



BARBADOS' ECONOMIC REVIEW

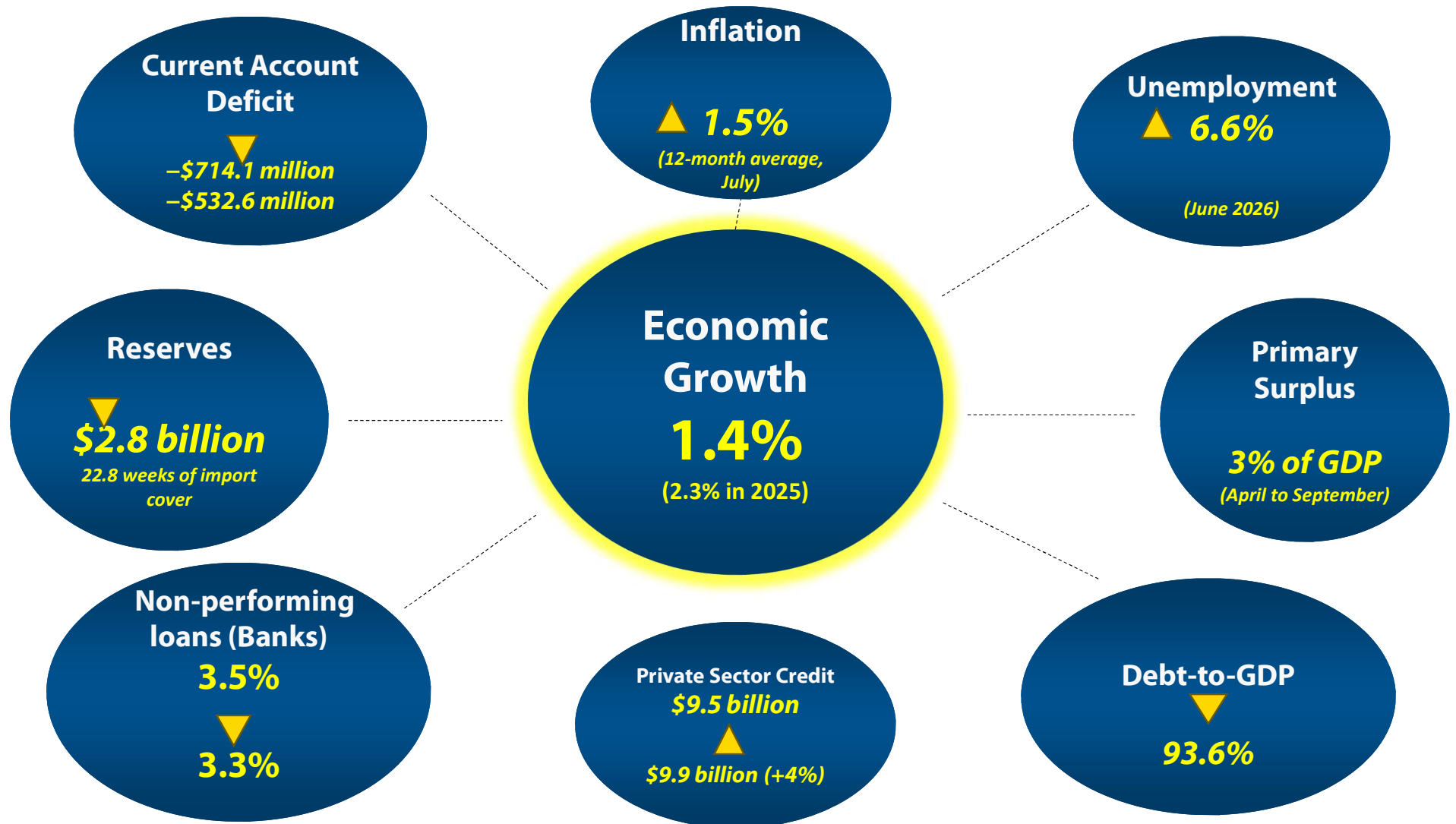
January to September 2026

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

An aerial photograph of a city at dusk, with a large yellow triangle in the bottom-left corner. The city features a prominent multi-story building in the center, surrounded by other residential and commercial structures. The sky is dark blue with some clouds.

OVERVIEW OF THE ECONOMY

Barbados sustained growth and maintained strong buffers



Non-traded activity sustained growth as traded sectors softened

1.4%

Real GDP growth (2.3% in 2025)

+1.8%

Non-traded sector

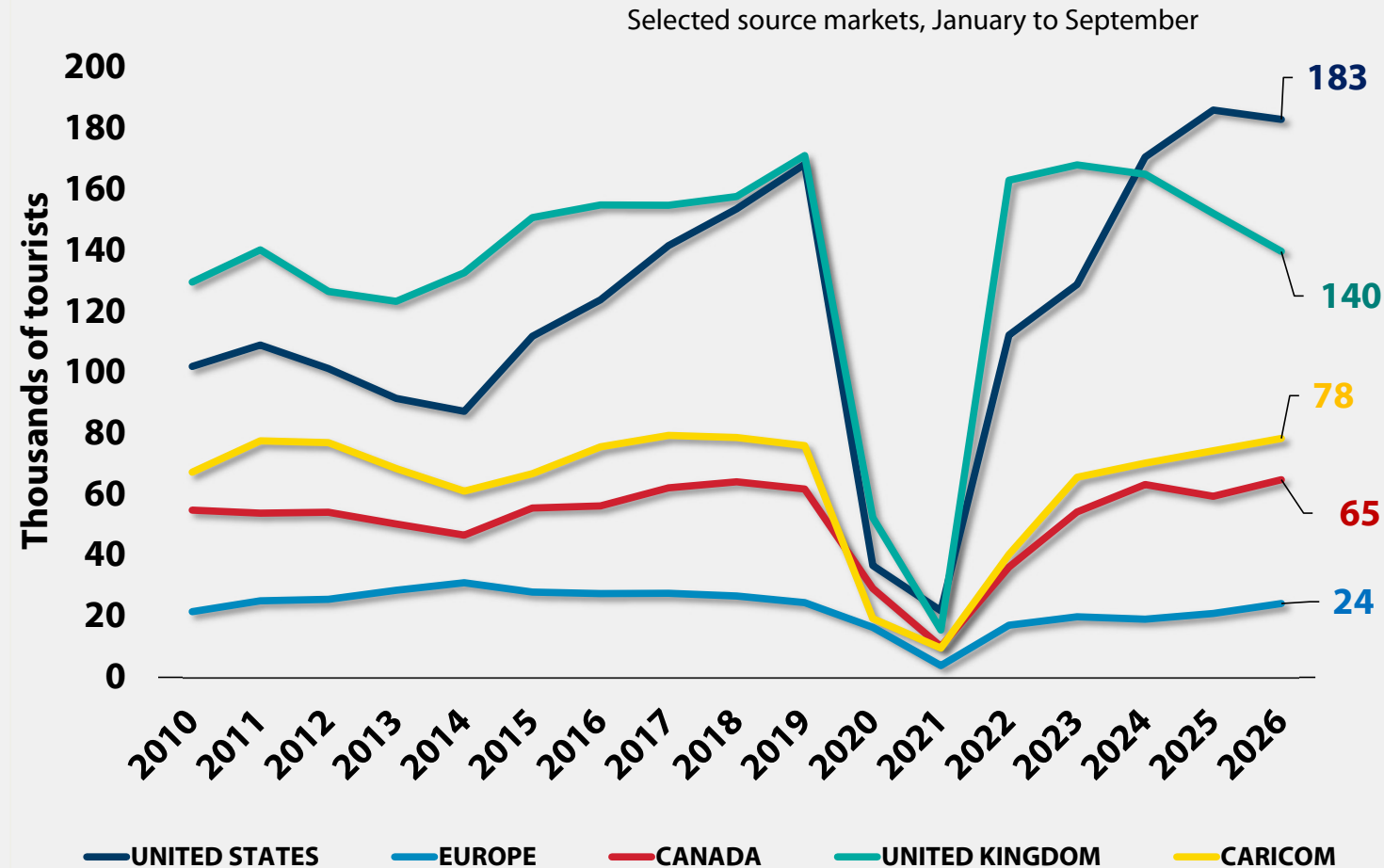
−0.6%

Traded sector

Sector	Growth (%)	Contribution to GDP growth (percentage points)
Business and other services	+3.0	+1.03
Wholesale and retail trade	+2.0	+0.43
Other activities	<i>various</i>	+0.06
Agriculture	+0.5	+0.01
Manufacturing	−0.2	−0.01
Construction*	−0.3	−0.02
Tourism	−1.2	−0.09

Contributions sum to the 1.4% growth rate. *Includes mining and quarrying, which grew by 0.7%. Other activities: transport, utilities, government and other services. Source: Central Bank of Barbados.

