



Press Release

Review of Barbados' Economic Performance

January to June 2021



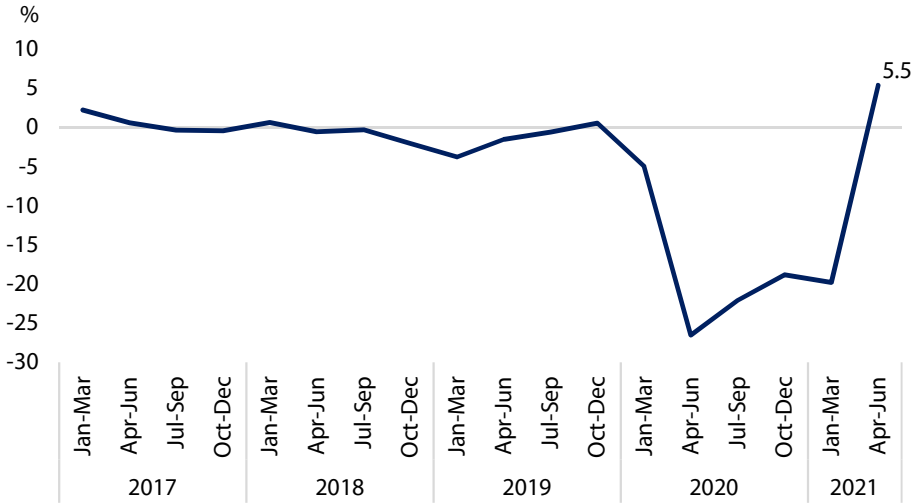
Overview

The performance of Barbados' economy continues to be restrained by the protracted global presence of the COVID-19 pandemic. The uncertainty created by the high incidence of COVID-19 cases at home and in our key source markets for tourism, international travel restrictions, and the "National Pause" in February have dampened economic activity.

However, following the sharp decline during the preceding twelve months, preliminary data suggests that the economic recovery has started. With the on-going weakness of the tourism industry, the non-traded sectors which were particularly hard-hit in the corresponding quarter a year ago served as the principal source of modest growth during the second quarter. Despite these gains, private spending remains well below pre-COVID levels.

The recent ash-fall from the eruption of La Soufrière volcano and the passage of Hurricane Elsa have further demonstrated our vulnerability to external shocks and resulted in unplanned fiscal costs. Government has relaxed its fiscal policy stance to cushion the adverse economic effects of the pandemic by supporting efforts to safeguard lives and livelihoods but it will need to adapt its programme so as to cope with these emerging challenges.

Figure 1: Quarterly Real GDP Growth



Sources: Barbados Statistical Service and Central Bank of Barbados

Economic Activity

The economy grew by an estimated 5.5 percent during the second quarter, indicative of an emerging mild recovery. The improved performance between April and June reflects the gradual easing of travel restrictions and higher domestic private sector spending relative to last year when the economy was under lockdown for much of the quarter. However, the moderate growth was not enough to offset the

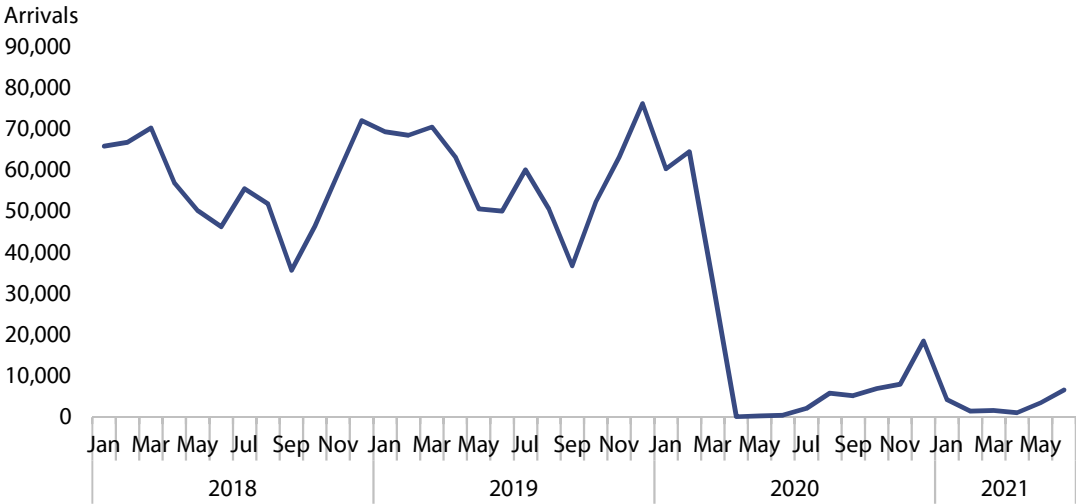
very weak performance of the tourism sector in the first quarter and preliminary indicators suggest that activity for the first half of the year was 9.0 percent lower than for the same period in 2020.

Tourism

Activity in the tourism sector remains subdued. In the second quarter, a partial resumption of airlift facilitated 11,289 long stay tourist arrivals compared to only 980 tourists for the corresponding period a year earlier. Prolonged travel restrictions, especially in the UK, due to the rising cases of the highly contagious Delta variant of COVID-19, coupled with on-going uncertainty as it relates to travel protocols, served to temper the budding recovery. The modest increase in arrivals were not sufficient to offset the virtual absence of visitors in the first quarter, however, and arrivals for the first half of the year were 88 percent lower than for the same period of 2020.

The Welcome Stamp programme continued to attract new remote workers, contributing to economic activity through real estate rentals and spending on other ancillary services. With the low influx of tourists, the hotel sector suffered from low occupancy and revenues, but some properties benefitted from their use as quarantine facilities and from the local demand for staycation packages. Some hotels and restaurants took the opportunity to effect renovations during the down period, in preparation for offering enhanced service as tourism returns.

Figure 2: Monthly Tourist Arrivals as at June 2021



Sources: Barbados Statistical Service and Barbados Tourism Marketing Inc.

Other Traded Activity

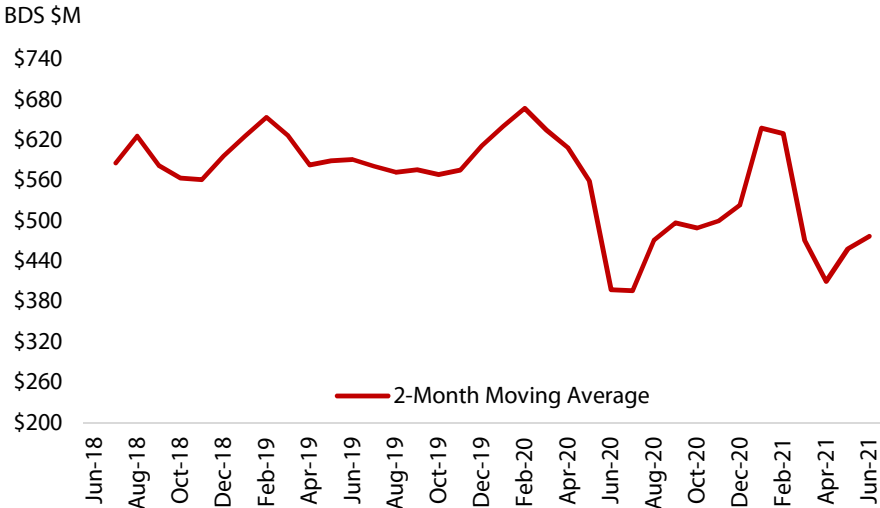
Other traded activity expanded on the strength of improved manufacturing output. The higher production partly reflects better export penetration by the rum, other beverages, and electronic components subsectors. Agricultural output was lower for the six-month period, the result of reduced demand for chicken, particularly from the tourism industry. In addition, food crop production, which

was hindered by the ashfall and interruptions from the “National Pause” also suffered a small decline. Milk production increased over the period, as output benefitted from the importation of cows during the last half of 2020. The sugar cane harvest registered better yields, but the shift towards the production of better quality molasses led to lower sugar production.

