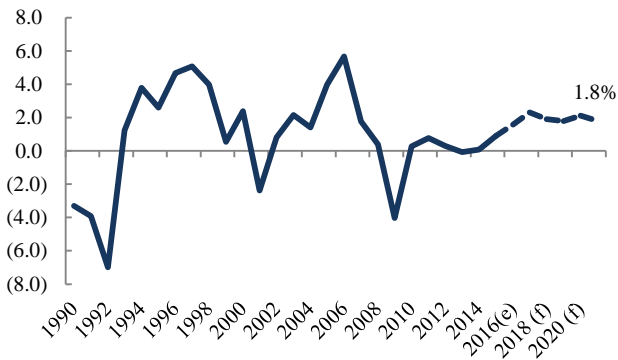




**Press Release  
December 2016**

After turning the corner in 2015, growth strengthened in 2016, thanks to the investments made to reinforce Barbados' competitive tourism sector in recent years. It is estimated that the Barbados economy expanded by 1.6 percent in 2016, with an associated decline in unemployment to 10 percent for the four quarters ending in September last year. Once again, there was no inflation and the retail price index fell by 0.8 percent as at June, 2016.

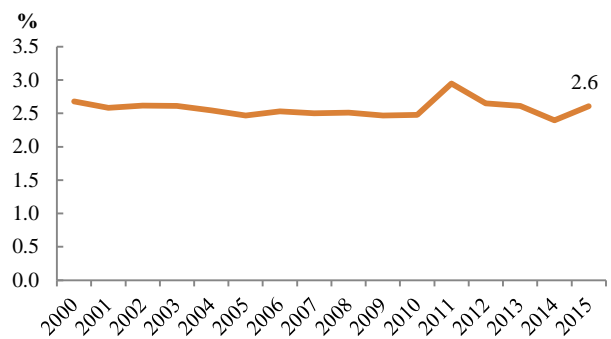
**Figure 1 - Real GDP Growth**



Source: Central Bank of Barbados

It is estimated that the growth in arrivals will result in an improvement in the island's share of the Caribbean market, building on the 2.6 percent market share captured in 2015, from 2.4 percent in 2014.

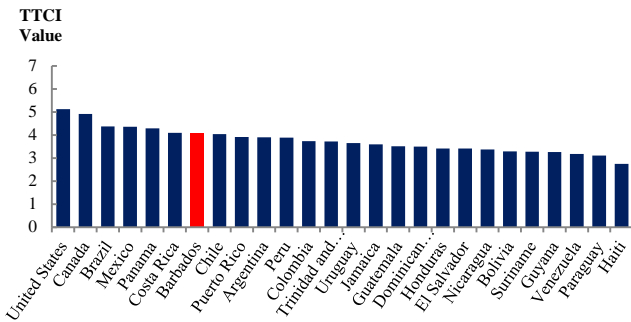
**Figure 2 – Barbados Caribbean Arrivals Market Share**



Source: Caribbean Tourism Organization

Barbados is the seventh most competitive tourism destination in all of the Americas, according to the 2015 *Travel and Tourism Competitiveness Report*. The countries that score more highly are the U.S, Canada, Mexico, Brazil, Costa Rica and Panama. The factors that contribute to the island's competitive strength include health, safety and security and the availability and use of information technology.

**Figure 3 – Travel and Tourism Competitiveness**



Source: Travel and Tourism Competitiveness Report 2015

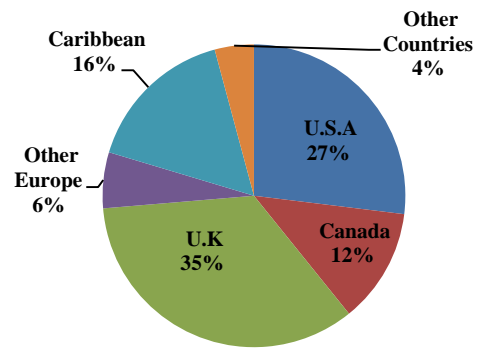
The diversity of countries from which we attract visitors has been central to the success of our tourism industry. During 2016, long-stay arrivals increased by 6 percent, with arrivals from the U.S up by 14 percent, and Caribbean arrivals 13 percent higher.

**Table 1 - Tourist Arrivals by Source Market**  
(‘000)

	January 1 - December 29			
	2015 <sup>(p)</sup>	2016 <sup>(e)</sup>	Change	% Change
U.S.A	147.1	167.9	20.8	14.1
Canada	73.9	77.9	4.0	5.4
U.K	212.8	217.0	4.2	2.0
Other Europe	40.2	37.3	(2.8)	(7.1)
Caribbean	87.7	98.8	11.1	12.7
Other Countries	26.1	25.8	(0.3)	(1.2)
<b>TOTAL LONG-STAY</b>	<b>587.8</b>	<b>624.7</b>	<b>36.9</b>	<b>6.3</b>

Source: Central Bank of Barbados Preliminary Statistics

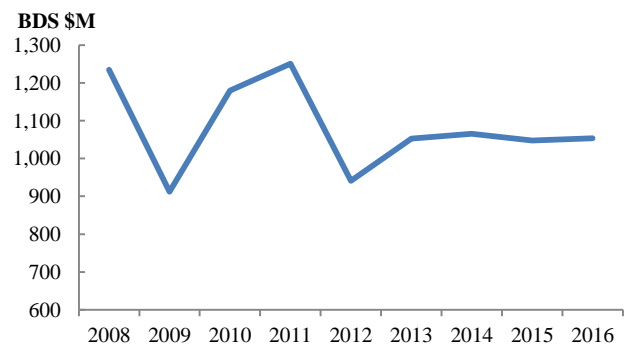
**Figure 4 – Tourist Arrivals by Source Market, as at December 2016**



Source: Central Bank of Barbados

Receipts from services other than tourism<sup>1</sup> have held their own, averaging about \$1.1 billion since 2013. However, the assets of international banks offering global services declined by 9 percent to \$69 billion. The number of international business companies declined by 5 percent, as at October 2016.

