, while inflation remained moderate despite some upward pressure. The unemployment rate increased to 6.6 percent in the second quarter of 2026, from 6.1 percent a year earlier, as labour force growth outpaced employment gains. However, unemployment claims declined by 6 percent during January to September, providing a more encouraging recent indicator. The 12-month moving-average inflation rate reached 1.5 percent in July, compared with 0.5 percent a year earlier, reflecting higher prices for food, utilities and several household services. Government measures to contain domestic fuel and electricity costs continued to cushion the impact of rising international energy prices.

¹ 12-month moving-average inflation rate for July 2026.

² Unemployment rate for the second quarter of 2026.

Figure 1: Real GDP Growth and Sectoral Contributions

January to September



Sources: Barbados Statistical Service and Central Bank of Barbados

The current account deficit narrowed, largely because higher corporate tax receipts lifted current transfer credits. During the first nine months of 2026, the deficit declined by \$181.5 million to \$532.6 million. A \$244.9 million increase in net current transfers, associated with higher foreign-currency corporate tax receipts, drove that result. Those inflows, together with a marginally narrower merchandise trade deficit, more than offset weaker services and income balances. While favourable, the improvement did not reflect a broad strengthening of export earnings, reinforcing the importance of expanding sustainable foreign-exchange inflows.

Barbados maintained substantial international reserves, notwithstanding a decline in external financing inflows. Gross international reserves (GIR) stood at \$2.8 billion at end-September 2026, equivalent to 22.8 weeks of import cover and comfortably above the 12-week international benchmark. After rising during the first half, reserves declined by \$309.6 million in the third quarter, leaving them \$217.8 million below their end-December 2025 level, as lower foreign investment and other financial inflows did not fully offset the economy's external financing needs. The reserve position continues to provide an important safeguard against external shocks, while highlighting the need to strengthen tourism earnings, investment inflows and external competitiveness.

Government maintained substantial fiscal and primary surpluses, although expenditure growth exceeded revenue gains during the first half of FY2026/27. The primary surplus reached \$507.5

million, exceeding the end-September programme floor by \$137.5 million³, while the overall fiscal surplus totalled \$150.1 million. Both surpluses narrowed relative to the corresponding period of FY2025/26, as higher spending on goods and services, transfers and capital projects more than offset increased revenue collections. Part of the increase in transfers reflected Government measures to limit the impact of higher international fuel prices on households and businesses. Corporate income tax receipts, including collections under the Qualified Domestic Minimum Top-up Tax, continued to support fiscal performance. Sustained surpluses provide an important foundation for debt reduction and priority investment, although the timing and persistence of exceptional tax receipts warrant careful consideration.

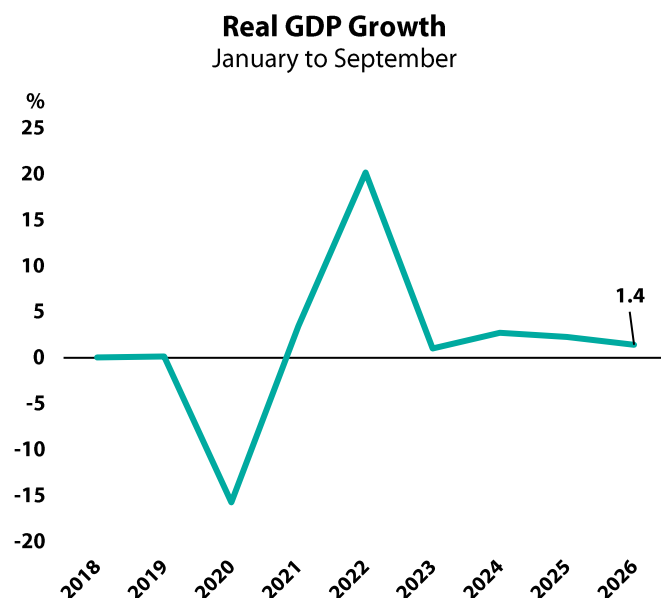
Economic growth and sustained fiscal discipline kept the public debt ratio on its downward trajectory. Gross public sector debt stood at approximately \$15.3 billion at end-September 2026, remaining \$148.2 million below the programme ceiling. The debt-to-GDP ratio declined to an estimated 93.6 percent, from 94.8 percent at the end of FY2025/26. Although the nominal debt stock increased modestly, growth in nominal GDP reduced the debt burden relative to the size of the economy, sustaining progress towards the medium-term debt objective.

Expanding credit, improving loan quality and adequate capital buffers kept the financial system sound. Credit to the non-financial private sector increased by 4 percent, compared with deposit growth of 1.6 percent. Asset quality strengthened, with non-performing loan ratios declining to 3.3 percent for commercial banks and 5.7 percent for finance companies. Although commercial bank liquidity and capital adequacy ratios declined during the review period, they remained above regulatory requirements. These developments demonstrate continued financial-sector resilience while underscoring the importance of monitoring liquidity and credit conditions as lending expands.

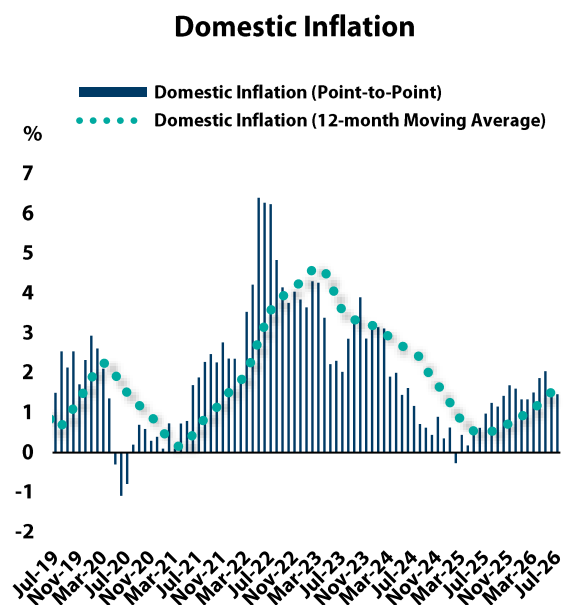
The outlook remains positive, but sustaining growth will require stronger traded-sector performance and more effective investment execution. Encouraging forward tourism bookings and increased planned airlift provide opportunities for stronger activity during the final quarter of 2026. However, shorter visitor stays, uncertainty in major tourism markets, higher international costs and delays in investment projects remain important risks. Barbados' fiscal, external and financial buffers provide a strong foundation for continued economic stability. Translating that stability into faster and more balanced growth will require sustained investment, higher productivity, improved export competitiveness and stronger foreign-exchange earnings.

³ The IMF Executive Board approved a 36-month precautionary Stand-By Arrangement for Barbados on 22 June 2026, equivalent to SDR 189 million, or about US\$257 million.

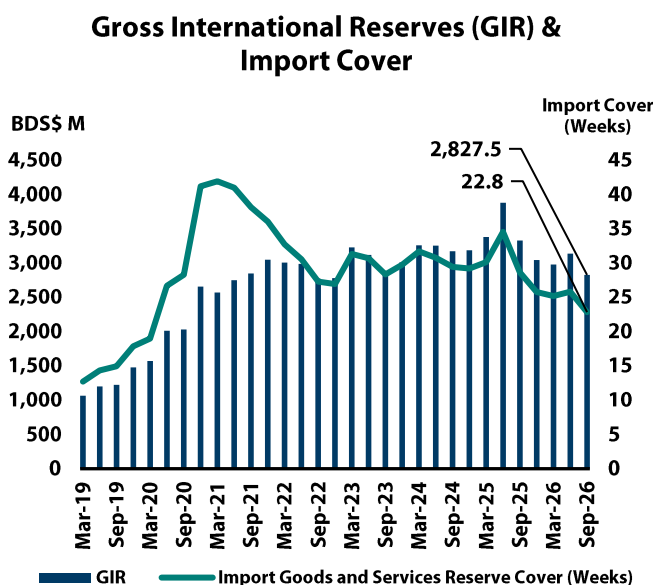
Figure 2: Selected Economic Indicators



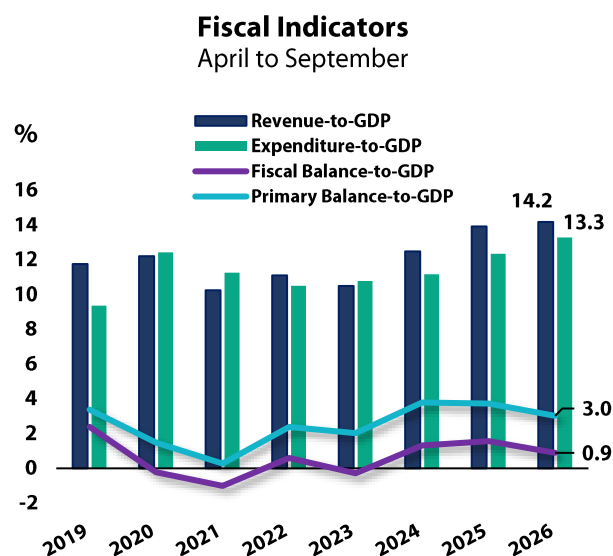
Sources: Central Bank of Barbados and Barbados Statistical Service



Source: Barbados Statistical Service



Source: Central Bank of Barbados



Source: Ministry of Finance

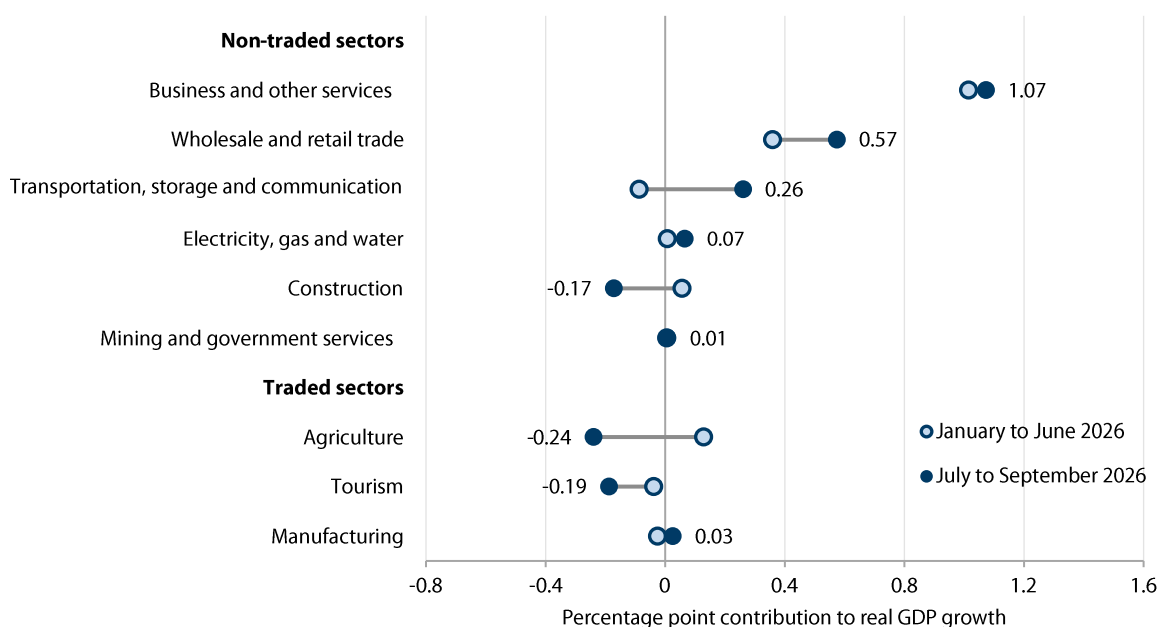
Economic Activity

The non-traded sector sustained economic growth during the first nine months of 2026, but weaker traded-sector activity narrowed the expansion. Real GDP grew by an estimated 1.4 percent, compared with 2.3 percent in the corresponding period of 2025. Although the overall growth rate remained unchanged from the first half of 2026, its composition shifted further towards non-traded activity. The non-traded sector expanded by 1.8 percent, compared with 1.6 percent at midyear, as business and other services contributed approximately 1 percentage point to overall growth and wholesale and retail trade a further 0.4 percentage point. Together, these gains more than offset a

marginal decline in construction. In contrast, the traded sector contracted by 0.6 percent, following modest growth of 0.4 percent at midyear, as agricultural output fell sharply in the third quarter and tourism activity weakened. Non-traded activity therefore continued to support economic activity, but stronger traded-sector performance will be essential to broadening the sources of growth.

Figure 3: Sectoral Contributions to Real GDP Growth

January to June 2026 and July to September 2026



Note: Real GDP grew by 1.4 percent in each period. July to September 2026 contributions reflect the difference between January to September 2026 levels and revised January to June 2026 levels.

Source: Central Bank of Barbados

Traded Sectors

Tourism

Tourism value added declined by 1.2 percent, as weaker third-quarter activity and shorter average stays outweighed a marginal rise in long-stay arrivals. Long-stay arrivals increased by 1,151, or 0.2 percent, to 518,784 during the first nine months of 2026. Over the nine months, the average length of stay shortened from 7.6 nights to 7.4 nights, and long-stay visitor nights fell by approximately 2.8 percent. Arrivals edged higher in the third quarter, but tourism value added weakened further, as cruise activity almost ceased and visitor nights edged lower. September recorded the strongest growth of the year, as the Caribbean Premier League tournament drew visitors mainly from Trinidad and Tobago, Guyana and the United States. Long-stay arrivals rose by 13.1 percent and visitor nights by 11.6 percent in the month, although this boost could not offset weaker arrivals and shorter stays earlier in the year. A shift in the mix of markets contributed to shorter average stays: the United Kingdom, a

market of longer-staying visitors, accounted for 26.9 percent of arrivals, compared with 29.4 percent a year earlier.

Reduced winter airlift contributed significantly to the decline from the United Kingdom. Arrivals from the United Kingdom fell by 12,484, or 8.2 percent. Seat capacity from the United Kingdom and Ireland fell by 11 percent, reflecting a 15 percent reduction by Virgin Atlantic and a 5 percent decline by British Airways. Capacity stabilised over the summer, and arrivals from the United Kingdom in the third quarter edged above their level a year earlier. Arrivals from the United States declined by 3,075, or 1.7 percent, as sharply higher airfares and a 9 percent reduction in seat capacity weighed on demand during the first half, before recovering slightly in the third quarter.

Cumulative gains from Canada, Europe, CARICOM and other markets offset lower arrivals from the United Kingdom and the United States, although third-quarter performance varied considerably across markets. Arrivals from Canada rose by 5,485, or 9.2 percent, from Europe by 3,218, or 15.3 percent, from CARICOM by 4,017, or 5.4 percent, and from other markets by 3,990, or 16.1 percent. Additional Air Canada flights and the resumption of KLM's Amsterdam service supported strong winter gains. In the third quarter, however, arrivals from Canada fell as capacity remained constrained, higher airfares and warm summer weather encouraged Europeans to travel within Europe, and arrivals from CARICOM eased after Caribbean Airlines ended its direct service between Dominica and Barbados in June. Other markets made the strongest contribution to third-quarter growth, with arrivals rising by about a third and more than offsetting the combined declines from Canada, Europe and CARICOM.

Higher room rates sustained accommodation revenues, although occupancy declined and hotel activity softened in the third quarter. Hotel average daily rates rose by 9.5 percent and revenue per available room by 3.6 percent during the first nine months, while average occupancy fell by 4.2 percentage points as additions to room stock outpaced demand. Revenue per available room had risen by 6.2 percent in the first half, so the slower pace for nine months indicates slower growth in revenue per available room during the third quarter. In the sharing economy, average daily rates rose by 6.8 percent and revenue per available room by 0.4 percent, while occupancy fell by 3 percentage points.

