



**Press Release**  
**June 2019**

## Overview

The economy registered steady progress during the first half of the year as government continued to implement its recovery and transformation programme. The programme is focused on rebuilding reserves, strengthening the public finances, reducing public sector indebtedness, maintaining financial stability and creating an environment for the resumption of sustainable economic growth through fiscal consolidation, debt restructuring and structural reforms. Initial success led to Barbados receiving its second disbursement of US \$49 million from the International Monetary Fund (IMF) and preliminary data suggests that the quantitative targets have also been achieved for the recently completed quarter.

## Fiscal Consolidation

Government has targeted a primary balance<sup>1</sup> of 6% of GDP for fiscal year (FY) 2019/20, building on the 3.5% of GDP achieved for FY 2018/19. Supported by reduced debt service, this consolidation relies on expenditure restraint as well as enhanced revenue collection. The 2019 budgetary measures therefore complement the 2018 reforms and strengthen revenue while redistributing the incidence of taxes. The brunt of the new tax measures is being borne by higher property taxes on corporates and individuals with generally higher value properties, who are at the same time, the principal beneficiaries of corporate and income tax reforms.

**Table 1: Primary Balance Adjustment 2019/20**  
**% of GDP**

	FY 2018/19	FY 2019/20
<b>Tax Revenue</b>	<b>27.5</b>	<b>27.1</b>
<b>Non-Tax Revenue</b>	<b>1.8</b>	<b>1.9</b>
<b>Total Non-Interest Expenditure</b>	<b>25.7</b>	<b>23.0</b>
<b>of which:</b>		
Wages and Salaries	7.9	7.8
Goods and Services	3.5	4.0
Transfers and Subsidies	12.4	9.2
<b>Capital Expenditure</b>	<b>1.9</b>	<b>2.0</b>
<b>Primary Balance</b>	<b>3.5</b>	<b>6.0</b>
Interest	3.8	3.2

Note: For FY 2019/20, total revenue and transfers and subsidies exclude the impact of the Health Service Contribution, Garbage and Sewage Contribution, and Airline Travel and Tourism Development Fee

Source: Ministry of Finance

<sup>1</sup> The primary balance is defined as the difference between current revenue and non-interest expenditure.

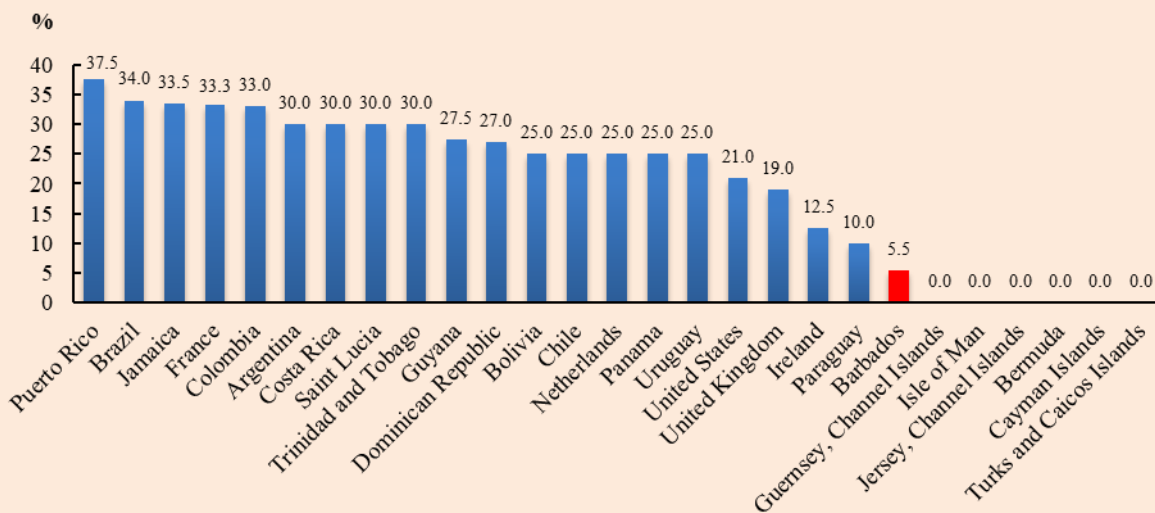
### **Box 1: Barbados' Evolving Tax Structure**

Barbados has altered its tax system over the past year to strengthen its public finances, address the burden of fiscal adjustment, improve domestic competitiveness and respond to the changing international tax environment. In this regard, it reformed corporate and personal income taxes as well as the value-added tax, which together accounted for 63% of tax revenue in FY 2018/19.

The convergence of corporate tax rates, in response to the OECD's criticism that foreign currency earning companies were being ring-fenced, has resulted in the creation of a new sliding scale structure that has reduced the top tier corporate tax rate from 30% to 5.5%. Simultaneously, with the elimination of most tax credits and allowances previously granted, the tax system has been simplified while the lowest rate has fallen to 1% for taxable incomes greater than \$30 million. To mitigate the loss of revenue from domestic companies, government has expanded the tax base by bringing into the tax net companies formerly licensed under the Exempt Insurance Act and which were previously not subject to tax. Under the new Insurance Act, businesses offering third party insurance or reinsurance are now levied a standard corporate tax rate of 2%.

The new structure positions Barbados as one of the more tax competitive jurisdictions for corporates. Figure 1 illustrates a broad variation of corporate tax rates across countries at different levels of development. Deeper understanding of these variations requires analysis of several factors including the economic structure, each country's overall tax structure, efficiency in collection of taxes, social infrastructure costs and financing needs.

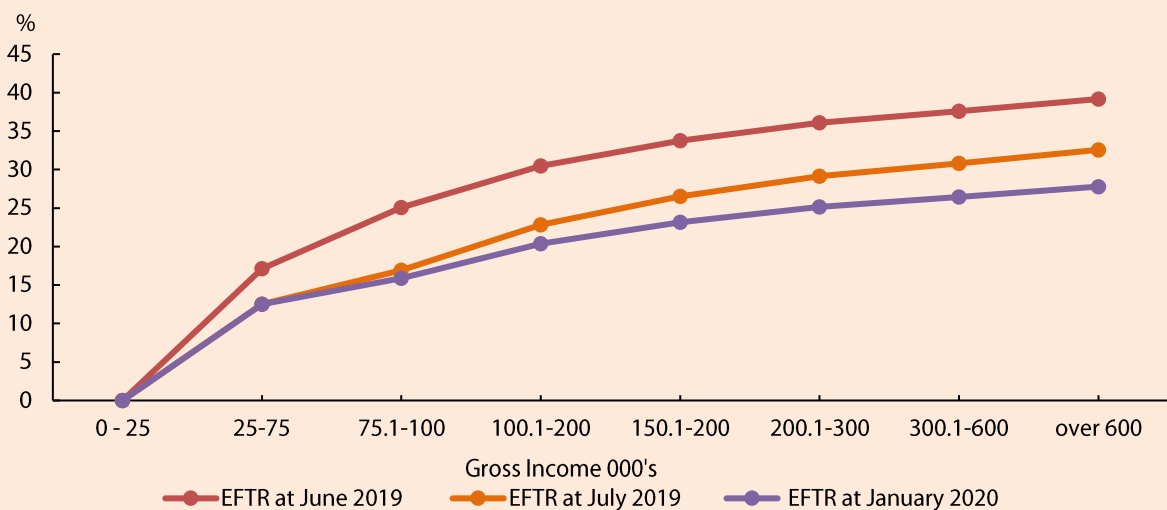
**Figure 1: Select Comparison of International Headline CIT Rates**



Source: PWC – Headline Corporate Income Tax Rates

The reduction of the corporate income tax (CIT) rate has necessitated the reform of personal income tax (PIT), in order to partially align the rate levied on businesses and individuals and to mitigate the incentive for tax evasion. Consequently, the adjustments to the PIT structure are expected to help alleviate the burden on individuals by reducing the effective rate on taxable income from 25% to 17% by income year 2020. This redistributive measure complements the extension of the Reverse Tax Credit of \$1,300 to include persons earning up to \$25,000, up from \$18,000. In addition, a compensatory income credit has also been granted to persons earning income above \$25,000 but below the \$35,000 threshold. Figure 2 illustrates the evolution of the effective tax rate by income band.

