

A large, light blue, stylized fish logo is positioned in the upper left quadrant of the page. The fish is depicted in profile, facing left, with a detailed scale pattern and a prominent dorsal fin. It is enclosed within a large, light blue circular arc that spans across the top and left sides of the page.

**Press Release**

# **Review of Barbados' Economic Performance**

January to March 2022



## Overview

### KEY INDICATORS

<b>GDP Growth</b> 11.8 percent	<b>Inflation</b> 4.2 percent	<b>Unemployment</b> 10.9 percent	<b>International Reserves</b> \$3,019 million
<b>Current Account</b> -\$214 million	<b>Primary Balance</b> - \$ 92 million	<b>Fiscal Deficit</b> \$491 million	<b>Gross Public Sector Debt</b> 132 percent of GDP

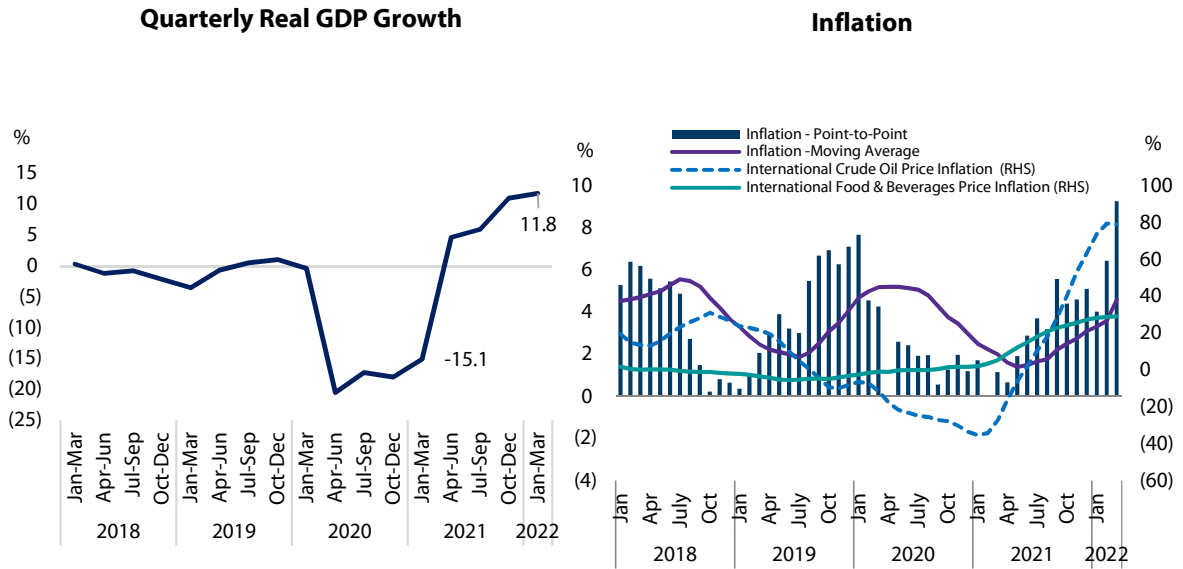
The positive signs of a robust economic recovery as witnessed during the last nine months of 2021 were sustained into the first quarter of the year. A re-emerging tourism sector helped to propel the growth momentum and to stabilise the labour market which registered a low level of jobless claims. However, despite the gains, activity is not yet at pre-COVID levels.

The uncertainty that pervades the world economy, as a result of on-going health-related risks associated with the pandemic, supply chain disruptions, geopolitical events and monetary policy tightening in advanced economies, served as a poignant reminder of the challenges and vulnerability of the domestic economy.

The onset of the Russia-Ukraine war has been especially concerning as pre-existing inflationary pressures have been aggravated by a surge in food and energy prices resulting from its impact on the supply of commodities globally. A prolonged war could slow the global economic recovery and affect the revival of the local economy. Already domestic prices have risen in line with international price movements, prompting Government to introduce measures focused directly on containing some of the price increases.

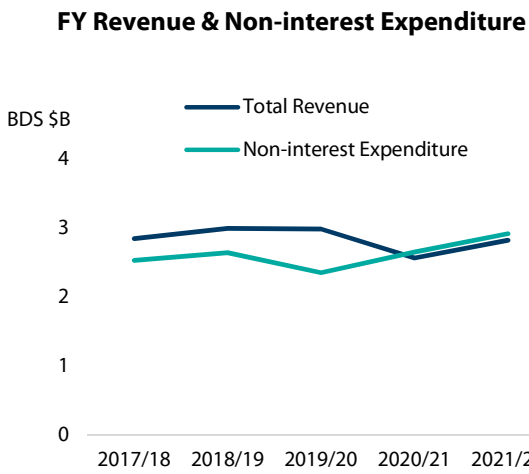
Government's revenue has recovered faster than expected, partly the result of the impact of rising prices. This enabled Government to maintain its targeted policy stance for FY 2021/22, while increasing its spending, including for rising healthcare costs associated with the on-going pandemic and for addressing the needs created by climatic events in 2021. The stock of public sector debt declined slightly during the quarter and the debt-to-GDP ratio fell as the recovery strengthened. Over the past two years, external borrowing boosted international reserves which continue to provide a strong cover to meet imports of goods and services.

**Figure 1: Selected Economic Indicators**

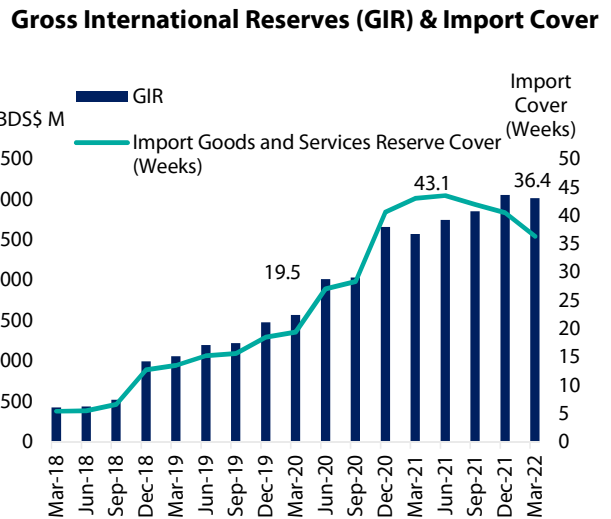


Sources: Barbados Statistical Service (2017-2020) and Central Bank of Barbados (2021-2022)

Sources: International Monetary Fund and Barbados Statistical Service



Source: Ministry of Finance

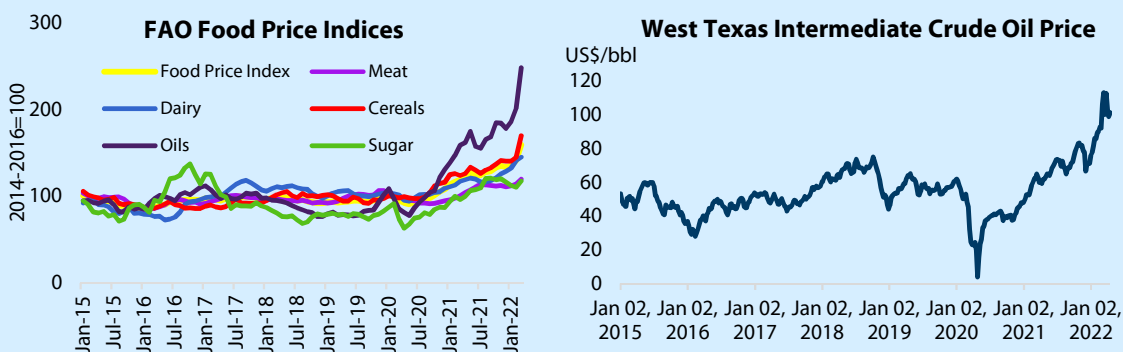


Source: Central Bank of Barbados

## The Economic Impact of the Russia-Ukraine War

The conflict between Russia and Ukraine has resulted in shocks to the global economic system. The International Monetary Fund<sup>1</sup> anticipates the impact from the crisis will be most severe through three main channels, commodity markets, trade and financial linkages. First, higher prices for commodities like food and energy will trigger higher inflation, erode the value of incomes, and weaken demand in an environment of higher uncertainty. Secondly, economies will have to grapple with disruptions to supply chains, trade, and remittance flows. Finally, reduced business confidence and higher investor uncertainty will weigh on asset prices as financial conditions tighten. This could spur capital outflows from emerging markets.

**Figure 1: International Commodity Price Trends**



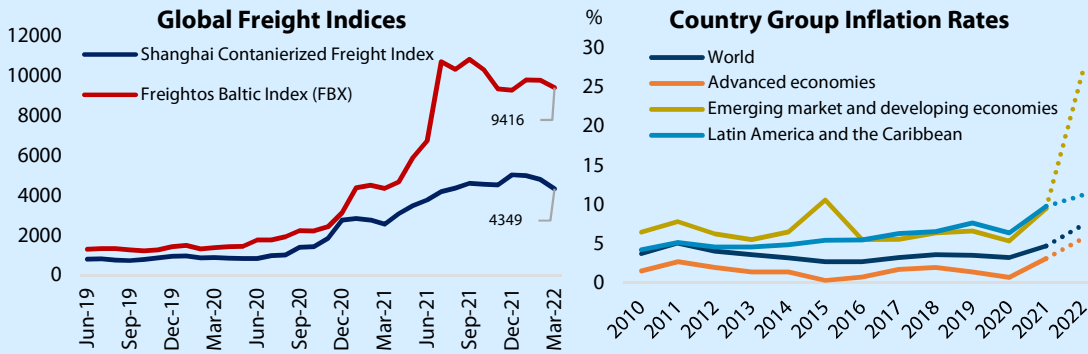
Source: Food and Agriculture Organisation of the United Nations      Source: United States Energy Information Administration

Of these shocks, the most notable is the upsurge in international commodity prices. The conflict between the two major commodity producers has sent tremors throughout the global supply chain. Prices for energy, grains and metals have soared since the onset of the conflict. Crude oil prices, are now 12 percent above pre-war levels but at their peak they rose by 33 percent. This increase which took prices above a hundred dollars per barrel, the highest since July, 2008, was driven by speculation surrounding possible supply shortages and the economic sanctions against Russia, which accounts for approximately 12 percent of global oil production.

The cost of wheat, of which Ukraine and Russia supply around 30 percent of global exports, jumped by 19.7 percent in March. Other food price increases have been relatively broad-based, impacting meats, dairies, cereal and vegetable oils. Ukraine and Russia also account for a disproportionately large share of world exports of iron and steel, uranium ores, nickel, and several other commodities. These increases have coincided with already elevated freight costs, a remnant of the supply challenges linked to the COVID-19 pandemic.

<sup>1</sup>Kammer, Alfred, Jihad Azour, Adebé Alemro Selassie, Ilan Goldfajn, and Changyong Rhee. 2022. "IMFBlog - How War in Ukraine is Reverberating Across World's Regions." *International Monetary Fund*. 15 March. Accessed March 28, 2022. <https://blogs.imf.org/2022/03/15/how-war-in-ukraine-is-reverberating-across-worlds-regions/#>.

