



Press Release

Review of Barbados' Economic Performance:

January to September 2024

Sustaining Growth and Building Resilience for a Stronger Future



Overview

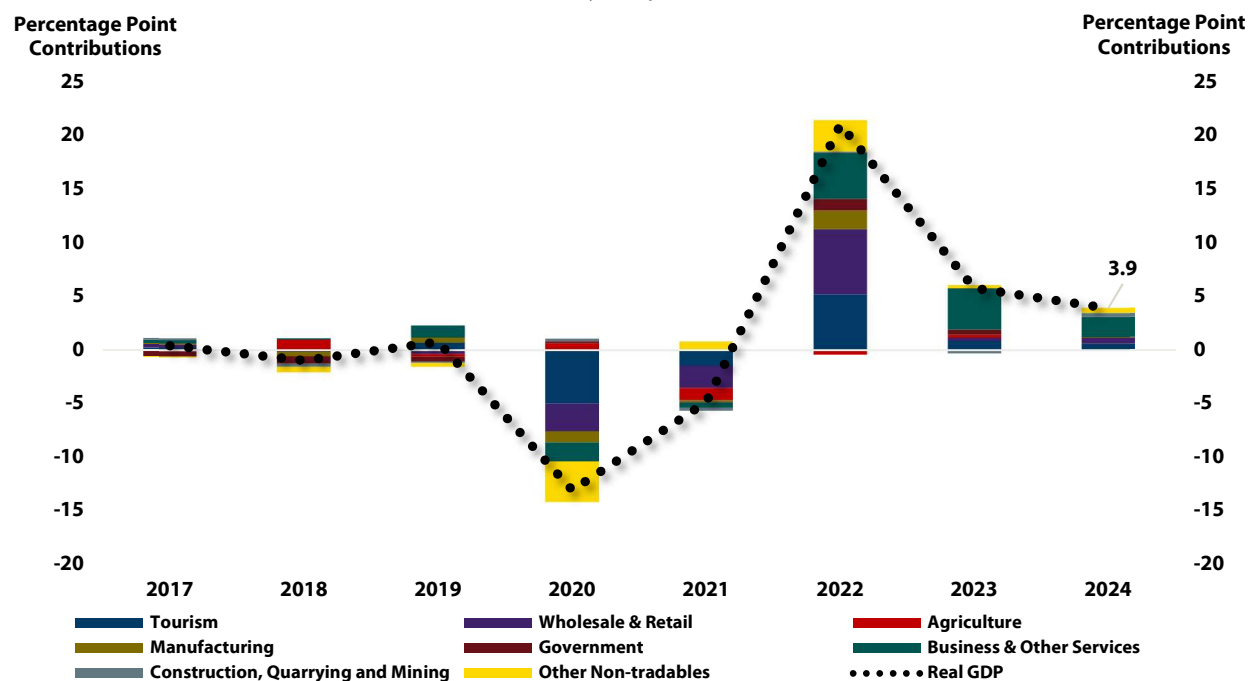
KEY INDICATORS: January to September 2024

Real GDP Growth 3.9 percent	Inflation¹ 2.4 percent	Unemployment² 7.7 percent	International Reserves \$3.2 billion
Current Account Deficit -\$531.5 million	Primary Surplus (FY) \$581.9 million (4 percent of GDP)	Fiscal Surplus (FY) \$202.6 million (1.4 percent of GDP)	Gross Public Sector Debt 105.6 percent of GDP

Despite global economic uncertainties and the negative consequences of Hurricane Beryl, Barbados has maintained a steady path of economic growth and resilience. Real GDP advanced by 3.9 percent during the first nine months of 2024, driven by key sectors such as tourism, business services, and construction. Inflation moderated, unemployment fell, and the country's external position remained robust, marked by the highest end-September international reserves level, equivalent to 31.2 weeks of imports of goods and services.

Figure 1: Real GDP Growth and Sectoral Contributions

January - September



Sources: Central Bank of Barbados Estimates (2024) and Barbados Statistical Service

¹ Moving average inflation as at end-August 2024.

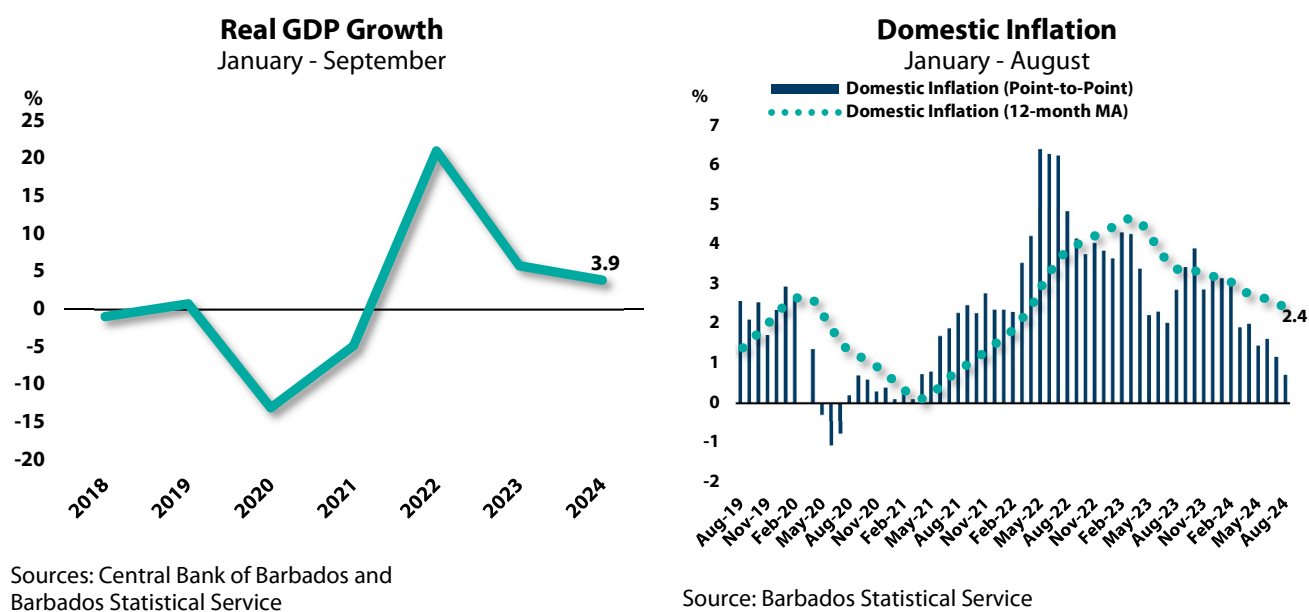
² Unemployment as at end-June 2024.

Strategic investments and fiscal discipline have supported economic stability. Higher revenues from direct taxes, particularly corporation and property taxes, along with increased VAT receipts, have enabled the Government to boost public transfers and investments in critical sectors such as education and in digitisation efforts aimed at improving public service delivery. Outlays on innovation, such as the establishment of a new digital innovation and health centre, have also been prioritised to strengthen Barbados’ future growth prospects.

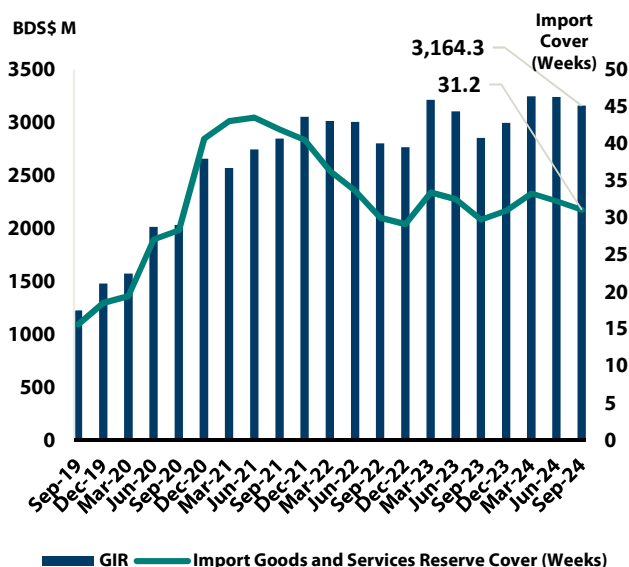
Government’s fiscal operations resulted in a surplus and reduced the debt-to-GDP ratio. A half-year (April to September) primary surplus of \$581.9 million, or 4 percent of GDP, contributed to a steady decline in the debt-to-GDP ratio, which now stands at 105.6 percent. This achievement reflects Barbados’ resilience in managing external shocks while continuing to reduce its reliance on new debt. By controlling expenditures and directing resources towards long-term growth initiatives, Barbados has reinforced its ability to navigate global challenges and secure sustainable development.

The economic outlook is positive, despite growing geopolitical uncertainty. Looking ahead, Barbados’ economy is expected to continue its positive trajectory, with growth driven by sustained activity in tourism, construction, and business services. While external risks such as global commodity price fluctuations and geopolitical uncertainties remain, the country’s focus on strategic investments and fiscal prudence is anticipated to support further stability and resilience.

Figure 2: Selected Economic Indicators



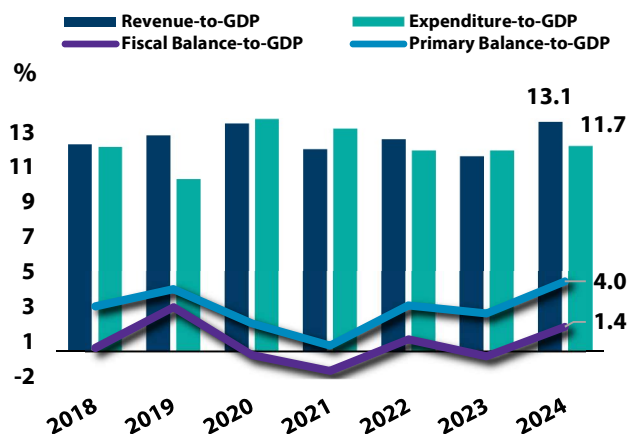
Gross International Reserves (GIR) & Import Cover



Source: Central Bank of Barbados

Fiscal Indicators

April – September



Source: Ministry of Finance

Economic Activity

Robust performance across several key sectors drove economic growth in the first nine months of 2024. Tourism, construction, and business services led the expansion, pushing real GDP up by 3.9 percent. Activity in the non-traded sector grew across the board, for an average of 3.9 percent, while challenges in agriculture constrained growth in the traded sector to 3.8 percent. Despite these hurdles, the economy showed resilience against both domestic and external pressures.

Tourism

Tourism remained a key driver of growth, with significant increases in long-stay arrivals. Long-stay visitors increased by 12.9 percent over the first nine months of 2024. Although there was a slight decline in flights from the UK and Europe during the third quarter, strong performance earlier in the year, along with an increase in cruise activity, offset the slowdown. Arrivals from the US market surged by 32.5 percent, exceeding pre-pandemic levels (2017-2019 average) by 10.4 percent, while Canadian tourists registered a 16.5 percent increase. The CARICOM market also recorded significant gains, further contributing to the sector's recovery.

Higher tourism demand boosted hotel occupancy rates and revenues. The rise in long-stay arrivals boosted the accommodation sector, where average room demand increased by 8.2 percent, outpacing the 5 percent growth in available rooms. As a result, the average hotel occupancy rates climbed to 62.9 percent (an increase of 1.6 percentage points), while revenue per available room (RevPAR) grew by 9.1 percent. However, the sharing economy experienced a dip in RevPAR, dropping by 11.9 percent, even as occupancy rates rose by 4 percentage points, driven by increased tourism demand.

Cruise ship activity also played a vital role in the sector's recovery. For the first time since 2021, summer cruise arrivals returned to the island, with in-transit cruise visitors growing by 27.7 percent, reaching 377,340 by the end of September. The sector recorded 286 cruise calls during this period, an increase of 41 compared to the same timeframe in 2023.

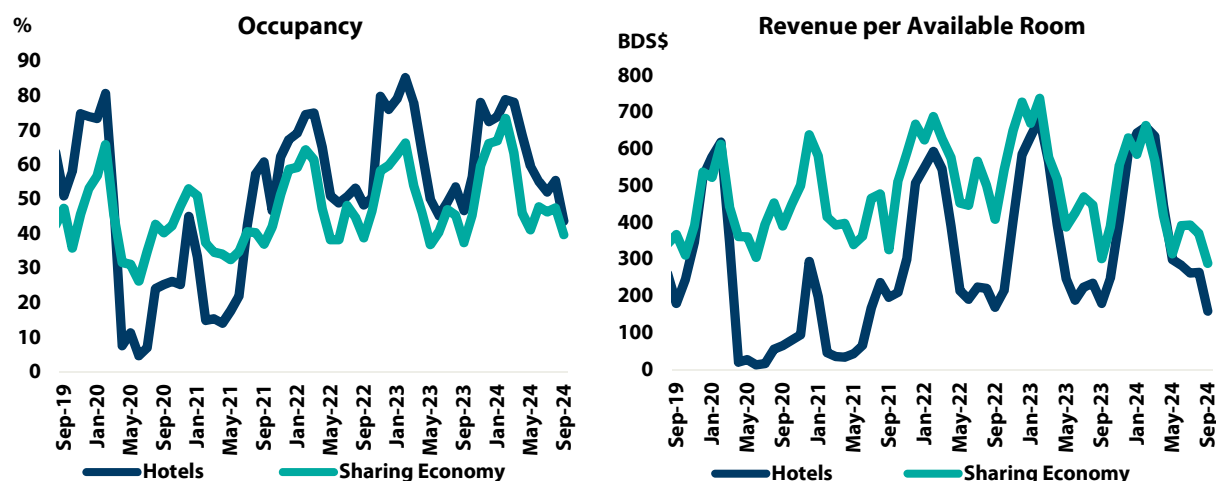
Table 1: Tourism Arrivals by Source Market

January – September

Major Markets	Average (2017-2019)	2020	2021	2022	2023	2024	Absolute Change (2023/24)	2024 as % 2017-19 Arrivals
United States	154,497	36,666	21,910	112,239	128,794	170,595	41,801	110.4
Canada	62,695	29,127	10,089	36,196	54,258	63,228	8,970	100.9
United Kingdom	161,225	52,375	15,546	162,987	168,053	164,989	(3,064)	102.3
Europe	26,268	16,419	3,925	17,089	19,841	19,089	(752)	72.7
CARICOM	78,017	19,333	9,660	40,289	65,627	70,309	4,682	90.1
Other	19,690	13,929	2,094	11,707	14,918	21,463	6,545	109.0
Total Arrivals	502,392	167,849	63,224	380,507	451,491	509,673	58,182	101.4
In-transit Cruise Arrivals	451,641	250,532	5,714	118,266	295,386	377,340	81,954	83.5
Total Cruise Calls	300	236	44	204	245	286	41	95.2

Source: Barbados Statistical Service

Figure 3: Tourism Accommodation Indicators



Sources: Smith Travel Research and AirDNA

Sources: Smith Travel Research and AirDNA

Global Business Sector

The global business sector realised declines in permits and salaries but remained crucial to economic activity. The sector faced challenges during the first nine months of 2024, with new foreign currency permits declining by 2.8 percent. Renewals also dropped by 10.7 percent compared to the same period in 2023. The sector's slowdown reflected broader global economic conditions, with companies adopting a more cautious approach to expanding operations. Average salaries within the

sector decreased by 9.7 percent, indicating a contraction in business activity and hiring. Efforts to modernise the regulatory environment and attract new investments are underway, aiming to position Barbados as a more competitive and resilient global business hub in the coming years.