Cruise tourism recorded strong cumulative growth during the first nine months of 2026, but activity almost ceased during the summer low season. In-transit cruise arrivals increased by 17.3 percent to 399,271, as strong first-half growth more than offset lower summer activity. Temporary redeployments of vessels from Africa and Latin America, together with itinerary changes linked to tensions in Venezuela, brought an exceptional number of large ships to Bridgetown during the winter. Cruise activity traditionally slows in the summer as cruise lines reposition vessels to Europe, and in 2026 in-transit arrivals during July to September fell to fewer than 100, from about 23,400 a year earlier.

Marginally higher arrivals did not translate into higher tourism value added, because visitors spent fewer nights in Barbados. Stronger room rates lifted revenue per available room but could not offset the fall in long-stay visitor nights. Strong first-half cruise growth provided limited support, since cruise passengers generally spend only part of a day ashore and do not generate accommodation nights, and the near absence of cruise passengers over the summer cut that source of visitor spending in the third quarter.

Table 1: Tourist Arrivals by Source Market

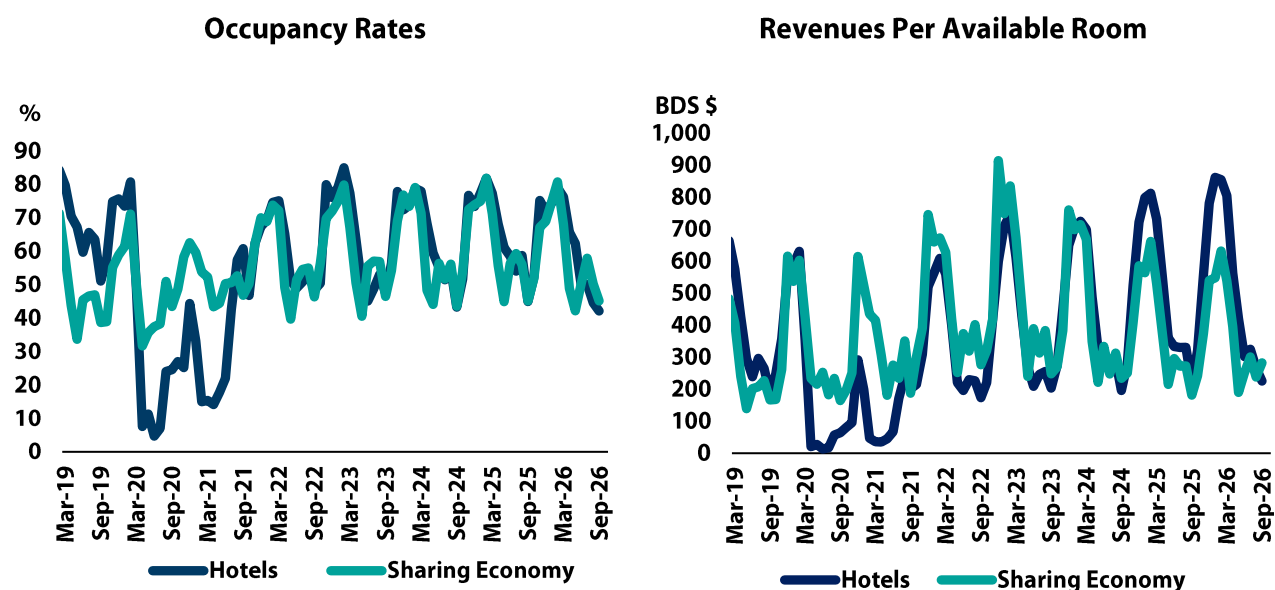
January to September

Major Markets	Average (2017-2019)	2022	2023	2024	2025	2026 ^(e)	Absolute Change (2025/26)	% Change
United States	154,497	112,239	128,794	170,595	186,067	182,992	(3,075)	(1.7)
Canada	62,695	36,196	54,258	63,228	59,360	64,845	5,485	9.2
United Kingdom	161,225	162,987	168,053	164,989	152,141	139,657	(12,484)	(8.2)
Europe	26,268	17,089	19,841	19,089	21,008	24,226	3,218	15.3
CARICOM	78,017	40,289	65,627	70,309	74,336	78,353	4,017	5.4
Other	19,690	11,707	14,918	21,463	24,721	28,711	3,990	16.1
Total Arrivals	502,392	380,507	451,491	509,673	517,633	518,784	1,151	0.2
In-transit Cruise Arrivals	451,641	118,266	295,386	368,035	340,362	399,271	58,909	17.3
Total Cruise Calls	300	204	245	292	265	290	25	9.4

(e) - Estimate

Source: Barbados Statistical Service and Central Bank of Barbados

Figure 4: Accommodation Indicators



Sources: CoStar and AirDNA

Agriculture

Agricultural value added increased marginally during the first nine months of 2026, although a sharp third-quarter contraction eroded gains recorded earlier in the year. The sector expanded by an estimated 0.5 percent relative to the corresponding period of 2025, but contracted by 11.9 percent in July to September compared with the same quarter of 2025. Food crop production declined by 23.2 percent in the third quarter, led by a 27.1 percent fall in fruit and vegetables, in which banana output

nearly halved, while root crop output fell by 13.4 percent. Chicken output declined by 0.8 percent and fish landings by 11.1 percent. These developments significantly moderated the sector's cumulative growth.

Stronger milk, egg, fishing and pork production supported agricultural activity over the nine months. Milk production increased by 20.3 percent, extending its recovery to 13 consecutive months of growth after production difficulties in 2025. Egg production rose by 44.8 percent as producers continued rebuilding output following earlier technical constraints, while pork production increased by 4.5 percent. Higher catches of mahi-mahi, flying fish, jacks and tuna supported a 20.8 percent increase in fishing activity, notwithstanding weaker landings during the third quarter.

Weakness in root crops and sugar cane limited the sector's overall growth, despite increased fruit and vegetable production. Overall food crop production declined by 2.7 percent over the nine months, as an 18.8 percent contraction in root crop output more than offset a 5.7 percent increase in fruit and vegetable production. Lower yields of sweet potatoes, yams and cassava reflected crop diseases, dry conditions earlier in the year and changes in planting schedules. Meanwhile, increased production of bananas, plantains, tomatoes and chives supported growth in fruit and vegetable output. Adverse weather conditions also weighed on sugar cane production, which contracted by 25.4 percent over the review period.

Chicken production remained below its year-earlier level as producers continued adjusting output to address earlier excess inventories. Producers reduced broiler chick placements following an oversupply of chicken in cold storage during the first half of the year. Although production increased moderately during the first two months of the third quarter, these gains did not offset the cumulative decline of 6.3 percent. The adjustment in poultry production, together with weaker crop output, constrained the sector's overall performance despite substantial gains in several other agricultural activities.

Manufacturing

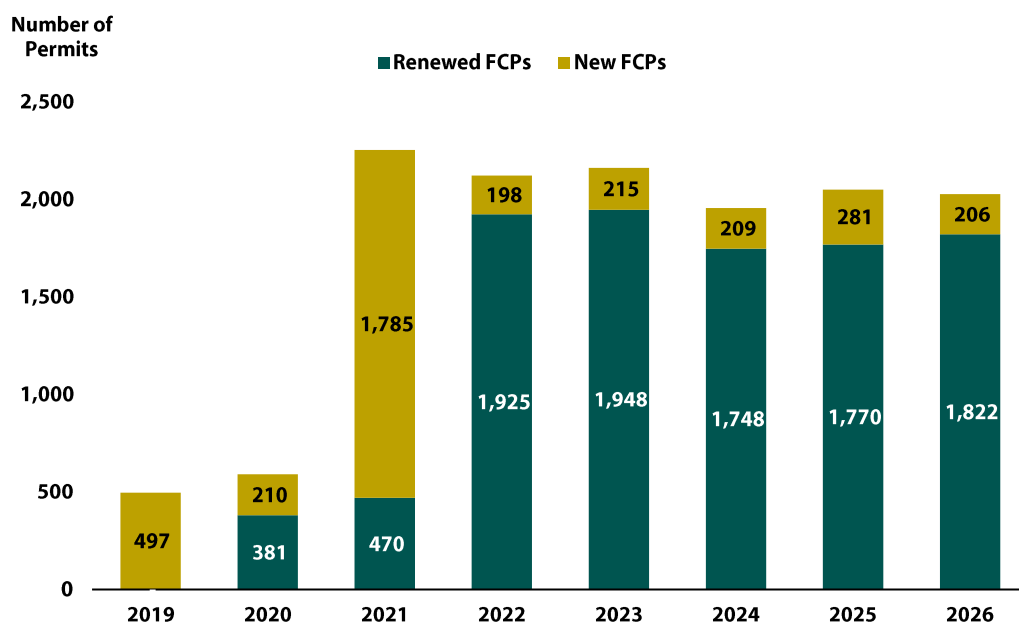
Manufacturing activity remained broadly stable during the first nine months of 2026, as stronger food production offset much of the weakness in other categories. Manufacturing value added declined marginally by 0.2 percent compared with the corresponding period of 2025. Food production expanded by 2.1 percent on higher output of dairy and milled products. In contrast, beverage and tobacco production fell by 1.8 percent, reflecting lower output of alcoholic and non-alcoholic beverages, while chemical production declined by 2.8 percent as manufacturers produced fewer basic chemicals, pharmaceuticals and personal care products. Other non-metallic mineral production also eased by 0.5 percent amid softer construction activity. These developments demonstrate the continued contribution of food processing, although activity across the wider manufacturing sector remained subdued.

Global Business Sector

Global business permit activity weakened during the third quarter of 2026, although changes in trust permits influenced the headline movements. During the third quarter, total new issuances declined by 40 percent, reflecting a reduction in new trust permits from 74 to 23, while new permits

excluding trusts remained virtually unchanged at 52, compared with 51 a year earlier. The authorities issued 2,028 new and renewed foreign-currency permits during the first nine months of 2026, a decline of 1.1 percent compared with the corresponding period of 2025, reversing the 4.1 percent increase recorded at midyear. New permits fell by 26.7 percent to 206 over the nine months. Renewals increased by 2.9 percent to 1,822 over the nine months, driven entirely by 106 trust renewals under the Foreign Currency Permits Act, 2025. Renewals excluding trusts declined by 3.1 percent over the nine months and by 17.3 percent during the third quarter, compared with a 3.5 percent decline in total third-quarter renewals. Employment in the global business sector also declined by 3.4 percent during the first seven months of 2026, reinforcing evidence of subdued sector conditions.

Figure 5: Foreign-Currency Permits (FCPs) Issued
January to September



Source: International Business Unit

Non-traded Activity

Business and other services and wholesale and retail trade remained the principal drivers of non-traded growth during the first nine months of 2026. The non-traded sector expanded by 1.8 percent, compared with 1.6 percent at midyear. Business and other services grew by 3 percent on increased activity in finance, insurance, legal and real estate services. Wholesale and retail trade expanded by 2 percent as demand strengthened for food, clothing, electronics, and motor vehicle parts and accessories. Together, these two sectors accounted for about 97 percent of the increase in non-traded value added, highlighting the continued concentration of domestic growth.

Other non-traded sectors recorded mixed results, as modest gains in utilities and transportation contrasted with weaker construction activity. Electricity, gas and water output increased by 1.1 percent, as higher electricity consumption among commercial and residential users outweighed lower

water production. Transportation, storage and communication grew by 0.2 percent, while mining and quarrying expanded by 0.7 percent and government services remained broadly unchanged. In contrast, construction contracted by 0.3 percent over the nine months, after growing by 1 percent in the first half, as activity fell by 3 percent in the third quarter compared with the same quarter of 2025. Several private sector projects reached completion, including Indigo, Royalton, Fort Carlisle and One Warrens, while anticipated new projects had not yet commenced. Work nevertheless continued on the Barbados National Stadium, the Pierhead Project, the Coverley Residences, and several condominium and residential developments.

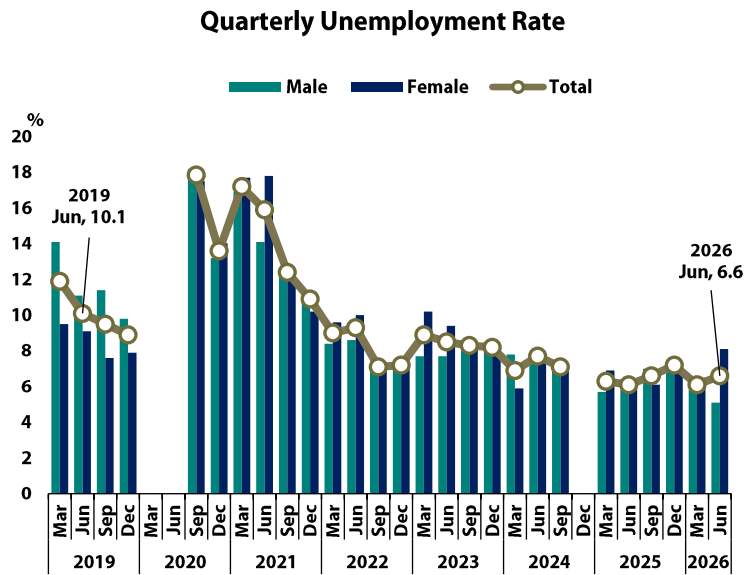
Labour Market

The unemployment rate rose to 6.6 percent at end-June 2026, as growth in the labour force outpaced modest employment gains. The rate stood 0.5 percentage point above its level a year earlier. Employment increased by approximately 200 persons, while the number of unemployed persons rose by about 700, so the expansion in labour supply exceeded the increase in employment. The increase occurred mainly among women, whose unemployment rate rose from 6.3 percent to 8.1 percent, while the male rate declined from 5.8 percent to 5.1 percent. The additional unemployed persons had last worked mainly in general services, wholesale and retail trade, hospitality, construction, finance and insurance, and administrative services.

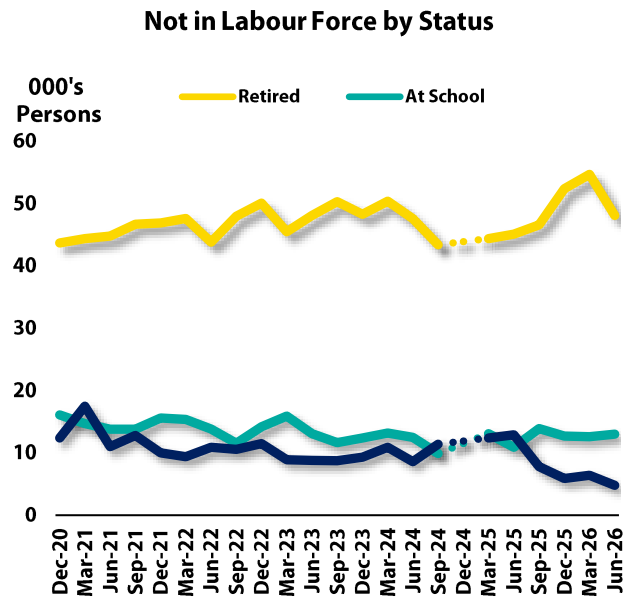
Labour force participation strengthened as fewer persons remained outside the workforce. The participation rate increased to 64.3 percent, from 63.5 percent a year earlier, as the inactive population declined by 1,900 persons, or 2.4 percent. The number of persons keeping house fell by about 8,100, more than offsetting increases of about 3,000 retirees and 2,100 students. Higher participation reflected greater engagement with the labour market, although employment gains did not fully absorb the additional labour supply.

More recent unemployment claims data provided a cautiously encouraging signal. Claims declined by 6 percent during the first nine months of 2026, or 460 fewer than in the corresponding period of 2025, compared with a 3.7 percent reduction during the first half. Claims fell by 288 in the third quarter compared with the corresponding quarter of 2025, accounting for most of the nine-month reduction. The accommodation, manufacturing, financial and business services, and wholesale and retail trade sectors recorded fewer claims. Claims measure applications for unemployment benefits rather than the total number of unemployed persons, so they complement, rather than replace, the survey results.

