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From: The Secretary
Subject: Barbados - Recent Economic Developments

This paper provides background information to the staff report on the 1981 Article IV consultation discussions with Barbados, which was circulated as SM/81/215 on November 9, 1981, and has now been tentatively scheduled for discussion on Friday, December 18, 1981.

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INTERNATIONAL MONETARY FUND

BARBADOS

Recent Economic Developments

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Exchange and Trade Relations Departments

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Barbados--Basic Data

Area and population

Area	166 sq. miles (430 sq. kilometers)
Population (1980 census)	249,400
Annual rate of population increase (1976-80)	0.4 per cent
Unemployment rate (1980)	12.6 per cent

GDP (1980) SDR 626 million

GDP per capita (1980) SDR 2,511

Origin of GDP (1980) (per cent)

Agriculture and fishing	10
Mining and manufacturing	13
Tourism	14
Construction	7
Transport and public utilities	8
Government	13
Other	35

Ratios to GDP (1980)

Exports of goods and services (including re-exports)	74.3
Imports of goods and services (including imports for re-exports)	78.7
General government revenues (fiscal year from April 1)	29.8
General government expenditures (fiscal year from April 1)	25.0
External public and government-guaranteed debt	11.9
Gross national savings	19.1
Gross domestic investment ^{1/}	23.4
Money and quasi-money (end of year)	42.8

<u>Annual changes in selected economic indicators</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>Proj. 1981</u>
		(per cent)		
Real GDP per capita	4.5	7.7	4.6	-1.4
Real GDP (factor cost)	4.8	7.9	4.9	-1.1
GDP at current prices	13.3	21.1	21.5	12.2
Domestic expenditure (at current prices)	9.1	20.5	19.5	19.4
Gross domestic investment ^{1/}	31.1	18.7	26.2	18.1
Consumption	4.3	21.0	17.8	19.8
GDP deflator	7.4	11.7	15.3	13.5
Consumer prices (annual averages)	9.5	13.2	14.0	13.5
Weekly wage rates (annual averages)	11.1	8.3	18.0	15.0
General government revenues (fiscal year from April 1)	26.2	14.4	23.4	7.9
General government expenditures (fiscal year from April 1)	3.0	19.0	32.5	14.3
Money and quasi-money	14.3	25.2	17.1	14.3
Money	14.6	37.8	15.1	13.5
Quasi-money	14.2	20.0	18.0	14.7
Net domestic bank assets ^{2/}	3.9	25.2	12.8	19.8
Credit to public sector (net) ^{2/}	-8.5	3.2	-2.4	0.6
Credit to private sector ^{2/}	10.8	20.5	16.4	18.1
Merchandise domestic exports, f.o.b.	23.4	24.9	44.9	-7.8
Merchandise retained imports, c.i.f.	14.8	32.7	18.5	14.3
Travel receipts gross	31.8	31.5	22.0	5.2

General government finances (fiscal year
from April 1)

	1978	1979	1980	Proj. 1981
	(millions of Barbados dollars)			
Revenues	344.2	393.6	485.8	524.2
Expenditures	346.3	412.0	546.1	624.2
Current account surplus or deficit (-)	70.9	69.4	78.6	60.0
Overall deficit (-)	-2.1	-18.4	-60.3	-100.0
External financing (net)	24.1	10.4	61.5	113.0
Internal financing (net)	-33.7	9.8	-8.1	-13.0
Residual (unidentified)	11.7	-1.8	6.9	--

Balance of payments

	(millions of U.S. dollars)			
Domestic exports, f.o.b. ^{3/}	99.3	118.5	168.1	155.7
Retained imports, c.i.f.	-282.6	-374.8	-444.2	-507.5
Travel (gross)	158.2	208.0	253.7	266.9
Investment income (net)	-5.5	-11.0	-8.5	-12.4
Other services and transfers (net)	9.6	34.2	16.2	14.3
Balance on current and transfer accounts	-21.0	-25.0	-14.7	-83.0
Official capital (net)	7.0	7.3	9.5	34.0
Private capital (net) ^{4/}	29.0	26.1	1.7	-5.3
Commercial banks	-2.3	-0.4	4.2	3.0
Special transactions ^{5/}	-0.6	1.6	1.6	1.3
Overall balance	12.1	9.6	2.3	-50.0
Exceptional official borrowing	10.0	--	18.0	30.0
Net change in official reserves (increase -)	-22.1	-9.6	-20.3	20.0

International reserve position

	Dec. 31 1979	Dec. 31 1980	Sept. 30 1981
	(millions of U.S. dollars)		
Central Bank (gross)	55.5	64.9	43.9
Central Bank (net)	38.9	56.0	10.0
General government (gross; no liabilities)	12.0	15.2	14.9

IMF data (as of September 30, 1981)

Article XIV status	
Intervention currency and rate	U.S. dollar at BDS\$2.0 per US\$
Quota	SDR 25.5 million
Fund holdings of Barbados dollars	SDR 22.0 million
Under tranche policy	SDR 20.5 million
Under compensatory financing facility	SDR 1.52 million
Distribution: gold	11,126 fine ounces
profits	US\$2.09 million
Special Drawing Rights Department	
Cumulative SDR allocation	SDR 8.04 million
Net acquisition or utilization (-) of SDRs	-SDR 5.82 million
Holdings of SDRs	SDR 2.22 million

^{1/} Includes changes in stocks.

^{2/} In relation to the stock of money and quasi-money at the beginning of the period. Excludes contra-entry of SDR allocations.

^{3/} Includes valuation adjustments to exports of sugar to the European community.

^{4/} Includes errors and omissions.

^{5/} Includes SDR allocations, and exchange profits and losses on net international reserves.

I. The Domestic Economy

1. Production and expenditure

a. Overall trends

Real GDP in Barbados increased at an annual average rate of 5 per cent in the 1976-80 period, led by tourism and export manufacturing. However, after three years during which tourist activity had been expanding at rates averaging 17 to 18 per cent a year, tourism stagnated during 1980 as a result of the recession in the industrial countries. Nevertheless, real GDP grew by about 5 per cent that year, on the strength of a bumper sugar crop, the highest since 1971 (Statistical Appendix Table 26). Manufacturing (especially electronic components and chemicals) and construction also continued expanding strongly.

In 1981 real GDP is expected to decline by about 1 per cent (Table 1) as all three of the island's major industries (tourism, manufacturing, and sugar) are expected to register reductions in real output. Tourist arrivals are down by almost 5 per cent; manufacturing production is expected to fall by 2 per cent in real terms mainly because of a significant drop in the production of beverages, tobacco, and garments; and sugar output dropped by about 25 per cent because of poor weather. Only the electronic components industry and the construction sector continued to show strong gains.

After declining in 1977, gross national savings increased from 9 per cent of GDP in 1977, to 19 per cent in 1980, favored by a rapid expansion of output and exports; and the resource gap (deficit in goods and nonfactor services in the balance of payments) declined to 4.3 per cent of GDP in 1980. The rise in national savings took place along with rapid increases of gross domestic expenditure in 1979-80. In 1981, domestic expenditure continued rising strongly, but national savings declined reflecting stagnant output and exports, and the external savings gap is expected to widen to almost 11 per cent of GDP (see Table 1).

b. Trends in selected sectors of production

(1) Agriculture, livestock, and fisheries

Output of the agricultural sector amounted to approximately 10 per cent of GDP in 1980. Crops represent some 90 per cent of total sectoral output, with sugar production alone amounting to three quarters of the total; the shares of livestock and fisheries were 8 and 2 per cent, respectively. Sugar production has declined in relative importance, but still represents some 7 per cent of GDP and 25 per cent of domestic exports. The sugar industry employs about 4,500 permanent employees, or about 5 per cent of the labor force.

Table 1. Barbados: Selected National Accounts Aggregates

	1976	1977	1978	1979	1980	Proj. 1981
(In millions of Barbados dollars)						
Real GDP (factor cost)	654	678	711	767	804	795
GDP at current market prices	874	978	1,108	1,342	1,630	1,829
Domestic expenditure	1,000	1,082	1,180	1,422	1,699	2,029
Consumption	(764)	(887)	(925)	(1,119)	(1,318)	(1,579)
Investment	(236)	(194)	(255)	(302)	(381)	(450)
Gross national savings	110	91	183	223	312	250
External savings (resource gap)	126	103	72	80	69	200
(Annual percentage change)						
Real GDP (factor cost)	4.3	3.7	4.8	7.9	4.9	-1.1
GDP at current market prices	8.5	12.0	13.3	21.1	21.5	12.2
Domestic expenditure	16.5	8.2	9.1	20.5	19.5	19.4
Consumption	(17.5)	(16.2)	(4.3)	(21.0)	(17.8)	(19.8)
Investment	(12.0)	(-17.7)	(31.1)	(18.7)	(26.2)	(18.1)
(As per cent of GDP)						
Gross national savings	12.6	9.3	16.5	16.6	19.1	13.7
External savings (resource gap)	14.4	10.6	6.5	5.9	4.3	10.9

Sources: Statistical Appendix Tables 22, 23, and 24.

Despite a record sugar crop in 1980, agricultural output showed only a moderate increase over the previous year as heavy rains affected nonsugar agricultural output (Table 2). Sugar production reached 135,000 tons, the highest level since 1971, and 18 per cent higher than in 1979. The harvest would have been even larger but for the heavy incidence of fires which affected a quarter of the crop. Output of other crops, such as cotton and vegetables, declined mainly as a result of the heavy rains and shortages of labor. Output of the livestock sector rose moderately, despite damage in August from the "near miss" from Hurricane Allen. The latter severely affected the fisheries industry as 96 boats out of a fishing fleet of 500 were damaged and 23 were completely destroyed. Only 1.1 million kilograms of fish were landed, 18 per cent below the previous year.

Table 2. Barbados: Agricultural Production

(Annual percentage change)

	1976	1977	1978	1979	1980	Est. 1981
<u>Total</u>	<u>4.1</u>	<u>2.0</u>	<u>--</u>	<u>8.1</u>	<u>5.5</u>	<u>-20.9</u>
Agriculture	2.1	16.8	-11.3	8.9	14.0	-28.0
Sugar	(5.5)	(16.7)	(-15.8)	(12.8)	(18.8)	(-28.3)
Livestock	13.6	9.2	7.8	3.1	1.2	2.0
Fisheries	19.4	-38.7	16.3	20.7	-17.5	1.5

Source: Statistical Appendix Table 25; and Central Bank of Barbados.

The 1981 sugar harvest is below normal, having been severely affected by heavy rains and labor disputes. Sugar production is expected to be around 96,000 tons, 15 per cent below the 1976-80 average and 28 per cent below the previous year's peak. Nonsugar agricultural output is also expected to decrease in 1981 because of the same factors.

(2) Tourism

Tourism is the largest source of foreign exchange earnings of Barbados; it contributes around 14 per cent to GDP and employs directly and indirectly about 20,000 people, or 17 per cent of the labor force.

After a downturn in 1975-76, total tourist days rose by 24 per cent a year in 1977-79 and earnings by close to 30 per cent a year. With the emerging recession in the industrial countries, however, tourist days showed no increase in 1980, and a decline of 3 per cent is estimated for 1981. Receipts from tourism still rose sharply in

1980 because of a 20 per cent hike in hotel rates, but in 1981 price increases have been much lower and the growth of total tourist receipts is expected to be less than 5 per cent (Table 3).

Table 3. Barbados: Main Tourism Indicators

(Annual percentage change)

	1976	1977	1978	1979	1980	Proj. 1981
Stayover visitors	1.3	20.1	17.7	17.0	-0.3	-4.3
Cruise-ship passengers	1.0	3.7	22.2	-12.6	42.1	-10.0
Total tourist days	--	26.0	19.1	25.7	--	-2.7
Total tourist expenditure	9.7	22.6	31.7	31.1	21.7	4.6

Source: Statistical Appendix Table 26.

Visitors from the United States and Canada declined both in absolute terms and as a per cent of total in 1981, while visitors from the United Kingdom and neighboring CARICOM countries increased. The rise in the number of U.K. visitors in 1981 took place despite a sharp appreciation of the Barbados dollar vis-a-vis the pound sterling, and seems to have resulted largely from improved marketing efforts and new charter services. The CARIFESTA celebrations in July appear to have boosted the number of visitors from the Caribbean region.

During the 1977-79 period, the rate of growth of visitors to Barbados widely exceeded the average for the Caribbean region, in part because Barbados benefited from the decline in Jamaican tourism. In 1980 and 1981 the leveling off and subsequent drop in visitor numbers has been no greater than those experienced by other major Caribbean destinations.

After a gap of several years, a major upsurge in construction of hotels and apartments began in the late 1970s. In the three years 1979-81 total bed capacity increased by 26 per cent to 14,000, and will rise further in 1982-83 as projects presently under way are completed. With the decline in arrivals and the new capacity, the hotel occupancy rate dropped from 76 per cent in 1979 to below 60 per cent in the first half of 1981.

(3) Manufacturing

In 1980 the manufacturing sector accounted for approximately 12 per cent of real GDP and employed about 15 per cent of the labor force.

In the last five years, output has been expanding rapidly; during 1980 output rose 6 per cent, with particularly strong expansion in chemicals (25 per cent), electronic components (15 per cent), and beverages and tobacco (9 per cent). In 1981, with the downturn in foreign demand, output of the manufacturing sector is expected to fall by about 2 per cent, with sharp declines in industries catering to tourism (such as beverages and tobacco) and in export industries, except for electronics where the start-up of a new factory producing computer chips resulted in a further rise in output (Table 4).

Table 4. Barbados: Manufacturing Production
(Annual percentage change)

	1976	1977	1978	1979	1980	Est. 1981
<u>Total</u>	<u>16.9</u>	<u>3.2</u>	<u>9.1</u>	<u>1.8</u>	<u>6.0</u>	<u>-2.0</u>
Electronic components	22.4	19.3	70.7	20.0	15.0	30.0
Other	11.3	-0.3	3.7	2.8	7.0	-3.6

Source: Statistical Appendix Table 27.

2. Energy

Almost all of Barbados' energy requirements are covered by petroleum; Barbados produces 20 to 25 per cent of its oil requirements, and the remainder is imported from Venezuela and Trinidad and Tobago. Domestic oil production tripled between 1976 and 1980, reaching 0.3 million barrels in the latter year. Barbados imported almost 1 million barrels of oil in 1980, 4 per cent more than in 1979: imports of petroleum products amounted to US\$33 million, or about 7 per cent of retained imports last year (Table 5).

Domestic oil is pumped from a relatively shallow and discontinuous onshore field, which requires constant drilling of wells to maintain output levels. In the hope of finding larger deposits, a deep drilling program was started in 1980. So far seven deep wells have been drilled in the vicinity of the existing oil field, but none have found oil in commercial quantities. Four more deep wells are planned for the next six months (including in two new areas), but unless a significant strike is made the deep drilling program will be discontinued. Because of the concentration on deep wells, the shallow drilling program was interrupted and domestic production dropped by over 30 per cent in 1981.

Imports rose by more than 30 per cent not only to cover the shortfall in domestic production but also because of reconstitution of stocks. The shallow drilling program is being resumed and domestic production is expected to almost double by the end of 1982.

Table 5. Barbados: Energy Supply for Domestic Use

	1976	1977	1978	1979	1980	Proj. 1981
Crude oil ('000 bbl)	954	1,168	1,297	1,146	1,347	1,442
Domestic production	113	124	241	242	322	204
Imports ^{1/}	841	1,071	1,040	929	965	1,308
Inventory adjustments (increase -)	...	-27	16	-55	60	-70
<u>Petroleum derivatives</u> <u>('000 bbl)</u>	<u>1,073</u>	<u>1,168</u>	<u>1,170</u>	<u>1,264</u>	<u>1,310</u>	<u>1,372</u>
<u>Natural gas (millions</u> <u>of cubic feet)</u>	<u>149</u>	<u>166</u>	<u>339</u>	<u>412</u>	<u>469</u>	<u>516</u>
<u>Electricity (millions</u> <u>of kwh)</u>	<u>214</u>	<u>246</u>	<u>269</u>	<u>296</u>	<u>310</u>	<u>326</u>

Sources: Mobil Oil Barbados; and Statistical Appendix Table 29.

^{1/} Includes reformat.

Despite the disappointing results of the deep drilling program, Barbados has the potential for attaining self-sufficiency in oil as recent estimates have put potential oil reserves at between 30 million and 72 million barrels. With continuous shallow drilling, Barbados is expected to be self-sufficient by the beginning of the 1990s. However, the chances of securing significantly greater output than this are now judged to be remote.

Natural gas is produced in association with crude oil. By installing new pipelines and utilizing gas for electricity generation, wastage has been reduced to only about 3 per cent of the available gas. The volume of natural gas produced in 1980 increased by 14 per cent to 15.1 million cubic meters.

A major project under way will substitute low-speed diesel generators for medium-speed diesels; as a result, the use of petroleum products per unit of power generated will be cut by as much as 20 per cent in volume and about 30 per cent in value.

The Government places high priority on the development of renewable energy sources and conservation. There is virtually no potential for hydroelectric power. To encourage the adoption of solar energy equipment, imported gas fuel used with solar equipment is exempt from a 30 per cent consumption tax, and imports of solar water heaters have been exempted from import duties. By mid-1981, 2 per cent of households and 15 per cent of hotels were operating solar energy equipment. Barbados plans to establish a pilot wind turbine of 250 kw with a US\$1.5 million grant from IDB to assess the feasibility of this source of energy for future commercial use. The Government also encourages use of bagasse as a fuel source in the sugar industry.

International oil price increases have been passed on fully to consumers and were not compensated by reductions in domestic taxation. In July 1981 the price of gasoline per U.S. gallon was BDS\$4.17 (Statistical Appendix Tables 30 and 31). Further credit and fiscal incentives and a consumer information campaign to encourage conservation are planned for early 1982.

3. Population and employment

The 1980 census revealed a total population of 249,400, about 2 per cent less than had been estimated. The annual average rate of growth during the decade (based on census data) was only 0.4 per cent, the result of a 1.7 per cent birth rate, a death rate of 0.9 per cent, and net emigration rate of 0.4 per cent.

Barbados has a well educated and literate labor force and a high labor participation rate. In 1980, 50 per cent of the employed had a primary level of education, and a further 47 per cent had a secondary level; the illiteracy rate was near zero. The participation rate (labor force as a percentage of adult population) was about 66 per cent.

Rapid economic growth during the last five years has resulted in a substantial increase in employment of almost 3 per cent a year. The increases took place mainly in tourism, construction, and export manufacturing (especially electronic components). This creation of new jobs more than offset the long-term decline in employment in agriculture, particularly in sugar and sugar processing. In 1960, the number of sugar workers exceeded 20,000 but, with the increasing mechanization and rationalization of the industry, this number had fallen to some 4,500 permanent workers, or about 5 per cent of the labor force in 1980 (Statistical Appendix Table 33).

According to labor force surveys, in the last five years employment in the public sector has risen by 3 to 4 per cent a year and stood at about 27,000, or 24 per cent of the labor force in early 1981. The survey figures appear to overstate employment in the public sector since they include workers engaged in public sector capital projects as well as temporary and seasonal workers. According to the Ministry

of Finance, total employment (both permanent and temporary) in the Central Government and public agencies was about 15,000 in the first quarter of 1981.

Unemployment, which had reached a peak of 23 per cent during the 1974-75 recession, declined steadily to an all-time low of 10 per cent of the labor force during the second quarter of 1981, according to the Household Sample Survey. The survey statistics probably overstate unemployment, as they count persons not actively looking for work as unemployed. There are significant shortages of skilled labor, and even of unskilled labor in sectors such as construction and sugar.

4. Wages and industrial relations

Wages are generally set by collective bargaining, usually through two-year contracts. There is no nationally legislated minimum wage, but the Minister of Labor is empowered to set up wage councils to determine adequate compensation; a council which determines the minimum wage of retail employees is the only one established so far.

Data on weekly wage rates in various sectors indicate that there was some slowdown in the period 1977-79 but, since that time, wages have tended to accelerate. Two-year contracts awarded wage increases in the range of 15 to 20 per cent in 1978, 17 to 25 per cent in 1979, and around 28 to 35 per cent in 1980 and 1981 (Table 6).

The wage contract for central government employees is a major benchmark for the private sector, and central government employees received wage increases ranging from 22 to 38 per cent in 1980 (the preceding agreement in 1978 had been 10 to 20 per cent). In December 1980 sugar workers were granted a 28 per cent increase for a two-year contract, compared with increases of 15 to 25 per cent for the preceding agreement. In December 1980, the Barbados Hotels Association settled for 28 to 48 per cent for the higher and lower ends of the salary scale, respectively, up from 20 to 26 per cent in 1978. The construction industry and some nonunionized industries, including banks, have also granted increases of about 17 per cent a year since 1980.

Industrial relations have remained relatively peaceful. There were no major strikes over the past year except for a telephone company walkout, which was not wage-related. The Barbados Workers Union is by far the largest union, but inter-union rivalry is becoming a significant factor in the public sector where several unions are involved in the central government wage negotiations. These include the National Union of Public Workers, three unions representing primary, secondary, and university teachers, as well as the Barbados Workers Union.

Table 6. Barbados: Wage Increases in Various Sectors

(Simple average increases in per cent)^{1/}

	1976	1977	1978	1979	1980	1981
<u>Average of 14 sectors</u>	<u>16.8</u>	<u>12.1</u>	<u>11.1</u>	<u>8.3</u>	<u>18.0</u>	<u>8.7</u> ^{1/}
Hotels	--	29.4	7.1	20.3	2.1	32.3
Retail stores	--	35.2	--	--	31.1	--
Sugar farms	--	--	20.0	--	28.0	--
Passenger transport	6.0	15.6	2.0	25.0	--	30.0
Domestic services	11.5	10.3	9.3	8.5	--	7.9
Government	33.4	10.1	17.8	--	31.0	--
Construction	38.4	2.8	19.6	--	35.7	--
Telephone	39.5	--	15.9	--	37.0	--
Electricity	--	25.9	--	27.0	--	29.6
Longshoremen	49.7	--	24.0	--	29.1	--
Manufacturing						
Garments	30.3	7.3	20.0	--	30.0	--
Beverages	5.7	18.8	4.9	17.0	1.7	37.0
Food	5.0	21.1	3.6	18.1	3.2	...
Chemicals	34.5	7.3	11.3	5.9	32.7	--

Source: Statistical Appendix Table 35.

^{1/} Incomplete data.

5. Price trends

The rate of inflation averaged about 8 per cent a year from 1976 through 1978 and accelerated to around 14 per cent a year in 1979 and 1980, mainly reflecting higher import prices and increased wage pressures (Table 7). Despite a significant slowdown in the rate of increase of import prices, the rise in the consumer price index was still almost 14 per cent in the year ended August 1981.

Domestic price trends are heavily determined by import prices (retained imports amounted to 55 per cent of GDP in 1980). From 1976 to 1980, domestic inflation tended to be somewhat lower than import price increases, but in 1981, as inflation in industrial countries began to decline, the rate of increase in domestic prices has been well in excess of imported inflation. Shortages of domestic agricultural food products and rapid increases in housing and clothing led the price rises. Expansionary fiscal and monetary policies and the acceleration in wages helped sustain the inflationary pressures.

Table 7. Barbados: Price Indicators

(Annual percentage change)

	1976	1977	1978	1979	1980 1/	Proj. 1981 1/
<u>Retail prices</u>						
End of period	3.9	9.9	11.3	16.8	14.0	12.0
Period average	5.0	8.4	9.5	13.2	14.0	13.5
<u>Import prices 2/</u>						
Period average	10.9	6.0	11.3	20.3	16.1	8.5

Sources: Statistical Appendix Tables 36 and 37; and Fund staff estimates.

1/ New index March 1980=100.

2/ Based on trading partners' export prices (IFS data).

In March 1980 a new retail price index was introduced (Statistical Appendix Table 36); compared with the older index, the weights of food and beverages, clothing, transportation, and education-recreation were lowered, while those of housing, household operations, medical care, and fuel and light were increased.

A number of basic foods and imported items are subject to price control.^{1/} No changes were made in the system during 1980. In 1981 luncheon meat and lard were eliminated from the list, while chicken wings and Irish potatoes were added.

^{1/} For the complete list of the goods subject to price control, see SM/80/184.

II. Public Finance

1. Overall trends

Following two years of relatively large deficits, fiscal policy was tightened in 1978/79 (fiscal year April-March) when the current account surplus of the general government (i.e., Central Government and social security system) rose to almost 6-1/2 per cent of GDP, and the overall deficit was virtually eliminated (Table 8). Since that time, however, there has been a weakening trend, particularly in 1980/81, when savings declined to less than 5 per cent of GDP and the overall deficit rose to 3.7 per cent of GDP.

After 1978 the Government began a policy of shifting the tax burden away from personal income taxes in order to improve work incentives. In 1980/81 the reduction in personal income taxes was compensated by increases in indirect taxes, and, with the continued relatively strong performance of the economy, revenue rose rapidly enough to largely offset a 35 per cent increase in the government wage bill as a result of the April 1980 two-year public sector wage agreement. The increase in the overall deficit that year mainly reflected a sharp rise in capital outlays.

In 1981/82 total revenue is expected to rise by only 7 per cent in nominal terms, as revenue growth has slowed dramatically with the deceleration in economic activity. In addition, personal income taxes have again been reduced, this time without offsetting measures, resulting in a decline in revenue as a ratio of GDP.

Even though 1981/82 will not be burdened with wage increases (it is the second year of the public sector wage contract), current outlays are expected to outstrip the growth of revenue, resulting in a further decline in savings to 3.3 per cent of GDP. In the first five months of this fiscal year capital outlays continued rising very rapidly, boosted by cost overruns on existing projects, and in September 1981 authorized capital outlays were lowered to 80 per cent of budgeted levels. Even so, the overall deficit of the general government is expected to reach BDS\$100 million (5.5 per cent of GDP) in 1981/82, as against BDS\$60 million (3.7 per cent of GDP) in the preceding year.

The increased overall deficits in 1980/81 and in the current fiscal year were covered by foreign borrowing, which rose to BDS\$66 million, or 4 per cent of GDP in 1980/81, and may reach as high as BDS\$113 million (6.2 per cent of GDP) in 1981/82 with the floating of a US\$30 million Eurodollar budget/balance of payments support loan. In the first half of the current fiscal year the Government borrowed heavily from the Central Bank, but this credit is expected to be repaid with the proceeds from the above-mentioned foreign loan.

Table 8. Barbados: Consolidated Operations of the General Government ^{1/}

	1976/77	1977/78	1978/79	1979/80	1980/81	Est. 1981/82 ^{2/}
(In millions of Barbados dollars)						
Revenue	236	273	344	394	486	524
Budget	207	241	303	348	434	464
National Insurance Fund	23	25	36	39	46	54
Other	6	7	5	7	6	6
Total expenditure and net lending	283	336	346	412	546	624
Current expenditure (budget)	209	235	260	309	385	439
Current expenditure (rest of general government)	14	11	13	15	22	25
Capital expenditure and net lending	60	90	73	88	139	160
Current account balance	13	27	71	70	79	60
Overall balance	-47	-63	-2	-18	-60	-100
Financing	47	63	2	18	60	100
External	10	24	24	10	66	113
Domestic	37	39	-22	8	-6	-13
Banking system	(41)	(19)	(--)	(7)	(-6)	(-14)
Other	(-4)	(20)	(-19)	(1)	(--)	(1)
(As per cent of GDP) ^{3/}						
Revenue	27.0	27.9	31.0	29.4	29.8	28.6
Total expenditure and net lending	32.4	34.4	31.2	30.7	33.5	34.1
Current account balance	1.5	2.8	6.4	5.2	4.8	3.3
Overall balance	-5.4	-6.4	-0.2	-1.3	-3.7	-5.5

Sources: Ministry of Finance and Planning; and Fund staff estimates.

^{1/} The fiscal year runs from April 1 to March 31.

^{2/} Based on original budget, returns of first five months of the year, and measures taken to the end of September 1981.

^{3/} GDP corresponds to calendar years.

2. Central government operations

a. Overall developments

The central government budget covers most of the operations of the public sector and comprises nearly 90 per cent of total revenues. The other major institution (included in the rest of general government) is the social security system, which generates savings of around 2 per cent of GDP a year. Changes in the financial position of the nonfinancial public enterprises are captured in the central government accounts, as the latter provides both operating subsidies (where required) and capital transfers. (For a description of the institutions comprising the public sector, see Appendix A.)

The weakening trend in the public sector's finances since 1978/79 is apparent in the central government operations, as the overall deficit widened from BDS\$29 million, or 2.6 per cent of GDP in 1978/79, to BDS\$93 million, 5.7 per cent of GDP in 1980/81, and is expected to widen further to BDS\$135 million or 7.4 per cent of GDP in 1981/82 (Table 9).

b. Revenue

In the four fiscal years 1977/78 through 1980/81, budget revenue grew by over 20 per cent a year (Table 10). These increases mainly resulted from the strong expansion of the economy, although in the earlier years a series of revenue raising measures, in association with the highly progressive income tax system, resulted in a rise in the ratio of revenues to GDP to a peak of over 27 per cent in 1978/79. Since that time, as part of a reorientation of policies to increase labor incentives and stimulate effort and private investment, the authorities reduced personal income taxes and shifted the tax burden more toward consumption taxes, fees, licenses, and fines, etc. (Details of the tax structure and recent tax measures are shown in Appendices B and C.) With the implementation of this policy, income tax revenue dropped by 2 percentage points of GDP between 1978/79 and 1980/81, which was partially compensated by an increase of 1 percentage point of GDP in other tax revenue. In 1981/82 income tax revenues are projected to decline further in relation to GDP, and overall revenue to fall by 1 per cent of GDP to 25.4 per cent.

The share of personal income tax in total tax revenues dropped from 29 per cent in 1976/77 to 21 per cent in 1980/81, while consumption taxes rose from 21 per cent to 25 per cent of total and nontax revenues from 7 to 10 per cent in the same period. The share of import duties remained constant at 21 per cent of total revenues. Import duties averaged about 10 per cent of the total value of retained imports: a relatively large amount of imports benefit from tax exemptions.

Table 9. Barbados: Central Government Operations

	1976/77	1977/78	1978/79	1979/80	1980/81	Proj. 1981/82
(In millions of Barbados dollars)						
<u>Current revenue and grants</u>	<u>207</u>	<u>241</u>	<u>303</u>	<u>348</u>	<u>434</u>	<u>464</u>
Current expenditure	209	236	260	309	385	439
Wages and salaries	91	101	112	127	172	188
National Insurance						
Fund contribution	3	5	7	8	12	12
Interest	14	18	23	28	30	46
Transfers	71	77	82	103	131	143
Goods and services	30	35	37	43	40	50
<u>Current surplus or deficit (-)</u>	<u>-2</u>	<u>6</u>	<u>43</u>	<u>39</u>	<u>49</u>	<u>25</u>
Capital expenditures and lending	61	86	72	86	139	160
<u>Overall deficit</u>	<u>-62</u>	<u>-80</u>	<u>-29</u>	<u>-46</u>	<u>-93</u>	<u>-135</u>
Financing	62	80	29	46	93	135
Foreign financing (net)	10	24	24	10	66	113
Domestic	57	46	-7	38	18	22
Banking system	(41)	(29)	(-9)	(35)	(16)	(-2)
National Insurance						
Fund	(11)	(10)	(3)	(2)	(1)	(20)
Other	(4)	(7)	(-1)	(1)	(2)	(...)
Residual	-4	10	12	-2	7	--
(As per cent of GDP)						
Current revenue	23.7	24.7	27.3	25.9	26.6	25.4
Current expenditure	23.9	24.1	23.4	23.0	23.6	24.0
<u>Current account surplus or deficit (-)</u>	<u>-0.2</u>	<u>0.6</u>	<u>3.9</u>	<u>2.9</u>	<u>3.0</u>	<u>1.4</u>
Capital expenditure and net lending	7.0	8.8	6.5	6.4	8.6	8.7
<u>Overall deficit (-)</u>	<u>-7.0</u>	<u>-8.2</u>	<u>-2.6</u>	<u>-3.5</u>	<u>-5.7</u>	<u>-7.4</u>
Foreign financing	1.1	2.5	2.2	0.8	4.0	5.1
Domestic financing	6.0	5.7	0.4	2.7	1.7	2.3

Sources: Statistical Appendix Tables 22 and 39.

Table 10. Barbados: Budgetary Revenue

	1976/77	1977/78	1978/79	1979/80	1980/81	Proj. 1981/82
(In millions of Barbados dollars)						
<u>Total revenue</u>	<u>207</u>	<u>241</u>	<u>303</u>	<u>348</u>	<u>434</u>	<u>464</u>
(Annual percentage change)						
<u>Total revenue</u>	<u>6.9</u>	<u>16.4</u>	<u>25.5</u>	<u>14.8</u>	<u>24.7</u>	<u>7.0</u>
(As per cent of GDP)						
<u>Total revenue</u>	<u>23.7</u>	<u>24.7</u>	<u>27.3</u>	<u>25.9</u>	<u>26.6</u>	<u>25.4</u>
<u>Tax revenue</u>	<u>22.0</u>	<u>22.6</u>	<u>24.9</u>	<u>23.7</u>	<u>23.8</u>	<u>22.8</u>
Personal income						
tax	6.8	6.7	7.4	6.4	5.5	5.0
Corporate income						
tax	3.9	4.1	4.5	3.9	4.3	4.1
Property taxes	1.3	1.2	1.2	1.3	1.3	1.0
Taxes on domestic and goods ser- vices	5.2	5.5	6.0	5.9	6.6	7.0
<u>Nontax revenue</u>	<u>1.7</u>	<u>1.9</u>	<u>2.3</u>	<u>2.1</u>	<u>2.6</u>	<u>2.4</u>
(As per cent of imports)						
<u>Import taxes/imports</u>	<u>9.8</u>	<u>9.8</u>	<u>9.4</u>	<u>9.9</u>	<u>10.1</u>	<u>9.8</u>

Sources: Statistical Appendix Tables 22, 40, and 63.

c. Expenditure

During the five fiscal years through 1980/81 current expenditure increased by nearly 18 per cent a year, and averaged about 23.5 per cent of GDP (Table 11). Wages and salaries, including social security contributions, represent about half of total current expenditure. Public sector wage increases were usually paid in the first year of the two-year settlement, except in 1978/79 when teachers and police were not paid until the second year. In 1980/81 central government employees obtained an increase of 38 per cent at the lower end of the wage scale and 22 per cent at the upper end; the wage bill increased by 35 per cent over the previous year, including increases in staff and

promotions. The wage agreements also have an impact on central government transfers to the rest of the public sector, particularly in the case of schools and universities. Current transfers, including pensions, represent about one third of current outlays.

Table 11. Barbados: Central Government Current Expenditure

	1976/77	1977/78	1978/79	1979/80	1980/81	Proj. 1981/82
(In millions of Barbados dollars)						
Total current expenditure	209	236	260	309	385	439
(Annual percentage change)						
Total current expenditure	22.5	12.7	10.3	18.8	24.7	14.1
(As per cent of GDP)						
Total	23.9	24.1	23.4	23.0	23.6	24.0
Wages and salaries and social security contributions	10.7	10.8	10.7	10.0	11.3	10.9
Goods and services	3.4	3.5	3.2	3.2	2.5	2.8
Interest	1.6	1.9	2.0	2.1	1.8	2.5
Transfers and subsidies	8.1	7.9	7.4	7.7	8.1	7.8
Nonfinancial public enterprises	(1.4)	(1.1)	(1.0)	(1.2)	(1.7)	(1.7)
Other public institutions	(3.3)	(3.1)	(2.8)	(3.1)	(3.2)	(3.0)
Pensions	(1.3)	(1.3)	(1.3)	(1.2)	(1.2)	(1.3)
Other	(2.1)	(2.4)	(2.3)	(2.2)	(2.0)	(1.8)

Source: Statistical Appendix Tables 41 and 42.