**Figure 2: International Freight Cost & Selected Country Group Inflation Rates**

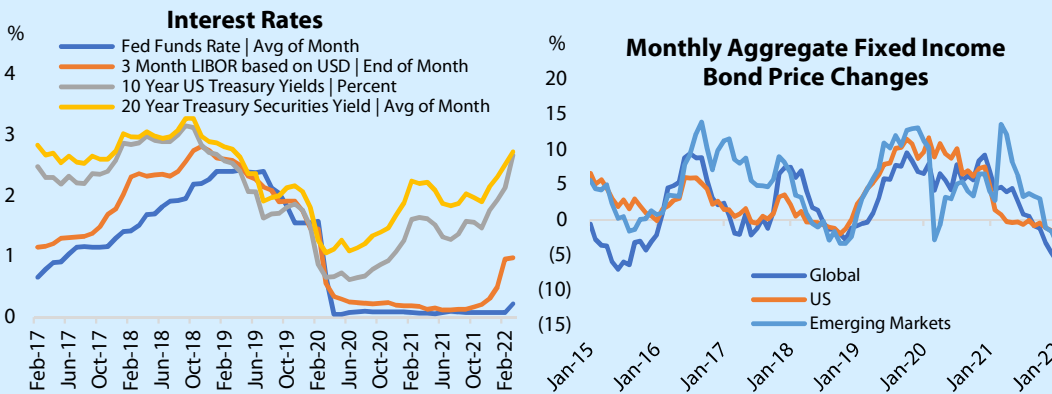


Sources: Shanghai Shipping Exchange & Freightos Data

Source: International Monetary Fund, World Economic Outlook Database, April 2022

Major economies such as the United States and the United Kingdom are already recording elevated levels of inflation. Their monetary authorities have responded to the unfavourable conditions by increasing interest rates, thereby depressing asset prices and by extension global economic growth prospects. To the extent that the high interest rate environment will persist, it is possible that countries with large trade and financial exposures may be acutely impacted by the global spillovers from the crisis.

**Figure 3: Bond Interest Rates & Aggregate International Bond Prices**



Source: Forecasts.org

Source: Bloomberg

Energy producing countries may benefit with improved fiscal positions from higher energy prices. However, tourism-based Caribbean economies, as net-importers of fossil fuel, are more likely to experience a deterioration of external current account balances. Rising domestic price levels may place pressure on governments to increase subsidies at a time when their fiscal positions have been compromised by the effects of COVID-19.

## Economic Activity

The economy continued on its path of recovery to pre-COVID levels of activity, with preliminary data indicating growth of 11.8 percent during the first quarter of 2022. The recovery was driven by the vibrant revival of the tourism sector which helped to bolster private sector spending. In addition, there were also encouraging signs of an upturn in the production of goods for export markets.

## Tourism

Activity in the tourism sector built on the performance of the last quarter of 2021, as pent-up demand for travel translated into the highest level of long-stay arrivals since the onset of the pandemic. Improved airlift supported the partial recovery, as our key source markets contained the incidence of severe COVID infections and relaxed travel-related health protocols.

Travel from the United Kingdom dominated the upswing in tourism demand, accounting for more than half of the arrivals, the equivalent of 75 percent of 2019 levels. This influx of visitors from the United Kingdom partly reflected the successful hosting of two series of England-West Indies cricket matches. In spite of the strong performance, long-stay arrivals were equivalent to just 55 percent of 2019's record level as demand from the United States, Canadian and Caribbean markets recovered more slowly.

**Table 1: Tourism Arrivals by Source Market & Cruise Performance**

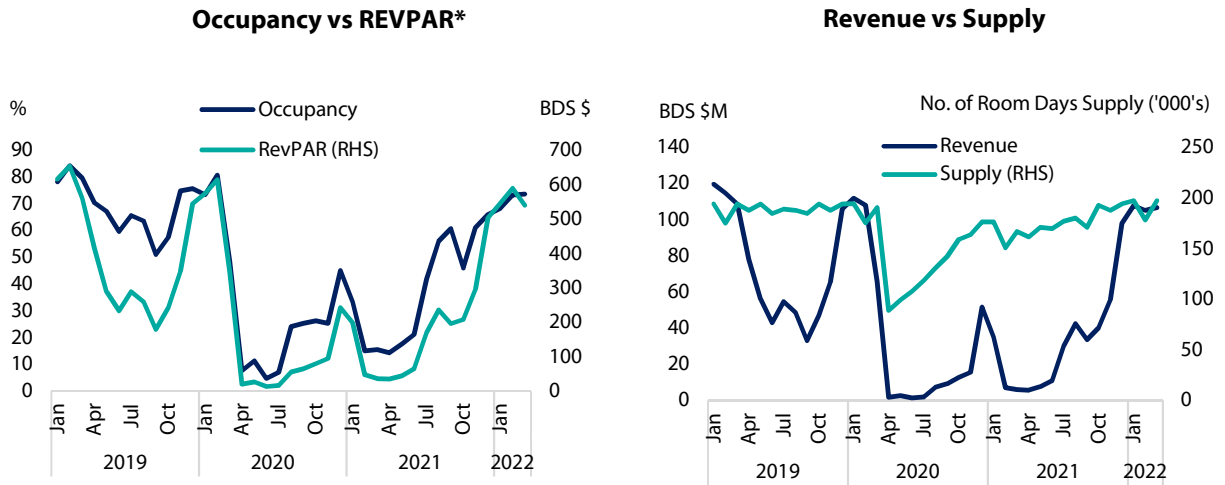
MAJOR MARKETS	January-March				
	2018	2019	2020	2021	2022
United States	54,732	57,309	43,131	2,434	25,006
Canada	36,313	33,832	26,782	910	12,675
United Kingdom	70,780	78,933	57,877	1,672	58,880
Europe	13,962	12,942	10,996	493	7,307
Caribbean	21,020	19,708	14,465	1,302	7,410
Other	6,524	6,050	4,913	385	3,179
<b>TOTAL ARRIVALS</b>	<b>203,331</b>	<b>208,774</b>	<b>158,164</b>	<b>7,196</b>	<b>114,457</b>
<i>Cruise Intransit Arrivals</i>	292,865	282,155	250,504	0	94,378

Source: Barbados Statistical Service

Although stymied by fresh outbreaks during its relaunch in the latter half of 2021, cruise activity also registered a moderate recovery, with just over 94,000 cruise passenger arrivals being recorded during the first three months of 2022. The number of cruise ship visits has nearly reached pre-COVID levels, even as capacity restrictions remained in place.

The accommodation sector continued to observe improved occupancy levels, leading to an increase in average daily room rates, the combined effect of the higher arrivals and improved length of stay. Revenue per available room was nearly five times as high as a year ago, but the average for the quarter was eight percent lower than the same period in 2019. The sharing economy also benefitted from higher occupancy levels, but average daily room rates remained relatively flat. The improved performance of the sector had positive spillover effects on other sectors, including restaurants, transportation and leisure services.

**Figure 2: Tourism Accommodation Indicators**

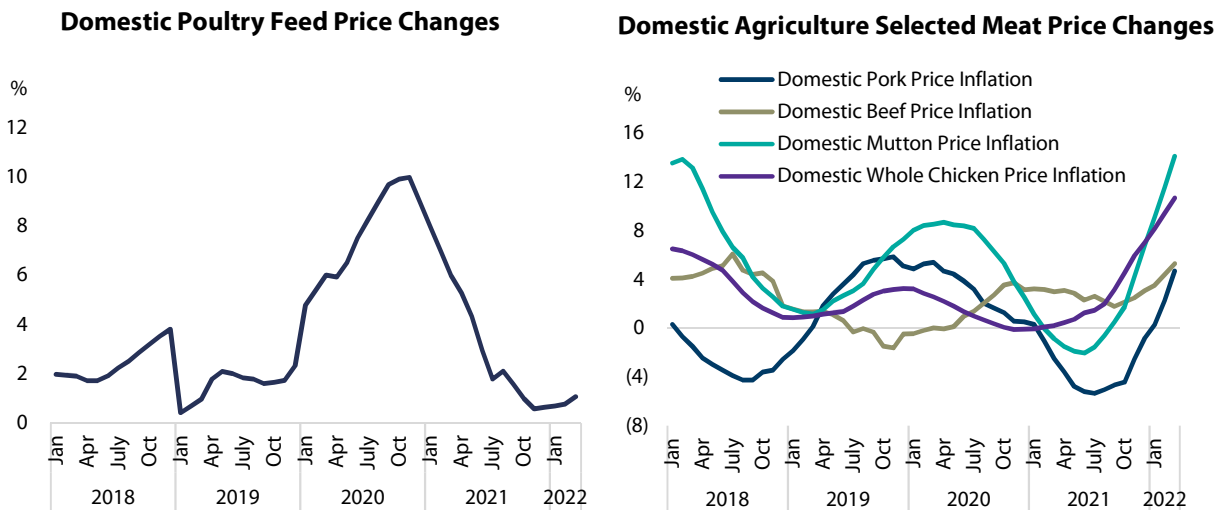


Source: Smith Travel Research  
 \*REVPAR – Revenue per Available Room

## Agriculture

The performance of the agricultural sector continued to be challenged by developments on the international market with respect to rising commodity prices for key inputs such as feeds and fertilisers. However, with the ongoing commitment to increase food security and to mitigate the impact of climate change, preliminary data suggests that overall agriculture production increased by almost 3 percent in the first quarter of 2022.

**Figure 3: Selected Domestic Agriculture Feed and Meat Price Changes**



Source: Barbados Statistical Service

Non-sugar agriculture output increased by 4.8 percent, primarily because of improved food crop production. In addition, milk production rose as new herd additions entered into their second lactation

period. However, meat production declined and fish landings were adversely impacted by the resurgence of sargassum seaweed across the Eastern Caribbean.

The late delivery of key equipment and industrial challenges contributed to a delayed start to the sugar harvest. Furthermore, boiler failure at the lone sugar factory slowed progress during the first few weeks of the crop and exacerbated concerns of spoilage. These challenges culminated in just 18,133 tonnes of sugar cane being harvested, relative to the 31,460 tonnes during the first quarter of last year.

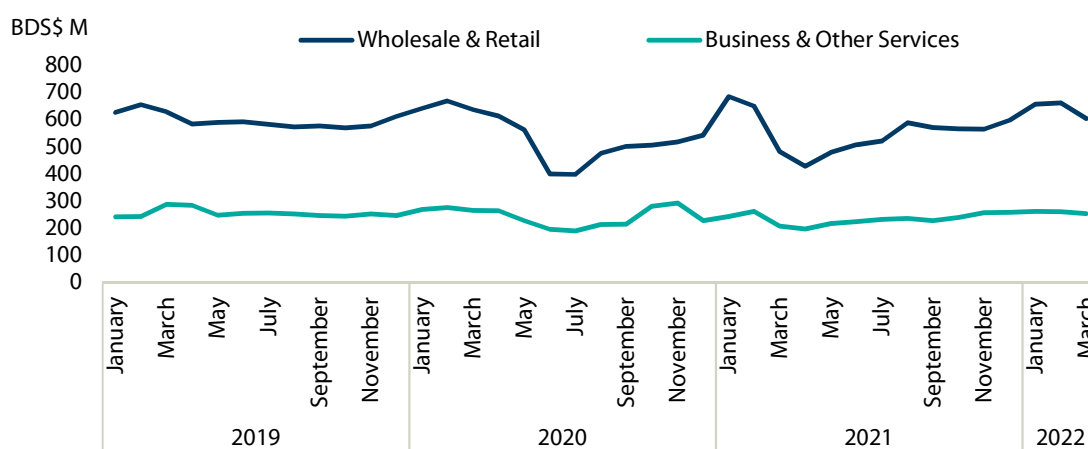
## Manufacturing

Manufacturing output increased by 5.4 percent in the first quarter, reflecting the boost in domestic demand created by the relaxation of COVID-19 health protocols, the impact of improved tourism on demand for locally produced beverages, and the partial recovery of exports. Food and beverages provided the greatest impetus, but there was also strong growth in construction materials, particularly for cement for the recovering construction sector.