Non-Traded Activity

The non-traded sector registered a partial recovery during the second quarter, reflecting an upturn in the retail and general business services sectors that were hard-hit by the lockdown in 2020. The “National Pause” in the first quarter slowed construction activity, but the continuation of projects related to the upgrade of the hotel infrastructure, road works, the Grantley Adams International Airport runway repaving project, the Sagicor Retirement Village and other small-scale projects boosted the sector between April and June.

Figure 3: Sales by VAT Registrants – Wholesale and Retail



Source: Barbados Revenue Authority

Labour Market

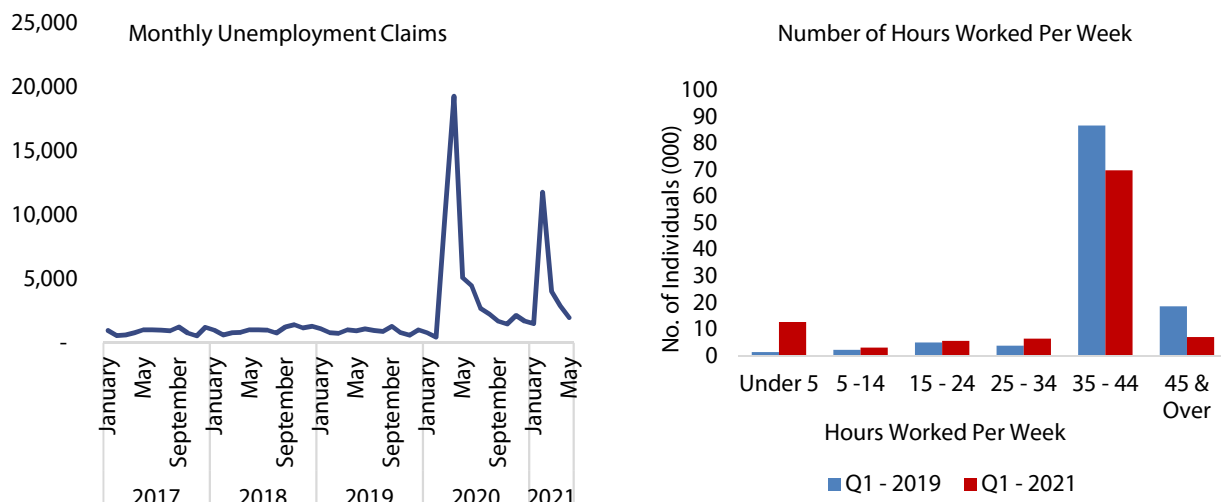
The weak economic activity continued to place pressure on employment levels. The most recent estimate of the Barbados Statistical Service is that during the first quarter when the economy was under the “National Pause”, 105,700 persons were employed and the unemployment rate was 17.2 percent compared to 13.6 percent at the end of 2020. Some displaced workers have returned to work but, given the level of activity over the past year, there has been increased incidence of part time work.

The NIS continues to play a central role in helping to stabilise the situation. During the first 12 months of the crisis, claimants for NIS unemployment benefits received payments estimated at almost 14 weeks

on average. New unemployment claims for 2021 spiked in February, but for the first six months of 2021 they were over 10,000 fewer claims than for the same period in 2020. The greater share of applicants was in the tourism sector as the renewed restrictions early in the year dampened the prospects of a robust recovery for the sector.

The continued implementation of the Barbados Employment and Sustainable Transformation (BEST) programme for workers in the tourism sector contained new claims from that sector. In the circumstances, wage rates have been frozen, but low-income workers received a boost to their incomes when government introduced an economy-wide minimum wage rate of \$8.50 per hour.

Figure 4: Monthly Unemployment Claims¹ and Individuals' Number of Hours Worked Per Week



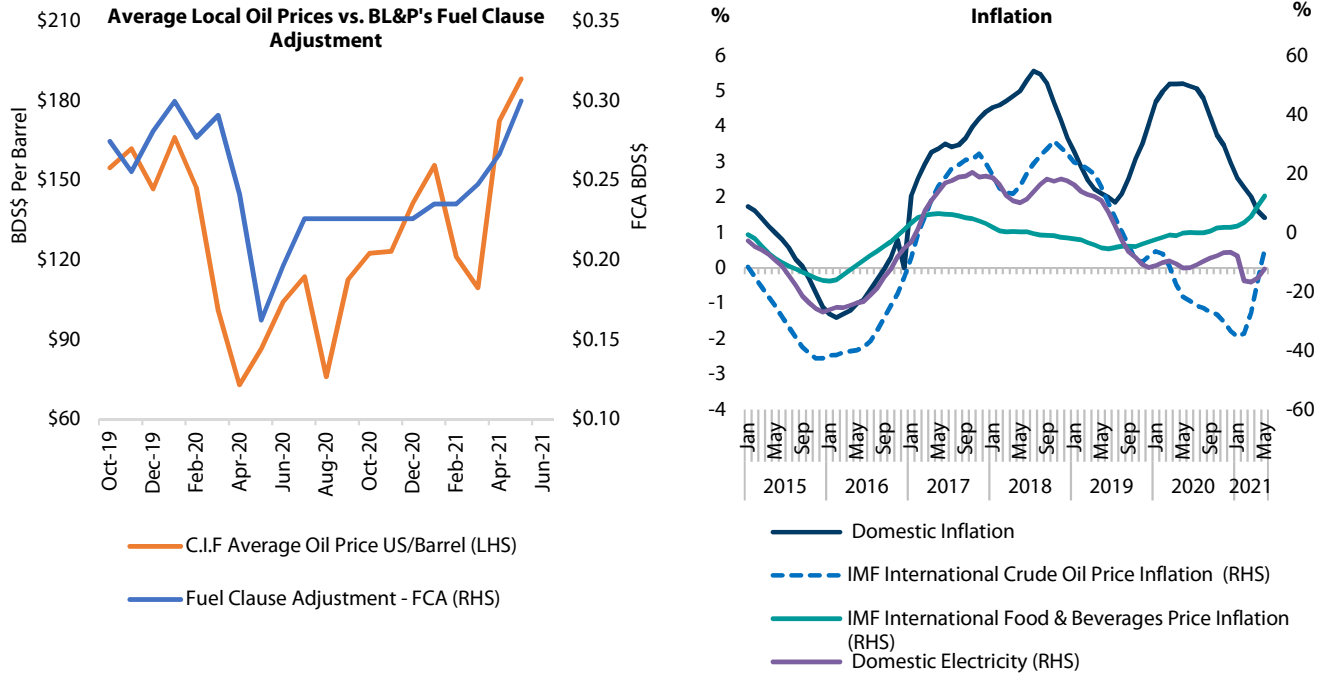
Sources: National Insurance Scheme and Barbados Statistical Service

Prices

As at May 2021, the 12-month moving average inflation rate was estimated at 1.5 percent. Food prices, especially for vegetables, were responsible for an upward trend in inflation over the last half of 2020. However, this direction has slowed during the first half of 2021. In addition, over the past twelve months, on average there have been price declines for other categories of non-food spending, including clothing, household furnishings, electricity and transportation costs which together represent almost 47 percent of the retail price index. Some of these lower prices can be linked to increased discounting by businesses as they adapted to the COVID-19 environment.

¹ Monthly unemployment claims reflect data up to May 2021.

Figure 5: Average Local Oil Prices vs. BL&P's Fuel Clause Adjustment and Inflation



Sources: Barbados National Oil Company (BNOC), Barbados Light and Power Company, Barbados Statistical Service and International Monetary Fund Primary Commodity Prices

In addition, the sharp fall in oil prices in 2020 lowered electricity and transportation costs. However, in recent months, a resurgence of prices for imported oil has started to reverse this trend and prices are now returning to the pre-COVID level. The increase in fuel prices will likely impact energy intensive enterprises in the transportation sector but the Transport Board’s transitioning to electric buses is expected to mitigate the impact on that entity.

