Press Release
December 2017

Overview

During 2017, the Barbados economy continued to face significant macroeconomic challenges associated with declining international reserves, weak public finances and the need for the implementation of measures that create a platform for sustainable growth over the medium-term.

For the third consecutive year, there was a modest improvement in economic activity, but after an encouraging start, preliminary data suggest that the growth rate is estimated to have moderated to one percent, reflecting the combined effects of a slowdown in the tourism sector in the second half of the year, the delayed implementation of foreign-funded investment projects and the impact of tighter fiscal policy. In addition, the pass-through effects of higher international oil prices and increased indirect taxes, contributed to heightened inflationary pressures.

The fiscal deficit fell by $197 million during the first nine months of the fiscal year, as Government accelerated efforts to strengthen the public finances. This deficit, the lowest in seven years, was attributable to improved revenues arising from the tax measures introduced during the past two years, and the stabilisation of non-interest expenditure. Despite these gains, the improvement was smaller than anticipated, partly the result of the granting of exemptions from the incidence of the new taxes on specific goods and services. However, the lower deficit, together with an adjustment of monetary policy, allowed for a substantial reduction in new credit to Government by the Central Bank.

Modest growth in tourism earnings and the contraction of non-oil imports enabled the external current account deficit to stabilise, but the stock of international reserves declined further to $410 million. This provides approximately 6.6 weeks of import cover, well below the desired benchmark of twelve weeks. This outcome partly reflected the on-going weakness in private sector capital flows and net public sector outflows, and the delay in the receipt of planned divestment proceeds that were intended to boost reserves.

Given this performance, there are two key priorities for 2018. Firstly, we need to strengthen the adjustment effort to reduce the fiscal balance to a sustainable level, facilitate a reduction in the debt-to-GDP ratio over time and engender the investor confidence required for promoting acceleration in economic activity over the medium term. Secondly, we need to complement the adjustment effort with significant public and private capital inflows that restore the stock of reserves, at least in line with the twelve-week benchmark.

Real Sector

Activity in the tourism sector expanded by an estimated 1.2% in 2017. Long-stay arrivals were buoyant in the first half of the year but a slowdown after September contained the increase to 4.4%. In addition, the growth in long-stay arrivals was offset by an estimated 5.6% decline in the average length-of-stay of visitors from all major non-regional source markets. The cumulative growth in long-stay visitors from the United States and Canada was 11.2%, and 7.7%, respectively. However, arrivals from the United Kingdom were down by 1.2%, partially the effect of Brexit-related uncertainty. The revival in regional visitors continued into the fourth quarter, resulting in overall growth in arrivals from CARICOM countries.

The upsurge in the cruise market was sustained into 2017, with cruise passenger arrivals rising by 14.7% in response to increased cruise ship calls at the Bridgetown Port.

Table 1: Long-stay Arrivals by Source Market (‘000)

	January -December			
	2014	2015	2016*	2017(e)*
U.S.A	**118.5**	**148.1**	**167.5**	**186.3**
Canada	**65.8**	**74.5**	**77.7**	**83.7**
U.K	**186.8**	**214.2**	**216.6**	**214.1**
Germany	12.0	12.3	11.3	11.0
Trinidad & Tobago	**27.9**	**29.7**	**33.7**	**35.6**
CARICOM	50.8	58.3	65.2	66.6
Other Countries	25.0	26.3	29.2	30.7
TOTAL LONG-STAY	**519.6**	**591.9**	**625.2**	**652.5**

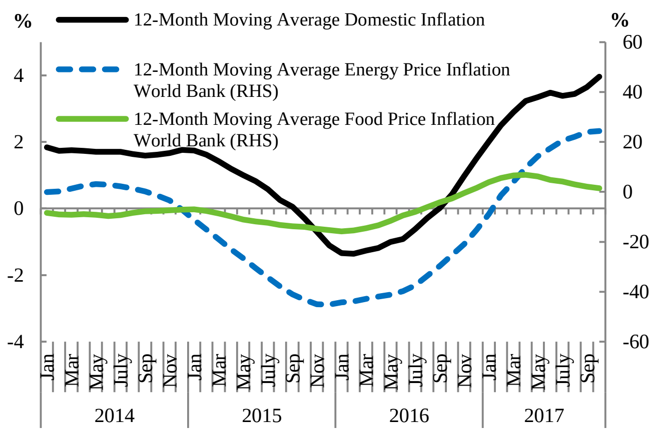
*January – December 28th
Source: Central Bank of Barbados Preliminary Statistics

Improvement in overall traded sector activity is also estimated to have benefited from higher production in the sugar and non-sugar agricultural sub-sectors. However, based on the latest index of industrial production, manufacturing output was on par with that of the preceding year.

Activity in the non-traded sectors slowed in the second half of the year, registering overall growth of 0.8%. The primary source of growth was the construction sector (6.3%), in large measure, the result of new investment in tourism and commercial properties.

Available data up to the end of the third quarter indicated that the average unemployment rate for the four quarters ending September was 10.2%, slightly higher than that recorded at the end of September 2016.