## Non-Traded Activity

Non-traded sector activity increased by 3.5 percent during the first quarter of 2022, against a backdrop of heightened construction activity and gains in output in other sectors, particularly the wholesale and retail and business and other services sectors. The improved performance of the construction sector reflected the normalisation of activity from the National Pause in early 2021 and the continuation of major projects, such as the Wyndham hotel and the Sagicor Retirement Village. This activity was supplemented by tourism-related developments along the south coast of the island and residential building activity. The gains in the service sectors were attributable to the cessation of curfews and the impact on the ancillary sectors from the improvement in tourism.

**Figure 4: 2-Month Moving Average Sales by Select VAT Registrants**



Source: Barbados Revenue Authority

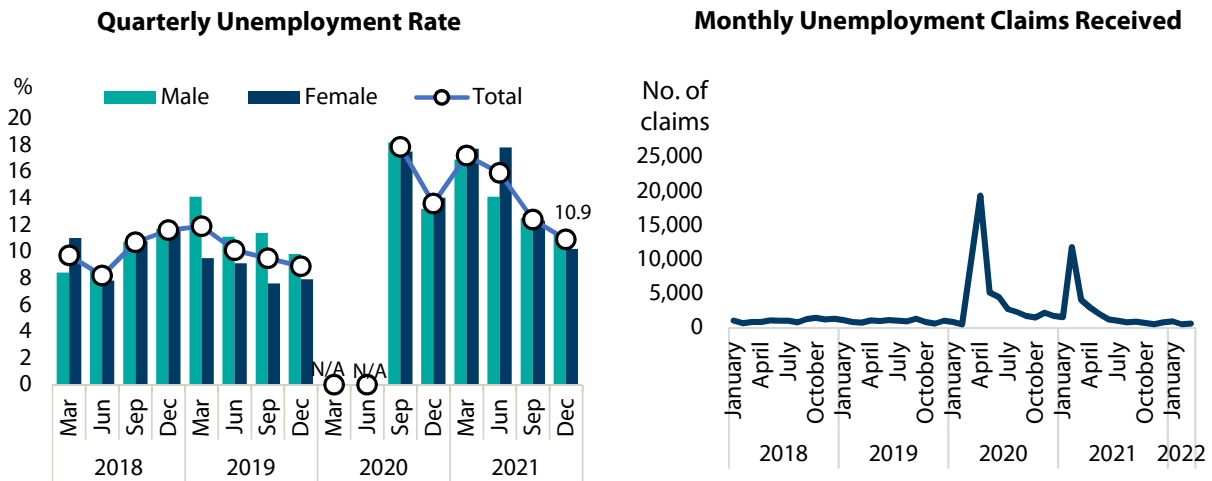
\*Business & Other Services net of insurance company activity



## Labour Market

The labour market continued to stabilise during the first quarter. Jobless claims were in line with historic trends, a contrast to the corresponding period a year earlier when the lock-down dampened economic activity and contributed to heightened unemployment, especially during the first half of the year. At the end of 2021, the unemployment rate had declined to 10.9 percent, reflecting higher employment in private and public sectors.

**Figure 5: Quarterly Unemployment Rate and Monthly Unemployment Claims Received**

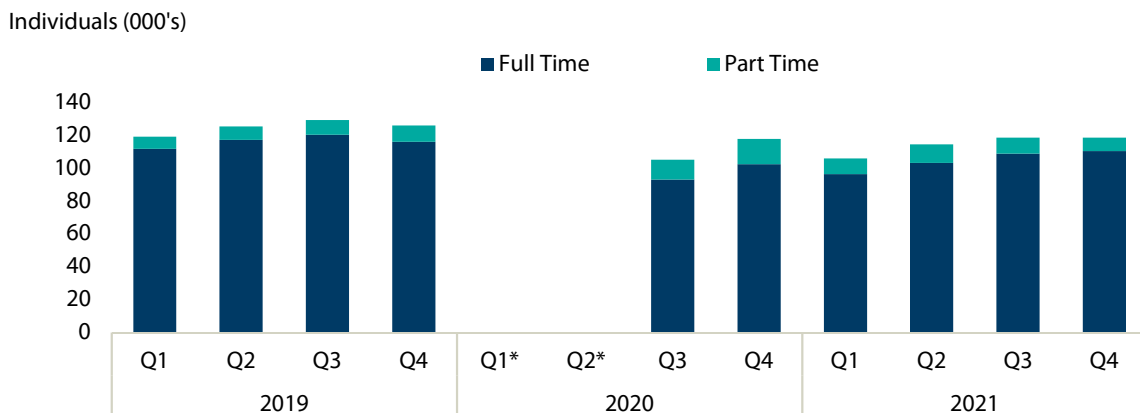


Source: Barbados Statistical Service

Source: National Insurance Scheme

Despite the gains, employment remains below pre-COVID levels. However, the proportion of full-time employed individuals and earnings have been steadily increasing, indicative of the gradual economic recovery.

**Figure 6: Proportion of Full-time vs Part-time Employment**



\* Labour Force Survey Unavailable

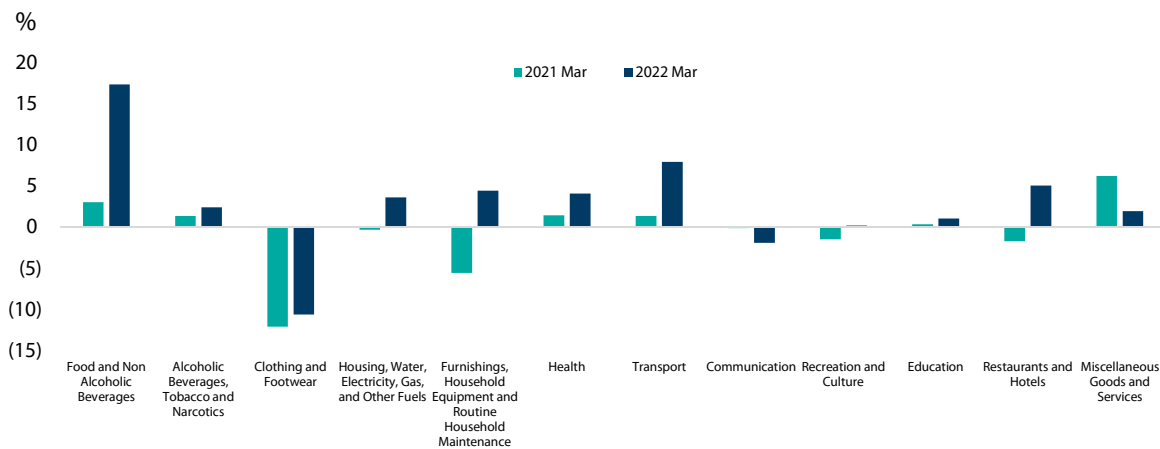
Source: Barbados Statistical Service

## Prices

The impact of the elevated international prices previously caused by supply disruptions, rising freight costs and spiralling food and energy prices in the latter half of 2021 continued into the first quarter of the year. Inflation measured on the traditional 12-month moving average rose by 4.2 percent, but by 9.3 percent when comparing March 2021 to March 2022.

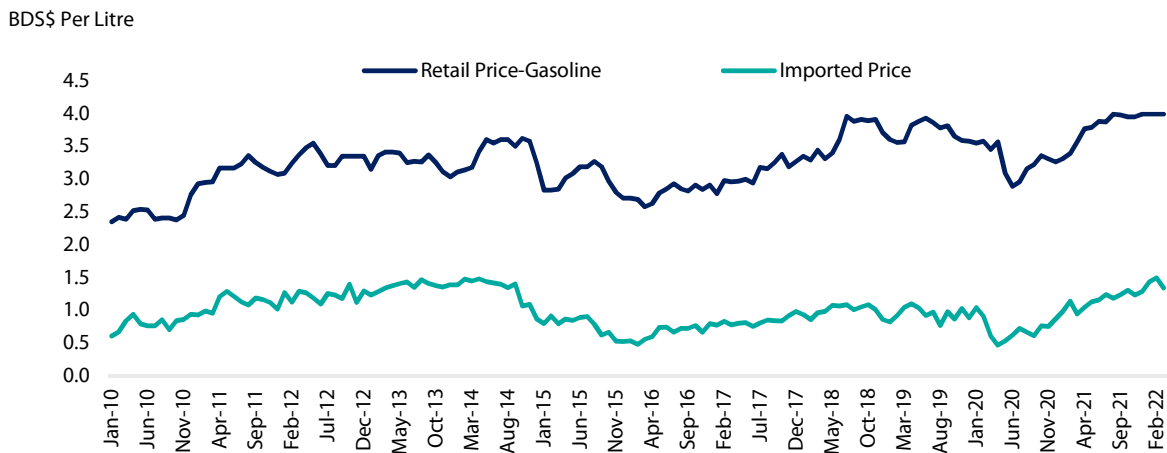
Rising import costs were concentrated on prices for food, non-alcoholic beverages and energy. During the quarter, food prices rose by 4 percent but, over the preceding nine months, significant increases for vegetables, meats, oils and fats, and sea-food led to the acceleration of prices over the 12-month period. Recovery of oil prices from the lows of 2020, together with the geopolitical tensions added to a rise in transport and electricity costs in excess of 10 percent over the course of the 12-month period.

**Figure 7: Inflation by Major Subcategory (Point-to-Point)**



Source: Barbados Statistical Service

**Figure 8: Domestic Gasoline Retail vs Imported Fuel Prices**

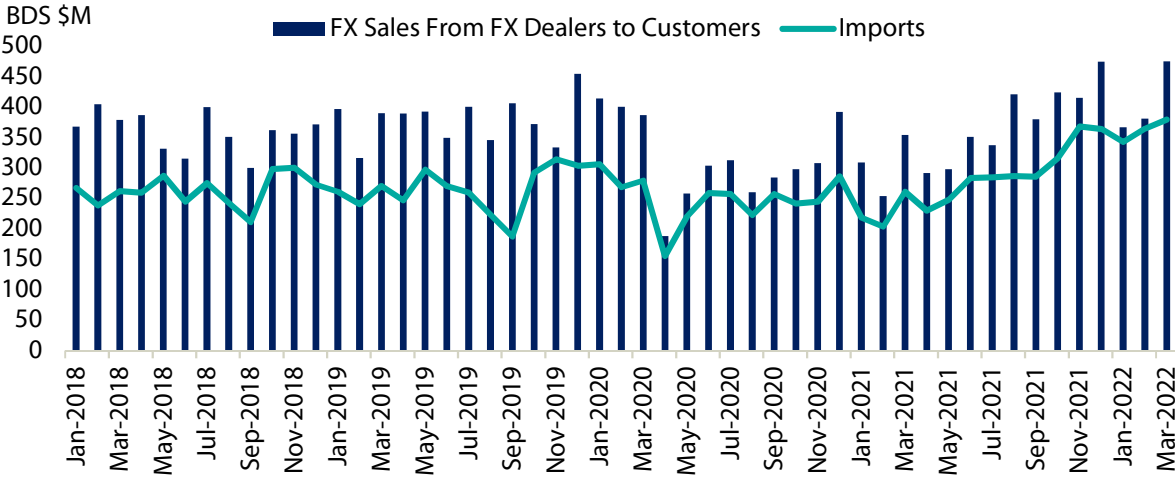


Sources: Barbados National Company Limited and Ministry of Energy, Small Business and Entrepreneurship

# International Reserves

The gross international reserves registered a decline of \$40 million, reaching \$3019 million, equivalent to 36.4 weeks of import cover. The demand for foreign exchange by the private sector was higher than for the same period in 2021, but improved earnings from the tourism sector enabled commercial banks to meet customer demand while selling more foreign exchange to the Central Bank. In addition, Government’s inflows of foreign exchange from the taxes paid by the corporate sector was sufficient to cover external debt service. However, these gains were overshadowed by the rise of interest rates on fixed income securities held by the Bank, which resulted in a decline in the valuation of the investment portfolio.

