



Press Release

Review of Barbados' Economic Performance

January to December 2020

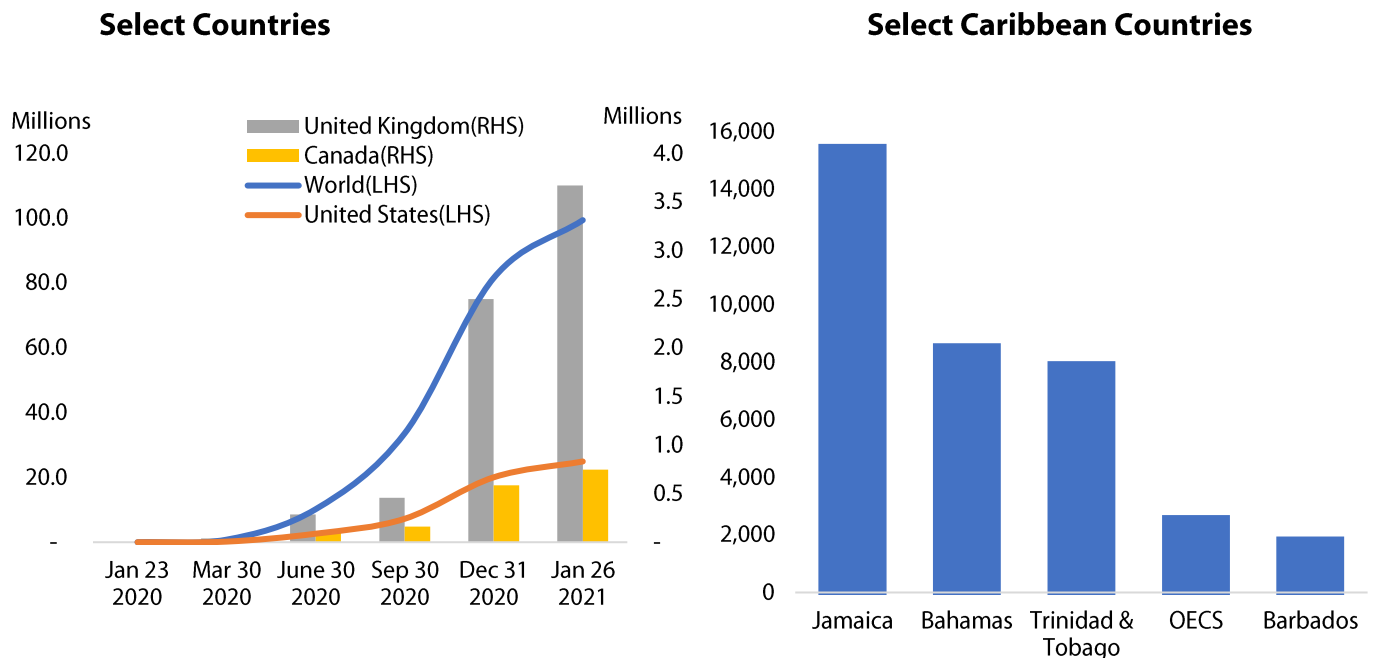


Overview

2020 was an especially difficult year for the Barbados economy as COVID-19 triggered global recessionary conditions and curtailed international travel. Depressed tourism activity, a dampening of consumption and delayed investment projects led to a sharp contraction in economic activity, elevated the level of unemployment, subdued government’s revenues and amplified our economic vulnerabilities. However, the progress made since the start of the four-year economic adjustment programme with the International Monetary Fund (IMF) enabled us to adapt economic policy, quickly mobilise external funding, build unprecedented reserve buffers and close the financing gap that might otherwise derail our recovery efforts.

As we reflect on the impact of the dislocation, our hope for a strong partial recovery in 2021 has been muted by the heightened uncertainty caused by the ongoing raging effects of the virus in our key tourism source markets, new country lockdowns and travel restrictions. The availability of vaccines is expected to slow the spread of the virus and facilitate a gradual return to more normal levels of global economic activity. However, the rollout across markets needs to accelerate so as to create conditions for the return to a growth-oriented adjustment path.

Figure 1: Confirmed COVID-19 Cases as at January 26, 2021



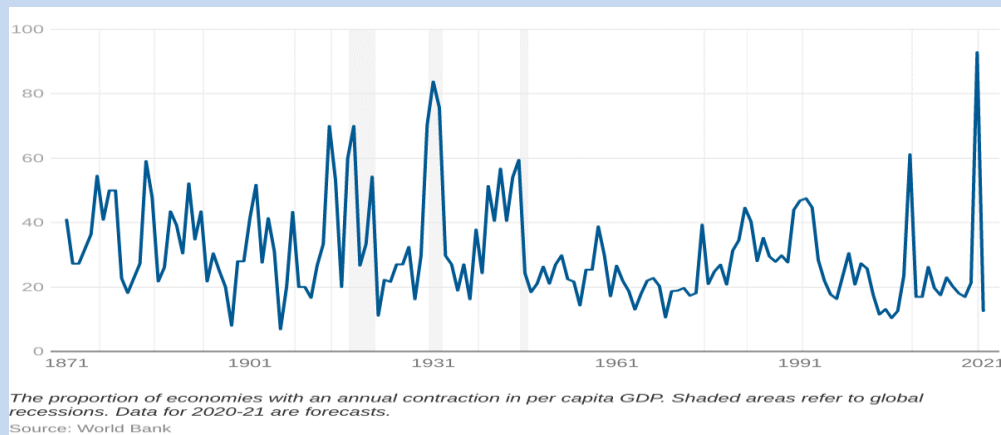
Source: World Health Organization

The COVID-19 Recession

Recessions are often defined as two consecutive quarters of declining economic activity caused by reduced aggregate demand. During recessions, resources are not fully employed as unemployment rises and businesses close. Expansionary fiscal policies, such as government spending, may help create jobs and provide key long-term investments such as education and infrastructure to boost aggregate demand. However, the scale of fiscal expansion in individual countries will depend on pre-existing macroeconomic conditions and access to financing.

The World Bank estimates that 93 percent of all economies faced recessions in 2020. This compares to the 1930's Deep Recession with 84 percent and the 2008 Great Recession with 61 percent. Unlike the previously mentioned recessions, the COVID-19 recession is health related, limiting the movement of people and impairing the demand and supply of goods and services, as persons are unable to have normal work, school or leisure related activities.

Share of Economies in Recessions



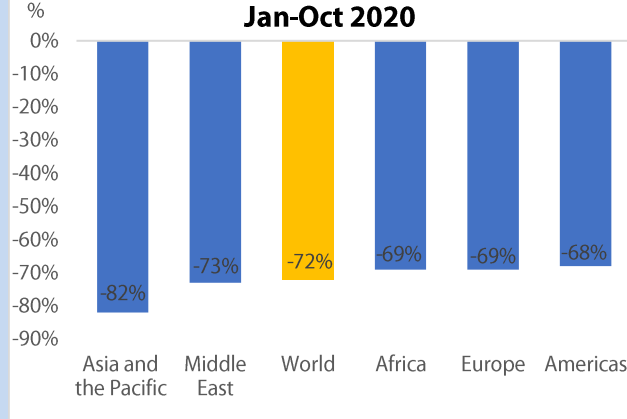
Source: The World Bank, 2020 <https://www.worldbank.org/en/news/feature/2020/06/08/the-global-economic-outlook-during-the-covid-19-pandemic-a-changed-world>

The COVID-19 recession also differed from the other recessions in terms of the speed of response by governments. Usually, the time taken to recognise recessions lags and the stimulus needed to aid the crisis may be prolonged through legislative requirements and parliamentary debates. As the 2020 recession was predicted, governments promptly implemented various policies such as additional spending, strengthening of the safety net for the most vulnerable, including displaced workers, and financial support for impacted businesses. In addition, international financial institutions intervened by extending financial assistance, including some debt relief, to countries to help navigate the crisis and mitigate the adverse effects of the economic decline.

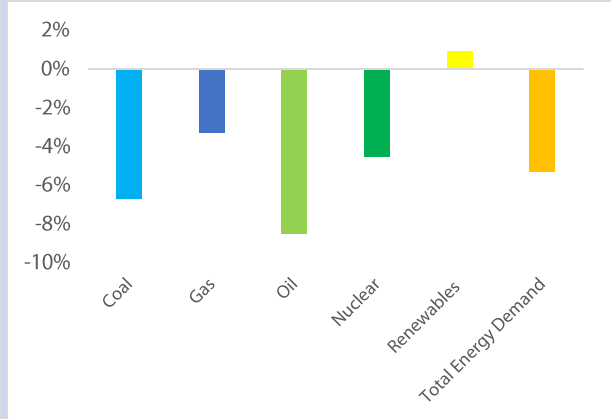
As countries implemented lockdown restrictions, the travel industry, especially tourism and small businesses such as restaurants and theatres were negatively impacted. The World Tourism Organization (WTO) forecasted a 72 percent fall in global tourism activity, with the Americas experiencing a 68 percent decline. Total energy demand fell by an estimated 5.3 percent, with

most energy sources declining except for renewable energy. Thus, energy-based economies also suffered economic contractions.

