



Press Release

Review of Barbados' Economic Performance:

January to March 2025

Solid Foundations, Strategic Focus: Investing in Barbados' Economic Future



Overview

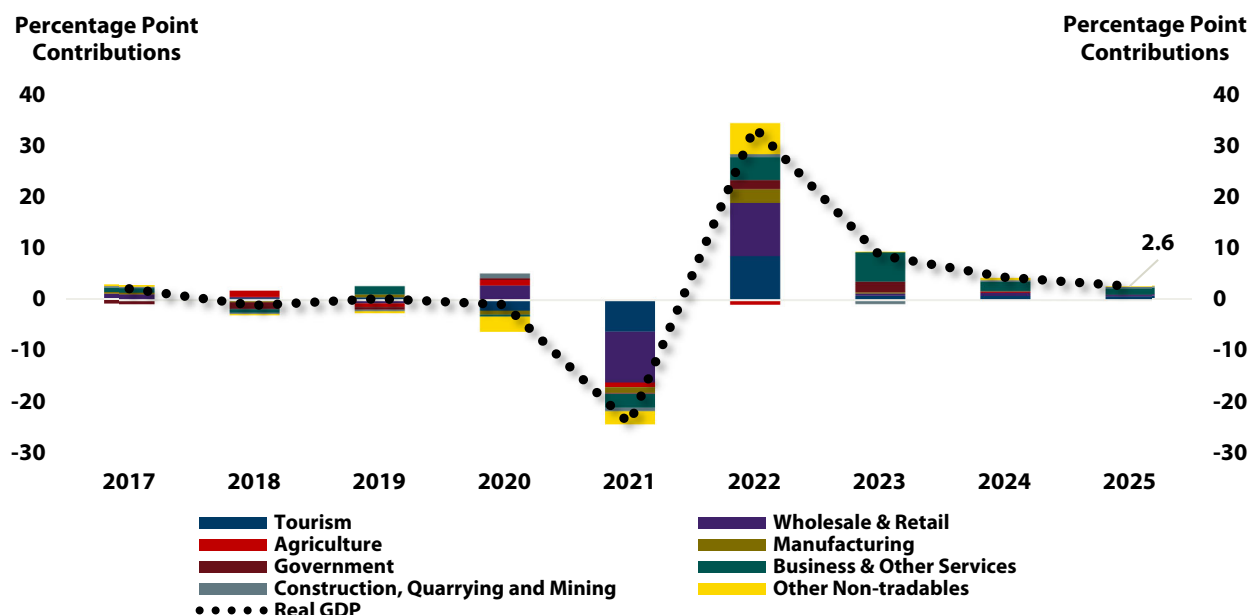
KEY INDICATORS: January to March 2025

Real GDP Growth 2.6 percent	Inflation¹ 0.9 percent	Unemployment² 7.1 percent	International Reserves \$3.4 billion
Current Account Deficit \$52.6 million	Primary Surplus (FY) \$662.8 million (4.6 percent of GDP)	Fiscal Balance (FY) -\$87.1 million (-0.6 percent of GDP)	Gross Public Sector Debt 102.8 percent of GDP

Barbados maintained its economic growth momentum in the first quarter of 2025. Real GDP increased by an estimated 2.6 percent, led by strong performances in tourism, business services and construction. Inflation continued its downward trend despite elevated global trade tensions. Unemployment claims fell during January and February, but temporary hotel closures in March, linked to major renovation projects, reversed this gain. Economic growth, together with stronger fiscal outcomes for FY2024/25, contributed to a further reduction in the debt-to-GDP ratio.

Figure 1: Real GDP Growth and Sectoral Contributions

January – March



Sources: Barbados Statistical Service and Central Bank of Barbados

Gross international reserves increased, supported by private capital inflows. Reserves rose by \$194.6 million to reach \$3.4 billion at the end of March 2025, equivalent to 32.4 weeks of import cover.

¹ Moving-average inflation rate for February 2025.

² Unemployment as at end-September 2024.

Although the current account deficit widened due to higher merchandise imports and income outflows, stronger private investment, particularly in tourism-related projects, more than offset those pressures.

Government met its fiscal targets for FY 2024/25 supported by stronger revenue collections and controlled spending. The primary surplus reached \$662.8 million, or 4.6 percent of GDP, for the fiscal year. Corporation tax collections increased significantly, reflecting structural reforms and improved corporate profitability. Despite higher capital outlays and interest costs, the fiscal deficit narrowed to \$87.1 million, or 0.6 percent of GDP.

The financial system remained stable and continued to support credit growth. Capital buffers remained well above regulatory requirements, non-performing loans (NPLs) declined, and liquidity levels stayed elevated. Credit to businesses and households increased, supported by strong deposit growth, ample liquidity, and sustained profitability in the banking sector.

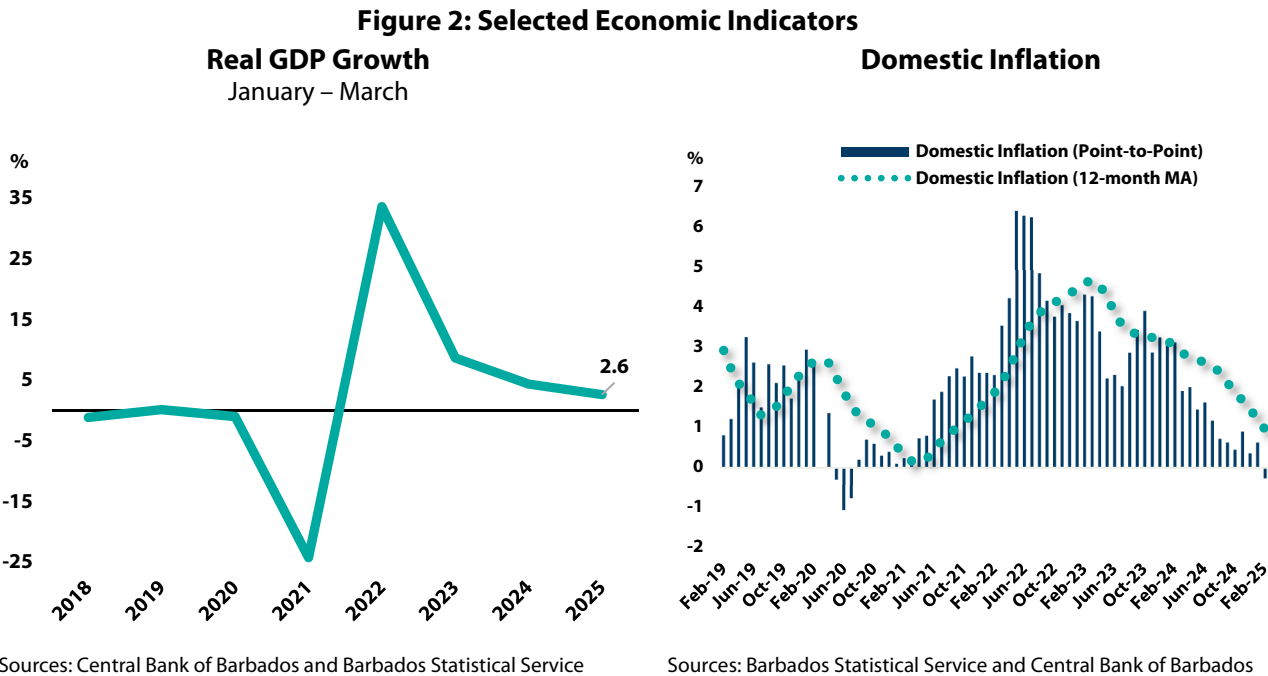
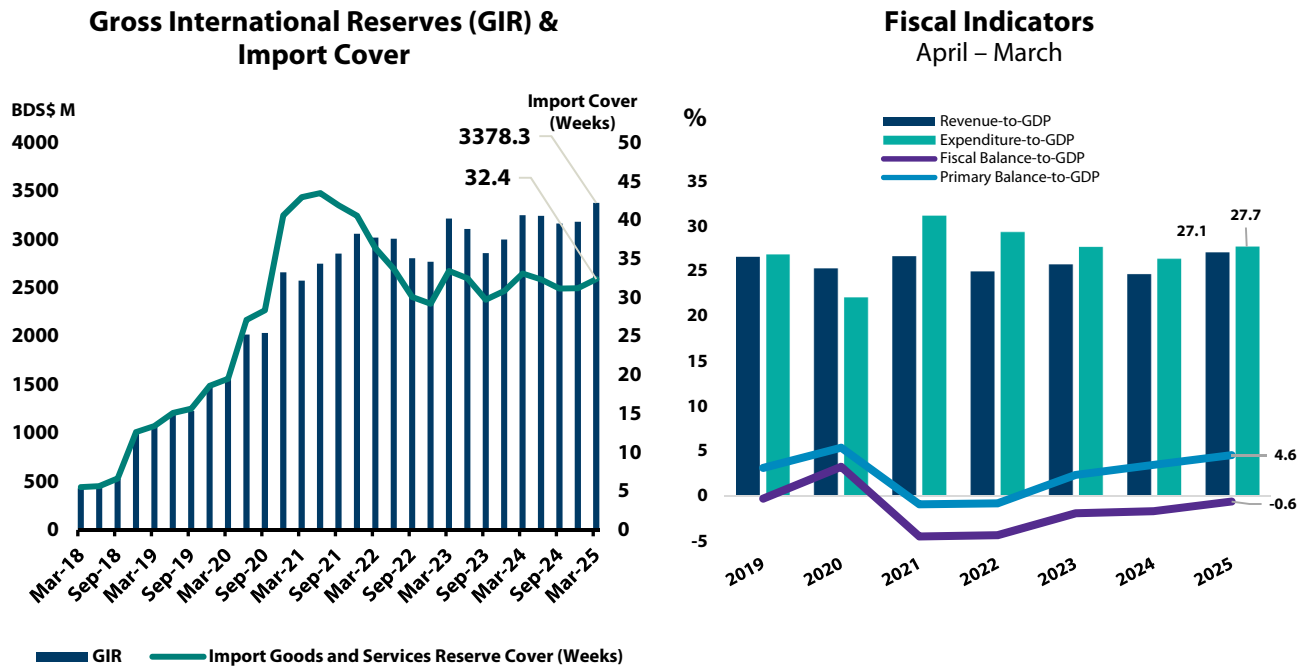


Figure 2 Cont'd: Selected Economic Indicators



Source: Central Bank of Barbados

Source: Ministry of Finance

Economic Activity

Traded sector activity led economic growth in the first quarter. Real GDP increased by an estimated 2.6 percent, driven by expansions in tourism, business services, and construction. The traded sector registered growth of 4 percent, supported by strong cruise and long-stay visitor arrivals, while agricultural output declined due to adverse weather. The non-traded sector expanded by 2.4 percent, reflecting continued investment by both private and public sectors.

Tourism

Long-stay performance strengthened, supported by key source markets. Long-stay arrivals increased by 2.4 percent, with the United States market recording a 13 percent increase, supported by expanded service from Boston and New York as well as new routes from Atlanta and Philadelphia. European arrivals climbed by 13.9 percent, aided by targeted marketing efforts, while arrivals from Canada and the CARICOM market had modest growth of 1.4 and 2.9 percent, respectively. Lower seating capacity from the United Kingdom contributed to a 7.2 percent decline in arrivals from that market.

Accommodation performance strengthened across both traditional and alternative platforms.

Hotels recorded their highest quarterly revenue earnings since Q1 2008, driven by strong winter demand. A 2.3 percent reduction in available hotel stock, due to ongoing renovations by major tourism operators, helped push occupancy rates higher. Average hotel occupancy rose by 3.5 percentage points to 80.5 percent, while average daily rates increased by 18.4 percent, lifting revenue per available room (RevPAR) by 23.8 percent year-on-year. In the sharing economy, occupancy improved by 4.3 percentage points to 73.9 percent, but lower pricing led to a 2.2 percent decline in RevPAR.

Table 1: Tourism Arrivals by Source Market

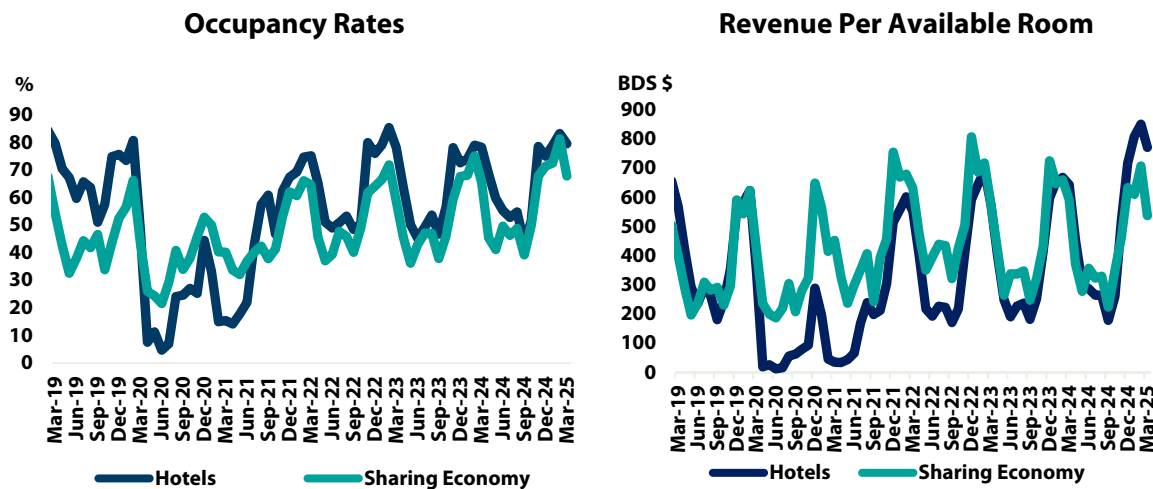
January - March

Major Markets	Average (2017-2019)	2021	2022	2023	2024	2025	Absolute Change (2024/25)	2025 as % 2017-19 Arrivals
United States	53,609	2,434	32,305	38,360	56,609	63,954	7,345	119.3
Canada	34,725	910	16,040	28,807	34,855	35,348	493	101.8
United Kingdom	72,676	1,672	91,446	97,750	97,568	90,546	(7,022)	124.6
Other Europe	13,545	493	10,386	12,855	11,416	12,998	1,582	96.0
CARICOM	20,210	1,302	9,299	16,009	20,213	20,808	595	103.0
Other	6,279	385	4,707	5,536	8,167	10,656	2,489	169.7
Total Arrivals	201,044	7,196	164,183	199,317	228,828	234,310	5,482	116.5
In-transit Cruise Arrivals	292,045	0	94,378	242,657	281,172	385,468	104,296	132.0
Total Cruise Calls	218	4	178	211	226	225	(1)	103.4

Source: Barbados Statistical Service

Cruise tourism reached a historic peak. In-transit cruise passenger arrivals increased by 37.1 percent to reach 385,468 visitors, the highest level on record for a first quarter. Total cruise calls numbered 225, consistent with the same period in 2024. Compared to pre-pandemic levels, cruise passenger arrivals expanded by 32 percent, reinforcing the sector's robust recovery.