Trends in International Commodity Prices

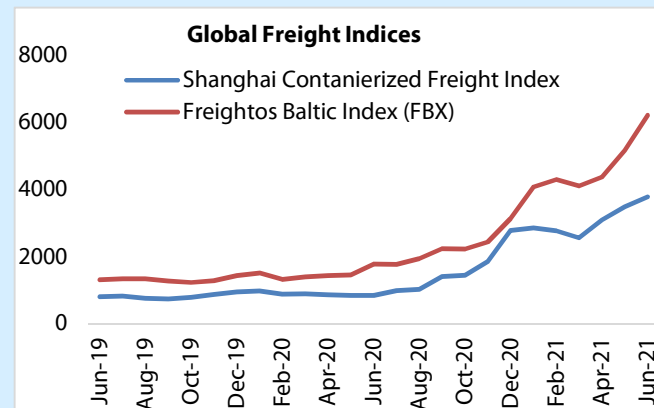
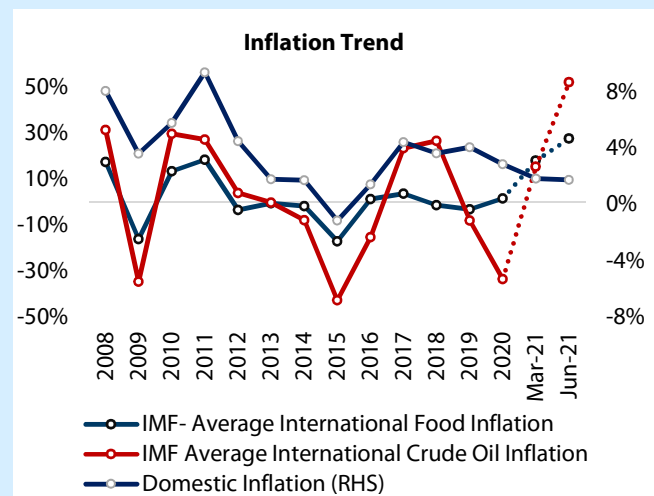
According to the World Bank², the impact of COVID-19 on commodity markets was felt acutely on energy prices, reflecting the pandemic's effect on global economic activity, including the demand for tourism and travel. Crude oil prices declined dramatically in 2020, falling by 33.4 percent, the largest decline in such prices since 2015. This sharp fall occurred despite the supply cuts announced by OPEC and reduced drilling activity in the United States.

In contrast, international food prices increased by 2.0 percent despite weakened demand for commodities such as vegetable oil, sugar, wheat, maize and rice. In most cases, labour shortages³, export restrictions and logistical bottlenecks were responsible for the relative stability of food commodity prices during 2020.

However, in 2021, promising global growth prospects resulted in rising commodity prices during the first half of the year, with international food prices up by 27.6 percent and crude oil prices increasing by 52.0 percent. These developments have resulted in oil prices returning to 2019 levels, while food prices are their highest since 2014. According to the World Bank⁴, the likelihood of prices remaining close to current levels for the remainder of the year hinges on the successful containment of the virus and production decisions of major commodity producers.

Rising freight costs have also contributed to increased import prices during 2021. Global freight indices increased by over 200 percent at the end of June 2021, the result of a lack of transport capacity to match the surge in global demand. Additionally, persistent lockdowns as a result of the COVID-19 outbreak in some markets have negatively impacted supply and export volumes and contributed to higher freight costs to producers and higher prices of goods to consumers.

The EIA⁵ acknowledges the heightened uncertainty related to the ongoing economic recovery, but forecasts that global oil production will outpace the growth in oil consumption and contribute to declining oil prices in 2022. Given the high level of dependence that Barbados has on international oil, global energy market developments will directly impact domestic prices such as diesel and gasoline prices at the pump and the electricity bill via the Fuel Clause Adjustment.



² Impact of COVID-19 on Commodity Markets Heaviest on Energy Prices; Lower Oil Demand Likely to Persist Beyond 2021 (worldbank.org)

³ COVID-19 and the food and agriculture sector: Issues and policy responses (oecd.org)

⁴ Commodity Prices to Stabilize after Early 2021 Gains, World Bank

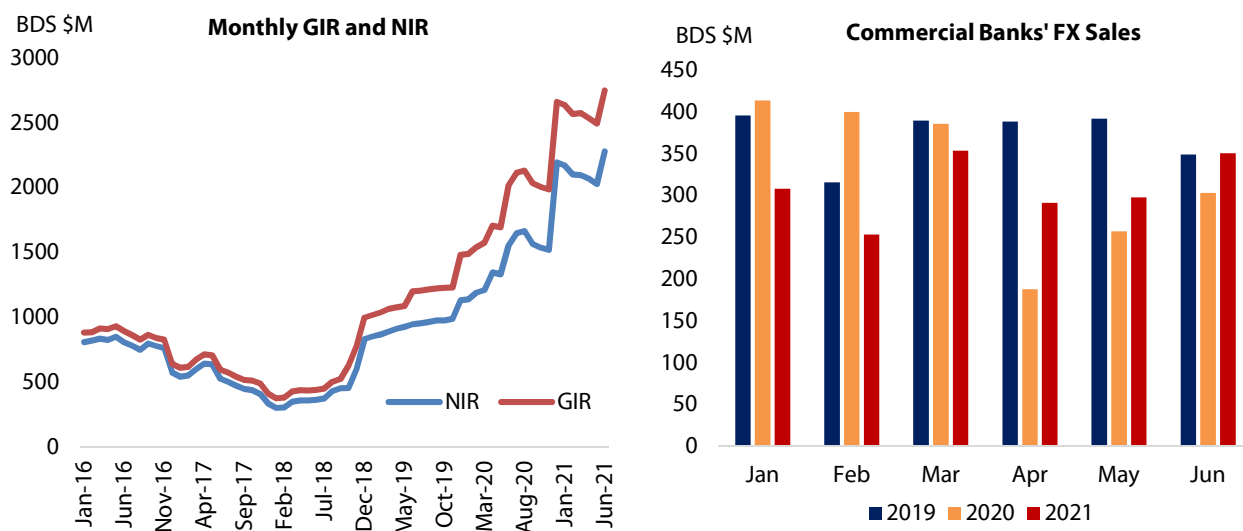
⁵ Short-Term Energy Outlook - U.S. Energy Information Administration (EIA)

International Reserves

The country's foreign exchange buffer remained elevated, as evidenced by an import cover equivalent to almost 44 weeks of imports. Gross International Reserves (GIR) ended the period at \$2.7 billion, an increase of \$88 million for the six-month period. Inflows from the World Bank (\$200 million), the IMF (\$48 million) and tax revenue from the international business sector reversed the first quarter reserve losses, offset outflows associated with central government debt service payments and other government expenses and boosted reserves in the second quarter.

With the decline in tourism earnings, the supply of foreign exchange to the banking sector fell. Purchases of foreign currencies rose in the April to June quarter, but falling imports contained the demands on the Central Bank to sell foreign exchange into the banking system. Reduced import volumes dampened the impact of rising oil prices on the balance of payments, resulting in lower fuel import costs. However, non-oil imports, remained relatively flat in comparison to last year.