Figure 6: Selected Labour Market Indicators

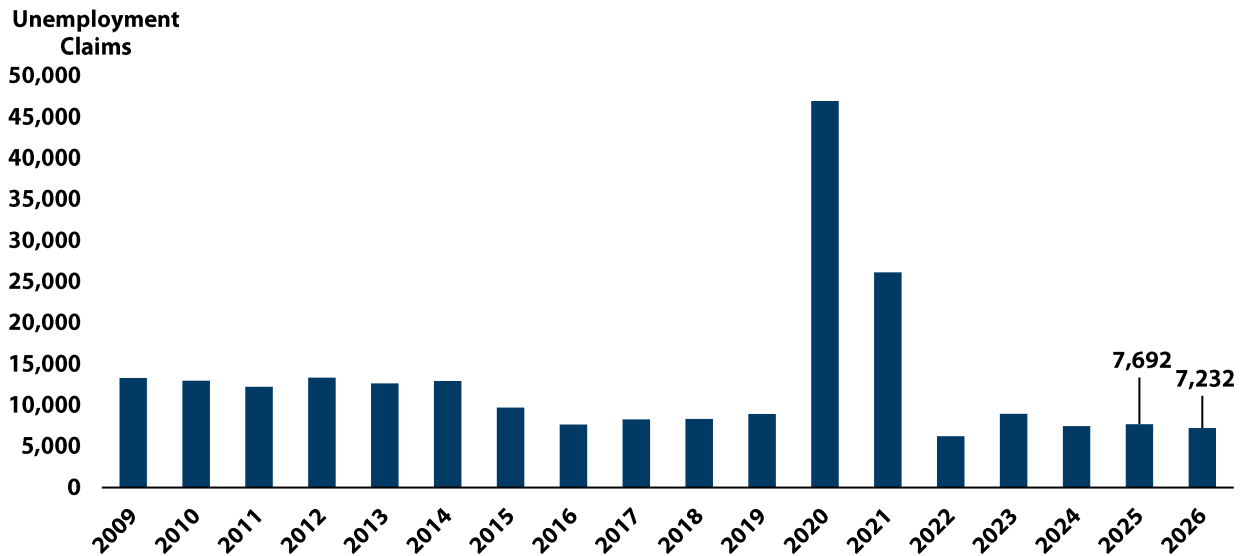


Source: Barbados Statistical Service



Source: Barbados Statistical Service

Unemployment Claims
January to September



Source: National Insurance and Social Security Service

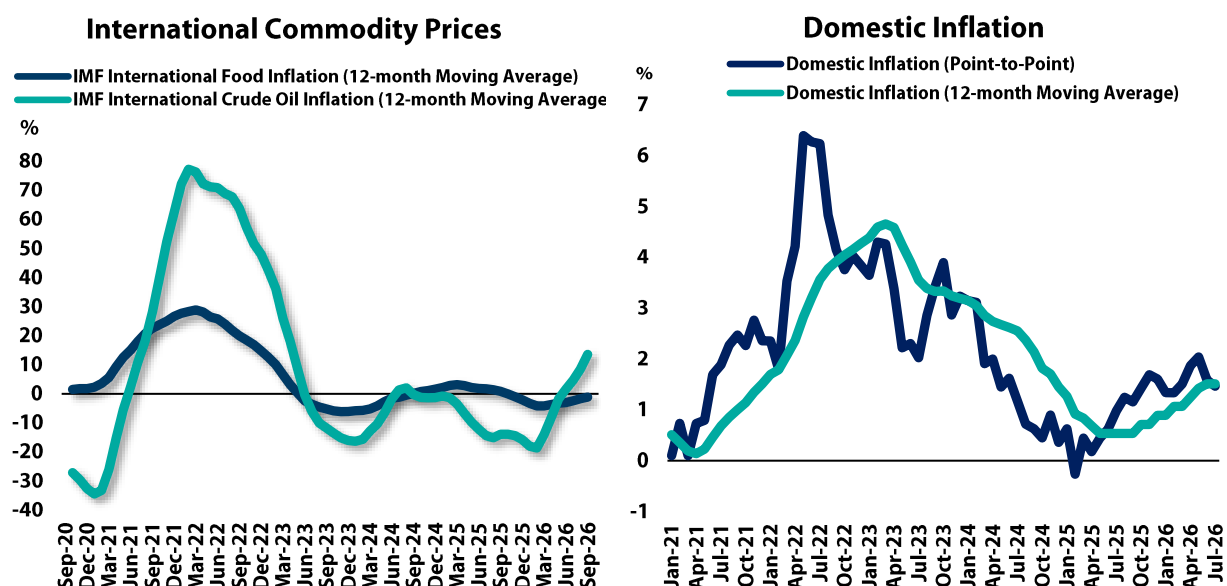
Prices

Domestic inflation increased moderately on a 12-month moving-average basis during the first seven months of 2026, although overall price pressures remained contained. The 12-month moving-average inflation rate reached 1.5 percent at the end of July, compared with 0.5 percent a year earlier and 1.4 percent in May 2026. Higher prices for food and non-alcoholic beverages, housing and utilities, health, furnishings and household equipment, education, and restaurant services contributed to the increase. Slower price growth in communication and lower prices for alcoholic beverages and tobacco partly offset these pressures.

Point-to-point inflation eased after May, although it remained above its year-earlier level. The rate declined from 2 percent in May to 1.6 percent in June and 1.5 percent in July, compared with 1 percent in July 2025. Higher prices for food and non-alcoholic beverages, housing and utilities, transport, education and health continued to exert upward pressure. The 12-month moving-average rate, by contrast, still reflects increases recorded earlier in the year.

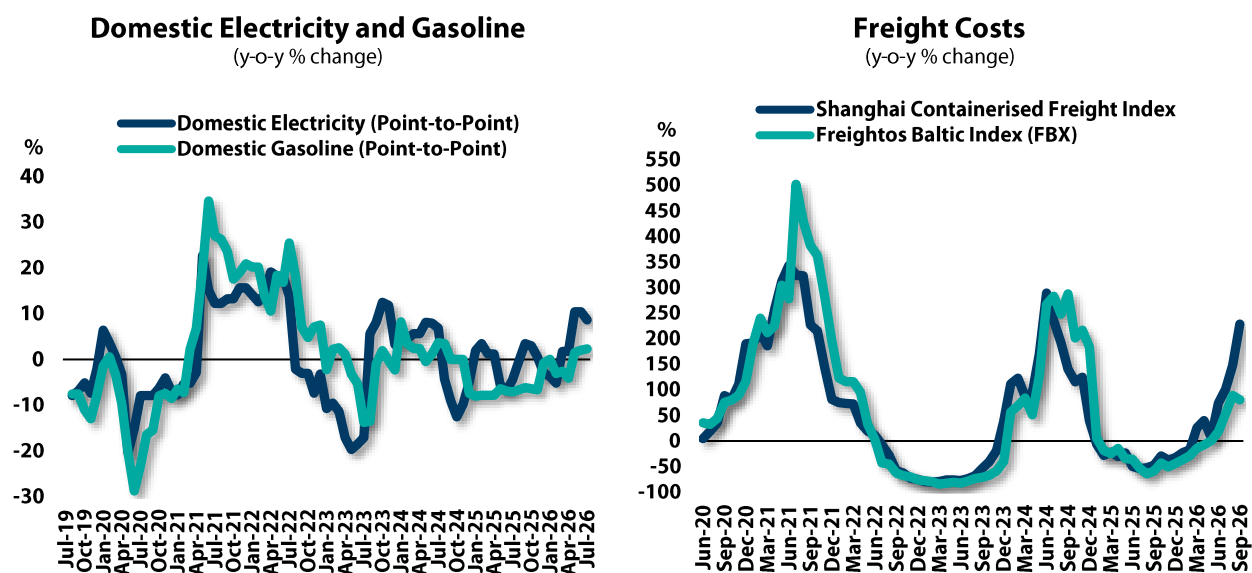
Higher international oil prices and freight costs intensified external inflation pressures, while domestic inflation remained moderate. The 12-month moving-average inflation rate for international crude oil reached 13.6 percent in September 2026, compared with a decline of 13.9 percent a year earlier. Geopolitical tensions in the Middle East and shipping disruptions around the Strait of Hormuz contributed to higher oil prices, while substantial increases in international container freight indices heightened the risk of rising import costs. International food prices remained 1.2 percent lower on a 12-month moving-average basis, notwithstanding more recent increases. Government measures aimed at moderating domestic electricity and fuel costs continued, although electricity and gasoline prices rose by 8.6 percent and 2.3 percent, respectively, in July compared with the corresponding month of 2025. As domestic inflation data extend only to July, they do not yet capture any subsequent domestic price response to international oil and freight cost developments during August and September.

Figure 7: Domestic and International Price Developments



Source: International Monetary Fund

Source: Barbados Statistical Service



Source: Barbados Statistical Service

Sources: MacroMicro and Freightos

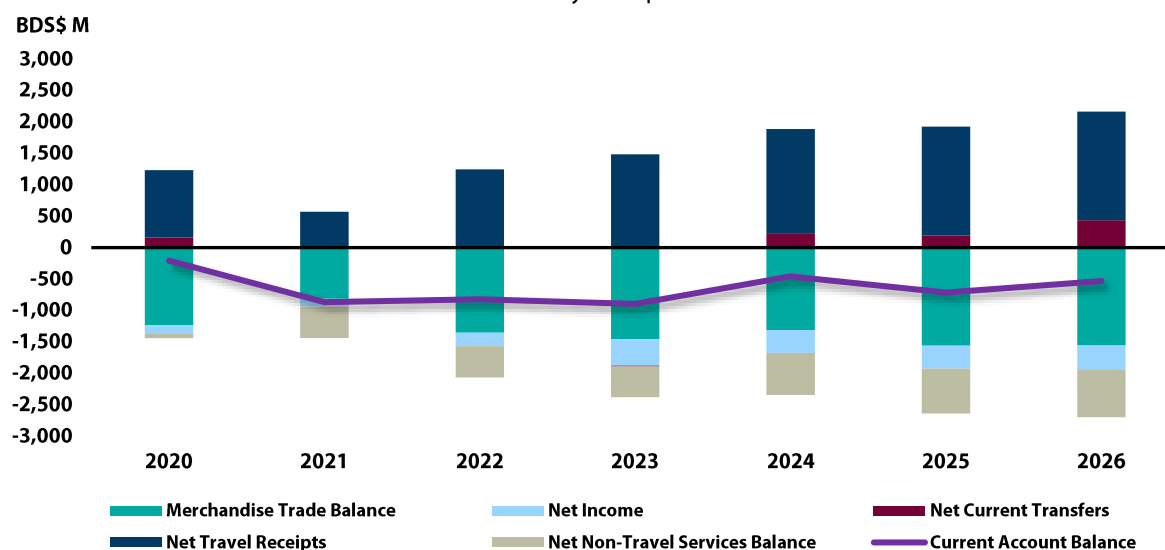
External Position

Barbados' current account deficit narrowed during the first nine months of 2026, although lower financial inflows and a decline in international reserves weighed on the external position. The current account deficit decreased by \$181.5 million to \$532.6 million compared with the corresponding period of 2025, largely reflecting higher corporate tax receipts from the global business sector. Net current transfers increased by \$244.9 million, more than offsetting a smaller services surplus and a wider

income account deficit. However, net financial inflows declined by \$316.7 million, so the narrower current account deficit did not translate into higher reserves: gross international reserves fell by \$217.8 million to \$2.8 billion at end-September, equivalent to 22.8 weeks of import cover.

Figure 8: Current Account Balances

January to September



Source: Central Bank of Barbados

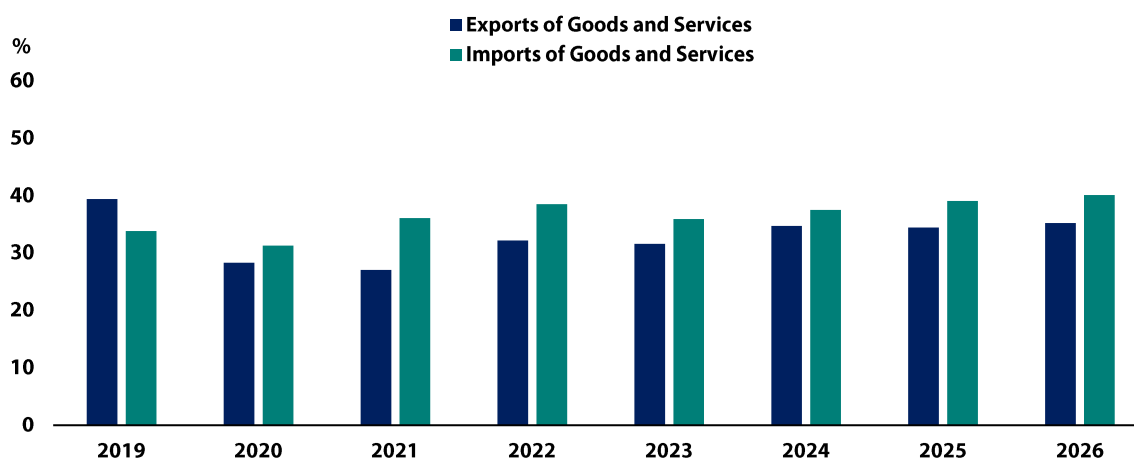
Current Account

Merchandise Trade Developments

Re-exports and merchandising drove most of the increase in merchandise credits, which narrowly offset higher imports dominated by fuel. Exports of goods rose by 12.7 percent to \$1,894.8 million. Re-exports increased by \$95.2 million and net exports under merchandising by \$95.9 million, together accounting for about 89 percent of the increase, while domestically produced exports rose by \$22.8 million. Higher fuel earnings contributed across all three categories, while increased apparel earnings arose from merchandising and re-exports and higher food and beverage earnings from re-exports. Imports rose by 6.5 percent to \$3,453 million. Fuel imports increased by \$246.4 million, or 41.5 percent, amid higher international oil prices, more than the entire increase in imports, while non-fuel imports declined by 1.4 percent despite higher purchases of electric vehicles, chemicals, furniture, animal feed and toiletries. The merchandise trade deficit therefore narrowed by only \$3.4 million, to \$1,558.2 million. In the third quarter, exports grew by 13.2 percent and imports by 7 percent.

Figure 9: Exports and Imports of Goods and Services as a Percent of GDP

January to September



Source: Central Bank of Barbados

Travel and Other Services

The services surplus narrowed, as travel receipts held steady while service imports rose. The surplus declined by \$54.1 million, or 5.3 percent, to \$965 million. Travel receipts remained broadly unchanged at \$1,822.3 million, consistent with subdued tourism activity, while estimated spending by Barbadian residents travelling abroad increased. Higher imports of professional, technical and transport services lifted total service imports by 6 percent.

Income and Current Transfers

Higher corporate tax receipts lifted current transfers, while the income account deficit widened.

Net current transfers rose by \$244.9 million to \$436.1 million, primarily reflecting increased foreign-currency corporate tax receipts, including collections under the Qualified Domestic Minimum Top-up Tax from entities in the global business sector. The income account deficit widened by \$12.7 million to \$375.4 million, as higher interest payments by private sector entities to foreign creditors and lower foreign investment income receipts increased net income outflows.

Financial Account Developments

Net financial inflows declined, as public sector financing flows reversed and foreign direct investment moderated.