Figure 3: Accommodation Indicators



Sources: CoStar and AirDNA

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Global Business Sector

Foreign currency permit issuance rose despite a slowdown in wages and employment within the global business sector. Authorities issued 433 foreign currency permits during the first quarter of 2025, an increase of 22.7 percent (80 additional permits) compared to the same period in 2024. Renewals rose by 69 permits, while new issuances climbed by 11 permits. These trends signalled growing confidence in Barbados as a jurisdiction for cross-border financial operations. However, preliminary data up to February 2025 showed a marginal 0.6 percent drop in average salaries and a 19 percent contraction in employment levels, suggesting lower staffing in the sector. Recent adjustments to the foreign currency permit framework are expected to widen eligibility and enhance Barbados' global business competitiveness.

Other Traded Activity

Unfavourable weather conditions dampened agricultural performance. Food crop production grew by 2.6 percent, as expansions in root crop harvests offset declines in fruits and vegetables. Root crop output rose by 23.9 percent, driven by higher yields of yam and cassava. In contrast, fruit and vegetable production fell by 9.1 percent, with notable reductions in chives, plantains, beans, and watermelons. Despite importing 180 pregnant heifers in December 2024, milk production decreased by 16.8 percent, due to equipment issues and animals not yet achieving peak productivity.

Recovery in fisheries continued, while poultry and beef output edged upward. The fishing industry continued its recovery from Hurricane Beryl during the quarter, with 250 boats returning to active duty, representing 80.1 percent of the total active pre-hurricane fleet. Nevertheless, fish landings declined by 34.5 percent, worsened by sargassum influxes. Conversely, chicken and beef production increased by 2.2 percent and 0.4 percent, respectively.

Manufacturing

Manufacturing output remained flat. Overall activity edged down by 0.1 percent, as declines in furniture (6.3 percent) and other manufactured goods (4.4 percent) offset growth in food (3.8 percent) and beverage (9.9 percent) production.

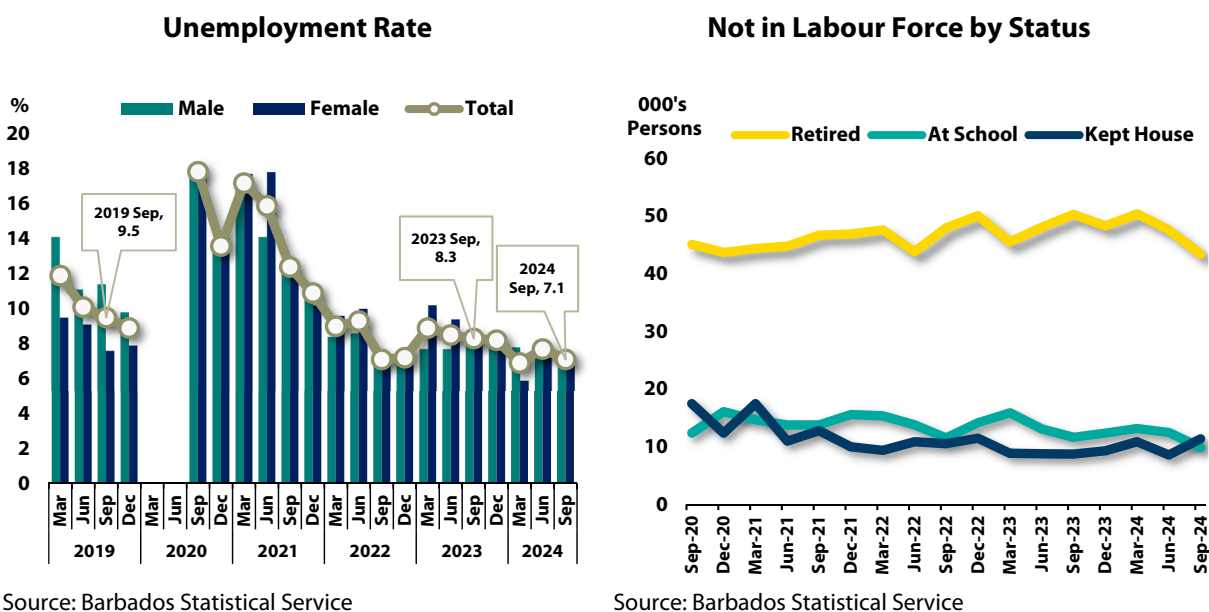
Non-traded Activity

Non-traded sectors expanded, led by construction and business services. Real value-added in the non-traded sector increased by an estimated 2.4 percent. Construction rose by 6.4 percent, supported by strong private and public sector investment in projects such as Royalton, Pendry, Apes Hill Villas, residential and condominium developments, and road works. Business & other services grew by 3.4 percent, driven by higher demand for legal, travel, recreational, and financial services. Wholesale & retail trade expanded by 1.7 percent, reflecting increased consumer demand for food, beverages, household appliances, and motor vehicle parts. Electricity, gas, and water output increased by 2.6 percent, due to higher consumption across residential, commercial, and industrial users, including ports, tourism-linked enterprises, and medical facilities.

Labour Market

Labour market activity eased during the first quarter. Jobless claims declined by 6.9 percent in January and February compared to the same period last year, but temporary layoffs in March, linked to hotel renovations, led to a 3.1 percent rise in claims for the quarter overall. The unemployment rate stood at 7.1 percent as of September 2024, down from 8.3 percent a year earlier. Net job creation reached approximately 9,000, led by gains in tourism, construction, and transport & communications. The labour force grew by about 7,900 persons, reflecting fewer retirements and a drop in enrolment in education or training programmes.

Figure 4: Selected Labour Market Indicators

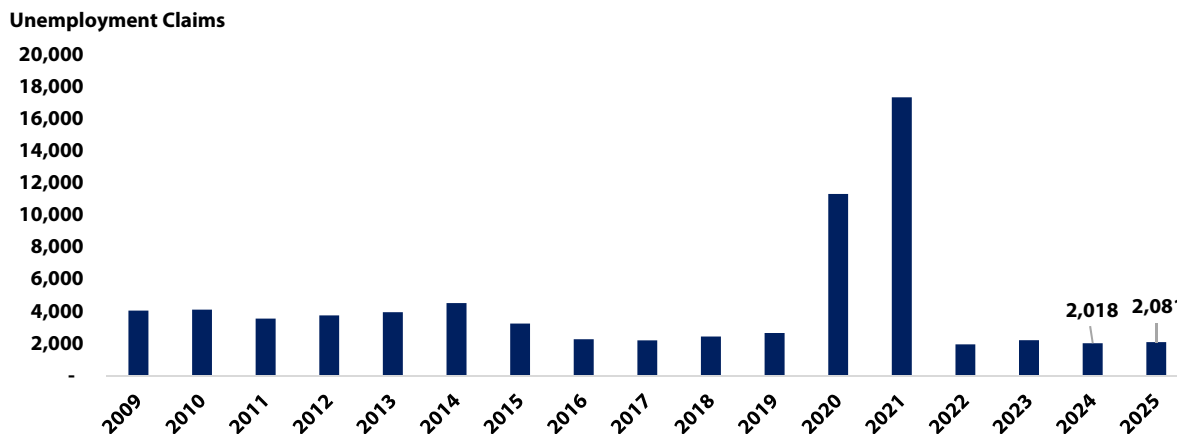


Source: Barbados Statistical Service

Source: Barbados Statistical Service

Unemployment Claims

January – March

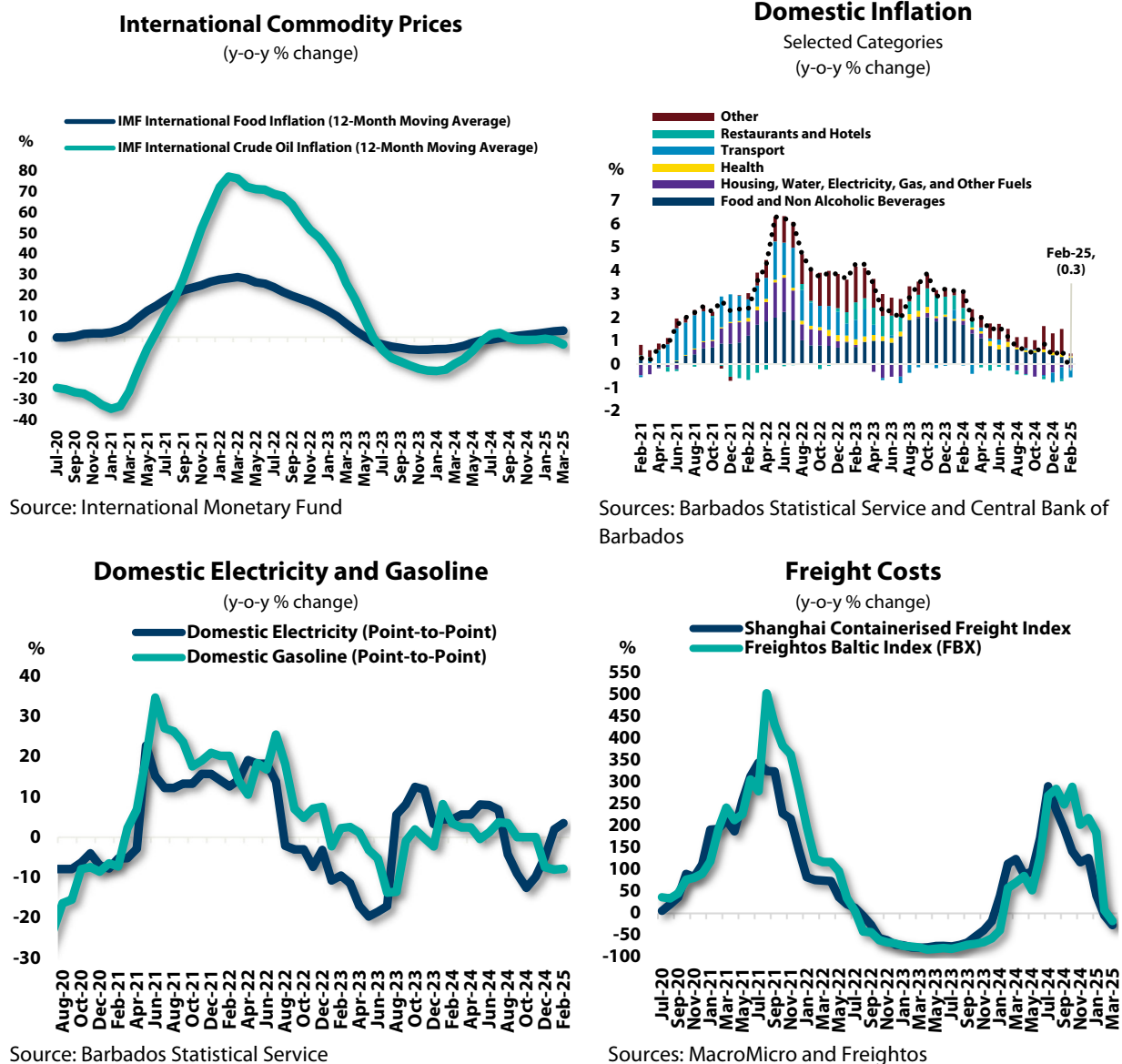


Source: National Insurance and Social Security Service

Prices

Inflationary pressures eased further during the first quarter. As of February 2025, the 12-month moving average inflation rate declined to 0.9 percent, while point-to-point prices fell by 0.3 percent, reflecting mild deflation. Lower domestic prices for clothing, furnishings, and recreational goods contributed to easing inflation. Declines in international oil and food prices, particularly cereals, also helped moderate price pressures. Additionally, international freight costs decreased from the elevated levels recorded during 2024.