Arrivals edged up, but shorter stays reduced visitor nights



518,784

Long-stay arrivals, up 0.2%

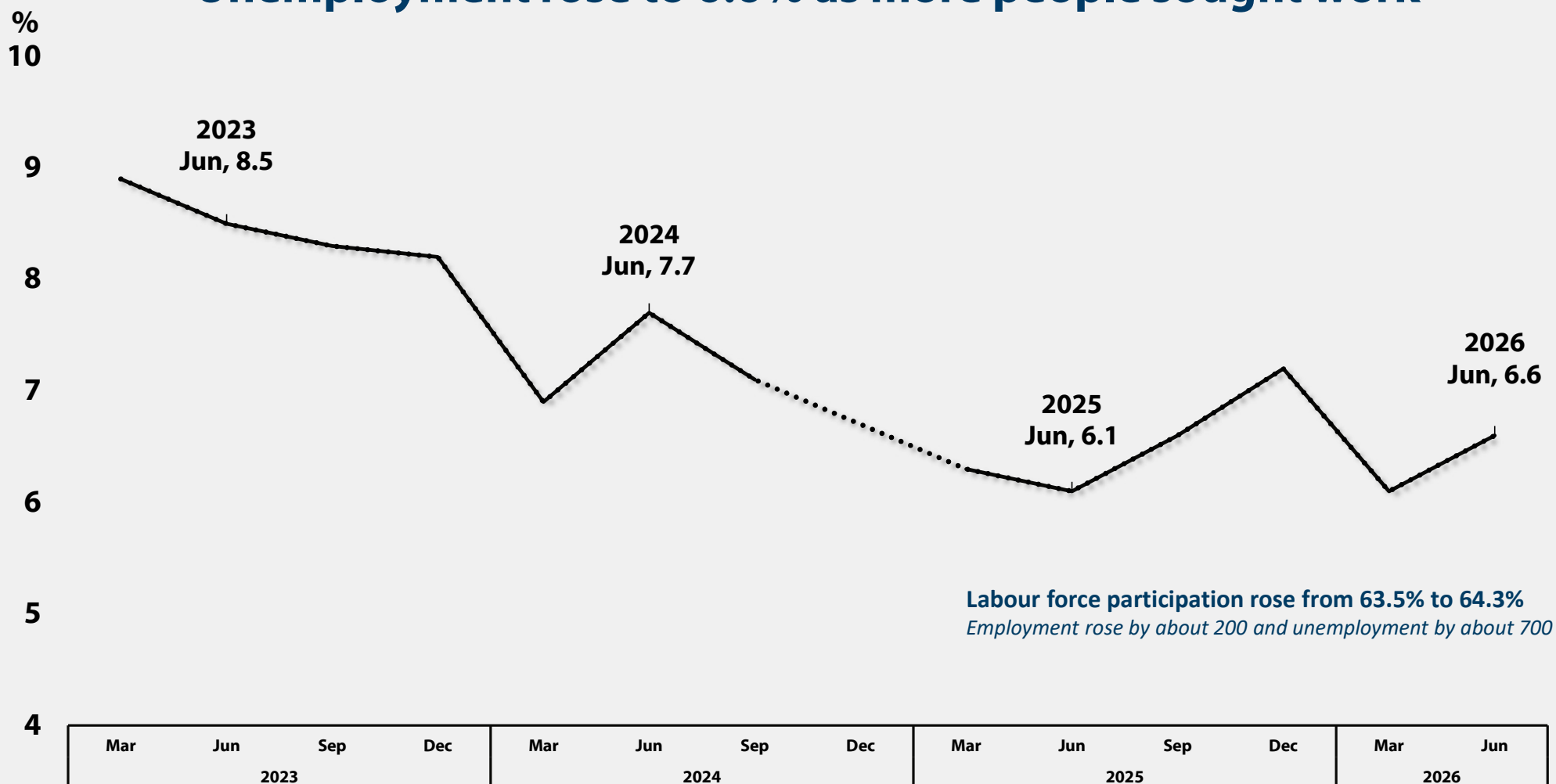
7.4 nights

Average length of stay, down from 7.6

-2.8%

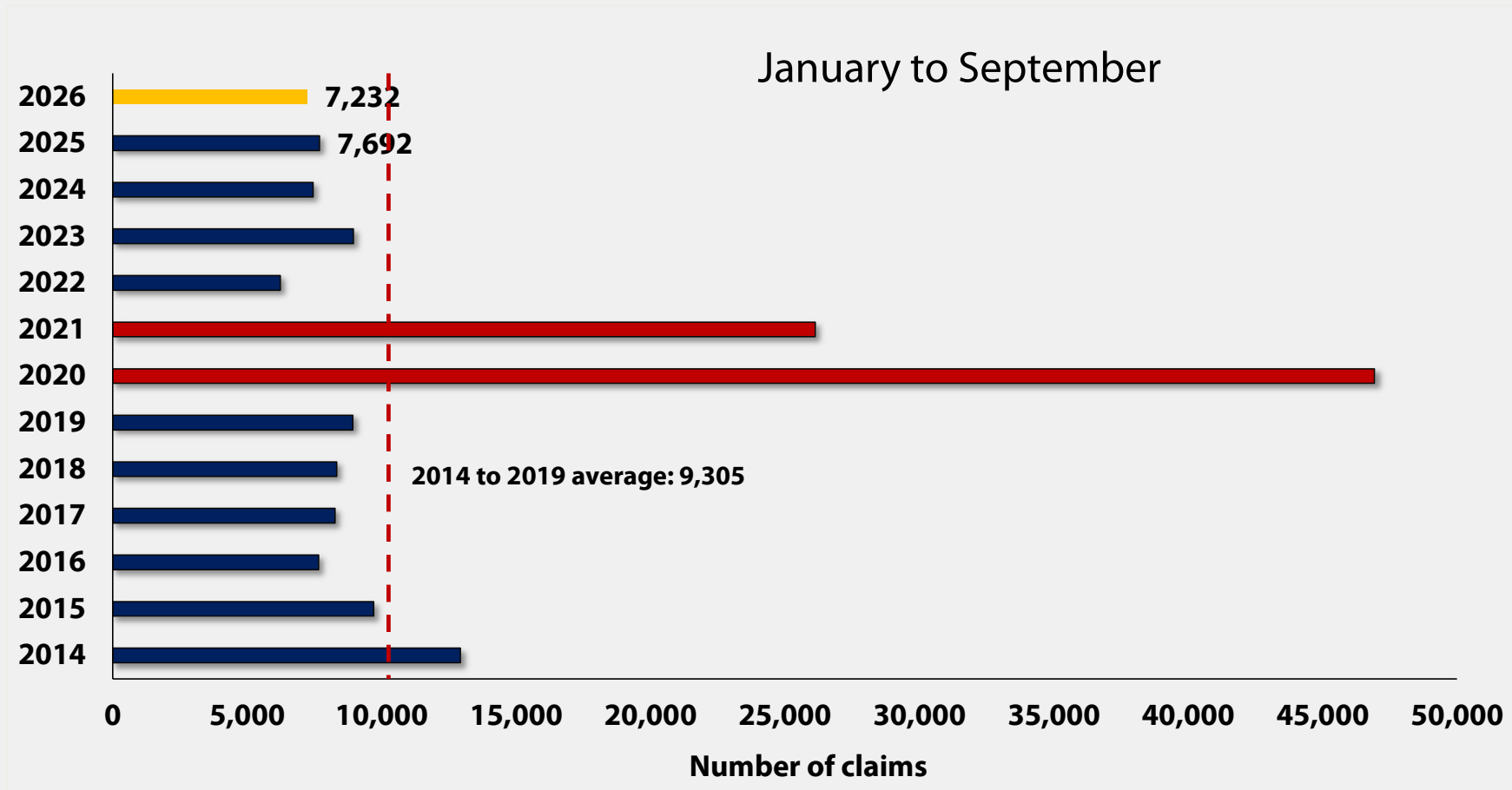
Visitor nights, January to September

Unemployment rose to 6.6% as more people sought work



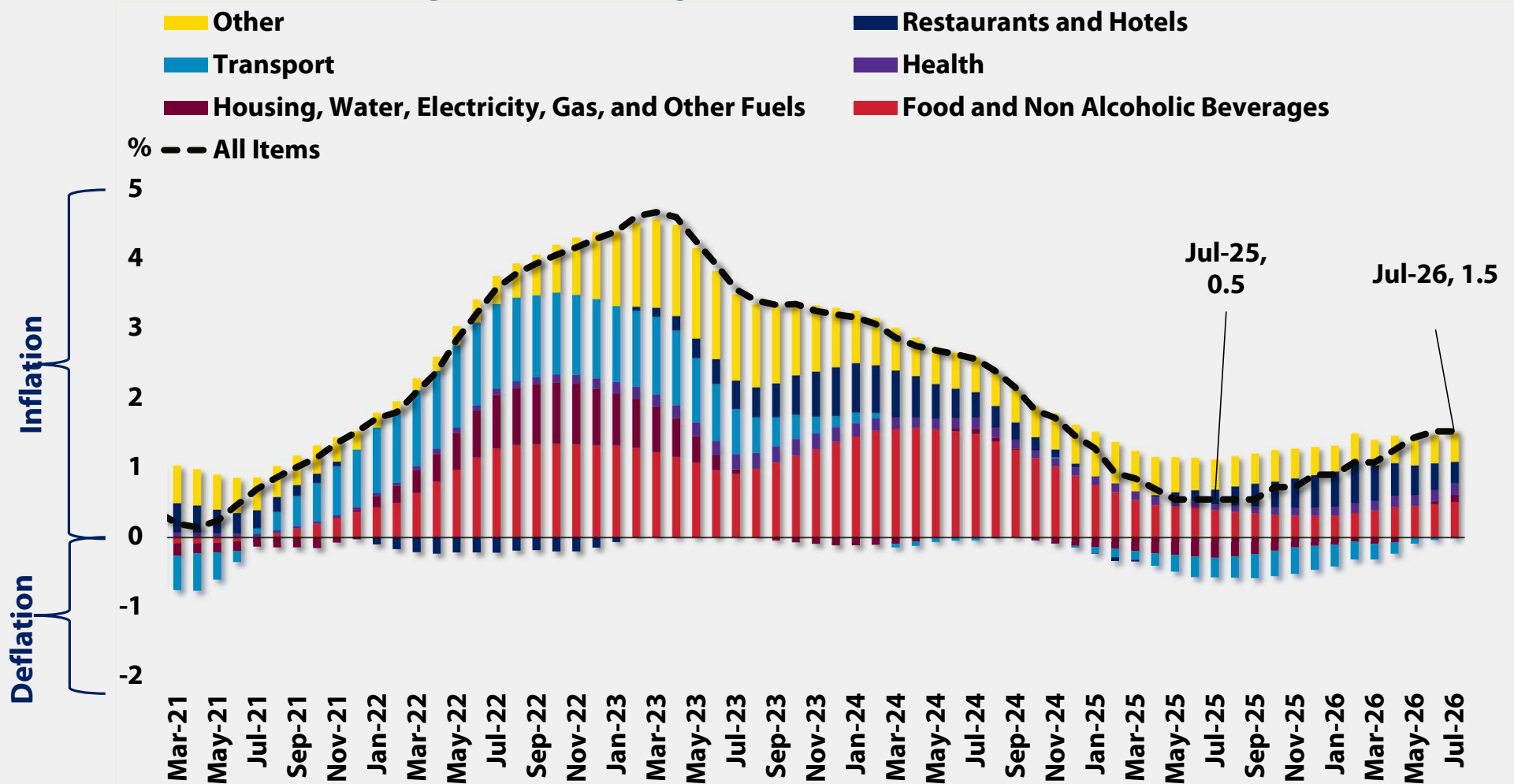
Unemployment claims fell by 6%