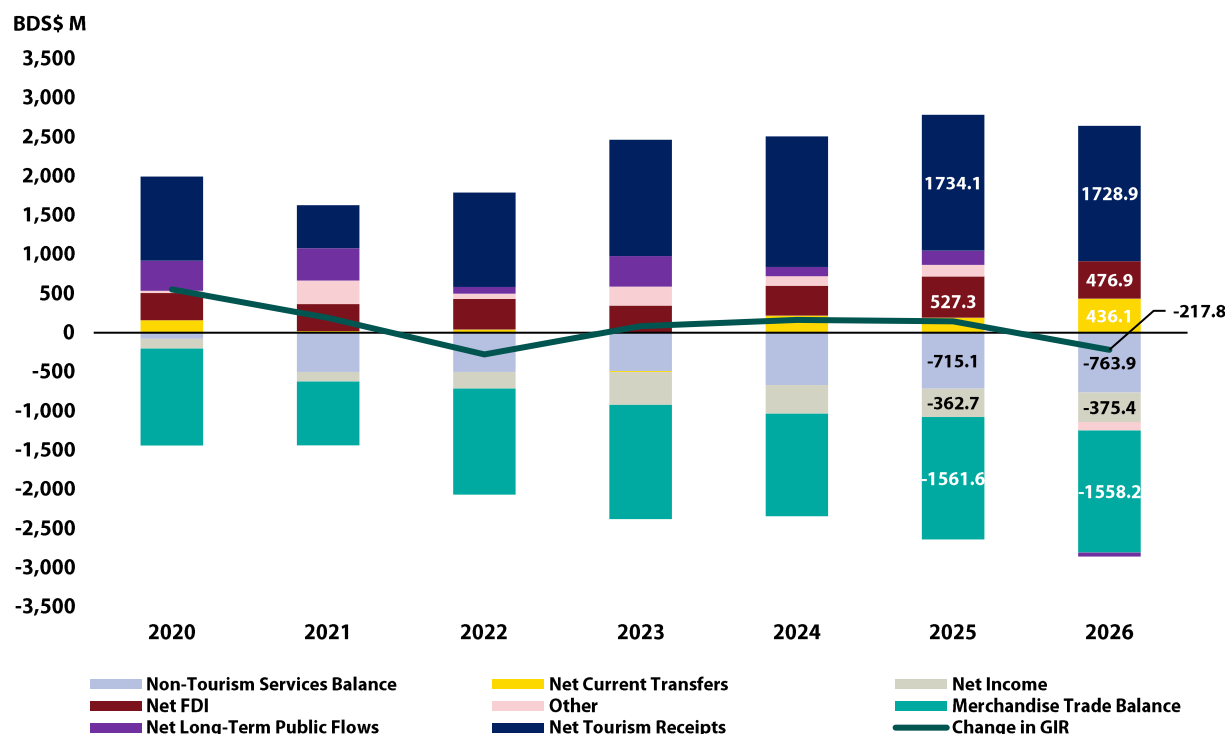
Net financial inflows, excluding reserve movements, decreased by \$316.7 million to \$402 million. Net long-term flows to the public sector moved from an inflow of \$182.3 million to an outflow of \$51.9 million, reflecting lower disbursements from multilateral institutions, debt repayments and an additional capital subscription to the Development Bank of Latin America and the Caribbean (CAF). Net foreign direct investment declined by \$50.4 million to \$476.9 million, and net long-term private inflows fell by \$77.8 million to \$24.6 million. The estimates of foreign direct investment, and of some other current and financial account flows, remain provisional, pending additional source

data. Public sector flows turned to a net outflow in the third quarter, as amortisation payments of \$102.5 million and a \$40.9 million capital subscription to CAF outweighed disbursements of \$12.6 million, most of them from the Inter-American Development Bank.

International Reserves

Gross international reserves remained well above the adequacy benchmark, despite a third-quarter decline. Reserves stood at \$2.8 billion at end-September 2026, equivalent to 22.8 weeks of import cover and comfortably above the 12-week international benchmark. After rising during the first half, reserves declined by \$309.6 million in the third quarter, leaving them \$217.8 million below their end-December 2025 level. Over the nine months, net capital and financial inflows of \$422 million fell short of the \$532.6 million current account deficit, net errors and omissions, the statistical balancing item, stood at negative \$94.6 million, and valuation losses accounted for the remaining \$12.6 million. During the quarter, a current account deficit of \$274.4 million exceeded net capital and financial inflows of \$101.4 million, as travel receipts reached their seasonal low, while net errors and omissions stood at negative \$68.1 million and valuation losses reduced reserves by a further \$68.5 million. In each of the previous three years, reserves also declined during the third quarter: by \$254 million in 2023, \$80.8 million in 2024 and \$550.9 million in 2025. Reserves stood \$502.7 million below their level a year earlier, when proceeds from the 2025 international bond issue, alongside other external inflows, had strengthened the reserve position. Over the same period, import cover declined from 28.6 weeks.

Figure 10: Explanation of Reserve Movements
January to September



Source: Central Bank of Barbados

Fiscal Operations

Government maintained primary and overall surpluses during the first half of FY2026/27, although expenditure increased faster than revenue and narrowed both balances. Revenue rose by \$155.6 million to \$2,385.4 million, mainly on stronger corporate income tax receipts under the Qualified Domestic Minimum Top-up Tax (QDMTT), while current expenditure increased by \$140.2 million and capital expenditure and net lending by \$116.4 million. Consequently, the overall surplus declined from \$251.2 million to \$150.1 million, equivalent to 0.9 percent of GDP, and the primary surplus from \$598.1 million to \$507.5 million, or 3 percent of GDP. The primary surplus nonetheless exceeded the end-September floor under the Stand-By Arrangement by \$137.5 million.

Revenue

Higher corporate income tax receipts accounted for more than the entire net increase in revenue.

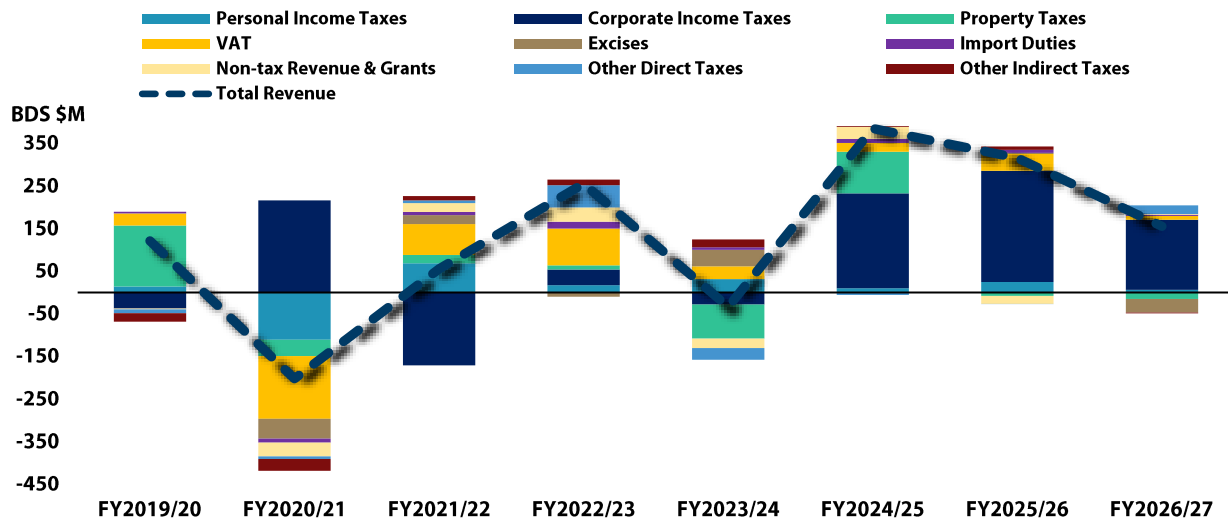
Corporation tax collections rose by \$164.3 million to \$825.5 million, largely reflecting QDMTT receipts for income year 2024.⁴ Excluding corporate tax, revenue declined by \$8.7 million. Personal income tax receipts increased by \$6.3 million to \$289.4 million, although the lower income tax rates introduced for income year 2026 moderated collections. Property tax receipts declined by \$15 million to \$156.9 million following changes to the payment window, while other direct taxes increased by \$19.7 million, primarily on higher withholding tax collections.

Indirect tax revenue declined, as lower excise collections outweighed higher VAT. Indirect taxes fell by \$22.2 million to \$932.4 million. Excise collections declined by \$32 million to \$88 million, partly reflecting Budget measures, including the cap on taxes charged on gasoline and diesel and temporary excise reductions. Total VAT receipts increased by \$9.1 million to \$582 million, as stronger domestic collections more than offset lower receipts from VAT on imports, while import duties increased by \$2.9 million to \$142.7 million.

Non-tax revenue and grants increased modestly. Combined collections rose by \$1.7 million to \$95.2 million. Non-tax revenue remained broadly unchanged at \$90.5 million, supported partly by licence fees, while post office revenue increased by \$1.5 million and grant receipts by \$0.8 million, including funding from the Inter-American Development Bank for the South Coast Reclamation Project.

⁴ The Qualified Domestic Minimum Top-up Tax (QDMTT) is a domestic tax that applies to qualifying multinational enterprise (MNE) groups with consolidated annual revenues of at least EUR 750 million. It enables Barbados to collect the difference between the taxes payable under the Income Tax Act and the 15 percent minimum effective tax rate established under the Corporation Top-up Tax Act, 2024-16, consistent with the OECD's Global Anti-Base Erosion (GloBE) Model Rules.

Figure 11: Changes in Major Revenue Categories
April to September



Source: Ministry of Finance

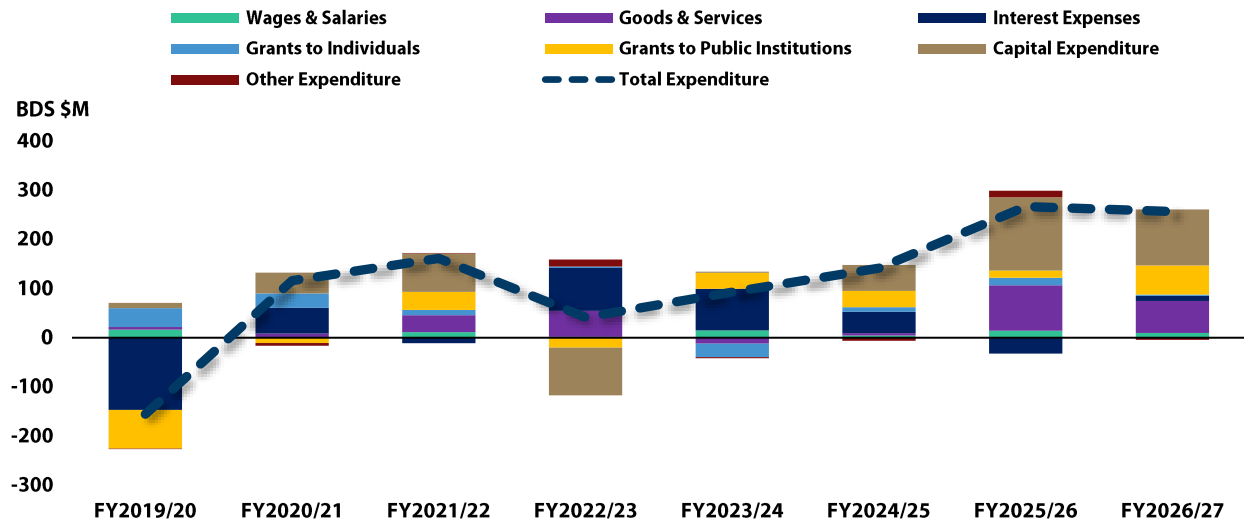
Expenditure

Higher transfers, goods and services spending, and interest payments increased current expenditure. Current expenditure rose by \$140.2 million to \$1,848.5 million. Transfers to public institutions increased by \$59.5 million to \$381.4 million, partly reflecting additional resources for the Social Empowerment Agency. Spending on goods and services increased by \$65.2 million to \$390.9 million. This included \$17.6 million in payments to the Barbados National Energy Company Limited to limit the domestic impact of higher international fuel prices, as well as higher payments for professional services, operating expenses and property maintenance. Wages and salaries increased by \$9.7 million to \$455.5 million. Grants to individuals increased by \$2.3 million to \$223.3 million, reflecting higher welfare and retirement-related payments, including the monthly cash grant, while subsidies declined by \$9.5 million.

Interest payments rose moderately, primarily because of higher external debt servicing costs. Total interest expenditure increased by \$10.5 million to \$357.4 million. External interest payments rose by \$11.8 million to \$158.5 million, partly reflecting continued servicing of the 2035 Eurobond, while domestic interest payments declined by \$1.3 million to \$198.9 million.

Capital expenditure and net lending increased substantially, as Government advanced several infrastructure projects. Spending rose by \$116.4 million, or 43 percent, to \$386.8 million, reflecting continued work on the Geriatric Hospital, the R.O.A.D. project and national security investments.

Figure 12: Changes in Major Expenditure Categories
April to September



Source: Ministry of Finance

Debt and Financing

Financing requirement

Government's gross financing requirement declined sharply, as debt amortisation fell following the exceptional repayments undertaken in 2025. The gross financing requirement decreased from \$1,731.9 million during April to September 2025 to \$795 million in the corresponding period of 2026. After accounting for the primary surplus of \$507.5 million, the net financing requirement amounted to \$287.5 million, compared with \$1,133.7 million a year earlier.

Table 2: Financing Requirement
April to September

	FY2025/26		FY2026/27	
	BDS \$M	% GDP	BDS \$M	% GDP
Net Financing Requirement (2-1)	1,133.7	7.1	287.5	1.7
1. Primary Surplus	598.1	3.7	507.5	3.0
2. Gross Financing Requirement (3+4+5+6)	1,731.9	10.8	795.0	4.7
3. Debt Service	1,679.8	10.5	733.4	4.4
Amortisation	1,332.9	8.3	376.0	2.2
<i>Domestic</i>	262.6	1.6	230.5	1.4
<i>Foreign</i>	1,070.3	6.7	145.5	0.9
Interest	346.9	2.2	357.4	2.1
<i>Domestic</i>	200.2	1.2	198.9	1.2
<i>Foreign</i>	146.7	0.9	158.5	0.9
4. Sinking Fund Contributions	18.3	0.1	20.7	0.1
5. Domestic Arrears Repayment	0.0	0.0	0.0	0.0
6. Other Non-deficit Transactions	33.8	0.2	40.9	0.2

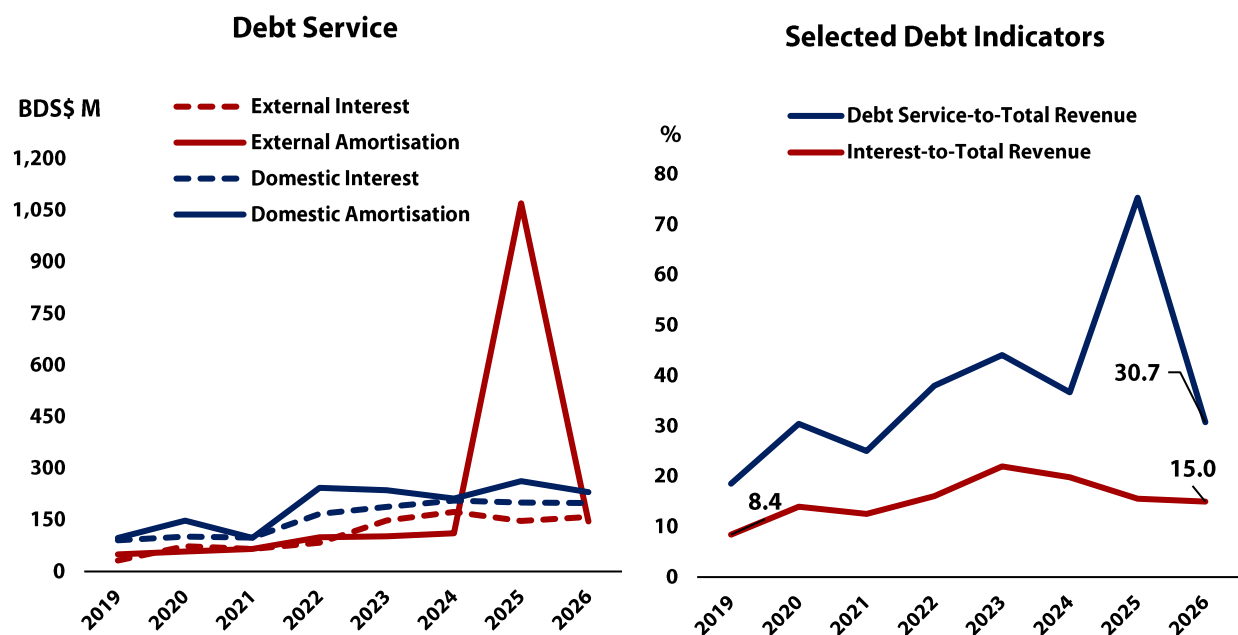
Note: Net financing requirement in this table is the gross financing requirement minus the primary surplus. It differs from the financing balance in Appendix 5, which records the financing counterpart to the fiscal balance and other non-deficit transactions.