Figure 1: Retail Price Inflation



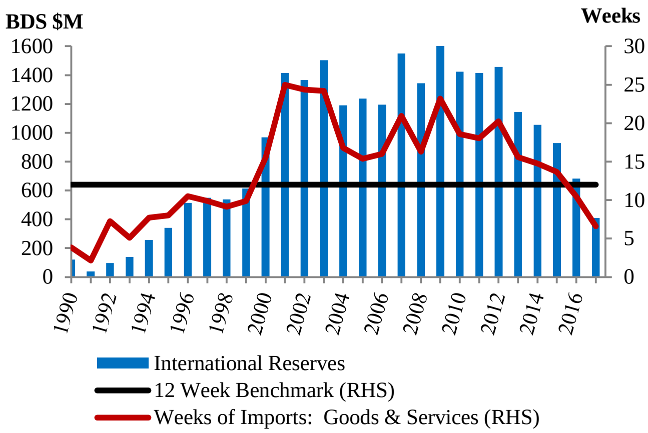
Source: Barbados Statistical Service and World Bank Price Data

Consumer price inflation, as measured by the twelve-month moving average rate of retail prices was 4.0%, after rising by less than two percent per annum during the preceding five years. Prices for food and beverages, tobacco, housing and utilities were the main source of the increase. Some of the price movement was generated by higher international energy prices, which rose by 23.6%. However, domestic factors, partly emanating from the implementation of higher indirect taxes, contributed to the rise in prices during the second half of the year.

External Sector

The underlying macroeconomic stresses contributed to the weakening of the external finances, as reflected in the $274 million loss of reserves. This second consecutive year of a major reduction in the reserves was also significantly influenced by the impact of the delayed execution of a planned divestment transaction.

Figure 2: International Reserves



Source: Central Bank of Barbados

The external current account deficit, estimated at just over 4.0% of GDP, remained stable relative to 2016 as the moderate expansion in tourism receipts outweighed a rise in non-trade current account transactions and a marginal increase in retained imports.

The higher retained imports were driven by a 24.0% rise in the price of imported fuel products, even as fuel volumes rose by only 3.0%. For the first half of the year, imports of consumer goods grew by 2.4%, but an estimated 7.7% downturn during the last two quarters contributed to an overall contraction in consumer goods by year-end. Additionally, imports of capital goods are estimated to have declined.

The financial account recorded an estimated surplus of $84.4 million at the end of 2017, slightly lower than for 2016, but substantially below the average for the period 2011 to 2015. The weakening in the financial account balance resulted from a combination of increased external debt service obligations and low capital inflows for both the private and public sectors.

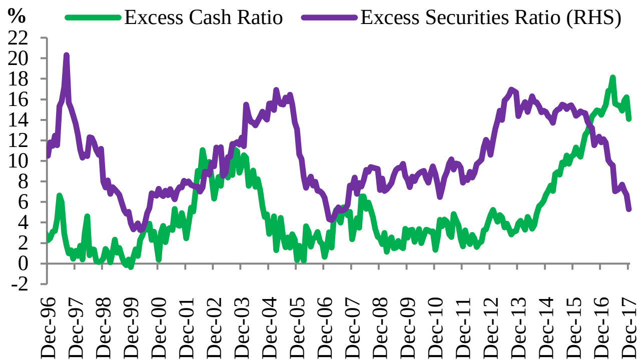
Financial Sector

The banking system remained stable during 2017, with banks registering high levels of capital adequacy, a moderate reduction in non-performing loans and above normal liquidity ratios. The fall in loan delinquency, together with the widening of the interest rate spread contributed to a modest improvement in bank profitability, which nonetheless, continued to be affected by the increased share of low yielding liquid assets in banks' portfolios, as evidenced by the excess cash reserve ratio of 14.1% as at year-end.

The Central Bank adjusted its monetary policy stance in 2017, raising the commercial banks' security reserve requirement in three stages from 10% to 20%. As a result, the excess securities ratio declined from 7.4% to 5.3% at the end of December.

Led by new lending to the distribution sector, commercial banks' credit to the non-financial private sector rose by 2.7% to its highest level since 2012. However, domestic deposits grew marginally, as increased placement of deposits with commercial banks by credit unions, pension funds, and insurance companies was offset by a falloff in the deposits of individuals.

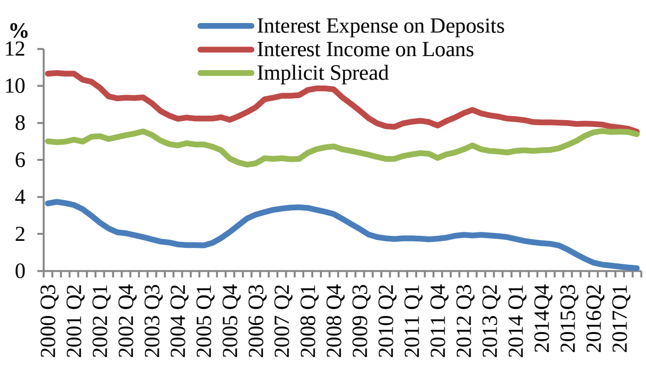
Figure 3: Excess Reserves Ratios of Commercial Banks



Source: Central Bank of Barbados

Interest rates at banks continued to trend downwards, following the 2015 liberalisation of domestic rates. At the end of October 2017, the weighted average deposit rate was 0.2%, as it fell marginally during the first half of 2017 and stabilised subsequently. At the same time, the weighted average loan rate fell to about 6.6%, its lowest since 1990. The three-month Treasury-bill rate was largely unchanged from that a year earlier.