Claims remained below pre-pandemic levels



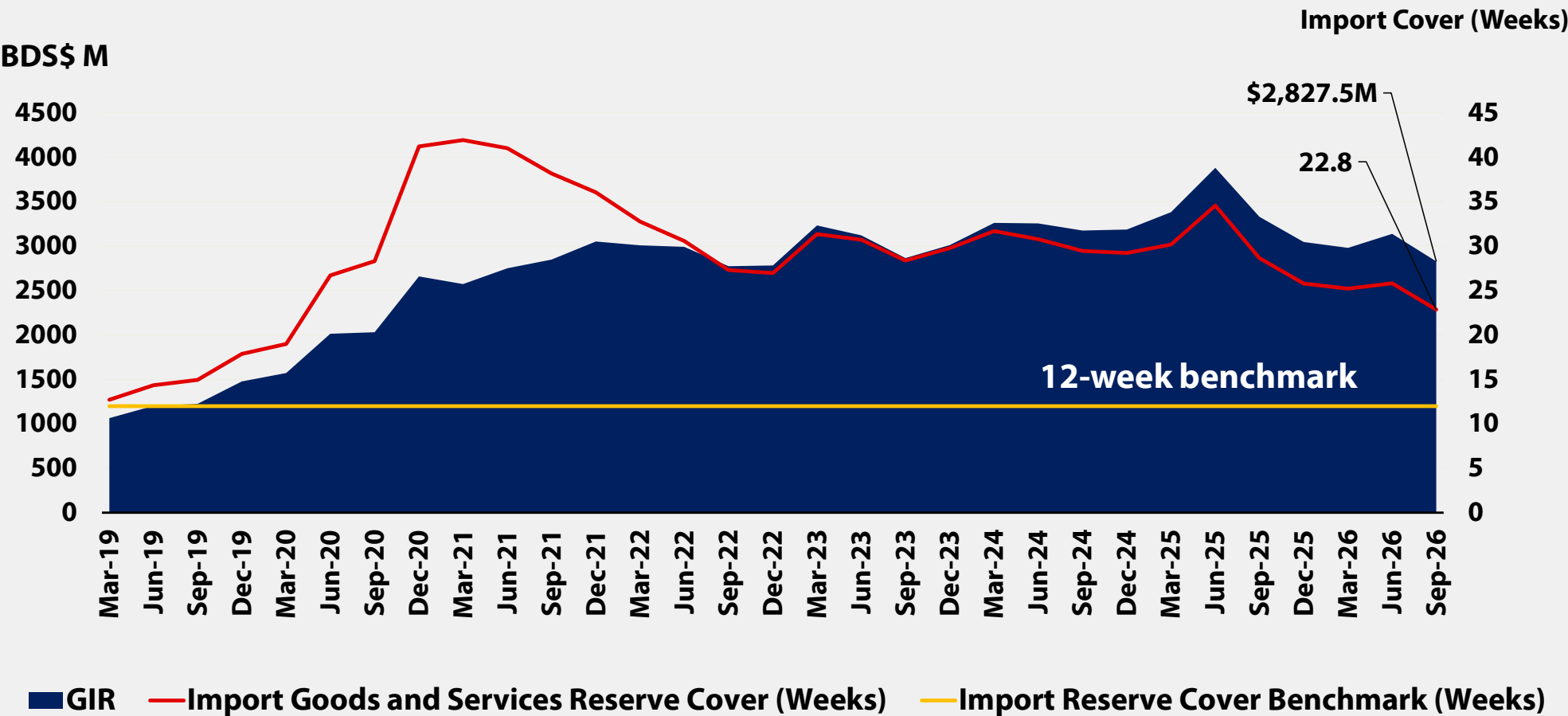
Claims measure applications for unemployment benefits, not the unemployment rate.

12-month average inflation edged up to 1.5% but remained moderate



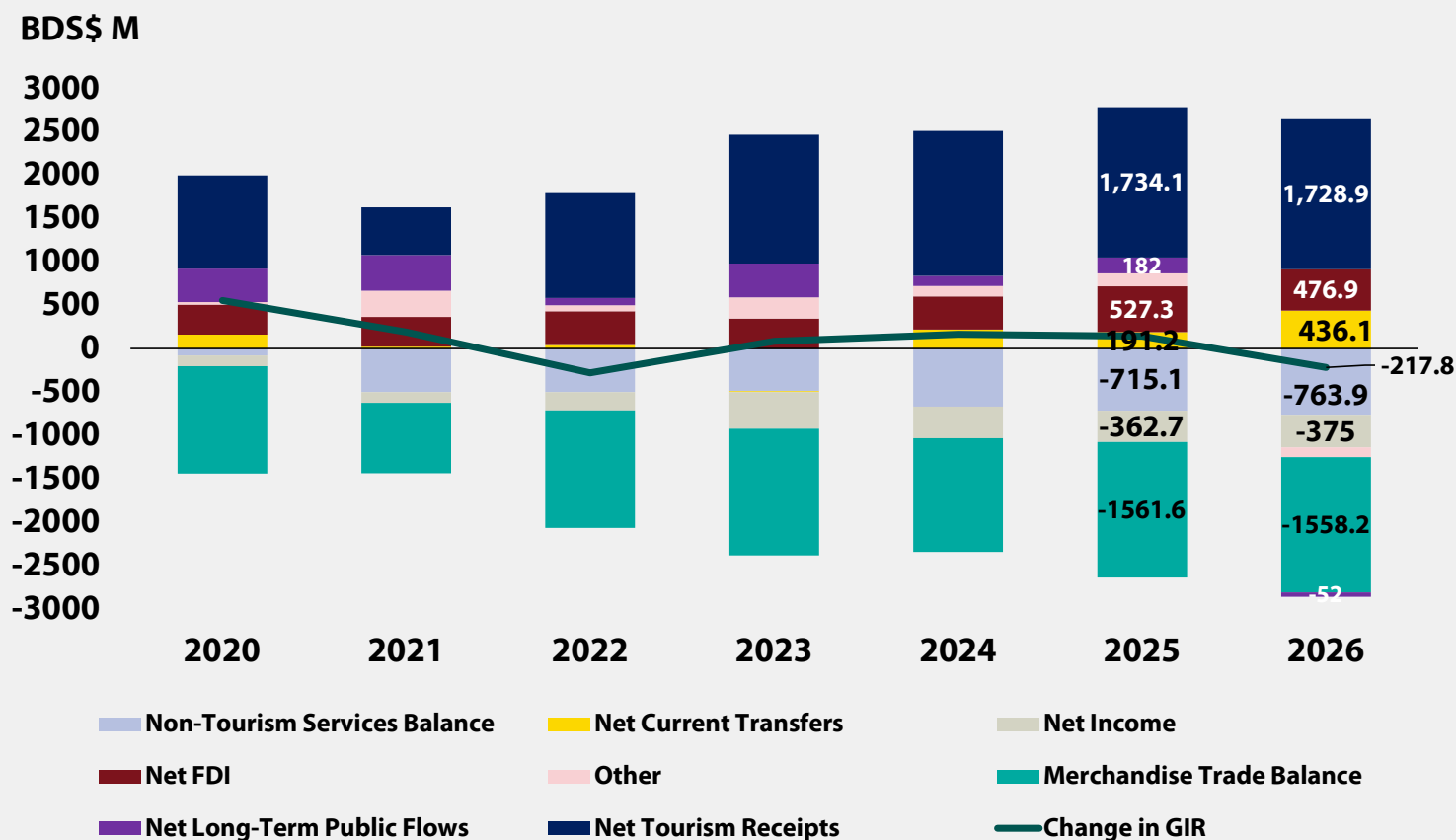
Bars show each category's contribution to 12-month moving-average inflation, in percentage points; the line shows the overall rate.

