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To: Members of the Executive Board
From: The Secretary
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This paper provides background information to the staff report on the 1987 Article IV consultation discussions with Barbados, which was circulated as SM/88/19 on January 15, 1988.

Mr. Decarli (ext. 7161) is available to answer technical or factual questions relating to this paper prior to the Board discussion.

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BARBADOS

Recent Economic Developments

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Approved by the Western Hemisphere Department

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APPENDIX IV

Barbados--Basic Data

GDP (1986)

SDR 1,117.2 million
US\$1,310.7 million
BDS\$2,621.4 million

GDP per capita (1986)

SDR 4,407

	1984	1985	Prel. 1986	Est. 1987
<u>Origin of GDP</u>				
		(percent)		
Agriculture and fishing	9.8	9.6	9.6	8.3
Manufacturing	11.6	10.4	10.4	9.4
Tourism	12.0	11.5	11.4	11.8
Construction	6.5	6.3	6.4	6.6
Government	13.0	13.5	13.5	13.6
Other	47.1	48.7	48.7	50.3
<u>Ratios to GDP</u>				
Exports of goods and nonfactor services	68.3	61.3	55.8	45.6
Imports of goods and nonfactor services	67.7	60.4	56.4	45.9
Current account of the balance of payments	1.0	0.3	-1.2	-1.3
Central government revenues <u>1/</u>	24.7	26.4	25.4	25.7
Central government expenditures <u>1/</u>	29.3	31.4	30.3	33.2
Central government savings <u>1/</u>	1.0	1.5	1.2	-0.9
Central government overall surplus or deficit (-) <u>1/</u>	-4.7	-5.0	-4.9	-7.6
External public debt (end of year) <u>2/</u>	28.2	31.4	32.6	34.3
Gross national savings	17.2	15.7	15.0	13.7
Gross investment	16.2	15.4	16.2	15.0
Money and quasi-money (end of year)	37.0	39.5	41.5	43.8
<u>Annual changes in selected indicators</u>				
Real GDP	3.6	1.0	4.7	0.6
GDP at current prices	9.0	5.1	8.3	4.7
Domestic expenditure (at current prices)	2.7	4.9	9.9	4.4
Investment	-11.2	-0.6	14.0	-3.0
Consumption	6.0	6.0	9.2	5.8
GDP deflator	5.2	4.1	3.4	4.0
Consumer prices (annual average)	4.6	3.9	1.3	3.3
Central government revenues	5.6	13.3	3.3	6.1
Central government expenditures	9.3	13.4	3.5	15.3
Money and quasi-money	6.7	12.1	13.5	10.6
Money	2.9	13.9	20.2	11.4
Quasi-money	8.4	11.3	10.6	10.2
Net domestic bank assets	9.1	4.3	11.0	9.4
Credit to public sector <u>3/</u>	3.5	-6.6	4.0	2.7
Credit to private sector <u>3/</u>	1.5	3.2	4.9	6.7
Merchandise exports (in U.S. dollars) <u>4/</u>	25.1	-11.5	-18.7	-46.1
Merchandise imports (in U.S. dollars) <u>5/</u>	6.1	-7.8	-0.9	-17.3

	1984	1985	Prel. 1986	Est. 1987
Central government finances	(millions of Barbados dollars)			
(fiscal year) 1/				
Revenues	575.3	651.6	673.2	714.4
Expenditures	684.5	775.9	803.0	925.9
Current account surplus or deficit (-)	22.5	38.4	31.7	-24.5
Overall surplus or deficit (-)	-109.2	-124.3	-129.9	-211.4
External financing (net)	51.7	41.0	150.1	127.8
Internal financing (net)	57.5	83.2	-20.2	83.6
Balance of payments	(millions of U.S. dollars)			
Merchandise exports (f.o.b.) 4/	341.6	302.2	245.8	132.5
Merchandise imports (c.i.f.) 5/	-662.6	-611.2	-605.7	-500.7
Investment income (net)	-27.1	-27.6	-38.6	-45.0
Travel (gross)	287.7	275.8	328.1	346.0
Other services and transfers (net)	71.6	64.5	54.8	49.0
Balance on current and transfer account	11.2	3.7	-15.6	-18.2
Central government borrowing (net)	17.6	47.3	55.1	70.0
Private capital and errors and omissions (net) 6/	-42.0	-35.3	-26.6	-46.3
Change in net official international reserves (increase -)	13.2	-15.7	-12.9	-5.5