**Figure 5 – Non-Tourism Related Service Inflows**

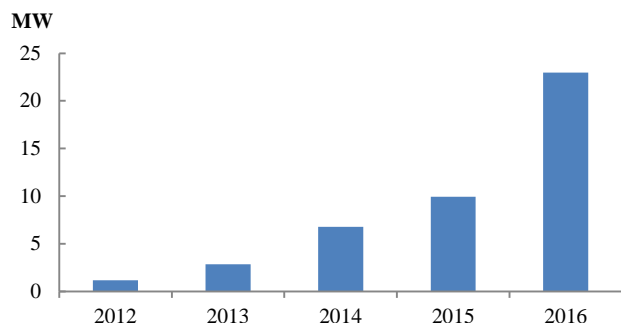


Source: Central Bank of Barbados

<sup>1</sup> Includes government, transportation and distribution services

The production of renewable energy has grown rapidly, from small beginnings in 2012. During 2016, generating capacity reached approximately 23 megawatts, boosted by the introduction of a 10 megawatt solar photovoltaic farm.

**Figure 6 – Renewable Energy Capacity**



Source: Barbados Light and Power Co. Ltd.

Apart from Government, there was growth in all the large non-traded sectors. Growth rates ranged between one percent for public utilities and 3 percent, for financial services.

**Table 2 – Real GDP Non-Traded Sectors**

Sector	2015 <sup>(p)</sup>	2016 <sup>(e)</sup>	Actual Change	% Chg.
Electricity, Gas & Water	43.4	43.8	0.4	0.9
Construction	60.7	62.2	1.5	2.4
Distribution	246.0	250.0	4.0	1.6
Transport, Storage & Communication	120.2	122.4	2.2	1.8
Finance & Other Services	239.2	245.3	6.2	2.6
Government	181.4	181.5	0.0	0.0
<b>Total</b>	<b>896.7</b>	<b>910.4</b>	<b>13.7</b>	<b>1.5</b>

Note: Excludes mining and quarrying activity, see Appendix Table 2

Source: Central Bank of Barbados Estimates

Exports increased by 5 percent to \$511 million, recovering some of the ground lost in 2015. The increase was mainly driven by the exports of rum

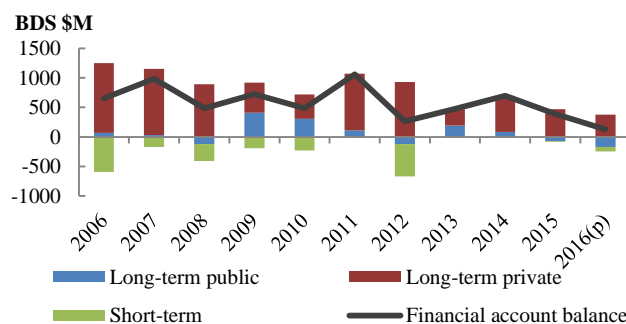
and other beverages, construction materials and printed labels.

**Table 3 – Domestic Merchandise Exports (BDS \$M)**

Category	2015	2016	Actual Change	% Chg.
Food	72.3	70.7	-1.5	-2.1
Rum	76.3	76.9	0.6	0.8
Other Beverages	12.2	19.9	7.7	63.0
Chemicals	73.9	73.9	-0.1	-0.1
Printed Paper Labels	22.0	23.0	1.0	4.5
Construction Materials	42.1	46.6	4.5	10.6
Crude Products	39.1	26.3	-12.8	-32.8
Other	148.4	173.2	24.8	16.7
<b>Total Domestic Exports</b>	<b>486.3</b>	<b>510.5</b>	<b>24.2</b>	<b>5.0</b>

Source: Barbados Statistical Service Actuals (Jan.-Nov., 2016) & Central Bank of Barbados Estimates

**Figure 7 - Net Financial Flows**



Source: Central Bank of Barbados

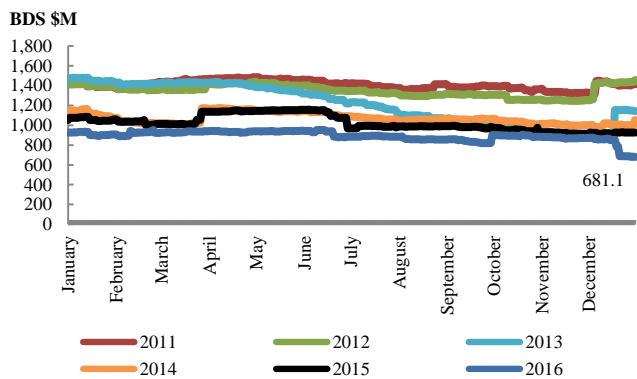
Retained imports are estimated to be on par with last year, with fuel imports down 21% to \$366 million. Consumer goods increased by 6.8 percent, while capital goods increased by 6.5 percent.

There was an estimated net inflow of foreign finance of \$132 million, \$256 million lower than in 2015. Inflows by private sector entities were \$379 million, \$90 million lower than in 2015.

Foreign financing for the public sector was also lower, because select project inflows did not materialise, due to administrative delays. Government's repayments were higher than in the previous year, exceeding the amount of inflows by \$170 million.

The Central Bank's stock of international reserves at the end of December stood at \$681 million, equivalent to 10.3 weeks of imports. In addition, inflows of over \$250 million were pending on December 31<sup>st</sup>. A disbursement of \$68 million on the Sam Lord's project was awaiting confirmation that all conditions had been met. Proceeds from the sale of BNTCL, an amount of \$100 million, were awaiting approval by the Fair Trading Commission. An amount of \$30 million for the pre-funding of scheduled projects was awaiting Parliamentary approval, as was a further \$12 million for an education loan. An amount of \$40 million is expected from the sale of Government's interest in the Four Seasons property.