Other Traded Activity

Agriculture faced significant challenges in the first nine months of 2024, with overall production contracting by 3.6 percent. Unfavourable weather conditions severely impacted food crop production, which fell by 16.3 percent, affecting items such as sweet potatoes, onions, cucumbers, chives, and tomatoes. Milk production declined by 24.8 percent, the lowest recorded level in recent years, due to smaller herd sizes and heat stress. However, fish landings expanded by 23.9 percent, despite disruptions caused by Hurricane Beryl, while chicken and pork production realised modest gains of 6 percent and 1.5 percent, respectively.

Manufacturing

Increased demand for food and beverages led to moderate growth in the manufacturing sector. Over the nine-month period, the food and beverages sector collectively accounted for more than 40 percent of the growth in manufacturing output, with food production expanding by 1.8 percent and beverage production by one percent. Furniture and chemicals expanded by 1.2 percent and 0.5 percent, respectively.

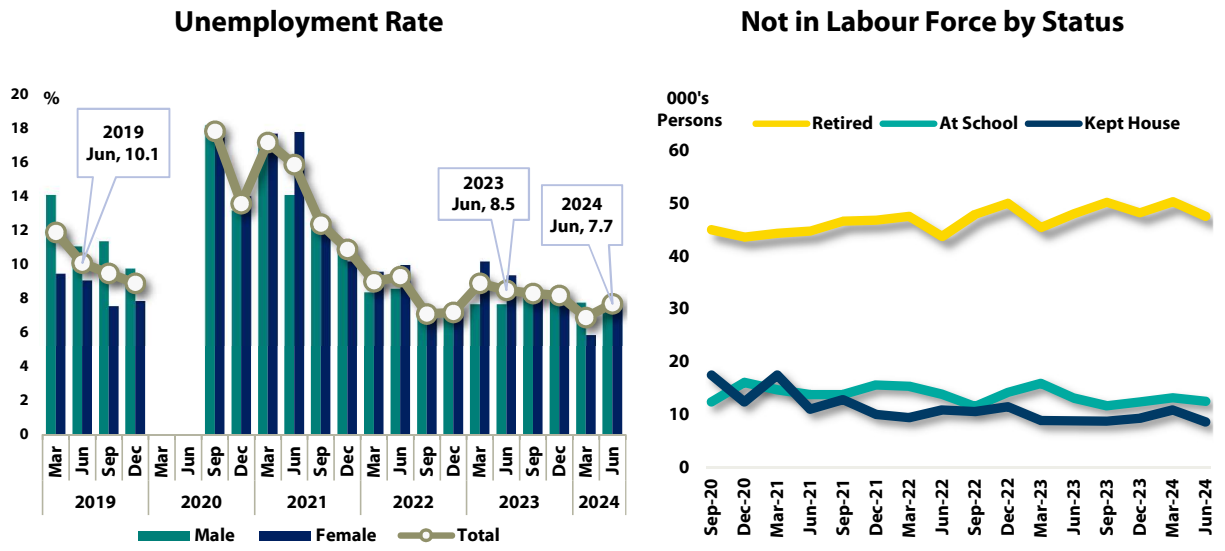
Non-traded Activity

Growth in the non-traded sector remained broad-based, with construction, finance, and business services leading the way. The construction sector grew by 7.2 percent, supported by tourism-related projects such as Indigo and Apes Hill Villas, as well as public sector infrastructure investments, including the Barbados Water Authority's Water Infrastructure Rehabilitation programme and road upgrades under the Mill & Pave initiative. The business & other services sector expanded by 4.9 percent, driven by increased demand for professional services, finance, and insurance activities. Tourism continued to play a significant role in this regard, boosting demand for related services such as tours, recreational activities, and travel agencies. Meanwhile, the wholesale & retail sector grew by 3.2 percent, fuelled by rising demand for food, beverages, and motor vehicles. Energy demand increased across the board, leading to a 3.7 percent rise in the electricity, gas & water sector. Residential, commercial, and industrial users, particularly from tourism-related businesses and hospitals, contributed to this growth in energy demand.

Labour Market

The labour market strengthened, with unemployment falling and workforce participation increasing. The unemployment rate fell to 7.7 percent by the end of the second quarter, down from 8.5 percent for the same period last year. The labour force expanded by 2,100 individuals, reflecting a higher participation rate of 63.5 percent. Fewer people retired, attended school, or stayed at home, while more individuals entered the workforce. Unemployment claims dropped to 7,456 for the first nine months of the year, a 12.4 percent decrease compared to the pre-pandemic average (2017-2019). The decline in unemployment reflects the recovery in key sectors such as tourism and construction, which have supported job creation across various industries.

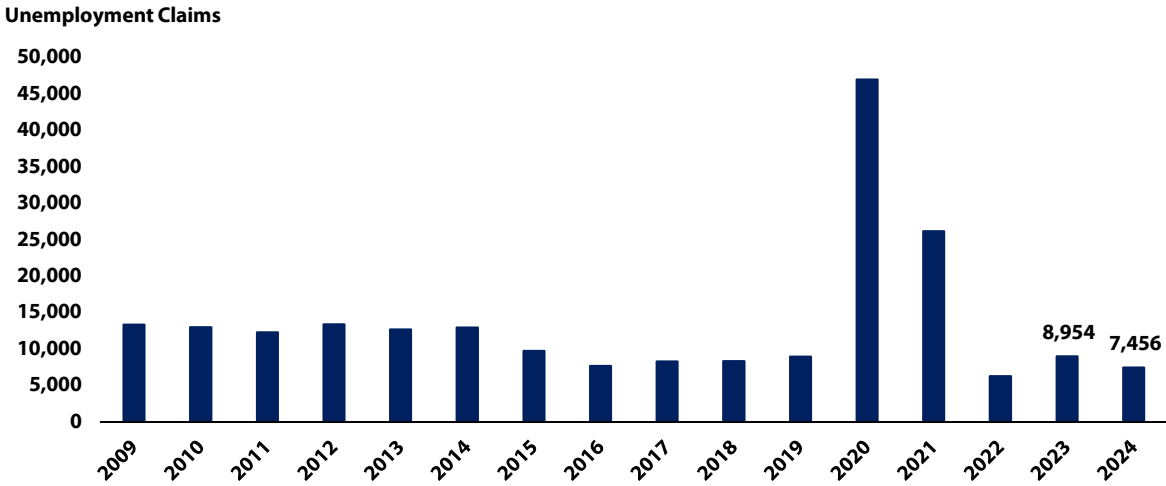
Figure 4: Selected Labour Market Indicators



Source: Barbados Statistical Service

Source: Barbados Statistical Service

Unemployment Claims
(January – September)



Source: National Insurance Scheme

Labour Market Performance in the First Half of 2024

The Barbados labour market showed notable resilience and improvement in the first half of 2024 compared to the first half of 2023, reflecting the country's ongoing economic expansion. Employment increased, with the employment rate moving from 91.5 percent in Q2 2023 to 92.3 percent in Q2 2024. The overall unemployment rate, which dropped from 8.5 percent in Q2 2023 to 7.7 percent in Q2 2024, complemented this rise. The labour force participation rate, after a slight decrease at the start of 2024, edged up to 63.5 percent by Q2 2024, indicating a renewed workforce engagement and recovery across sectors.

Sectoral Employment Trends

Sector-specific trends reveal a concentration of growth within the accommodation & food services and wholesale & retail trade sectors, driven by the resurgence of the tourism industry and consumer activity. The accommodation & food Services sector saw employment increase significantly from 12,100 in Q1 2023 to a peak of 16,200 in Q1 2024, though it slightly eased to 15,100 by Q2 2024. Retail trade, a key contributor to consumer-driven economic activity, held steady in 2024 after significant growth in 2023, maintaining employment levels at around 19,500.

In contrast, the construction, mining & quarrying sector, which was stable through 2023, experienced minor fluctuations, peaking at 10,900 in Q1 2024 before a slight reduction to 9,700 in Q2 2024. This dip reflects adjustments following initial growth phases. Public administration & defence exhibited a temporary drop at the beginning of 2024, then rebounded to 13,300 in Q2.

Youth Unemployment

Youth unemployment also saw an improvement, decreasing from 22.1 percent over the first half of 2023 to 19.5 percent over the corresponding period of 2024. This trend reflects enhanced opportunities for young job seekers, possibly due to expanding job opportunities in sectors like retail and hospitality that typically absorb younger workers.

Male vs Female Labour Market Trends

In the first half of 2024, Barbados' labour market showed notable differences in male and female employment and unemployment patterns, compared to the same period a year earlier. Male employment levels remained steady, with significant participation in sectors like construction and transportation, which tend to be male-dominated. Female employment, however, saw marked growth, particularly in the accommodation, food services, and retail sectors. This increase was driven by a recovery in tourism and heightened demand across service industries. The unemployment rate for males remained stable, reflecting resilience within traditional male-oriented sectors. In contrast, female unemployment showed a significant decrease, moving from an average of 9.8 percent in the first half of 2023 to an average of 6.8 percent for the first half of 2024, reflecting expanded opportunities for women in retail, tourism, and professional services. Sectoral trends reveal that women benefited most from growth in the service industry, while male employment held strong in technical and skilled trades, such as construction.

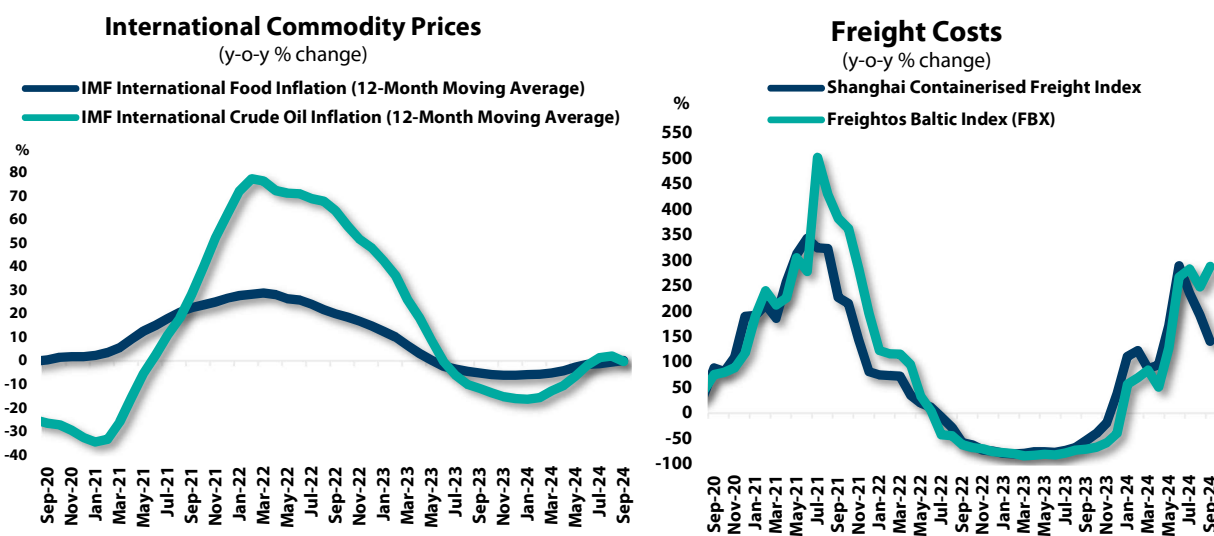
Summary

Overall, the first half of 2024 marked a positive phase for Barbados' labour market, characterised by declining unemployment, steady sectoral growth, and improved youth and gender-specific employment rates. Women benefited significantly from the growth in service-oriented sectors, while men maintained steady employment in construction and technical fields. The reduction in female unemployment highlights strides in economic inclusion, suggesting that policy efforts to support gender equity in the workforce are yielding positive results. Sustaining these gains will depend on continued efforts to diversify employment opportunities and strengthen workforce participation, especially within emerging sectors poised to support long-term economic resilience.

Prices

Inflation in Barbados eased in 2024, though adverse weather conditions pushed up some food prices. The point-to-point inflation rate fell to 0.7 percent in August, down from 2.9 percent a year earlier. The 12-month moving average inflation rate also moderated, dropping to 2.4 percent from 3.4 percent. Lower global energy prices helped drive this decline, along with reduced costs for transportation, communication, and recreation. However, adverse weather conditions led to price increases for dairy products, fruits, and vegetables, pushing up domestic food prices. Despite the easing of global food prices, local agricultural shortages kept upward pressure on these categories. Domestic energy costs, by contrast, moderated in line with declining international fuel prices, providing some relief to consumers.

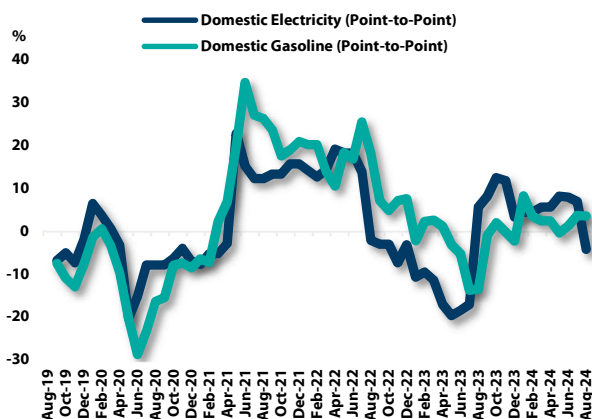
Figure 5: Domestic and International Price Developments



Source: International Monetary Fund

Sources: MacroMicro and Freightos

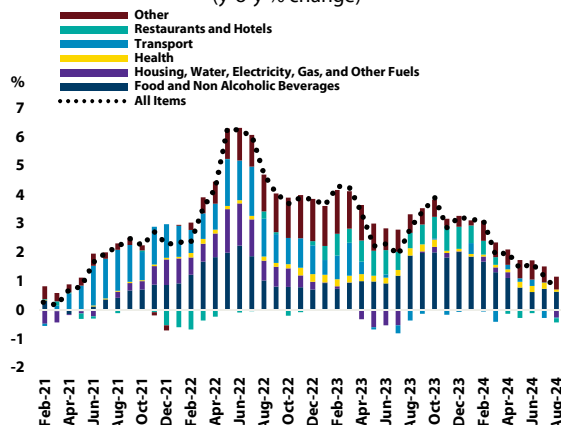
Domestic Electricity and Gasoline (y-o-y % change)



Source: Barbados Statistical Service

Domestic Inflation

Selected Categories
(y-o-y % change)



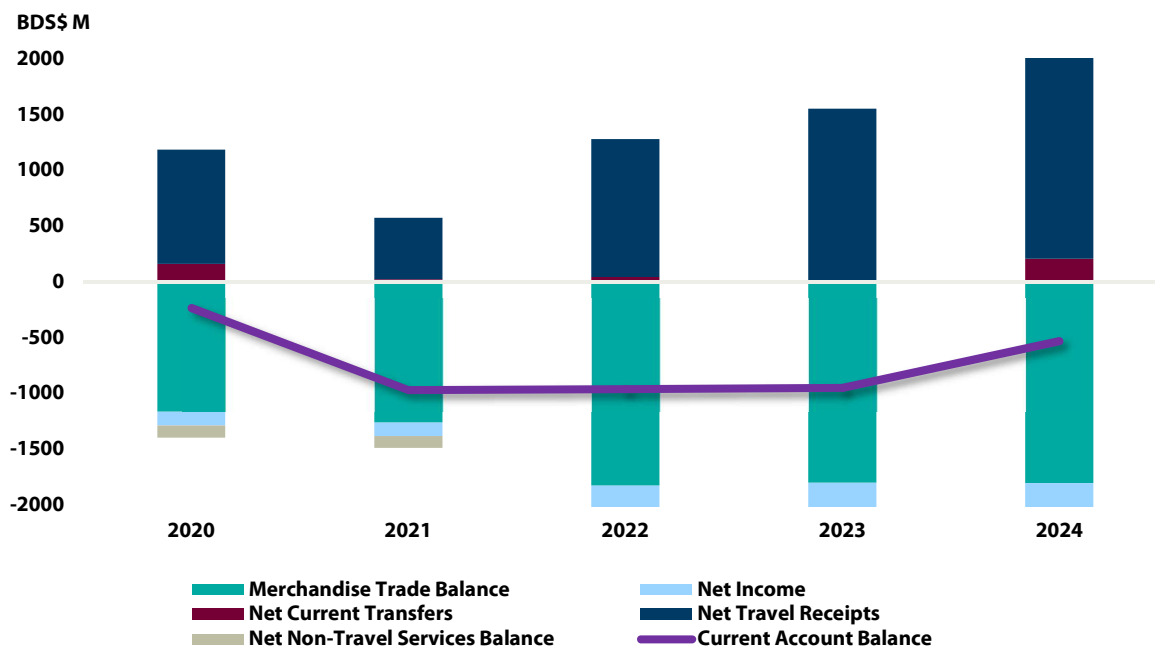
Source: Barbados Statistical Service

External Position

Barbados' external sector improved in the first nine months of 2024, as the current account deficit contracted. The deficit narrowed to 5 percent of GDP, down from 9.5 percent in the same period in 2023. Higher tourism revenues and increased current transfer credits contributed to this improvement, though these gains were offset by a marginally wider merchandise trade deficit. The country's gross international reserves remained robust, providing ample import cover.