Social and Demographic Indicators

Area	Population	Density
431 sq. km. (166 sq miles)	0.254 million (mid-1986)	587 per sq. km.
	Rate of growth:	962 per sq. km.
	0.3 percent (1980-86)	of arable land
	Unemployment rate (1986)	
	17.7 percent	
<u>Population characteristics (1985)</u>	<u>Health</u>	
Gross birth rate (per 1,000)	16.4	Population per physician (1983)
Gross death rate (per 1,000)	8.4	1,240.0
Infant mortality (per 1,000 live births)	5.9	Population per hospital bed (1983)
		110.0
<u>Income distribution (1970)</u>	<u>Distribution of land ownership (1970)</u>	
% of national income	% owned by top 10 percent	
Highest quintile	of owners	77.0
Lowest quintile	% owned by smallest 10 percent	
	of owners	0.5
<u>Access to piped water (1977)</u>	<u>Access to electricity (1980)</u>	
% of population - Urban	% of population - Urban	96.0
Rural	Rural	90.0
<u>Nutrition (1983)</u>	<u>Education</u>	
Calorie intake as % of requirements	Adult literacy rate % (1977)	99.0
Per capita protein intake (grams per day)	Primary school enrollment % (1983)	110.0 7/

1/ The fiscal year runs from April 1 to March 31. Data correspond to the 12-month period starting on April 1 of the calendar year indicated in each column.

2/ Includes medium- and long-term debt of the Central Bank.

3/ As a percentage of liabilities to the private sector at beginning of the period.

4/ Includes domestic exports and re-exports other than bunkers.

5/ Includes retained imports and imports for re-export.

6/ Includes government-guaranteed and Central Bank long-term foreign borrowing.

7/ Includes enrollment of students outside the survey age group specified for the calculation.

I. Overview

Following a period of rapid export-led growth during the second half of the 1970s, Barbados was adversely affected by the world recession in the early 1980s and output fell sharply in 1981-82. The subsequent recovery of the Barbadian economy, during which growth has been generally slower than in the previous decade, has been impeded by large nominal wage increases in the early 1980s, the appreciation of the Barbados dollar in line with the appreciation of the U.S. dollar (to which the Barbados dollar is pegged) through early 1985, and the sharp devaluations of regional trading partners and competitors (e.g. Trinidad and Tobago, Jamaica, the Dominican Republic) in the period 1983-85. To some extent, these adverse factors were attenuated in 1986-87 as wage increases moderated in Barbados and the U.S. dollar depreciated sharply.

The public finances have suffered a marked deterioration in recent years. The overall deficit of the public sector was stable at about 2 percent of GDP from 1982/83 through 1984/85, but then expanded to 5.3 percent in 1986/87 and is estimated to approach 7 percent of GDP during the current fiscal year. ^{1/} While capital expenditure fluctuated over this period at around 7.5 percent of GDP, public sector savings declined from an average of around 5.5 percent of GDP in 1982/83-1983/84 to 1.5 percent of GDP in 1986/87 and are estimated to approach zero in 1987/88. All three components of the public sector--the Central Government, the National Insurance Fund (NIF) and the public enterprises--shared in the decline in public savings, with the Central Government accounting for a large part of it. Central government revenue has declined in relation to GDP since 1985/86 because of a tax relief package that reduced income taxes in 1986/87 which was only partially offset by measures to increase indirect taxes in the current fiscal year; at the same time current expenditure has increased largely because of a wage award for civil servants. Both the revenue loss and the expenditure increase are having their full impact on a cash basis in the current fiscal year. The performance of the NIF also has been a major factor in the decline in public sector savings, as benefit payments have increased by more than contributions over the last few years.

After external current account surpluses in 1984 and 1985, a deficit equivalent to 1.2 percent of GDP emerged in 1986, and a deficit of a similar magnitude has been estimated for 1987. The main reason for this deterioration was a fall in exports of manufactures, which was accompanied by an increase in imports of consumer goods and in interest payments, as well as by a decline in net receipts from services other than tourism. However, a resurgence in tourism helped contain the deterioration in the current account.

^{1/} Barbados's fiscal year begins April 1.