International Arrivals by Region (YTD change %)



Total Energy Demand



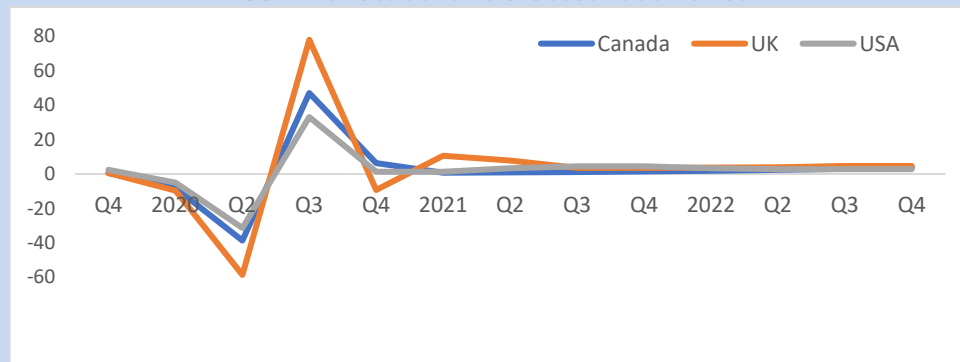
Source: World Tourism Organization, 2020

[https://www.unwto.org/taxonomy/term/347#:~:text=International%20tourist%20arrivals%20in%202020,scenarios%20\(YoY%20monthly%20change%2C%20%25\)&text=Loss%20of%20850%20million%20to,direct%20tourism%20jobs%20at%20risk](https://www.unwto.org/taxonomy/term/347#:~:text=International%20tourist%20arrivals%20in%202020,scenarios%20(YoY%20monthly%20change%2C%20%25)&text=Loss%20of%20850%20million%20to,direct%20tourism%20jobs%20at%20risk)

Source: IEA, 2020

The stock market and housing market recovered from lows in March and April, respectively, thus indicating signs of a return of confidence. However, the persistence of the health crisis means that uncertainty abounds about the durability of the recovery. The challenge facing governments, therefore is to find a balance between promoting safe health care practices while creating an environment to curb the lingering recession effects of unemployment and corporate bankruptcies.

GDP Forecast for Selected Countries



Source: OECD (2021), Real GDP forecast (indicator). doi: 10.1787/1f84150b-en (Accessed on 25 January 2021)

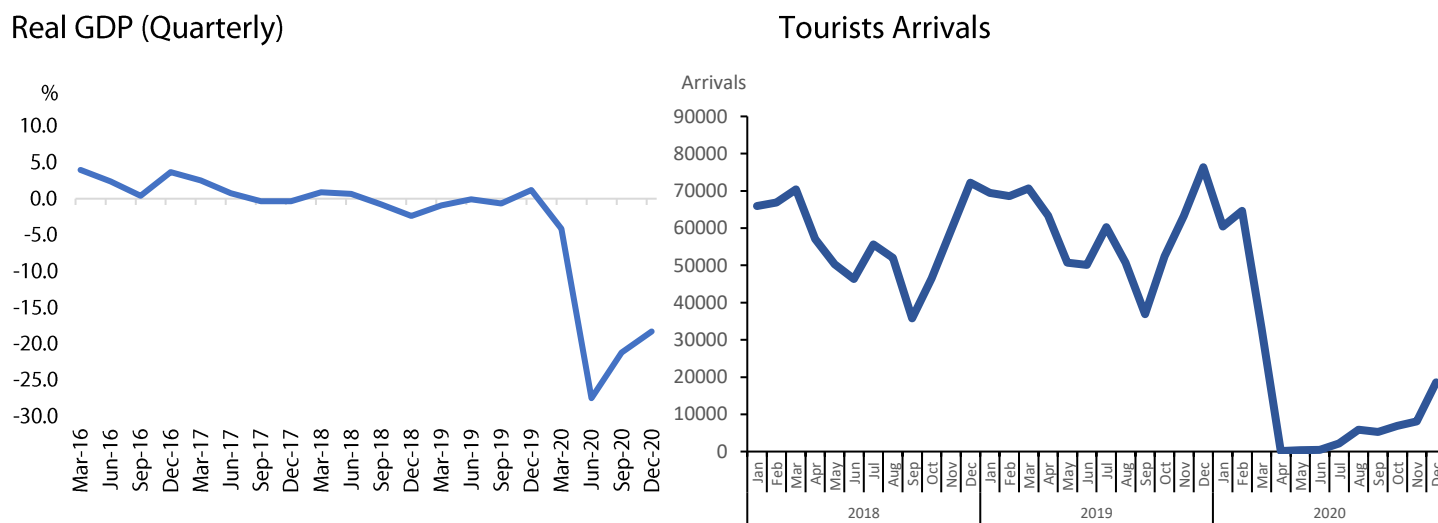
Economic Activity

Preliminary estimates are that the real economy contracted by almost 18 percent during 2020. The sharp fall reflected the combined effects of the severely diminished activity in the tourism sector, weaker than anticipated investment and reduced consumption arising from lower employment incomes and increased uncertainty. Manufacturing export demand was also down, as economic activity in Barbados' main export markets, the OECS, softened. The spill-over impact on other sectors was substantial, particularly during the second quarter but there was a partial recovery during the last six months of the year.

Tourism

There was a modest pick-up in arrivals during the fourth quarter as airlift improved and more hotels reopened after their closure in April. However, a 90 percent fall in long-stay visitor arrivals over the last three quarters reduced arrivals by 71 percent for the year. Traditional hotels had occupancy rates that were almost half those of one year ago, as several hotels served as quarantine locations but, heavy discounting of hotel rates resulted in a much larger decline in revenues. Preliminary data suggest that the sharing economy, with services such as Airbnb, experienced smaller declines in demand and revenue than the hotel sector. The cruise sector was also depressed and passenger arrivals were also lower by 64 percent.

Figure 2: Real GDP (Quarterly) and Tourists Arrivals



Source: Barbados Statistical Service and the Central Bank of Barbados

Agriculture

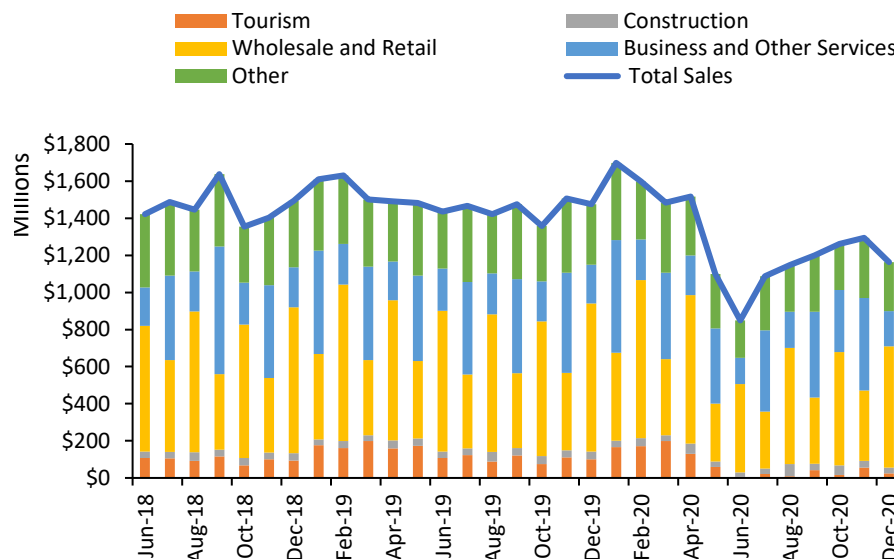
Unlike in the rest of the economy, agricultural output was 1.9 percent higher than a year ago. The main source of the growth was higher food crop production. Chicken production contracted as tourism and local demand were depressed while milk production suffered from heat-related stress and a deterioration in grazing pasture conditions.

Non-Traded Activity

The spill-over effects of the downturn in tourism was especially felt in the wholesale and retail and business services sectors, including real estate, car rentals and the ancillary services provided to the tourist industry. Reduced activity during the lockdown period and lower demand arising from the fall in incomes were largely responsible for the sharp decline.