**Figure 2: Effective Tax Rate by Income Band**

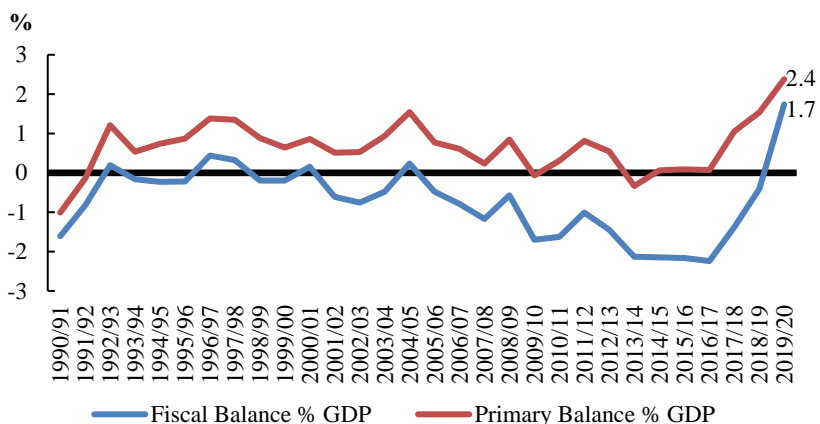


Source: Barbados Revenue Authority

As a result of reducing revenue from the PIT, government has had to modify existing taxes or seek additional sources of revenue. As the single most significant source of revenue, the value added tax has also been the subject of reform, centred on strengthening tax administration and reducing the payment of VAT refunds. The standard VAT rate remains at 17.5% but the value added tax within the tourism sector has been adjusted from 7.5% to 10%, effective January 2020. A broad range of goods, including for basic food items, medical drugs and education services continue to be zero rated, but some goods and services, including the supply of water or sewage services have shifted from zero rated to exempt status from the current fiscal year. The new measures will raise the effective VAT rate but the degree of zero rating and the application of the reverse tax credit and compensatory income credit mitigate the impact of the standard rate.

The ongoing fiscal reforms contributed to a favourable outcome for the first quarter of the fiscal year, with the overall fiscal surplus and the primary balance estimated at 1.7% of GDP and 2.4 % of GDP, respectively, the best performance realised in any comparable quarter over the past 30 years

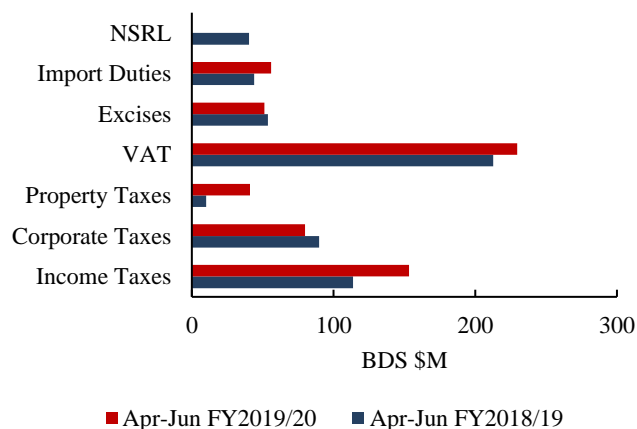
**Figure 1: Primary Balance and Fiscal Balance (% of GDP) Apr-Jun FY1990/91 - FY2019/20**



Source: Ministry of Finance

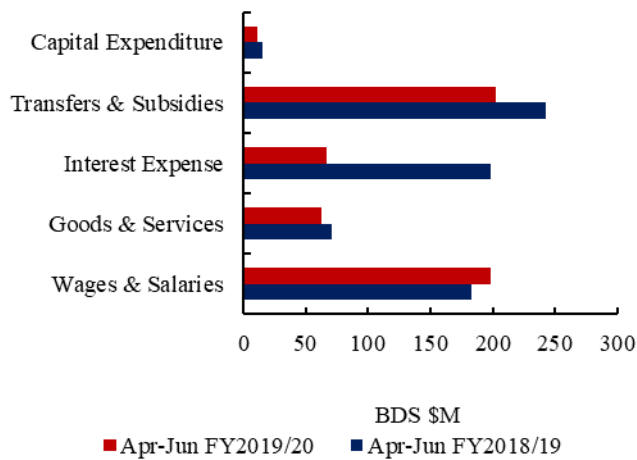
Revenues increased by 7.9%, with personal income tax and the property tax being the main sources of growth. When compared to 2018, the improved collection of personal income tax was influenced by the temporary introduction of an additional 40% personal income tax band in 2018 and by the absence of tax refunds, while the earlier than usual issuance of land tax bills contributed to the rise in property tax. Increases for VAT, partly the result of improved administration, import duties and the impact of the new fuel tax and Room Rate and Direct Tourism Levy compensated for the loss arising from the abolition of NSRL and the road tax. However, the corporate tax take was somewhat weaker than the previous year, the result of lower profits arising from the 2018 debt restructuring and a change in the timing of corporate tax prepayments. Excise taxes also registered a small decline.

**Figure 2: Tax Revenues Apr-Jun FY2018/19 vs FY2019/20**



Source: Ministry of Finance

**Figure 3: Public Expenditure Apr-Jun  
FY2018/19 vs FY2019/20**



Source: Ministry of Finance

By far the most significant contributor to the fiscal consolidation has been reduced spending. The interest savings from the domestic debt exchange and the suspension of commercial external debt payments accounted for 80% of the \$164 million fall in current expenditure. Interest absorbed 9.2% of revenue compared to 29.5% in 2018. Current transfers to public institutions contracted as the Barbados Tourism Marketing Inc. and the Sanitation Services Authority are now directly funded by receipts from the Airline Travel and Development Fee and the Garbage and Sewage Contribution, respectively. In addition, the Queen Elizabeth Hospital is

partially funded with the Health Service Levy, but there was a negligible reduction in its transfers for the period. There were also lower transfers to other agencies, reflecting the combined effects of enhanced revenues, elimination of debt service and structural reforms. Higher wages and salaries and pensions reflect the 2018 public sector salary increase and the rise in non-contributory pensions. Goods and services declined and capital spending was marginally lower, reflecting slow project implementation.

### Debt Management

The improved fiscal performance and the reduced financing requirement generated by the debt restructuring have eased financing pressures on government. This enabled Government to place emphasis on meeting payments for external amortization of multilateral debt, settling domestic arrears, redeeming the restructured bonds, including to the NIS, and transferring funds for the wind-up of Resolution Life, the successor to CLICO Barbados. Foreign inflows for projects remain insufficient to offset external amortisation and, since there is not currently an active primary domestic securities market, Government drew down from the Central Bank a portion of the deposits that it had accumulated the previous year.

*“External credit rating agencies, Standard and Poor’s and Moody’s, in recognition of the improved macroeconomic framework, have upgraded Barbados domestic debt and any new external debt issuance, respectively.”*

At the end of June 2019, the debt-to-GDP ratio stood at 124.2% of GDP, while discussions with the creditor committee on the nature and scope of the external debt restructuring continue. However, the external credit rating agencies, Standard and Poor's and Moody's, in recognition of the improved macroeconomic framework, have upgraded Barbados' domestic debt and any new external debt issuance, respectively.

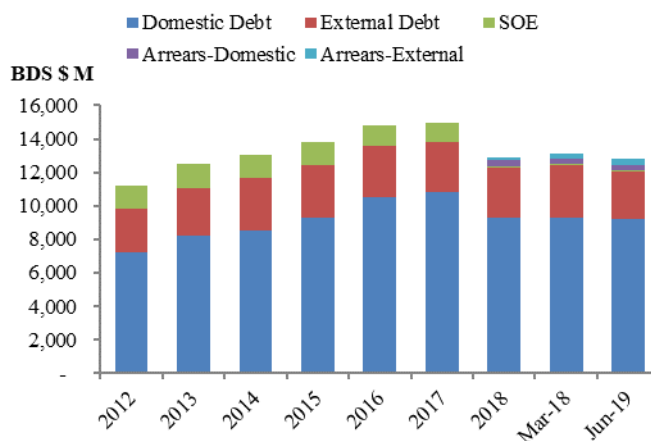
Since the completion of the domestic debt restructuring, there has been moderate secondary market activity, with \$52.5 million or 0.6% of outstanding bonds being traded on an open market basis.

### Rebuilding Reserves

The international reserves now stand at \$1.2 billion or 15.3 weeks of imports. This position represents an increase of \$204.2 million in the first half of 2019, and cumulative growth of \$763.5 million in the past year. Low outflows for debt payments linked to the suspension of commercial external debt service and the second drawdown from the International Monetary Fund boosted reserves, but the continued improvement in the reserves is partly indicative also of the greater availability of foreign exchange.