**Figure 8 - International Reserves**

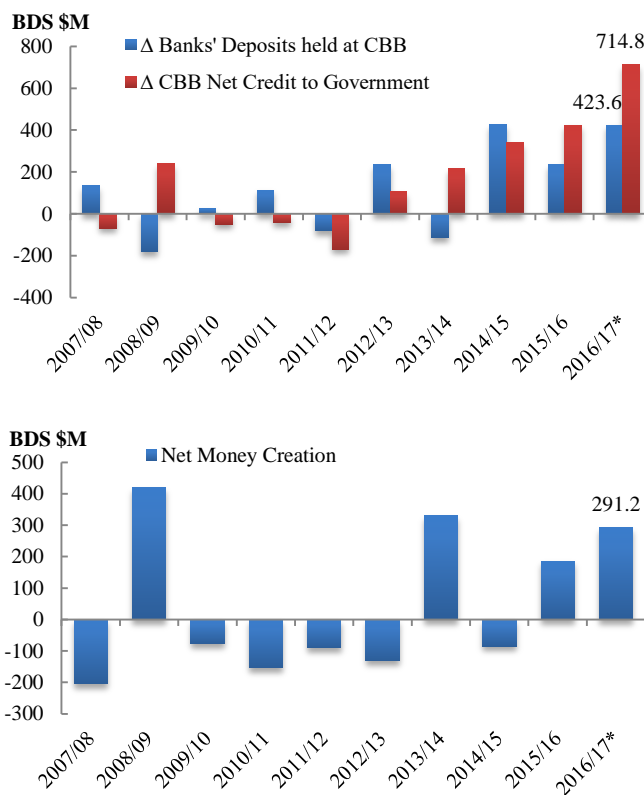


Source: Central Bank of Barbados

Government's current account deficit for April to December 2016 is estimated at \$510 million, a deterioration of \$31 million on the previous year. Revenues declined by \$6 million, mainly due to a

\$17 million decrease in revenue from personal income. VAT receipts were up \$48 million and the new National Social Responsibility Levy has yielded \$8.3 million so far. Current expenditure increased by \$25 million, when compared to the same period a year earlier. Transfers to state-owned enterprises were down \$17 million, but interest payments rose by \$53 million. Other major items, which include wages and salaries, were largely unchanged. Capital expenditure was \$36 million lower than for the same period in 2015, and the overall fiscal deficit, estimated at \$665 million, was \$5 million smaller than for 2015.

**Figure 9 - Bank Deposits, Credit to Government and Net Money Creation**

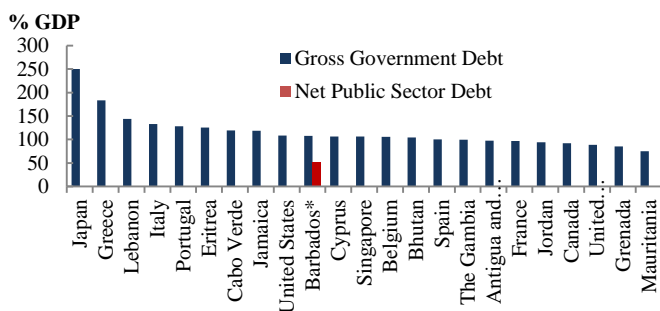


\*-Data to December 30, 2016  
Source: Central Bank of Barbados

Domestic financing needs were \$818 million, consisting of the deficit of \$665 million and \$153 million of foreign debt, for which domestic debt was substituted. NIS contributed \$123 million, insurance companies and other financial institutions \$129 million, and Central Bank, the remainder. Of that amount \$424 million were additional funds deposited with the Central Bank by commercial banks and \$291 million was new money created by the Bank.

At the end of December 2016, the total debt owed to private individuals and companies by Government and all public entities, net of assets, was \$4.9 billion, or 53 percent of GDP, compared to 68.6 percent as at the end of 2015. The gross government debt, including borrowings from Central Bank was 108 percent of GDP<sup>2</sup>. The proportion of foreign currency debt was 31 percent of GDP, and the cost of servicing that debt was \$391 million or 8 percent of earnings from goods and services.

**Figure 10 – Gross Government Debt**



\* Central Bank of Barbados Estimates Gross Government Debt and Net Public Sector Debt, as at December 2016.

Source: World Economic Outlook, as at October 2016

<sup>2</sup> To calculate the net public sector debt, deduct all monies that Government has borrowed from Central Bank and NIS, and add any debt that state-owned enterprises owe to the private sector.

## Outlook

The outlook for growth is encouraging, and the forecast growth rate for the next five years continues to be about two percent. In the near term, the engines of growth will be Barbados' highly regarded tourism services and construction projects with a total value of \$2.6 billion, in tourism, infrastructure, energy and housing. Initiatives to restore growth in international business and financial services include targeted marketing of Barbados' impeccable reputation, the development of new markets and products, the exploitation of market niches, and the extension of Barbados' treaty network. The renewable energy sector is expected to maintain its exponential rate of growth, making a significant contribution to growth by the end of the five-year period.

An increase in productivity in the delivery of public services is urgently needed. Such an increase could accelerate the forecast rate of growth by at least one percent, by improving business facilitation, bringing forward the implementation of investments, and improving the attractiveness of doing business in Barbados. In addition, the productivity gain would permit a reduction in the wages bill and transfers to public entities, without any reduction of the level and quantity of services offered.

This reduction in wages and transfers would assist in eliminating the Government's deficit on its current account. The fact that Government spends more on the current account than it receives in taxes and other current receipts is the reason for the increase in Central Bank lending to Government. There is general agreement that any additional financing by Central Bank should be avoided. The sale of assets owned by the public sector would also assist in eliminating the deficit.

Government's dependence on the Central Bank to finance its deficit, limits the Bank's ability to influence interest rates appropriate for Barbados' circumstances, as is the standard practice used by central banks everywhere.