The uncertainty related to the pandemic contained new private sector investment, particularly in the tourism sector. As a result, construction activity declined by over 3 percent, despite implementation of public and private sector projects such as the Harrison's Point Isolation Facility, the repaving of the Grantley Adams Airport runway, the resumption of the Sandals expansion and Ocean Two Resort.

Figure 3: Monthly VAT Sales

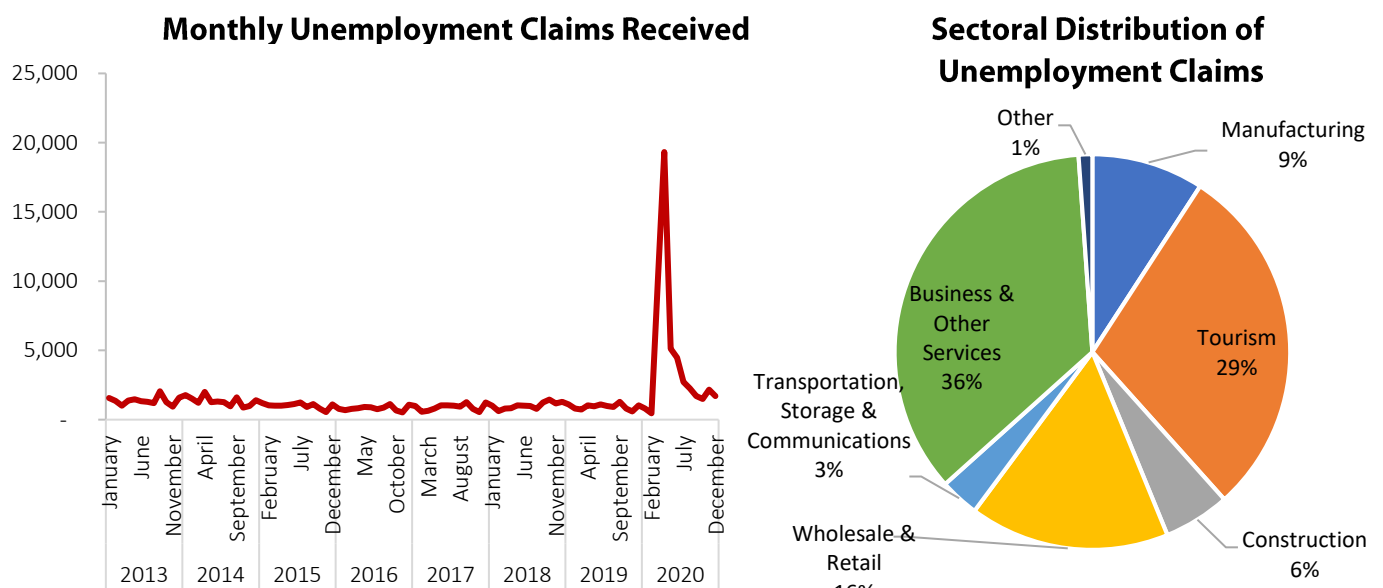


Source: Barbados Revenue Authority

Labour Market

The labour market softened after the lockdown of the economy during the second quarter, the protracted closure of the hotel sector and the dampening of economic activity. Unemployment in the private sector rose, evidenced by an unprecedented level of unemployment claims, particularly during the second quarter of the year. As the economy gradually reopened, some jobs began to return in the third and fourth quarters, but there was an increase in part time work as some employers sought to contain costs by reducing employment and/or introducing shorter working hours.

Figure 4: Monthly Unemployment Claims Received and Sectoral Distribution of Unemployment Claims (2020)



Source: National Insurance Scheme

The gradual reopening of hotels and tourism related services, when combined accounted for almost 30 percent of employment claims, eased the unemployment situation during the fourth quarter. Government introduced its BEST programme to support businesses' cash-flow and incentivise firms to retain and retrain employees in the tourism sector. Under the programme, returning employees are guaranteed 80 percent of their normal wage. However, some firms reengaged their workers but opted out of the programme and, with the reduced demand for hotel services, some workers were severed. At year-end, the BEST programme was supporting 1,663 employees at 19 firms, of which 42% were hotels while the others were in tourism-related services.

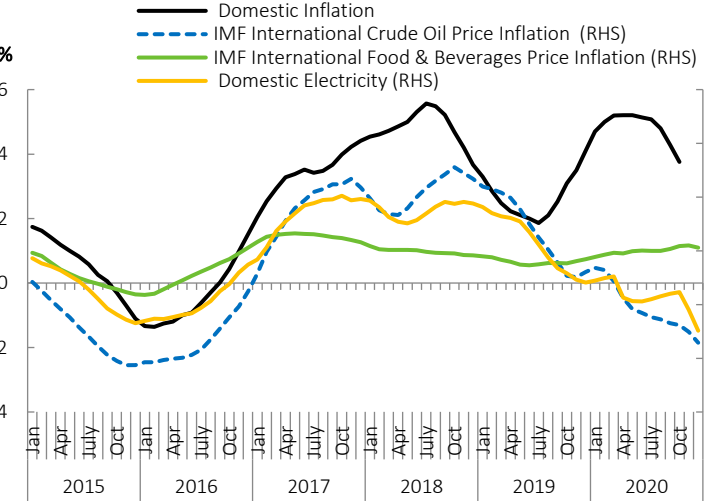
The soft labour market and depressed economic activity influenced wage developments. At the height of the crisis, some firms introduced temporary wage cuts and discussions on wage increases were deferred. Towards year-end, many firms decided to forego the payment of bonuses or to reduce them substantially.

Prices

Inflationary pressures eased during 2020, particularly during the second half of the year. As a result, prices in November were 2.0 percent higher than a year earlier while the twelve-month average of prices was 3.5 percent compared to 3.6 percent in 2019. The weakening of international oil prices exerted downward pressure on energy prices, reflected in transportation and electricity prices falling by 1.6 percent and 6.7 percent respectively. In addition, prices for clothing and footwear declined by 9.5 percent, largely the result of aggressive post-COVID discounting by some firms in the that sector. Non-vegetable food and non-alcoholic beverage prices were flat, as lower international commodity prices dampened price movements.

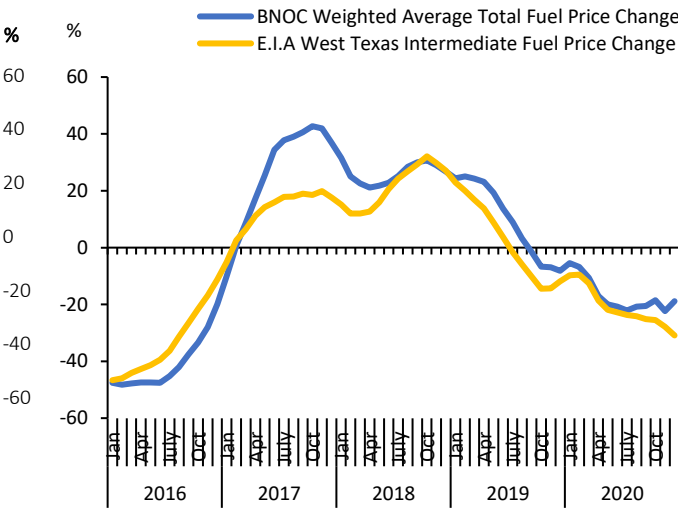
Figure 5: Twelve Month Moving Average Inflation and Fuel Comparison Chart

Twelve Month Moving Average Inflation



Sources: Barbados Statistical Service and International Monetary Fund Primary Commodity Prices, December 8, 2020