Sources: Central Bank of Barbados and Ministry of Finance

Lower amortisation payments reduced debt service substantially, despite higher interest expenditure. Total debt service declined by \$946.4 million to \$733.4 million, primarily reflecting a \$956.9 million reduction in amortisation. External amortisation fell by \$924.8 million to \$145.5 million, as the early repayments of commercial and IMF obligations undertaken in 2025 did not recur. Domestic amortisation declined by \$32.1 million to \$230.5 million, following the repayment of the first phase of BOSS bonds in December 2025. These reductions more than offset the \$10.5 million increase in interest payments. Other financing requirements comprised sinking fund contributions of \$20.7 million and Government's \$40.9 million capital subscription to the Development Bank of Latin America and the Caribbean (CAF).

Lower debt service and higher revenue improved Government's debt service ratios. Debt service represented 30.7 percent of revenue, compared with 75.3 percent during the corresponding period of 2025, while interest payments represented 15 percent of revenue, compared with 15.6 percent, as revenue growth outpaced the increase in interest expenditure.

Figure 13: Debt Indicators
April to September



Sources: Central Bank of Barbados and Ministry of Finance

Domestic Financing

Government continued to access domestic financing through BOSS Plus bonds, treasury bills and debentures, although net domestic financing remained negative. BOSS Plus issuances raised \$47 million, compared with \$83.6 million during the corresponding period of 2025, with commercial banks accounting for approximately 31.9 percent of purchases. Debentures and treasury notes generated \$36 million, an increase of \$30.6 million, with the National Insurance and Social Security Service and trust companies accounting for approximately 56 percent and 15 percent of purchases, respectively. Net treasury bill proceeds increased to \$147.5 million from \$10.6 million, with commercial banks purchasing the largest share of new issuances. Nevertheless, repayments exceeded new domestic borrowing, resulting in net domestic repayments of \$115.9 million.

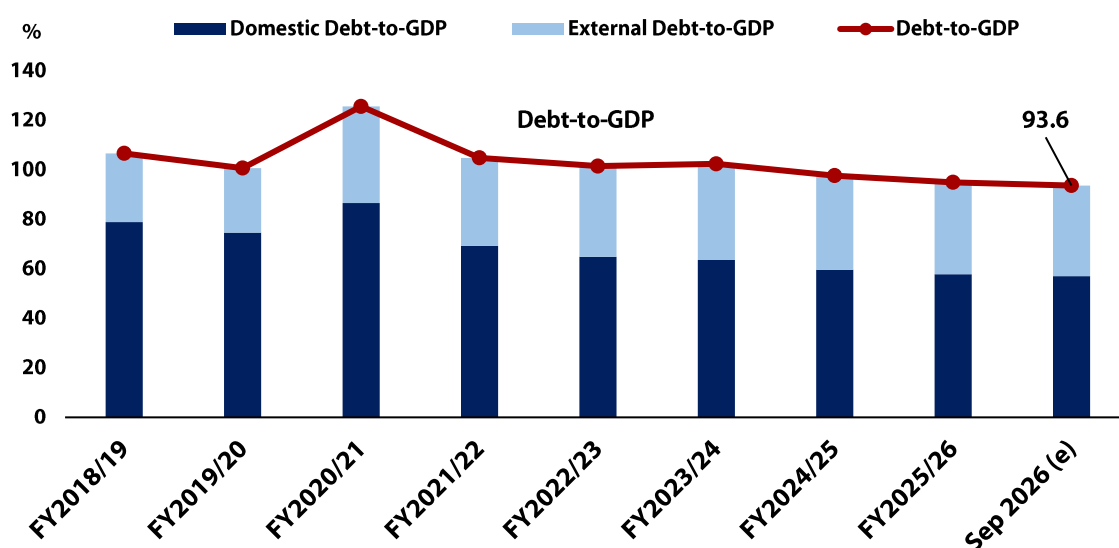
External Financing

Government obtained new external financing primarily from multilateral institutions, while repayments limited net inflows. Policy-based financing included \$100 million from the OPEC Fund for International Development under the Programme to Strengthen Social Services in Barbados II. Project loan disbursements totalled \$73 million, with the Inter-American Development Bank and the Export-Import Bank of China providing the largest shares, supporting the Climate Resilient South Coast Water Reclamation Project, Skills for the Future II and the Scotland District Road Rehabilitation Project. After external amortisation of \$145.5 million, net external financing amounted to \$27.4 million.

Public Sector Debt

The public debt-to-GDP ratio continued to decline, as nominal GDP growth outpaced the increase in outstanding debt. Gross public sector debt increased by \$56.1 million from the end of FY2025/26 to approximately \$15.3 billion at end-September 2026, as domestic debt rose by \$25 million and external debt by \$31.1 million. The debt-to-GDP ratio nonetheless declined to 93.6 percent, from 94.8 percent at the end of FY2025/26. The outstanding debt stock remained \$148.2 million below the ceiling under the BERT 2026 programme.

Figure 14: Public Sector Debt-to-GDP



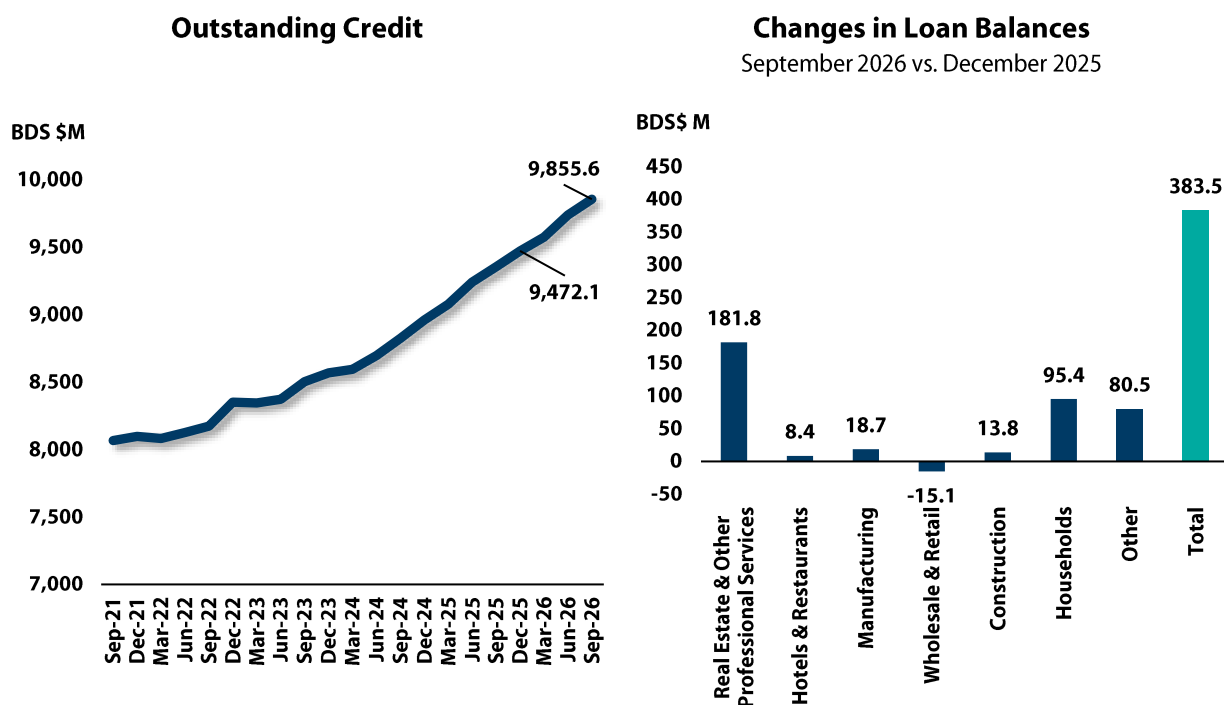
Sources: Central Bank of Barbados and Ministry of Finance

Financial Sector Developments

Financial sector conditions remained stable during the first nine months of 2026, supported by continued credit growth and improving loan quality. Deposits also increased over the nine-month period, although balances declined during the third quarter. Commercial banks and finance companies maintained substantial capital and liquidity buffers, despite some moderation in prudential ratios and commercial bank profitability.

Credit to the non-financial private sector grew by 4 percent, with real estate and professional services accounting for nearly half of the increase. Outstanding credit increased by \$383.5 million to \$9,855.6 million, compared with growth of 4.4 percent during the corresponding period of 2025. Lending to real estate and other professional services rose by \$181.8 million, while household credit increased by \$95.4 million and lending to other business sectors by \$80.5 million. Smaller increases occurred in manufacturing, construction, and hotels and restaurants. By contrast, lending to wholesale and retail trade declined by \$15.1 million, or 4.4 percent.

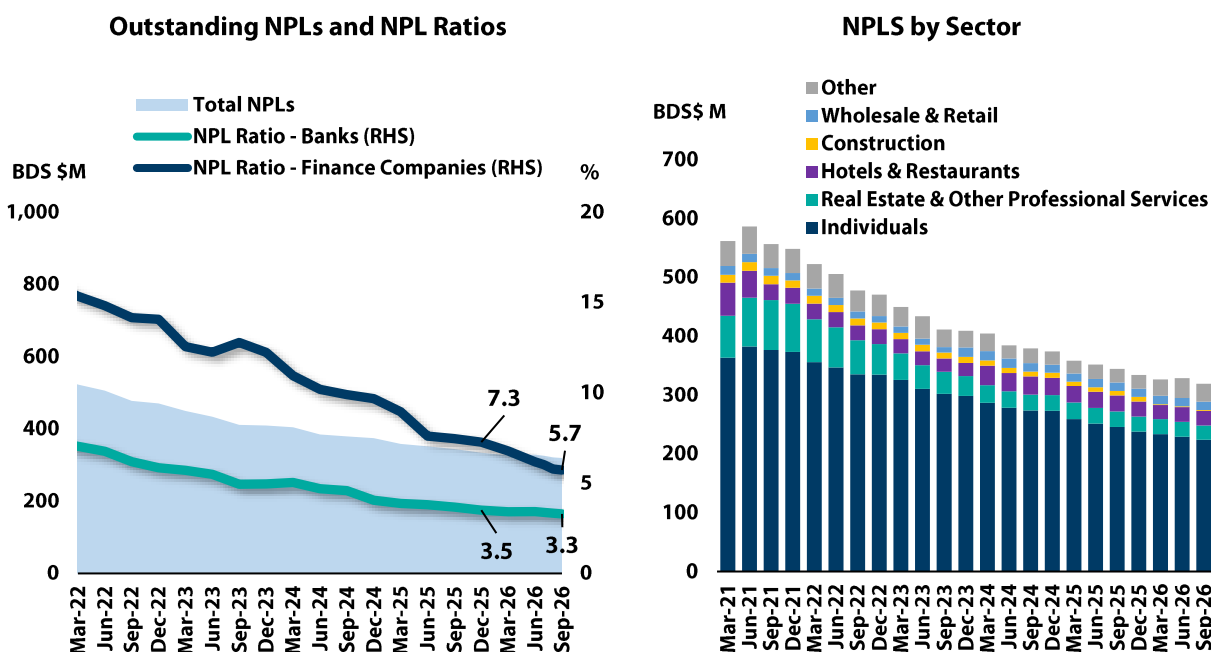
Figure 15: Credit to the Non-Financial Private Sector



Sources: Central Bank of Barbados and Financial Services Commission

Loan quality improved further, with declining non-performing loan ratios at commercial banks and finance companies. The stock of non-performing loans decreased by 4.4 percent from end-December 2025 to \$319.2 million. The commercial bank non-performing loan ratio fell from 3.5 percent to 3.3 percent, while the finance company ratio declined from 7.3 percent to 5.7 percent. Non-performing loans declined among households and firms in construction, real estate and other professional services, and hotels and restaurants. However, higher non-performing loans in other business sectors partly offset these improvements.

Figure 16: Non-Performing Loans (NPLs) of Commercial Banks and Finance Companies

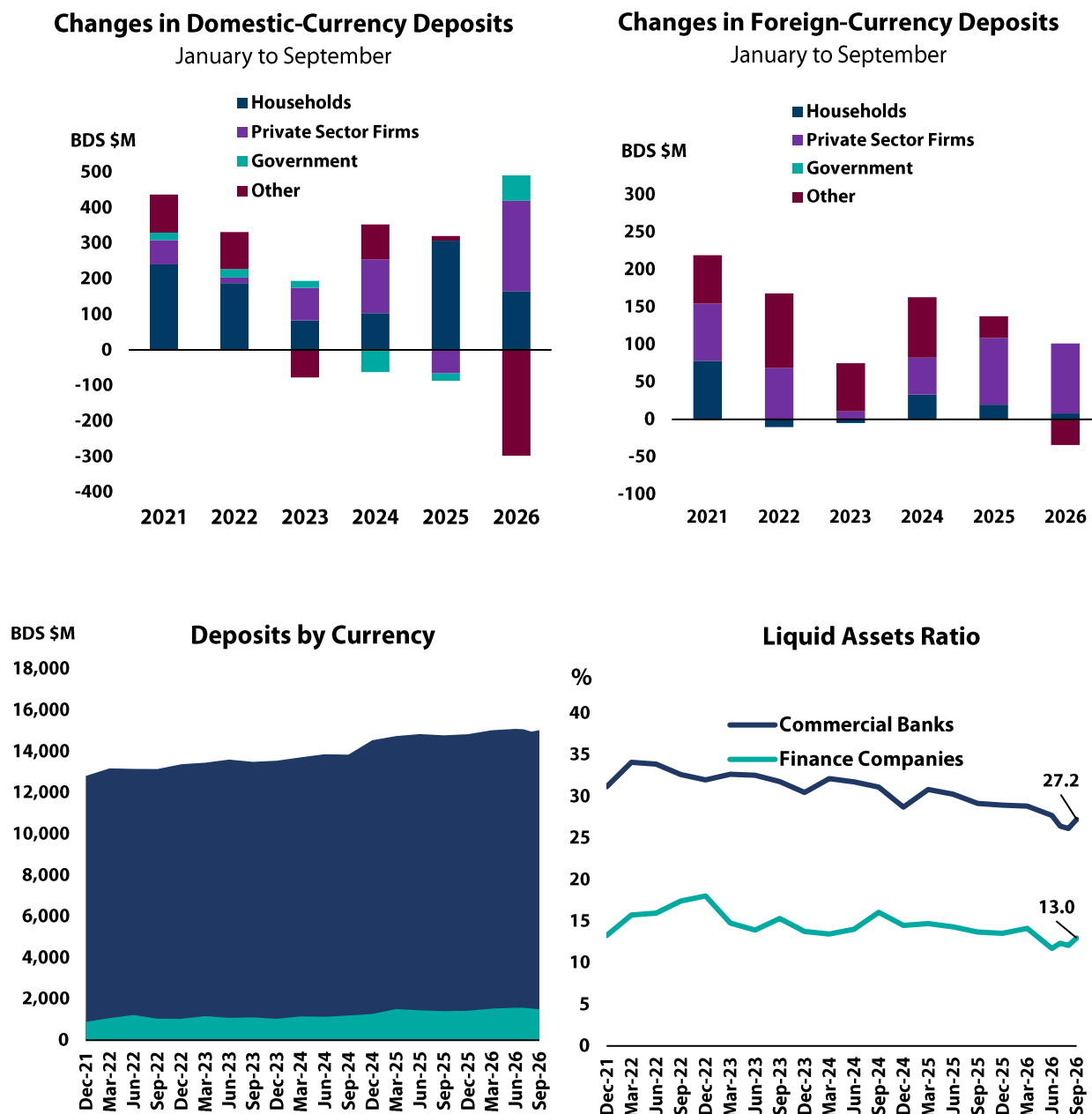


Sources: Central Bank of Barbados

Deposit growth slowed to 1.6 percent, as declining balances during the third quarter partly reversed earlier increases. Total deposits rose by \$260.2 million to \$16,519.7 million during the first nine months, compared with growth of 2.3 percent in the corresponding period of 2025. Domestic-currency deposits increased by 1.3 percent, or \$193.1 million, as households, utility companies, real estate firms and Government increased their balances, while lower deposits from public corporations and credit unions partly offset these gains. Foreign-currency deposits increased by 4.7 percent, or \$67.1 million, with construction and wholesale and retail firms contributing to the increase. However, total deposits declined by \$143.2 million between June and September, as both domestic- and foreign-currency balances fell.

