



Press Release

Review of Barbados' Economic Performance

January to December 2021

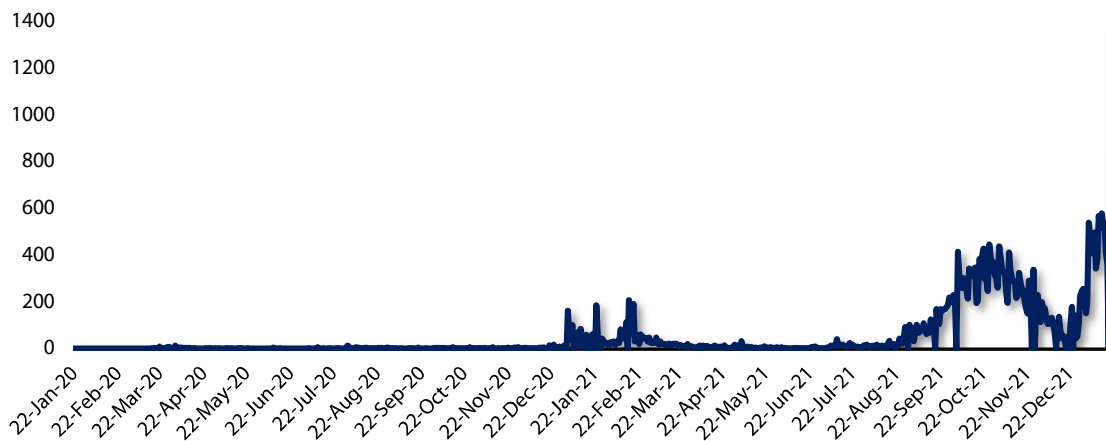


Overview

For the second successive year, COVID-19 tested the Barbadian economy’s resilience to extreme shocks. Industrialised economies rebounded strongly from the 2020 economic decline but the persistence of the virus, with its rapidly emerging variants and its after effects on the global supply chain, dampened domestic economic activity, contributed to higher inflation and shaped the direction of public policy.

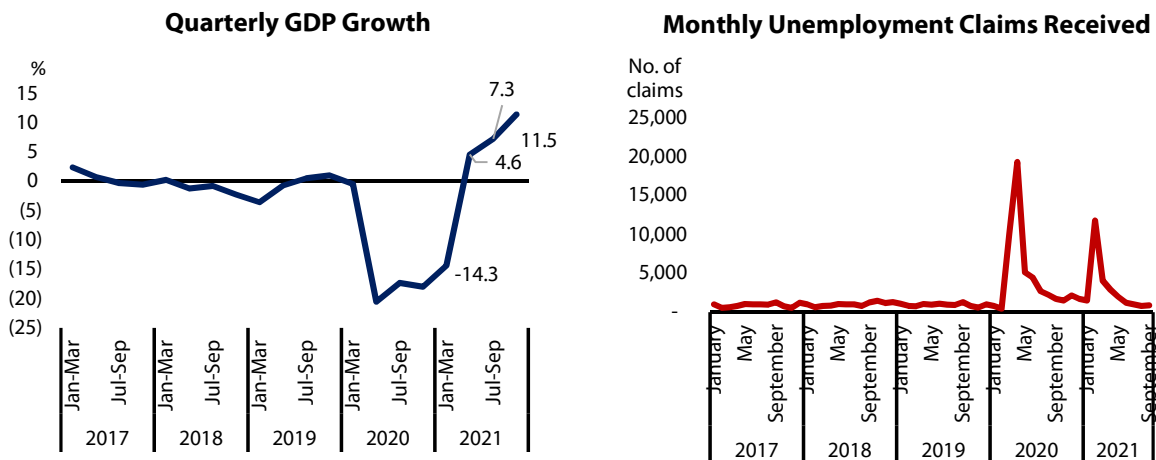
The Bank estimates that the economy registered mild growth in 2021 as new waves of infections at home and abroad slowed the recovery of the tourism sector and kept output well below pre-pandemic levels. Expectations about inflation rose as prices trended up, particularly during the second half of the year.

Figure 1: Covid-19 Barbados Cases



Source: John Hopkins University

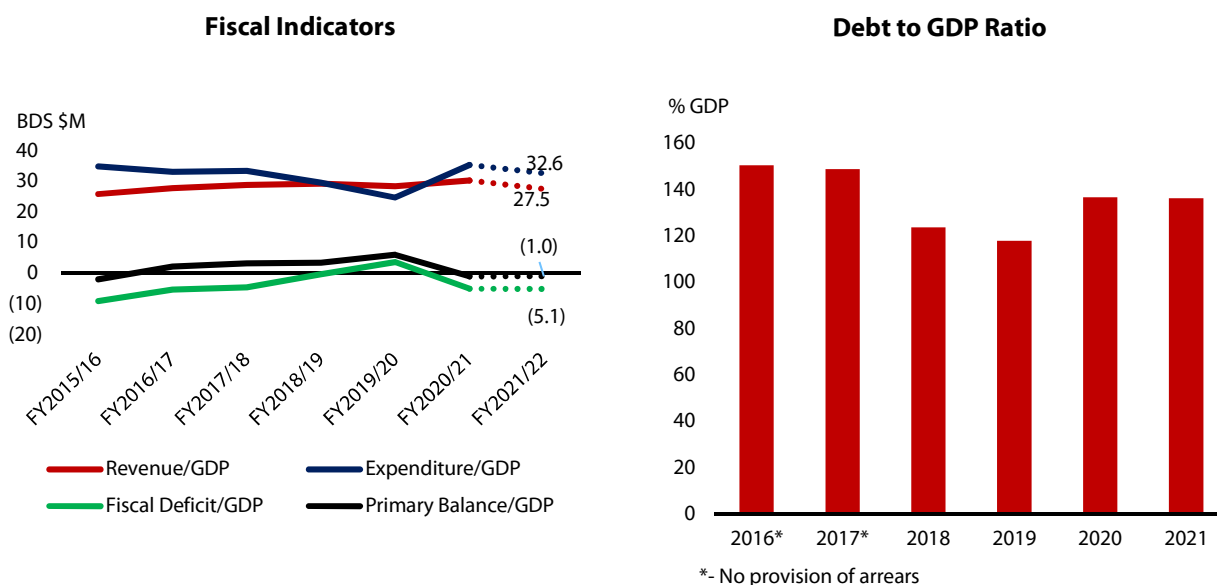
Figure 2: Barbados Real GDP Growth and NIS Monthly Unemployment Claims



Sources: Central Bank of Barbados and National Insurance Scheme

Improved labour demand led to a reduction in layoffs after the “National Pause” during the first quarter. Higher incomes and increased spending boosted revenue, but Government had to maintain the expansionary policy stance adopted in FY 2020/21 as COVID and two unanticipated climatic events, Hurricane Elsa and the ashfall from the eruption of the La Soufrière volcano in St. Vincent, required additional spending to strengthen healthcare, protect households, facilitate rebuilding initiatives after the hurricane and enhance the finances of the National Insurance Fund.

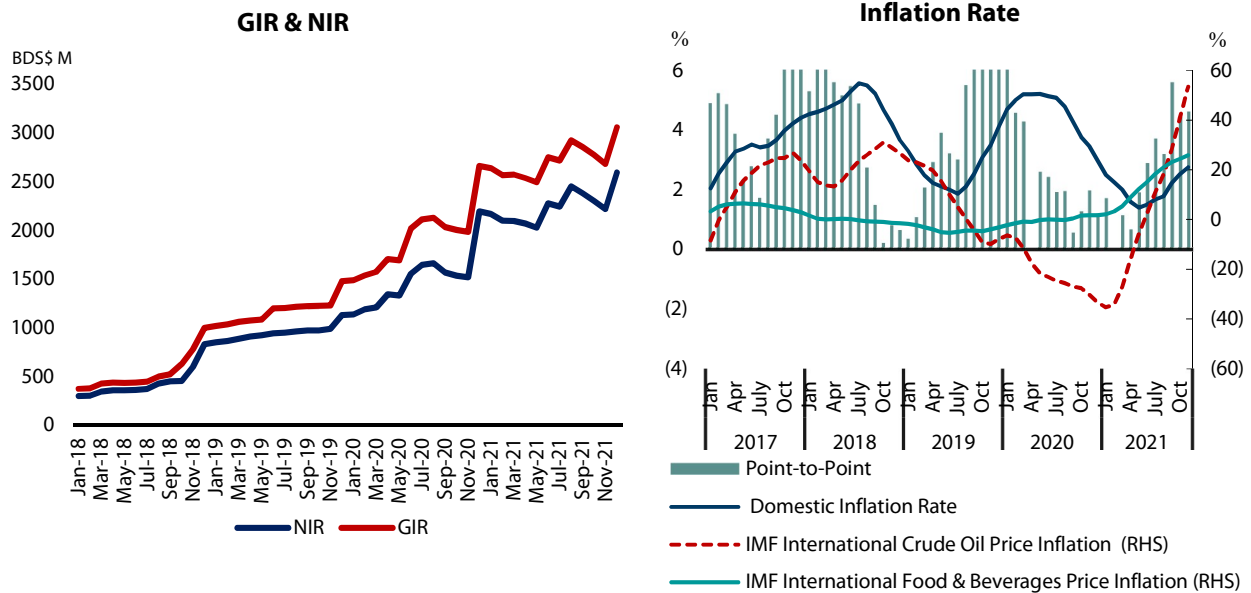
Figure 3: Fiscal Indicators (% of GDP) and Debt Stock (% of GDP)



Sources: Ministry of Finance and Central Bank of Barbados

The on-going weakness of tourism reduced foreign exchange earnings, even as expenditure on imports climbed. However, the financing obtained for budget support from multilateral financial institutions, including the International Monetary Fund, ensured the adequacy of Government’s financing and buttressed the reserves which were sustained at historic levels. The debt stock rose but, with the pick-up in economic activity, the debt ratio was stable when compared to a year ago.

