



Press Release

# Review of Barbados' Economic Performance:

January to December 2024

**Resilient Growth, Strategic Investments: Building a Sustainable Future for Barbados**



# Overview

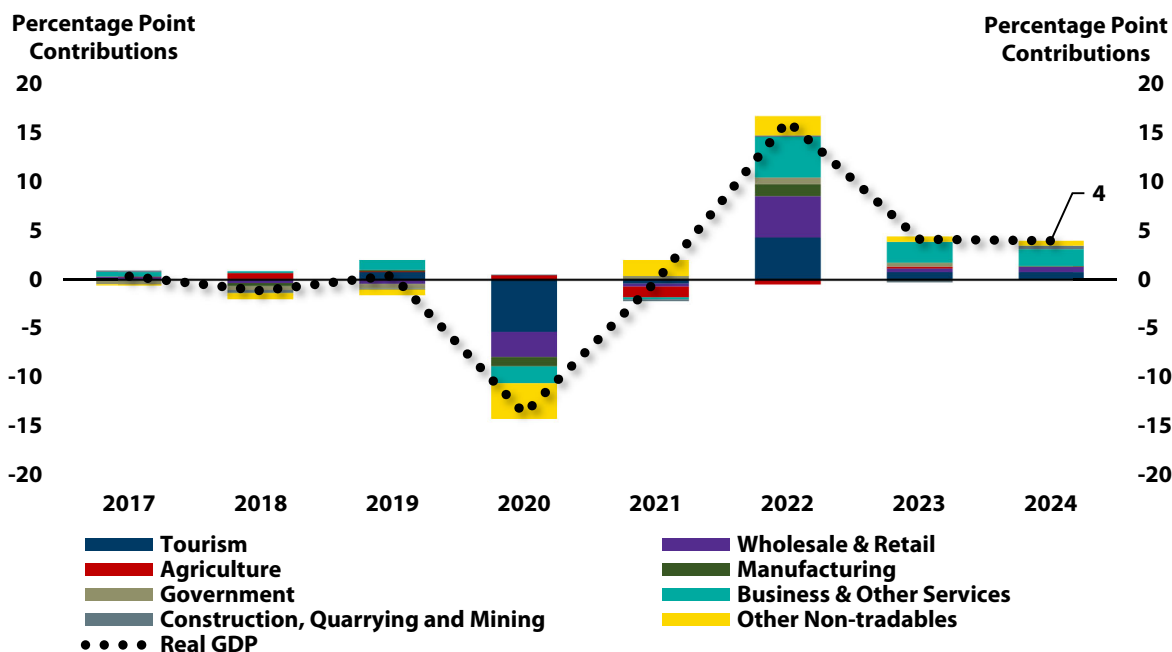
## KEY INDICATORS: January to December 2024

<b>Real GDP Growth</b> 4 percent	<b>Inflation<sup>1</sup></b> 1.4 percent	<b>Unemployment<sup>2</sup></b> 7.1 percent	<b>International Reserves</b> \$3.2 billion
<b>Current Account Deficit</b> \$641 million	<b>Primary Surplus (FY)</b> \$774.1 million (5.3 percent of GDP)	<b>Fiscal Surplus (FY)</b> \$224.8 million (1.5 percent of GDP)	<b>Gross Public Sector Debt</b> 103 percent of GDP

Barbados achieved robust economic growth in 2024, marking three consecutive years of expansion and surpassing the estimated global growth rate. Real GDP increased by 4 percent, driven by strong performances in business services, tourism, construction, and retail trade sectors. Inflation continued its downward trajectory due to stabilising price pressures, while a declining unemployment rate and less jobless claims highlighted improvements in labour market conditions. These results underscore the positive effect of targeted economic reforms and provide a solid platform for future sustainable growth.

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

January – December



Sources: Barbados Statistical Service and Central Bank of Barbados

<sup>1</sup> Estimated moving-average inflation rate for 2024.

<sup>2</sup> Unemployment as at end-September 2024.

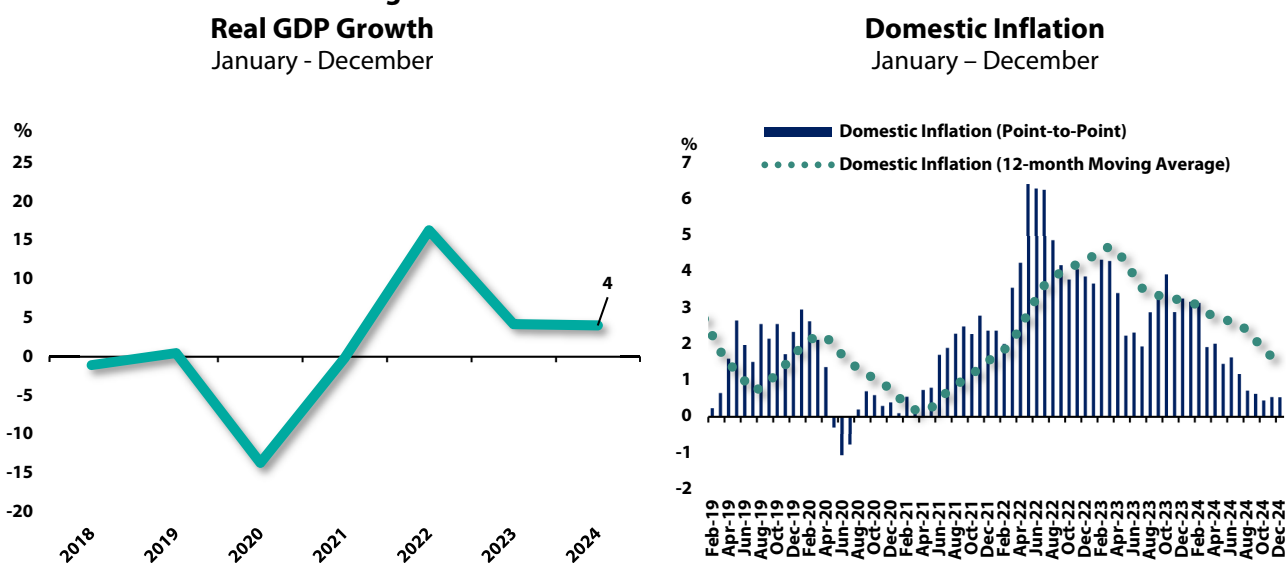
**Barbados registered a record level of gross international reserves—\$3.2 billion, equivalent to 31.2 weeks of import cover.** This reflects strong net foreign exchange inflows from higher tourism receipts and tax revenue generated by the global business sector.

**The fiscal position improved significantly during the first three quarters of FY2024/25.** Government’s operations resulted in an overall surplus of \$224.8 million (1.5 percent of GDP), compared to a deficit of \$7.7 million (0.1 percent of GDP) in the previous period. Similarly, the primary surplus expanded by \$278.8 million to reach \$774.1 million (5.3 percent of GDP), driven by broad-based revenue growth and prudent expenditure management. These fiscal gains, along with the strong economic growth, contributed to a reduction in the debt-to-GDP ratio, which fell to 103 percent, down from 109.8 percent at the end of 2023.

**The financial sector remained stable, further bolstering economic resilience.** Declining non-performing loans (NPLs), robust capital buffers, and ample liquidity supported stability across deposit-taking institutions (DTIs). These positive outcomes reinforced the sector’s capacity to withstand shocks and laid a strong foundation for sustainable economic growth heading into 2025.

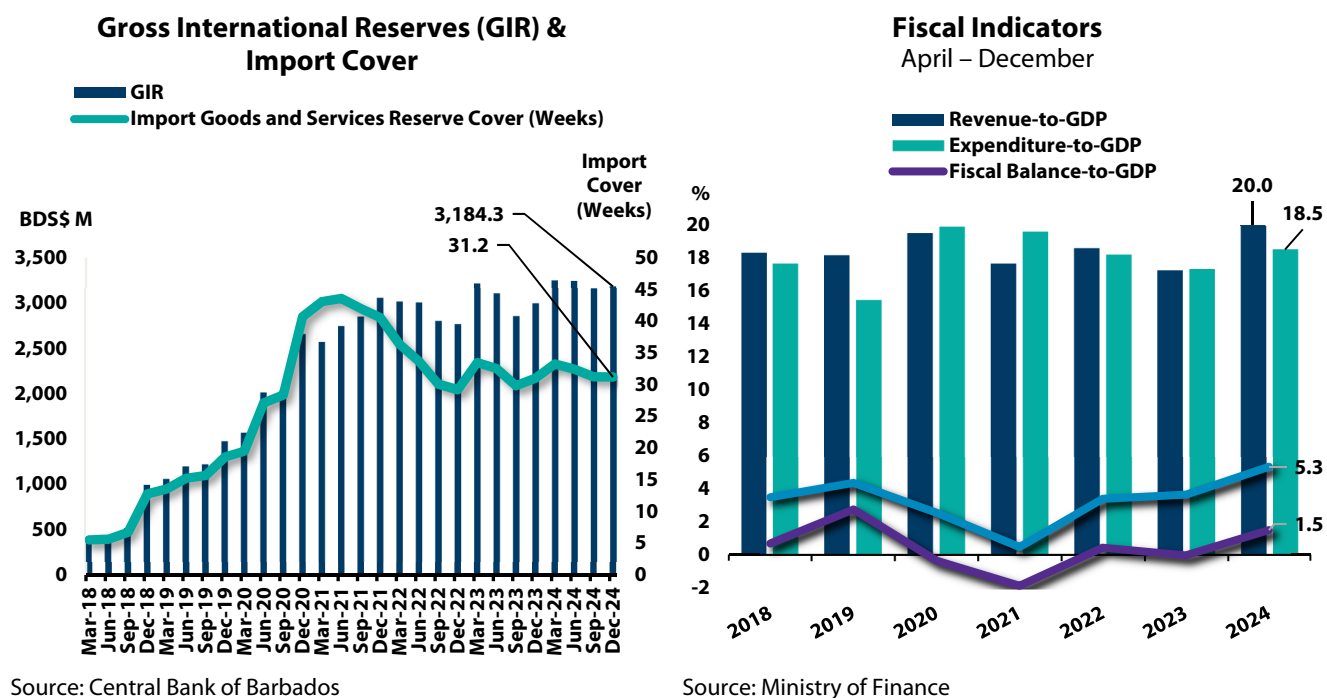
**Barbados’ economy is poised for sustained growth, despite external uncertainties.** Real GDP is expected to increase by 3 percent in 2025, driven by continued expansions in tourism, construction and business services, along with investments in renewable energy and digital infrastructure. Inflation is projected to remain low, stabilising around 2 percent as global commodity prices ease. The Government’s fiscal strategy aims to further reduce the debt-to-GDP ratio, targeting below 100 percent by 2026. However, risks remain from potential global economic slowdowns, climate-related events, and geopolitical tensions, which could impact trade, tourism, and commodity prices. Nevertheless, Barbados’ strong reserve position and ongoing reforms provide a buffer, supporting resilience and sustainable development.

**Figure 2: Selected Economic Indicators**



Sources: Central Bank of Barbados and Barbados Statistical Service

Figure 2 Cont'd: Selected Economic Indicators



## Economic Activity

**The economy recorded robust growth, reflecting resilience and expansion across key sectors.** Real GDP grew by 4 percent in 2024, driven by strong performances in both traded and non-traded sectors. Tourism and manufacturing propelled a 5.5 percent expansion in the traded sector, despite challenges in agriculture due to adverse weather conditions. Concurrently, the non-traded sector grew by 3.7 percent, supported by increased domestic demand, with notable contributions from business & other services, construction, and wholesale & retail trade.

### Tourism

**Tourism activity expanded significantly in 2024, underpinned by increased airlift and major events.** Long-stay arrivals rose by 10.7 percent (67,800 visitors), on the strength of expanded airline capacity, cricket matches, and the Crop Over Festival. The US market contributed 76 percent of the growth, with arrivals surging by 29.2 percent due to a 49.3 percent increase in seating capacity. Visitors from Canada and CARICOM grew by 13 percent and 4.7 percent, respectively. However, UK arrivals fell by 2 percent, and other European visitors declined by 1.7 percent due to reduced airlift capacity.

**Accommodation performance reflected strong demand in 2024.** The average hotel occupancy rate increased by 1 percentage point to 64.3 percent by year-end. Hotels recorded higher earnings for the fifteenth consecutive quarter, with average daily rates rising by 11.5 percent, leading to a 12.6 percent growth in revenue per available room (RevPAR). In contrast, the sharing economy experienced mixed results; average occupancy rates grew by 4.3 percentage points to 55.2 percent, but lower daily rates led to a 9.5 percent decline in RevPAR.

**Table 1: Tourism Arrivals by Source Market**

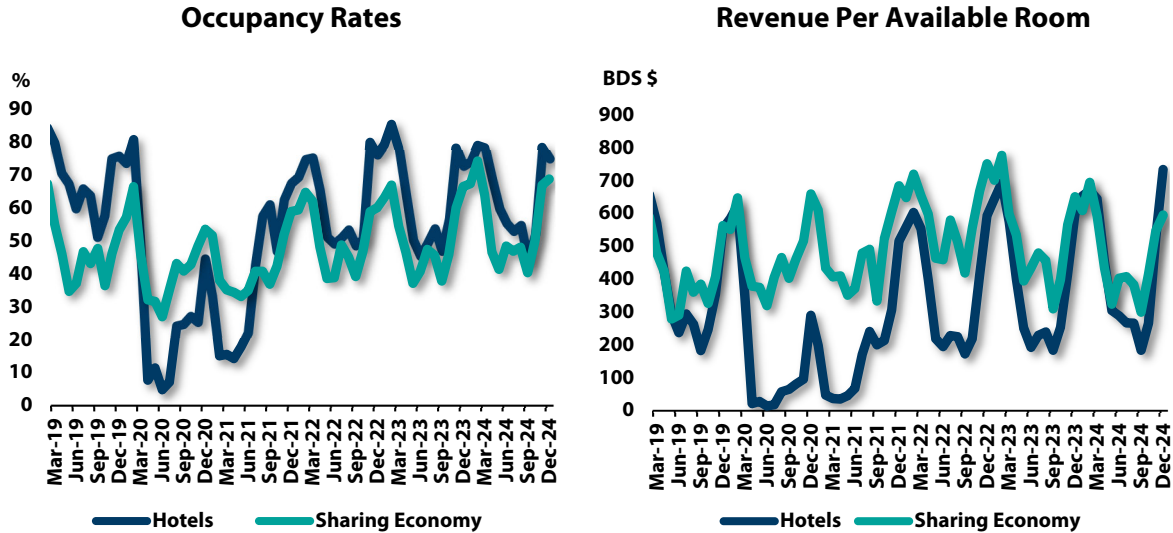
January – December

Major Markets	Average (2017-2019)	2020	2021	2022	2023	2024	Absolute Change (2024/23)	Percentage Change (2024/23)
United States	203,972	43,222	44,804	148,326	176,614	228,128	51,514	29.2
Canada	85,807	32,932	17,316	55,759	77,140	87,142	10,002	13.0
United Kingdom	224,422	63,923	53,639	234,510	243,857	239,045	(4,812)	-2.0
Europe	39,602	18,022	8,959	26,606	28,306	27,821	(485)	-1.7
CARICOM	104,430	22,390	13,908	58,435	88,524	92,706	4,182	4.7
Other	26,294	14,613	6,207	16,110	22,099	29,498	7,399	33.5
<b>Total Arrivals</b>	<b>684,528</b>	<b>195,102</b>	<b>144,833</b>	<b>539,746</b>	<b>636,540</b>	<b>704,340</b>	<b>67,800</b>	<b>10.7</b>
<b>In-transit Cruise Arrivals</b>	<b>681,271</b>	<b>250,542</b>	<b>71,953</b>	<b>250,527</b>	<b>441,677</b>	<b>621,878</b>	<b>180,201</b>	<b>40.8</b>
<b>Total Cruise Calls</b>	<b>455</b>	<b>240</b>	<b>147</b>	<b>319</b>	<b>376</b>	<b>429</b>	<b>53</b>	<b>14.1</b>

Source: Barbados Statistical Service

**Cruise tourism registered strong growth in 2024, reflecting increased cruise activity.** Cruise passenger arrivals rose by 40.8 percent to reach 621,878 visitors, supported by 53 additional cruise calls, which in part reflects the resumption of summer cruise operations after a two-year hiatus. These developments highlight the robust recovery of cruise tourism and its contribution to economic performance.

