From my DESK to YOURS

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What moved

I came back from the IMF and World Bank meetings in Bangkok with one thought: headline numbers are telling us less on their own. The IMF projects world growth of 3.1 percent this year, but cautions that the total hides a widening gap between economies gaining from AI investment and those paying more for imported energy.

October made the point twice. Brent crude rose 13.6 percent over the month, to its highest since April, yet the ten-year US Treasury yield fell from 5.29 percent to 4.93 percent. Its sharpest daily falls came as investors moved out of technology shares into safer assets, and the decline did not reflect easier policy: the Federal Reserve held its rate on 28 October, with two members voting to raise it.

At home, our review of the first nine months put growth at 1.4 percent. Beneath that, the non-traded sector grew 1.8 percent while the traded sector, which includes tourism, contracted 0.6 percent. Long-stay arrivals rose slightly, but visitors stayed fewer nights and tourism output fell 1.2 percent.

What I make of it

In each case the total and its composition tell different stories, and the composition usually carries the more useful signal. Over time, our capacity to import depends on what we earn and attract from abroad. This year, fuel accounted for more than the entire rise in our merchandise import bill, while tourism receipts, our largest single foreign-exchange earner, were flat. So I care not only whether we grow, but where growth comes from.

What it means for your decisions

The same holds inside a business. When I read a set of results, the first thing I want to know is whether revenue changed because the business sold more, because prices changed, or both. Volume tells me what happened to demand; price tells me how much reflects pricing power or costs passed on; margin tells me whether the change created value. A full order book can still sit alongside thinner margins or more cash tied up in receivables. As firms set their budgets for 2027, that is the picture I would want in front of me before committing more capital.

October's investment arithmetic still holds. I would run it on the financing cost a business can actually get, not the US market yield: local lending rates averaged 5.2 percent in September, unchanged from a year earlier.

What the Bank is watching

Bookings for October to December stood 9.7 percent above last year in late September. I am watching what they become: nights, spending and foreign exchange, not arrivals alone. I am also watching how much of the higher oil and freight costs reaches local prices; our price data run only to July, when inflation was 1.5 percent.

From your desk to mine

Thank you to those who wrote after October's letter. This month, one question: compared with a year ago, is your revenue moving mainly on volume or on price, and what is that doing to your margin? A sentence or two is enough. I am interested in what sits beneath the headline before it reaches the official numbers.

Until next month,
Kevin Greenidge
Governor

Sources: IMF; Federal Reserve; Reuters; Central Bank of Barbados. Market information through 30 October 2026.