Figure 6: Gross International Reserves (GIR), Net International Reserves (NIR) and Commercial Banks' Foreign Exchange (FX) Sales

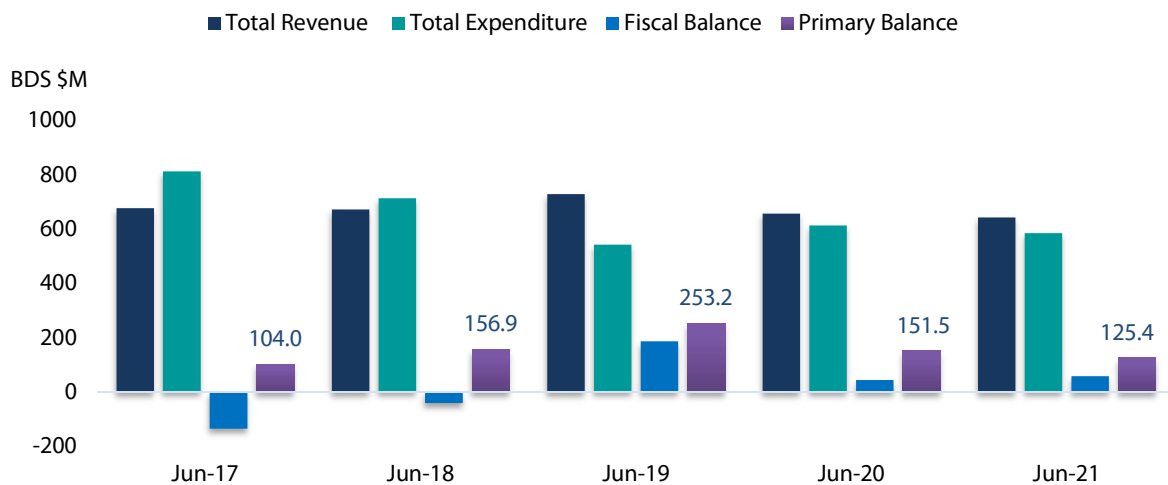


Source: Central Bank of Barbados

Fiscal Operations

COVID-19 continued to adversely impact the public finances, reducing revenue and raising public sector spending. Government incurred a primary deficit of one percent in FY 2020-21 and a balanced budget is targeted for the current financial year. During the quarter, the primary surplus contracted to \$125 million, less than half the surplus achieved for the same period of FY 2019-20.

Figure 7: Fiscal Indicators



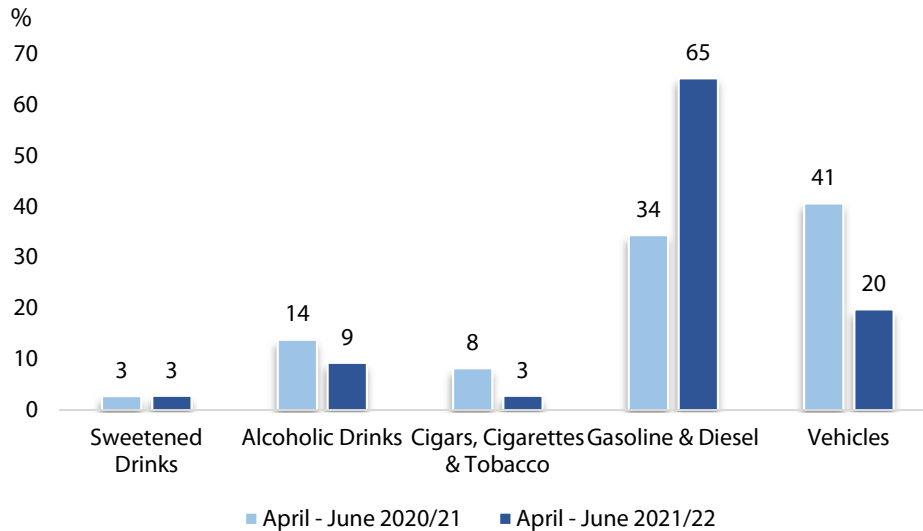
Source: Ministry of Finance

Revenue

There were broad-based increases in revenues but overall, total revenue declined by 2 percent, the result of lower collections of corporate taxes which contributed 41 percent of revenue in April to June 2020. The decline (\$122 million) was anticipated, given the absence of the special one-off factors that boosted revenue the previous year. Other direct taxes partially recovered, rising by 22 percent, with moderate gains in personal income taxes, property tax receipts, withholding taxes, and the training levy.

Transaction based taxes also registered a partial recovery, reflecting the pick-up in economic activity. Value Added Tax (VAT) receipts were up \$29 million, while excises and import duties rose by \$23 million and \$12 million, respectively. A reduction in rebates improved the performance of excises, while a general pickup in economic activity and, the clearing of back-logged items at the port added to revenue for other taxes on imports. Additionally, there was a pick-up in non-tax revenues, partly the result of the foreign exchange fee.

Figure 8: Percentage Share of Net Excise Categories



Source: Customs and Excise Department

Expenditure

Current non-interest expenditures rose by \$27 million, the result of increased spending on welfare and the household survival programme, as well as larger transfers to the Queen Elizabeth Hospital, partly to cover additional COVID related spending. Wages and salaries also expanded modestly but expenditure on goods and services contracted despite payments to cover the ashfall clean-up.

Spending on capital works fell by \$15 million, the result of lower transfers to Barbados Water Authority (down \$31 million), which had received large disbursements in the corresponding period of the previous fiscal year to finance the water supply network project. However, this decline was partly offset by higher transfers to other projects, including outlays to small and medium sized enterprises impacted by the national pause as well as improvements for road works.

Debt and Financing

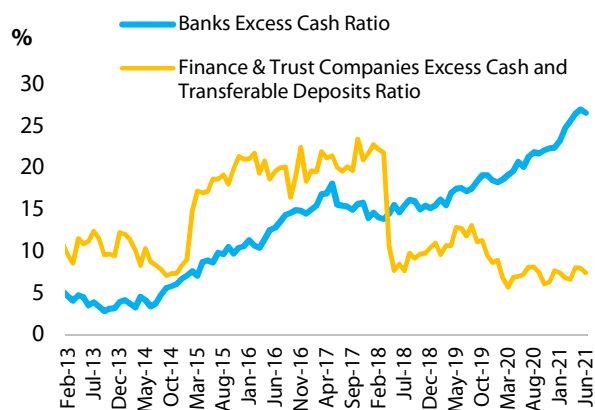
The debt stock at the end of June 2021 was equivalent to \$13 billion (150 percent of GDP). This elevated debt ratio continues to be driven by the contraction in GDP which was responsible for 78 percent of the increase in the pre-COVID debt ratio. Since June last year, international financial institutions, recognising the severity of the shock caused by the pandemic on public finances, have assisted government in covering its financing needs. During the April to June quarter, funding from external creditors was \$264 million.

Financial Sector Developments

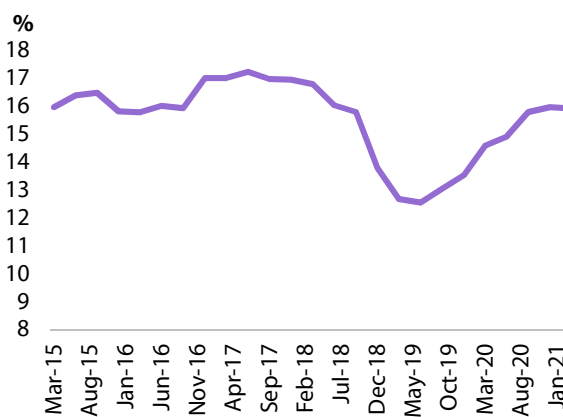
The financial system remains stable despite the elevation of credit risks induced by the prolonged impact of the pandemic. During the first six months of 2021, deposit-taking institutions (DTIs) remained highly liquid and well capitalised, with buffers well in excess of the statutory requirements. In addition, profitability for banks improved mainly as a result of lower provision expenses compared to the prior year when financial institutions raised provisions as a precaution against COVID-19 related credit losses. Interest rates remained at historically low levels.