Interest payments have shown a moderately rising trend in recent years, and are projected at BDS\$46 million, or 11 per cent of total current expenditure in 1981/82. Expenditure on goods and services, on the other hand, have been kept under tight control, rising by only 5 per cent a year at current prices from 1976/77 to 1980/81, and declining in proportion to GDP.

Capital expenditure and net lending reached a relatively high level in 1977/78 but declined in 1978/79 to the equivalent of 6.5 per cent of GDP. In 1979 the Government adopted a new multiyear investment program and in 1980/81 capital spending rose by 60 per cent to BDS\$139 million, or 8.6 per cent of GDP (see Table 11). The original budget for 1981/82 contemplated a further 43 per cent rise in capital spending to BDS\$200 million, and capital outlays in the first five months of the fiscal year were 85 per cent higher than in the corresponding months of 1980/81. Expenditures were boosted by a number of projects related to the CARIFESTA celebration, as well as cost overruns on existing projects. Later in the year, equity contributions are expected to raise outlays as the budget made provision for BDS\$15 million of equity capital, mainly for a large cement plant which is expected to go into operation in 1983. In September 1981, in view of the deterioration in the balance of payments and the rapid buildup of foreign debt, planned capital outlays were cut back by about 20 per cent (BDS\$40 million) and are now expected to be held to BDS\$160 million, or 8.7 per cent of GDP. All new projects were postponed, and work on existing projects will be staggered where feasible.

d. The rest of general government 1/

The current surplus of the rest of general government increased from BDS\$14 million in 1976/77 to over BDS\$28 million in 1978/79, or from 1.6 per cent to 2.5 per cent of GDP. In the next two years, current savings remained at about BDS\$30 million and dropped to about 1.9 per cent of GDP. The surplus was mainly used to finance the Central Government in 1976/77 and 1977/78, but in the following three years it was mainly placed in the domestic banking system (Statistical Appendix Table 46.)

The National Insurance Fund (NIF) provides sickness benefits, maternity benefits, survivor benefits, funeral grants, and injury insurance, and is financed with contributions of 6.5 per cent of insurable earnings: 3.5 per cent paid by employers and the rest by employees. An unemployment scheme is being introduced from September 1981, and will benefit workers who become unemployed after contributing to the scheme for at least 26 weeks. Each unemployed worker will receive BDS\$60 per week for up to 13 weeks, depending on the length of his previous contributions. There are also several sugar funds financed with a levy of BDS\$40 per ton of sugar exported; part of the revenue is channeled back to workers in the sugar sector through various welfare and provident funds, and part is used for price stabilization purposes.

1/ Includes the National Insurance Fund, four sugar funds, and five other funds with earmarked revenues including a labor training scheme and a higher education loan fund.

e. Nonfinancial public enterprises

A number of nonfinancial public enterprises (NPEs) have received subsidies to cover operating expenses in recent years--the major ones are the Transport Board, Water Authority and National Housing Corporation, and Industrial Development Corporation. The operating deficit of the NPEs as a group averaged about BDS\$6 million, or 0.5 per cent of GDP a year in 1977/78-1978/79, but rose to BDS\$22 million (1.4 per cent of GDP) in 1980/81 (Table 12 and Statistical Appendix Table 47.)

Table 12. Barbados: Nonfinancial Public Enterprises

	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82
(In millions of Barbados dollars)						
Operating revenue ^{1/}	41	52	59	84	95	109
Current expenditure ^{1/}	50	56	66	93	118	132
Current deficit	-9	-5	-7	-10	-22	-22
(In per cent of GDP)						
Operating revenue	4.6	5.3	5.3	6.2	5.8	6.0
Current expenditure	5.6	5.8	5.9	6.9	7.2	7.2
Current deficit	-1.0	-0.5	-0.6	-0.7	-1.4	-1.2

Sources: Statistical Appendix Tables 22 and 47.

^{1/} Excludes transfers to and from the rest of the public sector.

Capital expenditure of the NPEs increased from BDS\$17 million in 1976/77 to nearly BDS\$36 million in 1979/80, or from 1.9 per cent to 2.7 per cent of GDP. In 1980/81, capital expenditure rose further to nearly BDS\$40 million but declined to 2.4 per cent of GDP. The principal projects have been for sewerage, housing, hotel-apartments, and water facilities, and a post office building. Capital expenditure was financed almost entirely by central government transfers and there was a net repayment to the banks of nearly BDS\$13 million between 1976/77 and 1980/81 (Statistical Appendix Table 47.)

Rates of most of the state enterprises have been adjusted fairly regularly in recent years, although the increases have not been sufficient to prevent a widening of the current account deficit, as wage increases and other current expenditures have increased faster than

rate adjustments. National Housing Corporation rental rates have remained unchanged since 1973. The finances of the Barbados Marketing Corporation have improved in recent years, especially since it was granted the airport duty-free concession in 1980. Details of the operations of the individual state enterprises are shown in Statistical Appendix Table 47.

III. Financial Intermediation

1. Overall trends

Following about 18 months during which the Central Bank had taken steps to tighten credit by introducing selective credit controls and increasing the commercial banks' cash reserve requirement, the Central Bank eased credit policies in late 1978, particularly for housing and other industries classified as productive economic sectors. During 1979-80 liquidity grew rapidly, and even though credit to the private sector rose sharply, the commercial banks held ample reserves. Excess reserves ^{1/} increased from a low of 1.8 per cent at the end of 1977 to a high of 11.8 per cent at the end of 1978, and remained in a range of 8 to 10 per cent through mid-1981 (Statistical Appendix Table 52). These excess reserves were mainly held in the form of government securities, except for about 1 per cent on average in excess cash holdings.

In 1980, foreign budget/balance of payments support loans to the Central Government helped relieve the potential pressure on international reserves which would have been caused by the rapid expansion of the government deficit (Table 13). In a move to moderate the expansion of private consumption the Central Bank reimposed ceilings on personal loans and credit to the distribution sector in 1980, and raised controlled interest rates modestly. Even so, the banking system's credit expansion to the private sector was close to 20 per cent, about 2 percentage points higher than the growth of commercial bank liabilities to the private sector.

During the first seven months of 1981 there was a strong upsurge in domestic lending; net domestic credit rose by 19 per cent compared with 5 per cent in the first seven months of 1980, largely because of heavy domestic borrowing by the Central Government. This rapid expansion of domestic credit contributed to a steep drop in net international reserves of the banking system, which declined from BDS\$147 million in December 1980 to BDS\$105 million at the end of July 1981 (Statistical Appendix Table 48). The impact on official reserves was even more pronounced, as net official reserves declined from BDS\$142 million at the end of December 1980 to BDS\$54 million at the end of September 1981, while the foreign asset position of the commercial banks improved marginally.

In early 1981, the Central Bank continued the selective credit limits on distribution and personal loans, and raised further the prime and average lending rates by 1-1/2 percentage points to 12-1/2 per cent, the general rediscount rate by 3 percentage points to 10 per cent¹, and the minimum saving deposit rate by 2 percentage points to 7 per cent. In light of the rapid loss of official reserves during the year, in

^{1/} Above the required holdings of 20 per cent of deposit liabilities, of which 8 per cent was to be held in cash and 12 per cent in government securities.

Table 13. Barbados: Banking System: Origin, Destination, and Financing of Credit

	December 31					July 31	
	1976	1977	1978	1979	1980	1980	1981
(In millions of Barbados dollars)							
<u>Total credit</u>	<u>394</u>	<u>456</u>	<u>472</u>	<u>592</u>	<u>668</u>	<u>623</u>	<u>796</u>
Origin							
Monetary authorities	22	53	31	52	33	41	80
Commercial banks	337	357	401	489	559	525	635
Trust companies	20	25	30	27	49	42	64
Interbank float	15	21	10	24	28	15	17
Destination							
Public sector	46	94	58	73	59	51	101
Central Government	(121)	(170)	(157)	(197)	(207)	(189)	(255)
Rest of public sector	(-75)	(-76)	(-99)	(-124)	(-148)	(-138)	(-154)
Private sector	323	353	398	495	593	548	678
Other financial intermediaries <u>1/</u>	25	21	36	35	40	49	32
Other <u>2/</u>	1	-11	-19	-12	-24	-25	-16
Financing							
Liabilities to private sector	370	423	483	606	711	667	790
Other financial intermediaries <u>1/</u>	25	23	29	40	38	40	36
Other foreign operations <u>3/</u>	28	25	28	38	54	44	63
Medium- and long-term foreign liabilities	8	14	21	19	12	19	12
Net international reserves	-37	-29	-89	-111	-147	-147	-105
(In per cent)							
<u>Annual changes in</u>							
<u>Total credit <u>4/</u></u>	22.6	16.7	3.8	24.8	12.9	5.2	19.1
Credit to public sector	209.5	105.5	-38.0	25.9	-19.7	-30.1	72.5
Credit to private sector	13.4	9.1	12.7	24.6	19.7	10.6	14.3
Liabilities to private sector	10.1	14.4	14.1	25.6	17.3	10.1	11.1
Liabilities to private sector/GDP	42.3	43.2	43.6	45.2	43.6	...	...

Sources: Statistical Appendix Tables 22 and 48.

1/ Includes nonconsolidated rest of banking system and rest of financial system.

2/ Includes official capital, nonmonetary international organizations, net unclassified assets, and interbank float.

3/ Includes counterpart unrequited foreign exchange and net overseas operations (deposits and claims on nonresidents).

4/ In relation to the liabilities to the private sector at the beginning of the period.

September 1981 the Central Bank introduced a further set of measures designed to limit private sector credit expansion, particularly for consumption purposes. Downpayments were raised, terms on installment credit shortened, and the commercial banks were instructed to reduce the outstanding stock of personal loans by 10 per cent by March 1982, and to freeze the stock of outstanding credit to the distribution sector, over the same period. In addition, the commercial banks legal reserve requirement was increased from 20 per cent to 25 per cent of the banks' deposit liabilities in order to sterilize excess holdings of government securities; the Central Bank general discount rate was increased from 10 per cent to 18 per cent; and all controlled interest rates were increased by 1 to 2 percentage points, to 8 per cent on deposits and to 14-1/2 per cent for the average lending rate. (Details of monetary policy measures are provided in Appendix D.)

2. The supply of bank credit

During the period 1977-79 banking system liabilities rose by about 18 per cent a year, slightly faster than the rise in nominal GDP; in 1980 deposits continued expanding rapidly (17 per cent), although slightly less than the increase in nominal GDP, and there was a shift toward interest earning deposits, while demand deposits rose slowly. In the first seven months of 1981, deposits continued to expand strongly--rising by 11 per cent, compared with 10 per cent for the same period in 1980; as in the preceding year, interest-earning deposits rose faster than demand deposits. The slight slowdown in the growth of deposits in relation to GDP at current prices in 1980-81 may reflect the increasingly negative real interest rates paid on deposits (particularly for transaction balances) and the negative differential with interest rates abroad of around 6 percentage points which has prevailed since end-1979.

3. Demand for bank credit

In 1980 net domestic assets of the banking system expanded by 13 per cent (in relation to liabilities to the private sector) compared with 25 per cent in 1979, and only 4 per cent in 1978. The fluctuations in the rate of growth of domestic credit during the three years is primarily attributable to shifts between foreign and domestic financing of the budget--there were substantial reductions in public sector borrowing from the banking system in both 1978 and 1980 as the Central Government made use of budget/balance of payments support loans in those years. Credit to the private sector expanded strongly, rising by 25 per cent in 1979 and 20 per cent in 1980. The growth in private sector borrowing in 1980 partly reflected the upsurge in private investment, as the most rapid growth of lending was credit to manufacturing (41 per cent) and tourism (25 per cent). In addition, there was a very strong increase (39 per cent) in mortgage loans by trust companies (Statistical Appendix Table 51). Consumer credit also rose substantially, despite the selective credit controls. Commercial bank loans to the distribution sector rose by 19 per cent even though the Central Bank ceiling allowed only a 2-1/2 per cent increase from December 1979 to December

1980. (The ceiling was defined to exclude committed but undrawn lines of credit.) The buoyancy of private sector demand for credit may also have resulted in part from a switch from foreign to domestic borrowing (particularly in the financing of international trade and tourism) because of the differential between domestic and foreign rates.

Net domestic credit rose by 19 per cent in the first seven months of 1981, in relation to the liabilities to the private sector at the beginning of the period, compared with 5 per cent for the same period in 1980. This acceleration reflected heavy central government borrowing from the Central Bank, as net public sector credit increased by 73 per cent during the first seven months of 1981, compared with a decline of 30 per cent during the similar period in 1980. This heavy borrowing led the Central Bank to increase in July the informal ceiling on its government security holdings from BDS\$50 million to BDS\$75 million. Credit to the private sector also rose at a faster rate in the first seven months of 1981 (14 per cent) than in the same period of the preceding year (11 per cent). Available data on commercial bank loans suggest that economic sectors classified as productive, such as manufacturing and transportation, received the largest component of this credit expansion; in the sectors where selective controls apply, personal loans increased by 8 per cent and distribution sector loans were held constant through the first six months of the year (Statistical Appendix Table 53).

4. Other financial intermediaries 1/

During the three years ended in 1980 the growth of the operations of the Barbados Development Bank and the two specialized subsidiaries of the Barbados National Bank (the Agricultural Division and the Mortgage Finance Company) paralleled that of the banking system, and the combined net domestic assets of these institutions averaged about 11 per cent of the banking system's net domestic assets. However, during the first half of 1981 operations of these institutions grew more slowly. Outstanding loans of the Agricultural Division dropped sharply through June 1981, reflecting lower output and harvesting delays, as well as less generous provision of Central Bank rediscounts (the Central Bank encouraged the Agricultural Division to rediscount its

1/ The Barbados Development Bank provides medium- and long-term loans primarily to the manufacturing and tourist sectors, and relies for funding on international development institutions and domestic long-term borrowing. The Agricultural Division of the Barbados National Bank mainly provides crop financing to the sugar industry through low-interest rediscounts from the Central Bank; and it also provides development loans from funds provided by the CDB. The Mortgage Finance Company, which accounts for about 30 per cent of mortgage lending in Barbados, is funded by bonds purchased by the National Insurance Fund, through the intermediation of the Development Bank, and by the Barbados National Bank.

Finance Company also slowed in the first half of 1981 because of its inability to compete for funds due to the 10 per cent ceiling on mortgage loans. On the other hand, loans by the Barbados Development Bank to the private sector continued to increase rapidly during the first half of 1981; most of its lending was directed to the tourism and manufacturing sectors (Statistical Appendix Tables 55-57).

5. Interest rates

The Central Bank sets the minimum rate on saving deposits, the prime lending rate, the maximum weighted average lending rate of the commercial banks, as well as the maximum mortgage rate. In addition, there are various promotional schemes to provide low-cost credit to the sugar industry and small businesses, based on special rediscount rates at the Central Bank. Interest rates in Barbados remained virtually unchanged from 1976 to early 1980 when the Central Bank began to encourage an upward movement in the rate structure because of the emergence of a relatively large differential between domestic and foreign rates. In April 1980 the minimum rate on saving accounts was raised from 3 per cent to 5 per cent and the maximum average lending rate from 10 per cent to 11 per cent. In January 1981 the minimum deposit rate was further increased from 5 per cent to 7 per cent, the prime lending rate from 9-1/2 per cent to 11 per cent, and the average maximum lending rate from 11 per cent to 12-1/2 per cent. With the continued negative differential with foreign rates, and the growing pressures on the balance of payments, the Central Bank authorized a new upward revision in interest rates in September 1981: the minimum saving deposit rate was increased from 7 per cent to 8 per cent; the prime and maximum average lending rates were raised by 2 percentage points to 13 per cent and 14-1/2 per cent, respectively, and the maximum mortgage rate was raised by 2 percentage points to 12 per cent. In addition, the Central Bank's general rediscount rate was raised by 8 percentage points to 18 per cent.

Despite the 4 to 5 percentage point increase in domestic interest rates since April 1980, a significant negative differential remains both with interest rates abroad and with the domestic rate of inflation (Table 14). The commercial banks' spread between average deposit and lending rates, about 5 per cent, remained fairly constant over the period. This relatively wide operating spread and the negative real interest rates, have contributed to the development and growth of an unofficial financial market. A number of large and, more recently, medium-size nonfinancial enterprises accept deposits from other companies and individuals at rates up to 1 per cent below the prime lending rate. The selective credit controls on the distribution trade, the controls on borrowing by nonresidents, and the continued differential with rates abroad, may help explain the reported recent expansion of this market, which is unofficially estimated at over 10 per cent of the organized financial market. For some time legislation has been under consideration to bring such activities under closer regulation.

Table 14. Barbados: Selected Interest Rates and Financial Indicators
(In per cent)

	Average Three-Month Time Deposit Rate		Average Treasury Bill Rate 1/			LPS 2/ GDP	Time and Savings Deposits 2/ GDP
	Nominal rate	Real rate	Barbados	U.S.	Differential		
1976	4.2	-0.8	4.6	5.0	-0.4	40.9	28.7
1977	4.0	-4.5	4.7	5.4	-0.7	41.5	29.5
1978	4.1	-5.4	4.8	7.5	-2.7	42.1	29.1
1979	3.9	-9.3	4.8	10.2	-5.4	41.1	28.3
1980	4.9	-9.1	5.8	12.1	-6.3	40.6	27.4
1981							
First 9 months	7.2	-6.4	8.1	14.1	-6.0	...	...
End September	8.2	-5.5	9.5	14.9	-5.4	...	...

Sources: Central Bank of Barbados; and Federal Reserve Bulletin.

1/ Three-month bills.

2/ Annual averages.

6. Offshore banking

To encourage the development of an offshore financial center in Barbados, the Offshore Banking Act became operative in late 1980. The Act provides confidentiality of accounts, exemption from exchange controls, and a low tax rate (2-1/2 per cent) on profits. It also requires that each new bank branch must have at least one Barbados citizen on the Board of Directors.

Several applications to establish offshore offices have been received; three institutions have recently been approved, but so far none has started operating yet. Two entities (Barclays Bank and Royal Bank of Canada) are international banks which already have local retail business. These banks were allowed to set up offshore offices under separate managements and at separate premises. The other institution, the Barbados International Bank and Trust Company, is a new bank established to start offshore business in Barbados.

IV. Balance of Payments and External Debt

1. Overall trends

From 1977 through 1980 merchandise exports and tourist earnings rose by close to 30 per cent a year, more than offsetting the rapid expansion of imports during that period; as a result the current account deficit (including unrequited transfers) was reduced from US\$49 million (11 per cent of GDP) in 1976 to a low of US\$15 million (2 per cent of GDP) in 1980. Substantial inflows of private capital during these years covered three quarters of the cumulative current account deficit; official foreign borrowing was moderate, much of it consisting of loans for budget/balance of payments support in 1978 and in 1980. However, the increase in net official reserves between 1977 and 1980 was barely sufficient to maintain them at a level of roughly two months' imports, c.i.f. (Table 15 and Statistical Appendix Table 60).

The favorable current account outcome in 1980 reflected an exceptionally strong export performance boosted temporarily by a record sugar crop and a jump in international sugar prices. The sharp increase in sugar exports served to offset the growing adverse impact on tourism of the economic slowdown in the industrial countries. Tourist arrivals stagnated in 1980, but tourist earnings still rose significantly because of a hike in hotel rates. Net capital inflows slackened to about half the inflow of 1979, mostly on account of a switch in short-term private capital flows, probably in response to the negative differential between domestic and foreign interest rates which prevailed throughout 1980. Nevertheless, Barbados registered an overall surplus for the third consecutive year, and official reserves rose by US\$20 million, mainly reflecting a loan of US\$18 million for budget/balance of payments support.

In 1981 the sugar crop was below average and the underlying deterioration in Barbados' external payments situation has emerged. The current account deficit is likely to reach over US\$80 million, or 9 per cent of GDP, as export earnings from merchandise and tourism will show virtually no increase in U.S. dollar terms. This performance is due mainly to a 35 per cent fall in the volume of sugar exports, stagnation of exports of manufactured goods, and a 4 to 5 per cent decline in tourist arrivals. Imports, on the other hand, are expected to increase by some 14 per cent in U.S. dollar terms.

Outflows of short-term capital related to interest differentials appear to have continued in 1981. Substantial long-term private capital inflows, related to borrowing for the expansion of the power plant, were largely offset by advance payments for imports of equipment to be delivered in 1982. Even though the Central Government resorted once more to extensive use of balance of payments loans, the net capital inflow is not likely to be sufficient to finance the widened current account deficit and the net international reserves of the Central Bank are projected to decline by US\$20 million.

Table 15. Barbados: Balance of Payments

	1976	1977	1978	1979	1980	Proj. 1981
(In millions of U.S. dollars)						
<u>Goods and services</u>	-61.5	-56.1	-37.7	-47.0	-36.3	-104.7
Domestic exports, f.o.b.1/	68.8	81.6	99.3	118.5	168.1	155.7
Retained imports, c.i.f.	217.2	-246.0	-282.6	-374.8	-444.2	-507.5
Gross tourist receipts 2/	98.0	120.0	158.2	208.0	253.7	266.9
Other services (net)	-11.1	-11.7	-12.6	1.2	-13.9	-19.8
<u>Transfers (net)</u>	12.7	15.9	16.7	22.0	21.6	21.7
Private	12.8	14.2	16.3	19.0	23.9	23.5
Government	-0.1	1.7	0.4	3.0	-2.3	-1.8
<u>Capital account</u>	36.6	31.3	33.7	33.0	15.4	31.7
Official capital (net)3/	4.5	7.3	7.0	7.3	9.5	34.0
Private long-term	19.3	13.9	6.0	5.4	15.4	31.4
Commercial banks (net)	5.9	-3.6	-2.3	-0.4	4.2	3.0
Other capital (net)	6.9	13.7	23.0	20.7	-13.7	-36.7 4/
<u>Special transactions 5/</u>	0.1	-0.2	-0.6	1.6	1.6	1.3
<u>Overall balance</u>	-12.1	-9.1	12.1	9.6	2.3	-50.0
<u>Exceptional official borrowing</u>	--	--	10.0	--	18.0	30.0
<u>Net changes in official reserves (increase -)</u>	12.1	9.1	-22.1	-9.6	-20.3	20.0
Reserve related liabilities	--	17.9	0.6	-1.9	-7.7	22.5
Change in official reserves (gross)	12.1	-8.8	-22.7	-7.7	-12.6	-2.5
<u>Memorandum items</u>						
External debt 6/	36.6	61.4	79.0	84.5	105.7	194.2
Official reserves (gross)	28.3	37.1	59.8	67.5	80.1	82.6
(In per cent)						
Deficit on goods and services/ GDP	14.1	12.8	7.7	8.5	4.4	11.4
Debt service ratio 7/	2.3	5.0	3.3	4.6	4.8	5.8
(In months)						
Reserve cover ratio 8/	1.6	1.8	2.5	2.2	2.2	2.0

Sources: Central Bank of Barbados; and Fund staff estimates.

1/ Includes valuation adjustments of sugar exports to the European community.

2/ Figures differ from official data because of higher estimates of daily expenditure per tourist.

3/ Government and government-guaranteed loans, other than disbursement of exceptional official borrowing, (budget support loans); includes amortization of the latter loans.

4/ Includes advances on imports related to the cement and power projects estimated at US\$29.7 million.

5/ Includes SDR allocations, and exchange profits and losses on net official international reserves.

6/ Public and publicly guaranteed external debt, including Central Bank reserve related liabilities.

7/ Interest and amortization of public and publicly guaranteed external debt and Central Bank reserve related liabilities, as per cent of domestic exports and travel receipts.

8/ Gross official reserves as ratio of retained imports, c.i.f.

Gross official reserves declined by over US\$20 million in the first three quarters of 1981 to less than US\$60 million, but they are projected to recover to over US\$80 million, or two months of retained imports ^{1/} by year-end, with the drawdown of a US\$30 million medium-term Eurodollar loan to the Central Government.

The terms of trade of Barbados deteriorated only moderately during the last three years as higher sugar prices offset the sharp rise in import prices following the 1979 oil price increase (oil imports amount to only about 8 per cent of retained imports) (Table 16).

Table 16. Barbados: Terms of Trade

	1976	1977	1978	1979	1980	Proj. 1981
Exports ^{1/}						
Value	100	113	140	175	253	233
Unit price	100	104	113	127	150	163
Volume	100	109	124	138	169	143
Imports ^{2/}						
Value	100	113	130	173	205	233
Unit price	100	106	118	142	165	179
Volume	100	107	110	122	124	130
Terms of trade	100.0	98.1	95.8	89.4	90.9	91.1

Sources: Statistical Appendix Tables 62 and 64; and Fund staff estimates.

- ^{1/} Exports excluding sugar valuation adjustments.
^{2/} Retained imports.

2. Domestic exports

Export receipts rose by 24 per cent a year in 1978-79, and by 45 per cent in 1980, with the exceptional jump in sugar exports and continued strong growth in exports of manufactures that year. During 1981, however, exports are expected to fall by about 8 per cent in value as a result of a sharp decline in sugar shipments, and an abrupt deceleration in the growth of manufactured exports which have been affected by the recession in the industrial countries (Table 17).

^{1/} Retained imports exclude imports for re-exports. In 1980 re-exports, including oil for bunkers, amounted to US\$33 million or the equivalent of 15 per cent of total imports.

Table 17. Barbados: Domestic Exports

	1976	1977	1978	1979	1980	Proj. 1981
(In millions of U.S. dollars)						
Total	68.8	81.6	99.3	118.6	168.1	155.7
Sugar 1/	25.5	31.2	29.4	31.2	54.1	31.2
Manufactured goods	32.8	38.1	55.8	74.9	98.4	108.5
Of which: electrical						
parts	(6.9)	(9.1)	(18.8)	(22.6)	(31.7)	(41.0)
other	(25.9)	(29.0)	(37.0)	(52.3)	(66.7)	(67.5)
Other exports	10.5	12.3	14.1	12.6	15.7	16.0
(Percentage change)						
Total	-22.4	13.3	23.4	24.8	44.9	-7.5
Sugar	-46.1	22.4	-5.8	6.1	73.4	-42.3
Manufactured goods	25.2	16.2	46.5	34.2	31.4	10.3
Electrical parts	(46.8)	(31.9)	(106.6)	(20.2)	(40.3)	(29.3)
Other manufactures	(20.5)	(12.0)	(27.6)	(41.4)	(27.5)	(1.2)

Source: Statistical Appendix Table 62.

1/ Includes EEC sugar valuation adjustments.

Receipts from sugar exports in 1980 were 85 per cent above the average of the preceding four years, but fell back to their previous level in 1981 (Statistical Appendix Table 64). The temporary boom in 1980 resulted from the combination of a bumper crop and a sharp rise in international prices. The 1981 crop, by contrast, was well below normal. The free market sugar price dropped to about US\$0.12 per pound by September 1981 from US\$0.28 per pound at the beginning of the year; however, the unit price of Barbadian sugar sold on the free market was higher in 1981 than in 1980, largely because of the sale of 10,000 tons late in 1980 in a forward transaction at US\$0.42 per pound.

Barbados sells about half of its exportable sugar to the European community. During the course of 1981, the price of shipments made to the European community declined because of the appreciation of the U.S. dollar vis-a-vis the pound sterling and other European currencies. However, the impact of this decline will register mainly in 1982.

After five years during which manufactured exports expanded by over 30 per cent a year, these exports in January-May 1981 were only 6 per cent higher than in the corresponding period of 1980. The value of exports of electronic items rose by 37 per cent in this period due to the coming into operation of a factory producing computer chips. Other manufactured exports in January-May 1981 were almost 7 per cent lower in value than in the corresponding months of 1980, because of the recession in the industrial countries.

3. Tourism

Following three years during which total tourist days rose by almost 24 per cent a year, tourist volume stagnated in 1980 and is projected to drop by about 3 per cent in 1981. In the first half of 1981 the number of stayover tourists declined by almost 6 per cent, but in July-August numbers were temporarily boosted by the CARIFESTA celebrations.

With the downturn in volume in 1981 and the increase in capacity of the industry, price rises have slackened. Hotels raised their rates by about 20 per cent in 1980, but are not expected to raise rates in 1981. Thus the increase in daily tourist expenditure, which sustained the growth of earnings in 1980, is likely to slacken to less than 8 per cent in 1981, and total tourist receipts are projected to be about 5 per cent higher in 1981 than in 1980. (For further details on tourism see p.3 and Statistical Appendix Table 26.)

4. Retained imports ^{1/}

Imports rose by 13 per cent per annum in 1976-78, surged by 33 per cent in 1979, and by a further 19 per cent in 1980 (Table 18). The rapid expansion in recent years mainly reflected buoyant domestic demand, particularly the upsurge in private and public investment after 1979. The acceleration in import prices also played a major role, although the increase in petroleum prices in 1979 accounted directly for only US\$9 million, or less than one tenth, of the rise in import value that year.

In the first five months of 1981 retained imports were 13 per cent higher, in U.S. dollar terms, than in the corresponding period of 1980; for the full year the rate of increase is projected at 14 per cent, down from 19 per cent the preceding year. The deceleration in 1981 is attributable to a slower rise in import prices, reinforced by the appreciation of the Barbados dollar on a trade-weighted basis. In real terms imports are expected to rise by about 5 per cent in 1981, which is a slight acceleration compared to 1980, despite the economic slowdown. This buoyancy of import demand reflected the continued strong expansion of domestic expenditure under the impact of the widening public sector

^{1/} Excludes imports for re-exports.

deficit and the strong growth of private sector credit. Higher oil imports, to compensate for a shortfall in local production and reconstitute stocks, were also a major factor boosting imports in 1981.

Table 18. Barbados: Retained Imports, c.i.f.

	1976	1977	1978	1979	1980	Proj. 1981
(In millions of U.S. dollars)						
Total retained imports 1/	217.2	246.0	282.6	374.8	444.2	507.5
Consumer goods	91.0	102.1	114.1	139.9	171.2	180.0
Of which:						
food and beverages	(48.5)	(51.8)	(61.4)	(68.6)	(81.8)	(87.5)
Intermediate goods	73.8	79.5	88.5	127.0	140.5	176.8
Of which: fuels	(20.1)	(18.1)	(17.1)	(31.6)	(32.6)	(59.3)
Capital goods	47.0	56.4	71.1	103.5	133.8	150.5
Other imports	5.4	7.9	8.9	4.5	-1.3	--
(As per cent of total retained imports)						
Consumer goods	41.9	41.5	40.4	37.3	38.5	35.5
Intermediate goods	34.0	32.3	31.4	33.9	31.6	34.8
Capital goods	21.6	22.9	25.2	27.6	30.1	29.7
(Percentage change)						
Total retained imports	10.4	13.3	14.9	32.6	18.5	14.3

Source: Statistical Appendix Table 63.

1/ Excludes imports for re-exports.

5. Capital account and exceptional official borrowing

After averaging US\$34 million a year during the period 1976-79, net capital inflows (excluding budget/balance of payments support loans) fell to half that amount in 1980, mainly as a result of an outflow of short-term capital, probably related to the negative interest rate differential with foreign money markets. In 1981, the net capital inflow, excluding budget/balance of payments support loans, rose to US\$32 million, largely as a result of higher disbursements on official project loans.

Central government foreign borrowing has risen sharply recently. Project-related loans, mostly from international development agencies, averaged US\$7 million during 1976-79, but rose to US\$11 million in 1980 and US\$35 million in 1981.

The Government of Barbados resorted to major exceptional financing to support the balance of payments both in 1980 and in 1981. In 1980 the Government placed US\$18 million ^{1/} of debentures in the capital market of Trinidad and Tobago, and in 1981 contracted a US\$30 million Euro-dollar loan with a consortium of commercial banks, for budget and balance of payments support.

Private capital inflows (short- and long-term) constituted the bulk of capital inflow during the period 1976-79, but declined to less than US\$2 million in 1980 and showed an outflow of US\$5 million in 1981. Direct foreign investment has shown a declining trend since 1979 with the tapering off of investments in enclave industries. Private long-term borrowing rose in 1981 as the Barbados Light and Power Company borrowed US\$20 million for its expansion project. However, the inflows were offset by advance payments made for generating equipment. Other short-term private capital (including errors and omissions) swung from an inflow of US\$21 million in 1979 to an outflow of almost US\$14 million in 1980. The outflow appears to have continued in 1981, as the interest rate differentials persisted despite upward adjustments in the local interest rate structure.

6. Structure of external public debt

From 1977 through 1980 the increase in Barbados' external debt ^{2/} was quite moderate, and most of the increase consisted of project loans on favorable terms. During these years, outstanding external debt remained at around 13 per cent of GDP, and the debt service ratio at about 5 per cent of exports and travel receipts (Table 19). In 1981, however, the external debt rose very sharply to around US\$194 million, equivalent to 21 per cent of GDP. The bulk of the borrowing in 1981 was in the form of commercial bank loans (US\$51 million), although net use of project loans also rose strongly. As a result, the share of foreign commercial banks is projected at 39 per cent of total external public debt at the end of 1981 compared with 17 per cent a year earlier. Reflecting the heavy commercial borrowing, the average interest rate, defined as total interest payments in relation to debt outstanding at the beginning of the period, jumped from about 7 per cent in 1980 to about 10-1/2 per cent in 1981, and debt service rose during the same period from near 5 per cent to about 6 per cent of exports and travel receipts.

^{1/} The placement was for US\$20 million, but US\$2 million was purchased by the Central Bank of Barbados, and is classified as domestic debt.

^{2/} Defined to include public and publicly guaranteed external debt, including Central Bank reserve-related liabilities.

Table 19. Barbados: Summary of External Public Debt 1/

	1976	1977	1978	1979	1980	Proj. 1981
(In millions of U.S. dollars)						
<u>Outstanding debt (end of period)</u>	<u>36.6</u>	<u>61.4</u>	<u>79.0</u>	<u>84.5</u>	<u>105.7</u>	<u>194.2</u>
Central bank reserve-related liabilities <u>2/</u>	--	17.9	18.5	16.6	8.9	33.4
Nonfinancial public sector	36.6	43.5	60.5	67.9	96.8	160.8
Central Government	(29.9)	(35.9)	(51.5)	(56.8)	(81.5)	(138.0)
Government guaranteed	(6.7)	(7.6)	(9.0)	(11.1)	(15.3)	22.8)
<u>Debt service payments</u>	<u>3.8</u>	<u>9.8</u>	<u>8.3</u>	<u>14.9</u>	<u>20.2</u>	<u>24.2</u>
Amortization	1.8	7.4	4.5	9.4	14.4	13.3
Interest <u>3/</u>	2.0	2.4	3.8	5.5	5.8	10.9
(In per cent)						
Total outstanding balance/GDP	8.4	12.6	14.3	12.6	13.0	21.2
Debt service payments/ domestic exports and tourist receipts	2.3	5.0	3.3	4.6	4.8	5.8
Average interest rate <u>4/</u>	6.5	6.7	6.2	7.0	6.9	10.3

Sources: Statistical Appendix Tables 67 through 69.