**Figure 3: Accommodation Indicators**

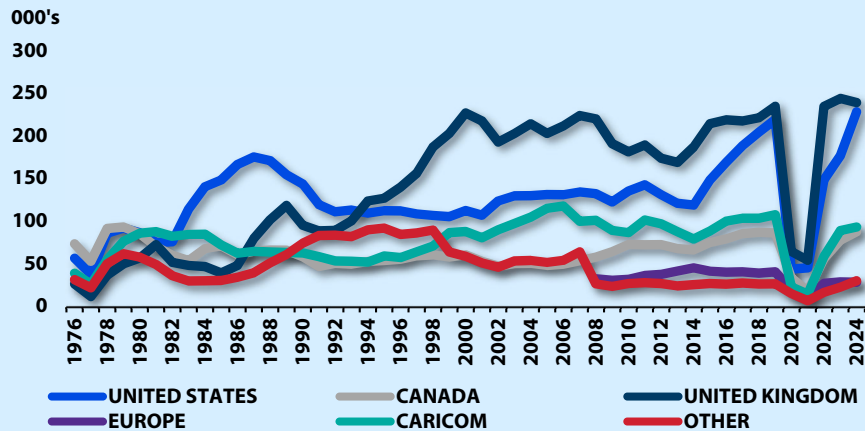


Sources: CoStar and AirDNA

### Airlift Capacity, Long-stay Visitor Trends and Economic Growth

**Tourism remains the backbone of Barbados' economy.** Since the 1970s, tourism has been a critical driver of economic growth and foreign exchange earnings, contributing an average of 50 percent of export revenues. The sector has continuously evolved, attracting visitors primarily from the UK, US, CARICOM, and Canada, which have remained the dominant source markets. While visitor dynamics have shifted over time, the UK has been a key market since the mid-1990s, accounting for an average of 36 percent of arrivals from 1994 to 2024.

**Figure 1: Total Long-Stay Arrivals by Source Market**



Source: Barbados Statistical Service

**Air connectivity is pivotal to tourism demand and economic performance.** The availability of airlift capacity directly influences access to destinations and the affordability of travel, making it a critical enabler of Barbados' tourism growth. Factors such as airline seating capacity, the economic conditions of source markets, paid leave availability, and competitor developments all shape tourism demand. Improved air connectivity is also strongly correlated with economic growth, as noted by the International Air Transport Association (IATA). For small island nations like Barbados, air connectivity drives job creation, supports tourism-related industries, and boosts overall economic activity.

**Barbados has significantly expanded airlift capacity from the USA in recent years.** Since 2015, airlift capacity has more than doubled, increasing by an average of 22.4 percent annually (excluding the pandemic period, 2020–2022). This expansion has supported annual long-stay arrival growth of 8.8 percent over the same period. By the end of 2024, airlift seating capacity from the USA surged, with capacity 11.7 percent higher than the previous peak in 2019. Increased operations by carriers such as American Airlines, JetBlue, Delta, United Airlines, and Frontier drove this growth, resulting in record-breaking long-stay arrivals from the USA, which grew from a pre-pandemic average of 203,972 visitors (2017–2019) to 228,128 visitors in 2024.

**Figure 2: USA Seating Capacity and Arrivals**



Sources: Barbados Statistical Service and Barbados Tourism Marketing Inc.

**The recovery in airlift capacity post-pandemic underpins future growth opportunities.**

Enhanced airlift has been instrumental in boosting Barbados' visitor arrivals and supporting the broader economy. However, source markets face varying economic challenges that could impact future demand. To sustain momentum, Barbados must continuously refine its tourism strategies to align with evolving market trends and visitor preferences. Strengthening partnerships with international carriers will also be critical to maintaining long-term growth in arrivals and ensuring the resilience of the tourism sector.

## Global Business Sector

**The global business sector remained profitable but faced declines in renewed permits and employment.** While revenues from the sector remained buoyant, challenges emerged in the issuance of foreign currency permits and employment levels. The total number of foreign currency permits (both new and renewed) fell by 2.1 percent, as a 3.8 percent (85 permits) decline in renewals offset an 11 percent (31 permits) increase in new permits. Preliminary data up to October 2024 revealed a 15.6 percent drop in average salaries and reduced employment levels, signalling a contraction in recruitment. Ongoing efforts to modernise Barbados' regulatory framework, aim to attract new investments and enhance the country's global competitiveness.

## Other Traded Activity

**Agricultural output showed mixed performance in 2024, with gains in livestock and fisheries offset by weather-related declines in crops.** Fish landings increased by 15.2 percent, buoyed by strong catches in the first half of the year, although Hurricane Beryl negatively impacted the fishing fleet in the latter half. Livestock production also expanded, with chicken and pork output rising by 2.6 percent and 3.5 percent, respectively. However, adverse weather conditions during the period contributed to a 1.1 percent decline in overall agricultural output. Sugarcane yields and food crop production suffered significantly, with fruit and vegetable crops contracting by 8.3 percent due to lower yields of tomatoes, pumpkins, and watermelons. Root crop output fell by 5 percent as onion and cassava

production declined. Additionally, higher temperatures and reduced herd sizes led to a 22.4 percent drop in milk production, marking the largest decline since 2013.

## **Manufacturing**

**Food and beverage production boosted manufacturing output.** Manufacturing output grew by 1 percent, supported by increases in food production (up 2.1 percent), beverages (up 1.6 percent), furniture (up 0.8 percent), and miscellaneous manufactured goods (up 0.7 percent). Chemical output, however, remained flat during the period, reflecting stabilisation in this segment of the sector.

## **Non-traded Activity**

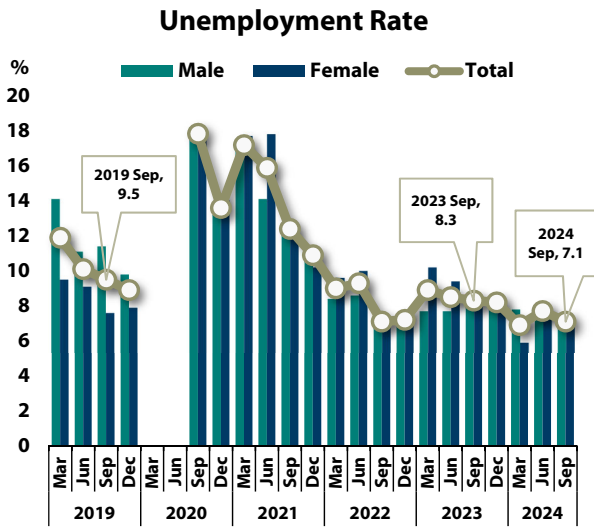
**Non-traded activity expanded in 2024, supported by growth across multiple sectors.** Business and other services increased by 4.6 percent, reflecting heightened demand for finance, insurance, and recreational services. The construction sector grew by 7.1 percent, buoyed by both private and public sector projects such as Hotel Indigo, Apes Hill Villas, condominium developments, infrastructural upgrades by the Barbados Water Authority, roadworks, the construction of the new geriatric hospital, and the refurbishment of key venues in the lead-up to the T-20 Cricket World Cup. Wholesale and retail trade expanded by 3.1 percent, fuelled by higher demand for food, beverages, motor vehicles, and hardware. The electricity, gas and water sector recorded a 3.8 percent increase, supported by greater energy demand across residential, commercial, and industrial users, including tourism and medical facilities.

## **Labour Market**

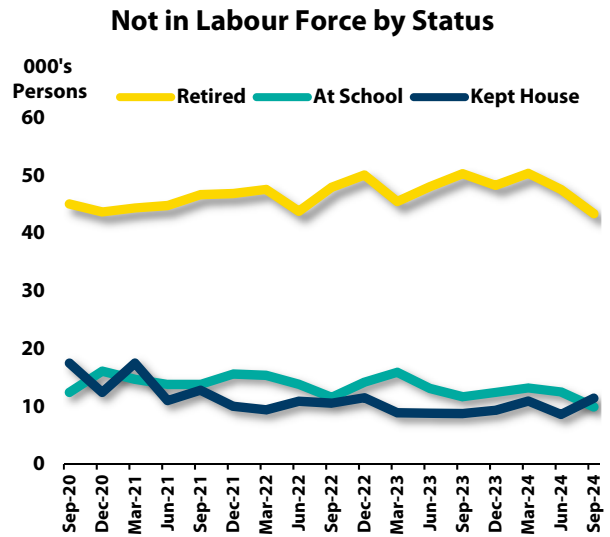
**Labour market conditions improved significantly in 2024, reflecting broader economic recovery.** Unemployment claims decreased by 18.8 percent to 9,530, compared to the previous year. The unemployment rate declined to 7.1 percent by the third quarter, down from 8.3 percent in the same period of 2023. A 7,900-person increase in the labour force supported this improvement, as fewer individuals retired and attended school. Additionally, the labour force participation rate rose to 65.8 percent, an increase of 4 percentage points over September 2023.



**Figure 4: Selected Labour Market Indicators**



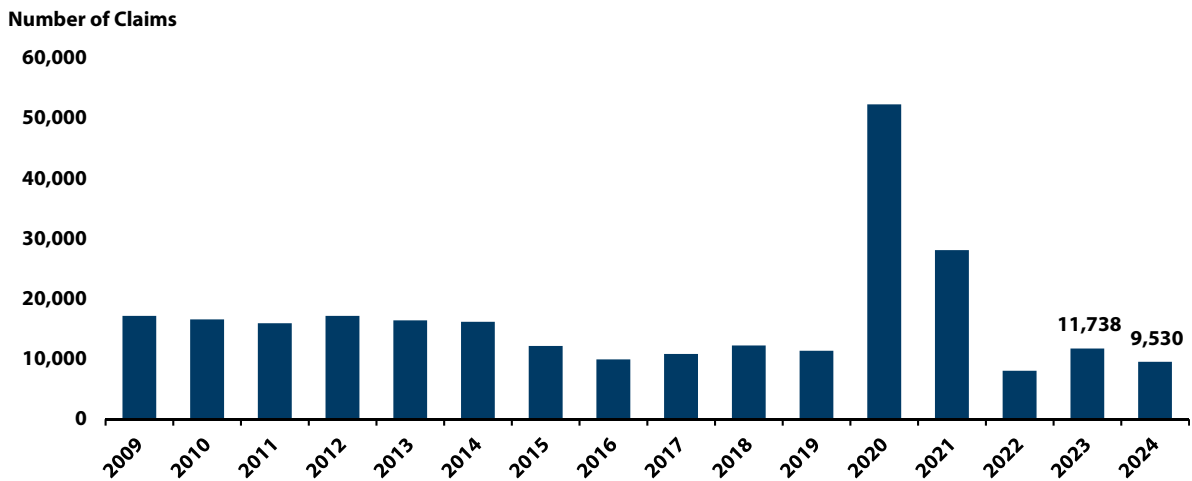
Source: Barbados Statistical Service



Source: Barbados Statistical Service

**Unemployment Claims**

January – December

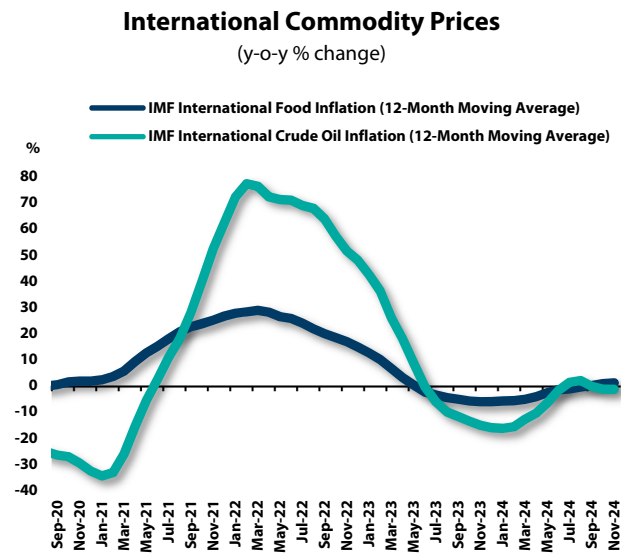


Sources: National Insurance and Social Security Service

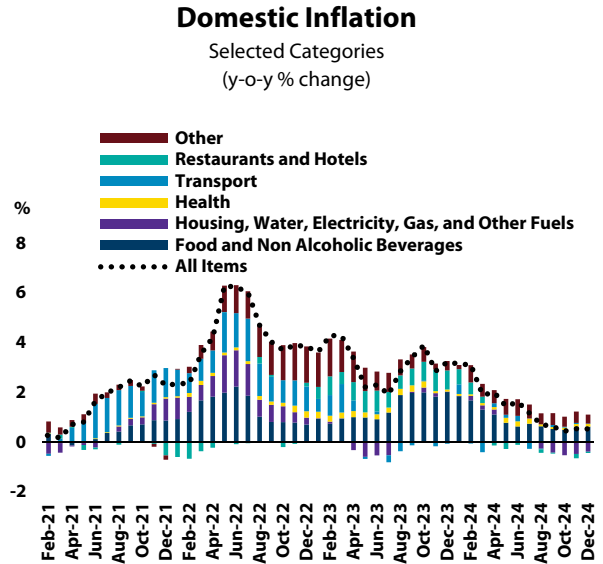
**Prices**

**Favourable price dynamics reduced inflation significantly in 2024.** Domestic inflation slowed to an estimated 1.4 percent on a 12-month moving average basis by the end of the year, representing a 1.8 percentage point decline from 2023. Lower international commodity prices and slower increases in the prices of domestic goods and services contributed to this outcome. Key categories such as clothing, household furnishings, recreation, and restaurants recorded price declines. While unfavourable weather conditions led to higher local vegetable prices, easing international cereal prices tempered food price inflation. Rising international freight cost in 2024 marginally impacted domestic inflation.