Figure 6: Current Account Balances

January – September

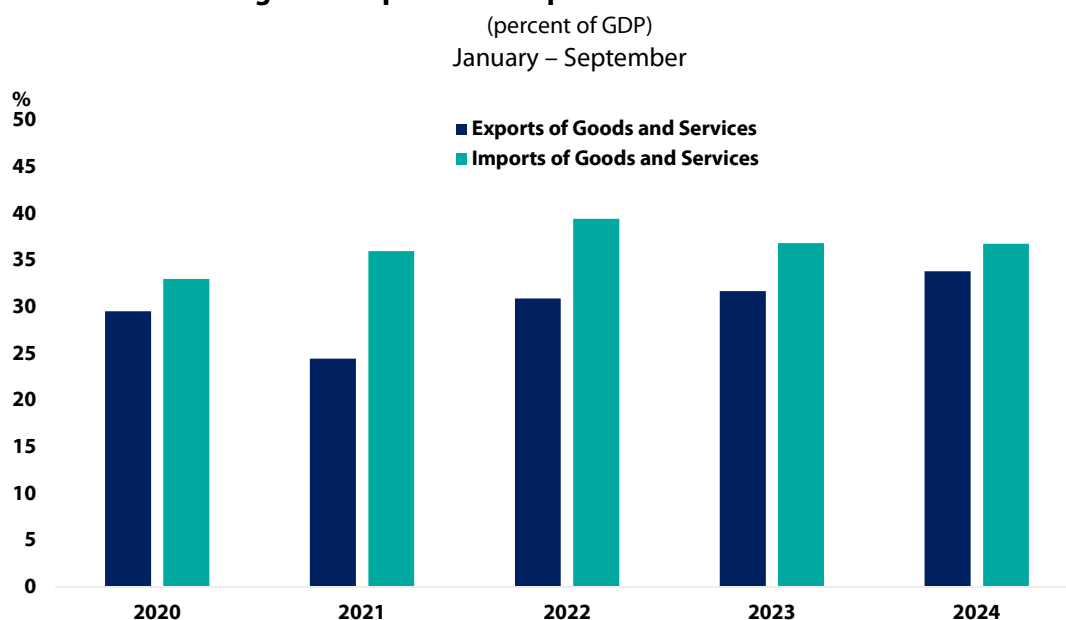


Source: Central Bank of Barbados

Merchandise Trade Developments

The trade deficit widened slightly due to higher imports, while re-exports increased. Overall, the deficit grew by \$3.7 million, due to a 2.1 percent increase in imports compared to the same period last year. Higher demand for food & beverages and hybrid and electric vehicles drove this growth in import activity. While total exports grew by 5 percent, domestic exports fell marginally, by 0.6 percent, largely due to reduced exports of rum and paper labels. However, re-exports rose by 11.3 percent, primarily driven by increases in fuel and machinery.

Figure 7: Exports and Imports of Goods and Services



Source: Central Bank of Barbados

Travel and Other Services

Travel services grew strongly, boosted by increased tourism and cruise activity. The services sector recorded significant growth in the first nine months of 2024, driven by a 23.3 percent increase in travel credits, the results of a surge in long-stay tourist arrivals and the return of cruise activity. The hosting of the ICC T20 Men's Cricket World Cup also contributed to the positive performance in travel services. Meanwhile, outflows of services imports rose by 25.5 percent, reflecting higher demand for transportation, travel, and professional services.

Income and Current Transfers

Higher foreign corporation tax receipts boosted net current transfers, while the income account deficit narrowed. The introduction of a new accounting framework in the insurance sector and the adoption of the global minimum corporation tax rate, drove up current transfers inflows. As a result, current transfer receipts rose by 116.9 percent relative to the corresponding period last year. However,

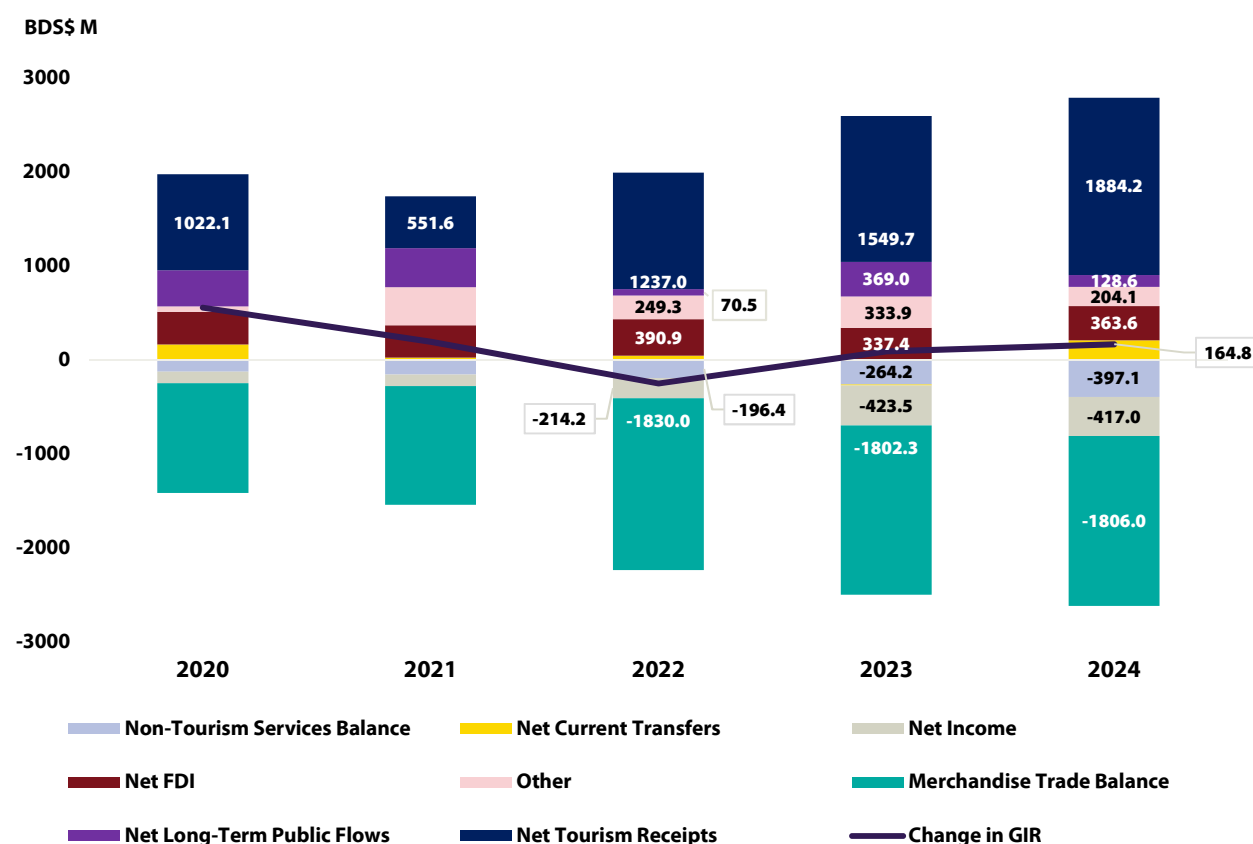
income account outflows increased by 1.8 percent compared to the same period last year, primarily driven by increased public debt-related interest payments.

International Reserves

International reserves reached record highs, providing strong import cover. Reserves reached \$3.2 billion by the end of September 2024, the highest end-September position on record. This level of reserves provides 31.2 weeks of import cover, well above the international benchmark of 12 weeks. Strong tourism inflows and increased current transfers drove the accumulation of reserves, providing a solid buffer against external shocks.

Figure 8: Explanation of Reserve Movements

January – September



Source: Central Bank of Barbados

Fiscal Operations

Improved collection of corporate and property taxes pushed up revenue, which supported higher capital expenditure and a primary surplus at the halfway point of FY2024/25. Direct taxes, particularly relating to corporations and property, accounted for 84.4 percent of the \$385.7 million

increase in revenue collection, while economic activity stimulated indirect tax revenue. Increased borrowing and higher rates on domestic restructured debt increased interest expenditure. Non-interest expenditure grew by \$98.3 million owing to grants to public institutions and capital spending on education, digital transformation, and road rehabilitation. The fiscal surplus at the end of the second quarter of FY2024/25 was \$202.6 million, or 1.4 percent of GDP, while the primary surplus stood at \$581.9 million, or 4 percent of GDP.

Revenue

Corporation and property tax receipts drove up direct taxes to record highs during the first half of FY2024/25. Net corporation tax receipts expanded by \$222.6 million, due to the monthly prepayment schedule and higher corporation tax rates, announced as part of the November 2023³ corporation tax reform measures. The adoption of a new accounting framework for insurance companies,⁴ as well as an increase in the profitability of some multinational enterprises also shored up corporation taxes. The early issuance of land tax bills resulted in property tax growing by \$97.9 million at the end of September 2024. Increases in pay-as-you-earn (PAYE) collections, particularly in the financial & insurance, accommodation & food services, and professional, scientific & technical sectors, led to personal income taxes surpassing their performance in the corresponding period of the last fiscal year.

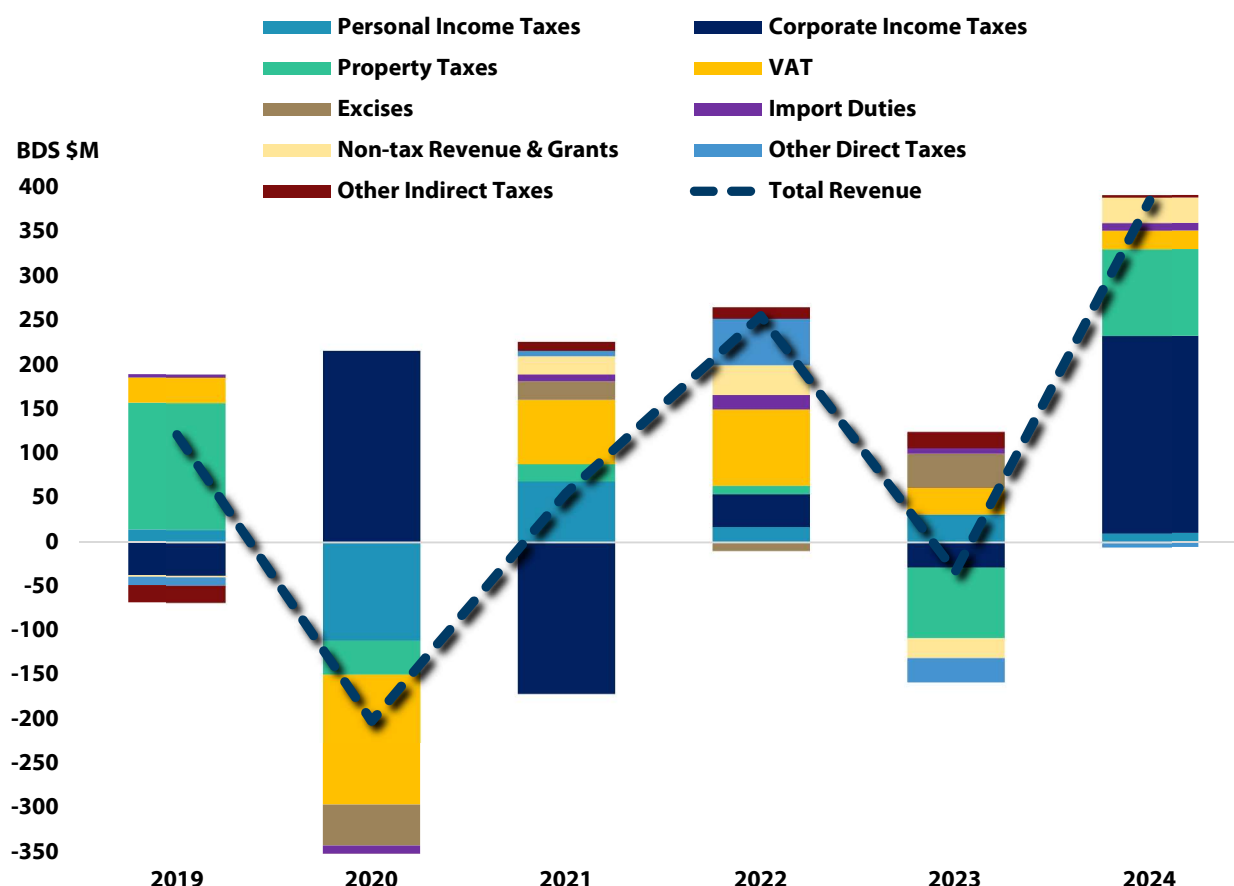
VAT collections continued to drive indirect tax receipts as domestic economic activity burgeoned. The construction of buildings and roads, along with accommodation & restaurant activity, contributed to the \$25.3 million increase in domestic VAT collections. External VAT grew by \$12.2 million, as import values rose. Despite increased VAT refunds, net VAT collections still grew by \$20.9 million over the same period last year. A \$8.9 million increase in import duties also contributed to the indirect tax intake. Non-tax revenue surged by \$28.3 million, on account of increased investment income of \$20.3 million, mainly comprising the receipt of a dividend from the Industrial Credit Fund for Export Barbados (formerly known as the Barbados Investment & Development Corporation, BIDC).

³ Effective January 1, 2024, companies in scope for the GloBE Rules (including the 15 percent global minimum corporate tax rate) were 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 were required to prepay in monthly instalments with effect from January 1, 2025. Prior to the corporation tax reform, all companies were required to prepay 50 percent of the total tax for the previous income year by September 15 if their fiscal period ended between January 1 and September 30, or by December 15 and March 15 if their fiscal period ended between October 1 and December 31, with any balance due by March 15 or June 15, respectively. These companies will now prepay on a monthly basis.

⁴ Due to the implementation of the IFRS17 accounting framework, effective for annual reporting periods beginning on or after January 1, 2023, shifts in the levels of required reserves gave rise to economic benefits which were not previously taxable.