Figure 4: Commercial Banks' Interest Earnings and Expense



Source: Central Bank of Barbados

Public Sector

Revenue and Expenditure

The fiscal deficit over the April to December period was estimated at $399.5 million, 33.0% lower than the comparable deficit for the same period in fiscal year 2016/17. This improvement was due to Government's increased revenue-take of $207 million, which led to the reversal in the small primary deficit the previous year.

The May 2017 budgetary measures contributed significantly to the improvement in tax collections, though falling short of initial targets. The National Social Responsibility Levy (NSRL) generated an additional $84.9 million as the fall in imports and the increase in the number of exemptions contained the overall yield. The Value Added Tax contributed an additional $30 million to revenue, but further growth was constrained in part by the factors impacting the NSRL. Import duties declined but excises registered an increase of $67.3 million following the hike in excise rates. The newly implemented foreign exchange fee generated $30.4 million in receipts since its implementation in July 2017.

Corporation taxes were up by $34.7 million, partly the result of the improved profitability of some financial institutions and the effects from the reduction in the carry forward period for group tax losses[1]. Increases were also recorded in personal income taxes and the financial institutions asset tax, while property taxes were largely unchanged.

[1] The adjustment in the carry forward period of group tax losses was announced in the 2015/16 Financial and Budgetary Statement.

Expenditure increased by $9.9 million during the first nine months of the fiscal year as higher current expenditures were largely offset by a $45.9 million decline in capital expenditure, the result of delays in some of the major capital projects that were expected to commence during the fiscal year. There were modest savings on goods and services, and wages and salaries, but increased recurrent spending was reflected in higher grants to public institutions ($38.9 million) and individuals ($32.1 million). In addition, domestic interest expenses rose by $17.7 million, owing to rising debt.

Financing and Debt

Government continued to rely on domestic financing as access to foreign funding was insufficient to match foreign loan payments. Commercial banks lent government $298.2 million, a reversal from the previous year when they reduced their credit by $240.9 million. Central Bank funding fell to $96.8 million compared to $714.5 million for the corresponding period of fiscal year 2016/17, while lending by the private non-bank institutions fell by $82.3 million.

At the end of December, the gross central government debt, including borrowings from the Central Bank and the NIS, fell slightly to approximately 145.9% of GDP. The public sector currently holds almost 53.0% of total domestic debt outstanding. The average interest rate on long-term debt over the period was 7.0%, while that on short-term debt was 3.5%.

Outlook

The Barbadian economy faces the prospect of continued challenging macroeconomic conditions during 2018 as government intensifies its effort to strengthen the public finances, address the weakened external position and implement a framework for sustainable growth. This focus is especially warranted given the downside risks created by the level of foreign reserves, the threat of rising oil prices and limited access to new financing for Government.

For fiscal year 2018/19, Government must continue to build on the gains it has made on reducing the fiscal imbalance. The fiscal deficit for 2017/18 is anticipated to be lower than for the previous year, but it is unlikely to achieve its target because of the non-receipt of divestment proceeds and the lower than anticipated revenue yield. Further consolidation, particularly through structural expenditure reforms and improved tax administration, is now required. Effective implementation of these measures would help to prevent the further accumulation of arrears which will aid in restoring confidence and facilitating private sector activity.

The reversal of the decline in international reserves remains pivotal to strengthening the outlook. Preliminary indicators suggest a robust 2017/18 winter tourism season and the outlook for the tourism sector generally remains favourable. In addition, there are significant planned tourism related investments which will boost the reserves, if implemented on a timely basis. However, foreign debt service and rising international oil prices are likely to erode some of these projected reserve gains. In this regard, adjustment measures designed to contain demand must be accompanied by significant private and public sector capital inflows to boost the reserves.

The fiscal adjustment measures announced in May 2017 are expected to continue to dampen domestic demand. As a result, under the current policy framework, the Barbados economy is forecasted to grow in 2018 by approximately 0.5% to 1.0%. Achieving this forecast is dependent on the strength of the performance of the tourism sector and the speed of implementation of investment projects.

Ultimately, the medium term growth performance will hinge on the performance of foreign exchange driven activities. Tourism and international business services remain critical as does the emerging alternative energy sector, which has the potential to create energy independence, and enhance competitiveness. However, developments in these sectors must be underpinned by speedy implementation of investment projects, emphasising the importance of service delivery as part of the enhanced productivity thrust. In this regard, efforts to improve business facilitation as outlined in the recently drafted Barbados Sustainable Recovery Plan, should provide a framework for strengthening growth prospects.