1/ Government and government-guaranteed external debt and reserve-related liabilities.

2/ Includes liabilities to IMF.

3/ Includes charges for CFF purchases.

4/ Ratio of interest payments to debt at the beginning of period.

7. Official foreign assets

During 1976-80, official foreign reserves increased only modestly and since 1978 their level has declined as a ratio of retained imports from a peak of two and one half months to 2.2 months at the end of 1980.

In the first nine months of 1981 official foreign assets declined rapidly, and at the end of September they amounted to US\$59 million, equivalent to only 1.4 months of estimated retained imports of 1981. About half of this total consisted of illiquid CARICOM balances and

medium-term securities, many of which could only be realized at a loss. After taking into account the disbursement of a US\$30 million balance of payments support loan contracted by the Government in the last quarter of 1981, gross official reserves are expected to recover to about US\$80 million, or two months of retained imports, by the end of the year.

8. Exchange rate 1/

Since mid-1975, the Barbados dollar, which had been linked to the pound sterling, has been pegged to the U.S. dollar at the rate of BDS\$2 per US\$1. After the initial appreciation of the Barbados dollar during 1975, 2/ the real effective exchange rate of Barbados depreciated slightly until 1980, rebounding noticeably during the first eight months of 1981 when it appreciated by about 7 per cent, with the appreciation of the U.S. dollar against the currencies of the major industrial currencies (Statistical Appendix Table 61). Over the whole period since the 1975 realignment, however, the appreciation of the Barbados dollar is relatively small on a trade-weighted basis.

1/ A description of the exchange and trade system including changes since the last consultation is contained in Appendix E.

2/ As measured by the real effective exchange rate of Barbados vis-a-vis its trading partners.

Barbados: Structure of the Public Sector

1. General government

a. Central Government

The central government budget covers expenditures made from the Consolidated Fund for administrative departments and statutory boards such as the Tourist Board, and the Child Care Board. In addition to these funds, the Barbados Government maintains statutory sinking funds, which are fed from budget outlays. The resources of these sinking funds are invested in overseas securities pending maturity of local and external debt.

b. National Insurance Fund

The National Insurance Fund is a contributory social security scheme, for all gainfully occupied persons 16 to 65 years of age, including self-employed. Contributions are made by employers, employees, and self-employed persons and are related to income levels, as are benefits. Benefits include pensions and sickness, maternity, and invalidity payments. Surplus funds are normally invested either in government securities or fixed deposits, and substantial deposits have accumulated with trust companies in recent years. The National Insurance Fund is also a shareholder in the Barbados Light and Power Company. As of January 1981, the employment levy equivalent to 2.5 per cent of wages for employers and 1 per cent for employees (which had been imposed for a three-year period) was abolished; in September 1981, the Severance Fund Levy, equivalent to 1/2 of 1 per cent of insurable earnings paid by employers was also abolished, and replaced by an unemployment scheme to be financed with a 2 per cent contribution of insurable earnings, payable 1 per cent each by employers and employees.

Total payroll taxes and deductions (after the elimination of former employment and severance levies) are equivalent to 11 per cent of payroll, split equally between employer and employee. The health (1 per cent) and transportation levies (1.25 per cent) are channeled through the central government accounts. Contributions from self-employed total 8 per cent of earnings (Table 20).

c. Sugar Funds

The proceeds from an annual levy of BDS\$40 per ton on sugar and molasses for export are allocated in varying proportions each year to four funds:

(1) Labor Welfare Fund, established to provide housing loans and other annuities for sugar workers.

(2) Sugar Workers' Provident Fund, to provide pensions and lump sum payments to sugar workers.

Table 20. Barbados: Summary Contributions to Various Government Schemes as of September 1981

(In per cent of insurable earnings)^{1/}

	Employers	Employees	Self-Employed
<u>Contributions through Central Government</u>	<u>0.75</u>	<u>1.50</u>	<u>2.00</u>
Transport levy	0.25	1.00	1.00
Health and subsidized medicines	0.50	0.50	1.00
<u>Contributions to NIF</u>	<u>4.75</u>	<u>4.00</u>	<u>6.00</u>
Social security	3.50	3.00	6.00
Unemployment scheme ^{2/}	1.00	1.00	--
Training scheme	0.25	--	--
<u>Total</u>	<u>5.50</u>	<u>5.50</u>	<u>8.00</u>

Source: National Insurance Fund.

^{1/} Up to a limit of BDS\$1,000 per month.

^{2/} To be administered by the National Insurance Fund.

(3) Sugar Industry Capital Rehabilitation Reserve Board--grants to firms for re-equipment programs.

(4) Sugar Industry Price Stabilization Reserve Board, to stabilize prices. This fund has received the bulk of the resources in recent years.

d. Special Funds

Special Funds cover minor Trust Funds controlled by the Accountant General, including the General Insurance Fund, Watercraft Renewal Fund, Pension Act 1925 Fund, Training Scheme Fund, Training Loan Fund, and Higher Education Loan Fund.

2. Nonfinancial public enterprises

Two government departments are separated from central government accounts and treated in this report as enterprises--Civil Aviation and Post Office. The other nonfinancial public enterprises include the following:

a. National Housing Corporation

This enterprise builds houses for rent and for sale, and provides low-interest housing loans. Rent, interest, and amortization payments by tenants and purchasers are a substantial source of income, but the Corporation also receives current and capital transfers from the central government budget.

The Corporation employs some 650 construction and 200 maintenance workers. Its widening operating deficit in recent years is partly due to a failure to adjust rents, which have remained fixed since 1973. In addition, there are substantial arrears of rent collections. Average receipts in 1979/80 from the rental stock of 4,800 units were about BDS\$7 per week. In 1979/80, 300 new units were completed, of which 159 were for sale. During 1981/82 the Corporation was planning to build 266 rental units, with an additional 80 to be built for the Corporation by private contractors. These plans were cut back in September.

b. Barbados Agricultural Development Corporation

This Corporation was established to stimulate agricultural development projects, train local farmers, and conduct research into local agricultural problems. The Corporation is mainly involved in direct agricultural production on a commercial basis.

c. Port Authority

This agency was created in 1979 by the merger of the Port Department of the Ministry of Communications and Works with a private company, the Port Contractors (Barbados), Ltd. It is responsible for the management and operation of the deep-water harbor in Bridgetown.

d. Civil Aviation Department

This enterprise covers air transport operations at Grantley Adams International Airport.

e. Waterworks Authority

This enterprise is responsible for water supply and became an autonomous entity since 1981. Water tariffs were raised by about 30 per cent in July 1977, 28 per cent in July 1979, 33 per cent in July 1980, and a further 50 per cent in July 1981. Despite these increases, the government subsidies covered over 40 per cent of current outlays in 1980/81 as costs rose sharply because of wage adjustments and increases in the cost of electricity used for pumping into reservoirs.

f. Post Office

Responsible for postal services.

g. Industrial Development Corporation

This Corporation is concerned principally with industrial promotion activities and the construction and administration of industrial estates. Also it manages the Hilton Hotel lease. Its main revenue is from government transfers though some revenue is received from rentals.

h. Transport Board

The enterprise operates bus services, with a fleet of 266 buses, including about 100 which are now obsolete, with a staff of 1,680. Bus fares were raised 50 per cent to a standard BDS\$0.45 per ride in April 1979, and by a further 33 per cent to BDS\$0.60 a ride in September 1981. A two-year wage contract providing for a 33 per cent across-the-board increase was agreed in 1981.

i. Barbados Marketing Corporation

This Corporation provides facilities for the purchase, grading, and processing of agricultural products other than sugar, and for sale of these products in domestic and foreign markets. It receives revenue for services, together with current and capital contributions from the central government budget. It also operates a duty-free franchise at the airport.

j. Natural Gas Corporation

This enterprise provides natural gas to domestic and industrial users on a commercial basis.

k. Caribbean Broadcasting Corporation (CBC)

The CBC provides radio and television services on a commercial basis.

3. Public financial enterprises

These institutions, which are not incorporated in the public sector but are treated as financial intermediaries, include (a) the Central Bank of Barbados; (b) the Barbados Development Bank; and (c) the Barbados National Bank, which when created in 1978 absorbed the Barbados Savings Bank, the Sugar Industry Agricultural Bank, the Agricultural Credit Bank, the agricultural portfolio of the Barbados Development Bank, and the Barbados Mortgage Finance Company.

Tax	Nature of Tax	Exemptions and Deductions	Rates															
1. Taxes on income and profits																		
1.1 Individual income tax	<p>1. <u>Basis of assessment.</u> The income tax year runs from January 1 to December 31. Income tax is levied on income accruing during the preceding year. Trading profits may be returned on the basis of the accounting year ending within the preceding year.</p> <p>2. <u>Liability to income tax.</u> Residents are liable in respect of income from any source in or out of Barbados. Nonresidents are normally liable only in respect of income arising in Barbados.</p> <p>3. <u>Assessable income is defined as:</u> (a) earnings, in money or otherwise, in respect of employment; (b) any pensions or emoluments, derived from the public revenue of Barbados; (c) pensions and annuities generally; and (d) interest, dividends, and income from partnership or syndicate. Ordinary dividends up to BDS\$1,000 per annum received by resident shareholders from resident companies must be grossed up by one half and the taxpayer is entitled to a tax credit equal to 3 1/3 per cent of the grossed amount. For other dividends the tax credit is 25 per cent.</p> <p>4. <u>Filing of returns.</u> All individuals who obtain assessable income during an income year must complete and file an income tax return on or before April 30 of the next year. This includes wage and salary earners, individuals who obtain property or investment income, and individuals engaged in business or professional activities. Married persons living together must file a single return where only one partner has an income; completely separate assessment applies where both partners have incomes.</p> <p>5. <u>Payment.</u> Tax on emoluments paid to employees is withheld through a pay-as-you-earn system. Withholding also applies to the following: interest paid to residents (10 per cent); interest paid to nonresidents (12.5 per cent on development loans and 40 per cent on other loans); dividends paid to nonresidents (10 per cent on ordinary dividends paid from taxable profits and 45 per cent on dividends paid from exempt profits); rent (40 per cent); management and administration fees (20 per cent); spouse or child support (20 per cent); and earnings of foreign entertainers (25 per cent).</p>	<p>The tax is applied according to the following progressive rate schedule:</p> <table><tr><td>On taxable income up to:</td><td>Rate</td></tr><tr><td>5,000</td><td>10 per cent</td></tr><tr><td>From 5,001 to 10,000</td><td>20 "</td></tr><tr><td>" 10,001 to 15,000</td><td>30 "</td></tr><tr><td>" 15,001 to 20,000</td><td>40 "</td></tr><tr><td>" 20,001 to 30,000</td><td>50 "</td></tr><tr><td>" 30,001 to 40,000</td><td>60 "</td></tr><tr><td>On the remainder</td><td>70 "</td></tr></table>	On taxable income up to:	Rate	5,000	10 per cent	From 5,001 to 10,000	20 "	" 10,001 to 15,000	30 "	" 15,001 to 20,000	40 "	" 20,001 to 30,000	50 "	" 30,001 to 40,000	60 "	On the remainder	70 "
On taxable income up to:	Rate																	
5,000	10 per cent																	
From 5,001 to 10,000	20 "																	
" 10,001 to 15,000	30 "																	
" 15,001 to 20,000	40 "																	
" 20,001 to 30,000	50 "																	
" 30,001 to 40,000	60 "																	
On the remainder	70 "																	
	<p>1. Exemptions include the emoluments of the Governor General; income received by diplomats or technical assistance officers; war disability pensions; certain traveling expenses; the income of charities, etc., and registered friendly societies and cooperative societies; interest on Government of Barbados bonds held by a nonresident person to the extent specified by regulation; interest paid by the Barbados Savings Bank up to BDS\$700 per person, etc. Deposits in credit unions up to US\$1,200 over 2 year period.</p> <p>Interest on holdings of National Development Bonds up to BDS\$20,000 and on holdings of National Savings Certificates up to BDS\$10,000 also exempted from tax, as are bonus shares held for at least five years and shares up to BDS\$5,000 issued in lieu of retirement gifts. Interest on Trade Union investments is exempt from withholding tax.</p> <p>2. Deductions include interest on borrowed capital (including mortgage interest up to BDS\$7,200 per annum); expenditure on repairs of premises, plant, and machinery; bad debts; local government rates and taxes on property used in acquiring the income; fire or hurricane insurance; pension contributions and certain annuities or other payments under irrevocable settlements. An investment allowance equal to 40 per cent of capital expenditure on sugar refining plant or machinery is given against income in the year the investment is made. For capital expenditure in other basic industries the investment allowance is equal to 20 per cent of the investment. In all other instances of capital investment taxpayers are granted a 20 per cent initial allowance. Deductions are also allowed in respect of wear and tear of buildings, plant, and machinery based on the written down value of the asset.</p> <p>3. Losses may be set off against profits from other sources. Where losses cannot be wholly set off for the same year, they may be written off against income for the next five years in succession.</p> <p>4. Personal allowances are granted to residents. When separately assessed, both husband and wife receive full single personal and insurance allowances.</p> <p>Earned income is defined as income from employment or profits from a business or profession.</p>	<p>The following special rates apply to certain specified items of income:</p> <p>(a) Income from interest on government debentures is taxed at a rate of 12.5 per cent; the tax is not charged when the interest is received by nonresidents.</p> <p>(b) Interest paid to nonresidents on development loans is taxed at a rate of 12.5 per cent.</p> <p>(c) Fees paid to a nonresident for the provision of management or administration services are taxed at a 20 per cent rate.</p>																

Barbados: Summary of Principal Taxes, September 1981 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates
	<p>Taxpayers who obtain professional or business rental income are subject to a current payment system whereby 3 installments, each equal to 25 per cent of the tax payable on the previous year's income, must be paid during the current income year (by June 15, September 15, and December 15).</p> <p>Any balance due after taking into account amounts withheld or prepaid must be paid on or before April 30 of the year following the income year. Taxpayers whose main source of income is wages or salaries (at least 75 per cent of their total assessable income) are allowed to pay the balance due in two installments; one-half by April 30 and the other half by September 30.</p> <p>Interest on delinquent taxes is payable at the rate of 1 per cent per month.</p>	<p>Married persons assessed jointly (if over 65) BDS\$4,500 Any other individual (if over 65) 2,400 Children 1,000 (a) 11 to 16 years in full-time education 500 (each) (b) over 16 years and in full-time education: (i) within the island 600 (each) (ii) outside the island 1,000 (each) (c) other cases where the child is under 16 years 400 (each) Dependent relative (not exceeding two) 500 (each) Housekeeper 240 500</p> <p>Personal deductions are allowed in respect of life insurance and health insurance premium payments; medical expenses; national insurance contributions; registered retirement plan contributions; and annual payments to benevolent organizations.</p>	
	<p>6. Double taxation relief. Relief from double taxation is granted through double tax treaties or according to the commonwealth relief arrangement. Tax treaties are in force with the United Kingdom, Denmark, Norway, Sweden, Switzerland, and the United States; there is also a CANTCOM treaty. When income is obtained by Barbados residents from countries not covered by these treaties or arrangements, it is taxed fully in Barbados and the foreign tax paid is allowed as a deduction.</p>	<p>5. Tax credits are granted to those on low income: BDS\$360 for those with a gross income of BDS\$6,000 or less per annum; BDS\$6,001-7,000 credit of BDS\$240, and BDS\$7,001-8,000 credit of BDS\$320 per annum.</p> <p>Partial imputation of the corporation tax to shareholders is granted through a tax credit mechanism.</p>	
1.2 Corporation tax	<p>The basis of assessment, the liability to tax, and the concept of assessable income are similar to those of the individual income tax. A company is considered resident for the purposes of this tax in the place where the central management is situated.</p> <p>The tax is applied on total taxable income of companies, with no deduction for dividends distributed. Section 27 of the Act contains a provision for preventing undue retention of earnings by closely held corporations.</p> <p>The Act contains special rules for determining the assessable income of insurance companies. In addition to the tax payable on their assessable income determined according to such rules, insurance companies must pay a separate tax on their premium income.</p>	<p>The exemptions and deductions mentioned with respect to the individual income tax also benefit corporations insofar as they are applicable. Special treatment is accorded to investment under the Fiscal Incentives Act, the export allowance provisions of the Income Tax and the Hotel Aids Act.</p> <p>Gross income of corporate employees are deductible up to a limit of BDS\$72,000 per employee per annum.</p>	<p>Companies are taxed with a 45 per cent rate, with a special rate of 20 per cent on profits from building and sale of two or more well houses in one year.</p> <p>Life insurance companies are taxed with a 20 per cent rate, instead of the 45 per cent general rate.</p> <p>The additional tax on premium income is paid according to the following rates:</p>

Tax	Nature of Tax	Exemptions and Deductions	Notes
2. Unemployment levy September 1981	Companies are subject to a current payment system. By October 15 of each year they must pay an amount equal to 50 per cent of the previous year's tax; this payment is on account of their liability for the current income year. By March 15 they must submit their yearly return with respect to the previous income year. Payment of the balance due after taking into account the prepayment must be made by March 15. Companies must withhold a 10 per cent tax on ordinary dividends paid to nonresidents. When the dividends are distributed from exempt profits the withholding rate is equal to 45 per cent. Branches of nonresident companies must withhold a 10 per cent tax on profits distributed or deemed to have been distributed to their parent company.		(a) Property insurance business: 2 per cent on premium income if carried out by resident companies and 6 per cent if carried out by nonresident insurers. (b) Other general insurance business: 1.5 per cent on premium income if carried out by resident companies and 3 per cent if carried out by nonresident insurers.
3. Transportation levy September 1981	Levied on insurable earnings to be paid equally at 1 per cent by employers and employees. The scheme is to be administered by the National Insurance Fund.	None	2 per cent.
4. Health scheme September 1981	Levied on insurable earnings to be paid in equal shares by employers and employees.	None	1.25 per cent.
5. Training scheme	Levied on insurable earnings to be paid by employers.	None	1 per cent. 1/4 of 1 per cent.
6. Taxes on property			
6.1 Land tax	This tax is levied annually on both urban and rural properties. All site values (except for specified exceptions) are included in the tax base. Improvements are also taxed, provided their assessed value is higher than BDS\$10,000. The Act established a three-year assessment cycle.	Government property, church property, and other specified items of property are exempt. Improvements under BDS\$10,000 are also exempt. Rebates are paid to developers on tax payable in respect of single and condominium housing units in the year preceding completion and year of completion. Partial rebates are provided for agricultural land in use.	Unimproved properties are taxed at 1 1/2 per cent on the first BDS\$50,000 of site value and 2 per cent thereafter. Improved properties (land with improvements valued at above BDS\$10,000) are taxed at 1/4 per cent on the first BDS\$250,000 in value and 1 per cent thereafter. A surcharge of BDS\$300 per hectare up to a limit of BDS\$5,000 is levied on idle agricultural land. Estate duty is payable according to a sliding scale that starts at a rate of 8 per cent applicable to estates under BDS\$50,000 and ends with a rate of 40 per cent applicable to estates valued at above BDS\$1,500,000. A special reduced rate applies with respect to the surviving spouse.
6.2 Abolished April 1, 1981	The tax is levied upon the value of property that passes on the death of a person. It applies to the total value of the estate.	Property devoted to charitable, religious, educational, or scientific organizations is generally exempt from this tax. Estates valued at under BDS\$10,000 are also exempt.	Payable by the vendor-national 3 per cent. Payable by vendor non-national 8 per cent. Payable by the non-national purchaser--17 per cent
6.3 Property transfer tax	A tax on the gross proceeds of the transfer of land or shares payable by the vendor. When the purchaser is a nonnational an additional transfer tax is payable by the purchaser.	Where the vendor is a Barbadian national and the property transferred consists of shares or improved land the tax applies only on the amount by which the consideration for the sale exceeds BDS\$25,000.	

Tax	Nature of Tax	Exemptions and Deductions	Notes
7. Taxes on domestic goods and services			
7.1 Sales tax (consumption tax)	The tax applies equally to the import and domestic manufacture of specified goods, at ad valorem or specific rates. More than 600 different items are included among taxable goods. Food is generally excluded from the scope of this tax. Among the taxable items are alcoholic and non-alcoholic beverages, cigarettes, construction materials, clothing, household appliances, furniture, and toilet articles. The tax is payable by the importer on c.i.f. value plus import duty, and by the manufacturer on his selling price.	Goods used as raw materials for domestic manufacture of chargeable goods are exempt.	Specific rates apply to alcoholic and nonalcoholic beverages, bitters, cigarettes and cigars, matches, and cement. As an illustration, the rate applicable to beer is BDS\$0.50 per litre, while the tax on cigarettes is BDS\$0.15 per five cigarettes. The standard ad valorem rate is 5 per cent. Other rates are 10 per cent and 15 per cent on selected items; 20 per cent on motor cars with chargeable value less than BDS\$15,000, otherwise 40 per cent; 30 per cent on nonmotor water heaters and sewing machines.
7.2 Excise duties	Taxes on specified goods (rum and petroleum products) produced or sold within Barbados; payable by the manufacturer or seller.	None.	Specific rates. For example, rum is taxed at the rate of BDS\$0.27 per proof gallon (BDS\$2.45 per litre).
7.3 Tax on motor spirits	Tax on the consumption of gasoline and petroleum distillates other than kerosene.	None.	BDS\$0.17 per litre (BDS\$1.16 per gallon) on gasoline, BDS\$0.19 per litre (BDS\$0.70 per gallon) on diesel 48/52.
7.4 Hotel and restaurant sales tax	Tax applicable to hotels on gross proceeds from letting of hotel accommodation and from the sale of food and beverages. Also applies to restaurants on gross proceeds from the sale of food and beverages.	The Finance Minister may exempt restaurants from this tax upon an application made to him.	8 per cent.
7.5 Motor vehicle licenses	Tax applicable annually, according to weight, on motor cars, vans, and other private or commercial vehicles.		Different rate schedules apply to: (a) motor cars, including taxi-cabs; (b) vans, minibuses, and commercial vehicles; (c) heavy commercial vehicles. For example, motor cars weighing up to 1,150 kg. pay BDS\$100; cars weighing more than 1,150 kg. pay BDS\$500. A commercial vehicle whose weight does not exceed 2,000 kg. pays BDS\$100.
8. Taxes on international trade			
8.1 Customs duties	Customs duties are based on the common external tariff of CARICOM. Only a few items--among which is cereal flour--are still not fully integrated within the CEF. The tariff is structured according to the Brussels Tariff Nomenclature and valuation of goods follows the Brussels Definition of Value.	Many food items and raw materials are exempt. Goods imported from other CARICOM countries are also exempted. Enterprises operating under special tax incentive schemes--such as the Hotel Aids Act for example--are granted exemptions from customs duties for certain imports.	Ad valorem rates vary from 5 per cent to 60 per cent. Certain goods are taxed with specific rates.
8.2 Sugar export	Tax applicable to exports of sugar and molasses. The revenue is allocated in varying proportions each year to four funds: (1) the Labor Welfare Fund; (2) the Capital Rehabilitation Reserve Board; (3) Sugar Workers' Provident Fund; and (4) Sugar Industry Price Stabilization Reserve Board.		BDS\$40 per ton of sugar exported.
9. Stamp taxes	Stamp taxes apply to a variety of acts, including the conveyance of real estate and corporate stock.		Both specific and ad valorem rates are applicable. Sales of real estate and of corporate stock are subject, for example, to a stamp tax of BDS\$10 per BDS\$1,000 of sale price.

Summary of Recent Tax Changes

1979/80 Budget

1. Increase in income tax credits to persons with a gross annual income of less than BDS\$6,000 per annum from BDS\$60 to BDS\$100. Increase income tax dividend credit from one third to one half on cash dividend up to BDS\$1,000 per annum.
2. Personal allowance were increased as follows: for single person from BDS\$1,200 to BDS\$1,600; for married persons from BDS\$1,000 each to BDS\$1,600 each; for married persons whose partners have no income from BDS\$2,000 to BDS\$3,000; for children under 11, from BDS\$300 to BDS\$400; for youngsters from 11 to 16 from BDS\$400 to BDS\$500; for dependent relatives and housekeepers from BDS\$240 to BDS\$500; for annual life insurance premiums from BDS\$1,300 to BDS\$1,500; for contributions to a Registered Retirement Plan from BDS\$1,000 to BDS\$1,500; for mortgage interest up to BDS\$6,000.
3. Introduction of separate assessment of married persons' incomes.
4. Reduction of income tax rates and widening of taxable income brackets. Foregone revenue of all measures related to income tax BDS\$10 million.
5. Increase in the level at which gross incomes of corporate employees may be charged as taxable expenses from BDS\$40,000 to BDS\$50,000. Revenue foregone estimated at BDS\$300,000.
6. Reduction of corporate tax to 20 per cent on profits derived from housing construction.
7. Interest earned on deposits with Cooperatives and Credit Unions were made tax deductible up to a limited amount.
8. Tax rebate for house building.
9. Introduction of sliding scale for land taxation. For unimproved properties the first BDS\$50,000 of site value at the same rate 1-1/4 per cent annually, and 2 per cent thereafter; for improved properties the current rate of 1/2 of 1 per cent will remain for first BDS\$250,000 in value and 1 per cent thereafter. Additional revenue estimated at BDS\$1,500,000.
10. Abolition of betterment levy on property owners.
11. Increase in consumption tax on spirits from BDS\$15 per gallon to BDS\$4 per liter, beer from BDS\$0.40 to BDS\$0.45 per liter; and other beverages from BDS\$0.01 to BDS\$0.02 per bottle. Additional revenue estimated at BDS\$800,000.

12. Reduction of consumption tax on cement from BDS\$0.10 per 100 pounds to BDS\$0.10 per 50 kilograms; and reduction of the charges on bitters from BDS\$4.60 per liter to BDS\$1.32 per liter.
13. Waiver of consumption and import duties on certain raw materials used in the manufacture of fiberglass boats for fishing industry.
14. Reduction of rate on highway tax on trucks.
15. Tax on motorcars of c.i.f. value exceeding US\$10,500 raised from 30 per cent to 55 per cent.
16. Removal of duties and taxes on diesel-powered vehicles imported for replacement of taxis ten years and older which have been in operation as taxis for at least five years. Foregone revenue estimated at BDS\$600,000.
17. Increase of BDS\$0.03 cents per liter on gasoline tax and of BDS\$0.02 per liter on diesel tax. Additional revenue estimated at BDS\$2.2 million.
18. Reduction on license fees on bicycles, carts, and animals.
19. Abolition of all charges for school meals. Foregone revenue BDS\$700,000.
20. Increase in old age pensions. Noncontributory old age pensions raised from BDS\$16 to BDS\$20 a week.
21. Increase in water rates. Fixed rate increased by 25 per cent. For domestic consumption raised from BDS\$0.30 per cubic meter. For commercial use from BDS\$1.60 per 1,000 gallons to BDS\$2 per 1,000 gallons. Additional revenue estimated at BDS\$1.6 million.
22. Increase in standard bus fares from BDS\$0.35 to BDS\$0.45. Additional revenue estimated at BDS\$1.0 million.

1980/81 Budget

1. Increase in tax credit from BDS\$100 to BDS\$300 for persons with gross incomes of BDS\$6,000 or less; and introduction of a BDS\$100 tax credit to persons with incomes between BDS\$6,000 and BDS\$8,000. Estimated foregone revenue BDS\$6 million.
2. Reduction of income tax rates and widening of taxable income brackets. Estimated foregone revenue BDS\$18 million.
3. Increase of personal income tax allowance for persons over 65 from BDS\$1,600 to BDS\$4,000; and for married persons, 65 years and over, whose spouse is not in receipt of income from BDS\$3,000 to BDS\$5,000.

4. Increase in level at which gross incomes of corporate employees may be charged as taxable expenses from BDS\$50,000 to BDS\$72,000. Estimated foregone revenue BDS\$200,000.
5. Imposition of a withholding tax of 25 per cent on total earnings of foreign entertainers.
6. Exemption from income tax to interest earned on investments of funds from Subscriptions of Trade Union members.
7. Imposition of 8 per cent surcharge on proceeds from rental or self-drive cars. Additional revenue BDS\$600,000.
8. Introduction of a straight line depreciation system for companies, instead of reducing balances.
9. Increase in property transfer tax paid by non-nationals.
10. Imposition of charges on idle agricultural land of BDS\$300 per hectare. Additional revenue estimated at BDS\$120,000.
11. Introduction of cash rebates by the Government at rates of 10 per cent, 15 per cent, and 18 per cent for the purchase of agricultural machinery.
12. Introduction of a grant of 4 per cent of value of repairs and home improvements.
13. Increased coverage of consumption tax and adoption of a standard rate of 5 per cent except in special cases where rates of as much as 30-40 per cent are charged. The base for calculation of consumption tax on imported articles is to include import duty. Additional revenue estimated at BDS\$21 million.
14. Increase of BDS\$0.02 per liter in tax on gasoline and diesel fuel.
15. Imposition of a throughput charge on fuel of BDS\$0.02 per liter on aviation gas and BDS\$0.08 per liter on jet fuel.
16. Increased fees for entertainment.
17. Increased company registration fees: (a) for local companies from BDS\$300 to BDS\$500 if the nominal share capital is BDS\$200,000 or less; and from BDS\$800 to BDS\$1,000 if the share capital is from BDS\$200,000 to BDS\$500,000 and two tenths of the nominal share capital, if more than BDS\$500,000. There is an upper limit of BDS\$15,000.

18. Introduction of fees on sale of foreign exchange for other than imports, holiday or business travel, and education remittances. Fees range between 1 per cent for transactions of over BDS\$5,000 to 4 per cent for transactions of BDS\$500. Additional revenue expected BDS\$540,000.
19. Increased airport office rental and landing fees. Additional revenue BDS\$600,000.
20. Increased water rates. The fixed rate to increase by 50 per cent. Metered rates were increased by 43 per cent from BDS\$0.35 per cubic meter for domestic rates; by 55 per cent to BDS\$0.70 per cubic meter for commercial rates and by 50 per cent for hotels and ships to BDS\$1.50 per cubic meter.
21. Increases in the following licenses: (a) wholesale stores from BDS\$800 to BDS\$1,000 annually; (b) retail stores from BDS\$150 to BDS\$200 annually; (c) hotels from BDS\$300-5,000 range to BDS\$500-7,500 range according to number of rooms; (d) restaurants from BDS\$150 to BDS\$200; (e) clubs from BDS\$150 to BDS\$200; (f) vehicle registration raised by BDS\$100 for cars weighing less than 1,150 kgs. to BDS\$500 for those weighing more than 1,150 kgs. These increases were expected to yield an additional BDS\$507,000.
22. Institution of a government-guaranteed scheme to subsidize mortgage loans to owners of chattel houses.

1981/82 Budget

The revenue and expenditure impact of the following measures is summarized in the attached table.

Measures introduced in April 1981

1. Increase of 50 per cent on personal allowances for income tax purposes.
2. Increase of 20 per cent on tax credit grants to those on low incomes.
3. Income tax deductions of up to BDS\$2,000 allowed for new shares purchased in public companies.
4. Tax exemptions for interest from deposits with credit unions extended.
5. Abolition of estate duty on inherited property.
6. Abolition of employment levy (as scheduled).

7. Introduction of land tax rebates of BDS\$150 per hectare to small holders with less than three quarters of hectare who produce evidence to Commissioner of Valuation that the gross value of crops or livestock produced exceed BDS\$1,000 per hectare in the preceding financial year.
8. Increase in property transfer tax, payable by vendors who are citizens and permanent residents, from 2-1/2 per cent to 3 per cent; and that payable by other persons from 2-1/2 per cent to 8 per cent. Land purchase tax increased from 15 per cent to 17 per cent.
9. Increases in court, company, and insurance fees.
10. Training fund contribution introduced at 1/4 of 1 per cent of wage bill.
11. Increases in old age noncontributory pensions from BDS\$20 to BDS\$28 per week and in contributory pensions from BDS\$25 to BDS\$33 per week.
12. Pensions to retired sugarcane workers increased from BDS\$5 to BDS\$7.5 per week and funeral grants increased from BDS\$100 to BDS\$200.
13. Education subject grants increased from BDS\$1,000 to BDS\$2,500 to approve secondary schools. Value of bursaries increased from BDS\$75 to BDS\$100.
14. Introduction of unemployment scheme at 2 per cent of insurable earnings to be paid equally by employers and employees. To be handled by the National Insurance Fund.
15. Increased subsidies on tillage operations for holdings of less than five hectares.

Measures introduced in July 1981

16. Revised land valuations for tax purposes.
17. Gasoline tax was increased by BDS\$0.03 per liter and diesel (for trucks) tax was increased by BDS\$0.05 per liter.

Measures introduced in September 1981

18. Income tax exemptions granted on mortgage interest payments.
19. Introduction of a transport levy at 1.25 per cent of insurable earnings to be paid 0.25 per cent by employers and 1 per cent by employees.

20. Health service levy for the health service scheme. Contributions are to be shared equally at 1/2 of 1 per cent by each employers and employees.
21. Reduction of automobile import quota from BDS\$25 million in 1981 a year to BDS\$15 million in 1982.
22. Export promotion license to finance expenses of the export promotion corporations.
23. Increase in minibus and taxi registration fees.
24. Increase in standard bus fares from BDS\$0.45 to BDS\$0.60.

Table 20. Barbados: Estimates of Revenue/Expenditure Impact
of Fiscal Measures Taken During FY 1981/82

(In millions of Barbados dollars)

Additional Revenue		Foregone Revenue		Additional Expenditure	
<hr/>					
I. <u>Central Government</u>					
<u>Budget speech</u>					
Property transfer tax	0.8	Income tax exemptions	16.0	Old age pension	7.4
Grant fees	0.2	Inheritance tax	2.2	Education grant	0.4
Company fees	0.1	Land tax rebates	0.3	Sugar pensions	0.6
Insurance fees	0.1	Purchase		Training fund	2.0
Training fund	2.0	Development Bank Bonds	0.2		
Sub-total	3.2		18.9		10.4
<u>July measures</u>					
Land revaluations	2.4				
Gasoline and diesel tax increases	3.4				
Sub-total	5.8		--		--
<u>September measures</u>					
Transport levy	3.3 1/	Import taxes on vehicles as a result of quota reduction	1.1 1/		
Health service levy	2.6 1/	Income tax concessions on mortgage interest	0.1 1/		
Minibuses and taxi registration fees	0.1 1/				
Export licenses	0.1 1/				
Sub-total	6.1		1.2		--
II. <u>Rest of Public Sector</u>					
<u>Budget speech</u>					
Unemployment scheme, NIF	6.0		--		--
<u>September measures</u>					
Increase in bus fares	3.5 1/		--		--
III. <u>Consolidated Public Sector</u>					
Total	24.6		20.1		10.4

Source: Ministry of Finance and Planning.

1/ For the remainder of the fiscal year. For a full fiscal year the quantities involved are about twice these amounts.

