



Press Release

Review of Barbados' Economic Performance

January to September 2021



Overview

During the first nine months of the year, COVID-19 continued to test the resilience of the Barbados economy. The economic impact of the virus was complicated by the disruptive effects of unanticipated climatic events leading to increased spending by government, which was already pursuing a counter-cyclical fiscal programme in the aftermath of the substantial revenue loss, caused by the pandemic during FY2020/21. Sporadic spikes in the incidence of COVID cases, including the rapid spread of the Delta variant of the virus during the third quarter, prompted renewed tightening of some restrictions on the movement of individuals and dampened economic activity.

Encouraging, however, the economy continues to prove resilient. Internationally, countries have begun to relax their travel restrictions, especially given the development and distribution of effective vaccines for COVID-19. The distribution has been uneven across countries, but global tourism has started to recover, with a positive effect on the local industry. Private spending, which was depressed in 2020 because of the protracted lockdowns, reduced incomes and general uncertainty also trended upwards, though not to 2019 levels. The domestic embryonic recovery, which started during the previous three-month period, was sustained into the third quarter of 2021. However, these gains were not enough to reverse the substantial first quarter contraction resulting from the National Pause and the exceptionally weak performance of the tourism sector during the pivotal winter season.

Greater economic activity over the past six months has led to a return of jobs in some sectors, but unemployment remains elevated. Rising energy and commodity prices and freight costs raised import prices and added to inflationary pressures, particularly during the third quarter. Earnings from tourism have declined but international reserves remain well in excess of the widely accepted benchmark of twelve weeks of imports. This outcome reflects the impact of the front-loaded borrowing by government over the past 15 months and the foreign asset inflow arising from the recent Special Drawing Rights (SDRs) allocation by the International Monetary Fund (IMF).

Economic Activity

Economic activity registered a second consecutive quarter of growth during July-September, rising by 10 percent relative to the corresponding period in 2020. The improved performance was much stronger than in the April to June quarter, reflecting the combined effects of an expansion in private spending and the strengthening of the recovery in the tourism sector. However, for the first nine months of the year economic activity is estimated to have been approximately 3.2 percent below the corresponding period one year ago.

Tourism

The access to COVID-19 vaccines in key source markets, together with the gradual ease in travel restrictions, contributed to a strengthening of activity in the tourism sector during the third quarter. Arrivals remained below pre-pandemic levels, but registered their strongest quarterly outturn since the onset of COVID-19, as long-stay arrivals reached 43,019 visitors compared to only 13,247 during the similar period in 2020. The length of stay of tourists during the quarter was above pre-pandemic levels but, given the sharp weakening of activity in the first quarter of the year, tourism output was lower by 65 percent for the first nine months of the year relative to 2020.

Table 1: Tourist Arrivals

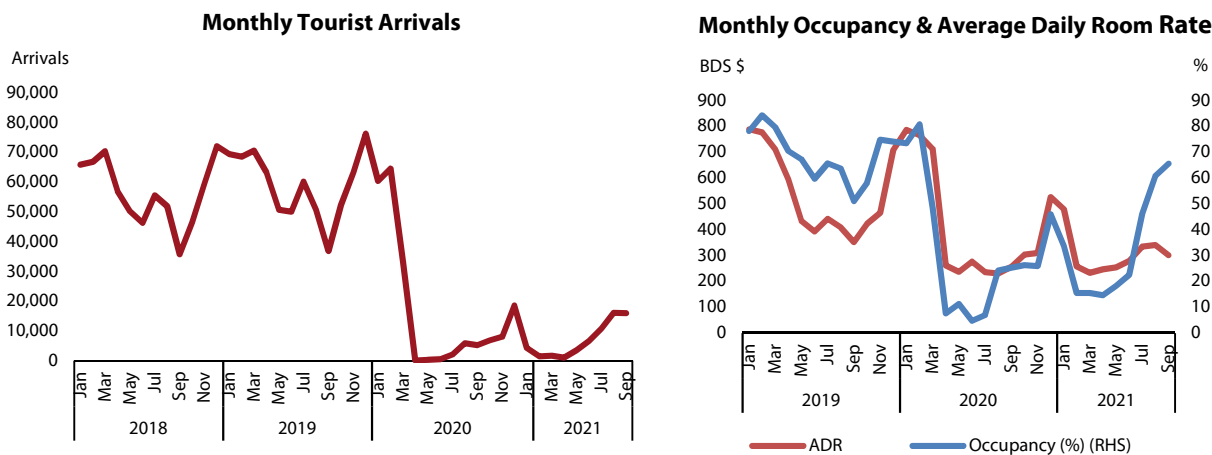
Arrivals	January – September			July - September		
	2019	2020	2021	2019	2020	2021
United States	168,704	44,674	22,080	51,787	1,177	14,133
Canada	61,861	27,920	2,870	10,656	1,100	1,917
United Kingdom	174,389	65,801	22,863	44,396	6,612	19,423
Europe	22,577	11,262	1,282	4,366	489	699
Caribbean	82,377	18,669	10,692	32,732	3,273	5,995
Central & South America	6,505	2,310	833	9,321	299	307
Other	6,170	3,104	1,095	1,888	297	545
Total	522,583	173,740	61,715	155,146	13,247	43,019

Source: Barbados Tourism Marketing Inc.

Arrivals from the United Kingdom and United States markets combined to account for 78.0 percent of overall visitors during the third quarter of the year. More hotel rooms were back in service and hotel occupancy and average daily room rates partially recovered from the collapse of 2020. At some hotel properties, the improved occupancy reflected the additional room demand caused by the need for persons to quarantine. Some hotels took the opportunity to upgrade their properties and the overall room stock has been enhanced by new investment on the south coast.

Despite the upswing in long-stay arrivals, the fortunes of ancillary services have been mixed. Several restaurants have reopened with a promising level of activity while transactions in the real estate rental market picked-up, partly because of the continued growth of the Welcome Stamp programme. However, tourist attractions continued to record low volumes of activity, reflecting the absence of a significant presence of cruise passengers on island and restrictions on capacity. This had spill-over effects on transportation services such as car rentals and taxis.

Figure 1: Monthly Tourist Arrivals and Monthly Occupancy & Average Daily Room Rate



Sources: Barbados Statistical Service, Barbados Tourism Marketing Inc. and the Smith Travel Research

Other Traded Activity

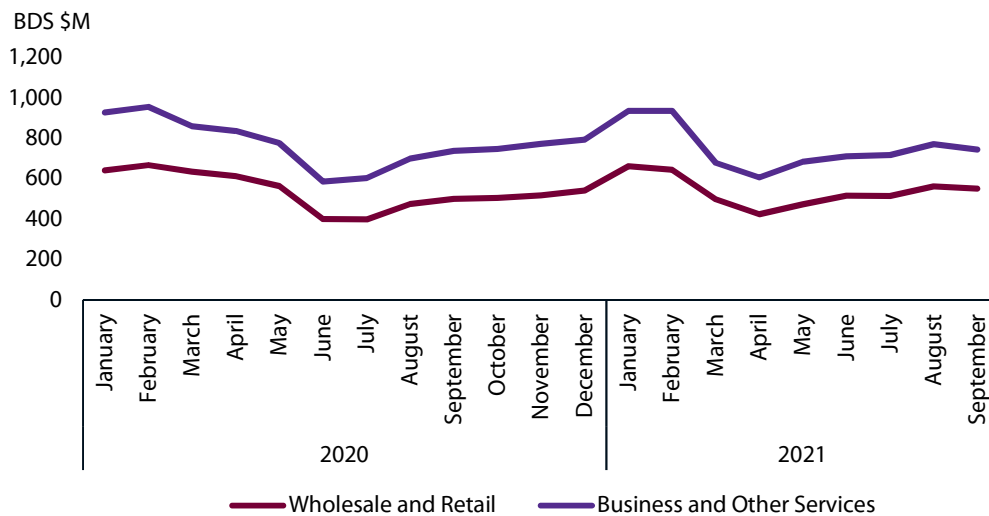
Manufacturing output, which was affected by the heavy ashfall, rose by an estimated 4.7 percent over the January to September period with the main contributors to the expansion in production being food and beverages. Food processors benefited from higher domestic demand for their products, while the growth in beverages stemmed from higher production of rum, partly to satisfy higher export demand. Rum producers continue to face increased competition in the domestic market which has tempered the growth of the sub-sector.

Preliminary data indicates a modest increase in non-sugar agriculture production during the third quarter when compared to the same period last year. Higher output was registered for the milk, chicken and fish production. However, the lower demand in the first half of the year attributed to the fall-off in tourism activity, the ashfall, and the hurricane reduced output across most of the agricultural categories over the nine-month period, with the exception of milk production which benefited from the importation of a herd of cows last year.

Non-Traded Activity

Over the past six months, there has been a robust recovery in the non-traded sectors. With restrictions on business activity reduced, the majority of the expanded activity was realized in the business and other services, wholesale and retail and construction sub-sectors. The improved performance has been reflected in higher electricity usage which shrunk in 2020 because of the reduced commercial activity, particularly in the tourism sector. Residential usage which expanded with the increase in remote work continued to grow but at a slower pace during the last six months.