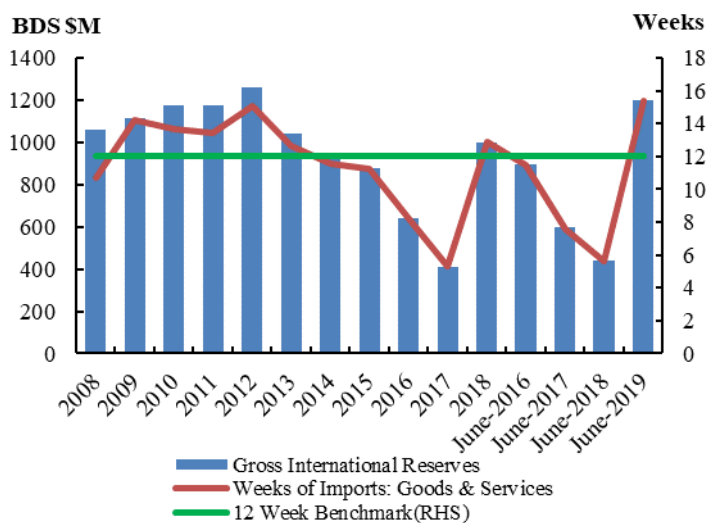
The improved access to foreign exchange reflects the increase in tourism earnings, which resulted from higher arrivals and higher average daily hotel room rates. Domestic exports rose slightly but these gains were partly offset by rising intermediate goods and capital goods linked to a rise in import demand for machinery and construction materials. Fuel related imports were relatively flat, but imports of consumer goods increased

**Figure 4: Gross Public Sector Debt (Domestic, External, SOE, Arrears)**



Source: Ministry of Finance

**Figure 5: Gross International Reserves and Weeks of Imports**



Source: Central Bank of Barbados

slightly, as an increase in the imports of food and beverages outweighed declines in toiletries, clothing, pharmaceuticals and durables such as motor vehicles.

## Economic Activity

Preliminary data suggests that, as expected, economic growth during the first half of the year lagged improvements elsewhere in the economy. The impact of fiscal consolidation on demand together with weaker than desired investment offset the gains from a robust tourism performance, resulting in a modest contraction of 0.2% in economic activity, over the course of the first six months of 2019. Layoffs in the public sector, as part of the adjustment effort, together with the weakness in the construction sector contributed to higher unemployment when compared to the same period in 2018. The unemployment four quarter moving average was estimated at 10.1%.

## Tourism

Tourism activity increased by 3.9%, in part the result of a strong performance during the second quarter. Higher levels of seating capacity and events such as the Barbados' hosting of the English Cricket Tour and the Barbados Reggae Festival provided the boost to the overall performance for the year. The United States and the United Kingdom markets registered strong performances but the Canadian market softened after four years of growth. On the other hand, cruise arrivals were down by 1.9%, largely reflecting a weak first quarter performance, when the decline in arrivals was impacted by itinerary adjustments, as several cruise destinations recovered market share following disruptions associated with the 2017 hurricane season.

**Table 2: Long-Stay Arrivals by Source Market ('000)**

	January - June				
	2015	2016	2017	2018 <sup>(p)</sup>	2019 <sup>(e)</sup>
<b>U.S.A.</b>	<b>73.8</b>	<b>83.6</b>	<b>98.2</b>	<b>106.8</b>	<b>116.5</b>
<b>Canada</b>	<b>45.6</b>	<b>45.9</b>	<b>51.6</b>	<b>53.3</b>	<b>51.1</b>
<b>U.K.</b>	<b>109.7</b>	<b>104.9</b>	<b>112.9</b>	<b>117.2</b>	<b>127.3</b>
Germany	7.0	6.5	6.0	5.7	6.3
Other Europe	14.7	12.4	15.6	14.8	13.3
<b>Trinidad &amp; Tobago</b>	<b>12.7</b>	<b>15.3</b>	<b>16.3</b>	<b>14.9</b>	<b>14.7</b>
CARICOM	27.1	32.0	30.4	31.6	31.3
Other Countries	13.4	0.0	13.8	12.7	12.6
<b>TOTAL LONG-STAY</b>	<b>303.8</b>	<b>300.7</b>	<b>344.8</b>	<b>357.0</b>	<b>373.0</b>

Source: Barbados Statistical Service

## Agriculture

Overall agriculture output declined by 8%, during the first half of the year, where adverse weather conditions contributed to the lower crop production. Sugar production declined by 35% to approximately 7,400 tonnes of sugar as drought conditions and husbandry challenges linked to the late receipt of funds, along with an initiative to produce higher quality molasses for local consumption purposes influenced production. Non-sugar production also weakened.

Chicken production declined as did fish catches which were affected by the presence of sargassum. However, there was an encouraging increase in other meats.

**Table 3: Key Production Indicators (%)**

Activity	Indicator	Jun-17	Jun-18	Jun-19
<b>Tourism</b>	<b>Long-stay arrivals</b>	7.5	3.5	4.5
	Occupancy	-0.3	-2.4	5.1
	Cruise arrivals	23.7	-5.3	-1.9
	Cruise calls	23.5	-11.3	-4.0
<b>Agriculture</b>	<b>Total Agriculture</b>	2.8	15.2	-8.0
	Sugar	43.8	14.9	-36.1
	Non-Sugar Agriculture	-1.0	16.9	-3.7
	Milk Production	-30.0	-3.2	0.0
	Fish Production	13.3	-5.8	-22.8
	Chicken Production	9.9	8.5	-5.7
	Other Meats	9.3	9.9	9.2
<b>Construction</b>	Consumption of Construction Materials	1.2	-1.3	3.4
	Imports of Construction Materials	14.9	-18.9	15.3
<b>Electricity Consumption (GWh)</b>	Total Consumption	0.2	1.0	-1.4
	Solar Generation (Sold to the Grid)	5.1	20.3	17.6

Sources: Central Bank of Barbados, BSS, BNOC, BL&P

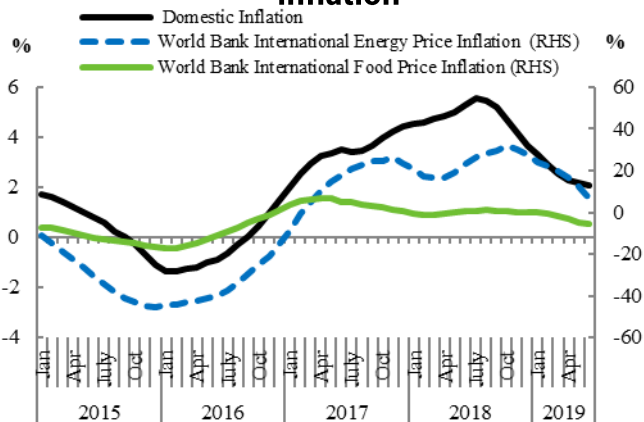
### Construction

The construction sector continued to experience challenges in relation to a slow pickup in projects, with layoffs and relatively low levels of investment being reported in the first half of the year. Imports of construction materials increased, but domestic sales of locally produced materials remained sluggish, culminating in an estimated 5.0% decline in activity.

### Prices

Over the past twelve months, prices increased on average by 2.0% as at June, reflecting a slowdown from 5.3%, over the comparable period last year. Domestically, the abolition of the National Social Responsibility Levy (NSRL) has been the principle driver, but lower international energy prices relative to the first six months of 2018, also contributed to the benign inflationary environment. The impact from lower relative prices has been offset, by the closure of Petrotrin, Barbados' traditional supplier and the need to obtain fuel from extra-regional sources. Increased charges by some state enterprises have started to influence the inflation trend, notably in

**Figure 7: Twelve-month Moving Average Inflation**



Source: Central Bank of Barbados and World Bank Indicators

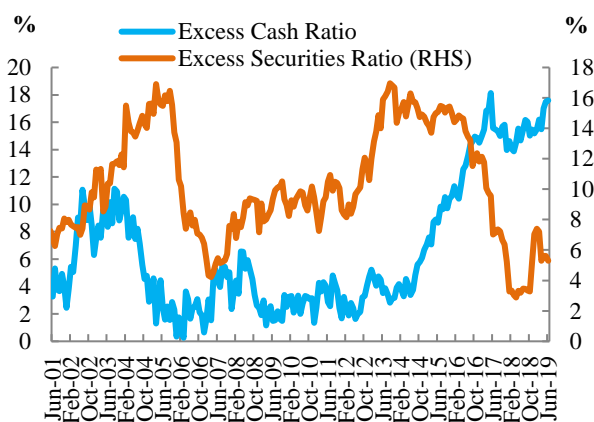


the areas of transportation and utilities, while the scarcity of fish and drought conditions have placed upward pressures on some food prices.