Barbados: Monetary Policy Measures Since End-1979

Date	Description
April 15, 1980	<p data-bbox="651 459 1360 512">The Central Bank raised most controlled interest rates, with effect from May 1, 1980 as follows:</p> <ol style="list-style-type: none"> <li data-bbox="651 544 1300 597">1. The minimum rate on savings deposits was raised from 3 per cent to 5 per cent. <li data-bbox="651 629 1377 683">2. The average interest rate on loans was raised from 10 per cent to 11 per cent. <li data-bbox="651 715 1349 810">3. The Central Bank's general discount rate to commercial banks was raised from 6 per cent to 7 per cent; and <li data-bbox="651 842 1377 895">4. The rediscount rate for sugar marketing paper was raised from 5 per cent to 6 per cent. <p data-bbox="651 927 1409 1044">Furthermore, the Central Bank removed the exemption of loans for "home repair, home improvement, and real estate with a maturity of five years or more" from the limits on personal loans.</p> <p data-bbox="651 1076 1393 1129">The ceiling on the mortgage rate was maintained at 10 per cent.</p>
June 30, 1980	<ol style="list-style-type: none"> <li data-bbox="651 1161 1382 1427">1. A 10 per cent increase over the amount of credit to the distribution sector outstanding at December 31, 1979 was permitted up to December 31, 1980. The level of unutilized credit on commercial bank books was not to exceed the level outstanding at December 31, 1979, but banks may exceed the ceiling to the extent of their unutilized committed credit on December 31, 1979. <li data-bbox="651 1459 1430 1819">2. Personal loans through December 31, 1980 were not to exceed 5 per cent above the level outstanding at December 31, 1979. Within this ceiling consumer installment credit was to be maintained at a level no greater than 75 per cent of the total outstanding on January 31, 1977. The ceiling on personal loans excluded: (i) mortgage loans with a maturity exceeding 15 years, but with a minimum of 25 per cent down payment; (ii) mortgage loans of BDS\$15,000 and less; and (iii) home repair loans of BDS\$5,000 or less.

Barbados: Monetary Policy Measures Since End 1979

Date	Description
September 22, 1980	The ceiling on the increase in credit to the distribution sector was raised to 12-1/2 per cent for the period December 31, 1979 to December 31, 1980.
December 30, 1980	<p data-bbox="646 606 1377 659">As of January 1, 1981 the following measures took effect:</p> <ol style="list-style-type: none"> <li data-bbox="646 697 1365 751">1. The minimum deposit rate was increased from 5 per cent to 7 per cent. <li data-bbox="646 787 1360 840">2. The ceiling on average lending rate was increased from 11 per cent to 12-1/2 per cent. <li data-bbox="646 876 1317 929">3. The prime lending rate was increased from 9-1/2 per cent to 11 per cent. <li data-bbox="646 966 1360 1019">4. The Central Bank's general discount rate was increased from 7 per cent to 10 per cent. <li data-bbox="646 1055 1349 1204">5. The ceilings on credit to the personal and distribution sectors were maintained at the existing levels (5 per cent and 12-1/2 per cent above December 31, 1979 level, respectively) until March 31, 1981. <li data-bbox="646 1240 1393 1378">6. The Central Bank put a ceiling of BDS\$50 million on its credit for the marketing of sugar, and raised the rate of discount for sugar marketing paper from 6 per cent to 7-1/2 per cent. <li data-bbox="646 1415 1409 1464">7. The ceiling on the mortgage rate was maintained at 10 per cent.
February 1, 1981	As of February 1, 1981, the maximum rate of interest on loans granted under the "Credit Guarantee Scheme for Small Business" was fixed at 11 per cent. Also effective February 1, 1981, all new loans granted under the Small Business Scheme were to be guaranteed to a maximum of 80 per cent.

Barbados: Monetary Policy Measures Since End 1979

Date	Description	Discount Rate	Maximum On-Lending Rate
August 27, 1981	The Central Bank extended through June 30, 1982, the special rediscount schemes for nonsugar agriculture, manufacturing industries, tourism, and small retailers. Under these schemes the Central Bank's rates to commercial banks and the maximum on-lending rates they are allowed are:		
	Discounts of agricultural paper (under Agricultural Aids Act 1905-2	3	5
	Discounts or advances for non-sugar agriculture under the special schemes for financing industries and tourism		
	(i) for small business	3	5-1/2
	(ii) for large enterprises	5	7
	Discounts or advances for commercial paper under special schemes for financing small retailers	3	5-1/2
September 8, 1981	<p>1. Effective October 1, 1981, the ceiling on mortgage interest rates was raised from 10 per cent to 12 per cent.</p> <p>2. Effective September 8, 1981 the minimum downpayments and maximum repayment periods for consumer installment loans were tightened as follows:</p> <p>a. (i) for cars (two tons or less) valued up to BDS\$13,500--a 33-1/3 per cent minimum downpayment and maximum repayment of two years.</p>		

Barbados: Monetary Policy Measures Since End 1979

Date	Description
	<p>(ii) Cars valued at BDS\$13,501 up to BDS\$20,000--a 50 per cent downpayment and maximum repayment period of 18 months applies (from 33-1/3 per cent downpayment and 24-months).</p> <p>(iii) Cars valued at BDS\$20,001 to BDS\$30,000--a 50 per cent downpayment and a maximum 12-month repayment period.</p> <p>(iv) All cars valued over BDS\$30,000 would have to be paid for in cash.</p> <p>b. Motorcycles valued up to BDS\$3,000--the minimum downpayment was increased from 25 per cent to 33-1/3 per cent; and for motorcycles valued at over \$3,000, the minimum downpayment was increased from 40 per cent to 50 per cent.</p> <p>c. For stereo equipment, a minimum downpayment of 50 per cent and maximum repayment period of six months were imposed.</p> <p>d. The minimum downpayment on cameras and jewelry remained at 50 per cent, but the maximum repayment period was reduced from 12 to 9 months.</p>
September 20, 1981	<p>As of October 1, 1981, the following measures took effect:</p> <p>(i) The minimum savings deposit rate was increased from 7 per cent 8 per cent.</p> <p>(ii) The ceiling on average lending rate was increased from 12-1/2 per cent to 14-1/2 per cent.</p> <p>(iii) The prime lending rate was increased from 11 per cent to 13 per cent.</p>

Barbados: Monetary Policy Measures Since End 1979

Date	Description
	(iv) The Central Bank general discount rate was increased from 10 per cent to 18 per cent.
	(v) The statutory liquid asset requirement was increased from 20 per cent to 25 per cent; the cash reserve requirement remained unchanged at 8 per cent but the government assets ratio increased from 12 per cent to 17 per cent.
	(vi) Commercial banks were instructed to reduce personal loans outstanding by 10 per cent by end-March 1982 and to maintain the level of loans to the distribution sector unchanged over the same period.

Barbados: Exchange and Trade System

A description of the exchange and trade system is provided in the Annual Report on Exchange Restrictions, 1980. The Barbados dollar is pegged to the U.S. dollar at the exchange rate of BDS\$2 per US\$1.

With the exception of foreign exchange payments for travel abroad, bona fide current payments are not restricted. A basic exchange allocation of BDS\$1,500 per person per calendar year for private travel is made available under delegated authority by authorized dealers: bona fide applications in excess of BDS\$1,500 per person per year are granted. Furthermore, this control is largely irrelevant because it is possible for would-be travelers to obtain additional foreign exchange readily at no premium from tourists visiting Barbados. For business travel the basic allocation is BDS\$200 per person per day up to BDS\$4,000 per person per calendar year for destinations within the CARICOM area, and up to BDS\$6,000 for destinations outside CARICOM. Official exchange rate quotations established by the authorities authorize exchange spreads for spot transactions in U.S. dollars (telegraphic transfers and demand/sight transactions) within a margin of 2 per cent (Table 22). For such transactions in other foreign currencies, wider spreads are authorized, intended to reflect the cost of carrying out transactions in a small market. Fees on purchases of foreign exchange for private sector remittances abroad (except for remittances for payment of imports, travel allowances, education, and nontrade payments up to BDS\$500) were introduced as of May 1, 1980 which vary from the equivalent of 4 per cent to less than 1 per cent of the value of the transaction. This involves a multiple currency practice. On September 15, 1980 the retention of this practice was approved by the Executive Board until August 31, 1981. The approval of the retention was extended on August 28, 1981 until December 31, 1981, or the completion of the following Article IV consultation, whichever is the earlier (EBD/81/218).

Import license requirements and quantitative restrictions are the chief tools of Barbados' external commercial policy, as the setting of tariffs is pre-empted by CARICOM. The list of products subject to license is extensive; however, not all goods that require an import license are subject to quantitative restriction. Some items on the import license list are freely imported throughout the year and some are subject to temporary restriction (such as agricultural products which tend to be subject to seasonal restriction). In addition, there is a "Negative List" of textile items for which importation is totally prohibited if the product is below a minimum c.i.f. value; this list is designed to protect local garment manufacturers. The only significant use of restrictions mainly for balance of payments purposes is a quota on vehicle imports, though this quota also forms part of a transportation policy that emphasizes public transport through an island-wide single bus fare system. Imports of private cars were limited to the equivalent of US\$3.5-5 million in 1978 and 1979. In 1980 and 1981 the

Table 21. Barbados: Official Maximum Margins for Exchange Transactions

(In per cent from central rate)

	U.S. dollars		Pound sterling		Canadian dollars		Deutsche mark		CARICOM currencies 1/	
	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
<u>Central Bank in dealing with</u>										
commercial banks										
Telegraphic transfers	1/8	1-1/4	3/16	1-3/8	3/16	1-3/8	3/16	1-3/8	par	1-1/8
Notes and demand/										
sight transactions	5/16	1-1/2	1-1/12	1-3/8	11/16	1-1/8	2-1/4	2-1/4	par	par
<u>Commercial banks in dealing</u>										
with the public										
Telegraphic transfers	5/16	1-1/2	7/16	1-5/8	9/16	1-3/4	9/16	1-3/4	5/16	5/16
Notes	1/2	1-1/2	5/8	1-5/8	3/4	1-3/4	3/4	1-3/4	5/16	5/16
Demand/sight trans-										
actions	1	1-3/4	2	1-7/8	1-1/4	2	2-1/2	2-3/4	par	par

Source: Central Bank of Barbados.

1/ Trinidad and Tobago dollars and East Caribbean dollars only.

quota was raised to US\$10 million and US\$12.5 million, respectively, and covered small commercial vehicles as well as private cars. The quota for 1982 has been set at US\$7.5 million.

The following summarizes changes in the exchange and trade system from May 1980 to September 1981.

- May 1, 1980: Applications for foreign exchange were made subject to a levy to be collected by the Central Bank at the time of exchange approval. Applications for transfer of funds by Government and by statutory boards, as well as applications for payments of imports and nontrade payments not exceeding BDS\$500, were exempted. The levy for remittances of BDS\$501-1,000: BDS\$20; BDS\$1,001-3,000: BDS\$30; BDS\$3,001-4,000: BDS\$40; BDS\$4,001-4,999: BDS\$45, and for over BDS\$4,999 the levy is 1 per cent up to a maximum levy of BDS\$100, except for transactions relating to property transfer and foreign currency securities where the maximum is BDS\$200.
- July 1, 1980: The quota on imports of all motor vehicles up to 2 tons and all omnibuses and minibuses, regardless of weight, was fixed at BDS\$20 million for 1980, and BDS\$25 million for 1981.
- July 2, 1980: Shrimp (fresh, chilled, or frozen) was placed on the list of items requiring an import license.
- July 28, 1980: Authorized dealers were empowered to approve, without reference to the Central Bank, applications for foreign exchange remittances of cash gifts not exceeding BDS\$100 a donor a year.
- August 1, 1980: Within specified limits, authority was delegated to authorized dealers to sell foreign exchange to residents for travel abroad as follows: for private travel within or outside the CARICOM area, BDS\$1,500 a person a calendar year and for business travel, BDS\$200 a day up to a maximum of BDS\$4,000 a person a calendar year for destinations within the CARICOM area and BDS\$200 a day up to a maximum of BDS\$6,000 a person a calendar year for destinations outside the CARICOM area.
- August 2, 1980: Maize (corn) and soybeans were placed on the list of items requiring an import license.
- January 1, 1981: Turkey ham and frozen french fries were placed on the list of items on quantitative restrictions while articles of wood were removed from the list.

March 12, 1981: Corned beef was placed on the list of items requiring import license.

April 1, 1981: Gramophone records and welded wire mesh were placed on the list of items requiring import license.

September 10, 1981: The quota on motor vehicle imports, both for private and commercial purposes with laden weight of up to 2 tons was reduced to BDS\$15 million for 1982.

Table 22. Barbados: National Accounts

(In millions of Barbados dollars)

	1976	1977	1978	1979	1980	Proj. 1981
<u>Consumption expenditure</u>	<u>763.8</u>	<u>887.4</u>	<u>925.4</u>	<u>1,119.4</u>	<u>1,318.1</u>	<u>1,579.0</u>
Private sector	560.6	657.9	670.1	822.9	956.5	1,158.6
General government	203.2	229.5	255.3	296.5	361.6	420.4
<u>Gross domestic investment</u>	<u>235.9</u>	<u>194.1</u>	<u>254.5</u>	<u>302.2</u>	<u>381.3</u>	<u>450.0</u>
Private sector ^{1/}	187.8	133.0	195.7	221.1	249.3	296.0
Public sector ^{2/}	48.1	61.1	58.8	81.1	132.0	154.0
<u>Gross domestic expenditure</u>	<u>999.7</u>	<u>1,081.5</u>	<u>1,179.9</u>	<u>1,421.6</u>	<u>1,699.4</u>	<u>2,029.0</u>
Exports of goods and nonfactor services	441.1	539.5	677.3	901.7	1,169.8	1,182.1
Imports of goods and nonfactor services	-567.3	-642.8	-749.2	-981.3	-1,239.2	-1,382.1
<u>GDP at market prices</u>	<u>873.5</u>	<u>978.2</u>	<u>1,108.0</u>	<u>1,342.0</u>	<u>1,630.0</u>	<u>1,829.0</u>
Subsidies	14.8	11.0	11.3	15.0	20.8	29.5
Indirect taxes	98.3	111.7	132.0	166.1	211.0	244.7
<u>GDP at factor cost</u>	<u>790.0</u>	<u>877.5</u>	<u>987.3</u>	<u>1,190.9</u>	<u>1,439.8</u>	<u>1,613.8</u>
Factor receipts from abroad	20.7	15.9	23.7	30.9	40.6	47.3
Factor payments abroad	-17.5	-24.6	-27.2	-44.9	-44.0	-56.7
<u>GNP at factor cost</u>	<u>793.2</u>	<u>868.8</u>	<u>983.8</u>	<u>1,176.9</u>	<u>1,436.4</u>	<u>1,604.4</u>
<u>GNP at market prices</u>	<u>876.7</u>	<u>969.5</u>	<u>1,104.5</u>	<u>1,328.0</u>	<u>1,626.6</u>	<u>1,819.6</u>

Sources: Ministry of Finance and Planning; Central Bank of Barbados; Barbados Statistical Service; and Fund staff estimates.

^{1/} Includes change in stocks.

^{2/} Includes nonfinancial public enterprises.

Table 23. Barbados: Industrial Origin of Gross Domestic Product

	1976	1977	1978	1979	1980	Est. 1981
(In millions of Barbados dollars at 1974 prices)						
GDP at factor cost	653.9	678.0	710.5	766.7	803.8	794.8
Sugar	43.8	51.1	43.0	48.5	57.6	41.3
Other agriculture and fishing	27.2	21.3	29.4	29.8	25.0	24.0
Mining and quarrying	1.3	1.1	1.6	1.7	2.0	2.0
Manufacturing	81.0	83.6	91.2	92.8	98.4	96.5
Electricity, gas, and water	10.8	12.3	14.2	15.8	16.8	18.0
Construction	50.0	43.1	46.3	52.7	56.4	60.1
Wholesale and retail trade	122.2	124.6	129.5	142.0	156.7	163.0
Tourism	57.9	77.1	86.3	107.0	111.1	105.0
Transport, storage, and communications	44.4	45.5	46.6	48.3	49.7	49.0
Business and general services	118.3	121.3	123.0	126.1	128.1	131.0
Government services	97.1	97.1	99.5	102.0	102.0	105.0
(Annual percentage change)						
GDP at factor cost	4.3	3.7	4.8	7.9	4.9	-1.1
Sugar	5.2	16.6	-15.9	12.9	18.7	-28.3
Other agriculture and fishing	10.7	-21.6	37.8	1.5	-16.2	-3.9
Mining and quarrying	48.9	-14.7	44.1	3.5	20.8	0.6
Manufacturing	16.9	3.2	9.1	1.7	6.1	-2.0
Electricity, gas, and water	6.6	14.2	15.6	11.2	6.5	6.9
Construction	13.1	-13.7	7.5	13.9	7.0	6.5
Wholesale and retail trade	2.2	1.9	3.9	9.7	10.3	4.0
Tourism	3.1	33.2	11.9	24.1	3.8	-5.5
Transport, storage, and communications	2.3	2.5	2.5	3.6	3.0	-1.4
Business and general services	-1.5	2.5	1.4	2.5	1.6	2.3
Government services	--	--	2.5	2.5	--	2.9

Sources: Barbados Statistical Service; Central Bank of Barbados; and Fund staff estimates.

Table 24. Barbados: Savings and Investment

	1976	1977	1978	1979	1980	Proj. 1981
(In millions of Barbados dollars)						
<u>Gross domestic investment</u>	<u>235.9</u>	<u>194.1</u>	<u>254.5</u>	<u>302.2</u>	<u>381.3</u>	<u>450.0</u>
Public sector	48.1	61.1	58.8	81.1	132.0	154.0
Private sector <u>1/</u>	187.8	133.0	195.7	221.1	249.3	296.0
<u>Gross national savings</u>	<u>109.7</u>	<u>90.8</u>	<u>182.6</u>	<u>222.6</u>	<u>311.9</u>	<u>250.0</u>
Public sector savings	35.2	23.6	63.7	75.7	82.0	70.3
Private sector savings	74.5	67.2	118.9	146.9	229.9	179.7
<u>External savings <u>2/</u></u>	<u>126.2</u>	<u>103.3</u>	<u>71.9</u>	<u>79.6</u>	<u>69.4</u>	<u>200.0</u>
(As percentage of GDP at market prices)						
<u>Gross domestic investment</u>	<u>27.0</u>	<u>19.8</u>	<u>23.0</u>	<u>22.5</u>	<u>23.4</u>	<u>24.6</u>
Public sector	5.5	6.3	5.3	6.0	8.1	8.4
Private sector <u>1/</u>	21.5	13.6	17.7	16.5	15.3	16.2
<u>Gross national savings</u>	<u>12.5</u>	<u>9.2</u>	<u>16.5</u>	<u>16.6</u>	<u>19.1</u>	<u>13.7</u>
Public sector savings	4.0	2.4	5.8	5.6	5.0	3.8
Private sector savings	8.5	6.8	10.7	11.0	14.1	9.9
<u>External savings</u>	<u>14.4</u>	<u>10.6</u>	<u>6.5</u>	<u>5.9</u>	<u>4.3</u>	<u>10.9</u>

Sources: Barbados Statistical Service; Ministry of Finance and Planning; Central Bank of Barbados; and Fund staff estimates.

1/ Includes changes in stocks.

2/ Defined as the inverse of the deficit in the goods and nonfactor services account of the balance of payments.

Table 25. Barbados: Sugar Statistics

	1976	1977	1978	1979	1980	Est. 1981
<u>Production</u> ^{1/}						
Area harvested (thousand acres)	39.3	39.2	39.0	39.2	39.8	39.5
Cane milled (thousand long tons)	905	1,029	880	1,036	1,184	94.3
Sugar production (thousand long tons)	102.2	117.9	99.3	112.0	132.6	94.3
Average yields (in long tons)						
Cane per acre	23.0	26.3	22.6	26.3	29.8	23.9
Sugar per ton cane	0.113	0.115	0.113	0.108	0.112	0.100
Sugar per acre	2.6	3.0	2.5	2.9	3.3	2.4
<u>Exports</u>						
Sugar						
Value (million US\$)	23.4	25.2	23.4	28.9	52.2	34.0
Volume (thousand tons)	82.7	99.5	77.8	83.0	112.8	71.9
Unit price (US\$/lb) ^{2/}	12.9	11.5	13.6	15.8	21.0	21.5

Sources: Barbados Statistical Service; and Barbados Sugar Producers' Association; and Fund staff estimates.

^{1/} Crop year.

^{2/} Average price paid for exports.

Table 26. Barbados: Tourist Statistics

	1976	1977	1978	1979	1980	Proj. 1981	Jan.-June 1980	1981
Stayover visitor arrivals (thousands)	224.3	269.3	316.9	370.9	369.9	354.0	189.3	178.3
Cruise-ship passengers (thousands)	99.4	103.1	126.0	110.1	156.5	141.1	92.4	79.9
Total tourist days (thousands) ^{1/}	2,006	2,527	3,010	3,782	3,782	3,681	...	...
Total bed capacity (thousands)	9.5	10.2	11.1	11.8	13.4	14.0	...	...
Bed occupancy rates, all estab- lishments (per cent)	44.7	54.1	59.3	76.4	65.3	60.0	72.1	58.6
Average length of stay (days)	8.5	9.0	9.1	9.9	9.8	10.0	...	...
Tourist expenditure total (millions of U.S. dollars)	97.3	119.3	157.1	205.9	250.5	262.1	...	...
Per head per day (U.S. dollars)	48.5	47.2	52.2	54.4	66.2	71.2	...	...
(Annual percentage change)								
Total tourist days	--	26.0	19.1	25.7	--	-2.7	...	...
Stayover visitor arrivals	1.3	20.1	17.7	17.0	-0.3	-4.3	...	-5.8
Cruise-ship passengers	1.0	3.7	22.2	-12.6	42.1	-10.0	...	-13.6
Tourist expenditure	9.7	22.6	31.7	31.1	21.7	4.6	...	...
Daily expenditure per head	9.2	-2.7	10.6	4.2	21.7	7.6	...	...
(As per cent of GDP)								
Tourist expenditure	22.3	24.5	28.5	30.9	30.9	28.8	...	...
(As per cent of total visitor arrivals)								
By country of residence								
United States	25.0	26.1	27.0	24.6	23.2	...	24.7	22.0
Canada	32.5	31.1	28.8	25.0	23.0	...	29.2	25.6
Commonwealth Caribbean	17.2	17.6	17.1	20.3	22.8	...	18.8	19.7
United Kingdom	11.5	9.5	11.3	13.3	15.2	...	13.0	18.8
Other	13.8	15.7	15.8	16.8	15.8	...	14.3	14.2
By intended length of stay								
1 day - 7 days	45.4	49.3	49.2	47.8	47.9	...	50.0	47.1
8 days - 14 days	35.9	33.2	32.3	29.6	30.4	...	31.6	32.6
15 days - 1 month	13.0	12.8	14.0	19.3	17.5	...	14.8	16.9
Over 1 month	2.5	2.1	2.1	1.7	1.8	...	1.7	2.2
Unspecified	3.2	2.6	2.4	1.6	2.3	...	1.9	1.3

Sources: Barbados Statistical Service; Central Bank of Barbados; Board of Tourism; and IBRD staff adjustments.

^{1/} Stayover arrivals multiplied by average length of stay, plus cruise-ship passengers.

Table 27. Barbados: Index of Industrial Production

	Weight	1976	1977	1978	1979	1980	Est. 1981
(1971=100)							
All industries	100.0	137.7	144.3	159.8	165.6	176.2	176.0
Manufacturing	80.0	140.4	144.9	158.1	160.9	170.7	167.3
Food	(15.1)	(149.7)	(152.0)	(160.4)	(168.0)	(173.7)	(178.9)
Beverages and tobacco	(17.0)	(109.0)	(124.4)	(139.4)	(114.4)	(125.1)	(111.3)
Wearing apparel	(11.1)	(158.6)	(169.0)	(159.7)	(169.2)	(165.4)	(160.4)
Chemicals	(2.9)	(134.9)	(109.8)	(119.0)	(119.7)	(149.9)	(169.1)
Petroleum products	(3.8)	(114.9)	(115.5)	(118.8)	(127.7)	(133.3)	(138.5)
Electronic components	(4.0)	(244.8)	(292.0)	(498.4)	(598.0)	(687.7)	(894.0)
Nonmetallic minerals	(4.2)	(77.2)	(76.7)	(81.2)	(98.7)	(105.4)	(107.5)
Other	(21.9)	(147.5)	(139.7)	(134.9)	(131.4)	(134.0)	(90.0)
Electricity, gas, and water	17.1	134.6	153.8	177.7	197.7	210.5	225.0
Quarrying and mining	2.9	82.0	70.0	100.9	104.4	126.1	126.8
(Percentage change)							
All industries		15.4	4.8	10.7	3.6	6.4	-0.1
Manufacturing		16.9	3.2	9.1	1.7	6.1	-2.0
Food		(13.4)	(1.5)	(5.5)	(4.7)	(3.5)	(3.0)
Beverages and tobacco		(-1.2)	(14.1)	(12.1)	(-18.0)	(9.4)	(-11.0)
Wearing apparel		(23.7)	(6.6)	(-5.5)	(5.9)	(-2.3)	(-3.0)
Chemicals		(12.9)	(-18.6)	(8.4)	(0.6)	(25.2)	(12.8)
Petroleum products		(-1.2)	(0.5)	(2.9)	(7.5)	(4.4)	(3.9)
Electronic components		(22.4)	(19.3)	(70.7)	(20.0)	(15.0)	(30.0)
Nonmetallic minerals		(-4.0)	(-0.6)	(5.9)	(21.6)	(6.8)	(2.0)
Other		(35.0)	(-5.3)	(-3.5)	(-2.6)	(2.0)	(-33.0)
Electricity, gas, and water		6.6	14.2	15.6	11.2	6.5	6.9
Quarrying and mining		48.9	-14.7	44.1	3.5	20.8	0.6

Sources: Barbados Statistical Service; Central Bank of Barbados; and Fund staff estimates.

Table 28. Barbados: Production of Selected Goods

	1976	1977	1978	1979	1980	January-July 1980	1981
Food products and beverages							
(in thousand units)							
Lard (pounds)	2,621	2,733	3,264	2,775	3,204	1,779	3,066
Margarine (pounds)	3,810	4,333	5,205	4,572	4,933	2,601	5,460
Biscuits (pounds)	8,741	8,475	8,213	8,188	8,664	4,966	4,747
Macaroni (pounds)	2,323	2,267	2,619	3,224	3,931	2,221	2,466
Animal feeds (pounds)	76,295	84,524	78,004	87,240	87,581	51,180	57,241
Milk products (pounds) ^{1/}	22,125	21,337	21,461	21,703	21,964	13,005	12,672
Cigarettes (pounds)	416	418	505	507	494	322	355
Rum (gallons)	1,916	2,344	2,350	1,640	2,237	1,510	930
Beer (gallons)	1,324	1,608	1,990	1,623	1,887	1,097	1,125
Malt beverages (gallons)	596	693	953	641	726	377	426
Carbonated beverages (gallons)	3,752	4,009	4,347	4,381	4,161	2,564	2,203
Chemicals, metals and electrical products (in thousand units)							
Oxygen (cubic feet)	2,938	3,107	3,299	3,391	4,009	2,299	2,497
Acetylene (cubic feet)	646	745	766	782	958	556	589
Carbon dioxide (pounds)	657	676	850	758	890	515	441
Nails (pounds)	143	201	328	375	283	123	261
Barbed wire (pounds)	158	131	140	136	179	92	312
Paints (gallons)	265	272	303	331	415	225	210
Storage batteries (number)	12,561	11,343	13,856	15,675	20,861	11,173	12,375

Source: Barbados Statistical Service.

^{1/} Fresh milk equivalent.

Table 29. Barbados: Production of Energy

	1976	1977	1978	1979	1980	Est. 1981
<u>Crude oil (in thousands of barrels)</u>	<u>145</u>	<u>124</u>	<u>274</u>	<u>284</u>	<u>306</u>	<u>204</u>
<u>Petroleum derivatives (in thousands of barrels)</u>	<u>1,073</u>	<u>1,168</u>	<u>1,170</u>	<u>1,264</u>	<u>1,310</u>	<u>1,372</u>
Gasoline	311	328	320	335	343	346
Kerosene	71	62	60	60	57	53
Diesel	379	230	1/ 270	240	254	247
Fuel oil	279	518	1/ 485	591	618	686
Asphalt	33	30	35	38	38	40
<u>Natural gas (millions of cubic feet)</u>	<u>149</u>	<u>166</u>	<u>339</u>	<u>412</u>	<u>469</u>	<u>516</u>
<u>Electricity (millions of kwh)</u>	<u>214</u>	<u>246</u>	<u>269</u>	<u>296</u>	<u>310</u>	<u>326</u>

Sources: Mobil Oil Barbados; and Barbados Statistical Service.

1/ The Barbados Light and Power Company switched over from diesel to fuel oil.

Table 30. Barbados: Retail Prices of Petroleum Products

(In Barbados dollars per U.S. gallon)

	December					July
	1976	1977	1978	1979	1980	1981
Gasoline	2.00	2.20	2.42	3.51	3.82	4.17
Kerosene	1.00	1.10	1.36	2.20	2.21	2.54
Diesel 48/52						
(with road tax)	1.44	1.56	1.59	2.68	2.94	3.33
Diesel 43/47						
(without road tax)	1.00	1.12	1.17	2.00	2.38	2.53

Source: Ministry of Finance and Planning.

Table 31. Barbados: Structure of Prices of Petroleum Products

	1979			1980	1981
	January	April	September	April	July
(In Barbados dollars per U.S. gallon)					
<u>Gasoline</u>					
Retail price	2.420	3.100	3.510	3.820	4.165
Ex-refinery price <u>1/</u>	1.145	1.653	2.063	2.289	2.513
Road tax and duty	1.107	1.220	1.220	1.296	1.410
Dealer margin	0.168	0.227	0.227	0.235	0.242
<u>Kerosene</u>					
Retail price	1.360	1.628	2.195	2.207	2.536
Ex-refinery price <u>1/</u>	1.185	1.453	2.009	2.011	2.327
Duty	0.050	0.050	0.050	0.050	0.050
Dealer margin	0.125	0.125	0.136	0.146	0.159
<u>Diesel 48/52</u>					
Retail price	1.589	2.110	2.677	2.942	3.331
Ex-refinery price <u>1/</u>	0.974	1.479	2.046	2.218	2.412
Road tax and duty	0.501	0.491	0.491	0.567	0.756
Dealer margin	0.114	0.140	0.140	0.157	0.163
(As per cent of total)					
<u>Gasoline</u>					
Retail price	100.0	100.0	100.0	100.0	100.0
Ex-refinery price <u>1/</u>	47.3	53.3	58.8	59.9	60.3
Road tax and duty	45.8	39.4	34.8	33.9	33.9
Dealer margin	6.9	7.3	6.4	6.2	5.8
<u>Kerosene</u>					
Retail price	100.0	100.0	100.0	100.0	100.0
Ex-refinery price <u>1/</u>	87.1	89.3	91.5	91.1	91.8
Duty	3.7	3.1	2.3	2.3	2.0
Dealer margin	9.2	7.6	6.2	6.6	6.2
<u>Diesel 48/52</u>					
Retail price	100.0	100.0	100.0	100.0	100.0
Ex-refinery price <u>1/</u>	61.3	70.1	76.4	75.4	72.4
Road tax and duty	31.5	23.3	18.3	19.3	22.7
Dealer margin	7.2	6.6	5.3	5.3	4.9

Source: Ministry of Finance and Planning.

1/ Includes distributive margins.

Table 32. Barbados: Population Trends

	Census 1970	1976	1977	1978	1979	Census 1980	Est. 1981
(In thousands)							
Population (begin- ning of period)	239.0	246.1	246.7	247.5	248.3	248.8	249.4
Natural increase	2.4	2.3	2.1	2.0	2.1	2.1	2.1
Births	(4.7)	(4.6)	(4.3)	(4.3)	(4.3)	(4.1)	(4.2)
Deaths	(-2.3)	(-2.3)	(-2.2)	(-2.3)	(-2.2)	(-2.0)	(-2.1)
Net migration	-1.9	-1.7	-1.3	-1.2	-1.6	-1.5	-1.5
Population (end of period)	239.5	246.7	247.5	248.3	248.8	249.4	250.0
(As per cent of population at the beginning of the year)							
Rate of natural increase	1.0	0.9	0.9	0.8	0.9	0.9	0.8
Birth rate	(2.0)	(1.9)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
Death rate	(1.0)	(-0.9)	(-0.9)	(-0.9)	(-0.9)	(-0.8)	(-0.8)
Rate of net migra- tion	-0.8	-0.7	-0.5	-0.5	-0.6	-0.6	-0.6
Rate of population increase (end of year)	--	0.2	0.3	0.3	0.2	0.2	0.2

Sources: Barbados Statistical Service; and Fund staff estimates.

Table 33. Barbados: Employment by Industry

	On Census Basis 1/		On Labor Force Survey Basis First Quarter	
	1960	1970	1980	1981
(In thousands)				
Total	85.0	82.4	104.1	111.5
Agriculture and fishing	22.4	13.6	9.4	10.5
Mining and quarrying	0.5	0.3	--	0.1
Manufacturing	13.0	12.3	15.0	16.7
Construction	9.0	10.7	8.9	7.2
Electricity, gas, water, and sanitation	0.8	1.1	0.2	1.1
Commerce	14.7	12.1	22.4	24.6
Transport, storage, and communications	4.4	4.6	5.3	4.8
Other services	20.1	25.6	33.8	40.0
Unclassified	0.1	2.1	5.6	2.9
Financial institutions	--	--	3.5	3.6
(As per cent of total)				
Agriculture and fishing	26.4	16.5	9.0	9.4
Mining and quarrying	0.6	0.4	--	0.1
Manufacturing	15.3	14.9	14.4	15.0
Construction	10.6	13.0	8.6	6.5
Electricity, gas, water, and sanitation	0.9	1.3	0.2	1.0
Commerce	17.3	14.7	21.5	22.1
Transport, storage, and communications	5.2	5.6	5.1	4.3
Other services	23.6	31.1	32.5	35.9
Unclassified	0.1	2.5	5.4	2.6
Financial institutions	--	--	3.4	3.2

Source: Barbados Statistical Service.

1/ Relates to persons employed in the preceding year; 1980 census data not available yet.

Table 34. Barbados: Labor Force and Employment Statistics 1/

	1976	1977	1978	1979	1980	Second Quarter 1981 2/
	(In thousands)					
Adult population 3/	166.8	167.7	168.3	171.0	174.2	176.6
Labor force	104.1	104.6	102.6	109.0	114.8	110.8
Employed	87.9	88.2	88.8	95.0	100.3	99.7
Unemployed	16.2	16.4	13.8	14.0	14.5	11.1
	(As per cent of adult population)					
Labor force	62.4	62.4	61.0	63.7	65.9	62.7
	(As per cent of labor force)					
Unemployed	15.6	15.7	13.4	12.8	12.6	10.0

Sources: Barbados Statistical Service; and Fund staff estimates.

1/ Annually, figures for 1976-80 are adjusted on the preliminary count of the 1980 census and may be revised further. The data correspond to the last quarter of each year and relate to people employed and unemployed in the week preceding the sample surveys, whether or not they were actively seeking work.

2/ Based on a sample of the 1980 Population Census questionnaire as the Continuous Household Sample Survey was suspended during the census.

3/ Refers to persons 15 years of age and over.