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



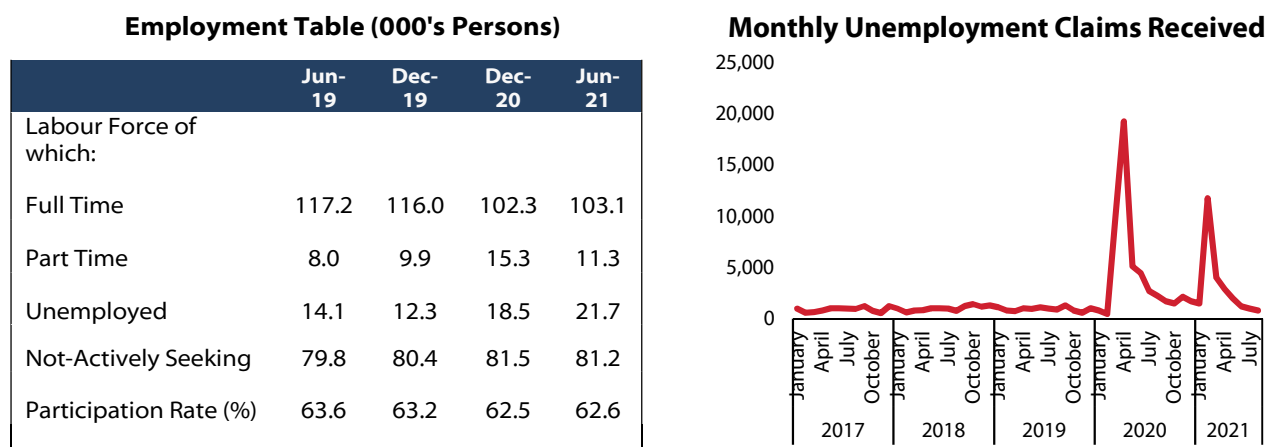
Source: Barbados Revenue Authority

Labour Market

Unemployment remains elevated, but labour market conditions continued to improve with the ease in national lockdown restrictions and the pick-up in economic activity. The labour force participation rate, as reported by the Barbados Statistical Service, remained below pre-COVID levels but, during the second quarter, it recovered to 62.1 percent from 58.7 percent in the previous three-month period.

With approximately 8,700 jobs being recovered during the second quarter of the year, the unemployment rate declined by 1.3 percentage points to 15.9 percent. The improved employment situation was reflected in gains in male unemployment; however, the female jobless rate edged-up from 17.2 percent to 17.8 percent. In addition, full-time employment remained below 2019 levels.

Figure 3: Employment Table and Monthly Unemployment Claims



Sources: Barbados Statistical Service and National Insurance Scheme

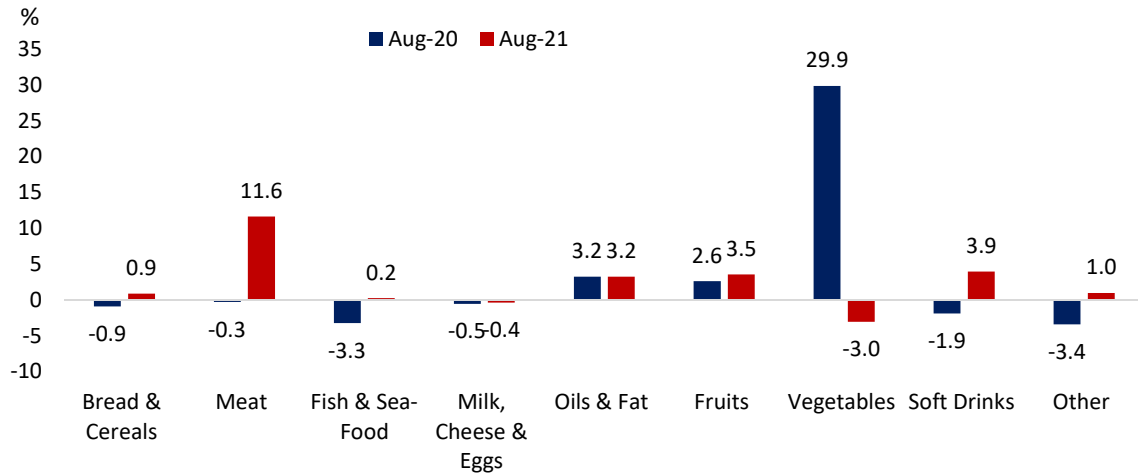
Almost 2,400 of the active labour force represented workers re-engaged under government's Barbados Employment and Sustainable Transformation (BEST) programme, with the hotel sector accounting for 76 percent of the financing provided and 69 percent of the beneficiaries.

Unemployment claims continued to stabilise in the third quarter, reverting to pre-COVID-19 norms. As a result, despite the spike during the first quarter, unemployment claims fell by 43 percent over the January to August period, compared to the equivalent period in 2020.

Prices

For the 12 months ending August 2021, domestic prices rose by 1.8 percent. Price increases were registered for food and non-alcoholic beverages, transportation and housing and utilities. The principle drivers for the price increases include international oil prices and freighting costs.

Figure 4: Food Point-to-Point Price Movements (August)

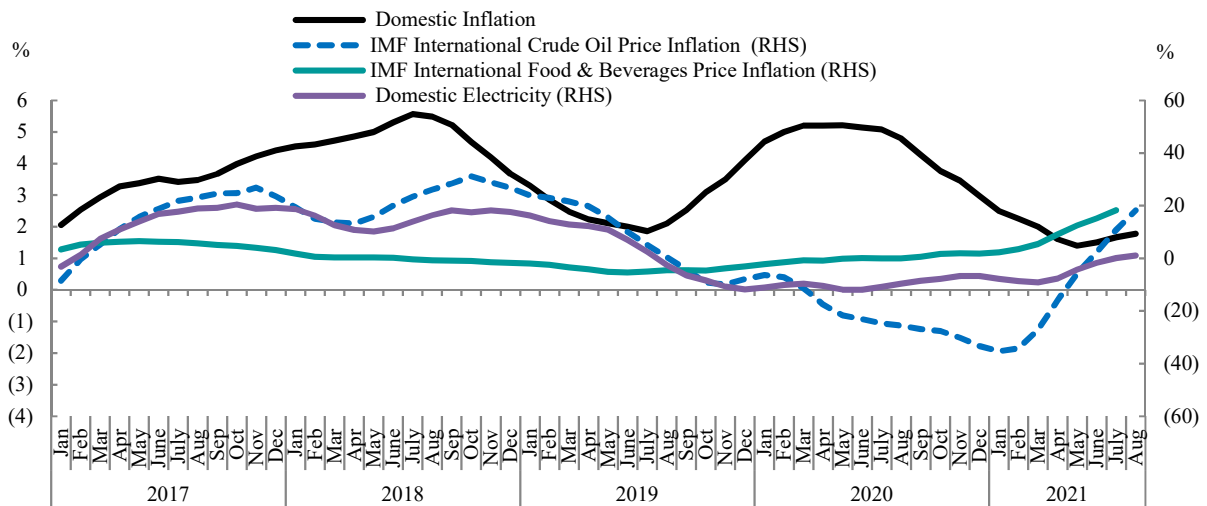


Source: Barbados Statistical Service

Domestically the 3.0 percent increase in food and non-alcoholic beverages, which accounts for 30 percent of the index was influenced by a late start to the rainy season and increased cost for animal feeds, placing upward pressure on the meat (up 2.6 percent), vegetables (up 9.9 percent), fruit (up 3.9 percent) and milk and cheese (up 0.3 percent) categories. Fish and seafood softened these increases with prices declining by 6.5 percent. The Food and Agriculture Organisation’s August report noted that food prices, “on a 12-month moving average basis”, have been rising globally with dairy prices (up 12.3 percent), cereals (up 25.8 percent), oils (up 60.8 percent) and sugar (up 26.2 percent).

Additionally, the overall basket benefited from price contractions for clothing and footwear, furnishings and household equipment and maintenance, communication and recreation, as retailers used heavy discounting to stimulate demand, limiting the effects of international price hikes.

