



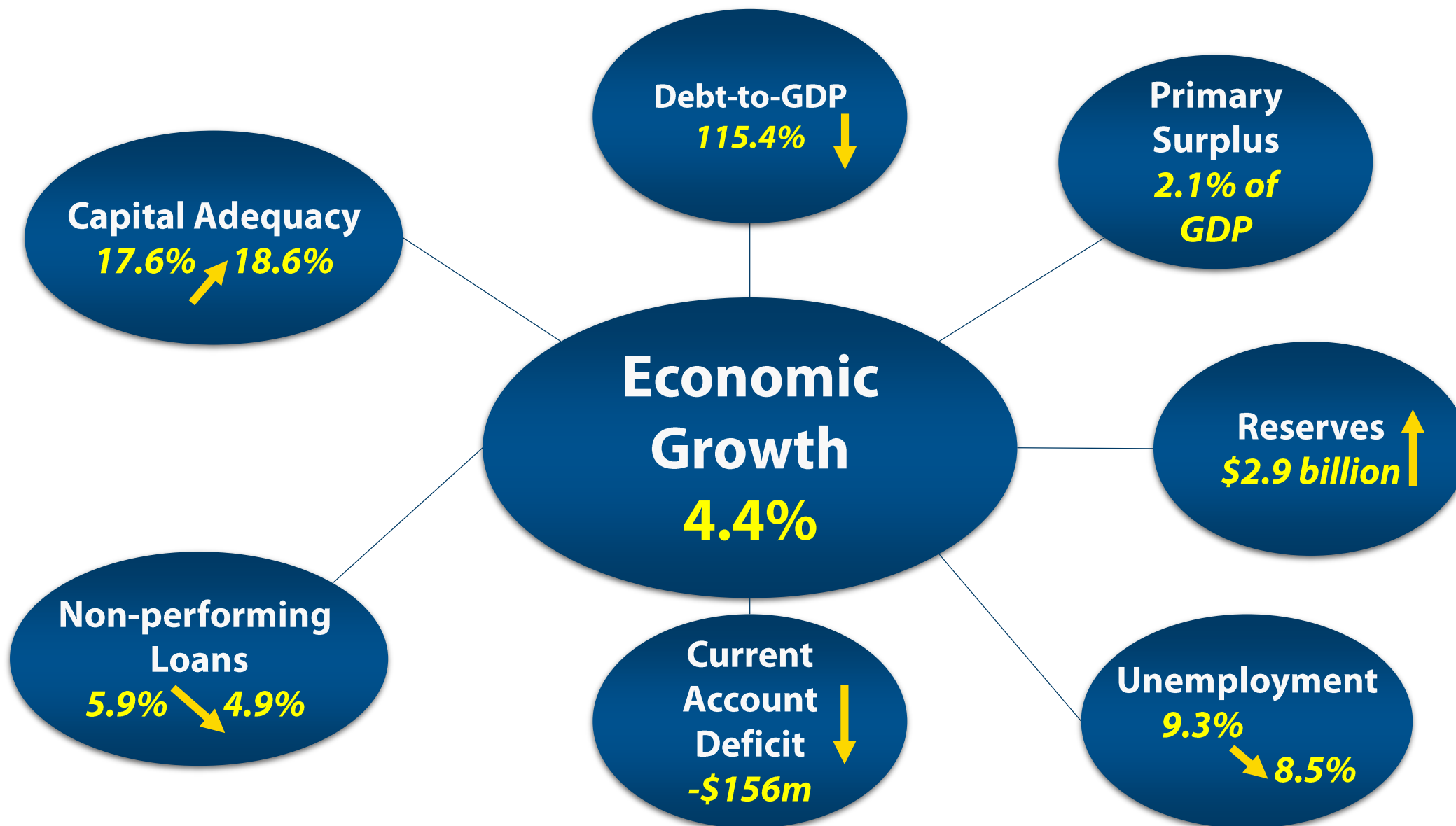
BARBADOS' ECONOMIC REVIEW



An aerial photograph of a city at dusk, with a blue color overlay. A large yellow triangle is in the bottom-left corner. The text "OVERVIEW OF THE ECONOMY" is centered in the image.