Table 35. Barbados: Wage Rates in Various Sectors 1/
(In Barbados dollars per week)

	1975	1976	1977	1978	1979	1980	1981
Hotels <u>2/</u>	54.08	54.08	69.96	74.96	90.20	92.11	121.85
Retail shops <u>3/</u>	44.00	44.00	59.50	59.50	59.50	78.00	78.00
Sugar farms <u>4/</u>	62.60	62.60	62.60	75.10	75.10	96.20	96.20
Passenger transport <u>5/</u>	107.00	113.40	131.04	133.68	167.11	167.11	217.24
Domestic services <u>6/</u>	43.50	48.50	53.50	58.50	63.50	63.50	68.50
Government <u>7/</u>	68.80	91.75	101.00	119.00	119.00	155.90	155.90
Construction <u>8/</u>	64.08	88.66	91.13	108.98	108.98	147.90	147.90
Telephone <u>9/</u>	70.96	99.00	99.00	114.77	114.77	157.20	157.20
Electricity <u>10/</u>	112.00	112.00	141.00	141.00	179.00	179.00	232.00
Longshoremen <u>11/</u>	111.15	166.40	166.40	206.40	206.40	266.40	266.40
Manufacturing							
Garments <u>12/</u>	35.17	45.83	49.17	59.00	59.00	76.70	76.70
Beverages <u>13/</u>	75.67	80.00	95.00	99.67	116.61	118.60	162.50
Food <u>14/</u>	75.50	79.25	96.00	99.50	117.50	121.30	121.30
Chemicals <u>15/</u>	77.00	103.60	111.20	123.75	131.00	172.50	172.50

Source: Department of Labor.

1/ Arithmetic mean of wages and salaries in major skill levels; where hourly wage was paid, 40-hour week has been used as the basis of calculation.

2/ Average of general cooks, waiter/waitresses, bartenders, bellboys, maids, dishwashers, pantry workers, telephone operators, and other workers.

3/ Average for shop assistants.

4/ Out-of-crop season rates for men and women in Classes A and B; rates for in-crop season depend on tonnage of cane reaped.

5/ Average for inspectors, drivers, mechanics, conductors, and other workmen.

6/ Average for chauffeurs, cooks, gardeners, general servants, and laundresses.

7/ Average for male and female laborers, mechanics, district foremen, and district workmen, through 1979 and average increase for all workers in 1980.

8/ Average for artisans and general workers since 1975.

9/ Average for operators and record clerks through 1979, and average increase in 1980.

10/ Average for wiremen.

11/ Average for Monday-Friday workers.

12/ Average for sewing machine operators in Classes A and B, and trainees.

13/ Average for machine attendants, sugar treaters, and general workers.

14/ Average for ovenmen, table hands, and bakers' assistants.

15/ Average for mixers and general workers.

Table 36. Barbados: Retail Price Index 1/

(March 1980=100)

	Total	Food	Alcoholic Beverages and Tobacco	Housing	Fuel and Light	Household Operations and Supplies	Clothing and Footwear	Transportation	Medical and Personal Care	Education, Recreation, and Miscel- laneous Services
Weights	1.000	.432	.084	.131	.062	.096	.051	.046	.060	.38
1979										
October	95.9	96.7	95.8	99.1	87.4	99.9	84.6	98.2	90.0	98.1
November	96.5	97.3	95.8	99.1	87.4	99.3	89.4	98.3	93.6	98.1
December	97.9	98.4	96.3	97.9	93.7	98.5	97.7	99.2	94.2	98.3
1980										
January	98.5	98.2	99.3	97.9	93.7	98.8	98.1	99.9	100.2	98.3
February	98.3	99.0	99.3	97.9	95.2	99.3	78.5	100.0	100.0	100.0
March	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
April	100.9	101.3	102.6	100.1	97.8	100.0	100.0	102.5	101.4	100.0
May	101.3	101.7	103.7	100.1	99.4	100.3	99.6	102.5	102.5	100.2
June	103.4	104.1	106.8	100.8	99.3	102.6	107.7	102.7	103.0	100.2
July	104.7	105.6	107.8	100.8	99.4	103.3	105.7	102.6	103.4	100.2
August	104.5	105.1	109.4	101.1	103.4	103.7	107.4	104.7	104.0	100.5
September	105.2	105.4	110.2	101.2	103.4	105.8	107.9	105.1	104.2	105.2
October	106.4	106.9	112.1	101.2	103.4	106.5	112.9	105.3	105.0	105.2
November	107.6	108.1	114.5	101.2	107.7	107.8	113.3	105.3	105.6	107.3
December	111.6	110.6	112.9	122.1	107.7	108.2	115.8	105.4	106.4	107.3
1981										
January	113.1	113.7	113.4	122.1	107.8	108.8	117.7	105.4	106.4	107.3
February	114.3	114.4	114.0	122.2	112.2	109.1	118.1	106.9	111.5	111.2
March	114.8	115.1	113.3	122.2	112.1	112.0	118.8	106.9	110.5	111.8
April	115.8	116.3	112.5	122.4	112.5	114.1	121.2	107.1	113.6	111.8
May	116.5	116.0	113.9	122.5	113.4	115.0	121.4	117.9	114.2	111.9
June	118.3	119.7	115.2	122.6	113.5	115.4	121.9	117.9	114.6	111.9
July	118.6	119.3	113.2	122.6	113.8	115.8	126.9	121.0	115.3	115.2
August	118.8	120.5	115.4	122.7	100.9	115.6	127.0	121.1	119.0	116.4
(Annual percentage change)										
Period average										
1980										
IV Q	12.2	11.3	17.9	9.6	18.7	8.3	25.9	7.2	13.8	8.6
1981										
I Q	15.3	15.5	14.1	23.9	15.0	10.7	28.2	6.4	9.4	10.7
II Q	14.7	14.6	9.1	22.1	14.5	13.7	18.6	3.7	7.0	11.7
January-August	14.7	14.7	9.9	22.7	12.5	12.1	19.0	10.9	11.1	12.3
End of period										
1980										
IV Q	14.0	12.4	17.2	24.7	14.9	9.9	18.5	7.3	11.9	9.2
1981										
I Q	14.8	15.1	13.3	22.2	12.1	12.0	18.8	6.9	10.5	11.8
II Q	14.4	15.0	7.9	21.6	14.3	12.5	13.2	14.8	11.3	11.7
August	13.7	14.7	5.5	21.4	-2.4	11.5	18.3	15.7	14.4	15.8

Source: Barbados Statistical Service.

1/ New index introduced in March 1980.

Table 37. Barbados: Index of Retail Prices (Old Index)
(October 1965 = 100)

	Total	Food and Beverages	Household			Medical Care and Personal Care	Transportation	Education, Recreation, and Miscellaneous	Annual Change Percentage of Total
			Housing	Furnishing and Operations	Clothing				
<u>Weights</u>	100.0	58.7	9.1	8.9	6.9	5.3	5.5	5.6	
<u>Period averages</u>									
1972	154.8	161.1	156.6	134.2	138.5	158.3	138.3	151.6	7.0
1973	180.9	189.7	186.7	153.6	157.6	171.1	158.7	182.0	16.9
1974	251.3	273.8	246.7	239.9	196.0	202.0	187.4	219.7	38.9
1975	302.3	335.0	269.0	274.0	252.5	237.4	222.3	259.9	20.3
1976	317.4	349.2	285.1	279.5	276.0	246.9	241.9	287.6	5.0
1977	343.9	379.0	321.3	287.0	292.1	285.1	237.2	327.1	8.4
1978	376.5	417.1	346.3	309.0	301.2	322.2	272.1	353.6	9.5
1979	426.1	463.3	398.2	418.6	335.9	364.6	310.7	374.8	13.2
1979/80 May	456.1	490.0	432.1	472.1	381.9	384.1	337.3	389.1	--
<u>End of period</u>									
1972	162.4	170.5	161.9	138.8	145.9	161.6	146.4	162.4	10.4
1973	204.6	217.7	213.0	182.2	170.6	177.8	168.8	191.6	26.0
1974	279.6	307.5	264.7	258.9	220.9	216.6	204.0	249.8	37.7
1975	314.0	348.6	269.8	279.9	263.5	245.7	245.1	272.0	12.3
1976	326.2	363.7	301.2	275.9	280.6	243.9	218.5	294.1	3.9
1977	358.4	394.7	335.6	289.8	299.2	307.5	256.5	344.9	9.9
1978	398.8	445.1	365.0	331.0	297.1	343.6	283.9	366.3	11.3
1979	465.9	499.3	436.5	493.8	403.4	389.8	350.7	382.0	16.8
1979 May	407.0	439.9	381.6	401.2	314.4	359.8	298.7	377.0	--
1980 May	499.7	529.6	472.8	549.7	438.0	415.2	387.8	416.8	22.8

Source: Barbados Statistical Service.

Table 38. Barbados: Consolidated Operations of the General Government 1/

(In millions of Barbados dollars)

	1976/77	1977/78	1978/79	1979/80	1980/81	Proj. 1981/82
I. Consolidated General Government						
Revenue	235.9	272.9	344.2	393.6	485.8	524.2
Budget	207.3	241.3	302.9	347.8	433.6	464.0
National Insurance Fund	22.6	25.4	35.5	39.4	45.6	54.2
Other	6.0	6.2	5.8	6.4	6.6	6.0
<u>Total expenditure and net lending</u>	<u>286.7</u>	<u>336.1</u>	<u>346.3</u>	<u>412.0</u>	<u>546.1</u>	<u>624.2</u>
Current expenditure (budget)	208.9	235.5	259.8	308.6	384.7	439.0
Capital expenditure (rest of general government)	14.5	10.7	13.5	15.6	22.5	25.2
Capital expenditure and net lending	63.3	89.9	73.0	87.8	138.9	160.0
<u>Current account balance</u>	<u>12.5</u>	<u>26.7</u>	<u>70.9</u>	<u>69.4</u>	<u>78.6</u>	<u>60.0</u>
<u>Overall balance</u>	<u>-50.8</u>	<u>-63.2</u>	<u>-2.1</u>	<u>-18.4</u>	<u>-60.3</u>	<u>100.0</u>
<u>Financing</u>	<u>50.8</u>	<u>63.2</u>	<u>2.1</u>	<u>18.4</u>	<u>60.3</u>	<u>100.0</u>
External	10.0	24.2	24.1	10.4	62.3	113.0
Domestic	40.8	39.0	-22.0	8.0	-2.0	-13.0
Banking system	(41.0)	(19.0)	(--)	(7.2)	(1.0)	(-14.0)
Other	(-0.2)	(20.0)	(-22.0)	(0.8)	(-3.0)	(1.0)
II. Central Government						
Current revenue and grants	207.3	241.3	302.9	347.8	433.6	464.0
Current expenditure	208.9	235.5	259.8	308.6	384.7	439.0
Wages and salaries	(90.9)	(101.1)	(112.3)	(126.7)	(171.7)	(187.6)
National Insurance Fund contributions	(3.0)	(4.5)	(6.6)	(7.5)	(11.8)	(12.0)
Interest	(14.2)	(18.4)	(22.7)	(28.3)	(29.9)	(46.0)
Transfers	(70.9)	(76.9)	(81.7)	(103.2)	(131.3)	(143.2)
Goods and services	(29.9)	(34.6)	(36.5)	(42.9)	(40.0)	(50.2)
<u>Current surplus or deficit (-)</u>	<u>-1.6</u>	<u>5.8</u>	<u>43.1</u>	<u>39.2</u>	<u>48.9</u>	<u>25.0</u>
Capital expenditure and net lending	60.8	85.9	72.4	85.6	139.4	160.0
<u>Overall deficit</u>	<u>-62.4</u>	<u>-80.1</u>	<u>-29.3</u>	<u>-46.4</u>	<u>-90.5</u>	<u>-135.0</u>
Foreign financing (net)	10.0	24.2	24.1	10.1	61.5	113.0
Domestic	56.5	45.6	-6.5	38.1	22.1	22.0
Banking system	(41.4)	(28.5)	(-9.2)	(35.1)	(19.8)	(-2.0)
National Insurance Fund	(10.9)	(9.9)	(3.2)	(2.3)	(0.6)	(20.0)
Other	(4.2)	(7.2)	(-0.5)	(0.7)	(1.7)	(4.0)
Residual	-4.1	10.3	11.7	-1.8	6.9	--

Table 38. Barbados: Consolidated Operations of the General Government (Concluded)

(In millions of Barbados dollars)

	1976/77	1977/78	1978/79	1979/80	1980/81	Proj. 1981/82
III. Rest of General Government						
Current revenue	28.6	31.6	41.3	45.8	52.2	60.2
Of which:						
contributions	(16.5)	(19.1)	(28.2)	(30.9)	(34.1)	(41.6)
Current expenditures	14.5	10.7	13.5	15.6	22.5	25.2
Of which: benefits	(6.4)	(7.7)	(9.9)	(12.0)	(14.8)	(17.4)
<u>Current surplus</u>	<u>14.1</u>	<u>20.9</u>	<u>27.8</u>	<u>30.2</u>	<u>29.7</u>	<u>35.0</u>
Capital expenditure	2.5	4.0	0.6	2.2	-0.5	0.5
Net lending	10.9	11.8	3.2	2.3	1.9	20.0
Of which: to rest of public sector	(10.9)	(11.8)	(3.2)	(2.3)	(1.9)	(20.0)
<u>Overall surplus or deficit (-)</u>	<u>0.7</u>	<u>5.1</u>	<u>24.0</u>	<u>25.7</u>	<u>28.3</u>	<u>14.5</u>
Foreign financing	-0.4	--	--	--	--	--
Domestic financing	-0.3	-5.1	-24.0	-25.7	-28.3	-14.5
IV. Nonfinancial Public Enterprises						
Current revenue	52.9	62.3	70.2	99.9	123.0	139.5
From Central Government	(12.3)	(10.6)	(11.5)	(16.2)	(27.7)	(30.2)
Current expenditure	50.5	57.5	66.7	93.2	117.7	131.7
To Central Government	(1.0)	(1.2)	(1.2)	(--)	(--)	(--)
<u>Current deficit (before transfers)</u>	<u>-8.9</u>	<u>-4.6</u>	<u>-6.8</u>	<u>-9.5</u>	<u>-22.4</u>	<u>-22.4</u>
<u>Current surplus (after transfers)</u>	<u>2.4</u>	<u>4.8</u>	<u>3.5</u>	<u>6.7</u>	<u>5.3</u>	<u>7.8</u>
Capital revenue	16.7	26.3	30.6	31.0	35.7	24.0
From Central Government	(16.7)	(26.3)	(30.6)	(30.8)	(35.7)	(24.0)
Capital expenditure	16.9	26.2	29.3	35.8	39.8	30.0
Capital formation	(13.7)	(25.5)	(29.0)	(35.8)	(39.8)	(30.0)
Other	(3.2)	(0.7)	(0.3)	(--)	(--)	(--)
<u>Overall surplus or deficit (-)</u>	<u>2.2</u>	<u>4.9</u>	<u>4.8</u>	<u>1.9</u>	<u>1.2</u>	<u>1.8</u>
Domestic financing	-2.2	-4.9	-4.8	-1.2	0.3	-0.8
Repayment to Central Government	--	--	--	-0.7	-1.5	-1.0

Sources: Statistical Appendix Tables 40, 47, and 48.

1/ The fiscal year runs from April 1.

Table 39. Barbados: Central Government Operations 1/

	1976/77	1977/78	1978/79	1979/80	1980/81	April - August		Budget	Estimate
						1980/81	1981/82	1981/82	
(In millions of Barbados dollars)									
total revenue and grants	207.3	241.3	302.9	347.8	433.6	167.1	172.9	474.7	464.0
tax revenue	192.1	221.5	275.9	318.2	388.7	150.9	158.5	433.3	417.0
non-tax revenue	15.2	19.0	25.1	28.8	42.7	16.2	14.4	39.2	44.0
grants	--	0.8	1.8	0.8	2.2	...	...	2.2	2.2
current expenditure	208.9	235.5	259.9	308.6	384.7	140.3	182.5	439.0	439.0
wages and salaries	90.9	101.1	112.3	126.7	171.7	71.5	78.2	187.6	187.6
other	118.0	134.4	147.5	181.9	213.0	68.8	104.3	251.4	251.4
current surplus or deficit (-)	-1.6	5.8	43.1	39.2	48.9	26.8	-9.6	35.7	25.0
capital expenditure	57.5	70.2	64.8	85.2	134.3	38.6	71.5	182.0	142.0
net lending	3.3	15.7	7.6	0.4	5.1	...	...	18.0	2/ 18.0 2/
overall deficit	-62.4	-80.1	-29.3	-46.4	-90.5	-11.8	-81.6	-164.3	-135.0
external financing (net)	10.0	24.2	24.1	10.1	65.5	1.5	6.9	68.0	113.0
domestic financing	56.5	45.6	-6.5	38.1	18.1	20.2	97.7	96.3	22.0
Central Bank	13.6	7.3	-14.6	27.9	11.4	21.5	70.8	75.0	7.0
commercial banks	27.8	21.2	5.4	7.2	4.4	-3.3	1.4	21.3	-9.0
insurance companies	-0.2	3.8	0.9	0.7	2.4	0.8	1.5	--	--
National Insurance Fund	10.9	9.9	3.2	2.3	0.6	--	22.0	--	20.0
other statutory boards	4.3	0.6	-0.4	-0.5	-1.8	0.5	0.3	--	4.0
other	0.1	2.8	-1.0	0.5	1.1	0.7	1.7	--	--
residual	-4.1	10.3	11.7	-1.8	6.9	-9.9	-23.0	--	--
(As per cent of GDP) 3/									
total revenue	23.7	24.7	27.3	25.9	26.6	--	--	26.0	25.4
Tax revenue	(--)	(22.6)	(24.9)	(23.7)	(23.8)	(--)	(--)	(23.7)	(22.8)
current expenditure	23.9	24.1	23.4	23.0	23.6	--	--	24.0	24.0
Wages and salaries	(10.4)	(10.3)	(10.1)	(9.4)	(10.5)	(--)	(--)	(10.3)	(10.3)
current surplus or deficit (-)	-0.2	0.6	3.9	2.9	3.0	--	--	2.0	1.6
capital expenditure and net lending	7.0	8.8	6.5	6.4	8.6	--	--	10.9	8.7
overall deficit	-7.1	-8.2	-2.6	-3.5	-5.6	--	--	-9.0	-7.4
foreign financing	1.1	2.5	2.2	0.8	4.0	--	--	3.7	6.2

Sources: Ministry of Finance and Planning; Central Bank; and Fund staff estimates.

1/ Fiscal year April-March.

2/ Including BDS\$15 million purchase of equity on a cement and a power plant.

3/ GDP corresponds to calendar years.

Table 40. Barbados: Budgetary Revenue

	1976/77	1977/78	1978/79	1979/80	1980/81	April-August 1980/81 1981/82		1981/82 Budget	Est.1/
(In millions of Barbados dollars)									
Total revenue and grants	207.3	241.3	302.9	347.8	433.6	167.1	172.9	474.7	464.0
Tax revenue	192.1	221.5	275.9	318.2	388.7	150.9	158.5	433.3	417.0
Taxes on net income and profits	93.2	105.6	132.4	138.4	159.8	59.7	58.4	183.1	167.0
Companies	28.0	34.6	44.2	47.4	64.7	9.6	10.9	69.0	69.0
Individuals	59.1	66.0	82.2	85.6	89.0	47.3	43.3	107.0	91.0
Other	6.1	5.0	6.0	5.4	6.1	2.8	4.2	7.1	7.0
Employment levy	—	—	6.1	4.1	4.2	3.5	—	—	—
Transport levy	—	—	—	—	—	—	—	—	3.3
Health service levy	—	—	—	—	—	—	—	—	2.6
Taxes on property	11.3	11.5	13.0	17.8	21.5	5.2	6.9	19.6	17.5
Land tax	7.3	7.2	8.0	11.7	11.4	1.8	1.7	12.0	12.0
Estate and succession duties	2.4	2.2	2.1	2.0	2.6	0.8	1.4	2.3	—
Property transfer tax and other	1.6	2.1	2.9	4.1	7.5	2.6	3.8	5.3	5.5
Taxes on domestic goods and services	43.7	54.2	66.6	79.6	108.2	45.4	51.7	129.4	122.9
Retail sales tax	3.4	—	—	—	—	—	—	—	—
Consumption tax	12.0	17.2	19.6	23.6	51.4	19.7	24.1	62.5	62.0
Excise duties (rum and petroleum)	5.0	4.7	5.2	5.5	4.9	2.0	2.0	5.9	6.0
Taxes on motor spirits and diesel oil	11.2	12.7	15.2	17.8	19.2	8.0	9.1	20.7	22.0
Motor vehicle duty (highway revenue)	2.5	2.5	3.4	4.7	4.7	3.4	3.4	5.0	5.0
Hotel and restaurant tax	4.2	7.2	10.3	13.4	14.7	5.4	5.7	18.5	15.6
Motor vehicle licenses	2.2	2.9	4.2	4.2	4.2	1.7	1.7	4.0	4.5
Business and professional licenses	0.8	1.5	2.2	1.7	1.9	0.4	0.4	2.0	2.0
Insurance premiums	—	—	—	0.9	1.3	1.1	1.2	1.3	1.3
Other	2.4	5.5	6.6	7.9	3.9	3.7	4.1	9.5	4.5
Taxes on international trade	42.7	48.1	54.9	74.4	89.8	35.1	39.4	96.5	99.5
Import duties	42.7	48.1	54.9	74.4	89.8	35.1	39.4	96.5	99.5
Other taxes (stamp)	1.2	2.2	3.0	3.9	5.2	2.0	2.1	4.7	5.0
Nontax revenues	15.2	19.0	25.1	28.8	42.7	16.2	14.4	37.2	44.0
Property income	3.7	4.5	6.8	9.2	13.8	1.8	2.1	16.0	16.0
Rents, royalties, dividends	(0.7)	(2.2)	(3.8)	(6.3)	(4.6)	(0.9)	(1.4)	(5.5)	(5.5)
Interest	(1.4)	(1.4)	(1.2)	(1.8)	(2.7)	(0.9)	(0.7)	(3.5)	(3.5)
Central Bank and exchange profits	(1.6)	(0.9)	(1.8)	(1.0)	(6.5)	(—)	(—)	(7.0)	(7.0)
Administrative fees, fines, other charges, and special receipts	11.5	14.3	18.3	19.7	28.9	14.4	12.3	23.2	28.0
Transfer from Post Office	—	0.2	—	—	—	—	—	—	—
Capital grants	—	0.8	1.8	0.8	2.2	—	—	2.2	2.2
(In per cent)									
Total revenue/GDP 2/	23.7	24.7	27.3	25.9	26.6	—	—	26.0	25.4
Tax revenue/GDP 2/	22.0	22.6	24.9	23.7	23.8	—	—	23.7	22.8
Taxes on net income and profits/GDP 2/	10.7	10.8	11.9	10.3	9.8	—	—	10.0	9.1
Taxes on domestic goods and services/GDP 2/	5.2	5.5	6.0	5.9	6.6	—	—	7.1	7.0
Import duties/retained imports 3/	9.8	9.8	9.4	9.9	10.1	—	—	9.7	9.8
Change in total revenue	6.9	16.4	25.5	14.8	24.6	—	3.4	9.5	7.1

Sources: Ministry of Finance and Planning; and Fund staff estimates.

1/ Including revenue impact from recently approved measures.

2/ GDP corresponds to calendar years.

3/ Retained imports correspond to calendar years.

Table 41. Barbados: Economic Classification of Central Government Expenditure

	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 Budget	1981/82 Proj.
	(In millions of Barbados dollars)						
<u>Total expenditure and net lending</u>	<u>269.7</u>	<u>321.4</u>	<u>332.3</u>	<u>394.2</u>	<u>524.1</u>	<u>809.0</u>	<u>599.0</u>
<u>Current expenditure</u>	<u>208.9</u>	<u>235.5</u>	<u>259.8</u>	<u>308.6</u>	<u>384.7</u>	<u>439.0</u>	<u>439.0</u>
Goods and services	123.8	140.2	155.4	177.1	223.5	261.7	240.3
Wages and salaries	(90.9)	(101.1)	(112.3)	(126.7)	(171.7)	(187.6)	(187.6)
Contribution to social security	(3.0)	(4.5)	(6.6)	(7.5)	(11.8)	(9.4)	(12.0)
Other goods and services	(29.9)	(34.6)	(35.7)	(42.9)	(40.0)	(64.7)	(50.7)
Interest	14.2	18.4	22.7	28.3	29.9	38.4	46.0
Domestic	(11.7)	(15.4)	(17.2)	(18.4)	(20.2)	(26.0)	(32.0)
External	(2.5)	(3.0)	(5.6)	(9.9)	(9.7)	(12.4)	(14.0)
Transfers	70.9	76.9	81.7	103.2	131.3	138.9	143.2
Nonfinancial public enterprises	(12.3)	(10.6)	(11.5)	(16.2)	(27.7)	(32.1)	(30.2)
Operating deficit of departmental enterprise	(0.8)	(0.8)	(0.8)	(0.9)	(1.1)	(1.1)	(1.1)
Other public institutions	(28.5)	(30.0)	(31.5)	(41.4)	(51.7)	(55.0)	(55.4)
Nonprofit institutions	(1.0)	(1.2)	(1.3)	(1.6)	(3.9)	(4.6)	(4.5)
Pensions	(11.2)	(12.9)	(14.7)	(16.7)	(19.7)	(16.0)	(24.0)
Other transfers to individuals	(14.9)	(19.1)	(19.9)	(23.5)	(24.8)	(28.8)	(28.0)
Contributions to regional and international organizations	(2.2)	(2.3)	(2.0)	(2.9)	(2.4)	(1.3)	(2.0)
<u>Capital expenditure</u>	<u>57.5</u>	<u>70.2</u>	<u>64.8</u>	<u>85.2</u>	<u>134.3</u>	<u>182.0</u>	<u>142.0</u>
Acquisition of land and existing assets	1.2	2.8	2.7	--	2.0	2.0	2.0
Capital formation	38.2	38.6	28.0	51.6	96.0	145.4	116.0
Transfers	18.1	28.8	34.1	33.6	36.3	34.6	24.0
Nonfinancial public enterprises	(16.7)	(26.3)	(30.6)	(30.8)	(35.7)	(34.6)	(24.0)
Public financial enterprises and abroad	(1.4)	(2.5)	(3.5)	(2.8)	(0.6)	(--)	(--)
<u>Net lending</u>	<u>3.3</u>	<u>15.7</u>	<u>7.6</u>	<u>0.4</u>	<u>5.1</u>	<u>18.0</u>	<u>18.0</u>
<u>Equity contributions</u>	<u>2.4</u>	<u>12.6</u>	<u>5.2</u>	<u>0.2</u>	<u>4.5</u>	<u>15.0</u>	<u>15.0</u>
Loans and advances (net)	0.9	3.1	2.4	0.2	0.6	3.0	3.0
	(In per cent)						
Total expenditure/GDP at market prices 1/	30.9	32.9	30.0	29.4	32.2	44.2	33.1
Capital expenditure/GDP 1/	6.6	7.2	5.8	6.3	8.2	9.9	8.0
Changes in:							
Wages and salaries	33.3	11.2	11.1	12.8	35.5	9.3	9.3
Other goods and services	-4.5	15.7	3.2	20.2	-6.8	61.8	14.3
Capital formation	99.0	1.1	-26.9	81.1	89.3	51.5	26.0
Changes in total expenditures	25.1	19.2	3.4	18.6	32.9	54.4	15.3

Sources: Ministry of Finance and Planning; and Fund staff estimates.

1/ GDP corresponds to calendar years.

Table 42. Barbados: Central Government Current Transfers

(In millions of Barbados dollars)

	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82	
						Budget	Est.
<u>Current transfers</u>	<u>70.9</u>	<u>76.9</u>	<u>81.7</u>	<u>103.2</u>	<u>131.3</u>	<u>138.9</u>	<u>143.2</u>
<u>Nonfinancial public enterprises</u>	<u>12.3</u>	<u>10.6</u>	<u>11.5</u>	<u>16.2</u>	<u>27.7</u>	<u>32.1</u>	<u>30.2</u>
National Housing Corporation	2.6	1.7	2.6	3.3	3.9	4.9	5.0
Waterworks	3.2	2.7	2.7	3.2	7.3	5.9	6.0
Post Office	0.8	--	--	--	1.2	8.0	6.0
Barbados Industrial Development Corporation	1.3	1.2	1.2	1.7	2.9	3.0	3.0
Transport Board	3.7	4.6	4.5	7.6	11.9	10.0	10.0
Barbados Marketing Corporation	0.7	0.4	0.5	0.4	0.5	0.3	0.2
<u>Operating deficit of departmental enterprise</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.9</u>	<u>1.1</u>	<u>1.1</u>	<u>1.1</u>
Printing Office	0.8	0.8	0.8	0.9	1.1	1.1	1.1
<u>Other public institutions</u>	<u>28.5</u>	<u>30.0</u>	<u>31.5</u>	<u>41.4</u>	<u>51.7</u>	<u>55.0</u>	<u>55.4</u>
Barbados Defense Force	0.9	0.9	1.3	2.1	5.1	7.0	7.0
Schools, colleges, and university of West Indies	14.7	14.9	15.1	21.4	22.0	25.6	26.0
Tourism promotion	3.5	3.9	4.2	5.3	6.3	5.0	5.0
Sanitation and Public Health Services	4.5	5.0	5.2	6.2	8.1	9.2	9.5
Parks, beaches, and caves	1.8	1.8	2.3	2.3	3.3	4.4	4.4
Export promotion	0.2	0.2	0.2	0.3	0.4	0.5	0.5
Welfare agencies	1.7	2.1	2.7	3.0	4.3	3.4	3.0
Other	1.2	1.2	0.5	0.8	1.5	--	--
<u>Nonprofit institutions (child care)</u>	<u>1.0</u>	<u>1.2</u>	<u>1.3</u>	<u>1.6</u>	<u>3.9</u>	<u>4.6</u>	<u>4.5</u>
<u>Pensions</u>	<u>11.2</u>	<u>12.9</u>	<u>14.7</u>	<u>16.7</u>	<u>19.7</u>	<u>16.0</u>	<u>24.0</u>
<u>Other transfers to individuals</u>	<u>14.9</u>	<u>19.1</u>	<u>19.9</u>	<u>23.5</u>	<u>24.8</u>	<u>28.8</u>	<u>26.0</u>
Welfare grants	13.1	17.1	16.4	19.4	21.5	22.3	19.5
Scholarships and bursaries	0.4	0.5	1.8	2.2	3.0	4.3	4.3
School bus fares	1.3	1.4	1.6	1.8	1.9	1.9	1.9
Other family planning	0.1	0.1	0.1	0.1	0.3	0.3	0.3
<u>Contributions to regional and international organizations</u>	<u>2.2</u>	<u>2.3</u>	<u>2.0</u>	<u>2.9</u>	<u>2.4</u>	<u>1.3</u>	<u>2.0</u>

Source: Ministry of Finance and Planning.

Table 43. Barbados: Central Government Capital Transfers

(In millions of Barbados dollars)

	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82	
						Budget	Est.
<u>Capital transfers</u>	<u>18.1</u>	<u>28.8</u>	<u>34.1</u>	<u>33.6</u>	<u>36.3</u>	<u>34.6</u>	<u>24.0</u>
<u>Nonfinancial</u>							
<u>public enter-</u>							
<u>prises</u>	<u>16.7</u>	<u>26.3</u>	<u>30.6</u>	<u>30.8</u>	<u>35.7</u>	<u>34.6</u>	<u>24.0</u>
National Housing Corporation	4.3	3.7	4.3	6.6	8.3	6.0	4.0
Barbados Agricultural Development Corporation	0.5	0.5	3.8	--	0.3	0.9	0.9
Civil Aviation	3.2	9.3	11.5	10.1	6.1	4.4	4.1
Waterworks	3.2	3.2	3.1	4.0	4.9	4.8	4.0
Post Office	0.3	--	0.2	2.0	4.4	4.0	2.5
Barbados Industrial Development Corporation	1.9	3.6	4.1	5.7	7.0	8.6	5.0
Transport Board	2.2	4.5	1.2	2.0	2.5	3.7	3.5
Barbados Marketing Corporation	1.1	1.5	2.4	0.4	2.2	2.2	--
<u>Public financial enterprises and abroad</u>	<u>1.4</u>	<u>2.5</u>	<u>3.5</u>	<u>2.8</u>	<u>0.6</u>	<u>--</u>	<u>--</u>

Source: Ministry of Finance and Planning.

Table 44. Barbados: Financing of the Central Government Budget

(In millions of Barbados dollars)

	1976/77	1977/78	1978/79	1979/80	1980/81	Budget Est. 1981/82	
<u>Financing</u>	<u>62.4</u>	<u>80.1</u>	<u>29.3</u>	<u>46.4</u>	<u>90.5</u>	<u>164.3</u>	<u>135.0</u>
<u>Domestic</u>							
<u>financing</u>	<u>56.5</u>	<u>45.6</u>	<u>-6.5</u>	<u>38.1</u>	<u>22.1</u>	<u>96.3</u>	<u>22.0</u>
Monetary authorities	13.6	7.3	-14.6	27.9	15.4	75.0	7.0
Securities							
(Central Bank)	(11.7)	(0.8)	(-12.3)	(12.2)	(13.6)	(55.0)	(15.0)
Loans and advances	(-1.2)	(5.4)	(0.5)	(14.1)	(9.0)	(20.0)	(12.0)
Deposits (Central Bank)	(3.1)	(1.1)	(-2.8)	(1.6)	(-7.2)	(--)	(-20.0)
Commercial banks	27.8	21.2	5.4	7.2	4.4	21.0	-9.0
Securities	(26.3)	(21.9)	(11.5)	(4.7)	(12.2)	(21.0)	(-9.0)
Loans and advances ^{1/}	(0.9)	(1.1)	(0.5)	(-1.0)	(-4.7)	(--)	(--)
Deposits	(0.6)	(-1.8)	(-6.6)	(3.5)	(-3.1)	(--)	(--)
Trust companies	--	0.2	-0.3	0.2	--	--	--
Special funds	-1.0	-0.7	-0.4	-0.4	--	--	--
Rest of public sector	15.2	10.5	2.8	1.8	-1.2	--	24.0
National Insurance Fund	(10.9)	(9.9)	(3.2)	(2.3)	(0.6)	(--)	(20.0)
Other ^{2/}	(4.3)	(0.6)	(-0.4)	(-0.5)	(-1.8)	(--)	(4.0)
Private nonbank sector	0.9	7.1	0.6	1.4	3.5	--	--
Insurance companies	(-0.2)	(3.8)	(0.9)	(0.7)	(2.4)	(--)	(--)
Other	(1.1)	(3.3)	(-0.3)	(0.7)	(1.1)	(--)	(--)
<u>External financing</u>	<u>10.0</u>	<u>24.2</u>	<u>24.1</u>	<u>10.1</u>	<u>61.5</u>	<u>68.0</u>	<u>113.0</u>
<u>Residual</u>	<u>-4.1</u>	<u>10.3</u>	<u>11.6</u>	<u>-1.8</u>	<u>6.9</u>	<u>--</u>	<u>--</u>

Sources: Ministry of Finance and Planning; and Central Bank of Barbados.

^{1/} Loans from the First National Bank of Chicago, which closed its local branch in Barbados in December 1978, are treated as external financing throughout.

^{2/} Includes holdings of government debentures by sinking funds against domestic debt.