International vs Domestic Fuel Comparison Chart

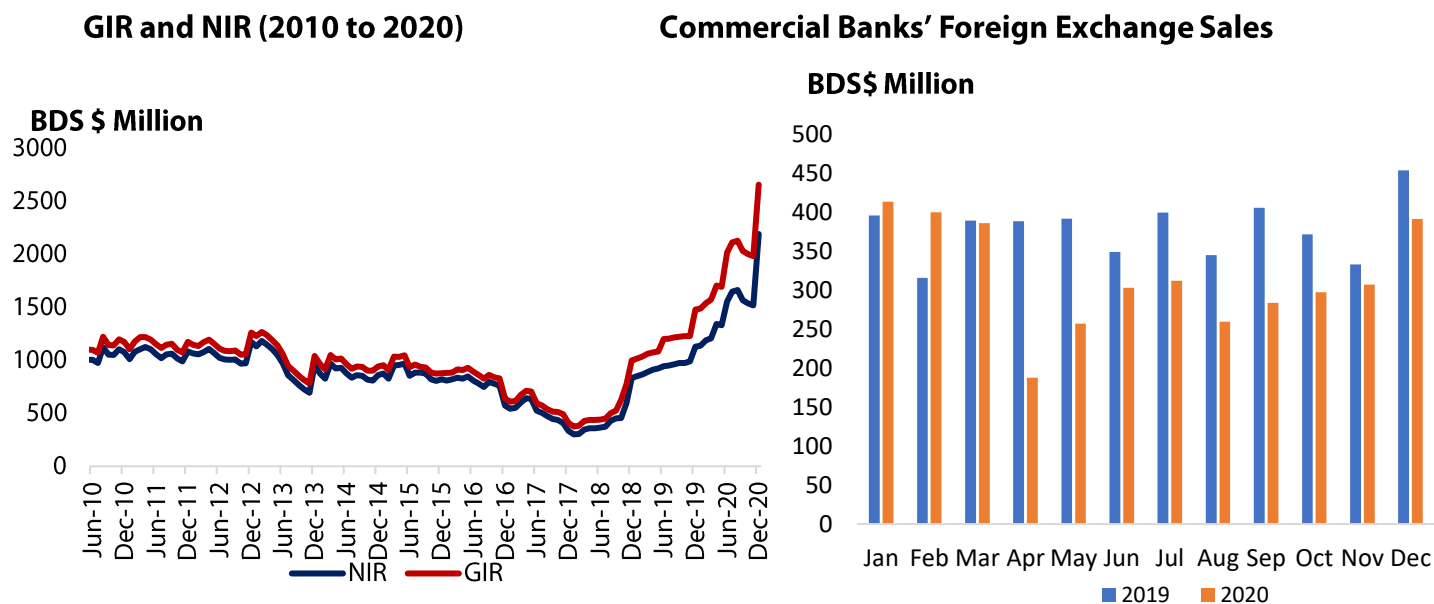


Source: U.S. Energy Information Administration

External Sector Developments

The gross international reserves rose by \$1.2 billion to an unprecedented \$2.7 billion at year-end, raising the import cover to 40 weeks of imports. The increase, particularly during the fourth quarter, reflected the support from international financial institutions that was designed to cushion the impact of reduced foreign exchange inflows from travel credits and foreign investment and to help government close the financing gap created by lower revenues and higher expenditures, including for external debt service. The outturn for the year also reflects the favourable impact of higher inflows from companies that pay their corporate taxes in foreign exchange and reduced demand for foreign exchange by the private sector in the aftermath of the lockdown. For most of the year, banks were therefore able to meet their needs without recourse to the central bank.

Figure 6: GIR and NIR (2010 to 2020) and Commercial Banks' FX Sales



Source: The Central Bank of Barbados

The financial account of the balance of payments strengthened considerably during 2020. The IMF augmented the resources under the EFF programme, providing both balance of payments support (\$97 million) and budget support (\$368 million). In addition, the IADB and CAF provided budget support of \$400 million and \$200 million, respectively. Despite delays in the

commencement of commercial projects slated for 2020, net private inflows grew due to lower amortisation payments of private sector debt.

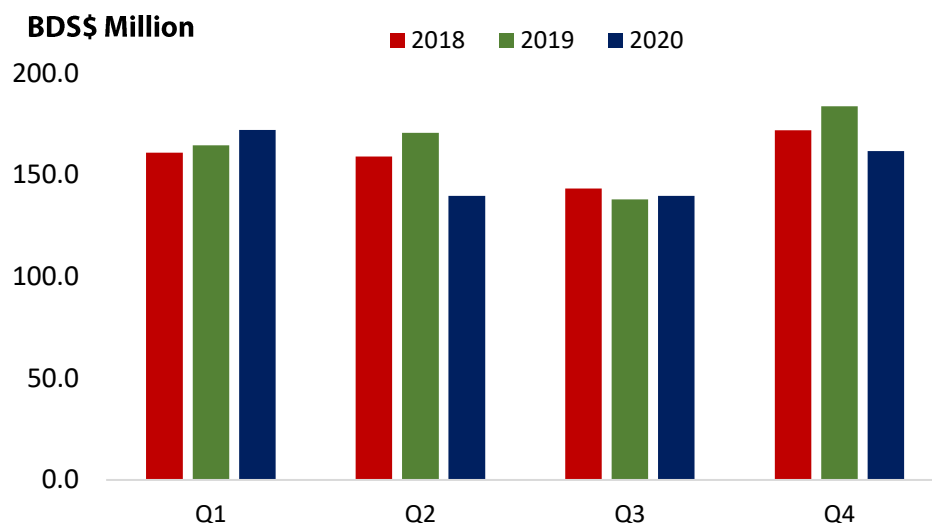
Table 1: Cash Flow Chart

BDS \$M	2016	2017	2018	2019	2020
Net Central Government	(399)	(372)	114	(83)	736
Inflows	145	125	457	239	1,027
Outflows	544	496	343	321	472
<i>Of Which: Debt Service</i>	420	369	241	176	275
Net Commercial Banks	148	107	339	292	274
Net Other	12	36	136	273	171
<i>Of Which: IMF Financing</i>			98	195	97
Change in GIR	(238)	(228)	588	482	1,181
GIR as at the end of December	640	411	999	1,481	2,661

Source: Central Bank of Barbados

The external current deficit worsened during 2020, due to the decline in travel credits and exports. The impact was tempered by reduced outbound travel and lower dividend payments. Fuel imports, price and volume, declined but there were also lower food and beverage imports, partly a result of the depressed activity in the tourism sector. However, imports of capital goods rose, largely because of increased demand for power generating equipment.

Figure 7: Total Imports of Food and Beverages (2018 to 2020, Quarterly)

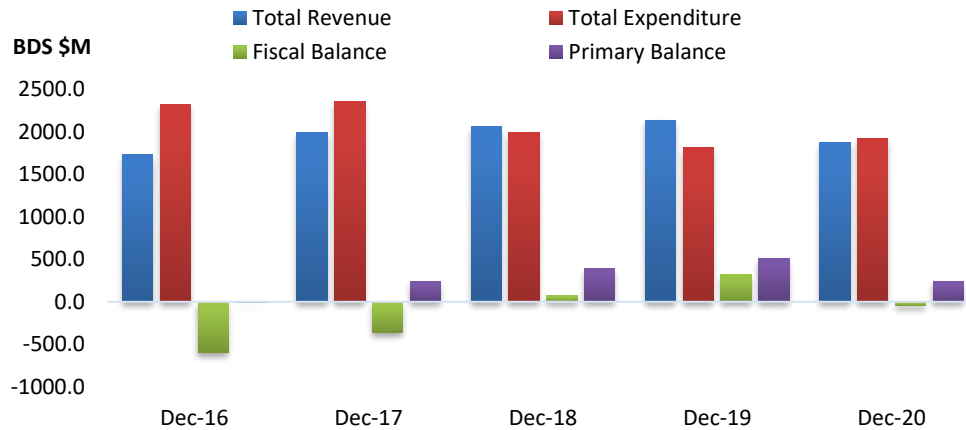


Source: Barbados Statistical Service (BSS)

Fiscal Operations

Government adapted its fiscal stance in line with the changed environment. The primary balance target for FY 2020/21 was reduced further to a deficit of 1 percent compared to a surplus of 6 percent at the beginning of the fiscal year. The rationale for the adjustment reflected the large fall in revenue and the need to raise non-interest expenditure to dampen the adverse impact of the economic downturn. However, a stronger than forecast improvement in corporate tax collections cushioned the loss in revenues, particularly from transaction-based taxes, and enabled Government to register a primary surplus of \$243 million. The overall fiscal deficit was \$36 million or 0.4 percent of GDP for the first nine months of the fiscal year.

Figure 8: Fiscal Performance FY2020/21

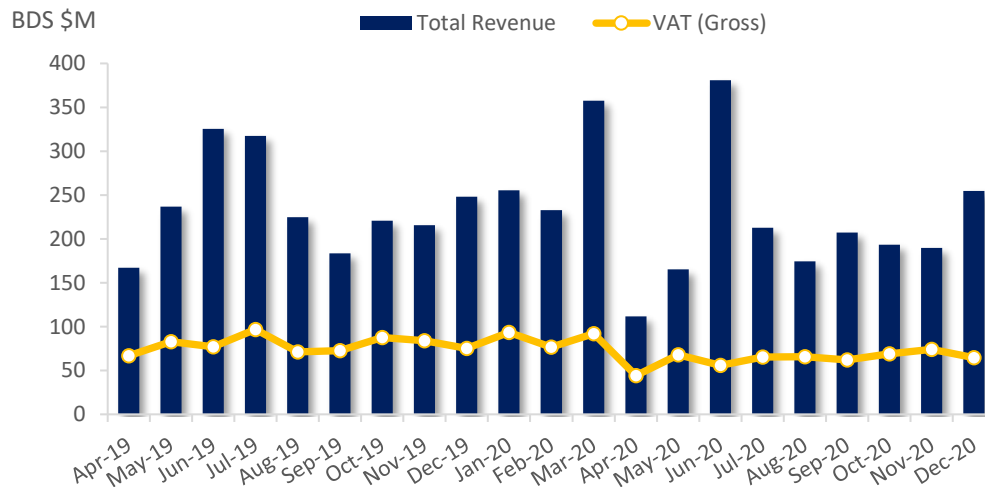


Source: Ministry of Finance

Revenue

Revenue declined by 12 percent, the result of lower collections of transaction-based taxes. VAT receipts fell by \$185 million with declines in VAT on imports down by 17 percent and VAT on domestic sales by 23 percent for the April to December period. Excises and import duties registered reductions of \$56 million and \$23 million, respectively and there were also declines in the Fuel Tax and Room Rate /Shared Accommodation and Product Development Levy.