Figure 5: Inflation

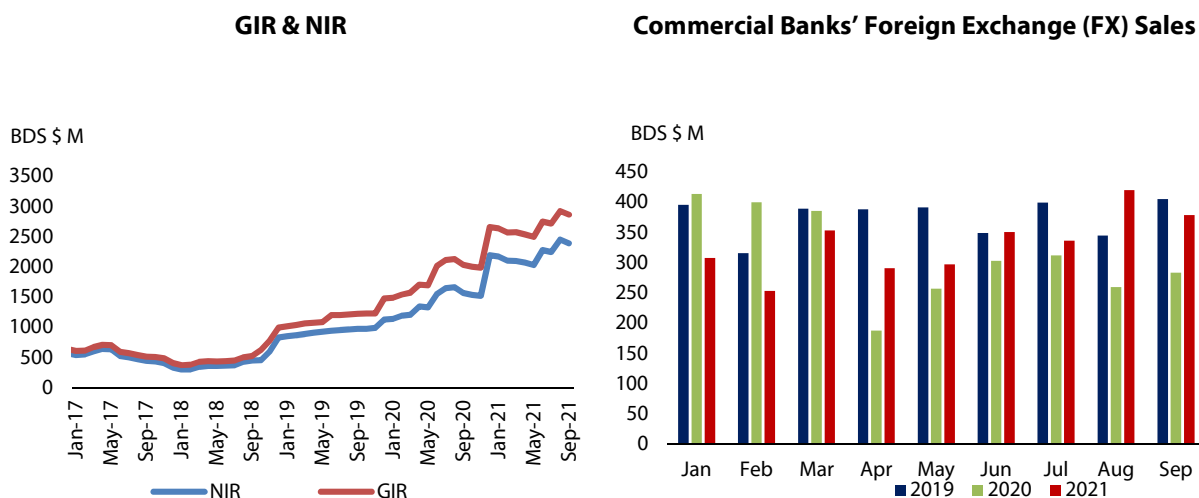


Sources: Barbados Statistical Service and International Monetary Fund Primary Commodity Prices

International Reserves

At end-September, the Central Bank's gross international reserves totalled \$2,865 million, approximately 42 weeks of imports. Borrowing from multilateral lending agencies (\$249 million) and an injection of \$261.6 million from the IMF via its allocation of SDRs to members boosted reserves over the nine months period. Despite these inflows, the reserve increase for the nine-month period was only \$204 million, a result of the steep reduction in travel credits during the first quarter and the pick-up in import demand over the last six months that led banks to purchase foreign exchange from the Central Bank to meet customer needs. Additional external payments were related to debt service and other expenses on behalf of the Government.

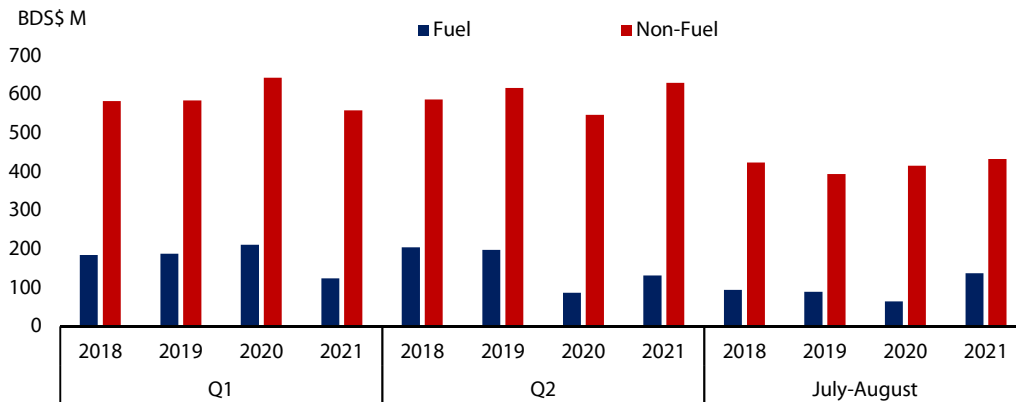
Figure 6: Gross International Reserves (GIR) & Net International Reserves (NIR) and Foreign Exchange (FX) Sales



Source: Central Bank of Barbados

The reduced earnings from tourism services weakened the current account performance over the first nine months of the year. In addition, exports of goods fell and imports of goods, which contracted the year before, strengthened between April and September.

Figure 7: Fuel & Non-Fuel Imports



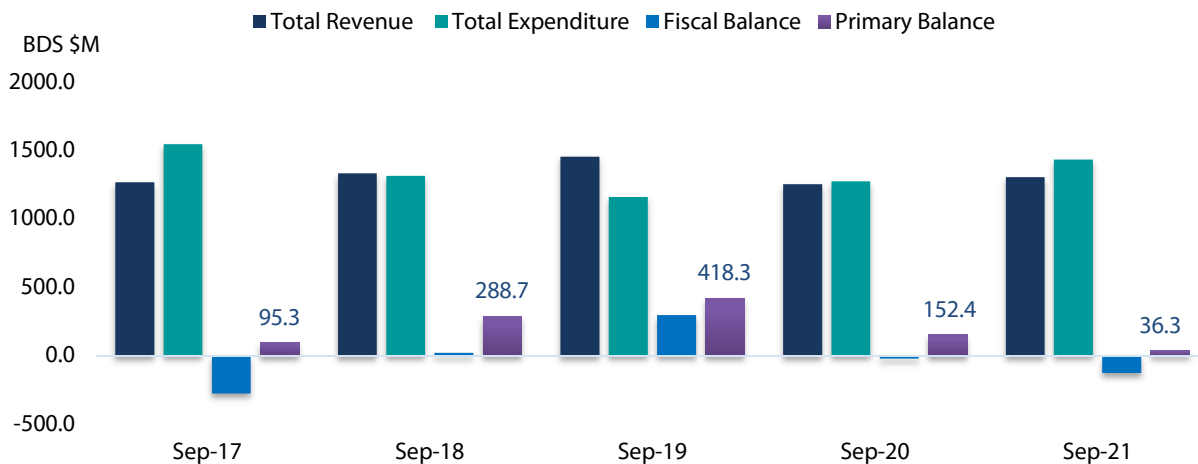
Source: Central Bank of Barbados

Fuel imports represented approximately 70 percent of the expansion in total imports, reflecting the rising cost of fuel on the international market. However, despite rising international prices and increased import volumes over the past six months, the increase was contained by lower than normal imports of aviation fuel, because of the reduced tourism activity in the earlier months of the year.

Fiscal Operations

Government maintained its focus on cushioning the impact of COVID-19 on the economy, while addressing the effects of the climatic events early in the fiscal year. Revenues started to recover but remained well below pre-COVID levels. In contrast, expenditures continued to increase during the first half of the fiscal year, resulting in a narrowing of the primary surplus to \$36.3 million, down from \$152 million in the corresponding period of FY 2020/21.

Figure 8: Fiscal Indicators



Source: Ministry of Finance

Revenue

Revenue increased by 3 percent as taxes on consumption improved from the slump in the previous year. VAT receipts rose by \$72 million due to the pick-up in economic activity, evidenced by higher domestic sales on eligible transactions and imported goods. Excise taxes grew by \$21 million, partly the result of lower rebates and an uptick in receipts from oil imports. Import duties also improved and, with the increase in foreign exchange transactions, revenue collected via the foreign exchange fee accounted for almost half of the enhanced uptake from non-tax revenues which expanded by \$17 million.

Taxes on incomes declined by 12 percent, as corporate tax receipts fell to \$169 million. This decline was anticipated as receipts in 2020 benefitted from one-off payments by foreign currency earning firms and higher collection of arrears receivable. However, personal income tax and property tax offset some of the fall-off in direct tax receipts. Personal income tax increased by \$69 million, partly reflecting higher employment as the economic recovery began. However, with the tax reforms of mid-2019 and 2020, collections were lower than in 2019. Property tax receipts which benefitted from the earlier issuance of land tax bills also remained below 2019 levels. Taxes on assets remained stable, showing marginal improvement over receipts in the similar period of FY2020/21.

Expenditure

Non-interest expenditure rose by 15 percent principally because of rising expenditures to address the on-going impact of COVID-19 and recent unexpected climatic events. Government spent the equivalent of 1.3 percent of GDP during the first half of the year, but anticipates spending of 3.2 percent on a full year basis.