Figure 4: Gross International Reserves (GIR) & Net International Reserves (NIR) and Inflation Rate



Sources: Barbados Statistical Service, International Monetary Fund Primary Commodity Prices and Central Bank of Barbados

Economic Activity

For the third consecutive quarter, economic activity registered an upturn from the sharp decline the previous year. Preliminary data suggests that the fourth quarter recovery of 11.5 percent raised economic activity by 1.4 percent for 2021. The modest growth for the year was reflected in private sector spending, but the continued depressing effect of COVID-19 on the tourism sector and on private sector investment tempered the extent of the recovery.

Tourism

The revival of the tourism sector strengthened during the last quarter of the year. Long-stay tourist arrivals in December were at their post-COVID peak, reaching 47 percent of the corresponding pre-pandemic level of 2019, as the relaxation of global travel restrictions, the phased reduction in health protocols and pent-up demand contributed to a rebound in international travel. However, the steep fall in arrivals in the first quarter following the 2020 end-of-year spike in domestic COVID-19 infections outweighed the gradually improved performance over the last three quarters. The overall decline for the year was 26 percent and arrivals were only 20 percent of 2019 levels.

The United Kingdom and United States remained the main source markets, accounting for 74% of arrivals. The improved market share reflects the under-performance of the Canadian and Caribbean markets, with regional travel suffering from reduced airlift and the lack of stimulus of traditional cultural and sporting activities.

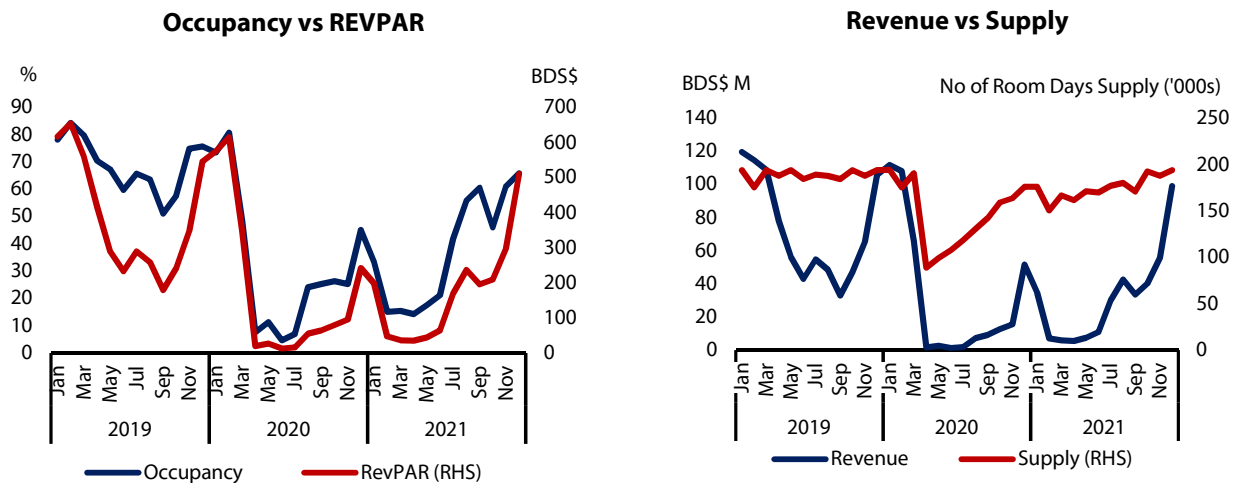
Table 1: Tourism Arrivals by Source Market for 2021

Major Markets	2017	2018	2019	2020	2021
United States	188,486	204,249	219,605	52,488	42,421
Canada	85,050	86,499	85,868	31,225	10,381
United Kingdom	217,442	220,695	237,927	79,960	63,207
Europe	40,205	38,504	38,144	12,848	5,303
Caribbean	102,877	102,837	113,616	23,793	16,577
Other	27,115	25,753	19,488	7,064	5,620
Total Arrivals	661,175	678,537	714,648	207,378	143,509

Sources: Barbados Statistical Service (2017-2018) and Barbados Tourism Marketing Inc. (2019-2021)

Increased airlift, including from new non-regional markets, supported the recovering demand for the destination over the last three quarters. The impact of the gradual rise in arrivals on the accommodation sector was uneven. Improved occupancy and room rates, particularly in the higher priced market segments raised revenue. Hoteliers also increased the availability of room stock, including from the introduction of new plant. Education tourism and the remote worker programme helped to boost the ancillary sectors that were so damaged by the fall-off in arrivals. Cruise activity restarted, but fresh COVID outbreaks on cruise ships slowed the pace of the recovery.

Figure 5: Occupancy vs REVPAR¹ and Revenue vs Room Days Supply



Source: Smith Travel Research

Other Traded Activity

Manufacturing output grew by 4.0 percent, principally the result of higher production of food and beverages. This growth was partly linked to rising exports, including rum which benefited from the expansion of existing markets. The increased production spilled over to the printed label industry and there were gains in cement production, principally for domestic consumption.

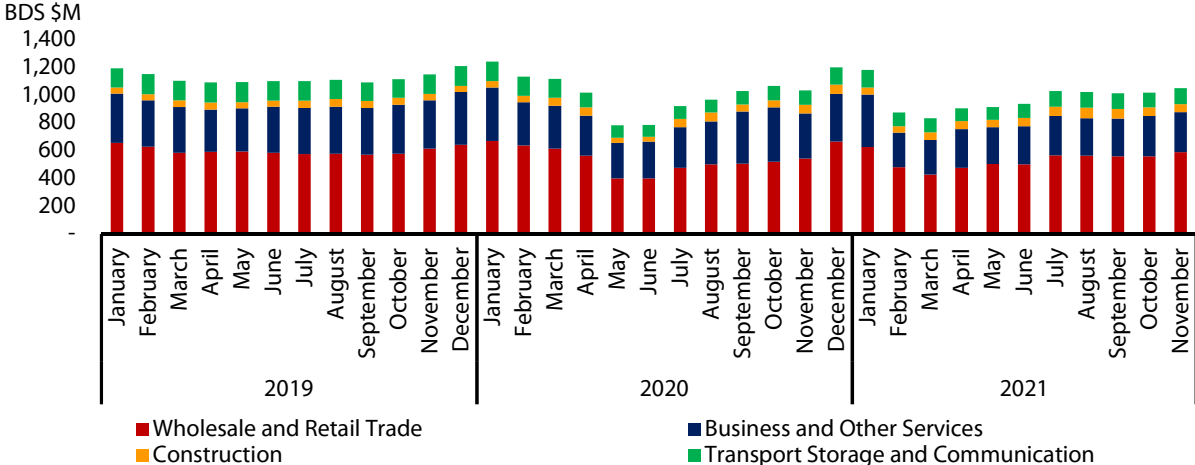
¹ Revenue Per Available Room: Total room revenue divided by the total number of available rooms.

Agriculture output declined by 4.0 percent, due in part to the on-going effects of COVID-19. Chicken production continued to face challenges from the fallout in the tourism sector, and there was lower production of food crops and other meats as well as reduced fish catches. Global supply-chain disruptions contributed to shortages of some key agricultural inputs and price increases for inputs such as fertilisers and feeds which received temporary governmental subsidy to cushion the impact on producer and retail prices. However, milk production increased following the importation of a herd of cows during the last half of 2020.

Non-Traded Activity

Activity in the non-traded sector registered overall growth of 2.7 percent, with gains in output from the wholesale and retail, business and other services sectors. The partial recovery reflects the impact of the ongoing weakness of the tourism sector as uncertainty and reduced incomes and employment tempered the recovery of domestic demand. Activity in the construction sector was affected by the challenges brought on by the “National Pause” and ashfall from the volcanic eruption in the first half of the year. However, preliminary data suggests that the sector stabilised in the latter half of year, in part because of on-going work on projects such as the Wyndham hotel and the Sagicor Retirement Village.

Figure 6: 2-Month Moving Average Sales by Select VAT Registrants



Source: Barbados Revenue Authority

Labour Market

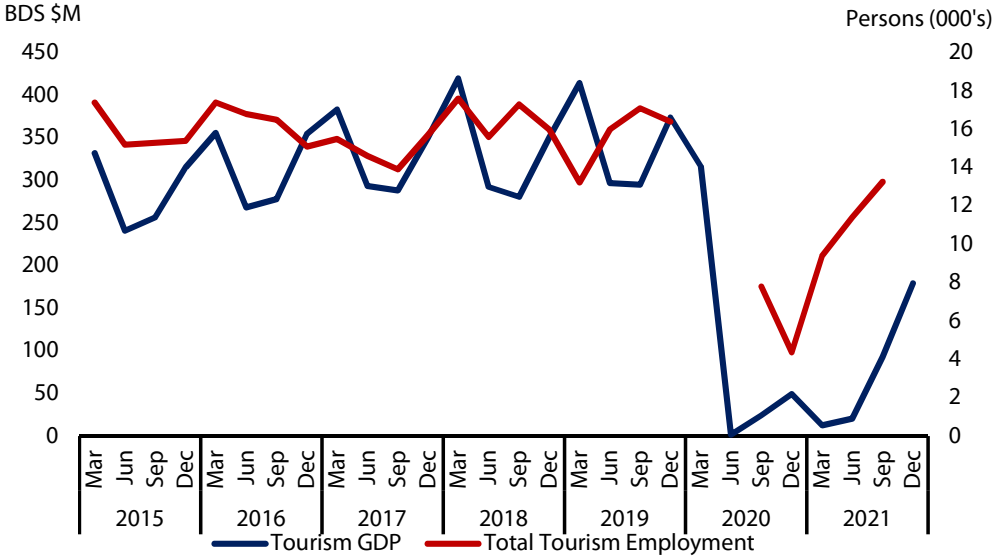
The labour market remains soft, but there was evidence of improvement towards the latter half of the year. The unemployment rate at the end of the third quarter was 12.4 percent, compared to 17.6 percent a year earlier. Barbados Statistical Services estimates that over 13,000 persons gained employment in the 12-month period ending September, as the participation rate rose to 62.3 percent, compared to 58.9 percent a year earlier. The improvement in labour force participation was relatively even across genders, but gender disparities within the labour force persist, with male participation standing at 66.6 percent, while female participation was recorded at 58.4 percent, as at September 2021.