**Table 1 – Economic Indicators**

	2009	2010	2011	2012	2013	2014	2015 <sup>(p)</sup>	2016 <sup>(e)</sup>
Real Growth (%)	(4.0)	0.3	0.8	0.3	(0.1)	0.1	0.9	1.6
Tradeables (%)	(4.3)	(0.4)	(2.5)	(3.1)	0.1	(0.3)	2.6	1.7
Nontradeables (%)	(4.0)	0.4	1.6	1.2	(0.1)	0.2	0.5	1.5
Inflation (%) <sup>1</sup>	3.6	5.8	9.4	4.5	1.8	1.8	(1.1)	(0.8)
Avg. Unemployment (%) <sup>2</sup>	10.0	10.3	11.2	11.5	11.6	12.3	11.3	10.0
Foreign Exchange Reserves (\$ Million)	1,477.4	1,423.7	1,414.8	1,457.7	1,144.1	1,052.4	927.0	681.1
Foreign Exchange Reserves Cover, Weeks	21.0	18.6	18.0	20.2	15.6	14.7	13.6	10.3
BoP Current Account (as % GDP)	(6.6)	(5.3)	(11.8)	(8.2)	(8.2)	(9.0)	(5.7)	(4.5)
Net Capital Inflows	716.9	480.2	1,044.7	249.5	467.0	689.4	371.8	136.1
Net Public Sector Debt/GDP	38.6	50.4	53.8	56.0	66.2	72.0	68.6	52.9
External Debt Service to Curr. Acct. Cred.	5.8	13.3	6.0	6.4	6.4	6.7	9.5	8.1
Treasury-Bill Rate	3.4	3.4	3.4	3.6	3.2	2.6	1.8	3.1
US Treasury-Bill Rate	0.1	0.1	0.0	0.1	0.1	0.0	0.2	0.5
Average Deposit Rate <sup>3</sup>	2.7	2.7	2.7	2.5	2.5	2.5	0.4	0.3
Average Loan Rate <sup>3</sup>	8.9	7.3	6.6	6.8	7.4	7.1	6.8	6.8
<b>Fiscal Year</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16<sup>(p)</sup></b>
Fiscal Deficit (% of GDP)	(4.8)	(7.3)	(8.8)	(4.4)	(8.5)	(11.0)	(8.1)	(8.2)
Fiscal Current Account (as % of GDP)	(2.1)	(5.5)	(7.4)	(3.1)	(7.1)	(9.1)	(5.8)	(5.4)
Revenue (as % of GDP)	28.2	26.1	26.1	29.4	28.1	26.8	27.2	28.3
Expenditure (as % of GDP)	33.0	33.6	35.0	33.9	36.6	37.8	35.2	36.2
Gov't Interest Payments (as % of revenue)	15.3	18.8	22.3	20.7	23.2	26.1	27.2	25.9

<sup>(p)</sup> - Provisional<sup>(e)</sup> - Estimate<sup>1</sup> - Data to June 2016 and reflects the new Barbados Statistical Service inflation weights<sup>2</sup> - Average Annual Data to September 2016<sup>3</sup> - Data to November 2016

n.a.- Not Available

Source: Central Bank of Barbados

**Table 2 – GDP by Sector and Activity**  
(BDS \$Millions, Constant Prices)

	<b>Avg. contribution to GDP (%)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015<sup>(p)</sup></b>	<b>2016<sup>(e)</sup></b>
<b>Tradeables</b>	<b>19.9</b>	<b>230.9</b>	<b>230.0</b>	<b>224.1</b>	<b>217.2</b>	<b>217.4</b>	<b>216.7</b>	<b>222.4</b>	<b>226.2</b>
Tourism	12.3	126.9	131.4	131.2	126.3	124.3	126.2	134.3	140.0
Manufacturing	3.8	53.3	51.0	48.3	45.0	46.0	45.2	44.2	43.5
Of which:									
<i>Rum &amp; Other Beverages</i>	0.5	7.4	7.1	6.7	6.3	6.4	6.3	6.2	6.1
<i>Food</i>	1.0	13.5	13.0	12.3	11.4	11.7	11.5	11.2	11.1
<i>Furniture</i>	0.1	1.5	1.4	1.3	1.2	1.3	1.2	1.2	1.2
<i>Chemicals</i>	0.2	3.2	3.1	2.9	2.7	2.8	2.7	2.7	2.6
<i>Electronics</i>	0.3	4.0	3.9	3.7	3.4	3.5	3.4	3.3	3.3
<i>All Other Manufacturing</i>	1.7	23.6	22.6	21.4	20.0	20.4	20.0	19.6	19.3
Sugar	0.3	13.7	11.0	10.1	10.5	7.5	6.7	4.5	3.0
Other Agriculture	3.5	37.0	36.6	34.5	35.3	39.6	38.6	39.4	39.6
<b>Non-tradeables</b>	<b>80.1</b>	<b>863.8</b>	<b>867.6</b>	<b>881.8</b>	<b>892.0</b>	<b>890.9</b>	<b>892.4</b>	<b>896.7</b>	<b>910.4</b>
Mining & Quarrying	0.5	5.3	5.8	5.0	4.6	3.9	4.7	5.8	5.3
Electricity, Gas & Water	3.9	43.3	44.2	43.5	43.7	43.4	43.4	43.4	43.8
Construction	5.5	76.7	69.4	76.7	70.9	62.5	61.4	60.7	62.2
Distribution	22.0	235.3	240.8	240.9	242.0	245.8	246.4	246.0	250.0
Transport, etc.	10.8	113.9	114.0	114.6	116.9	117.9	118.5	120.2	122.4
Finance and Other Services	21.6	222.7	225.0	227.7	234.4	235.5	236.4	239.2	245.3
Government	16.0	166.7	168.4	173.4	179.4	181.9	181.7	181.4	181.5
<b>Total</b>		<b>1,094.7</b>	<b>1,097.6</b>	<b>1,105.9</b>	<b>1,109.2</b>	<b>1,108.4</b>	<b>1,109.1</b>	<b>1,119.1</b>	<b>1,136.6</b>
<b>Nominal GDP</b>		<b>9,202.5</b>	<b>8,893.6</b>	<b>8,717.8</b>	<b>8,664.3</b>	<b>8,742.4</b>	<b>8,705.4</b>	<b>8,843.6</b>	<b>9,175.1</b>
<b>Real Growth Rates</b>		<b>(4.0)</b>	<b>0.3</b>	<b>0.8</b>	<b>0.3</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.9</b>	<b>1.6</b>
Tradeables		(4.3)	(0.4)	(2.5)	(3.1)	0.1	(0.3)	2.6	1.7
Non-tradeables		(4.0)	0.4	1.6	1.2	(0.1)	0.2	0.5	1.5