Figure 5: Domestic and International Price Developments

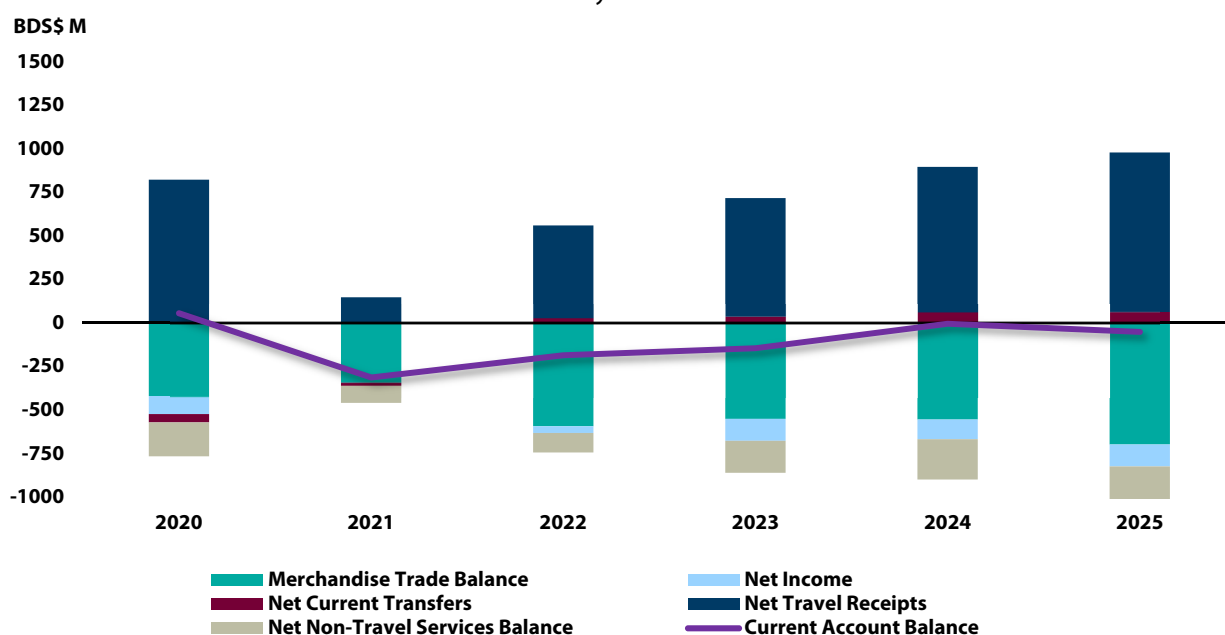


External Position

Barbados' external position remained stable during the first quarter of 2025, despite significant import growth. The current account deficit widened to \$52.6 million, compared to \$5.6 million during the same period in 2024, driven by increased deficits on merchandise trade and income accounts, despite improved tourism receipts. The financial account contracted by \$22.1 million, driven by lower net public sector inflows, though private investment, particularly in tourism-related projects, remained strong. Gross international reserves increased by \$194.6 million to reach \$3.38 billion at the end of the first quarter, equivalent to 32.4 weeks of import cover.

Figure 6: Current Account Balances

January – March

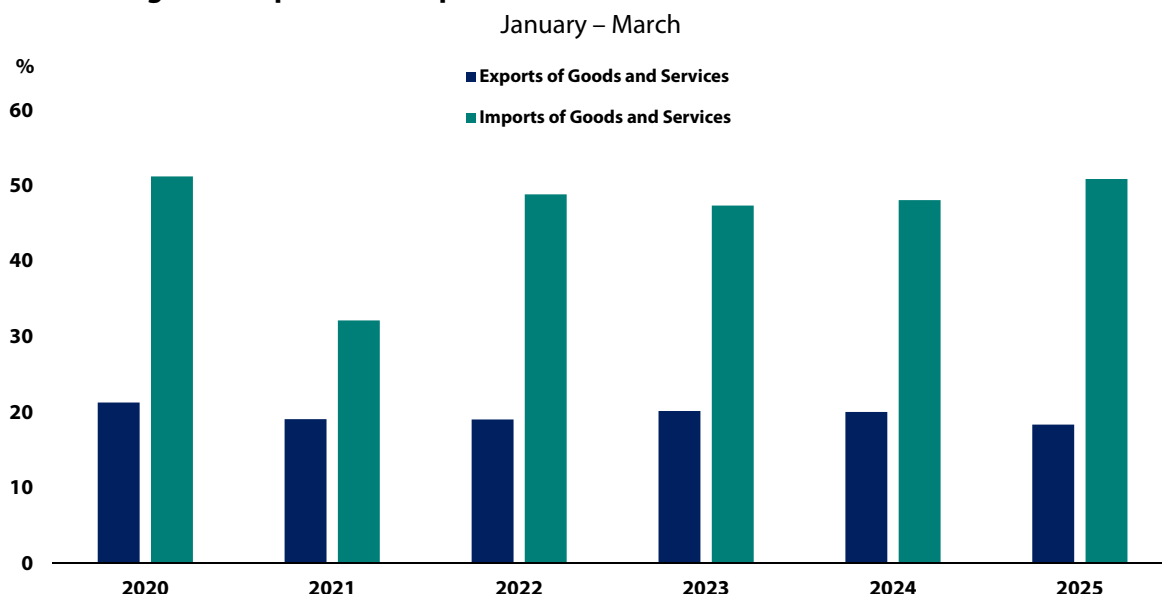


Source: Central Bank of Barbados

Merchandise Trade Developments

Higher imports and lower exports of goods widened the merchandise trade deficit. The deficit expanded by \$143 million compared to the first quarter of 2024. Imports increased by 13.3 percent, driven by higher demand for machinery, food and beverages, and hybrid and electric vehicles, marking the largest first-quarter import increase (outside the pandemic period) since 2011. Total exports declined by 2.6 percent, as re-exports fell by 6.1 percent, largely due to reduced fuel shipments. Domestic exports also declined by 2.2 percent, reflecting lower sales of food and beverage products.

Figure 7: Exports and Imports of Goods and Services as a Percent of GDP



Source: Central Bank of Barbados

Travel and Other Services

Tourism activity bolstered the services surplus. Travel credits rose by 9.2 percent during the first quarter, reflecting higher long-stay arrivals and strong spending in the accommodation sector. A reduction in non-travel services imports also contributed to the improved balance.

Income and Current Transfers

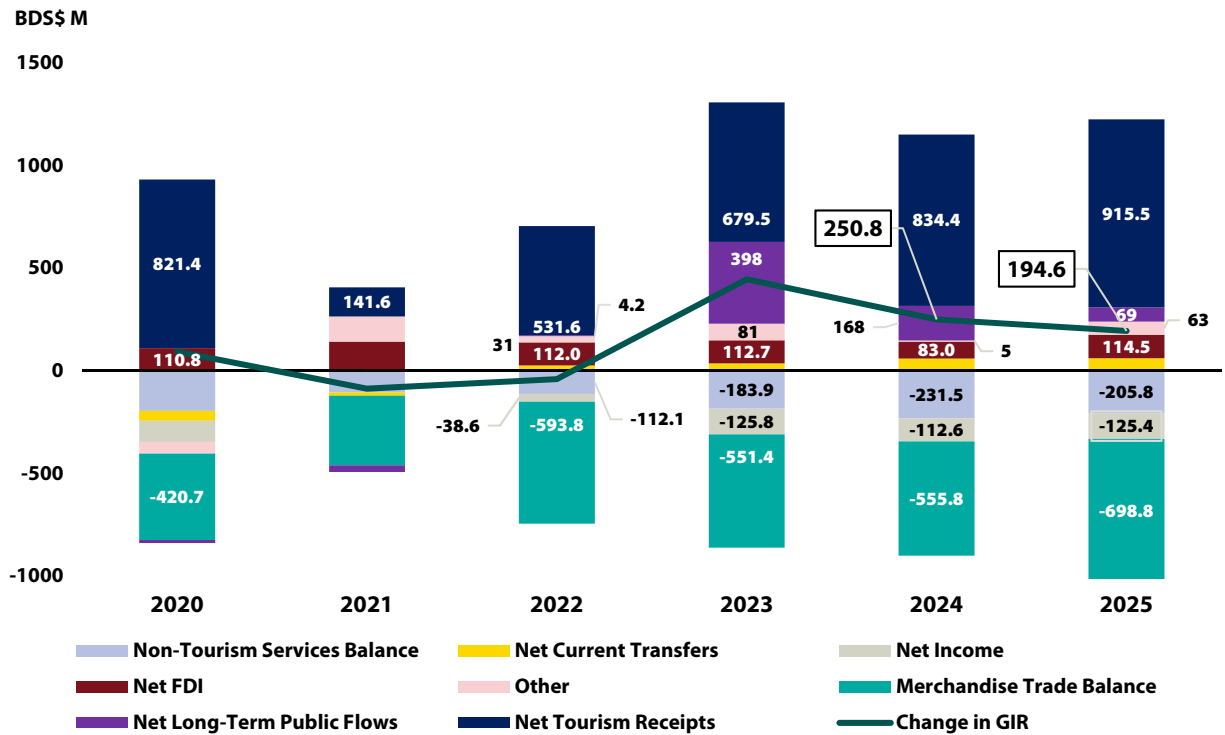
The income account deficit widened, while current transfer inflows increased. The deficit on the income account increased by \$12.8 million, driven by higher private sector dividend payments to non-residents. Net current transfers increased by \$1.9 million relative to the corresponding period in 2024, reflecting higher corporation tax inflows from the international business sector.

International Reserves

Gross international reserves expanded during the first quarter. Reserves increased by \$194.6 million, reaching \$3.38 billion at the end-March, equivalent to 32.4 weeks of import cover. This accumulation, although \$56.2 million lower than the same period in 2024, reflected robust inflows from tourism receipts and private sector investments. The financial account narrowed relative to last year, as public-sector amortisation payments rose and disbursements from international financial institutions declined.

Figure 8: Explanation of Reserve Movements

January – March



Source: Central Bank of Barbados

Box 1: Understanding Barbados' Merchandise Trade Structure

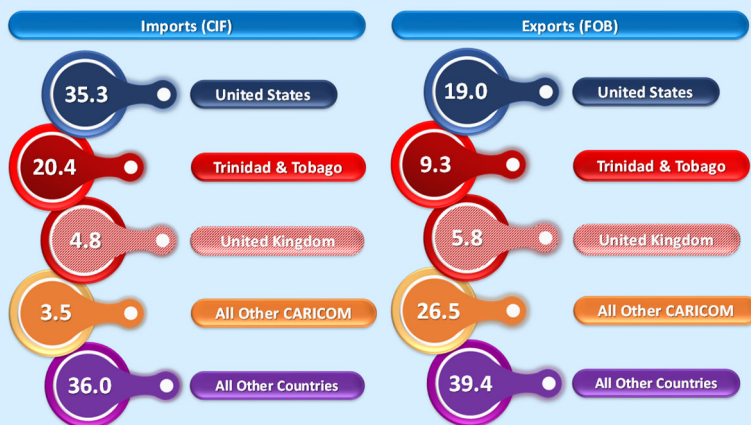
Barbados' merchandise trade remains structurally imbalanced, with high dependence on a few partners. As a small, open economy with limited natural resources and a modest manufacturing base, Barbados relies heavily on imports for domestic consumption and production. While merchandise exports generate foreign exchange and growth, the trade account has remained persistently in deficit.

The U.S. stands as Barbados' number one trading partner for goods. Between 2002 and 2024, the United States, Trinidad & Tobago, and the United Kingdom were Barbados' top three trading partners over the review period. The United States is Barbados' largest import source, supplying nearly 88.5 percent of U.S.-sourced goods from domestic production and 11.5 percent through re-exports. Key imports include food, machinery, and fuel.

In 2024, imports from the U.S. reached a record \$1.6 billion. This heavy concentration leaves Barbados vulnerable to U.S. tariff changes. While the recent 10 percent baseline tariff may not hit all categories equally, finding cost-effective alternative suppliers in the short term may prove challenging.

Merchandise trade flows are affected by crises. Historical disruptions—such as the 2009 global financial crisis and the 2020–2021 COVID-19 pandemic—led to temporary declines in imports from the U.S., highlighting the sensitivity of trade flows to global shocks.

Figure 1: Average Percentage Composition of Merchandise Imports and Exports by Trading Partner, 2002 – 2024



Box 2: Evolving Trading Relationships and Export Opportunities

Barbados' trading landscape is gradually evolving, though vulnerabilities remain. Imports from Trinidad & Tobago (T&T), Barbados' primary fuel supplier, peaked at \$1 billion in 2008 but fell to \$416 million in 2020, reflecting falling fuel volumes and prices. Since the 2018 closure of its refinery, T&T has served mainly as a re-export hub for refined fuel.

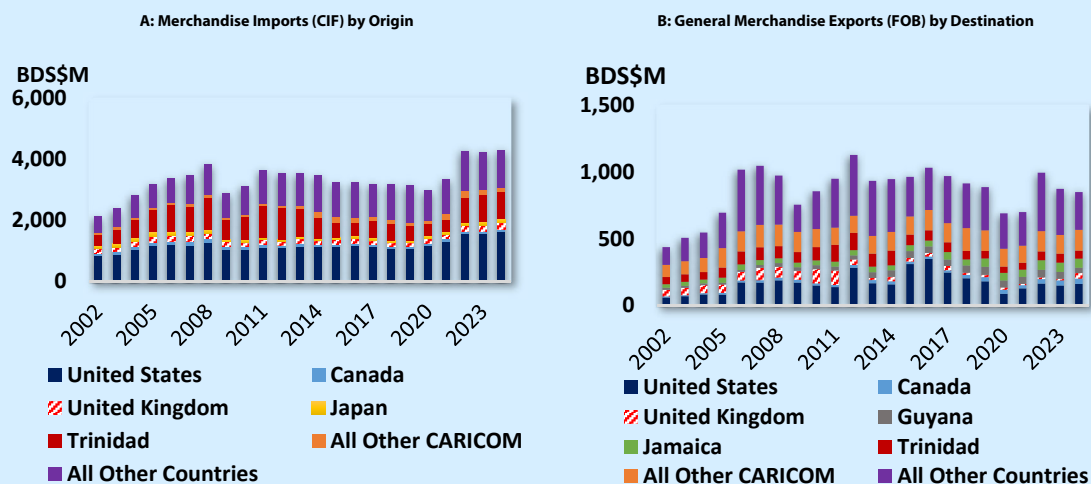
The electrification of the transport sector is reflected in import patterns. The United Kingdom maintained a stable import relationship, though its export mix shifted between 2018 and 2022 from food and pharmaceuticals to electrified vehicles. Imports from Japan, the top source for automobiles, rose by 35.1 percent in 2023 and 9.1 percent in 2024, driven by demand for hybrid and electric vehicles.