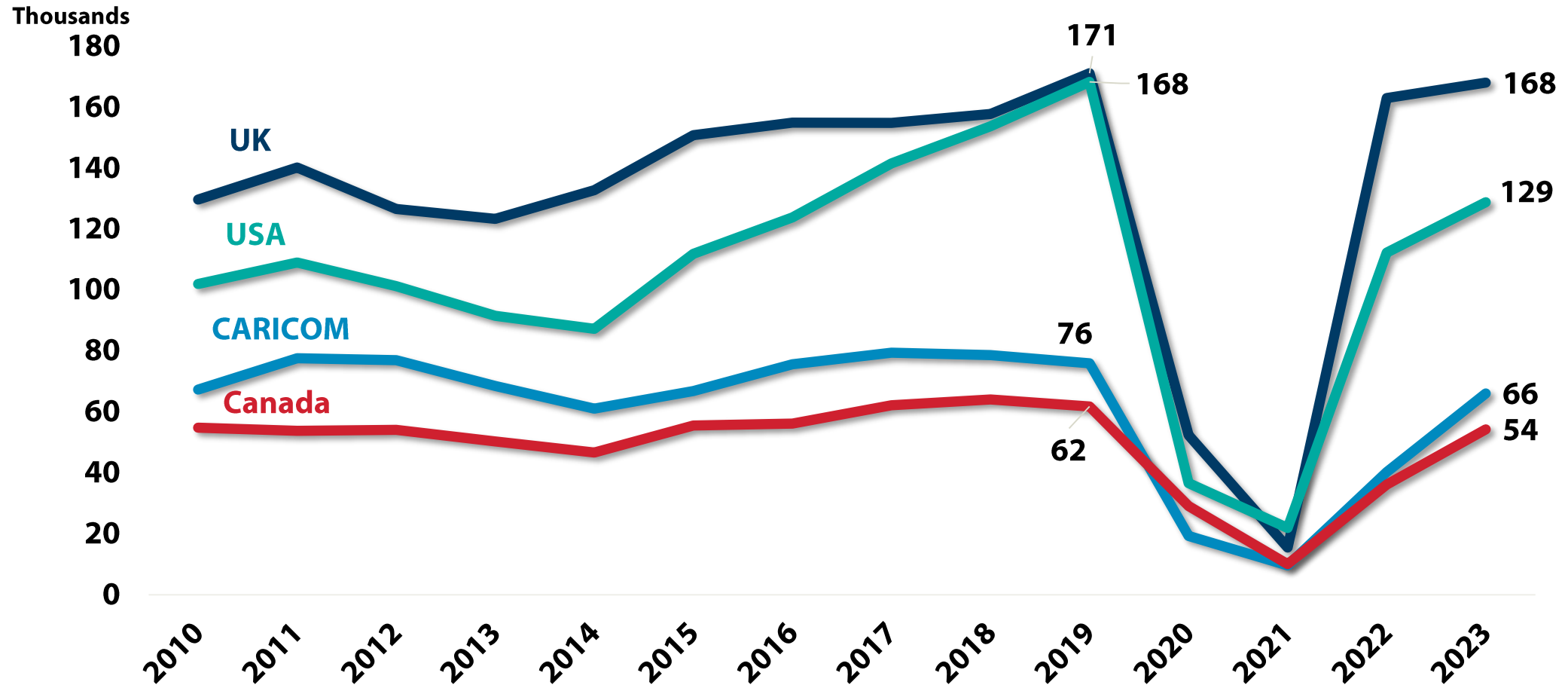
OVERVIEW OF THE ECONOMY

Record Economic Growth Bolstered Other Fundamentals



Led By Continued Strong Performance for Tourism With 18.7% Year On Year Growth

January - September

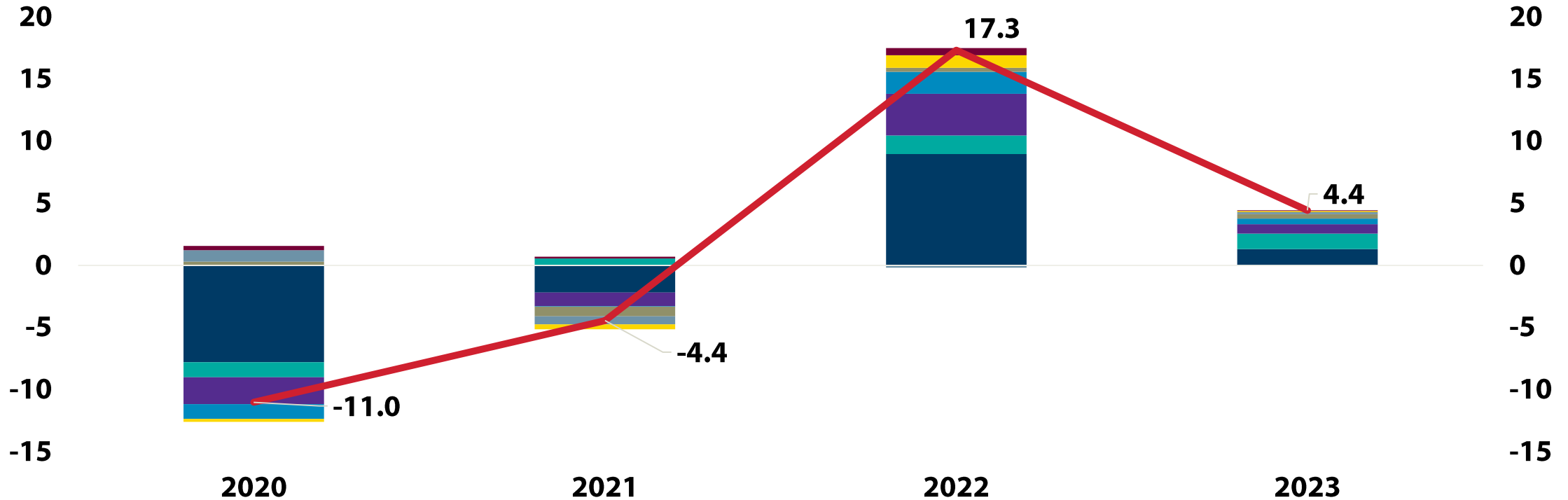


All Sectors Contributed to the Economic Expansion

Percentage Change
in Contribution

Real GDP Growth and Sectoral Contributions

Percentage Change
In Contribution



Tourism 13%

Other Non-tradable 6.2%

Manufacturing 1.2%

Business & Other Services 3.6%

Construction, Quarrying and Mining

Government

Wholesale & Retail 5.2%

Agriculture 10.7%

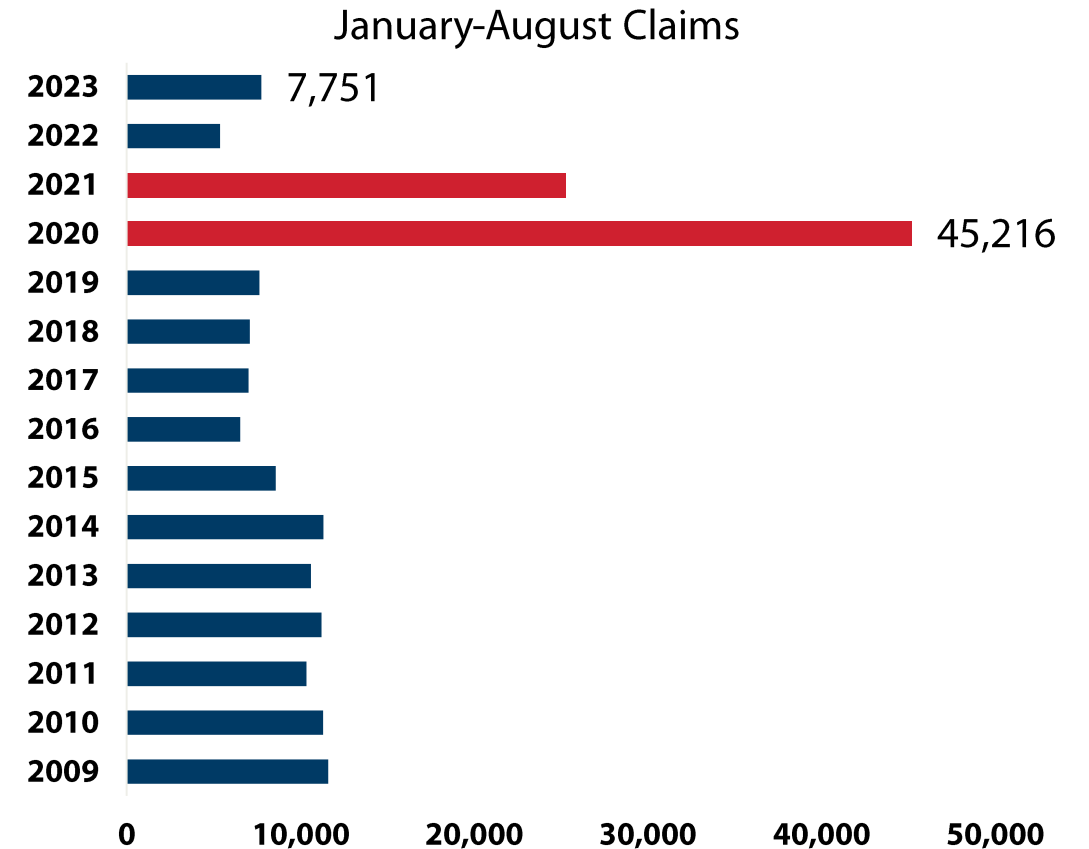
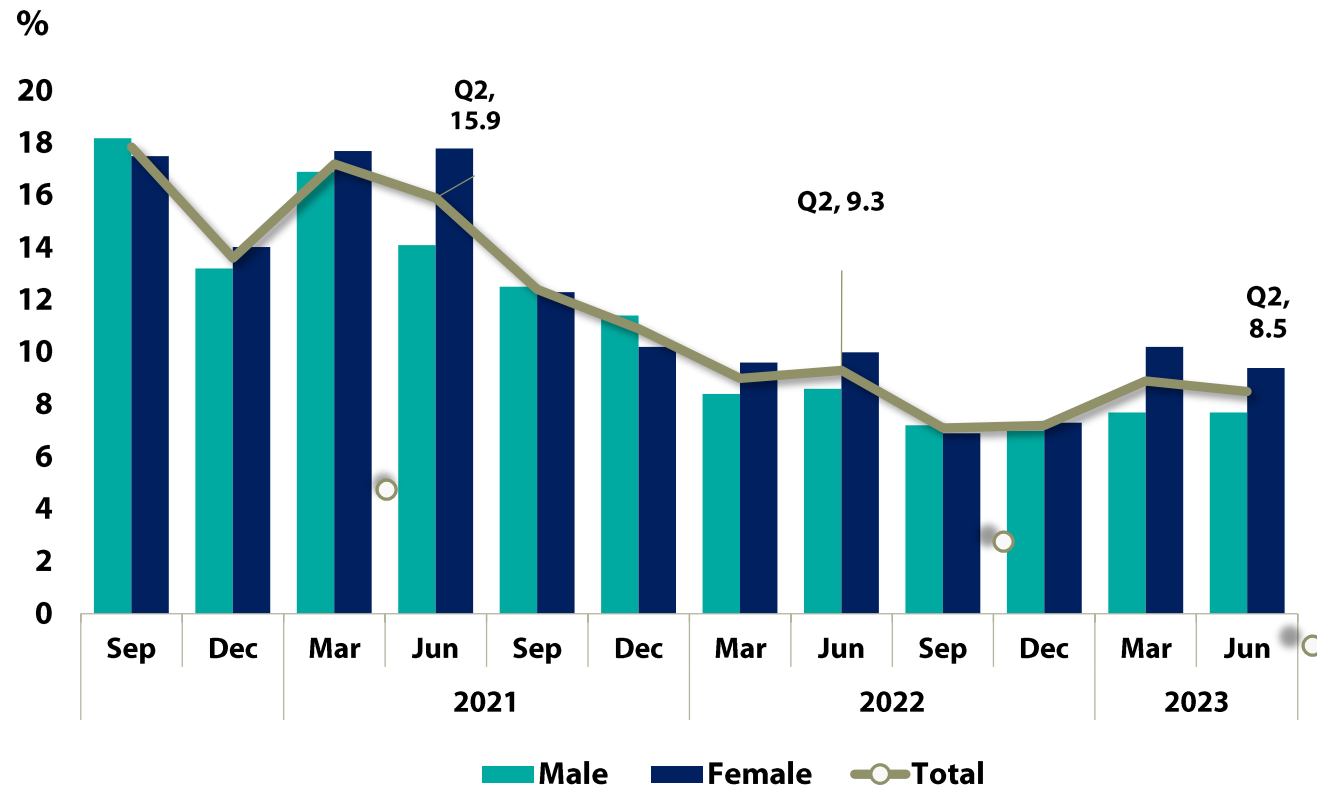
Real GDP Growth



Labour Market Conditions Continue to Improve

The unemployment rate has declined.