## Financial Stability

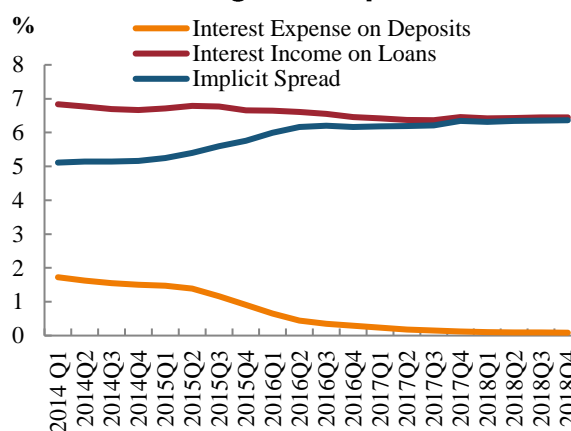
Conditions in the financial system remained stable as financial institutions adapt to the lower capital buffers arising from Government’s debt restructuring and the adoption of the IFRS 9 accounting standard in 2018. In addition, with the substantial reduction in corporate tax rates, some institutions, unable to recover taxes carried forward at the higher tax rate, have had to write down these tax assets, thus reducing current year income. Credit demand remained weak resulting in the persistently high levels of commercial banks’ excess cash reserves. Despite these trends, deposit taking institutions have started to rebuild their capital in an environment of historically low deposit and loan interest rates.

**Figure 8: Excess Reserve Ratios of Commercial Banks**



Source: Central Bank of Barbados

**Figure 9: Commercial Bank’s Interest Earnings and Expense**

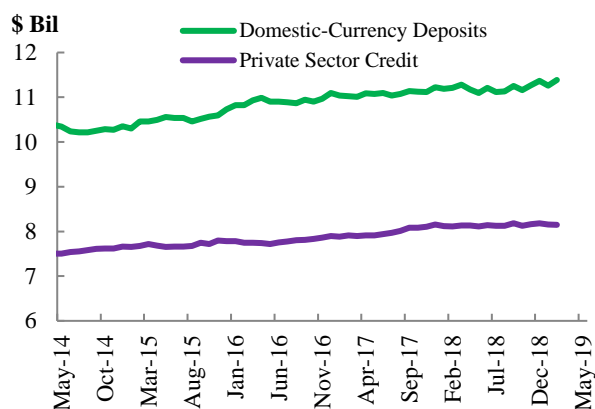


Source: Central Bank of Barbados

Preliminary data suggested that for the first six months of 2019, deposit-taking institutions<sup>2</sup> (DTIs) credit to the non-financial private sector continued to fall as declines were registered in all sectors. Domestic currency deposits grew by 2%, compared to a small fall off in the corresponding period for 2018. Deposits denominated in foreign currency also grew and accounted for just over five percent of total deposit liabilities.

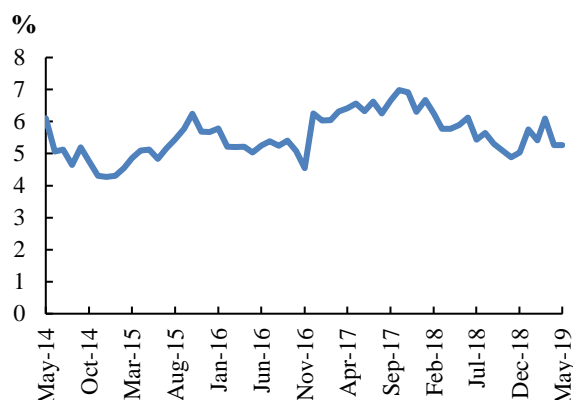
<sup>2</sup> These include Commercial Banks, Finance and Trust Companies and Credit Unions.

**Figure 10: Financial Sector Claims on the Non-Financial Private Sector and Domestic Currency Liabilities**



Source: Central Bank of Barbados

**Figure 11: Foreign Currency Deposits to Total Deposit Liabilities**



Source: Central Bank of Barbados

## Outlook

The outlook for the Barbados economy has become more favourable over the past 12 months. The public finances have improved, the international reserves have recovered and the financing pressures created by high indebtedness have started to ease. Indications are that investor confidence is returning, but as expected, economic activity for 2019 has been sluggish. Growth from the tourism sector has buoyed economic activity, but faster project implementation is required to push growth above the forecasted range of 0% to 0.25%. With the strengthening of the macroeconomic environment, an anticipated further pick-up in tourism and an acceleration of investments, the current forecast for 2020 is in the range of 0.75% and 1.25%.

The success so far in repairing macroeconomic imbalances has been based on unwavering

*“The success so far in repairing macroeconomic imbalances has been based on unwavering fiscal discipline. Maintaining this commitment remains paramount.”*

fiscal discipline. Maintaining this commitment remains paramount as Government seeks to reassure investors of its commitment to a sustained adjustment effort. This will allow further access to IMF resources and help to catalyse other funding to enhance the reserve buffer. Conclusion of the external debt negotiations will further strengthen the macroeconomic environment, by reducing uncertainty, solidifying the downward trajectory for debt and enabling Barbados to work with

investors to capitalise on emerging opportunities.

We remain conscious of the downside risks, both domestic and external, that need to be managed. For example, the strength of the economic recovery will be influenced by our ability to implement large-scale commercial projects that can accelerate growth. We need to pursue legislative and structural reforms geared towards restoring the competitive business environment, reducing delays and creating an enabling environment that is conducive to growth in the medium to long-run. In this regard, improving our ease of doing business ranking is critical, as we seek to promote diversification and increase productivity and efficiency.

These developments should supplement the potential gains from recent initiatives to make Barbados more tax competitive through the lowering of corporate rates and the relaxation of foreign exchange controls. The new regime for foreign currency accounts took effect from August 2, 2019 and is designed to encourage persons with foreign exchange to bring their funds home. Increased liberalisation should improve competitiveness by reducing the time required for the execution of transactions.

Global growth prospects have softened due to several factors including U.S.-China trade tensions, the deadlock of the Brexit negotiations and uncertainty linked to geopolitical tensions in the Gulf. The economy remains sensitive to volatility in international oil prices, but we will also monitor the price of grains, as delayed planting in the American Midwest due to wet conditions has resulted in the rising price of corn and soybean<sup>3</sup> and this could have adverse effects on domestic prices.

Despite these risks, the Bank believes that the economy is moving in the right direction. Adjustment is seldom easy but the effort is required to safeguard our standard of living. Let us continue to work together to achieve our mission.

**Figure 12: Ease of Doing Business Indicators Barbados vs. Competitors (Best=100)**



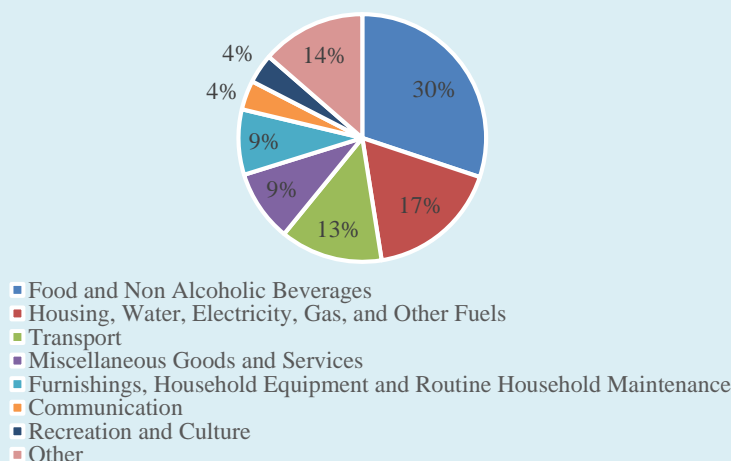
Source: World Bank (2019), Doing Business 2019 Training for Reform, 16<sup>th</sup> Edition

<sup>3</sup> Gunderson, D. (2019), "Corn and soybean prices in a bull market" MPRNEWS, Business Section, available at <https://www.mprnews.org/story/2019/06/18/corn-and-soybean-prices-in-a-bull-market> (accessed June 19, 2019)

## **Box 2: International Energy and Food Price Trends: Implications for Barbados**

Domestic prices remain inextricably linked to international market developments. This is especially true for food and energy prices, both of which impact directly the Retail Price Index, through the cost of Food and Non-Alcoholic Beverages, Housing, Water, Electricity, and Other Fuels and Transportation, which together represent 61% of the cost faced by a typical consumer.