Figure 9: Changes in Major Revenue Categories

April – September



Source: Ministry of Finance

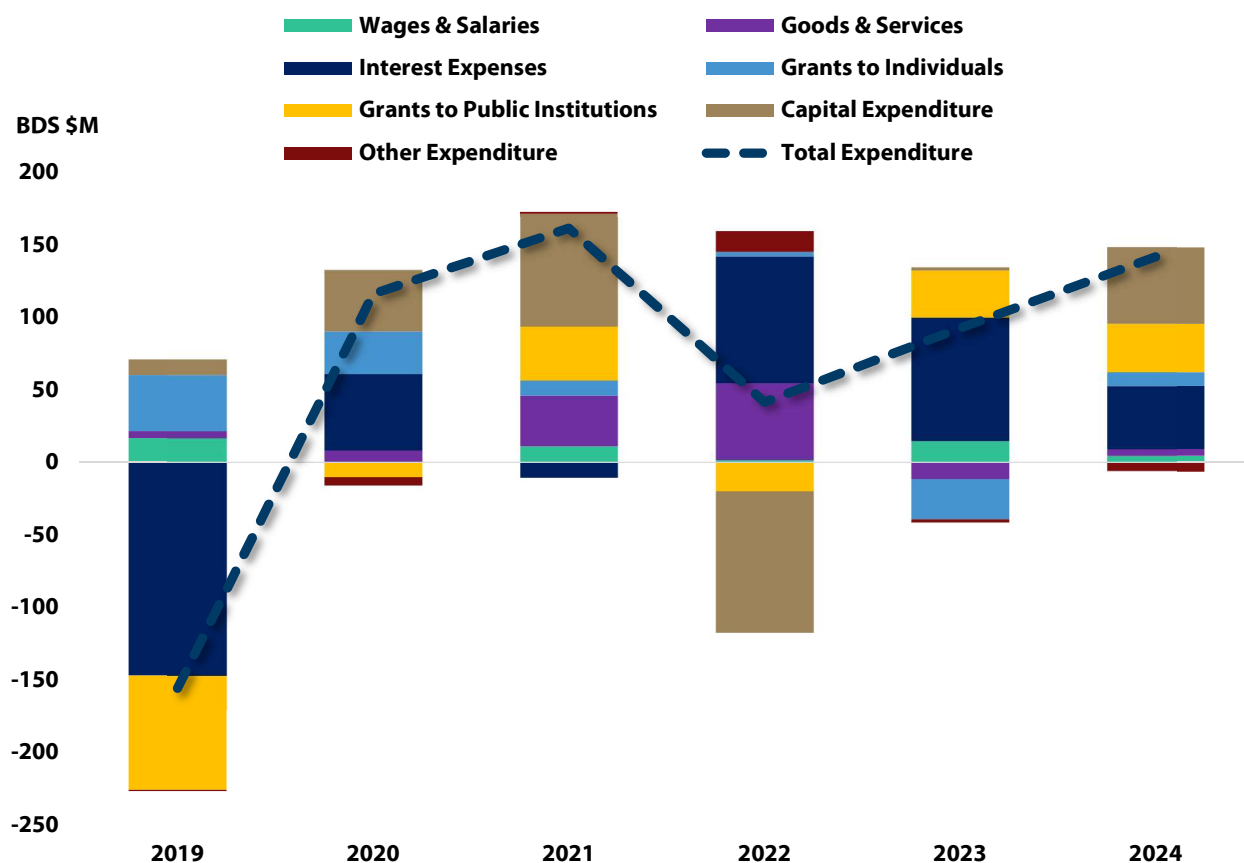
Expenditure

Interest payments remain high, because of the increased rates on domestic restructured debt and new borrowing from the previous fiscal year. At the end of September 2024, external interest payments rose by \$25 million, primarily due to external borrowing in FY2023/24. Likewise, the step-up rates on domestic restructured debt and the accumulation of domestic debt, following the issuance of Treasury Bills and BOSS+ bonds, drove up domestic interest expenses by \$18.4 million.

Grants to public institutions and individuals, resulted in the pick-up of non-interest current expenditure in the first half of FY2024/25. Transfers to the Barbados Revenue Authority, Queen Elizabeth Hospital, and the Barbados Defence Force drove the \$33.3 million increase in grants to public institutions at the end of September 2024. Goods & services rose by \$4.6 million primarily due to higher spending on professional services.

Government increased its investment in education, digital transformation, and road infrastructure. Capital spending, climbed to \$114.5 million at the end of September 2024, some \$52.7 million higher than for the corresponding period in the previous fiscal year. Government transfers to Export Barbados for a digital innovation and health centre, to promote science, technology, and innovation, as well as land acquisitions for the establishment of schools, pushed up capital expenditure. The Mill & Pave programme, which began in FY2023/24, also boosted capital outlays in the early part of FY2024/25.

Figure 10: Changes in Major Expenditure Categories
April – September



Source: Ministry of Finance

Debt and Financing

The higher primary balance reduced Government's gross financing requirement. Government's gross financing requirement for the first half of FY2024/25 amounted to \$187.3 million (representing 1.3 percent of GDP), a significant decline from \$395.6 million (2.9 percent of GDP) during the same period in FY2023/24. A higher primary surplus of \$581.9 million (4 percent of GDP) in 2024, up from \$294.5 million (2.2 percent of GDP) in the prior year, was the main factor behind this reduction. Despite

this, the total financing requirement for the period increased to \$769.2 million (5.3 percent of GDP), up from \$690.1 million (5 percent of GDP) in 2023. This rise reflected higher debt service obligations, which reached \$702 million in 2024, an increase from \$674.4 million in the corresponding period of 2023.

Table 2: Gross Financing Requirement
April–September

	2023		2024	
	\$M	% GDP	\$M	% GDP
Gross Financing Requirement	395.6	2.9	187.3	1.3
Primary Surplus	294.5	2.2	581.9	4.0
Financing Requirement				
(1+2+3+4)	<u>690.1</u>	<u>5.0</u>	<u>769.2</u>	<u>5.3</u>
1. Debt Service	674.4	4.9	702.0	4.8
Amortisation	338.4	2.5	322.7	2.2
Domestic	236.2	1.7	211.8	1.5
Foreign	102.2	0.7	110.9	0.8
Interest	335.9	2.5	379.3	2.6
Domestic	187.7	1.4	206.1	1.4
Foreign	148.2	1.1	173.2	1.2
2. Sinking Fund Contributions	15.8	0.1	15.8	0.1
3. Domestic Arrears Repayment	0.0	0.0	5.0	0.0
4. Other Non-deficit Transactions	0.0	0.0	46.4	0.3

Sources: Central Bank of Barbados and Ministry of Finance

Interest payments grew while amortisation declined during the first half of the fiscal year. Foreign interest payments increased by \$25 million, a result of external borrowings from the previous fiscal year. Additionally, domestic interest expenses expanded by \$18.4 million, from the sales of the Barbados Optional Saving Scheme Plus (BOSS+) securities and treasury bills, as well as the step-up interest rate feature of the restructured domestic bonds. Domestic amortisation dropped by \$24.4 million compared to a year ago, when domestic payments were higher due to the repayment of Series H bonds to the Central Bank. The commencement of principal payments for a policy-based loan, expanded foreign amortisation by \$8.7 million.

In addition to debt service, Government maintained its sinking fund contributions at \$15.8 million during the first six months of FY2023/24 and FY2024/25. Notably, in 2024, the Government also repaid domestic arrears totalling \$5 million and engaged in other non-deficit transactions amounting to \$46.4 million, compared to no such transactions in the first half of 2023.⁵

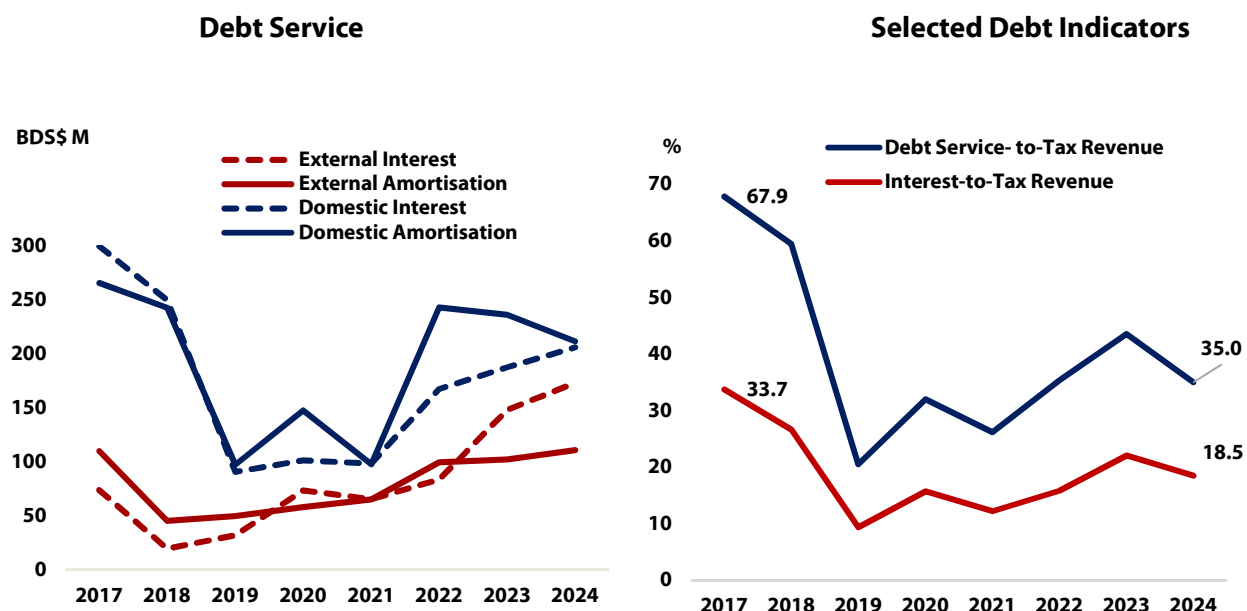
Both the debt service-to-revenue and interest-to-tax revenue ratios improved. Debt service-to-revenue stood at 35 percent, some 8.6 percentage points lower than the figure for the corresponding

⁵ Payments were made to the CARICOM Development Fund and the Development Bank of Latin America.

period in the previous fiscal year, while interest-to-tax revenue stood at 18.5 percent compared to 22.1 percent in 2023. The improvement in these debt indicator ratios stemmed from the growth in revenue and, as at September 2024, remained below the pre-debt rescheduling period.

Figure 11: Debt Indicators

April – September



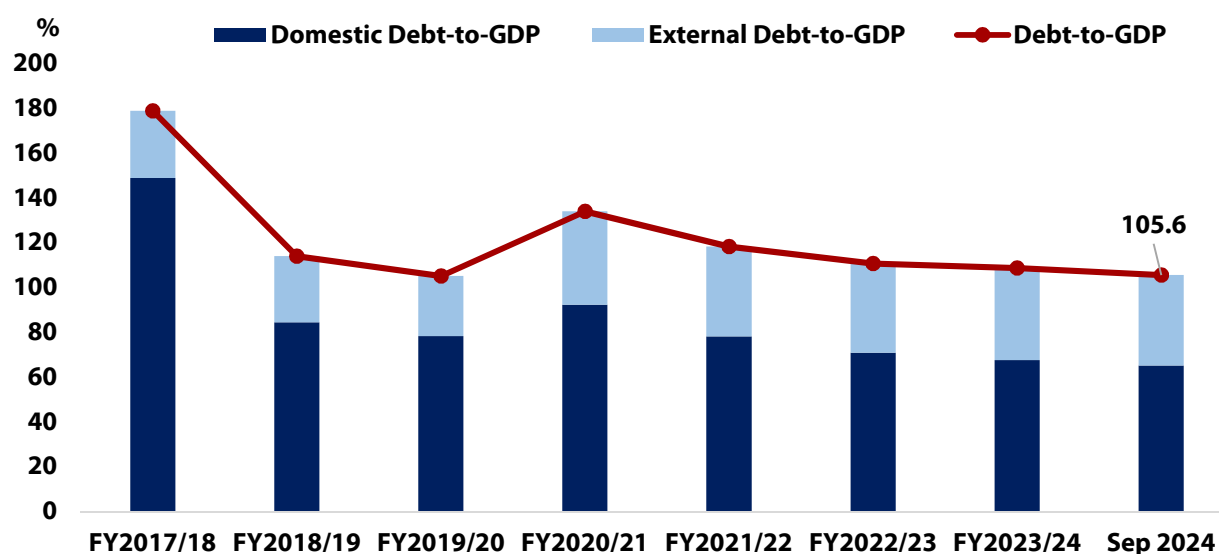
Sources: Central Bank of Barbados and Ministry of Finance

The private sector remained the main holder of new Government securities during the first half of FY2024/25. Net proceeds from treasury bills generated \$111.8 million, with the majority of investment coming from the financial sector. Additionally, BOSS+ bond sales totalled \$29.2 million, with households as the primary holders of these instruments.

Policy-based loans were the primary source of external financing. The International Monetary Fund (IMF) provided \$111.9 million through the Extended Fund Facility and the Resilience and Sustainability Facility, supporting budgetary needs. Further disbursements for the Scotland District Road Rehabilitation Project and Kensington Oval Management Inc. (KOMI) contributed to the public sector's external debt stock over this period.

Public debt-to-GDP continued to decline despite slight growth in the total debt stock. The public sector debt-to-GDP ratio maintained its downward trend, driven by economic growth that reduced the ratio to 105.6 percent. This represents a decline of 3.3 percentage points from the end of FY2023/24 and 3.1 percentage points from September 2023, when the ratio stood at 108.7 percent. Despite this improvement, the total debt stock rose by \$24.5 million during the first half of FY2024/25, as an increase in external debt outweighed a decrease in domestic debt.