<sup>(p)</sup> - Provisional

<sup>(e)</sup> - Estimate

Source: Central Bank of Barbados



**Table 3 – Balance of Payments**  
(BDS \$Millions)

	2008	2009	2010	2011	2012	2013	2014	2015 <sup>(p)</sup>	2016 <sup>(e)</sup>
<b><u>Current Account*</u></b>	<b>(909.1)</b>	<b>(606.2)</b>	<b>(484.5)</b>	<b>(1,084.6)</b>	<b>(754.2)</b>	<b>(756.0)</b>	<b>(827.5)</b>	<b>(523.3)</b>	<b>(411.7)</b>
<b>Inflows</b>	<b>5,175.1</b>	<b>4,499.6</b>	<b>4,810.7</b>	<b>4,810.2</b>	<b>4,429.4</b>	<b>4,552.3</b>	<b>4,455.1</b>	<b>4,622.5</b>	<b>4,818.9</b>
Travel	2,391.8	2,145.6	2,076.6	1,925.3	1,835.7	1,927.9	1,776.7	1,913.8	2,090.0
Other Services	1,234.6	911.9	1,179.4	1,250.8	941.1	1,052.3	1,065.0	1,047.4	1,053.6
Domestic Exports	508.0	449.2	460.2	494.9	532.6	521.2	539.4	486.3	510.5
Rum	66.0	57.2	66.8	70.9	82.4	86.1	78.7	76.3	76.9
Other Beverages	15.3	14.2	13.1	12.3	10.3	13.9	13.6	12.2	19.9
Food	62.8	50.7	50.0	55.9	63.6	64.0	70.0	65.1	57.8
Sugar	45.1	40.7	22.6	21.2	22.3	15.9	18.1	7.2	6.7
Chemicals	43.6	48.8	61.4	67.3	68.0	69.6	73.6	73.9	73.9
Electronics	23.8	16.3	19.4	21.5	17.1	13.3	16.6	17.0	15.1
Printed Paper Labels	18.8	15.8	20.1	19.9	20.6	24.4	24.2	22.0	23.0
Construction Materials	41.6	43.0	38.7	30.9	25.8	45.3	44.5	42.1	46.6
Other	194.5	167.4	170.7	195.1	221.9	189.3	200.0	170.5	194.5
Re-exported goods	467.6	307.9	398.3	455.3	597.6	414.0	409.4	479.5	525.6
Income*	328.5	493.0	471.3	424.7	376.9	496.6	524.6	515.2	518.6
Transfers	241.1	187.1	222.3	259.1	146.3	139.7	140.0	180.3	116.7
<b>Outflows</b>	<b>6,084.1</b>	<b>5,105.8</b>	<b>5,295.1</b>	<b>5,894.7</b>	<b>5,183.6</b>	<b>5,308.3</b>	<b>5,282.6</b>	<b>5,145.8</b>	<b>5,230.5</b>
Merchandise Imports	3,665.0	2,732.6	3,014.7	3,457.7	3,375.8	3,361.5	3,304.4	3,074.4	3,132.9
Services	1,472.1	1,358.1	1,465.4	1,107.1	971.7	932.4	925.0	988.8	989.3
Income*	759.5	868.5	670.5	992.8	672.0	848.4	884.3	906.2	926.6
Transfers	187.5	146.5	144.5	337.2	164.1	166.1	169.0	176.4	181.8
<b>Capital And Financial Accounts</b>	<b>473.2</b>	<b>716.9</b>	<b>480.2</b>	<b>1,044.7</b>	<b>249.5</b>	<b>467.0</b>	<b>689.4</b>	<b>371.8</b>	<b>136.1</b>
Capital Account	(12.0)	(10.2)	(7.2)	(17.8)	(13.5)	(9.0)	(9.4)	(15.8)	4.2
Financial Account	485.2	727.1	487.4	1,062.5	263.0	476.1	698.8	387.7	131.8
Long term	769.5	920.5	716.8	1,071.0	810.2	467.7	681.6	396.3	208.6
Public	(122.5)	408.6	306.6	112.1	(120.4)	194.4	84.9	(72.2)	(170.4)
Private*	892.0	511.9	410.3	958.9	930.7	273.3	596.8	468.5	379.0
Short-term Investment Flows	(284.2)	(193.4)	(229.5)	(8.5)	(547.2)	8.3	17.2	(8.6)	(76.8)
Net Errors & Omissions	229.2	23.4	(49.4)	31.0	547.7	(24.7)	46.4	25.9	29.5
Overall Balance	(206.6)	134.1	(53.7)	(8.9)	43.0	(313.6)	(91.7)	(125.4)	(246.0)
<b><u>Change in FXR: - increase/+ decrease</u></b>	<b>206.6</b>	<b>(134.1)</b>	<b>53.7</b>	<b>8.9</b>	<b>(43.0)</b>	<b>313.6</b>	<b>91.7</b>	<b>125.4</b>	<b>246.0</b>