Import prices from CARICOM are also susceptible to USA's new tariff policy. Among CARICOM countries (excluding T&T), imports peaked at \$242 million in 2022, led by fuel oil imports from Jamaica. However, intra-regional value chains remain exposed, as many CARICOM manufacturers rely on U.S.-sourced inputs now subject to new tariffs.

The impact of the U.S. tariffs on exports are not projected to be great. On the export side, re-exports represent nearly 47 percent of general merchandise exports. The U.S. remains Barbados' largest export destination, particularly for rum, jewellery, and sweet biscuits. Exports to the U.S. peaked at \$349 million in 2016 and have since recovered to \$161.1 million in 2024. Despite recent tariff reforms, the impact on Barbadian exports is expected to be moderate given the 10 percent rate applied.

Barbados trades more merchandise with CARICOM than it does with Canada. Jamaica, T&T, and Guyana are key CARICOM markets, accounting for 8 percent, 7 percent, and 4.6 percent of total exports in 2024, respectively. Exports to other CARICOM countries have remained stable, while Canada's share has grown from 1.9 percent in 2022 to 4.7 percent in 2024, driven by shipments of scrap metal, packaging materials, and rum.

Figure 1: General Trade in Merchandise



Source: Barbados Statistical Service

Box 3: Economic Impact of the 2025 U.S. Tariff Hikes on Barbados

The U.S. government's imposition of a 10 percent baseline tariff on all imports in April 2025 introduces meaningful downside risks to Barbados' economy. As a small, open economy deeply integrated with the U.S. through trade and tourism, Barbados faces pressures on exports, inflation, and fiscal performance.

Merchandise exports are likely to register a moderate decline. Export earnings could decline by \$15.6 to \$17.8 million, particularly in sectors like rum, jewellery, and niche manufacturing. This translates into real GDP losses of \$23.4 to \$26.7 million (0.23 to 0.26 percent), after applying conservative multipliers. The shock is concentrated in high-value categories with price-sensitive demand and significant exposure to global competition.

Tourism is also vulnerable, but not due to direct tariffs. Instead, the risk arises from second-round effects, including a potential slowdown in the U.S. economy, the knock-on impact of U.S. tariffs on other global trade partners (if the pre-90-day pause levels are returned to), and rising global uncertainty. These forces may dampen discretionary travel, reduce U.S. household spending, and weaken airline connectivity. A 7.5 to 15 percent decline in U.S. travel spending—driven by these broader macroeconomic pressures—could result in real GDP losses of 1.04 to 2.07 percent. This underscores the urgency of further diversifying Barbados' tourism source markets and strengthening resilience across the sector.

Estimated GDP Impact Scenarios

Scenario	Export + Tourism Loss (\$M)	GDP Impact loss (%)	Key Assumptions
Baseline	\$88.9M	1.27%	7.5% drop in U.S. tourism; \$15.6M export loss
Severe	\$157.6M	2.33%	15% drop in U.S. tourism; \$17.8M export loss

Domestic prices are expected to rise. Inflation is projected to rise to 3.2–3.7 percent under a tariff-only scenario, and 4.0–4.5 percent if shipping surcharges on Chinese-built vessels are introduced. Key transmission channels include fuel prices, food imports, hotel operations, and supply chain costs—putting pressure on low-income households and key economic sectors.

Barbados' economic safety buffers will be vital. While Barbados' foreign reserves and fiscal buffers remain strong, the fixed exchange rate limits monetary policy responses. Fiscal policy may face stress from rising subsidies and falling VAT collections linked to tourism and trade.

More must be done to ensure resilience. This external shock underscores the urgency of export diversification, logistics resilience, and deeper CARICOM integration, especially in food security and regional market access. Barbados' response will determine whether this episode becomes a moment of vulnerability or a catalyst for structural transformation.

Fiscal Operations

Government achieved its primary surplus target for FY2024/25, supported by stronger tax collections and controlled expenditure. The primary surplus reached \$662.8 million, or 4.6 percent of GDP, reflecting increased corporation tax revenue following structural changes to the tax framework, along with higher collections from broad-based economic growth. Capital expenditure rose by \$275.2 million, as Government channelled additional resources into infrastructure and climate-resilience projects. Interest costs rose due to an accumulation of external and domestic debt. Despite these outlays, the fiscal deficit narrowed to \$87.1 million (0.6 percent of GDP), compared to \$230.5 million (1.7 percent of GDP) in the previous year.

Revenue

Direct tax revenue expanded significantly, driven mainly by corporation tax collections. Corporation tax collections increased by \$463.6 million, reflecting the impact of adjusted tax rates,³ implementation of a new accounting framework for insurance companies, and improved profitability among multinational enterprises.⁴ Personal income tax receipts rose by \$22.7 million, supported by strengthened performance in the accommodation & food services and finance & insurance sectors. Property tax collections improved by \$4.6 million, driven by stronger collection of land tax arrears and elevated real estate activity.

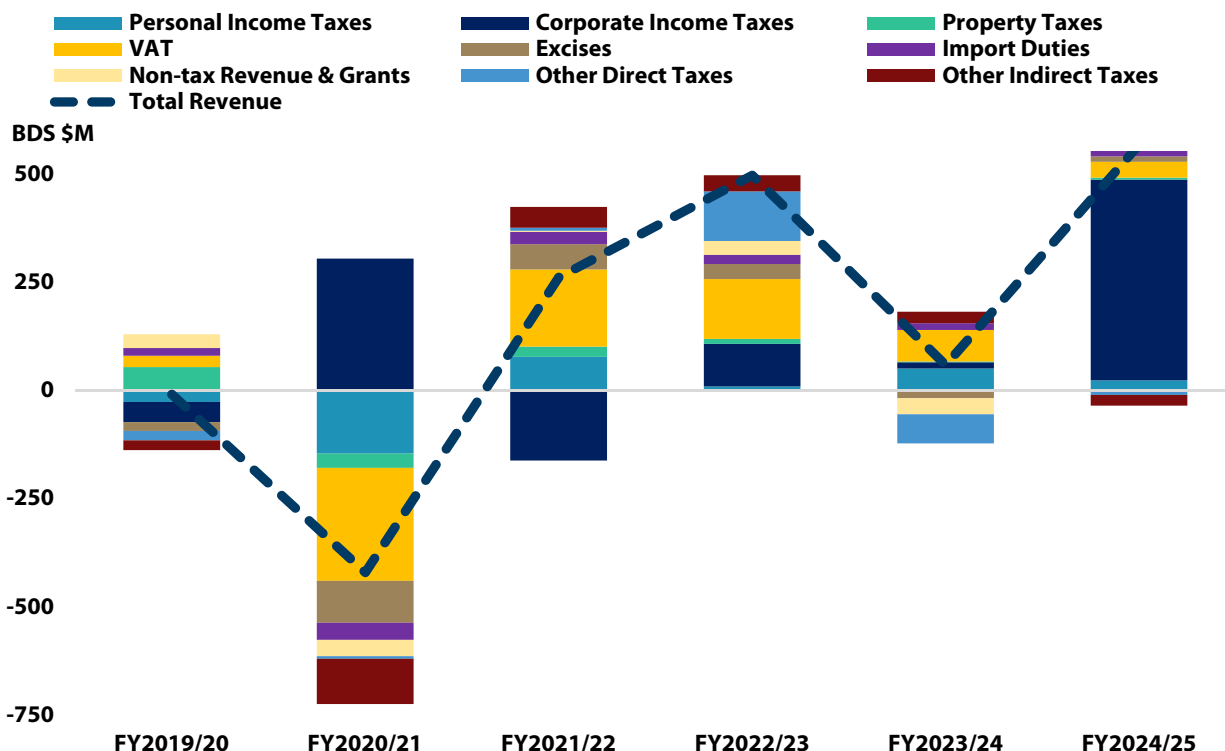
Indirect tax revenue increased across all major categories, reflecting stronger domestic activity and higher imports. Domestic VAT (net of refunds) rose by \$14.4 million, supported by growth in construction and accommodation-related sectors. External VAT increased by \$12.8 million, while excise duties and import duties rose by \$12.7 million and \$23 million, respectively, in line with higher import values. Non-tax revenue and grants totalled \$212.3 million, driven largely by higher investment income, including dividends from the Industrial Credit Fund for Export Barbados.

³ As announced in the November 2023 corporation tax reform measures, 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 – March



Source: Ministry of Finance

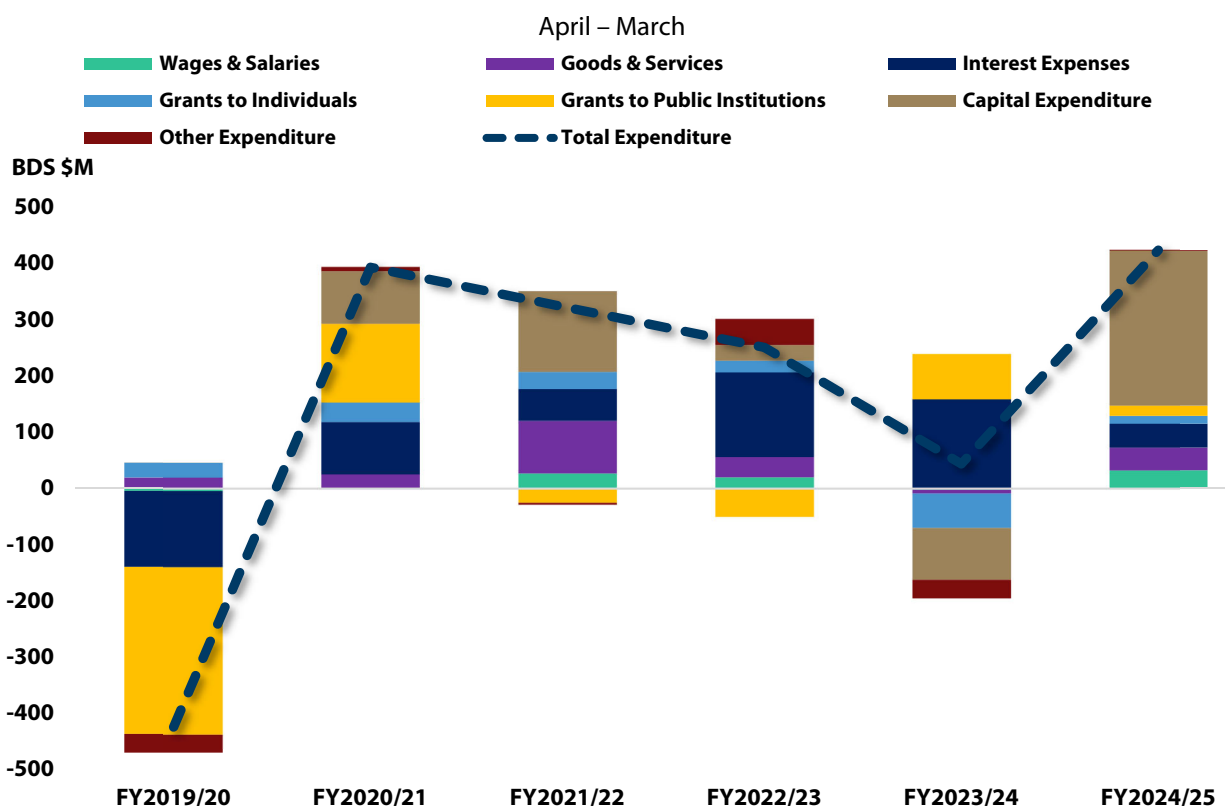
Expenditure

Non-interest recurrent expenditure increased, reflecting higher outlays on goods and services, wages, and transfers. Spending on goods and services rose by \$40.3 million compared to the previous fiscal year, driven by hosting the ICC T20 Men's Cricket World Cup, expanding digital payment infrastructure, the sargassum clean-up programme, and continued road works. Wages and salaries increased by \$32 million, reflecting final adjustments under the 2022 public sector wage agreement. Transfers and subsidies rose by \$15.2 million, as additional subventions to SOEs and support for tuition and sugar farmers more than offset lower subsidies to the Transport Board.

Interest payments increased due to higher debt levels and rising interest rates. Total interest costs increased by \$42.6 million, as external interest payments rose by \$27.6 million, driven by new project and policy-related borrowing during FY2023/24 and FY2024/25, as well as higher interest on some variable rate debt. Domestic interest costs rose by \$15.1 million, mainly reflecting the step-up rate feature on restructured domestic bonds.

Capital expenditure increased significantly. Spending on capital projects grew by \$275.2 million, reaching \$632.8 million for the fiscal year. Major investments included road works, garbage truck acquisitions, land purchases, upgrades to the geriatric hospital, and funding for the innovation hub and coastal climate resilience infrastructure.

Figure 10: Changes in Major Expenditure Categories



Source: Ministry of Finance

Debt and Financing

Higher amortisation increased the Government's financing needs in FY2024/25. The net financing requirement for fiscal year 2024/25 rose to \$1,593.6 million, up \$677.4 million from the previous year. Domestic amortisation accounted for much of this rise, reaching 7.5 percent of GDP, as Government executed a debt-for-climate swap⁵ and prepaid \$38.1 million in debt service on Series B and D bonds. Foreign amortisation also increased to 2.3 percent of GDP, reflecting the 2029 commercial bond settlement and the first IMF repayment. Although the \$662.8 million primary surplus provided some offset, total debt service rose to 14.9 percent of GDP, up from 9.8 percent in FY2023/24.

⁵ Government used the debt-for-climate swap, which occurred during November 2024 to fund climate resilience projects, involved the switching out of expensive debt for cheaper debt via a commercial loan acquired at a low interest rate (3.25 percent) to repay a portion of Series E, Series B and Series D bonds that currently incur higher interest rates. The interest savings will be mainly used to finance the Barbados' Climate Resilient South Coast Water Reclamation Project.