Table 2 – COVID- 19 & Climate Event Costs¹

	FY 2020/21		FY 2021/22			
	April-March		April-September		Estimates	
	BDS\$M	% GDP	BDS\$M	% GDP	BDS\$M	% GDP
Total	209.1	2.5	124.9	1.3	319.7	3.2
COVID-19	209.1	2.5	96.7	1.0	239.5	2.4
Climate Events	-	-	28.3	0.3	80.2	0.8

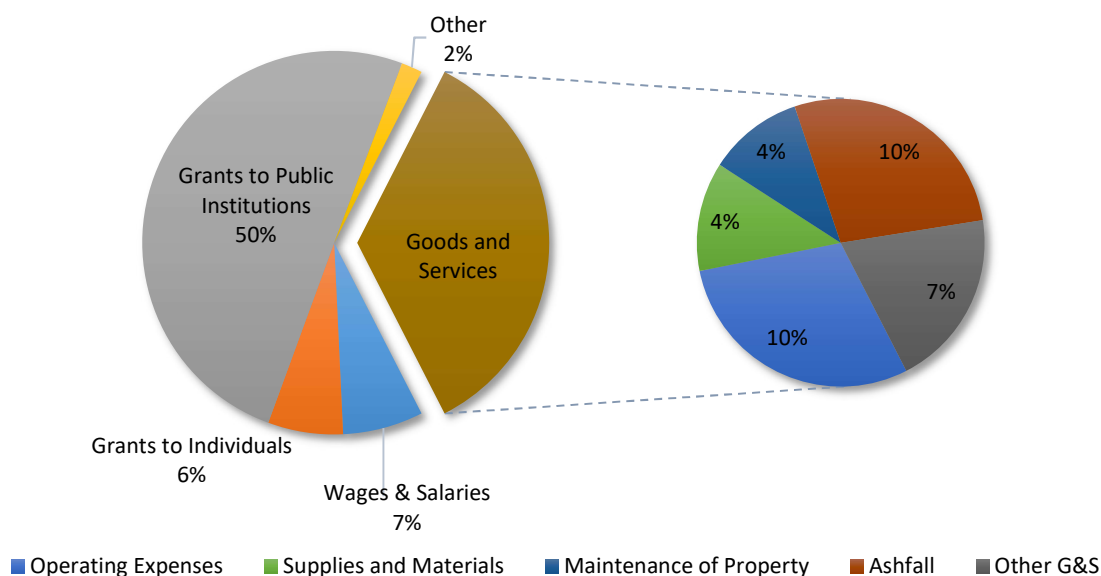
Source: Ministry of Finance

Current expenditure grew by 11 percent primarily on the strength of higher outlays on transfers to public institutions, goods and services and wages and salaries. Transfers to public institutions accounted for approximately 63 percent of the expansion in current spending as government provided additional support to some state-owned enterprises, which were negatively impacted by the onset of the pandemic. The major beneficiaries of the higher transfers were Queen Elizabeth Hospital, partly to assist with costs related to COVID-19 and the National Insurance Scheme which received the first tranche for the recapitalisation of the unemployment fund. Goods and services expenditure grew

¹ Climate Events – Hurricane Elsa and La Soufrière Volcano

by \$35 million, as provisions were put in place to handle events related to natural disasters and the management of COVID-19, inclusive of payments to hotels that were used as isolation facilities. Spending on wages and salaries rose by \$11 million, as more persons were employed primarily in a temporary capacity to assist with the management of the pandemic and the response to the climate events. Other notable current outlays were related to grants to individuals on account of spending on tuition, welfare, the household survival programme and a temporary subsidy to poultry producers.

Figure 9: Non-interest Current Expenditure Increases (April-September FY2021/22)



Source: Ministry of Finance

Capital spending expanded by \$26 million as infrastructural works related to the Constitution River, Speightstown Flood Mitigation and road work projects remain ongoing. Increased spending for the Sanitation Service Authority (SSA) and funding to the private sector via Fund Access and Trust Loans also occurred over the review period. This combined outturn outweighed the reduction in capital transfers to the Barbados Water Authority which was used to finance the water supply network project.

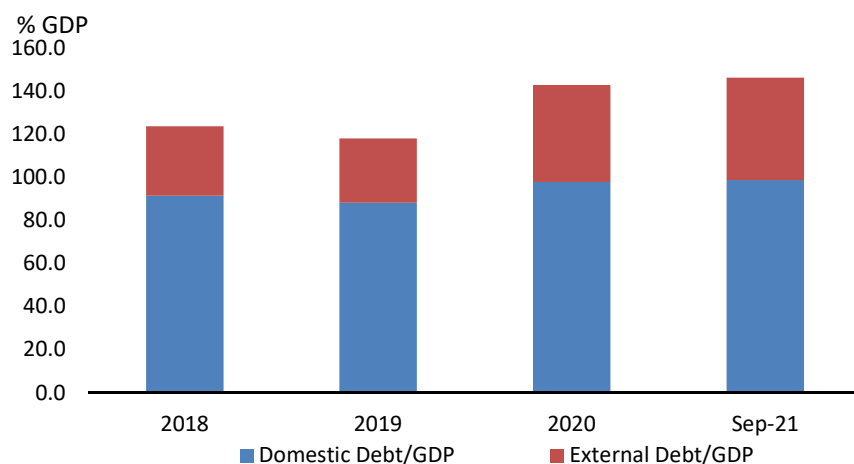
Debt and Financing

Government registered a modest increase in debt over the past six months, principally due to the policy-based loans received from the World Bank and the IMF. In addition, government acquired the outstanding debt of Needham’s Point Holding which increased the domestic debt stock by approximately 0.9 percent of GDP. While the debt stock reached \$13.1 billion, up from \$12.9 billion in March, the debt ratio fell by five percentage points to 146.1 percent of GDP, reflecting the impact of the economic recovery.

The share of external debt now accounts for 32.5 percent of total debt due to the increased reliance on policy-based loans since 2018. These loans support government’s structural reforms but also facilitate a strengthening of the external position while assisting with short term financing. For example, government’s domestic financing during this period was sourced from a drawdown of deposits

accumulated earlier at the Central Bank. Following the debt restructuring, the domestic debt stock has declined, falling by approximately 6 percent of GDP when compared to the end of 2018. This outturn reflects the scheduled amortisation payments, the reduction in domestic arrears and the accelerated payments to the National Insurance Scheme to assist with the high number of unemployment claims due to the onset of the pandemic.

Figure 10: Domestic and External Debt-to-GDP Ratio



Sources: Ministry of Finance & Central Bank of Barbados

On the other hand, the ratio of the external debt stock to GDP rose from 32.1 percent of GDP at the end of 2018 to 47.5 percent of GDP at the end of September 2021.

Table 3: External Funding and Amortisation (BDS \$M)

	2018	2019	2020	Sep-19	Sep-20	Sep-21
Policy Loans	350.0	150.0	968.1	0.0	341.3	249.1
Project Funds	30.8	81.1	83.2	27.7	35.7	73.0
Amortisation	159.5	120.8	178.0	73.8	76.7	93.8

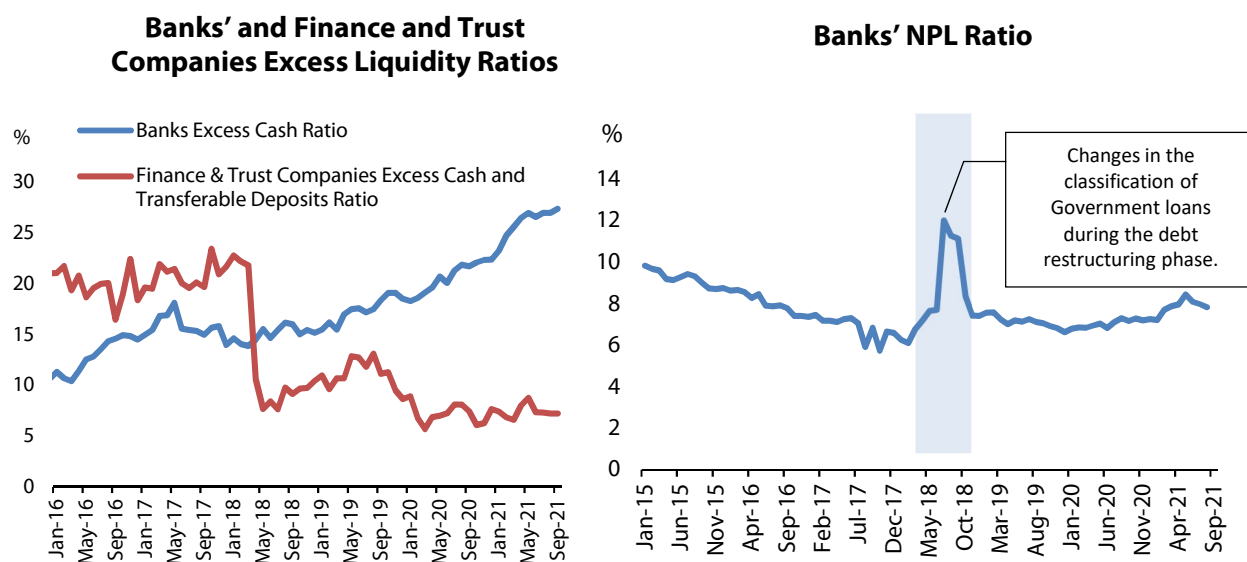
Source: Ministry of Finance

Debt service payments were 12.6 percent lower than in 2020. The share of revenue absorbed by interest payments remains low and over the first half of FY 2020/21 the interest-to-revenue ratio was 12.6 percent, compared to 14 percent during the similar period one year ago. This contrasts with 29.5 percent for the corresponding period of FY2017/18.

Financial Sector Developments

The financial system remained stable during the first nine months of the year. Banks continued to maintain large cash balances with the Central Bank while registering improved capital buffers. Interest rates for deposits and loans remained at historic lows but with loan balances falling further, the net interest income of banks was lower than in 2020. Reduced provisioning expenses enabled banks to improve their profitability as measured by the return on average assets.