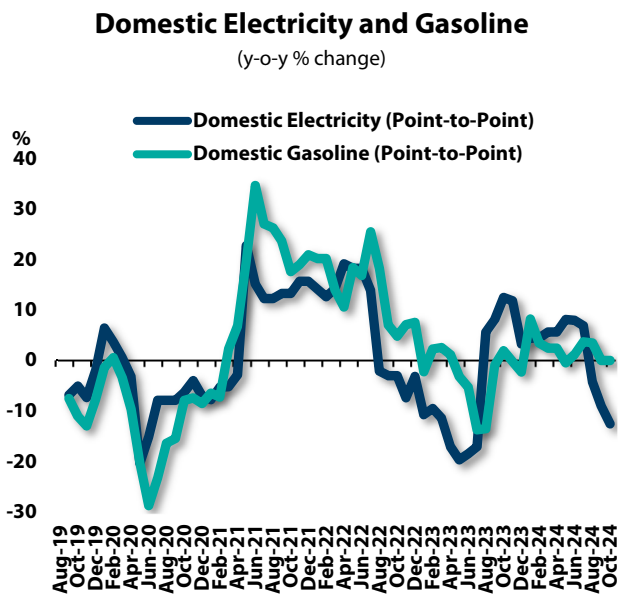
**Figure 5: Domestic and International Price Developments**



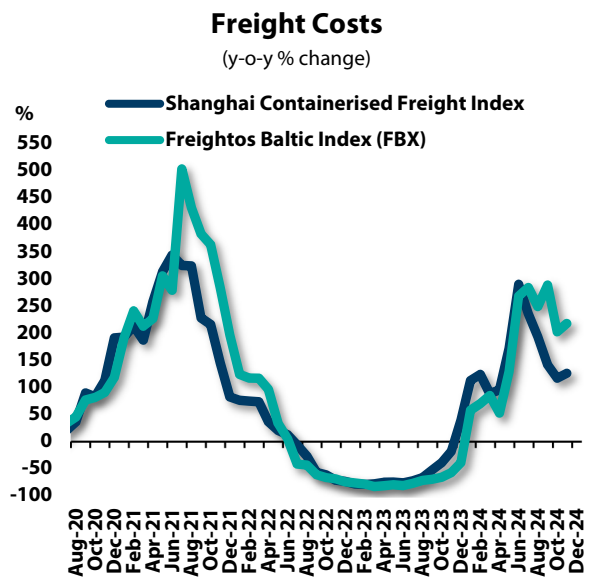
Source: International Monetary Fund



Sources: Barbados Statistical Service and Central Bank of Barbados



Source: Barbados Statistical Service



Sources: MacroMicro and Freightos

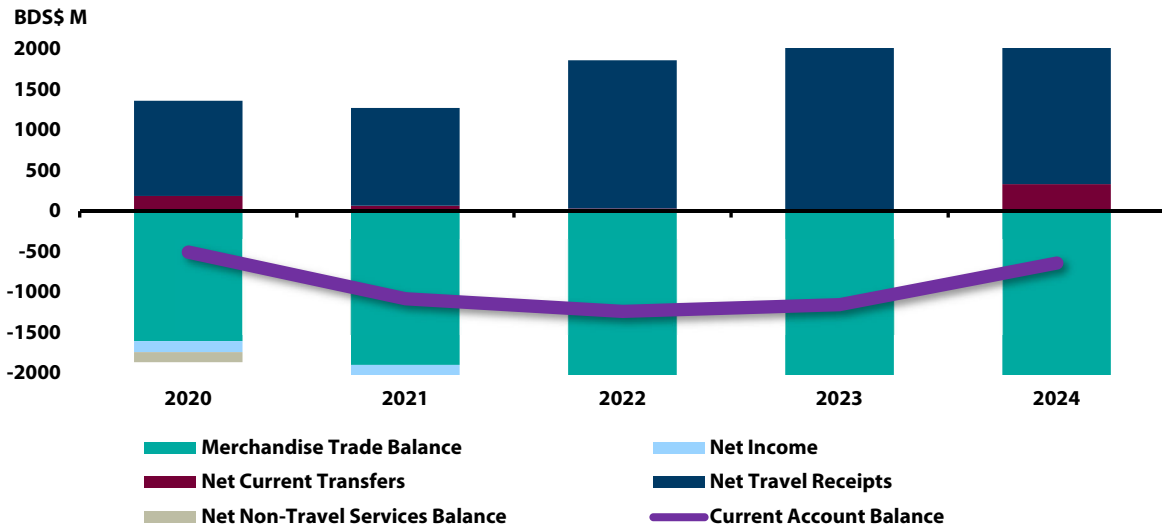
## External Position

**Barbados' external position reflected positive trends in key areas, despite some challenges.**

Strong growth in tourism spending and higher international corporate tax receipts bolstered the external sector's performance, narrowing the current account deficit to 4.5 percent of GDP, compared to 8.6 percent in the prior year. However, smaller financial account inflows, increased import payments, and higher foreign debt service tempered the pace of foreign reserve accumulation. These developments highlight the continued resilience of the external sector amidst global uncertainties.

**Figure 6: Current Account Balances**

January – December



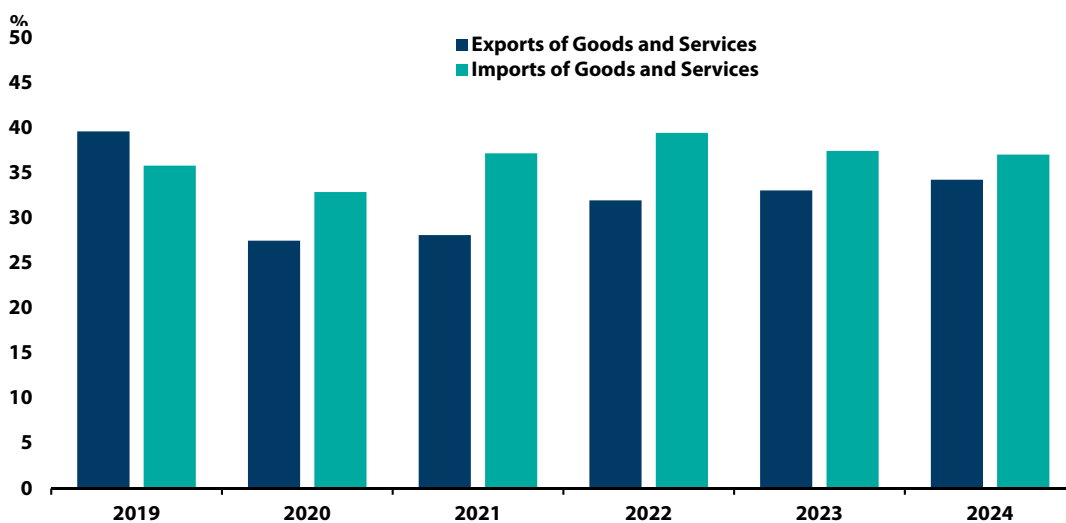
Source: Central Bank of Barbados

## Merchandise Trade Developments

**The merchandise trade deficit widened due to increased imports and reduced export activity.** The trade deficit widened by \$81.6 million over the amount recorded in the same period last year. Imports rose by 1.9 percent, boosted by heightened demand for food & beverages, hybrid & electric vehicles, and machinery. Total exports fell slightly, by 0.3 percent, with domestic exports declining by 1 percent due to reduced sales of rum and food products. Re-exports also contracted by 0.5 percent, primarily reflecting lower fuel shipments.

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

January – December



Source: Central Bank of Barbados

## Travel and Other Services

**The surplus on services expanded as increased visitor arrivals strengthened travel exports.** Travel credits grew by 18.1 percent, reflecting higher long-stay arrivals, particularly from the United States and Canada, as well as increased hotel room rates. The ICC T20 Men’s Cricket World Cup boosted arrivals, enhancing the performance of the services account. However, the surplus on services expansion was tempered by a 19.4 percent rise in services imports, driven by increased payments for professional, transportation, and travel services.

## Income and Current Transfers

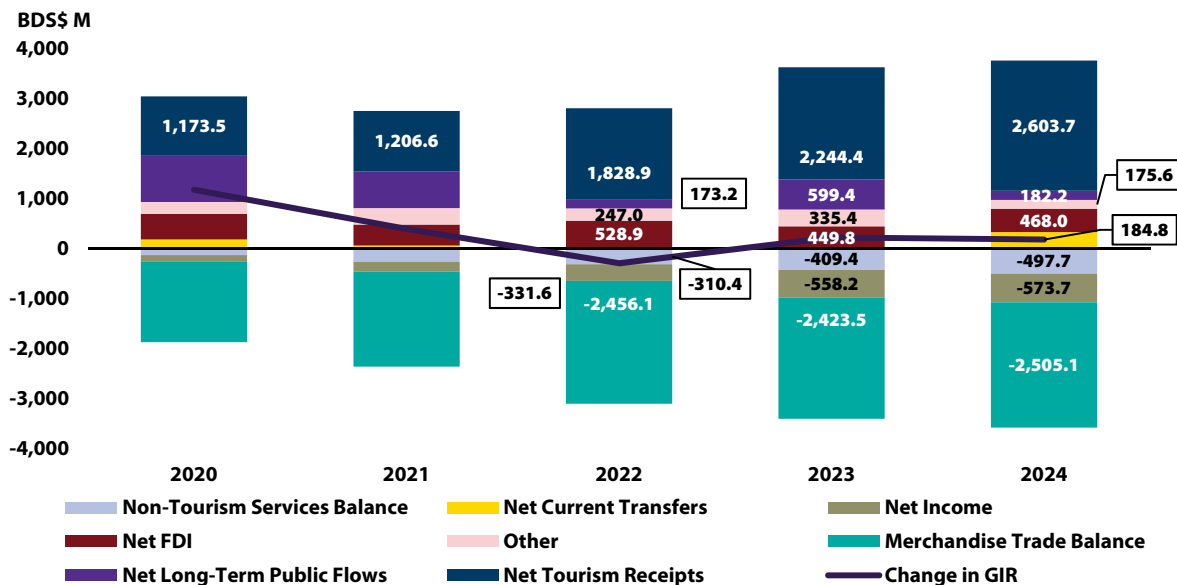
**Global tax and accounting reforms boosted the inflow of current transfers, while the income account deficit widened.** Current transfer receipts increased by 144.8 percent in 2024 relative to 2023, due to the implementation of a new accounting framework for the insurance sector and the global minimum corporation tax rate. These reforms significantly increased foreign tax receipts. However, the income account deficit expanded by 2.8 percent in 2024 compared to 2023, reflecting higher interest payments on external debt.

## International Reserves

**International reserves at the end of 2024 reached the highest end-of-year position on record.** Gross international reserves reached a year-end historic high of \$3,184.3 million, representing an increase of \$184.8 million over the year. This build-up reflected improvements in the current account, in particular, robust tourism activity and higher tax receipts. However, foreign reserve accumulation slowed compared to 2023, as reduced foreign borrowings and increased external debt servicing moderated growth. At the end of the year, the reserve import cover stood at 31.2 weeks, significantly above the international benchmark of 12 weeks.

**Figure 8: Explanation of Reserve Movements**

January – December



Source: Central Bank of Barbados

## Fiscal Operations

**Barbados sustained its strong fiscal performance in the first three quarters of FY2024/25.** The Government achieved a fiscal surplus of \$224.8 million (1.5 percent of GDP), a sharp improvement from the \$7.7 million deficit (-0.1 percent of GDP) recorded during the same period of the previous year. Total revenue increased by \$548 million to reach \$2,908.5 million, driven by a \$423.5 million rise in corporation taxes, which benefitted from reforms in global tax structures. Total expenditure expanded to \$2,683.7 million, reflecting a \$315.4 million increase on the previous year's total. Transfers to public institutions, interest expenditure, and spending on goods and services contributed to a \$154.9 million rise in current expenditure. Meanwhile, spending on a new geriatric hospital, digital transformation, and land acquisitions for schools, contributed to a \$162.9 million increase in capital outlays. The primary surplus, which excludes interest payments, rose by \$278.8 million (1.7 percent of GDP) to \$774.1 million (5.3 percent of GDP).

### Revenue

**Corporation taxes drove the growth in government revenue during the first nine months of FY2024/25.** Gross corporation tax receipts expanded by \$445.5 million by the end of December 2024. This category benefitted from the monthly prepayment schedule, higher corporation tax rates<sup>3</sup>, the adoption of a new accounting framework for insurance companies<sup>4</sup>, and improved profitability among multinational enterprises. Refunds moderated the growth in net corporation tax receipts, which increased by \$423.5 million.

**Direct tax receipts also reflected growth in other areas.** Personal income tax collections rose by \$33.3 million, mainly due to stronger performances in the finance & insurance, accommodation, and food sectors. Property taxes increased by \$15.3 million, driven by enhanced collection efforts on land tax arrears and higher real estate transaction values.

**Transaction-based taxes contributed to the rise in indirect tax receipts.** Construction and tourism activity fuelled a \$39.5 million increase in gross domestic VAT collections, while higher import values led to an \$18.1 million rise in external VAT. Although VAT refunds transferred to the Barbados Revenue Authority (BRA) tempered growth, net VAT collections still rose by \$32.2 million. Additionally, import duties and excises expanded, mainly reflecting increased imports of hybrid vehicles.

**Non-tax revenue rose during the review period.** A \$20.4 million increase in investment income, primarily from a dividend paid by the Industrial Credit Fund for Export Barbados, supported this rise. The foreign exchange fee added \$7 million, reflecting higher imports and foreign income payments.

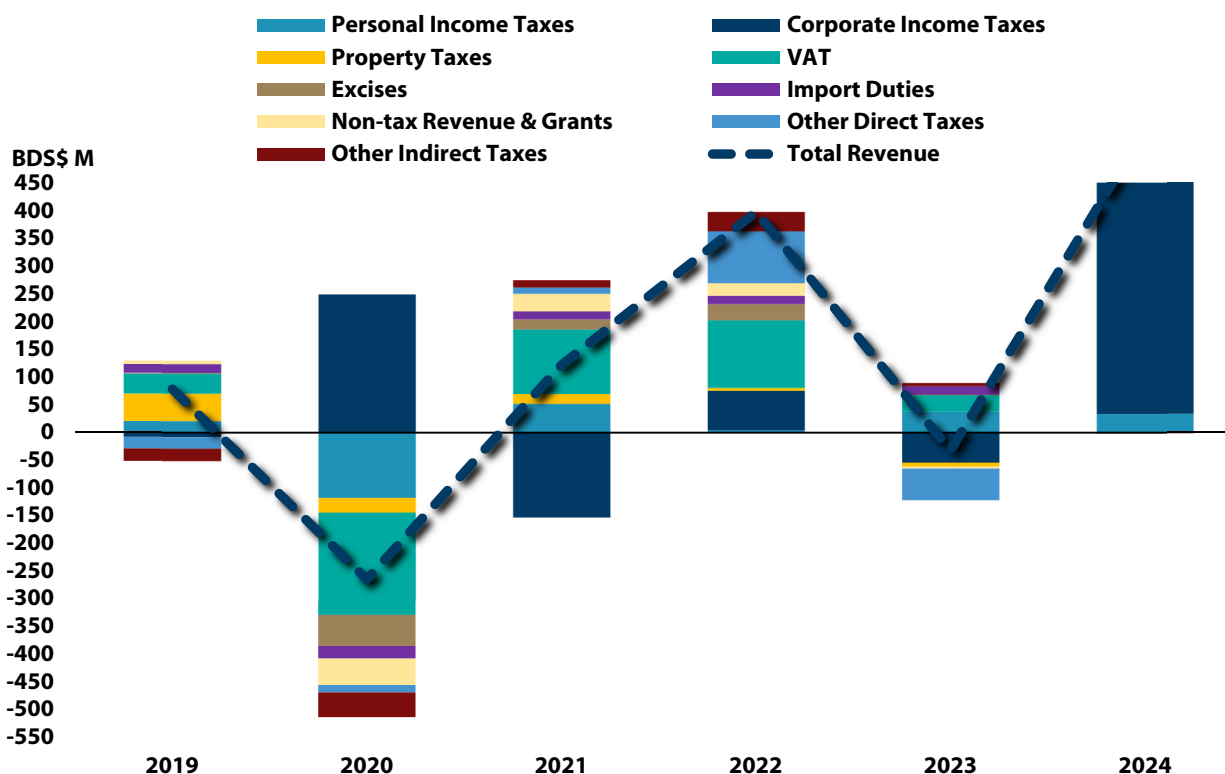
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<sup>3</sup> As announced in the November 2023 corporation tax reform measures, effective January 1<sup>st</sup>, 2024, companies in scope for the GloBE Rules (including the 15 percent global minimum corporate tax rate) were required to pay corporation 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<sup>st</sup>, 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<sup>th</sup> if their fiscal period ended between January 1<sup>st</sup> and September 30<sup>th</sup>. However, if the entities' financial year ended between October 1<sup>st</sup> and December 31<sup>st</sup>, they were required to prepay December 15<sup>th</sup> and March 15<sup>th</sup>, with any balance due by March 15<sup>th</sup> or June 15<sup>th</sup>, respectively. These companies will now prepay on a monthly basis.