Figure 12: Debt-to-GDP



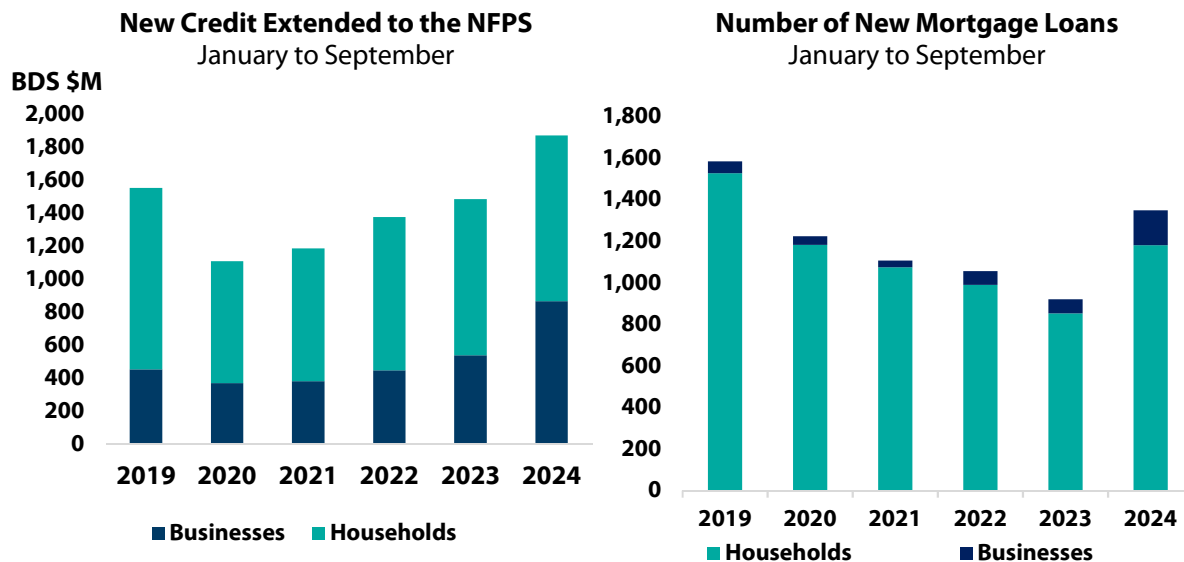
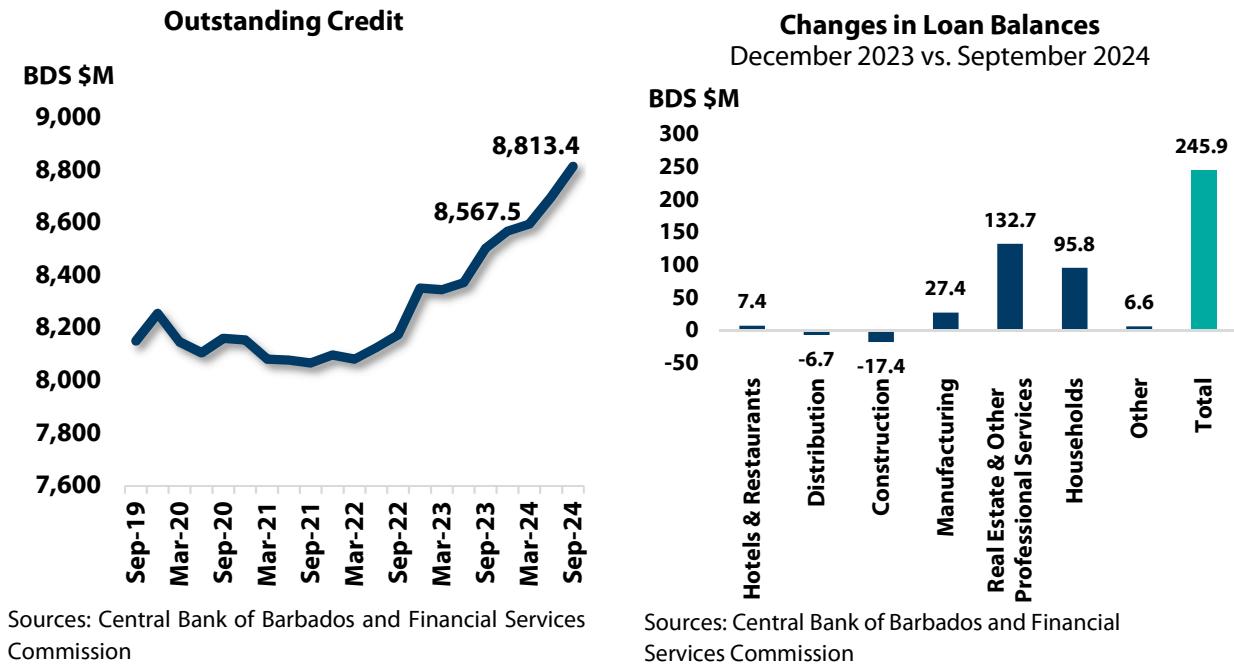
Sources: Central Bank of Barbados and Ministry of Finance

Financial Sector Developments

Conditions in the financial sector remained stable, actively supporting economic activity. Credit balances saw modest expansion, accompanied by continued improvements in credit quality. Total deposits grew, driven by activity in the global business sector and increased tourism output, which contributed to higher system liquidity. Profitability among banks and finance companies declined due to smaller reductions in loan loss provisions and lower net interest income, respectively. Despite this, capital adequacy ratios (CARs) for both banks and finance companies remained well above the regulatory minimum, underscoring the sector's resilience.

Private sector credit expanded at a moderate pace, between December 2023 and September 2024, largely due to renewed activity in the real estate market. Outstanding credit to the non-financial private sector (NFPS) rose 2.9 percent, supported by increased lending to both households and businesses. Business loans grew by 6 percent, driven by greater financing for real estate development projects, a reflection of the sector's ongoing momentum. Household loan balances rose by 1.6 percent, with personal loans and mortgages making up the bulk of credit extended to households.

Figure 13: Credit to the Non-Financial Private Sector

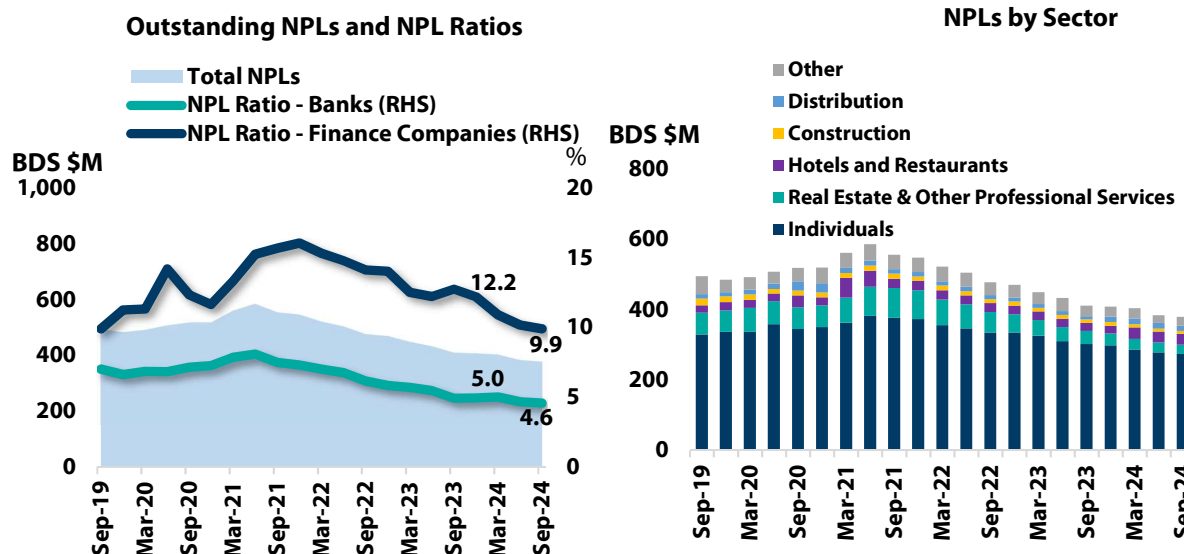


Sources: Central Bank of Barbados and Financial Services Commission

Source: Central Bank of Barbados

Credit quality improved during the first nine months of 2024. Strong labour market conditions and sustained economic activity helped reduce non-performing loan (NPL) ratios for both banks and finance companies. By September 2024, banks and finance companies lowered the total stock of NPLs by 7.3 percent, or \$29.9 million, with the household sector showing the most significant improvement in repayment capacity.

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



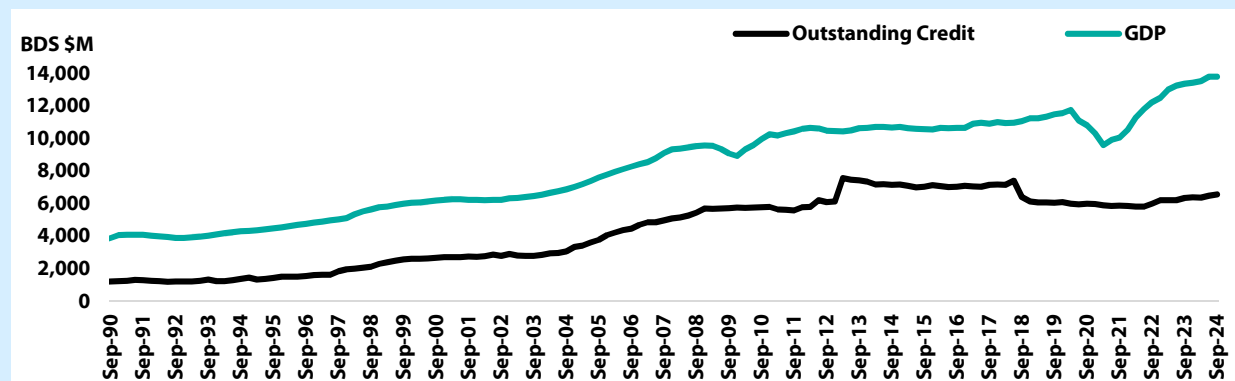
Source: Central Bank of Barbados

Source: Central Bank of Barbados

Exploring Credit-to-GDP Gap Dynamics in Barbados and its Economic Implications

Credit growth plays a critical role in fostering sustained economic expansion. By providing essential financing for businesses to initiate projects, expand operations, and manage operational costs, credit supports overall economic activity. For households, access to credit facilitates consumption, further contributing to the economy. Historically, in Barbados, outstanding credit balances and GDP have moved closely together. During the pandemic, while GDP contracted, credit balances remained stable. By 2022 and 2023, both variables recovered, yet through September 2024, credit expansion appears to have lagged behind GDP growth.

Figure 1: Outstanding Credit and GDP

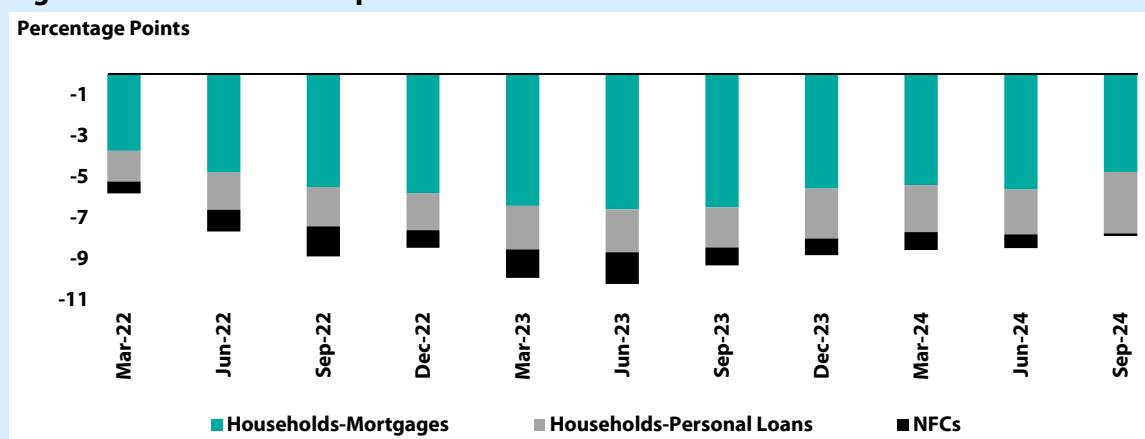


Sources: Central Bank of Barbados and Barbados Statistical Service

Monitoring the credit-to-GDP gap¹—measuring deviations from the long-term trend in the credit-to-GDP ratio—is essential for financial stability. Excessive credit growth increases vulnerability to economic shocks, elevates the risk of loan defaults, and can distort real estate prices. Conversely, credit shortages can hinder economic growth, limiting investment and consumption potential.

Barbados has maintained a largely negative credit-to-GDP gap for the non-financial private sector (NFPS) since 2010, driven by household deleveraging and substantial loan repayments post-pandemic. This negative gap widened further as households reduced mortgage debt, although personal loans have shown slight growth in early 2024, signalling a possible shift in household credit dynamics.

Figure 2: Credit-to-GDP Gap of the NFPS

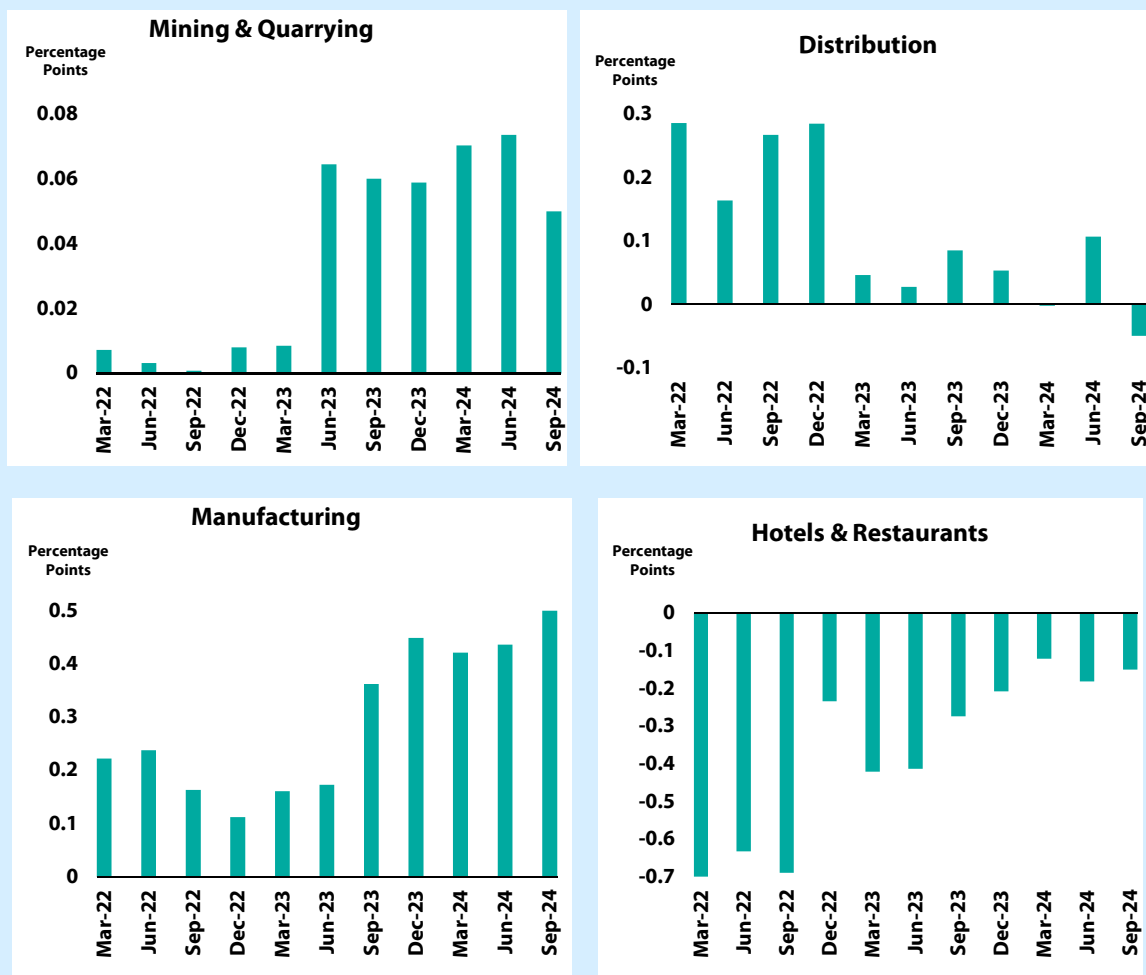


Sources: Central Bank of Barbados' Calculations

Key business sectors have shown promising signs of credit recovery, with the credit-to-GDP gap for non-financial corporations (NFCs) narrowing relative to households. The mining & quarrying, and manufacturing sectors have recorded positive trends, indicating credit growth in these areas as of September 2024. Meanwhile, the hotels and restaurant sector, though still showing a negative credit-to-GDP gap, has seen marked improvement compared to 2022 and 2023. These trends reflect a renewed sense of confidence within productive sectors, signalling optimism for sustained economic activity.

¹ The credit-to-GDP gap is derived by applying the standard one-sided Hodrick-Prescott filter with the smoothing parameter (lambda) set at 400,000 to quarterly observations from 1990 to September 2024.