Reserves remained strong at \$2.8 billion despite a third-quarter decline



Weaker financial inflows outweighed a narrower current account deficit

January to September of each year, BDS\$ million



\$532.6m

Current account deficit, narrowed by \$181.5m

\$402m

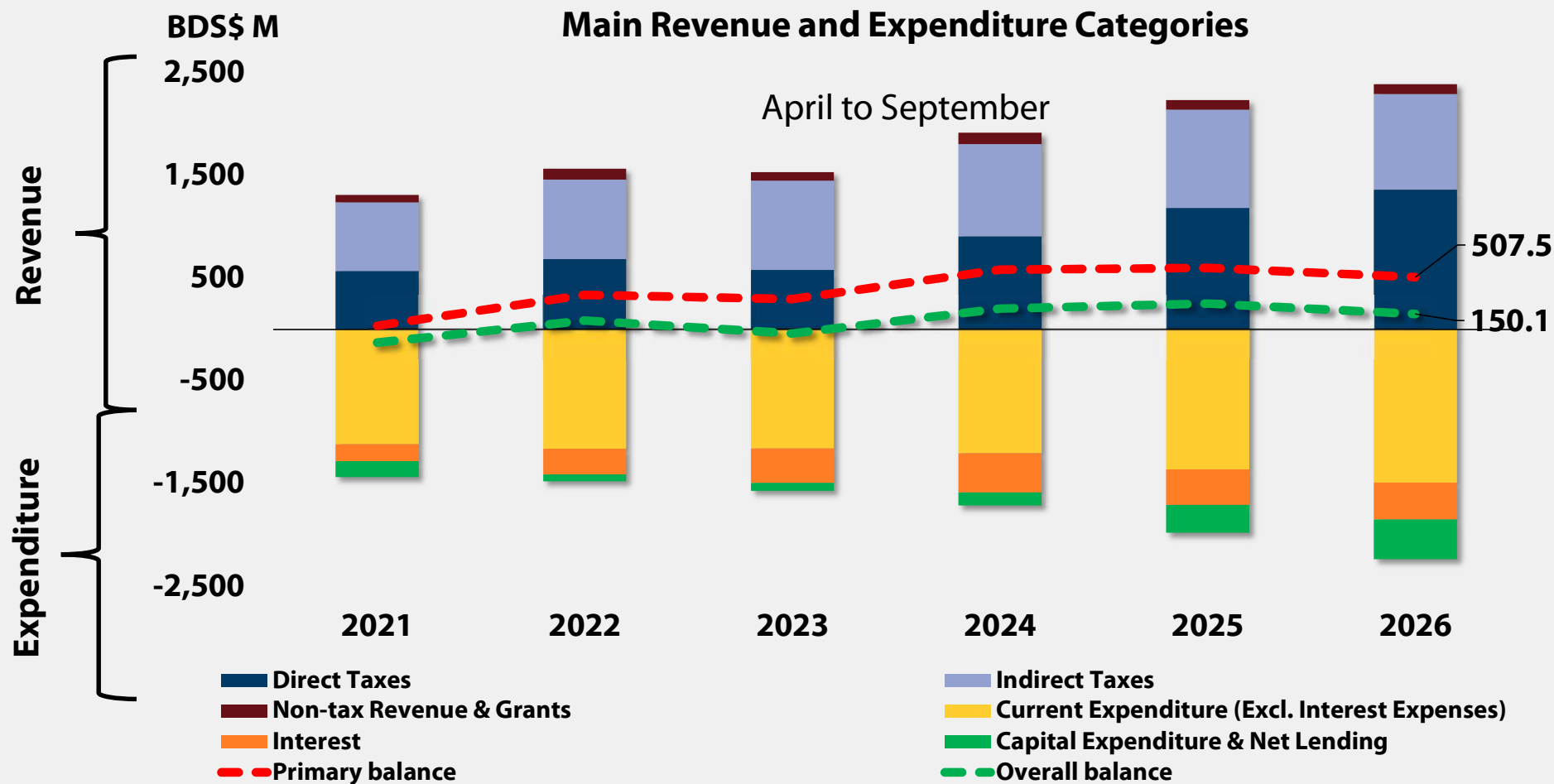
Net financial inflows, down by \$316.7m

-\$217.8m

Change in reserves over the nine months

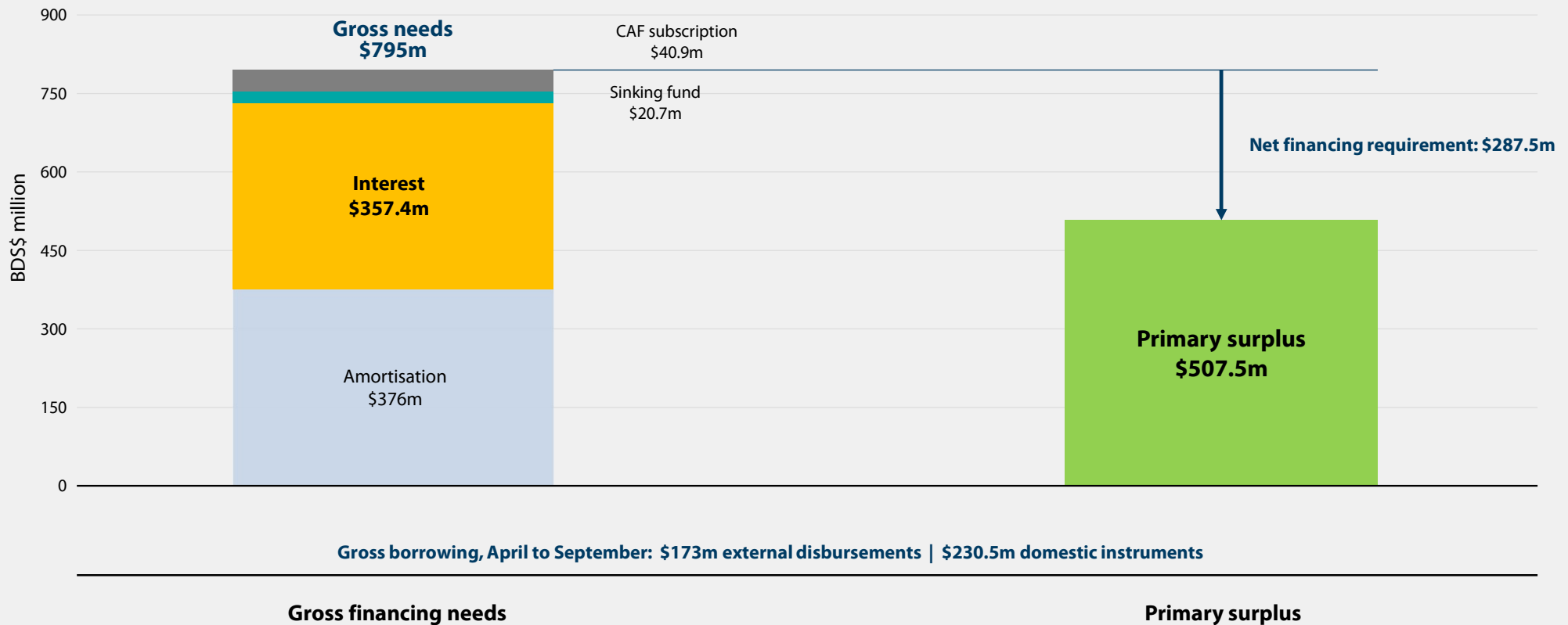
Other comprises the capital account, private long-term and short-term flows, net errors and omissions, and valuation changes.