<sup>4</sup> Due to the implementation of the IFRS17 accounting framework, effective for annual reporting periods beginning on or after January 1<sup>st</sup>, 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 – December



Source: Ministry of Finance

## Expenditure

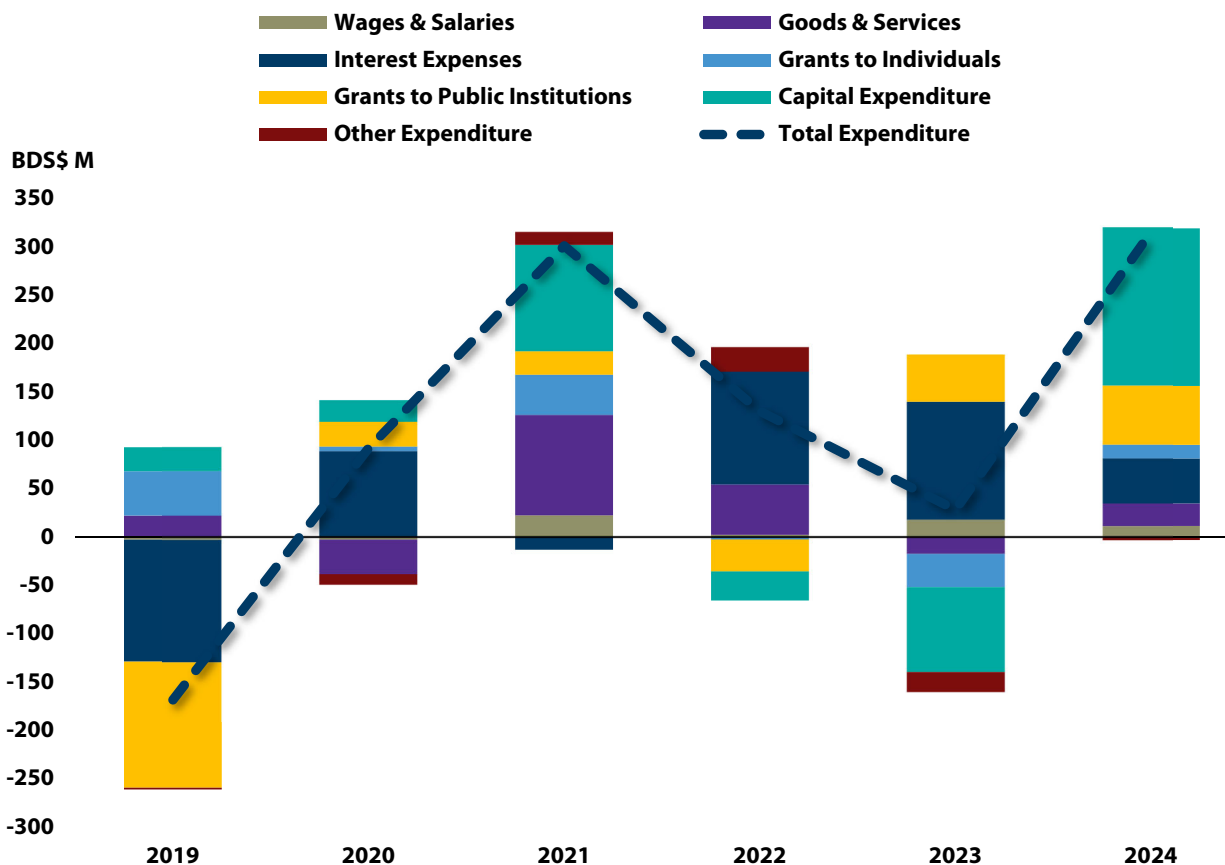
**Interest payments continued to drive up current expenditure.** External interest payments increased by \$31.6 million compared to the corresponding period of the previous fiscal year. Domestic interest expense rose by \$14.7 million due to the step-up rates on restructured debt and the new issuance of treasury bills and Barbados Optional Saving Scheme Plus (BOSS+) bonds.

**Spending on transfers and goods and services fuelled growth in non-interest current expenditure.** Grants to institutions such as the Queen Elizabeth Hospital, Barbados Community College, and the Caribbean Broadcasting Corporation led to a \$60.9 million increase in transfers. Spending on goods and services expanded by \$23.4 million, reflecting greater outlays for professional services and operating expenses.

**Government successfully boosted capital expenditure during the fiscal year.** Capital spending reached \$264.7 million by the end of December 2024, an increase of \$162.9 million more than that of the corresponding period of the previous fiscal year. Major projects included the ongoing construction of the geriatric hospital, the establishment of a digital innovation hub, land acquisitions for schools, and the purchase of new garbage trucks by the Sanitation Service Authority (SSA).

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

April – December



Source: Ministry of Finance

## Debt and Financing

**The net financing requirement increased due to higher amortisation.** The net financing requirement for the April to December period of 2024 rose by \$416.8 million compared to the same period in 2023, due to the early amortisation of domestic debt related to a debt-for-climate swap<sup>5</sup> arrangement. The expansion in debt service resulted in domestic amortisation increasing to 55.3 percent of debt service, compared to 32.9 percent in the same period of FY2023/24.

<sup>5</sup> The debt-for-climate swap, which was used to fund climate resilience projects, involved the exchange 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–December

	2023		2024	
	BDS\$ M	% GDP	BDS\$ M	% GDP
<b>Net Financing Requirement (2-1)</b>	<b>541.8</b>	<b>4.0</b>	<b>958.6</b>	<b>6.6</b>
<b>1. Primary Surplus</b>	495.3	3.6	774.1	5.3
<b><u>2. Gross Financing Requirement (3+4+5+6)</u></b>	<b><u>1,037.1</u></b>	<b><u>7.6</u></b>	<b><u>1,732.8</u></b>	<b><u>11.9</u></b>
<b>3. Debt Service</b>	<b>999.1</b>	<b>7.3</b>	<b>1,664.4</b>	<b>11.4</b>
<b>Amortisation</b>	<b>496.1</b>	<b>3.6</b>	<b>1,115.0</b>	<b>7.7</b>
<i>Domestic</i>	328.2	2.4	920.0	6.3
<i>Foreign</i>	167.9	1.2	195.0	1.3
<b>Interest</b>	<b>503.0</b>	<b>3.7</b>	<b>549.4</b>	<b>3.8</b>
<i>Domestic</i>	291.8	2.1	306.5	2.1
<i>Foreign</i>	211.2	1.5	242.8	1.7
<b>4. Sinking Fund Contributions</b>	<b>17.0</b>	<b>0.1</b>	<b>17.0</b>	<b>0.1</b>
<b>5. Domestic Arrears Repayment</b>	<b>21.0</b>	<b>0.2</b>	<b>5.0</b>	<b>0.0</b>
<b>6. Other Non-deficit Transactions</b>	<b>0.0</b>	<b>0.0</b>	<b>46.4</b>	<b>0.3</b>

Sources: Central Bank of Barbados and Ministry of Finance

**Interest expense and amortisation contributed to higher debt service costs.** Foreign interest payments increased by \$31.6 million, reflecting borrowings from the previous fiscal years coupled with a higher average interest rate on external debt. Domestic interest expenses expanded by \$14.7 million, driven by the sales of BOSS+ securities, treasury bills, and the step-up interest rate feature of the restructured domestic bonds. The principal payments for policy-based loans, including Government’s first repayment (of \$14.5 million) on its IMF borrowings, expanded foreign amortisation by \$27.1 million. Early repayments under the debt-for-climate swap arrangement also elevated domestic amortisation by \$591.8 million. The swap included the early repayments of Series E bonds held by the National Insurance and Social Security Service (NISS) totalling \$546.4 million as well as Series B and D bonds in the private sector, totalling \$20.1 million and \$29.2 million, respectively. A syndicated domestic banking sector loan funded the early repayment of the bonds.

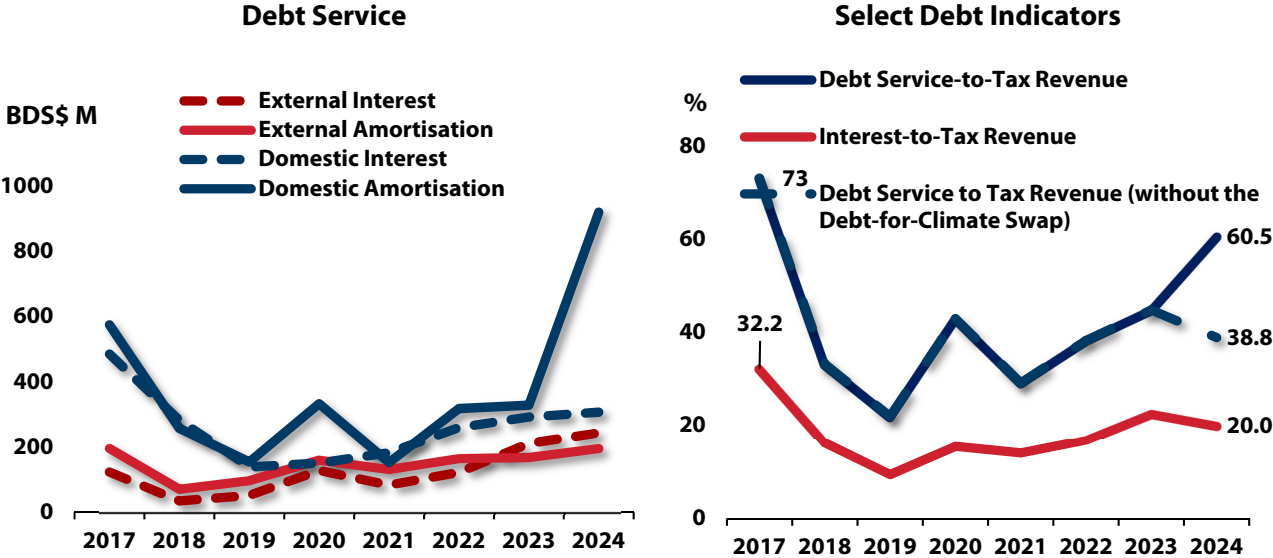
**Government acquired new financial assets and continued to repay arrears.** Investment in the CARICOM Development Fund and the Development Bank of Latin America increased other non-deficit transactions by \$46.4 million. Government maintained its sinking fund contributions at \$17 million and reduced domestic arrears repayments by \$16 million, when compared to the outcome in the corresponding period in the previous year.

**The interest-to-tax revenue ratio improved, while the debt service-to-tax revenue ratio rose.** The interest-to-tax revenue ratio declined to 20 percent, reflecting a decrease of 2.6 percentage points compared to the same period in the previous fiscal year. Debt service-to-tax revenue increased by 15.7



percentage points due to elevated domestic repayments associated with the debt-for-climate swap. Without the debt swap, the ratio would have stood at 38.8 percent, which is 5.1 percentage points below the figure for April to December 2023. Higher revenue intake supported both ratios. As at December 2024, the debt indicator ratios remained below levels recorded during the 2018 pre-debt-restructuring period.

**Figure 11: Debt Indicators**  
April – December



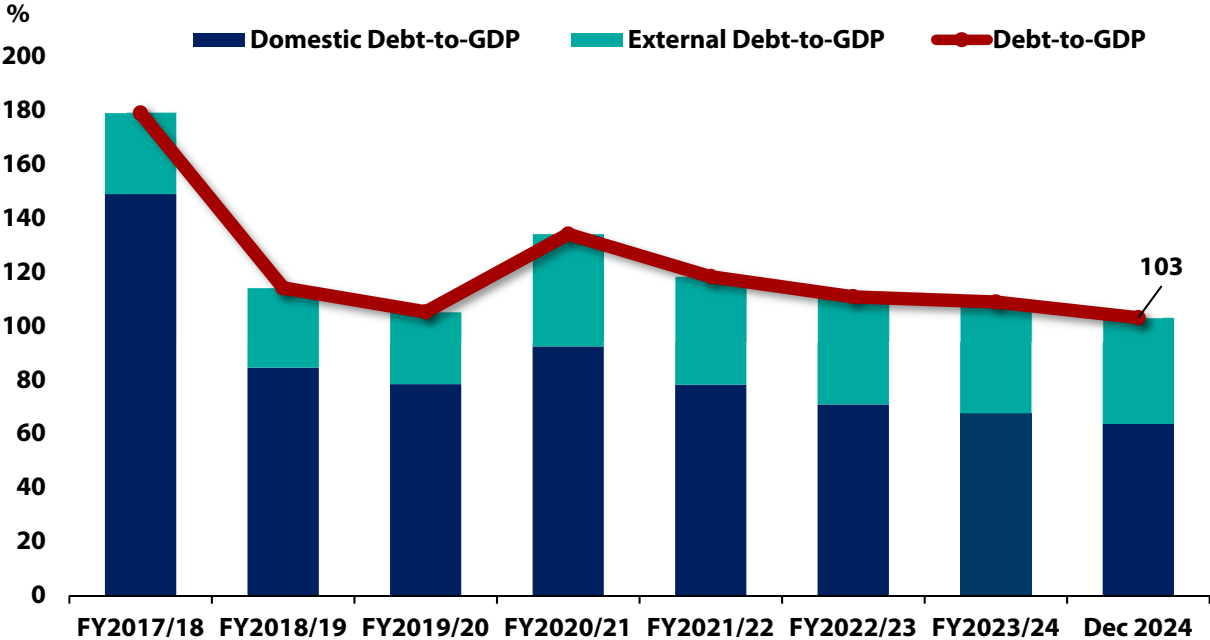
Sources: Central Bank of Barbados and Ministry of Finance

**Domestic financing increased during the first three quarters of FY2024/25.** Net proceeds from treasury bills rose to \$116.6 million, compared to \$55.2 million in the same period of FY2023/24, with the financial sector holding the majority of these instruments. BOSS+ bond sales amounted to \$58.4 million in 2024, with households as the primary investors, while the banking sector purchased most of the \$198.6 million sold in the previous year. The Government broadened its investment offerings by issuing a \$250 million debenture with a 7.75 percent interest rate and a 20-year maturity, of which 86 percent was sold. The NISSS became the largest investor in this debenture, leveraging excess liquidity from the redemption of Series E bonds. As part of the debt-for-climate swap, the Government secured a lower-cost domestic loan from the commercial banking sector valued at \$593 million, replacing more expensive debt and generating interest savings.