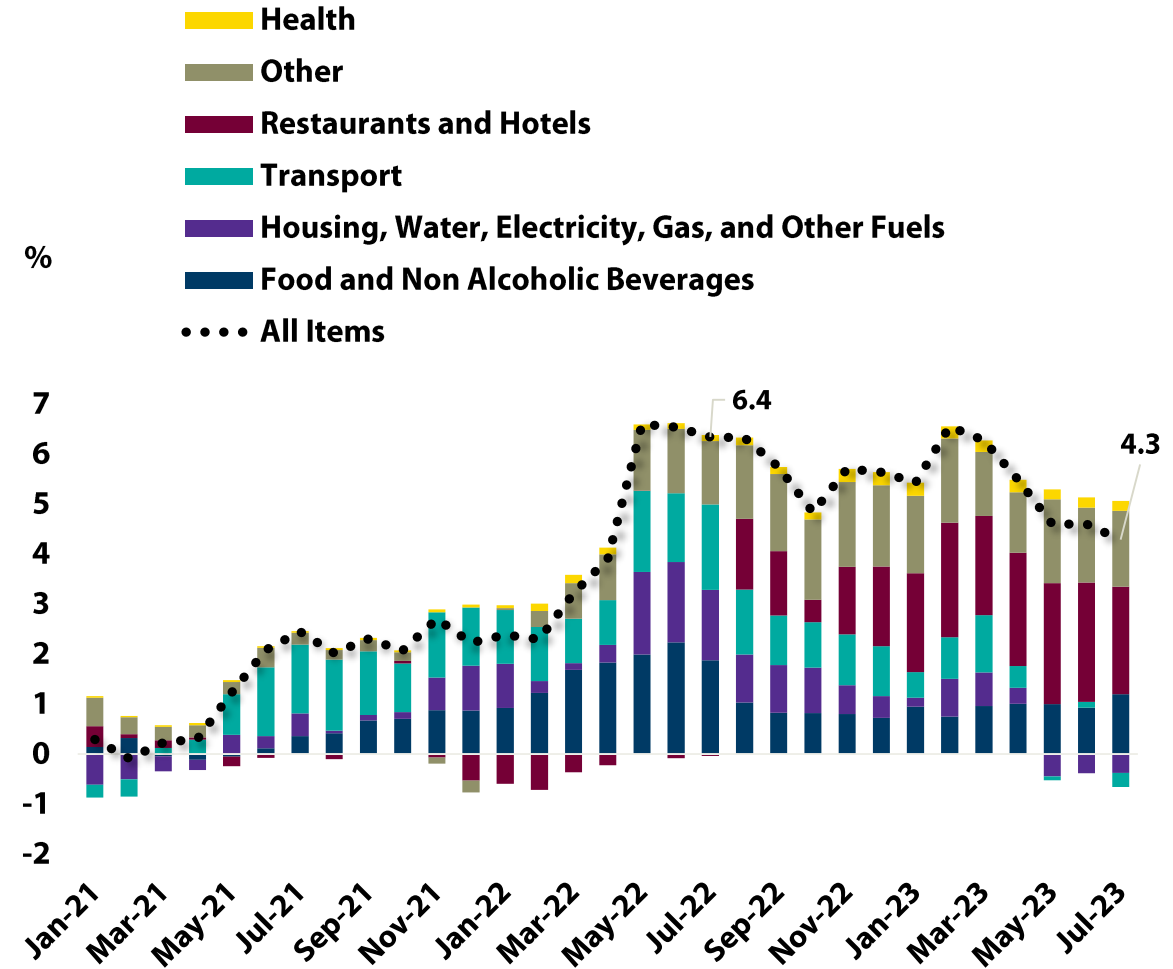
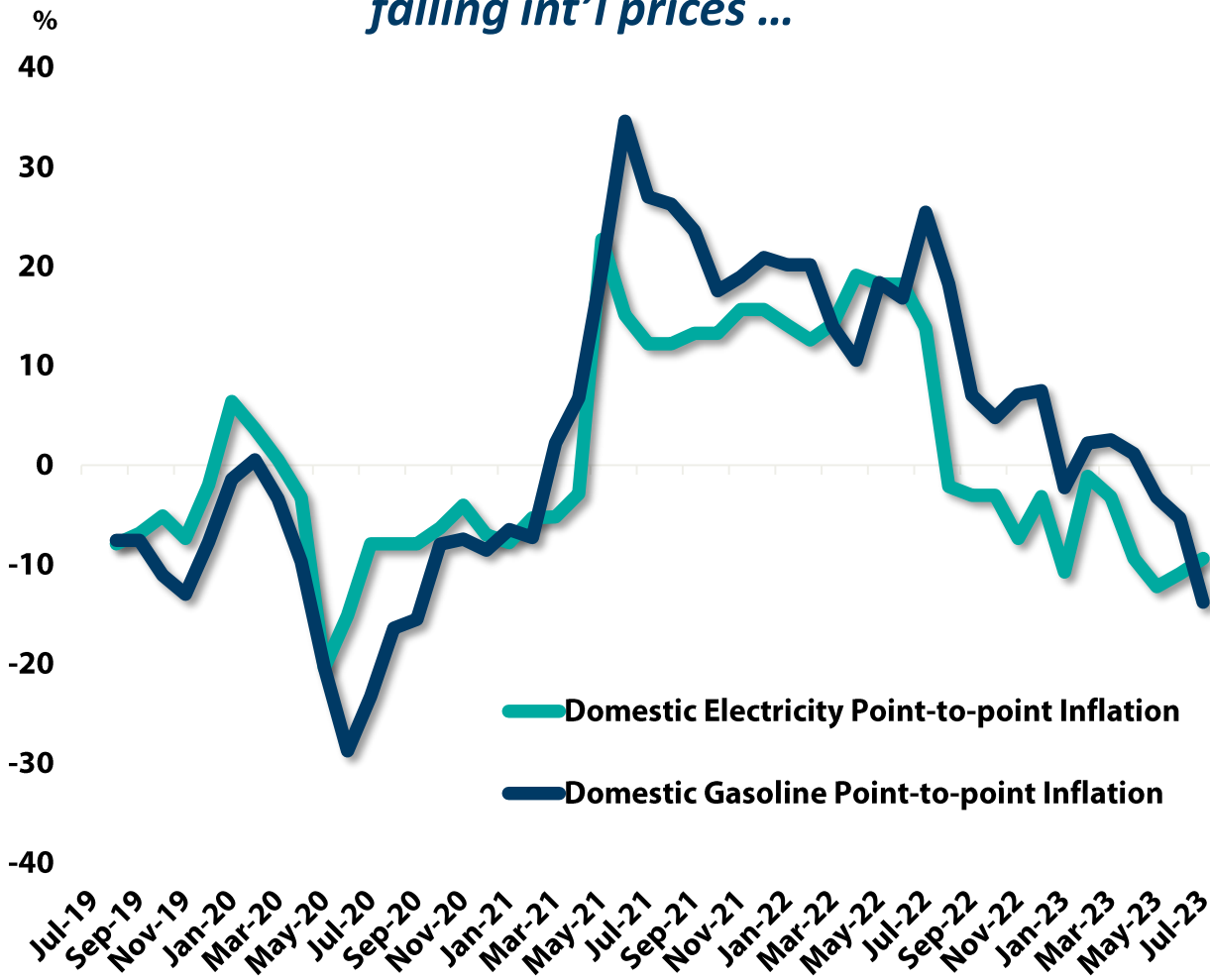
Number of unemployment claims have reverted to pre-pandemic levels.



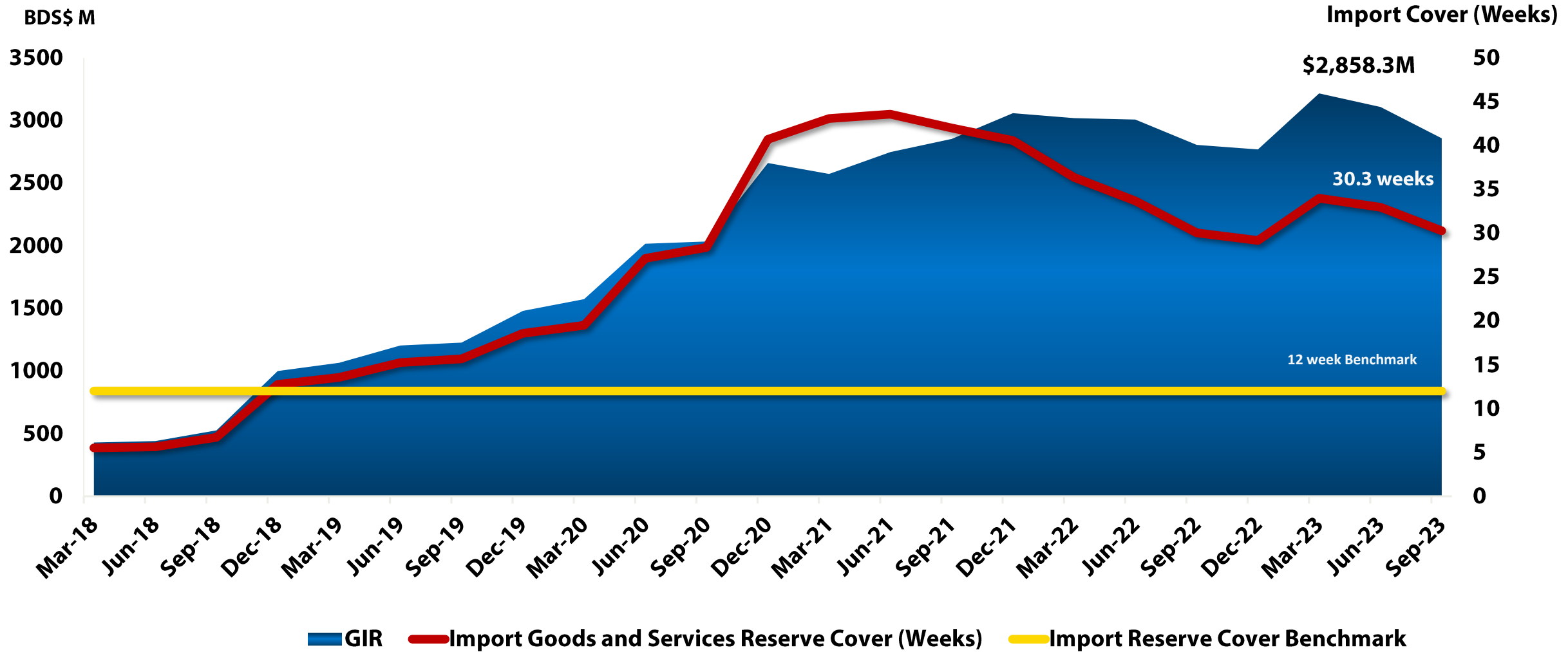
Inflation is Slowing, but Remains Elevated

Domestic energy inflation has abated, reflecting falling int'l prices ...

...But local factors are placing upward pressure on inflation.