\*Excludes Reinvested Earnings

<sup>(p)</sup> - Provisional

<sup>(e)</sup> - Estimate

Source: Central Bank of Barbados

**Table 4 – Summary of Government Operations**  
(BDS \$Millions)

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16 <sup>(p)</sup>	Apri-Dec 2015 <sup>(p)</sup>	Apri-Dec 2016 <sup>(e)</sup>
<b>Total Revenue</b>	<b>2,597.4</b>	<b>2,323.7</b>	<b>2,278.9</b>	<b>2,550.5</b>	<b>2,457.3</b>	<b>2,334.3</b>	<b>2,407.3</b>	<b>2,592.7</b>	<b>1,687.6</b>	<b>1,682.0</b>
<b>Tax Revenue</b>	<b>2,396.1</b>	<b>2,156.3</b>	<b>2,168.4</b>	<b>2,345.7</b>	<b>2,240.8</b>	<b>2,156.4</b>	2,182.8	<b>2,401.5</b>	<b>1,574.5</b>	<b>1,600.7</b>
i) Direct Taxes	1,038.4	951.1	883.8	925.1	897.9	813.4	901.0	940.4	623.5	582.0
Personal	375.5	386.3	395.4	420.1	397.3	364.8	412.5	396.9	284.0	267.3
Corporate	447.2	372.8	294.2	286.1	268.6	174.7	156.1	224.8	117.4	118.9
Consolidation	0.0	0.0	0.0	0.0	0.0	14.4	28.1	36.4	26.0	5.2
Property	120.9	113.3	118.2	133.9	132.8	156.0	164.4	187.5	123.5	124.4
Municipal Solid Waste	0.0	0.0	0.0	0.0	0.0	0.0	32.0	0.0	0.0	0.0
Financial Institutions Asset Tax	0.0	0.0	0.0	0.0	0.0	0.0	26.9	29.2	22.6	26.1
Other	94.8	78.7	76.0	85.0	99.2	103.6	81.0	65.6	50.0	40.1
ii) Indirect Taxes	<b>1,357.7</b>	<b>1,205.2</b>	<b>1,284.5</b>	<b>1,420.6</b>	<b>1,342.9</b>	<b>1,343.0</b>	<b>1,281.8</b>	<b>1,461.1</b>	<b>951.0</b>	<b>1,018.7</b>
Stamp	18.7	11.3	11.8	11.7	11.2	11.6	11.0	10.1	8.1	7.7
VAT	800.1	703.8	764.8	939.9	879.0	905.6	806.2	924.7	586.8	634.8
Excises	165.1	147.0	146.0	161.0	141.3	115.4	135.9	169.0	101.9	110.5
Import Duties	219.4	178.4	191.3	195.6	201.2	193.6	223.6	231.6	155.1	162.9
Other	154.4	164.7	170.6	112.3	110.2	116.8	105.1	125.7	99.1	102.8
<b>Non Tax Revenue &amp; Grants</b>	<b>201.3</b>	<b>167.4</b>	<b>110.5</b>	<b>204.8</b>	<b>216.5</b>	<b>177.9</b>	<b>224.5</b>	<b>191.2</b>	<b>113.1</b>	<b>81.3</b>
Non Tax Revenue	180.8	111.1	84.1	165.0	138.9	152.1	147.7	146.7	78.6	58.3
Grants	7.5	35.6	3.8	14.3	57.6	4.7	57.5	18.0	17.0	9.0
Post Office - Revenue	13.0	20.7	22.6	25.5	20.0	21.1	19.3	26.4	17.4	14.0
<b>Current Expenditure</b>	<b>2,786.9</b>	<b>2,809.8</b>	<b>2,919.9</b>	<b>2,816.7</b>	<b>3,076.6</b>	<b>3,124.0</b>	<b>2,918.7</b>	<b>3,085.7</b>	<b>2,167.4</b>	<b>2,192.3</b>
Wages & Salaries	832.7	861.1	860.2	867.4	882.2	871.9	803.7	787.2	588.7	583.9
Goods & Services	420.6	417.3	378.4	399.5	391.7	382.2	341.5	441.3	235.1	235.4
Interest	396.4	435.8	507.2	527.4	568.9	608.7	653.7	672.6	540.0	593.1
External	148.9	153.7	147.4	148.4	146.6	135.3	165.3	163.8	120.4	130.9
Domestic	247.5	282.1	359.8	379.0	422.3	473.4	488.4	508.8	419.6	462.2
Transfers & Subsidies	1,137.2	1,095.6	1,174.1	1,022.4	1,233.8	1,261.2	1,119.8	1,184.6	803.6	779.8
Grants to Individuals					333.6	365.1	338.5	342.1	225.4	213.8
Grants to Public Institutions					739.9	786.4	682.9	729.6	515.7	499.0
Non-Profit Agencies					39.6	37.3	29.6	32.3	23.9	23.0
<b>Capital Expenditure &amp; Net Lending</b>	<b>253.7</b>	<b>178.3</b>	<b>134.7</b>	<b>118.2</b>	<b>121.1</b>	<b>169.3</b>	<b>193.5</b>	<b>236.2</b>	<b>190.1</b>	<b>154.4</b>
<b>Fiscal Balance</b>	<b>(443.2)</b>	<b>(664.4)</b>	<b>(775.7)</b>	<b>(384.5)</b>	<b>(740.4)</b>	<b>(958.9)</b>	<b>(704.9)</b>	<b>(729.1)</b>	<b>(669.9)</b>	<b>(664.7)</b>
<b>Primary Balance</b>	<b>(46.8)</b>	<b>(228.6)</b>	<b>(268.5)</b>	<b>142.9</b>	<b>(171.5)</b>	<b>(350.2)</b>	<b>(51.2)</b>	<b>(56.5)</b>	<b>(129.9)</b>	<b>(71.6)</b>
<b>Fiscal Balance to GDP (%)</b>	<b>(4.8)</b>	<b>(7.3)</b>	<b>(8.8)</b>	<b>(4.4)</b>	<b>(8.5)</b>	<b>(11.0)</b>	<b>(8.1)</b>	<b>(8.2)</b>		