Table 1 – Economic Indicators

	2011	2012	2013	2014	2015	2016(p)	2017(e)
Nominal GDP ($ Million)[1]	9,321.8	9,312.7	9,225.0	9,216.7	9,168.3	9,058.1	9,347.0
Real Growth (%)	0.6	0.3	0.0	0.0	0.7	1.8	1.0
Inflation (%)[2]	9.4	4.5	1.8	1.8	(1.1)	1.5	4.0
Avg. Unemployment (%)[3]	11.2	11.5	11.6	12.3	11.3	9.7	10.2
Foreign Exchange Reserves ($ Million)	1,414.7	1,457.7	1,144.1	1,054.9	929.4	683.6	409.7
Foreign Exchange Reserves Cover, Weeks	18.0	20.2	15.6	14.8	13.7	10.5	6.6
BoP Current Account (% of GDP)	(11.8)	(8.4)	(8.5)	(9.4)	(6.3)	(4.5)	(4.4)
Total Imports of Goods (% of GDP)	37.1	36.2	36.4	35.9	33.5	34.0	32.4
Travel Credits (% of GDP)	20.8	19.9	21.0	19.2	20.7	23.0	22.8
Net Capital Inflows ($ Millions)	1,094.7	312.7	513.5	734.0	441.2	84.9	84.4
Gross Public Sector Debt[4] (% of GDP)	85.2	86.7	96.1	101.6	102.4	100.0	104.6
External Debt Service to Curr. Acct. Cred.	5.9	6.4	6.4	6.7	9.5	8.0	8.4
Treasury-Bill Rate	3.4	3.6	3.2	2.6	1.8	3.1	3.2
Average Deposit Rate[5]	2.7	2.5	2.5	2.5	0.4	0.3	0.2
Average Loan Rate[5]	6.6	6.8	7.4	7.1	6.8	6.6	6.6
Excess Liquidity Ratio	1.7	4.7	3.9	6.7	10.6	14.5	14.1
Private Sector Credit Growth (%)	2.7	10.5	(2.2)	(4.6)	0.5	1.1	2.7
Private Sector Credit (% of GDP)	55.8	61.7	60.9	58.2	58.8	60.2	59.9
Domestic Deposits (% of GDP)	81.8	85.4	88.6	87.6	91.9	97.0	94.5
Fiscal Year	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17(p)**	
Fiscal Deficit (% of GDP)	(4.1)	(8.0)	(10.4)	(7.7)	(9.4)	(5.7)	
Primary Balance (% of GDP)	1.5	(1.8)	(3.8)	(0.6)	(2.1)	2.4	
Interest (% of GDP)	5.6	6.1	6.6	7.1	7.4	8.1	
Fiscal Current Account (% of GDP)	(2.8)	(6.7)	(8.6)	(5.6)	(6.9)	(3.3)	
Revenue (% of GDP)	27.2	26.5	25.4	26.2	26.9	30.0	
Expenditure (% of GDP)	31.3	34.5	35.8	33.9	36.3	35.7	
Non-interest Expenditure (% of GDP)	25.7	28.3	29.2	26.8	29.0	27.6	
Capital Expenditure (% of GDP)	1.3	1.3	1.8	2.1	2.6	2.5	
Govt Interest Payments (% of Revenue)	20.7	23.2	26.1	27.2	27.4	26.9	

(p) - Provisional

e) - Estimate

1 - Central Bank of Barbados Estimates

2 - Data to October 2017

3 - Data to September 2017

4 - Gross Public Sector Debt = Gross Central Government Debt - Domestic Debt held by NIS -Domestic Debt held by CBB + Other Public Sector Debt