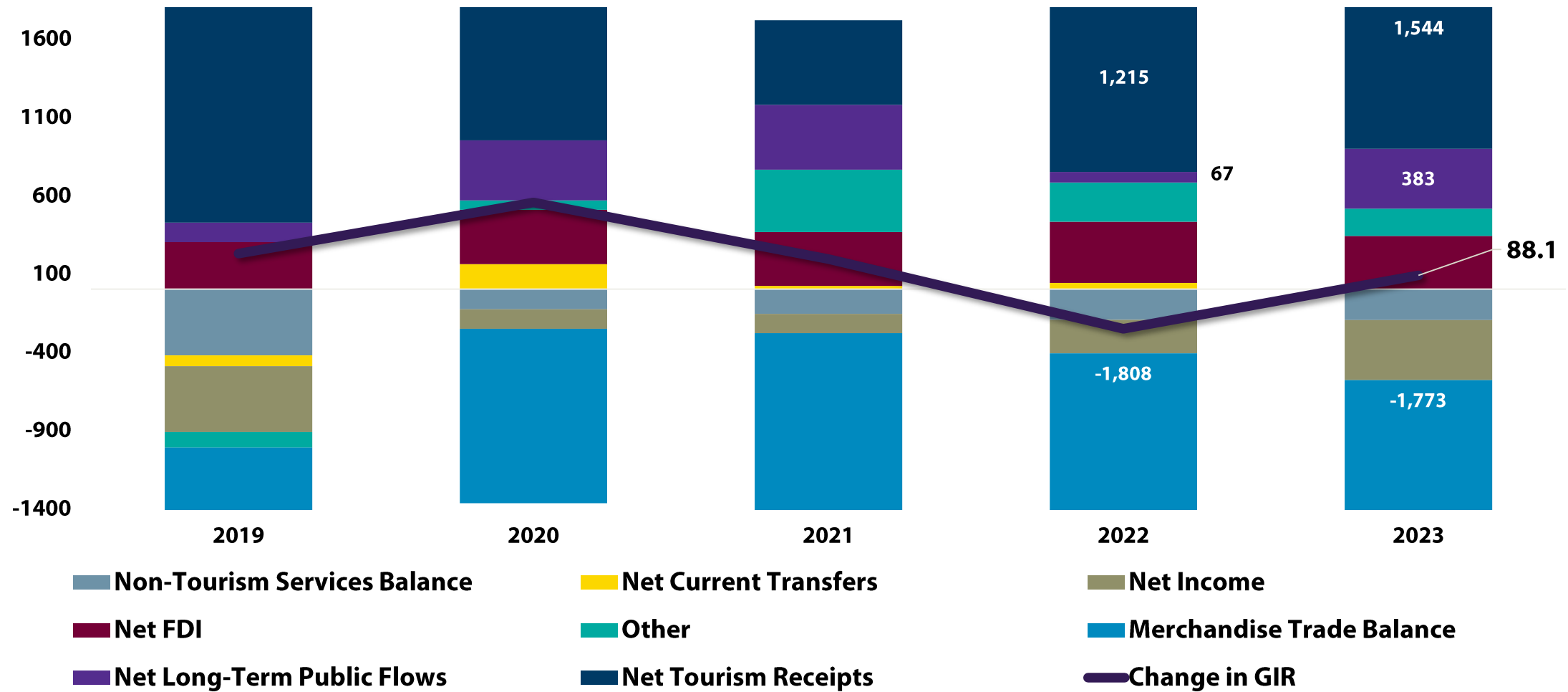


Foreign Reserves Remain High

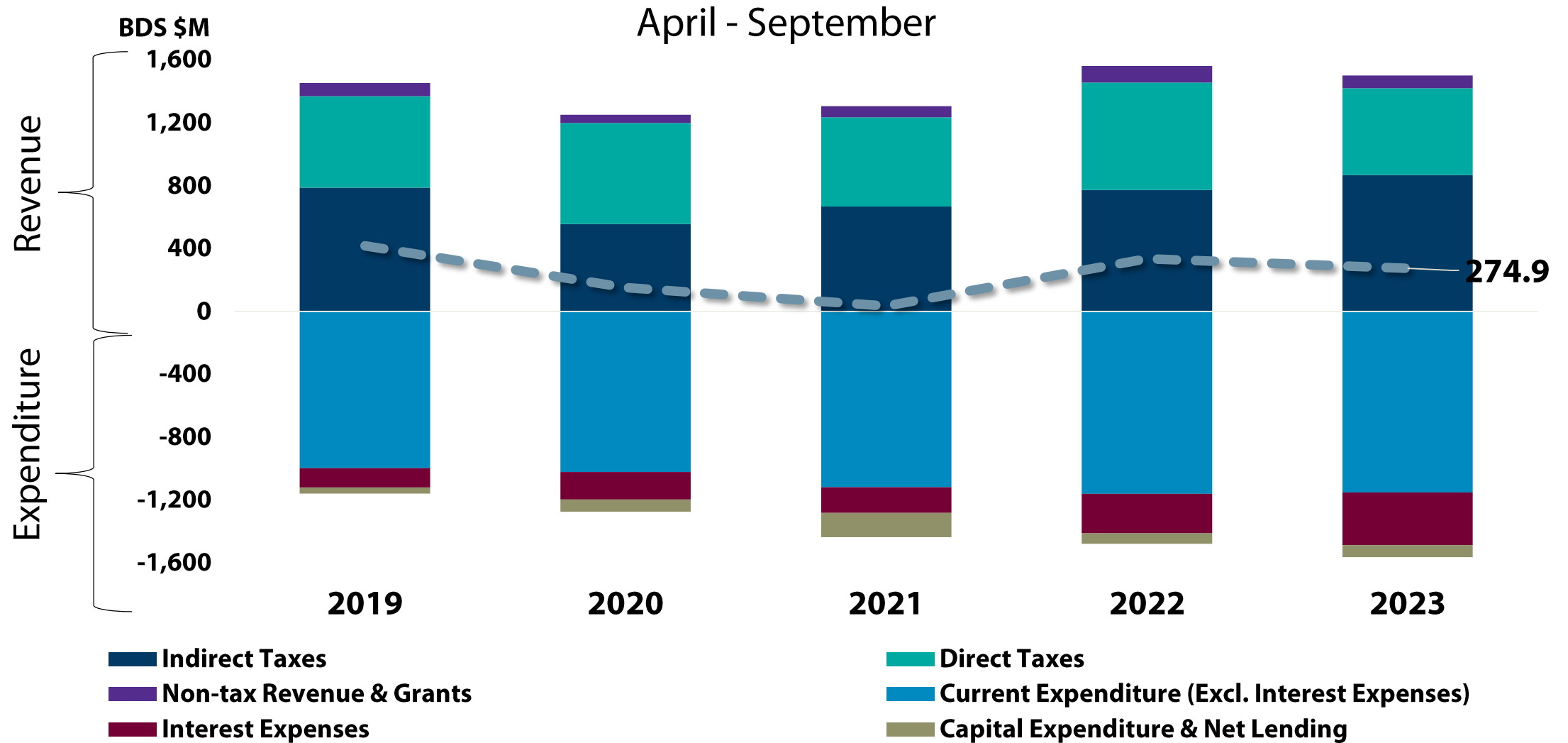


Explanation of Reserves Movements

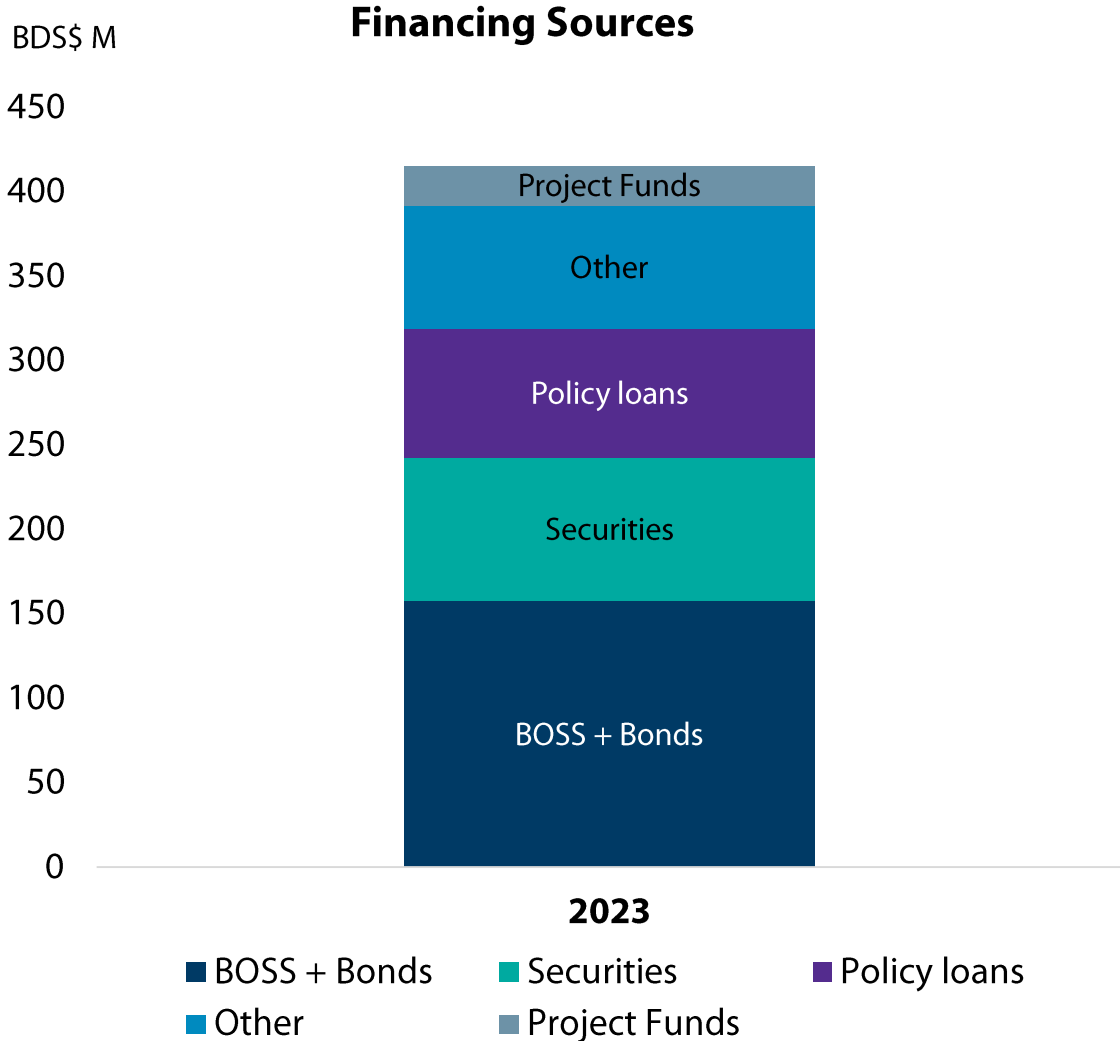