Figure 11: Banks' and Finance & Trust Companies Excess Liquidity Ratios and Banks' Non-Performing Loans (NPL) Ratio



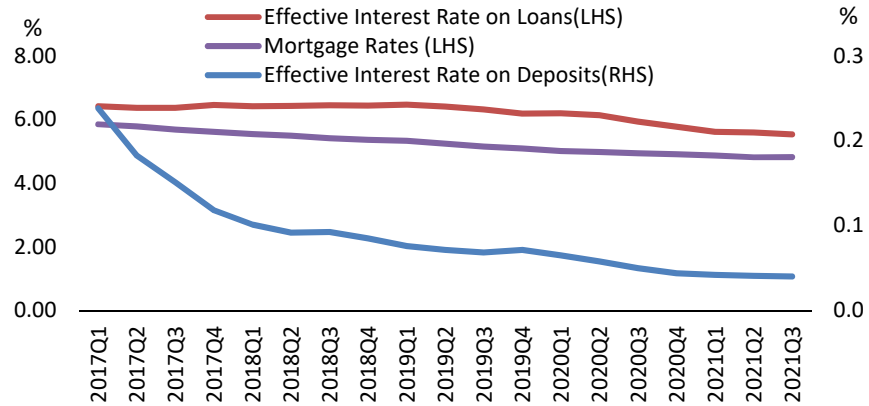
Source: Central Bank of Barbados

Deposit-taking institutions² continued to experience elevated credit risk associated with the pandemic. The loan delinquency ratio stood at 7.5 percent as loans classified as non-performing declined from the previous quarter. This was driven mainly by improvements in the distribution and personal mortgage related sectors. Additionally, the banks' efforts to assist their customers continued to avert pressure on loan impairments.

Banks supported their customers on a case-by-case basis, but loans subject to moratoria were substantially reduced, with the majority mainly situated in the hospitality, household and real estate, retail and other business activity sectors. Additionally, the personal sector took advantage of restructured loans.

² These include commercial banks, finance and trust companies and credit unions.

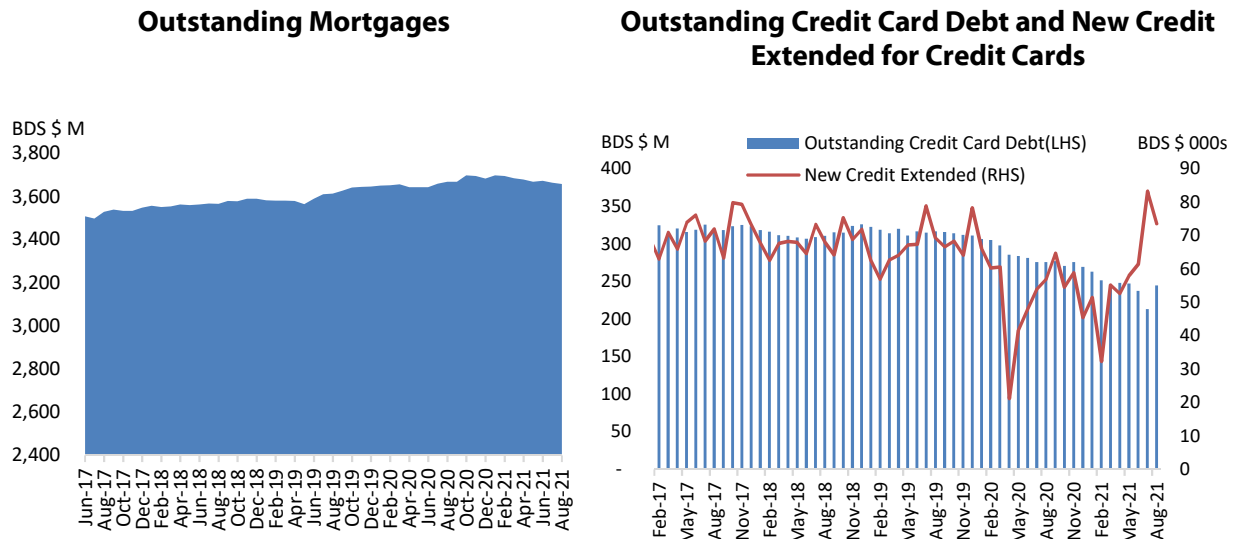
Figure 12: Selected Interest Rates



Source: Central Bank of Barbados

Credit to the non-financial private sector during the first three quarters of 2021 fell by 1.4 percent. Modest growth in new lending related to working capital for the hotel and restaurant and distribution sectors, were outpaced by loan repayments. Loan growth was recorded in the real estate sector primarily due to the extension of new credit. Loans to households continued on a downward trend as outstanding personal debt from mortgages continued to decline. Despite the increase in new credit card debt extended during the third quarter, outstanding credit card debt for the nine month period was lower than the similar period last year.

Figure 13: Outstanding Mortgages and Credit Cards Debt for Households



Source: Central Bank of Barbados

Deposits grew by 4.8 percent on account of higher domestic and foreign currency deposits. The main driver for domestic deposits was the household sector, which accounted for 48.1 percent of the domestic currency growth. Foreign currency accounts, which represented approximately 6.7 percent of total deposits, were mainly driven by the business and financial sectors. Foreign currency deposits grew as a result of activity in households and the business sector. The business sector's increase in foreign currency deposits resulted from the legal and construction industries.

Outlook

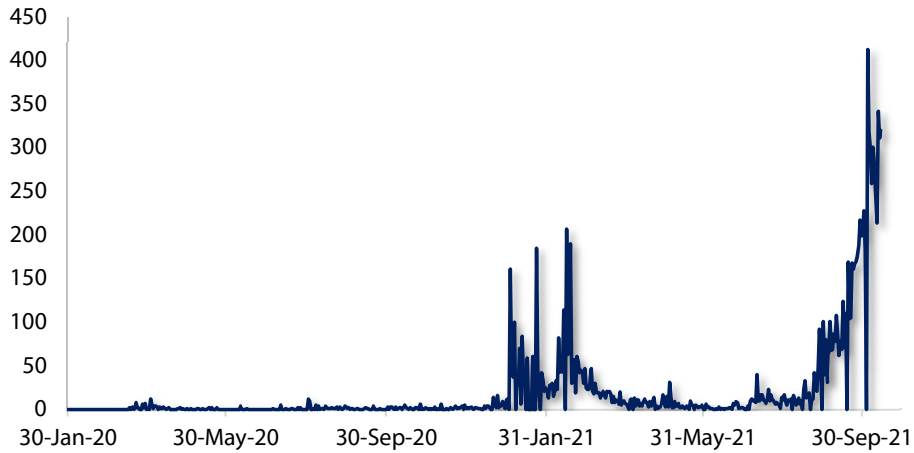
Expansionary fiscal policies, together with the positive spill-over effects of access to COVID-19 vaccines, have triggered strong economic recoveries in Barbados' key source markets for tourism, the United States, the United Kingdom and Canada. The pandemic depressed international tourism in 2020 but, as evidenced by the third quarter performance of tourist arrivals, the process of a return to normalcy is underway. To facilitate a strong revival of activity, tourism planners have negotiated increased airlift, including from new ports, for the coming winter season. As anticipated, visitors to the island remain below pre-pandemic levels, but forward bookings for long-stay visitors and the resumption of cruise ship calls encourage optimism that the economy will sustain its gradual recovery into the fourth quarter.

The forecast for growth this year and next remains sensitive to the overall outturn for tourism. The Bank has narrowed its forecast for growth within the range of 1 percent to 2 percent while the outlook for 2022 is for growth ranging between 7 and 9 percent. The downside risks to these forecasts remain significant, however, because of the impact of the spread of the contagious Delta variant and the slower than anticipated vaccine rollout, caused in part by vaccine hesitancy.

It is clear that a speedier recovery from this pandemic requires us to continue our efforts to contain the spread, including through accelerated vaccination rates. This should assist in minimising infections and increase confidence among visitors and locals alike about their safety. In addition, acceleration of vaccination will help to mitigate concerns about the risk that failure to contain the global spread might lead to more dangerous mutations of the virus that can overwhelm the health care system.

On the upside, the potential benefits include the resumption of normal business hours across the entire economy, increased productivity and reduced downtime associated with testing and contact tracing, revival of small businesses, accelerated job creation, and the normalisation of educational services. In addition, the favourable impact on foreign exchange earnings, government revenues and spending as well as the overall quality of life cannot be overstated.