Unemployment claims which surged in 2020 because of the collapse of activity in the tourism sector, stabilised in the latter half of the year. The fall in claims reflected the combined effect of individuals

having received their maximum unemployment benefits and the return to work as tourism activity began to recover. The main source of increased employment was in the accommodation and food services sector, but there were also gains in other sectors including wholesale and retail and the public sector. The Barbados Employment and Sustainable Transformation (BEST) Program contributed to the retention of workers within the tourism sector, with hotels accounting for 76 percent of financing provided under the programme.

Despite some improvements in labour market conditions persons returning to full-time employment are still below 2019 levels. Similarly, while total employment earnings increased by 7 percent they remain below pre-COVID levels in the third quarter of 2021. Much of the improvement can be credited to persons earning below \$1,000 per week, reflecting persistently weak labour market conditions.

Figure 7: Tourism GDP vs Tourism Employment



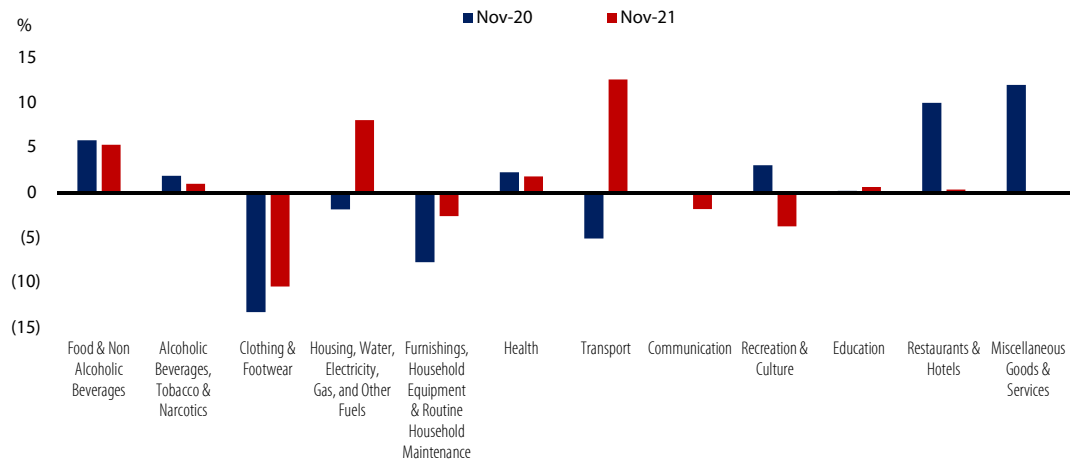
Sources: Barbados Statistical Service and Central Bank of Barbados

Prices

The global trend of rising inflation was reflected in domestic prices in 2021. The retail price index at November was 4.6 percent higher than at 2020 year-end, driven in large measure by higher import prices. Soaring international freight costs arising from disruptions in the global supply chain added to the hikes in energy and food prices caused by the revival of global economic activity. Domestic food prices were elevated mainly due to meats and vegetables.

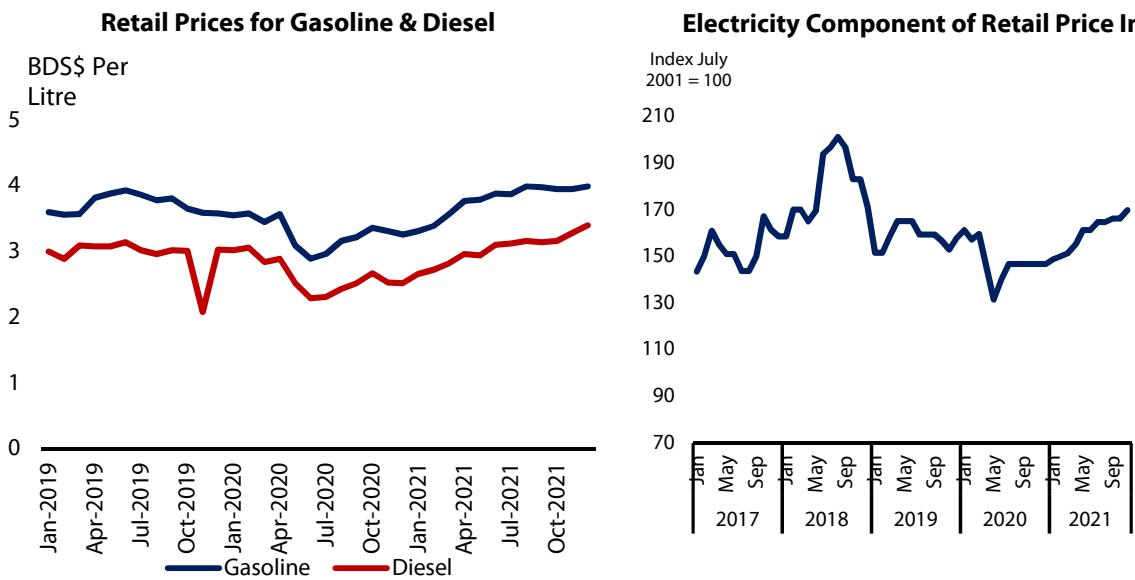
The domestic rise in prices was acutely felt in the price of gasoline, diesel and electricity, but continued discounting of clothing, footwear and furnishing and household equipment dampened the domestic inflationary pressures. Given the fall in prices in the second half of 2020, the impact of rising prices on the overall price index was not evident until the second half of the year and the 12-month moving average measure of inflation rose to 3.2 percent only from 2.9 percent a year earlier.

Figure 8: Inflation by Category (Point-to-Point)



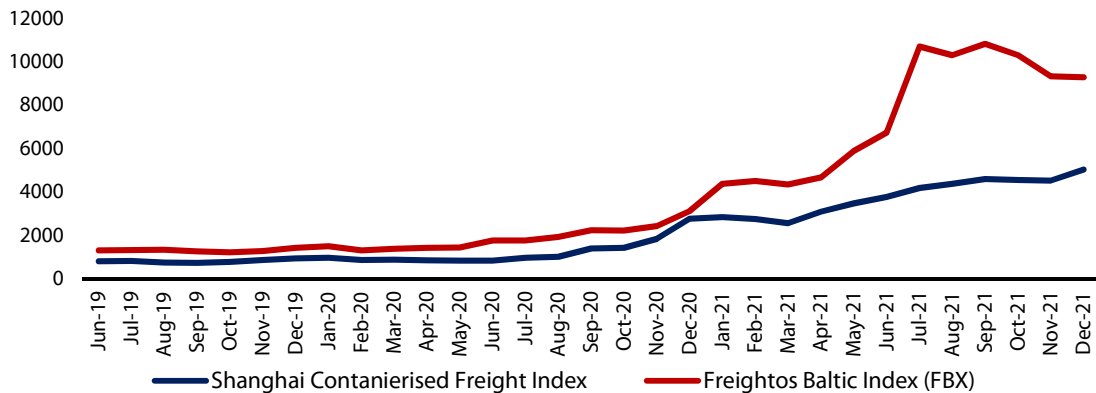
Source: Barbados Statistical Service

Figure 9: Retail Prices for Gasoline & Diesel and Electricity Component of Retail Price Index



Sources: Ministry of Energy, Small Business and Entrepreneurship and Barbados Statistical Service

Figure 10: Freight Indices



Sources: Shanghai Shipping Exchange, SSE and FREIGHTOS

International Reserves

The stock of gross international reserves increased by \$398 million during 2021 to reach \$3,058 million. The accumulation in reserves was driven by policy-based borrowing from the multilateral financial institutions and the proceeds of the new SDR allocation by the International Monetary Fund. This continued build-up of reserves over the past 42 months enabled the import reserve cover to reach 40 weeks of 2021 imports of goods and services by year-end.

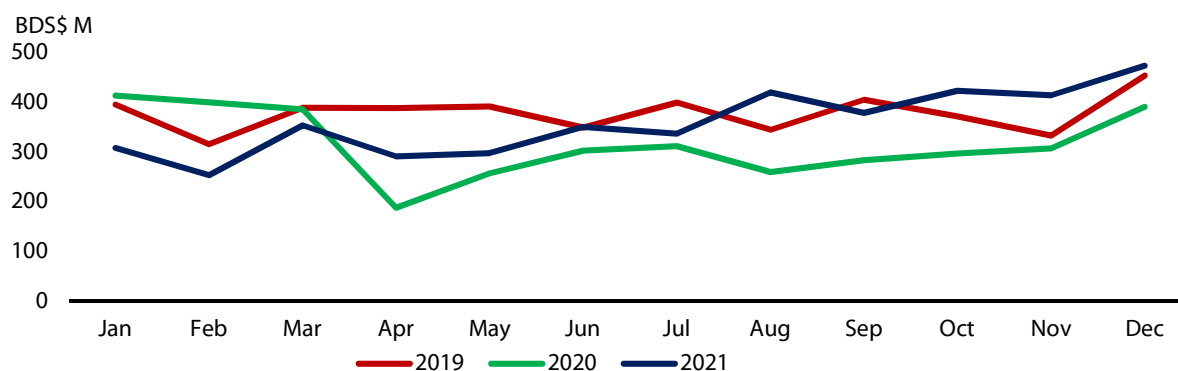
Inflows of foreign exchange, including for tax revenue, offset the losses incurred from government payments for debt and goods and services and net sales of foreign exchange to authorised dealers. The increased purchases from the Central Bank by dealers reflected the combined impact of a hike in demand generated by a partial recovery in private sector payments abroad and the reduced supply of foreign exchange available to dealers. However, calls on the Central Bank reserves tapered off in December as foreign exchange inflows improved.