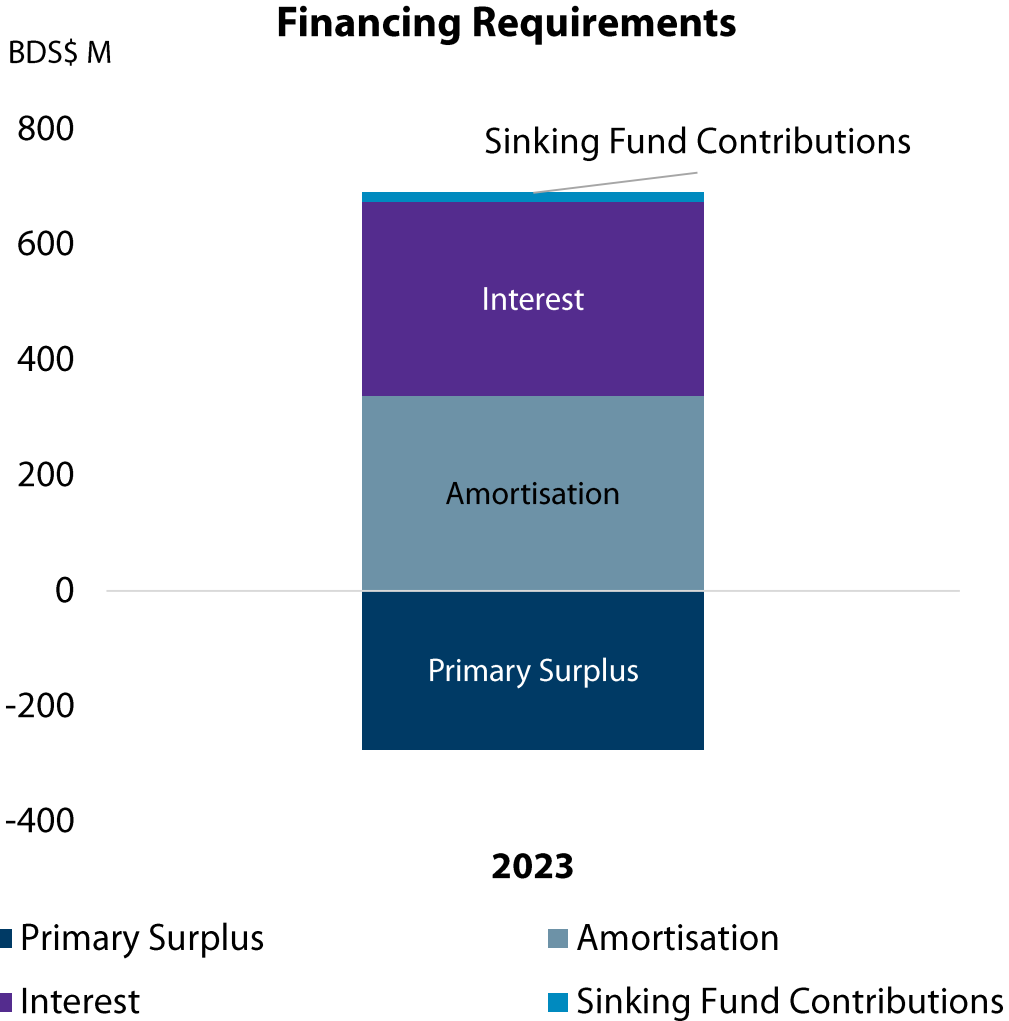
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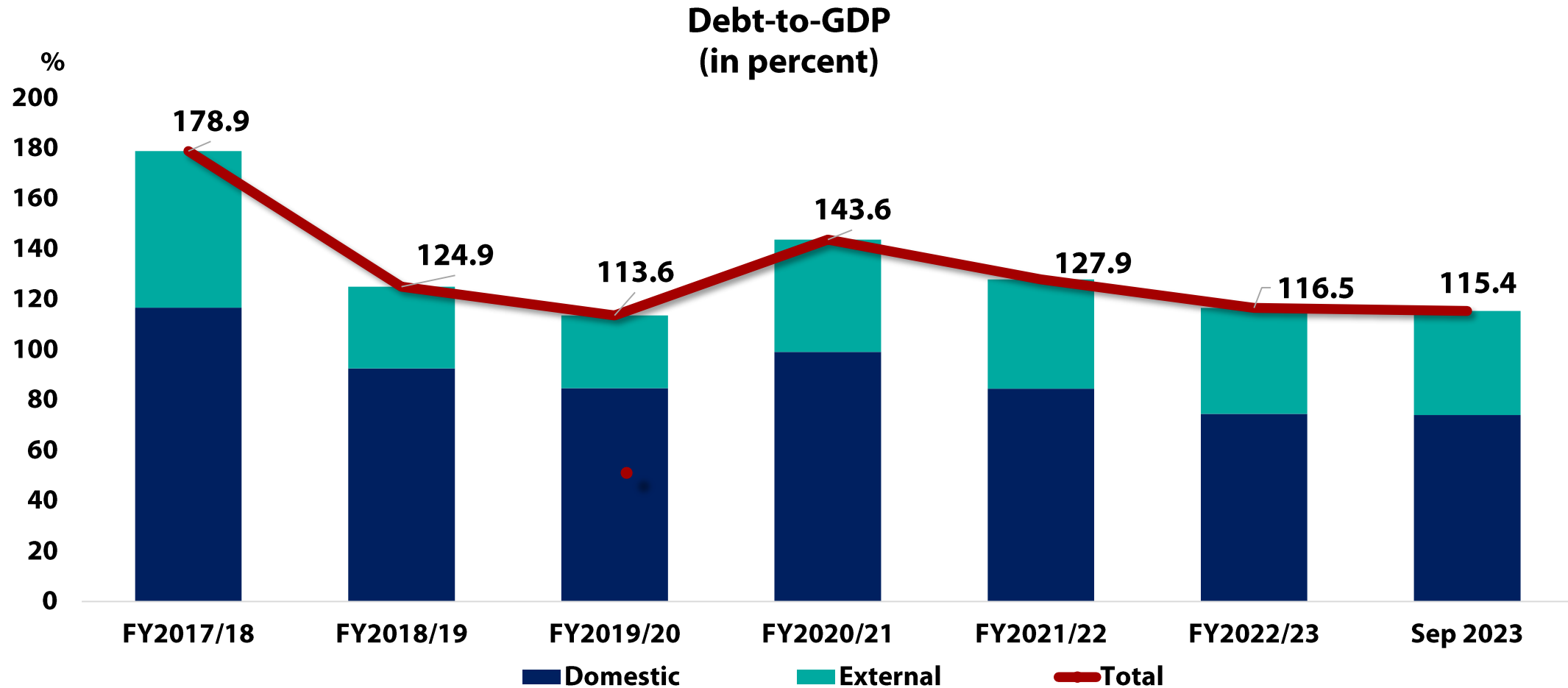
Fiscal Operations Resulted in a Primary Surplus