**Policy-based loans were the primary source of external financing.** The IMF disbursed \$223.4 million through the Extended Fund Facility (EFF) and the Resilience and Sustainability Facility (RSF). Compared to the corresponding period of 2023, but project inflows increased from \$86.3 million to \$104.6 million. Higher disbursements for general road works, the Scotland District Road Rehabilitation project, and the Public Sector Modernisation initiative supported the growth in project inflows.

**Public debt-to-GDP continued its downward trajectory.** The public sector debt-to-GDP ratio fell to 103 percent, declining by 5.9 percentage points from the end of FY2023/24 and 6.8 percentage points from December 2023. Economic growth, a \$130.5 million reduction in domestic debt, and the retirement of \$155.3 million of the Government of Barbados 2029 external bond contributed to this decline. The debt retirement formed part of the debt-for-nature swap<sup>6</sup> executed in 2022. The gross public sector debt stock decreased by \$134.3 million during the first nine months of FY2024/25, reflecting reductions in both domestic and external debt.

**Figure 12: Debt-to-GDP**



Sources: Central Bank of Barbados and Ministry of Finance

<sup>6</sup>The partial retirement of the 2029 Government of Barbados bonds was delayed due to a clause negotiated in the bond documentation by bondholders during the debt restructuring.

## Debt-for-Development Swaps: A Tool for Climate Action and Economic Resilience

### **Debt-for-development swaps ease debt burdens and create fiscal space for growth.**

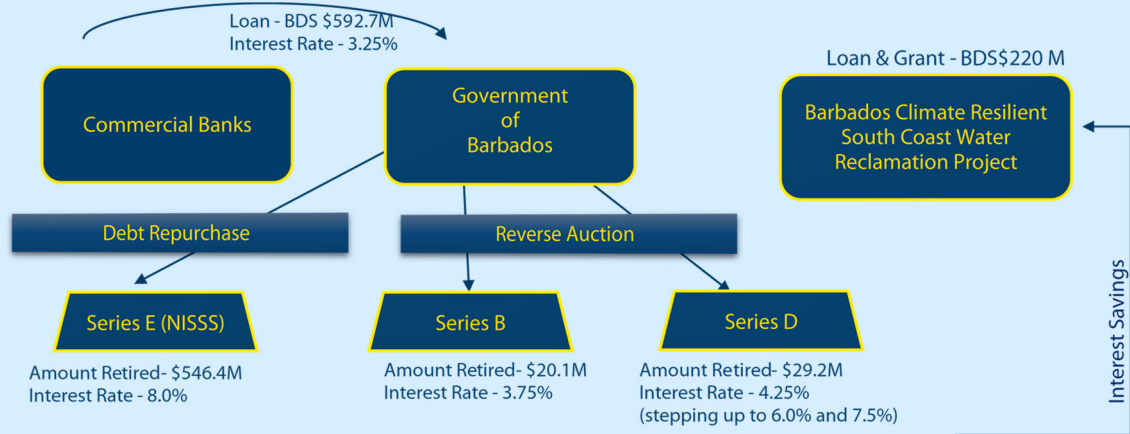
These financial transactions restructure existing debt into new obligations with more favourable terms, such as lower interest rates or extended maturities. Debt-for-development swaps specifically channel funds into national priorities like climate action, education, and nature conservation without increasing debt distress. Barbados has been a global leader in this area, completing the world's first debt-for-climate swap in November 2024, following its debt-for-nature swap in 2022.

**Debt swaps provide fiscal flexibility.** In the wake of the COVID-19 pandemic, rising debt service costs have constrained public investment, particularly in climate resilience. By reallocating resources from debt service to critical developmental projects, debt-for-development swaps offer a mechanism to address pressing challenges while supporting economic growth. These swaps not only improve fiscal sustainability but also align with governments' long-term development goals.

**Barbados has demonstrated leadership in leveraging debt-for-development swaps to advance climate resilience and economic sustainability.** The 2024 debt-for-climate swap repurposed \$592.7 million in domestic debt through a syndicated loan, reducing interest obligations without increasing the debt stock. Interest savings, estimated at \$220 million over ten years, will finance critical projects such as water resource management, agricultural irrigation, and aquifer recharge under the South Coast Water Reclamation Project, co-funded by the IDB and Green Climate Fund. Building on the success of the 2022 debt-for-nature swap—which funded marine conservation and established a Marine Spatial Plan—Barbados continues to lead in adopting innovative financing mechanisms that address climate challenges while promoting sustainable economic growth.

**The debt conversion reduced the Government's interest burden and created space for climate adaptation projects.** The 2024 debt-for-climate swap enabled the Government to replace more costly debt with lower-cost financing. The domestic banking sector provided a syndicated loan, fixed at 3.5 percent and totalling \$592.7 million, to facilitate the early partial repayment of Series B, D, and E bonds, which carried higher interest rates of 3.75 percent, 4.25 percent (stepping up to 6 percent and 7.5 percent), and 8 percent, respectively. The retired bonds were equivalent to \$595.7 million, making the transaction neutral to Barbados' public debt stock. Guarantees for the loan were provided by the Inter-American Development Bank (IDB) and the European Investment Bank (EIB). Interest savings from the swap, estimated at \$220 million over ten years, will finance the Barbados Climate Resilience South Coast Water Reclamation Project (SCWR). The SCWR will be co-funded by loans from the IDB (\$80 million) and the Green Climate Fund (GCF) (\$60 million), along with an \$80 million grant from the GCF. The project includes constructing a water treatment plant and associated facilities to improve water management, ensure water quality for agricultural irrigation, and recharge aquifers, contributing to Barbados' climate resilience goals.

**Figure 1: Debt-for-Climate Swap Mechanism**



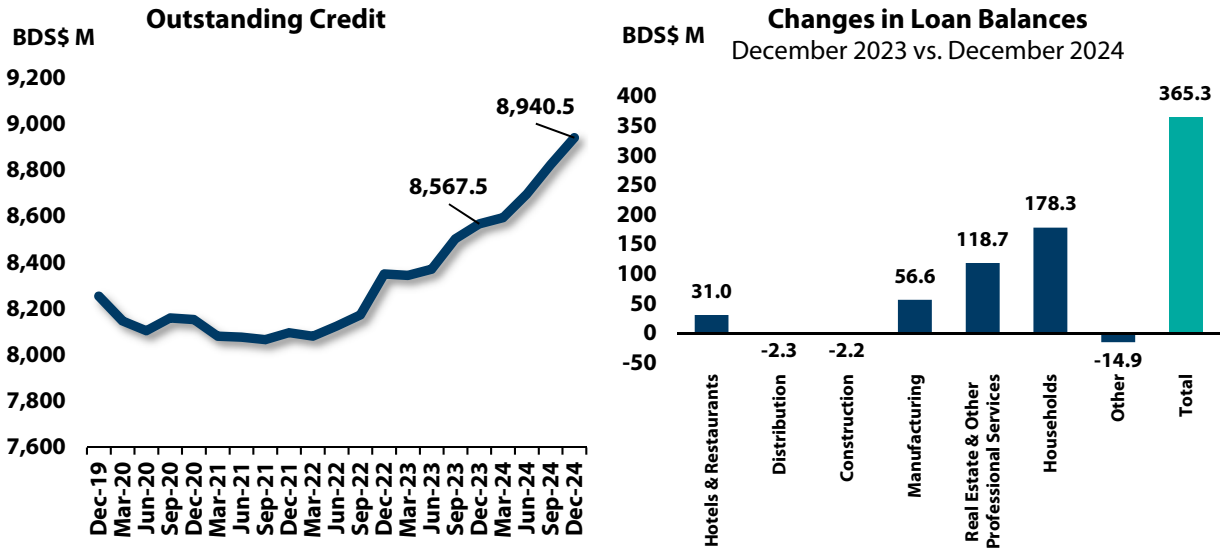
**Both Sustainability Performance Targets (SPT) and disaster clauses are included in the debt-for-climate swap.** The loan includes sustainability-linked performance targets (SPT), requiring the Government to achieve specified water management goals by November 2030. If these targets are missed, financial penalties will be redirected to the Barbados Environmental Sustainability Fund. Additionally, the loan features natural disaster and pandemic clauses, allowing principal payments to be deferred for up to two years in the event of major shocks.

## Financial Sector Developments

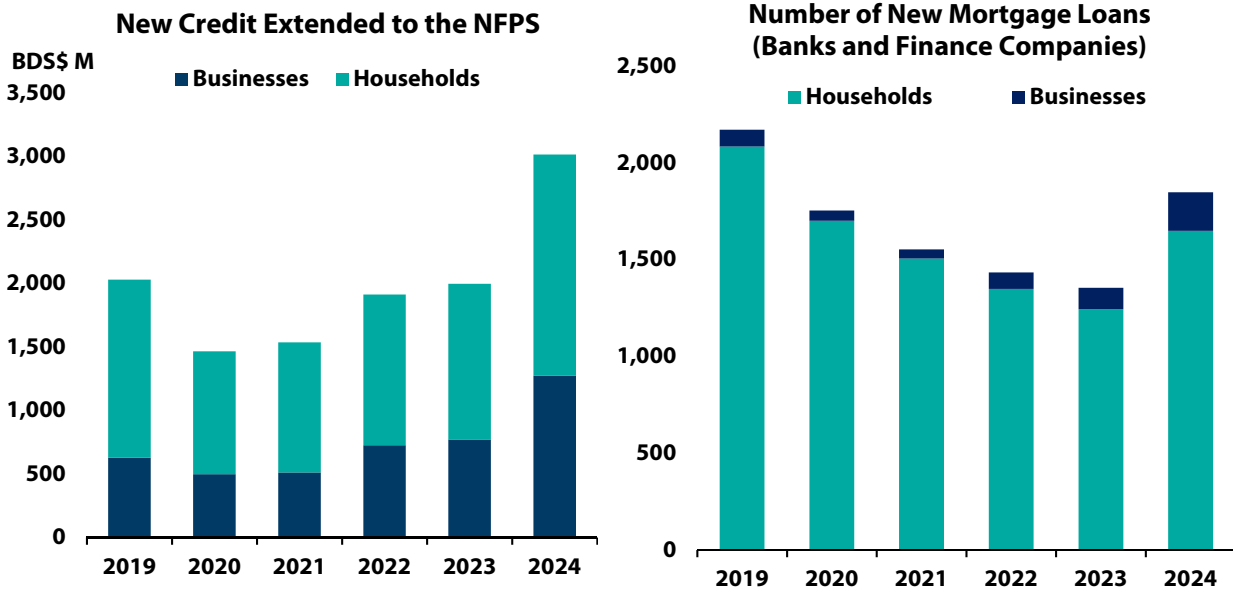
**The financial sector remained stable in 2024, thanks to improved credit quality, credit growth, and deposit expansion.** Deposit-taking institutions (DTIs) maintained strong liquidity and capital adequacy ratios, while NPLs declined further, reflecting enhanced credit quality across the sector. Lending increased for the households, real estate, and manufacturing sectors but decreased for construction and distribution. Deposits grew on the strength of activity in the global business, real estate, and household sectors. Although profitability for banks and finance companies weakened slightly, the financial sector demonstrated resilience and soundness throughout the year.

**Credit to the non-financial private sector expanded across most sectors.** Lending by DTIs to the non-financial private sector grew by 4.4 percent in 2024, compared to 2.6 percent in 2023. Real estate and professional services led this expansion with a 13.1 percent increase, followed by households, which recorded a 2.9 percent rise. However, credit to the construction, other business, and distribution sectors contracted by 2.1 percent, 2.9 percent, and 0.7 percent, respectively. This growth in credit reflects the financial sector's ongoing support for economic activity.

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



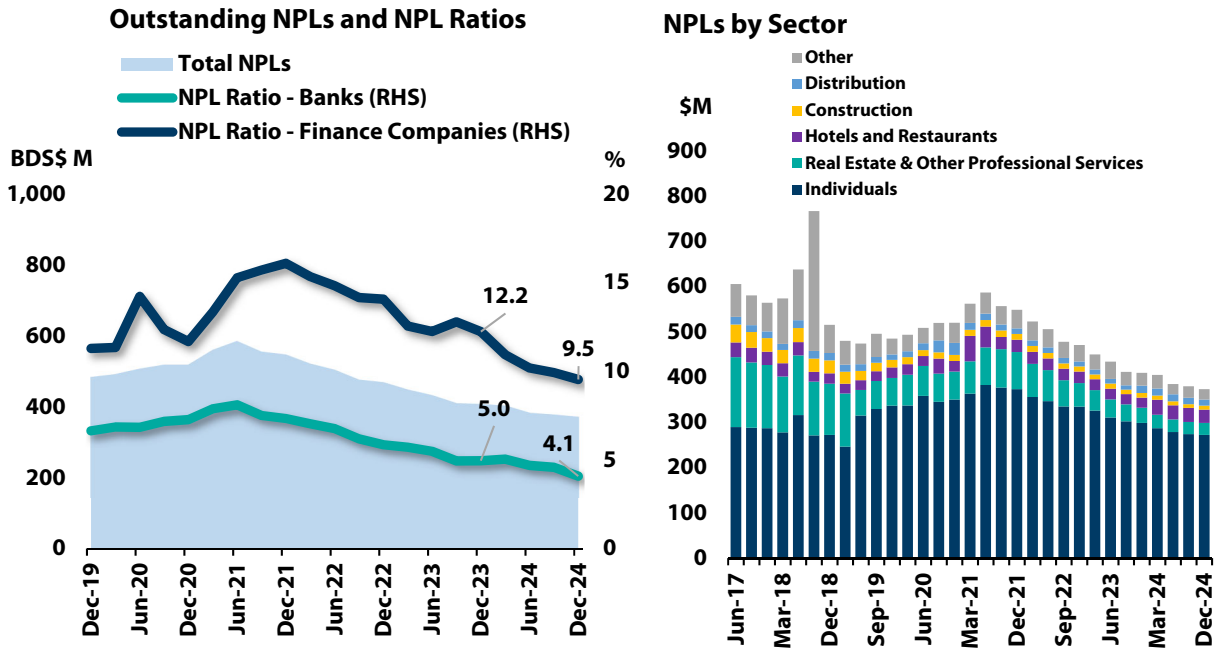
Sources: Central Bank of Barbados and Financial Services Commission



Source: Central Bank of Barbados

**Credit quality improved across the financial sector.** NPLs for both finance companies and commercial banks declined, reflecting enhanced credit quality, resulting from tourism-related activities and broader economic growth. During the year, the NPL ratio for finance companies fell from 12.2 percent to 9.5 percent, while the ratio for commercial banks decreased from 5 percent to 4.1 percent. By December 2024, finance companies and banks reduced by their stock of NPLs by 16.7 percent and 6.5 percent, respectively, underscoring the sector's strengthened financial health.