5 - Data to October 2017

Source: Barbados Statistical Service and Central Bank of Barbados

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

	Avg. Contribution to GDP (%)	2011	2012	2013	2014	2015	2016(p)	2017(e)
Tradeables	**20.2**	**224.1**	**217.2**	**217.4**	**216.7**	**222.4**	**227.5**	**231.2**
Tourism	**12.4**	**131.2**	**126.3**	**124.3**	**126.2**	**134.3**	**140.8**	**142.5**
Manufacturing	**3.8**	**48.3**	**45.0**	**46.0**	**45.2**	**44.3**	**43.7**	**43.7**
of which:								
Rum & Other Beverages	*0.5*	*6.7*	*6.3*	*6.4*	*6.3*	*6.2*	*6.1*	*6.1*
Food	*1.0*	*12.3*	*11.4*	*11.7*	*11.5*	*11.3*	*11.1*	*11.1*
Furniture	*0.1*	*1.3*	*1.2*	*1.3*	*1.2*	*1.2*	*1.2*	*1.2*
Chemicals	*0.2*	*2.9*	*2.7*	*2.8*	*2.7*	*2.7*	*2.6*	*2.6*
Electronics	*0.3*	*3.7*	*3.4*	*3.5*	*3.4*	*3.3*	*3.3*	*3.3*
All Other Manufacturing	*1.7*	*21.4*	*20.0*	*20.4*	*20.0*	*19.6*	*19.4*	*19.4*
Sugar	0.4	10.1	10.5	7.5	6.7	4.5	3.0	4.3
Other Agriculture	3.5	34.5	35.3	39.6	38.6	39.4	40.0	40.6
Non-tradeables	**79.8**	**878.6**	**888.6**	**888.4**	**889.4**	**891.6**	**906.6**	**913.7**
Mining & Quarrying	0.5	5.0	4.6	3.9	4.7	5.8	5.3	5.5
Electricity, Gas & Water	3.9	43.5	43.7	43.4	43.4	43.3	44.1	44.4
Construction	5.6	73.3	67.4	59.9	58.3	57.7	60.7	64.5
Distribution	21.8	240.9	242.0	245.8	246.4	246.0	249.1	249.4
Transport, etc.	10.8	114.7	117.0	118.0	118.6	120.2	122.4	123.7
Finance and Other Services	21.4	227.8	234.5	235.5	236.4	237.2	243.5	245.0
Government	15.8	173.4	179.4	181.9	181.7	181.4	181.5	181.1
Total		**1,102.7**	**1,105.8**	**1,105.9**	**1,106.1**	**1,114.1**	**1,134.1**	**1,144.9**
Real Growth Rates		**0.6**	**0.3**	**0.0**	**0.0**	**0.7**	**1.8**	**1.0**
Tradeables		(2.5)	(3.1)	0.1	(0.3)	2.6	2.3	1.6
Non-tradeables		1.5	1.1	(0.0)	0.1	0.3	1.7	0.8

(p) - Provisional

(e) - Estimate

1 - 1974 Base Year

Source: Central Bank of Barbados

Table 3 – Balance of Payments
(BDS $Millions)

	2011	2012	2013	2014	2015	2016(p)	2017(e)
Current Account	**(1,100.8)**	**(781.8)**	**(782.5)**	**(865.8)**	**(577.1)**	**(411.3)**	**(407.4)**
Inflows	**4,744.4**	**4,458.1**	**4,564.1**	**4,452.5**	**4,600.5**	**4,799.0**	**4,793.6**
Travel	1,941.3	1,857.8	1,938.7	1,773.6	1,894.9	2,079.3	2,128.0
Other Services	1,250.8	941.1	1,052.3	1,065.0	1,047.4	1,053.6	1,065.1
Domestic Exports	494.9	532.6	521.2	539.4	486.3	504.6	499.0
Rum	70.9	82.4	86.1	78.7	76.3	77.6	82.9
Other Beverages	12.3	10.3	13.9	13.6	12.2	20.9	16.5
Food	55.9	63.6	64.0	70.0	65.1	62.7	56.9
Sugar	21.2	22.3	15.9	18.1	7.2	7.1	4.8
Chemicals	67.3	68.0	69.6	73.6	73.9	72.2	69.2
Electronics	21.5	17.1	13.3	16.6	17.0	15.0	16.1
Printed Paper Labels	19.9	20.6	24.4	24.2	22.0	23.1	16.5
Construction Materials	30.9	25.8	45.3	44.5	42.1	45.3	40.8
Other	195.1	221.9	189.3	200.0	170.5	180.9	195.4
Re-exported Goods	455.3	597.6	414.0	409.4	479.5	529.1	466.8
Income	342.9	383.5	497.5	525.1	512.0	515.4	529.8
Transfers	259.1	146.3	139.7	140.0	180.3	116.7	104.7
Outflows	**5,845.1**	**5,239.9**	**5,346.6**	**5,318.3**	**5,177.5**	**5,210.3**	**5,201.0**
Total Imports of Goods	3,457.7	3,375.8	3,361.5	3,304.4	3,074.4	3,080.9	3,029.0
Fuel Imports	1,067.3	1,116.1	965.6	877.5	603.6	502.9	622.7
Other Merchandise Imports	2,390.4	2,259.7	2,395.8	2,426.8	2,470.8	2,578.0	2,406.4
Services	1,107.1	971.7	932.4	925.0	988.8	989.3	1,014.0
Income	943.2	728.3	886.7	920.0	937.9	958.3	977.3
Transfers	337.2	164.1	166.1	169.0	176.4	181.8	180.6
Capital Account	**(17.8)**	**(13.5)**	**(9.0)**	**(9.4)**	**(15.8)**	**(8.5)**	**(0.7)**
Financial Account	**1,094.7**	**312.7**	**513.5**	**734.0**	**441.2**	**84.9**	**84.4**
Long Term	1,103.2	859.9	505.1	716.8	449.8	161.7	174.6
Public	112.1	(120.4)	194.4	84.9	(72.2)	(170.4)	(136.9)
Private	991.1	980.4	310.7	632.0	522.1	332.1	311.4
Short-term Investment Flows	(8.5)	(547.2)	8.3	17.2	(8.6)	(76.8)	(90.1)
Net Errors & Omissions	15.0	525.6	(35.5)	51.9	26.2	89.1	49.8
Overall Balance	(8.9)	43.0	(313.6)	(89.3)	(125.5)	(245.8)	(273.9)
Change in FXR: - increase/+ decrease	**8.9**	**(43.0)**	**313.6**	**89.3**	**125.5**	**245.8**	**273.9**
Memo							
Retained Imports	3,195.8	2,961.7	3,124.3	3,068.8	2,756.7	2,714.0	2,721.6
of which: Consumer Goods	1,149.1	1,003.4	1,218.5	1,226.5	1,089.0	1,135.9	1,103.6
Capital Goods	535.3	439.4	518.8	518.1	553.6	554.2	535.2
Intermediate Goods	1,495.0	1,505.3	1,370.6	1,310.8	1,100.2	1,011.4	1,072.3