Government maintained fiscal surpluses, although expenditure grew faster than revenue



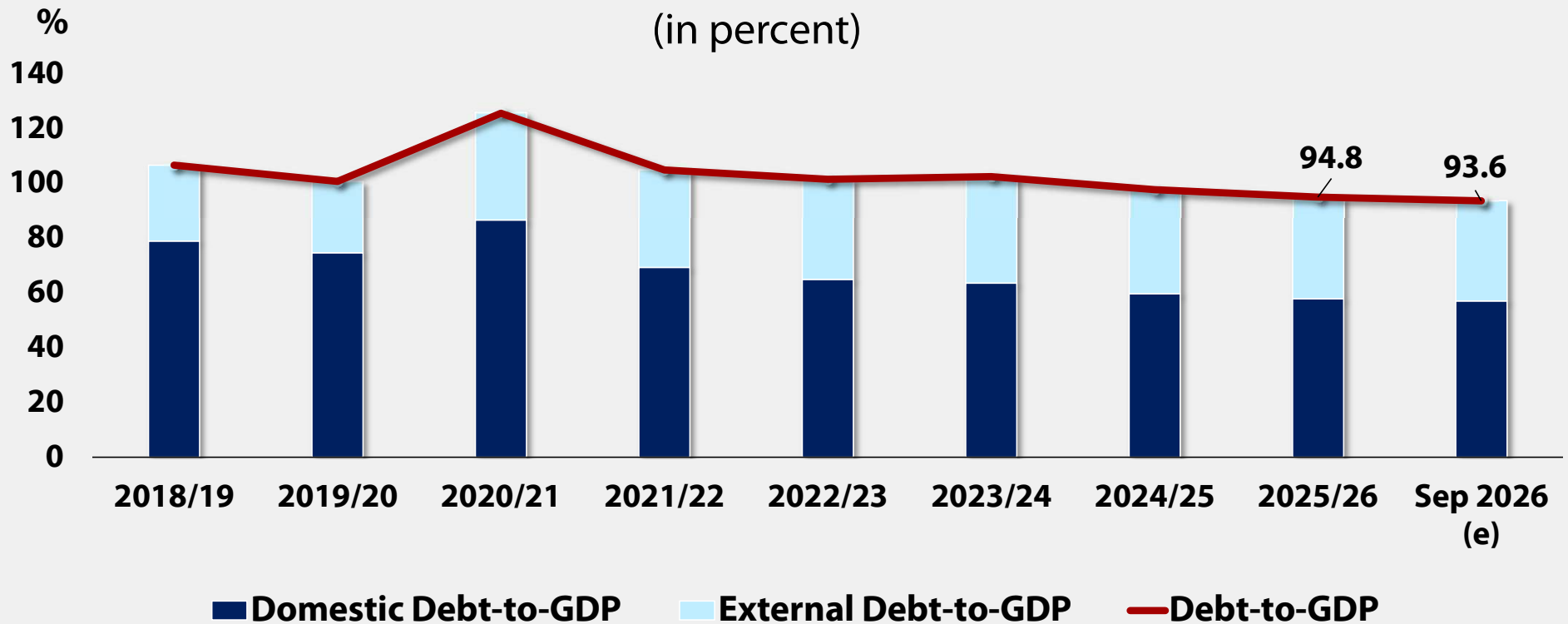
Lower amortisation sharply reduced gross financing needs

Gross needs fell from \$1,731.9m to \$795m; the primary surplus covered about two-thirds



The public debt ratio declined to 93.6% of GDP

Debt-to-GDP
(in percent)

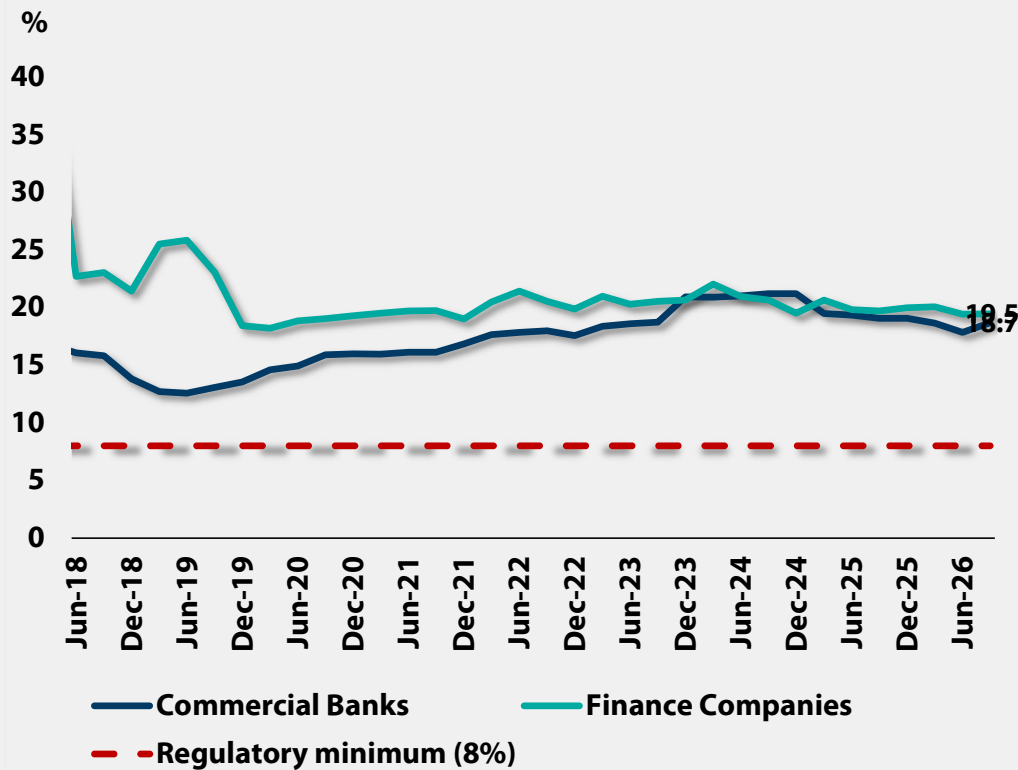


Capital remained strong while liquidity eased

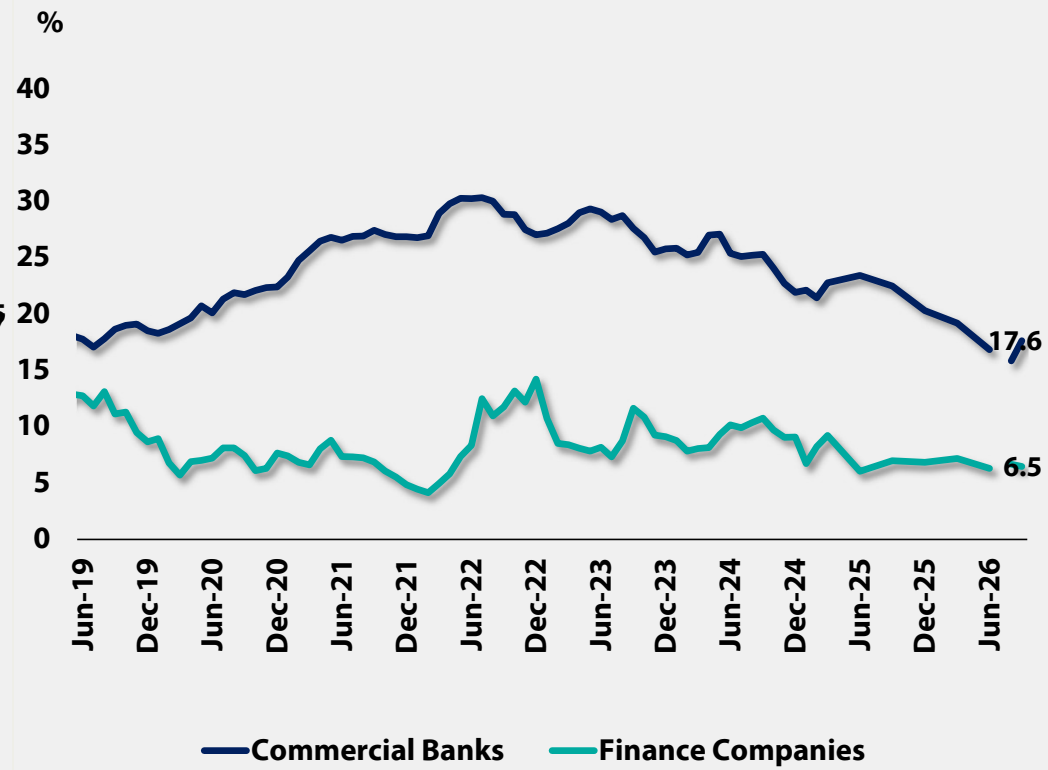
Capital remained well above regulatory requirements