Figure 9: Total Revenue and Monthly VAT Revenue



Source: Ministry of Finance

Following implementation of lower income tax bands and the fall in employment, personal income tax receipts fell by \$118 million (35.3 percent). Property taxes also fell (\$26 million), reflecting delays in payment. In contrast, corporate income tax receipts doubled, increasing by \$249 million and boosted by collections from foreign currency earning firms. Non-tax revenue was \$42 million lower, partly due to reduced earnings from the Foreign Exchange Fee.

Expenditure

Current expenditure increased by 5 percent during the nine-month period owing to the resumption of commercial external debt service and COVID-19 related spending. Interest expenses increased by \$89 million, absorbing a larger share of revenue than in 2019. Grants to individuals increased by \$5 million resulting from continued COVID relief measures with higher transfers to the welfare department and the implementation of the household survival programme. The Government's COVID-19 relief efforts also led to higher expenditure in grants to public institutions (up \$25 million), partly attributable to transfers for the recently implemented BEST programme. However, expenditure on goods and services declined by \$35 million driven by cost savings on property maintenance and rental of supplies and materials.

Capital expenditure rose by \$22 million due to projects such as the Barbados Water Authority's Water Supply Network Upgrade Project, the purchase of electric buses and increased support to Fund Access in an effort to alleviate the impact of the crisis on small businesses.

Debt and Financing

The shift from the 6 percent primary surplus over FY 2020/21 and FY 2021/22 raised the short-term financing needs of Government which received the majority of its financing from external sources during 2020. The international financial institutions provided front loaded budgetary support to complement project funds earmarked for capital spending. At the same time, as expected, government continued to draw down on some of its accumulated deposits with the Central Bank to service its maturing external and domestic indebtedness. Domestic debt payments were larger than originally planned as the National Insurance Scheme (NIS) liquidated some of its bonds early to assist with the unprecedented level of unemployment claims.

Table 2: Policy Based Loans (2018-2020)

International Financial Institution	2018	2019	2020
Inter-American Development Bank (IADB)	200M		400M
Caribbean Development Bank (CDB)	150M	150M	
International Monetary Fund (IMF)			368M
Corporacion Andina De Fomento Lima (CAF)			200M
Total Policy Loans	350M	150M	968M

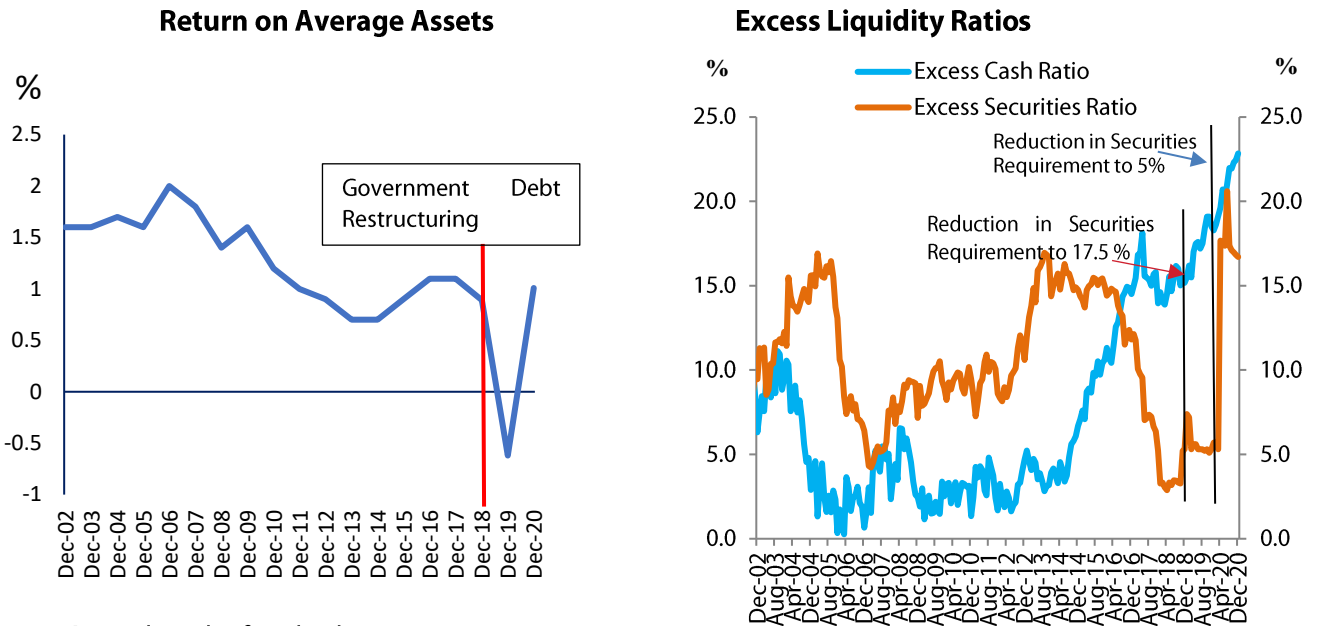
Source: Ministry of Finance and Central Bank of Barbados

The increased borrowing at this time reversed the trend of declining debt and, at year-end, the debt to GDP ratio was 144 percent, up from 120 percent a year earlier. This growth was partly driven by the decline in GDP, as the amortisation of pre-existing debt contained the overall rise to \$310 million. The increase is intended to be temporary as government remains committed to pursuing a path of debt sustainability as normalcy returns. This will require a resumption of higher primary surpluses over the medium term so as to free up resources to meet government's needs.

Financial Sector Developments

The financial sector faced elevated risks due to the sharp economic downturn. During the last three quarters of the year, financial institutions, banks and non-banks, implemented varied programmes of payment moratoria to minimise the risk of default. Nonetheless the non-performing loans ratio rose moderately and profitability declined in the face of increased provisions, weak credit demand and falling loan rates. However, commercial banks remained well capitalised and highly liquid. Activity on the interbank market remained modest and neither the banks nor the smaller deposit-taking institutions had to rely on central bank liquidity support following the Bank's decision to reduce the securities ratio and the discount rate to help ease the impact of the pandemic.

Figure 10: Banks' Profitability and Liquidity

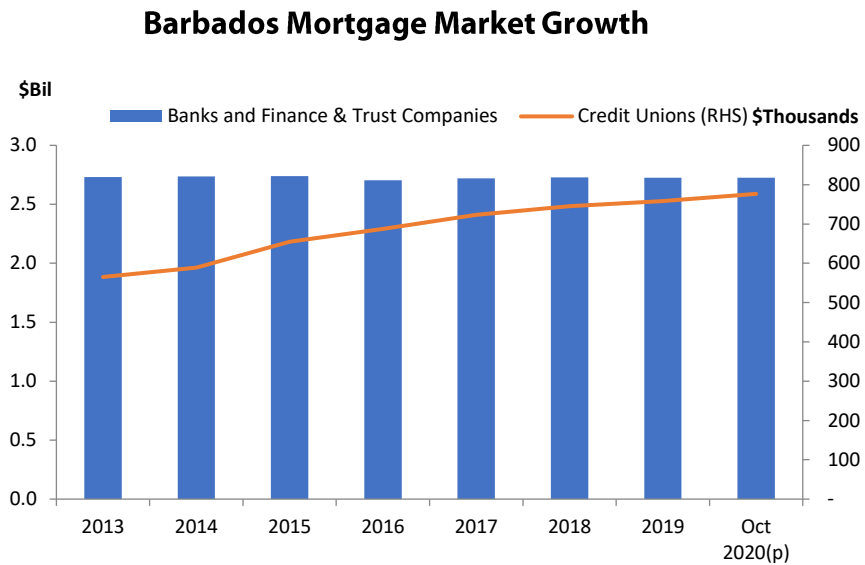


Source: Central Bank of Barbados

Credit to the non-financial private sector by deposit-taking institutions¹ maintained a downward trajectory, falling by 1.5 percent from 2019. The contraction was concentrated in the banking sector, where increased lending to utilities was offset by reductions elsewhere, particularly the household sector (\$64.5million). Almost half of the reduction in household debt was attributable to lower credit card indebtedness. Meanwhile, the local mortgage market remained stable with only marginal growth in the credit union sector. Net lending to tourism was down in the first quarter, influenced by the early repayment of a large loan. However, this was followed by a modest pick-up in borrowing by the sector during the final nine months of 2020.

