



Press Release

# Review of Barbados' Economic Performance:

January to March 2024

**Forging Ahead: Economic Expansion with Innovative Strategies and  
Dynamic Tourism, Projecting a Bright and Stable Future**



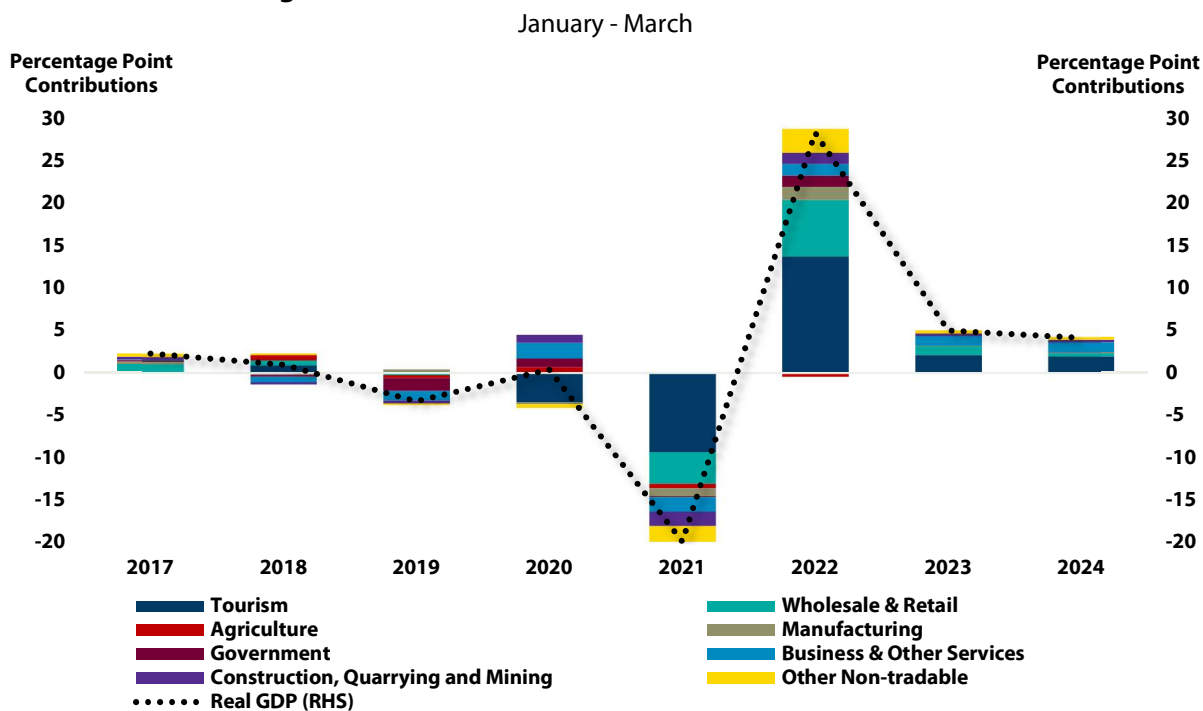
# Overview

## KEY INDICATORS: January to March 2024

<b>Real GDP Growth</b> 4.1 percent	<b>Inflation<sup>1</sup></b> 4.8 percent	<b>Unemployment<sup>2</sup></b> 7.9 percent	<b>International Reserves</b> \$3.3 billion
<b>Current Account Surplus</b> 25.8 million	<b>Primary Surplus (FY23/24)</b> \$481.4 million (3.7 percent of GDP)	<b>Fiscal Balance (FY23/24)</b> -\$225.9 million (-1.7 percent of GDP)	<b>Gross Public Sector Debt</b> 114.3 percent of GDP

**Despite challenges, Barbados' economy grew in early 2024, further strengthening key economic aggregates like the current account balance and debt-to-GDP ratio.** Amidst challenges such as elevated foreign interest rates, geopolitical tensions, higher freight costs, and adverse local weather conditions, the economy sustained its growth trajectory. Real GDP increased by 4.1 percent during the first quarter of 2024, fuelled by visitor arrivals that surpassed the industry's 2019 peak along with broad-based growth across various sectors. This economic expansion contributed to achieving an external current account surplus and a further strengthening of financial sector's resilience. Moreover, it helped to attain the 2023/24 fiscal year primary surplus target and further reduced the debt-to-GDP ratio.

**Figure 1: Real GDP Growth and Sectoral Contributions**



Sources: Central Bank of Barbados Estimates (2023) and Barbados Statistical Service

<sup>1</sup> Moving average inflation as at end-February 2024.

<sup>2</sup> Full-year unemployment as at December 2023.

**Tourism led the economic expansion during the first quarter of 2024.** Increased airlift capacity and promotional initiatives helped to achieve record levels of long-stay tourist arrivals, up 14.8 percent relative to quarter one of 2023. Spill-over effects from the industry boosted the performance of tourism-related services such as restaurants and other food services, and recreational activities. The construction sector also benefitted from both private and public projects including the continued development of tourism and commercial properties as well as public road and water infrastructure projects over the period. Inflation remained moderate while labour market conditions improved with the unemployment rate decreasing.

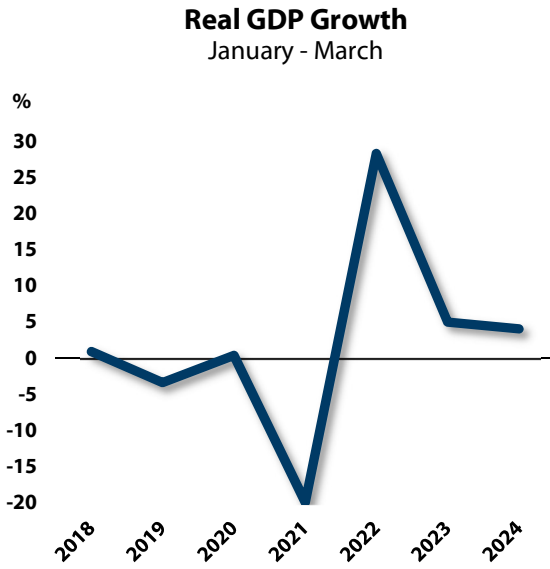
**Barbados' external position improved.** The current account improved by \$178.2 million relative to the corresponding period of 2023, resulting in a surplus of \$25.8 million (representing 0.7 percent of GDP). This improvement stemmed from higher tourism receipts and increased corporate taxes from the global business sector. Loans secured from multilateral organisations boosted the financial account. Consequently, gross international reserves recorded an accumulation of \$250.8 million, culminating in a total stock of \$3,250.4 million or 33.3 weeks of imports of goods and services.

**Government achieved its primary balance target for the fifth consecutive fiscal year.** Enhanced domestic economic activity boosted transaction-based, corporate, and personal income tax receipts. Rising interest payments and grants to public institutions drove increased spending, resulting in a fiscal deficit of \$225.9 million (or -1.7 percent of GDP) by the end of FY2023/24. The Government achieved its primary surplus target of \$481.4 million, equivalent to 3.7 percent of GDP.

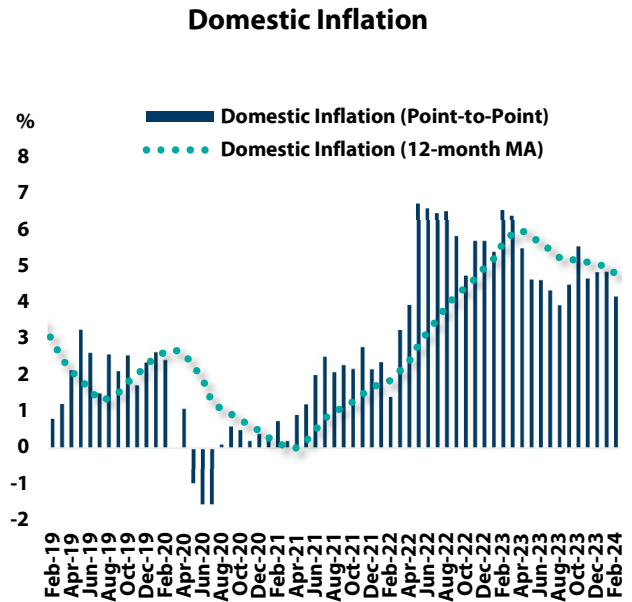
**The debt-to-GDP ratio remained sustainable on its downward trajectory.** The ratio fell to 114.3 percent reflecting the growth in economic activity. During FY2023/24, the debt stock rose reflecting sales of securities in the domestic capital market as well as inflows of policy loans from international financial institutions. Additionally, elevated global interest rates primarily influenced an increased interest-to-revenue ratio, which nonetheless remained below pre-debt restructuring levels.

**The financial system remained healthy and stable, with credit risk continuing to decline.** Loan quality continued to improve, evidenced by declining non-performing loans. Moreover, an increase in both, domestic and foreign-currency deposits strengthened the liquid asset ratio. Capital adequacy ratios of deposit-taking institutions remained high, underpinning the sector's stability and resilience. Additionally, credit balances increased, as disbursements grew faster than repayments. In contrast, banks' profitability declined marginally, mainly due to rising operational expenses.

**Figure 2: Selected Economic Indicators**

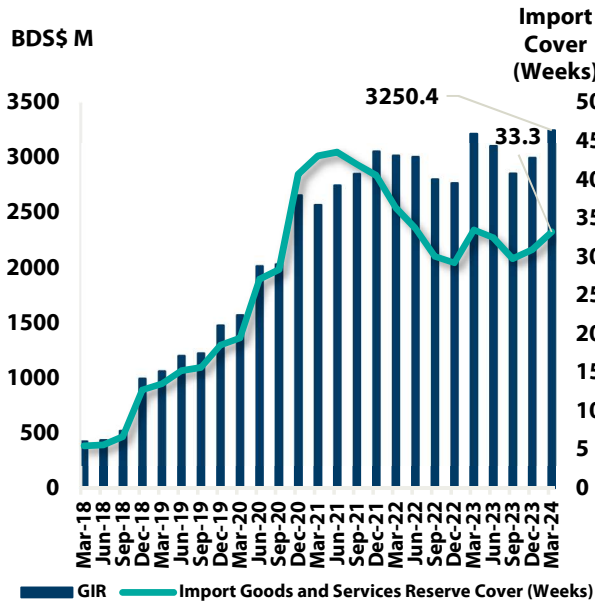


Sources: Central Bank of Barbados and Barbados Statistical Service



Source: Barbados Statistical Service

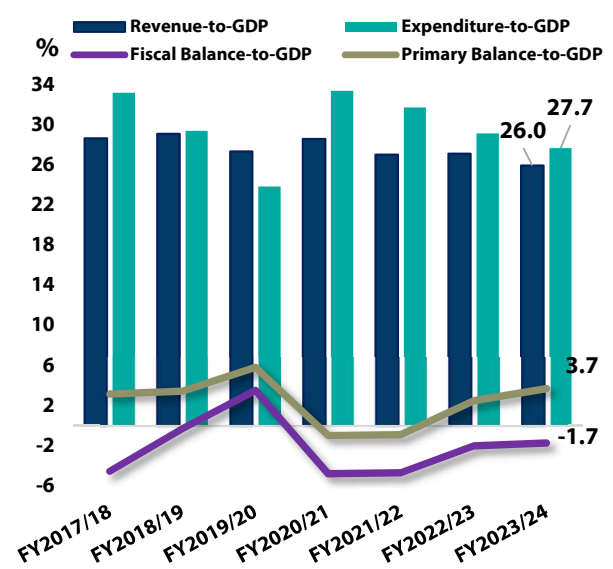
### Gross International Reserves (GIR) & Import Cover



Source: Central Bank of Barbados

### Fiscal Indicators

April - March



Source: Ministry of Finance

## Economic Activity

**The economy showed strong growth during the first quarter of 2024, driven by robust tourism activity and ongoing infrastructure investments.** Tourism activity surged in the first three months of 2024, propelling a 9.5 percent expansion in the traded sector. Conversely, the agricultural sector experienced a decline, with output falling by 6.8 percent year-on-year due to unfavourable weather conditions. The robust growth in the traded sector stimulated the non-traded sectors, notably enhancing output in business & other services. Construction witnessed substantial growth, fuelled by the continuation of major private sector projects and escalated public investment in infrastructural development. Overall, the total real GDP for the quarter grew by 4.1 percent. Inflation rates slowed but remained moderately high as of February 2024. However, the labour market showed signs of improvement, evidenced by a decrease in unemployment claims.

### Tourism

**Tourist arrivals for the first quarter of 2024 hit record highs.** Barbados set a record for long-stay visitor arrivals, with a 14.8 percent increase (Q1 of 2024 on Q1 of 2023), totalling 228,828 visitors. Robust marketing initiatives and expanded airlift capacities in key markets drove this growth. Specifically, arrivals from the United States surged by 47.6 percent, surpassing the pre-pandemic average by 5.6 percent. Canadian visitors also recorded a notable growth of 21 percent, marginally exceeding the pre-pandemic average by 0.4 percent. Visitor numbers from CARICOM countries rose, reflecting strong demand for Barbados' tourism offerings. Despite these overall gains, visitor numbers from the United Kingdom, though 34.3 percent above pre-pandemic levels, contracted slightly by 0.2 percent compared to the same period in 2023. Additionally, reduced airlift capacity from Europe resulted in an 11.2 percent decline in European visitors.

**Winter cruise arrivals are almost back to the pre-pandemic average.** By the close of the first quarter of 2024, in-transit arrivals had reached 281,172, a 15.9 percent increase compared to the same period in 2023. The sector witnessed 226 cruise calls, an increase of 15 from the previous year, which significantly contributed to this growth. Homeporting arrangements continued, further bolstering the industry's performance during the period.