Liquidity remained adequate, although liquid asset ratios declined while credit expanded faster than deposits. Commercial banks' liquid asset ratio decreased from 28.9 percent at end-2025 to 27.2 percent at end-September 2026, while the finance company ratio declined from 13.5 percent to 13 percent, as both segments reduced their holdings of liquid assets. Commercial banks' loan-to-deposit ratio increased from 58.9 percent to 61.6 percent, consistent with stronger credit expansion relative to deposit accumulation. Excess domestic cash ratios also declined, to 17.6 percent for commercial banks and 6.5 percent for finance companies.

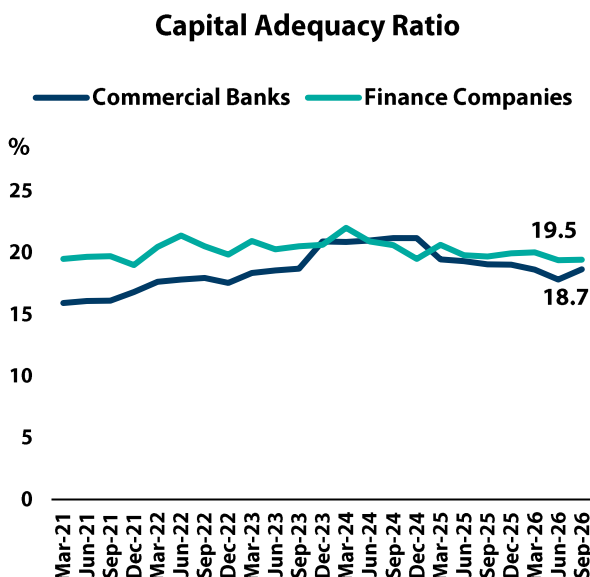
Figure 17: Deposits Held at Deposit-Taking Institutions (DTIs)



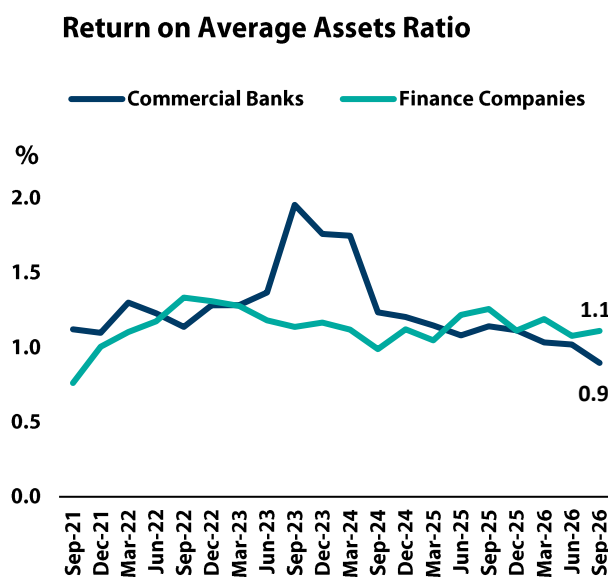
Sources: Central Bank of Barbados and Financial Services Commission

Capital adequacy remained comfortably above regulatory requirements, although commercial bank profitability moderated. Capital adequacy ratios declined from 19 percent to 18.7 percent for commercial banks and from 20 percent to 19.5 percent for finance companies, remaining well above the 8 percent regulatory minimum. Commercial banks' return on average assets decreased from 1.1 percent at end-2025 to 0.9 percent in September 2026, largely reflecting higher provisions for bad and doubtful debts. Finance companies maintained stable profitability, with a return on average assets of 1.1 percent.

Figure 18: Capital Adequacy and Profitability



Source: Central Bank of Barbados



Source: Central Bank of Barbados

Artificial Intelligence and Financial Stability

Artificial intelligence (AI) is reshaping the global financial sector. Financial institutions increasingly use AI for credit assessment, fraud detection, customer service, risk management and operational efficiency. As adoption deepens, it also raises concerns about cybersecurity, model governance, reliance on outside providers and the resilience of the financial system, as the Financial Stability Board (2024) and the International Monetary Fund (2024) have highlighted.

AI can strengthen financial stability. Better analytical tools can sharpen credit decisions, detect fraudulent transactions sooner and improve early-warning systems. Financial institutions can use regulatory technology (RegTech) to support compliance, while supervisors can apply supervisory technology (SupTech) to strengthen financial sector monitoring.

The risks are significant. Opaque models, biased algorithms, inaccurate outputs and weak human oversight can create new vulnerabilities. Generative AI can make phishing, fraud and misinformation more sophisticated. Because many institutions rely on a small number of AI and cloud providers, a single disruption could affect several institutions at once, as the Bank of England (2025) and the Financial Stability Board (2024) have noted.

AI could affect Barbados through financial institutions, households, businesses and external linkages, while regulatory authorities oversee the associated risks. Financial institutions gain efficiency and better fraud detection, but face operational, cyber and concentration risks. Households and non-financial firms could benefit from higher productivity and easier access to

financial services, although labour displacement could weaken incomes, deposits and repayment capacity. Disruptions in international and source markets could reach Barbados through financial conditions, trade and capital flows, and cyber threats cross borders easily. Regulatory authorities must monitor these emerging exposures while assessing opportunities to use AI in their own supervisory work.

On the available evidence, AI does not pose a measurable systemic risk to Barbados' financial system. The Bank reached this view in an assessment published alongside the 2025 Financial Stability Report, drawing on a review of the international evidence. That Report, prepared jointly with the Financial Services Commission, includes cyber and AI-related risks among the developments the two regulators monitor closely.

Sound governance will determine whether the benefits outweigh the risks. Institutions adopting AI require clear accountability for their models, human oversight of material decisions, strong cybersecurity and prudent management of their dependence on outside providers, with customer protection at the centre. The Financial Stability Board also encourages authorities to close gaps in data on how institutions use AI. The Bank, working with the Financial Services Commission, will continue to monitor the use of AI across the financial system and to strengthen its supervisory capacity.

Sources: Bank of England (2025), Financial Stability in Focus: Artificial Intelligence in the Financial System; Central Bank of Barbados and Financial Services Commission (2026), 2025 Financial Stability Report; Financial Stability Board (2024), The Financial Stability Implications of Artificial Intelligence; International Monetary Fund (2024), Global Financial Stability Report, October 2024, Chapter 3.

Outlook

The Bank now projects real GDP growth of about 1.7 percent in 2026, revised from the approximately 2 percent projected in July, and below the 2.6 percent recorded in 2025. The revision reflects the weaker outturn of the first nine months, when growth of 1.4 percent included a sharp third-quarter contraction in agriculture, softer tourism activity and a decline in construction. Achieving the projection requires fourth-quarter growth of about 2.5 percent, supported mainly by business and other services, wholesale and retail trade and a recovery in tourism activity. The projection is broadly consistent with the IMF's October 2026 projections, which put growth in Barbados at 1.8 percent in 2026, above the 1.4 percent projected for tourism-dependent Caribbean economies as a group. This pace should support continued economic activity and macroeconomic stability, although faster sustained growth will be necessary to achieve greater improvements in productivity and living standards. Ongoing work at Pierhead and Coverley, together with several projects scheduled to begin in the fourth quarter, should support construction, while planned public and private investment in infrastructure, tourism facilities, renewable energy and housing provides opportunities for medium-term growth. However, delays in project commencement and execution, higher construction costs and financing constraints could slow investment and limit benefits to transportation, professional services and wholesale and retail trade.

Tourism activity is expected to strengthen during the 2026/27 winter season, although shorter visitor stays and lower cruise activity could continue to constrain the sector's contribution to growth. As of 21 September 2026, forward bookings for October to December 2026 exceeded those for the corresponding period of 2025 by 9.7 percent, with November and December recording the strongest gains. Planned airline seat capacity for October 2026 to March 2027 is about 8 percent higher, supported by additional seats from Canada, the United Kingdom and Ireland, and the Caribbean, although capacity from the United States and continental Europe remains below the previous year's level. Port schedules also point to fewer cruise passengers during the winter season, as the temporary redeployment of vessels to the region unwinds. Moreover, the experience of the first nine months demonstrates that higher arrivals do not necessarily translate into greater tourism output when visitors shorten their stays. A fourth-quarter recovery should therefore moderate the weakness recorded earlier in the year, although tourism value added may still decline marginally for 2026 as a whole.

Global economic growth remains resilient but uneven, with geopolitical tensions, higher energy costs and trade uncertainty presenting continued downside risks. In its October 2026 World Economic Outlook, the IMF projected global growth of 3.1 percent in 2026, down from 3.5 percent in 2025, before recovering to 3.4 percent in 2027. The conflict in the Middle East has disrupted energy markets and raised international transportation costs, while trade tensions continue to affect investment and confidence. The redirection of energy supplies, increased production outside the conflict region and strong investment in artificial intelligence have nevertheless helped cushion the effects on global economic activity. However, the IMF cautions that growth has become increasingly uneven, particularly between economies benefiting from technology-related investment and those facing higher energy import costs. A further escalation of geopolitical tensions, renewed trade restrictions or a deterioration in international financing conditions could weaken global demand and increase risks for small, open economies such as Barbados.

Economic prospects across Barbados' principal tourism source markets remain mixed, with implications for visitor demand and expenditure. The IMF projects United States growth of 2.3 percent in both 2026 and 2027. In the United Kingdom, growth is projected at 1.3 percent in 2026 and 1.2 percent in 2027, while Canadian growth is expected to strengthen from 1.1 percent to 1.7 percent. These projections suggest that demand conditions will differ across source markets. Higher household energy costs, weaker real incomes or declining consumer confidence could reduce spending on international travel, even where airline capacity increases. For Barbados, the implications extend beyond visitor arrivals to the duration of stays, tourism receipts and activity in transportation, professional services, wholesale and retail trade and other tourism-related sectors.

The regional outlook reinforces the importance of strengthening productivity, competitiveness and economic resilience. In its October 2026 Regional Economic Outlook for the Western Hemisphere, the IMF projected growth in Latin America and the Caribbean of 2.3 percent in 2026 and 2.5 percent in 2027. Strong United States demand, tourism activity, remittances and favourable financing conditions have supported regional growth despite higher energy prices and trade uncertainty. However, the IMF highlights persistent challenges associated with elevated public debt, limited fiscal space and weak productivity growth. It also finds that large foreign direct investment inflows have not generated matching gains in exports and productivity across the region. For Barbados, these findings underscore the importance of converting planned investment into higher productive capacity, stronger domestic supply chains, improved infrastructure and greater export competitiveness.

Domestic inflation is expected to remain moderate, although higher international energy prices and freight costs present upside risks. The Bank projects the 12-month moving-average inflation rate to reach between 1.5 and 2 percent by the end of 2026. However, further geopolitical escalation, prolonged shipping disruptions and adverse weather conditions could increase international energy and food prices and raise import costs. The IMF's October World Economic Outlook projects global headline inflation of 4.7 percent in 2026 before easing to 4.1 percent in 2027, reflecting continued international price pressures. Government measures aimed at moderating domestic electricity and fuel costs should cushion part of the impact on households and businesses. Nevertheless, the timing and extent of the pass-through to domestic prices remain uncertain, particularly given the sharp increases in international oil and freight costs during the third quarter.

Barbados is expected to maintain a strong external buffer, although reserve accumulation will depend on tourism receipts, financial inflows and external payment obligations. Gross international reserves stood at approximately \$2.8 billion at end-September 2026, equivalent to 22.8 weeks of import cover and comfortably above the 12-week benchmark. Stronger tourism activity during the winter season and additional foreign-currency corporate tax receipts could improve foreign-exchange inflows. However, the decline in reserves during the third quarter demonstrates that improvements in the current account do not necessarily translate into reserve accumulation when financial inflows weaken. The timing of multilateral disbursements, external debt repayments and corporate tax receipts will therefore influence the year-end reserve position. Higher energy import costs, weaker tourism demand and adverse global financing conditions remain important risks. Nevertheless, the substantial reserve buffer should continue to support the exchange rate peg and protect the economy against short-term external shocks, while the precautionary Stand-By Arrangement with the IMF provides an additional source of financing insurance should external shocks generate balance-of-payments needs.

Government is expected to maintain a strong fiscal position during FY2026/27, supported by corporate income tax receipts and continued fiscal discipline. The current macroeconomic framework underpinning BERT and the IMF Stand-By Arrangement targets a primary surplus of 3.5 percent of GDP for FY2026/27, reflecting updated projections for growth, revenue and debt. The primary surplus of 3 percent of GDP recorded in the first half of the year provides a solid base. Corporate income tax receipts, including revenues from the Qualified Domestic Minimum Top-up Tax, should continue to support Government revenue. However, uncertainty surrounding the timing, magnitude and persistence of these receipts requires careful expenditure planning, particularly where revenues may fluctuate from year to year.

Higher revenues should support priority investment and social programmes while preserving fiscal buffers. Government plans to increase expenditure on critical infrastructure, including health, education, water and energy, alongside higher spending on goods and services and social programmes. Revenue overperformance could provide additional resources for these priorities or strengthen fiscal buffers. In the event of further increases in imported energy and food prices, temporary and targeted assistance to vulnerable households could help protect purchasing power while limiting the fiscal cost of broader price interventions. Effective project selection and timely execution will remain important to ensure that additional capital spending translates into higher productive capacity and improvements in public services.

The medium-term fiscal framework remains anchored by the objective of reducing public debt to 60 percent of GDP by FY2035/36. The current macroeconomic framework envisages primary surpluses of 3.5 percent of GDP in FY2026/27 and FY2027/28, with a steady-state surplus of 4.1 percent thereafter. These targets will evolve as the authorities update their projections for economic growth, revenue, expenditure and financing conditions. Stronger economic growth can create scope for lower primary surpluses while maintaining the required pace of debt reduction, provided that the resulting fiscal and debt trajectories remain consistent with the medium-term anchor. Maintaining this path while expanding development expenditure will require sustained revenue performance, disciplined expenditure management and stronger economic growth. Higher commodity prices, geopolitical uncertainty, financing costs and possible fluctuations in corporate tax receipts could necessitate changes in expenditure priorities. Over the medium term, improvements in infrastructure, renewable energy, workforce skills, the business environment and the productivity of public and private investment will be essential to support faster growth and continued debt reduction.