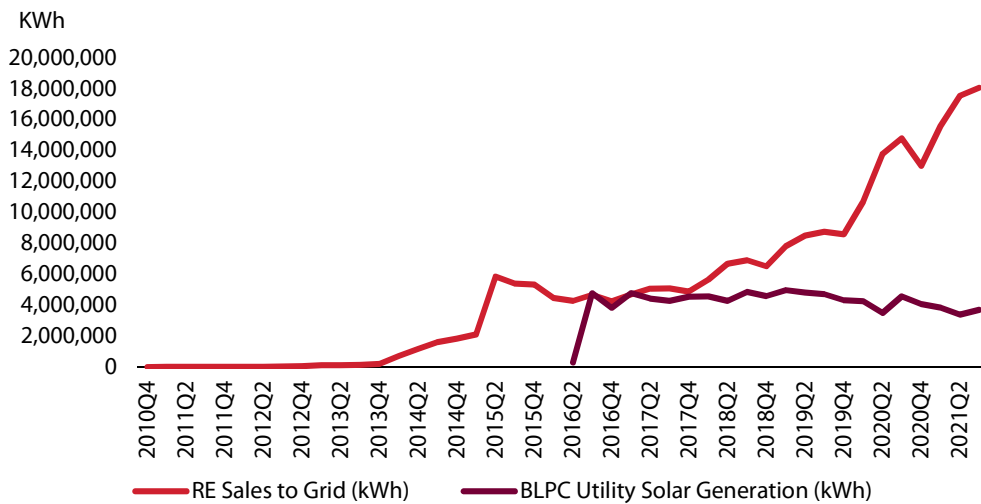
Figure 14: New Daily COVID-19 Cases - Barbados



Source: Barbados Government Information Services

The revival of tourism needs to be complemented by the start of new investments which slowed following the onset of the pandemic. Government’s planned initiatives to facilitate improvements to the housing infrastructure, enabling homes to be more resilient to withstand future climatic events in the aftermath of Hurricane Elsa, will provide needed impetus. In addition, government needs to accelerate public sector projects and facilitate the ease of doing business through timely and efficient delivery of their goods and services. Over the medium-term further development of the economy is dependent upon private sector investments, including for renewable energy and the embracing of technology for innovation and process improvements.

Figure 15: Renewable Energy Generation (KWh)



Source: Barbados Light and Power Company Ltd.

Rising energy and food prices, particularly for oil, metals and agriculture products currently plague the international environment. These rising prices reflect the impact of the release of pent-up demand and global shortages caused in part by bottlenecks at some ports and disruptions in critical links of global supply chains. In light of these outcomes, the cost of imported goods for final and intermediate consumption are anticipated to remain higher, with relief coming by mid-2022. With some price increases felt with a lag, the rate of inflation for 2021 is projected to fall between 2.5 percent and 3.0 percent.

Government's revenues have started to benefit from the uptick in economic activity, but the fiscal stance will remain relaxed over the short-term as government seeks to alleviate the economic and social consequences of the pandemic, through the provision of temporary welfare assistance, strengthening the public health infrastructure and support for the tourism sector through the BEST programme. The combined effects of strong growth and a return to primary surpluses over the medium-term are needed to enable Government to achieve its debt target of 60 percent of GDP.

Foreign inflows have enabled the building of a substantial reserve buffer. Further foreign inflows are anticipated this year, enabling the reserves to remain stable despite rising private sector demand for foreign exchange to support the economic recovery. As a result, the import reserve cover for goods and services should be equivalent to 33.1 weeks at the end of the year.

Table 1 – Economic Indicators

	2017	2018	2019	2020	Sep 2018	Sep 2019	Sep 2020 ^(p)	Sep 2021 ^(e)
Nominal GDP (\$ Million) ¹	9,971.9	10,245.8	10,595.9	8,976.0	7,553.9	7,798.1	6,663.7	6,651.9
Real Growth (%)	0.6	(0.5)	(1.3)	(17.9)	0.0	(2.0)	(17.6)	(3.2)
Inflation (%) ²	4.5	3.7	4.1	2.9	5.2	2.5	4.2	1.8*
Avg. Unemployment (%) ³	10.0	10.1	10.1	13.6**	n.a.	n.a.	n.a.	n.a.
Gross International Reserves (\$ Million)	411.3	999.6	1,481.0	2,660.7	525.6	1,226.9	2,034.8	2,865.1
Gross International Reserves Cover, Weeks	5.3	12.8	18.6	40.7	6.7	15.7	40.7	41.7
BoP Current Account (% of GDP)	(3.8)	(4.4)	(2.9)	(6.3)	(3.8)	(1.4)	(3.4)	(14.4)
Total Imports of Goods (% of GDP)	30.5	29.3	29.3	31.7	28.7	27.5	31.7	32.9
Travel Credits (% of GDP)	21.7	21.8	24.2	12.8	21.5	23.8	15.0	9.4
Financial Account (\$ Millions)	86.4	887.6	792.7	1,652.1	287.1	357.8	940.0	911.0
Gross Public Sector Debt ⁴ (% of GDP)	148.5	123.6	118.0	142.8	156.4	120.7	131.9	146.1
External Debt Service to Curr. Acct. Cred.	8.3	4.9	3.6	9.0	5.5	3.1	5.5	7.0
Treasury-Bill Rate	3.2	0.5	0.5	0.5	3.1	0.5	0.5	0.5
Implicit Deposit Rate	0.10	0.09	0.07	0.04	0.10	0.08	0.05	0.04
Implicit Loan Rate	7.4	7.1	6.2	5.7	6.4	6.3	5.9	5.5
Excess Cash Ratio	14.2	16.1	18.5	22.4	15.4	17.8	21.9	27.4
Private Sector Credit Growth (%) ⁵	3.2	0.4	0.9	(1.2)	0.4	(0.4)	(1.1)	(1.4)
Private Sector Credit (% of GDP) ⁵	81.7	79.8	77.9	90.8	81.5	77.7	86.2	89.8
Domestic Currency Deposits (% of GDP) ⁵	112.6	110.9	109.8	136.9	112.1	110.2	127.4	141.7
Fiscal Year	2017/18	2018/19	2019/20	2020/21	Apr -Sept 2018	Apr -Sept 2019	Apr -Sept 2020	Apr -Sept 2021^(p)
Fiscal Balance (% of GDP)	-4.6	-0.3	3.6	-5.0	0.4	5.8	(0.6)	(2.9)
Primary Balance (% of GDP)	3.2	3.5	6.0	-1.0	5.9	8.2	3.8	0.8
Interest (% of GDP)	7.7	3.7	2.4	4.0	5.5	2.4	4.4	3.7
Fiscal Current Account (% of GDP)	-2.8	1.6	5.5	-1.8	1.1	6.6	1.4	(0.5)
Revenue (% of GDP)	28.8	29.2	28.3	30.1	27.3	28.5	31.1	29.2
Expenditure (% of GDP)	33.3	29.5	24.7	35.1	26.9	22.7	31.7	32.0
<i>Non-interest Expenditure (% of GDP)</i>	25.6	25.7	22.3	31.1	21.4	20.3	27.3	28.3
<i>Capital Expenditure (% of GDP)</i>	1.7	1.9	1.8	3.2	0.7	0.8	1.9	2.3
Gov't Interest Payments (% of Revenue)	26.9	12.9	8.4	13.4	20.2	8.4	14.0	12.6

^(p) - Provisional

^(e) - Estimate

¹ - Central Bank of Barbados and Barbados Statistical Service

² - Twelve Month Moving Average

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 August 2021

** - Data at end of period

n.a.- Not Available

Source: Barbados Statistical Service and Central Bank of Barbados

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

	2016	2017	2018	2019	2020	Sep-18	Sep-19	Sep-20 ^(p)	Sep-21 ^(e)
Tradeables	1,850.9	1,908.1	1,940.7	1,963.7	984.2	1,435.9	1,444.3	778.9	551.3
Tourism	1,256.7	1,314.9	1,342.7	1,379.8	409.1	992.6	1,006.0	349.9	112.1
Agriculture	109.0	105.5	121.1	115.5	121.5	92.0	85.4	87.9	82.2
Sugar	3.4	5.4	6.0	4.0	4.2	6.0	4.0	4.2	4.2
Non-Sugar Agriculture	105.7	100.1	115.1	111.6	117.3	86.0	81.4	83.7	78.0
Manufacturing	485.2	487.8	476.9	468.4	453.6	351.4	353.0	341.0	356.9
of which:									
<i>Rum & Other Beverages</i>	94.2	94.7	92.6	90.9	88.0	68.2	68.5	66.2	69.3
<i>Food</i>	123.3	124.0	121.2	119.1	115.3	89.3	89.7	86.7	90.7
<i>Furniture</i>	13.4	13.4	13.1	12.9	12.5	9.7	9.7	9.4	9.8
<i>Chemicals</i>	29.2	29.4	28.7	28.2	27.3	21.1	21.2	20.5	21.5
<i>Electronics</i>	36.7	36.9	36.1	35.4	34.3	26.6	26.7	25.8	27.0
<i>Other Manufacturing</i>	141.7	142.4	139.3	136.8	132.4	102.6	103.1	99.6	104.2
Non-tradeables	6,204.2	6,193.4	6,119.3	5,991.0	5,543.7	4,565.9	4,439.8	4,067.4	4,139.7
Mining & Quarrying	32.4	40.7	42.2	49.6	47.9	31.6	34.4	32.7	33.4
Electricity, Gas & Water	219.0	214.8	214.1	213.5	202.3	160.4	158.7	151.7	152.4
Construction	482.8	492.9	461.6	452.3	435.5	346.4	334.5	326.6	316.3
Distribution	788.9	759.2	747.7	736.8	666.2	546.3	537.9	471.9	477.7
Transport, etc	1,065.3	1,046.7	1,027.7	1,007.4	937.9	763.3	747.0	692.2	706.1
Finance and Other Services	2,761.1	2,783.5	2,784.2	2,740.4	2,462.8	2,098.6	2,042.6	1,807.7	1,861.4
Government	854.7	855.6	841.8	791.0	791.1	619.3	584.7	584.5	592.4
Total	8,055.1	8,101.6	8,060.1	7,954.8	6,527.9	6,001.8	5,884.1	4,846.3	4,691.0
Nominal GDP	9,658.6	9,971.9	10,245.8	10,595.9	8,976.0	7,553.9	7,798.1	6,663.7	6,651.9
Real Growth Rates	2.8	0.6	(0.5)	(1.3)	(17.9)	0.0	(2.0)	(17.6)	(3.2)
Tradeables	6.0	3.1	1.7	1.2	(49.9)	2.5	0.6	(46.1)	(29.2)
Non-tradeables	1.9	(0.2)	(1.2)	(2.1)	(7.5)	0.8	(2.8)	(8.4)	1.8