Since 1985 the overall balance of payments has registered modest surpluses, mainly as a consequence of government borrowing in international capital markets. The net international reserves are estimated to have reached some US\$104 million in December 1987, with gross liquid reserves being equivalent to 2.2 months of imports. External public debt (direct and government-guaranteed) rose from 23 percent of GDP at end-1982 to an estimated 34 percent at end-1987, while service payments on this debt grew over the same period from 7 to 21 percent of domestic exports and tourist receipts.

II. Output, Prices, and Employment

1. Macroeconomic trends

Real GDP growth, which had averaged about 1.5 percent a year in the period 1983-85, accelerated to 4.7 percent in 1986 but slowed to an estimated 0.6 percent in 1987. The relatively strong growth of the economy in 1986 was largely based on a good sugar crop and an improvement in tourist activity. In 1987 tourist activity continued to grow, but a substantial decline in sugar production and a sharp drop in manufacturing output dampened real GDP growth (Table 1).

Unemployment has broadly reflected the pattern of economic activity, peaking at 18.7 percent of the labor force in 1985 but falling back to an estimated 17.5 percent in 1987. In 1986, the most recent year for which disaggregated data are available, about two thirds of the increase in employment was related to the government sector.

Despite high rates of unemployment, nominal wages have grown steadily since the start of the decade. Nominal wages increased by 4.7 percent in 1986 to a level 56 percent above that of 1980; retail prices rose by 1.3 percent in 1986 and were 47 percent higher than in 1980. Retail prices and nominal wages are estimated to have increased by about 3 percent on average from 1986 to 1987.

Although rising labor costs have tended to increase incentives to substitute capital for labor, as evidenced most noticeably in the sugar industry, gross capital formation, particularly by the private sector, has been weak. Total gross capital formation, which stood at 27.6 percent of GDP in 1981, fell to 16.2 percent of GDP in 1986 and an estimated 15 percent of GDP in 1987. Capital formation by the Central Government appears to have been moderately higher in 1987 than it was in 1981, but it was markedly lower in all the intervening years. Capital formation by the private sector, declined in all but one year in the period 1981-87, for a cumulative decline of more than 25 percent.

Meanwhile, gross national savings in relation to GDP have fallen in the three years since 1984 to an estimated 14 percent of GDP in 1987, as an increase in private sector savings was more than offset by a weakening of public savings. In 1987, for the first time since 1981, the Central Government is estimated to have registered a current account deficit equivalent to about 0.4 percent of GDP (Statistical Appendix Table 15).

2. Production trends in selected sectors

a. Tourism

After declining during the period 1981-85, tourism (gross value added) recovered in 1986, growing by 3.5 percent in real terms; a similar growth rate has been estimated for 1987 (Statistical Appendix

Table 1. Barbados: Selected Economic Indicators

	1981	1982	1983	1984	1985	1986	Est. 1987
(Percentage change, unless indicated otherwise)							
<u>Aggregate performance</u>							
Real GDP	-1.9	-4.9	0.4	3.6	1.0	4.7	0.6
GDP at market prices	11.0	4.5	6.2	9.0	5.1	8.3	4.7
Nominal wages	10.5	11.3	5.8	9.1	4.9	4.7 ^{1/}	3.0
Retail price index	14.6	10.3	5.3	4.6	3.9	1.3	3.3
Unemployment (in percent)	10.8	13.8	15.0	17.1	18.7	17.7	17.5
<u>Selected sectoral output</u>							
Sugar output	-28.6	-12.3	-3.2	21.3	-0.2	10.9	-24.9
Manufacturing output ^{2/}	-3.6	-5.4	2.5	1.9	-9.5	5.1	-10.0
Tourist days	-11.3	-24.5	-0.1	3.0	-12.4	7.3	10.0
<u>Expenditure</u>							
Domestic expenditure	21.7	-3.5	5.3	2.7	4.9	9.9	4.4
Consumption	21.1	-0.1	8.4	6.0	6.0	9.2	5.8
Investment	23.7	-14.3	-6.4	-11.2	-0.6	14.0	-3.0
(In percent of GDP)							
<u>Savings and investment</u>							
Gross capital formation	27.6	22.6	19.9	16.2	15.4	16.2	15.0
Gross national savings	14.3	18.4	15.1	17.2	15.7	15.0	13.7
External financing	13.2	4.2	4.9	-1.0	-0.3	1.2	1.3

Sources: Statistical Appendix Tables 14, 15, 16, 17, 21, 23, 24, and 49.

^{1/} Includes 7 percent wage increase for civil servants, retroactive to April 1986, which was paid in April 1987.