(p) - Provisional

(e) - Estimate

Source: Central Bank of Barbados

Table 4 – Key Financial Stability Indicators for the Domestic Commercial Banking System

	2011	2012	2013	2014	2015	2016(p)	2017(e)
Net International Reserves	2,527.3	2,910.8	2,433.1	2,367.6	2,498.8	2,274.6	1,945.1
Monetary Authorities	1,414.7	1,457.7	1,144.1	1,054.9	929.4	683.6	409.7
Commercial Banks	1,112.6	1,453.0	1,289.0	1,312.8	1,569.5	1,591.1	1,535.4
Net Domestic Assets	4,417.1	4,467.8	5,400.4	5,668.4	5,789.3	6,320.9	6,536.7
Credit to Public Sector	601.4	1,098.0	1,789.9	2,174.8	2,742.3	3,175.8	3,547.7
Central Government (net)	839.7	1,278.2	1,811.4	2,092.2	2,780.2	3,398.2	3,757.0
Rest of Public Sector	(238.4)	(180.2)	(21.5)	82.5	(37.9)	(222.5)	(209.3)
Credit to Rest of Financial System	278.1	75.0	32.9	31.3	45.6	23.9	23.1
Liabilities to Other Financial Institutions	746.8	703.7	707.6	562.6	753.3	702.9	824.2
Credit to Private Sector	5,199.9	5,746.1	5,622.3	5,363.5	5,392.0	5,451.5	5,599.0
Medium and Long-term Foreign Liabilities	(444.6)	(1,451.7)	(1,326.6)	(1,316.0)	(1,366.8)	(1,311.4)	(1,310.2)
Net Unclassified Assets	(169.8)	46.5	293.9	251.3	(55.7)	(101.2)	(270.5)
Liabilities to Private Sector	6,944.4	7,378.6	7,833.5	8,036.0	8,288.1	8,595.6	8,481.8
Currency in Circulation	498.2	510.8	504.7	555.6	534.1	574.7	522.0
Total Deposits	6,446.2	6,867.8	7,328.8	7,480.4	7,754.0	8,020.8	7,959.8
Memo Items							
Domestic Deposits in the Banking System	7,622.9	7,956.7	8,175.9	8,077.9	8,429.4	8,788.4	8,831.2
Banking System Financial Stability Indicators[1]							
Capital Adequacy Ratio (CAR)	19.3	21.0	19.7	20.5	18.9	19.6	20.1
Loan to Deposit Ratio	70.9	73.6	70.0	70.3	65.5	62.3	63.2
Liquid Assets to Total Assets	12.0	14.6	18.0	20.3	25.3	27.4	27.1
Non-Performing Loans Ratio	11.1	12.9	11.7	11.5	10.6	8.9	8.2
Provisions to Non-Performing Loans	32.9	33.9	44.9	47.7	55.5	63.2	67.4
Return on Assets (RoA)	1.0	1.1	0.8	0.7	0.9	1.0	1.1