Table 2: Cash Flow of the International Reserves

BDS \$M	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021
Net Central Government	(372)	114	(83)	736	400
Inflows	125	457	239	1,207	859
<i>Of Which: IMF Financing</i>				368	96
Outflows	496	343	321	472	459
<i>Of Which: Debt Service</i>	369	180	176	275	274
Net Commercial Banks	107	339	292	224	(238)
Net Other	36	136	273	220	236
<i>Of Which: IMF Financing</i>			195	96	
<i>SDR Allocation</i>					258
Change in GIR	(228)	588	482	1,180	398
GIR as at the end of December	411	999	1,481	2,661	3,059

Source: Central Bank of Barbados

Figure 11: Commercial Banks' Sales of Foreign Exchange



Source: Central Bank of Barbados

The external current account deficit widened to 13.3 percent of GDP, mainly on the account of a significant expansion in total imports in combination with reduced foreign tax receipts and lower earnings from inbound tourism. Half of the increased imports was attributed to fuel imports because of the sharp increase in the average price of fuel per barrel. The non-fuel imports also exhibited signs of recovery, registering an increase of 7.1 percent, partly because of rising freight costs and increasing commodity prices. Imports of food and beverages, construction materials and chemicals rose, driven by the global increase in prices. Domestic exports contracted marginally as a modest pick-up in exports of food, rum and other beverages was outpaced by a decline in exports of chemicals, electronic components and machinery and transport. These declines partly reflected weakening demand from the OECS area.

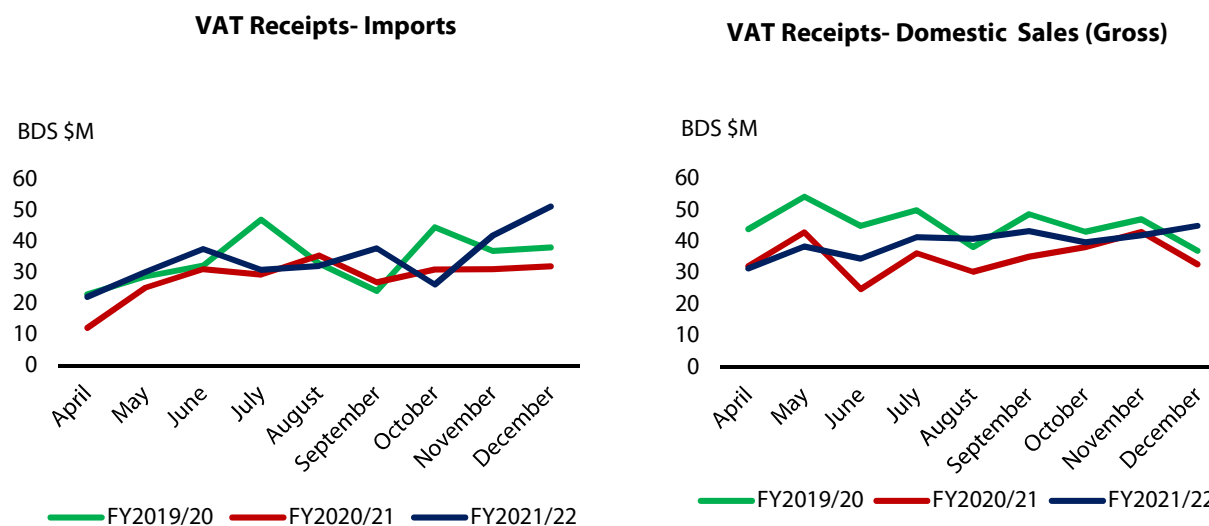
Fiscal Operations

The fiscal strategy for the first three quarters of FY2021/22 was focused on supporting the efforts of the health sector in combating COVID-19 and providing assistance to individuals affected by climatic events. As in the previous fiscal year the primary balance target was revised to a deficit of one percent from the original programme surplus of six percent. With the increased spending outweighing the improved revenue collections, the primary surplus of \$45 million was smaller than for the corresponding nine month period in 2020.

Revenue

Total revenue recovered partially, expanding by \$116 million during the first three quarters of the fiscal year. The Value Added Tax (VAT) increased by \$116 million, resulting mainly from improved business activity, higher imports and lower refunds than for the corresponding period of the previous fiscal year. There were also modest increases in other indirect taxes including excises, import duties, and tourism-related taxes.

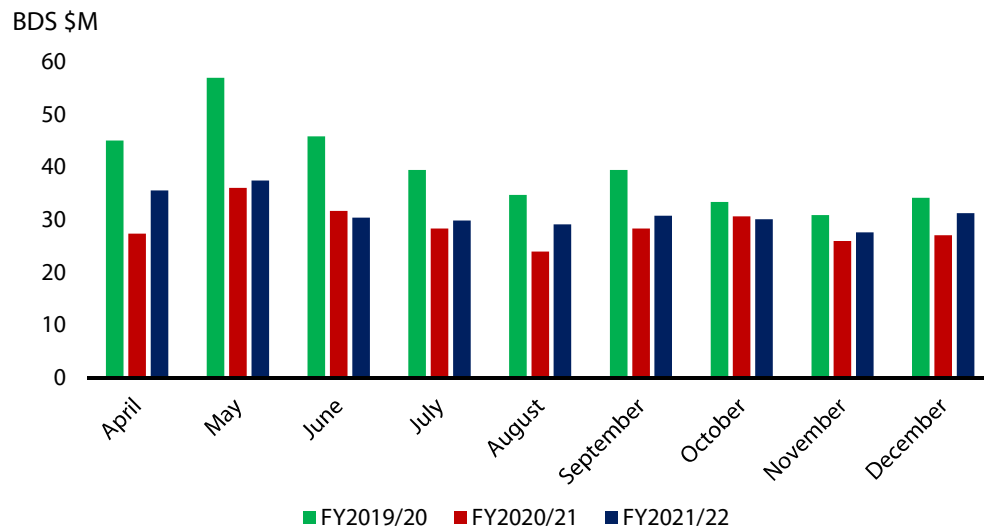
Figure 12: : VAT Receipts from Imports and Domestic Sales



Source: Ministry of Finance

Personal income taxes also recovered as economic conditions improved and the Barbados Revenue Authority required less refunds to meet its obligations. However, the combined effects of the slow recovery and the tax reforms of 2019 and 2020 kept net receipts 19.7 percent lower than in FY 2019-20. Property taxes rose as land tax revenue benefited from early payments and a reduction in arrears while a pick-up in real estate transactions raised property transfer tax collections. However, the gains in domestic indirect and other direct taxes were partly offset by a \$153 million decline in corporation taxes, which registered a steep increase in 2020 because of one-off payments from foreign currency earning companies.

Figure 13: Personal Income Taxes (Gross)



Source: Ministry of Finance

Expenditure

Non-interest expenditure rose by \$314 million as Government sought to address the challenges posed by COVID-19 and the climatic events that impacted the island during the financial year. Outlays for goods and services absorbed one-third of the increase, partly to cover the ashfall clean-up initiative, persons displaced by Hurricane Elsa, the employment of various contract workers and the costs of the national beautification programme. Additionally, the financing of supplies and materials related to COVID-management and increased spending on property maintenance contributed to the higher spending.

Grants to public institutions rose by \$24 million, the result of funding to the Queen Elizabeth Hospital (QEH) to support their operations and the management of COVID-19. Grants to individuals also increased, as Government extended temporary financial assistance to poultry farmers affected by high feed costs, resumed the full payment of tuitions to the University of the West Indies (UWI) and increased its outlays to the Welfare Department and the Household Survival programme.

Wages and salaries, which were relatively stable over the three preceding years, increased by \$22 million as Government required additional staff to support the efforts of controlling the COVID-19 pandemic.

Capital expenditure expanded by \$109 million, with Government's partial recapitalisation of the unemployment fund of the National Insurance Scheme (NIS), which experienced significant drawdowns during the initial period of job retrenchment, accounting for \$50 million. In addition, there was increased spending on the road works programmes, the acquisition of imported houses as well as the rebuilding of homes destroyed by the hurricane and on the Sanitation Service Authority's (SSA) Residential Waste Collection Improvement project.

Debt and Financing

During 2021, Government continued to rely on external funding from multilateral lending institutions to address the financing needs created by the COVID-19 induced relaxation of fiscal policy. New policy-based loans, of approximately 2.5 percent of GDP during the fourth quarter of the year, built on the funds received in the preceding 18 months. Borrowing for the calendar year was substantially lower than in 2020, but the debt stock increased by 4.3 percent. This outcome partly reflects also the acquisition of the outstanding debt of Needham's Point Holding, a government-owned company whose cashflows were impacted by the collapse of activity in the tourism sector.