^{2/} Value added in 1974 prices.

Table 16). The rise in tourist activity in 1986 was reflected in the number of arrivals, the average length of stay, and hotel occupancy rates (Chart 1). The number of tourist days, which had declined by 40 percent from 1980 to 1985, rose by 7.3 percent in 1986, while the hotel occupancy rate increased by 19 percent (Statistical Appendix Table 49).

The more rapid growth in Barbados' tourism in 1986-87 is explained by a combination of factors: (a) an active publicity campaign launched by the Tourist Board, aimed primarily at the East Coast of the United States and the United Kingdom, and the opening up of new air routes to Barbados from the United States, Canada, the United Kingdom, and West Germany; (b) a concerted effort by several hotels to upgrade accommodation and services on the basis of fiscal incentives provided by the Government in 1984 and in 1986; (c) the depreciation of the U.S. dollar against other major currencies, making Barbados a more competitively priced destination for European visitors; and (d) the promotion of summer tourism through relatively inexpensive package tours involving the use of tour operators and charter flights from the United States, Canada, and the United Kingdom.

Notwithstanding this improved performance, Barbados continued to lose ground against most other Caribbean destinations in 1986. Barbados' share of total arrivals in the Caribbean fell from 5.4 percent in 1980 to 4.4 percent in 1986, with declines in four of the six intervening years (Table 2). During the period 1980-86 there was no growth in the number of tourist arrivals in Barbados, whereas over the same period total arrivals in the Caribbean region increased by 22.5 percent, led by gains for the Dominican Republic and Jamaica (further information on tourism is provided in Section V).

b. Construction

After declining in each of the four years through 1985, real value added in the construction sector rose by some 5.5 percent on average in 1986 and 1987 (Statistical Appendix Table 16), aided by the Government's road maintenance and rehabilitation program. Private residential construction has also been strong in the last two years. For example, the construction of masonry houses rose by 45 percent in 1986, and by an estimated 17 percent in 1987. An increase in disposable income following the tax cuts of 1986, and a lowering of mortgage interest rate ceilings appear to have been the factors that explain the growth in housing demand.

c. Manufacturing

After rising moderately in 1983-84, real valued added in the manufacturing sector fell by 9.5 percent in 1985, but then rebounded by 5.1 percent in 1986. The growth in manufacturing in 1986 was broadly based and reflected gains in food processing, wooden furniture,