Figure 9: Liquidity and Capital Ratios

Banks' and Finance & Trust Companies Excess Liquidity Ratios



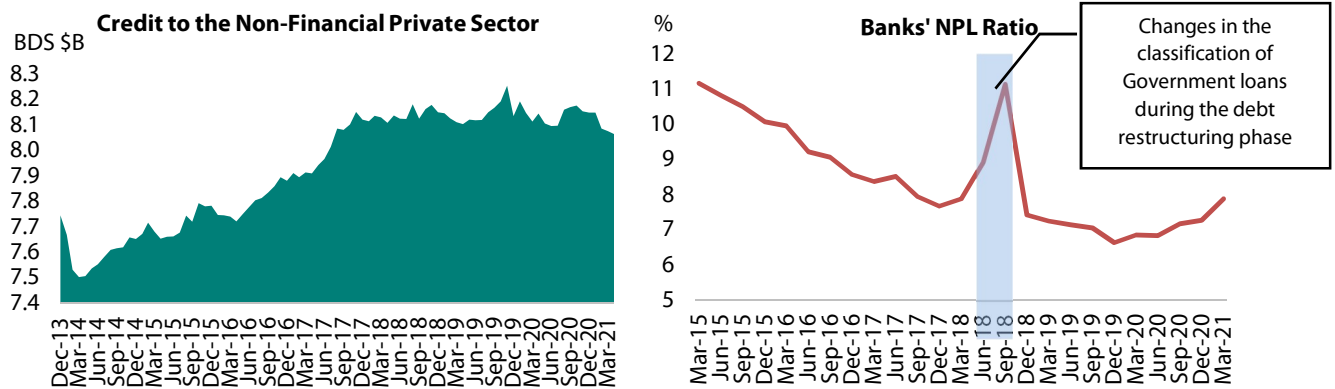
Banks' Capital Adequacy Ratio



Source: Central Bank of Barbados

Activity in the credit market remained weak as financial institutions, which were confronted by uncertain economic conditions, tightened their lending criteria and focussed new lending on supporting their existing clients. The moratoria programmes that dominated 2020 have largely come to an end, but some borrowers, mainly in the hotel and restaurant sectors, continue to benefit from extended moratoria arrangements. Generally, all institutions are offering their customers a menu of assistance via restructuring, debt consolidation, refinancing of loans and case-by-case extensions of moratoria. Several borrowers have consolidated and restructured their outstanding loans to make repayment plans more manageable in the face of lower income.

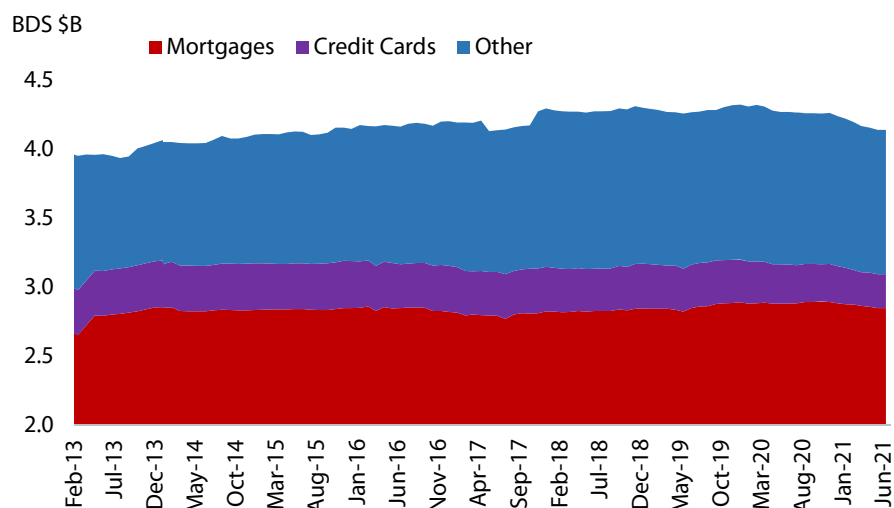
Figure 10: Credit to the Non-Financial Private Sector by DTIs & Commercial Banks' Non-Performing Loans



Source: Central Bank of Barbados

Non-performing loans as a percentage of total loans trended upwards, largely due to the increased classification of loans to the tourism, real estate and personal sectors. Mortgage related non-performing loans registered a modest increase during the period, driven by personal mortgages. However, this outturn was below the levels for the corresponding period of 2020 partly due to recoveries.

Figure 11: Household Debt from Commercial Banks and the Finance & Trusts Companies



Source: Central Bank of Barbados

Credit to the non-financial private sector by deposit-taking institutions⁶ contracted by 1.1 percent during the first half of the year. The decline was driven largely by a reduction in loan balances of individuals which outweighed loan growth to utilities and other sectors. The decline in lending to the personal sector was driven by mortgages and credit cards, which accounted for more than half of the overall reduction for the sector.

⁶ These include commercial banks, finance and trust companies and credit unions.

Domestic-currency deposits expanded by 1.7 percent for the first half of 2021, the combined effect of government's fiscal stimulus and higher personal savings by individuals. Foreign currency balances grew by 2.9 percent, reflecting growth in balances of the personal and non-financial business sector. The expansion of foreign currency deposits of these corporations was driven by activity in the legal services and purchases of luxury properties in the real estate sector.

Outlook

The immediate challenge facing the Barbados economy is to build on the green shoots of growth experienced during the second quarter. The global economy remains on track for recovery as countries ease the restrictions that have been introduced to manage the virus. Barbados expects to benefit from the resumption of global activity and our relative success in managing the virus so far encourages optimism that we will register a mild recovery during 2021 and create a platform for sustainable growth over the medium term. Given the uncertainty associated with global developments, the Bank has left its economic growth forecast unchanged at between 1.0 percent and 3.0 percent for 2021.

This outlook hinges on the speed of the recovery in tourism and the reports of planned increased airlift over the next six months to cope with pent-up demand for travel bodes well for energising a strong but gradual recovery. However, the environment remains hostile with new virus mutations and the continued uneven distribution of vaccines across the world. There are other downside risks that have to be managed. For example, Barbados has recently been placed on the "green list" of our largest source market for tourists, the United Kingdom, thus exempting visitors from having to quarantine after they return from Barbados. Retaining this status requires us to continue to manage the virus through careful observance of the health protocols, thus minimising risk to ourselves while providing confidence to potential visitors that the exempt status will not be subject to a sudden change.

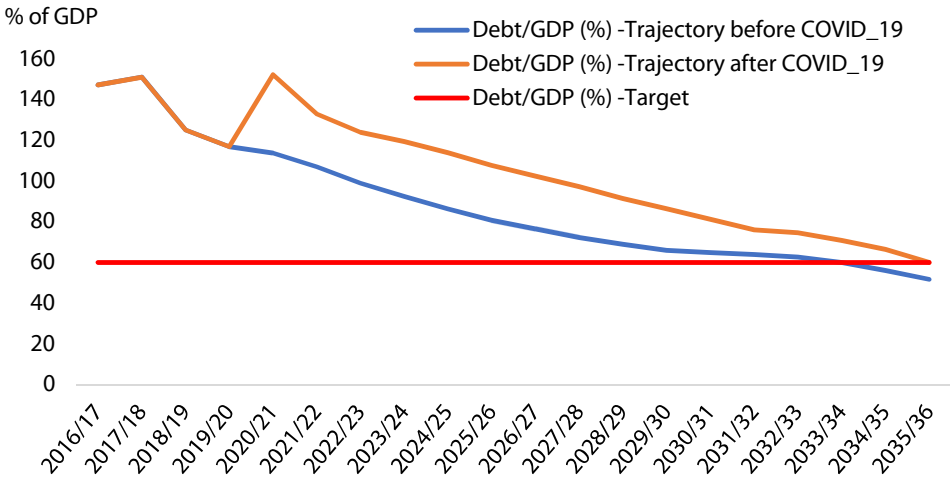
In addition, COVID has slowed the pace of planned investment which is critical for building capacity, enhancing competitiveness and creating opportunities to ease labour market pressures. Repairs to the housing stock damaged by recent climatic events should boost construction activity in the short-term, but implementing a programme of private sector investments, including for renewable energy, embracing technology, innovation and process improvements will influence how quickly the recovery accelerates over the medium-term. The uptick in global inflation is a source of concern but as the pandemic-driven demand and supply shocks subside, international prices are likely to normalise over the medium-term.

The recent passage of Hurricane Elsa has further exacerbated the already stressed economic conditions. With damage assessments still being tallied, government will be challenged to assist in strengthening

the housing infrastructure, making it more resilient to withstand future climatic events. In addition, the persistence of the pandemic will place pressure on Government to maintain its efforts to alleviate the economic and social consequences of the virus by providing temporary welfare assistance, strengthening the public health infrastructure and the accelerating implementation of public sector projects.