Figure 3: Credit-to-GDP Gaps by Business Sector

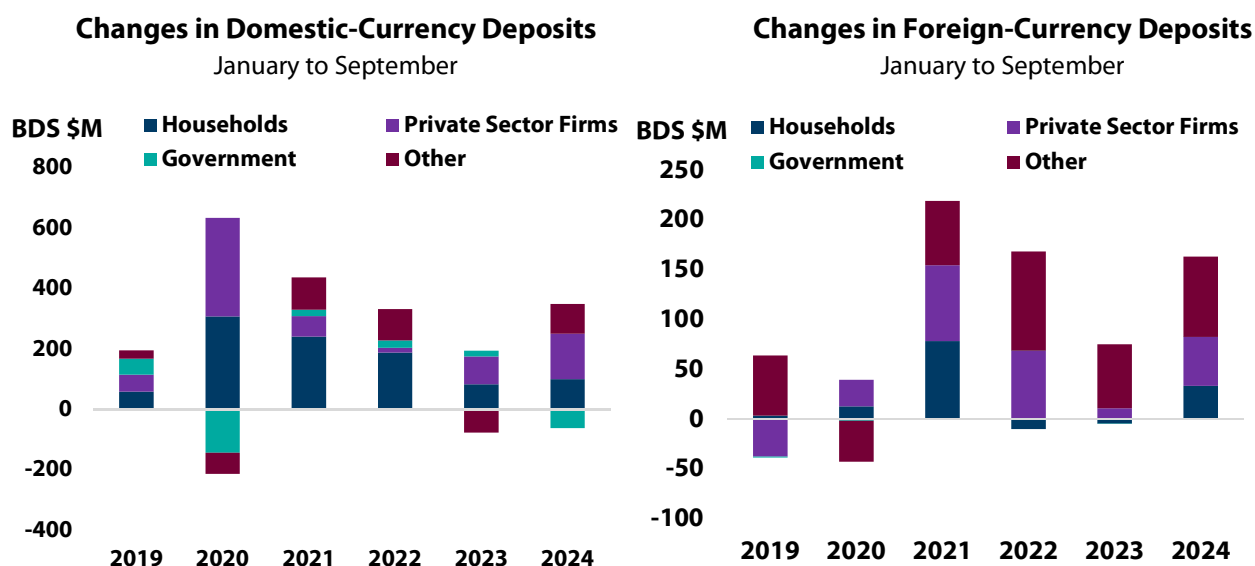


Sources: Central Bank of Barbados, Barbados Statistical Service and Central Bank of Barbados' Calculations

The recent improvements in credit-to-GDP gaps for households and key business sectors signal a favourable outlook for Barbados' credit landscape and economic growth trajectory. Expanding credit access for households and NFCs is expected to bolster long-term growth, with new credit increasingly allocated to property purchases and investments in plant and equipment. In collaboration with the Central Bank, the Government of Barbados is committed to streamlining mortgage lending and supporting sustainable credit growth across sectors, fostering economic resilience and prosperity through balanced credit expansion.

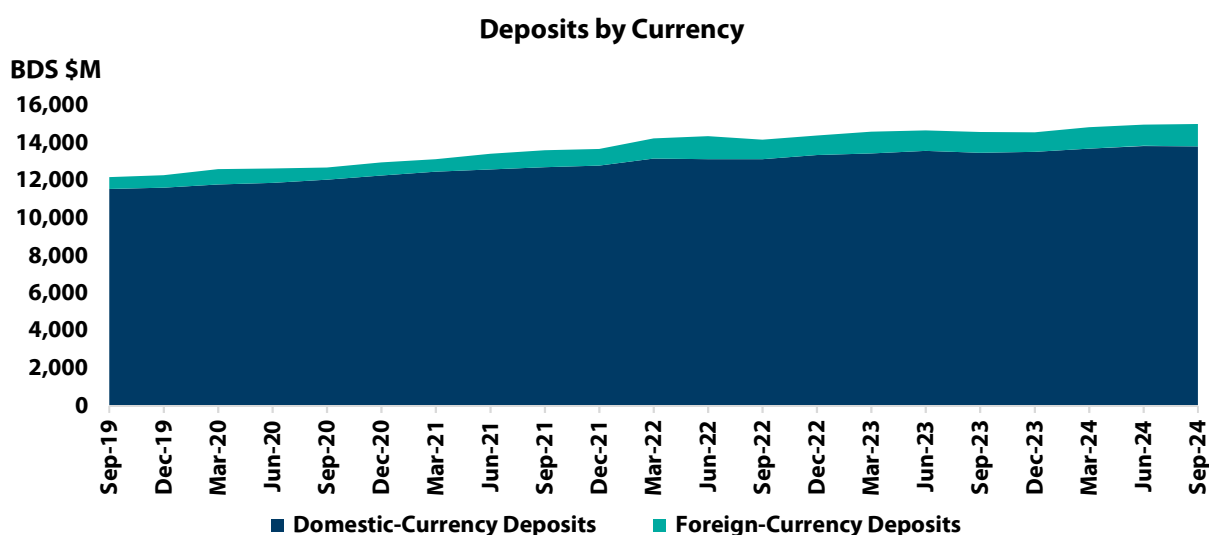
Domestic and foreign-currency deposits grew at an accelerated pace over the first nine months of 2024, fuelled by increased economic activity. Foreign-currency deposits surged by 15.8 percent, compared to last year's 6.8 percent growth, as substantial inflows related to professional services, the global business sector, and tourism drove this double-digit increase. Domestic-currency deposits rose by 2.1 percent, primarily reflecting higher holdings within the real estate and household sectors.

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



Sources: Central Bank of Barbados and Financial Services Commission

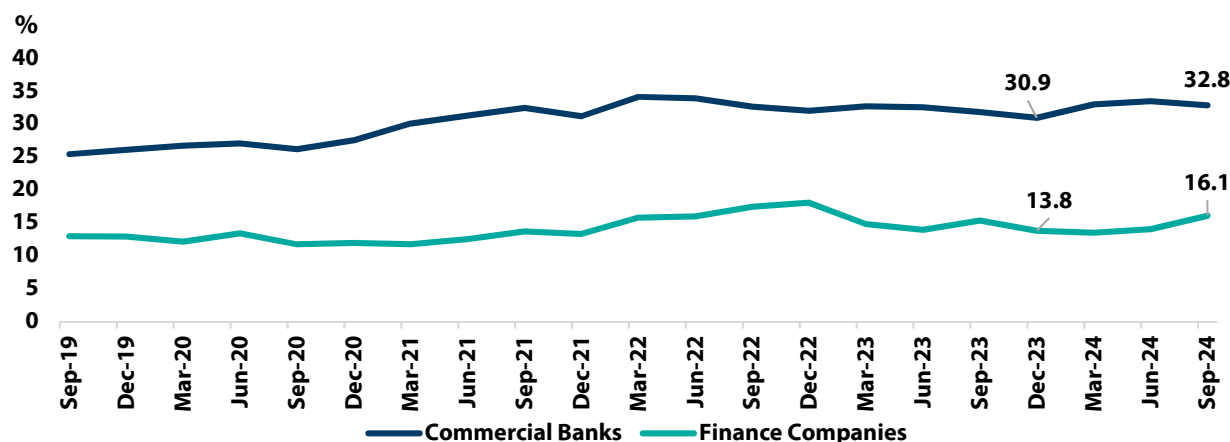
Sources: Central Bank of Barbados and Financial Services Commission



Sources: Central Bank of Barbados and Financial Services Commission

Liquidity in the financial system increased during the first three quarters of 2024. Banks boosted their reserves at the Central Bank of Barbados, with deposit growth serving as the main driver of liquidity. As a result, the banking sector's liquid asset ratio rose by 1.9 percentage points to 32.8 percent. Finance companies also recorded an increase in liquidity, with their liquid asset ratio rising by 2.3 percentage points to 16.1 percent, largely due to higher transferable deposits held at other depository institutions.

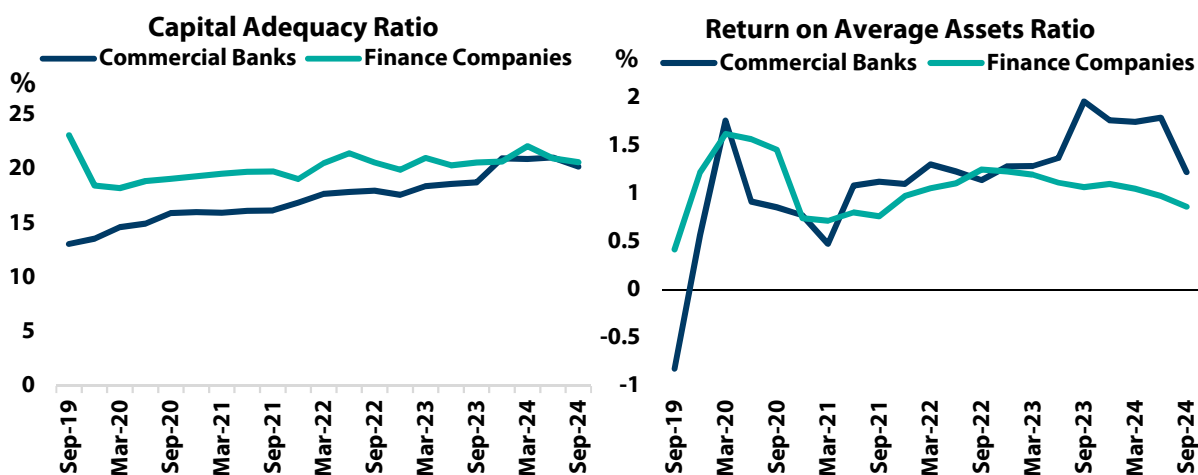
Figure 16: Liquid Asset Ratio



Source: Central Bank of Barbados

Banks and finance companies maintained robust capital buffers, despite lower profitability. In the banking sector, smaller reductions in loan loss provisions (relative to last year) outweighed the gains in net interest income, leading to lower profitability. Even so, the sector registered a Capital Adequacy Ratio (CAR) of 20.2 percent, well above the minimum requirement. Although finance companies registered a reduction in profitability due to lower net interest income compared to the same period last year, the sector maintained a CAR of 20.6 percent.

Figure 17: Capital Adequacy and Profitability



Source: Central Bank of Barbados

Source: Central Bank of Barbados

Impact of Climate Risks on Barbados's Economy

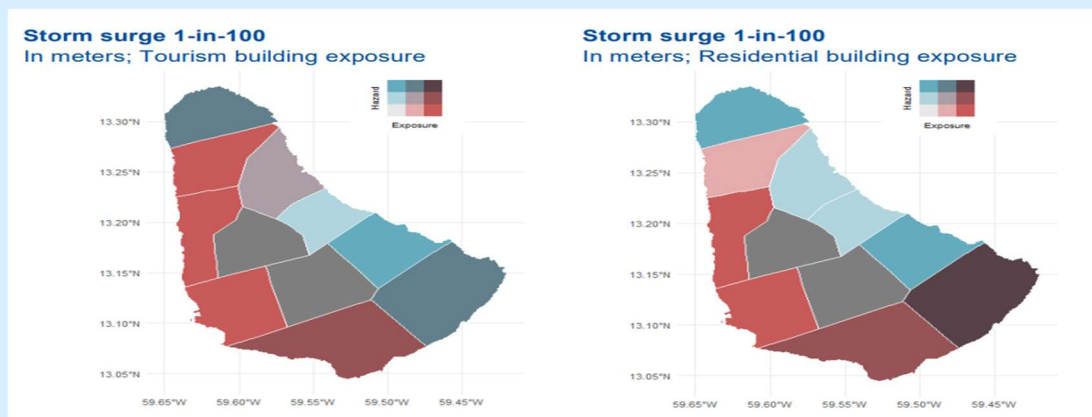
Barbados faces significant vulnerability to climate-related risks, including tropical cyclones, floods, and storm surges, primarily due to its reliance on tourism and coastal infrastructure. The rising intensity and frequency of these hazards, driven by climate change, pose serious threats to the country's economic stability and long-term financial health. Recognising the urgency, the Central Bank of Barbados (CBB), with technical support from the IMF's Caribbean Regional Technical Assistance Centre (CARTAC), has integrated Climate Risk Analysis (CRA) into its economic risk assessment framework, marking an important advancement toward economic resilience.

Economic Impacts of Climate Risks

The CRA integration by the CBB underscores the potential scale of climate-related disruptions to Barbados. High-resolution data from the Coastal Zone Management Unit (CZMU) projects that in a severe scenario, such as a 1-in-100-year storm surge, damage could reach 9.1 percent of total asset exposure, with severe implications for critical sectors like tourism and coastal real estate.

A collaborative map developed by CARTAC and the CBB pinpoints areas at high risk, particularly in coastal zones. This visual assessment highlights aggregate damages to both tourism-related and residential buildings, emphasising the need for focused investment in resilience along the coast, where much of Barbados' GDP and employment generation infrastructure is located (**Figure 1**).

Figure 1: Exposure assessment for storm surge by Parish



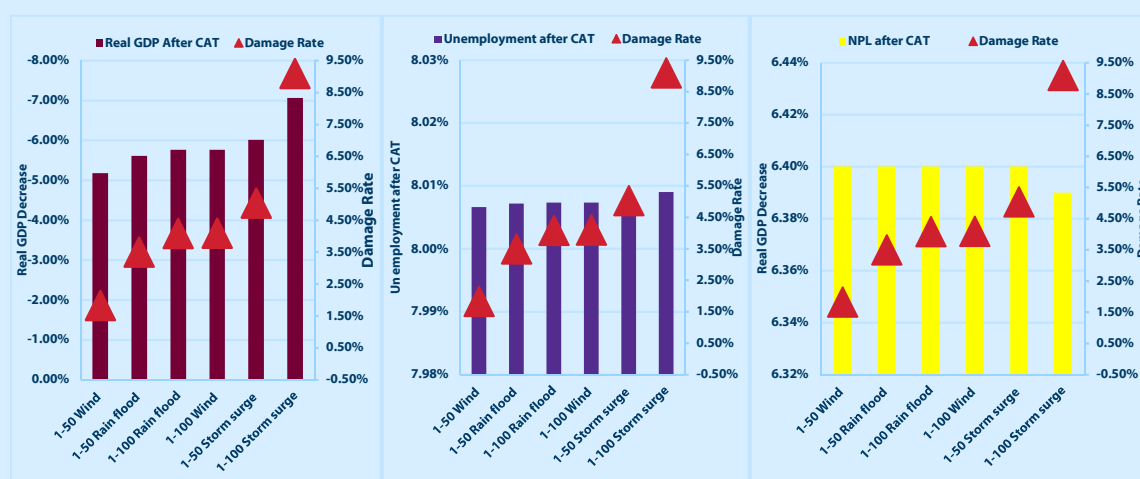
Source: International Monetary Fund (IMF) and Central Bank of Barbados calculations using CZMU data

Key projected macroeconomic impacts of severe climate events include:

- **Gross Domestic Product (GDP):** A 1-in-100-year storm surge could trigger a substantial GDP contraction, potentially reaching 7.1 percent. Such a decline would largely stem from the destruction of capital assets essential for economic production.
- **Unemployment:** Although a severe climate event might initially raise the unemployment rate by a modest 0.05 percentage points, prolonged disruptions in the tourism sector could lead to sustained job losses, impacting household income stability and delay economic recovery.
- **Non-Performing Loans (NPLs):** The financial sector faces heightened risk, with an anticipated increase in NPL ratios following major climate events. While modest, this rise reflects the financial strain on borrowers who may struggle to meet debt obligations after severe disruptions.