Table 2. Barbados: Tourist Arrivals in the Caribbean

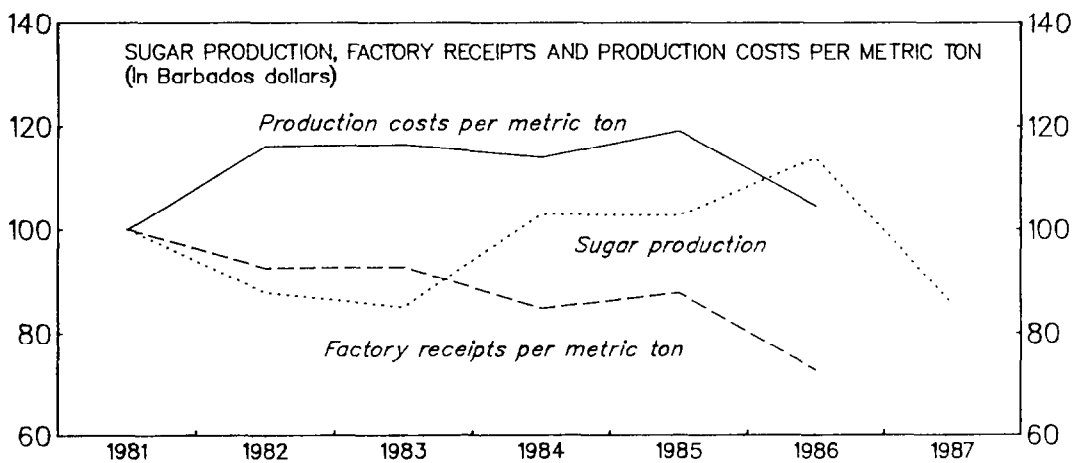
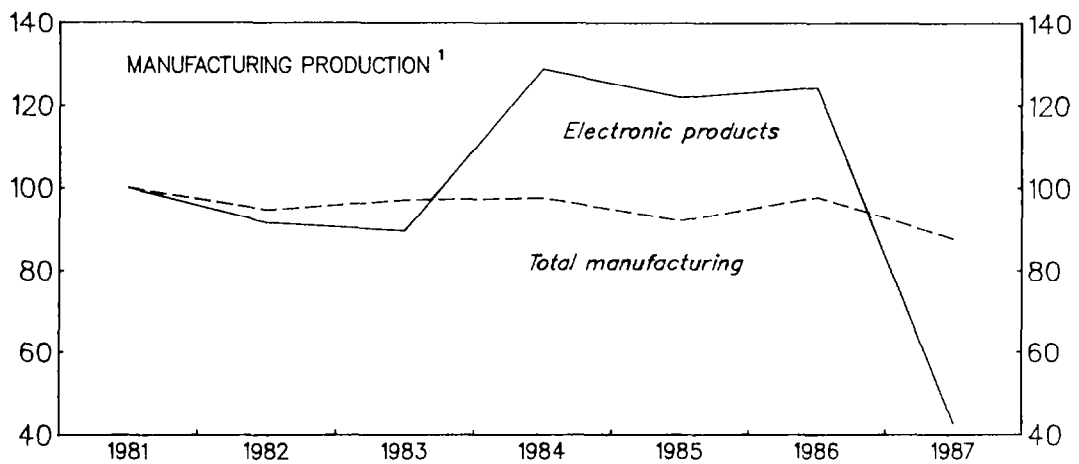
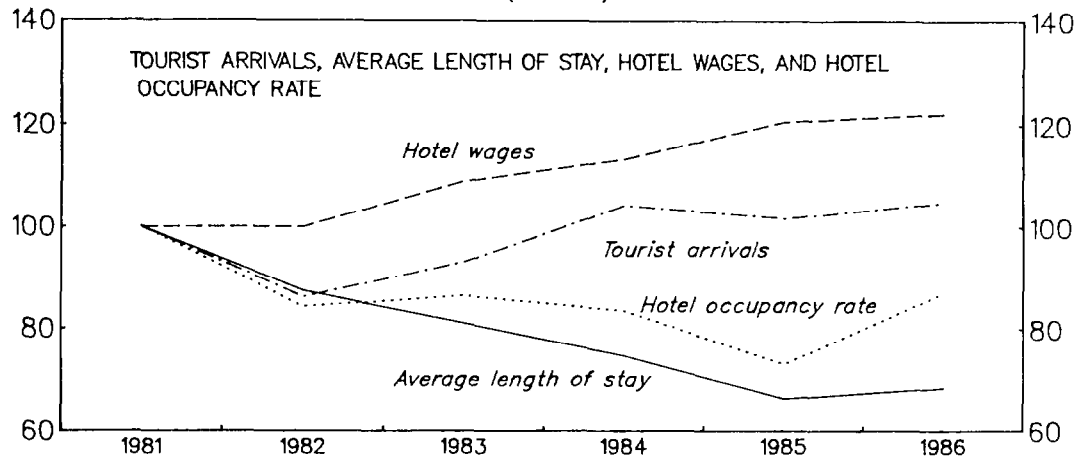
	1980	1981	1982	1983	1984	1985	1986
<u>(Thousands of tourists)</u>							
<u>Total</u>	<u>6,860</u>	<u>6,653</u>	<u>6,853</u>	<u>7,170</u>	<u>7,514</u>	<u>7,911</u>	<u>8,400</u>
Of which:							
Barbados	370	353	304	328	368	359	370
OECS countries <u>1/</u>	315	296	293	325	382	428	472
Bahamas	1,181	1,031	1,101	1,240	1,279	1,368	1,375
Dominican Republic	383	451	480	502	562	660	792
Jamaica	395	406	468	566	603	572	664
Puerto Rico <u>2/</u>	1,627	1,573	1,564	1,530	1,496	1,545	1,573
<u>(In percent of total)</u>							
Barbados	5.4	5.3	4.4	4.6	4.9	4.5	4.4
OECS countries	4.6	4.5	4.3	4.5	4.9	5.4	5.6
Bahamas	17.2	15.5	16.1	17.3	17.0	17.3	16.4
Dominican Republic	5.6	6.8	7.0	7.0	7.5	8.3	9.4
Jamaica	5.8	6.1	6.8	7.9	8.0	7.2	7.9
Puerto Rico	23.7	23.6	22.8	21.3	19.9	19.5	18.7

Source: Caribbean Tourism Statistical Report 1986/87, Caribbean Tourism Research and Development Center.