The financial system is expected to remain resilient, supported by improving loan quality, strong capital buffers and adequate liquidity. Continued credit expansion should support household and business activity, while lower non-performing loan ratios and strong prudential buffers provide financial institutions with capacity to absorb shocks and finance additional lending. Nevertheless, weaker external conditions and higher operating costs could affect some borrowers, and the rise in the loan-to-deposit ratio warrants continued monitoring of credit quality and liquidity. Increased adoption of BiMPay should improve payment efficiency, expand access to digital payment services and support financial inclusion. As digital transactions grow, continued attention to operational resilience, cybersecurity and consumer protection will remain important to preserving confidence in the financial system.

Economic Freedom and Transformation in Barbados

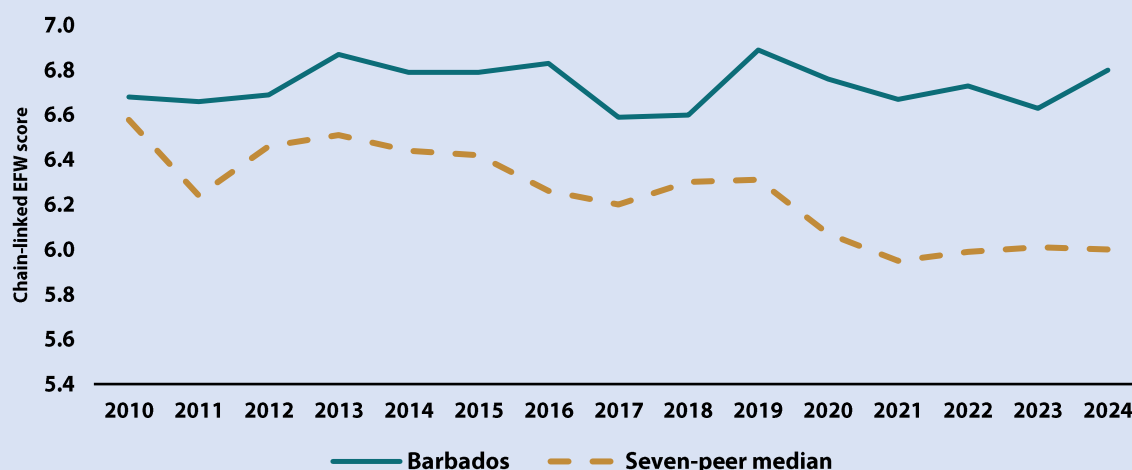
The Fraser Institute's Economic Freedom of the World (EFW) Index measures policy and institutional settings, not their social outcomes or merits. It rates economies on a 0 to 10 scale across five areas: size of government, legal system and property rights, sound money, freedom to trade internationally, and regulation. Higher values indicate greater freedom under the Institute's framework, which does not itself assess the social or stability benefits of particular restrictions. Table 1 defines the five areas. The indicators provide one perspective on Barbados' economic framework as the country implements its Barbados Economic Recovery and Transformation (BERT) programme.

Table 1: The Five EFW Areas

Areas	Scope of Measures
Size of government	Government consumption, transfers, public ownership and taxation
Legal system and property rights	Judicial institutions, property protection and contract enforcement
Sound money	Money growth, inflation stability and access to foreign-currency accounts
Freedom to trade internationally	Tariffs, border processes and restrictions on international exchange
Regulation	Credit, labour-market and business rules

Barbados' chain-linked EFW score rose slightly between 2010 and 2024, with fluctuations in between. It increased from 6.68 in 2010 to 6.80 in 2024, a gain of 0.12 points, after reaching 6.59 in 2017, 6.89 in 2019 and 6.63 in 2023. In the separate annual cross-sectional rankings, Barbados moved from 84th among 162 economies in 2010 to 81st among 165 in 2024, improving three places and moving from approximately the 48th to the 51st percentile, based on the share of economies outranked. The Institute reports a 2024 cross-sectional score of 6.79. Figure 1 uses the chain-linked series and the median of seven Caribbean peers, excluding Barbados.

Figure 1: Barbados' Chain-Linked EFW Score and Seven-Peer Median, 2010 to 2024



Source: Fraser Institute, Economic Freedom of the World: 2026 Annual Report, chain-linked panel dataset.

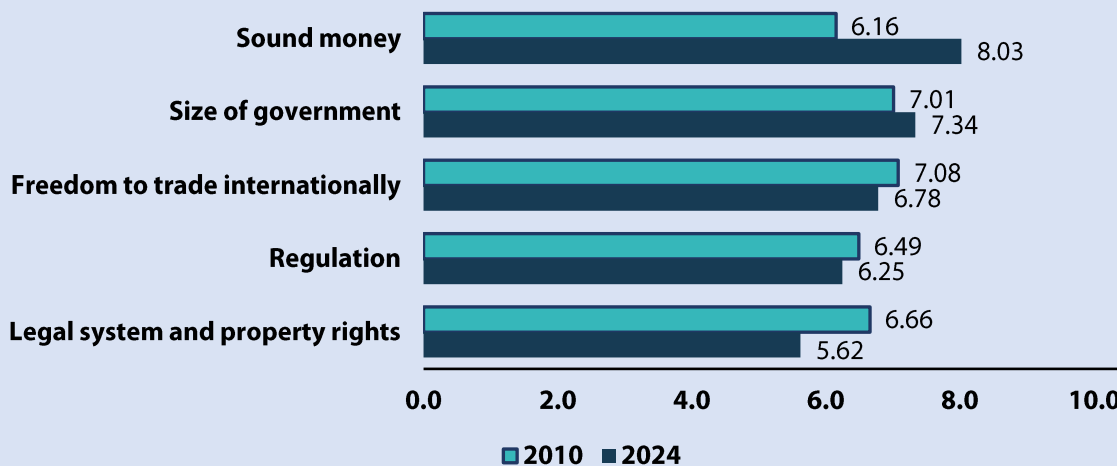
Note: Peer median excludes Barbados and includes The Bahamas, Belize, Guyana, Haiti, Jamaica, Suriname and Trinidad and Tobago.

The highest 2024 area scores came from sound money and size of government, while the legal and regulatory areas scored lowest. In the comparable chain-linked data, sound money registered 8.03, size of government 7.34, freedom to trade internationally 6.78, regulation 6.25 and legal system

and property rights 5.62. Figure 2 compares the same five measures with their 2010 readings. The Institute’s published 2024 raw area scores differ slightly, reflecting the distinction between cross-sectional ratings and the historical chain-linked series.

The most pronounced shifts since 2010 occurred in sound money and legal system and property rights. The chain-linked sound-money area increased by 1.87 points, while the legal area fell by 1.04 points. In the underlying scores, the inflation-rate component rose from 7.67 to 9.82. Over the same period, judicial independence declined from 8.26 to 7.35, impartial courts from 7.30 to 6.13, and protection of property rights from 7.77 to 6.68. The regulatory-burden indicator declined from 6.13 to 3.26. These movements do not establish why each changed.

Figure 2: Barbados’ Chain-Linked EFW Scores across Five Areas, 2010 and 2024



Source: Fraser Institute, Economic Freedom of the World: 2026 Annual Report, chain-linked panel dataset.

Note: Chain-linked area scores differ slightly from the Institute’s published 2024 cross-sectional ratings.

Several announced BERT 2026 initiatives relate directly to the index’s trade and regulatory categories. They include full operationalisation of the Barbados Electronic Single Window for trade, expansion of the Trusted Trader Programme, digitisation of customs and logistics, and the second phase of Business Barbados modernisation, combining registration, payment and verification in one digital platform. Their reflection in future EFW scores depends on implementation and subsequent data. The index also scores two settings that reflect a deliberate policy choice: Barbados maintains exchange controls in support of its longstanding fixed exchange rate. For 2024, the Institute rates access to foreign-currency bank accounts at 5.00 and capital controls at 0.00, which lowers Barbados’ sound money and trade scores.

The next EFW edition will provide a more recent baseline, not an assessment of BERT 2026. The edition scheduled for 2027 should first reflect 2025 conditions, before BERT 2026’s introduction. Later editions can show whether measured trade, regulatory and legal settings changed, but the scores alone cannot establish the effects of reform.

Appendix 1: Economic Indicators

	2020	2021	2022 ^(e)	2023 ^(e)	2024 ^(e)	2025 ^(e)	Sep 2025 ^(e)	Sep 2026 ^(e)
Nominal GDP (\$ Million) ¹	10,806.5	11,897.8	13,773.3	14,446.5	15,195.1	15,874.9	11,715.9	12,141.4
Real Growth (%)	-16.5	9.0	14.4	1.5	3.5	2.6	2.3	1.4
Inflation (M.A., %) ²	0.7	1.5	4.3	3.2	1.5	0.9	0.5	1.5
Unemployment (Annual, %) ³	N/A	14.1	8.4	7.9	N/A	6.5	6.1	6.6
Gross International Reserves (\$ Million) ⁴	2,658.1	3,049.8	2,781.1	3,010.3	3,186.2	3,045.3	3,330.2	2,827.5
Gross International Reserves Cover, Weeks ⁴	41.2	36.1	26.9	29.8	29.2	25.8	28.6	22.8
BoP Current Account (% of GDP)	-5.1	-7.8	-7.6	-7.6	-3.7	-5.9	(6.1)	(4.4)
Total Imports of Goods (% of GDP)	26.4	26.7	29.6	27.9	26.9	27.5	27.7	28.4
Travel Credits (% of GDP)	11.7	11.0	13.8	15.9	17.3	17.2	15.6	15.0
Financial Account (\$ Millions)	1,718.4	1,135.5	799.0	1,267.9	712.9	957.9	718.7	402.0
Treasury-Bill Rate ⁵	0.5	0.5	0.5	2.4	1.9	0.6	0.9	0.7
Weighted-Average Deposit Interest Rate	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Weighted-Average Loan Interest Rate	5.9	5.7	5.5	5.4	5.2	5.2	5.2	5.2
Excess Domestic Cash Ratio (Banks)	22.4	26.8	27.0	25.8	21.9	20.3	22.5	17.6
Private Sector Credit Growth (%) ⁶	-1.2	-0.7	3.1	2.6	4.6	5.7	4.4	4.0
Private Sector Credit (% of GDP) ⁶	75.5	68.1	60.6	59.3	59.0	59.7	59.6	60.5
Domestic-Currency Deposits (% of GDP) ⁶	113.7	107.7	97.1	93.8	95.7	93.4	94.1	92.2
Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25^(e)	2025/26^(e)	Apr-Sep 2025^(e)	Apr-Sep 2026^(e)
Fiscal Balance (% of GDP)	-4.2	-3.8	-1.7	-1.6	-0.8	-0.2	1.6	0.9
Primary Balance (% of GDP)	-0.8	-0.7	2.2	3.3	4.1	4.2	3.7	3.0
Interest (% of GDP)	3.3	3.1	3.9	4.9	4.9	4.5	2.2	2.1
Fiscal Current Account (% of GDP)	-1.5	-0.5	1.6	1.0	3.4	3.9	3.3	3.2
Revenue (% of GDP)	25.0	22.1	23.6	23.2	25.8	25.4	13.9	14.2
Expenditure (% of GDP)	29.2	26.0	25.3	24.8	26.6	25.7	12.3	13.3
Non-Interest Expenditure (% of GDP)	25.8	22.9	21.4	19.9	21.8	21.2	10.2	11.2
Capital Expenditure (% of GDP)	2.7	3.3	3.4	2.5	4.2	4.1	1.7	2.3
Gov't Interest Payments (% of Revenue)	13.4	14.1	16.5	20.9	19.0	17.5	15.6	15.0
Gross Public Sector Debt (% of GDP) ⁷	125.5	104.7	101.4	102.3	97.6	94.8	94.7	93.6
Central Government External Debt (% of GDP)	38.5	35.2	36.3	38.6	37.5	36.6	37.3	36.2
External Debt Service to Curr. Acct. Cred.	5.9	6.2	7.8	8.4	13.8	8.6	34.2	8.0

(e) - Estimate

1 - Central Bank of Barbados and Barbados Statistical Service

2 - 12-month moving averages for 2025 and 2026 reflect data up to July.

3 - The September 2025 and September 2026 columns reflect the unemployment rates recorded in June of the respective years.

4 - Based on prevailing market rates rather than the IMF programme rates previously used.

5 - 0.5 rate represents the T-bills rolled over at a fixed rate during the 2018 debt restructuring.

6 - Based on consolidated data for deposit-taking Institutions (Commercial Banks, Finance & Trust Companies and Credit Unions).

7 - Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt (Guaranteed Contingent Liabilities).

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 (BD\$ Millions, Constant Prices)¹

	2020	2021	2022	2023	2024	2025 ^(e)	Sep 2025 ^(e)	Sep 2026 ^(e)
Traded Sector	1,361.6	1,202.2	1,820.7	1,960.2	2,020.5	2,066.3	1,501.5	1,492.7
Tourism	378.8	313.5	863.6	977.3	1,044.7	1,061.6	739.7	730.9
Agriculture	362.3	258.4	211.9	238.7	228.6	258.6	193.7	194.6
Sugar	10.7	10.4	10.5	12.2	11.3	10.8	10.8	8.0
Non-Sugar Agriculture	351.7	248.0	201.4	226.5	217.2	247.8	182.9	186.6
Manufacturing	620.5	630.3	745.2	744.2	747.2	746.2	568.1	567.2
of which:								
<i>Beverages and Tobacco</i>	76.1	78.1	84.8	87.7	89.1	85.3	61.0	59.9
<i>Food</i>	99.3	107.7	113.4	116.4	118.8	122.4	85.7	87.5
<i>Furniture</i>	11.5	12.2	12.4	12.7	12.8	12.9	9.9	9.9
<i>Chemicals</i>	28.1	27.7	29.6	30.0	30.0	29.4	21.7	21.1
<i>Other Non-Metallic Mineral Products</i>	137.9	148.6	163.9	131.5	132.7	134.1	92.3	91.8
Non-Traded Sector	8,846.1	9,923.7	10,910.0	10,960.8	11,356.0	11,655.6	8,625.5	8,777.7
Mining & Quarrying	56.0	51.6	58.8	60.7	59.7	60.8	44.8	45.1
Electricity, Gas & Water	288.1	304.4	307.5	315.4	332.4	330.9	244.1	246.7
Construction	748.2	732.2	737.4	654.8	726.3	797.5	574.1	572.3
Wholesale & Retail	1,549.3	2,455.2	2,797.3	2,702.3	2,920.5	2,952.6	2,173.0	2,216.4
Transportation, Storage & Communication	1,040.8	1,184.3	1,375.8	1,448.3	1,460.9	1,486.6	1,084.6	1,087.3
Business & Other Services	4,087.2	4,079.7	4,425.8	4,499.8	4,574.6	4,745.2	3,541.8	3,646.5
Government	1,076.6	1,116.3	1,207.4	1,279.5	1,281.7	1,282.1	963.1	963.4
Real GDP	10,207.7	11,126.0	12,730.8	12,921.1	13,376.5	13,721.9	10,127.0	10,270.5
Nominal GDP	10,806.5	11,897.8	13,773.3	14,446.5	15,195.1	15,874.9	11,715.9	12,141.4
Real Growth Rates	-16.5	9.0	14.4	1.5	3.5	2.6	2.3	1.4
Traded Sector	-35.3	-11.7	51.4	7.7	3.1	2.3	1.9	-0.6
Non-Traded Sector	-12.6	12.2	9.9	0.5	3.6	2.6	2.3	1.8