^(p) - Provisional

^(e) - Estimate

¹ - BSS' 2010 Base Year Series

Source: Barbados Statistical Service and Central Bank of Barbados

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

	2017	2018	2019	2020 ^(p)	Sep 2017	Sep 2018	Sep 2019	Sep 2020 ^(p)	Sep 2021 ^(e)
Current Account	(380.6)	(453.2)	(311.1)	(561.8)	(228.2)	(284.1)	(111.2)	(227.7)	(958.5)
Inflows	4,832.0	4,855.0	5,142.4	3,519.0	3,629.5	3,619.3	3,900.7	2,917.6	2,506.4
Travel	2,161.4	2,230.7	2,482.5	1,148.2	1,626.2	1,626.0	1,852.4	1,002.7	627.3
Other Services	429.9	444.7	458.5	397.4	338.3	349.4	360.1	315.7	342.4
Domestic Exports	509.7	510.2	507.4	449.4	372.6	384.9	381.9	340.9	327.8
Rum	83.9	79.8	76.8	75.9	63.9	62.5	60.7	59.4	65.0
Food	64.6	65.3	66.4	61.3	46.1	47.3	48.5	46.5	47.9
Sugar	13.5	0.4	0.6	0.9	4.8	0.3	0.4	0.8	1.2
Chemicals	72.5	80.3	77.8	84.7	49.6	56.4	59.0	62.9	47.4
Printed Paper Labels	22.7	26.6	15.3	23.5	17.5	20.9	15.3	18.0	19.9
Construction Materials	42.1	51.7	59.1	38.2	30.4	37.5	46.3	28.9	26.5
Other	210.3	206.1	211.4	164.9	160.3	160.0	151.8	124.4	119.8
Re-exported Goods	461.1	385.7	380.8	241.0	323.9	280.0	305.0	202.1	154.4
Net Export of Goods under Merchanting	635.4	633.8	637.6	547.6	476.6	475.4	478.2	453.2	454.8
Income	529.8	543.0	565.4	338.7	405.0	415.1	432.4	276.6	320.5
Transfers	104.7	107.0	110.1	396.6	87.0	88.4	90.7	326.4	279.2
Outflows	5,212.6	5,308.2	5,453.5	4,080.8	3,857.6	3,903.3	4,011.9	3,145.4	3,464.9
Total Imports of Goods	3,040.3	2,997.7	3,003.7	2,843.9	2,174.8	2,170.7	2,140.9	2,111.2	2,183.2
Fuel Imports	626.2	712.2	728.0	510.6	445.7	582.2	534.5	395.7	447.8
Other Merchandise Imports	2,414.1	2,285.5	2,275.7	2,333.3	1,729.1	1,588.5	1,606.4	1,715.5	1,735.4
Services	1,014.0	1,073.9	1,148.9	553.3	795.7	819.5	857.7	466.4	569.7
Income	977.6	1,042.6	1,099.2	473.7	739.3	759.3	853.4	401.4	539.1
General Government	167.4	183.2	150.0	139.3	118.2	117.0	130.5	84.8	101.9
Other Sectors	810.2	859.5	949.1	334.3	621.1	642.3	722.9	316.7	437.2
Transfers	180.6	194.0	201.7	209.8	147.8	153.7	159.9	166.3	172.9
Capital Account	(2.4)	50.9	(5.3)	(4.5)	(2.1)	52.4	(4.5)	(3.7)	(4.2)
Financial Account	86.4	887.6	792.7	1,652.1	129.6	287.1	357.8	940.0	911.0
Net Foreign Direct Investment	468.2	464.8	375.3	509.2	351.2	315.2	301.5	346.8	324.9
All Other Investment Flows	(381.8)	422.8	417.3	1,142.9	(221.6)	(28.1)	56.3	593.3	586.1
Net Long-term Public	(134.9)	451.0	387.8	968.2	(79.5)	(51.9)	132.1	397.2	468.7
Net Long-term Private	(156.8)	(3.8)	113.0	251.3	(71.4)	32.1	(23.4)	230.5	132.4
Net Short-term	(90.1)	(24.4)	(83.5)	(76.7)	(70.7)	(8.4)	(52.3)	(34.5)	(15.0)
Net Errors & Omissions	68.0	102.9	5.0	93.9	(23.1)	58.8	(14.8)	(154.8)	256.1
Overall Balance	(228.5)	588.3	481.4	1,179.7	(123.8)	114.3	227.3	553.9	204.4
Change in GIR: - increase/+ decrease	228.5	(588.3)	(481.4)	(1,179.7)	123.8	(114.3)	(227.3)	(553.9)	(204.4)

^(p) - Provisional

^(e) - Estimate

Source: Central Bank of Barbados

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

	2017/18	2018/19	2019/20	2020/21	Apr -Sep 2018	Apr -Sep 2019	Apr -Sep 2020	Apr -Sep 2021 ^(P)
Total Revenue	2,845.4	2,993.6	2,984.2	2,563.3	1,333.4	1,454.4	1,252.0	1,304.5
Tax Revenue	2,656.3	2,812.4	2,771.2	2,387.8	1,247.4	1,370.4	1,200.5	1,235.3
i) Direct Taxes	968.9	1,126.9	1,084.7	1,202.9	472.6	583.0	643.8	567.4
Personal	462.6	482.1	454.7	308.1	227.7	241.7	130.9	199.5
Corporate	275.1	355.5	309.0	612.9	161.7	124.1	340.2	169.3
Property	137.6	161.3	214.7	181.6	28.4	171.5	132.9	152.5
Financial Institutions Asset Tax	48.7	44.6	47.4	45.6	26.6	17.2	22.1	23.5
Other	44.9	83.4	58.9	54.7	28.3	28.4	17.7	22.6
ii) Indirect Taxes	1,687.4	1,685.6	1,686.5	1,185.0	774.7	787.4	556.8	667.9
Stamp	10.5	10.9	11.4	7.6	5.0	6.3	3.3	4.4
VAT	887.3	940.9	966.9	706.3	442.9	471.3	324.0	396.4
Excises	303.1	271.2	250.9	154.1	114.5	114.8	68.5	89.6
Import Duties	218.6	213.8	231.6	191.9	99.1	102.8	93.4	100.9
Hotel & Restaurant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Responsibility Levy	152.0	49.4	0.1	0.0	49.3	0.1	0.0	0.0
Other of which:	115.9	199.4	225.6	124.9	64.0	92.2	67.6	76.6
Fuel Tax		68.6	82.1	63.8	4.5	38.4	34.0	33.2
Room Rate/Shared Accommodation		10.1	28.1	9.5	1.5	11.3	3.6	5.6
Non Tax Revenue & Grants	189.1	181.2	213.0	175.4	86.0	83.9	51.4	69.2
Non Tax Revenue	149.0	161.5	201.3	169.5	80.1	73.9	47.4	64.1
Grants	22.0	0.1	11.8	0.0	0.0	10.0	0.0	0.0
Post Office - Revenue	18.1	19.6	0.0	5.9	5.9	0.0	4.0	5.0
Current Expenditure	3,123.8	2,826.4	2,407.9	2,716.8	1,280.0	1,119.1	1,196.3	1,327.4
Wages & Salaries	782.3	811.9	807.4	808.0	382.3	399.0	399.3	410.6
Goods & Services	364.3	356.3	375.5	399.8	140.1	145.0	153.0	187.7
Interest	764.7	384.9	249.7	342.6	269.5	122.6	175.1	163.9
External	168.0	48.0	62.7	144.1	19.6	31.9	73.5	65.4
Domestic	596.7	336.9	187.0	198.5	249.9	90.7	101.5	98.5
Transfers & Subsidies	1,212.5	1,273.3	975.3	1,166.3	488.1	452.5	468.9	565.3
Grants to Individuals	358.3	362.8	389.2	423.7	142.3	180.8	210.2	220.7
Grants to Public Institutions	761.2	814.8	517.6	657.3	314.3	235.5	224.9	307.8
Subsidies	51.9	51.8	31.8	49.7	17.1	18.6	16.8	12.2
Subscriptions & Contributions	22.1	25.7	20.3	20.3	7.2	10.1	9.8	14.9
Non-Profit Agencies	19.0	18.3	16.4	15.3	7.3	7.5	7.2	9.6
Capital Expenditure & Net Lending	171.8	197.8	191.8	276.1	34.2	39.5	78.4	104.6
Capital Expenditure	149.1	184.9	185.1	278.3	25.8	36.5	78.7	106.7
Net Lending	22.7	12.9	6.7	(2.2)	8.4	3.0	(0.3)	(2.1)
Fiscal Balance	(450.2)	(30.5)	384.5	(429.6)	19.2	295.7	(22.7)	(127.6)
Primary Balance	314.5	354.3	634.2	(87.0)	288.7	418.3	152.4	36.3
Fiscal Balance to GDP (%)	(4.6)	(0.3)	3.6	(5.0)	0.4	5.8	(0.6)	(2.9)