Liquidity ratios declined but remained adequate

Capital Adequacy Ratio



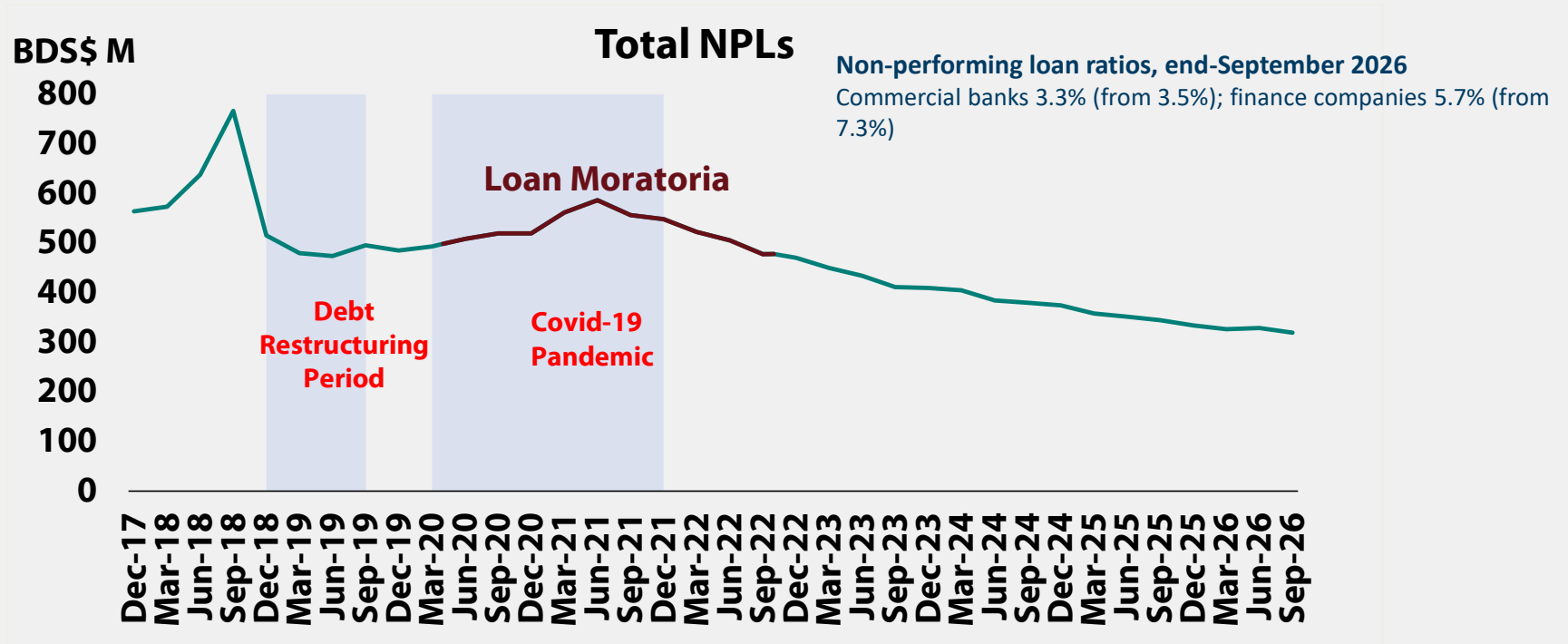
Excess Cash Ratio



July 2026 not available; the series resumes in August.

Loan quality improved further

The stock of non-performing loans fell by 4.4% to \$319.2 million

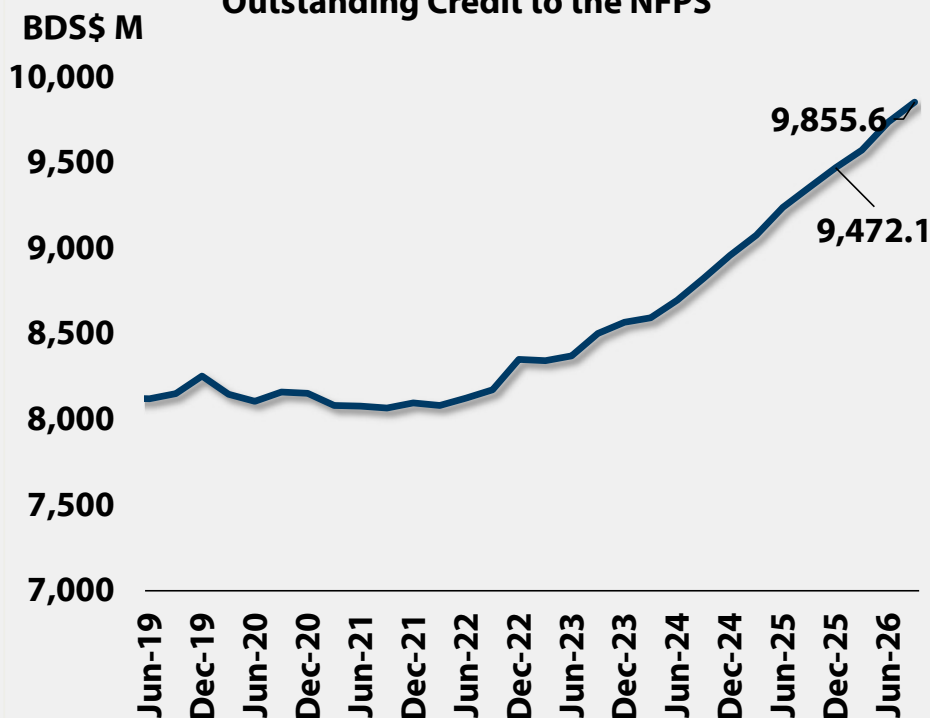


Credit grew by 4%, led by real estate and professional services

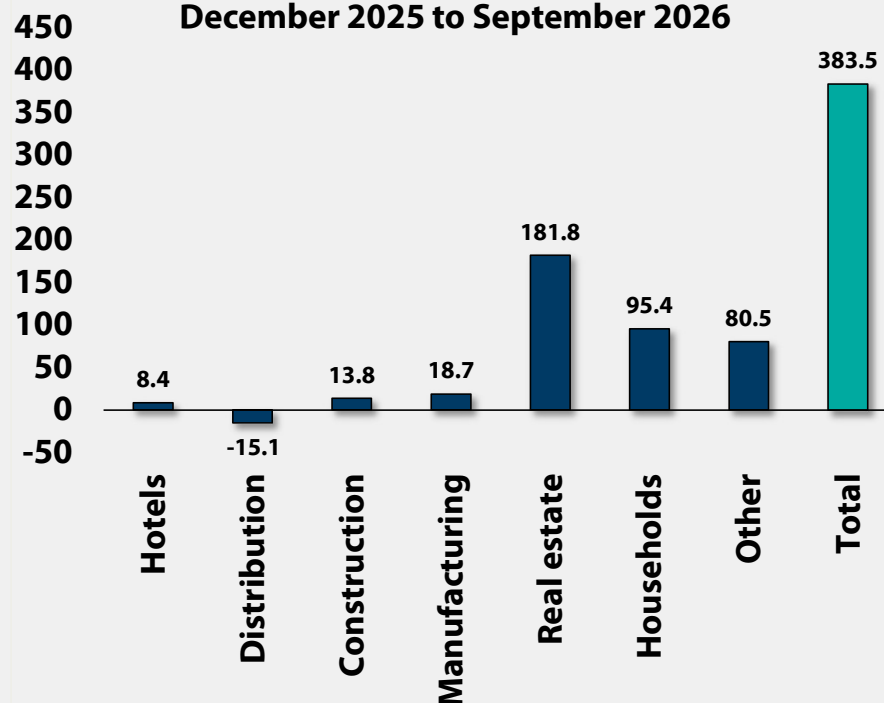
Outstanding credit rose to \$9.9 billion