Government's Financing Needs Were Fully Covered

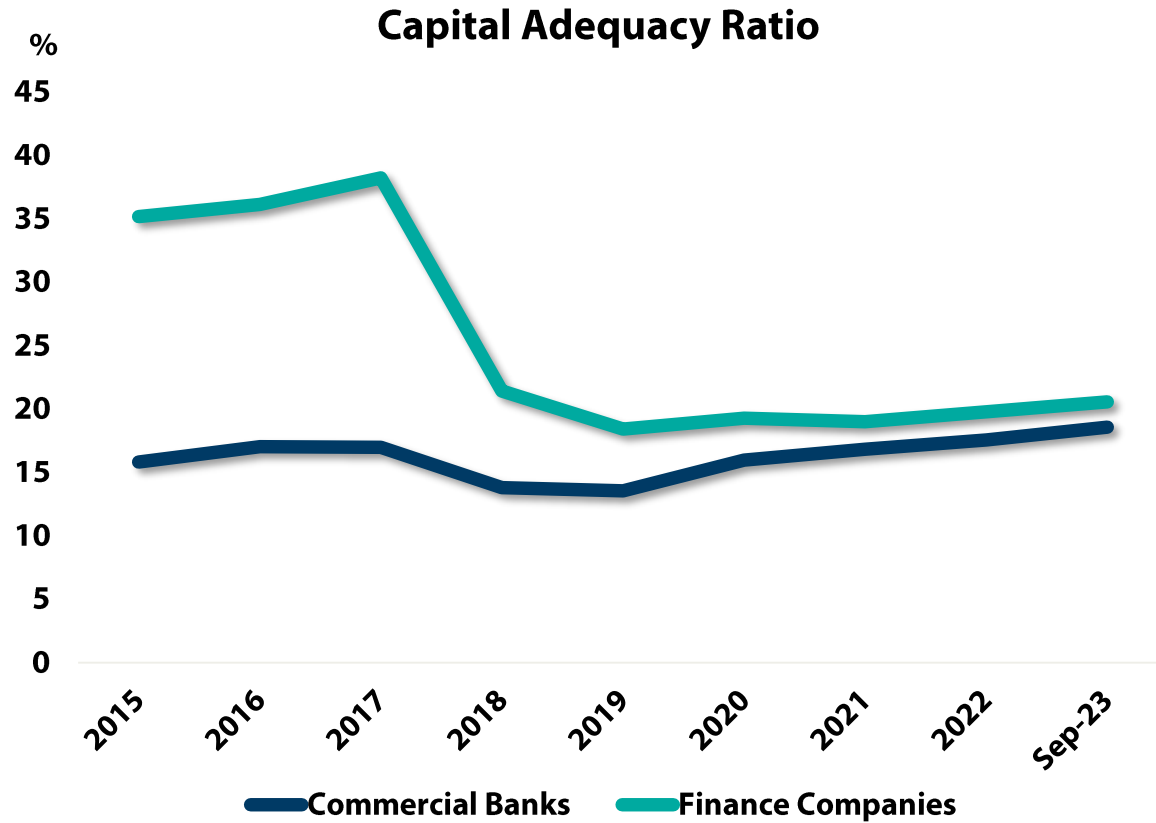


Debt-to-GDP Ratio Continues to Decline as the Economy Expands

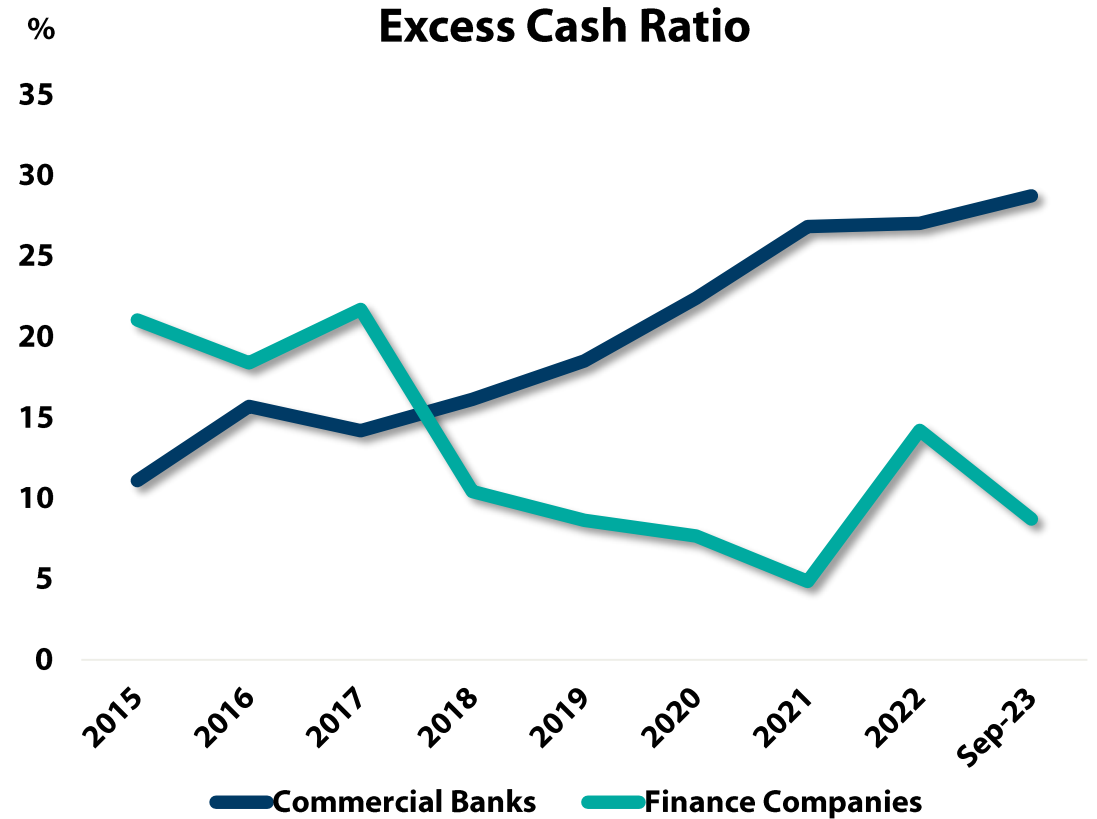


The Financial System Remains Stable and Healthy

Financial institutions are well capitalised

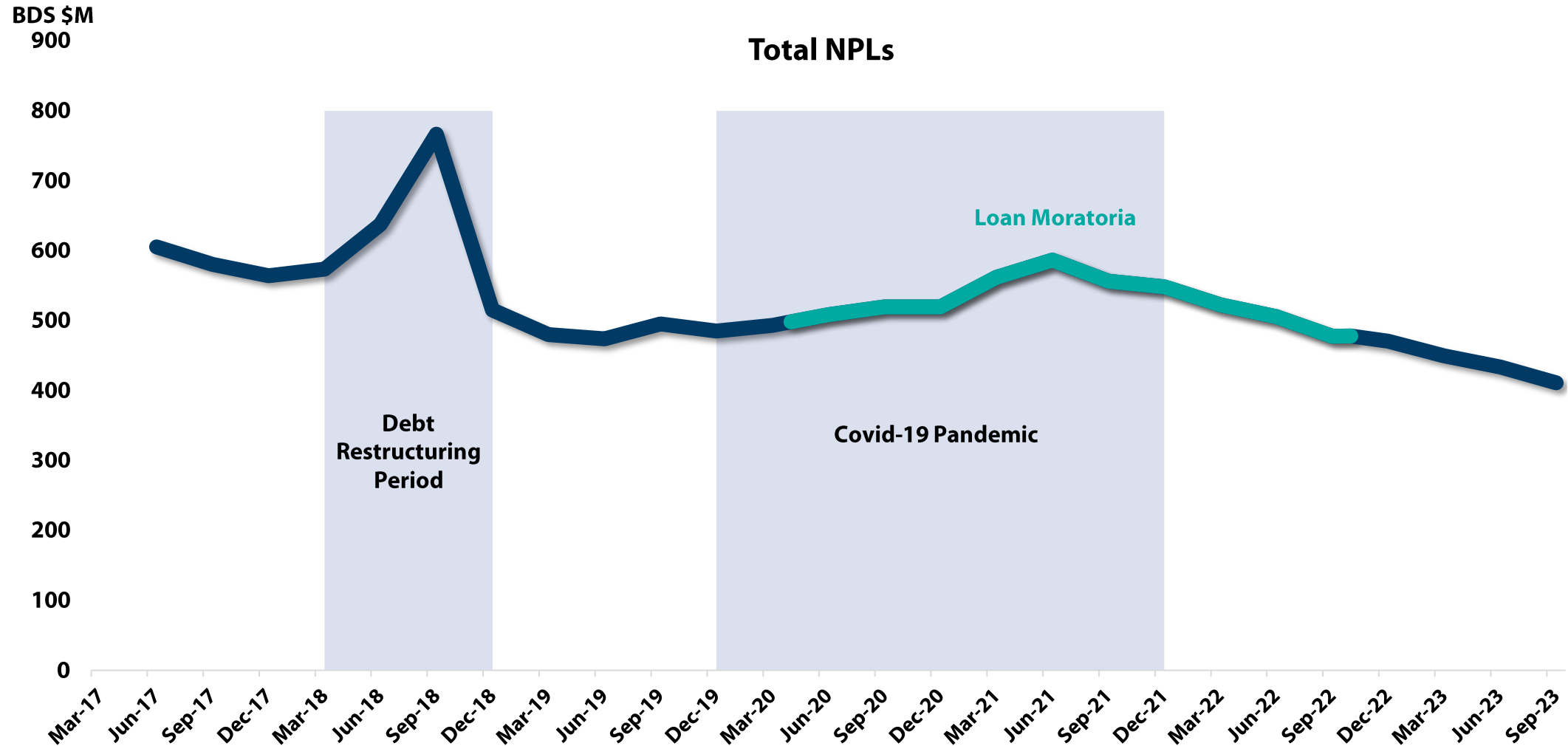


Liquidity is high and remains above statutory requirements



Credit Quality Continues to Improve

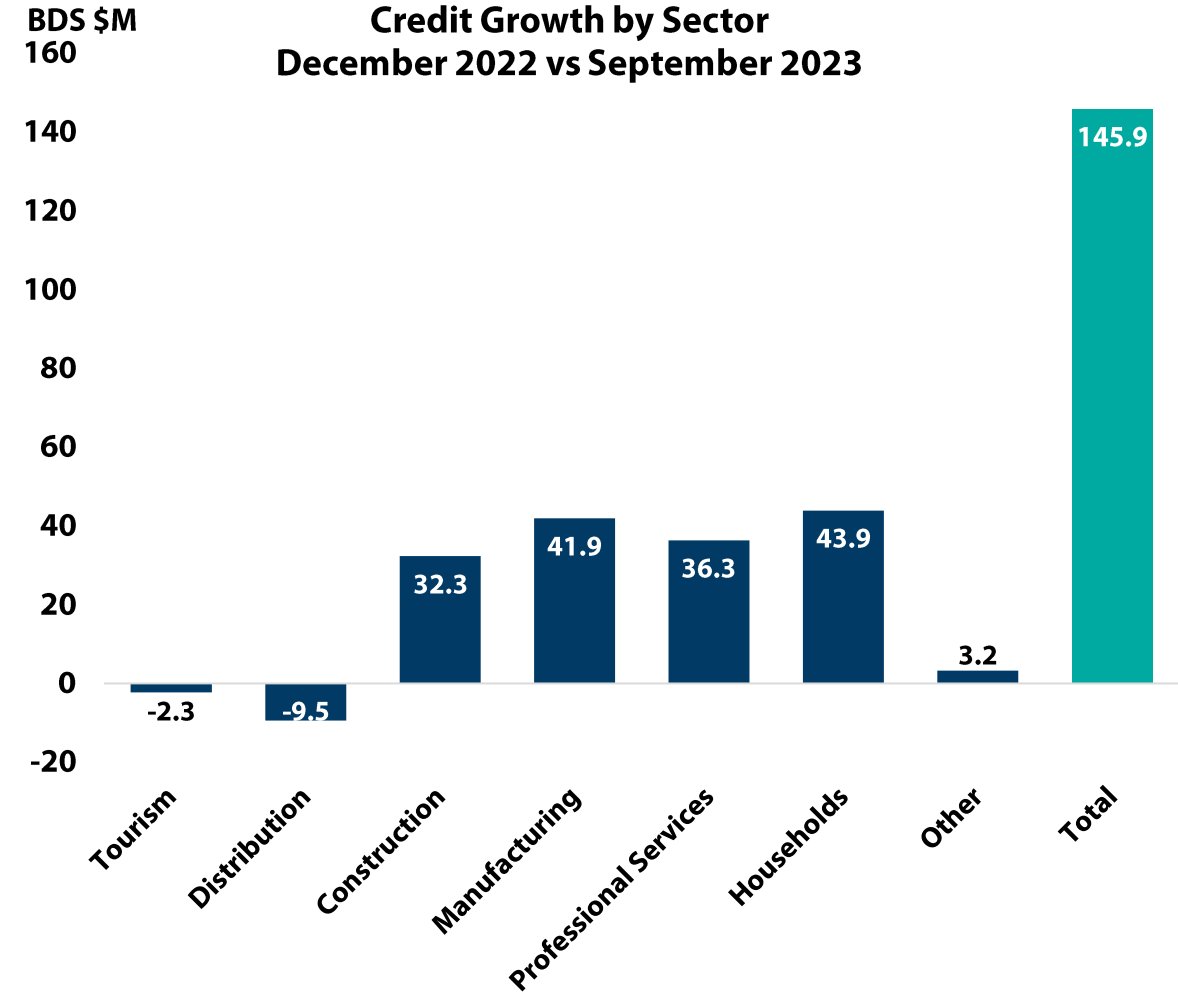
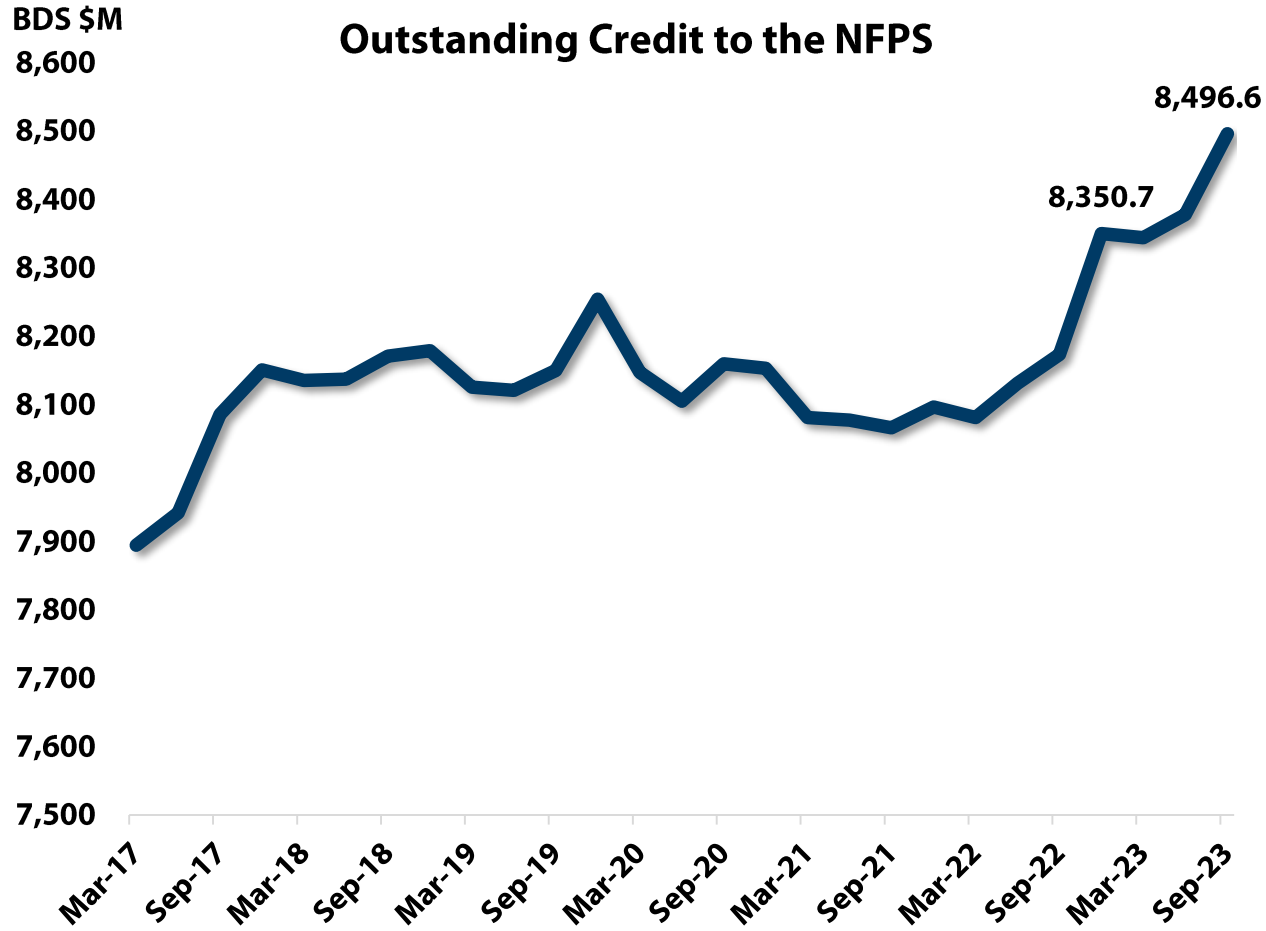