(e) - Estimate

1 - 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)	Sep 2025 ^(e)	Sep 2026 ^(e)
Current Account Balance	(554.5)	(924.0)	(1,042.7)	(1,102.0)	(564.1)	(934.9)	(714.1)	(532.6)
o/w: Exports of Goods and Services	2,749.0	3,601.8	4,604.5	4,719.9	5,342.0	5,557.7	4,033.1	4,273.3
o/w: Imports of Goods and Services	3,355.4	4,399.5	5,347.8	5,259.8	5,672.7	6,145.3	4,575.6	4,866.6
Merchandise Trade Balance	(1,779.7)	(1,345.2)	(1,887.7)	(2,064.1)	(1,943.6)	(2,243.9)	(1,561.6)	(1,558.2)
Exports of Goods	1,073.6	1,832.2	2,190.6	1,970.8	2,141.2	2,114.0	1,680.9	1,894.8
Domestically Produced Goods	449.1	444.3	525.9	480.6	475.3	443.8	330.9	353.7
Re-Exports	241.0	237.7	493.4	440.8	438.5	397.6	293.0	388.2
Net Export of Goods under Merchanting	383.4	1,150.2	1,171.2	1,049.3	1,227.3	1,272.5	1,056.9	1,152.8
Imports of Goods	2,853.3	3,177.4	4,078.3	4,034.8	4,084.7	4,357.9	3,242.5	3,453.0
o/w: Fuel	519.0	685.8	1,122.8	1,010.6	951.7	766.3	594.1	840.5
Services Balance	1,173.2	547.5	1,144.4	1,524.2	1,612.9	1,656.4	1,019.1	965.0
Exports	1,675.4	1,769.6	2,413.9	2,749.2	3,200.8	3,443.8	2,352.2	2,378.5
o/w: Travel	1,262.3	1,312.3	1,903.5	2,304.1	2,622.3	2,732.7	1,824.0	1,822.3
Imports	502.2	1,222.1	1,269.5	1,225.0	1,588.0	1,787.4	1,333.1	1,413.6
Income Account Balance	(134.9)	(192.5)	(329.2)	(551.7)	(562.6)	(593.5)	(362.7)	(375.4)
Credits	338.7	412.4	449.1	473.4	475.6	491.9	368.9	367.5
Debits	473.7	604.8	778.3	1,025.0	1,038.2	1,085.4	731.6	743.0
Current Transfers Balance	186.8	66.2	29.8	(10.4)	329.2	246.1	191.2	436.1
Credits	396.6	284.4	268.5	238.4	599.3	530.2	400.8	660.3
Debits	209.8	218.2	238.7	248.8	270.1	284.1	209.6	224.2
Capital Account	(4.5)	0.5	15.0	(4.9)	9.5	49.9	43.9	20.0
Financial Account	1,718.4	1,135.5	799.0	1,267.9	712.9	957.9	718.7	402.0
Net Foreign Direct Investment	509.2	417.8	528.9	459.8	523.0	709.5	527.3	476.9
All Other Investment Flows	1,209.2	717.7	270.1	808.1	189.9	248.4	191.5	(74.9)
Net Long-Term Public	937.7	734.6	96.9	648.6	198.0	184.4	182.3	(51.9)
o/w: IMF	282.6	96.6	83.6	205.2	44.9	(305.9)	(275.9)	(23.1)
Net Long-Term Private	251.3	99.5	310.1	243.6	184.8	196.5	102.4	24.6
Net Short-Term	20.2	(116.4)	(136.9)	(84.1)	(192.9)	(132.5)	(93.2)	(47.7)
Net Errors & Omissions	17.8	224.3	149.9	(15.0)	(19.4)	(291.8)	32.7	(94.6)
Overall Balance	1,177.2	436.3	(78.9)	146.0	138.9	(219.0)	81.3	(205.2)
Change in GIR: - increase/+ decrease¹	(1,179.6)	(391.7)	268.6	(229.2)	(175.9)	140.9	(144.0)	217.8
BOP change in GIR (-increase/+decrease)¹	(1,177.2)	(436.3)	78.9	(146.0)	(138.9)	219.0	(81.3)	205.2
Memorandum Items:								
Gross International Reserves (GIR)	2,658.1	3,049.8	2,781.1	3,010.3	3,186.2	3,045.3	3,330.2	2,827.5
Gross International Reserves Cover, Weeks	41.2	36.1	26.9	29.8	29.2	25.8	28.6	22.8

(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 (BD\$ Millions)

	2020/21	2021/22	2022/23	2023/24	2024/25 ^(e)	2025/26 ^(e)	Apr-Sep 2025	Apr-Sep 2026
Total Revenue	2,563.3	2,823.8	3,320.0	3,378.0	3,955.8	4,071.4	2,229.8	2,385.4
Tax Revenue	2,387.8	2,646.1	3,110.6	3,205.5	3,735.1	3,883.4	2,136.4	2,290.2
i) Direct Taxes	1,202.9	1,148.2	1,381.2	1,379.8	1,861.7	1,902.6	1,181.8	1,357.8
Personal	308.1	385.0	393.4	443.4	466.1	504.1	283.1	289.4
Corporate	612.9	450.5	548.8	563.1	1,026.7	1,042.7	661.2	825.5
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	171.9	156.9
Financial Institutions Asset Tax	45.6	46.2	53.0	53.5	56.7	58.4	29.2	29.8
Other	54.7	61.4	80.8	97.4	88.9	74.6	36.5	56.2
ii) Indirect Taxes	1,185.0	1,497.9	1,729.5	1,825.7	1,873.5	1,980.8	954.6	932.4
Stamp	7.6	13.4	21.6	18.2	17.0	17.0	8.5	8.3
VAT	706.3	884.6	1,022.6	1,095.5	1,131.8	1,201.9	572.9	582.0
Excises	154.1	212.3	247.2	228.6	241.3	242.1	120.0	88.0
Import Duties	191.9	220.6	241.9	257.2	280.2	290.5	139.8	142.7
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	113.4	111.4
o/w: Fuel Tax	63.8	70.2	80.9	76.8	80.8	79.5	39.4	32.8
o/w: Room Rate/Shared Accommodation	9.5	25.2	40.2	42.4	43.1	45.3	21.4	22.5
Non-tax Revenue & Grants:	175.4	177.8	209.4	172.5	220.7	188.0	93.5	95.2
Non-tax Revenue	169.5	159.7	173.4	159.4	213.2	175.8	91.0	90.5
o/w: Foreign Exchange Fee	65.2	78.7	94.4	101.1	108.3	118.1	60.1	58.7
Grants	0.0	5.7	20.0	1.0	0.0	0.4	0.4	1.2
Post Office Revenue	5.9	12.3	16.0	12.1	7.5	11.7	2.0	3.5
Current Expenditure	2,716.8	2,889.2	3,088.7	3,238.9	3,441.9	3,447.2	1,708.3	1,848.5
Wages & Salaries	808.0	834.8	854.6	852.4	885.4	897.5	445.8	455.5
Goods & Services	399.8	493.2	529.0	522.4	598.8	660.4	325.7	390.9
Interest	342.6	398.9	549.2	707.3	749.9	713.2	346.9	357.4
External	144.1	132.4	196.0	308.4	336.0	314.3	146.7	158.5
Domestic	198.5	266.5	353.3	398.9	413.9	398.9	200.2	198.9
Transfers & Subsidies	1,166.3	1,162.3	1,155.9	1,156.8	1,207.8	1,176.1	589.8	644.7
Grants to Individuals	423.7	454.2	475.0	413.8	492.7	408.1	221.0	223.3
Grants to Public Institutions	657.3	631.8	581.4	661.9	650.8	690.3	321.9	381.4
Subsidies	49.7	33.6	48.2	46.3	24.5	38.5	25.6	16.1
Subscriptions & Contributions	20.3	21.9	23.7	21.1	20.1	21.1	12.1	13.7
Non-Profit Agencies	15.3	20.7	27.7	13.7	19.7	18.0	9.2	10.1
Capital Expenditure & Net Lending	276.1	425.2	476.2	369.6	642.8	663.2	270.4	386.8
Capital Expenditure	278.3	421.6	449.5	357.6	612.6	645.7	263.5	377.3
Net Lending	-2.2	3.6	26.7	12.0	30.3	17.5	6.9	9.6
Fiscal Balance	-429.6	-490.6	-244.9	-230.5	-128.9	-39.0	251.2	150.1
Primary Balance	-87.0	-91.6	304.3	476.8	621.0	674.2	598.1	507.5
Fiscal Balance-to-GDP (%)	-4.2	-3.8	-1.7	-1.6	-0.8	-0.2	1.6	0.9

(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 ^(e)	2025/26 ^(e)	Apr-Sep 2025 ^(e)	Apr-Sep 2026 ^(e)
Fiscal Balance	(429.6)	(490.6)	(244.9)	(230.5)	(128.9)	(39.0)	251.2	150.1
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)	(52.1)	(61.6)
Financing	491.5	531.7	283.1	281.8	213.0	137.3	(199.2)	(88.5)
Domestic Financing (Net)	(340.1)	107.0	(217.9)	(247.7)	11.2	(22.2)	(344.9)	(115.9)
Central Bank	(66.6)	331.6	(132.6)	(174.6)	270.0	(56.1)	(123.7)	(99.6)
Commercial Banks	106.6	(24.5)	99.9	131.3	679.9	139.2	(84.0)	15.0
National Insurance & Social Security Service	(207.9)	15.3	(60.2)	(83.3)	(439.0)	(80.8)	(30.2)	(14.4)
Private Non-Bank	(34.9)	(47.1)	(136.8)	76.2	(172.2)	63.1	(2.7)	(19.1)
Other	(137.3)	(168.3)	11.7	(197.2)	(327.5)	(154.0)	(104.4)	2.2
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	145.8	27.4
Capital Markets	0.0	0.0	146.5	0.0	0.0	1,000.0	1,000.0	0.0
Project Loans	51.2	91.4	72.6	113.1	111.8	266.6	100.1	73.0
Policy Loans	968.1	496.6	483.6	627.6	423.4	116.0	116.0	100.0
Amortisation	(187.7)	(163.3)	(201.7)	(211.2)	(333.4)	(1,223.1)	(1,070.3)	(145.5)

(e) Estimate

Source: Central Bank of Barbados

Appendix 6 -Public Debt Outstanding (BDS\$ Millions)

	2020/21	2021/22	2022/23	2023/24	2024/25 ^(e)	2025/26 ^(e)	Sep 2025 ^(e)	Sep 2026 ^(e)
Gross Central Government Debt¹	12,819.1	13,310.3	14,224.8	14,873.1	14,888.0	15,125.8	14,808.3	15,183.2
Gross Central Government Debt/GDP (%)	125.0	104.4	101.1	102.1	97.1	94.4	94.3	93.1
Domestic Debt	8,872.7	8,824.1	9,117.9	9,250.0	9,134.8	9,260.4	8,950.1	9,285.4
Short Term	708.1	710.1	662.3	822.9	912.7	1,157.6	896.1	1,331.7
Treasury Bills²	495.1	495.1	495.1	667.7	785.8	939.0	796.4	1,086.4
Central Bank	207.2	207.2	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	569.3	852.7
Other	2.8	2.8	2.8	27.6	6.1	30.6	19.9	26.5
Loans	213.0	215.0	167.2	155.2	126.9	218.6	99.7	245.3
Central Bank	213.0	215.0	167.2	155.2	126.9	218.6	99.7	245.3
Long Term	8,164.6	8,113.9	8,455.6	8,427.0	8,222.0	8,102.8	8,054.0	7,953.7
Bonds	8,083.7	8,091.2	8,051.6	8,047.0	7,298.0	7,191.9	7,131.7	7,057.2
Central Bank	414.4	444.4	626.8	626.8	590.7	505.3	548.0	462.6
Commercial Bank	2,048.8	2,058.3	2,034.2	2,061.5	1,934.5	1,955.9	1,857.5	1,893.5
National Insurance & Social Security Service	2,650.2	2,665.4	2,605.2	2,521.9	2,082.8	2,002.1	2,052.6	1,987.6
Insurance Companies	815.8	815.1	810.6	782.1	765.0	770.8	761.2	772.2
Pension Funds	311.7	321.9	317.1	315.3	324.3	326.5	327.2	324.2
Other	1,842.7	1,786.1	1,657.6	1,739.4	1,600.7	1,631.2	1,585.1	1,617.1
Loans & Tax Certificates	1.5	0.1	146.6	146.6	739.3	733.2	739.3	727.1
Commercial Banks	1.4	(0.0)	146.5	146.5	739.2	733.1	739.2	727.0
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Arrears	79.4	22.6	257.5	233.4	184.8	177.8	183.1	169.4
External Debt	3,946.4	4,486.2	5,106.8	5,623.2	5,753.3	5,865.5	5,858.2	5,897.8
Long Term	3,946.4	4,486.2	5,106.8	5,623.2	5,753.3	5,865.5	5,858.2	5,897.8
International Bonds	1,072.9	1,072.9	1,070.7	1,069.3	913.2	1,140.2	1,140.9	1,109.6
Bilateral	244.4	312.6	376.3	384.9	387.5	373.8	388.7	400.4
Multilateral	2,381.3	2,882.4	3,323.3	3,861.7	4,175.8	4,136.6	4,082.7	4,171.7
IMF (Budget Support)	368.2	464.8	530.8	744.7	958.7	851.2	860.4	853.1
Commercial	247.8	218.3	336.5	307.2	276.7	214.9	245.9	216.1
Other Public Sector Debt (Contingent Liabilities)								
External Debt	51.9	46.0	36.2	26.3	69.5	69.8	67.2	68.6
Long Term	51.9	46.0	36.2	26.3	69.5	69.8	67.2	68.6
Bonds	31.1	31.1	26.0	23.3	17.5	13.6	15.5	11.7
Multilateral	20.9	14.9	10.2	3.0	52.1	56.2	51.7	56.9
Gross Public Sector Debt³	12,871.1	13,356.3	14,261.0	14,899.4	14,957.6	15,195.7	14,875.6	15,251.8
Gross Public Sector Debt/GDP (%)	125.5	104.7	101.4	102.3	97.6	94.8	94.7	93.6

(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 (Contingent Liabilities)

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

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

	2020	2021	2022	2023	2024	2025	Sep 2025	Sep 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	2,947.6	2,491.7
Monetary Base	3,551.8	4,132.8	4,389.2	4,401.1	4,282.9	4,220.6	4,464.1	3,938.4
Net Domestic Assets	1,282.7	1,467.9	2,002.3	1,742.4	1,396.6	1,402.5	1,393.0	1,320.0
Deposit-Taking Institutions²								
Credit to Public Sector ³								
Central Government (net)	2,056.5	2,100.1	2,249.8	2,418.0	3,194.9	3,354.0	3,145.7	3,401.0
Rest of the Public Sector	85.3	144.5	157.1	142.6	136.8	119.8	125.6	122.3
Credit to Rest of Financial System	262.8	246.1	280.2	294.7	309.9	275.5	259.4	317.0
Credit to the Non-Financial Private Sector ⁴	8,153.7	8,096.8	8,350.7	8,568.0	8,959.4	9,472.1	9,355.1	9,855.6
Total Deposits	12,976.2	13,697.0	14,413.4	14,582.5	15,810.8	16,259.5	16,181.4	16,519.7
Transferable Deposits ⁵	11,178.9	11,855.8	12,643.9	12,900.2	14,009.4	14,217.8	14,221.7	14,501.4
Non-Transferable Deposits	1,797.3	1,841.1	1,769.4	1,682.3	1,801.3	2,041.7	1,959.8	2,018.4
Memo Items								
Domestic-Currency Deposits	12,283.2	12,809.9	13,376.8	13,547.9	14,539.3	14,833.4	14,772.4	15,026.5
Foreign-Currency Deposits	693.0	887.0	1,036.5	1,034.6	1,271.4	1,426.1	1,409.0	1,493.2
Banking System Financial Stability Indicators⁶								
Capital Adequacy Ratio	16.0	16.8	17.6	20.9	21.2	19.0	19.1	18.7
Loan to Deposit Ratio	57.1	53.0	53.1	54.3	57.0	58.9	58.5	61.6
Liquid Assets to Total Assets	27.5	31.1	32.0	30.5	28.7	28.9	29.1	27.2
Non-Performing Loans Ratio	7.3	7.3	5.9	5.0	4.1	3.5	3.7	3.3
Provisions to Non-Performing Loans	56.3	53.0	53.1	54.1	46.5	45.9	45.7	46.9
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