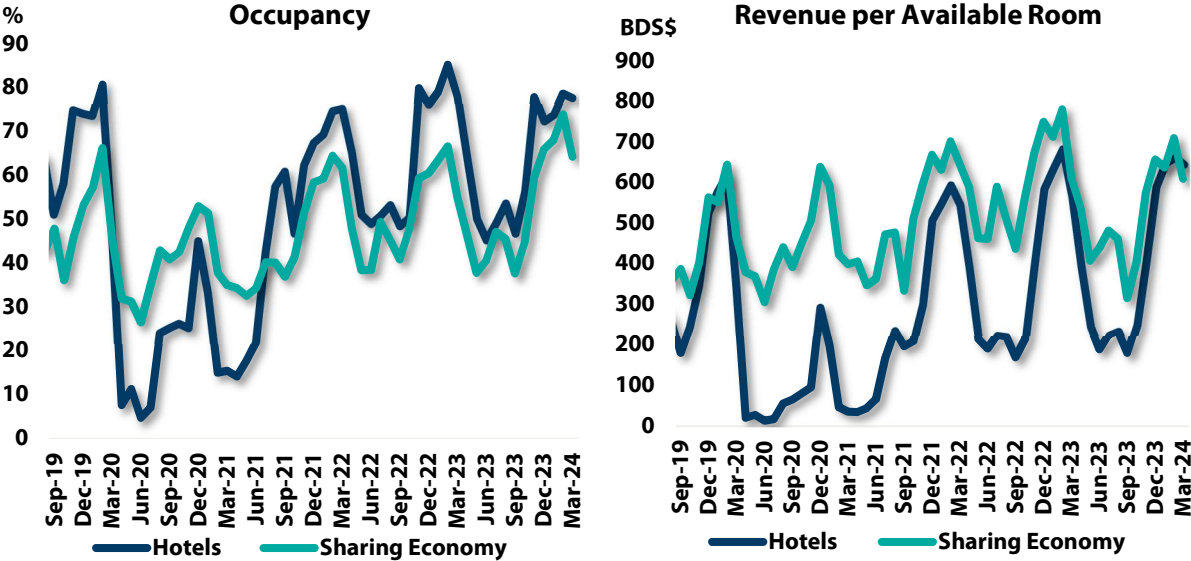
**Table 1: Tourism Arrivals by Source Market**  
January – March

Major Markets	Average (2017-2019)	2020	2021	2022	2023	2024	Absolute Change (2023/24)	2024 as % 2017-19 Arrivals
United States	53,609	35,276	2,434	32,305	38,360	56,609	18,249	105.6
Canada	34,725	28,012	910	16,040	28,807	34,855	6,048	100.4
United Kingdom	72,676	46,190	1,672	91,446	97,750	97,568	(182)	134.3
Europe	13,545	15,339	493	10,386	12,855	11,416	(1,439)	84.3
CARICOM	20,210	15,933	1,302	9,299	16,009	20,213	4,204	100.0
Other	6,279	13,098	385	4,707	5,536	8,167	2,631	130.1
<b>Total Arrivals</b>	<b>201,044</b>	<b>153,848</b>	<b>7,196</b>	<b>164,183</b>	<b>199,317</b>	<b>228,828</b>	<b>29,511</b>	<b>113.8</b>
Intransit Arrivals	292,045	250,504	0	94,378	242,657	281,172	38,515	96.3
Total Cruise Calls	218	196	4	178	211	226	15	103.8

Source: Barbados Statistical Service

**Higher arrivals boosted demand for accommodation within the sharing economy<sup>3</sup>, while hotel occupancy rates eased due primarily to an expansion in hotel room stock.** Increased tourism activity drove significant benefits for the sharing economy, with average occupancy rates for entire places expanding by 7.1 percentage points to reach 64.3 percent by the end of March 2024. However, a 6 percent increase in hotel room stock led to a 4.1 percentage point contraction in average hotel occupancy rates. Despite this, the average revenue per available room (RevPAR) in hotels increased by 3.7 percent. In contrast, RevPAR in the sharing economy saw a 7 percent decrease.

**Figure 3: Tourism Accommodation Indicators**



Sources: Smith Travel Research and AirDNA

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**Global Business Sector**

**The International Business Sector (IBS) showed notable growth.** By the end of fiscal year 2023/24, the authorities issued a total of 2,366 foreign currency permits, marking increases of 5.2 percent in new permits and 2.3 percent in renewals. The increased economic activity led to a 2.5 percent increase in the average salaries of employees within the sector.

**Other Traded Activity**

**Adverse weather conditions resulted in decreased agricultural output.** In the first quarter of 2024, hot weather created unfavourable conditions for farming, particularly affecting fruit and vegetable crops which fell by 37.9 percent. In this category the following crops were notable impacted: tomatoes, cucumbers, lettuce, and sweet peppers. Similarly, root crops like sweet potatoes and cassava saw a 4.5

<sup>3</sup> The sharing economy relates to activities generated by agents who buy or rent commodities and services through a digital platform. In the context of tourism accommodation, the term refers to agents who use platforms such as Airbnb and Vrbo to advertise availability of rooms for short-term accommodation. An entire place usually includes a bedroom, a bathroom, and a kitchen and exclusive access to the entire property during the stay.

percent decline. While overall food crop production decreased by 26.7 percent, poultry production had a robust growth of 13 percent, satisfying the rising demand from locals and visitors. Additionally, fish landings surged by 31.9 percent. Improved data collection at these sites helped to provide more accurate reporting of fish catches. The dairy industry struggled with the continued heat and a reduced heifer stock, culminating in a 25.6 percent drop in milk production. Similarly, other meat production also declined due to the heat. Combined, these factors led to a total agricultural production decrease of 6.8 percent in the first quarter of 2024.

**Manufacturing output grew in the first quarter.** Food production rose by 5 percent compared to the previous year, while beverage production increased by 4.8 percent. Chemicals production also recorded a modest growth of 1 percent from the same quarter last year. Despite the cessation of domestic clinker production since the end of the first quarter of 2023, output of non-metallic mineral products remained on par with that of Q1 2023. Collectively, these changes improved manufacturing output by an estimated 1.7 percent in the first quarter of 2024 compared to the same period in 2023.

## **Non-traded Activity**

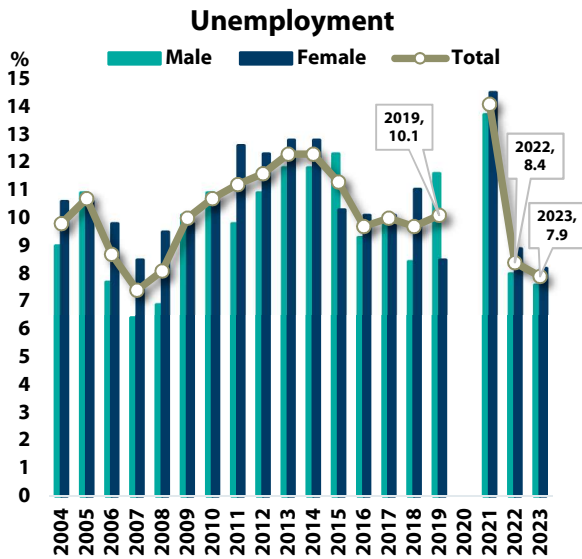
**Strong tourism activity bolstered growth in the non-traded sectors in the first quarter of 2024.**

Increased demand for travel agency services, tours, amusement parks, and recreational activities, led to a 3.8 percent expansion in the business & other services sector, which represents 40 percent of total non-traded activity. Similarly, the wholesale & retail sector, which is the second largest contributor (21 percent) to non-tradeables, expanded by 2.3 percent, fuelled by heightened demand for food and beverages as well as motor vehicles. Additionally, increased commercial and industrial activity pushed electricity, gas & water production up by 1.5 percent. Construction activity also saw significant gains, propelled by ongoing projects such as Apes Hill, Indigo, and the Crane Resort, alongside key public sector initiatives including the Water Infrastructure Rehabilitation Project and the Mill & Pave Programme.

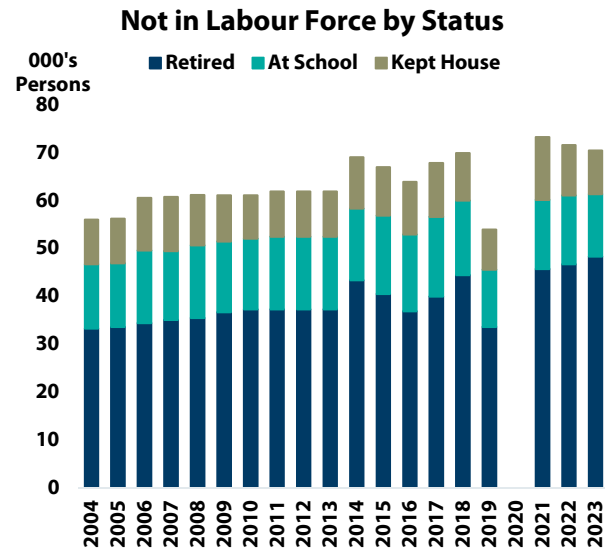
## **Labour Market**

**The annual unemployment rate fell for the third consecutive year.** In 2023, the unemployment rate fell from 8.4 percent to 7.9 percent, a 0.5 percentage point decrease, despite the labour force contracting by 2,000 persons. Job growth primarily occurred in wholesale & retail, tourism, construction, and manufacturing sectors, with most employment in the private sector. Improved domestic activity facilitated quicker employment, with more individuals securing jobs within three months. The retiree population grew by 3.4 percent over the previous year. For the first three months of 2024, unemployment claims remained below pre-pandemic levels, falling by 8.4 percent compared to 2023 and totalling 2,018 by the end of the period.

Figure 4: Selected Labour Market Indicators

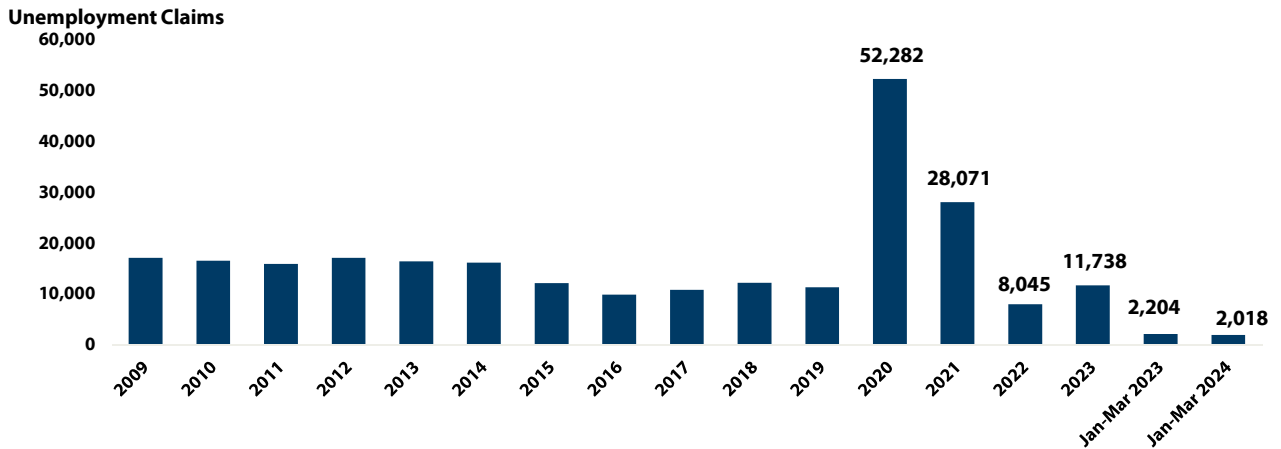


Source: Barbados Statistical Service



Source: Barbados Statistical Service

### Unemployment Claims



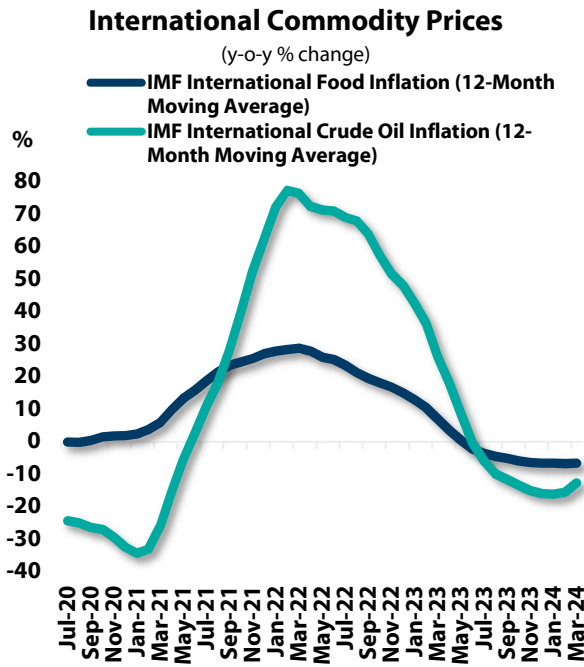
Source: National Insurance Scheme

## Prices

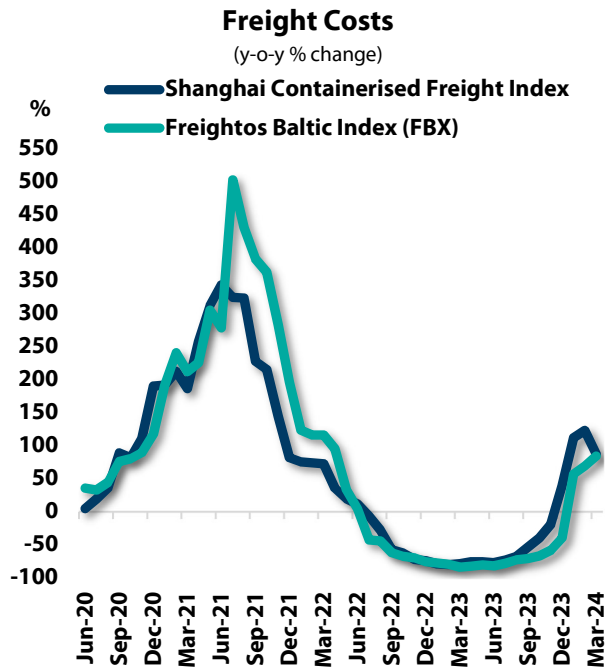
**Domestic inflation rates slowed, despite increased demand and weather-related challenges exerting upward pressure on local prices for some items.** The 12-month moving average inflation rate for the period ending February 2024 decreased to 4.8 percent from 5.6 percent a year earlier. On a point-to-point basis, the inflation rate at end-February 2024 fell to 4.2 percent from 6.5 percent at end-February 2023. Falling global energy prices from their 2022 peak helped moderate domestic energy costs. Prices for household furnishings & equipment, transportation, and recreational activities also saw lesser increases during this time. Despite lower international food prices, adverse weather throughout 2023 harmed local crop yields and milk production, pushing domestic food prices higher. Additionally, increased demand for dining services during this period further elevated domestic prices.