**Figure 1: Barbados Consumer Basket Weights**



Source: Central Bank of Barbados

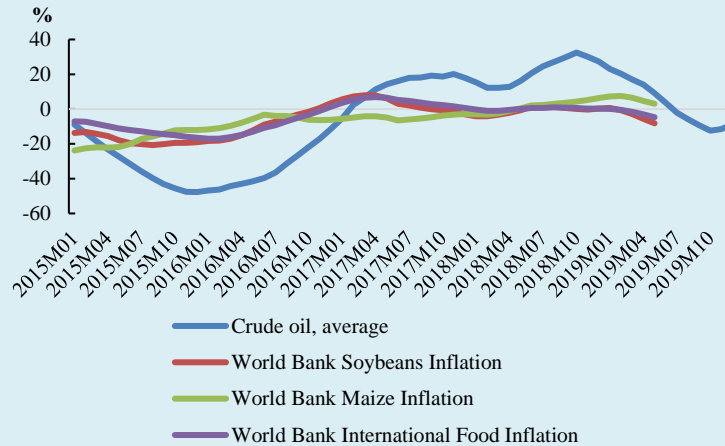
The relative size of the Food and Non-Alcoholic component means that fluctuations in this price category impact most heavily on the overall price level prevailing in the economy. While the components that are most directly influenced by fluctuations in international fuel prices, namely the Housing, Water, Electricity, and Other Fuels and Transportation categories together account for a similar proportion of the consumer basket (30%). Even though not directly impacted, food prices are also influenced by the cost of fuel, as energy has a knock-on effect on the food production process.

The significance of fuel as a key component of production and transport, particularly for the international trans-shipment of food was particularly evident after 2007, when high international fuel prices intensified interest in solid biofuels and diverted arable land use away from the production of food. Indeed, Headley and Shenggen (2008)<sup>1</sup> identified surging biofuel demand, chiefly as it relates to the price of maize, as an explanation for the 2005-2008 global food crisis. During this period, Barbados experienced a period of high inflation, where rates averaged 6.1% between 2005 and 2012.

<sup>1</sup> Headley, D., & Shenggen, F. (2008), "Anatomy of a crisis: the causes and Consequences of surging food prices", *Agricultural Economics* Vol. 39 (1), pp. 375-391 available at: <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1574-0862.2008.00345.x> (accessed July 11, 2019)

The fundamentals of this relationship were tested, with the rapid expansion of unconventional oil production in North America, which together with lacklustre global demand and the mounting significance of renewables, resulted in the collapse of international fuel prices in 2015. During this period, Barbados experienced one of only four periods of deflation since 1990 and the smallest observed current account deficit since 2011, which is partially explained by a 42% reduction in the price of imported fuel.

**Figure 2: International Energy and Food Inflation**



Sources: U.S. Energy Information Administration & World Bank Indicators

More recently, international energy prices have been influenced by market fundamentals, investments in U.S. shale oil, Organisation of the Petroleum Exporting Countries (OPEC) production decisions and actual or potential supply disruptions. A recent example being, the price spikes linked to geopolitical tensions in the Strait of Hormuz. On the other hand, international food prices have been impacted by spill-overs from the U.S.-China trade wars and adverse weather conditions.

Currently, the U.S. Energy Information Administration expects international fuel prices to fall by 8.9%, while the World Bank’s July edition of the Commodity Markets Outlook<sup>2</sup>, forecasted a 10% reduction in international food prices. The Food and Agriculture Organisation of the United Nations<sup>3</sup>, offers some insight by noting that food prices declined marginally in June, where lower prices of dairy and vegetable oils, offset a significant jump in maize quotations. Recent market developments illustrate the need for continued vigilance, given the volatile nature of the international commodities market.

<sup>2</sup> The World Bank (2019), “World Bank Commodities Price Data (The Pink Sheet)”, available at: <http://pubdocs.worldbank.org/en/298031562084790383/CMO-Pink-Sheet-July-2019.pdf> (accessed July 11, 2019)

<sup>3</sup> Food and Agriculture Organization of the United Nations (2019), “FAO Food Price Index steady in June”, available at: <http://www.fao.org/news/story/en/item/1200509/icode/> (accessed July 11, 2019)

**Table 1 - Economic Indicators**

	2014	2015	2016	2017 <sup>(p)</sup>	2018 <sup>(e)</sup>	Jun 2016	Jun 2017	Jun 2018 <sup>(p)</sup>	Jun 2019 <sup>(e)</sup>
Nominal GDP (\$ Million) <sup>1</sup>	9,392.7	9,430.0	9,660.0	9,956.3	10,173.4	4,891.9	5,205.0	5,119.7	5,263.4
Real Growth (%)	0.0	2.5	2.6	0.8	-0.4	3.2	1.6	0.8	(0.2)
Inflation (%) <sup>2</sup>	1.8	-1.1	1.5	4.5	3.7	(0.9)	3.5	5.3	2.0
Avg. Unemployment (%) <sup>3</sup>	12.3	11.3	9.7	10.0	10.1	10.1	11.4	8.2	10.1
Gross International Reserves (\$ Million)	942.6	878.0	639.8	411.3	999.3	894.4	596.3	440.0	1,203.5
Gross International Reserves Cover, Weeks	11.6	11.2	8.2	5.3	12.9	11.5	7.6	5.6	15.3
BoP Current Account (% of GDP)	(9.2)	(6.0)	(4.2)	(3.9)	(3.9)	(2.5)	(3.3)	(2.4)	(1.7)
Total Imports of Goods (% of GDP)	35.4	32.1	31.1	30.8	29.4	31.7	31.6	30.6	29.7
Travel Credits (% of GDP)	19.0	19.8	21.0	21.9	21.8	24.9	26.1	26.5	27.1
Financial Account (\$ Millions)	745.6	442.3	84.2	143.0	887.6	74.1	173.4	157.4	304.6
Gross Public Sector Debt <sup>4</sup> (% of GDP)	137.0	144.2	151.2	148.4	126.3	144.9	146.9	156.7	124.2
External Debt Service to Curr. Acct. Cred.	6.7	9.5	8.0	7.2	4.2	11.0	11.9	8.5	6.0
Treasury-Bill Rate	2.6	1.8	3.1	3.2	0.5	3.2	3.1	3.0	0.5
Average Deposit Rate	2.5	0.4	0.3	0.2	0.2	0.4	0.2	0.2	0.2
Average Loan Rate	7.1	6.8	6.6	6.1	6.1	6.7	6.7	6.6	6.5
Excess Cash Ratio	6.7	10.6	14.5	14.0	15.2	12.8	15.6	14.7	17.6
Private Sector Credit Growth (%) <sup>5</sup>	(1.0)	1.6	1.5	3.2	0.4	(0.4)	0.6	(0.2)	(0.7)
Private Sector Credit (% of GDP) <sup>5</sup>	81.5	82.5	81.7	81.9	80.4	80.2	79.8	80.0	77.9
Domestic Currency Deposits (% of GDP) <sup>5</sup>	110.2	113.8	114.9	112.7	111.7	98.6	98.4	110.2	111.2
<b>Fiscal Year</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17<sup>(p)</sup></b>	<b>2017/18<sup>(p)</sup></b>	<b>2018/19<sup>(e)</sup></b>	<b>Apr-Jun 2016</b>	<b>Apr-Jun 2017</b>	<b>Apr-Jun 2018</b>	<b>Apr-Jun 2019</b>
Fiscal Deficit (% of GDP)	(7.6)	(9.0)	(5.3)	(4.6)	(0.3)	(2.2)	(1.4)	(0.4)	1.7
Primary Balance (% of GDP)	(0.5)	(2.0)	2.2	3.2	3.5	0.1	1.1	1.5	2.4
Interest (% of GDP)	7.0	7.0	7.5	7.8	3.8	2.3	2.4	1.9	0.6
Fiscal Current Account (% of GDP)	(5.5)	(6.6)	(3.0)	(2.8)	1.6	(1.5)	(0.8)	(0.2)	1.9
Revenue (% of GDP)	25.8	25.7	27.8	28.8	29.3	6.0	6.9	6.6	6.9
Expenditure (% of GDP)	33.4	34.7	33.1	33.4	29.6	8.2	8.2	7.0	5.2
<i>Non-interest Expenditure (% of GDP)</i>	26.4	27.7	25.6	25.7	25.9	5.9	5.8	5.1	4.5
<i>Capital Expenditure (% of GDP)</i>	2.1	2.5	2.3	1.7	1.9	0.7	0.6	0.2	0.1
Gov't Interest Payments (% of Revenue)	27.2	27.4	26.9	26.9	12.9	38.8	35.4	29.5	9.2