(p) - Provisional

(e) - Estimate

[1] - Data as at September 2017

Source: Central Bank of Barbados

Table 5 – Summary of Government Operations
(BDS $Millions)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17(p)	Apr-Dec 2014	Apr-Dec 2015	Apr-Dec 2016(p)	Apr-Dec 2017(e)
Total Revenue	**2,550.5**	**2,457.3**	**2,334.3**	**2,407.3**	**2,458.4**	**2,754.0**	**1,705.0**	**1,687.6**	**1,729.9**	**1,936.4**
Tax Revenue	**2,345.7**	**2,240.8**	**2,156.4**	**2,182.8**	**2,266.3**	**2,494.5**	**1,619.2**	**1,574.5**	**1,642.7**	**1,842.1**
i) Direct Taxes	**925.1**	**897.9**	**813.4**	**901.0**	**875.6**	**970.5**	**691.8**	**623.5**	**639.7**	**670.3**
Personal	420.1	397.3	364.8	412.5	396.8	488.3	343.6	284.0	325.5	327.5
Corporate	286.1	268.6	174.7	156.1	215.2	248.2	118.4	117.4	120.5	155.2
Consolidation	0.0	0.0	14.4	28.1	36.3	3.2	23.2	26.0	3.2	0.0
Property	133.9	132.8	156.0	164.4	132.8	135.4	100.5	123.5	120.7	121.8
Municipal Solid Waste	0.0	0.0	0.0	32.0	0.0	0.0	24.9	0.0	0.0	0.0
Financial Institutions Asset Tax	0.0	0.0	0.0	26.9	29.0	32.6	13.8	22.6	22.7	34.9
Other	85.0	99.2	103.6	81.0	65.5	62.7	67.4	50.0	47.1	31.0
ii) Indirect Taxes	**1,420.6**	**1,342.9**	**1,343.0**	**1,281.8**	**1,390.7**	**1,524.0**	**927.4**	**951.0**	**1,003.1**	**1,171.8**
Stamp	11.7	11.2	11.6	11.0	10.1	9.4	8.2	8.1	6.5	6.8
VAT	939.9	879.0	905.6	806.2	861.4	890.3	602.6	586.8	616.3	646.3
Excises	161.0	141.3	115.4	135.9	169.0	225.6	79.4	101.9	108.3	175.7
Import Duties	195.6	201.2	193.6	223.6	231.6	245.2	156.5	155.1	168.6	159.4
Social Responsibility Levy	0.0	0.0	0.0	0.0	0.0	29.3	0.0	0.0	12.0	96.8
Other	112.3	110.2	116.8	105.1	118.6	124.3	80.7	99.1	91.3	86.8
Non Tax Revenue & Grants	**204.8**	**216.5**	**177.9**	**224.5**	**192.1**	**259.5**	**85.8**	**113.1**	**87.1**	**94.2**
Non Tax Revenue	165.0	138.9	152.1	147.7	147.5	228.4	66.2	78.6	64.1	78.6
Grants	14.3	57.6	4.7	57.5	18.1	9.8	2.5	17.0	9.0	5.0
Post Office - Revenue	25.5	20.0	21.1	19.3	26.4	21.3	17.1	17.4	14.0	10.7
Current Expenditure	**2,816.7**	**3,076.6**	**3,124.0**	**2,918.7**	**3,085.5**	**3,053.0**	**2,097.4**	**2,167.4**	**2,168.5**	**2,224.4**
Wages & Salaries	867.4	882.2	871.9	803.7	787.2	784.4	601.3	588.7	583.7	579.2
Goods & Services	399.5	391.7	382.2	341.5	441.3	385.4	224.7	235.1	242.3	235.6
Interest	527.4	568.9	608.7	653.7	672.5	741.7	527.4	540.0	589.0	606.1
External	148.4	146.6	135.3	165.3	163.7	168.0	120.9	120.4	123.5	122.9
Domestic	379.0	422.3	473.4	488.4	508.8	573.7	406.5	419.6	465.5	483.2
Transfers & Subsidies	1,022.4	1,233.8	1,261.2	1,119.8	1,184.5	1,141.5	744.0	803.6	753.5	803.4
Grants to Individuals	294.0	333.6	365.1	338.5	342.1	327.3	218.4	225.4	211.0	243.1
Grants to Public Institutions	602.2	739.9	786.4	682.9	729.6	714.4	467.0	515.7	476.6	515.4
Non-Profit Agencies	39.8	39.6	37.3	29.6	32.3	32.7	22.1	23.9	24.0	12.9
Capital Expenditure & Net Lending	**118.2**	**121.1**	**169.3**	**193.5**	**236.3**	**225.1**	**100.5**	**190.1**	**157.5**	**111.6**
Fiscal Balance	**(384.5)**	**(740.4)**	**(958.9)**	**(704.9)**	**(863.4)**	**(524.1)**	**(492.9)**	**(669.9)**	**(596.1)**	**(399.5)**
Primary Balance	**142.9**	**(171.5)**	**(350.2)**	**(51.2)**	**(190.8)**	**217.6**	**34.5**	**(129.9)**	**(7.2)**	**206.6**
Fiscal Balance to GDP (%)	**(4.1)**	**(8.0)**	**(10.4)**	**(7.7)**	**(9.4)**	**(5.7)**				

(p) - Provisional

(e) - Estimate

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

Table 6 – Government Financing
(BDS $Millions)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17[p]	Apr-Dec 2014	Apr-Dec 2015	Apr-Dec 2016[p]	Apr-Dec 2017[e]
Total Financing	**384.5**	**740.4**	**958.9**	**704.9**	**863.4**	**524.1**	**492.9**	**669.9**	**596.1**	**399.5**
Domestic Financing	**362.3**	**762.9**	**637.1**	**695.2**	**837.7**	**685.7**	**454.5**	**681.1**	**749.0**	**515.3**
Central Bank	(168.4)	106.4	216.9	341.1	423.2	792.1	269.8	403.6	714.5	96.8
Commercial Banks	349.4	452.7	253.7	(141.7)	182.4	(438.5)	(101.6)	115.6	(240.9)	298.2
National Insurance Board	112.9	334.3	231.9	48.6	71.2	180.2	0.4	42.6	122.9	1.3
Private Non-Bank	179.3	285.4	121.6	62.6	108.5	94.6	9.0	86.3	57.4	(82.3)
Other	(110.9)	(415.9)	(187.0)	384.6	52.3	57.4	276.9	33.1	95.2	201.3
Foreign Financing (net)	**22.2**	**(22.5)**	**321.8**	**9.7**	**25.7**	**(161.7)**	**38.4**	**(11.2)**	**(152.9)**	**(115.8)**
Capital Markets	0.0	0.0	377.0	49.3	0.0	0.0	49.3	0.0	0.0	0.0
Project Funds	25.9	35.1	96.0	79.0	204.1	57.2	78.5	184.1	31.0	85.2
Policy Loans	140.0	0.0	0.0	0.0	99.3	0.0	0.0	49.3	0.0	0.0
Amortisation	(143.6)	(146.3)	(151.2)	(118.7)	(277.8)	(218.8)	(89.4)	(244.7)	(183.9)	(200.9)
Divestment	0.0	88.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