Table 3 : External Funding, Domestic Bond Issuance and Amortisation (BDS\$ M)

	2018	2019	2020	2021
Policy Loans	350.0	150.0	968.1	496.6
Project Funds	105.9	81.1	83.2	174.6
Domestic Bond Issuance	0.0	0.0	56.1	234.1
Amortisation				
Domestic	356.5	155.9	437.0	252.2
External	159.5	120.8	178.0	159.1

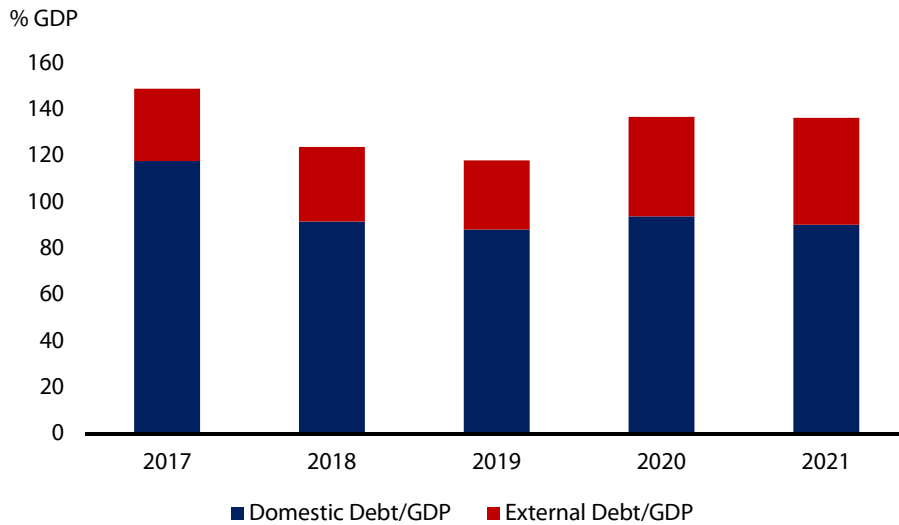
Sources: Ministry of Finance and Central Bank of Barbados

The debt-to-GDP ratio, which had risen sharply in 2020 and in the first quarter of 2021, principally because of the fall in GDP, stabilised on the strength of the emerging recovery in economic activity. At year-end, the public debt ratio was equivalent to 136.3 percent, 0.3 percentage points lower than at the end of 2020.

With the reliance on policy-based loans, the share of external debt now accounts for 33.9 percent of total debt. While external debt has been on the rise, the domestic debt stock continued to fall, with a cumulative decline of approximately 5.9 percent post the 2018 debt restructuring.

New domestic financing for much of the year remained limited to funds raised from the special securities targeted to public servants. However, towards year-end, Government tested the responsiveness of the market to new domestic debt issuance. The initial take-up by financial institutions and individuals was modest, reflecting on-going concern's of investors.

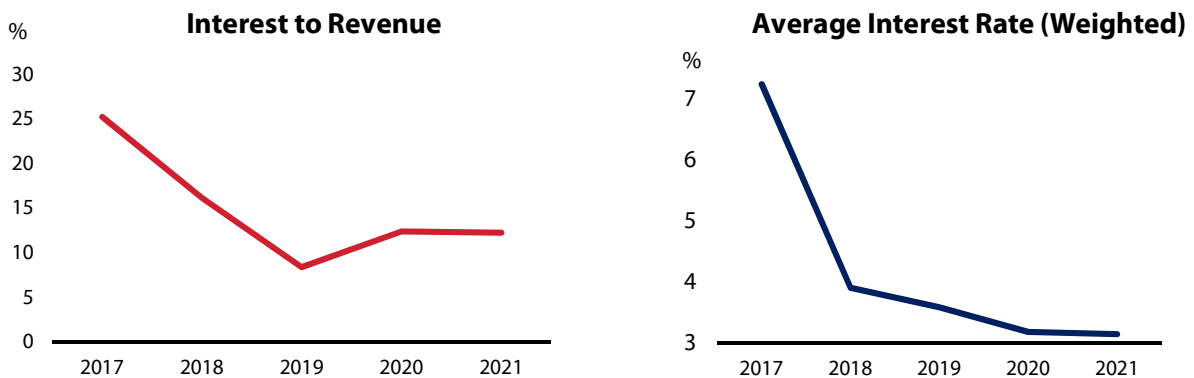
Figure 14: Domestic and External Debt-to-GDP Ratio

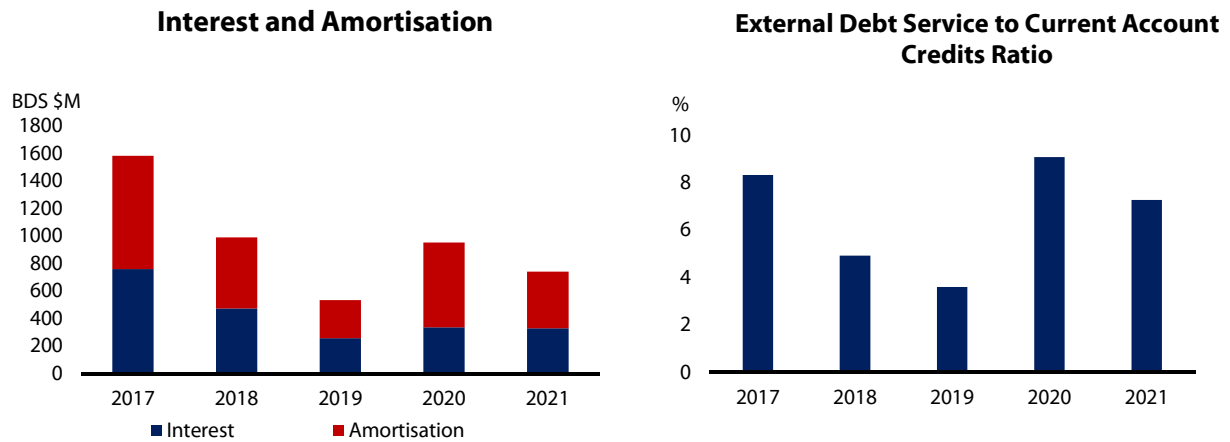


Sources: Ministry of Finance and Central Bank of Barbados

Debt service payments for the year were 22.3 percent lower than in 2020, while accelerated payments to the National Insurance Scheme to assist with the high number of unemployment claims due to the onset of the pandemic and settlement of accrued interest on the external restructured debt raised amortisation payments. Interest payments equalled 12.3 percent of revenue or just under half of that registered in 2017 before the debt restructuring. Of note, is that with the increased reliance on policy-based loans, the average interest rate on debt remained stable. The external debt service ratio to current account credits declined because of lower overall payments, but the ratio was twice as high as 2019 due to the sharp reduction in travel credits.

Figure 15: Interest to Revenue(%), Average Interest Ratio (%), Total Interest and Amortisation (\$BDS M) and Total Debt Service Ratio (%)



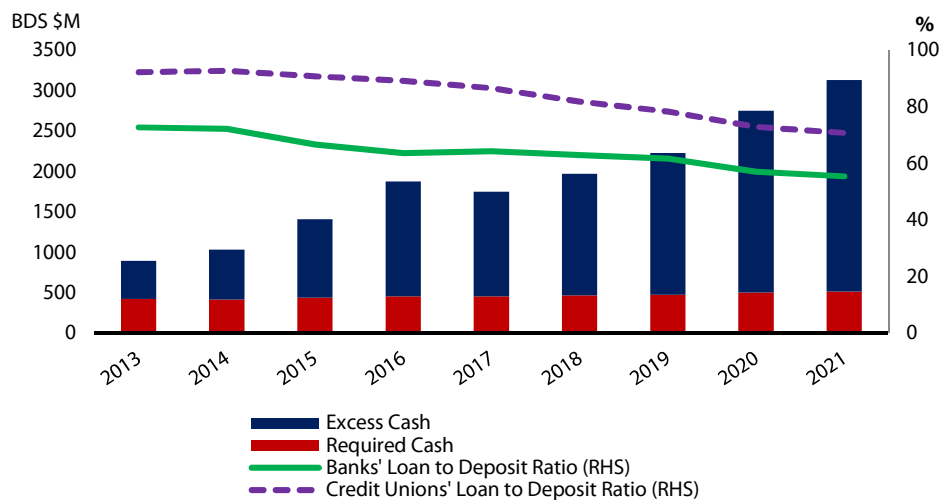


Sources: Ministry of Finance and Central Bank of Barbados

Financial Sector Developments

The financial system remains stable as lending institutions grapple with the challenges posed by the global pandemic. During 2021, banks and credit unions continued to accumulate excess liquidity as Government utilised counter-cyclical spending to offset the negative economic fallout from COVID-19. The loan-to-deposit ratios of banks and credit unions continued to fall, but the build-up of liquidity at the Central Bank slowed, with the excess cash holdings of commercial banks reaching 26.7 percent of domestic-currency deposits compared to 22.8 percent a year earlier.

Figure 16: Excess Cash Ratio, Loan Deposit Ratios for Banks and Credit Unions

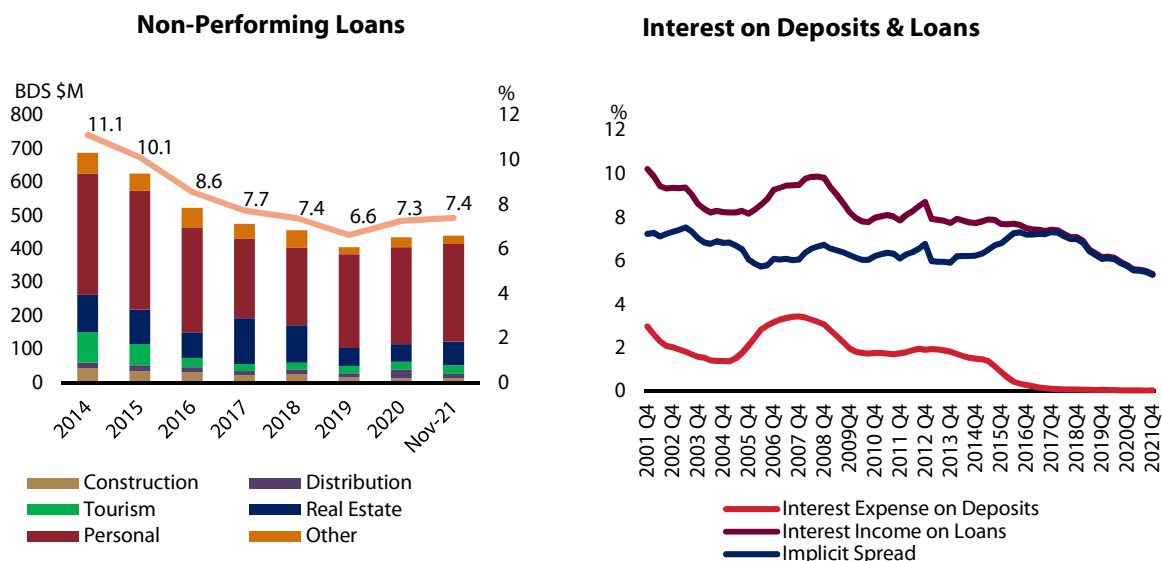


Source: Central Bank of Barbados

The capitalisation of the banking system also remained strong as the profitability of banks strengthened. With overall credit declining and interest rates on deposits and loans staying at historically low levels, net interest income contributed less to profitability. The recovery in the return on

assets was partly due to the stabilisation of the non-performing loans ratio that resulted in lower loan provision expenses and to increased reliance on fees and commissions.