Table 2: Financing Requirement
April – March

	FY2023/24		FY2024/25	
	BDS \$M	% GDP	BDS \$M	% GDP
Net Financing Requirement (2-1)	916.2	6.7	1,593.6	11.0
1. Primary Surplus	476.8	3.5	662.8	4.6
2. Gross Financing Requirement (3+4+5+6)	1,393.0	10.2	2,256.4	15.5
3. Debt Service	1,340.5	9.8	2,172.1	14.9
Amortisation	633.3	4.6	1,422.2	9.8
Domestic	422.1	3.1	1,088.8	7.5
Foreign	211.2	1.5	333.4	2.3
Interest	707.3	5.2	749.9	5.2
Domestic	398.9	2.9	413.9	2.8
Foreign	308.4	2.3	336.0	2.3
4. Sinking Fund Contributions	31.5	0.2	32.8	0.2
5. Domestic Arrears Repayment	21.0	0.2	5.0	0.0
6. Other Non-deficit Transactions	0.0	0.0	46.5	0.3

Sources: Central Bank of Barbados and Ministry of Finance

Interest payments and amortisation increased significantly. Foreign interest payments rose by \$27.6 million, reflecting foreign borrowing in FY2023/24 and higher variable interest rates on some foreign loans. Domestic interest payments increased by \$15 million, driven by the issuance of BOSS+ securities, treasury bills, and the activation of step-up rates on restructured domestic bonds. Foreign amortisation expanded by \$122.2 million, reflecting settlement of the 2029 commercial bond and the first IMF repayment of \$14.5 million. Domestic amortisation rose by \$666.7 million, following the \$592.7 million debt-for-climate swap, a \$38.1 million prepayment of Series B and D bonds, and the start of repayments to holders of BOSS+ bonds and treasury notes. The debt-for-climate swap replaced higher-cost domestic bonds with a syndicated loan at a lower interest rate.

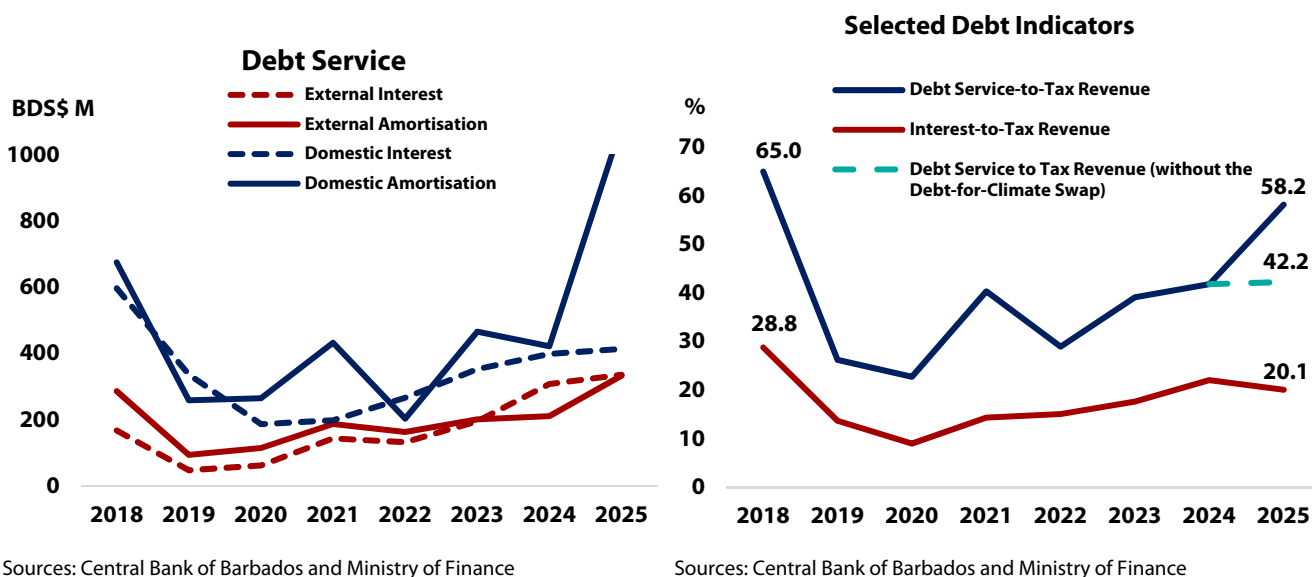
Government strengthened its financial asset position and reduced arrears. Other non-deficit transactions increased by \$46.5 million, reflecting investments in the Development Bank of Latin America (CAF) and the CARICOM Development Fund. Sinking fund contributions rose to \$32.8 million, slightly above the \$31.5 million recorded in FY2023/24. Government also allocated \$5 million to reduce outstanding domestic arrears.

Key debt indicators reflected stronger revenue and higher amortisation. The interest-to-tax revenue ratio declined to 20.1 percent, down 2 percentage points from FY2023/24, reflecting improved

revenue performance. However, the debt service-to-tax revenue ratio rose to 58.2 percent, up from 41.8 percent, due to the sharp increase in domestic amortisation associated with the debt-for-climate swap.

Figure 11: Debt Indicators

April – March

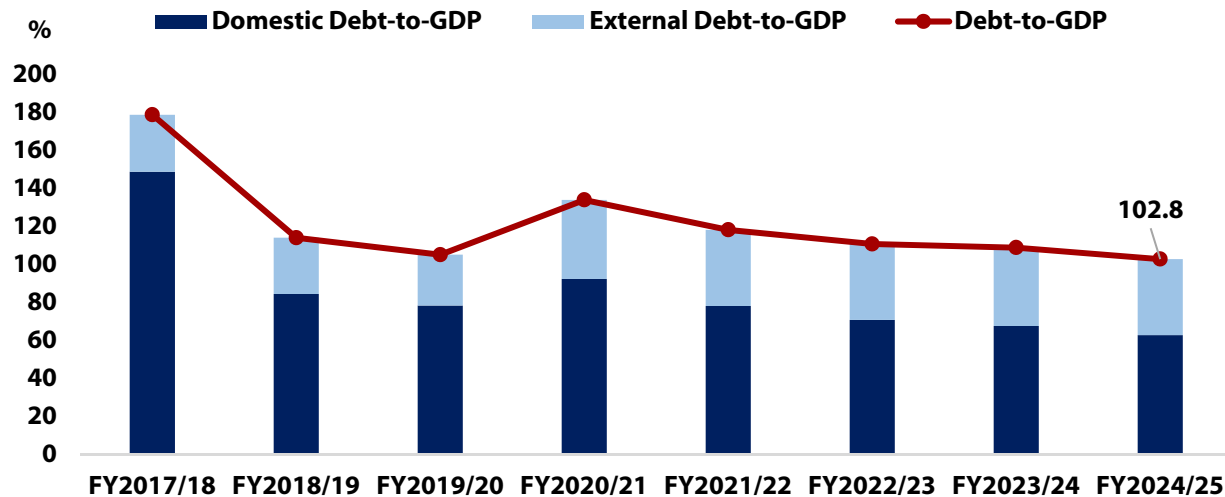


Government relied primarily on long-term domestic instruments. A \$592.7 million commercial bank loan, part of the debt-for-climate swap, replaced more expensive debt and delivered interest savings. The loan carries a fixed interest rate of 3.25 percent and is scheduled to be fully repaid by 2044. Government also issued a \$250 million, 20-year debenture with a 7.75 percent interest rate, which was largely taken up by the National Insurance and Social Security Service (NISSS), along with trust companies, pension funds, and mutual funds. By end-March 2025, 98.1 percent of the instrument had been subscribed. BOSS+ bond sales declined to \$77.5 million, down from \$211.1 million in FY2023/24, with households making up most of the investors. Treasury bill sales amounted to \$117.9 million, compared to \$172.8 million in FY2023/24.

Policy-based loans remained the main source of external financing. The IMF disbursed \$223.4 million through the Extended Fund Facility and Resilience and Sustainability Facility to support budgetary needs. An additional \$200 million came from the Inter-American Development Bank (IDB) to improve social services. Together, these policy-based loans totalled \$423.4 million, compared to \$627.6 million in the previous fiscal year. Project loan disbursements amounted to \$111.8 million, slightly below the \$113.1 million recorded a year earlier. These funds primarily supported the Scotland District Road Rehabilitation Project, water and road infrastructure, and the Public Sector Modernisation programme.

The public debt-to-GDP ratio fell by 6.1 percentage points. At the end of March 2025, gross public sector debt totalled \$15 billion, which equated to 102.8 percent of GDP, down from 108.9 percent at the end of FY2023/24. The improvement reflected strong nominal GDP growth, which more than offset a \$58.9 million increase in the debt stock. While external debt rose, domestic debt declined over the period.

Figure 12: Debt-to-GDP



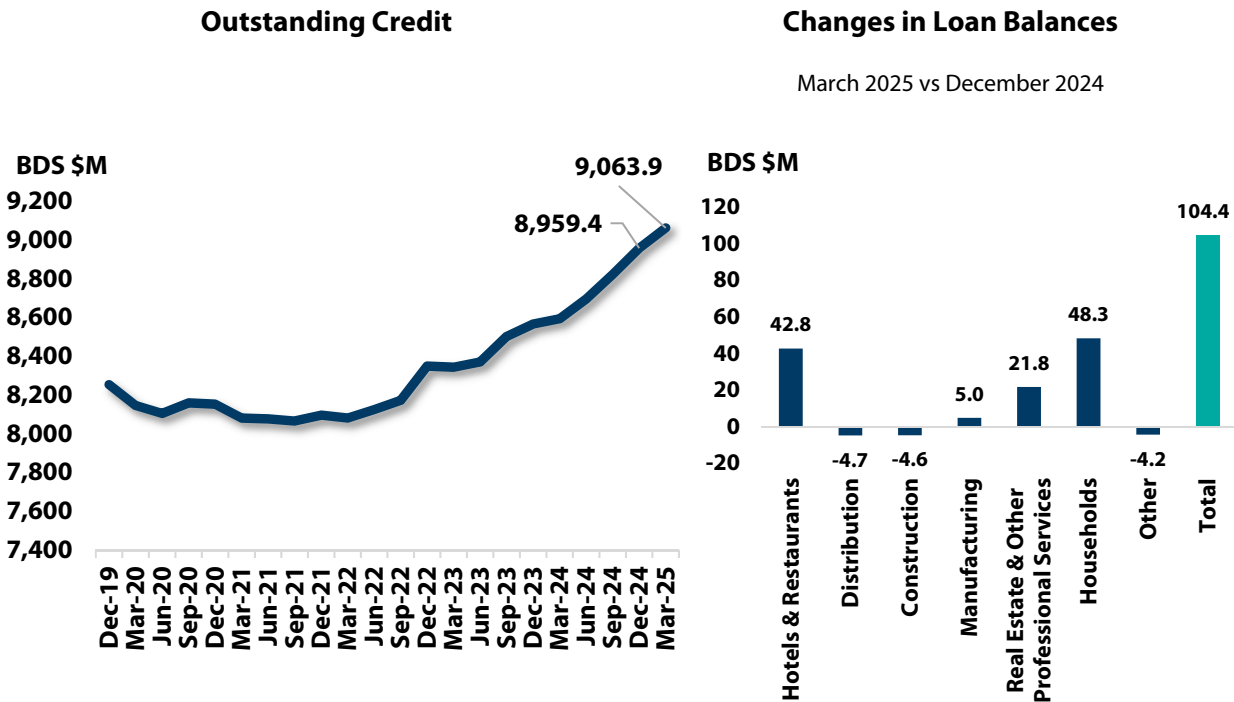
Sources: Central Bank of Barbados and Ministry of Finance

Financial Sector Developments

The financial system remained stable in the first quarter of 2025. Credit quality improved, liquidity remained high, and profitability increased. Commercial banks and finance companies maintained capital buffers well above regulatory requirements. Strong deposit growth and a decline in non-performing loans underscored the system's continued resilience.

Credit to the non-financial private sector (NFPS) increased during the first quarter. Outstanding credit rose by 1.2 percent compared to December 2024. Business credit grew by 2 percent (\$51.2 million), with large increases in hotels & restaurants and real estate & other professional services. Household credit expanded by 0.8 percent (\$48.3 million), led by continued growth in mortgage lending.

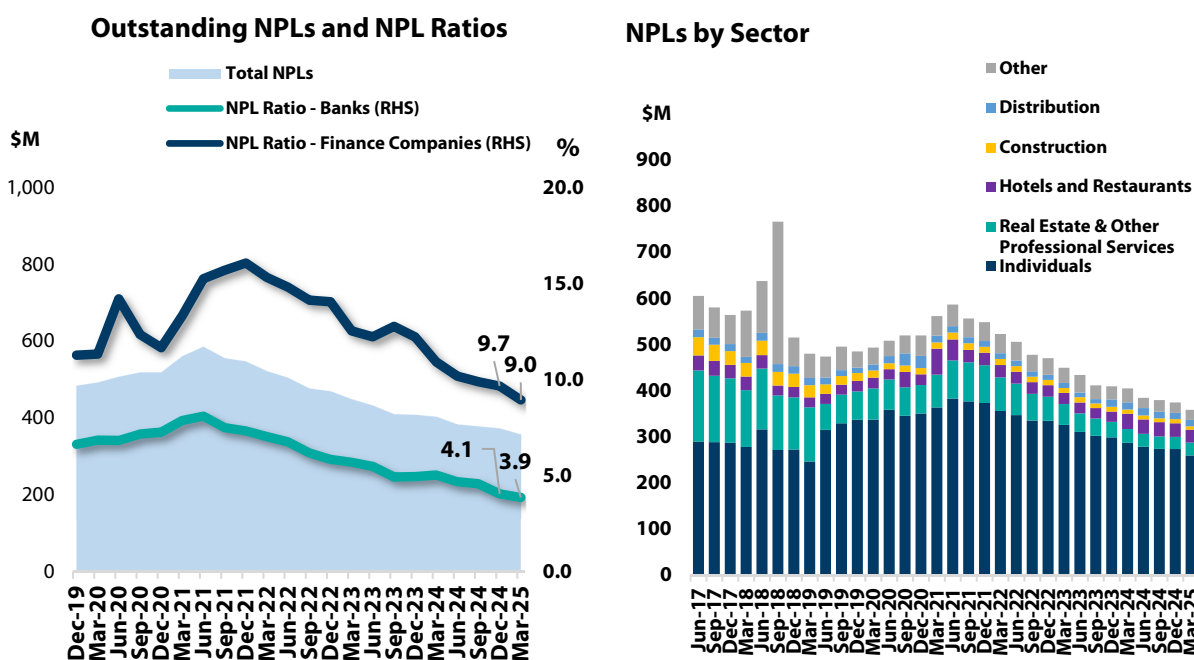
Figure 13: Credit to the Non-Financial Private Sector



Sources: Central bank of Barbados and Financial Services Commission

Asset quality continued to improve during the first quarter. Non-performing loans declined, reflecting stronger borrower repayment capacity. The NPL ratio for commercial banks fell to 3.9 percent, down from 4.1 percent in December 2024. For finance companies, the ratio declined to 9 percent from 9.7 percent, with most of the improvement occurring in the household segment.