**Figure 9: FX Sales from FX Dealers and Imports**



Sources: Barbados Statistical Service and Central Bank of Barbados

The external current account deficit narrowed relative to the same period in 2021 as the recovery of travel credits and exports helped to offset the 59 percent rise in the value of imports. Half of the increase in imports was linked to fuel imports, the result of the rise in global fuel prices and higher import volumes as the recovery strengthened. Part of the hike in volumes was attributable to purchases of jet fuel for resale, given the resumption of airline activity.

Non-fuel imports also increased substantially, based mainly on the account of a pick-up in imports of food and beverages, construction materials and other manufacturing, commensurate with rising prices globally. Manufacturing activity was buttressed by an increased demand for domestic exports, principally for chemicals, cement products and fuels.

## Fiscal Operations

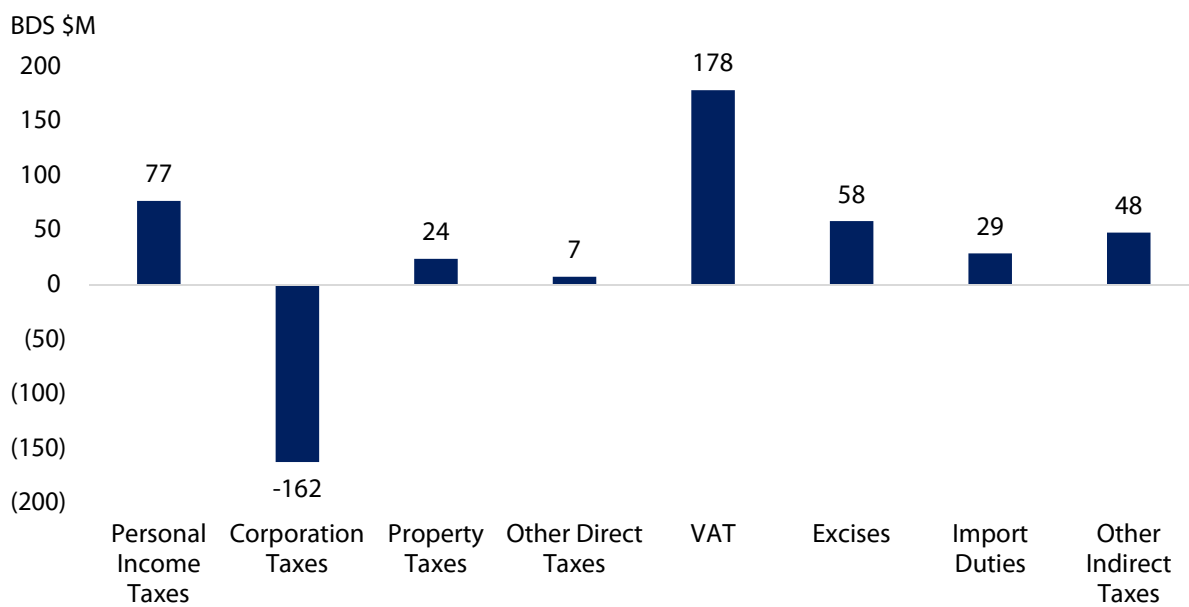
Government sustained its fiscal adjustment strategy to cope with the economic and social challenges presented by COVID-19 and the climate related events of 2021. Revenues for the quarter recovered in line with the economic recovery and were almost at the same level as in 2020. However, non-interest expenditure, though lower than in 2021, remained elevated. As a result, preliminary data indicates that Government achieved a primary deficit of \$92 million (0.9 percent of GDP) for the fiscal year. This performance was on par with the previous fiscal year. At the same time, domestic interest payments rose by \$68 million and contributed to an overall fiscal deficit equivalent to almost 5 percent of GDP.

### Revenue

For FY2021/22, total revenue increased by 10 percent, recovering to 95 percent of the receipts in pre-COVID FY2019/20. Transaction taxes, which suffered during the preceding fiscal year made a partial recovery, rising by 26 percent, almost half of which occurred in the quarter. Most of the improved outturn (68 percent) was attributable to VAT, the result of increased economic activity, higher imports, inflation, and lower refunds compared to the previous fiscal year. Higher fuel import volumes added \$58 million to excise tax collections while import duties raised an additional \$29 million. The upturn in tourist arrivals also enhanced the revenue intake through the room rate and shared accommodation levy.

Net personal income tax receipts expanded by \$77 million, partly the result of increased employment levels. Property tax collections also rose, the result of a pick-up in real estate activity, partial settlement of land tax arrears, and improved compliance rates. However, these improvements were offset by the anticipated reduced intake of corporation taxes (\$162 million) relative to the previous fiscal year when some foreign-currency earning companies made one-off payments.

**Figure 10: Changes in Tax Revenue FY2020/21 vs FY2021/22**



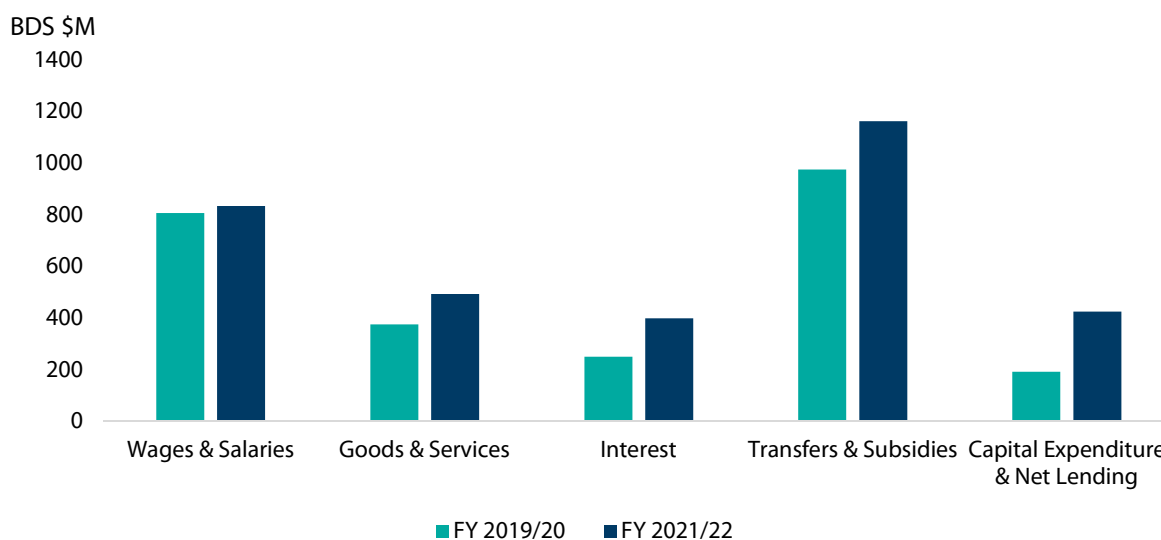
Source: Ministry of Finance

## Expenditure

Non-interest expenditure rose by \$266 million during FY 2021/22. Capital expenditure, which has been sluggish in recent years, reached 4 percent of GDP, contributing 54 percent (\$143 million) to the increase. The partial recapitalisation of the unemployment fund (\$60 million) was the main cause of the increase, but there was other spending on varied projects, including the Speightstown and Constitution River flood mitigation projects, provision for homes damaged by the passage of Hurricane Elsa and the implementation of the Sanitation Service Authority's (SSA) Residential Waste Collection Improvement project.

Wages and salaries grew by \$27 million, mainly driven by the additional staff hired to implement Government's pandemic control measures. Expenditure on goods and services rose by \$94 million, partly the result of initiatives related to the ashfall clean-up as well as the national clean-up and beautification programmes.

**Figure 11: Expenditure FY 2019/20 vs FY 2021/22**



Source: Ministry of Finance

Transfers and subsidies remained flat for the fiscal year, but significantly higher than pre-COVID levels. Subventions to public institutions declined by \$25 million, as transfers to the Queen Elizabeth Hospital for COVID-19 management were offset by reductions in transfers to other entities. Subsidies also contracted by \$16 million as improved ridership during FY 2021/22 resulted in lower transfers to the Transport Board. Other subventions rose by \$31 million, the combined effects of higher retirement benefits, spending on welfare and the household survival programme and increased coverage of tuition payments for the University of the West Indies. Financial support to poultry farmers affected by high feed costs also contributed to the increase.

## Debt and Financing

Government's gross financing requirements fell to less than 9 percent of GDP following a reduction from the elevated domestic amortisation a year earlier. The almost six-fold rise in FY 2020/21 reflected the shift in fiscal stance and the heightened demand for liquidity by the National Insurance Scheme to

cover unemployment claims related to the pandemic. With the return to normalcy, debt service costs remained around 44.4 percent of the levels registered pre-debt restructuring.

Government relied on multilateral financing to support its budgetary needs. The majority of this funding was via policy loans totalling \$497 million, raising the share of external debt to 45 percent of GDP compared to 30 percent at the end of FY 2019/20. On the other hand, the domestic debt stock continued to decline gradually as Government settled its restructured debt obligations. Total public sector debt stood at \$13,357 million or 132 percent of GDP compared to 142 percent one year prior, the result of the gradual recovery of economic activity.