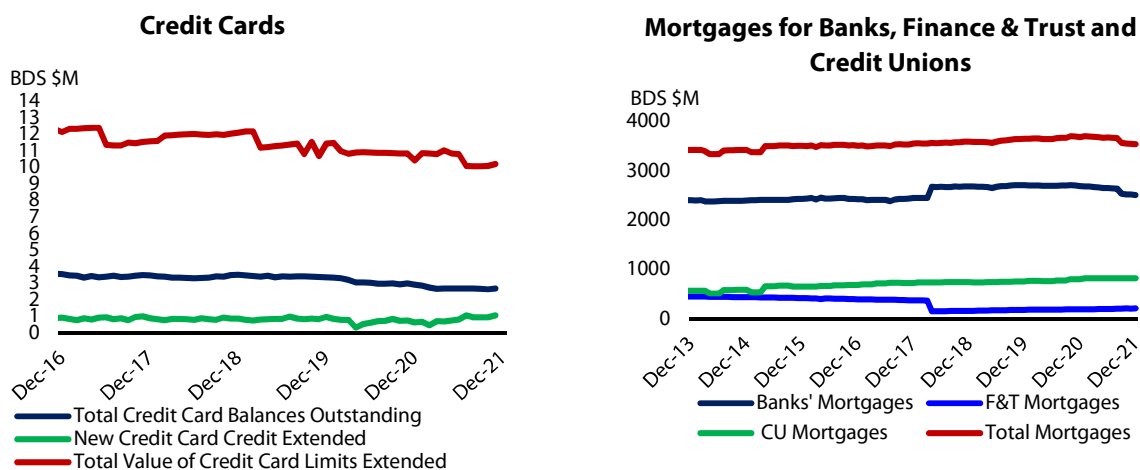
Figure 17: Non-Performing Loans & Interest



Source: Central Bank of Barbados

Credit to the non-financial private sector by deposit-taking institutions fell by 1.7 percent, a marginally faster rate than recorded in 2020. Lending by commercial banks fell by 2.8 percent, but there were modest increases by other institutions. The decline in commercial bank lending was mainly reflected in personal loans for mortgages and credit cards. Total credit card balances outstanding to the personal sector declined by 13.9 percent, a slightly deeper decline than the 9.8 percent of 2020. This reduction was the result of repayments outpacing the growth in new credit extended, as consumers continued to reduce short-term credit balances throughout the year. However, there were increases in credit to the business sector, particularly for utilities.

Figure 18: Credit Cards and Mortgages for Banks, Finance & Trust and Credit Unions



Source: Central Bank of Barbados

At year-end, a small share of loans remained under moratoria, principally in the real estate and tourism sectors as financial institutions increasingly utilised loan restructuring or as clients resumed regular payments. At the same time, there was evidence of increased access to working capital, particularly for the tourism and distribution sectors.

Domestic-currency deposits grew by 2.5 percent, compared to a 7.8 percent increase during the previous year. Household savings, which constituted 46.5 percent of domestic-currency deposits, increased by 4.1 percent in 2021, while corporate deposits grew by 3.2 percent compared to 10.6 percent in 2020. Foreign-currency accounts, which represented approximately 6.4 percent of total deposits, also increased, the result of higher foreign currency holdings of the real estate, tourism and household sectors.

Outlook

Barbados' economic outlook for 2022 will be heavily influenced by its continued vulnerability to external shocks. The International Monetary Fund is forecasting an increase in global economic activity of 4.4 percent, but the strength of the recovery in tourism-dependent economies like Barbados will be affected by the ability of countries across the globe to control the spread of the pandemic that has caused our economy to operate well below its potential over the past two years.

The outlook for the tourism sector looks more favourable now than it did a year ago, with the increased availability of vaccines and the reopening of economies to international travel and business activity. However, there still exist significant downside risks to travel occasioned by the potential for the emergence of newer strains of the virus and the reversion by major source markets to the re-imposition of travel restrictions.

Given the more favourable outlook, the Bank anticipates that the improvement in economic activity witnessed over the last nine months will accelerate in 2022. This should be driven in part by the continued revival of the tourism sector. All indicators are for a strong, though partial, recovery in the first quarter, aided by the favourable impact of the influx of visitors for the English cricket tours, the expansion of airlift into the country and the positive benefits of enhancements to the tourism plant.

In addition, the Bank is encouraged that some of the delayed medium to large-scale tourism development projects will get underway in 2022. The timing of the commencement of these investments along with the ongoing upgrades by Government to the infrastructure, including for road works and housing, and other small-scale private sector investments should provide a further boost to the revival in economic activity. Positive spill-overs are expected for other sectors, creating the impetus for new jobs. Over the medium-term, some of these investments are anticipated to open new markets, enabling sustained economic growth.

The severe disruption of global supply chains has impacted the international manufacturing, transportation and logistics sectors. Freight costs have eased off the highs of late last year but prices appear likely to remain elevated, at least for the first half of the year. Oil prices which averaged US\$68 per barrel in 2021 are forecast to average US\$71 this year², but this forecast could be revised upwards

² U.S Energy Information Administration. Short Term Energy Outlook. <https://www.eia.gov/outlooks/steo/>

as the world economy recovers. Sharp price increases together with further disruptions to the supply chains could have a negative impact on the pace of recovery.

Forecasting growth in this environment where there is uncertainty associated with the pace of the recovery in the tourism sector, the availability and cost of international goods, and the inherent uncertainty in the execution of large-scale capital projects remains a fraught exercise. The Bank has developed multiple scenarios for growth but is optimistic that, absent the re-imposition of travel restrictions, or the deepening of the supply chain disruption, or significant geopolitical shocks, there is potential for a robust recovery leading to double-digit growth in 2022.

Undeterred by the challenges of the current climate, the Government has indicated its commitment to strengthening the fiscal position while fostering sustainable economic activity through meaningful structural reforms, including improving the business environment. The primary balance for FY2021/22 was modified to accommodate the increased expenditure necessary to support the health sector effects to fight the spread of COVID-19 and to assist with damage following two natural disasters.

However, as the recovery gathers momentum, Government expects to generate primary surpluses based on rising revenue and the phase out of the extraordinary pandemic-related expenditures. The resumption of these surpluses will contain Government's borrowing requirements and enable a return to a reduction in the stock of debt as new borrowings fall below debt repayments.

Government remains committed to the fiscal discipline needed for the sustainability of its debt over the medium term. The adoption of fiscal rules designed to place the debt ratio on a sustainable path is critical to this commitment. We need to build on the fact that the credit rating has remained stable during this crisis and progress towards the planned trajectory of 60 percent will enhance the country's credit rating over the medium term, restore confidence and facilitate access to private capital markets.

The reserve buffers that we have accumulated over the past three years will be central to the growth of the economy over the medium term. Government's capital works programme will assist in meeting the immediate challenge of a resumption of growth and the restoration of jobs. However, stimulating private sector activity, including through the planned investment programme and the acceleration of implementation of the renewable energy programme, is crucial for sustainable growth. In this regard, we welcome the focus on infrastructure as this has the potential to enhance the delivery of public services and contribute to diversification, innovation and productivity within the economy.

Table 1 – Economic Indicators

	2016	2017	2018	2019	2020 ^(p)	2021 ^(e)
Nominal GDP (\$ Million) ¹	9,665.6	9,963.2	10,194.6	10,608.3	9,379.1	9,801.6
Real Growth (%)	2.7	0.6	(1.0)	(0.7)	(14.0)	1.4
Inflation (%) ²	1.5	4.5	3.7	4.1	2.9	3.2
Avg. Unemployment (%) ³	9.7	10.0	10.1	10.1	17.9**	12.4*
Gross International Reserves (\$ Million)	639.8	411.3	999.6	1,481.0	2,660.7	3,058.8
Gross International Reserves Cover, Weeks	8.2	5.3	12.8	18.6	40.7	40.0
BoP Current Account (% of GDP)	(4.3)	(3.8)	(4.4)	(2.8)	(5.9)	(13.3)
Total Imports of Goods (% of GDP)	31.9	30.5	29.3	29.3	30.3	32.4
Travel Credits (% of GDP)	21.5	21.7	21.8	24.4	12.3	11.7
Financial Account (\$ Millions)	84.2	86.4	887.6	792.7	1,652.1	1,538.6
Gross Public Sector Debt ⁴ (% of GDP)	150.5	148.9	123.6	118.0	136.6	136.3
External Debt Service to Curr. Acct. Cred.	6.4	8.3	4.9	3.6	9.0	7.4
Treasury-Bill Rate	3.1	3.2	0.5	0.5	0.5	0.5
Implicit Deposit Rate	0.3	0.1	0.09	0.07	0.04	0.05
Implicit Loan Rate	7.5	7.4	7.1	6.2	5.7	5.4
Excess Cash Ratio	15.7	14.2	16.1	18.5	22.8	26.7
Private Sector Credit Growth (%) ⁵	1.5	3.2	0.4	0.9	(1.2)	(1.7)
Private Sector Credit (% of GDP) ⁵	81.7	81.8	80.2	77.8	86.9	81.9
Domestic Currency Deposits (% of GDP) ⁵	114.8	112.7	111.5	109.6	131.0	129.6
Fiscal Year	2016/17	2017/18	2018/19	2019/20	2020/21	
Fiscal Balance (% of GDP)	(5.3)	(4.6)	(0.3)	3.6	(4.7)	
Primary Balance (% of GDP)	2.2	3.2	3.5	6.0	(1.0)	
Interest (% of GDP)	7.5	7.7	3.7	2.3	3.8	
Fiscal Current Account (% of GDP)	(3.0)	(2.8)	1.6	5.4	(1.7)	
Revenue (% of GDP)	27.8	28.8	29.2	28.0	28.3	
Expenditure (% of GDP)	33.1	33.3	29.5	24.4	33.0	
<i>Non-interest Expenditure (% of GDP)</i>	25.6	25.6	25.7	22.1	29.3	
<i>Capital Expenditure (% of GDP)</i>	2.3	1.7	1.9	1.8	3.0	
Gov't Interest Payments (% of Revenue)	26.9	26.9	12.9	8.4	13.4	