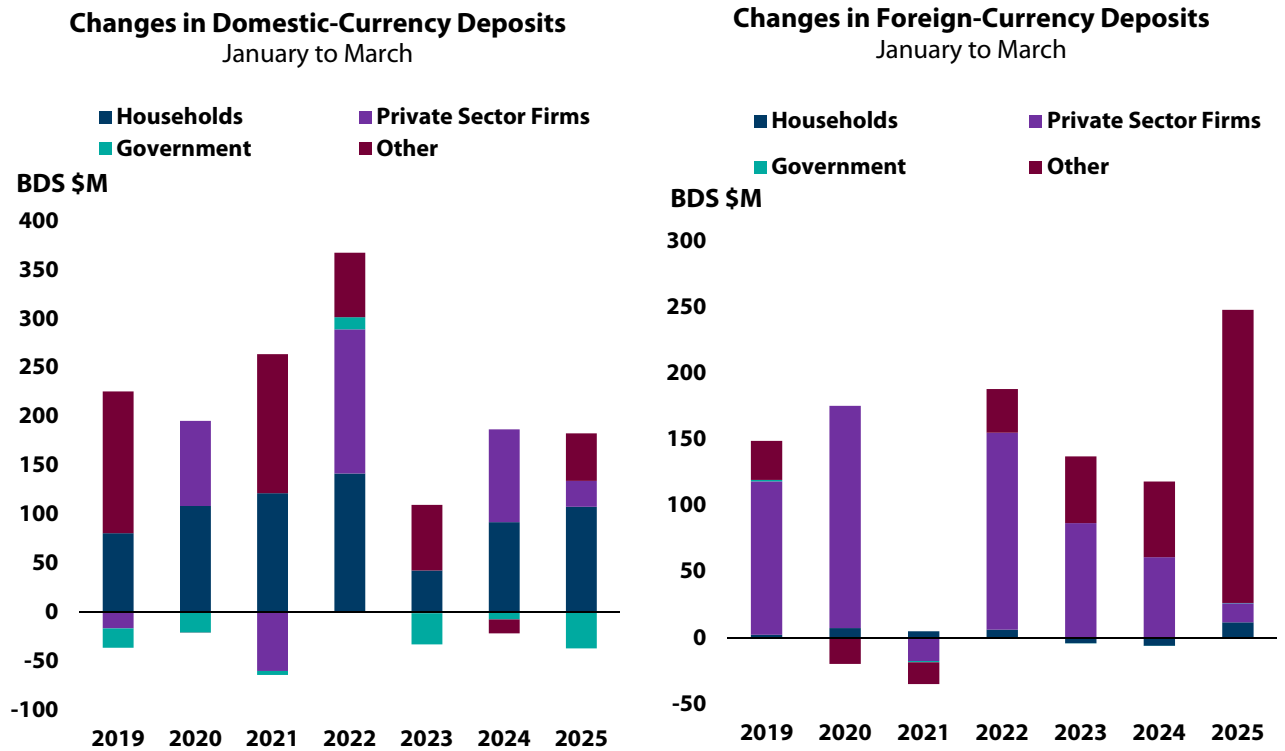
Figure 14: Non-Performing Loans (NPLs) of Commercial Banks and Finance Companies



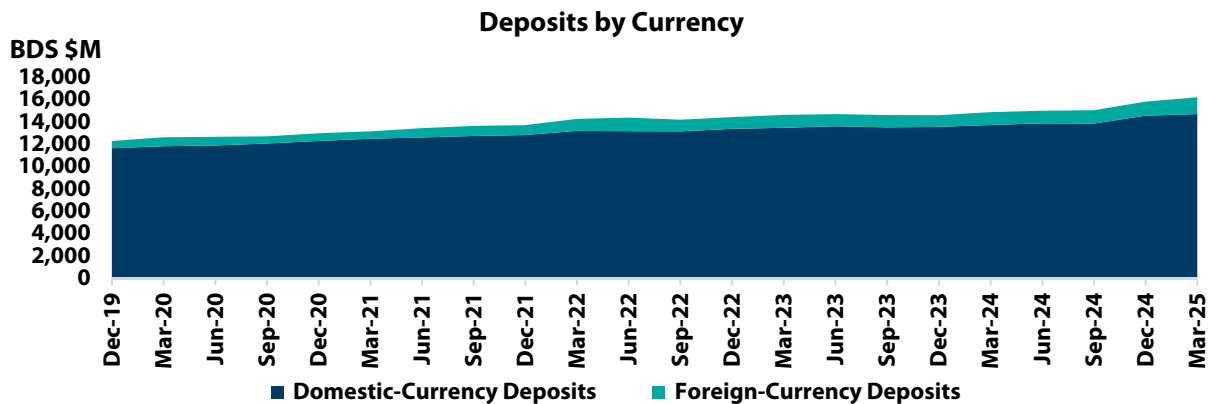
Source: Central Bank of Barbados

Foreign-currency inflows and household savings drove deposit growth and liquidity. Total deposits increased by 2.5 percent compared to December 2024. Foreign-currency deposits increased by 19.1 percent, reflecting inflows from the global business sector and other non-residents, lifting the foreign-currency share of total deposits by 1.3 percentage points to 9.3 percent. Domestic-currency deposits rose by 1 percent, driven primarily by higher household balances. Liquidity also improved, with liquid asset ratios increasing by 1.9 percentage points for banks and 0.2 percentage points for finance companies.

Figure 15: Deposits Held at Deposit-Taking Institutions

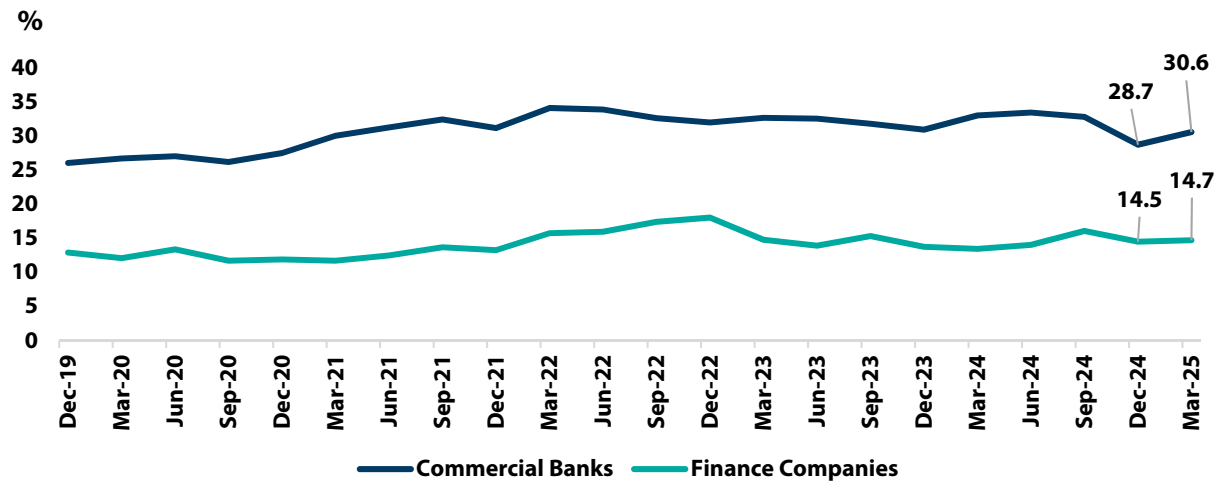


Sources: Central Bank of Barbados and Financial Services Commission



Sources: Central Bank of Barbados and Financial Services Commission

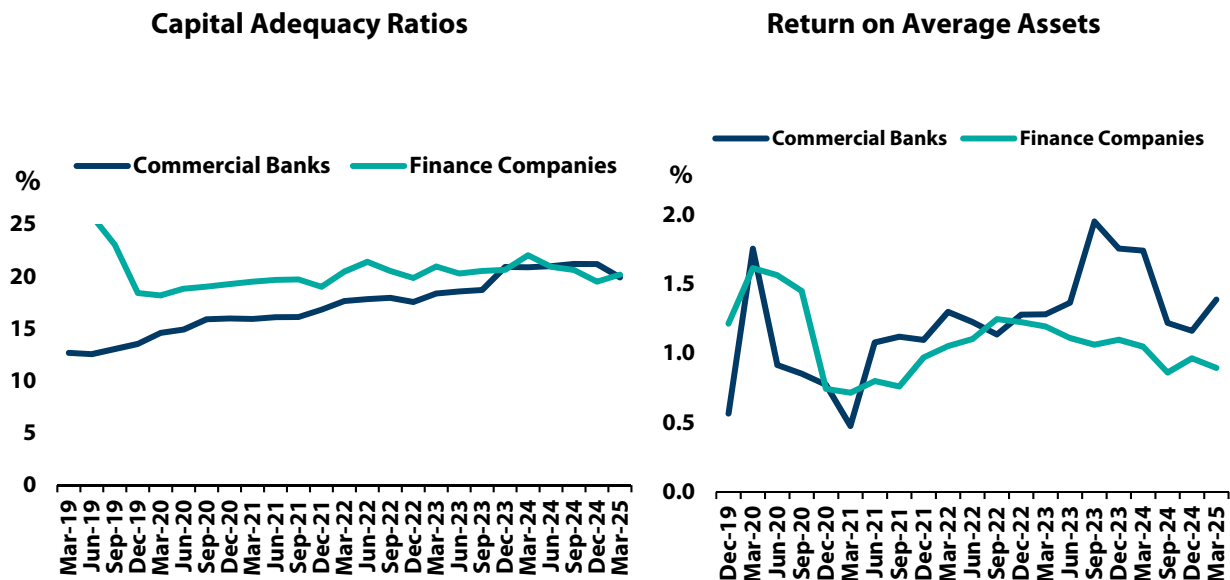
Figure 16: Liquid Asset Ratio



Source: Central Bank of Barbados

Capital levels remained strong, and bank profitability improved. Commercial banks recorded a capital adequacy ratio of 19.9 percent, while finance companies held a ratio of 20.2 percent, both well above the regulatory minimum. Higher net interest income supported increased profits among banks. In contrast, profitability among finance companies declined slightly, reflecting higher non-interest expenses.

Figure 17: Capital Adequacy and Profitability



Source: Central Bank of Barbados

Outlook

Real GDP growth for 2025 is projected at 2.7 percent, revised down from the 3 percent forecast at the start of the year. Despite solid first-quarter momentum, global headwinds warranted a modest downward adjustment. Growth is expected to be led by tourism, construction, and business services, although weaker global conditions and ongoing trade tensions present downside risks. Nonetheless, Barbados' domestic fundamentals remain solid and should continue to support moderate expansion.

Fiscal measures introduced in the 2025 Budget are expected to support growth and resilience. The temporary removal of VAT and import duties on inputs for restaurants and cookshops, along with food and beverage concessions for hotels, should reduce operating costs and stimulate consumption. Climate-resilience initiatives in agriculture, including vertical farms and broiler tunnels, aim to enhance food security. Investments in technological upgrades and public-sector modernisation should improve productivity. Amendments to the Co-operative Societies Act, allowing credit unions to invest in renewable energy, real estate, and tourism, are expected to broaden domestic investment channels. Training and capacity-building initiatives will help equip the workforce for a rapidly evolving global economy.

Tourism is expected to remain a key growth driver, although risks remain. Event-driven demand from Crop Over and international sporting events is likely to sustain long-stay arrivals, while increased airlift and seven additional cruise calls should bolster overall activity. However, economic uncertainty in key source markets, particularly the U.S., may dampen tourism spending. The sector will continue to play a central role in foreign exchange earnings and broader economic performance.