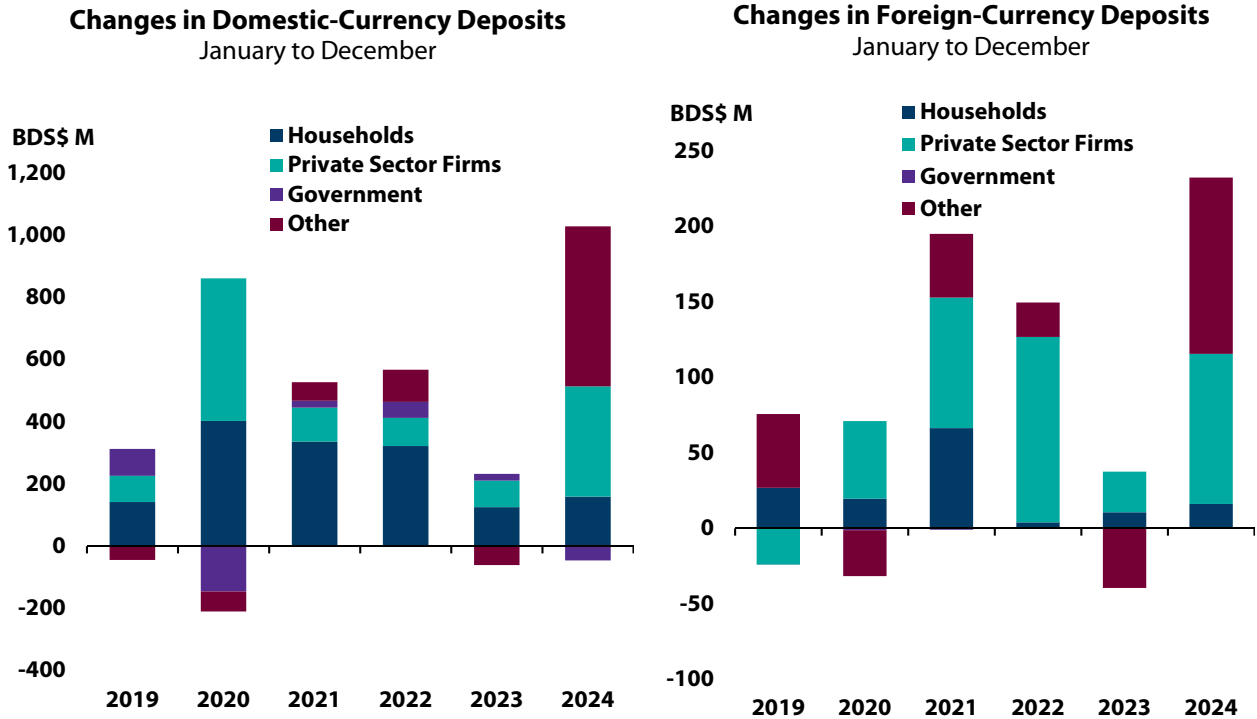
**Figure 14: Non-Performing Loans (NPLs) of Commercial Banks and Finance Companies**



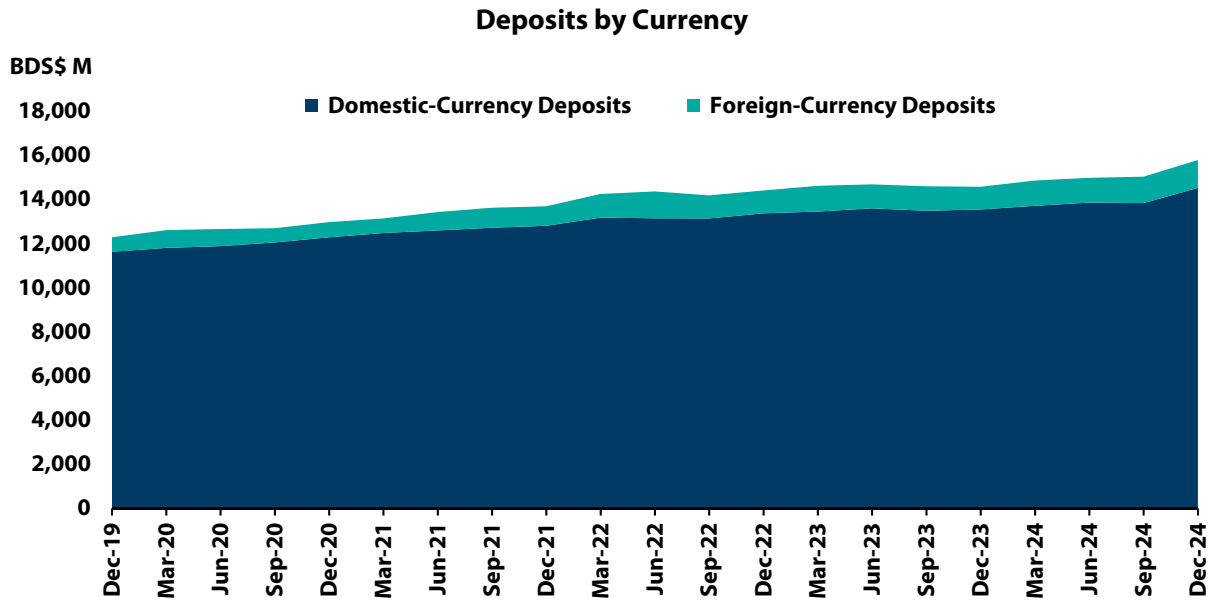
Source: Central Bank of Barbados

**Deposits grew significantly, reflecting increased economic activity.** Domestic-currency deposits rose by 7.2 percent, facilitated by activity in the real estate, professional services, and household sectors. Foreign-currency deposits expanded by 22.4 percent, reversing the 0.2 percent decline recorded in 2023. Increased inflows from the global business, hospitality, and construction sectors supported this growth.

**Figure 15: Deposits Held at Deposit-Taking Institutions**



Sources: Central Bank of Barbados and Financial Services Commission

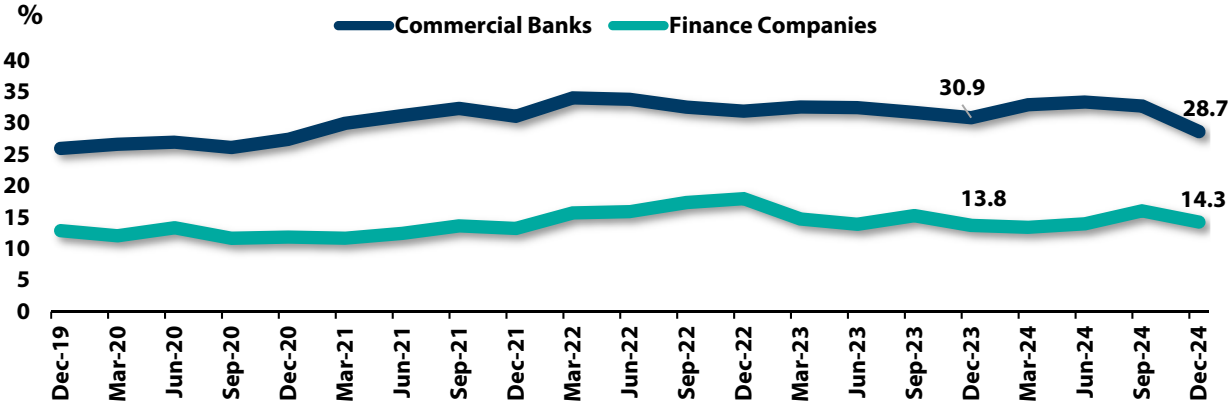


Sources: Central Bank of Barbados and Financial Services Commission

**Liquidity in the financial system showed mixed trends throughout 2024.** Liquidity levels increased during most of the year, supported by deposit growth. However, the debt-for-climate swap in late November 2024 absorbed some liquidity from the system. As a result, the liquid asset ratio for banks

declined by 2.2 percentage points, while finance companies recorded a slight increase of 0.5 of a percentage point.

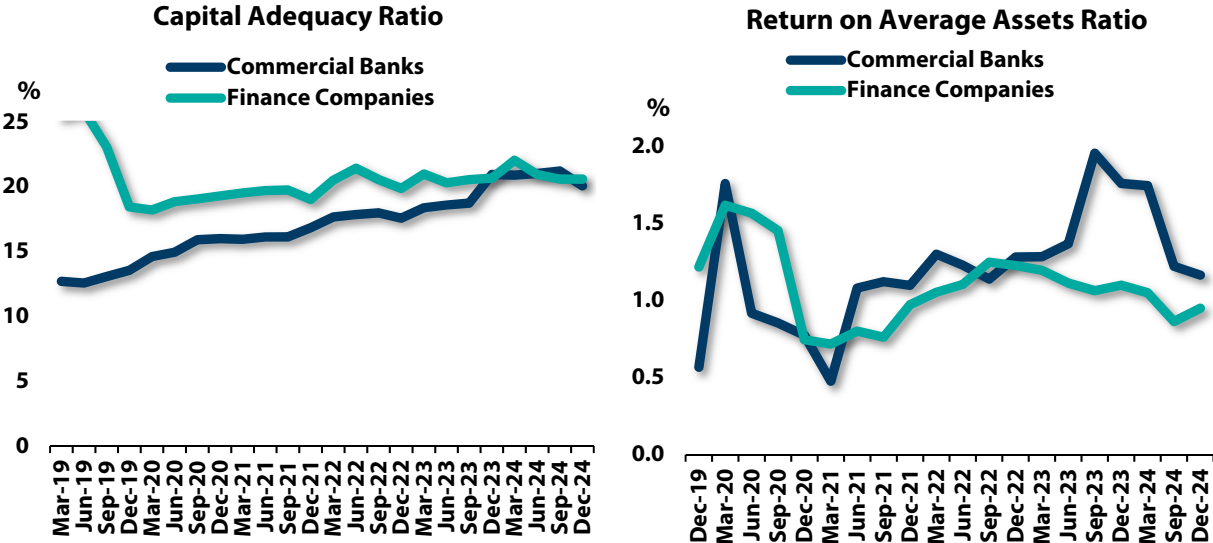
**Figure 16: Liquid Asset Ratio**



Source: Central Bank of Barbados

**Capital adequacy ratios remained robust, despite slight declines in profitability.** Banks and finance companies maintained capital adequacy ratios well above the regulatory minimum, with ratios of 20.1 percent for banks and 20.6 percent for finance companies by the end of 2024. While profitability softened due to higher non-interest expenses at banks and lower income at finance companies, the financial sector’s strong capital position reinforced its resilience and ability to support economic growth.

**Figure 17: Capital Adequacy and Profitability**



Source: Central Bank of Barbados



## Outlook

**Barbados' economy is poised for sustained growth in 2025 and beyond.** An annual average real GDP expansion rate of 3 percent is anticipated in the short- to medium-term. This projection hinges on continued investments by both the public and private sectors, as well as ongoing improvements in productivity and competitiveness. Investments in key sectors such as tourism, business, utility infrastructure, renewable energy, and food security, are expected to support sustainable growth, stimulate construction activity, and create jobs. Efforts to modernise systems to streamline processing times and reduce administrative burdens will further enhance the business environment and support higher productivity. Additionally, targeted training programmes and capacity-building initiatives will equip the workforce with the skills required to thrive in emerging industries.

**The tourism sector is poised for another strong year in 2025, building on its robust performance in 2024.** The demand for Barbados' tourism offerings during the winter season remains robust, with increased forward bookings for the first quarter of 2025. Additionally, cruise ship activity is expected to exceed the 2024 level, with 34 more cruise calls scheduled for 2025. These developments are expected to support growth in related sectors such as accommodation, transportation, and entertainment, and also contribute significantly to foreign exchange earnings and job creation across the economy.

**Global economic conditions will significantly influence Barbados' growth prospects.** The January 2025 World Economic Outlook projects global growth to stabilise at 3.3 percent by year-end, driven by advanced economies such as the USA, the Euro Area, and Canada. These developments are expected to bolster demand for Barbados' goods and services, particularly in tourism and trade. However, risks such as slower global growth, elevated inflation, and trade disruptions—especially in key markets like the UK—could limit these benefits. Geopolitical tensions and the rising frequency of climate-related disasters, further underscore the need to further build for economic resilience.

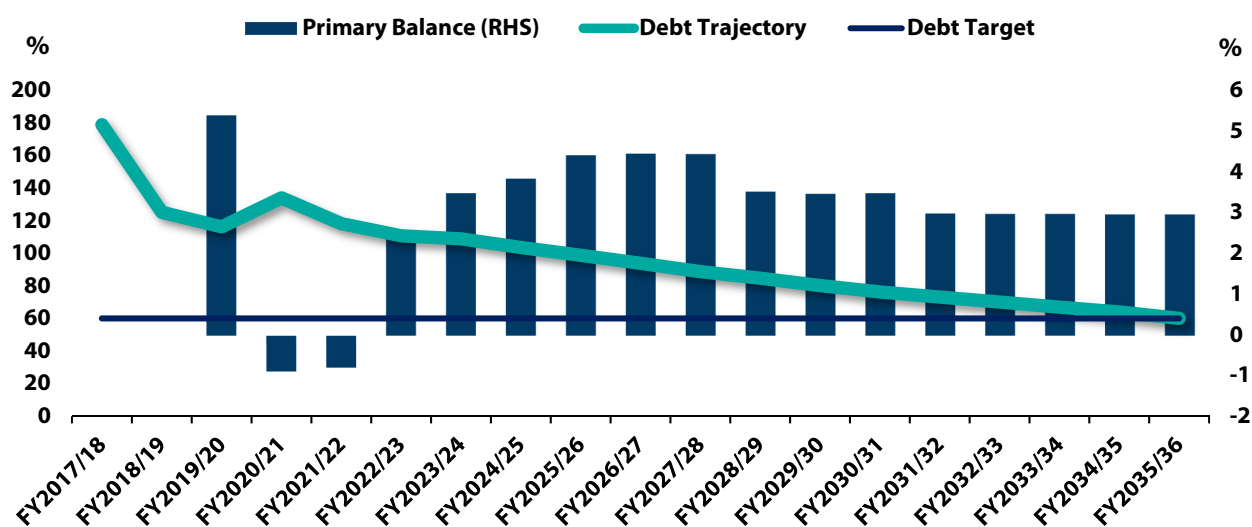
**Climate resilience and international partnerships are vital for sustainable growth.** Barbados remains vulnerable to climate-related risks, including natural disasters and rising sea levels, which pose significant threats to key sectors like tourism and agriculture. To mitigate these risks, the Government is advancing climate resilience initiatives such as renewable energy projects, sustainable tourism practices, and investments in disaster preparedness. The country's active engagement with multilateral institutions and development partners provides access to technical assistance, concessional financing, and investment opportunities. Initiatives like the debt-for-climate swap and collaborations with global climate fund organisations, demonstrate Barbados' commitment to addressing climate challenges while promoting sustainable growth. Strengthened relationships with key trading partners and regional organisations will further enhance economic resilience by improving market access and fostering new avenues for investment.