^(p) – Provisional

^(e) – Estimate

¹ - Central Bank of Barbados and Barbados Statistical Service

² - Twelve Month Moving Average- Data as at November, 2021

³ - Four Quarter Moving Average

⁴ - Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt

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

* - Data as at September 2021

** Data as at September 2020

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

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

	2016	2017	2018	2019	2020 ^(p)	2021 ^(e)
Tradeables	1,466.8	1,488.1	1,508.6	1,533.9	831.0	760.8
Tourism	872.6	894.8	910.7	944.1	279.8	196.5
Agriculture	109.0	105.5	121.0	115.5	108.9	104.5
Sugar	3.4	5.4	6.0	3.1	3.7	3.7
Non-Sugar Agriculture	105.7	100.1	115.0	112.4	105.3	100.8
Manufacturing	485.2	487.8	476.9	474.3	442.2	459.8
of which:						
<i>Rum & Other Beverages</i>	94.2	115.1	110.8	93.9	93.0	95.5
<i>Food</i>	123.3	118.1	112.3	111.7	95.1	103.1
<i>Furniture</i>	13.4	14.6	13.5	13.2	12.6	13.4
<i>Chemicals</i>	29.2	25.4	25.0	23.8	24.4	24.1
<i>Electronics</i>	36.7	35.3	42.7	44.3	42.5	41.4
<i>Other Manufacturing</i>	141.7	134.4	124.9	115.1	122.9	122.1
Non-tradeables	6,589.9	6,616.3	6,517.1	6,436.1	6,023.2	6,188.5
Mining & Quarrying	32.4	40.7	42.2	49.4	56.6	58.1
Electricity, Gas & Water	219.0	214.8	214.1	213.5	203.5	207.8
Construction	482.8	492.9	461.6	452.3	457.2	457.2
Distribution	1,174.5	1,181.8	1,181.5	1,196.8	987.9	1,010.4
Transport, etc	1,065.3	1,046.7	1,027.7	1,011.5	910.4	949.9
Finance and Other Services	2,761.2	2,783.8	2,748.3	2,721.4	2,594.0	2,680.2
Government	854.7	855.6	841.8	791.0	813.5	824.8
Total	8,056.7	8,104.4	8,025.8	7,970.0	6,854.2	6,949.3
Nominal GDP	9,665.6	9,963.2	10,194.6	10,608.3	9,379.1	9,801.6
Real Growth Rates	2.7	0.6	(1.0)	(0.7)	(14.0)	1.4
Tradeables	2.4	1.5	1.4	1.7	(45.8)	(8.4)
Non-tradeables	2.7	0.4	(1.5)	(1.2)	(6.4)	2.7

^(p) - Provisional

^(e) - Estimate

BSS' 2010 Base Year Series

Sources: Barbados Statistical Service and Central Bank of Barbados

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

	2016	2017	2018	2019	2020 ^(p)	2021 ^(e)
Current Account	(414.8)	(380.6)	(447.4)	(293.7)	(555.6)	(1,305.7)
Inflows	4,795.5	4,832.0	4,860.9	5,159.9	3,525.2	3,498.0
Travel	2,079.1	2,161.4	2,236.5	2,500.0	1,154.4	1,150.1
Other Services	418.4	429.9	444.7	458.5	397.4	441.1
Domestic Exports	504.6	509.7	510.2	507.4	449.4	444.3
Rum	77.6	83.9	79.8	76.8	75.9	84.5
Food	62.7	64.6	65.3	66.4	61.3	66.9
Sugar	7.1	13.5	0.4	0.6	0.9	1.8
Chemicals	72.2	72.5	80.3	77.8	84.7	68.6
Printed Paper Labels	23.1	22.7	26.6	15.3	23.5	25.6
Construction Materials	45.3	42.1	51.7	59.1	38.2	35.9
Other	216.6	210.3	206.1	211.4	164.9	161.0
Re-exported Goods	529.1	461.1	385.7	380.8	241.0	237.7
Net Export of Goods under Merchanting	632.2	635.4	633.8	637.6	547.6	612.1
Income	515.4	529.8	543.0	565.4	338.7	412.4
Transfers	116.7	104.7	107.0	110.1	396.6	200.4
Outflows	5,210.3	5,212.6	5,308.2	5,453.5	4,080.8	4,803.7
Total Imports of Goods	3,080.9	3,040.3	2,997.7	3,003.7	2,843.9	3,177.4
Fuel Imports	502.9	626.2	712.2	728.0	510.6	685.8
Other Merchandise Imports	2,578.0	2,414.1	2,285.5	2,275.7	2,333.3	2,491.6
Services	989.3	1,014.0	1,073.9	1,148.9	553.3	803.3
Income	958.3	977.6	1,042.6	1,099.2	473.7	604.8
General Government	166.8	167.4	183.2	150.0	139.3	128.0
Other Sectors	791.4	810.2	859.5	949.1	334.3	476.8
Transfers	181.8	180.6	194.0	201.7	209.8	218.2
Capital Account	(5.7)	(2.4)	50.9	(5.3)	(4.5)	(5.2)
Financial Account	84.2	86.4	887.6	792.7	1,652.1	1,538.6
Net Foreign Direct Investment	376.7	468.2	464.8	375.3	509.2	417.8
All Other Investment Flows	(292.5)	(381.8)	422.8	417.3	1,142.9	1,120.8
Net Long-term Public	(171.1)	(134.9)	451.0	387.8	968.2	815.6
Net Long-term Private	(44.6)	(156.8)	(3.8)	113.0	251.3	349.5
Net Short-term	(76.8)	(90.1)	(24.4)	(83.5)	(76.7)	(44.3)
Net Errors & Omissions	97.9	68.0	97.1	(12.5)	87.7	170.5
Overall Balance	(238.2)	(228.5)	588.3	481.4	1,179.7	398.2
Change in GIR: - increase/+ decrease	238.2	228.5	(588.3)	(481.4)	(1,179.7)	(398.2)

^(p) - Provisional^(e) - Estimate

Source: Central Bank of Barbados

Table 4 -Summary of Government Operations (BD\$ Millions)

	2016/17	2017/18	2018/19	2019/20	2020/21	Apr-Dec 2018	Apr-Dec 2019	Apr-Dec 2020	Apr-Dec 2021 ^(p)
Total Revenue	2,754.0	2,845.4	2,993.6	2,984.2	2,563.3	2,060.5	2,138.6	1,873.4	1,989.5
Tax Revenue	2,494.5	2,656.3	2,812.4	2,771.2	2,387.8	1,941.9	2,014.0	1,796.3	1,886.4
i) Direct Taxes	970.5	968.9	1,126.9	1,084.7	1,202.9	754.2	795.4	886.8	814.6
Personal	488.3	462.6	482.1	454.7	308.1	313.7	334.5	216.5	268.4
Corporate	248.2	275.1	355.5	309.0	612.9	203.2	195.1	444.2	291.1
Property	135.4	137.6	161.3	214.7	181.6	143.5	192.8	166.5	184.1
Financial Institutions Asset Tax	32.6	48.7	44.6	47.4	45.6	37.4	31.1	34.0	35.3
Other	62.7	44.9	83.4	58.9	54.7	56.4	41.9	25.7	35.8
ii) Indirect Taxes	1,524.0	1,687.4	1,685.6	1,686.5	1,185.0	1,187.7	1,218.6	909.5	1,071.7
Stamp	9.4	10.5	10.9	11.4	7.6	8.0	8.7	6.2	7.3
VAT	890.3	887.3	940.9	966.9	706.3	668.1	704.3	519.1	635.4
Excises	225.6	303.1	271.2	250.9	154.1	184.7	186.0	129.8	148.1
Import Duties	245.2	218.6	213.8	231.6	191.9	158.2	174.1	151.4	165.8
Hotel & Restaurant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Responsibility Levy	29.3	152.0	49.4	0.1	0.0	49.4	0.1	0.0	0.0
Other of which:	124.3	115.9	199.4	225.6	124.9	119.4	145.4	103.1	115.2
Fuel Tax			68.6	82.1	63.8	26.5	61.3	54.8	50.2
Room Rate/Shared Accommodation			10.1	28.1	9.5	4.9	18.1	5.4	12.5
Non Tax Revenue & Grants	259.5	189.1	181.2	213.0	175.4	118.6	124.6	77.1	103.1
Non Tax Revenue	228.4	149.0	161.5	201.3	169.5	111.6	114.5	73.0	95.7
Grants	9.8	22.0	0.1	11.8	0.0	0.0	10.1	0.0	0.0
Post Office - Revenue	21.3	18.1	19.6	0.0	5.9	7.0	0.0	4.0	7.4
Current Expenditure	3,053.0	3,123.8	2,826.4	2,407.9	2,716.8	1,912.7	1,724.8	1,800.4	1,989.9
Wages & Salaries	784.4	782.3	811.9	807.4	808.0	605.2	602.1	599.3	621.6
Goods & Services	385.4	364.3	356.3	375.5	399.8	216.5	238.5	203.0	306.6
Interest	741.7	764.7	384.9	249.7	342.6	316.2	190.1	278.6	265.5
External	168.0	168.0	48.0	62.7	144.1	34.7	51.4	128.1	83.2
Domestic	573.7	596.7	336.9	187.0	198.5	281.6	138.7	150.5	182.2
Transfers & Subsidies	1,141.5	1,212.5	1,273.3	975.3	1,166.3	774.8	694.2	719.4	796.3
Grants to Individuals	327.3	358.3	362.8	389.2	423.7	230.3	276.2	280.7	321.9
Grants to Public Institutions	714.4	761.2	814.8	517.6	657.3	496.8	366.5	391.9	416.1
Subsidies	47.8	51.9	51.8	31.8	49.7	25.4	24.8	22.7	25.1
Subscriptions & Contributions	19.4	22.1	25.7	20.3	20.3	11.8	14.5	13.9	18.5
Non-Profit Agencies	32.7	19.0	18.3	16.4	15.3	10.4	12.2	10.3	14.7
Capital Expenditure & Net Lending	225.1	171.8	197.8	191.8	276.1	73.6	92.8	108.8	220.1
Capital Expenditure	205.4	149.1	184.9	185.1	278.3	62.5	87.3	109.7	219.2
Net Lending	19.7	22.7	12.9	6.7	(2.2)	11.2	5.5	(0.8)	0.9
Fiscal Balance	(524.1)	(450.2)	(30.5)	384.5	(429.6)	74.2	321.0	(35.9)	(220.5)
Primary Balance	217.6	314.5	354.3	634.2	(87.0)	390.4	511.0	242.7	45.0
Fiscal Balance to GDP (%)	(5.3)	(4.6)	(0.3)	3.6	(4.7)	0.8	3.1	(0.3)	(2.4)