NPLs have fallen to their lowest levels in recent years, declining across all sectors, particularly for households.



Credit Performance was Uneven

Overall credit to the non-financial private sector grew marginally over the 9-month period...

as credit to the manufacturing and construction sectors offset the declines in tourism and distribution

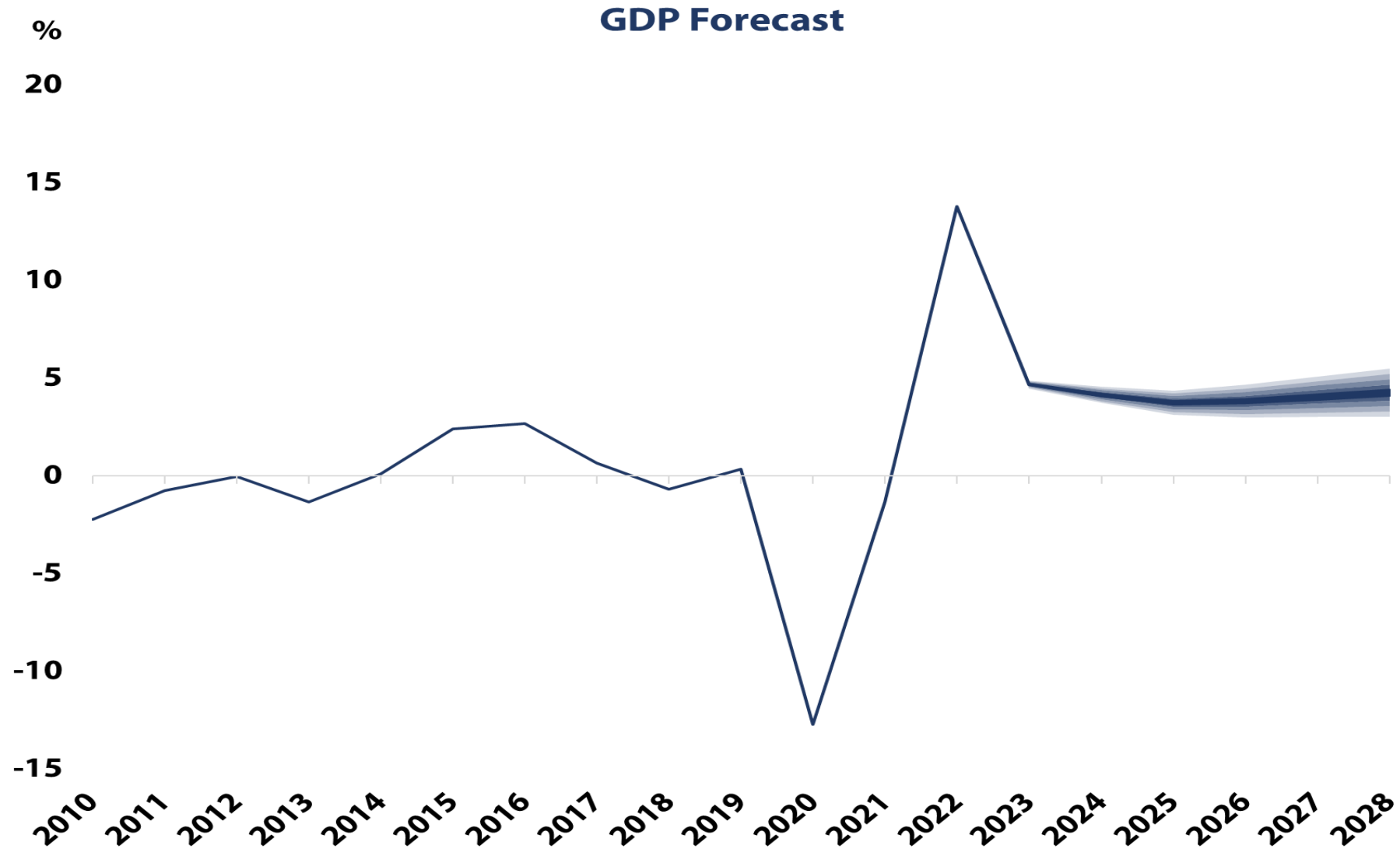




OUTLOOK FOR THE ECONOMY

Growth Should Remain Robust

Real GDP should continue to expand, within the range of 4 to 5 percent over the medium-term.