**Domestic inflation is expected to slow, supported by moderating global commodity prices.** The 12-month moving average inflation rate is projected to range between 1.5 and 2.5 percent for 2025 and 2026, driven by easing international food and energy prices. However, global risks such as rising geopolitical tensions and disruptions to supply chains, including the ongoing Red Sea crisis and Panama Canal water shortages, could lead to higher freight costs. On the domestic front, unfavourable weather

conditions may further limit agricultural production, potentially increasing local food prices. The recent importation of livestock is expected to partially mitigate the impact of rising costs on the dairy industry.

**The Government remains committed to fiscal and debt sustainability.** The Government is dedicated to meeting fiscal targets through increased revenue and careful spending. Gains in corporation tax performance, along with the adoption of global tax rules, provide upside potential for revenues. These efforts are expected to enable continued investment in infrastructure and climate resilience, while also supporting early debt repayment. Sustained economic growth and fiscal surpluses will drive the debt-to-GDP ratio downward, to a target of 60 percent by FY2035/36. The US Federal Funds Rate is forecast to decrease in the short to medium term, potentially leading to reduced interest rates on existing and projected external debt. In the domestic market, opportunities for Government securities are expected to expand, fostering the development of a yield curve that informs investment decisions by stakeholders and investors.

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



Sources: Central Bank of Barbados and Ministry of Finance

**Financial soundness indicators will remain strong, supported by credit expansion in key economic sectors.** Continued growth in construction activity and other strategic investments are expected to drive credit expansion, boosting overall economic activity. Banks and finance companies are projected to maintain robust capital adequacy and liquidity levels, ensuring stability within the financial system. As economic conditions continue to improve, the level of non-performing loans is anticipated to decline further.

**As Barbados charts its course towards inclusive and sustainable economic growth, collaboration and innovation will be critical.** Public and private sector investments will remain central to achieving the nation’s economic objectives, fostering resilience, and creating long-term prosperity. Tourism and renewable energy sectors offer transformative opportunities. The integration of sustainable practices and operational efficiency in tourism can enhance visitor experiences and strengthen Barbados’

position as a premier global destination. Similarly, accelerating investments in renewable energy infrastructure will reduce fossil fuel dependence, generate employment, and stimulate local industries. By prioritising innovative solutions and leveraging public-private partnerships, Barbados can unlock its full economic potential and secure a future that is both inclusive and resilient.

## Appendix 1 – Economic Indicators

	2019	2020	2021	2022	2023 <sup>(e)</sup>	2024 <sup>(e)</sup>
Nominal GDP (\$ Million) <sup>1</sup>	11,576.6	10,336.7	10,550.5	12,514.6	13,441.5	14,334.5
Real Growth (%)	0.4	(13.7)	(0.2)	16.3	4.2	4.0
Inflation (M.A., %) <sup>2</sup>	1.7	0.7	1.5	4.3	3.2	1.4
Unemployment (Annual, %) <sup>3</sup>	10.1	-	14.1	8.4	8.3	7.1
Gross International Reserves (\$ Million)	1,481.0	2,660.7	3,058.8	2,770.3	2,999.5	3,184.3
Gross International Reserves Cover, Weeks	18.6	40.7	40.6	29.2	31.0	31.2
BoP Current Account (% of GDP)	(1.6)	(4.9)	(10.3)	(9.9)	(8.6)	(4.5)
Total Imports of Goods (% of GDP)	25.9	27.5	30.1	32.6	29.8	28.5
Travel Credits (% of GDP)	22.4	11.6	11.8	14.9	17.2	19.1
Financial Account (\$ Millions)	776.4	1,621.6	1,207.6	984.4	1,266.8	833.3
Gross Public Sector Debt (% of GDP) <sup>4</sup>	108.0	124.0	126.6	112.3	109.8	103.0
Central Government External Debt (% of GDP)	26.7	38.5	42.5	38.0	40.5	38.9
External Debt Service to Curr. Acct. Cred.	3.5	8.9	7.0	7.8	9.4	9.6
Treasury-Bill Rate <sup>5</sup>	0.5	0.5	0.5	0.5	0.8	1.8
Weighted-Average Deposit Rate	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
Excess Domestic Cash Ratio	18.5	22.4	26.8	27.0	26.6	21.9
Private Sector Credit Growth (%) <sup>6</sup>	0.9	(1.2)	(0.7)	3.1	2.6	4.4
Private Sector Credit (% of GDP) <sup>6</sup>	71.3	78.9	76.7	66.7	63.7	62.4
Domestic Currency Deposits (% of GDP) <sup>6</sup>	89.3	118.8	121.4	106.9	100.8	101.4
<b>Fiscal Year</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Apr-Dec 2023</b>	<b>Apr-Dec 2024</b>
Fiscal Balance (% of GDP)	(4.5)	(4.3)	(1.9)	(1.7)	(0.1)	1.5
Primary Balance (% of GDP)	(0.9)	(0.8)	2.4	3.5	3.6	5.3
Interest (% of GDP)	3.6	3.5	4.3	5.2	3.7	3.8
Fiscal Current Account (% of GDP)	(1.6)	(0.6)	1.8	1.0	0.8	3.5
Revenue (% of GDP)	26.7	25.0	25.8	24.7	17.3	20.0
Expenditure (% of GDP)	31.2	29.3	27.7	26.4	17.3	18.5
Non-interest Expenditure (% of GDP)	27.6	25.8	23.4	21.2	13.6	14.7
Capital Expenditure (% of GDP)	2.9	3.8	3.7	2.7	0.9	1.9
Gov't Interest Payments (% of Revenue)	13.4	14.1	16.5	20.9	21.3	18.9

<sup>(e)</sup> – Estimate

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

<sup>2</sup> - Central Bank of Barbados estimated 12-month moving average as at December 2024

<sup>3</sup> - Unemployment rates for 2023 and 2024 are at end-September

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

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

<sup>6</sup> - Based on consolidated data for deposit-taking Institutions (Commercial Banks, Finance & Trust Companies and Credit Unions)

n.a - Not Available

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

## Appendix 2– GDP by Sector and Activity (BDS\$ Millions, Constant Prices)<sup>1</sup>

	2019	2020	2021	2022	2023	2024 <sup>(e)</sup>
<b>Traded Sector</b>	<b>1,628.8</b>	<b>1,082.9</b>	<b>971.6</b>	<b>1,379.6</b>	<b>1,469.2</b>	<b>1,549.6</b>
<b>Tourism</b>	<b>736.2</b>	<b>238.3</b>	<b>206.6</b>	<b>554.6</b>	<b>627.6</b>	<b>703.7</b>
<b>Agriculture</b>	<b>264.9</b>	<b>307.2</b>	<b>219.1</b>	<b>179.7</b>	<b>196.5</b>	<b>194.4</b>
Sugar	4.0	4.7	4.7	4.9	5.7	5.3
Non-Sugar Agriculture	261.0	302.5	214.4	174.8	190.8	189.1
<b>Manufacturing</b>	<b>627.7</b>	<b>537.3</b>	<b>545.8</b>	<b>645.3</b>	<b>645.0</b>	<b>651.6</b>
of which:						
<i>Rum &amp; Other Beverages</i>	76.8	76.1	78.1	84.8	87.7	89.1
<i>Food</i>	116.7	99.3	107.7	113.4	116.4	118.8
<i>Furniture</i>	12.0	11.5	12.2	12.4	12.7	12.8
<i>Chemicals</i>	27.4	28.1	27.7	29.6	30.0	30.0
<i>Other Non-Metallic Mineral Products</i>	136.8	137.9	148.6	163.9	131.5	132.7
<b>Non-traded Sector</b>	<b>7,722.1</b>	<b>6,984.5</b>	<b>7,081.1</b>	<b>7,983.1</b>	<b>8,282.8</b>	<b>8,589.5</b>
Mining & Quarrying	83.5	70.8	65.3	74.4	76.4	78.0
Electricity, Gas & Water	248.6	238.1	251.6	254.1	260.5	270.3
Construction	479.3	498.3	487.6	491.1	463.3	496.0
Wholesale & Retail	1,625.3	1,384.7	1,359.3	1,699.4	1,734.1	1,787.5
Transport, etc	1,131.0	800.4	919.2	1,076.8	1,122.6	1,163.1
Business & Other Services	3,312.6	3,150.7	3,134.6	3,468.1	3,668.8	3,837.4
Government	841.8	841.4	863.5	919.2	957.0	957.1
<b>Real GDP</b>	<b>9,350.9</b>	<b>8,067.4</b>	<b>8,052.7</b>	<b>9,362.7</b>	<b>9,752.0</b>	<b>10,139.1</b>
<b>Nominal GDP</b>	<b>11,576.6</b>	<b>10,336.7</b>	<b>10,550.5</b>	<b>12,514.6</b>	<b>13,441.5</b>	<b>14,334.5</b>
<b>Real Growth Rates</b>	<b>0.4</b>	<b>(13.7)</b>	<b>(0.2)</b>	<b>16.3</b>	<b>4.2</b>	<b>4.0</b>
Traded	6.1	(33.5)	(10.3)	42.0	6.5	5.5
Non-traded	(0.7)	(9.6)	1.4	12.7	3.8	3.7

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

<sup>1</sup> - BSS' 2016 Base Year Series

Sources: Barbados Statistical Service and Central Bank of Barbados

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

	2018	2019	2020	2021	2022 <sup>(e)</sup>	2023 <sup>(e)</sup>	2024 <sup>(e)</sup>
<b>Current Account Balance</b>	<b>(445.0)</b>	<b>(185.2)</b>	<b>(506.7)</b>	<b>(1,082.8)</b>	<b>(1,237.7)</b>	<b>(1,155.2)</b>	<b>(641.0)</b>
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	4,906.0
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	5,305.2
<b>Merchandise Trade Balance</b>	<b>(1,467.9)</b>	<b>(1,477.7)</b>	<b>(1,605.9)</b>	<b>(1,900.0)</b>	<b>(2,456.1)</b>	<b>(2,423.5)</b>	<b>(2,505.1)</b>
Exports of Goods	1,529.8	1,526.0	1,238.1	1,277.4	1,622.2	1,584.2	1,579.6
Domestic	510.2	507.4	449.4	444.3	501.9	480.6	475.6
Re-exports	385.7	380.8	241.0	237.7	493.4	440.5	438.5
Net Export of Goods under Merchanting	633.8	637.6	547.6	595.4	626.8	663.0	665.4
Imports of Goods	2,997.7	3,003.7	2,843.9	3,177.4	4,078.3	4,007.7	4,084.7
o/w: Fuel	712.2	728.0	510.6	685.8	1,122.8	1,010.6	951.7
<b>Services Balance</b>	<b>1,609.5</b>	<b>1,917.9</b>	<b>1,047.3</b>	<b>943.5</b>	<b>1,518.5</b>	<b>1,835.0</b>	<b>2,106.0</b>
Exports	2,683.4	3,056.6	1,600.6	1,686.8	2,374.7	2,857.2	3,326.4
o/w: Travel	2,238.8	2,598.1	1,203.2	1,245.7	1,869.9	2,313.9	2,732.6
Imports	1,073.9	1,138.7	553.3	743.3	856.2	1,022.2	1,220.4
<b>Income Account Balance</b>	<b>(499.6)</b>	<b>(533.8)</b>	<b>(134.9)</b>	<b>(192.5)</b>	<b>(331.6)</b>	<b>(558.2)</b>	<b>(573.7)</b>
Credits	543.0	565.4	338.7	412.4	460.5	497.0	507.4
Debits	1,042.6	1,099.2	473.7	604.8	792.1	1,055.2	1,081.1
<b>Current Transfers Balance</b>	<b>(87.0)</b>	<b>(91.6)</b>	<b>186.8</b>	<b>66.2</b>	<b>31.5</b>	<b>(8.5)</b>	<b>331.8</b>
Credits	107.0	110.1	396.6	284.4	276.4	253.1	619.6
Debits	194.0	201.7	209.8	218.2	244.9	261.6	287.8
<b>Capital Account</b>	<b>50.9</b>	<b>(5.3)</b>	<b>(4.5)</b>	<b>0.5</b>	<b>15.0</b>	<b>(4.9)</b>	<b>3.5</b>
<b>Financial Account</b>	<b>862.6</b>	<b>776.4</b>	<b>1,621.6</b>	<b>1,207.6</b>	<b>984.4</b>	<b>1,266.8</b>	<b>833.3</b>
Net Foreign Direct Investment	464.8	375.3	509.2	417.8	528.9	449.8	468.0
All Other Investment Flows	397.8	401.1	1,112.4	789.8	455.5	817.0	365.3
Net Long-term Public	426.0	371.5	937.7	734.6	173.2	599.4	182.2
o/w: IMF	101.2	202.5	101.2	0.0	38.0	205.2	59.5
Net Long-term Private	(3.8)	113.0	251.3	99.5	310.1	253.6	241.8
Net Short-term	(24.4)	(83.5)	(76.7)	(44.3)	(27.8)	(36.0)	(58.6)
<b>Net Errors &amp; Omissions</b>	<b>121.6</b>	<b>(104.6)</b>	<b>66.9</b>	<b>317.4</b>	<b>139.5</b>	<b>39.5</b>	<b>(77.3)</b>
<b>Overall Balance</b>	<b>589.9</b>	<b>481.4</b>	<b>1,177.3</b>	<b>442.8</b>	<b>(98.9)</b>	<b>146.0</b>	<b>118.5</b>
<b>Change in GIR: - increase/+ decrease</b>	<b>(588.3)</b>	<b>(481.4)</b>	<b>(1,179.7)</b>	<b>(398.2)</b>	<b>288.6</b>	<b>(229.3)</b>	<b>(184.8)</b>
<b>BOP change in GIR (-increase/+decrease)</b>	<b>(589.9)</b>	<b>(481.4)</b>	<b>(1,177.3)</b>	<b>(442.8)</b>	<b>98.9</b>	<b>(146.0)</b>	<b>(118.5)</b>
<b>Memorandum Items:</b>							
<b>Gross International Reserves (GIR)</b>	<b>999.6</b>	<b>1,481.0</b>	<b>2,660.7</b>	<b>3,058.8</b>	<b>2,770.3</b>	<b>2,999.5</b>	<b>3,184.3</b>
<b>Gross International Reserves Cover, Weeks</b>	<b>12.8</b>	<b>18.6</b>	<b>40.7</b>	<b>40.6</b>	<b>29.2</b>	<b>31.0</b>	<b>31.2</b>