^(p)Provisional

Source: Ministry of Finance and Central Bank of Barbados

Table 5 - Government Financing (BDS\$ Millions)

	2016/17	2017/18	2018/19	2019/20	2020/21	Apr-Dec 2018	Apr-Dec 2019	Apr-Dec 2020	Apr-Dec 2021 ^(P)
Fiscal Balance	(524.1)	(450.2)	(30.5)	384.5	(429.6)	74.2	321.0	(35.9)	(220.5)
Arrears Payments			(10.0)	(208.3)	(61.9)	0.0	(208.3)	(61.9)	(29.9)
Financing Requirement	524.1	450.2	40.5	(176.2)	491.5	(74.2)	(112.7)	97.8	250.4
Domestic Financing (Net)	685.7	629.3	(315.5)	(282.8)	(370.7)	(433.9)	(236.5)	(792.7)	(287.7)
Central Bank	783.2	92.8	(166.4)	164.7	(66.6)	(232.5)	122.2	(488.4)	43.3
Commercial Banks	(433.5)	257.9	82.8	(86.3)	106.6	58.4	(115.2)	107.9	(28.5)
National Insurance Board	180.2	3.1	8.9	(85.2)	(207.9)	8.9	(63.9)	(168.0)	16.0
Private Non-Bank	94.6	(57.2)	(119.6)	(217.7)	(34.9)	(83.5)	(132.6)	(72.0)	(0.4)
Other	61.3	332.8	(111.2)	(58.3)	(167.9)	(185.2)	(46.9)	(172.2)	(318.1)
Foreign Financing (Net)	(161.7)	(179.1)	346.2	106.6	862.2	359.7	123.8	890.5	538.1
Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Funds	57.2	113.8	87.9	72.0	81.8	77.3	70.5	81.7	172.3
Policy Loans	0.0	0.0	350.0	150.0	968.1	350.0	150.0	968.1	496.6
Amortisation	(218.8)	(292.8)	(91.7)	(115.4)	(187.7)	(67.6)	(96.7)	(159.3)	(130.8)

^(P) Provisional

Source: Central Bank of Barbados

Table 6 -Public Debt Outstanding (BDS \$Millions)

	2016	2017	2018	2019	2020	2021 ^(p)
Gross Central Government Debt¹	13,294.1	13,704.1	12,573.8	12,426.4	12,761.2	13,310.7
Domestic Debt	10,381.8	10,840.1	9,375.0	9,336.3	8,786.7	8,826.2
Central Bank ²	2,012.4	2,227.7	703.8	814.1	757.0	811.5
Commercial Banks	2,030.9	2,144.9	2,340.2	2,355.2	2,340.4	2,343.7
National Insurance	3,351.6	3,518.9	2,757.8	2,880.0	2,690.6	2,666.1
Insurance Companies	522.3	527.2	1,114.6	807.5	816.3	828.6
PPP	256.8	241.8	-	-	-	-
Other	2,207.8	2,179.7	2,150.3	2,312.9	2,140.9	2,141.8
Domestic Arrears	n.a.	n.a.	308.2	166.7	41.4	34.6
External Debt	2,912.3	2,864.0	3,198.9	3,090.0	3,974.5	4,484.4
International Financial Institutions	1,062.5	1,043.7	1,379.5	1,445.5	2,407.8	2,904.7
Bonds	1,461.0	1,365.5	1,142.8	1,126.2	1,067.3	1,062.3
PPP	249.9	243.1	237.0	228.8	255.0	225.7
Bilateral	138.9	211.6	211.5	222.6	244.4	291.7
External Arrears	-	-	228.1	67.0	-	-
Other Public Sector Debt	1,238.2	1,144.0	94.3	72.3	53.5	47.5
Domestic Debt	965.8	884.6	-	-	-	-
Foreign Debt	272.4	259.4	94.3	66.4	53.5	47.5
Other Public Sector Arrears	n.a.	n.a.	n.a.	6.0	-	-
Gross Public Sector Debt³	14,532.2	14,848.1	12,668.2	12,498.7	12,814.7	13,358.2
Central Government Financial Assets	752.1	715.1	795.0	739.6	912.3	525.9
Central Bank	20.1	20.3	389.4	311.4	801.9	389.4
Commercial Banks	99.4	96.0	174.6	248.4	95.5	120.3
Sinking Funds	632.6	598.8	231.0	179.7	14.9	16.2
Other Public Sector Financial Assets	239.8	189.0	221.6	392.6	426.0	502.6
Public Corporations' Deposits	239.8	189.0	221.6	392.6	426.0	502.6
Gross Public Sector Debt/GDP (%)	150.5	148.9	123.6	118.0	136.6	136.3
Gross Central Government Debt/GDP (%)	137.6	137.4	122.7	117.3	136.1	135.8
External Debt/GDP (%)	30.2	28.7	33.4	29.8	42.4	45.8
Net Central Government ⁴ /GDP (%)	129.9	130.3	115.0	110.3	126.3	130.4

^(p) - Provisional

¹ Gross Central Government Debt = Domestic Debt + External Debt+ Domestic and External Arrears

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

³ Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt +Arrears

⁴ 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

Table 7 -Select Monetary Aggregates and Financial Stability Indicators (BDS\$ Millions)

	2016	2017	2018	2019	2020	2021 ^(P)
Monetary Authorities						
Net International Reserves	574.9	334.7	832.5	1,130.8	2,195.0	2,594.6
Monetary Base	2,481.5	2,375.9	2,659.0	2,938.8	3,551.8	4,132.8
Net Domestic Assets	1,869.3	1,996.9	1,788.8	1,761.6	1,296.2	1,479.0
Deposit-taking Institutions¹						
Credit to Public Sector ²						
Central Government (net)	2,063.6	2,164.5	1,896.4	1,886.7	2,056.5	2,076.7
Rest of the Public Sector	368.2	344.8	107.9	65.0	85.3	145.1
Credit to Rest of Financial System	276.7	248.7	274.5	255.7	262.8	255.2
Credit to the Non-Financial Private Sector ³	7,895.2	8,151.3	8,179.1	8,254.4	8,153.7	8,015.1
Total Deposits	11,837.7	11,978.7	11,967.1	12,284.6	12,976.2	13,599.2
Transferable Deposits ⁴	9,589.1	9,667.6	9,844.5	10,394.3	11,178.9	11,783.4
Non-Transferable Deposits	2,248.5	2,311.1	2,122.6	1,890.3	1,797.3	1,815.8
Memo Items						
Domestic Currency Deposits	11,097.5	11,223.9	11,365.1	11,631.0	12,283.2	12,688.1
Foreign Currency Deposits	740.2	754.8	602.0	653.6	693.0	911.1
Banking System Financial Stability Indicators (%) ⁵						
Capital Adequacy Ratio (CAR)	17.0	17.0	13.8	13.5	16.0	16.3
Loan to Deposit Ratio	63.7	64.4	63.0	61.7	57.1	53.2
Liquid Assets to Total Assets	31.5	29.7	21.8	23.1	25.2	29.1
Non-Performing Loans Ratio	8.6	7.7	7.4	6.6	7.3	7.5
Provisions to Non-Performing Loans	62.7	80.4	67.3	59.4	62.0	59.9
Return on Average Assets (12-month)	1.5	1.3	(0.2)	0.6	0.8	1.1

^(P)-Provisional

¹ Comprises Commercial Banks, Deposit Taking Finance & Trust Companies and Credit Unions

² Reflects both security holdings and loans.

³ Does not include credit to the non-resident sector

⁴ These comprise of call deposits, demand deposits and savings deposits with unrestricted withdrawal privileges

⁵ Data on commercial banking sector

Source: Central Bank of Barbados