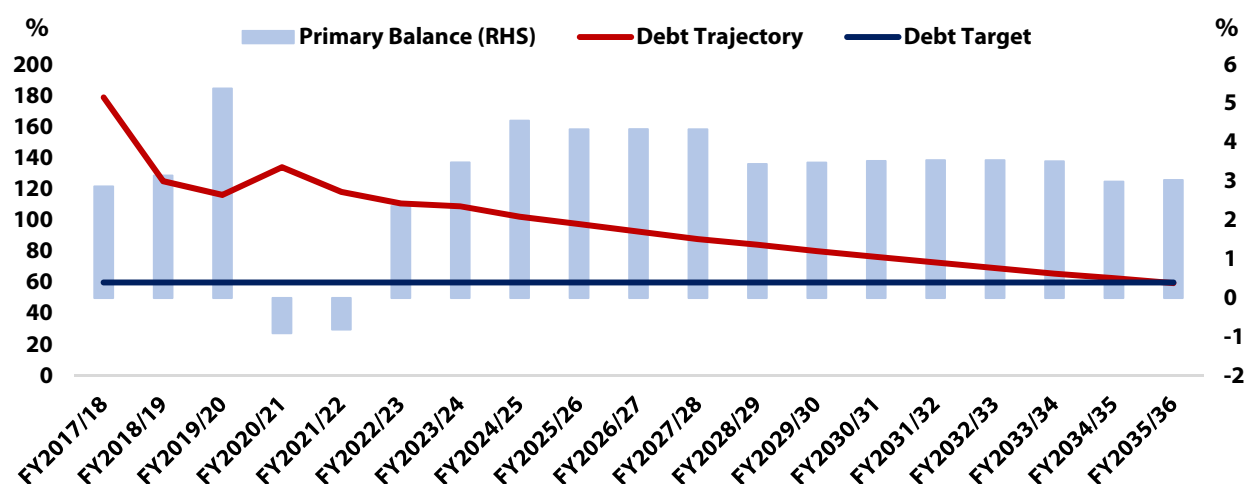
Global trade-related developments could weigh on Barbados' economic prospects. The April 2025 World Economic Outlook lowered global growth projections from 3.3 percent to 2.8 percent, reflecting slower expansions in major economies including the U.S., UK, Canada, and China. Rising trade tensions—particularly broad-based tariffs and job losses in the U.S.—threaten to dampen consumer demand, with potential spillovers for Barbados through reduced tourism, exports, and remittances. Given the country's reliance on U.S. travellers and imports, these risks remain material. However, recent developments have helped mitigate some concerns: Caribbean countries have secured exemptions from proposed U.S. port fees on Chinese-built vessels, and a 90-day pause on most global tariffs offers a temporary reprieve.

The inflation forecast for 2025 has been revised upward to between 1.7 and 3.5 percent. Barbados remains exposed to imported inflation, particularly through food and fuel sourced from the U.S. Although recent tariffs have been delayed, pass-through effects are still expected to place upward pressure on consumer prices. Inflation could also re-emerge if shipping fees are reinstated, though the Caribbean's exemption from Chinese-built vessel port charges has eased that risk. Local food prices remain sensitive to weather variability and global commodity trends, despite continued investment in climate-resilient agriculture.

International reserves are projected to increase modestly in 2025, supported by tourism receipts and private investment. While the current account deficit is expected to widen, continued inflows from travel and tourism-related capital projects should support further reserve accumulation. However, growth in reserves may slow compared to 2024. Close monitoring of external conditions—particularly U.S. demand, interest rates, and shipping costs—will be essential to safeguarding external stability.

Fiscal planning for FY2025/26 focuses on maintaining surpluses and reducing debt. With the conclusion of its second IMF-supported programme, Government is targeting a primary balance of 4.4 percent of GDP, following the 4.6 percent achieved in FY2024/25. A new concessions platform is expected to strengthen tax administration and reduce leakages. Planned amalgamations of state-owned enterprises should enhance efficiency and lower transfers over time. The rollout of a new public-private partnership framework will support infrastructure delivery while mobilising private capital.

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



Sources: Central Bank of Barbados and Ministry of Finance

The financial sector is expected to remain resilient. Credit to the private sector is projected to increase steadily, supported by ongoing labour market improvements. Banks and finance companies are expected to maintain robust capital buffers, while liquidity levels should remain elevated. Financial stability indicators continue to point to a healthy and sound system.

Barbados is poised to meet its medium-term goals, but the moment demands bold, deliberate action. The home-grown Barbados Economic Recovery and Transformation (BERT) programme, along with the “Investment in Prosperity and Resilience” plan, continues to chart a path toward inclusive, climate-conscious growth. Key priorities, ranging from population ageing and crime to food security and supply chain resilience, require sustained regional collaboration and innovation. As the global landscape grows more fragmented, Barbados must remain anchored in its values of discipline, unity, and strategic foresight. *Now is the time to invest: in ourselves, in our productive capacity, in the next generation, and in the projects that will define our economic future.* This is not only an opportunity, but a responsibility, to rise above division, lead with intention, and shape a resilient and distinctly Barbadian future.

Appendix 1 – Economic Indicators

	2019	2020	2021	2022	2023 ^(e)	2024 ^(e)	Mar 2024 ^(e)	Mar 2025 ^(e)
Nominal GDP (\$ Million) ¹	11,576.6	10,336.7	10,550.5	12,514.6	13,441.5	14,337.1	3,793.2	4,002.4
Real Growth (%)	0.4	(13.7)	(0.2)	16.3	4.2	4.0	4.4	2.6
Inflation (M.A., %) ²	1.6	0.7	1.5	4.3	3.2	1.4	3.1	0.9
Unemployment (Annual, %) ³	10.1	-	14.1	8.4	7.9	n.a	8.3	7.1
Gross International Reserves (\$ Million)	1,481.0	2,660.7	3,058.8	2,770.3	2,999.5	3,183.8	3,250.4	3,378.3
Gross International Reserves Cover, Weeks	18.6	40.6	40.6	29.2	30.8	31.2	33.1	32.4
BoP Current Account (% of GDP)	(1.6)	(5.0)	(10.3)	(9.9)	(8.8)	(4.5)	(0.1)	(1.3)
Total Imports of Goods (% of GDP)	25.9	27.6	30.1	32.6	30.0	28.5	26.1	28.0
Travel Credits (% of GDP)	22.4	11.6	11.8	14.9	17.2	19.1	22.7	23.5
Financial Account (\$ Millions)	776.4	1,621.6	1,207.6	912.8	1,266.8	833.3	336.3	314.2
Gross Public Sector Debt (% of GDP) ⁴	124.0	124.0	126.6	112.3	109.8	103.0	108.9	102.8
Central Government External Debt (% of GDP)	38.5	38.5	42.5	38.0	40.5	38.9	41.1	39.6
External Debt Service to Curr. Acct. Cred.	8.9	8.9	7.0	7.8	9.4	9.6	8.8	9.6
Treasury-Bill Rate ⁵	0.5	0.5	0.5	0.5	0.8	1.9	1.3	1.7
Weighted-Average Deposit Rate	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Weighted-Average Loan Rate	6.4	5.9	5.7	5.5	5.4	5.2	5.4	5.4
Excess Domestic Cash Ratio	18.5	22.4	26.8	27.0	26.6	21.9	27.2	22.4
Private Sector Credit Growth (%) ⁶	0.9	(1.2)	(0.7)	3.1	2.6	4.6	0.3	1.2
Private Sector Credit (% of GDP) ⁶	71.3	78.9	76.7	66.7	63.7	62.5	62.8	62.3
Domestic Currency Deposits (% of GDP) ⁶	100.5	118.8	121.4	106.9	100.8	101.4	100.2	101.0
Fiscal Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Jan-Mar 2024	Jan-Mar 2025
Fiscal Balance (% of GDP)	3.3	(4.5)	(4.3)	(1.9)	(1.7)	(0.6)	(1.6)	(2.2)
Primary Balance (% of GDP)	5.4	(0.9)	(0.8)	2.4	3.5	4.6	(0.1)	(0.8)
Interest (% of GDP)	2.1	3.6	3.5	4.3	5.2	5.2	1.5	1.4
Fiscal Current Account (% of GDP)	4.9	(1.6)	(0.6)	1.8	1.0	4.0	0.2	0.5
Revenue (% of GDP)	25.3	26.7	25.0	25.8	24.7	27.1	7.4	7.1
Expenditure (% of GDP)	22.1	31.2	29.3	27.7	26.4	27.7	9.1	9.3
Non-interest Expenditure (% of GDP)	20.0	27.6	25.8	23.4	21.2	22.6	7.6	7.9
Capital Expenditure (% of GDP)	1.6	2.9	3.8	3.7	2.7	4.6	1.8	2.6
Gov't Interest Payments (% of Revenue)	8.4	13.4	14.1	16.5	20.9	19.0	20.1	19.4

^(e) – Estimate

¹ - Barbados Statistical Service and Central Bank of Barbados

² - Central Bank of Barbados estimated 12-month moving average as at February 2025

³ - Unemployment rates as at September 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 (BD\$ Millions, Constant Prices)¹

	2019	2020	2021	2022	2023	2024 ^(e)	Mar 2024 ^(e)	Mar 2025 ^(e)
Traded Sector	1,628.8	1,082.9	971.6	1,379.6	1,469.2	1,551.4	437.5	455.1
Tourism	736.2	238.3	206.6	554.6	627.6	703.7	211.3	231.3
Agriculture	264.9	307.2	219.1	179.7	196.5	196.2	53.2	51.0
Sugar	4.0	4.7	4.7	4.9	5.7	5.3	0.9	0.9
Non-Sugar Agriculture	261.0	302.5	214.4	174.8	190.8	190.9	52.3	50.1
Manufacturing	627.7	537.3	545.8	645.3	645.0	651.6	172.9	172.8
of which:								
<i>Rum & Other Beverages</i>	76.8	76.1	78.1	84.8	87.7	89.1	22.3	24.5
<i>Food</i>	116.7	99.3	107.7	113.4	116.4	118.8	29.1	30.2
<i>Furniture</i>	12.0	11.5	12.2	12.4	12.7	12.8	3.2	3.0
<i>Chemicals</i>	27.4	28.1	27.7	29.6	30.0	30.0	7.0	7.0
<i>Other Non-Metallic Mineral Products</i>	136.8	137.9	148.6	163.9	131.5	132.7	24.1	24.5
Non-traded Sector	7,722.1	6,984.5	7,081.1	7,983.1	8,282.8	8,589.4	2,312.6	2,367.2
Mining & Quarrying	83.5	70.8	65.3	74.4	76.4	78.0	20.3	20.9
Electricity, Gas & Water	248.6	238.1	251.6	254.1	260.5	270.3	64.2	65.9
Construction	479.3	498.3	487.6	491.1	463.3	496.0	117.9	125.4
Wholesale & Retail	1,625.3	1,384.7	1,359.3	1,699.4	1,734.1	1,787.5	479.8	487.9
Transport, etc	1,131.0	800.4	919.2	1,076.8	1,122.6	1,163.1	307.1	308.8
Business & Other Services	3,312.6	3,150.7	3,134.6	3,468.1	3,668.8	3,837.3	1,025.2	1,060.2
Government	841.8	841.4	863.5	919.2	957.0	957.1	298.0	298.0
Real GDP	9,350.9	8,067.4	8,052.7	9,362.7	9,752.0	10,140.8	2,750.0	2,822.3
Nominal GDP	11,576.6	10,336.7	10,550.5	12,514.6	13,441.5	14,337.1	3,793.2	4,002.4
Real Growth Rates	0.4	(13.7)	(0.2)	16.3	4.2	4.0	4.4	2.6
Tradeables	6.1	(33.5)	(10.3)	42.0	6.5	5.6	7.1	4.0
Non-tradeables	(0.7)	(9.6)	1.4	12.7	3.8	3.7	3.8	2.4

^(e) - Estimate

¹ - BSS' 2016 Base Year Series

Sources: Barbados Statistical Service and Central Bank of Barbados

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

	2019	2020	2021	2022 ^(e)	2023 ^(e)	2024 ^(e)	Mar 2024 ^(e)	Mar 2025 ^(e)
Current Account Balance	(184.2)	(515.8)	(1,082.7)	(1,237.6)	(1,180.9)	(640.9)	(5.6)	(52.6)
o/w: Exports of Goods and Services	4,583.0	2,838.9	2,964.3	3,997.0	4,442.8	4,906.4	1,363.8	1,445.2
o/w: Imports of Goods and Services	4,141.8	3,406.6	3,920.7	4,934.5	5,057.0	5,305.4	1,316.7	1,434.2
Merchandise Trade Balance	(1,476.7)	(1,615.2)	(1,900.0)	(2,456.1)	(2,449.3)	(2,505.1)	(555.8)	(698.8)
Exports of Goods	1,526.4	1,238.1	1,277.4	1,622.2	1,585.5	1,579.6	434.8	423.6
Domestic	507.8	449.4	444.3	501.9	481.7	475.6	125.1	122.3
Re-exports	380.8	241.0	237.7	493.4	440.8	438.5	141.6	132.9
Net Export of Goods under Merchanting	637.6	547.6	595.4	626.8	663.0	665.4	168.0	168.4
Imports of Goods	3,003.1	2,853.3	3,177.4	4,078.3	4,034.8	4,084.7	990.5	1,122.4
o/w: Fuel	728.0	519.0	685.8	1,122.8	1,010.6	951.7	276.3	262.5
Services Balance	1,917.9	1,047.5	943.6	1,518.6	1,835.1	2,106.1	602.9	709.8
Exports	3,056.6	1,600.9	1,686.9	2,374.8	2,857.3	3,326.8	929.0	1,021.6
o/w: Travel	2,598.1	1,203.5	1,245.7	1,870.0	2,314.0	2,732.8	859.9	938.7
Imports	1,138.7	553.3	743.3	856.2	1,022.2	1,220.6	326.1	311.9
Income Account Balance	(533.8)	(134.9)	(192.5)	(331.6)	(558.2)	(573.7)	(112.6)	(125.4)
Credits	565.4	338.7	412.4	460.5	497.0	507.5	95.6	100.9
Debits	1,099.2	473.7	604.8	792.1	1,055.2	1,081.1	208.2	226.3
Current Transfers Balance	(91.6)	186.8	66.2	31.5	(8.5)	331.8	59.9	61.8
Credits	110.1	396.6	284.4	276.4	253.1	619.7	133.5	141.5
Debits	201.7	209.8	218.2	244.9	261.6	287.9	73.6	79.7
Capital Account	(5.3)	(4.5)	0.5	15.0	(4.9)	3.5	(1.3)	(1.3)
Financial Account	776.4	1,621.6	1,207.6	912.8	1,266.8	833.3	336.3	314.2
Net Foreign Direct Investment	375.3	509.2	417.8	528.9	449.8	468.0	83.0	114.5
All Other Investment Flows	401.1	1,112.4	789.8	383.9	817.0	365.3	253.3	199.7
Net Long-term Public	371.5	937.7	734.6	101.6	599.4	182.2	168.3	69.2
o/w: IMF	202.5	101.2	0.0	38.0	205.2	59.5	-	(0.0)
Net Long-term Private	113.0	251.3	99.5	310.1	253.6	241.8	94.9	124.1
Net Short-term	(83.5)	(76.7)	(44.3)	(27.8)	(36.0)	(58.6)	(9.9)	6.4
Net Errors & Omissions	(105.6)	76.0	317.4	210.9	65.1	(48.7)	(80.2)	(65.7)
Overall Balance	481.4	1,177.3	442.8	(98.9)	146.0	147.3	249.1	194.6
Change in GIR: - increase/+ decrease	(481.4)	(1,179.7)	(398.2)	288.6	(229.3)	(184.2)	(250.8)	(194.6)
BOP change in GIR (-increase/+decrease)	(481.4)	(1,177.3)	(442.8)	98.9	(146.0)	(147.3)	(249.1)	(194.6)
Memorandum Items:								
Gross International Reserves (GIR)	1,481.0	2,660.7	3,058.8	2,770.3	2,999.5	3,183.8	3,250.4	3,378.3
Gross International Reserves Cover, Weeks	18.6	40.6	40.6	29.2	30.8	31.2	33.1	32.4