¹ These include commercial banks, finance and trust companies and credit union.

Figure 11: Barbados Mortgage Market Growth



Source: Central Bank of Barbados

New lending for the April to December period was lower than in 2019 but lower repayments resulting from the moratorium of payments dampened the decline in loans. Loans subject to moratoria declined from \$2.6 billion in May to \$0.3 at December 2020. As financial institutions rolled back the moratoria, some loans were restructured on a case-by-case basis in an effort to provide manageable repayment programmes for customers.

Table 3: New Lending/ Additional Funding²

	2019				2020			
(\$Mil)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Loans³	400.7	411.4	584.0	589.1	384.6	231.4	325.2	446.1
<i>of which includes:</i>								
Public Non-Financial Corporations	0.1	0.1	0.1	-	0.1	0.1	0.1	70.2
Hotels and Restaurants	14.2	18.2	40.4	33.3	6.6	6.3	12.3	29.0
Distribution	41.6	35.6	43.3	46.3	28.3	34.0	17.7	20.1
Construction	9.7	4.5	6.2	4.8	4.8	15.7	4.4	4.6
Manufacturing	17.8	15.9	11.1	15.3	6.9	11.7	8.6	2.4
Electricity, gas and water	1.6	32.5	2.0	30.2	42.8	27.2	1.4	20.7
Real estate, renting and other business activities	44.8	38.5	43.9	55.4	30.4	29.6	40.5	41.2
Personal	239.3	250.7	348.9	327.2	243.9	98.6	209.4	233.8

Source: Central Bank of Barbados

Deposits rose by 5.4 percent during 2020, reflecting increases in domestic-currency and foreign-currency deposits of 5.4 percent and 6 percent, respectively. Deposits of individuals, non-financial private corporations, state-owned enterprises, non-deposit-taking financial institutions and depository corporations were the drivers of growth in domestic-currency deposits at commercial banks. The growth in foreign-currency deposits was primarily due to activities of non-financial private sector.

Outlook

The economic outlook for 2021 has been rendered more uncertain by the recent worsening of COVID-19 infections at home and abroad. The IMF, in its most recent forecast, has raised slightly its global forecast for 2021. A revival of growth in Barbados' major source markets is anticipated but we now face new challenges as the re-emergence of lockdowns and travel bans and the tightening of quarantining requirements for travellers will slow the recovery of global tourism upon which the Barbados economy is heavily dependent.

² Provisional data

³ Includes the commercial banking sector and Finance & Trust companies

The situation remains fluid but the uncertainty is likely to diminish confidence of travellers, continue to dampen other domestic activity and to cause unemployment to remain elevated. The Bank has not yet taken into account any potential effects of the recently announced planned domestic shutdown, but the Bank has revised downwards its growth forecast from the range of 7 to 10 percent below 5 percent. The forecast is sensitive to the demand for tourism and, given the uncertainty and the omni-present downside risks in this environment, the Bank stands ready to review and revise its forecast as events unfold.

Economic policy will continue to adapt to the economic circumstances. The front-loaded accumulation of reserves in 2020 will allow Barbados to continue to meet its external obligations on time. The unfavourable impact of weak economic activity on revenues and the likely need for Government to continue to address the health and socio-economic issues generated by the pandemic will force government to keep its fiscal targets, including for the primary balance and debt, under constant review.

Acceleration of government's capital works programme is critical for generating activity now but also for putting in place the infrastructure to secure growth over the medium term. Equally important during this difficult period is support for tourism related businesses as it is critical that we have a sector, comprising businesses and employees, that is able to respond nimbly as conditions improve.

The interest rate environment is expected to stay low in the midst of the high level of excess liquidity. Financial institutions will need to continue to work with their clients on a case by case basis, including providing new funding, where appropriate, to minimise the risk of default and help borrowers to navigate these difficult circumstances.

As we move forward, we have to reduce our economic vulnerabilities. I cannot but reiterate the importance of the potential contribution of alternative energy to our long-term competitiveness and net foreign exchange earnings. However, central to further reducing our vulnerabilities will be how we adapt our use of technology in everyday life. The innovation and entrepreneurial spirit emerging out of the pandemic demonstrated the resilience of our citizens during difficult times. However, to facilitate the growth of business, whether small or

large, we must progress our digital efforts including in banking, payments, tax collections, document management and education.

Let us use this period to ramp up our focus, not only to help us navigate this period, but also to prepare us to be more competitive in the new environment.

Table 1 – Economic Indicators

	2015	2016	2017	2018	2019 ^(p)	2020 ^(e)
Nominal GDP (\$ Million) ¹	9,430.0	9,660.0	9,956.3	10,173.4	10,399.9	8,853.2
Real Growth (%)	2.4	2.6	0.6	(0.4)	(0.1)	(17.6)
Inflation (%) ²	(1.1)	1.5	4.5	3.7	4.1	3.5
Avg. Unemployment (%) ³	11.3	9.7	10.0	10.1	10.1	18.5
Gross International Reserves (\$ Million)	878.0	639.8	411.3	999.6	1,481.0	2,661.9
Gross International Reserves Cover, Weeks	11.2	8.2	5.3	12.8	18.6	40.3
BoP Current Account (% of GDP)	(6.1)	(4.3)	(3.8)	(4.0)	(2.5)	(7.0)
Total Imports of Goods (% of GDP)	32.6	31.9	30.5	29.5	29.5	32.5
Travel Credits (% of GDP)	20.1	21.5	21.7	22.4	24.9	12.9
Financial Account (\$ Millions)	442.3	84.2	86.4	887.6	792.7	1,228.2
Gross Public Sector Debt ⁴ (% of GDP)	144.2	151.2	148.4	126.3	120.2	144.4
External Debt Service to Curr. Acct. Cred.	9.5	8.0	8.3	4.9	3.6	8.7
Treasury-Bill Rate	1.8	3.1	3.2	0.5	0.5	0.5
Implicit Deposit Rate	0.9	0.3	0.1	0.1	0.1	0.04
Implicit Loan Rate	6.7	6.5	6.5	6.4	6.2	5.7
Excess Cash Ratio	11.1	15.7	14.2	16.1	18.5	22.8
Private Sector Credit Growth (%) ⁵	1.6	1.5	3.2	0.4	0.9	(1.5)
Private Sector Credit (% of GDP) ⁵	82.5	81.7	81.9	80.4	79.4	91.8
Domestic Currency Deposits (% of GDP) ⁵	113.8	114.9	112.7	111.7	111.8	138.4
Fiscal Year	2015/16	2016/17	2017/18	2018/19	Apr-Dec 2019/20	Apr-Dec 2020/21^(e)
Fiscal Balance (% of GDP)	(9.0)	(5.3)	(4.6)	(0.3)	3.1	(0.4)
Primary Balance (% of GDP)	(2.0)	2.2	3.2	3.5	4.9	2.8
Interest (% of GDP)	7.0	7.5	7.8	3.8	1.8	3.3
Fiscal Current Account (% of GDP)	(6.6)	(3.0)	(2.8)	1.6	4.0	0.9
Revenue (% of GDP)	25.7	27.8	28.8	29.3	20.6	21.9
Expenditure (% of GDP)	34.7	33.1	33.4	29.6	17.5	22.3
<i>Non-interest Expenditure (% of GDP)</i>	27.7	25.6	25.7	25.9	15.6	19.1
<i>Capital Expenditure (% of GDP)</i>	2.5	2.3	1.7	1.9	0.9	1.3
Gov't Interest Payments (% of Revenue)	27.4	26.9	26.9	12.9	8.9	14.9

^(p) - Provisional^(e) - Estimate¹ - Central Bank of Barbados and Barbados Statistical Service² - Twelve-Month Moving Average³ - Four Quarter Moving Average⁴ - Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt⁵ - Based on consolidated data for deposit-taking institutions (Commercial Banks, Finance & Trust Companies and Credit Unions)

