



The Central Bank issues its Annual Review of Policy and Operations report

The Central Bank of Barbados today released its **2014 Annual Review of Policy and Operations** report, which outlines the Bank's major operational achievements for the year.

The highlights of the year are as follows:

- The Barbados economy remained sluggish but there were encouraging signs during 2014. Small increases in growth were recorded in the tourism and construction sectors, and domestic inflation moderated, partly because of lower international fuel prices.
- The fiscal consolidation measures implemented over the past 18 months reduced the deficit and stabilized the balance of payments. Moreover, there were higher foreign capital inflows which helped the foreign reserves to revert to their long-term seasonal pattern, even though there was still some decline.
- Despite the sluggishness of the economy, the financial system remained stable with banks again well capitalized and profitable, and the Bank introduced its new regime of market guidance for short-term interest rates, based on the Treasury Bill market.
- The prevailing high liquidity conditions in commercial banks continued to constrain the demand for the special credit, insurance, guarantee and trade receivables facilities administered by the Central Bank.
- The Bank hosted an array of activities to inform audiences locally, regionally and internationally about the status of the Barbados economy and the efforts at resuscitating it. While this year's agenda featured the usual conferences, seminars, workshops and the publication of economic documents, the highlight activity was the visit of the Bank's first-ever Distinguished Visiting Fellow, Dr. Fred Bergsten of the Washington-based Peterson Institute.

- The Bank remained active in regional and international fora and continued its work with well-recognized financial oversight bodies.
- An agreement was signed between the Barbados Government and the Government of the United States of America to implement the Foreign Account Tax Compliance Act (FATCA). FATCA facilitates the exchange of financial information of interest to the revenue authorities of each country;
- During the year, the CBB Wellness Programme was developed, promoting the relationship between health and happiness.
- Consistent with national efforts to promote renewable energy, the Bank commissioned a grid-tied photovoltaic system for its Church Village Green, a park in the City officially opened in 2014;
- The Bank also reported that its 2014 Annual Accounts were submitted to the Ministry of Finance on March 31, 2015, as required by law. The Bank made a loss of \$7.3 million, bringing the accumulated deficit at December 31, 2014 to \$22.1M, an amount that exceeded the Bank's General Reserve. In accordance with the Central Bank of Barbados Act, the Minister of Finance transferred to the Bank non-negotiable, non-interest bearing securities of \$7.8 M from Government in order to preserve the Bank's capital from impairment.

For full details on the Report, kindly visit the Bank's website at www.centralbank.org.bb.

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