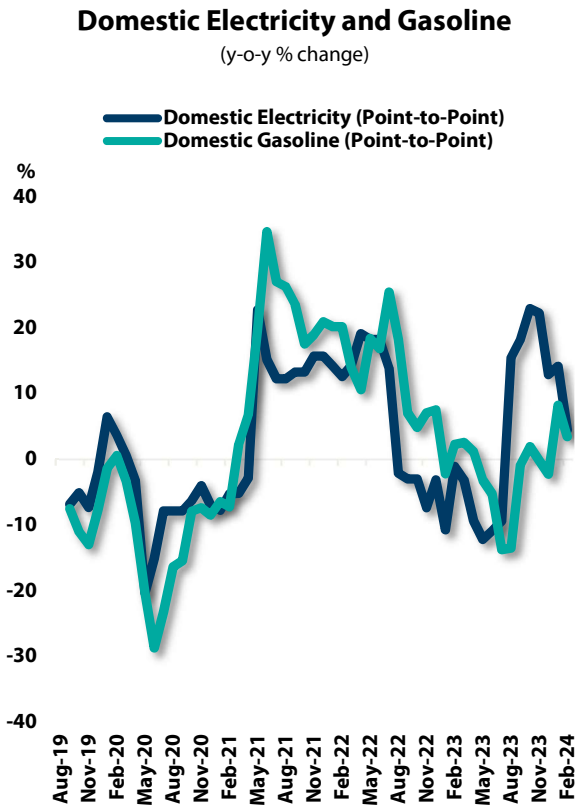
**Figure 5: Domestic and International Price Developments**



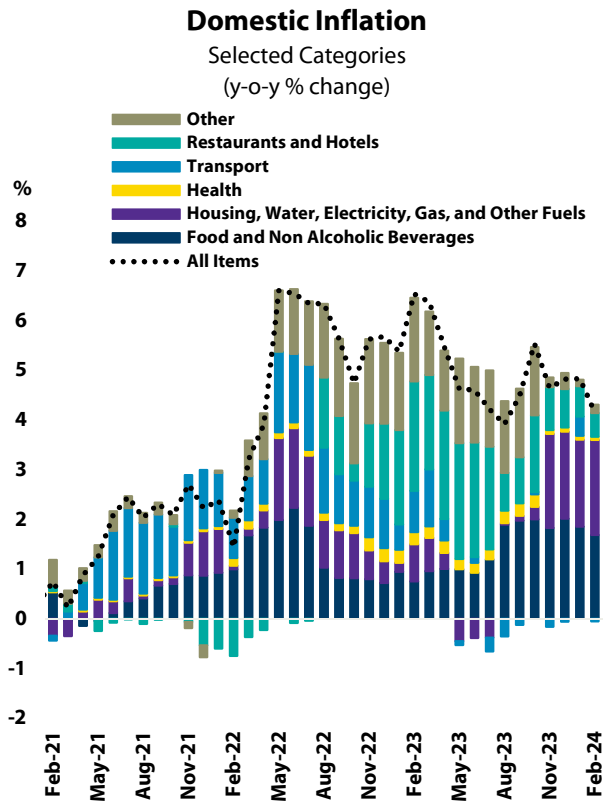
Source: International Monetary Fund



Sources: MacroMicro and Freightos



Source: Barbados Statistical Service



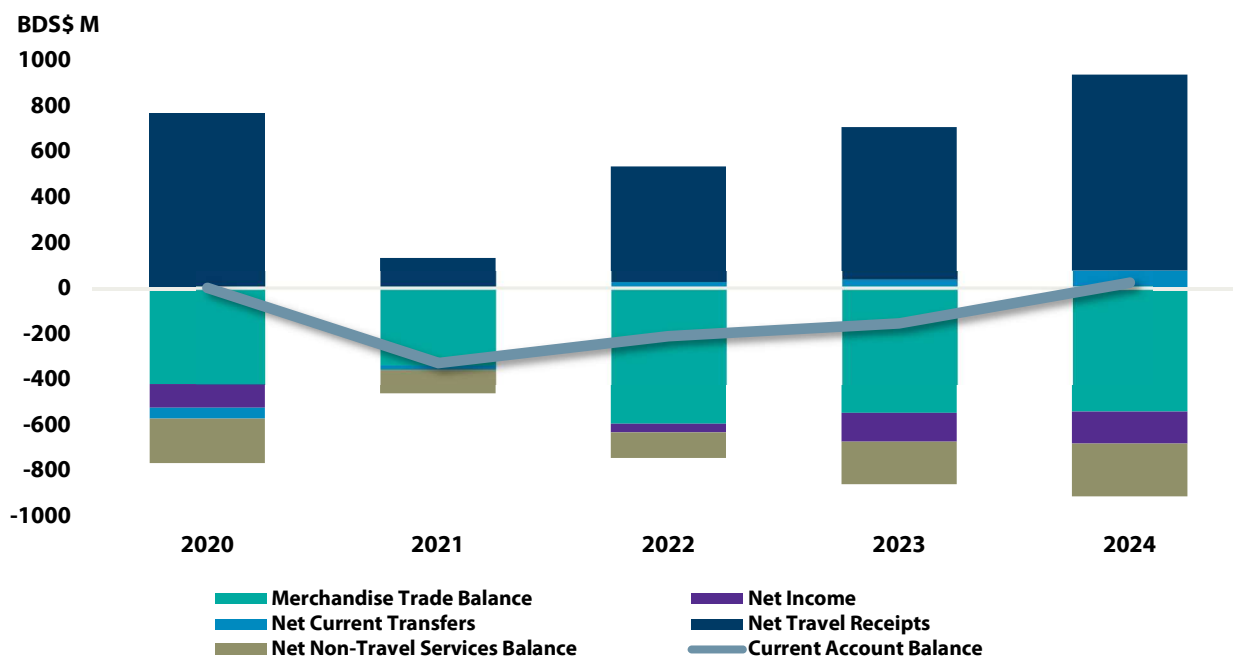
Source: Barbados Statistical Service

## External Position

The current account improved significantly during the first quarter of 2024, fuelled by strong tourism and foreign tax receipts. The current account surplus of \$25.8 million, reflected a \$178.2 million increase relative to the deficit registered in the corresponding period in 2023. Increased tourism and foreign tax receipts, which surpassed the growth in imports of goods and services, drove this outturn. Additionally, disbursements from multilateral organisations, coupled with rising tourism receipts, bolstered the stock of international reserves.

**Figure 6: Current Account Balances**

January – March



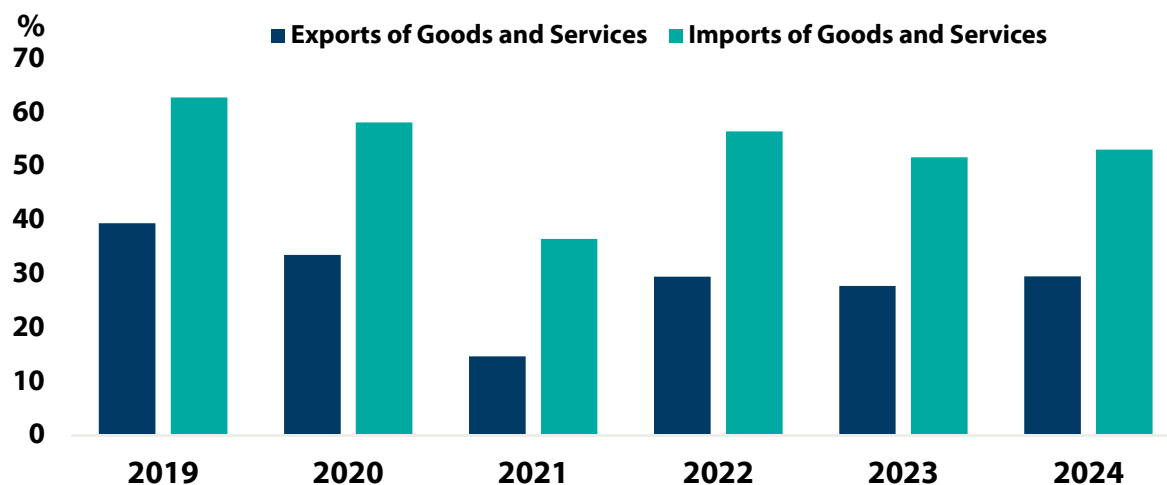
Source: Central Bank of Barbados

## Merchandise Trade Developments

**A decline in imports improved the merchandise trade deficit.** In the first quarter of 2024, the deficit shrank by \$6 million. Decreases in fuel and machinery, outweighed increases in food, beverages, and motor vehicles resulting in a \$15.6 million (1.6 percent) decline in goods imports. Concurrently, total exports fell by \$9.6 million (2.1 percent) compared to the same period in 2023. Domestic exports contracted by 2.9 percent, primarily due to reduced crude oil exports, while re-exports declined by 12.6 percent, largely influenced by a drop in fuel re-exports.

**Figure 7: Exports and Imports of Goods and Services**

(percent of GDP)  
January – March



Source: Central Bank of Barbados

### Travel and Other Services

**The growth in tourism receipts fuelled the services account surplus.** Increased long-stay arrivals enhanced tourism receipts by 28.5 percent during the first quarter relative to the same period in 2023. Although service imports grew by 21.6 percent relative to quarter one of last year, on account of increased demand for externally sourced professional services, tourism inflows outpaced these outflows.

### Income and Current Transfers

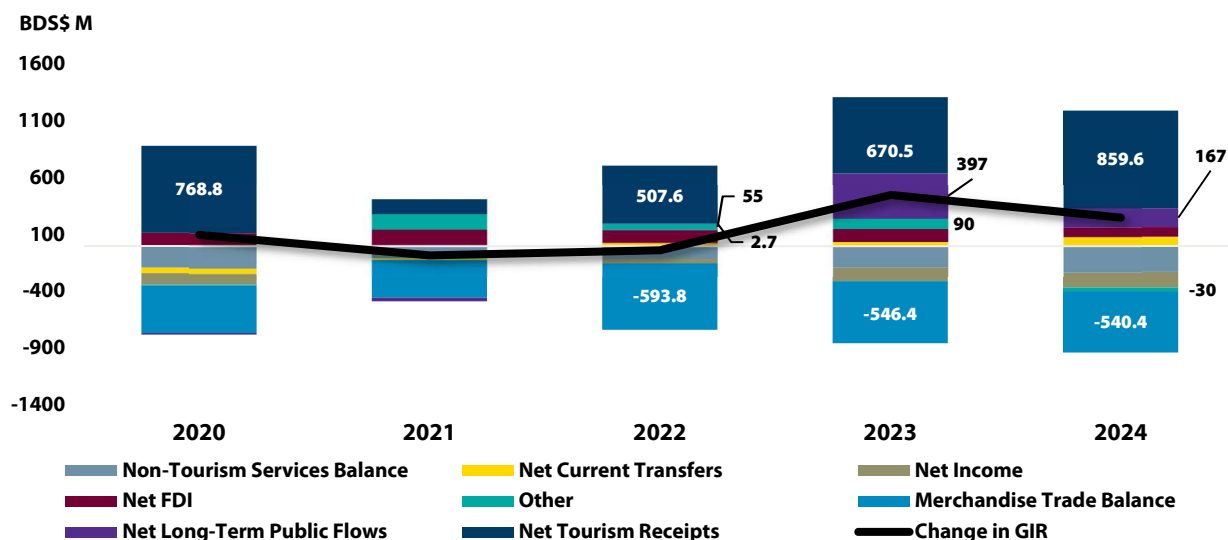
**Elevated foreign interest payments increased the income account deficit, while higher foreign tax receipts boosted current transfers.** The increase in global interest rates on floating-rate external debt, coupled with higher debt accumulation, drove up foreign interest obligations. Furthermore, a rise in foreign tax receipts led to a 40.5 percent growth in current transfers inflows. However, increased interest income on balances held abroad were not sufficient to offset the escalation in external investment income outflows.

### International Reserves

**Reserves reached a record high.** The gross international reserves reached \$3,250.4 million at the end of the first quarter, reflecting a \$250.8 million accumulation over the period, which provides 33.3 weeks of import cover. Enhanced net tourism receipts of \$859.6 million and incremental funding from multilateral development banks of \$225.3 million primarily drove this reserve accumulation, while financing the merchandise trade deficit (\$540.4 million) represented the primary outflow.

**Figure 8: Explanation of Reserve Movements**

January – March



Source: Central Bank of Barbados

## Fiscal Operations

**Increased revenue from transaction-based taxes helped the Government achieve its fiscal targets despite higher interest expenditure.** A \$99.3 million increase in transaction-based tax receipts, primarily from VAT, the Airline Travel and Development Fee, and import duties, offset a \$1.7 million decline in direct taxes, occasioned by the elimination of the pandemic levy. Concurrently, rising international interest rates and the step-up rate feature on domestic restructured debt increased interest expenditure. However, reductions in grants to individuals, non-profit agencies, and expenditures on goods and services, lowered non-interest current expenditure by \$7.9 million. By the end of the fiscal year, the Government recorded a fiscal deficit of \$225.9 million, equating to -1.7 percent of GDP, while achieving a primary surplus of \$481.4 million, or 3.7 percent of GDP.

## Revenue

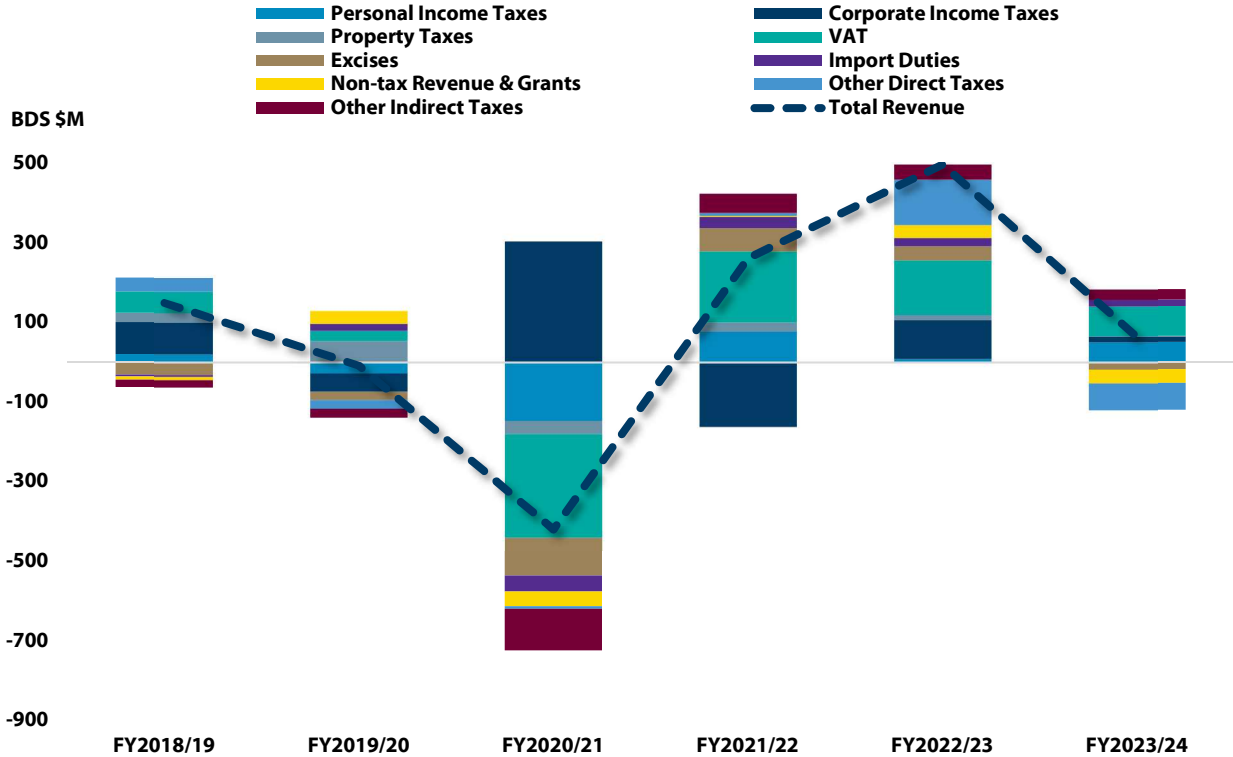
**Direct taxes declined mainly due to the discontinuation of the pandemic levy.** The cessation of the pandemic levy resulted in a \$84.6 million drop in collections at the end of the March 2024.<sup>4</sup> Personal income taxes, benefiting from higher incomes, partially offset this decline by increasing \$49.9 million. Following the implementation of corporation tax reform measures announced in November 2023, some companies started a monthly prepayment cycle effective January 1, 2024.<sup>5</sup> This adjustment advanced payments normally due in FY2024/25 to the last quarter of FY2023/24, contributing to a \$14.3 million increase in net corporate tax receipts. Additionally, a \$12.7 million reduction in refunds enhanced net corporate taxes.