Source: Barbados Statistical Service and Central Bank of Barbados

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

	2014	2015	2016	2017	2018	2019 ^(p)	2020 ^(e)
Tradeables	1,640.4	1,746.3	1,850.9	1,913.2	1,986.9	1,999.1	983.5
Tourism	1,061.8	1,144.8	1,256.7	1,314.9	1,370.4	1,416.1	413.2
Agriculture	109.7	110.2	109.0	105.5	121.1	113.8	115.9
Sugar	5.9	4.7	3.4	5.4	6.0	4.0	4.2
Non-Sugar Agriculture	103.8	105.4	105.7	100.1	115.1	109.8	111.7
Manufacturing	468.9	491.3	485.2	492.8	495.4	469.2	454.4
of which:							
<i>Rum & Other Beverages</i>	91.0	95.4	94.2	95.7	96.2	91.1	88.2
<i>Food</i>	119.2	124.9	123.3	125.3	125.9	119.3	115.5
<i>Furniture</i>	12.9	13.5	13.4	13.6	13.6	12.9	12.5
<i>Chemicals</i>	28.2	29.6	29.2	29.7	29.8	28.2	27.3
<i>Electronics</i>	35.5	37.2	36.7	37.3	37.5	35.5	34.4
<i>Other Manufacturing</i>	136.9	143.5	141.7	143.9	144.7	137.0	132.7
Non-tradeables	6,018.8	6,100.1	6,201.2	6,190.2	6,083.7	6,063.0	5,660.4
Mining & Quarrying	28.8	37.4	32.4	40.7	41.7	41.6	40.3
Electricity, Gas & Water	221.3	217.4	219.0	214.8	214.1	211.8	200.7
Construction	501.7	495.7	482.8	492.9	461.6	445.2	430.1
Wholesale & Retail	767.5	793.8	785.9	756.9	728.2	728.6	659.9
Transport, etc	967.0	972.6	1,065.3	1,045.6	1,018.0	1,023.6	957.1
Finance and Other Services	2,638.6	2,718.5	2,761.1	2,783.6	2,778.3	2,778.6	2,538.9
Government	893.9	864.7	854.7	855.6	841.8	833.6	833.6
Total	7,659.2	7,846.3	8,052.1	8,103.4	8,070.6	8,062.1	6,643.9
Nominal GDP	9,392.7	9,430.0	9,660.0	9,956.3	10,173.4	10,399.9	8,853.2
Real Growth Rates	0.0	2.4	2.6	0.6	(0.4)	(0.1)	(17.6)
Tradeables	(0.3)	6.5	6.0	3.4	3.9	0.6	(50.8)
Non-tradeables	0.1	1.3	1.7	(0.2)	(1.7)	(0.3)	(6.6)

^(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)**

	2014	2015	2016	2017	2018	2019^(p)	2020^(e)
Current Account	(860.7)	(578.4)	(414.8)	(380.6)	(403.0)	(256.3)	(620.5)
Inflows	4,457.6	4,599.1	4,795.5	4,832.0	4,905.2	5,197.2	3514.2
Travel	1,773.6	1,894.9	2,079.1	2,161.4	2,280.9	2,537.3	1,147.9
Other Services	429.8	412.2	418.4	429.9	444.7	458.5	397.4
Domestic Exports	539.4	486.3	504.6	509.7	510.2	507.4	444.9
Rum	78.7	76.3	77.6	83.9	79.8	76.8	75.9
Food	70.0	65.1	62.7	64.6	65.3	66.4	61.3
Sugar	18.1	7.2	7.1	13.5	0.4	0.6	0.9
Chemicals	73.6	73.9	72.2	72.5	80.3	77.8	84.7
Printed Paper Labels	24.2	22.0	23.1	22.7	26.6	15.3	23.5
Construction Materials	44.5	42.1	45.3	42.1	51.7	59.1	38.2
Other	230.3	199.7	216.6	210.3	206.1	211.4	160.4
Re-exported Goods	409.4	479.5	529.1	461.1	385.7	380.8	241.0
Net Export of Goods under Merchanting	640.3	633.9	632.2	635.4	633.8	637.6	547.6
Income	525.1	512.0	515.4	529.8	543.0	565.4	338.7
Transfers	140.0	180.3	116.7	104.7	107.0	110.1	396.6
Outflows	5,318.3	5,177.5	5,210.3	5,212.6	5,308.2	5,453.5	4,134.7
Total Imports of Goods	3,304.4	3,074.4	3,080.9	3,040.3	2,997.7	3,003.7	2,884.7
Fuel Imports	877.5	603.6	502.9	626.2	712.2	728.0	510.6
Other Merchandise Imports	2,426.8	2,470.8	2,578.0	2,414.1	2,285.5	2,275.7	2,374.1
Services	925.0	988.8	989.3	1,014.0	1,073.9	1,148.9	553.3
Income	920.0	937.9	958.3	977.6	1,042.6	1,099.2	486.8
General Government	166.3	164.8	166.8	167.4	183.2	150.0	152.4
Other Sectors	753.7	773.1	791.4	810.2	859.5	949.1	334.3
Transfers	169.0	176.4	181.8	180.6	194.0	201.7	209.8
Capital Account	(16.7)	(16.4)	(5.7)	(2.4)	50.9	(5.3)	(4.5)
Financial Account	745.6	442.3	84.2	86.4	887.6	792.7	1,636.8
Net Foreign Direct Investment	1,634.6	160.1	376.7	468.2	464.8	375.3	509.2
All Other Investment Flows	(889.0)	282.2	(292.5)	(381.8)	422.8	417.3	1,127.6
Net Long-term Public	96.5	(71.1)	(171.1)	(134.9)	451.0	387.8	952.9
Net Long-term Private	(1,002.6)	361.9	(44.6)	(156.8)	(3.8)	113.0	251.3
Net Short-term	17.2	(8.6)	(76.8)	(90.1)	(24.4)	(83.5)	(76.7)
Net Errors & Omissions	33.1	88.0	97.9	68.0	52.7	(49.8)	168.7
Overall Balance	(98.7)	(64.5)	(238.2)	(228.5)	588.3	481.4	1,180.5
Change in GIR: - increase/+ decrease	98.7	64.5	238.2	228.5	(588.3)	(481.4)	(1,180.5)

^(p)-Provisional

^(e)-Estimate

Source: Central Bank of Barbados

Table 4 – Summary of Government Operations

(BDS \$Millions)

	2015/16	2016/17	2017/18	2018/19	2019/20	Apr-Dec 2017	Apr-Dec 2018	Apr-Dec 2019	Apr-Dec 2020 ^(e)
Total Revenue	2,458.4	2,754.0	2,845.4	2,993.6	2,984.2	1,986.5	2,060.5	2,138.6	1,873.4
Tax Revenue	2,266.3	2,494.5	2,656.3	2,812.4	2,771.2	1,886.6	1,941.9	2,014.0	1796.3
i) Direct Taxes	875.6	970.5	968.9	1,126.9	1,084.7	677.5	754.2	795.4	886.8
Personal	396.8	488.3	462.6	482.1	454.7	332.5	313.7	334.5	216.5
Corporate	215.2	248.2	275.1	355.5	309.0	153.0	203.2	195.1	444.2
Property	132.8	135.4	137.6	161.3	214.7	121.7	143.5	192.8	166.5
Financial Institutions Asset Tax	29.0	32.6	48.7	44.6	47.4	37.3	37.4	31.1	34.0
Other	65.5	62.7	44.9	83.4	58.9	33.0	56.4	41.9	25.7
ii) Indirect Taxes	1,390.7	1,524.0	1,687.4	1,685.6	1,686.5	1,209.1	1,187.7	1,218.6	909.5
Stamp	10.1	9.4	10.5	10.9	11.4	6.9	8.0	8.7	6.2
VAT	861.4	890.3	887.3	940.9	966.9	657.7	668.1	704.3	519.1
Excises	169.0	225.6	303.1	271.2	250.9	183.3	184.7	186.0	129.8
Import Duties	231.6	245.2	218.6	213.8	231.6	168.4	158.2	174.1	151.4
Hotel & Restaurant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Responsibility Levy	0.0	29.3	152.0	49.4	0.1	106.2	49.4	0.1	0.0
Other of which:	118.6	124.3	115.9	199.4	225.6	86.6	119.4	145.4	103.1
Fuel Tax				68.6	82.1	0.0	26.5	61.3	54.8
Room Accommodation				10.1	28.1	0.0	4.9	18.1	5.4
Rate/Shared									
Non Tax Revenue & Grants	192.1	259.5	189.1	181.2	213.0	99.9	118.6	124.6	77.1
Non Tax Revenue	147.5	228.4	149.0	161.5	201.3	89.2	111.6	114.5	73.0
Grants	18.1	9.8	22.0	0.1	11.8	0.0	0.0	10.1	0.0
Post Office - Revenue	26.4	21.3	18.1	19.6	0.0	10.7	7.0	0.0	4.0
Current Expenditure	3,085.5	3,053.0	3,123.8	2,826.4	2,407.9	2,239.5	1,912.7	1,724.8	1,800.4
Wages & Salaries	787.2	784.4	782.3	811.9	807.4	583.5	605.2	602.1	599.3
Goods & Services	441.3	385.4	364.3	356.3	375.5	245.2	216.5	238.5	203.0
Interest	672.5	741.7	764.7	384.9	249.7	607.7	316.2	190.1	278.6
External	163.7	168.0	168.0	48.0	62.7	122.9	34.7	51.4	128.1
Domestic	508.8	573.7	596.7	336.9	187.0	484.8	281.6	138.7	150.5
Transfers & Subsidies	1,184.5	1,141.5	1,212.5	1,273.3	975.3	803.1	774.8	694.2	719.4
Grants to Individuals	342.1	327.3	358.3	362.8	389.2	240.2	230.3	276.2	280.7
Grants to Public Institutions	729.6	714.4	761.2	814.8	517.6	515.9	496.8	366.5	391.9
Subsidies	60.5	47.8	51.9	51.8	31.8	21.3	25.4	24.8	22.7
Subscriptions & Contributions	19.9	19.4	22.1	25.7	20.3	12.8	11.8	14.5	13.9
Non-Profit Agencies	32.3	32.7	19.0	18.3	16.4	12.9	10.4	12.2	10.3
Capital Expenditure & Net Lending	236.3	225.1	171.8	197.8	191.8	111.6	73.6	92.8	108.8
Capital Expenditure	216.6	205.4	149.1	184.9	185.1	93.6	62.5	87.3	109.7
Net Lending	19.7	19.7	22.7	12.9	6.7	18.0	11.2	5.5	(0.8)
Fiscal Balance	(863.4)	(524.1)	(450.2)	(30.5)	384.5	(364.6)	74.2	321.0	(35.9)
Primary Balance	(190.8)	217.6	314.5	354.3	634.2	243.1	390.4	511.0	242.7