**Table 2: Borrowing Requirement**

	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22	
	BDS \$M	BDS \$M	BDS \$M	BDS \$M	BDS \$M	% of GDP
<b>Gross Financing Requirement</b>	<b>1,411.4</b>	<b>383.5</b>	<b>201.6</b>	<b>1,111.7</b>	<b>898.9</b>	<b>8.9</b>
Primary Balance	314.5	354.3	634.2	(87.0)	(91.9)	(0.9)
<b>Debt Service</b>	<b>1,725.9</b>	<b>727.8</b>	<b>627.5</b>	<b>962.8</b>	<b>765.9</b>	<b>7.6</b>
Interest	764.7	384.9	249.7	342.6	398.9	3.9
Amortisation	961.2	342.9	377.9	620.1	366.9	3.6
Domestic Arrears Repayment	-	10.0	208.3	61.9	41.1	0.4

Sources: Ministry of Finance and Central Bank of Barbados

Note: Gross Financing Requirement = Debt Service+ Domestic Arrears Repayment – Primary Balance

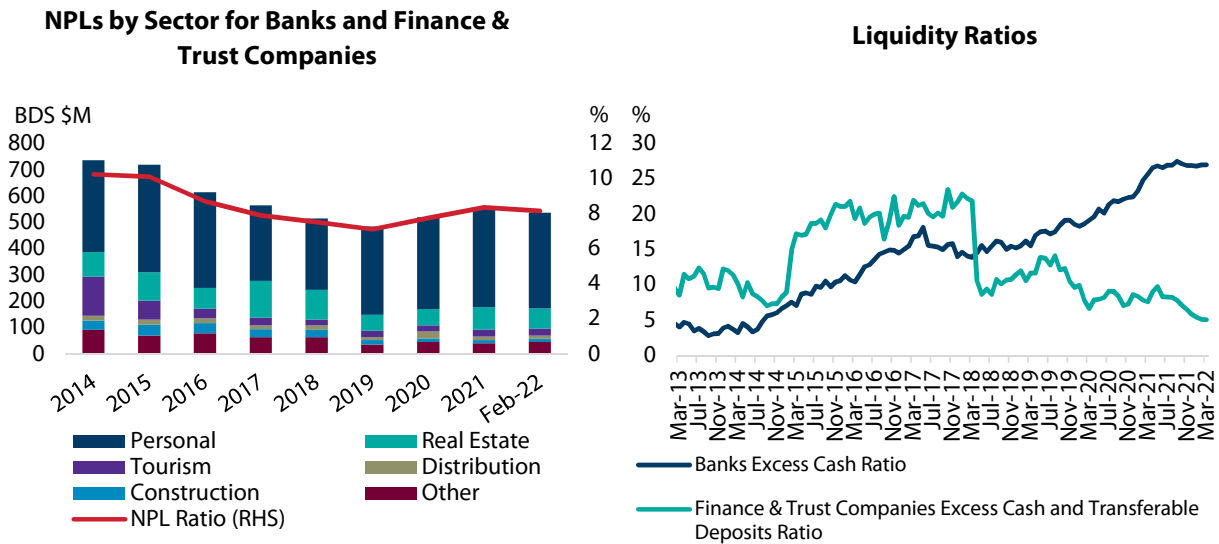
Government complemented its new multilateral borrowing by drawing on the deposits it had previously accumulated at the Central Bank for this purpose. This reflects the fact that new funding from domestic sources remained modest. The special securities programme targeted at public servants came to an end at December 2021, raising \$84 million of which half was generated in the fiscal year. However, the private sector take-up of the new treasury note issued during the third quarter of the fiscal year remained weak.

## Financial Sector Developments

The financial system remained stable during the quarter. Consolidated non-performing loans (NPLs) of the banks and deposit-taking finance and trust companies began to reverse the upward trend experienced in the earlier phases of the pandemic. This improved credit quality reduced provisions and contributed to higher profitability and a strong capital base.

Liquidity in the financial system remained elevated, with banks continuing to maintain substantial excess cash with the Central Bank. The growth in excess liquidity slowed over the past year from the preceding 12-month period, but the build-up during the last three months was stronger than that of the first nine months of the fiscal year, due to the Government stimulus and private sector inflows of foreign exchange. Interest rates on deposits and loans remained at historically low levels.

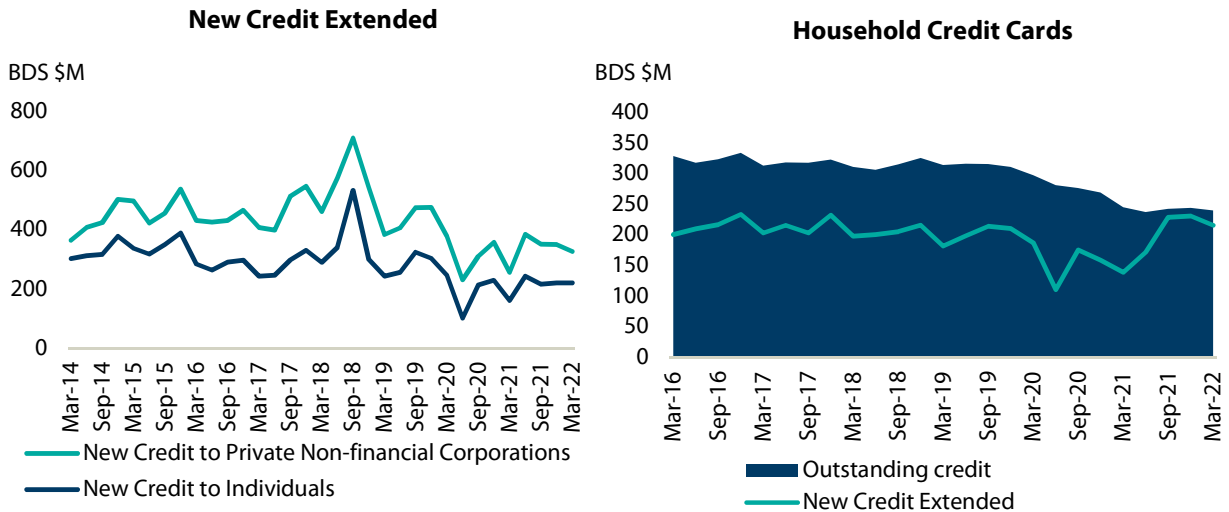
**Figure 12: Non-Performing Loans (NPLs) and Liquidity**



Source: Central Bank of Barbados

Credit to the non-financial private sector by deposit-taking institutions remained relatively flat compared to a 1 percent decline for the first three months of 2021. On the corporate side, the value of new loan disbursements was 1 percent higher than the corresponding period a year earlier but, after accounting for repayments, most sectors, with the exception of construction, manufacturing and real estate, registered declines in credit balances.

**Figure 13: Credit to Non-financial Private Sector**

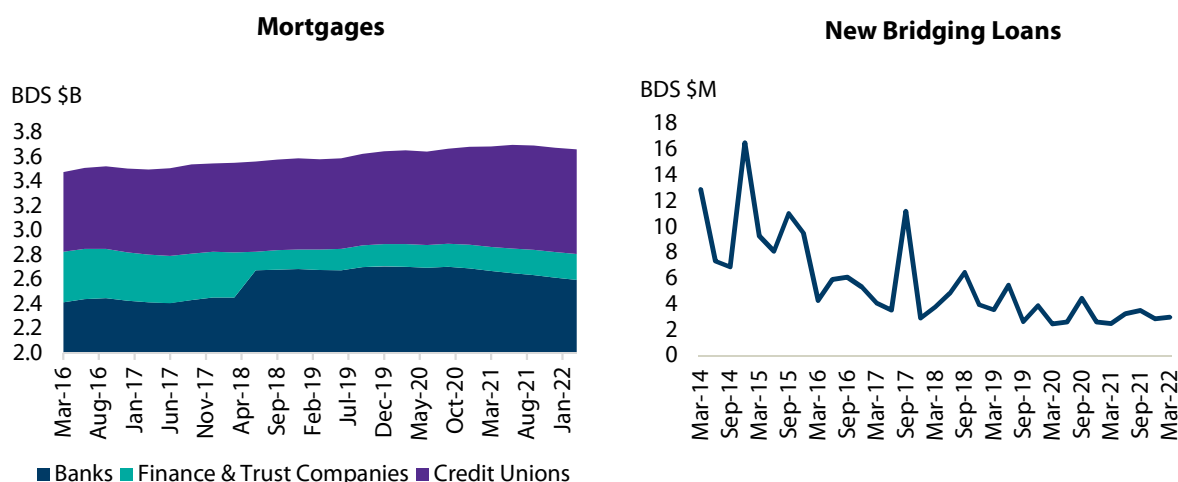


Source: Central Bank of Barbados

New lending to households grew at a faster rate than the corresponding period in 2021. Credit card activity picked up with the resumption of travel and economic activity, but repayments continued to exceed new credit. These events resulted in the outstanding credit card balance being just above the value of debt incurred during the period. Mortgage balances also continued to contract, as repayments

outweighed the growth in new credit. New bridging loans to households were higher than last year, but overall supply of funds remained weak.

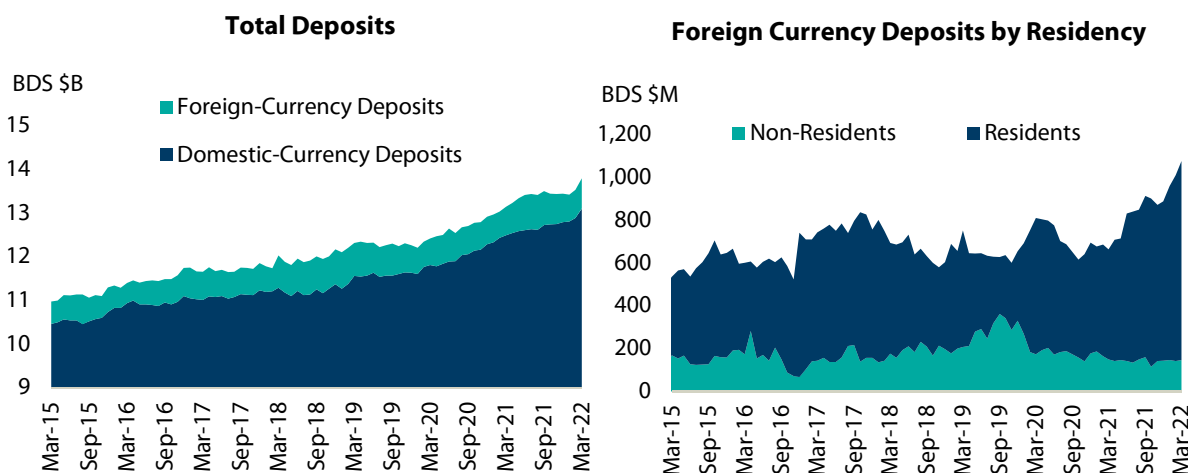
**Figure 14: Credit to Households**



Sources: Financial Services Commission and Central Bank of Barbados

Domestic-currency deposits grew by 2.4 percent due to Government spending and heightened foreign exchange inflows during the quarter. While this growth was partly reflected in the balances of households, the build-up was slower than the previous year, as domestic consumption picked up and prices increased. Foreign-currency deposits expanded to account for 7.6 percent of total deposits, above the 5 percent share recorded one year earlier. This expansion was largely due to the sale of real estate and increased activity in the tourism sector.

**Figure 15: Deposits of the Financial System**



Sources: Financial Services Commission and Central Bank of Barbados



## Outlook

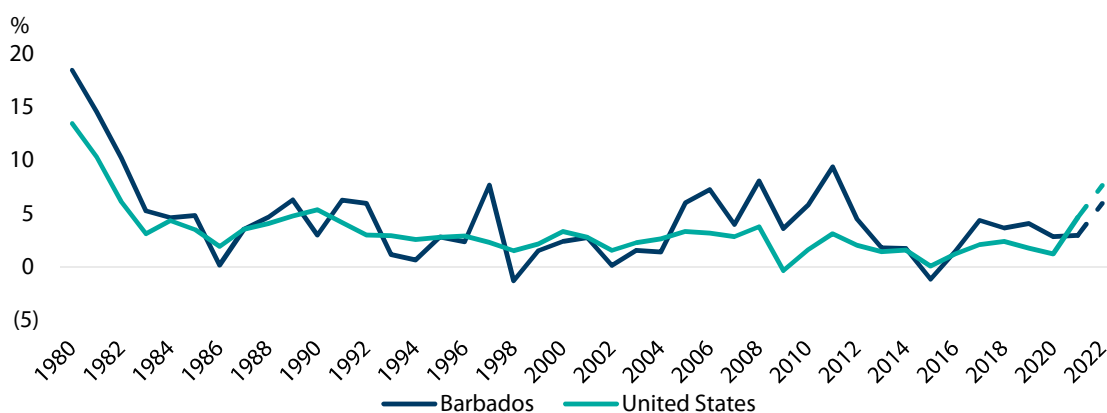
External developments continue to shape the outlook for the Barbados economy. Globally, the spread and severity of COVID-19 infections has eased, partly on the strength of the success of vaccines. The removal of restrictions has released pent-up demand for travel and raised prospects of a sustained recovery. However, pockets of high new daily cases occurring in major markets such as the United Kingdom, South Korea, China and Australia remind us that we must continue to be vigilant, given the risk that COVID might stall the global recovery.