Government has relaxed its fiscal stance and the primary balance FY 2021-22 is targeted for a balanced budget. Over the past year, Government borrowed to facilitate the policy adjustment. While the sharp contraction in GDP has temporarily raised the debt-to-GDP ratio, Government remains committed to fiscal and debt sustainability and to attaining its debt-to-GDP anchor of 60 percent. A new timeline of FY 2035-36 has been established, as achieving debt sustainability over the medium and long-term requires a strengthening of economic growth and higher primary surpluses. Achieving these objectives underscores the importance of maintaining public enterprise reform efforts to ease demands on central government while strengthening Barbados’ competitive position to generate growth.

Figure 12: Debt-to-GDP Ratio Trajectory



Sources: Ministry of Finance and Central Bank of Barbados

The front-loading of external borrowing has enabled the build-up of the international reserve cover. As the economy recovers, the demand for foreign exchange to support imports will rise, but the International Monetary Fund’s (IMF) planned increase in the Special Drawing Rights⁷ (SDR) allocation of its members is expected to further boost the country’s foreign reserve buffer during the third quarter.

⁷ An SDR is a foreign reserve asset which is created and issued by the IMF, in order to supplement the international reserves position of its member countries.

Table 1 - Economic Indicators

	2017	2018	2019	2020	Jun 2018	Jun 2019	Jun 2020	Jun 2021 ^(e)
Nominal GDP (\$ Million) ¹	9,971.9	10,245.8	10,595.9	8,974.9	5,140.3	5,272.5	4,628.6	4,285.2
Real Growth (%)	0.6	(0.5)	(1.3)	(18.0)	0.1	(2.6)	(15.5)	(9.0)
Inflation (%) ²	4.5	3.7	4.1	2.9	5.3	2.0	5.1	1.5*
Avg. Unemployment (%) ³	10.0	10.1	10.1	13.6	10.2	9.2	n.a.	n.a.
Gross International Reserves (\$ Million)	411.3	999.6	1,481.0	2,660.7	440.0	1,204.0	2,017.2	2,749.1
Gross International Reserves Cover, Weeks	5.3	12.8	18.6	40.7	5.6	15.3	27.1	43.6
BoP Current Account (% of GDP)	(3.8)	(4.4)	(2.9)	(6.2)	(3.3)	(1.8)	(3.3)	(14.8)
Total Imports of Goods (% of GDP)	30.5	29.3	29.3	31.6	28.8	28.5	30.5	32.0
Travel Credits (% of GDP)	21.7	21.8	24.2	12.7	23.9	26.5	18.0	5.2
Financial Account (\$ Millions)	86.4	887.6	792.7	1,652.1	157.4	288.8	770.2	679.0
Gross Public Sector Debt ⁴ (% of GDP)	148.4	125.4	118.0	142.3	144.6	123.1	126.9	150.3
External Debt Service to Curr. Acct. Cred.	8.3	4.9	3.6	9.0	7.1	3.4	5.8	7.4
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	0.07	0.04
Implicit Loan Rate	7.4	7.1	6.2	5.7	6.4	6.5	6.2	5.6
Excess Cash Ratio	14.2	16.1	18.5	22.4	14.3	17.0	19.1	25.6
Private Sector Credit Growth (%) ⁵	3.2	0.4	0.9	(1.2)	(0.2)	(0.7)	(1.8)	(1.1)
Private Sector Credit (% of GDP) ⁵	81.7	79.8	77.9	90.8	82.3	79.1	76.6	94.8
Domestic Currency Deposits (% of GDP) ⁵	112.6	110.9	109.8	136.8	96.4	95.4	112.4	146.9
Fiscal Year	2017/18	2018/19	2019/20	2020/21	Apr -Jun 2018	Apr -Jun 2019	Apr -Jun 2020	Apr -Jun 2021 ^(p)
Fiscal Balance (% of GDP)	(4.6)	(0.3)	3.6	(5.1)	(0.4)	1.8	0.4	0.7
Primary Balance (% of GDP)	3.2	3.5	6.0	(1.0)	1.6	2.5	1.4	1.5
Interest (% of GDP)	7.7	3.7	2.4	4.0	2.0	0.7	1.0	0.8
Fiscal Current Account (% of GDP)	(2.8)	1.6	5.4	(1.8)	(0.2)	1.9	0.8	1.0
Revenue (% of GDP)	28.8	29.2	28.2	30.1	6.8	7.1	6.2	7.6
Expenditure (% of GDP)	33.3	29.5	24.6	35.2	7.2	5.3	5.8	6.9
<i>Non-interest Expenditure (% of GDP)</i>	25.6	25.7	22.2	31.2	5.2	4.6	4.8	6.1
<i>Capital Expenditure (% of GDP)</i>	1.7	1.9	1.8	3.2	0.2	0.1	0.4	0.3
Gov't Interest Payments (% of Revenue)	26.9	12.9	8.4	13.4	29.5	9.2	16.3	10.5

^(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 May 2021

n.a.- Not Available

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

Table 2 - GDP by Sector and Activity (BDS \$Millions, Constant Prices¹)

	2017	2018	2019	2020	Jun-18	Jun-19	Jun-20 ^(p)	Jun-21 ^(e)
Tradeables	1,908.1	1,940.7	1,963.7	984.2	1,013.0	1,008.6	608.5	321.1
Tourism	1,314.9	1,342.7	1,379.8	409.1	711.8	711.1	325.4	31.4
Agriculture	105.5	121.1	115.5	121.5	63.7	57.7	59.8	52.2
Sugar	5.4	6.0	4.0	4.2	5.3	4.0	4.2	4.2
Non-Sugar Agriculture	100.1	115.1	111.6	117.3	58.3	53.7	55.6	48.0
Manufacturing	487.8	476.9	468.4	453.6	237.5	239.9	223.3	237.5
of which:								
<i>Rum & Other Beverages</i>	94.7	92.6	90.9	88.0	46.1	46.6	43.4	46.1
<i>Food</i>	124.0	121.2	119.1	115.3	60.4	61.0	56.8	60.4
<i>Furniture</i>	13.4	13.1	12.9	12.5	6.5	6.6	6.1	6.5
<i>Chemicals</i>	29.4	28.7	28.2	27.3	14.3	14.4	13.4	14.3
<i>Electronics</i>	36.9	36.1	35.4	34.3	18.0	18.1	16.9	18.0
<i>Other Manufacturing</i>	189.4	185.2	181.9	176.1	92.2	93.1	86.7	92.2
Non-tradeables	6,193.4	6,119.3	5,991.0	5,542.6	3,049.0	2,946.0	2,733.4	2,718.9
Mining & Quarrying	40.7	42.2	49.6	47.9	22.1	21.5	20.9	21.5
Electricity, Gas & Water	214.8	214.1	213.5	202.3	107.1	104.5	99.8	98.6
Construction	492.9	461.6	452.3	434.4	228.7	221.3	217.4	212.8
Distribution	759.2	747.7	736.8	666.2	369.4	369.5	322.0	314.1
Transport, etc	1,046.7	1,027.7	1,007.4	937.9	511.3	505.9	467.6	467.5
Finance and Other Services	2,783.5	2,784.2	2,740.4	2,462.8	1,397.2	1,341.2	1,223.8	1,222.5
Government	855.6	841.8	791.0	791.1	413.3	382.2	381.9	382.0
Total	8,101.6	8,060.1	7,954.8	6,526.8	4,062.0	3,954.6	3,341.9	3,040.0
Nominal GDP	9,971.9	10,245.8	10,595.9	8,974.9	5,140.3	5,272.5	4,628.6	4,285.2
Real Growth Rates	0.6	(0.5)	(1.3)	(18.0)	0.1	(2.6)	(15.5)	(9.0)
Tradeables	3.1	1.7	1.2	(49.9)	4.2	(0.4)	(39.7)	(47.2)
Non-tradeables	(0.2)	(1.2)	(2.1)	(7.5)	(1.1)	(3.4)	(7.2)	(0.5)