Table 45. Barbados: Outstanding Domestic Bonded Debt by Holder

(In millions of Barbados dollars)

	March 31					
	1976	1977	1978	1979	1980	1981
<u>Total</u>	<u>153.7</u>	<u>206.3</u>	<u>249.4</u>	<u>253.1</u>	<u>274.2</u>	<u>298.4</u>
<u>Total Treasury</u>						
<u>bills</u>	<u>69.2</u>	<u>110.1</u>	<u>124.3</u>	<u>126.1</u>	<u>143.7</u>	<u>163.5</u>
Central Bank	13.0	24.4	12.3	--	19.9	29.5
Commercial banks	46.0	53.1	75.8	94.6	90.5	103.7
Savings banks	2.8	12.2	8.8	--	--	--
National Insurance						
Board	5.5	17.2	22.4	26.7	28.9	28.3
State enterprises	1.9	3.1	5.0	3.9	3.4	1.4
Other	--	--	0.1	0.9	0.9	0.6
<u>Total debentures</u>	<u>84.5</u>	<u>96.2</u>	<u>125.1</u>	<u>127.0</u>	<u>130.5</u>	<u>134.9</u>
Central Bank	2.8	3.2	16.4	16.4	8.4	11.9
Commercial banks	(	(	(	48.6	58.0	54.5
Trust companies	(38.5	(45.8	(50.9	3.6	4.3	4.8
Savings banks	(((--	--	--
Insurance companies	9.5	9.3	13.1	14.0	14.7	17.1
National Insurance						
Board	24.4	24.6	29.6	29.6	29.6	29.6
State enterprises	1.5	4.4	3.0	3.8	3.8	4.2
Other	7.8	8.8	12.1	11.0	11.7	12.8

Source: Central Bank of Barbados, Economic Financial Statistics.

Table 46. Barbados: Operations of the Rest of the General Government 1/

(In millions of Barbados dollars)

	1976/77	1977/78	1978/79	1979/80	Prel. 1980/81	Proj. 1981/82
I. National Insurance Fund 2/						
Current revenue	22.6	25.4	35.5	39.4	45.6	54.3
Contributions	(16.5)	(19.1)	(28.2)	(30.9)	(34.1)	(41.6)
Interest, etc.	(6.1)	(6.3)	(7.3)	(8.5)	(11.2)	(12.7)
Current expenditure	7.5	9.2	11.4	13.9	17.2	20.1
Benefits	(6.4)	(7.7)	(9.9)	(12.0)	(14.8)	(17.4)
Administration	(1.1)	(1.5)	(1.5)	(1.9)	(2.4)	(2.7)
<u>Current surplus</u>	<u>15.1</u>	<u>16.2</u>	<u>24.1</u>	<u>25.5</u>	<u>28.4</u>	<u>34.2</u>
Capital expenditure	--	--	--	0.1	0.1	--
Net lending	10.9	9.9	3.2	2.3	-1.9	20.0
<u>Overall surplus</u>	<u>4.2</u>	<u>6.3</u>	<u>20.9</u>	<u>23.1</u>	<u>30.2</u>	<u>14.2</u>
External financing	-0.4	--	--	--	--	--
Internal financing	-3.8	-6.3	-20.9	-23.1	-30.2	-14.2
Banking system	-3.1	-2.9	-19.9	-22.2	-21.5	-14.2
Other	-0.7	-3.4	-1.0	-0.9	-8.7	--
II. Sugar Industry Price Stabilization Fund 3/						
Current revenue	0.8	1.0	1.1	1.0	3.6	3.2
Interest received	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)
Other	(0.3)	(0.5)	(0.2)	(0.3)	(3.0)	(2.6)
Transfers from Central Government	(--)	(--)	(0.3)	(0.1)	(--)	(--)
Current expenditure	3.5	--	0.3	0.1	3.1	3.1
Goods and services	(--)	(--)	(--)	(--)	(--)	(--)
Other	(--)	(--)	(0.3)	(0.1)	(0.1)	(0.1)
Subsidy to Sugar Factories Ltd.	(3.5)	(--)	(--)	(--)	(3.0)	(3.0)
<u>Overall surplus or deficit (-)</u>	<u>-2.7</u>	<u>1.0</u>	<u>0.8</u>	<u>0.9</u>	<u>0.5</u>	<u>0.1</u>
External financing	--	--	--	--	--	--
Domestic financing	2.7	-1.0	-0.8	-0.9	-0.5	-0.1
III. Sugar Industry Labor Welfare Fund 4/						
Current revenue	0.7	1.4	1.1	1.4	--	--
Current expenditure	0.7	--	--	--	--	--
<u>Overall surplus</u>	<u>--</u>	<u>1.4</u>	<u>1.1</u>	<u>1.4</u>	<u>--</u>	<u>--</u>
External financing	--	--	--	--	--	--
Domestic financing	--	-1.4	-1.1	-1.4	--	--
IV. Sugar Workers' Provident Fund 2/						
Current revenue	1.5	1.6	1.5	1.4	1.6	1.2
Current expenditure	1.5	1.4	1.4	1.3	1.4	1.2
Goods and services	(--)	(--)	(0.1)	(0.1)	(0.2)	(0.2)
Other	(1.5)	(1.4)	(1.4)	(1.2)	(1.2)	(1.0)
<u>Overall surplus</u>	<u>--</u>	<u>0.2</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>--</u>
External financing	--	--	--	--	--	--
Domestic financing	--	-0.2	-0.1	-0.1	-0.2	--

Table 45. Barbados: Operations of the Rest of the General Government 1/ (Concluded)

(In millions of Barbados dollars)

	1976/77	1977/78	1978/79	1979/80	Prel. 1980/81	Proj. 1981/82
V. Sugar Industry Capital and Rehabilitation Fund 3/						
Current revenue	1.2	1.4	1.1	1.4	0.1	0.1
Current expenditure	--	--	--	--	--	--
<u>Current surplus</u>	<u>1.2</u>	<u>1.4</u>	<u>1.1</u>	<u>1.4</u>	<u>0.1</u>	<u>0.1</u>
Capital expenditure	1.4	1.4	1.1	1.4	--	--
Transfers	(1.4)	(1.4)	(1.1)	(1.4)	(--)	(--)
<u>Overall surplus or deficit (-)</u>	<u>-0.2</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>0.1</u>	<u>0.1</u>
External financing	--	--	--	--	--	--
Domestic financing	0.2	--	--	--	-0.1	-0.1
VI. Sugar Export Levy Fund 2/						
Current revenue	1.5	0.6	0.8	0.8	0.5	0.5
From sugar levy	(--)	(--)	(--)	(--)	(--)	(--)
From interest	(1.5)	(0.6)	(0.8)	(0.8)	(0.5)	(0.5)
Net lending	1.1	2.6	-0.5	0.7	-0.6	0.5
Loan to National Housing Corporation	(0.5)	(--)	(-0.8)	(-0.8)	(--)	(--)
Loan to International Seafoods	(--)	(--)	(--)	(--)	(--)	(--)
Sugar Industry Agricultural Bank	(0.4)	(0.4)	(0.2)	(1.0)	(--)	(--)
Sugar Factories Limited	(--)	(--)	(--)	(--)	(-2.0)	(--)
Barbados Workers' Union	(0.2)	(0.3)	(--)	(0.5)	(-0.5)	(--)
Central Government	(--)	(1.9)	(--)	(--)	(1.9)	(0.5)
<u>Overall surplus or deficit (-)</u>	<u>0.4</u>	<u>-2.0</u>	<u>1.3</u>	<u>0.1</u>	<u>1.1</u>	<u>--</u>
External financing	--	--	--	--	--	--
Domestic financing	-0.4	2.0	-1.3	-0.1	-1.1	--
VII. Other Special Funds 4/5/						
Current revenue	0.3	0.2	0.5	0.4	0.8	0.9
Current expenditure	1.3	0.1	0.4	0.3	0.8	0.8
<u>Overall surplus or deficit (-)</u>	<u>-1.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>--</u>	<u>0.1</u>
External financing	--	--	--	--	--	--
Domestic financing	1.0	-0.1	-0.1	-0.1	--	-0.1

Sources: Ministry of Finance and Planning; and Ministry of Agriculture (Sugar Board).

1/ The consolidations of these institutions is presented in Statistical Appendix Table 38.

2/ Year ending December 31.

3/ Year ending July 31.

4/ Year ending March 31.

5/ It includes the General Insurance Fund, Watercraft Renewal Fund, Pensions Act 1925 Fund, Training Scheme Fund, Training Loan Fund and Higher Education Loan Fund.

Table 47. Barbados: Operations of Nonfinancial Public Enterprises 1/

(In millions of Barbados dollars)

	1976/77	1977/78	1978/79	1979/80	Prel. 1980/81	Est. 1981/82
I. National Housing Corporation 2/						
Current revenue	4.2	3.5	4.5	4.9	6.1	7.3
From Central Government	(2.6)	(1.7)	(2.6)	(3.3)	(3.9)	(4.9)
Current expenditure	3.3	3.3	4.0	4.9	5.8	7.3
<u>Current surplus</u>	<u>0.9</u>	<u>0.2</u>	<u>0.5</u>	<u>--</u>	<u>0.3</u>	<u>--</u>
Capital revenue	4.3	3.7	4.3	6.6	8.3	6.0
From Central Government	(4.3)	(3.7)	(4.3)	(6.6)	(8.3)	(6.0)
Capital expenditure	4.1	3.7	4.3	6.6	8.2	6.0
Fixed capital formation	(1.6)	(3.7)	(4.3)	(6.6)	(8.2)	(6.0)
Other	(2.5)	(--)	(--)	(--)	(--)	(--)
<u>Overall surplus</u>	<u>1.1</u>	<u>0.2</u>	<u>0.5</u>	<u>--</u>	<u>0.4</u>	<u>--</u>
Domestic financing	-1.1	-0.2	-0.5	--	-0.4	--
II. Barbados Agricultural Development Corporation 3/						
Current revenue	2.1	2.6	2.8	5.2	4.0	4.2
Current expenditure	3.5	4.3	4.3	5.7	-5.2	5.2
<u>Current deficit</u>	<u>-1.4</u>	<u>-1.7</u>	<u>-1.5</u>	<u>-0.5</u>	<u>-1.2</u>	<u>-1.0</u>
Capital revenue	0.5	0.5	3.8	0.2	0.5	0.9
From Central Government	(0.5)	(0.5)	(3.8)	(0.2)	(0.5)	(0.9)
Capital expenditure	0.2	0.3	0.1	0.3	0.5	0.9
Capital formation	(0.2)	(0.3)	(0.1)	(0.3)	(0.5)	(0.9)
<u>Overall surplus or deficit (-)</u>	<u>-1.1</u>	<u>-1.5</u>	<u>2.2</u>	<u>-0.6</u>	<u>-1.2</u>	<u>-1.0</u>
Domestic financing	1.1	1.5	-2.2	--	1.2	1.0
Sugar Industry Bank	(1.4)	(1.2)	-2.2	(--)	(--)	(--)
Sugar Price Stabilization Fund	(-0.9)	(--)	(--)	(--)	(--)	(--)
Barbados National Bank	(--)	(--)	(--)	(1.0)	(1.2)	(1.0)
Other	(--)	(--)	(--)	(-0.4)	(--)	(--)
III. Port Authority 4/5/						
Current revenue (gross)	6.0	7.7	5.6	17.8	22.2	23.4
Current expenditure	3.8	3.8	3.3	13.0	17.8	21.0
Interest to Central Government	(1.0)	(1.0)	(0.8)	(0.8)	(0.8)	(0.8)
<u>Current surplus</u>	<u>2.2</u>	<u>3.9</u>	<u>2.3</u>	<u>4.8</u>	<u>4.4</u>	<u>2.4</u>
Capital expenditure	--	--	--	0.7	2.6	1.4
Capital formation	(--)	(--)	(--)	(0.7)	(2.6)	(1.4)
<u>Overall surplus</u>	<u>2.2</u>	<u>3.9</u>	<u>2.3</u>	<u>4.1</u>	<u>1.8</u>	<u>1.0</u>
Domestic financing	-1.5	-3.2	-2.0	-3.4	-0.3	--
Loan repayment to Government	-0.7	-0.7	-0.3	-0.7	-1.5	-1.0

Table 47. Barbados: Operations of Nonfinancial Public Enterprises 1/ (Continued)

(In millions of Barbados dollars)

	1976/77	1977/78	1978/79	1979/80	Prel. 1980/81	Est. 1981/82
IV. Civil Aviation Department 2/						
Current revenue	3.8	4.4	4.7	5.7	9.7	10.7
Current expenditure	3.3	3.7	3.8	4.8	9.1	10.0
<u>Current surplus</u>	<u>0.5</u>	<u>0.7</u>	<u>0.9</u>	<u>0.9</u>	<u>0.6</u>	<u>0.7</u>
Capital revenue	3.2	9.3	11.5	10.1	6.1	4.4
From Central Government	(3.2)	(9.3)	(11.5)	(10.1)	(6.1)	(4.4)
Capital expenditure	3.7	10.0	12.4	11.0	6.1	4.4
Capital formation	(3.7)	(10.0)	(12.4)	(11.0)	(6.1)	(4.4)
<u>Overall surplus</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>0.6</u>	<u>0.7</u>
Domestic financing	--	--	--	--	-0.6	-0.7
V. Waterworks Department 2/						
Current revenue	8.1	9.0	10.2	10.9	16.6	18.5
Fixed rates	2.4	2.5	2.9	3.0	4.8	5.3
Water supply	1.2	1.8	2.0	2.2	2.8	5.3
Meter rent	0.1	0.2	0.2	0.1	--	--
Plumbing	1.1	1.6	2.4	2.4	1.6	2.4
Miscellaneous	--	--	--	--	--	--
Central government transfers	3.3	2.8	2.7	3.2	7.3	5.5
<u>Current expenditure 7/</u>	<u>8.1</u>	<u>8.9</u>	<u>10.2</u>	<u>10.9</u>	<u>16.6</u>	<u>18.5</u>
Personal emoluments (including social security contribu- tions)	4.0	4.7	5.1	5.0	7.5	8.1
Other charges	4.1	4.3	5.1	5.9	9.1	10.4
<u>Current deficit</u>	<u>--</u>	<u>0.1</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>Capital receipts</u>	<u>3.2</u>	<u>3.2</u>	<u>3.1</u>	<u>4.0</u>	<u>4.9</u>	<u>4.0</u>
Central government transfers	3.2	3.2	3.1	4.0	4.9	4.0
<u>Capital expenditure</u>	<u>3.2</u>	<u>3.2</u>	<u>3.1</u>	<u>4.0</u>	<u>4.9</u>	<u>4.0</u>
Fixed capital formation	3.2	3.2	3.1	4.0	4.9	4.0
<u>Overall deficit</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
VI. Post Office 2/						
Current revenue	4.4	5.1	5.7	6.7	7.5	11.5
From Central Government	(0.8)	(--)	(--)	(--)	(1.2)	(6.0)
Current expenditure	4.4	4.8	5.4	6.1	7.5	8.5
Goods and services	(4.4)	(4.6)	(5.4)	(6.1)	(7.5)	(8.5)
To Central Government	(--)	(0.2)	(--)	(--)	(--)	(--)
Other	(--)	(--)	(--)	(--)	(--)	(--)
<u>Current surplus</u>	<u>--</u>	<u>0.3</u>	<u>0.3</u>	<u>0.6</u>	<u>--</u>	<u>3.0</u>
Capital revenue	0.3	--	0.2	2.0	4.4	2.0
From Central Government	(0.3)	(--)	(0.2)	(2.0)	(4.4)	(2.0)
Capital expenditure	0.3	0.3	0.5	2.6	4.4	5.0
Capital formation	(0.3)	(0.3)	(0.5)	(2.6)	(4.4)	(5.0)
<u>Overall surplus</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Domestic financing	--	--	--	--	--	--

Table 47. Barbados: Operations of Nonfinancial Public Enterprises 1/ (Continued)

(In millions of Barbados dollars)

	1976/77	1977/78	1978/79	1979/80	Prel. 1980/81	Est. 1981/82
VII. Barbados Industrial Development Corporation 2/						
Current revenue	1.7	1.7	1.7	2.2	4.1	4.2
From Central Government	(1.3)	(1.2)	(1.2)	(1.7)	(2.9)	(3.0)
Current expenditure	1.6	1.7	2.0	2.2	3.8	4.2
<u>Current surplus or deficit (-)</u>	<u>0.1</u>	<u>--</u>	<u>-0.3</u>	<u>--</u>	<u>0.3</u>	<u>--</u>
Capital revenue	1.9	3.6	4.1	5.7	7.0	5.0
From Central Government	(1.9)	(3.6)	(4.1)	(5.7)	(7.0)	(5.0)
Capital expenditure	1.9	3.1	4.4	5.1	5.6	5.0
Capital formation	(1.9)	(3.1)	(4.4)	(5.1)	(5.6)	(5.0)
<u>Overall surplus or deficit (-)</u>	<u>0.1</u>	<u>0.5</u>	<u>-0.6</u>	<u>0.6</u>	<u>1.7</u>	<u>--</u>
Domestic financing	-0.1	-0.5	0.6	-0.6	-1.7	--
VIII. Transport Board 2/						
Current revenue	10.4	14.0	17.9	25.0	27.8	30.0
Operating subsidy from Government	(3.7)	(4.6)	(4.5)	(7.6)	(11.9)	(10.0)
Current expenditure	8.8	12.4	17.4	25.0	28.8	30.0
<u>Current surplus or deficit (-)</u>	<u>1.6</u>	<u>1.6</u>	<u>0.5</u>	<u>--</u>	<u>-1.0</u>	<u>--</u>
Capital revenue	2.2	4.5	1.2	2.0	3.7	3.5
From Central Government	(2.2)	(4.5)	(1.2)	(2.0)	(3.7)	(3.5)
Capital expenditure	2.2	4.2	1.2	2.0	2.7	3.5
Capital formation	(2.2)	(4.2)	(1.2)	(2.0)	(2.7)	(3.5)
<u>Overall surplus</u>	<u>1.6</u>	<u>1.9</u>	<u>0.5</u>	<u>--</u>	<u>--</u>	<u>--</u>
Domestic financing	-1.6	-1.9	-0.5	--	--	--
IX. Barbados Marketing Corporation 2/6/						
Current revenue (sales)	8.0	9.5	11.7	14.9	16.4	18.0
From Central Government	(0.7)	(0.4)	(0.5)	(0.4)	(0.5)	(0.2)
Current expenditure	9.9	10.5	11.9	15.1	16.4	18.0
<u>Current deficit</u>	<u>-1.9</u>	<u>-1.0</u>	<u>-0.2</u>	<u>-0.2</u>	<u>--</u>	<u>--</u>
Capital revenue	1.1	1.5	2.4	0.4	2.2	--
From Central Government	(1.1)	(1.5)	(2.4)	(0.4)	(2.2)	(--)
Capital expenditure	0.1	0.1	1.1	0.2	2.2	--
Capital formation	(0.1)	(0.1)	(1.1)	(0.2)	(2.2)	(--)
<u>Overall surplus or deficit (-)</u>	<u>-0.9</u>	<u>0.4</u>	<u>1.1</u>	<u>--</u>	<u>--</u>	<u>--</u>
Domestic financing	0.9	-0.4	-1.1	--	--	--

Table 47. Barbados: Operations of Nonfinancial Public Enterprises 1/ (Concluded)

(In millions of Barbados dollars)

	1976/77	1977/78	1978/79	1979/80	Prel. 1980/81	Est. 1981/82
X. <u>Natural Gas Corporation 2/</u>						
Current revenue	1.7	2.0	2.1	2.4	3.1	4.9
Current expenditure	1.3	1.4	1.3	1.6	2.3	2.6
<u>Current surplus</u>	<u>0.4</u>	<u>0.6</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>2.3</u>
Capital expenditure	0.5	0.5	1.8	3.0	2.4	0.8
Capital formation	(0.5)	(0.5)	(1.8)	(3.0)	(2.4)	(0.8)
<u>Overall surplus or deficit (-)</u>	<u>-0.1</u>	<u>0.1</u>	<u>-1.0</u>	<u>-2.2</u>	<u>-1.6</u>	<u>1.5</u>
Domestic financing	0.1	-0.1	1.0	2.2	1.6	-1.5
XI. <u>Caribbean Broadcasting Corporation 4/</u>						
Current revenue	2.5	2.9	3.3	4.2	5.5	6.8
Current expenditure	2.5	2.7	3.1	3.9	4.4	6.4
<u>Current surplus</u>	<u>--</u>	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>	<u>1.1</u>	<u>0.4</u>
Capital expenditure	--	0.1	0.1	0.3	0.2	1.3
Capital formation	(--)	(0.1)	(0.1)	(0.3)	(0.2)	(1.3)
<u>Overall surplus or deficit (-)</u>	<u>--</u>	<u>0.1</u>	<u>0.1</u>	<u>--</u>	<u>0.9</u>	<u>-0.9</u>
Domestic financing	--	-0.1	-0.1	--	-0.9	0.9

Sources: Ministry of Finance and Planning; annual reports and statements of accounts of various agencies; and unpublished information.

1/ The consolidation of these institutions is presented in Statistical Appendix Table 39.

2/ Year ending March 31.

3/ Year ending June 30.

4/ Year ending December 31.

5/ Until 1977/78 the financial year ended March 31; 1978/79 accounts were for a nine-month period April-December.

6/ Until 1975/76 the financial year ended July 31; hence 1976/77 accounts were for an eight-month period August-March.

7/ Excludes interest payments amounting to BDS\$250,000 each year paid by the Central Government on behalf of the Water Authority.

Table 48. Barbados: Summary Accounts of the Banking System 1/

(In millions of Barbados dollars)

	December 31					July	
	1976	1977	1978	1979	1980	1980	1981
<u>Net international reserves</u>	<u>36.6</u>	<u>29.3</u>	<u>88.8</u>	<u>111.2</u>	<u>146.9</u>	<u>147.9</u>	<u>105.2</u>
<u>Net overseas operations</u>	<u>-21.9</u>	<u>-19.7</u>	<u>-23.3</u>	<u>-27.8</u>	<u>-39.4</u>	<u>-28.8</u>	<u>-48.1</u>
<u>Net domestic assets</u>	<u>394.2</u>	<u>456.0</u>	<u>472.2</u>	<u>592.1</u>	<u>668.3</u>	<u>622.6</u>	<u>795.9</u>
<u>Net claims on public sector</u>	<u>45.5</u>	<u>93.5</u>	<u>58.0</u>	<u>73.0</u>	<u>58.6</u>	<u>51.0</u>	<u>101.1</u>
<u>Net Central Government 2/</u>	(120.9)	(169.5)	(157.3)	(196.5)	(207.0)	(188.6)	(254.7)
<u>Net other general govern-</u>							
<u>ment</u>	(-29.6)	(-27.3)	(-32.1)	(-33.1)	(-37.2)	(-39.3)	(-31.1)
<u>Net decentralized agencies</u>	(-4.3)	(-9.5)	(-10.8)	(-14.2)	(-15.6)	(-12.3)	(-30.1)
<u>Net Social Security Fund</u>	(-41.5)	(-39.2)	(-56.4)	(-76.2)	(-95.6)	(-86.0)	(-92.4)
<u>Official capital and surplus</u>	<u>-20.4</u>	<u>-25.9</u>	<u>-19.3</u>	<u>-20.0</u>	<u>-20.0</u>	<u>-20.0</u>	<u>-20.0</u>
<u>Credit to unconsolidated</u>							
<u>banking system</u>	20.1	18.2	30.6	24.4	32.2	42.1	23.5
<u>Credit to rest of financial</u>							
<u>system</u>	4.6	2.9	4.9	10.9	8.0	6.6	8.9
<u>Credit to private sector</u>	<u>323.2</u>	<u>352.7</u>	<u>397.5</u>	<u>495.3</u>	<u>593.0</u>	<u>547.9</u>	<u>677.9</u>
<u>Nonmonetary international</u>							
<u>organizations</u>	-1.2	-2.6	-0.9	-0.7	-2.6	-12.9	-2.0
<u>Net unclassified assets</u>	<u>7.9</u>	<u>-3.5</u>	<u>-8.7</u>	<u>-15.2</u>	<u>-28.4</u>	<u>-7.2</u>	<u>-10.9</u>
<u>Net interbank float</u>	<u>14.5</u>	<u>20.7</u>	<u>10.1</u>	<u>24.4</u>	<u>27.5</u>	<u>15.1</u>	<u>17.4</u>
<u>Counterpart unrequited for-</u>							
<u>foreign exchange</u>	6.7	6.4	6.0	10.4	14.8	15.0	15.5
<u>Medium- and long-term for-</u>							
<u>foreign liabilities 3/</u>	7.5	13.6	20.6	18.9	11.6	18.9	11.7
<u>Liabilities to unconsoli-</u>							
<u>dated banking system</u>	6.5	0.5	4.3	11.2	6.2	5.1	5.0
<u>Liabilities to rest of finan-</u>							
<u>cial system</u>	18.6	22.2	24.3	29.0	32.1	35.3	30.7
<u>Liabilities to private</u>							
<u>sector</u>	369.6	422.9	482.5	606.0	711.1	667.4	790.1
<u>Currency outside banks</u>	<u>46.3</u>	<u>53.4</u>	<u>61.2</u>	<u>72.0</u>	<u>98.1</u>	<u>80.5</u>	<u>105.6</u>
<u>Demand deposits</u>	<u>55.9</u>	<u>68.8</u>	<u>78.8</u>	<u>120.9</u>	<u>123.9</u>	<u>120.6</u>	<u>128.6</u>
<u>Quasi-liquid liabilities</u>	<u>264.3</u>	<u>294.7</u>	<u>336.6</u>	<u>403.8</u>	<u>476.5</u>	<u>452.0</u>	<u>545.2</u>
<u>Private capital and surplus</u>	<u>3.1</u>	<u>6.0</u>	<u>5.9</u>	<u>9.3</u>	<u>12.6</u>	<u>14.3</u>	<u>10.7</u>

Source: Central Bank of Barbados.

1/ Includes monetary authorities, commercial banks, and trust companies.

2/ Loans in foreign currency to the Government by the First National Bank of Chicago, whose branch office in Barbados closed in 1978, are treated as foreign borrowing throughout.

3/ Includes counterpart deposits of the Government's foreign assets.

Table 49. Barbados: Summary Accounts of the Monetary Authorities

(In millions of Barbados dollars)

	December 31					July	
	1976	1977	1978	1979	1980	1980	1981
<u>Net international reserves</u>	56.7	38.7	83.2	102.4	142.2	12255	95.8
<u>Assets</u>	56.7	74.6	120.2	135.6	160.0	156.5	131.1
<u>Liabilities</u>	--	-35.9	-37.0	-33.2	-17.8	-34.0	-35.3
<u>Net domestic assets</u>	25.3	57.8	31.1	52.7	33.8	40.7	87.7
<u>Net claims on public sector</u>	3.4	49.5	17.2	47.9	39.7	19.7	54.8
<u>Net Central Government</u>	23.9	68.5	40.4	75.3	74.8	56.2	105.8
<u>Assets</u>	(38.0)	(79.6)	(53.1)	(89.9)	(91.4) ^{1/}	(68.0)	(121.1)
<u>Liabilities</u>	(-14.1)	(-11.1)	(-12.7)	(-14.6)	(-16.6)	(-11.8)	(-15.3)
<u>Net other general government</u>	-18.5	-15.4	-20.4	-24.1	-30.3	-31.7	-29.7
<u>Net other decentralized agencies</u>	-1.2	-3.0	-1.6	-1.7	-2.8	-1.6	-18.0
<u>Net Social Security Fund</u>	-0.8	-0.6	-1.2	-1.6	-2.0	-3.2	-3.3
<u>Official capital and surplus</u>	-9.2	-10.2	-11.3	-12.0	-12.0	-12.0	-12.0
<u>Credit to commercial banks</u>	3.0	4.5	--	1.2	1.2	--	8.0
<u>Credit to rest of banking system</u>	20.1	14.1	24.0	14.4	23.8	38.0	18.8
<u>Nonmonetary international organizations</u>	-1.2	-2.6	-0.9	-0.7	-2.6	-12.9	-2.0
<u>Net unclassified assets</u>	9.2	2.5	2.1	1.9	-16.3	7.9	20.1
<u>Counterpart unrequited foreign exchange</u>	6.7	6.4	6.0	10.4	14.8	15.0	15.5
<u>Liabilities to commercial banks</u>	28.6	35.0	42.5	64.6	59.6	61.6	59.5
<u>Liabilities to rest of banking system</u>	0.4	1.7	4.6	8.1	3.5	6.1	2.9
<u>Liabilities to private sector</u>	46.3	53.4	61.2	72.0	98.1	80.5	105.6
<u>Currency in circulation</u>	46.3	53.4	61.2	72.0	98.1	80.5	105.6

Source: Central Bank of Barbados.

^{1/} Includes Central Bank subscription to Trinidad and Tobago dollar loan.

Table 50. Barbados: Summary Accounts of the Commercial Banks

(In millions of Barbados dollars)

	December 31					July	
	1976	1977	1978	1979	1980	1980	1981
<u>Net international reserves</u>	-20.1	-9.4	5.6	8.8	4.7	25.4	9.4
Assets	20.2	26.8	27.7	44.0	47.7	54.4	45.5
Liabilities	-40.3	-36.2	-22.1	-35.2	-43.0	-29.0	-36.1
<u>Net overseas operations</u>	-21.9	-19.7	-23.3	-27.8	-39.4	-28.8	-48.1
Assets	8.8	8.6	3.8	4.7	5.1	5.3	3.9
Liabilities	-30.7	-28.3	-27.1	-32.5	-44.5	-34.1	-52.0
<u>Monetary reserves and currency holdings</u>	28.1	36.4	44.2	62.9	62.9	58.2	58.3
<u>Net domestic assets</u>	352.5	377.5	411.5	515.9	585.0	544.7	656.1
<u>Net claims on public sector</u>	41.2	43.6	44.4	46.9	38.0	47.7	69.2
Net Central Government	96.1	100.6	116.3	120.7	131.7	131.9	148.7
Assets	(100.7)	(104.9)	(123.9)	(130.5)	(142.8)	(140.1)	(162.8)
Liabilities	(-4.6)	(-4.3)	(-7.6)	(-9.8)	(-11.1)	(-8.2)	(-14.1)
Net other general government	-11.1	-11.9	-11.7	-9.0	-6.9	-7.6	-1.4
Net other decentralized agencies	-3.1	-6.5	-9.2	-12.5	-12.8	-10.7	-12.1
Net Social Security funds	-40.7	-38.6	-51.0	-52.3	-74.0	-65.9	-66.0
Official capital and surplus	-11.2	-15.7	-8.0	-8.0	-8.0	-8.0	-8.0
Credit to rest of banking system	0.5	4.9	8.3	10.9	10.0	5.2	7.2
Credit to rest of financial system	4.6	2.9	4.9	10.9	8.0	6.6	8.9
Credit to private sector	302.9	326.8	362.6	443.9	521.4	486.7	583.2
Net unclassified assets	-0.5	-4.3	-9.1	-14.8	-8.6	-12.0	-23.0
Net interbank float	15.0	19.3	8.4	26.1	24.2	18.5	18.6
<u>Medium- and long-term foreign liabilities 1/</u>	6.8	12.5	19.3	17.1	9.8	17.1	9.4
<u>Liabilities to monetary authorities</u>	3.0	4.5	--	1.2	1.2	--	8.0
<u>Liabilities to rest of banking system</u>	11.2	2.8	10.1	18.5	8.1	11.3	9.5
<u>Liabilities to rest of financial system</u>	18.6	22.2	24.3	29.0	32.1	35.3	30.7
<u>Liabilities to private sector</u>	299.0	342.8	384.3	494.0	562.0	535.8	618.1
Demand deposits	55.9	68.8	78.8	120.9	123.9	120.6	128.6
Time, savings, and foreign currency deposits	240.7	268.7	300.3	364.5	426.2	401.6	479.5
Private capital and surplus	2.4	5.3	5.2	8.6	11.9	13.6	10.0

Source: Central Bank of Barbados.

1/ Loans in foreign currency to the Government by the First National Bank of Chicago, whose branch office in Barbados closed in 1978, are treated as foreign borrowing throughout.

Table 51. Barbados: Detailed Accounts of the Trust Companies
(In millions of Barbados dollars)

	December 31				July	
	1976	1977	1978	1979	1980	1981
<u>Monetary reserve and currency holdings</u>	0.4	1.7	4.6	8.1	3.5	6.1
Net domestic assets	25.1	26.9	35.4	34.6	50.9	47.9
Net claims on public sector	0.9	0.4	-3.6	-21.8	-19.1	-16.4
Net Central Government	(0.9)	(0.4)	(0.6)	(0.5)	(0.5)	(0.5)
Net Social Security funds	(--)	(--)	(-4.2)	(-22.3)	(-19.6)	(-16.9)
Credit to commercial banks	4.7	2.3	5.8	7.3	1.9	6.2
Credit to private sector	20.3	25.9	34.9	51.4	71.6	61.2
Mortgage loans (private)	(16.1)	(20.5)	(27.3)	(40.8)	(57.9)	(48.8)
Mortgage loans (other)	(0.2)	(1.2)	(2.6)	(4.3)	(4.7)	(4.1)
Mortgage loans (industrial and commercial)	(3.9)	(4.0)	(4.9)	(5.9)	(8.1)	(7.7)
Other loans	(0.1)	(0.2)	(0.1)	(0.4)	(0.9)	(0.6)
Net unclassified assets	-0.8	-1.7	-1.7	-2.3	-3.5	-3.1
						-8.0
<u>Medium- and long-term foreign liabilities</u>	0.7	1.1	1.3	1.8	1.8	1.8
<u>Liabilities to commercial banks</u>	0.5	0.8	1.7	0.9	1.6	1.1
<u>Liabilities to private sector</u>	24.3	26.7	37.0	40.0	51.0	51.1
<u>Time deposits</u>	23.6	26.0	36.3	39.3	50.3	50.4
<u>Private capital and surplus</u>	0.7	0.7	0.7	0.7	0.7	0.7

Source: Central Bank of Barbados.

Table 52. Barbados: Commercial Bank Liquidity Requirements

	December 31					July	
	1976	1977	1978	1979	1980	1980	1981
(In millions of Barbados dollars)							
<u>Cash reserve require-</u> <u>ment</u>							
Required reserves	23.4	34.0	41.2	50.3	59.4	57.5	64.4
Actual reserves	28.1	36.4	44.2	62.9	62.9	58.2	65.4
Cash in vaults	(12.6)	(14.2)	(15.7)	(20.0)	(23.2)	(13.9)	(15.5)
Deposits with Central Bank	(15.5)	(22.2)	(28.5)	(42.9)	(39.7)	(44.3)	(49.9)
Excess reserves	4.7	2.4	3.0	12.6	3.5	0.7	1.0
<u>Government securities'</u> <u>requirement 1/</u>							
Required holdings	46.3	50.7	62.4	77.1	89.1	83.6	96.6
Actual holdings	67.4	55.8	120.6	129.0	145.3	142.3	166.0
Treasury bills	(49.3)	(35.1)	(67.9)	(63.5)	(84.3)	(77.1)	(102.2)
Debentures	(16.6)	(19.0)	(48.5)	(60.8)	(53.8)	(57.9)	(56.7)
Other government bonds	(1.5)	(1.7)	(4.2)	(4.7)	(7.2)	(7.3)	(7.1)
Excess holdings	21.1	5.1	58.2	51.9	56.2	58.7	69.4
<u>Total deposit liabil-</u> <u>ities</u>	<u>385.7</u>	<u>422.4</u>	<u>520.1</u>	<u>642.2</u>	<u>742.5</u>	<u>696.4</u>	<u>805.0</u>
(As per cent of total deposit liabilities)							
<u>Cash reserve require-</u> <u>ment</u>							
Required reserves	6.0	8.0	8.0	8.0	8.0	8.0	8.0
Actual reserves	7.2	8.6	8.6	9.8	8.5	8.4	8.1
Excess reserves	1.2	0.6	0.6	1.8	0.5	0.4	0.1
<u>Government securities'</u> <u>requirement 1/</u>							
Required holdings	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Actual holdings	17.5	13.2	23.2	20.1	19.6	20.4	20.6
Excess holdings	5.5	1.2	11.2	8.1	7.6	8.4	8.6

Source: Central Bank of Barbados.