<sup>(p)</sup> Provisional

<sup>(e)</sup> Estimate

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

**Table 5 – Public Debt Outstanding**  
(BDS \$Millions)

	2009	2010	2011	2012	2013	2014	2015	2016
<b>Government</b>								
External Debt (of which)	2,414.4	2,731.9	2,770.5	2,644.9	2,868.0	3,041.6	2,979.0	2,876.8
SDRs (+)	194.4	196.1	210.4	200.8	195.4	200.6	182.1	183.5
PPP-Prison	282.2	278.8	275.1	271.0	266.5	261.5	256.0	249.9
Domestic Debt (of which)	3,405.3	3,661.4	4,032.1	4,591.8	5,381.9	5,701.9	6,325.4	7,020.2
PPP-Justice Improvement	127.1	132.3	132.9	-	-	-	-	-
PPP-Coast Guard	47.9	43.3	38.7	34.1	29.5	26.0	21.6	20.4
PPP-ABC Highway	161.7	158.3	151.7	144.7	137.0	128.9	120.4	111.1
Debentures	1,820.1	1,962.7	2,279.7	2,566.3	2,563.1	2,560.3	2,621.8	2,804.6
T-bills	735.2	890.8	953.4	1,238.0	2,042.0	2,275.6	2,842.7	3,381.9
<b>Gross Government Debt</b>	<b>5,819.7</b>	<b>6,393.3</b>	<b>6,802.6</b>	<b>7,236.7</b>	<b>8,249.9</b>	<b>8,743.6</b>	<b>9,304.3</b>	<b>9,896.9</b>
Government Assets (-)	1,633.0	1,514.0	1,613.5	1,516.3	1,451.0	1,330.4	1,148.4	1,246.2
Government Assets	872.3	964.6	1,074.2	1,005.8	1,051.8	971.2	744.9	777.7
Deposits	239.8	351.3	363.2	198.1	222.7	152.1	111.9	119.5
Central Bank	90.2	233.1	263.6	79.3	103.4	52.8	16.7	20.1
Commercial Banks	149.6	118.3	99.6	118.9	119.3	99.3	95.1	99.5
Sinking Fund	632.5	613.3	711.0	807.7	829.1	819.1	633.0	658.1
Sinking funds for Dom. Debt	409.2	425.6	470.9	524.3	559.2	469.8	373.7	318.7
Sinking funds for Fgn. Debt	223.3	187.7	240.1	283.4	269.9	349.3	259.3	339.5
Other Government Assets	760.8	549.4	539.3	510.5	399.2	359.3	403.6	468.5
Liquid NIS Assets	468.0	382.4	380.5	330.1	186.2	153.2	197.5	262.5
Cash	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8
Due From Banks and Fin. Inst	457.2	371.6	369.7	319.3	175.4	142.4	186.7	251.6
External Assets of NIS	292.7	166.9	158.8	180.4	213.0	206.1	206.1	206.1
<b>Net Government Debt</b>	<b>4,186.7</b>	<b>4,879.3</b>	<b>5,189.1</b>	<b>5,720.3</b>	<b>6,798.9</b>	<b>7,413.1</b>	<b>8,155.9</b>	<b>8,650.7</b>
<b>Public Sector</b>								
Gross Government Debt	5,819.7	6,393.3	6,802.6	7,236.7	8,249.9	8,743.6	9,304.3	9,896.9
Debt Held By Central Bank (-)	101.8	95.0	223.7	236.9	490.0	555.4	1,071.5	1,813.0
T-Bills	26.8	20.0	148.7	161.9	415.0	418.5	733.5	1,209.8
Debentures	75.0	75.0	75.0	75.0	75.0	137.0	338.1	603.1
Public Corporations' Debt (+)	1,295.0	1,538.5	1,609.0	1,334.6	1,360.4	1,425.7	1,385.8	1,219.5
Domestic	1,067.2	1,223.7	1,252.3	1,000.1	1,048.3	1,135.7	1,116.9	997.6
External	227.8	314.8	356.7	334.5	312.0	290.0	268.9	221.9
<b>Gross Public Sector Debt</b>	<b>7,012.9</b>	<b>7,836.9</b>	<b>8,187.8</b>	<b>8,334.3</b>	<b>9,120.2</b>	<b>9,613.9</b>	<b>9,618.6</b>	<b>9,303.4</b>
Net Government Debt	4,186.7	4,879.3	5,189.1	5,720.3	6,798.9	7,413.1	8,155.9	8,650.7
Other Central Bank Assets (-)	1,535.9	1,530.9	1,570.2	1,772.7	1,793.0	1,813.0	2,186.8	2,993.9
Foreign Assets	1,126.1	1,167.8	1,193.1	1,278.1	1,049.4	952.0	885.0	957.0
Other Foreign Assets	931.7	978.5	990.1	1,084.4	860.3	757.8	708.8	779.6
SDRs	194.4	189.3	203.0	193.7	189.1	194.2	176.2	177.4
Domestic Assets	409.8	363.1	377.1	494.6	743.6	861.0	1,301.8	2,036.9
Public Corporations' Deposits	289.4	306.6	311.7	209.6	197.8	198.5	207.9	206.0
<b>Net Public Sector Debt</b>	<b>3,554.6</b>	<b>4,485.3</b>	<b>4,692.5</b>	<b>4,835.7</b>	<b>5,678.4</b>	<b>6,272.0</b>	<b>6,075.6</b>	<b>4,857.3</b>
Gross Government Debt/GDP	63.2	71.9	78.0	83.9	96.4	100.4	105.2	107.9
Gross Public Sector Debt/GDP	76.2	88.1	93.9	96.6	106.5	110.4	108.8	101.4
Net Government Debt/GDP	45.5	54.9	59.5	66.3	79.4	85.2	92.2	94.3
Net Public Sector Debt/GDP	38.6	50.4	53.8	56.0	66.3	72.0	68.7	52.9
<i>Memo Debt Held by NIS (-)</i>	1,867.3	2,213.8	2,380.9	2,602.0	2,877.7	2,993.6	3,142.4	3,429.1
T-Bills	122.8	185.3	270.9	303.6	241.8	197.6	221.0	173.0
Debentures	1,744.5	2,028.5	2,110.0	2,298.4	2,635.9	2,795.9	2,921.4	3,256.1