<sup>(e)</sup> – Estimate

o/w – Of which

Source: Central Bank of Barbados

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

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Apr-Dec 2023	Apr-Dec 2024
<b>Total Revenue</b>	<b>2,993.6</b>	<b>2,984.2</b>	<b>2,563.3</b>	<b>2,823.8</b>	<b>3,320.0</b>	<b>3,378.0</b>	<b>2,360.5</b>	<b>2,908.5</b>
<b>Tax Revenue</b>	<b>2,812.4</b>	<b>2,771.2</b>	<b>2,387.8</b>	<b>2,646.1</b>	<b>3,110.6</b>	<b>3,205.5</b>	<b>2,232.7</b>	<b>2,751.5</b>
<b>i) Direct Taxes</b>	<b>1,126.9</b>	<b>1,084.7</b>	<b>1,202.9</b>	<b>1,148.2</b>	<b>1,381.2</b>	<b>1,379.8</b>	<b>908.1</b>	<b>1,381.1</b>
Personal	482.1	454.7	308.1	385.0	393.4	443.4	310.0	343.3
Corporate	355.5	309.0	612.9	450.5	548.8	563.1	308.1	731.6
Pandemic Levy (Individuals)	0.0	0.0	0.0	0.0	13.5	3.7	3.6	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	182.5	197.8
Financial Institutions Asset Tax	44.6	47.4	45.6	46.2	53.0	53.5	39.6	42.3
Other	83.4	58.9	54.7	61.4	80.8	97.4	64.4	66.0
<b>ii) Indirect Taxes</b>	<b>1,685.6</b>	<b>1,686.5</b>	<b>1,185.0</b>	<b>1,497.9</b>	<b>1,729.5</b>	<b>1,825.7</b>	<b>1,324.6</b>	<b>1,370.4</b>
Stamp	10.9	11.4	7.6	13.4	21.6	18.2	11.3	12.0
VAT	940.9	966.9	706.3	884.6	1,022.6	1,095.5	787.1	819.3
Excises	271.2	250.9	154.1	212.3	247.2	228.6	178.7	183.0
Import Duties	213.8	231.6	191.9	220.6	241.9	257.2	195.8	207.0
Social Responsibility Levy	49.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other	199.4	225.6	124.9	167.0	196.1	226.2	151.7	149.1
o/w: Fuel Tax	68.6	82.1	63.8	70.2	80.9	76.8	56.4	59.7
o/w: Room Rate/Shared Accommodation	10.1	28.1	9.5	25.2	40.2	42.4	28.2	29.0
<b>Non-tax Revenue &amp; Grants:</b>	<b>181.2</b>	<b>213.0</b>	<b>175.4</b>	<b>177.8</b>	<b>209.4</b>	<b>172.5</b>	<b>127.8</b>	<b>157.0</b>
Non-tax Revenue	161.5	201.3	169.5	159.7	173.4	159.4	119.4	151.3
o/w: Foreign Exchange Fee	74.5	79.4	65.2	78.7	94.4	101.1	74.1	81.1
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	8.4	5.7
<b>Current Expenditure</b>	<b>2,826.4</b>	<b>2,407.9</b>	<b>2,716.8</b>	<b>2,889.2</b>	<b>3,088.7</b>	<b>3,238.9</b>	<b>2,246.0</b>	<b>2,400.9</b>
Wages & Salaries	811.9	807.4	808.0	834.8	854.6	852.4	641.5	652.7
Goods & Services	356.3	375.5	399.8	493.2	529.0	522.4	340.9	364.3
Interest	384.9	249.7	342.6	398.9	549.2	707.3	503.0	549.4
External	48.0	62.7	144.1	132.4	196.0	308.4	211.2	242.8
Domestic	336.9	187.0	198.5	266.5	353.3	398.9	291.8	306.5
Transfers & Subsidies	1,273.3	975.3	1,166.3	1,162.3	1,155.9	1,156.8	760.5	834.5
Grants to Individuals	362.8	389.2	423.7	454.2	475.0	413.8	285.2	299.3
Grants to Public Institutions	814.8	517.6	657.3	631.8	581.4	661.9	431.8	492.7
Subsidies	51.8	31.8	49.7	33.6	48.2	46.3	19.6	17.1
Subscriptions & Contributions	25.7	20.3	20.3	21.9	23.7	21.1	15.4	12.0
Non-Profit Agencies	18.3	16.4	15.3	20.7	27.7	13.7	8.5	13.4
<b>Capital Expenditure &amp; Net Lending</b>	<b>197.8</b>	<b>191.8</b>	<b>276.1</b>	<b>425.2</b>	<b>476.2</b>	<b>369.6</b>	<b>122.3</b>	<b>282.8</b>
Capital Expenditure	184.9	185.1	278.3	421.6	449.5	357.6	101.8	264.7
Net Lending	12.9	6.7	-2.2	3.6	26.7	12.0	20.5	18.1
<b>Fiscal Balance</b>	<b>(30.5)</b>	<b>384.5</b>	<b>(429.6)</b>	<b>(490.6)</b>	<b>(244.9)</b>	<b>(230.5)</b>	<b>(7.7)</b>	<b>224.8</b>
<b>Primary Balance</b>	<b>354.3</b>	<b>634.2</b>	<b>(87.0)</b>	<b>(91.6)</b>	<b>304.3</b>	<b>476.8</b>	<b>495.3</b>	<b>774.1</b>
<b>Fiscal Balance-to-GDP (%)</b>	<b>(0.3)</b>	<b>3.3</b>	<b>(4.5)</b>	<b>(4.3)</b>	<b>(1.9)</b>	<b>(1.7)</b>	<b>(0.1)</b>	<b>1.5</b>

o/w – Of which

Source: Ministry of Finance

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

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Apr-Dec 2023	Apr-Dec 2024
<b>Fiscal Balance</b>	<b>(30.5)</b>	<b>384.5</b>	<b>(429.6)</b>	<b>(490.6)</b>	<b>(244.9)</b>	<b>(230.5)</b>	<b>(7.7)</b>	<b>224.8</b>
Arrears Payments	(10.0)	(208.3)	(61.9)	(41.1)	(38.2)	(21.0)	(21.0)	(5.0)
Other non-deficit transactions	0.0	0.0	0.0	0.0	0.0	(30.3)	(15.8)	(63.4)
<b>Financing</b>	<b>40.5</b>	<b>(176.2)</b>	<b>491.5</b>	<b>531.7</b>	<b>283.1</b>	<b>281.8</b>	<b>44.5</b>	<b>(156.4)</b>
<b>Domestic Financing (Net)</b>	<b>(272.3)</b>	<b>(274.9)</b>	<b>(340.1)</b>	<b>107.0</b>	<b>(289.5)</b>	<b>(247.7)</b>	<b>(301.5)</b>	<b>(289.5)</b>
Central Bank	(166.4)	164.7	(66.6)	331.6	(132.6)	(174.6)	91.2	39.6
Commercial Banks	82.8	(86.3)	106.6	(24.5)	99.9	131.3	19.9	674.8
National Insurance Board	8.9	(85.2)	(207.9)	15.3	(60.2)	(83.3)	(57.0)	(415.6)
Private Non-Bank	(119.6)	(217.7)	(34.9)	(47.1)	(136.8)	76.2	114.1	(137.7)
Other	(77.9)	(50.4)	(137.3)	(168.3)	(59.9)	(197.2)	(469.6)	(450.6)
<b>Foreign Financing (Net)</b>	<b>312.8</b>	<b>98.7</b>	<b>831.6</b>	<b>424.7</b>	<b>572.7</b>	<b>529.5</b>	<b>346.0</b>	<b>133.1</b>
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	144.2	113.1	86.3	104.6
Policy Loans	350.0	150.0	968.1	496.6	483.6	627.6	427.6	223.4
Amortisation	(94.3)	(115.4)	(187.7)	(163.3)	(201.7)	(211.2)	(167.9)	(195.0)

Source: Central Bank of Barbados



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

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Dec 2023	Dec 2024
<b>Gross Central Government Debt<sup>1</sup></b>	<b>12,755.0</b>	<b>12,322.6</b>	<b>12,819.1</b>	<b>13,310.3</b>	<b>14,224.8</b>	<b>14,872.5</b>	<b>14,730.5</b>	<b>14,692.9</b>
Gross Central Government Debt/GDP (%)	113.3	104.7	133.5	117.8	110.5	108.7	109.6	102.5
<b>Domestic Debt</b>	<b>9,512.9</b>	<b>9,226.4</b>	<b>8,872.7</b>	<b>8,824.1</b>	<b>9,117.9</b>	<b>9,250.0</b>	<b>9,280.4</b>	<b>9,119.5</b>
<b>Short Term</b>	<b>598.4</b>	<b>697.0</b>	<b>708.1</b>	<b>710.1</b>	<b>662.3</b>	<b>822.9</b>	<b>766.8</b>	<b>784.3</b>
<b>Treasury Bills<sup>2</sup></b>	<b>495.1</b>	<b>495.1</b>	<b>495.1</b>	<b>495.1</b>	<b>495.1</b>	<b>667.7</b>	<b>550.3</b>	<b>784.3</b>
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	297.1	565.9
Other	2.8	2.8	2.8	2.8	2.8	27.6	46.0	11.2
<b>Loans</b>	<b>103.3</b>	<b>201.9</b>	<b>213.0</b>	<b>215.0</b>	<b>167.2</b>	<b>155.2</b>	<b>216.4</b>	<b>-</b>
Central Bank	103.3	201.9	213.0	215.0	167.2	155.2	216.4	-
<b>Long Term</b>	<b>8,914.5</b>	<b>8,529.4</b>	<b>8,164.6</b>	<b>8,113.9</b>	<b>8,455.6</b>	<b>8,427.0</b>	<b>8,513.6</b>	<b>8,335.2</b>
<b>Bonds</b>	<b>8,621.0</b>	<b>8,358.6</b>	<b>8,083.7</b>	<b>8,091.2</b>	<b>8,051.6</b>	<b>8,047.0</b>	<b>8,128.9</b>	<b>7,407.4</b>
Central Bank	414.4	414.4	414.4	444.4	626.8	626.8	626.8	612.0
Commercial Bank	2,052.5	2,048.0	2,048.8	2,058.3	2,034.2	2,061.5	2,097.6	1,973.7
NIS	2,943.8	2,858.7	2,650.2	2,665.4	2,605.2	2,521.9	2,548.3	2,106.3
Insurance Companies	1,179.6	821.5	815.8	815.1	810.6	782.1	781.1	763.0
Pension Funds	296.6	304.8	311.7	321.9	317.1	315.3	316.0	320.6
Other	1,734.0	1,911.2	1,842.7	1,786.1	1,657.6	1,739.4	1,759.1	1,631.9
<b>Loans &amp; Tax Certificates</b>	<b>0.1</b>	<b>17.9</b>	<b>1.5</b>	<b>0.1</b>	<b>146.6</b>	<b>146.6</b>	<b>146.6</b>	<b>739.3</b>
Commercial Banks	-	17.8	1.4	(0.0)	146.5	146.5	146.5	739.2
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Arrears</b>	<b>293.4</b>	<b>152.9</b>	<b>79.4</b>	<b>22.6</b>	<b>257.5</b>	<b>233.4</b>	<b>238.1</b>	<b>188.5</b>
<b>External Debt</b>	<b>3,242.1</b>	<b>3,096.2</b>	<b>3,946.4</b>	<b>4,486.2</b>	<b>5,106.8</b>	<b>5,622.5</b>	<b>5,450.1</b>	<b>5,573.4</b>
<b>Long Term</b>	<b>3,242.1</b>	<b>3,096.2</b>	<b>3,946.4</b>	<b>4,486.2</b>	<b>5,106.8</b>	<b>5,622.5</b>	<b>5,450.1</b>	<b>5,573.4</b>
International Bonds	1,161.4	1,137.9	1,072.9	1,072.9	1,070.7	1,069.3	1,070.0	913.3
Bilateral	204.4	242.9	244.4	312.6	376.3	384.9	396.9	391.5
Multilateral	1,292.5	1,431.1	2,381.3	2,882.4	3,323.3	3,861.0	3,668.6	3,984.2
IMF (Budget Support)	-	-	368.2	464.8	530.8	744.7	754.6	941.0
Commercial	421.2	237.0	247.8	218.3	336.5	307.2	314.7	284.4
Arrears	162.6	47.3	-	-	-	-	-	-
<b>Other Public Sector Debt (Guaranteed Contingent Liabilities)</b>	<b>98.3</b>	<b>57.9</b>	<b>51.9</b>	<b>46.0</b>	<b>36.2</b>	<b>26.3</b>	<b>27.8</b>	<b>71.6</b>
<b>Domestic Debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>External Debt</b>	<b>98.3</b>	<b>57.9</b>	<b>51.9</b>	<b>46.0</b>	<b>36.2</b>	<b>26.3</b>	<b>27.8</b>	<b>71.6</b>
<b>Long Term</b>	<b>98.3</b>	<b>57.9</b>	<b>51.9</b>	<b>46.0</b>	<b>36.2</b>	<b>26.3</b>	<b>27.8</b>	<b>71.6</b>
Bonds	65.4	31.1	31.1	31.1	26.0	23.3	23.3	19.4
Multilateral	32.9	26.8	20.9	14.9	10.2	3.0	4.5	52.2
<b>Gross Public Sector Debt<sup>3</sup></b>	<b>12,853.3</b>	<b>12,380.5</b>	<b>12,871.1</b>	<b>13,356.3</b>	<b>14,261.0</b>	<b>14,898.8</b>	<b>14,758.3</b>	<b>14,764.5</b>
Gross Public Sector Debt/GDP (%)	114.1	105.2	134.0	118.2	110.8	108.9	109.8	103.0

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

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

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

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

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

	2018	2019	2020	2021	2022	2023	2024
<b>Monetary Authorities</b>							
Net International Reserves	832.5	1,130.8	2,195.0	2,594.6	2,354.5	2,560.2	2,789.1
Monetary base	2,659.0	2,938.8	3,551.8	4,132.8	4,389.2	4,401.1	4,283.0
Net Domestic Assets	1,788.8	1,761.6	1,296.2	1,479.0	1,978.4	1,738.7	1,383.5
<b>Deposit-taking Institutions<sup>1</sup></b>							
Credit to Public Sector <sup>2</sup>							
Central Government (net)	1,896.4	1,886.7	2,056.5	2,100.1	2,249.8	2,418.0	3,197.4
Rest of the Public Sector	107.9	65.0	85.3	144.5	157.1	142.6	136.8
Credit to Rest of Financial System	274.5	255.7	262.8	246.3	288.8	298.0	332.2
Credit to the Non-Financial Private Sector <sup>3</sup>	8,179.1	8,254.4	8,153.7	8,096.8	8,350.7	8,567.5	8,940.5
Total Deposits	11,967.1	12,284.6	12,976.2	13,697.0	14,413.4	14,582.5	15,796.6
Transferable Deposits <sup>4</sup>	9,844.5	10,394.3	11,178.9	11,855.8	12,643.9	12,900.2	14,001.0
Non-Transferable Deposits	2,122.6	1,890.3	1,797.3	1,841.1	1,769.4	1,682.3	1,795.5
<b>Memo Items</b>							
Domestic Currency Deposits	11,365.1	10,337.2	12,283.2	12,809.9	13,376.8	13,547.9	14,529.8
Foreign Currency Deposits	602.0	576.2	693.0	887.0	1,036.5	1,034.6	1,266.8
<b>Banking System Financial Stability Indicators<sup>5</sup></b>							
Capital Adequacy Ratio (CAR)	13.8	13.5	16.0	16.8	17.6	20.9	20.1
Loan to Deposit Ratio	63.0	61.7	57.1	53.0	53.1	54.3	57.0
Liquid Assets to Total Assets	25.9	26.0	27.5	31.1	32.0	30.9	28.7
Non-Performing Loans Ratio	7.4	6.6	7.3	7.3	5.9	5.0	4.1
Provisions to Non-Performing Loans	67.3	59.4	62.0	60.3	53.1	54.1	46.4
Return on Average Assets (12-month)	(0.2)	0.6	0.8	1.1	1.3	1.8	1.2

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

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

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

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

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

Source: Central Bank of Barbados