<sup>4</sup> The Pandemic Levy charged on individuals was implemented from April 1<sup>st</sup> 2022 and ended March 31<sup>st</sup> 2023 but some payments were received after March 2023.

<sup>5</sup> From Income Year 2024 as of January 1, 2024, companies in scope for the Globe Rules shall be required to pay corporation tax on a monthly basis. All other companies with the exception of small business companies registered under the Small Business Act will be required to prepay in monthly instalments with effect from Income Year 2025 as of January 1, 2025.

**Economic activity boosted indirect tax collections.** Gross VAT receipts (the sum of domestic and external VAT) rose by \$60.4 million compared to FY2022/23. Domestic VAT particularly in the areas of transportation and storage, manufacturing, and information, communication, and technology (ICT), drove this outturn. Higher import values pushed up external VAT collections in FY2023/24. Additionally, transfers to the Barbados Revenue Authority (BRA) for the purpose of VAT refunds, fell by \$10.8 million, resulting in net VAT increasing by \$74.8 million. A rise in the import of electric vehicles, stemming from the VAT and excises tax holiday and reduced import duties on electric vehicles, contributed to the \$16.7 million increase in import duties.<sup>6</sup> Residual receipts from the Airline Travel and Tourism Development Fee totalling \$37.9 million, also contributed to the indirect tax intake.<sup>7</sup> Conversely, net excise taxes fell by \$17.9 million relative to the last fiscal year, mainly as a result of an increase in excise rebates. Non-tax revenue & grants also shrank in FY2023/24 as the Government only received \$1 million in grants, which represents a \$19 million reduction from the previous fiscal year.

**Figure 9: Changes in Major Revenue Categories**  
April – March



Source: Ministry of Finance

<sup>6</sup> In the 2022 budget speech, exemptions and reduced tax rates were announced for the importation of electric and hybrid vehicles. For electric vehicles, exemptions on excise and VAT and a reduction of import duties from 45 percent to 10 percent were implemented. These budget measures, initially implemented for 2 years starting April 1st 2022, have now been extended for an additional 2 years to March 2026

<sup>7</sup> Any collections of the Airline Travel and Development Fee above the \$75 million due to BTMI is transferred to the Government.

## Expenditure

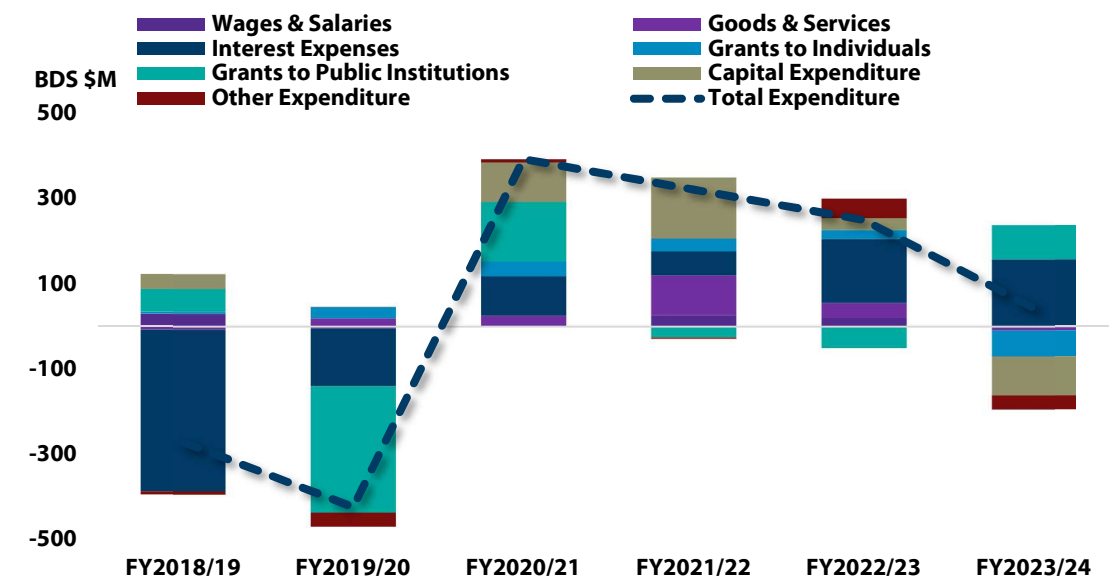
**Interest payments, which continue to be impacted by elevated global interest rates, pushed up Government spending.** Interest expenses rose by \$158.1 million during FY2023/24, accounting for the largest increase in current expenditure. External interest, rose by \$112.5 million due to higher global interest rates on variable-rate external debt. Moreover, the agreed step-up rates on domestic restructured debt resulted in a \$45.6 million expansion in domestic interest payments.

**Government contained non-interest current expenditure.** Non-interest current expenditure fell by \$7.9 million by the end of the just concluded fiscal year, compared to FY2022/23. Grants to individuals fell by \$61.2 million, mainly due to reductions in COVID-related assistance. Subventions to non-profit agencies declined by \$14 million, due to the reclassification of transfers to the National Cultural Foundation (NCF) from “grants to a non-profit agency” to “grants to public institutions”. Expenditure on goods & services fell by \$6.6 million, driven by decreases in maintenance of property and utilities. Conversely, in FY2023/24, grants to public institutions rose by \$80.5 million, primarily due to transfers to the Barbados Agricultural Management Company (BAMC) for its dissolution following the privatisation of the sugar industry, resumed regular funding to the University of the West Indies (UWI), and the reclassification of the National Cultural Foundation (NCF) from a non-profit agency.

**Capital expenditure continued to be concentrated in the areas of road and water infrastructural improvements.** Capital spending totalled \$357.6 million for the fiscal year, primarily reflective of outlays on key projects including the construction of the new geriatric hospital, Roads Project and the NCF Queen’s Park works under the Barbados Tourism Investment Inc. (\$53.5 million), road works (\$53.1 million) such as the Mill & Pave Programme, Barbados Water Authority (\$43 million), Barbados Defence Force (\$20.2 million) inclusive of World Cup Cricket preparations, and the Non-Food Crop Research, Development and Extension project (\$18.7 million).

**Figure 10: Changes in Major Expenditure Categories**

April – March



Source: Ministry of Finance

## Debt and Financing

The higher primary surplus reduced Government's gross financing requirement, despite increased debt service. During FY2023/24, the Government's gross financing requirement amounted to \$911.6 million, a decreased by \$70.2 million in comparison to FY2022/23. The reduction reflects an additional \$177.1 million savings on the primary surplus which more than offset the \$123.5 increase in total debt service. Interest expenses increased by \$158 million, driven by foreign interest payments which represented 71.1 percent of the amount, while amortisation fell by \$34.5 million.

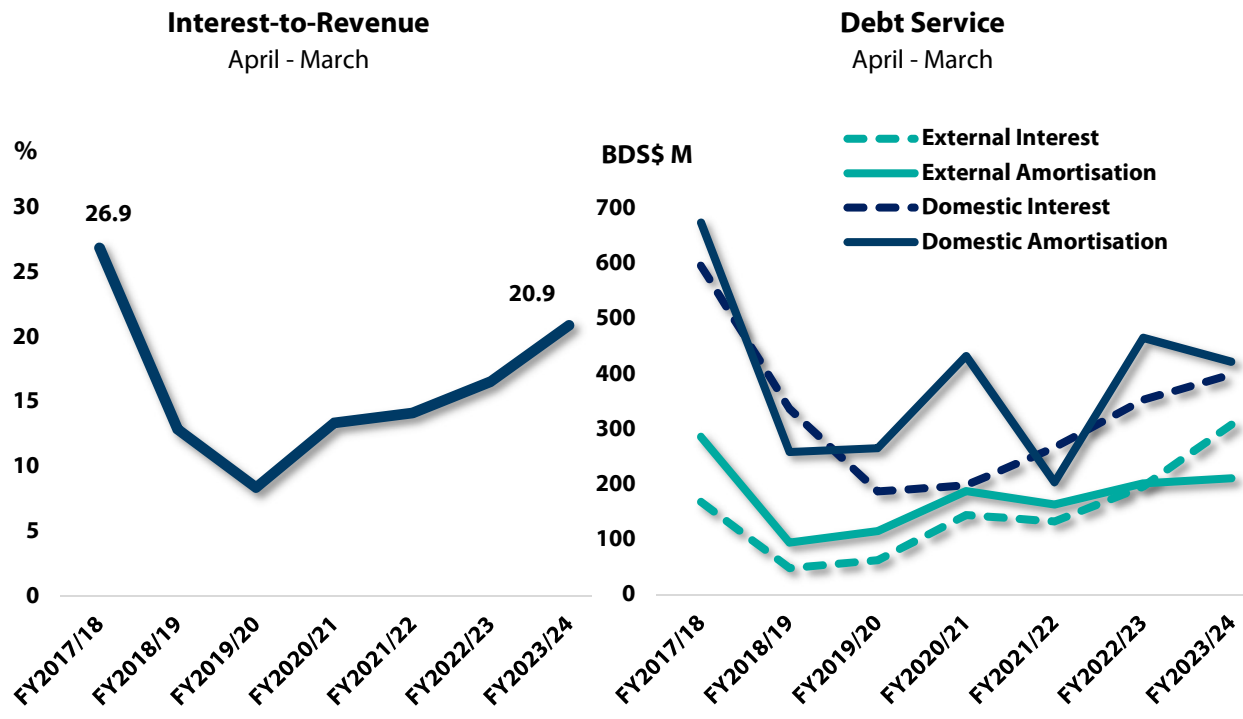
**Table 2: Gross Financing Requirement**  
April – March

	FY22/23		FY23/24	
	BDS \$M	% GDP	BDS \$M	% GDP
<b>Gross Financing Requirement</b>	<b>981.8</b>	<b>8.0</b>	<b>911.6</b>	<b>7.0</b>
<b>Primary Balance</b>	304.3	2.5	481.4	3.7
<b>Debt Service</b>	<b>1217.0</b>	<b>10.0</b>	<b>1340.6</b>	<b>10.3</b>
<b>Amortisation</b>	<b>667.8</b>	<b>5.5</b>	<b>633.3</b>	<b>4.9</b>
<i>Domestic</i>	466.1	3.8	422.1	3.2
<i>Foreign</i>	201.7	1.6	211.2	1.6
<b>Interest</b>	<b>549.2</b>	<b>4.5</b>	<b>707.3</b>	<b>5.4</b>
<i>Domestic</i>	353.3	2.9	398.9	3.1
<i>Foreign</i>	196.0	1.6	308.4	2.4
<b>Sinking Fund Contributions</b>	<b>30.9</b>	<b>0.3</b>	<b>31.5</b>	<b>0.2</b>
<b>Domestic Arrears Repayment</b>	<b>38.2</b>	<b>0.3</b>	<b>21.0</b>	<b>0.2</b>

Sources: Central Bank of Barbados and Ministry of Finance

**Interest payments rose while amortisation fell during FY2023/24.** The elevated interest rates on variable-rate debt, along with additional foreign debt inflows, increased foreign interest outlays by \$112.4 million. Furthermore, domestic interest costs climbed by \$45.6 million, as a result of the step-up interest rate feature of the restructured domestic bonds as well as the added sales of Barbados Optional Saving Scheme Plus (BOSS+) securities and treasury bills. Consequently, the interest-to-revenue ratio stood at 20.9 percent at the end of FY2023/24, 4.4 percentage points higher than the previous fiscal year but 6 percentage points lower than the pre-debt restructuring period. Total amortisation payments declined by \$34.5 million due to the one-off prepayments of Series B and Series E bonds that occurred during the last fiscal year.

**Figure 11: Interest and Amortisation Expenditure Developments**



Sources: Central Bank of Barbados and Ministry of Finance

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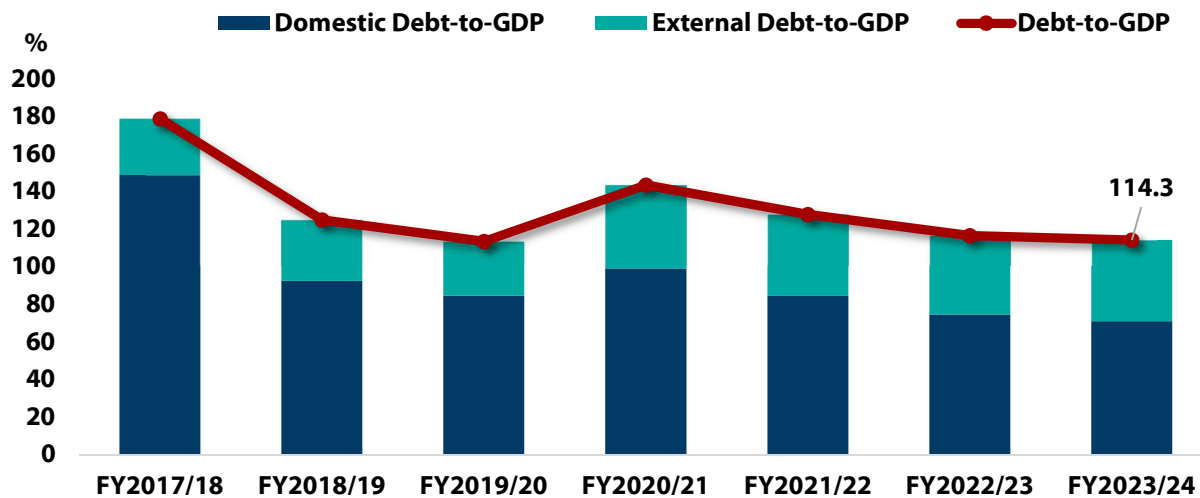
**Government raised domestic financing by issuing securities and drawing down some of its Central Bank deposits.** The Government broadened its public investment offerings during the second quarter of the fiscal year by resuming both three and six-month treasury bills issuances, generating approximately \$171.6 million in net proceeds over the FY2023/24. A \$211.1 million uptake of BOSS+ bonds by commercial banks, households, credit unions, and insurance companies boosted domestic finances. Additionally, the Government withdrew \$554.8 million from its deposits at the Central Bank.