These projections underscore the significance of a 1-in-100-year storm surge, with expected impacts on key economic variables like GDP, unemployment, and NPL ratios (**Figure 2**.)

Figure 2: Real GDP, Unemployment and NPL after a Climatic Event



Source: Central Bank of Barbados calculations using CZMU data

Conclusion

The CBB's integration of Climate Risk Analysis within its economic and financial assessments marks a critical step in safeguarding Barbados' economy from escalating climate risks. By closely monitoring macroeconomic indicators—such as GDP, unemployment, and NPL ratios—the CBB is better equipped to anticipate and mitigate the broad effects of climate events. Moving forward, the CBB will enhance CRA methodologies by incorporating updated data and advanced stress testing techniques to bolster economic resilience. Ongoing partnerships with international bodies, such as the IMF, will be essential in sustaining Barbados' proactive climate risk management efforts. With a forward-looking approach, Barbados can more effectively navigate climate challenges, supporting long-term stability and prosperity for its citizens.

Outlook

Barbados' economy is set to maintain its growth momentum through year-end, with real GDP expanding by approximately 3.8 percent. This expansion will be driven by ongoing private and public sector investments, particularly in tourism and utility infrastructure. Additionally, the digitisation of public and private operations is anticipated to enhance efficiencies, reduce costs, and boost productivity across industries. Workforce development initiatives, focused on technical skills enhancement, are also expected to strengthen economic resilience.

The tourism sector shows strong potential for the winter season, with forward bookings for air travel in the fourth quarter up 9 percent over the same period in 2023. The England Cricket tour of the West Indies should boost visitor arrivals, while cruise activity is expected to surpass last year's figures, given an 11.5 percent increase in scheduled cruise calls for the final quarter.

While economic growth prospects remain positive, several downside risks could temper these projections. The October 2024 World Economic Outlook projects steady global growth at 3.2 percent, driven by advanced economies such as the United States and Canada and emerging markets like China and India. However, slower-than-expected global growth may reduce export demand and tourism from key source markets. High airline ticket prices may also dampen tourism demand, limiting the sector's growth. Additionally, climate-related risks remain significant, as increased hurricane, flood, and storm activity could disrupt travel, damage infrastructure, and weaken the agricultural sector.

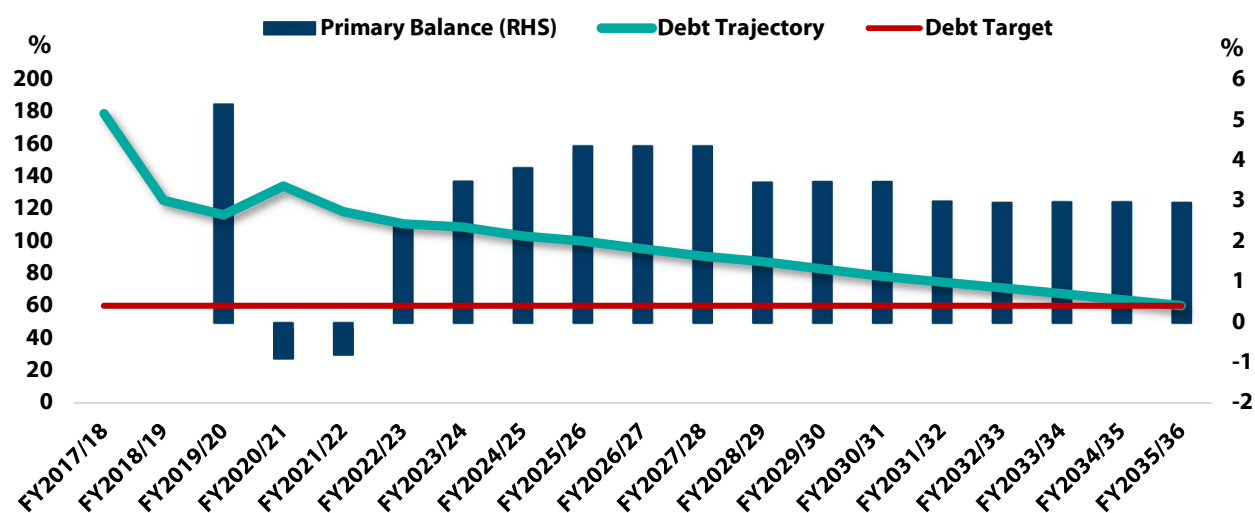
The domestic inflation rate is expected to slow further, with the 12-month moving average stabilising between 2 and 3 percent by year-end. This forecast assumes easing international food and energy prices from their 2022 peaks. However, global challenges—including escalating geopolitical tensions, potential oil price hikes, and disruptions related to the Red Sea crisis and Panama Canal water shortages—could increase freight costs and impact supply chains. Domestically, adverse weather could further strain agricultural output, pushing up local food prices.

The external position is projected to remain strong, backed by solid tourism bookings and FDI inflows from commercial and tourism-related construction projects. These elements are expected to reinforce the country's foreign exchange reserves, supporting sustainable, inclusive economic growth over the medium term.

The Government remains committed to enhancing service provision and business processes. Plans are underway for a central online platform to digitise government services and replace paper-based workflows across departments. This shift is expected to boost productivity, reduce costs, and increase revenue collection through streamlined compliance. Additionally, the use of a unique identifier across the National Insurance and Social Security Service, the Barbados Revenue Authority, and the Customs Department is intended to improve compliance and reduce redundancies.

The debt-to-GDP ratio is expected to continue on its downward trajectory, supported by sustained economic growth and primary surpluses. The target for debt reduction by FY2035/36 remains on track. The recent federal funds rate cut may also yield favourable impacts on external interest rates, potentially reducing government interest expenses.

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



Sources: Central Bank of Barbados and Ministry of Finance

The financial sector is forecasted to remain stable through 2024, with robust capital adequacy levels. Credit is anticipated to grow, underpinned by increased activity in the real estate market and business investment. Loan delinquency rates are expected to decline further amid lower commodity prices and sustained economic activity. While liquidity in the financial system should remain high, an expected increase in imports could moderate deposit growth in the last quarter.

Proactive engagement across all sectors remains essential to navigate challenges and capitalise on emerging opportunities. By prioritising investment in tourism, real estate, education, digitisation, and innovation, Barbados can support sustained growth. Achieving this vision will require coordinated efforts across the public and private sectors, civil society, and international partners to build resilience, enhance living standards, and secure a prosperous future for all Barbadians.

Appendix 1 – Economic Indicators

	2018	2019	2020	2021 ^(p)	2022 ^(p)	2023 ^(e)	Sep 2023 ^(e)	Sep 2024 ^(e)
Nominal GDP (\$ Million) ¹	11,259.8	11,576.6	10,336.7	10,550.5	12,514.6	13,441.5	10,024.8	10,720.5
Real Growth (%)	(1.1)	0.4	(13.7)	(0.2)	16.3	4.2	5.8	3.9
Inflation (M.A., %) ²	3.0	1.7	0.7	1.5	4.3	3.2	3.4	2.4
Unemployment (Annual, %) ³	9.7	10.1	-	14.1	8.4	7.9	8.5	7.7
Gross International Reserves (\$ Million)	999.6	1,481.0	2,660.7	3,058.8	2,770.3	2,999.5	2,858.3	3,164.3
Gross International Reserves Cover, Weeks	12.8	18.6	40.7	40.6	29.2	31.0	29.8	31.2
BoP Current Account (% of GDP)	(4.0)	(1.6)	(4.9)	(10.3)	(9.9)	(8.6)	(9.5)	(5.0)
Total Imports of Goods (% of GDP)	26.6	25.9	27.5	30.1	32.6	29.8	29.5	28.1
Travel Credits (% of GDP)	19.9	22.4	11.6	11.8	14.9	17.2	16.0	18.4
Financial Account (\$ Millions)	862.6	776.4	1,621.6	1,207.6	934.9	1,269.2	958.6	670.0
Gross Public Sector Debt (% of GDP) ⁴	114.1	108.0	124.0	126.6	112.3	109.8	108.7	105.6
Central Government External Debt (% of GDP)	28.4	26.7	38.5	42.5	38.0	40.5	38.7	40.0
External Debt Service to Curr. Acct. Cred.	5.0	3.5	8.9	7.0	7.8	9.4	9.7	9.6
Treasury-Bill Rate ⁵	0.5	0.5	0.5	0.5	0.5	0.8	0.5	1.2
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	5.4	5.5	5.3
Excess Domestic Cash Ratio	16.1	18.5	22.4	26.8	27.0	26.6	27.6	28.6
Private Sector Credit Growth (%) ⁶	0.3	0.9	(1.2)	(0.7)	3.1	2.6	1.8	2.9
Private Sector Credit (% of GDP) ⁶	80.2	71.3	78.9	76.7	66.7	63.7	64.0	62.3
Domestic Currency Deposits (% of GDP) ⁶	111.5	89.3	118.8	121.4	106.9	100.8	101.5	97.9
Fiscal Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Apr-Sep 2023	Apr-Sep 2024
Fiscal Balance (% of GDP)	(0.3)	3.3	(4.5)	(4.3)	(1.9)	(1.7)	(0.3)	1.4
Primary Balance (% of GDP)	3.1	5.4	(0.9)	(0.8)	2.4	3.5	2.2	4.0
Interest (% of GDP)	3.4	2.1	3.6	3.5	4.3	5.2	2.5	2.6
Fiscal Current Account (% of GDP)	1.5	4.9	(1.6)	(0.6)	1.8	1.0	0.3	2.3
Revenue (% of GDP)	26.6	25.3	26.7	25.0	25.8	24.7	11.2	13.1
Expenditure (% of GDP)	26.9	22.1	31.2	29.3	27.7	26.4	11.5	11.7
Non-interest Expenditure (% of GDP)	23.4	20.0	27.6	25.8	23.4	21.2	9.0	9.1
Capital Expenditure (% of GDP)	1.8	1.6	2.9	3.8	3.7	2.7	0.6	0.9
Gov't Interest Payments (% of Revenue)	12.9	8.4	13.4	14.1	16.5	20.9	22.0	19.8

(e) – Estimate

(p) – Provisional

¹ - Central Bank of Barbados and Barbados Statistical Service

² - Twelve-month Moving Average as at August 2023 and 2024

³ - Unemployment Rate for June 2023 and 2024

⁴ - Gross Public Sector Debt = Gross Central Government Debt + Other Public Sector Debt (Guaranteed Contingent Liabilities)

⁵ - 0.5 rate represents the T-bills rolled over at a fixed rate during the 2018 debt restructuring

⁶ - 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)¹

	2019	2020	2021	2022	2023 ^(p)	Sep 2023 ^(p)	Sep 2024 ^(e)
Tradeables	1,628.8	1,082.9	971.6	1,379.6	1,469.2	1,099.2	1,141.5
Tourism	736.2	238.3	206.6	554.6	627.6	450.1	493.0
Agriculture	264.9	307.2	219.1	179.7	196.5	155.3	149.7
Sugar	4.0	4.7	4.7	4.9	5.7	5.7	7.6
Non-Sugar Agriculture	261.0	302.5	214.4	174.8	190.8	149.5	142.1
Manufacturing	627.7	537.3	545.8	645.3	645.0	493.9	498.8
of which:							
<i>Rum & Other Beverages</i>	76.8	76.1	78.1	84.8	87.7	63.8	64.4
<i>Food</i>	116.7	99.3	107.7	113.4	116.4	81.7	83.2
<i>Furniture</i>	12.0	11.5	12.2	12.4	12.7	9.7	9.8
<i>Chemicals</i>	27.4	28.1	27.7	29.6	30.0	21.9	22.0
<i>Other Non-Metallic Mineral Products</i>	136.8	137.9	148.6	163.9	131.5	91.6	92.1
Non-tradeables	7,722.1	6,984.5	7,081.1	7,983.1	8,282.8	6,272.7	6,515.1
Mining & Quarrying	83.5	70.8	65.3	74.4	76.4	56.5	57.9
Electricity, Gas & Water	248.6	238.1	251.6	254.1	260.5	192.6	199.7
Construction	479.3	498.3	487.6	491.1	463.3	348.3	373.3
Distribution	1,625.3	1,384.7	1,359.3	1,699.4	1,734.1	1,283.8	1,325.5
Transport, etc	1,131.0	800.4	919.2	1,076.8	1,122.6	820.8	848.4
Business & Other Services	3,312.6	3,150.7	3,134.6	3,468.1	3,668.8	2,837.0	2,976.6
Government	841.8	841.4	863.5	919.2	957.0	733.6	733.7
Total	9,350.9	8,067.4	8,052.7	9,362.7	9,752.0	7,371.9	7,656.6
Nominal GDP	11,576.6	10,336.7	10,550.5	12,514.6	13,441.5	10,024.8	10,720.5
Real Growth Rates	0.4	(13.7)	(0.2)	16.3	4.2	5.8	3.9
Tradeables	6.1	(33.5)	(10.3)	42.0	6.5	7.4	3.8
Non-tradeables	(0.7)	(9.6)	1.4	12.7	3.8	5.5	3.9

^(p) - Provisional

^(e) - Estimate

¹ - BSS' 2016 Base Year Series

Sources: Barbados Statistical Service and Central Bank of Barbados

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

	2018	2019	2020 ^(p)	2021 ^(p)	2022 ^(e)	2023 ^(e)	Sep 2023 ^(e)	Sep 2024 ^(p)
Current Account Balance	(445.0)	(185.2)	(506.7)	(1,082.8)	(1,237.7)	(1,155.2)	(952.3)	(531.5)
o/w Exports of Goods and Services	4,213.2	4,582.6	2,838.7	2,964.2	3,996.9	4,441.3	3,175.9	3,623.9
o/w Imports of Goods and Services	4,071.6	4,142.4	3,397.3	3,920.7	4,934.5	5,029.9	3,692.8	3,942.9
Merchandise Trade Balance	(1,467.9)	(1,477.7)	(1,605.9)	(1,900.0)	(2,456.1)	(2,423.5)	(1,802.3)	(1,806.0)
Exports of Goods	1,529.8	1,526.0	1,238.1	1,277.4	1,622.2	1,584.2	1,151.0	1,208.8
o/w Domestic	510.2	507.4	449.4	444.3	501.9	480.6	372.4	370.2
o/w Re-exports	385.7	380.8	241.0	237.7	493.4	440.5	323.7	360.2
o/w Net Export of Goods under Merchanting	633.8	637.6	547.6	595.4	626.8	663.0	454.8	478.4
Imports of Goods	2,997.7	3,003.7	2,843.9	3,177.4	4,078.3	4,007.7	2,953.3	3,014.8
o/w Fuel	712.2	728.0	510.6	685.8	1,122.8	1,010.6	749.1	733.2
Services Balance	1,609.5	1,917.9	1,047.3	943.5	1,518.5	1,835.0	1,285.4	1,487.0
Exports	2,683.4	3,056.6	1,600.6	1,686.8	2,374.7	2,857.2	2,024.9	2,415.1
o/w Travel	2,238.8	2,598.1	1,203.2	1,245.7	1,869.9	2,313.9	1,600.2	1,973.3
Imports	1,073.9	1,138.7	553.3	743.3	856.2	1,022.2	739.5	928.1
Income Account Balance	(499.6)	(533.8)	(134.9)	(192.5)	(331.6)	(558.2)	(423.5)	(417.0)
Credits	543.0	565.4	338.7	412.4	460.5	497.0	374.6	395.7
Debits	1,042.6	1,099.2	473.7	604.8	792.1	1,055.2	798.1	812.7
Current Transfers Balance	(87.0)	(91.6)	186.8	66.2	31.5	(8.5)	(11.9)	204.4
Credits	107.0	110.1	396.6	284.4	276.4	253.1	187.3	406.4
Debits	194.0	201.7	209.8	218.2	244.9	261.6	199.2	202.0
Capital Account	50.9	(5.3)	(4.5)	0.5	15.0	(4.9)	(4.0)	2.5
Financial Account	862.6	776.4	1,621.6	1,207.6	934.9	1,269.2	958.6	670.0
Net Foreign Direct Investment	464.8	375.3	509.2	417.8	528.9	449.8	337.4	363.6
All Other Investment Flows	397.8	401.1	1,112.4	789.8	406.0	819.4	621.2	306.4
Net Long-term Public	426.0	371.5	937.7	734.6	123.7	599.4	369.0	128.6
o/w: IMF	101.2	202.5	101.2	0.0	38.0	205.2	68.6	89.4
Net Long-term Private	(3.8)	113.0	251.3	99.5	310.1	256.0	273.0	202.3
Net Short-term	(24.4)	(83.5)	(76.7)	(44.3)	(27.8)	(36.0)	(20.8)	(24.6)
Net Errors & Omissions	121.6	(104.6)	66.9	317.4	189.0	37.1	65.2	(75.2)
Overall Balance	589.9	481.4	1,177.3	442.8	(98.9)	146.0	67.5	65.9
Change in GIR: - increase/+ decrease	(588.3)	(481.4)	(1,179.7)	(398.2)	288.6	(229.3)	(88.1)	(164.8)
BOP change in GIR (-increase/+decrease)	(589.9)	(481.4)	(1,177.3)	(442.8)	98.9	(146.0)	(67.5)	(65.9)
Memorandum Items:								
Gross International Reserves (GIR)	999.6	1,481.0	2,660.7	3,058.8	2,770.3	2,999.5	2,858.3	3,164.3
Gross International Reserves Cover, Weeks	12.8	18.6	40.7	40.6	29.2	31.0	29.8	31.2