^(p) - Provisional

^(e) - Estimate

¹ - BSS' 2010 Base Year Series

Sources: Barbados Statistical Service and Central Bank of Barbados

Table 3- Balance of Payments (BDS \$Million)

	2017	2018	2019	2020 ^(p)	Jun 2018	Jun 2019	Jun 2020 ^(p)	Jun 2021 ^(e)
Current Account	(380.6)	(453.2)	(311.1)	(561.8)	(168.6)	(93.2)	(151.0)	(632.5)
Inflows	4,832.0	4,855.0	5,142.4	3,519.0	2,476.3	2,676.7	2,137.9	1,415.8
Travel	2,161.4	2,230.7	2,482.5	1,148.2	1,228.7	1,397.4	833.7	224.4
Other Services	429.9	444.7	458.5	397.4	174.0	178.7	173.0	157.0
Domestic Exports	509.7	510.2	507.4	449.4	252.0	265.2	219.9	220.5
Rum	83.9	79.8	76.8	75.9	42.4	42.1	34.7	42.6
Food	64.6	65.3	66.4	61.3	32.1	31.5	32.1	30.5
Sugar	13.5	0.4	0.6	0.9	0.2	0.1	0.2	0.3
Chemicals	72.5	80.3	77.8	84.7	38.8	41.6	38.5	30.0
Printed Paper Labels	22.7	26.6	15.3	23.5	12.7	11.8	9.8	12.8
Construction Materials	42.1	51.7	59.1	38.2	25.4	31.5	20.4	19.0
Other	210.3	206.1	211.4	164.9	100.4	106.6	84.2	85.3
Re-exported Goods	461.1	385.7	380.8	241.0	213.1	214.2	154.2	100.2
Net Export of Goods under Merchanting	635.4	633.8	637.6	547.6	316.9	318.8	311.8	296.4
Income	529.8	543.0	565.4	338.7	252.9	263.6	205.5	209.2
Transfers	104.7	107.0	110.1	396.6	38.8	38.8	239.8	208.0
Outflows	5,212.6	5,308.2	5,453.5	4,080.8	2,644.9	2,769.9	2,288.9	2,048.3
Total Imports of Goods	3,040.3	2,997.7	3,003.7	2,843.9	1,479.2	1,505.0	1,412.1	1,370.4
Fuel Imports	626.2	712.2	728.0	510.6	388.9	384.6	297.7	255.9
Other Merchandise Imports	2,414.1	2,285.5	2,275.7	2,333.3	1,090.2	1,120.4	1,114.4	1,114.6
Services	1,014.0	1,073.9	1,148.9	553.3	584.3	596.6	409.3	333.4
Income	977.6	1,042.6	1,099.2	473.7	473.5	556.1	350.9	223.1
General Government	167.4	183.2	150.0	139.3	94.6	119.0	71.2	35.4
Other Sectors	810.2	859.5	949.1	334.3	378.9	437.1	279.7	187.8
Transfers	180.6	194.0	201.7	209.8	107.9	112.2	116.7	121.4
Capital Account	(2.4)	50.9	(5.3)	(4.5)	53.5	(3.9)	(3.3)	(3.5)
Financial Account	86.4	887.6	792.7	1,652.1	157.4	288.8	770.2	679.0
Net Foreign Direct Investment	468.2	464.8	375.3	509.2	181.8	227.7	214.3	196.0
All Other Investment Flows	(381.8)	422.8	417.3	1,142.9	(24.4)	61.1	555.9	483.0
Net Long-term Public	(134.9)	451.0	387.8	968.2	(81.9)	138.8	394.0	184.7
Net Long-term Private	(156.8)	(3.8)	113.0	251.3	49.1	(32.8)	183.6	325.3
Net Short-term	(90.1)	(24.4)	(83.5)	(76.7)	8.5	(44.8)	(21.7)	(27.0)
Net Errors & Omissions	68.0	102.9	5.0	93.9	(13.8)	12.7	(79.7)	45.3
Overall Balance	(228.5)	588.3	481.4	1,179.7	28.6	204.4	536.3	88.4
Change in GIR: - increase/+ decrease	228.5	(588.3)	(481.4)	(1,179.7)	(28.6)	(204.4)	(536.3)	(88.4)

^(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 -Jun 2018	Apr -Jun 2019	Apr -Jun 2020	Apr -Jun 2021 ^(P)
Total Revenue	2,845.4	2,993.6	2,984.2	2,563.3	672.4	728.8	657.7	643.6
Tax Revenue	2,656.3	2,812.4	2,771.2	2,387.8	625.5	690.2	637.8	612.3
i) Direct Taxes	968.9	1,126.9	1,084.7	1,202.9	247.0	303.0	392.4	298.3
Personal	462.6	482.1	454.7	308.1	113.8	153.3	98.7	107.5
Corporate	275.1	355.5	309.0	612.9	89.8	79.9	269.3	147.7
Property	137.6	161.3	214.7	181.6	10.2	41.0	6.0	21.0
Financial Institutions Asset Tax	48.7	44.6	47.4	45.6	15.5	9.5	11.0	12.0
Other	44.9	83.4	58.9	54.7	17.8	19.4	7.4	10.1
ii) Indirect Taxes	1,687.4	1,685.6	1,686.5	1,185.0	378.4	387.2	245.4	314.0
Stamp	10.5	10.9	11.4	7.6	2.3	3.1	0.9	2.0
VAT	887.3	940.9	966.9	706.3	212.8	229.7	152.9	181.8
Excises	303.1	271.2	250.9	154.1	53.8	51.2	22.6	45.7
Import Duties	218.6	213.8	231.6	191.9	44.0	55.8	37.9	49.6
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	40.3	0.0	0.0	0.0
Other of which:	115.9	199.4	225.6	124.9	25.3	47.3	31.1	35.0
Fuel Tax		68.6	82.1	63.8		14.7	9.1	14.9
Room Rate/Shared Accommodation		10.1	28.1	9.5		6.1	2.8	1.7
Non-Tax Revenue & Grants	189.1	181.2	213.0	175.4	46.9	38.6	19.9	31.2
Non-Tax Revenue	149.0	161.5	201.3	169.5	46.9	35.5	19.9	31.2
Grants	22.0	0.1	11.8	0.0	0.0	3.2	0.0	0.0
Post Office - Revenue	18.1	19.6	0.0	5.9	0.0	0.0	0.0	0.0
Current Expenditure	3,123.8	2,826.4	2,407.9	2,716.8	693.4	529.3	570.7	558.0
Wages & Salaries	782.3	811.9	807.4	808.0	182.7	197.9	197.9	202.2
Goods & Services	364.3	356.3	375.5	399.8	70.4	62.5	65.2	51.5
Interest	764.7	384.9	249.7	342.6	198.0	67.1	107.5	67.6
External	168.0	48.0	62.7	144.1	11.2	20.4	59.9	17.6
Domestic	596.7	336.9	187.0	198.5	186.9	46.7	47.6	50.0
Transfers & Subsidies	1,212.5	1,273.3	975.3	1,166.3	242.2	201.8	200.0	236.7
Grants to Individuals	358.3	362.8	389.2	423.7	70.8	73.4	81.7	95.2
Grants to Public Institutions	761.2	814.8	517.6	657.3	155.5	108.5	107.9	121.5
Subsidies	51.9	51.8	31.8	49.7	6.8	12.5	4.4	4.0
Subscriptions & Contributions	22.1	25.7	20.3	20.3	4.8	4.4	3.5	12.1
Non-Profit Agencies	19.0	18.3	16.4	15.3	4.4	3.0	2.4	3.8
Capital Expenditure & Net Lending	171.8	197.8	191.8	276.1	20.1	13.4	43.1	27.8
Capital Expenditure	149.1	184.9	185.1	278.3	15.0	11.6	43.6	28.4
Net Lending	22.7	12.9	6.7	(2.2)	5.1	1.8	(0.5)	(0.6)
Fiscal Balance	(450.2)	(30.6)	384.5	(429.6)	(41.2)	186.1	44.0	57.8
Primary Balance	314.5	354.3	634.2	(87.0)	156.9	253.2	151.5	125.4
Fiscal Balance to GDP (%)	(4.6)	(0.3)	3.6	(5.1)	(0.4)	1.8	0.4	0.7