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

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

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

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

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

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

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

Source: Barbados Statistical Service and Central Bank of Barbados

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

	2014	2015	2016	2017	2018	Jun-16	Jun-17	Jun-18 <sup>(p)</sup>	Jun-19 <sup>(e)</sup>
<b>Tradeables</b>	<b>1,652.9</b>	<b>1,761.1</b>	<b>1,868.3</b>	<b>1,940.8</b>	<b>2,017.8</b>	<b>918.1</b>	<b>977.8</b>	<b>1,056.5</b>	<b>1,066.3</b>
<b>Tourism</b>	<b>1,061.8</b>	<b>1,144.8</b>	<b>1,256.7</b>	<b>1,314.9</b>	<b>1,370.4</b>	<b>624.2</b>	<b>676.5</b>	<b>741.6</b>	<b>763.2</b>
<b>Agriculture</b>	<b>122.2</b>	<b>125.0</b>	<b>126.4</b>	<b>133.1</b>	<b>152.0</b>	<b>53.8</b>	<b>55.3</b>	<b>63.7</b>	<b>58.6</b>
<b>Manufacturing</b>	<b>468.9</b>	<b>491.3</b>	<b>485.2</b>	<b>492.8</b>	<b>495.4</b>	<b>240.1</b>	<b>246.0</b>	<b>251.2</b>	<b>244.5</b>
of which:									
<i>Rum &amp; Other Beverages</i>	91.0	95.4	94.2	95.7	96.2	46.6	47.8	48.8	47.5
<i>Food</i>	119.2	124.9	123.3	125.3	125.9	61.0	62.5	63.9	62.2
<i>Furniture</i>	12.9	13.5	13.4	13.6	13.6	6.6	6.8	6.9	6.7
<i>Chemicals</i>	28.2	29.6	29.2	29.7	29.8	14.4	14.8	15.1	14.7
<i>Electronics</i>	35.5	37.2	36.7	37.3	37.5	18.2	18.6	19.0	18.5
<i>All Other Manufacturing</i>	136.9	143.5	141.7	143.9	144.7	70.1	71.8	73.4	71.4
<b>Non-tradeables</b>	<b>6,018.8</b>	<b>6,100.1</b>	<b>6,201.2</b>	<b>6,193.2</b>	<b>6,085.4</b>	<b>3,080.8</b>	<b>3,086.3</b>	<b>3,039.9</b>	<b>3,022.2</b>
Mining & Quarrying	28.8	37.4	32.4	40.7	41.7	16.0	18.8	22.1	22.3
Electricity, Gas & Water	221.3	217.4	219.0	217.8	215.7	107.3	107.6	107.1	107.2
Construction	501.7	495.7	482.8	492.9	461.6	234.7	246.2	228.7	217.2
Distribution	767.5	793.8	785.9	756.9	728.2	391.5	376.0	362.0	360.2
Transport, etc	967.0	972.6	1,065.3	1,045.6	1,018.0	518.8	521.2	511.6	511.6
Finance and Other Services	2,638.6	2,718.5	2,761.1	2,783.6	2,778.3	1,384.7	1,387.6	1,395.1	1,390.2
Government	893.9	864.7	854.7	855.6	841.8	427.8	428.9	413.3	413.6
<b>Total</b>	<b>7,671.7</b>	<b>7,861.2</b>	<b>8,069.5</b>	<b>8,134.0</b>	<b>8,103.2</b>	<b>3,998.9</b>	<b>4,064.1</b>	<b>4,096.4</b>	<b>4,088.5</b>
<b>Nominal GDP</b>	<b>9,392.7</b>	<b>9,430.0</b>	<b>9,660.0</b>	<b>9,956.3</b>	<b>10,173.4</b>	<b>4,891.9</b>	<b>5,205.0</b>	<b>5,119.7</b>	<b>5,263.4</b>
<b>Real Growth Rates</b>	<b>0.0</b>	<b>2.5</b>	<b>2.6</b>	<b>0.8</b>	<b>(0.4)</b>	<b>3.2</b>	<b>1.6</b>	<b>0.8</b>	<b>(0.2)</b>
Tradeables	(0.2)	6.6	6.1	3.9	4.0	4.4	6.5	8.1	0.9
Non-tradeables	0.1	1.3	1.7	(0.1)	(1.7)	2.8	0.2	(1.5)	(0.6)

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

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

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

Source: Central Bank of Barbados and Barbados Statistical Service

**Table 3 - Balance of Payments  
(BDS \$Millions)**

	2014	2015	2016	2017 <sup>(p)</sup>	2018 <sup>(e)</sup>	Jun 2016	Jun 2017	Jun 2018 <sup>(p)</sup>	Jun 2019 <sup>(e)</sup>
<b>Current Account</b>	<b>(860.7)</b>	<b>(578.4)</b>	<b>(414.8)</b>	<b>(380.6)</b>	<b>(402.8)</b>	<b>(119.3)</b>	<b>(155.6)</b>	<b>(114.6)</b>	<b>(84.9)</b>
<b>Inflows</b>	<b>4,457.6</b>	<b>4,599.1</b>	<b>4,795.5</b>	<b>4,832.0</b>	<b>4,846.9</b>	<b>2,493.2</b>	<b>2,473.7</b>	<b>2,530.3</b>	<b>2,654.8</b>
Travel	1,773.6	1,894.9	2,079.1	2,161.4	2,222.6	1,174.7	1,233.2	1,282.7	1,371.5
Other Services	429.8	412.2	418.4	429.9	444.7	164.4	168.8	174.0	178.7
Domestic Exports	539.4	486.3	504.6	509.7	510.2	249.6	247.5	252.0	265.2
Rum	78.7	76.3	77.6	83.9	79.8	40.0	41.5	42.4	42.1
Food	70.0	65.1	62.7	64.6	65.3	36.6	30.3	32.1	31.5
Sugar	18.1	7.2	7.1	13.5	0.4	0.3	0.3	0.2	0.1
Chemicals	73.6	73.9	72.2	72.5	80.3	37.2	35.0	38.8	41.6
Printed Paper Labels	24.2	22.0	23.1	22.7	26.6	11.6	11.2	12.7	11.8
Construction Materials	44.5	42.1	45.3	42.1	51.7	23.5	18.2	25.4	31.5
Other	230.3	199.7	216.6	210.3	206.1	100.3	111.1	100.4	106.6
Re-exported Goods	409.4	479.5	529.1	461.1	385.7	303.2	220.2	213.1	218.2
Net Export of Goods under Merchanting	640.3	633.9	632.2	635.4	633.8	316.1	317.7	316.9	318.8
Income	525.1	512.0	515.4	529.8	543.0	240.1	246.7	252.9	263.6
Transfers	140.0	180.3	116.7	104.7	107.0	45.2	39.5	38.8	38.8
<b>Outflows</b>	<b>5,318.3</b>	<b>5,177.5</b>	<b>5,210.3</b>	<b>5,212.6</b>	<b>5,249.7</b>	<b>2,612.5</b>	<b>2,629.3</b>	<b>2,644.9</b>	<b>2,739.8</b>
Total Imports of Goods	3,304.4	3,074.4	3,080.9	3,040.3	2,997.7	1,495.1	1,493.6	1,479.2	1,505.6
Fuel Imports	877.5	603.6	502.9	626.2	712.2	217.5	305.7	388.9	384.6
Other Merchandise Imports	2,426.8	2,470.8	2,578.0	2,414.1	2,285.5	1,277.6	1,187.9	1,090.2	1,120.9
Services	925.0	988.8	989.3	1,014.0	1,041.5	558.9	569.1	584.3	596.6
Income	920.0	937.9	958.3	977.6	1,022.6	453.6	462.8	473.5	525.3
General Government	166.3	164.8	166.8	167.4	183.2	94.6	95.0	94.6	133.3
Other Sectors	753.7	773.1	791.4	810.2	839.5	359.0	367.8	378.9	392.1
Transfers	169.0	176.4	181.8	180.6	187.9	104.9	103.7	107.9	112.2
<b>Capital Account</b>	<b>(16.7)</b>	<b>(16.4)</b>	<b>(5.7)</b>	<b>(2.4)</b>	<b>50.9</b>	<b>(5.8)</b>	<b>(2.6)</b>	<b>53.5</b>	<b>(3.9)</b>
<b>Financial Account</b>	<b>745.6</b>	<b>442.3</b>	<b>84.2</b>	<b>143.0</b>	<b>887.6</b>	<b>74.1</b>	<b>173.4</b>	<b>157.4</b>	<b>304.6</b>
Net Foreign Direct Investment	1,634.6	160.1	376.7	468.2	464.8	218.3	234.1	181.8	227.7
All Other Investment Flows	(889.0)	282.2	(292.5)	(325.2)	422.8	(144.2)	(60.7)	(24.4)	76.9
Net Long-term Public	96.5	(71.1)	(171.1)	(78.3)	451.0	(82.3)	(14.9)	(81.9)	154.6
Net Long-term Private	(1,002.6)	361.9	(44.6)	(156.8)	(3.8)	12.7	16.5	49.1	(32.8)
Net Short-term	17.2	(8.6)	(76.8)	(90.1)	(24.4)	(74.6)	(62.3)	8.5	(44.8)
Net Errors & Omissions	33.1	88.0	98.1	11.4	51.9	67.3	(58.8)	(67.7)	(11.6)
Overall Balance	(98.7)	(64.5)	(238.0)	(228.5)	587.6	16.4	(43.5)	28.6	204.2
<b>Change in GIR: - increase/+ decrease</b>	<b>98.7</b>	<b>64.5</b>	<b>238.0</b>	<b>228.5</b>	<b>(587.6)</b>	<b>(16.4)</b>	<b>43.5</b>	<b>(28.6)</b>	<b>(204.2)</b>