1/ Eligible securities include government Treasury bills and debentures and securities issued by the statutory bodies.

Table 53. Barbados: Distribution of Commercial Bank Credit to Private Sector

	December 31					June	
	1976	1977	1978	1979	1980	1980	1981
(In millions of Barbados dollars)							
Total 1/	316.0	348.5	375.2	461.1	537.1	499.4	589.0
Personal	88.2	93.4	106.9	131.9	135.0	133.9	146.2
Distribution	51.9	63.9	68.5	68.4	87.6	90.0	87.4
Manufacturing	24.9	31.3	38.8	63.2	94.6	76.6	108.0
Construction	35.4	38.2	36.1	44.7	39.4	37.3	36.4
Tourism	41.6	44.7	46.9	47.7	62.3	52.7	69.2
Agriculture	14.6	15.5	15.6	17.3	19.9	14.2	24.0
Sugarcane	(9.2)	(10.1)	(9.3)	(10.4)	(12.0)	(6.9)	(16.0)
Other agriculture	(5.4)	(5.4)	(6.3)	(6.9)	(7.9)	(7.3)	(8.0)
Fisheries	11.7	4.5	4.4	0.4	0.5	0.4	0.3
Mining and quarrying	4.2	4.8	0.3	0.5	1.3	1.2	1.4
Public utilities	19.5	20.5	18.4	32.9	30.4	37.5	34.2
Transportation	3.2	3.4	3.1	5.0	7.6	6.1	12.7
Financial institutions	3.2	5.9	8.7	12.5	10.5	9.1	8.4
Professional and other services	10.1	10.8	14.5	19.7	23.2	20.5	25.8
Miscellaneous 2/	7.5	11.6	13.0	16.9	24.8	19.9	35.0
(As per cent of total)							
Personal	27.9	26.8	28.5	28.6	25.1	26.8	24.8
Distribution	16.4	18.4	18.3	14.8	16.3	18.0	14.8
Manufacturing	7.9	9.0	10.3	13.7	17.6	15.3	18.3
Construction	11.2	11.0	9.6	9.7	7.3	7.5	6.2
Tourism	13.2	12.8	12.5	10.3	11.6	10.6	11.8
Agriculture	4.6	4.5	4.2	3.8	3.7	2.9	4.1
Sugarcane	(2.9)	(2.9)	(2.5)	(2.3)	(2.2)	(1.4)	(2.7)
Other agriculture	(1.7)	(1.6)	(1.7)	(1.5)	(1.5)	(1.5)	(1.4)
Fisheries	3.7	1.3	1.2	0.1	0.1	0.1	0.1
Mining and quarrying	1.3	1.2	0.1	0.1	0.3	0.2	0.2
Public utilities	6.2	5.9	4.9	7.1	5.7	7.5	5.8
Transportation	1.0	1.0	0.8	1.1	1.4	1.2	2.2
Financial institutions	1.0	1.7	2.3	2.7	2.0	1.8	1.4
Professional and other services	3.2	3.1	3.9	4.3	4.3	4.1	4.4
Miscellaneous	2.4	3.3	3.4	3.7	4.6	4.0	5.9

Source: Central Bank of Barbados.

1/ This total may be reconciled with commercial bank credit to the private sector as shown in Statistical Appendix Table 50, by adding discounted bills payable in Barbados and subtracting credit to financial institutions and to nonresidents.

2/ Includes entertainment and catering.

Table 54. Barbados: Barbados National Bank, Agricultural Division 1/
(In millions of Barbados dollars)

	<u>June 30</u>		<u>December 31 2/</u>			<u>June 30</u>	
	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1980</u>	<u>1981</u>
<u>Monetary reserves and</u>							
<u>currency holdings</u>	<u>0.2</u>	<u>1.1</u>	<u>0.1</u>	<u>0.3</u>	<u>0.4</u>	<u>0.8</u>	<u>0.3</u>
<u>Net domestic assets</u>	<u>8.0</u>	<u>38.5</u>	<u>27.1</u>	<u>34.1</u>	<u>38.3</u>	<u>63.5</u>	<u>37.2</u>
<u>Net other general</u>							
<u>government</u>	-3.1	-3.1	-5.3	-4.4	-4.0	-4.0	-3.0
<u>Official capital and</u>							
<u>surplus</u>	-2.2	-2.3	-3.1	-2.1	-2.5	-1.0	-3.2
<u>Credit to commercial</u>							
<u>banks</u>	--	--	--	--	--	--	--
<u>Credit to private sector</u>	13.2	43.6	35.5	39.2	43.2	68.0	44.6
<u>Net unclassified assets</u>	-0.1	0.3	--	1.4	1.6	0.5	-1.2
<u>Medium- and long-term</u>							
<u>foreign liabilities</u>	--	--	<u>0.8</u>	<u>0.9</u>	<u>1.1</u>	<u>1.0</u>	<u>1.3</u>
<u>Liabilities to commercial</u>							
<u>banks</u>	--	--	<u>6.1</u>	<u>21.9</u>	<u>19.5</u>	<u>22.1</u>	<u>19.6</u>
<u>Liabilities to monetary</u>							
<u>authorities</u>	<u>8.2</u>	<u>39.6</u>	<u>20.3</u>	<u>11.6</u>	<u>18.1</u>	<u>41.2</u>	<u>18.0</u>

Sources: Barbados National Bank; and Sugar Industry Agricultural Bank.

1/ Data for 1976-1977 correspond to the Sugar Industry Agricultural Bank which became the Agricultural Division of the Barbados National Bank in 1978.

2/ Financial year was changed in 1978 to coincide with the calendar year.

Table 55. Barbados: Mortgage Finance Company Limited ^{1/}

(In millions of Barbados dollars)

	December 31				
	1976	1977	1978	1979	1980
<u>Monetary reserves and</u>					
<u>currency holdings</u>	--	--	--	--	0.1
Cash	--	--	--	--	0.1
<u>Net domestic assets</u>	13.5	14.8	20.1	21.1	25.5
Net Social Security funds	--	--	--	-5.5	-5.5
Credit to private sector	15.3	16.7	22.0	28.7	33.2
Official capital and surplus	-1.5	-1.7	-1.7	-1.9	-1.9
Net unclassified assets	-0.3	-0.2	-0.2	-0.2	-0.3
<u>Medium- and long-term</u>					
<u>foreign liabilities</u>	9.7	9.7	9.7	9.7	9.7
<u>Liabilities to commercial</u>					
<u>banks</u>	--	--	7.3	9.8	12.6
<u>Liabilities to rest of</u>					
<u>financial system</u>	3.8	5.1	3.1	1.6	3.3

Source: Barbados Mortgage Finance Company Limited.

^{1/} Became a subsidiary of the Barbados National Bank in 1978.

Table 56. Barbados: Barbados Development Bank

(In millions of Barbados dollars)

	December 31					June 30	
	1976	1977	1978	1979	1980	1980	1981
<u>Monetary reserves and</u>							
<u>currency holdings</u>	<u>0.5</u>	<u>1.3</u>	<u>1.5</u>	<u>2.4</u>	<u>2.6</u>	<u>3.1</u>	<u>3.7</u>
<u>Net domestic assets</u>	<u>2.0</u>	<u>9.2</u>	<u>14.2</u>	<u>16.4</u>	<u>19.4</u>	<u>18.4</u>	<u>23.4</u>
<u>Net Central Government</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>0.9</u>
Treasury bills	(--)	(--)	(--)	(--)	(--)	(--)	(0.9)
<u>Net decentralized</u>							
<u>agencies</u>	<u>7.1</u>	<u>7.4</u>	<u>7.4</u>	<u>7.4</u>	<u>7.2</u>	<u>7.4</u>	<u>7.1</u>
Loans to National							
Housing Corporation	(7.1)	(7.4)	(7.4)	(7.4)	(7.2)	(7.4)	(7.1)
<u>Net Social Security</u>							
<u>funds</u>	<u>-10.1</u>	<u>-10.6</u>	<u>-12.4</u>	<u>-12.9</u>	<u>-12.7</u>	<u>-12.9</u>	<u>-13.1</u>
<u>Official capital and</u>							
<u>surplus</u>	<u>-4.9</u>	<u>-5.0</u>	<u>-6.7</u>	<u>-8.8</u>	<u>-9.6</u>	<u>-9.4</u>	<u>-11.8</u>
<u>Credit to rest of</u>							
<u>financial system</u>	<u>3.6</u>	<u>4.9</u>	<u>7.3</u>	<u>7.8</u>	<u>7.7</u>	<u>7.8</u>	<u>8.2</u>
Barbados Mortgage							
Finance Company	(3.6)	(4.9)	(7.3)	(7.8)	(7.7)	(7.8)	(8.2)
<u>Credit to private sector</u>	<u>6.0</u>	<u>12.9</u>	<u>18.4</u>	<u>21.2</u>	<u>27.3</u>	<u>25.1</u>	<u>31.7</u>
<u>Net unclassified assets</u>	<u>0.3</u>	<u>-0.4</u>	<u>0.2</u>	<u>1.7</u>	<u>-0.5</u>	<u>0.4</u>	<u>0.4</u>
<u>Medium- and long-term</u>							
<u>foreign liabilities</u>	<u>1.0</u>	<u>3.6</u>	<u>6.1</u>	<u>7.1</u>	<u>8.4</u>	<u>7.9</u>	<u>8.8</u>
<u>Liabilities to monetary</u>							
<u>authorities</u>	<u>--</u>	<u>0.9</u>	<u>3.8</u>	<u>3.0</u>	<u>3.5</u>	<u>3.5</u>	<u>6.0</u>
<u>Liabilities to commer-</u>							
<u>cial banks (National</u>							
<u>Development bonds)</u>	<u>1.5</u>	<u>2.1</u>	<u>2.1</u>	<u>2.1</u>	<u>2.1</u>	<u>2.1</u>	<u>2.1</u>
<u>Liabilities to private</u>							
<u>sector</u>	<u>--</u>	<u>3.9</u>	<u>3.7</u>	<u>6.6</u>	<u>8.0</u>	<u>8.0</u>	<u>10.2</u>
<u>National Development</u>							
<u>bonds</u>	<u>--</u>	<u>3.9</u>	<u>3.7</u>	<u>6.6</u>	<u>8.0</u>	<u>8.0</u>	<u>10.2</u>

Sources: Central Bank of Barbados; and Barbados Development Bank.

Table 57. Barbados: Selected Interest Rates

(In per cent per annum)

End of Period	Weighted Average Lending Rate	Prime Rate		Treasury Bill Rates		Commercial Bank Deposits			
		Barbados	U.S.1/	Barbados	U.S.1/	3-Month	6-Month	12-Month	Savings
1976									
March	11.1	9.0-9.5	6.8	4.4	5.1	3.5-5.0	4.5-6.5	5.0-6.0	3.0-7.0
June	10.6	8.0-8.5	7.2	4.5	5.4	4.0-4.5	4.0-5.0	4.0-5.0	3.0-6.0
September	10.6	8.0-8.5	7.0	4.5	5.1	4.0-4.5	4.0-5.0	4.0-5.0	2.5-6.0
December	10.3	7.5-8.5	6.4	4.5	4.4	3.5-4.5	4.0-5.0	4.3-5.0	2.5-5.0
1977									
March	10.2	7.5-8.5	6.3	4.6	4.6	3.5-4.5	4.0-5.0	3.8-5.5	2.5-5.0
June	10.1	7.5-8.0	6.8	4.6	5.0	3.5-4.5	4.0-5.0	3.8-5.5	2.5-5.0
September	10.2	7.5-8.0	7.1	4.6	5.8	3.5-4.5	4.0-5.0	3.8-5.5	2.5-5.0
December	10.0	7.5-8.0	7.8	5.0	6.1	3.5-4.5	4.0-5.0	3.8-5.5	2.5-5.0
1978									
March	10.1	7.5-8.5	8.0	5.1	6.3	3.0-5.0	4.0-5.5	3.5-6.0	2.5-5.0
June	10.2	8.0-8.5	8.6	4.5	6.7	3.0-5.5	4.0-5.5	3.8-5.5	2.5-5.0
September	10.0	8.0-8.5	9.4	4.6	7.8	3.0-5.0	4.0-5.5	3.8-6.0	3.0-5.0
December	10.0	8.0-8.5	11.6	4.8	9.1	3.0-5.0	4.0-5.0	3.8-6.0	3.0-5.0
1979									
March	10.2	8.0-8.5	11.8	4.8	9.5	3.0-4.5	4.0-5.0	3.8-5.5	3.0-5.0
June	10.2	8.0-8.5	11.7	4.6	9.1	3.0-4.5	4.0-5.0	3.8-5.5	3.0-5.0
September	10.2	8.0-8.5	12.9	4.9	10.2	3.5-4.5	4.4-5.0	3.8-5.5	3.0-5.0
December	10.1	8.0-8.5	15.3	5.0	12.1	3.5-4.5	4.0-5.0	3.8-5.5	3.0-5.0
1980									
March	10.2	8.0-8.5	18.0	5.2	15.5	3.5-4.5	3.8-5.0	4.0-5.5	3.0-5.0
June	10.8	8.0-9.5	12.6	5.8	7.0	5.0-5.5	5.3-6.0	5.5-6.0	5.0-5.3
September	10.8	9.0-9.5	12.2	5.9	10.3	5.0-5.5	5.3-6.0	5.5-6.5	5.0-5.3
December	11.0	9.0-9.5	20.4	6.2	15.7	5.0-5.5	5.3-6.0	5.5-6.5	5.0-5.3
1981									
March	12.0	11.0	18.1	7.6	13.5	7.0-7.3	7.0-7.5	7.0-7.8	7.0-7.3
June	12.2	11.0	20.1	8.6	14.6	7.0-7.3	7.0-7.5	7.0-7.8	7.0-7.3
September	...	11.0	20.1	9.3	15.0	7.0-7.3	7.0-7.5	7.0-7.8	7.0-7.3

Sources: Central Bank of Barbados; and Federal Reserve Bulletin.

1/ Monthly average rate.

Table 58. Barbados: Private Sector Holdings of
Selected Financial Assets

	December 31					July 31	
	1976	1977	1978	1979	1980	1980	1981
(In millions of Barbados dollars)							
<u>Total</u>	<u>384.0</u>	<u>441.1</u>	<u>505.2</u>	<u>623.6</u>	<u>728.2</u>	<u>682.2</u>	<u>812.1</u>
By institution							
Central Bank	46.3	53.4	61.2	72.0	98.1	80.5	105.6
Commercial banks	296.6	337.5	379.1	485.4	550.1	522.5	608.1
Trust companies	23.6	26.0	36.8	39.3	50.3	50.4	65.7
Government	17.5	24.2	28.1	26.9	29.7	28.8	32.7
By instrument							
Currency	46.3	53.4	61.2	72.0	98.1	80.5	105.6
Demand deposits	55.9	68.8	78.8	120.9	123.9	120.6	128.6
Savings deposits	163.2	189.7	216.4	261.1	320.5	286.8	358.2
Time deposits	99.8	103.4	119.4	139.6	151.6	162.4	183.6
Other	1.3	1.6	1.3	3.1	4.4	3.1	3.4
Treasury bills and debentures	17.5	24.2	28.1	26.9	29.7	28.8	32.7
(As per cent of total)							
By institution							
Central Bank	12.1	12.1	12.1	11.5	13.5	11.8	13.0
Commercial banks	77.2	76.5	75.0	77.8	75.5	76.6	74.9
Trust companies	6.1	5.9	7.3	6.3	6.9	7.4	8.1
Government	4.6	5.5	5.6	4.4	4.1	4.2	4.0
By instrument							
Currency	12.1	12.1	12.1	11.5	13.5	11.8	13.0
Demand deposits	14.6	15.6	15.6	19.4	17.0	17.7	15.9
Savings deposits	42.5	43.0	42.8	41.9	44.0	42.0	44.1
Time deposits	26.0	23.4	23.6	22.4	20.8	23.8	22.6
Other	0.3	0.4	0.3	0.5	0.6	0.5	0.4
Treasury bills and debentures	4.5	5.5	5.6	4.3	4.1	4.2	4.0
(Percentage change)							
Total	10.2	14.9	14.5	23.4	16.8	...	19.0
(As per cent of GDP)							
Total	44.0	45.1	45.6	46.5	44.7	...	...

Sources: Central Bank of Barbados; and Fund staff estimates.

Table 59. Barbados: Balance of Payments

(In millions of U.S. dollars)

	1976			1977			1978			1979			1980			Proj. 1981		
	Credit	Debit	Bal- ance	Credit	Debit	Bal- ance	Credit	Debit	Bal- ance	Credit	Debit	Bal- ance	Credit	Debit	Bal- ance	Credit	Debit	Bal- ance
Goods and services	230.9	292.4	-61.5	277.7	333.7	-56.0	350.5	388.2	-37.7	466.1	513.1	-47.0	605.2	614.7	-109.4	614.7	719.4	-104.7
Merchandise 1/	78.0	238.5	-160.5	92.1	272.8	-180.7	107.2	314.8	-207.6	147.8	415.4	-267.6	202.1	525.5	-323.4	177.7	585.0	-407.3
Transportation 2/	18.8	12.5	6.3	24.6	11.8	12.8	29.7	17.6	12.1	38.2	20.7	17.5	64.6	26.3	38.2	73.3	28.6	44.7
Travel 3/	98.0	8.2	89.8	120.0	9.2	110.8	158.2	9.8	148.4	208.0	13.0	195.0	253.7	19.2	234.5	266.9	22.3	244.6
Investment income	3.9	8.1	-4.2	2.7	11.3	-8.6	5.9	11.4	-5.5	8.7	19.7	-11.0	10.8	19.3	-8.5	12.7	25.1	-12.4
Government, n.i.e.	5.5	4.1	1.4	9.5	7.0	2.5	12.2	6.0	6.2	14.8	6.9	7.9	13.7	7.9	5.8	16.2	10.0	6.2
Other services 4/	26.7	21.0	5.7	28.8	21.6	7.2	37.3	28.6	8.7	48.6	37.4	11.2	60.4	43.4	17.1	67.9	48.4	19.5
Unrequited transfers	18.4	5.7	12.7	21.4	5.5	15.9	22.0	5.3	16.7	30.8	8.8	22.0	34.2	12.6	21.6	36.1	14.4	21.7
Private transfers	15.1	2.3	12.8	16.4	2.2	14.2	18.5	2.2	16.3	22.0	5.8	19.0	28.2	4.3	23.9	30.1	6.6	23.5
Government transfers	3.3	3.4	-0.1	5.0	3.3	1.7	3.5	3.1	0.4	8.8	5.8	3.0	6.0	8.3	-2.3	6.0	7.8	-1.8
Capital			36.6			31.3			33.7			33.0			15.4			31.7
Direct investment			6.1			4.7			9.3			16.8			7.0			4.2
Other private long-term capital			13.2			9.2			-3.3			-9.4			8.4			27.2
Commercial banks 5/			5.9			-3.6			-2.3			-0.4			4.2			3.0
Private short-term capital and errors and omissions			6.9			13.7			23.0			20.7			-13.7			-36.7 6/
Official capital			4.5			7.3			7.0			7.3			9.5			34.0
Change in assets (increase -)			(-1.2)			(0.4)			(-0.7)			(-)			(-1.4)			(-1.4)
Official borrowing 7/			(5.7)			(6.9)			(7.7)			(7.3)			(10.9)			(35.4)
Special transactions			0.1			-0.2			-0.6			1.6			1.6			1.3
SDR allocations			--			--			--			2.4			2.4			2.2
Exchange profit and losses 8/			0.1			-0.2			-0.6			-0.8			-0.7			-0.9
Exceptional official borrowing			--			--			10.0			--			18.0			30.0
Net change in official reserves (increase -)			12.1			9.1			-22.1			-9.6			-20.3			20.0
Reserve-related liabilities			--			17.9			0.6			-1.9			-7.7			22.5
Change in gross official reserves			12.1			-8.8			-22.7			-7.7			-12.6			-2.5

Sources: Central Bank of Barbados; IBRD; and Fund staff estimates.

1/ Exports are f.o.b. and include re-exports, sugar valuation adjustments, and other balance of payments adjustments. This item corresponds to total adjusted exports in Statistical Appendix Table 61. Imports are c.i.f. and include imports for re-export (equal to re-exports), stores and bunkers, and balance of payments adjustments. This item corresponds to total adjusted imports in Statistical Appendix Table 63.

2/ Includes exports of stores and bunkers.

3/ Receipts in 1975, 1976, 1977, and 1978 incorporate IBRD staff adjustments to take account of higher estimated daily expenditure per tourist. Estimated receipts in 1979 are based on these adjustments.

4/ Official data on receipts from miscellaneous services were revised in 1976. In order to provide comparability with data for preceding years, the staff has made for those years an upward adjustment of US\$10 million.

5/ Loans in foreign currency extended by the First National Bank of Chicago, which closed its Barbados branch in 1978, are treated as official financing throughout. These loans were to the Hilton Hotel (US\$1.5 million), International Seafoods Ltd. (US\$3.6 million), and the Government of Barbados (US\$4 million). The net foreign position of the commercial banks has been adjusted accordingly.

6/ Includes advances on imports related to the cement and power projects estimated at US\$29.7 million.

7/ Changes in government and government-guaranteed loans, other than disbursement of exceptional financing loans; it includes administration of the latter.

8/ Valuation adjustment to IMF accounts.

Table 60. Barbados: Exchange Rates

	Unit Per Barbados Dollar			Nominal	Real
	SDR	US\$	£	Effective Exchange Rate 1/	Effective Exchange Rate 2/
<u>End of period</u>					
1975	0.426	0.499	0.247	104.2	104.6
1976	0.430	0.499	0.293	107.4	103.5
1977	0.409	0.497	0.261	104.8	101.7
1978	0.382	0.497	0.244	104.4	103.1
1979	0.377	0.497	0.224	103.2	102.2
1980	0.392	0.497	0.208	101.8	103.6
1981 (August)	0.443	0.497	0.271	108.5	110.9
<u>Average for period</u>					
1975	0.408	0.495	0.223	100.0	100.0
1976	0.432	0.499	0.276	106.3	103.4
1977	0.427	0.498	0.285	106.5	102.4
1978	0.397	0.497	0.259	104.9	101.6
1979	0.385	0.497	0.234	103.6	100.4
1980	0.382	0.497	0.214	101.9	100.7
1981 (January-August)	0.417	0.497	0.239	104.6	106.2 ^{4/}

Source: IMF, International Financial Statistics.

^{1/} Index, calculated with trade-weights, represents weighted units of foreign currency of main trading partners per Barbados dollar. Increase in index represents an appreciation of the Barbados dollar. Weights are given by the relative shares of the United States, Canada, the United Kingdom, Japan, Germany, Venezuela, Guyana, Jamaica, and Trinidad and Tobago in Barbados total merchandise trade.

^{2/} The nominal effective exchange rate adjusted for relative consumer prices.

^{3/} July.

^{4/} January-July.

Table 61. Barbados: Merchandise Exports, f.o.b.

	1976	1977	1978	1979	Prov. 1980	Jan.-May 1980	1981	Proj. 1981
(In millions of U.S. dollars)								
<u>Total adjusted exports</u>	78.0	92.1	107.3	147.7	202.0	83.9	80.0	177.7
Re-exports	8.4	8.6	13.0	27.3	33.3	20.7	10.6	20.0
Sugar valuation adjustment 1/	2.1	6.0	6.0	2.2	-0.6	...	...	-2.8
Other balance of payments adjustments	0.8	1.9	-5.0	1.8	0.6	...	...	2.0
<u>Total domestic exports</u>	66.7	75.6	93.3	116.5	168.8	63.3	69.5	158.5
Sugar	23.4	25.2	23.4	29.0	54.7	17.7	20.9	34.0
Molasses	4.7	2.9	3.3	3.5	6.0	3.6	1.9	3.2
Rum	2.2	2.8	3.0	1.3	1.8	0.4	0.6	3.0
Shrimp	0.2	1.0	--	--	--	--	--	--
Margarine and lard	1.5	1.9	2.7	2.2	3.1	1.1	1.2	3.5
Other food and beverages	2.6	2.7	3.6	4.9	4.0	2.3	4.3	7.0
Chemicals	2.9	2.8	4.6	7.6	10.9	4.2	4.7	11.4
Electrical parts	6.9	9.1	18.8	22.6	31.7	11.2	15.4	41.2
Clothing	15.2	18.5	20.2	23.0	24.6	10.3	9.4	23.9
Other manufactures	7.8	7.7	12.2	21.7	31.2	12.2	10.8	30.3
Other exports	-0.7	1.0	1.5	0.7	0.8	0.3	0.3	1.0
(Annual percentage change)								
Total domestic exports	-24.4	13.3	23.4	24.8	44.9	50.5	9.8	-6.1

Sources: Barbados Statistical Service; and Fund staff estimates.

1/ Represents monetary compensation paid by the EEC to Barbados for sugar exports under Lome Convention.

Table 62. Barbados: Sugar Exports by Destination

(Volume in thousands of tons; value in millions of U.S. dollars;
unit value as indicated)

	1976	1977	1978	1979	1980	Proj. 1981
<u>All destinations</u>						
Value ^{1/}	23.4	25.2	23.4	28.9	52.2	34.0
Volume	82.7	99.5	77.8	83.0	112.8	71.9
Unit value (US\$/ton)	283.2	253.5	300.7	348.2	462.8	472.9
(US¢/lb.)	12.9	11.5	13.6	15.8	21.0	21.5
<u>EEC</u>						
Value ^{1/}	12.6	16.2	19.3	19.0	25.1	21.7
Volume	50.6	62.5	59.8	48.0	56.1	53.0
Unit value (US\$/ton)	248.5	259.1	322.7	395.8	447.4	409.4
(US¢/lb.)	11.3	11.8	14.6	18.0	20.3	18.6
<u>United States</u>						
Value	10.2	9.0	4.1	9.8	27.1	11.9
Volume	30.4	37.0	17.8	34.7	54.8	18.9
Unit value (US\$/ton)	336.7	244.0	230.3	282.4	494.5	629.6
(US¢/lb.)	15.3	11.1	10.4	12.8	22.4	28.6
<u>Other countries</u>						
Value	0.6	--	--	0.1	0.7	0.4
Volume	1.7	--	0.2	0.3	1.9	0.8
Unit value (US\$/ton)	357.4	--	--	333.3	368.4	537.8
(US¢/lb.)	16.2	--	--	15.1	16.7	24.4

Source: Barbados Statistical Service.

^{1/} Not including EEC valuation adjustments.

Table 63. Barbados: Merchandise Imports, c.i.f.

	1976	1977	1978	1979	Prov. 1980	Jan.-May 1980	1981	Proj. 1981
(In millions of U.S. dollars)								
Total adjusted imports	238.5	272.9	314.8	415.3	525.5	215.6	233.0	585.0
Re-exports	8.4	8.6	13.0	27.3	33.3	20.7	10.6	20.0
Stores and bunkers	11.7	18.0	18.8	23.4	47.1	14.7	19.0	56.5
Balance of payments adjustment	1.2	0.3	0.4	-10.1 ^{1/}	0.9	...	...	1.0
<u>Retained imports</u>	<u>217.2</u>	<u>246.0</u>	<u>282.5</u>	<u>374.8</u>	<u>444.2</u>	<u>180.2</u>	<u>203.4</u>	<u>507.5</u>
<u>Consumer goods</u>	<u>91.0</u>	<u>102.1</u>	<u>114.1</u>	<u>139.9</u>	<u>171.2</u>	<u>71.4</u>	<u>74.1</u>	<u>179.8</u>
Nondurables	69.0	77.3	88.4	106.0	123.9	49.9	52.8	132.3
Food and beverages	(48.5)	(51.8)	(61.4)	(68.6)	(81.8)	(33.1)	(35.2)	(87.3)
Other	(20.5)	(25.5)	(27.0)	(37.4)	(42.2)	(16.8)	(17.6)	(45.0)
Durables	11.6	12.4	10.8	14.8	19.4	8.8	12.1	23.5
Motorcars	(5.4)	(5.2)	(4.2)	(6.4)	(9.3)	(4.7)	(7.7)	(12.5)
Other	(6.2)	(7.2)	(6.6)	(8.4)	(10.1)	(4.1)	(4.4)	(11.0)
Other manufactures	10.4	12.4	14.9	19.2	27.9	12.7	9.2	24.0
<u>Intermediate goods</u>	<u>73.8</u>	<u>79.5</u>	<u>88.6</u>	<u>127.0</u>	<u>140.5</u>	<u>52.6</u>	<u>68.8</u>	<u>170.8</u>
Fuels ^{2/}	20.1	18.1 ^{2/}	17.1 ^{2/}	31.2	32.6	9.0	24.1	57.6
Chemicals	10.7	11.5	14.8	20.3	25.3	9.4	9.9	26.5
Textiles	12.5	12.1	13.5	18.9	19.7	7.4	7.7	20.7
Feeds, fats, and crude materials	9.6	11.1	11.2	13.5	13.3	6.2	6.7	14.0
Other manufactures	20.9	26.7	31.9	43.2	49.6	20.6	20.4	52.0
<u>Capital goods</u>	<u>47.0</u>	<u>56.4</u>	<u>71.1</u>	<u>103.5</u>	<u>133.8</u>	<u>56.5</u>	<u>60.0</u>	<u>156.9</u>
Machinery	30.3	38.5	50.5	75.3	93.7	40.5	41.1	108.7
Construction materials	16.7	17.9	20.6	28.2	40.2	16.0	18.9	48.2
<u>Unclassified goods</u>	<u>5.4</u>	<u>7.9</u>	<u>8.9</u>	<u>4.5</u>	<u>-1.3</u>	<u>-0.4</u>	<u>0.7</u>	<u>--</u>
(In per cent of GDP)								
Retained imports	49.7	50.3	51.0	55.9	54.5	...	...	55.5
Consumer goods imports	20.8	20.9	20.6	20.9	21.0	...	...	19.7
Intermediate goods imports	16.9	16.3	16.0	18.9	17.2	...	...	18.7
Capital goods imports	10.8	11.5	12.8	15.4	16.4	...	...	17.2
(Annual percentage change)								
Retained imports	10.4	13.3	14.9	32.6	18.5	26.4	12.9	14.3

Sources: Barbados Statistical Service, Central Bank; and Fund staff estimates.

^{1/} Adjusted for consignment imports estimated at US\$11 million.

^{2/} Retained imports of fuel in 1977 and 1978 differ from official figures because of a timing adjustment of US\$5.6 million in respect of stores and bunkers for 1977, which was reported in January 1978. Those in 1979 and 1980 are also different from official figures due to reclassification of jet fuel sold to foreign airlines reported as retained imports (US\$15 million in 1979 and US\$21.4 million in 1980).

Table 64. Barbados: Direction of Trade ^{1/}

	1976	1977	1978	1979	Prel. 1980
(In millions of U.S. dollars)					
<u>Total imports, c.i.f.</u>	<u>237.3</u>	<u>272.6</u>	<u>314.4</u>	<u>425.4</u>	<u>524.6</u>
United Kingdom	44.2	51.3	57.3	69.2	78.7
United States	54.3	66.4	87.2	133.7	178.4
CARICOM	41.0	44.2	45.7	68.0	94.8
LAFTA ^{2/}	20.2	27.4	18.8	28.7	34.5
EEC ^{3/}	17.4	19.2	25.9	32.0	28.0
Canada	20.3	19.4	23.0	32.0	38.4
Japan	7.5	9.1	10.7	14.5	23.0
Other	32.4	35.6	45.8	47.3	48.8
<u>Total exports, f.o.b. ^{4/}</u>	<u>86.8</u>	<u>102.1</u>	<u>125.0</u>	<u>167.0</u>	<u>249.1</u>
United Kingdom	2.8	7.8	16.2	19.4	15.0
United States	26.1	30.7	32.6	55.3	82.6
CARICOM	22.9	23.2	31.9	38.1	63.4
LAFTA ^{2/}	0.5	0.4	0.3	1.2	0.5
EEC ^{3/}	13.1	10.2	8.0	10.8	16.2
Canada	6.1	5.3	6.0	7.5	9.2
Japan	0.1	0.2	0.1	0.1	0.1
Other	3.5	6.3	11.1	11.2	15.0
Stores and bunkers	11.7	18.0	18.8	23.4	47.1
<u>Re-exports, f.o.b.</u>	<u>20.1</u>	<u>26.6</u>	<u>31.8</u>	<u>50.7</u>	<u>80.4</u>
Stores and bunkers	11.7	18.0	18.8	23.4	47.1
Other	8.4	8.6	13.0	27.3	33.3
(In per cent of total)					
<u>Total imports</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
United Kingdom	18.6	18.8	18.2	16.3	15.0
United States	22.9	24.4	27.7	31.4	34.0
CARICOM	17.3	16.2	14.5	16.0	18.1
LAFTA ^{2/}	8.5	10.1	6.0	6.7	6.6
EEC ^{3/}	7.3	7.0	8.2	7.5	5.3
Canada	8.6	7.1	7.3	7.5	7.3
Japan	3.2	3.3	3.4	3.4	4.4
Other	13.6	13.1	14.6	11.1	9.3
<u>Total exports ^{4/}</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
United Kingdom	3.2	7.6	13.0	11.6	6.0
United States	30.1	30.1	26.1	33.1	33.2
CARICOM	26.4	22.7	25.5	22.8	25.5
LAFTA ^{2/}	0.6	0.4	0.2	0.7	-0.2
EEC ^{3/}	15.1	10.0	6.4	6.5	6.5
Canada	7.0	5.2	4.8	4.5	3.7
Japan	0.1	0.2	0.1	0.1	—
Other	4.0	6.2	8.9	6.7	6.0
Stores and bunkers	13.5	17.6	15.0	14.0	18.9

Source: Barbados Statistical Service.

^{1/} Total imports and exports in this table differ from those shown in Statistical Appendix Tables 61 and 63 by balance of payments adjustments, and stores and bunkers.

^{2/} Latin American Free Trade Area.

^{3/} Excluding the United Kingdom.

^{4/} Includes re-exports.