^(P) Provisional

Sources: Ministry of Finance and Central Bank of Barbados

Table 5 - Government Financing (BDS \$Millions)

	2017/18	2018/19	2019/20	2020/21	Apr-Jun 2018	Apr-Jun 2019	Apr-Jun 2020	Apr-Jun 2021 ^(p)
Total Financing	450.2	30.6	(384.5)	429.6	41.2	(186.1)	(44.0)	(57.8)
Domestic Financing (Net)	629.3	(315.5)	(491.1)	(432.6)	55.1	(157.6)	(355.7)	(286.7)
Central Bank	92.8	(166.4)	164.7	(66.6)	85.2	99.3	(212.2)	(10.3)
Commercial Banks	257.9	82.8	(86.3)	106.6	57.5	10.5	33.1	(21.3)
National Insurance Board	3.1	8.9	(85.2)	(207.9)	7.3	(21.3)	(21.3)	(0.7)
Private Non-Bank	(57.2)	(119.6)	(217.7)	(34.9)	(35.5)	0.8	(20.2)	(28.0)
Other	332.8	(111.2)	(58.3)	(167.9)	(59.4)	(222.4)	(73.2)	(196.6)
Arrears Payments	n.a.	(10.0)	(208.3)	(61.9)	0.0	(24.5)	(61.9)	(29.9)
Foreign Financing (Net)	(179.1)	346.2	106.6	862.2	(13.9)	(28.5)	311.7	228.9
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	13.2	3.9	5.0	22.0
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)	(27.1)	(32.4)	(34.6)	(42.2)

^(p) Provisional

Source: Central Bank of Barbados

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

	2017	2018	2019	2020	Jun-18	Jun-19	Jun-20	Jun-21 ^(p)
Gross Central Government Debt¹	13,666.0	12,755.8	12,426.6	12,761.3	14,127.5	12,726.4	12,383.0	12,971.6
Domestic Debt	10,840.1	9,556.9	9,336.6	8,786.7	11,194.2	9,482.8	8,987.5	8,796.3
Central Bank ²	2,227.7	703.8	814.1	757.0	2,282.3	734.4	715.3	794.8
Commercial Banks	2,144.9	2,340.2	2,355.2	2,340.4	2,137.5	2,333.1	2,347.7	2,334.8
National Insurance	3,518.9	2,938.4	2,880.0	2,690.6	3,532.1	2,922.5	2,837.4	2,649.5
Insurance Companies	527.2	1,114.6	807.5	816.3	824.3	1,193.7	815.7	817.2
PPP	241.8	-	-	-	240.6	-	-	-
Other	2,179.7	2,150.3	2,312.9	2,140.9	2,177.3	2,020.1	2,189.4	2,128.0
Domestic Arrears	-	309.5	167.0	41.5	1,200.0	279.0	82.0	72.1
External Debt	2,825.8	3,198.9	3,090.0	3,974.5	2,933.3	3,243.5	3,395.5	4,175.3
International Financial Institutions	1,043.7	1,379.5	1,445.5	2,407.8	916.1	1,283.3	1,763.0	2,615.7
Bonds	1,452.8	1,142.8	1,126.2	1,067.3	1,409.0	1,135.7	1,127.3	1,062.3
PPP	243.1	237.0	228.8	255.0	237.0	228.8	269.5	240.5
Bilateral	86.1	211.5	222.6	244.4	83.8	197.3	235.8	256.8
External Arrears	-	228.1	67.0	-	101.2	398.4	-	-
Other Public Sector Debt	1,144.0	94.3	72.3	53.5	976.8	98.1	56.5	50.5
Domestic Debt	884.6	-	-	-	765.7	-	-	-
Foreign Debt	259.4	94.3	66.4	53.5	211.1	91.4	56.5	50.5
Other Public Sector Arrears	-	-	6.0	-	-	6.7	-	-
Gross Public Sector Debt³	14,810.0	12,850.1	12,499.0	12,814.8	15,104.3	12,824.5	12,439.5	13,022.1
Central Government Financial Assets	715.1	795.0	739.6	912.3	685.7	583.8	674.8	553.3
Central Bank	20.3	389.4	311.4	801.9	2.2	254.5	482.3	426.3
Commercial Banks	96.0	174.6	248.4	95.5	103.4	139.7	177.6	112.1
Sinking Funds	598.8	231.0	179.7	14.9	580.2	189.6	14.9	14.9
Other Public Sector Financial Assets	189.0	221.6	392.6	426.0	192.2	246.4	400.6	493.6
Public Corporations' Deposits	189.0	221.6	392.6	426.0	192.2	246.4	400.6	493.6
Gross Public Sector Debt/GDP (%)	148.4	125.4	118.0	142.3	144.6	123.1	126.9	150.3
Gross Central Government Debt/GDP (%)	136.9	124.5	117.3	141.7	135.1	122.1	126.3	149.7
External Debt/GDP (%)	28.3	33.4	29.8	44.1	27.6	32.0	34.6	48.2
Net Central Government ⁴ /GDP (%)	129.8	116.7	110.3	131.5	128.5	116.5	119.4	143.9

^(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 Systems (BDS \$Million)

	2017	2018	2019	2020	Jun 2018	Jun 2019	Jun 2020	Jun 2021 ^(p)
Monetary Authorities								
Net International Reserves	334.7	832.5	1,130.8	2,195.0	364.8	941.3	1,554.6	2,279.3
Monetary Base	2,375.9	2,659.0	2,938.8	3,551.8	2,524.7	2,845.0	3,210.3	4,063.8
Net Domestic Assets	1,996.9	1,788.8	1,761.6	1,296.2	2,117.0	1,860.8	1,598.1	1,719.4
Deposit-taking Institutions¹								
Credit to Public Sector ²								
Central Government (net)	2,164.5	1,896.4	1,886.7	2,056.5	2,172.7	1,931.5	1,964.8	2,056.3
Rest of the Public Sector	344.8	107.9	65.0	85.3	321.7	110.4	43.1	82.0
Credit to Rest of Financial System	248.7	274.5	255.7	262.8	281.8	265.1	261.3	257.1
Credit to the Non-Financial Private Sector ³	8,151.3	8,179.1	8,254.4	8,153.7	8,137.7	8,121.3	8,105.4	8,064.5
Total Deposits	11,978.7	11,967.1	12,284.6	12,976.2	11,939.6	12,269.2	12,660.6	13,207.3
Transferable Deposits ⁴	9,667.6	9,844.5	10,394.3	11,178.9	9,750.7	10,197.0	10,858.5	11,424.5
Non-Transferable Deposits	2,311.1	2,122.6	1,890.3	1,797.3	2,188.9	2,072.2	1,802.1	1,782.8
Memo Items								
Domestic Currency Deposits	11,223.9	11,365.1	11,631.0	12,283.2	9,527.7	9,797.4	11,886.0	12,494.2
Foreign Currency Deposits	754.8	602.0	653.6	693.0	731.3	643.9	774.7	713.1
Banking System Financial Stability Indicators⁵								
Capital Adequacy Ratio (CAR)	17.0	13.8	13.5	16.0	16.1	12.6	14.9	16.3
Loan to Deposit Ratio	64.4	63.0	61.7	57.1	65.8	60.7	58.0	53.9
Liquid Assets to Total Assets	29.7	21.8	23.1	25.2	32.9	23.7	24.8	29.2
Non-Performing Loans Ratio	7.7	7.4	6.6	7.3	7.7	7.1	6.8	8.0
Provisions to Non-Performing Loans	80.4	67.3	59.4	62.0	67.5	56.4	69.1	59.3
Return on Average Assets (12-month)	1.3	(0.2)	0.6	0.8	1.2	(1.1)	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