[p] - Provisional

[e] - Estimate

Source: Central Bank of Barbados

Table 7 – Public Debt Outstanding
(BDS $Millions)

	2011	2012	2013	2014	2015	2016(p)	2017(p)
Gross Central Government Debt[1]	**9,183.4**	**9,838.7**	**11,127.6**	**11,737.1**	**12,471.0**	**13,364.8**	**13,639.3**
Domestic Debt	6,412.9	7,193.8	8,259.7	8,695.5	9,492.1	10,503.2	10,830.8
Central Bank[2]	471.3	497.0	747.3	807.9	1,303.6	2,012.4	2,227.7
Commercial Banks	1,264.0	1,647.7	1,997.8	1,946.9	2,084.0	2,033.6	2,137.9
National Insurance	2,380.9	2,602.0	2,877.7	2,993.6	3,166.7	3,483.7	3,511.6
Insurance Companies[7]	638.0	861.1	910.5	858.9	823.4	791.0	527.2
PPP	323.3	322.5	306.9	294.3	272.9	256.8	239.4
Other	1,335.4	1,263.5	1,419.5	1,793.8	1,841.6	1,925.7	2,186.9
External Debt	2,770.5	2,644.9	2,868.0	3,041.6	2,979.0	2,861.6	2,808.5
International Financial Institutions	766.8	718.6	733.1	835.0	929.3	959.8	920.4
Bonds	1,439.1	1,387.3	1,616.8	1,698.9	1,576.0	1,443.0	1,381.4
PPP	275.1	271.0	266.5	261.5	256.0	249.9	243.1
Bilateral	79.1	67.2	56.2	45.6	35.5	25.5	86.1
SDRs (+)	210.4	200.8	195.4	200.6	182.1	183.5	177.5
Other Public Sector Debt	**1,609.0**	**1,330.1**	**1,360.4**	**1,425.7**	**1,385.8**	**1,130.6**	**1,051.3**
Domestic Debt	1,252.3	995.6	1,048.3	1,135.7	1,116.9	969.6	890.4
Foreign Debt	356.7	334.5	312.0	290.0	268.9	160.9	160.9
Gross Public Sector Debt[3]	**7,940.2**	**8,069.7**	**8,862.9**	**9,361.3**	**9,386.5**	**8,999.3**	**8,951.3**
Central Government Financial Assets	**1,074.2**	**1,005.8**	**1,051.8**	**971.2**	**744.8**	**752.0**	**712.5**
Central Bank	263.6	79.3	103.4	52.8	16.7	20.1	17.6
Commercial Banks	99.6	118.9	119.3	99.3	95.1	99.4	96.0
Sinking Funds	711.0	807.7	829.1	819.1	633.0	632.6	598.8
Other Public Sector Financial Assets	**851.0**	**720.1**	**597.1**	**557.8**	**599.8**	**723.8**	**698.3**
NIS[4]	539.3	510.5	399.2	359.3	391.9	484.0	477.6
Public Corporations' Deposits	311.7	209.6	197.8	198.5	207.9	239.8	220.7
Gross Public Sector Debt/GDP (%)	85.2	86.7	96.1	101.6	102.4	99.4	95.8
Gross Central Government Debt[1]/GDP (%)	98.5	105.6	120.6	127.3	136.0	147.5	145.9
External Debt/GDP (%)	29.7	28.4	31.1	33.0	32.5	31.6	30.0
Net Public Sector[5]/GDP (%)	64.5	73.6	82.5	88.9	92.0	88.4	85.8
Net Central Government[6]/GDP (%)	87.0	94.8	109.2	116.8	127.9	139.2	138.3

(p) - Provisional

1 - Gross Central Government Debt = Domestic Debt (inclusive of NIS) + External Debt

2 - Comprises Treasury Bills, Debentures and Ways & Means Account Balance

3 - Gross Public Sector Debt = Gross Central Government Debt - Domestic Debt Held by NIS - Domestic Debt held by CBB + Other Public Sector Debt

4 - Estimates

5 - Net Public Sector Debt = Gross Public Sector Debt - Central Government Financial Assets - Other Financial Sector Financial Assets

6 - Net Central Government Debt = Gross Central Government Debt - Central Government Financial Assets

7 - Reflects the reclassification of holdings by insurance companies to other financial institutions.

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