Real estate and professional services accounted for almost half of the increase

Outstanding Credit to the NFPS



BDS\$ M Changes in Loan Balances of the NFPS
December 2025 to September 2026

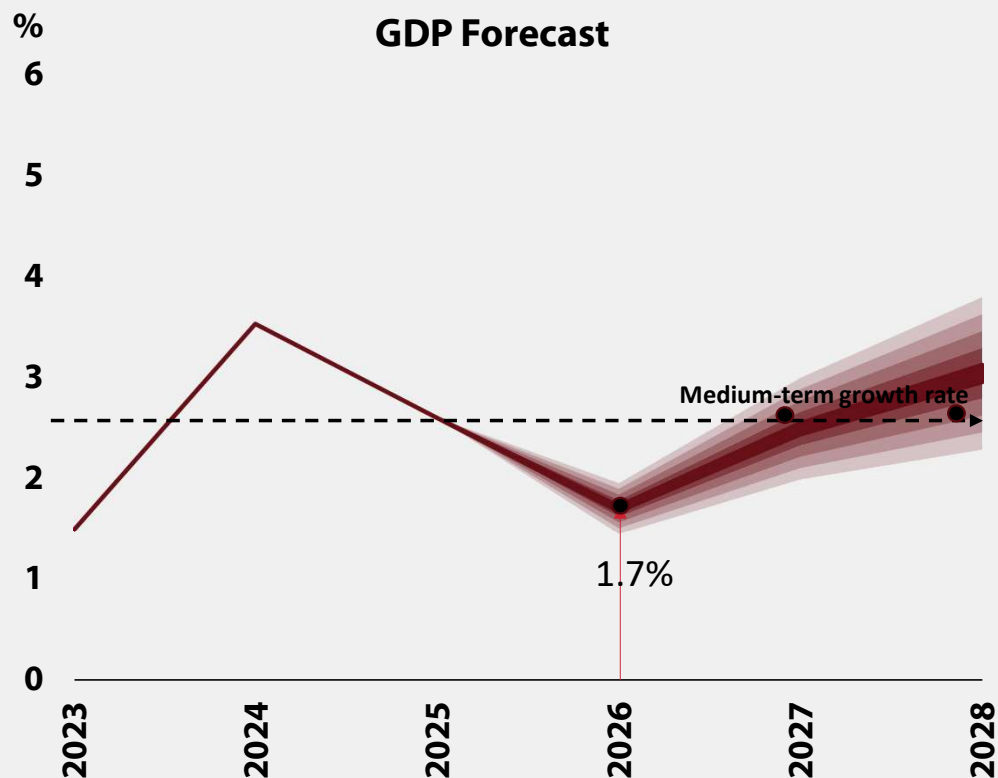




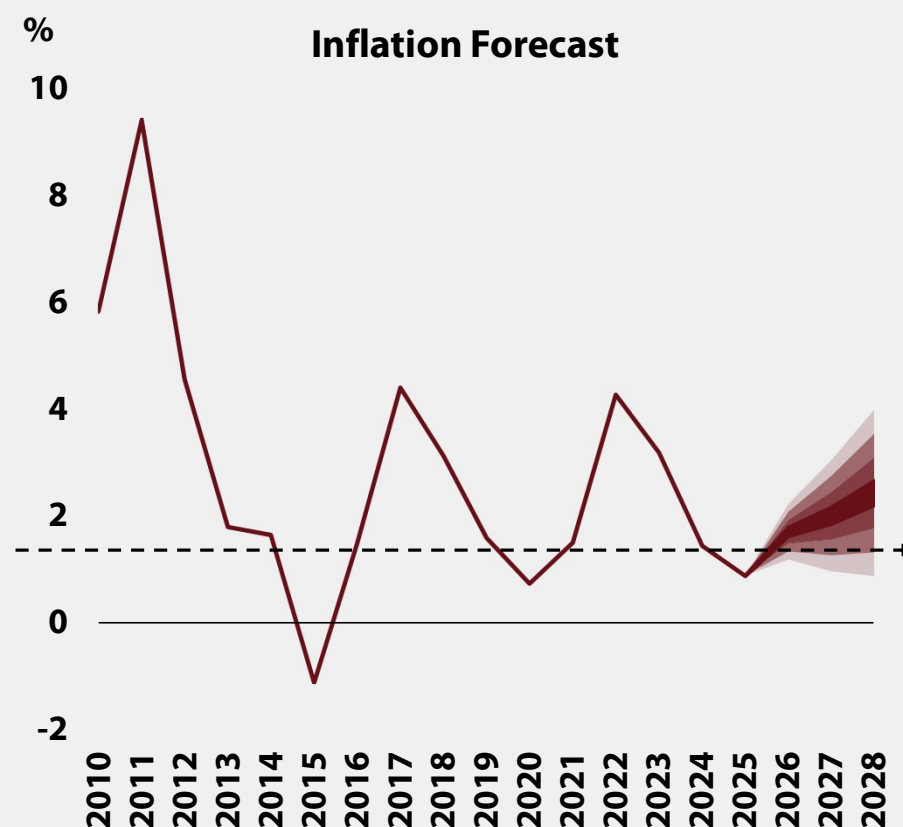
OUTLOOK FOR THE ECONOMY

The Bank projects real GDP growth of about 1.7% in 2026

This requires fourth-quarter growth of about 2.5%; growth should strengthen toward 3% over the medium term



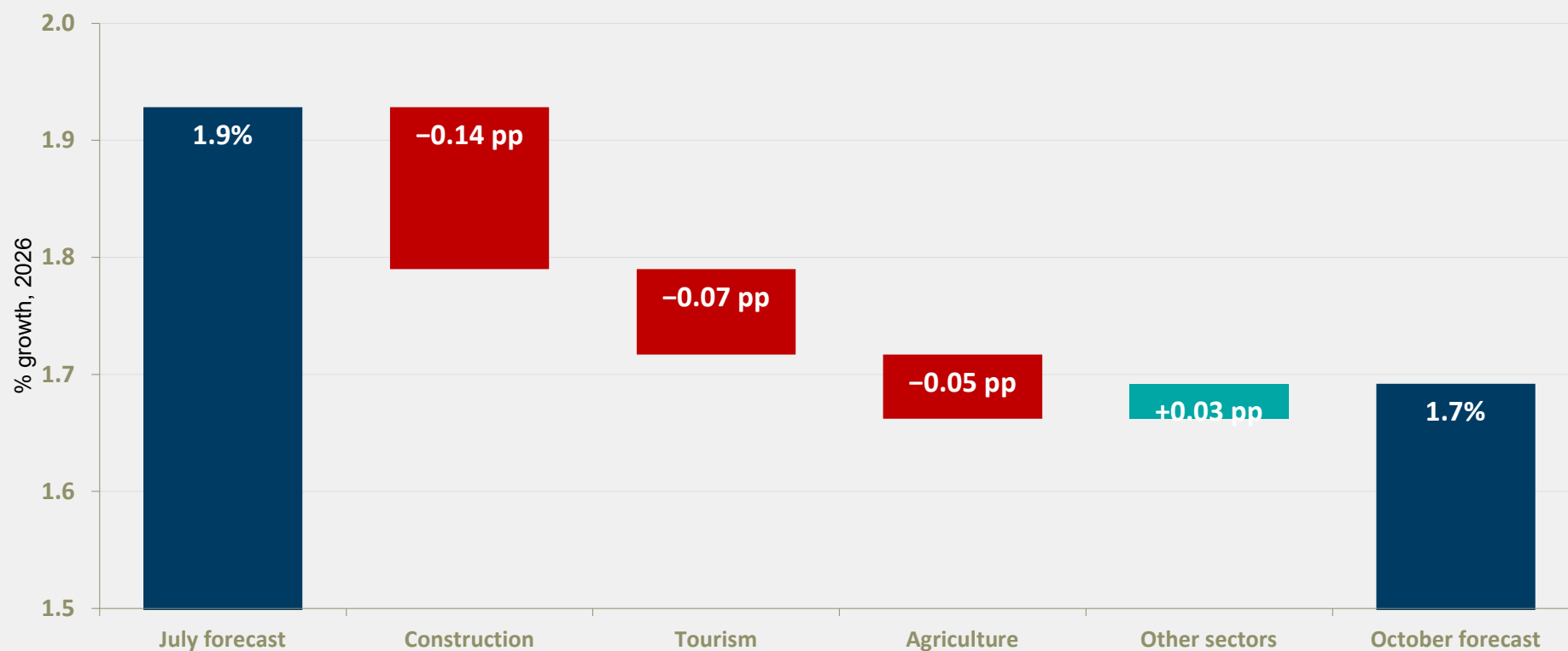
12-month moving-average inflation should end 2026 between 1.5% and 2%, then settle near 2%



Shaded bands are illustrative ranges around the central forecast, not statistical confidence intervals.

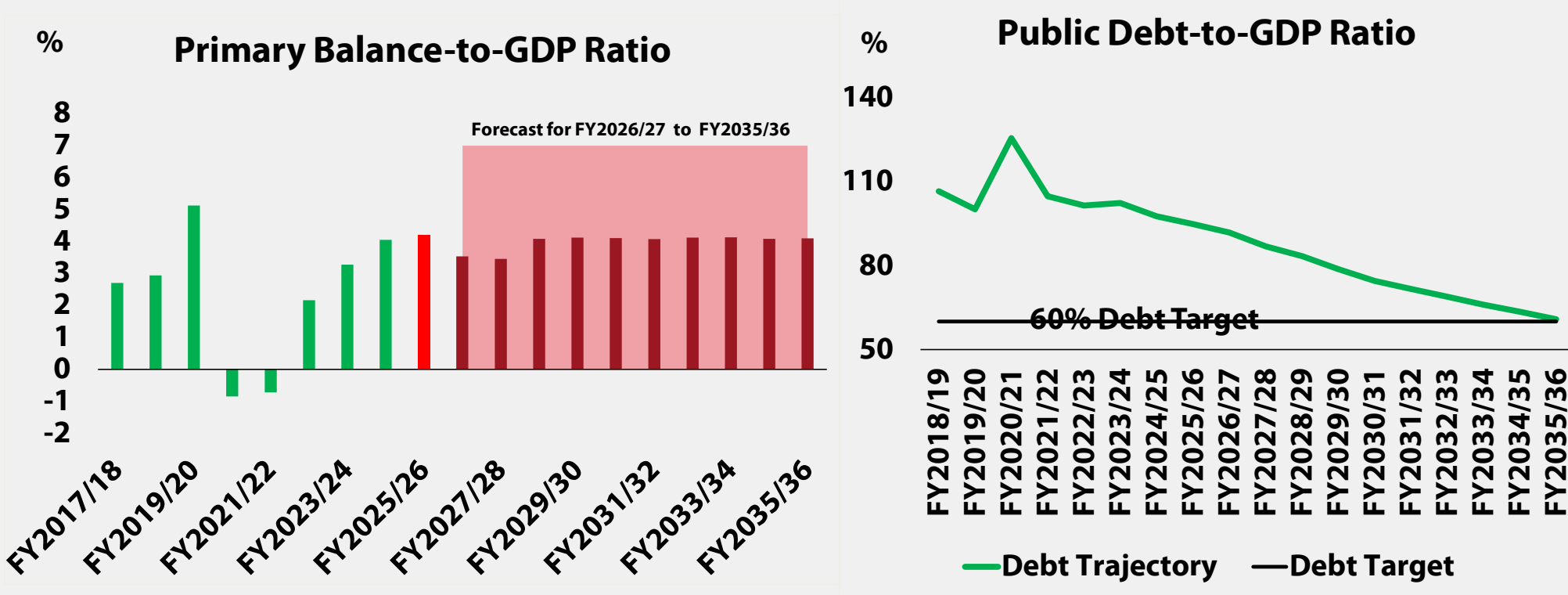
Why the 2026 growth forecast was lowered