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

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

Source: Central Bank of Barbados



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

	2014/15	2015/16	2016/17	2017/18 <sup>(p)</sup>	2018/19 <sup>(e)</sup>	Apr-Jun 2016	Apr-Jun 2017	Apr-Jun 2018 <sup>(p)</sup>	Apr-Jun 2019 <sup>(e)</sup>
<b>Total Revenue</b>	<b>2,407.3</b>	<b>2,458.4</b>	<b>2,754.0</b>	<b>2,845.4</b>	<b>2,993.6</b>	<b>592.3</b>	<b>677.3</b>	<b>672.4</b>	<b>725.6</b>
<b>Tax Revenue</b>	<b>2,182.8</b>	<b>2,266.3</b>	<b>2,494.5</b>	<b>2,656.3</b>	<b>2,812.4</b>	<b>552.1</b>	<b>654.2</b>	<b>625.5</b>	<b>690.2</b>
<b>i) Direct Taxes</b>	<b>901.0</b>	<b>875.6</b>	<b>970.5</b>	<b>968.9</b>	<b>1,126.9</b>	<b>216.0</b>	<b>236.5</b>	<b>247.0</b>	<b>303.0</b>
Personal	412.5	396.8	488.3	462.6	482.1	125.4	131.8	113.8	153.2
Corporate	156.1	215.2	248.2	275.1	355.5	47.5	78.9	89.8	79.9
Property	164.4	132.8	135.4	137.6	161.3	6.6	4.6	10.2	41.0
Municipal Solid Waste	32.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Institutions Asset Tax	26.9	29.0	32.6	48.7	44.6	14.1	10.8	15.5	9.5
Other	81.0	65.5	62.7	44.9	83.4	19.2	10.4	17.8	19.4
<b>ii) Indirect Taxes</b>	<b>1,281.8</b>	<b>1,390.7</b>	<b>1,524.0</b>	<b>1,687.4</b>	<b>1,685.6</b>	<b>336.1</b>	<b>417.7</b>	<b>378.4</b>	<b>387.1</b>
Stamp	11.0	10.1	9.4	10.5	10.9	2.2	1.8	2.3	3.1
VAT	806.2	861.4	890.3	887.3	940.9	201.5	236.0	212.8	229.7
Excises	135.9	169.0	225.6	303.1	271.2	39.6	67.1	53.8	51.2
Import Duties	223.6	231.6	245.2	218.6	213.8	56.3	64.0	44.0	55.8
Social Responsibility Levy	0.0	0.0	29.3	152.0	49.4	0.0	13.8	40.3	0.0
Other	105.1	118.6	124.3	115.9	199.4	36.6	35.0	25.3	47.3
<b>Non-Tax Revenue &amp; Grants</b>	<b>224.5</b>	<b>192.1</b>	<b>259.5</b>	<b>189.1</b>	<b>181.2</b>	<b>40.3</b>	<b>23.1</b>	<b>46.9</b>	<b>35.5</b>
Non-Tax Revenue	147.7	147.5	228.4	149.0	161.5	33.0	19.1	46.9	35.5
Grants	57.5	18.1	9.8	22.0	0.1	0.0	0.0	0.0	0.0
Post Office - Revenue	19.3	26.4	21.3	18.1	19.6	7.3	4.0	0.0	0.0
<b>Current Expenditure</b>	<b>2,918.7</b>	<b>3,085.5</b>	<b>3,053.0</b>	<b>3,123.8</b>	<b>2,826.4</b>	<b>745.4</b>	<b>756.6</b>	<b>693.4</b>	<b>529.3</b>
Wages & Salaries	803.7	787.2	784.4	782.3	811.9	193.3	192.0	182.7	197.9
Goods & Services	341.5	441.3	385.4	364.3	356.3	64.2	66.5	70.4	62.5
Interest	653.7	672.5	741.7	764.7	384.9	229.8	239.5	198.0	67.1
External	165.3	163.7	168.0	168.0	48.0	51.2	50.5	11.2	20.4
Domestic	488.4	508.8	573.7	596.7	336.9	178.6	189.0	186.9	46.7
Transfers & Subsidies	1,119.8	1,184.5	1,141.5	1,212.5	1,273.3	258.1	258.6	242.2	201.8
Grants to Individuals	338.5	342.1	327.3	358.3	362.8	68.5	71.7	70.8	73.4
Grants to Public Institutions	682.9	729.6	714.4	761.2	814.8	159.6	170.0	155.5	108.5
Non-Profit Agencies	29.6	32.3	32.7	19.0	18.3	8.2	4.4	4.4	3.0
<b>Capital Expenditure &amp; Net Lending</b>	<b>193.5</b>	<b>236.3</b>	<b>225.1</b>	<b>171.8</b>	<b>197.8</b>	<b>69.2</b>	<b>56.2</b>	<b>20.1</b>	<b>13.4</b>
Capital Expenditure	173.1	216.6	205.4	149.1	185.0	63.0	50.0	15.0	11.6
Net Lending	20.4	19.7	19.7	22.7	12.9	6.2	6.2	5.1	1.8
<b>Fiscal Balance</b>	<b>(704.9)</b>	<b>(863.4)</b>	<b>(524.1)</b>	<b>(450.2)</b>	<b>(30.6)</b>	<b>(222.2)</b>	<b>(135.5)</b>	<b>(41.2)</b>	<b>183.0</b>
<b>Primary Balance</b>	<b>(51.2)</b>	<b>(190.8)</b>	<b>217.6</b>	<b>314.5</b>	<b>354.3</b>	<b>7.5</b>	<b>104.0</b>	<b>156.9</b>	<b>250.0</b>

<sup>(p)</sup>Provisional

<sup>(e)</sup> Estimate

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

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

	2014/15	2015/16	2016/17	2017/18 <sup>(p)</sup>	2018/19 <sup>(e)</sup>	Apr-Jun 2016	Apr-Jun 2017	Apr-Jun 2018 <sup>(p)</sup>	Apr-Jun 2019 <sup>(e)</sup>
<b>Total Financing</b>	<b>704.9</b>	<b>863.4</b>	<b>524.1</b>	<b>450.2</b>	<b>30.6</b>	<b>222.2</b>	<b>135.5</b>	<b>41.2</b>	<b>(183.0)</b>
<b>Domestic Financing</b>	<b>695.2</b>	<b>837.7</b>	<b>685.7</b>	<b>629.3</b>	<b>(315.5)</b>	<b>291.5</b>	<b>165.9</b>	<b>62.8</b>	<b>(154.5)</b>
Central Bank	349.1	426.2	783.2	92.8	(166.4)	301.3	(19.4)	105.1	93.5
Commercial Banks	(141.7)	182.4	(433.5)	257.9	82.8	(115.7)	171.3	50.0	10.5
National Insurance Board	48.6	71.2	180.2	3.1	8.9	91.0	(16.7)	0.9	(21.3)
Private Non-Bank	62.6	108.5	94.6	(57.2)	(119.6)	54.8	(5.3)	(34.5)	0.8
Other	376.7	49.4	61.3	332.8	(111.2)	(39.9)	36.0	(58.7)	(213.4)
Arrears Payments	n.a	n.a	n.a	n.a	(10.0)	0.0	0.0	0.0	(24.5)
<b>Foreign Financing (Net)</b>	<b>9.7</b>	<b>25.7</b>	<b>(161.7)</b>	<b>(179.1)</b>	<b>346.2</b>	<b>(69.2)</b>	<b>(30.4)</b>	<b>(21.6)</b>	<b>(28.5)</b>
Capital Markets	49.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Funds	79.0	204.1	57.2	113.8	87.9	4.5	55.1	5.5	3.9
Policy Loans	0.0	99.3	0.0	0.0	350.0	0.0	0.0	0.0	0.0
Amortisation	(118.7)	(277.8)	(218.8)	(292.8)	(91.7)	(73.7)	(85.5)	(27.1)	(32.4)
Divestment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