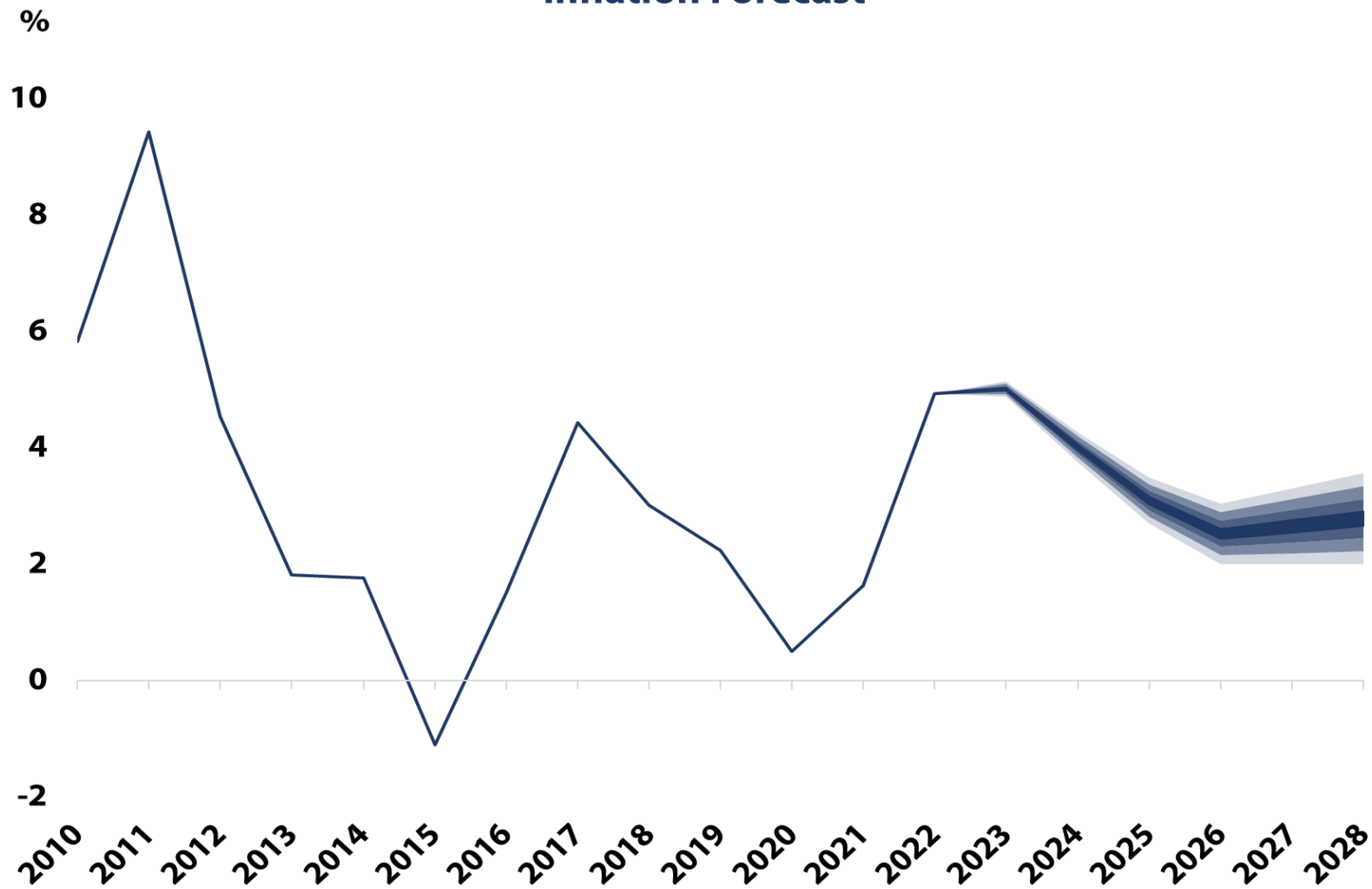
Investment is What Will Drive Growth

- BERT-2022 targets 5% economic growth rate over the medium-term, supported by
 - Public investment increasing to 5% of GDP (approx. \$500M per year).
 - Was \$425M FY2021/22 & \$476M (FY2022/23);
 - Private sector investment needs to rise from the current 8% of GDP (approx. \$975M) to 15% (an annual average of \$2B).



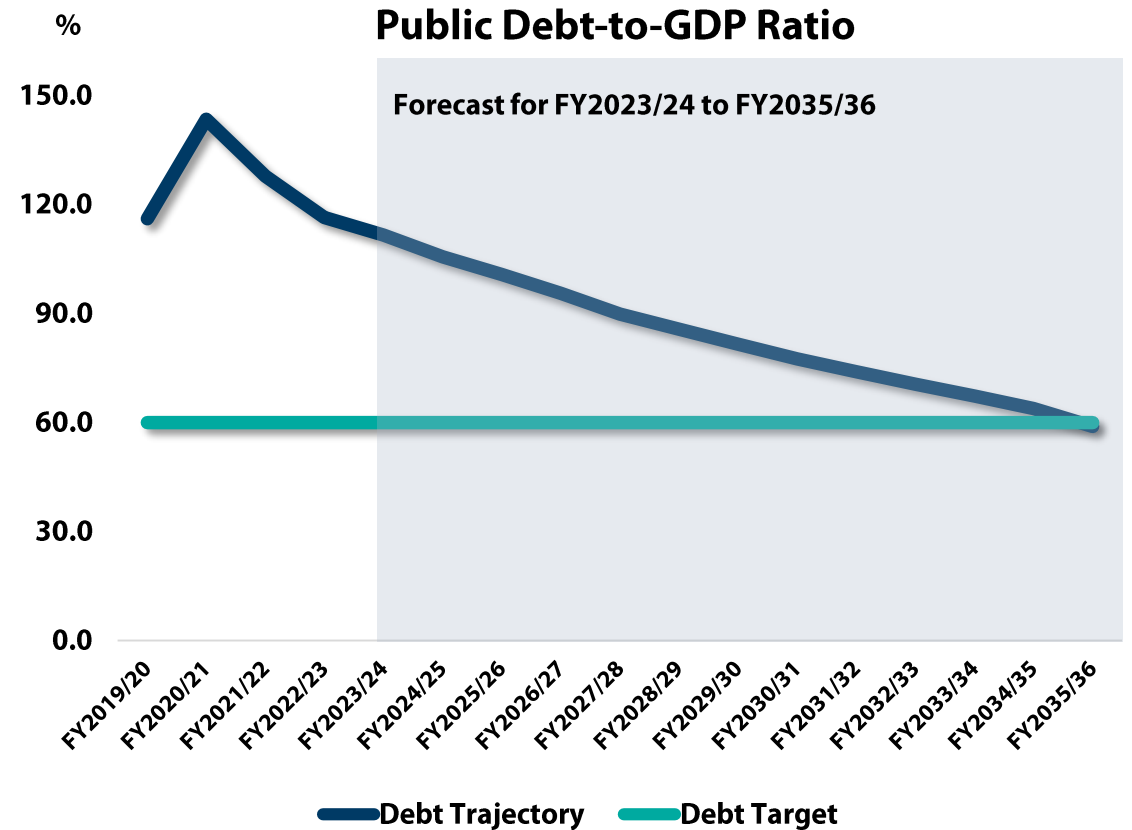
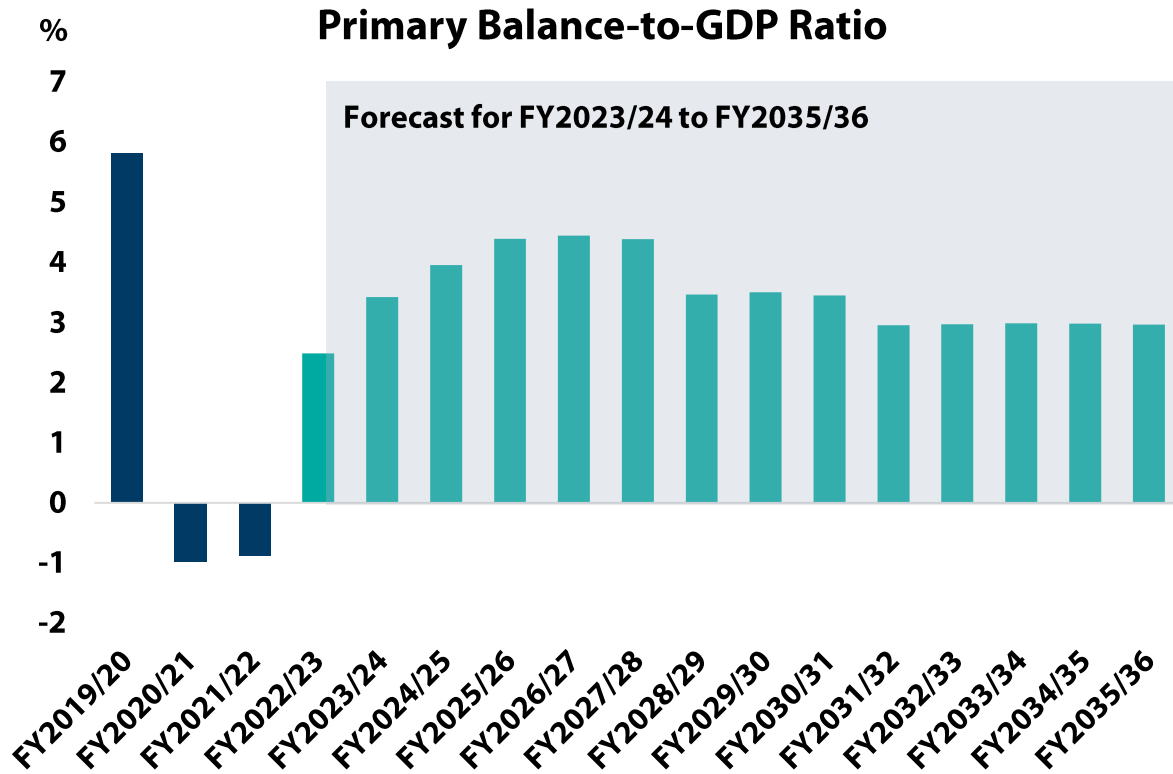
Inflation Should Moderate in the Short- to Medium-Term

Inflation Forecast



Robust Growth and a Strong Fiscal Stance will Drive Down Debt

The primary balance path is consistent with achieving the long-term debt anchor of 60 percent of GDP.



An aerial photograph of a city at dusk, with a large yellow triangle in the bottom-left corner. The sky is dark blue with some clouds. The city features a prominent multi-story building with a grid-like facade and many windows. Other buildings and trees are visible in the background.

THANK YOU