^(e) – Estimate

o/w – Of which

Source: Central Bank of Barbados

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

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 ^(e)	Jan-Mar 2024 ^(e)	Jan-Mar 2025 ^(e)
Total Revenue	2,984.2	2,563.3	2,823.8	3,320.0	3,378.0	3,944.9	1,017.4	1,034.7
Tax Revenue	2,771.2	2,387.8	2,646.1	3,110.6	3,205.5	3,732.7	972.8	979.3
i) Direct Taxes	1,084.7	1,202.9	1,148.2	1,381.2	1,379.8	1,859.5	471.7	477.3
Personal	454.7	308.1	385.0	393.4	443.4	466.1	133.5	122.8
Corporate	309.0	612.9	450.5	548.8	563.1	1,026.7	255.1	294.2
Pandemic Levy (Individuals)	0.0	0.0	0.0	13.5	3.7	0.0	0.1	0.0
Pandemic Levy (Corporations)	0.0	0.0	0.0	74.7	0.0	0.0	0.0	0.0
Property	214.7	181.6	205.2	217.0	218.7	223.3	36.2	25.3
Financial Institutions Asset Tax	47.4	45.6	46.2	53.0	53.5	56.7	13.9	14.4
Other	58.9	54.7	61.4	80.8	97.4	86.7	33.0	20.6
ii) Indirect Taxes	1,686.5	1,185.0	1,497.9	1,729.5	1,825.7	1,873.1	501.1	502.0
Stamp	11.4	7.6	13.4	21.6	18.2	17.0	6.9	5.0
VAT	966.9	706.3	884.6	1,022.6	1,095.5	1,131.8	308.4	312.4
Excises	250.9	154.1	212.3	247.2	228.6	241.3	49.9	58.2
Import Duties	231.6	191.9	220.6	241.9	257.2	280.2	61.5	73.1
Social Responsibility Levy	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	225.6	124.9	167.0	196.1	226.2	202.8	74.5	53.2
o/w: Fuel Tax	82.1	63.8	70.2	80.9	76.8	80.8	20.3	21.2
o/w: Room Rate/Shared Accommodation	28.1	9.5	25.2	40.2	42.4	43.1	14.2	14.2
Non-tax Revenue & Grants:	213.0	175.4	177.8	209.4	172.5	212.3	44.6	55.4
Non-tax Revenue	201.3	169.5	159.7	173.4	159.4	204.8	40.0	53.6
o/w: Foreign Exchange Fee	79.4	65.2	78.7	94.4	101.1	99.9	26.9	18.8
Grants	11.8	0.0	5.7	20.0	1.0	0.0	1.0	0.0
Post Office Revenue	0.0	5.9	12.3	16.0	12.1	7.5	3.7	1.8
Current Expenditure	2,407.9	2,716.8	2,889.2	3,088.7	3,238.9	3,369.0	992.9	968.2
Wages & Salaries	807.4	808.0	834.8	854.6	852.4	884.4	210.8	231.8
Goods & Services	375.5	399.8	493.2	529.0	522.4	562.7	181.5	198.3
Interest	249.7	342.6	398.9	549.2	707.3	749.9	204.3	200.6
External	62.7	144.1	132.4	196.0	308.4	336.0	97.3	93.2
Domestic	187.0	198.5	266.5	353.3	398.9	414.0	107.0	107.4
Transfers & Subsidies	975.3	1,166.3	1,162.3	1,155.9	1,156.8	1,172.0	396.3	337.4
Grants to Individuals	389.2	423.7	454.2	475.0	413.8	427.7	128.6	128.4
Grants to Public Institutions	517.6	657.3	631.8	581.4	661.9	680.0	230.1	187.3
Subsidies	31.8	49.7	33.6	48.2	46.3	24.5	26.7	7.4
Subscriptions & Contributions	20.3	20.3	21.9	23.7	21.1	20.1	5.7	8.1
Non-Profit Agencies	16.4	15.3	20.7	27.7	13.7	19.7	5.2	6.3
Capital Expenditure & Net Lending	191.8	276.1	425.2	476.2	369.6	663.1	247.3	380.2
Capital Expenditure	185.1	278.3	421.6	449.5	357.6	632.8	255.8	368.1
Net Lending	6.7	-2.2	3.6	26.7	12.0	30.3	-8.5	12.2
Fiscal Balance	384.5	(429.6)	(490.6)	(244.9)	(230.5)	(87.1)	(222.8)	(313.7)
Primary Balance	634.2	(87.0)	(91.6)	304.3	476.8	662.8	(18.5)	(113.1)
Fiscal Balance-to-GDP (%)	3.3	(4.5)	(4.3)	(1.9)	(1.7)	(0.6)	(1.6)	(2.2)

^(e) - Estimate

o/w – Of which

Source: Ministry of Finance

Appendix 5 -Government Financing (BDS\$ Millions)

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 ^(e)	Jan-Mar 2024 ^(e)	Jan-Mar 2025 ^(e)
Fiscal Balance	384.5	(429.6)	(490.6)	(244.9)	(230.5)	(87.1)	(222.8)	(313.7)
Arrears Payments	(208.3)	(61.9)	(41.1)	(38.2)	(21.0)	(5.0)	0.0	0.0
Other non-deficit transactions	0.0	0.0	0.0	0.0	(30.3)	(79.2)	(14.5)	(15.7)
Financing	(176.2)	491.5	531.7	283.1	281.8	171.3	237.3	329.4
Domestic Financing (Net)	(274.9)	(340.1)	107.0	(217.9)	(247.7)	(30.5)	53.8	260.6
Central Bank	164.7	(66.6)	331.6	(132.6)	(174.6)	270.0	(265.8)	230.4
Commercial Banks	(86.3)	106.6	(24.5)	99.9	131.3	679.9	111.4	5.1
National Insurance Board	(85.2)	(207.9)	15.3	(60.2)	(83.3)	(439.0)	(26.3)	(23.4)
Private Non-Bank	(217.7)	(34.9)	(47.1)	(136.8)	76.2	(172.2)	(37.9)	(34.5)
Other	(50.4)	(137.3)	(168.3)	11.7	(197.2)	(369.2)	272.4	83.0
Foreign Financing (Net)	98.7	831.6	424.7	501.1	529.5	201.9	183.5	68.8
Capital Markets	0.0	0.0	0.0	146.5	0.0	0.0	0.0	0.0
Project Funds	64.1	51.2	91.4	72.6	113.1	111.8	26.8	7.2
Policy Loans	150.0	968.1	496.6	483.6	627.6	423.4	200.0	200.0
Amortisation	(115.4)	(187.7)	(163.3)	(201.7)	(211.2)	(333.4)	(43.2)	(138.4)

^(e) – Estimate

Source: Central Bank of Barbados

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

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 ^(e)
Gross Central Government Debt¹	12,322.6	12,819.1	13,310.3	14,224.8	14,872.5	14,888.1
Gross Central Government Debt/GDP (%)	104.7	133.5	117.8	110.5	108.7	102.3
Domestic Debt	9,226.4	8,872.7	8,824.1	9,117.9	9,250.0	9,134.8
Short Term	697.0	708.1	710.1	662.3	822.9	912.7
Treasury Bills²	495.1	495.1	495.1	495.1	667.7	785.8
Central Bank	207.2	207.2	207.2	207.2	207.2	207.2
Commercial Banks	285.1	285.1	285.1	285.1	432.9	572.5
Other	2.8	2.8	2.8	2.8	27.6	6.1
Loans	201.9	213.0	215.0	167.2	155.2	126.9
Central Bank	201.9	213.0	215.0	167.2	155.2	126.9
Long Term	8,529.4	8,164.6	8,113.9	8,455.6	8,427.0	8,222.0
Bonds	8,358.6	8,083.7	8,091.2	8,051.6	8,047.0	7,298.0
Central Bank	414.4	414.4	444.4	626.8	626.8	590.7
Commercial Bank	2,048.0	2,048.8	2,058.3	2,034.2	2,061.5	1,934.5
NIS	2,858.7	2,650.2	2,665.4	2,605.2	2,521.9	2,082.8
Insurance Companies	821.5	815.8	815.1	810.6	782.1	765.0
Pension Funds	304.8	311.7	321.9	317.1	315.3	324.3
Other	1,911.2	1,842.7	1,786.1	1,657.6	1,739.4	1,600.7
Loans & Tax Certificates	17.9	1.5	0.1	146.6	146.6	739.3
Commercial Banks	17.8	1.4	(0.0)	146.5	146.5	739.2
Other	0.1	0.1	0.1	0.1	0.1	0.1
Arrears	152.9	79.4	22.6	257.5	233.4	184.8
External Debt	3,096.2	3,946.4	4,486.2	5,106.8	5,622.5	5,753.3
Long Term	3,096.2	3,946.4	4,486.2	5,106.8	5,622.5	5,753.3
International Bonds	1,137.9	1,072.9	1,072.9	1,070.7	1,069.3	913.2
Bilateral	242.9	244.4	312.6	376.3	384.9	387.6
Multilateral	1,431.1	2,381.3	2,882.4	3,323.3	3,861.0	4,175.8
IMF (Budget Support)	-	368.2	464.8	530.8	744.7	958.7
Commercial	237.0	247.8	218.3	336.5	307.2	276.7
Arrears	47.3	-	-	-	-	-
Other Public Sector Debt (Guaranteed Contingent Liabilities)	57.9	51.9	46.0	36.2	26.3	69.5
Domestic Debt	-	-	-	-	-	-
External Debt	57.9	51.9	46.0	36.2	26.3	69.5
Long Term	57.9	51.9	46.0	36.2	26.3	69.5
Bonds	31.1	31.1	31.1	26.0	23.3	17.5
Multilateral	26.8	20.9	14.9	10.2	3.0	52.1
Other	-	-	-	-	-	-
Gross Public Sector Debt³	12,380.5	12,871.1	13,356.3	14,261.0	14,898.8	14,957.6
Gross Public Sector Debt/GDP (%)	105.2	134.0	118.2	110.8	108.9	102.8

^(e) – Estimate

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)

	2019	2020	2021	2022	2023	2024	Mar 2024	Mar 2025 ^(e)
Monetary Authorities								
Net International Reserves	1,130.8	2,195.0	2,594.6	2,354.5	2,560.2	2,788.8	2,810.3	2,962.3
Monetary base	2,938.8	3,551.8	4,132.8	4,389.2	4,401.1	4,283.0	4,371.3	4,634.0
Net Domestic Assets	1,761.6	1,296.2	1,479.0	1,978.4	1,738.7	1,383.8	1,458.1	1,549.3
Deposit-taking Institutions¹								
Credit to Public Sector ²								
Central Government (net)	1,886.7	2,056.5	2,100.1	2,249.8	2,418.0	3,194.9	2,536.0	3,201.7
Rest of the Public Sector	65.0	85.3	144.5	157.1	142.6	136.8	138.4	131.8
Credit to Rest of Financial System	255.7	262.8	246.1	280.2	294.7	309.9	275.1	290.6
Credit to the Non-Financial Private Sector ³	8,254.4	8,153.7	8,096.8	8,350.7	8,567.5	8,959.4	8,594.7	9,063.9
Total Deposits	12,286.4	12,976.2	13,697.0	14,413.4	14,582.5	15,810.8	14,858.7	16,203.5
Transferable Deposits ⁴	10,396.1	11,178.9	11,855.8	12,643.9	12,900.2	14,009.4	13,162.3	14,282.1
Non-Transferable Deposits	1,890.3	1,797.3	1,841.1	1,769.4	1,682.3	1,801.3	1,696.4	1,921.4
Memo Items								
Domestic Currency Deposits	10,337.2	12,283.2	12,809.9	13,376.8	13,547.9	14,539.3	13,712.5	14,689.0
Foreign Currency Deposits	576.2	693.0	887.0	1,036.5	1,034.6	1,271.4	1,146.3	1,514.5
Banking System Financial Stability Indicators⁵								
Capital Adequacy Ratio (CAR)	13.5	16.0	16.8	17.6	20.9	21.2	20.9	19.9
Loan to Deposit Ratio	61.7	57.1	53.0	53.1	54.3	57.0	52.9	55.7
Liquid Assets to Total Assets	26.0	27.5	31.1	32.0	30.9	28.7	33.0	30.6
Non-Performing Loans Ratio	6.6	7.3	7.3	5.9	5.0	4.1	5.0	3.9
Provisions to Non-Performing Loans	52.5	56.3	53.0	53.1	54.1	46.5	52.6	46.7
Return on Average Assets (12-month)	0.6	0.8	1.1	1.3	1.8	1.2	1.7	1.4

^(e) – Estimate

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