^(p)-Provisional

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

**Table 5 – Government Financing
(BDS \$Millions)**

	2015/16	2016/17	2017/18	2018/19	2019/20	Apr- Dec 2017	Apr- Dec 2018	Apr- Dec 2019	Apr- Dec 2020 ^(e)
Total Financing	863.4	524.1	450.2	30.6	(384.5)	364.6	(74.2)	(321.0)	37.1
Domestic Financing	837.7	685.7	629.3	(315.5)	(491.1)	480.3	(433.9)	(444.8)	(838.1)
Central Bank	426.2	783.2	92.8	(166.4)	164.7	96.8	(232.5)	122.2	(488.4)
Commercial Banks	182.4	(433.5)	257.9	82.8	(86.3)	278.7	58.4	(115.2)	107.9
National Insurance Board	71.2	180.2	3.1	8.9	(85.2)	(2.8)	8.9	(63.9)	(168.0)
Private Non-Bank	108.5	94.6	(57.2)	(119.6)	(217.7)	(82.3)	(83.5)	(132.6)	(71.6)
Other	49.4	61.3	332.8	(111.2)	(58.3)	190.0	(185.2)	(46.9)	(156.1)
Arrears Payments	n.a	n.a	n.a	(10.0)	(208.3)	0.0	0.0	(208.3)	(61.9)
Foreign Financing (Net)	25.7	(161.7)	(179.1)	346.2	106.6	(115.7)	359.7	123.8	875.2
Capital Markets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Funds	204.1	57.2	113.8	87.9	72.0	85.2	77.3	70.5	59.3
Policy Loans	99.3	0.0	0.0	350.0	150.0	0.0	350.0	150.0	968.1
Amortisation	(277.8)	(218.8)	(292.8)	(91.7)	(115.4)	(200.9)	(67.6)	(96.7)	(152.2)

^(p)-Provisional

^(e) Estimate

n.a.- Not Available

Source: Central Bank of Barbados

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

	2016	2017	2018	2019 ^(p)	2020 ^(e)
Gross Central Government Debt¹	13,397.3	13,665.9	12,755.8	12,426.6	12,761.0
Domestic Debt	10,511.2	10,840.1	9,247.4	9,336.6	8,786.4
Central Bank ²	2,012.4	2,227.7	703.8	814.1	757.0
Commercial Banks	2,030.9	2,144.9	2,340.2	2,355.2	2,340.4
National Insurance	3,481.0	3,518.9	2,938.4	2,880.0	2,690.6
Insurance Companies	522.3	527.2	1,114.6	807.5	816.1
PPP	256.8	241.8	-	-	-
Other	2,207.8	2,179.7	2,150.3	2,312.9	2,141.3
Domestic Arrears	n.a.	n.a.	309.5	167.0	41.0
External Debt	2,886.2	2,825.8	2,970.8	3,090.0	3,974.5
International Financial Institutions	1,062.5	1,043.7	1,379.5	1,445.5	2,407.8
Bonds	1,548.3	1,452.8	1,142.8	1,126.2	1,067.3
PPP	249.9	243.1	237.0	228.8	255.0
Bilateral	25.5	86.1	211.5	222.6	244.4
External Arrears	n.a.	n.a.	228.1	67.0	-
Other Public Sector Debt	1,238.2	1,144.0	94.3	72.3	53.5
Domestic Debt	965.8	884.6	-	-	-
Foreign Debt	272.4	259.4	94.3	66.4	53.5
Other Public Sector Arrears				6.0	-
Gross Public Sector Debt³	14,635.5	14,809.9	12,850.1	12,504.9	12,814.5
Central Government Financial Assets	752.0	715.2	795.0	739.6	897.1
Central Bank	20.1	20.3	389.4	311.4	801.6
Commercial Banks	99.4	96.0	174.6	248.4	95.5
Sinking Funds	632.6	598.8	231.0	179.7	-
Other Public Sector Financial Assets	239.8	189.0	465.8	392.6	426.0
Public Corporations' Deposits	239.8	189.0	465.8	392.6	426.0
Gross Public Sector Debt/GDP (%)	151.2	148.4	126.3	120.2	144.2
Gross Central Government Debt/GDP (%)	138.4	136.9	125.4	119.5	143.6
External Debt/GDP (%)	29.8	28.3	31.4	29.7	44.7
Net Central Government ⁴ /GDP (%)	130.6	129.8	117.6	112.4	133.5

^(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 Arrears = Principal, Interest and Penalties on External Debt

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

⁵ Net Central Government Debt = Gross Central Government Debt - Central Government Financial Assets

n.a.- Not Available

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)**

	2014	2015	2016	2017	2018	2019	2020
Monetary Authorities							
Net International Reserves	861.7	821.4	574.9	334.7	832.5	1130.8	2195.8
Monetary Base	1585.0	1989.8	2481.5	2375.9	2659.0	2938.8	3551.8
Net Domestic Assets	669.2	1137.6	1869.3	1996.9	1788.8	1761.6	1295.4
Deposit-taking Institutions¹							
Credit to Public Sector ²							
Central Government (net)	3847.1	2186.7	2063.6	2164.5	1896.4	1886.7	2053.8
Rest of the Public Sector	641.3	422.6	368.2	344.8	107.9	65.0	85.3
Credit to Rest of Financial System	415.5	293.3	276.7	248.7	274.5	255.7	253.2
Credit to the Non-Financial Private Sector ³	7658.1	7781.1	7895.2	8151.3	8179.1	8254.4	8130.8
Total Deposits	10816.1	11372.5	11837.7	11978.7	11967.1	12284.6	12947.4
Transferable Deposits ⁴	8349.4	8946.4	9589.1	9667.6	9844.5	10394.3	11157.9
Non-Transferable Deposits	2466.7	2426.0	2248.5	2311.1	2122.6	1890.3	1789.5
Memo Items							
Domestic Currency Deposits	10354.1	10727.3	11097.5	11223.9	11365.1	11631.0	12254.4
Foreign Currency Deposits	462.0	645.1	740.2	754.8	602.0	653.6	693.0
Banking System Financial Stability Indicators⁵							
Capital Adequacy Ratio (CAR)	16.4	15.8	17.0	17.0	13.8	13.5	15.8
Loan to Deposit Ratio	72.3	66.7	63.7	64.4	63.0	61.7	57.1
Liquid Assets to Total Assets	22.5	28.2	31.5	29.7	21.8	23.6	25.1
Non-Performing Loans Ratio	11.1	10.2	8.6	7.7	7.4	6.6	7.2
Provisions to Non-Performing Loans	47.7	55.5	62.7	80.4	67.3	59.4	62.6
Return on Average Assets (12-month)	0.6	1.4	1.5	1.3	-0.2	0.6	0.8

(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