**Multilateral institutions served as the primary source of foreign financing for the Government.** During FY2023/24, policy-related loans amounted to \$627.6 million. The IMF’s Extended Fund Facility (EFF) and the Resilience and Sustainability Facility (RSF) contributed \$227.6 million, with \$151.7 million earmarked for climate resilience. The Inter-American Development Bank (IADB) provided \$400 million in policy loans to enhance the effectiveness and efficiency of social policies and the sustainability of social security in Barbados. Collectively, the IADB, the Export-Import Bank of China (EXIM), and the Development Bank of Latin America and the Caribbean provide \$113.1 million in funding. These funds primarily supported the financing of renewable energy projects and road infrastructure programmes, such as the Scotland District Road Rehabilitation Project.

**The ratio of public sector debt-to-GDP, continued to decline.** The debt-to-GDP ratio stood at 114.3 percent, approximately 2.3 percentage points lower than at the end of FY2022/23. The expansion in economic activity underpinned the improvement in the ratio, despite a \$638.5 million rise in borrowing.



Figure 12: Debt-to-GDP



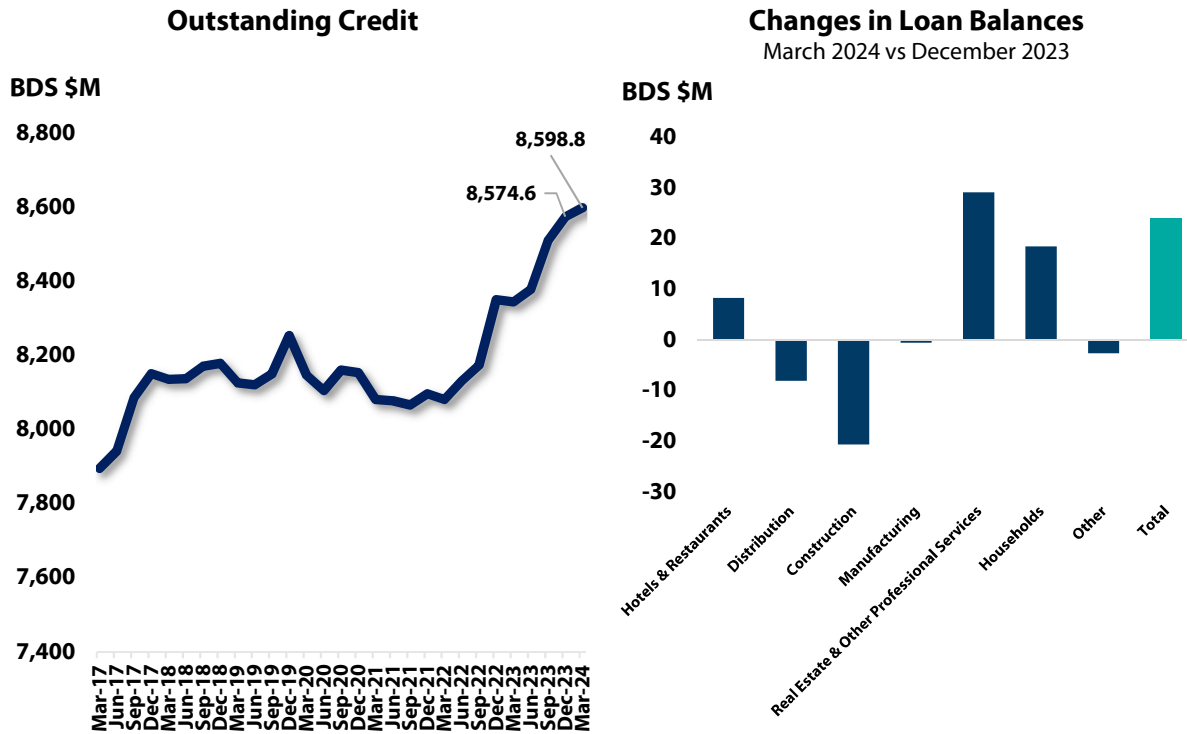
Sources: Central Bank of Barbados and Ministry of Finance

## Financial Sector Developments

**The financial system remained stable, resilient, and highly liquid with improvement in credit quality as well as loan and deposit growth.** Total non-performing loans (NPLs) fell in the first quarter of 2024, reflecting an improvement in asset quality. Deposit-taking institutions maintained robust capital adequacy ratios. The commercial banks' profitability declined primarily due to rising operational expenses, while credit balances remained relatively stable.

**The outstanding credit to the non-financial private sector (NFPS) increased compared to the end of 2023.** During the review period, an increase in lending to households, hotels & restaurants, and the real estate sector, outstripped significant repayments in the construction and distribution sectors. New lending to individuals, particularly for mortgages, combined with slower repayments, drove the rise in overall household loan balances.

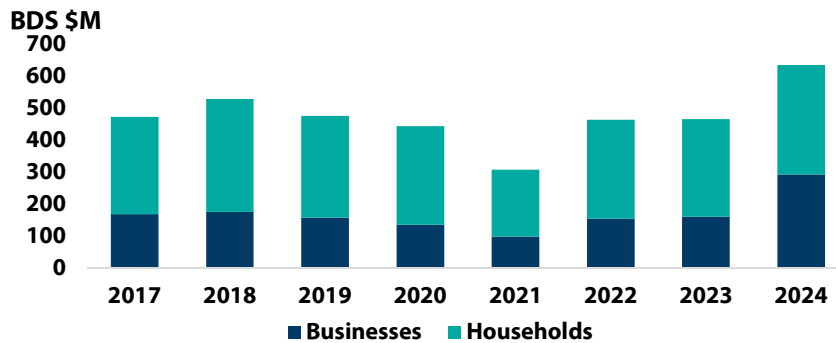
**Figure 13: Credit to the Non-financial Private Sector**



Sources: Central Bank of Barbados and Financial Services Commission

Sources: Central Bank of Barbados and Financial Services Commission

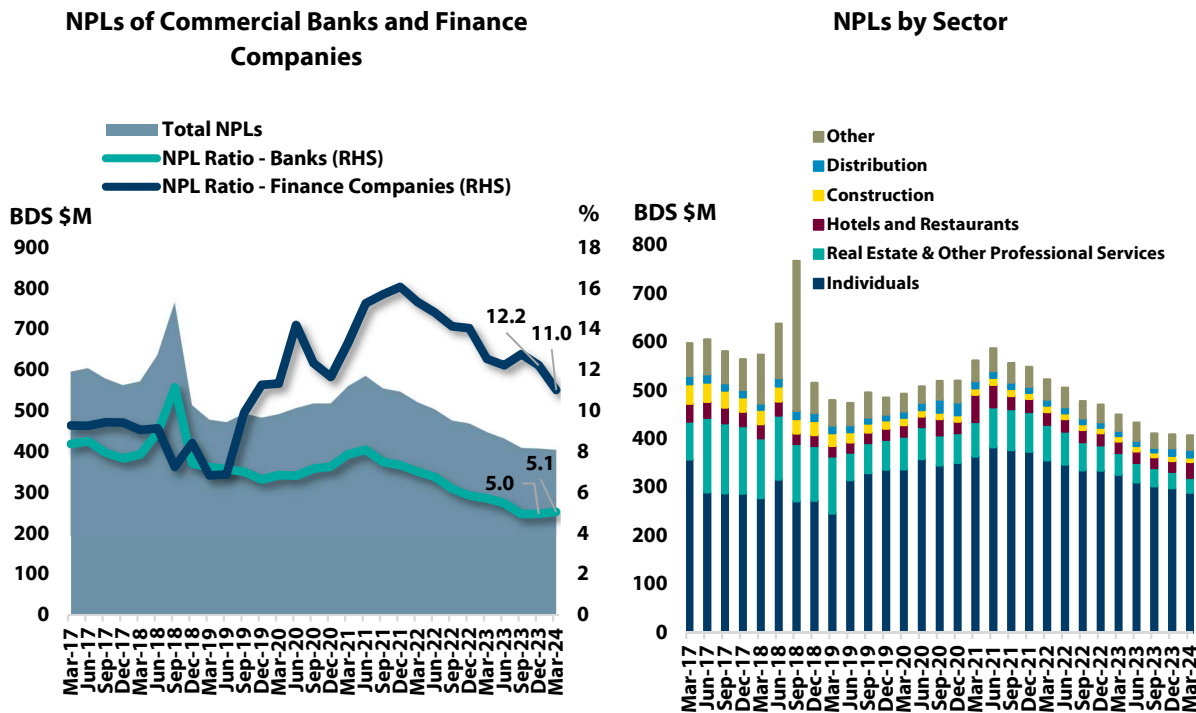
**New Credit Extended**  
January - March



Sources: Central Bank of Barbados and Financial Services Commission

**Non-performing loans (NPLs) of the banking system continued to fall.** At the end of March 2024, the NPLs ratio of commercial banks stood at 5.1 percent compared with 5.7 percent at end of March 2023, while the ratio for finance companies fell from 12.4 percent to 11 percent. The improvement in the NPL ratio is reflected across all sectors except hotels and restaurants.

**Figure 14: Non-Performing Loans (NPLs) of Commercial Banks and Finance Companies**



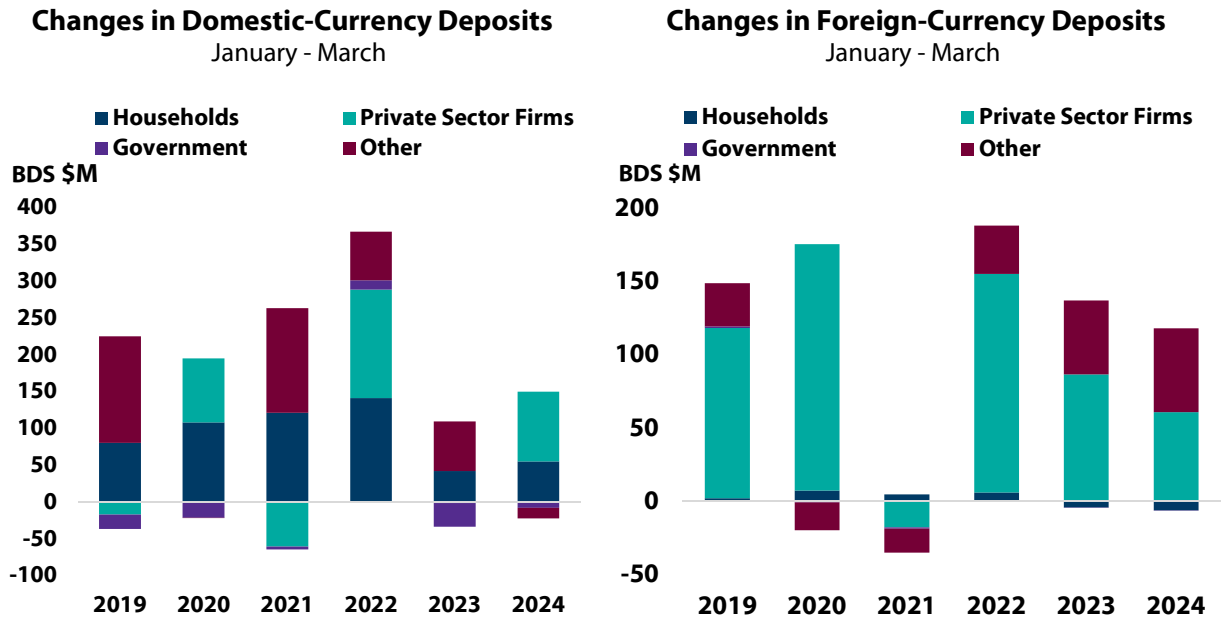
Source: Central Bank of Barbados

Source: Central Bank of Barbados

**Total deposits grew during the first three months, slightly higher than that registered in 2023.**

During the review period, deposits increased by an estimated 1.6 percent, slightly higher than the 1.4 percent increase recorded last year. The build-up in domestic-currency deposits stemmed from greater deposits accumulation related to the hotels & restaurants, construction, and manufacturing sectors. Hotels & restaurants, along with transactions by non-residents and international business companies, primarily fuelled the accumulation in foreign-currency deposits.

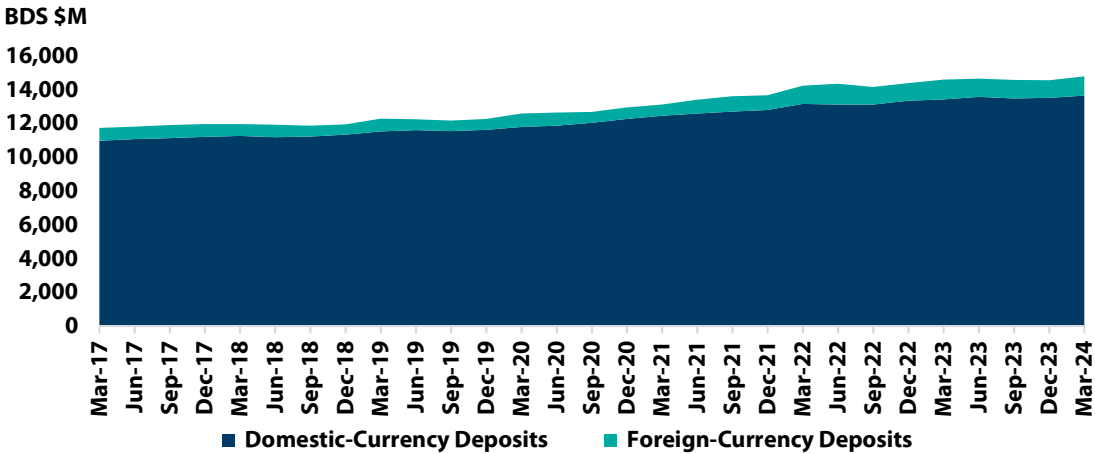
**Figure 15: Deposits Held at Deposit-Taking Institutions (DTIs)**



Sources: Central Bank of Barbados and Financial Services Commission

Sources: Central Bank of Barbados and Financial Services Commission

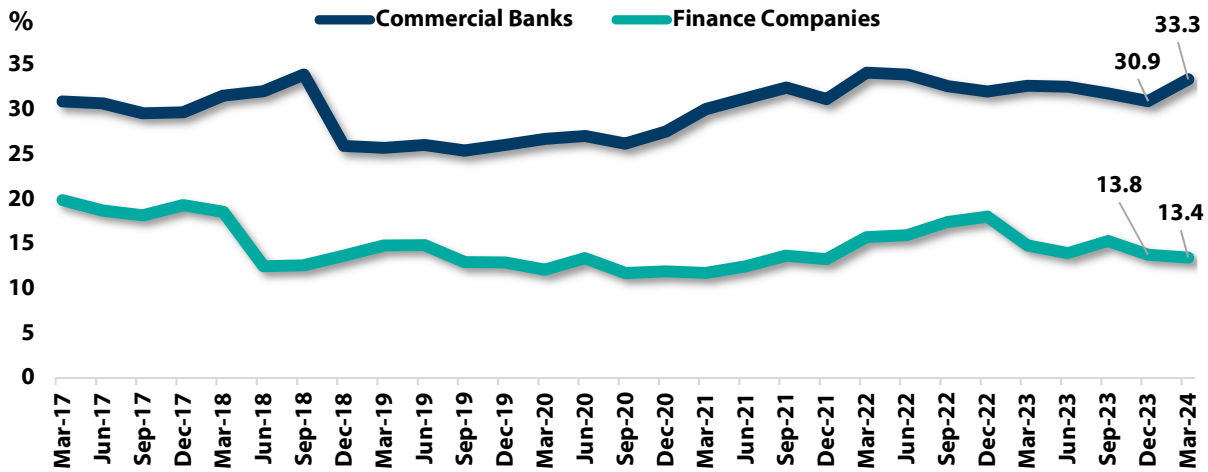
**Deposits by Currency**



Sources: Central Bank of Barbados and Financial Services Commission

**Liquidity in deposit taking institutions remained high.** At the end of the first quarter of 2024, the liquid asset ratio of banks stood at 33.3 percent, representing an increase of 2.4 percentage points relative to the end of December, 2023. An expansion in currency and deposits of \$302.5 million and a pick-up in treasury bills of \$201.5 million boosted liquidity. However, the liquid asset ratio of finance companies declined slightly to 13.4 percent due to a reduction in currency and deposits.