1/ Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

2/ Year starting July.

CHART 1
BARBADOS
INDICATORS OF SECTORAL PERFORMANCE
(1981=100)



Sources: Barbados Statistical Service; Central Bank of Barbados; Barbados Sugar Industry, Ltd; Ministry of Finance and staff estimates.

¹Index of industrial production



chemicals, petroleum products, non-metallic mineral products, and other manufacturing (Table 3).

In 1987 real value added in manufacturing declined by an estimated 10 percent. An especially large drop occurred in the electronics sector because of the closure in late 1986 of a large firm exporting electronic products to the United States (see Chart 1). Also, the production of wearing apparel declined at an annual rate of 6.4 percent in the first half of 1987, while output in the food processing industry rose by 3.2 percent and in other manufacturing industries by 8 percent. Difficulties in recent years in exporting to the regional Caribbean market have restrained activity in the manufacturing sector, as Barbados is a relatively high cost producer vis-a-vis other countries in the region producing similar goods. (Further information on exports of manufactures is provided in Section V.)

The Arawak cement plant, jointly owned by the Governments of Trinidad and Tobago and Barbados, experienced a sharp reduction in its output in the year ended March 1987 as a result of damage by lightning. In that year the plant produced 172,000 tons (104,000 tons for export), compared with a capacity of 315,000 tons. Estimated sales for the year ending in March 1988 are sharply higher at 245,000 tons (of which 166,000 tons were for export). Nevertheless, the Arawak plant continues to be unable to meet its debt service obligations, and only in recent months was it reported to be otherwise covering costs, despite a protected domestic market. The average local price per ton of cement in the year ended March 1987 was BDS\$175 and the price is estimated at BDS\$198 in the year ending in March 1988, compared with an average export price of BDS\$100 in both years.

d. Agriculture and fishing

During the period 1981-86 real value added in agriculture and fishing increased by 15.3 percent, with the share of this sector in relation to real GDP rising from 8.7 percent in 1981 to 9.6 percent in 1986. Sugar remains the dominant component of the agricultural and fishing sector, with its share in real GDP equal to 4.3 percent in 1987 (Statistical Appendix Table 16).

(1) Sugar

After two years of poor crops, sugar production recovered in 1984 to just over 100,000 tons and rose to 111,000 metric tons in 1986 (Statistical Appendix Table 17). However, production dropped sharply in 1987 to 83,000 tons, due in part to poor weather conditions as well as a particularly high incidence of cane fires in the previous year. The combined domestic and preferential export market for sugar is in the range of 80,000 to 85,000 tons, and the remainder is sold in the free market.

Table 3. Barbados: Manufacturing Production

(Percentage changes)

	(Weights)	1982	1983	1984	1985	1986
<u>Total</u>	(100.0)	<u>-5.4</u>	<u>2.6</u>	<u>0.6</u>	<u>-5.8</u>	<u>6.4</u>
Food	(18.5)	-13.5	-0.7	0.4	1.6	8.3
Beverages and tobacco	(11.5)	-9.3	-1.9	-7.8	0.6	-0.4
Wearing apparel	(14.4)	-2.8	6.2	4.2	-15.6	-19.6
Wooden furniture	(3.4)	--	-2.5	18.9	-12.4	7.9
Chemicals	(5.4)	-25.4	17.3	-28.5	-11.1	14.1
Petroleum products	(2.1)	-6.6	-2.9	2.5	4.2	12.0
Nonmetallic mineral products	(4.0)	-30.7	-15.8	-7.6	12.1	29.5
Electronic products	(13.0)	-8.5	-2.2	44.2	-5.5	2.1
Other manufacturing	(27.6)	55.5	22.2	-22.1	-8.6	20.0

Source: Statistical Appendix Table 18.

Operating losses of the sugar industry have increased steadily in the past several years, rising from 14 percent of production costs in 1981 to around 36 percent in 1984-85 and 40 percent in 1986. After rising sharply in 1982, unit production costs tended to stabilize in the 1983-85 period as wage increases were offset by some mechanization and other measures to increase efficiency. Unit production costs then declined in 1986 to levels not far above those in 1981 because of economies of scale resulting from an increase in production. However, factory receipts per metric ton have fallen below costs, especially in 1986 because of an exceptional increase in sales in the free market that year (see Chart 1).