^(p) – Provisional

^(e) – 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	Apr-Sep 2023	Apr-Sep 2024 ^(p)
Total Revenue	2,993.6	2,984.2	2,563.3	2,823.8	3,320.0	3,378.0	1,528.9	1,914.6
Tax Revenue	2,812.4	2,771.2	2,387.8	2,646.1	3,110.6	3,205.5	1,445.4	1,802.8
i) Direct Taxes	1,126.9	1,084.7	1,202.9	1,148.2	1,381.2	1,379.8	578.8	904.5
Personal	482.1	454.7	308.1	385.0	393.4	443.4	248.4	258.4
Corporate	355.5	309.0	612.9	450.5	548.8	563.1	177.7	400.4
Pandemic Levy (Individuals)	0.0	0.0	0.0	0.0	13.5	3.7	3.4	0.0
Pandemic Levy (Corporations)	0.0	0.0	0.0	0.0	74.7	0.0	0.0	0.0
Property	161.3	214.7	181.6	205.2	217.0	218.7	82.1	180.0
Financial Institutions Asset Tax	44.6	47.4	45.6	46.2	53.0	53.5	26.5	28.0
Other	83.4	58.9	54.7	61.4	80.8	97.4	40.7	37.8
ii) Indirect Taxes	1,685.6	1,686.5	1,185.0	1,497.9	1,729.5	1,825.7	866.6	898.3
Stamp	10.9	11.4	7.6	13.4	21.6	18.2	6.2	8.3
VAT	940.9	966.9	706.3	884.6	1,022.6	1,095.5	512.5	533.4
Excises	271.2	250.9	154.1	212.3	247.2	228.6	118.6	117.6
Import Duties	213.8	231.6	191.9	220.6	241.9	257.2	123.2	132.1
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	226.2	106.0	106.8
Fuel Tax	68.6	82.1	63.8	70.2	80.9	76.8	36.8	37.8
Room Rate/Shared Accommodation	10.1	28.1	9.5	25.2	40.2	42.4	19.5	20.9
Non-tax Revenue & Grants	181.2	213.0	175.4	177.8	209.4	172.5	83.5	111.8
Non-tax Revenue of which:	161.5	201.3	169.5	159.7	173.4	159.4	78.5	111.1
Foreign Exchange Fee	74.5	79.4	65.2	78.7	94.4	101.1	50.1	52.9
Grants	0.1	11.8	0.0	5.7	20.0	1.0	0.0	0.0
Post Office - Revenue	19.6	0.0	5.9	12.3	16.0	12.1	5.0	0.7
Current Expenditure	2,826.4	2,407.9	2,716.8	2,889.2	3,088.7	3,238.9	1,493.8	1,585.8
Wages & Salaries	811.9	807.4	808.0	834.8	854.6	852.4	427.1	431.7
Goods & Services	356.3	375.5	399.8	493.2	529.0	522.4	228.4	233.0
Interest	384.9	249.7	342.6	398.9	549.2	707.3	335.9	379.3
External	48.0	62.7	144.1	132.4	196.0	308.4	148.2	173.2
Domestic	336.9	187.0	198.5	266.5	353.3	398.9	187.7	206.1
Transfers & Subsidies	1,273.3	975.3	1,166.3	1,162.3	1,155.9	1,156.8	502.4	541.8
Grants to Individuals	362.8	389.2	423.7	454.2	475.0	413.8	196.3	205.8
Grants to Public Institutions	814.8	517.6	657.3	631.8	581.4	661.9	274.0	307.3
Subsidies	51.8	31.8	49.7	33.6	48.2	46.3	10.8	11.1
Subscriptions & Contributions	25.7	20.3	20.3	21.9	23.7	21.1	11.3	7.8
Non-Profit Agencies	18.3	16.4	15.3	20.7	27.7	13.7	9.9	9.8
Capital Expenditure & Net Lending	197.8	191.8	276.1	425.2	476.2	369.6	76.5	126.1
Capital Expenditure	184.9	185.1	278.3	421.6	449.5	357.6	61.8	114.5
Net Lending	12.9	6.7	-2.2	3.6	26.7	12.0	14.7	11.6
Fiscal Balance	(30.5)	384.5	(429.6)	(490.6)	(244.9)	(230.5)	(41.5)	202.6
Primary Balance	354.3	634.2	(87.0)	(91.6)	304.3	476.8	294.5	581.9
Fiscal Balance-to-GDP (%)	(0.3)	3.3	(4.5)	(4.3)	(1.9)	(1.7)	(0.3)	1.4

^(p)-Provisional

Source: Ministry of Finance

Appendix 5 – Government Financing (BDS\$ Millions)

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Apr-Sep 2023	Apr-Sep 2024
Fiscal Balance	(30.5)	384.5	(429.6)	(490.6)	(244.9)	(230.5)	(41.5)	202.6
Arrears Payments	(10.0)	(208.3)	(61.9)	(41.1)	(38.2)	(21.0)	0.0	(5.0)
Other non-deficit transactions	0.0	0.0	0.0	0.0	0.0	(30.3)	(14.6)	(62.2)
Financing	40.5	(176.2)	491.5	531.7	283.1	281.8	56.0	(135.4)
Domestic Financing (Net)	(272.3)	(274.9)	(340.1)	107.0	(240.0)	(247.7)	4.8	(149.0)
Central Bank	(166.4)	164.7	(66.6)	331.6	(132.6)	(174.6)	289.0	261.4
Commercial Banks	82.8	(86.3)	106.6	(24.5)	99.9	131.3	9.4	106.2
National Insurance Board	8.9	(85.2)	(207.9)	15.3	(60.2)	(83.3)	(30.8)	(53.4)
Private Non-Bank	(119.6)	(217.7)	(34.9)	(47.1)	(136.8)	76.2	91.5	(76.9)
Other	(77.9)	(50.4)	(137.3)	(168.3)	(10.4)	(197.2)	(354.3)	(386.3)
Foreign Financing (Net)	312.8	98.7	831.6	424.7	523.2	529.5	51.2	13.6
Capital Markets	0.0	0.0	0.0	0.0	146.5	0.0	0.0	0.0
Project Funds	57.1	64.1	51.2	91.4	94.7	113.1	77.4	12.6
Policy Loans	350.0	150.0	968.1	496.6	483.6	627.6	76.0	111.9
Amortisation	(94.3)	(115.4)	(187.7)	(163.3)	(201.7)	(211.2)	(102.2)	(110.9)

^(p) Provisional

Source: Central Bank of Barbados

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

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 ^(p)	Sep 2023	Sep 2024 ^(p)
Gross Central Government Debt¹	12,755.0	12,322.6	12,819.1	13,310.3	14,224.8	14,872.5	14,419.1	14,867.5
Gross Central Government Debt/GDP (%)	113.3	104.7	133.5	117.8	110.5	108.7	108.4	105.2
Domestic Debt	9,512.9	9,226.4	8,872.7	8,824.1	9,117.9	9,250.0	9,274.6	9,208.7
Short Term	598.4	697.0	708.1	710.1	662.3	822.9	713.5	967.1
Treasury Bills²	495.1	495.1	495.1	495.1	495.1	667.7	497.1	759.4
Central Bank	207.2	207.2	207.2	207.2	207.2	207.2	207.2	207.2
Commercial Banks	285.1	285.1	285.1	285.1	285.1	432.9	285.1	541.2
Other	2.8	2.8	2.8	2.8	2.8	27.6	4.8	11.0
Loans	103.3	201.9	213.0	215.0	167.2	155.2	216.4	207.7
Central Bank	103.3	201.9	213.0	215.0	167.2	155.2	216.4	207.7
Long Term	8,914.5	8,529.4	8,164.6	8,113.9	8,455.6	8,427.0	8,561.1	8,241.6
Bonds	8,621.0	8,358.6	8,083.7	8,091.2	8,051.6	8,047.0	8,169.2	7,879.1
Central Bank	414.4	414.4	414.4	444.4	626.8	626.8	626.8	621.6
Commercial Bank	2,052.5	2,048.0	2,048.8	2,058.3	2,034.2	2,061.5	2,093.0	2,012.5
NIS	2,943.8	2,858.7	2,650.2	2,665.4	2,605.2	2,521.9	2,574.5	2,468.5
Insurance Companies	1,179.6	821.5	815.8	815.1	810.6	782.1	819.1	754.3
Pension Funds	296.6	304.8	311.7	321.9	317.1	315.3	315.5	320.6
Other	1,734.0	1,911.2	1,842.7	1,786.1	1,657.6	1,739.4	1,740.3	1,701.6
Loans & Tax Certificates	0.1	17.9	1.5	0.1	146.6	146.6	146.6	146.6
Commercial Banks	-	17.8	1.4	(0.0)	146.5	146.5	146.5	146.5
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Arrears	293.4	152.9	79.4	22.6	257.5	233.4	245.3	216.0
External Debt	3,242.1	3,096.2	3,946.4	4,486.2	5,106.8	5,622.5	5,144.5	5,658.8
Long Term	3,242.1	3,096.2	3,946.4	4,486.2	5,106.8	5,622.5	5,144.5	5,658.8
International Bonds	1,161.4	1,137.9	1,072.9	1,072.9	1,070.7	1,069.3	1,070.0	1,068.6
Bilateral	204.4	242.9	244.4	312.6	376.3	384.9	403.0	369.1
Multilateral	1,292.5	1,431.1	2,381.3	2,882.4	3,323.3	3,861.0	3,349.5	3,929.1
IMF (Budget Support)	-	-	368.2	464.8	530.8	744.7	593.8	878.2
Commercial	421.2	237.0	247.8	218.3	336.5	307.2	322.0	292.1
Arrears	162.6	47.3	-	-	-	-	-	-
Other Public Sector Debt (Guaranteed Contingent Liabilities)	98.3	57.9	51.9	46.0	36.2	26.3	29.3	55.8
Domestic Debt	-	-	-	-	-	-	-	-
External Debt	98.3	57.9	51.9	46.0	36.2	26.3	29.3	55.8
Long Term	98.3	57.9	51.9	46.0	36.2	26.3	29.3	55.8
Bonds	65.4	31.1	31.1	31.1	26.0	23.3	23.3	21.4
Multilateral	32.9	26.8	20.9	14.9	10.2	3.0	6.0	2.4
Other	-	-	-	-	-	-	-	32.0
Gross Public Sector Debt³	12,853.3	12,380.5	12,871.1	13,356.3	14,261.0	14,898.8	14,448.3	14,923.3
Gross Public Sector Debt/GDP (%)	114.1	105.2	134.0	118.2	110.8	108.8	108.7	105.6

^(p) -Provisional

¹ Gross Central Government Debt = Domestic Debt + External Debt

² Treasury Bills - Inclusive of Treasury Bills held for a fixed period

³ 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)

	2018	2019	2020	2021	2022	2023	Sep 2023	Sep 2024 ^(p)
Monetary Authorities								
Net International Reserves	832.5	1,130.8	2,195.0	2,594.6	2,354.5	2,560.2	2,404.3	2,742.8
Monetary base	2,659.0	2,938.8	3,551.8	4,132.8	4,389.2	4,401.1	4,466.7	4,425.7
Net Domestic Assets	1,788.8	1,761.6	1,296.2	1,479.0	1,978.4	1,738.7	1,960.5	1,577.0
Deposit-taking Institutions¹								
Credit to Public Sector ²								
Central Government (net)	1,896.4	1,886.7	2,056.5	2,100.1	2,249.8	2,418.0	2,402.9	2,650.1
Rest of the Public Sector	107.9	65.0	85.3	144.5	157.1	142.6	158.6	112.8
Credit to Rest of Financial System	274.5	255.7	262.8	246.3	288.8	298.0	311.5	304.8
Credit to the Non-Financial Private Sector ³	8,179.1	8,254.4	8,153.7	8,096.8	8,350.7	8,567.5	8,503.0	8,813.4
Total Deposits	11,967.1	12,284.6	12,976.2	13,697.0	14,413.4	14,582.5	14,599.9	15,031.9
Transferable Deposits ⁴	9,844.5	10,394.3	11,178.9	11,855.8	12,643.9	12,900.2	12,912.9	13,269.5
Non-Transferable Deposits	2,122.6	1,890.3	1,797.3	1,841.1	1,769.4	1,682.3	1,687.0	1,762.4
Memo Items								
Domestic Currency Deposits	11,365.1	10,337.2	12,283.2	12,809.9	13,376.8	13,547.9	13,493.2	13,834.3
Foreign Currency Deposits	602.0	576.2	693.0	887.0	1,036.5	1,034.6	1,106.7	1,197.6
Banking System Financial Stability Indicators⁵								
Capital Adequacy Ratio (CAR)	13.8	13.5	16.0	16.8	17.6	20.9	18.7	20.2
Loan to Deposit Ratio	63.0	61.7	57.1	53.0	53.1	54.3	53.7	54.2
Liquid Assets to Total Assets	25.9	26.0	27.5	31.1	32.0	30.9	31.8	32.8
Non-Performing Loans Ratio	7.4	6.6	7.3	7.3	5.9	5.0	4.9	4.6
Provisions to Non-Performing Loans	67.3	59.4	62.0	60.3	53.1	54.1	56.1	46.3
Return on Average Assets (12-month)	(0.2)	0.6	0.8	1.1	1.3	1.8	2.0	1.2

^(p) - Provisional

¹ Comprises Commercial Banks, deposit-taking Finance & Trust Companies and Credit Unions

² Reflects both security holdings and loans.

³ Does not include credit to the non-resident sector

⁴ These comprise of call deposits, demand deposits and savings deposits with unrestricted withdrawal privileges

⁵ Data on commercial banking sector

Source: Central Bank of Barbados