^(P)Provisional

Source: Ministry of Finance

Table 5 -Government Financing (BDS\$ Millions)

	2017/18 ^(p)	2018/19 ^(e)	2019/20 ^(e)	2020/21 ^(e)	Apr-Sep 2018	Apr-Sep 2019	Apr-Sep 2020	Apr-Sep 2021
Total Financing	450.2	30.6	(384.5)	429.6	(19.2)	(295.7)	22.7	127.6
Domestic Financing (Net)	629.3	(315.5)	(491.1)	(432.6)	(23.0)	(263.1)	(294.8)	(129.0)
Central Bank	92.8	(166.4)	164.7	(66.6)	101.8	175.6	(43.0)	231.4
Commercial Banks	257.9	82.8	(86.3)	106.6	58.4	(62.2)	115.0	(20.0)
National Insurance Board	3.1	8.9	(85.2)	(207.9)	8.9	(42.6)	(41.1)	16.7
Private Non-Bank	(57.2)	(119.6)	(217.7)	(34.9)	(28.7)	(104.8)	(54.5)	8.2
Other	332.8	(111.2)	(58.3)	(167.9)	(163.4)	(95.8)	(209.3)	(335.5)
Arrears Payments	n.a	(10.0)	(208.3)	(61.9)	0.0	(133.3)	(61.9)	(29.9)
Foreign Financing (Net)	(179.1)	346.2	106.6	862.2	3.8	(32.6)	317.5	256.6
Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Funds	113.8	87.9	72.0	81.8	46.5	17.1	34.2	72.9
Policy Loans	0.0	350.0	150.0	968.1	0.0	0.0	341.3	249.1
Amortisation	(292.8)	(91.7)	(115.4)	(187.7)	(42.7)	(49.7)	(58.0)	(65.4)

^(p)Provisional

Source: Central Bank of Barbados

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

	2017	2018	2019	2020	Sep-18	Sep-19	Sep-20 ^(p)	Sep-21 ^(p)
Gross Central Government Debt¹	13,666.0	12,573.8	12,426.4	12,761.2	14,762.6	12,565.0	12,426.3	13,047.9
Domestic Debt	10,840.1	9,375.0	9,336.3	8,786.7	11,964.2	9,289.4	9,024.8	8,845.0
Central Bank ²	2,227.7	703.8	814.1	757.0	2,007.6	740.9	806.8	827.9
Commercial Banks	2,144.9	2,340.2	2,355.2	2,340.4	2,099.6	2,359.4	2,345.4	2,334.2
National Insurance	3,518.9	2,757.8	2,880.0	2,690.6	3,402.2	2,901.3	2,817.6	2,666.9
Insurance Companies	527.2	1,114.6	807.5	816.3	824.3	1,118.4	820.5	846.7
PPP	241.8	-	-	-	236.9	-	-	-
Other	2,179.7	2,150.3	2,312.9	2,140.9	2,212.2	1,989.9	2,154.1	2,134.7
Domestic Arrears	-	308.2	166.7	41.4	1,181.3	179.6	80.5	34.6
External Debt	2,825.8	3,198.9	3,090.0	3,974.5	2,798.4	3,275.6	3,401.5	4,203.0
International Financial Institutions	1,043.7	1,379.5	1,445.5	2,407.8	1,092.5	1,302.8	1,776.2	2,622.6
Bonds	1,452.8	1,142.8	1,126.2	1,067.3	1,138.7	1,130.0	1,127.3	1,062.3
PPP	243.1	237.0	228.8	255.0	237.0	228.8	262.3	233.1
Bilateral	86.1	211.5	222.6	244.4	211.5	197.3	235.8	284.9
External Arrears	-	228.1	67.0	-	118.8	416.6	-	-
Other Public Sector Debt	1,144.0	94.3	72.3	53.5	940.9	97.9	54.9	49.0
Domestic Debt	884.6	-	-	-	833.2	-	-	-
Foreign Debt	259.4	94.3	66.4	53.5	107.8	89.8	54.9	49.0
Other Public Sector Arrears	-	-	6.0	-	-	8.1	-	-
Gross Public Sector Debt³	14,810.0	12,668.2	12,498.7	12,814.7	15,703.5	12,670.9	12,481.2	13,096.9
Central Government Financial Assets	715.1	795.0	739.6	912.3	701.7	588.0	512.9	341.6
Central Bank	20.3	389.4	311.4	801.9	21.9	184.7	404.5	217.7
Commercial Banks	96.0	174.6	248.4	95.5	95.6	214.4	93.5	109.0
Sinking Funds	598.8	231.0	179.7	14.9	584.2	188.9	14.9	14.9
Other Public Sector Financial Assets	189.0	221.6	392.6	426.0	237.3	339.7	498.1	502.6
Public Corporations' Deposits	189.0	221.6	392.6	426.0	237.3	339.7	498.1	502.6
Gross Public Sector Debt/GDP (%)	148.5	123.6	118.0	142.8	156.4	120.7	131.9	146.1
Gross Central Government Debt/GDP (%)	137.0	122.7	117.3	142.2	147.0	119.8	131.3	145.6
External Debt/GDP (%)	28.3	33.4	29.8	44.3	27.9	32.1	36.0	46.9
Net Central Government ⁴ /GDP (%)	129.9	115.0	110.3	132.0	140.0	114.2	125.9	141.7

^(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

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

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

	2017	2018	2019	2020	Sept 2018	Sept 2019	Sept 2020	Sept 2021 ^(p)
Monetary Authorities								
Net International Reserves	334.7	832.5	1,130.8	2,195.0	453.3	970.6	1,567.2	2,390.8
Monetary Base	2,375.9	2,659.0	2,938.8	3,551.8	2,598.1	2,896.0	3,444.0	4,151.3
Net Domestic Assets	1,996.9	1,788.8	1,761.6	1,296.2	2,105.2	1,880.0	1,815.2	1,692.4
Deposit-taking Institutions¹								
Credit to Public Sector ²								
Central Government (net)	2,164.5	1,896.4	1,886.7	2,056.5	2,166.0	1,887.9	2,051.4	2,081.1
Rest of the Public Sector	344.8	107.9	65.0	85.3	300.7	58.5	60.5	140.9
Credit to Rest of Financial System	248.7	274.5	255.7	262.8	269.4	279.0	258.6	255.2
Credit to the Non-Financial Private Sector ³	8,151.3	8,179.1	8,254.4	8,153.7	8,181.1	8,150.3	8,160.2	8,037.5
Total Deposits	11,978.7	11,967.1	12,284.6	12,976.2	11,881.2	12,186.8	12,701.7	13,599.2
Transferable Deposits ⁴	9,667.6	9,844.5	10,394.3	11,178.9	9,704.1	10,193.2	10,910.4	11,783.4
Non-Transferable Deposits	2,311.1	2,122.6	1,890.3	1,797.3	2,177.1	1,993.6	1,791.3	1,815.8
Memo Items								
Domestic Currency Deposits	11,223.9	11,365.1	11,631.0	12,283.2	11,250.9	11,559.8	12,051.4	12,688.1
Foreign Currency Deposits	754.8	602.0	653.6	693.0	630.3	627.0	650.2	911.1
Banking System Financial Stability Indicators⁵								
Capital Adequacy Ratio (CAR)	17.0	13.8	13.5	16.0	15.8	13.1	15.8	16.3
Loan to Deposit Ratio	64.4	63.0	61.7	57.1	66.7	61.3	58.7	53.2
Liquid Assets to Total Assets	29.7	21.8	23.1	25.2	33.4	23.2	23.9	29.1
Non-Performing Loans Ratio	7.7	7.4	6.6	7.3	11.2	7.1	7.2	7.5
Provisions to Non-Performing Loans	80.4	67.3	59.4	62.0	51.5	56.0	66.0	59.9
Return on Average Assets (12-month)	1.3	(0.2)	0.6	0.8	1.1	(0.8)	0.9	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