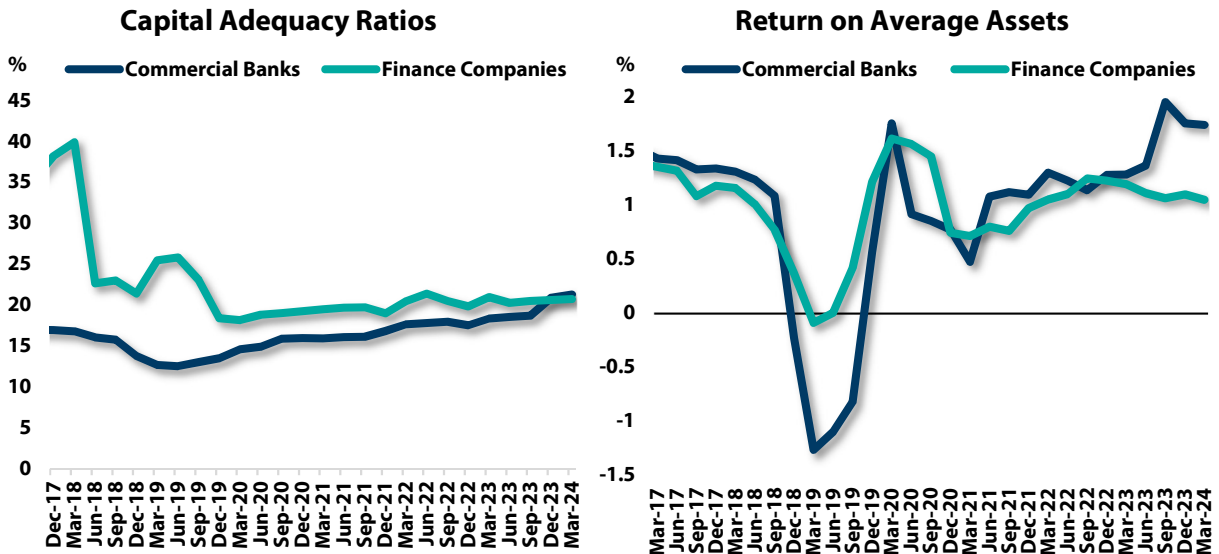
**Figure 16: Liquid Asset Ratio**



Source: Central Bank of Barbados

**Capital levels at deposit-taking institutions improved quarter.** Both banks and finance companies recorded first quarter profits and capital growth, pushing their capital adequacy ratios further above the 8 percent minimum requirement. A slight increase in commercial banks’ operational expenses resulted in a marginal decline in their profitability, while the profitability of finance companies remained relatively unchanged since the end of December, 2023.

**Figure 17: Capital Adequacy and Profitability**



Source: Central Bank of Barbados

Source: Central Bank of Barbados

## Outlook

**The Barbados economy is projected to remain on its growth trajectory throughout 2024, hinged on the continued expansion of tourism as well as private and public investments.** The economy is now larger in both real and nominal terms than before the occurrence of the COVID-19 pandemic. Further growth of around 3.9 percent is projected for 2024, contingent on additional expansion in arrivals and continued investment in the economy.

**Government incentives to agriculture could improve the sector's output in 2024, but adverse weather conditions could affect this outturn.** The introduction of a new domestic feed producer is expected to provide an alternative source of feed for farmers. The 2024/25 Budgetary Proposals and Financial Statement (BPFS) included incentives for local milk producers to increase output through tax rebates. Orders of young chickens are on the rise, and capacity is expected to expand further with new pens under construction that should begin operation later in the year. However, adverse weather conditions are expected to persist and climate shocks could continue to have a negative impact on general agricultural production.

**The tourism sector is poised to experience another productive period.** The second quarter of 2024 is expected to exceed tourist arrivals registered in the comparable period for 2023, bolstered by the hosting of the ICC T20 World Cup and improved air access. Forward bookings up to the mid-point of 2024 stand above last year's tally, and the market should benefit from increased seating capacity with additions to existing and new routes. Cruise traffic between June and August is slated to restart for the first time since 2021, with 12 cruise calls scheduled for this period. Long-stay tourist arrivals are predicted to reach pre-pandemic levels by the end of the year, while in transit cruise passenger arrivals are expected to reach approximately 75 percent of the pre-pandemic average. Downside risks could present themselves via upward movements in ticket prices and potential disruptions from the hurricane season.

**Risks to the outlook remain balanced for 2024, with steady growth and disinflation in the world economy.** The April World Economic Outlook forecasts a more gradual economic slowdown than previously anticipated, accompanied by an upward revision to global growth prospects. Nonetheless, international growth is projected to linger below the historical average of 3.8 percent for the period spanning 2000-2019. This subdued trajectory is attributed to heightened central bank policy rates aimed at curbing inflation, the gradual withdrawal of fiscal support measures, and underlying lower productivity growth. Several downside risks persist, including geopolitical conflicts in various regions, constraints in freight supply, and prolonged tight monetary conditions driven by strategies to manage inflation. These global developments have the potential to influence the tourism outlook for Barbados and contribute to imported inflation pressures.

**Domestic inflation is projected to moderate over the medium term, moving in tandem with falling international commodity prices.** The 12-month moving average inflation rate is expected to moderate between 3.5 and 4 percent by the end of 2024, underpinned by falling international food prices and moderating oil prices. However, the inflation forecast remains susceptible to disruptions in the supply chain, stemming from ongoing international events, such as the Russia-Ukraine War, the Israel-Hamas conflict, tensions in the Red Sea, and persistent congestion in the Panama Canal. Furthermore, the occurrence and severity of adverse weather conditions domestically could lead to localised food shortages and exacerbate food price inflation. Nevertheless, ongoing negotiations for

trade agreements with CARICOM countries aimed at bolstering commodity trade hold the potential to contribute to inflation moderation over the medium term.

**Gross international reserves are expected to maintain a healthy position at the end of 2024.**

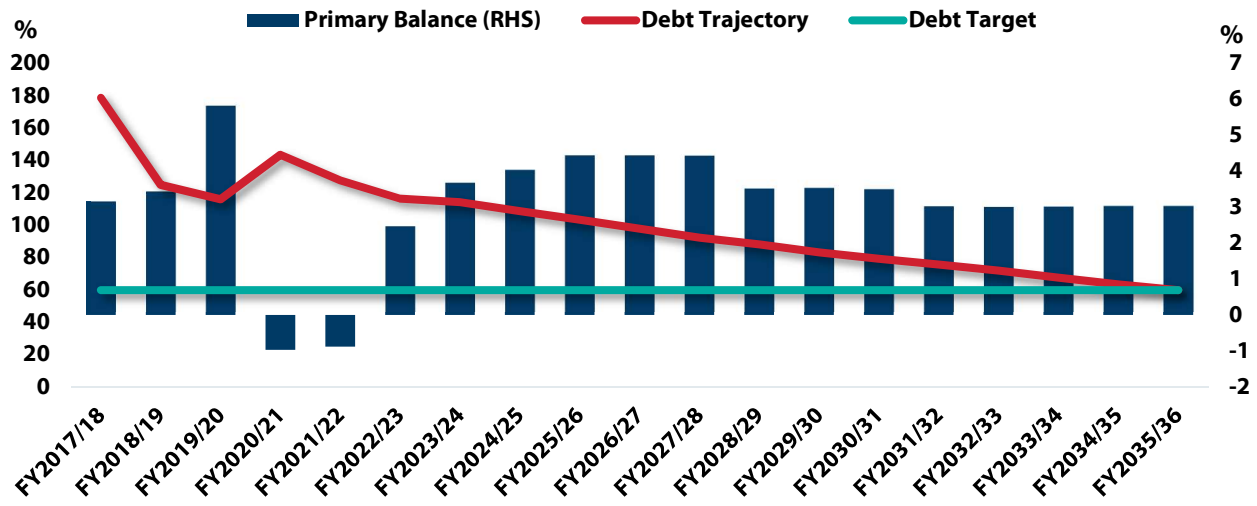
Continued growth within the tourism sector, complemented by the hosting of major sporting events, including the 2024 ICC Men's T20 World Cup, is expected to bolster tourism receipts and improve the current account. Moreover, private foreign investment inflows, particularly linked to the tourism sector, along with public sector inflows from multilateral development banks, are anticipated to sustain international reserves at a level equivalent to an import cover well above the accepted international benchmark of 12 weeks.

**Public sector reforms and growth enhancing initiatives are expected to strengthen Government's ability to achieve targeted primary surpluses while supporting domestic economic activity.**

The recently delivered budget speech focused on enhancing fiscal discipline and promoting economic growth. Restructuring of SOEs, including the dissolution of the Barbados Agricultural Management Corporation (BAMC), the amalgamation of the Rural and Urban Development Corporations (RDC and UDC) into the newly formed National Development Commission (NDC), and the reform of the National Housing Corporation (NHC), are expected to reduce overlap and achieve financial and operating efficiencies in the medium-term. Moreover, the digitisation of the public sector and the creation of a National Data Centre, led by the newly established Gov Tech, also aim to improve the efficiency of public sector services. Additionally, the reform and modernisation of the corporation tax structure, aimed at meeting the Organisation for Economic Co-Operation and Development (OECD) Inclusive Framework Global Rules, are anticipated to yield a net tax positive impact on the medium-term revenue outturn. The 2024 budget speech also outlined planned public sector investments, such as road and water infrastructure projects, the ongoing construction of the Geriatric Hospital, refurbishments to public health facilities, and the construction of sporting facilities, as well as measures geared towards improving climate resilience, and promoting sustainable and inclusive economic growth. The success of these and other fiscal initiatives are crucial to achieving the targeted primary balances necessary for ensuring debt sustainability in the medium and long-term.

**The debt-to-GDP ratio should continue its downward and sustainable trajectory.** The renewed interest in the domestic securities market alongside external borrowing are expected to assist in financing the Government's needs. Despite the increase in debt over the period, the expansion in economic activity and sustained primary surpluses are expected to pave the way for achieving the 60 percent debt target by FY2035/36.

**Figure 18: Debt-to-GDP Trajectory and Primary Balance**



Sources: Central Bank of Barbados and Ministry of Finance

**The financial system is expected to remain strong.** NPLs are projected to remain at low levels and profitability should remain relatively stable. Furthermore, robust economic activity throughout the year, should lead to increased demand for credit. Notwithstanding the expected increase in imports, deposits are earmarked to grow during the year, on account of improved labour market conditions.

**To ensure that the economic growth becomes inclusive and sustainable, all stakeholders must collaborate and seize the opportunities available on the market.** As Barbados charts its course towards a more prosperous economic future, the imperative for action is crystal clear. Both public and private stakeholders must seize the opportunities outlined in the BERT 2022 Plan, with a keen focus on sustainable investments in tourism, infrastructure, and energy. Particularly, the private sector should capitalise on opportunities for expansion and innovation, especially amidst emerging global challenges. Embracing change collectively, fostering investments, and supporting reforms are essential steps to safeguarding a resilient and flourishing Barbadian economy in the years to come.



## Appendix 1 – Economic Indicators

	2018	2019	2020	2021 <sup>(p)</sup>	2022 <sup>(p)</sup>	2023 <sup>(e)</sup>	March 2023 <sup>(e)</sup>	March 2024 <sup>(e)</sup>
Nominal GDP (\$ Million) <sup>1</sup>	10,256.7	10,734.3	9,559.5	9,890.6	11,681.3	12,773.1	3,379.4	3,638.1
Real Growth (%)	(0.7)	0.3	(12.7)	(1.3)	13.8	4.4	5.0	4.1
Inflation (M.A., %) <sup>2</sup>	3.0	1.7	0.5	1.6	4.9	5.0	5.9	4.8
Unemployment (Annual, %)	9.7	10.1	-	14.1	8.4	7.9	8.9	n.a
Gross International Reserves (\$ Million)	999.6	1,481.0	2,660.7	3,058.8	2,770.3	2,999.5	3,216.6	3,250.4
Gross International Reserves Cover, Weeks	12.8	18.6	40.7	40.6	29.2	30.9	33.5	33.3
BoP Current Account (% of GDP)	(4.4)	(2.6)	(5.9)	(11.1)	(10.9)	(9.1)	(4.5)	0.7
Total Imports of Goods (% of GDP)	29.2	28.0	29.7	32.1	34.9	31.4	29.6	27.1
Travel Credits (% of GDP)	21.8	23.3	12.0	12.4	15.7	18.1	20.1	24.0
Financial Account (\$ Millions)	862.6	776.4	1,621.6	1,207.6	930.2	1,338.2	602.8	290.6
Gross Public Sector Debt (% of GDP) <sup>3</sup>	125.3	116.4	134.1	135.1	120.3	115.5	116.6	114.3
Central Government External Debt (% of GDP)	31.2	28.8	41.6	45.3	40.7	42.7	41.8	43.1
External Debt Service to Curr. Acct. Cred.	5.0	3.6	9.0	7.1	7.8	9.4	7.9	8.6
Treasury-Bill Rate <sup>4</sup>	0.5	0.5	0.5	0.5	0.5	0.7	0.5	1.1
Weighted-Average Deposit Rate	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Weighted-Average Loan Rate	6.7	6.4	5.9	5.7	5.5	5.5	5.5	5.4
Excess Domestic Cash Ratio	16.1	18.5	22.4	26.8	27.0	26.6	28.1	27.2
Private Sector Credit Growth (%) <sup>5</sup>	0.3	0.9	(1.2)	(0.7)	3.1	2.8	(0.1)	2.6
Private Sector Credit (% of GDP) <sup>5</sup>	80.2	76.9	85.3	81.9	71.5	67.1	68.2	66.0
Domestic Currency Deposits (% of GDP) <sup>5</sup>	111.5	96.3	128.5	129.5	114.5	106.1	110.0	104.9
<b>Fiscal Year</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24<sup>(p)</sup></b>	<b>Jan-Mar 2023<sup>(e)</sup></b>	<b>Jan-Mar 2024<sup>(p)</sup></b>
Fiscal Balance (% of GDP)	(0.3)	3.5	(4.8)	(4.7)	(2.0)	(1.7)	(2.4)	(1.7)
Primary Balance (% of GDP)	3.4	5.8	(1.0)	(0.9)	2.5	3.7	(1.1)	(0.1)
Interest (% of GDP)	3.7	2.3	3.8	3.8	4.5	5.4	1.4	1.6
Fiscal Current Account (% of GDP)	1.6	5.3	(1.7)	(0.6)	1.9	1.1	(0.3)	0.2
Revenue (% of GDP)	29.1	27.4	28.6	27.0	27.2	26.0	7.6	7.8
Expenditure (% of GDP)	29.4	23.8	33.4	31.7	29.2	27.7	10.0	9.5
Non-interest Expenditure (% of GDP)	25.7	21.6	29.6	27.9	24.7	22.3	8.6	7.9
Capital Expenditure (% of GDP)	1.9	1.8	3.1	4.1	3.9	2.8	2.2	1.9
Gov't Interest Payments (% of Revenue)	12.9	8.4	13.4	14.1	16.5	20.9	18.1	20.0