<sup>(p)</sup>Provisional

<sup>(e)</sup> Estimate

n.a. – Not Available

Source: Central Bank of Barbados

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

	2014	2015	2016	2017	2018	Jun-16	Jun-17	Jun-18	Jun-19 <sup>(e)</sup>
<b>Gross Central Government Debt<sup>1</sup></b>	<b>11,445.1</b>	<b>12,243.0</b>	<b>13,397.3</b>	<b>13,665.9</b>	<b>12,755.8</b>	<b>12,938.8</b>	<b>13,571.0</b>	<b>15,141.3</b>	<b>12,769.9</b>
Domestic Debt	8,520.4	9,319.8	10,511.2	10,840.1	9,247.4	9,989.0	10,688.3	11,194.2	9,203.8
Central Bank <sup>2</sup>	807.9	1,303.6	2,012.4	2,227.7	703.8	1,630.6	2,131.6	2,282.3	734.4
Commercial Banks	1,946.9	2,070.0	2,030.9	2,144.9	2,340.2	2,148.2	2,022.9	2,137.5	2,333.1
National Insurance	2,993.6	3,152.7	3,481.0	3,518.9	2,938.4	3,271.7	3,493.2	3,532.1	2,922.5
Insurance Companies	498.7	514.6	522.3	527.2	1,021.4	508.2	535.4	824.3	1,193.7
PPP	294.3	272.9	256.8	241.8	-	265.8	248.2	240.6	-
Other	1,978.9	2,006.1	2,207.8	2,179.7	2,243.6	2,164.4	2,257.1	2,177.3	2,020.1
Arrears	n.a	n.a	n.a	n.a	309.5	n.a	n.a	1,200.0	279.0
External Debt	2,924.8	2,923.2	2,886.2	2,825.8	2,970.8	3,133.4	3,060.1	2,645.9	2,848.4
International Financial Institutions	882.6	1,012.4	1,062.5	1,043.7	1,379.5	1,059.8	1,034.1	916.1	1,286.6
Bonds	1,735.1	1,619.3	1,548.3	1,452.8	1,142.8	1,611.0	1,515.5	1,409.0	1,135.7
PPP	261.5	256.0	249.9	243.1	237.0	249.9	243.1	237.0	228.8
Bilateral	45.6	35.5	25.5	86.1	211.5	29.2	89.8	83.8	197.3
Arrears <sup>3</sup>					228.1			101.2	398.4
<b>Other Public Sector Debt</b>	<b>1,425.7</b>	<b>1,385.8</b>	<b>1,238.2</b>	<b>1,144.0</b>	<b>94.3</b>	<b>1,089.0</b>	<b>1,089.0</b>	<b>976.8</b>	<b>91.4</b>
Domestic Debt	1,135.7	1,116.9	965.8	884.6	-	850.4	850.4	765.7	-
Foreign Debt	290.0	268.9	272.4	259.4	94.3	238.7	238.7	211.1	91.4
Arrears									6.7
<b>Gross Public Sector Debt<sup>3</sup></b>	<b>12,870.8</b>	<b>13,628.8</b>	<b>14,635.5</b>	<b>14,809.9</b>	<b>12,850.1</b>	<b>14,027.9</b>	<b>14,660.0</b>	<b>16,118.1</b>	<b>12,827.8</b>
<b>Central Government Financial Assets</b>	<b>971.2</b>	<b>744.8</b>	<b>752.0</b>	<b>715.2</b>	<b>795.0</b>	<b>805.5</b>	<b>776.6</b>	<b>685.7</b>	<b>583.8</b>
Central Bank	52.8	16.7	20.1	20.3	389.4	21.1	46.8	2.2	254.5
Commercial Banks	99.3	95.1	99.4	96.0	174.6	97.0	103.1	103.4	139.7
Sinking Funds	819.1	633.0	632.6	598.8	231.0	687.5	626.6	580.2	189.6
<b>Other Public Sector Financial Assets</b>	<b>198.5</b>	<b>207.9</b>	<b>239.8</b>	<b>189.0</b>	<b>465.8</b>	<b>231.4</b>	<b>190.9</b>	<b>192.2</b>	<b>355.5</b>
Public Corporations' Deposits	198.5	207.9	239.8	189.0	465.8	231.4	190.9	192.2	355.5
Gross Public Sector Debt/GDP (%)	137.0	144.2	151.2	148.4	126.3	144.9	146.9	156.7	124.2
Gross Central Government Debt/GDP (%)	121.9	129.5	138.4	136.9	125.4	133.6	136.0	147.2	123.2
External Debt/GDP (%)	31.1	30.9	29.8	28.3	31.4	32.4	30.7	26.7	31.4
Net Central Government <sup>4</sup> /GDP (%)	111.5	121.7	130.6	129.8	117.6	125.3	128.2	140.6	117.6

(e) - Estimate

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

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

<sup>3</sup> Arrears= Principal, Interest and Penalties on Central Government External Debt

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

<sup>5</sup> 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)**

	2014	2015	2016	2017	2018	Jun 2016	Jun 2017	Jun 2018	Jun 2019 <sup>(p)</sup>
<b>Monetary Authorities</b>									
Net International Reserves	861.7	821.4	574.9	334.7	832.3	808.4	526.8	364.8	944.7
Monetary Base	1,585.0	1,989.8	2,481.5	2,375.9	2,658.9	2,202.5	2,461.3	2,524.7	2,845.0
Net Domestic Assets	669.2	1,137.6	1,869.3	1,996.9	1,789.0	1,333.5	1,893.7	2,117.0	1,857.4
<b>Deposit-taking Institutions<sup>1</sup></b>									
Credit to Public Sector <sup>2</sup>	2,472.8	2,609.3	2,431.7	2,509.3	2,108.8	2,547.7	2,400.7	2,494.4	2,044.8
Central Government (net)	1,957.9	2,186.7	2,063.6	2,164.5	1,904.0	2,157.5	2,046.6	2,172.7	1,933.9
Rest of the Public Sector	514.9	422.6	368.2	344.8	204.8	390.2	354.1	321.7	110.9
Credit to Rest of Financial System	275.4	291.3	274.7	248.7	274.5	264.2	247.1	281.8	265.5
Credit to the Non-Financial Private Sector <sup>3</sup>	7,658.1	7,781.1	7,895.2	8,151.3	8,181.3	7,750.9	7,942.1	8,137.7	8,124.8
Total Deposits	10,816.1	11,372.5	11,837.7	11,978.7	11,967.1	11,508.9	11,840.0	11,939.6	12,240.2
Transferable Deposits <sup>4</sup>	8,349.4	8,946.4	9,589.1	9,667.6	9,844.5	9,099.5	9,589.7	9,750.7	10,164.2
Non-Transferable Deposits	2,466.7	2,426.0	2,248.5	2,311.1	2,122.6	2,409.4	2,250.3	2,188.9	2,076.0
<b>Memo Items</b>									
Domestic Currency Deposits	10,354.1	10,727.3	11,097.5	11,223.9	11,365.1	9,527.7	9,797.4	11,208.3	11,596.3
Foreign Currency Deposits	462.0	645.1	740.2	754.8	602.0	604.5	748.6	731.3	643.9
Banking System Financial Stability Indicators <sup>5</sup>									
Capital Adequacy Ratio (CAR)	16.4	15.8	17.0	17.0	13.9	16.0	17.3	16.1	12.7
Loan to Deposit Ratio	72.3	66.7	63.7	64.4	63.0	65.5	63.4	65.8	60.7
Liquid Assets to Total Assets	24.7	29.9	32.5	32.6	21.2	31.3	32.9	32.9	23.7
Non-Performing Loans Ratio	11.1	10.2	8.6	7.7	7.4	7.9	7.3	7.7	7.1
Provisions to Non-Performing Loans	47.7	55.5	62.7	80.4	67.3	65.0	65.0	67.5	64.2
Return on Average Assets (12-month)	0.6	1.4	1.5	1.3	(0.2)	1.6	1.4	1.2	(1.6)

<sup>(p)</sup> – Provisional

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

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

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

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

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

Source: Central Bank of Barbados