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

**Table 6 – Government Financing**  
(BDS \$Millions)

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	April-Dec 2015 <sup>(p)</sup>	April-Dec 2016 <sup>(p)</sup>
<b>Total Financing</b>	<b>443.2</b>	<b>664.4</b>	<b>775.7</b>	<b>384.5</b>	<b>740.4</b>	<b>958.9</b>	<b>704.9</b>	<b>729.1</b>	<b>669.9</b>	<b>664.7</b>
<b>Domestic Financing</b>	<b>519.3</b>	<b>424.0</b>	<b>520.0</b>	<b>362.3</b>	<b>762.9</b>	<b>637.1</b>	<b>695.2</b>	<b>703.5</b>	<b>681.1</b>	<b>817.6</b>
Central Bank	241.3	(48.6)	(40.2)	(168.4)	106.4	216.9	341.1	423.2	403.6	714.5
Commercial Banks	(12.2)	91.6	(35.2)	349.4	452.7	253.7	(141.7)	182.4	115.6	(148.8)
National Insurance Board	257.2	233.4	331.5	112.9	334.3	231.9	48.6	71.2	42.6	122.9
Private Non-Bank	152.3	329.6	189.0	179.3	285.4	121.6	62.6	108.5	86.3	57.4
Other	(119.3)	(182.1)	74.9	(110.9)	(415.9)	(187.0)	384.6	(81.9)	33.1	71.6
<b>Foreign Financing (net)</b>	<b>(76.1)</b>	<b>240.3</b>	<b>255.7</b>	<b>22.2</b>	<b>(22.5)</b>	<b>321.8</b>	<b>9.7</b>	<b>25.7</b>	<b>(11.2)</b>	<b>(152.9)</b>
Capital Markets	0.0	232.1	600.0	0.0	0.0	377.0	49.3	0.0	0.0	0.0
Project Funds	75.4	115.9	15.8	25.9	35.1	96.0	79.0	204.1	184.1	31.0
Policy Loans	0.0	0.0	140.0	140.0	0.0	0.0	0.0	99.3	49.3	0.0
Amortisation	(151.5)	(107.7)	(500.1)	(143.6)	(146.3)	(151.2)	(118.7)	(277.8)	(244.7)	(183.9)
Divestment	0.0	0.0	0.0	0.0	88.8	0.0	0.0	0.0	0.0	0.0

<sup>(p)</sup> - Provisional

Source: Central Bank of Barbados

**Table 7 – Key Financial Stability Indicators for the Domestic Commercial Banking System**

	2011	2012	2013	2014	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3
<b>Solvency Indicators</b>									
Capital Adequacy Ratio (CAR)	19.3	21.0	19.7	20.5	20.6	18.9	18.5	19.7	19.8
<b>Liquidity Indicators<sup>#</sup></b>									
Loan to Deposit Ratio (%)	70.9	73.6	70	70.3	66.4	65.5	63.6	64.1	63.0
Demand Deposits to Total Deposits (%)	32.1	29.3	32.3	33.9	38.2	39.6	40.8	40.0	42.1
Domestic Demand Deposits to Total Domestic Deposits	27.6	26.8	29.3	30.9	33.9	35.7	37.7	36.8	38.9
Liquid Assets, % of Total Assets	12.0	14.6	18	20.3	24.4	25.3	25.2	26.3	27.0
<b>Credit Risk Indicators (%)</b>									
Total Assets (Growth Rate)	(4.7)	11.5*	2.8	(1.3)	3.7	4.0	4.4	2.5	3.8
Domestic Assets (Growth Rate)	(6.1)	6.1*	6.5	(0.6)	5.0	3.3	0.5	0.2	0.5
Loans and Advances (Growth Rate)	(0.5)	(1.1)*	(2.6)	(0.4)	(0.6)	(0.8)	(2.2)	(1.1)	(1.5)
Non-performing Loans Ratio <sup>1</sup>	11.1	12.9	11.7	11.5	10.8	10.6	10.4	9.6	9.6
Substandard Loans/ Total Loans <sup>1</sup>	8.7	9.9	8.6	9.0	8.5	8.0	8.0	7.8	7.8
Doubtful Loans/ Total Loans <sup>1</sup>	1.8	2.3	2.5	2.0	1.4	1.5	1.4	1.0	1.0
Loss Loans/ Total Loans <sup>1</sup>	0.6	0.8	0.6	0.5	0.9	1.1	1.0	0.8	0.8
Provisions to Non-Performing Loans	32.9	33.9	44.9	47.7	55.0	55.5	59.3	64.6	66.3
<b>Foreign Exchange Risk Indicators</b>									
Deposits in Foreign Exchange (% of Total Deposits)	6.6	4.9	4.4	4.8	7.1	6.7	5.7	5.8	6.0
<b>Profitability Indicators</b>									
Return on Assets (ROA)	1.0	1.1	0.8	0.7	0.8	0.9	0.9	1.0	1.0

\* Reflects removal of financial consolidation

<sup>#</sup>Includes Foreign components unless otherwise stated.

<sup>1</sup> - Data to June 2016

Source: Central Bank of Barbados