<sup>(e)</sup> – Estimate

<sup>(p)</sup> – Provisional

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

<sup>2</sup> - Twelve Month Moving Average- Data as at February, 2024

<sup>3</sup> - Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt (Guaranteed Contingent Liabilities)

<sup>4</sup> - Represents the weighted average interest rate on outstanding T-bills

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

n.a - Not Available

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

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

	2018	2019	2020	2021	2022 <sup>(p)</sup>	2023 <sup>(e)</sup>	Mar 2023 <sup>(e)</sup>	Mar 2024 <sup>(e)</sup>
<b>Tradeables</b>	<b>1,552.5</b>	<b>1,624.7</b>	<b>952.2</b>	<b>861.3</b>	<b>1,415.8</b>	<b>1,537.3</b>	<b>446.1</b>	<b>488.3</b>
<b>Tourism</b>	<b>910.7</b>	<b>975.5</b>	<b>310.1</b>	<b>272.0</b>	<b>797.2</b>	<b>902.7</b>	<b>287.8</b>	<b>330.0</b>
<b>Agriculture</b>	<b>164.9</b>	<b>173.0</b>	<b>185.4</b>	<b>144.3</b>	<b>125.8</b>	<b>137.1</b>	<b>31.5</b>	<b>29.4</b>
Sugar	6.0	3.1	3.7	3.7	3.8	4.1	1.4	1.4
Non-Sugar Agriculture	158.9	169.9	181.7	140.6	122.0	133.0	30.1	28.0
<b>Manufacturing</b>	<b>476.9</b>	<b>476.1</b>	<b>456.8</b>	<b>445.1</b>	<b>492.8</b>	<b>497.5</b>	<b>126.8</b>	<b>128.9</b>
of which:								
<i>Rum &amp; Other Beverages</i>	90.6	76.8	76.1	78.1	84.8	87.7	23.9	25.1
<i>Food</i>	117.3	116.7	99.3	107.7	113.4	116.4	27.3	28.7
<i>Furniture</i>	12.3	12.0	11.5	12.2	12.4	12.7	2.7	2.7
<i>Chemicals</i>	28.8	27.4	28.1	27.7	29.6	30.0	7.9	8.0
<i>Other Non-Metallic</i>								
<i>Mineral Products</i>	138.7	136.8	137.9	148.6	163.9	131.5	27.0	26.9
<b>Non-tradeables</b>	<b>6,532.1</b>	<b>6,486.8</b>	<b>6,128.0</b>	<b>6,125.2</b>	<b>6,534.9</b>	<b>6,762.1</b>	<b>1,762.6</b>	<b>1,811.6</b>
Mining & Quarrying	42.2	49.3	56.6	39.5	54.5	56.1	16.1	16.4
Electricity, Gas & Water	214.1	213.5	203.5	199.6	204.1	211.3	50.3	51.1
Construction	461.6	452.3	457.2	415.9	414.5	438.8	113.6	119.2
Distribution	1,188.2	1,212.1	1,013.7	997.9	1,192.6	1,250.7	379.2	387.9
Transport, etc	1,035.9	1,047.2	950.5	982.5	1,079.7	1,115.2	277.4	284.4
Finance and Other Services	2,748.3	2,721.4	2,635.4	2,663.4	2,736.5	2,833.3	703.7	730.3
Government	841.8	791.0	811.1	826.4	853.0	856.8	222.3	222.4
<b>Total</b>	<b>8,084.6</b>	<b>8,111.5</b>	<b>7,080.3</b>	<b>6,986.5</b>	<b>7,950.7</b>	<b>8,299.4</b>	<b>2,208.6</b>	<b>2,299.9</b>
<b>Nominal GDP</b>	<b>10,256.7</b>	<b>10,734.3</b>	<b>9,559.5</b>	<b>9,890.6</b>	<b>11,681.3</b>	<b>12,773.1</b>	<b>3,379.4</b>	<b>3,638.1</b>
<b>Real Growth Rates</b>	<b>(0.7)</b>	<b>0.3</b>	<b>(12.7)</b>	<b>(1.3)</b>	<b>13.8</b>	<b>4.4</b>	<b>5.0</b>	<b>4.1</b>
Tradeables	2.2	4.6	(41.4)	(9.5)	64.4	8.6	11.3	9.5
Non-tradeables	(1.3)	(0.7)	(5.5)	(0.0)	6.7	3.5	3.5	2.8

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

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

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

Sources: Barbados Statistical Service and Central Bank of Barbados

### Appendix 3 – Balance of Payments (BDS \$Millions)

	2018	2019	2020 <sup>(p)</sup>	2021 <sup>(p)</sup>	2022 <sup>(e)</sup>	2023 <sup>(e)</sup>	Mar 2023 <sup>(e)</sup>	Mar 2024 <sup>(e)</sup>
<b>Current Account Balance</b>	<b>(447.3)</b>	<b>(283.3)</b>	<b>(564.7)</b>	<b>(1,101.4)</b>	<b>(1,272.9)</b>	<b>(1,167.1)</b>	<b>(152.5)</b>	<b>25.8</b>
o/w Exports of Goods and Services	4,211.0	4,484.5	2,780.7	2,945.6	3,957.8	4,444.5	1,198.1	1,389.9
o/w Imports of Goods and Services	4,071.6	4,142.4	3,397.3	3,920.7	4,930.7	5,042.4	1,261.9	1,302.6
<b>Merchandise Trade Balance</b>	<b>(1,467.9)</b>	<b>(1,477.7)</b>	<b>(1,605.9)</b>	<b>(1,900.0)</b>	<b>(2,456.1)</b>	<b>(2,423.5)</b>	<b>(546.4)</b>	<b>(540.4)</b>
Exports of Goods	1,529.8	1,526.0	1,238.1	1,277.4	1,622.2	1,584.2	454.4	444.8
o/w Domestic	510.2	507.4	449.4	444.3	501.9	480.6	128.9	125.1
o/w Re-exports	385.7	380.8	241.0	237.7	493.4	440.5	162.0	141.6
o/w Net Export of Goods under Merchanting	633.8	637.6	547.6	595.4	626.8	663.0	163.5	178.0
Imports of Goods	2,997.7	3,003.7	2,843.9	3,177.4	4,078.3	4,007.7	1,000.8	985.2
o/w Fuel	712.2	728.0	510.6	685.8	1,122.8	1,010.6	286.5	270.7
<b>Services Balance</b>	<b>1,607.3</b>	<b>1,819.8</b>	<b>989.3</b>	<b>924.9</b>	<b>1,483.1</b>	<b>1,825.6</b>	<b>482.6</b>	<b>627.7</b>
Exports	2,681.2	2,958.5	1,542.6	1,668.1	2,335.6	2,860.3	743.7	945.1
o/w Travel	2,236.5	2,500.0	1,145.2	1,227.0	1,833.0	2,309.7	680.8	874.5
Imports	1,073.9	1,138.7	553.3	743.3	852.4	1,034.8	261.1	317.5
<b>Income Account Balance</b>	<b>(499.6)</b>	<b>(533.8)</b>	<b>(134.9)</b>	<b>(192.5)</b>	<b>(331.2)</b>	<b>(560.7)</b>	<b>(125.5)</b>	<b>(139.8)</b>
Credits	543.0	565.4	338.7	412.4	458.5	503.6	95.0	99.9
Debits	1,042.6	1,099.2	473.7	604.8	789.6	1,064.4	220.5	239.6
<b>Current Transfers Balance</b>	<b>(87.0)</b>	<b>(91.6)</b>	<b>186.8</b>	<b>66.2</b>	<b>31.2</b>	<b>(8.4)</b>	<b>36.8</b>	<b>78.2</b>
Credits	107.0	110.1	396.6	284.4	275.0	256.8	106.8	150.1
Debits	194.0	201.7	209.8	218.2	243.8	265.2	70.0	71.9
<b>Capital Account</b>	<b>50.9</b>	<b>(5.3)</b>	<b>(4.5)</b>	<b>0.5</b>	<b>15.0</b>	<b>(4.9)</b>	<b>(1.3)</b>	<b>(1.3)</b>
<b>Financial Account</b>	<b>862.6</b>	<b>776.4</b>	<b>1,621.6</b>	<b>1,207.6</b>	<b>930.2</b>	<b>1,338.2</b>	<b>602.8</b>	<b>290.6</b>
Net Foreign Direct Investment	464.8	375.3	509.2	417.8	528.9	449.8	112.7	85.0
All Other Investment Flows	397.8	401.1	1,112.4	789.8	401.3	888.4	490.2	205.6
Net Long-term Public	426.0	371.5	937.7	734.6	119.0	648.5	396.6	166.8
o/w: IMF	101.2	202.5	457.9	95.2	83.6	205.2	-	-
Net Long-term Private	(3.8)	113.0	251.3	99.5	310.1	256.0	93.1	38.9
Net Short-term	(24.4)	(83.5)	(76.7)	(44.3)	(27.8)	(16.1)	0.4	(0.1)
<b>Net Errors &amp; Omissions</b>	<b>123.8</b>	<b>(6.5)</b>	<b>125.0</b>	<b>336.1</b>	<b>228.9</b>	<b>(20.1)</b>	<b>(41.0)</b>	<b>(65.9)</b>
<b>Overall Balance</b>	<b>589.9</b>	<b>481.4</b>	<b>1,177.3</b>	<b>442.8</b>	<b>(98.9)</b>	<b>146.0</b>	<b>408.1</b>	<b>249.1</b>
<b>Change in GIR: - increase/+ decrease</b>	<b>(588.3)</b>	<b>(481.4)</b>	<b>(1,179.7)</b>	<b>(398.2)</b>	<b>288.6</b>	<b>(229.3)</b>	<b>(446.4)</b>	<b>(250.8)</b>
<b>BOP change in GIR (-increase/+decrease)</b>	<b>(589.9)</b>	<b>(481.4)</b>	<b>(1,177.3)</b>	<b>(442.8)</b>	<b>98.9</b>	<b>(146.0)</b>	<b>(408.1)</b>	<b>(249.1)</b>
<b>Memorandum Items:</b>								
<b>Gross International Reserves (GIR)</b>	<b>999.6</b>	<b>1,481.0</b>	<b>2,660.7</b>	<b>3,058.8</b>	<b>2,770.3</b>	<b>2,999.5</b>	<b>3,216.6</b>	<b>3,250.4</b>
<b>Gross International Reserves Cover, Weeks</b>	<b>12.8</b>	<b>18.6</b>	<b>40.7</b>	<b>40.6</b>	<b>29.2</b>	<b>30.9</b>	<b>33.5</b>	<b>33.3</b>