Revisions in percentage points: construction, tourism and agriculture explain the move from about 2% to about 1.7%



Sustained primary surpluses and continued growth support further debt reduction

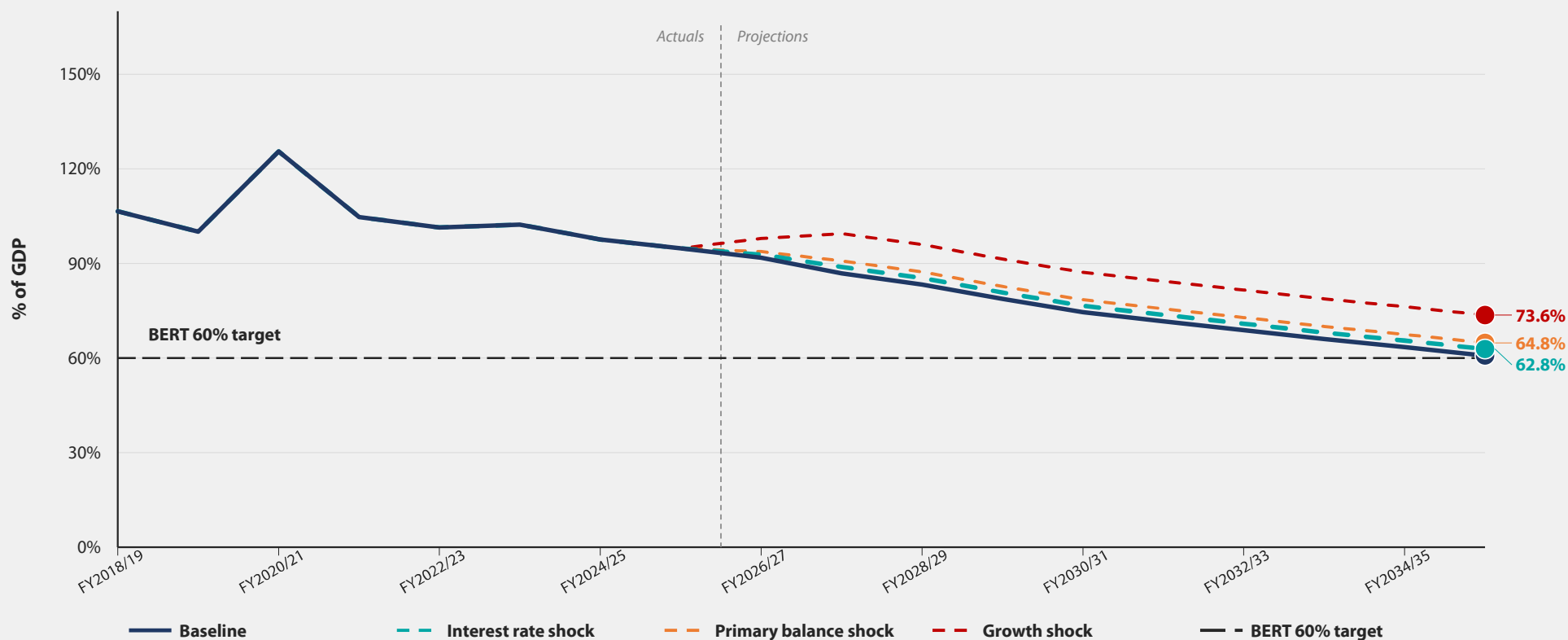
The primary balance path is consistent with the long-term debt anchor of 60% of GDP (debt sustainability analysis, October 2026)



The primary surplus path evolves with the macroeconomic framework; reducing public debt to 60% of GDP by FY2035/36 remains the medium-term anchor.

Debt remains on a declining path under shocks, although convergence could take longer

Debt resumes a declining path under every standardised shock; the growth shock leaves it at 73.6% of GDP by FY2035/36

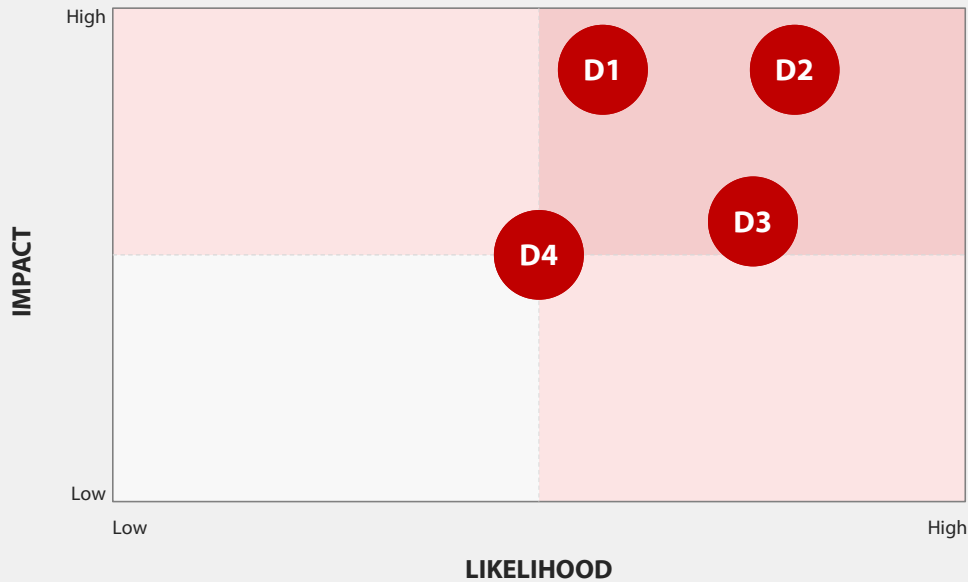


Source: Central Bank of Barbados Debt Sustainability Analysis (October 2026). Methodology: IMF Public Debt Dynamics Tool (TNM/2021/005). Shocks apply from FY2026/27 and rebase on the published debt trajectory. The historical scenario, not shown, ends at 76.6 percent of GDP at FY2035/36.

Risks remain significant, while stronger execution creates opportunities

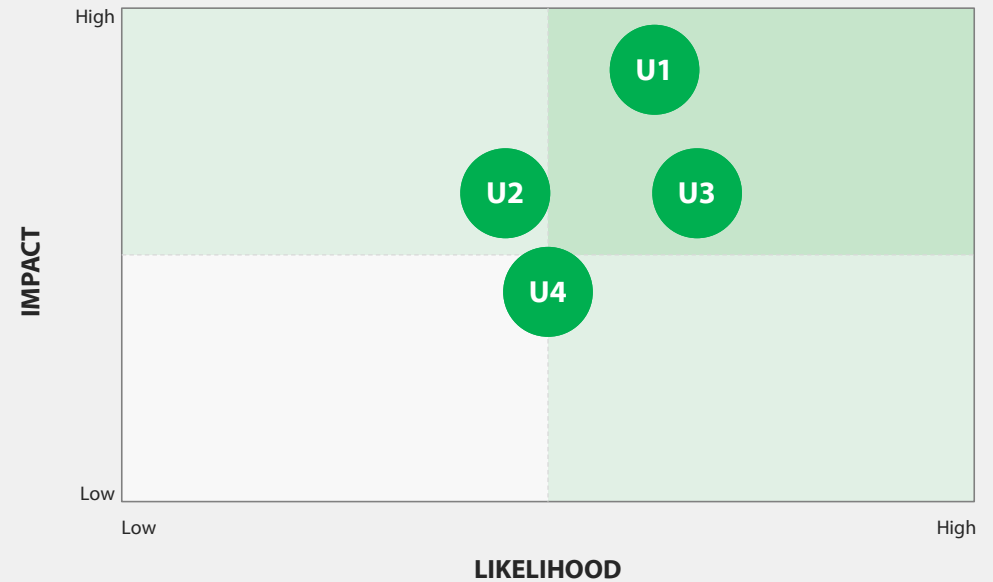
External downside risks remain elevated; domestic delivery can strengthen the outcome

DOWNSIDE RISKS



- D1** Slower global growth
- D2** Geopolitical tensions / higher oil and freight prices
- D3** Trade restrictions
- D4** Weather disruptions

UPSIDE OPPORTUNITIES



- U1** Stronger tourism
- U2** Climate-smart infrastructure
- U3** Accelerated project execution
- U4** Productivity / BERT 2026 reforms



THANK YOU