Table 65. Barbados: Trade with CARICOM

(In millions of U.S. dollars)

	1976	1977	1978	1979	Prel. 1980
<u>Total imports, c.i.f.</u>	<u>41.0</u>	<u>44.2</u>	<u>45.7</u>	<u>68.0</u>	<u>94.8</u>
By country					
Guyana	4.8	5.2	4.6	4.3	4.4
Jamaica	6.9	7.9	7.5	12.6	10.6
Trinidad and Tobago	26.5	27.1	28.1	44.6	73.3
Grenada	--	--	0.1	0.3	0.3
Other 1/	2.8	4.0	5.4	6.2	6.2
By product					
Food, beverages, and tobacco	10.9	11.1	13.5	14.8	15.5
Mineral fuels and lubricants	10.2	10.9	11.4	25.8	51.1
Chemicals	5.4	6.5	6.7	8.1	8.6
Other manufactures	12.7	13.9	12.3	16.6	16.8
Other	1.8	1.8	1.8	2.7	2.8
<u>Total exports, f.o.b. 2/</u>	<u>22.9</u>	<u>23.2</u>	<u>31.9</u>	<u>38.1</u>	<u>63.4</u>
By country					
Guyana	2.5	1.7	1.5	1.5	1.1
Jamaica	3.6	2.3	3.7	2.6	6.8
Trinidad and Tobago	8.9	10.5	15.5	18.6	26.2
Grenada	1.2	1.5	2.0	2.4	2.8
Other 1/	6.7	7.2	9.2	13.0	26.5
By product					
Food, beverages, and tobacco	6.2	6.4	8.4	8.6	11.5
Mineral fuels and lubricants	--	--	0.3	0.1	1.1
Chemicals	4.3	4.7	7.0	7.9	11.6
Other manufactures	11.9	10.5	15.7	20.8	38.3
Other	0.5	1.6	0.5	0.7	0.9
<u>Re-exports, f.o.b.</u>	<u>3.8</u>	<u>4.8</u>	<u>7.3</u>	<u>9.0</u>	<u>20.5</u>
By country					
Guyana	0.2	0.3	0.3	0.6	0.5
Jamaica	0.4	0.5	0.4	0.5	1.0
Trinidad and Tobago	0.9	1.1	2.6	1.8	3.0
Grenada	0.3	0.3	0.6	0.8	0.8
Other 1/	2.0	2.6	3.4	5.3	15.2
By product					
Food, beverages, and tobacco	0.2	0.2	0.4	1.2	0.9
Mineral fuels and lubricants	--	--	--	0.1	1.1
Chemicals	1.6	2.3	3.6	2.7	3.5
Other manufactures	1.6	0.9	2.9	4.5	14.4
Other	0.4	1.4	0.4	0.5	0.6

Source: Barbados Statistical Service.

1/ Montserrat, Antigua, St. Kitts-Nevis, Belize, Dominica, St. Vincent and the Grenadines, and St. Lucia.

2/ Includes re-exports.

Table 66. Barbados: Net Official International Reserves

	December 31					September 30	
	1976	1977	1978	1979	1980	1980	1981
(In millions of U.S. dollars)							
<u>Total net international reserves</u>	28.3	19.2	41.3	50.9	71.2	61.0	24.9
Central Bank (net)	20.1	11.5	31.2	38.9	56.0	44.9	10.0
Assets	20.1	29.4	49.7	55.5	64.9	61.9	43.9
IMF reserve position	(3.8)	(4.0)	(3.9)	(3.8)	(6.5)	(3.8)	(5.8)
Holdings of SDRs	(3.2)	(3.3)	(3.2)	(5.2)	(2.0)	(5.9)	(2.6)
Holdings of Foreign exchange and short-term securities	(8.0)	(11.3)	(33.8)	(28.5)	(36.5)	(27.1)	(
Long-term securities ^{1/}	(6.5)	(10.4)	(4.3)	(15.5)	(15.4)	(18.7)	(16.8)
CARICOM facility balance	(-1.4)	(0.4)	(4.5)	(2.5)	(4.5)	(6.4)	(18.7)
Liabilities	--	-17.9	-18.5	-16.6	-8.9	-17.0	-33.9
Compensatory financing facility drawings	(--)	(-7.9)	(-8.5)	(-8.6)	(-2.9)	(-4.0)	(-1.8)
Trinidad and Tobago deposits and Trinidad and Tobago oil facility	(--)	(-10.0)	(-10.0)	(-8.0)	(-6.0)	(-8.0)	(-7.6)
Commercial bank loans ^{2/}	(--)	(--)	(--)	(--)	(--)	(-5.0)	(21.0)
Venezuelan Investment Fund	(--)	(--)	(--)	(--)	(--)	(--)	(-3.5)
General government	8.2	7.7	10.1	12.0	15.2	16.1	14.9
Sinking fund for domestic debt	(5.3)	(6.9)	(9.1)	(11.2)	(13.8)	(13.4)	(14.1)
Other assets	(2.9)	(0.8)	(1.0)	(0.8)	(1.4)	(2.7)	(0.8)
<u>Memorandum item</u>							
Gross official reserves	28.3	37.1	59.8	67.5	80.1	78.0	58.8
(In months of imports) ^{2/}							
Gross official reserves	1.5	1.6	2.5	2.2	2.2	2.1	1.4

Source: Central Bank of Barbados.

^{1/} Includes bonds of the Government of Jamaica, U.S. dollar denominated bonds, and US\$0.5 million CDB bonds.

^{2/} Number of months of retained imports, c.i.f.

Table 67. Barbados: Structure of Government and Government-Guaranteed Debt

(As of October 31, 1981)^{1/}

	Period of Dis- bursement	Amount Authorized (Million US\$) ^{2/}	Interest Rate (Per cent)	Maturities	Purpose
<u>Central Government</u>					
United Kingdom					
Bonded debt	1959-65	15.0	6 to 6-3/4	1971-1977	
Commercial Export Credit, Ltd.	1974-75	0.5	6	1974-1978	Establishment of Coast Guard
General Electric Company - Overseas Services, Ltd.	1973-75	0.2	6	1973-1977	Lighting system of Grantley Adams Airport
General Electric Company - Overseas Services, Ltd.	1973-75	0.1	6	1975-1980	Control tower complex at Grantley Adams Airport
Millbank Technical Service	1974-75	1.0	7	1975-1981	Financing purchase of pulverizing plant, compactor vehicles, and compaction equipment
Millbank Technical Service	1975-76	0.6	7	1976-1981	Financing purchase of bus chassis units
Government of the United Kingdom	1979-84	1.7	6	1982-2003	Financing purchase of goods and services produced in the United Kingdom
<u>Canada</u>					
International Development Agency	1970-76	2.6	3	1977-2000	Development of water resources (I)
International Development Agency	1970-72	0.3	Free	1977-2017	Dairy development project (I)
International Development Agency	1972-76	1.6	Free	1982-2002	Rationalization of sugar industry
International Development Agency	1973-76	0.6	Free	1982-2021	Dairy development project (II)
International Development Agency	1975-80	9.9	3	1980-2003	Development of Grantley Adams Airport
International Development Agency	1976-82	3.1	3	1982-2005	Development of water resources (II)
Export Development Corporation	1980-82	2.2	8.625	1982-1989	Purchase of radar equipment
<u>Trinidad and Tobago</u>					
Bonded debt	1980	18.0	8.5	1990	Finance for capital projects
<u>International agencies</u>					
Inter-American Development Bank	1974-78	2.8	1-1/2	1981-2008	Expansion of Barbados Community College
Inter-American Development Bank	1976-79	9.1	8	1980-2000	Extension and improvement of Bridgetown harbor
Inter-American Development Bank	1978-82	9.7	2	1984-2011	Construction of sewage system for Bridgetown
Inter-American Development Bank	1978-82	0.8	2	1985-2012	Student loan revolving fund
Inter-American Development Bank	1979-82	6.6	2	1985-2012	Construction of Samuel Jackman Prescod Polytechnic Institute
Inter-American Development Bank	1980-82	3.3	2	1987-2007	Construction of polyclinics
Inter-American Development Bank	1980-88	4.4	7.9	1985-2000	Construction of Spring Garden Road and improvement of St. Barnabas Road
Caribbean Development Bank	1975-78	1.6	8	1978-1987	Finance for factory construction by Industrial Development Corp.
Caribbean Development Bank	1979-80	1.5	4	1988-1998	Assist in financing local cost of specific projects
Caribbean Development Bank	1975-80	0.6	4	1980-1994	Land development project at Springhall
Caribbean Development Bank	1980-81	3.4	8	1983-1998	Finance for factory construction by Industrial Development Corp.
Caribbean Development Bank	1979-80	0.1	4	1981-1990	Finance of development study for Speightstown
Caribbean Development Bank	1981	0.1	4	1982-1989	Finance of a petroleum and energy assistance study
Caribbean Development Bank	1981-82	2.0	4	1982-1991	Basic human needs

Table 67. Barbados: Structure of Government and Government-Guaranteed Debt (Concluded)

(As of October 31, 1981)^{1/}

	Period of Dis- bursement	Amount Authorized (Million US\$) ^{2/}	Interest Rate (Per cent)	Maturities	Purpose
International agencies (Concluded)					
International Bank for Recon- struction and Development	1979-83	9.0	7-2/5	1982-1994	Construction of schools
International Bank for Recon- struction and Development	1981-87	8.0	7	1982-1993	Construction of a govern- ment-owned tourist com- plex, Haywood Holiday
OPEC Special Fund	1979-80	1.5	4	1984-1994	Finance of local costs of polyclinics project
OPEC Special Fund	1980-81	1.5	4	1983-1990	Finance for an agricul- tural project
Commercial banks					
Citibank (Bahamas)	1973	5.0	3/	1974-1980	Budget financing
Citicorp International Bank, Ltd.	1973	10.0	4/	1977-1981	Budget financing
Royal Bank of Canada	1978	2.1	5/	1980-1985	Purchase of bus and bus chassis
First National Bank of Chicago	1973	4.0	6/	1974-1980	Budget financing
First National Bank of Chicago	1976-77	1.5	5/	1978-1984	Expansion of Hilton Hotel
First National Bank of Chicago	1977	3.6	5/	1979-1984	Refinance of Interna- tional Seafoods, Ltd.
Orion Bank (I)	1978	10.0	7/	1980-1985	Budget financing
Lloyds Bank	1981	10.0	7-1/2	1982-1991	Suppliers credit for imports from the United Kingdom
Lloyds Bank International	1981	1.8	8/	1983-1988	For partial finance of patrol vessels
Orion Bank (II)	1981	30.0	9/	1985-1989	Budget financing
Government-guaranteed loans					
Export Development Corporation of Canada	1976-77	1.2	8-1/2	1976-1986	Barbados Telephone Com- pany Ltd.
Inter-American Development Bank	1972-75	1.0	4	1976-1990	Barbados Development Bank (I) (for small- and medium-sized indus- try and tourism)
Inter-American Development Bank	1978-80	1.5	2	1982-2007	Barbados Development Bank (II) (for small- and medium-sized indus- try and tourism)
Inter-American Development Bank	1978-81	1.5	8	1984-1997	Barbados Development Bank (III) (for large industry and tourism)
Caribbean Development Bank	1976-79	0.4	4	1979-1994	Barbados National Bank ^{10/} (for agricultural loans)
Caribbean Development Bank	1976-78	1.2	7-1/4	1980-2000	Barbados Development Bank (for onlending to Barbados Mortgage Finance Company)
Central American Bank of Economic Integration	1979-80	3.3	7-1/2	1983-1991	Barbados Development Bank multi-sector loan
European Investment Bank	1980-84	3.8	7.4	1983-1991	Barbados Development Bank (for finance of indus- trial and tourism proj- ects)
International Bank for Recon- struction and Development	1981-83	3.2	8.25	1983-1995	Barbados Development Bank (for finance of indus- trial projects)
Commonwealth Development Corporation	1971	4.9	8.5	1982-1987	Mortgage Finance Company (for onlending)

Sources: Ministry of Finance and Planning; Central Bank of Barbados; and IBRD.

^{1/} Government-guaranteed loans are as of December 31, 1980.^{2/} At the exchange rate prevailing at the time the securities were issued or the loan agreement signed.^{3/} 1-1/2 per cent over London Interbank Rate.^{4/} The rate per annum equals the sum of: (1) the average rate per annum at which the "reference bank" offers U.S. dollar deposits to the prime banks in the London Interbank Eurocurrency market two days before the beginning of the relevant interest period; and (2) 1-1/4 per cent per annum up to the fourth anniversary of the loan and 1-1/2 per cent after this date.^{5/} 1-1/2 per cent over London Interbank Rate.^{6/} 2 per cent over London Interbank Rate.^{7/} 1-3/8 per cent over London Interbank Rate.^{8/} 7/8 per cent over London Interbank Rate.^{9/} 5/8 per cent over London Interbank Rate during the grace period of four years and 3/4 per cent over London Interbank Rate prices.^{10/} The Agricultural Department of the Barbados Development Bank was taken over by the Barbados National Bank in 1978.

Table 68. Barbados: External Public Debt Operations

(In millions of U.S. dollars)

	Out- standing 12/31/75	Draw- ings	1976 Amorti- zation	Inter- est	Valuation Adjust- ment	Out- standing 12/31/76
<u>Public sector</u>	<u>31.0</u>	<u>7.6</u>	<u>1.8</u>	<u>2.0</u>	<u>-0.2</u>	<u>36.6</u>
<u>Central Government</u>	<u>25.7</u>	<u>6.1</u>	<u>1.7</u>	<u>1.6</u>	<u>-0.2</u>	<u>29.9</u>
United Kingdom	4.2	0.6	0.2	0.2	-0.1	4.5
Bonded debt (net)	2.8	--	-0.1	0.2	--	2.9
Bonded debt (gross)	(3.5)	(--)	(--)	(0.2)	(--)	(3.5)
Sinking fund balances	(-0.7)	(--)	(-0.1)	(--)	(--)	(-0.6)
Commercial Export Credit, Ltd.	0.3	--	0.1	--	--	0.2
General Electric Co. (I)	0.2	--	0.1	--	--	0.1
Millbank Technical Services (I)	0.8	0.1	0.1	--	-0.1	0.7
Millbank Technical Services (II)	--	0.5	--	--	--	0.5
General Electric Co. (II)	0.1	--	--	--	--	0.1
Canada	4.9	2.5	--	0.1	-0.1	7.3
Water Resources (I)	2.5	0.2	--	0.1	-0.1	2.6
Dairy Project (I)	0.3	--	--	--	--	0.3
Sugar industry	1.5	--	--	--	--	1.5
Dairy Project (II)	0.5	--	--	--	--	0.5
Grantley Adams Airport	0.1	0.6	--	--	--	0.7
Water Resources (II)	--	1.7	--	--	--	1.7
International agencies	0.1	2.0	--	--	--	2.1
Caribbean Development IDC (I)	(0.1)	(0.2)	(--)	(--)	(--)	(0.3)
Land settlement	(--)	(--)	(--)	(--)	(--)	(--)
Inter-American Development Bank						
Community college	(--)	(1.1)	(--)	(--)	(--)	(1.1)
Port expansion	(--)	(0.7)	(--)	(--)	(--)	(0.7)
Commercial bank loans	16.5	1.0	1.5	1.3	--	16.0
Citibank (Bahamas)	3.8	--	0.8	0.3	--	3.0
Citicorp International	10.0	--	--	0.7	--	10.0
First National Bank of Chicago (budget)	2.7	--	0.7	0.3	--	2.0
First National Bank of Chicago (Hilton)	--	1.0	--	--	--	1.0
First National Bank of Chicago (ISL)	--	--	--	--	--	--
<u>Government-guaranteed</u>	<u>5.3</u>	<u>1.5</u>	<u>0.1</u>	<u>0.4</u>	<u>--</u>	<u>6.7</u>
Export Development Corp. of Canada	--	0.8	0.1	--	--	0.7
Inter-American Develop- ment Bank (I)	0.4	0.4	--	--	--	0.8
Caribbean Development Bank (I)	--	--	--	--	--	--
Caribbean Development Bank (II)	--	0.3	--	--	--	0.3
Commonwealth Develop- ment Corporation	4.9	--	--	0.4	--	4.9

Table 68. Barbados: External Public Debt Operations (Continued)

(In millions of U.S. dollars)

	Out- standing 12/31/76	Operations of 1977			Valuation Adjust- ment	Out- standing 12/31/77
		Draw- ings	Amorti- zation	Inter- est		
<u>Public sector</u>	<u>36.6</u>	<u>14.9</u>	<u>7.4</u>	<u>2.1</u>	<u>-0.6</u>	<u>43.5</u>
<u>Central Government</u>	<u>29.9</u>	<u>13.7</u>	<u>7.2</u>	<u>1.6</u>	<u>-0.5</u>	<u>35.9</u>
United Kingdom	4.5	--	3.6	0.1	0.1	1.0
Bonded debt (net)	3.0	--	3.0	0.1	--	--
Bonded debt (gross)	(3.6)	(--)	(3.6)	(0.1)	(--)	(--)
Sinking fund balances	(-0.6)	(--)	(-0.6)	(--)	(--)	(--)
Commercial Export Credit, Ltd.	0.2	--	0.1	--	--	0.1
General Electric Co. (I)	0.1	--	0.1	--	--	--
Millbank Technical Services (I)	0.6	--	0.2	--	0.1	0.5
Millbank Technical Services (II)	0.5	--	0.1	--	--	0.4
General Electric Co. (II)	0.1	--	0.1	--	--	--
Canada	7.3	1.9	0.1	0.1	-0.6	8.5
Water Resources (I)	2.6	--	--	0.1	-0.2	2.3
Dairy Project (I)	0.3	--	--	--	--	0.3
Sugar industry	1.5	--	--	--	-0.1	1.4
Dairy Project (II)	0.5	--	--	--	--	0.5
Grantley Adams Airport	0.7	1.8	--	--	--	2.4
Water Resources (II)	1.7	0.1	--	--	--	1.6
International agencies	2.1	7.7	--	--	--	9.8
Caribbean Development IDC (I)	(0.3)	(1.2)	(--)	(0.1)	(--)	(1.5)
Land settlement	(--)	(--)	(--)	(--)	(--)	(--)
Inter-American Development Bank						
Community college	(1.1)	(0.9)	(--)	(--)	(--)	(2.0)
Port expansion	(0.7)	(5.6)	(--)	(0.1)	(--)	(6.3)
Bridgetown sewer	(--)	(--)	(--)	(--)	(--)	(--)
Student loan fund	(--)	(--)	(--)	(--)	(--)	(--)
Commercial bank loans	16.0	4.1	3.5	1.2	--	6.6
Citibank (Bahamas)	3.0	--	0.8	0.2	--	2.2
Citicorp International	10.0	--	2.0	0.7	--	8.0
Royal Bank of Canada	--	--	--	--	--	--
First National Bank of Chicago (budget)	2.0	--	0.7	0.2	--	1.3
First National Bank of Chicago (Hilton)	1.0	0.5	--	0.1	--	1.5
First National Bank of Chicago (ISL)	--	3.6	--	--	--	3.6
Orion Bank	--	--	--	--	--	--
<u>Government-guaranteed</u>	<u>6.7</u>	<u>1.2</u>	<u>0.2</u>	<u>0.5</u>	<u>-0.1</u>	<u>7.6</u>
<u>Export Development</u>						
Corp. of Canada (I)	0.7	0.4	0.1	0.1	-0.1	0.9
Inter-American Develop- ment Bank (I)	0.8	--	0.1	--	--	0.7
Inter-American Develop- ment Bank (II)	--	--	--	--	--	--
Inter-American Develop- ment Bank (III)	--	--	--	--	--	--
Caribbean Development Bank (I)	--	0.2	--	--	--	0.2
Caribbean Development Bank (II)	0.3	0.6	--	--	--	0.9
Commonwealth Develop- ment Corporation	4.9	--	--	0.4	--	4.9

Table 68. Barbados: External Public Debt Operations (Continued)

(In millions of U.S. dollars)

	Out- standing 12/31/77	Operations of 1978			Valuation Adjust- ment	Out- standing 12/31/78
		Draw- ings	Amorti- zation	Inter- est		
Public sector	43.5	22.2	4.5	2.9	-0.7	60.5
Central Government	35.9	20.6	4.4	2.4	-0.6	51.5
United Kingdom	1.0	--	0.4	--	--	0.6
Bonded debt (net)	--	--	--	--	--	--
Bonded debt (gross)	(--)	(--)	(--)	(--)	(--)	(--)
Sinking fund balances	(--)	(--)	(--)	(--)	(--)	(--)
Commercial Export Credit, Ltd.	0.1	--	0.1	--	--	--
General Electric Co. (I)	--	--	--	--	--	--
Millbank Technical Services (I)	0.5	--	0.2	--	--	0.3
Millbank Technical Services (II)	0.4	--	0.1	--	--	0.3
General Electric Co. (II)	--	--	--	--	--	--
Canada	8.5	4.9	0.1	0.2	-0.6	12.7
Water Resources (I)	2.3	--	0.1	0.1	-0.2	2.0
Dairy Project (I)	0.3	--	--	(--)	--	0.3
Sugar industry	1.4	--	--	(--)	-0.1	1.3
Dairy Project (II)	0.5	--	--	(--)	--	0.5
Grantley Adams Airport	2.4	3.7	--	0.1	-0.2	5.9
Water Resources (II)	1.6	1.2	--	--	-0.1	2.7
International agencies	9.8	3.6	0.1	0.6	--	3.3
Caribbean Development IDC (I)	(1.5)	(1.2)	(0.1)	(0.1)	(--)	(1.6)
Land settlement	(--)	(--)	(--)	(--)	(--)	(--)
Inter-American Development Bank						
Community college	(2.0)	(0.8)	(--)	(--)	(--)	(2.8)
Port expansion	(6.3)	(2.1)	(--)	(0.5)	(--)	(8.4)
Bridgetown sewer	(--)	(0.4)	(--)	(--)	(--)	(0.4)
Student loan fund	(--)	(0.1)	(--)	(--)	(--)	(0.1)
Commercial bank loans	16.6	12.1	3.8	1.6	--	24.9
Citibank (Bahamas)	2.2	--	0.8	0.2	--	1.4
Citicorp International	8.0	--	2.0	0.7	--	6.0
Royal Bank of Canada	--	2.1	--	0.2	--	2.1
First National Bank of Chicago (budget)	1.3	--	0.7	0.1	--	0.6
First National Bank of Chicago (Hilton)	1.5	--	0.3	0.1	--	1.2
First National Bank of Chicago (ISL)	3.6	--	--	0.3	--	3.6
Orion Bank	--	10.0	--	--	--	10.0
Government-guaranteed	7.6	1.6	0.1	0.5	-0.1	9.0
Export Development Corp. of Canada (I)	0.9	--	0.1	0.1	-0.1	0.7
Inter-American Develop- ment Bank (I)	0.7	--	--	--	--	0.7
Inter-American Develop- ment Bank (II)	--	1.0	--	--	--	1.0
Inter-American Develop- ment Bank (III)	--	0.2	--	--	--	0.2
Caribbean Development Bank (I)	0.2	0.1	--	--	--	0.3
Caribbean Development Bank (II)	0.9	0.3	--	--	0.1	1.2
Commonwealth Develop- ment Corporation	4.9	--	--	0.4	--	4.9

Table 68. Barbados: External Public Debt Operations (Continued)

(In millions of U.S. dollars)

	Out- standing 12/31/78	Operations of 1979 Draw- ings	Amorti- zation	Inter- est	Valuation Adjust- ment	Out- standing 12/31/79
Public sector	60.5	12.5	5.0	4.6	-0.1	67.9
Central Government	51.5	10.2	4.8	4.0	-0.1	56.8
United Kingdom	0.6	0.7	0.3	--	--	1.0
Commercial Export Credit, Ltd.	--	--	--	--	--	--
General Electric Co. (I)	--	--	--	--	--	--
Millbank Technical Services (I)	0.3	--	0.2	--	--	0.1
Millbank Technical Services (II)	0.3	--	0.1	--	--	0.2
General Electric Co. (II)	--	--	--	--	--	--
U.K. Government	--	0.7	--	--	--	0.7
Canada	12.7	2.3	0.1	0.4	-0.1	14.8
Water Resources (I)	2.0	--	0.1	0.1	--	1.9
Dairy Project (I)	0.3	--	--	--	--	0.3
Sugar Industry	1.3	--	--	--	--	1.3
Dairy Project (II)	0.5	--	--	--	--	0.5
Grantley Adams Airport	5.9	2.2	--	0.2	0.1	8.2
Water Resources (II)	2.7	0.1	--	0.1	-0.2	2.6
International agencies	13.3	7.2	0.3	0.7	--	20.2
Caribbean Development IDC (I)	(1.6)	(--)	(0.3)	(--)	(--)	(1.3)
Land settlement	(--)	(--)	(--)	(--)	(--)	(--)
IDC (II)	(--)	(1.0)	(--)	(--)	(--)	(1.0)
Special projects	(--)	(0.9)	(--)	(--)	(--)	(0.9)
Speightstown Development	(--)	(--)	(--)	(--)	(--)	(--)
Inter-American Development Bank						
Community college	(2.8)	(--)	(--)	(--)	(--)	(2.8)
Port expansion	(8.4)	(0.6)	(--)	(0.7)	(--)	(9.0)
Bridgetown sewer	(0.4)	(3.1)	(--)	(--)	(--)	(3.5)
Student loan fund	(0.1)	(0.2)	(--)	(--)	(--)	(0.3)
Construction of polytechnic	(--)	(0.7)	(--)	(--)	(--)	(0.7)
Polyclinics	(--)	(--)	(--)	(--)	(--)	(--)
IBRD						
School construction	(--)	(--)	(--)	(--)	(--)	(--)
OPEC special funds						
Polyclinics project	(--)	(0.7)	(--)	(--)	(--)	(0.7)
Commercial bank loans	24.9	--	4.1	2.9	--	20.8
Citibank (Bahamas)	1.4	--	0.8	0.1	--	0.6
Citicorp International	6.0	--	2.0	0.7	--	4.0
Royal Bank of Canada	2.1	--	--	0.3	--	2.1
First National Bank of Chicago (budget)	0.6	--	0.6	--	--	--
First National Bank of Chicago (Hilton)	1.2	--	0.3	0.1	--	0.9
First National Bank of Chicago (ISL)	3.6	--	0.4	0.4	--	3.2
Orion Bank	10.0	--	--	1.3	--	10.0
Government-guaranteed	9.0	2.3	0.2	0.6	--	11.1
Export Development Corp. of Canada (I)	0.7	--	0.1	0.1	--	0.6
Export Development Corp. of Canada (II)	--	0.9	--	--	--	0.9
Inter-American Develop- ment Bank (I)	0.7	--	0.1	--	--	0.6
Inter-American Develop- ment Bank (II)	1.0	0.1	--	--	--	1.1
Inter-American Develop- ment Bank (III)	0.2	0.4	--	--	--	0.6
Caribbean Development Bank (I)	0.3	0.1	--	--	--	0.4
Caribbean Development Bank (II)	1.2	--	--	0.1	--	1.2
Central American Bank for Economic Integration	--	0.8	--	--	--	0.8
Commonwealth Develop- ment Corporation	4.9	--	--	0.4	--	4.9

Table 68. Barbados: External Public Debt Operations (Continued)

(In millions of U.S. dollars)

	Out- standing 12/31/79	Draw- ings	1980 Amorti- zation	Inter- est	Valuation Adjust- ment	Out- standing 12/31/80
<u>Public sector</u>	<u>67.9</u>	<u>35.2</u>	<u>6.7</u>	<u>5.5</u>	<u>0.4</u>	<u>96.8</u>
<u>Central Government</u>	<u>56.8</u>	<u>30.8</u>	<u>6.5</u>	<u>4.5</u>	<u>0.4</u>	<u>81.5</u>
United Kingdom	1.0	--	0.3	0.1	--	0.7
Commercial Export Credit, Ltd.	--	--	--	--	--	--
General Electric Co. (I)	--	--	--	--	--	--
Millbank Technical Services (I)	0.1	--	0.1	--	--	--
Millbank Technical Services (II)	0.2	--	0.2	--	--	--
General Electric Co. (II)	--	--	--	--	--	--
U.K. Government	0.7	--	--	0.1	--	0.7
Canada	14.8	0.4	0.3	0.4	-0.2	14.7
Water Resources (I)	1.9	--	0.1	0.1	0.1	1.9
Dairy Project (I)	0.3	--	--	--	-0.1	0.2
Sugar industry	1.3	--	--	--	0.1	1.4
Dairy Project (II)	0.5	--	--	--	--	0.5
Grantley Adams Airport	8.2	0.4	0.2	0.3	-0.2	8.2
Water Resources (II)	2.6	--	--	--	-0.1	2.5
Export Development Corporation	--	--	--	--	--	--
Trinidad and Tobago bonded debt	--	18.0	--	--	--	18.0
International agencies	20.2	12.4	0.7	1.0	0.4	32.3
Caribbean Development Bank						
IDC (I)	(1.3)	(--)	(0.2)	(0.1)	(0.1)	(1.2)
Land settlement	(--)	(--)	(--)	(--)	(--)	(--)
IDC (II)	(1.0)	(1.1)	(--)	(0.1)	(0.1)	(2.2)
Special projects	(0.9)	(2.4)	(--)	(--)	(--)	(3.3)
Speightstown Development	(--)	(0.1)	(--)	(--)	(--)	(0.1)
Petroleum study	(--)	(--)	(--)	(--)	(--)	(--)
Basic human needs	(--)	(--)	(--)	(--)	(--)	(--)
Inter-American Development Bank						
Community college	(2.8)	(--)	(--)	(--)	(--)	(2.8)
Port extension	(9.0)	(--)	(0.5)	(0.8)	(0.1)	(8.6)
* Bridgetown sewer	(3.5)	(4.3)	(--)	(--)	(-0.1)	(7.7)
Student loan fund	(0.3)	(0.1)	(--)	(--)	(0.1)	(0.5)
Samuel Prescod Polytechnic	(0.7)	(1.9)	(--)	(--)	(--)	(2.6)
Polyclinics	(--)	(--)	(--)	(--)	(--)	(--)

Table 68. Barbados: External Public Debt Operations (Concluded)

(In millions of U.S. dollars)

	Out- standing 12/31/79	1980 Draw- ings	Amorti- zation	Inter- est	Valuation Adjust- ment	Out- standing 12/31/80
<u>International agencies (continued)</u>						
IBRD						
School construction	(--)	(0.8)	(--)	(--)	(0.1)	(0.9)
Heywoods Holiday Village	(--)	(0.1)	(--)	(--)	(--)	(0.1)
OPEC Special Funds						
Polyclinics	(0.7)	(0.8)	(--)	(--)	(--)	(1.5)
Agricultural project	(--)	(0.1)	(--)	(--)	(--)	(0.8)
Commercial banks	20.8	--	5.2	3.0	0.2	15.8
Citibank (Bahamas)	0.6	--	0.2	0.1	--	0.4
Citicorp International	4.0	--	2.0	0.5	--	2.0
Royal Bank of Canada	2.1	--	0.2	0.3	--	1.9
First National Bank of Chicago (Hilton)	0.9	--	0.3	0.2	0.2	0.8
First National Bank of Chicago (ISL)	3.2	--	0.7	0.4	--	2.5
Orion Bank (I)	10.0	--	1.8	1.5	--	8.2
Lloyds Bank	--	--	--	--	--	--
Lloyds Bank International	--	--	--	--	--	--
Orion Bank (II)	--	--	--	--	--	--
<u>Government-guaranteed</u>	<u>11.1</u>	<u>4.4</u>	<u>0.2</u>	<u>1.0</u>	<u>--</u>	<u>15.3</u>
Export Development Corp. of Canada (I)	0.6	0.1	0.1	0.1	--	0.6
Export Development Corp. of Canada (II)	0.9	2.5	--	0.2	--	3.4
Inter-American Develop- ment Bank (I)	0.6	--	0.1	--	--	0.5
Inter-American Develop- ment Bank (II)	1.1	0.2	--	--	--	1.3
Inter-American Develop- ment Bank (III)	0.6	0.5	--	0.1	--	1.1
Caribbean Development Bank (I)	1.2	--	--	0.1	--	1.2
Central American Bank for Economic Integration	0.8	0.6	--	0.1	--	1.4
European Investment Bank	--	0.5	--	--	--	0.5
International Bank for Reconstruction and Development	--	--	--	--	--	--
Caribbean Development Bank (II)	0.4	--	--	--	--	0.4
Commonwealth Develop- ment Corporation	4.9	--	--	0.4	--	4.9

Sources: Ministry of Finance and Planning; Central Bank of Barbados; IBRD; and Fund staff estimates.

Table 69. Barbados: External Debt of Public Sector

	1976	1977	1978	1979	1980	Proj. 1981
(In millions of U.S. dollars)						
<u>Total external debt</u>	<u>36.6</u>	<u>43.5</u>	<u>60.5</u>	<u>67.9</u>	<u>96.8</u>	<u>160.8</u>
By type						
Central Government	29.9	35.9	51.5	56.8	81.5	138.0
Government-guaranteed	6.7	7.6	9.0	11.1	15.3	22.8
By source						
Foreign countries	17.4	15.3	18.9	22.2	37.3	41.8
Canada	(8.0)	(9.4)	(13.4)	(16.3)	(18.7)	(22.8)
United Kingdom	(9.4)	(5.9)	(5.5)	(5.9)	(5.6)	(6.0)
Trinidad and Tobago	(--)	(--)	(--)	(--)	(12.9)	(12.9)
Belize	(--)	(--)	(--)	(--)	(0.1)	(0.1)
International agencies	3.2	11.6	16.7	24.9	38.7	61.0
Caribbean Development Bank	(0.6)	(2.6)	(3.1)	(4.8)	(8.4)	(13.9)
Inter-American Development Bank	(2.6)	(9.0)	(13.6)	(18.6)	(25.1)	(33.5)
OPEC Special Funds	(--)	(--)	(--)	(0.7)	(2.3)	(2.8)
Central American Bank for Economic Integration	(--)	(--)	(--)	(0.8)	(1.4)	(1.4)
International Bank for Reconstruction and Development	--	--	--	--	1.0	7.9
European Investment Bank	--	--	--	--	0.5	1.5
Commercial banks	16.0	16.6	24.9	20.8	18.0	55.2
Private sector	--	--	--	--	2.8	2.8
(In per cent of total)						
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
By type						
Central Government	81.7	82.5	85.1	83.7	84.2	85.8
Government-guaranteed	18.3	17.5	14.9	16.3	15.8	14.2
By source						
Foreign countries	47.6	35.2	31.2	32.7	38.5	26.0
Canada	(21.9)	(21.6)	(22.1)	(24.0)	(19.3)	(14.2)
United Kingdom	(25.7)	(13.6)	(9.1)	(8.7)	(5.8)	(3.7)
Trinidad and Tobago	(--)	(--)	(--)	(--)	(13.3)	(8.0)
Belize	(--)	(--)	(--)	(--)	(0.1)	(0.1)
International agencies	8.7	26.7	27.6	36.7	40.0	37.9
Caribbean Development Bank	(1.6)	(6.0)	(5.1)	(7.1)	(8.7)	(8.6)
Inter-American Development Bank	(7.1)	(20.7)	(22.5)	(27.4)	(25.9)	(20.8)
OPEC Special Funds	(--)	(--)	(--)	(1.0)	(2.4)	(1.7)
Central American Bank for Economic Integration	(--)	(--)	(--)	(1.2)	(1.4)	(0.9)
International Bank for Reconstruction and Development	--	--	--	--	1.0	4.9
European Investment	--	--	--	--	0.5	0.9
Commercial banks	43.7	38.2	41.2	30.6	18.6	34.3
Private sector	--	--	--	--	2.9	1.7

Source: Statistical Appendix Tables 67 and 68.