In addition, the Russia-Ukraine war has dampened global growth prospects. The war's long-term impact remains highly uncertain as numerous factors including the length of the conflict and the effect of the economic sanctions imposed on Russia will determine the scale of disruption to global economic activity. Moreover, the tightening of monetary policy in advanced economies to combat concerns about rising inflation could slow global activity, including travel demand.

In these circumstances, the International Monetary Fund has scaled down its global growth expectations for 2022 and 2023. Despite this downgrade of the global growth forecast, the outlook for the Barbadian economy remains for a double-digit recovery, premised on the sustained revival of tourism and the acceleration of activity in the construction sector. However, a poorer than anticipated recovery globally, delays in projected construction or prolonged supply disruptions can slow our recovery.

The sharp rise in international commodity prices has already impacted the cost of living and further acceleration could stall domestic demand. Commodity prices are forecast to increase further during the year but oil prices are expected to stabilise at elevated levels. To temper the effects of these prices and dampen the inflationary pressures, Government introduced select measures to contain the increase in the cost of living in its recent Budgetary Proposals and Financial Statement.

**Figure 16: United States and Domestic Annual Average Inflation Trends**



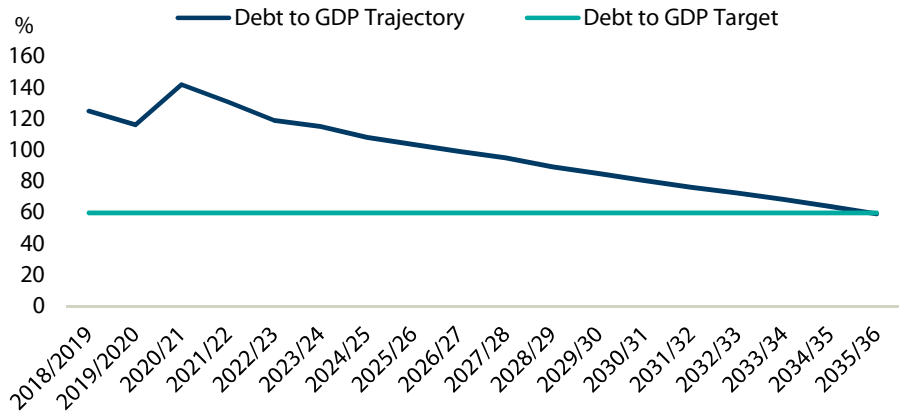
Source: International Monetary Fund, World Economic Outlook Database, April 2022

The impact of these developments on the public finances and long-term macroeconomic stability must be carefully monitored. Government has committed to placing its debt on a sustainable path, with a debt trajectory of 60 percent of GDP by FY2035/36. Achieving this objective requires a return to primary

balance surpluses over the medium-term together with sustained economic growth. The return to primary surpluses will ease borrowing needs and ultimately help to catalyse low-cost finance from the private sector, when needed.

As critical first steps towards returning to a sustainable debt path, Government has already indicated that it will strengthen its fiscal stance in the current fiscal year, evidenced in part by the revenue raising measures introduced during the recent budgetary proposals. These impositions will complement the expected boost to revenue as the economic recovery gathers momentum and support spending on projects that will stimulate economic growth and create jobs. However, over the medium-term expenditure reforms, including public enterprises and the planned pension reform, are needed to further strengthen the public finances.

**Figure 17: Debt-to-GDP Ratio Trajectory**



Sources: Ministry of Finance and Central Bank of Barbados

To reduce our economic vulnerability, we must improve food and energy security, strengthen resilience to climatic events over the medium-term and enhance our competitiveness.

We are encouraged by the efforts to return land to production and to deploy climate-mitigation strategies to support agriculture. For example, the Community Agriculture Response and Enfranchisement programme, in tandem with the Farmers’ Empowerment and Enfranchisement Drive programme, aims to increase acreage in production and to promote greenhouse farming, livestock production, and hydroponic and aquaponic initiatives.

Continued investment in renewable energy will help to address the negative effects of volatile oil prices and to improve competitiveness. Accelerating implementation, is now crucial, taking advantage of the liquidity in the banking system. In addition, we must bolster our competitiveness by lowering the cost of doing business, increasing our output and improving our turnaround times.

The path towards sustained growth requires a strong partnership with all stakeholders, a commitment to innovate and improved performance by everyone. Both public and private sectors, including small and medium-sized enterprises, will need the support of money and capital markets to support this innovation. This path is quite attainable if we continue to pull together in the country’s interest.

## Appendix 1 – Economic Indicators

	2018	2019	2020 <sup>(p)</sup>	2021 <sup>(e)</sup>	Mar 2019	Mar 2020	Mar 2021 <sup>(p)</sup>	Mar 2022 <sup>(e)</sup>
Nominal GDP (\$ Million) <sup>1</sup>	10,194.6	10,608.3	9,379.1	9,739.9	2,689.4	2,746.3	2,404.2	2,793.3
Real Growth (%)	(1.0)	(0.7)	(14.0)	0.7	(3.6)	(0.4)	(15.1)	11.8
Inflation (%) <sup>2</sup>	3.7	4.2	3.0	3.0	2.5	5.2	2.0	4.2
Avg. Unemployment (%) <sup>3</sup>	10.1	10.1	13.6**	14.1	10.0	n.a.	17.2	n.a.
Gross International Reserves (\$ Million)	999.6	1,481.0	2,660.7	3,058.8	1,065.2	1,574.9	2,574.3	3,019.3
Gross International Reserves Cover, Weeks	12.8	18.6	40.7	40.6	13.6	19.5	43.1	36.4
BoP Current Account (% of GDP)	(4.4)	(2.8)	(5.9)	(10.9)	4.6	0.2	(13.6)	(7.7)
Total Imports of Goods (% of GDP)	29.3	29.3	30.3	32.6	27.2	29.5	26.9	36.9
Travel Credits (% of GDP)	21.8	24.4	12.3	12.9	33.5	29.0	5.5	18.3
Financial Account (\$ Millions)	887.6	792.7	1,652.1	1,238.6	40.6	53.9	197.7	177.1
Gross Public Sector Debt <sup>4</sup> (% of GDP)	123.6	118.0	136.6	137.2	125.1	116.2	142.4	131.9
External Debt Service to Curr. Acct. Cred.	4.9	3.6	9.0	7.0	2.5	2.2	7.2	6.8
Treasury-Bill Rate	0.5	0.5	0.5	0.5	3.1	0.5	0.5	0.5
Implicit Deposit Rate	0.09	0.07	0.05	0.05	0.10	0.08	0.05	0.04
Implicit Loan Rate	7.1	6.2	5.8	5.4	6.4	6.3	5.9	5.4
Excess Domestic Cash Ratio	16.1	18.5	22.4	26.8	15.4	17.8	21.9	28.9
Private Sector Credit Growth (%) <sup>5</sup>	0.3	0.9	(1.2)	(1.2)	(0.7)	(1.3)	(0.9)	(0.4)
Private Sector Credit (% of GDP) <sup>5</sup>	80.2	77.8	86.9	82.2	79.2	76.5	89.2	79.1
Domestic Currency Deposits (% of GDP) <sup>5</sup>	111.5	109.6	131.0	130.5	112.5	110.8	137.8	129.1
Fiscal Year	2018/19	2019/20	2020/21	2021/22	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2021 <sup>(p)</sup>	Jan-Mar 2022 <sup>(e)</sup>
Fiscal Balance (% of GDP)	(0.3)	3.6	(4.8)	(4.8)	(1.0)	0.6	(4.4)	(2.7)
Primary Balance (% of GDP)	3.5	6.0	(1.0)	(0.9)	(0.4)	1.2	(3.6)	(1.4)
Interest (% of GDP)	3.7	2.3	3.8	3.9	0.7	0.6	0.7	1.3
Fiscal Current Account (% of GDP)	1.6	5.4	(1.7)	(0.6)	0.2	1.5	(2.5)	(0.7)
Revenue (% of GDP)	29.2	28.0	28.4	27.9	9.1	7.9	7.6	8.2
Expenditure (% of GDP)	29.5	24.4	33.1	32.7	10.1	7.3	12.0	10.9
<i>Non-interest Expenditure (% of GDP)</i>	25.7	22.1	29.3	28.8	9.4	6.8	11.3	9.6
<i>Capital Expenditure (% of GDP)</i>	1.9	1.8	3.1	4.2	1.2	0.9	1.9	2.0
Gov't Interest Payments (% of Revenue)	12.9	8.4	13.4	14.1	7.4	7.0	9.3	16.1

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

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

<sup>1</sup> - Central Bank of Barbados and Barbados Statistical Service

<sup>2</sup> - Twelve Month Moving Average

<sup>3</sup> - Four Quarter Moving Average

<sup>4</sup> - Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt

<sup>5</sup> - Based on consolidated data for deposit-taking institutions (Commercial Banks, Finance & Trust Companies and Credit Unions)

\*\* Data at end of period

n.a. Not Available

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

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

	2018	2019	2020 <sup>(p)</sup>	2021 <sup>(e)</sup>	Mar 2019	Mar 2020	Mar 2021 <sup>(p)</sup>	Mar 2022 <sup>(e)</sup>
<b>Tradeables</b>	<b>1,508.6</b>	<b>1,533.9</b>	<b>831.0</b>	<b>774.7</b>	<b>429.0</b>	<b>359.1</b>	<b>149.0</b>	<b>295.0</b>
<b>Tourism</b>	<b>910.7</b>	<b>944.1</b>	<b>279.8</b>	<b>211.0</b>	<b>280.4</b>	<b>214.7</b>	<b>7.6</b>	<b>146.8</b>
<b>Agriculture</b>	<b>121.0</b>	<b>115.5</b>	<b>108.9</b>	<b>103.9</b>	<b>27.9</b>	<b>28.9</b>	<b>25.6</b>	<b>26.2</b>
Sugar	6.0	3.1	3.7	3.7	1.1	1.5	1.3	0.7
Non-Sugar Agriculture	115.0	112.4	105.3	100.3	26.8	27.4	24.3	25.5
<b>Manufacturing</b>	<b>476.9</b>	<b>474.3</b>	<b>442.2</b>	<b>459.8</b>	<b>120.7</b>	<b>115.4</b>	<b>115.7</b>	<b>122.0</b>
of which:								
<i>Rum &amp; Other Beverages</i>	110.8	93.9	93.0	95.5	18.9	19.4	19.9	23.0
<i>Food</i>	112.3	111.7	95.1	103.1	31.0	21.7	26.4	27.9
<i>Furniture</i>	13.5	13.2	12.6	13.4	3.7	2.9	3.2	3.2
<i>Chemicals</i>	25.0	23.8	24.4	24.1	7.0	7.2	6.5	7.2
<i>Electronics</i>	42.7	44.3	42.5	41.4	8.3	9.1	11.7	0.2
<i>Other Manufacturing</i>	124.9	115.1	122.9	122.1	30.7	35.2	32.0	31.6
<b>Non-tradeables</b>	<b>6,517.1</b>	<b>6,436.1</b>	<b>6,023.2</b>	<b>6,127.8</b>	<b>1,586.9</b>	<b>1,647.9</b>	<b>1,554.9</b>	<b>1,609.4</b>
Mining & Quarrying	42.2	49.4	56.6	58.1	10.7	16.5	17.3	17.4
Electricity, Gas & Water	214.1	213.5	203.5	207.8	51.7	51.4	49.2	50.2
Construction	461.6	452.3	457.2	457.2	106.4	120.2	109.9	115.5
Distribution	1,181.5	1,196.8	987.9	1,010.4	319.9	327.6	297.2	312.6
Transport, etc	1,027.7	1,011.5	910.4	936.3	260.9	252.5	244.4	249.6
Finance and Other Services	2,748.3	2,721.4	2,594.0	2,633.2	655.8	677.0	633.1	658.2
Government	841.8	791.0	813.5	824.8	181.5	202.7	203.8	205.9
<b>Total</b>	<b>8,025.8</b>	<b>7,970.0</b>	<b>6,854.2</b>	<b>6,902.5</b>	<b>2,015.9</b>	<b>2,007.0</b>	<b>1,703.8</b>	<b>1,904.4</b>
<b>Nominal GDP</b>	<b>10,194.6</b>	<b>10,608.3</b>	<b>9,379.1</b>	<b>9,739.9</b>	<b>2,689.4</b>	<b>2,746.3</b>	<b>2,404.2</b>	<b>2,793.3</b>
<b>Real Growth Rates</b>	<b>(1.0)</b>	<b>(0.7)</b>	<b>(14.0)</b>	<b>0.7</b>	<b>(3.6)</b>	<b>(0.4)</b>	<b>(15.1)</b>	<b>11.8</b>
Tradeables	1.4	1.7	(45.8)	(6.8)	1.1	(16.3)	(58.5)	98.0
Non-tradeables	(1.5)	(1.2)	(6.4)	1.7	(4.8)	3.8	(5.6)	3.5