<sup>(p)</sup> – Provisional

<sup>(e)</sup> – Estimate

o/w – Of which

Source: Central Bank of Barbados

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

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 <sup>(p)</sup>	Jan-Mar 2023	Jan-Mar 2024 <sup>(p)</sup>
<b>Total Revenue</b>	<b>2,993.6</b>	<b>2,984.2</b>	<b>2,563.3</b>	<b>2,823.8</b>	<b>3,320.0</b>	<b>3,382.6</b>	<b>927.0</b>	<b>1,022.0</b>
<b>Tax Revenue</b>	<b>2,812.4</b>	<b>2,771.2</b>	<b>2,387.8</b>	<b>2,646.1</b>	<b>3,110.6</b>	<b>3,208.3</b>	<b>849.1</b>	<b>975.6</b>
<b>i) Direct Taxes</b>	<b>1,126.9</b>	<b>1,084.7</b>	<b>1,202.9</b>	<b>1,148.2</b>	<b>1,381.2</b>	<b>1,379.5</b>	<b>392.4</b>	<b>471.4</b>
Personal	482.1	454.7	308.1	385.0	393.4	443.3	120.9	133.3
Corporate	355.5	309.0	612.9	450.5	548.8	563.1	186.5	255.0
Pandemic Levy (Individuals)	0.0	0.0	0.0	0.0	13.5	3.7	4.2	0.1
Pandemic Levy (Corporations)	0.0	0.0	0.0	0.0	74.7	0.0	19.7	0.0
Property	161.3	214.7	181.6	205.2	217.0	218.5	27.6	36.1
Financial Institutions Asset Tax	44.6	47.4	45.6	46.2	53.0	53.5	12.6	13.9
Other	83.4	58.9	54.7	61.4	80.8	97.4	20.9	33.0
<b>ii) Indirect Taxes</b>	<b>1,685.6</b>	<b>1,686.5</b>	<b>1,185.0</b>	<b>1,497.9</b>	<b>1,729.5</b>	<b>1,828.8</b>	<b>456.7</b>	<b>504.2</b>
Stamp	10.9	11.4	7.6	13.4	21.6	18.1	8.6	6.8
VAT	940.9	966.9	706.3	884.6	1,022.6	1,097.4	265.2	310.3
Excises	271.2	250.9	154.1	212.3	247.2	229.4	69.8	50.6
Import Duties	213.8	231.6	191.9	220.6	241.9	258.5	61.3	62.8
Social Responsibility Levy	49.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other of which:	199.4	225.6	124.9	167.0	196.1	225.4	51.8	73.7
Fuel Tax	68.6	82.1	63.8	70.2	80.9	76.9	24.3	20.5
Room Rate/Shared Accommodation	10.1	28.1	9.5	25.2	40.2	42.4	14.1	14.2
<b>Non-tax Revenue &amp; Grants</b>	<b>181.2</b>	<b>213.0</b>	<b>175.4</b>	<b>177.8</b>	<b>209.4</b>	<b>174.3</b>	<b>77.9</b>	<b>46.4</b>
Non-tax Revenue of which:	161.5	201.3	169.5	159.7	173.4	159.2	68.9	39.8
Foreign Exchange Fee	74.5	79.4	65.2	78.7	94.4	101.1	37.5	27.0
Grants	0.1	11.8	0.0	5.7	20.0	1.0	0.0	1.0
Post Office - Revenue	19.6	0.0	5.9	12.3	16.0	14.1	9.0	5.7
<b>Current Expenditure</b>	<b>2,826.4</b>	<b>2,407.9</b>	<b>2,716.8</b>	<b>2,889.2</b>	<b>3,088.7</b>	<b>3,238.9</b>	<b>958.0</b>	<b>992.9</b>
Wages & Salaries	811.9	807.4	808.0	834.8	854.6	852.4	230.9	210.8
Goods & Services	356.3	375.5	399.8	493.2	529.0	522.4	170.6	181.5
Interest	384.9	249.7	342.6	398.9	549.2	707.3	167.7	204.3
External	48.0	62.7	144.1	132.4	196.0	308.4	73.9	97.3
Domestic	336.9	187.0	198.5	266.5	353.3	398.9	93.8	107.0
Transfers & Subsidies	1,273.3	975.3	1,166.3	1,162.3	1,155.9	1,156.8	389.0	396.3
Grants to Individuals	362.8	389.2	423.7	454.2	475.0	413.8	155.5	128.6
Grants to Public Institutions	814.8	517.6	657.3	631.8	581.4	661.9	198.3	230.1
Subsidies	51.8	31.8	49.7	33.6	48.2	46.3	22.3	26.7
Subscriptions & Contributions	25.7	20.3	20.3	21.9	23.7	21.1	4.3	5.7
Non-Profit Agencies	18.3	16.4	15.3	20.7	27.7	13.7	8.6	5.2
<b>Capital Expenditure &amp; Net Lending</b>	<b>197.8</b>	<b>191.8</b>	<b>276.1</b>	<b>425.2</b>	<b>476.2</b>	<b>369.6</b>	<b>266.7</b>	<b>247.3</b>
Capital Expenditure	184.9	185.1	278.3	421.6	449.5	357.6	260.4	255.8
Net Lending	12.9	6.7	-2.2	3.6	26.7	12.0	6.2	-8.5
<b>Fiscal Balance</b>	<b>(30.5)</b>	<b>384.5</b>	<b>(429.6)</b>	<b>(490.6)</b>	<b>(244.9)</b>	<b>(225.9)</b>	<b>(297.7)</b>	<b>(218.2)</b>
<b>Primary Balance</b>	<b>354.3</b>	<b>634.2</b>	<b>(87.0)</b>	<b>(91.6)</b>	<b>304.3</b>	<b>481.4</b>	<b>(130.0)</b>	<b>(13.9)</b>
<b>Fiscal Balance-to-GDP (%)</b>	<b>(0.3)</b>	<b>3.5</b>	<b>(4.8)</b>	<b>(4.7)</b>	<b>(2.0)</b>	<b>(1.7)</b>	<b>(2.4)</b>	<b>(1.7)</b>

<sup>(p)</sup>Provisional  
Source: Ministry of Finance

### Appendix 5 - Government Financing (BDS\$ Millions)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Jan-Mar 2023	Jan-Mar 2024 <sup>(p)</sup>
<b>Fiscal Balance</b>	<b>(450.2)</b>	<b>(30.5)</b>	<b>384.5</b>	<b>(429.6)</b>	<b>(490.6)</b>	<b>(244.9)</b>	<b>(225.9)</b>	<b>(297.7)</b>	<b>(218.2)</b>
Arrears Payments	0.0	(10.0)	(208.3)	(61.9)	(41.1)	(38.2)	(21.0)	(17.3)	0.0
<b>Financing</b>	<b>450.2</b>	<b>40.5</b>	<b>(176.2)</b>	<b>491.5</b>	<b>531.7</b>	<b>283.1</b>	<b>246.9</b>	<b>315.0</b>	<b>218.2</b>
<b>Domestic Financing (Net)</b>	<b>643.8</b>	<b>(272.3)</b>	<b>(274.9)</b>	<b>(340.1)</b>	<b>107.0</b>	<b>(240.0)</b>	<b>(282.6)</b>	<b>(49.9)</b>	<b>34.7</b>
Central Bank	92.8	(166.4)	164.7	(66.6)	331.6	(132.6)	(174.6)	(213.2)	(265.8)
Commercial Banks	257.9	82.8	(86.3)	106.6	(24.5)	99.9	131.3	24.9	111.4
National Insurance Board	3.1	8.9	(85.2)	(207.9)	15.3	(60.2)	(83.3)	(15.4)	(26.3)
Private Non-Bank	(57.2)	(119.6)	(217.7)	(34.9)	(47.1)	(136.8)	76.2	(73.5)	(37.9)
Other	347.3	(77.9)	(50.4)	(137.3)	(168.3)	(10.4)	(232.2)	227.3	253.2
<b>Foreign Financing (Net)</b>	<b>(193.6)</b>	<b>312.8</b>	<b>98.7</b>	<b>831.6</b>	<b>424.7</b>	<b>523.2</b>	<b>529.5</b>	<b>364.9</b>	<b>183.5</b>
Capital Markets	0.0	0.0	0.0	0.0	0.0	146.5	0.0	0.0	0.0
Project Funds	92.8	57.1	64.1	51.2	91.4	94.7	113.1	2.2	26.8
Policy Loans	0.0	350.0	150.0	968.1	496.6	483.6	627.6	400.0	200.0
Amortisation	(286.4)	(94.3)	(115.4)	(187.7)	(163.3)	(201.7)	(211.2)	(37.3)	(43.2)

<sup>(p)</sup>Provisional

Source: Central Bank of Barbados

## Appendix 6 -Public Debt Outstanding (BDS\$ Millions)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 <sup>(p)</sup>
<b>Gross Central Government Debt<sup>1</sup></b>	<b>15,847.1</b>	<b>12,755.0</b>	<b>12,322.6</b>	<b>12,819.1</b>	<b>13,310.3</b>	<b>14,224.8</b>	<b>14,873.1</b>
Gross Central Government Debt/GDP (%)	155.8	124.1	113.0	143.1	127.5	116.3	114.1
<b>Domestic Debt</b>	<b>12,923.0</b>	<b>9,512.9</b>	<b>9,226.4</b>	<b>8,872.7</b>	<b>8,824.1</b>	<b>9,117.9</b>	<b>9,250.0</b>
<b>Short Term</b>	<b>4,266.0</b>	<b>598.4</b>	<b>697.0</b>	<b>708.1</b>	<b>710.1</b>	<b>662.3</b>	<b>822.9</b>
<b>Treasury Bills<sup>2</sup></b>	<b>3,978.0</b>	<b>495.1</b>	<b>495.1</b>	<b>495.1</b>	<b>495.1</b>	<b>495.1</b>	<b>667.7</b>
Central Bank	1,343.9	207.2	207.2	207.2	207.2	207.2	207.2
Commercial Banks	1,754.5	285.1	285.1	285.1	285.1	285.1	432.9
Other	879.6	2.8	2.8	2.8	2.8	2.8	27.6
<b>Loans</b>	<b>288.0</b>	<b>103.3</b>	<b>201.9</b>	<b>213.0</b>	<b>215.0</b>	<b>167.2</b>	<b>155.2</b>
Central Bank	288.0	103.3	201.9	213.0	215.0	167.2	155.2
<b>Long Term</b>	<b>8,657.0</b>	<b>8,914.5</b>	<b>8,529.4</b>	<b>8,164.6</b>	<b>8,113.9</b>	<b>8,455.6</b>	<b>8,427.0</b>
<b>Bonds</b>	<b>6,509.0</b>	<b>8,621.0</b>	<b>8,358.6</b>	<b>8,083.7</b>	<b>8,091.2</b>	<b>8,051.6</b>	<b>8,047.0</b>
Central Bank	597.5	414.4	414.4	414.4	444.4	626.8	626.8
Commercial Bank	179.9	2,052.5	2,048.0	2,048.8	2,058.3	2,034.2	2,061.5
NIS	3,306.6	2,943.8	2,858.7	2,650.2	2,665.4	2,605.2	2,521.9
Insurance Companies	729.7	1,179.6	821.5	815.8	815.1	810.6	782.1
Pension Funds	218.0	296.6	304.8	311.7	321.9	317.1	315.3
Other	1,477.4	1,734.0	1,911.2	1,842.7	1,786.1	1,657.6	1,739.4
<b>Loans &amp; Tax Certificates</b>	<b>241.0</b>	<b>0.1</b>	<b>17.9</b>	<b>1.5</b>	<b>0.1</b>	<b>146.6</b>	<b>146.6</b>
Commercial Banks	240.8	-	17.8	1.4	0.0	146.5	146.5
Other	0.2	0.1	0.1	0.1	0.1	0.1	0.1
<b>Arrears</b>	<b>1,907.0</b>	<b>293.4</b>	<b>152.9</b>	<b>79.4</b>	<b>22.6</b>	<b>257.5</b>	<b>233.4</b>
<b>External Debt</b>	<b>2,924.0</b>	<b>3,242.1</b>	<b>3,096.2</b>	<b>3,946.4</b>	<b>4,486.2</b>	<b>5,106.8</b>	<b>5,623.2</b>
<b>Long Term</b>	<b>2,924.0</b>	<b>3,242.1</b>	<b>3,096.2</b>	<b>3,946.4</b>	<b>4,486.2</b>	<b>5,106.8</b>	<b>5,623.2</b>
International Bonds	1,161.4	1,161.4	1,137.9	1,072.9	1,072.9	1,070.7	1,069.3
Bilateral	216.0	204.4	242.9	244.4	312.6	376.3	384.9
Multilateral	1,124.0	1,292.5	1,431.1	2,381.3	2,882.4	3,323.3	3,861.7
IMF (Budget Support)	-	-	-	368.2	464.8	530.8	744.7
Commercial	422.6	421.2	237.0	247.8	218.3	336.5	307.2
Arrears	-	162.6	47.3	-	-	-	-
<b>Other Public Sector Debt (Guaranteed Contingent Liabilities)</b>	<b>2,349.6</b>	<b>98.3</b>	<b>57.9</b>	<b>51.9</b>	<b>46.0</b>	<b>36.2</b>	<b>26.3</b>
<b>Domestic Debt</b>	<b>2,219.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>External Debt</b>	<b>130.0</b>	<b>98.3</b>	<b>57.9</b>	<b>51.9</b>	<b>46.0</b>	<b>36.2</b>	<b>26.3</b>
<b>Long Term</b>	<b>130.0</b>	<b>98.3</b>	<b>57.9</b>	<b>51.9</b>	<b>46.0</b>	<b>36.2</b>	<b>26.3</b>
Bonds	85.0	65.4	31.1	31.1	31.1	26.0	23.3
Multilateral	45.0	32.9	26.8	20.9	14.9	10.2	3.0
<b>Gross Public Sector Debt<sup>3</sup></b>	<b>18,196.7</b>	<b>12,853.3</b>	<b>12,380.5</b>	<b>12,871.1</b>	<b>13,356.3</b>	<b>14,261.0</b>	<b>14,899.4</b>
Gross Public Sector Debt/GDP (%)	178.9	125.0	113.6	143.6	127.9	116.6	114.3

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

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

<sup>2</sup> Treasury Bills - Inclusive of Treasury Bills held for a fixed period

<sup>3</sup> Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt (Guaranteed Contingent Liabilities)

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

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

	2017	2018	2019	2020	2021	2022	2023	Mar 2023	Mar 2024 <sup>(p)</sup>
<b>Monetary Authorities</b>									
Net International Reserves	334.7	832.5	1,130.8	2,195.0	2,594.6	2,354.5	2,560.2	2,788.5	2,810.3
Monetary base	2,375.9	2,659.0	2,938.8	3,551.8	4,132.8	4,389.2	4,401.1	4,477.4	4,371.3
Net Domestic Assets	1,996.9	1,788.8	1,761.6	1,296.2	1,479.0	1,978.4	1,738.7	1,632.6	1,458.1
<b>Deposit-taking Institutions<sup>1</sup></b>									
<b>Credit to Public Sector<sup>2</sup></b>									
Central Government (net)	2,164.5	1,896.4	1,886.7	2,056.5	2,100.1	2,249.8	2,419.6	2,279.9	2,557.7
Rest of the Public Sector	344.8	107.9	65.0	85.3	144.5	157.1	142.6	165.8	138.4
Credit to Rest of Financial System	248.7	274.5	255.7	262.8	246.3	288.8	298.0	273.9	274.1
Credit to the Non-Financial Private Sector <sup>3</sup>	8,151.3	8,179.1	8,254.4	8,153.7	8,096.8	8,350.7	8,574.6	8,344.6	8,598.8
<b>Total Deposits</b>	11,978.7	11,967.1	12,284.6	12,976.2	13,697.0	14,413.4	14,582.5	14,622.0	14,822.1
Transferable Deposits <sup>4</sup>	9,667.6	9,844.5	10,394.3	11,178.9	11,855.8	12,643.9	12,900.2	12,888.7	13,132.2
Non-Transferable Deposits	2,311.1	2,122.6	1,890.3	1,797.3	1,841.1	1,769.4	1,682.3	1,733.3	1,689.9
<b>Memo Items</b>									
Domestic Currency Deposits	11,223.9	11,365.1	10,337.2	12,283.2	12,809.9	13,376.8	13,547.9	13,452.9	13,675.9
Foreign Currency Deposits	754.8	602.0	576.2	693.0	887.0	1,036.5	1,034.6	1,169.1	1,146.3
<b>Banking System Financial Stability Indicators<sup>5</sup></b>									
Capital Adequacy Ratio (CAR)	17.0	13.8	13.5	16.0	16.8	17.6	20.9	17.6	21.3
Loan to Deposit Ratio	74.7	63.0	61.7	57.1	53.0	53.1	54.3	52.2	52.9
Liquid Assets to Total Assets	29.7	25.9	26.0	27.5	31.1	32.0	30.9	32.6	33.3
Non-Performing Loans Ratio	7.7	7.4	6.6	7.3	7.3	5.9	5.0	5.7	5.1
Provisions to Non-Performing Loans	80.4	67.3	59.4	62.0	60.3	50.8	50.3	51.2	61.4
Return on Average Assets (12-month)	1.3	(0.2)	0.6	0.8	1.1	1.3	1.8	1.3	1.7

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

<sup>1</sup> Comprises 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