<sup>(p)</sup> Provisional

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

<sup>1</sup> - BSS' 2010 Base Year Series

Sources: Barbados Statistical Service and Central Bank of Barbados

### Appendix 3 – Balance of Payments (BDS \$Millions)

	2018	2019	2020 (p)	2021 (e)	Mar 2019	Mar 2020	Mar 2021 (p)	Mar 2022 (e)
<b>Current Account</b>	<b>(447.4)</b>	<b>(293.7)</b>	<b>(555.2)</b>	<b>(1,057.0)</b>	<b>122.9</b>	<b>5.8</b>	<b>(327.2)</b>	<b>(213.9)</b>
<b>Inflows</b>	<b>4,860.9</b>	<b>5,159.9</b>	<b>3,525.6</b>	<b>3,686.7</b>	<b>1,496.5</b>	<b>1,379.1</b>	<b>615.2</b>	<b>1,198.3</b>
Travel	2,236.5	2,500.0	1,154.8	1,254.9	900.5	795.2	133.1	510.2
Other Services	444.7	458.5	397.4	441.1	68.3	70.5	50.2	60.7
Domestic Exports	510.2	507.4	449.4	444.3	135.2	117.2	102.8	120.8
Rum	79.8	76.8	75.9	78.3	20.9	18.5	20.3	20.7
Food	65.3	66.4	61.3	60.4	15.6	16.4	14.8	17.2
Sugar	0.4	0.6	0.9	1.8	0.1	0.1	0.1	0.2
Chemicals	80.3	77.8	84.7	68.6	20.6	17.5	13.7	19.3
Printed Paper Labels	26.6	15.3	23.5	23.2	5.4	5.2	6.4	5.7
Construction Materials	51.7	59.1	38.2	31.0	17.2	9.7	6.0	8.8
Other	206.1	211.4	164.9	181.1	55.3	49.9	41.6	48.9
Re-exported Goods	385.7	380.8	241.0	237.7	113.3	109.4	60.5	161.0
Net Export of Goods under Merchanting	633.8	637.6	547.6	612.1	159.4	163.3	145.7	155.7
Income	543.0	565.4	338.7	412.4	104.8	108.4	73.8	89.5
Transfers	107.0	110.1	396.6	284.4	15.0	15.0	49.2	100.4
<b>Outflows</b>	<b>5,308.2</b>	<b>5,453.5</b>	<b>4,080.8</b>	<b>4,743.8</b>	<b>1,373.5</b>	<b>1,373.3</b>	<b>942.4</b>	<b>1,412.2</b>
Total Imports of Goods	2,997.7	3,003.7	2,843.9	3,177.4	732.2	810.3	647.9	1,031.3
Fuel Imports	712.2	728.0	510.6	601.8	187.3	210.7	124.2	320.6
Other Merchandise Imports	2,285.5	2,275.7	2,333.3	2,575.6	544.8	599.6	523.7	710.6
Services	1,073.9	1,148.9	553.3	743.3	312.3	288.3	159.7	174.2
Income	1,042.6	1,099.2	473.7	604.8	268.5	211.6	69.2	133.0
General Government	183.2	150.0	139.3	128.1	69.1	11.2	16.0	49.2
Other Sectors	859.5	949.1	334.3	476.8	199.4	200.3	53.2	83.8
Transfers	194.0	201.7	209.8	218.2	60.6	63.1	65.6	73.8
<b>Capital Account</b>	<b>50.9</b>	<b>(5.3)</b>	<b>(4.5)</b>	<b>(5.2)</b>	<b>(1.8)</b>	<b>(1.3)</b>	<b>(1.2)</b>	<b>(1.4)</b>
<b>Financial Account</b>	<b>887.6</b>	<b>792.7</b>	<b>1,652.1</b>	<b>1,238.6</b>	<b>40.6</b>	<b>53.9</b>	<b>197.7</b>	<b>177.1</b>
Net Foreign Direct Investment	464.8	375.3	509.2	417.8	72.9	417.8	112.0	107.0
All Other Investment Flows	422.8	417.3	1,142.9	820.8	(68.2)	(56.9)	60.0	65.1
Net Long-term Public	451.0	387.8	968.2	815.6	41.0	(14.4)	(33.1)	(6.0)
Net Long-term Private	(3.8)	113.0	251.3	49.5	(87.8)	(31.3)	105.1	67.4
Net Short-term	(24.4)	(83.5)	(76.7)	(44.3)	(21.4)	(11.2)	(12.0)	3.7
Net Errors & Omissions	97.1	(12.5)	87.3	221.7	(96.3)	35.5	44.3	(1.3)
Overall Balance	588.3	481.4	1,179.7	398.2	65.6	93.9	(86.4)	(39.5)
<b>Change in GIR: - increase/+ decrease</b>	<b>(588.3)</b>	<b>(481.4)</b>	<b>(1,179.7)</b>	<b>(398.2)</b>	<b>(65.6)</b>	<b>(93.9)</b>	<b>86.4</b>	<b>39.5</b>

(p) - Provisional

(e) - Estimate

Source: Central Bank of Barbados

## Appendix 4 - Summary of Government Operations (BDS\$ Millions)

	2018/19	2019/20	2020/21	2021/22 <sup>(p)</sup>	Jan -Mar 2019	Jan -Mar 2020	Jan -Mar 2021	Jan -Mar 2022 <sup>(p)</sup>
<b>Total Revenue</b>	<b>2,993.6</b>	<b>2,984.2</b>	<b>2,563.3</b>	<b>2,823.9</b>	<b>933.1</b>	<b>845.6</b>	<b>689.9</b>	<b>828.7</b>
<b>Tax Revenue</b>	<b>2,812.4</b>	<b>2,771.2</b>	<b>2,387.8</b>	<b>2,646.1</b>	<b>870.6</b>	<b>757.2</b>	<b>591.6</b>	<b>759.7</b>
<b>i) Direct Taxes</b>	<b>1,126.9</b>	<b>1,084.7</b>	<b>1,202.9</b>	<b>1,148.2</b>	<b>372.7</b>	<b>289.3</b>	<b>316.1</b>	<b>333.5</b>
Personal	482.1	454.7	308.1	385.0	168.4	120.2	91.6	116.5
Corporate	355.5	309.0	612.9	450.5	152.2	113.8	168.7	159.4
Property	161.3	214.7	181.6	205.2	17.9	21.9	15.2	21.2
Financial Institutions Asset Tax	44.6	47.4	45.6	46.2	7.2	16.3	11.6	10.9
Other	83.4	58.9	54.7	61.4	27.0	17.1	29.0	25.6
<b>ii) Indirect Taxes</b>	<b>1,685.6</b>	<b>1,686.5</b>	<b>1,185.0</b>	<b>1,497.9</b>	<b>497.9</b>	<b>467.9</b>	<b>275.5</b>	<b>426.2</b>
Stamp	10.9	11.4	7.6	13.4	3.0	2.8	1.5	6.1
VAT	940.9	966.9	706.3	884.6	272.8	262.6	187.3	249.3
Excises	271.2	250.9	154.1	212.3	86.5	64.8	24.3	64.2
Import Duties	213.8	231.6	191.9	220.6	55.5	57.5	40.6	54.8
Hotel & Restaurant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Responsibility Levy	49.4	0.1	0.0	0.0	0.1	0.0	0.0	0.0
Other of which:	199.4	225.6	124.9	167.0	80.0	80.2	21.8	51.8
Fuel Tax	68.6	82.1	63.8	70.2	42.1	20.8	9.0	18.4
Room Rate/Shared Accommodation	10.1	28.1	9.5	25.2	5.2	10.1	4.1	11.2
<b>Non-Tax Revenue &amp; Grants</b>	<b>181.2</b>	<b>213.0</b>	<b>175.4</b>	<b>177.8</b>	<b>62.5</b>	<b>88.4</b>	<b>98.4</b>	<b>69.0</b>
Non-Tax Revenue	161.5	201.3	169.5	159.8	49.9	86.8	96.4	64.1
Grants	0.1	11.8	0.0	5.7	0.1	1.6	0.0	0.0
Post Office - Revenue	19.6	0.0	5.9	12.3	12.5	0.0	1.9	4.9
<b>Current Expenditure</b>	<b>2,826.4</b>	<b>2,407.9</b>	<b>2,716.8</b>	<b>2,889.5</b>	<b>913.7</b>	<b>683.0</b>	<b>916.4</b>	<b>899.5</b>
Wages & Salaries	811.9	807.4	808.0	834.8	206.6	205.2	208.7	213.2
Goods & Services	356.3	375.5	399.8	493.2	139.9	137.0	196.8	186.6
Interest	384.9	249.7	342.6	398.9	68.6	59.6	64.0	133.4
External	48.0	62.7	144.1	132.4	13.3	11.2	16.0	49.2
Domestic	336.9	187.0	198.5	266.5	55.3	48.4	48.0	84.2
Transfers & Subsidies	1,273.3	975.3	1,166.3	1,162.6	498.5	281.2	446.8	366.3
Grants to Individuals	362.8	389.2	423.7	454.2	132.5	113.1	143.0	132.3
Grants to Public Institutions	814.8	517.6	657.3	632.1	318.0	151.1	265.4	215.9
Subsidies	51.8	31.8	49.7	33.6	26.3	6.9	27.0	8.6
Subscriptions & Contributions	25.7	20.3	20.3	21.9	13.8	5.8	6.3	3.4
Non-Profit Agencies	18.3	16.4	15.3	20.7	7.9	4.2	5.1	6.0
<b>Capital Expenditure &amp; Net Lending</b>	<b>197.8</b>	<b>191.8</b>	<b>276.1</b>	<b>425.2</b>	<b>124.2</b>	<b>99.0</b>	<b>167.3</b>	<b>205.0</b>
Capital Expenditure	184.9	185.1	278.3	421.6	122.5	97.8	168.7	202.5
Net Lending	12.9	6.7	-2.2	3.6	1.7	1.3	-1.4	2.5
<b>Fiscal Balance</b>	<b>(30.5)</b>	<b>384.5</b>	<b>(429.6)</b>	<b>(490.8)</b>	<b>(104.8)</b>	<b>63.6</b>	<b>(393.7)</b>	<b>(275.8)</b>
<b>Primary Balance</b>	<b>354.3</b>	<b>634.2</b>	<b>(87.0)</b>	<b>(91.9)</b>	<b>(36.1)</b>	<b>123.2</b>	<b>(329.7)</b>	<b>(142.4)</b>
<b>Fiscal Balance to GDP (%)</b>	<b>(0.3)</b>	<b>3.6</b>	<b>(4.8)</b>	<b>(4.8)</b>	<b>(1.0)</b>	<b>0.6</b>	<b>(4.4)</b>	<b>(2.7)</b>

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

Sources: Ministry of Finance and Central Bank of Barbados

## Appendix 5 - Government Financing (BDS\$ Millions)

	2018/19	2019/20	2020/21	2021/22 <sup>(e)</sup>	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2022 <sup>(p)</sup>
<b>Fiscal Balance</b>	<b>(30.5)</b>	<b>384.5</b>	<b>(429.6)</b>	<b>(490.8)</b>	<b>(104.8)</b>	<b>63.6</b>	<b>(393.7)</b>	<b>(275.8)</b>
Arrears Payments	(10.0)	(208.3)	(61.9)	(41.1)	(10.0)	0.0	0.0	(11.2)
<b>Financing</b>	<b>40.5</b>	<b>(176.2)</b>	<b>491.5</b>	<b>531.9</b>	<b>114.8</b>	<b>(63.6)</b>	<b>393.7</b>	<b>287.1</b>
<b>Domestic Financing (Net)</b>	<b>(315.5)</b>	<b>(282.8)</b>	<b>(370.7)</b>	<b>(8.0)</b>	<b>128.3</b>	<b>(46.3)</b>	<b>422.0</b>	<b>285.3</b>
Central Bank	(166.4)	164.7	(66.6)	331.6	66.1	42.5	421.8	288.3
Commercial Banks	82.8	(86.3)	106.6	(24.5)	24.4	28.9	(1.3)	(12.6)
National Insurance Board	8.9	(85.2)	(207.9)	15.3	0.0	(21.3)	(39.9)	(0.7)
Private Non-Bank	(119.6)	(217.7)	(34.9)	(47.1)	(36.1)	(85.1)	37.1	(46.7)
Other	(111.2)	(58.3)	(167.9)	(283.3)	73.9	(11.3)	4.3	57.0
<b>Foreign Financing (Net)</b>	<b>346.2</b>	<b>106.6</b>	<b>862.2</b>	<b>539.9</b>	<b>(13.5)</b>	<b>(17.2)</b>	<b>(28.3)</b>	<b>1.8</b>
Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Funds	87.9	72.0	81.8	206.6	10.6	1.5	0.1	34.3
Policy Loans	350.0	150.0	968.1	496.6	0.0	0.0	0.0	0.0
Amortisation	(91.7)	(115.4)	(187.7)	(163.3)	(24.1)	(18.7)	(28.4)	(32.5)

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

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

Source: Central Bank of Barbados

## Appendix 6 -Public Debt Outstanding (BDS \$Millions)

	2018	2019	2020	2021	Mar 2019	Mar 2020	Mar 2021	Mar 2022 <sup>(p)</sup>
<b>Gross Central Government Debt<sup>1</sup></b>	<b>12,573.8</b>	<b>12,426.4</b>	<b>12,761.2</b>	<b>13,310.7</b>	<b>12,753.0</b>	<b>12,322.6</b>	<b>12,819.0</b>	<b>13,310.6</b>
Domestic Debt	9,375.0	9,336.3	8,786.7	8,826.2	9,512.9	9,226.4	8,872.7	8,824.6
Central Bank <sup>2</sup>	703.8	814.1	757.0	811.5	724.9	823.5	834.7	866.6
Commercial Banks	2,340.2	2,355.2	2,340.4	2,343.7	2,337.6	2,350.9	2,335.3	2,343.4
National Insurance	2,757.8	2,880.0	2,690.6	2,666.1	2,943.8	2,858.7	2,650.2	2,665.4
Insurance Companies	1,114.6	807.5	816.3	828.6	1,179.6	821.5	815.8	815.1
Other	2,150.3	2,312.9	2,140.9	2,142.1	2,033.5	2,218.9	2,157.3	2,110.9
Domestic Arrears	308.2	166.7	41.4	34.3	293.4	152.9	79.4	23.1
External Debt	3,198.9	3,090.0	3,974.5	4,484.4	3,240.1	3,096.2	3,946.3	4,486.1
International Financial Institutions	1,379.5	1,445.5	2,407.8	2,905.1	1,366.7	1,441.7	2,391.8	2,892.9
Bonds	1,142.8	1,126.2	1,067.3	1,062.3	1,135.7	1,127.3	1,062.3	1,062.2
PPP	237.0	228.8	255.0	225.7	228.9	219.8	247.8	218.3
Bilateral	211.5	222.6	244.4	291.3	204.4	242.9	244.4	312.6
External Arrears	228.1	67.0	-	-	304.4	64.5	-	-
<b>Other Public Sector Debt</b>	<b>94.3</b>	<b>72.3</b>	<b>53.5</b>	<b>47.5</b>	<b>92.9</b>	<b>57.9</b>	<b>51.9</b>	<b>46.0</b>
Domestic Debt	-	-	-	-	-	-	-	-
Foreign Debt	94.3	66.4	53.5	47.5	92.9	57.9	51.9	46.0
Other Public Sector Arrears	-	6.0	-	-	-	-	-	-
<b>Gross Public Sector Debt<sup>3</sup></b>	<b>12,668.2</b>	<b>12,498.7</b>	<b>12,814.7</b>	<b>13,358.2</b>	<b>12,845.8</b>	<b>12,380.5</b>	<b>12,870.9</b>	<b>13,356.6</b>
<b>Central Government Financial Assets</b>	<b>795.0</b>	<b>739.6</b>	<b>912.3</b>	<b>517.6</b>	<b>684.8</b>	<b>573.3</b>	<b>562.5</b>	<b>272.6</b>
Central Bank	389.4	311.4	801.9	389.4	344.4	278.3	455.8	126.3
Commercial Banks	174.6	248.4	95.5	112.0	150.2	215.3	91.8	116.2
Sinking Funds	231.0	179.7	14.9	16.2	190.2	79.7	14.9	30.1
<b>Other Public Sector Financial Assets</b>	<b>221.6</b>	<b>392.6</b>	<b>426.0</b>	<b>473.8</b>	<b>246.4</b>	<b>378.4</b>	<b>542.5</b>	<b>439.8</b>
Public Corporations' Deposits	221.6	392.6	426.0	473.8	246.4	378.4	542.5	439.8
Gross Public Sector Debt/GDP (%)	123.6	118.0	136.6	137.2	125.1	116.2	142.4	131.9
Gross Central Government Debt/GDP (%)	122.7	117.3	136.1	136.7	124.2	115.7	141.9	131.4
External Debt/GDP (%)	33.4	29.8	42.4	46.0	31.6	29.1	43.7	44.3
Net Central Government <sup>4</sup> /GDP (%)	115.0	110.3	126.3	131.3	117.6	110.3	135.6	128.7

<sup>(p)</sup> Provisional

<sup>1</sup> Gross Central Government Debt = Domestic Debt + External Debt+ Domestic and External Arrears

<sup>2</sup> Comprises Treasury Bills, Debentures and Ways & Means Account Balance

<sup>3</sup> Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt +Arrears

<sup>4</sup> Net Central Government Debt = Gross Central Government Debt - Central Government Financial Assets

n.a.- Not Available

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



**Appendix 7 -Select Monetary Aggregates and Financial Stability Indicators for the  
Banking System (BDS\$ Millions)**

	2018	2019	2020	2021	Mar 2019	Mar 2020	Mar 2021	Mar 2022 <sup>(p)</sup>
<b>Monetary Authorities</b>								
Net International Reserves	832.5	1,130.8	2,195.0	2,594.6	890.8	1,209.8	2,096.0	2,535.7
Monetary Base	2,659.0	2,938.8	3,551.8	4,132.8	2,765.1	3,037.2	3,892.5	4,490.0
Net Domestic Assets	1,788.8	1,761.6	1,296.2	1,479.0	1,831.4	1,771.4	1,735.8	1,885.0
<b>Deposit-taking Institutions<sup>1</sup></b>								
Credit to Public Sector <sup>2</sup>								
Central Government (net)	1,896.4	1,886.7	2,056.5	2,096.8	1,927.0	1,916.9	2,075.1	2,091.2
Rest of the Public Sector	107.9	65.0	85.3	144.5	98.8	73.9	84.1	142.6
Credit to Rest of Financial System	274.5	255.7	262.8	245.9	267.5	267.2	257.1	243.8
Credit to the Non-Financial Private Sector <sup>3</sup>	8,179.1	8,254.4	8,153.7	8,057.5	8,125.7	8,147.2	8,081.4	8,024.7
Total Deposits	11,967.1	12,284.6	12,976.2	13,671.7	12,304.3	12,615.5	13,144.7	14,170.8
Transferable Deposits <sup>4</sup>	9,844.5	10,394.3	11,178.9	11,837.1	10,161.5	10,751.3	11,353.8	12,380.4
Non-Transferable Deposits	2,122.6	1,890.3	1,797.3	1,834.6	2,142.8	1,864.2	1,790.8	1,790.4
<b>Memo Items</b>								
Domestic Currency Deposits	11,365.1	11,631.0	12,283.2	12,784.7	11,553.6	11,806.6	12,482.0	13,096.0
Foreign Currency Deposits	602.0	653.6	693.0	887.0	750.7	808.9	662.7	1,074.8
<b>Banking System Financial Stability Indicators<sup>5</sup></b>								
Capital Adequacy Ratio (CAR)	13.8	13.5	16.0	16.8	12.7	14.6	15.9	16.8
Loan to Deposit Ratio	63.0	61.7	57.1	53.0	60.6	58.7	55.2	50.0
Liquid Assets to Total Assets	21.4	23.1	25.2	28.4	23.3	24.8	27.8	31.0
Non-Performing Loans Ratio	7.4	6.6	7.3	7.4	7.2	6.9	7.9	7.2
Provisions to Non-Performing Loans	67.3	59.4	62.0	59.6	69.1	58.0	59.2	61.2
Return on Average Assets (12-month)	(0.2)	0.6	0.8	1.1	(1.3)	1.8	0.5	1.3

<sup>(p)</sup> – Provisional

<sup>1</sup> Comprises Commercial Banks, deposit-taking Finance & Trust Companies and Credit Unions

<sup>2</sup> Reflects both security holdings and loans.

<sup>3</sup> Does not include credit to the non-resident sector

<sup>4</sup> These comprise of call deposits, demand deposits and savings deposits with unrestricted withdrawal privileges

<sup>5</sup> Data on commercial banking sector

Source: Central Bank of Barbados