In an effort to mitigate the sugar industry's financial problems, the Government created a Sugar Support Price Fund in 1982 to provide financial assistance on highly concessional terms to sugar producers. This fund is financed by sugar industry bonds issued by Barbados' Sugar Industry Ltd. under government-guarantee and provides loans that can eventually be converted into grants, depending on the attainment of designated production targets. As of June 1987, BDS\$39.6 million of sugar bonds had been purchased, largely by insurance companies, banks, and trust companies. Barbados' Sugar Industry Ltd. has established a sinking fund to meet redemption of the sugar industry bonds. Resources for the sinking fund come from proceeds of domestic sugar sales at controlled prices. During the 1985-87 period, the domestic price received for sugar was BDS\$1,355 per metric ton for regular sugar (BDS\$1,513 for special sugar), from which roughly 30 percent was targeted to the sinking fund; by comparison, the unit value of sugar exports was BDS\$726 and BDS\$620 per metric ton in 1985 and 1986, respectively. The financial difficulties suffered by the industry have also been offset to some degree by credit extended at preferential interest rates from the government-owned Barbados National Bank.

(2) Nonsugar agriculture and fishing

After rising sharply in the 1981-83 period, output of nonsugar agriculture and fishing levelled off in 1984-85 and then declined by 4 percent in 1986 (Statistical Appendix Table 16). In recent years, the Government has aimed to diversify the agricultural base by reducing the acreage under sugar and increasing the production of vegetables and root crops, as well as the production of other crops such as cotton and cherries. In 1986, the areas harvested for these crops rose by about 13 percent. Actual crop production, however, declined by 1.2 percent to 10.1 million kilograms in 1986, reflecting a redistribution of the crops planted and harvested; especially large declines were recorded for cauliflower, onions, sweet peppers and yams, while large increases were recorded for cotton, melons, peanuts, eddoes, eggplant and corn.

Fishing output declined also in 1986. The fish catch fell by an estimated 24.5 percent, but this figure does not take into account the activity of refrigerated boats; the number of such boats rose by 19.6 percent in 1986 to 61 vessels. Livestock and dairy production

registered a mixed performance in 1986, with the production of beef, chicken, pork, and milk up markedly and that of mutton, veal, and eggs down moderately.

e. Energy

Domestic crude oil production more than tripled from 1981 to 1985 to 679,000 barrels (Statistical Appendix Table 19), rising from the equivalent of one fifth of domestic requirements to more than one half. In mid-1986, in the face of high domestic production costs relative to international oil prices, all exploration activity was brought to a halt and production cutbacks were implemented. Reflecting these cutbacks, domestic crude oil production for 1986 as a whole fell by almost 18 percent to 559,000 barrels (or about 46 percent of domestic requirements). With the subsequent rebound of international oil prices, domestic production started to increase again, averaging about 1,450 barrels per day (bpd) in the second quarter of 1987 compared to less than 1,200 bpd in the last quarter of 1986. Production was not raised beyond this level because of the loss of associated natural gas that would have been involved. In November 1987 construction started on a new pipeline to transport natural gas, which upon completion in 1988 will allow for increased crude oil production without loss of natural gas. A new drilling program is planned to begin around the second half of 1988, which would raise domestic production to about 1,800 bpd.

Barbados has an oil refinery operated by Mobil Oil Barbados Ltd., with a rated capacity of 3,600 bpd. To meet its input requirements for crude oil, the refinery must supplement domestic production with imports. In the face of the cutbacks in domestic crude production, imports increased sharply to 734,000 barrels in 1986. To meet domestic demand for petroleum products, Mobil refines the crude oil into gasoline, kerosene, diesel, fuel oil, and gas oil.

Retail prices for petroleum products (which are controlled by the Government) reflect changes in the input costs for crude oil, regulated profit margins, and the consumption tax. There were few changes in product prices during the 1982-85 period but, following the subsequent sharp fall in world crude oil prices, product prices were reduced by about 15 percent during 1986. Also, the consumption tax was raised by BDS\$0.11-0.52 per U.S. gallon on various refined products (Statistical Appendix Table 20). In 1987, as world crude oil prices recovered, the consumption tax was cut by BDS\$0.19-0.38 per U.S. gallon while retail prices were kept unchanged.

3. Prices

The rate of domestic inflation as measured by changes in the retail price index, on an average annual basis, decelerated steadily from more than 14 percent in 1981 to 1.3 percent in 1986, mainly because of a slowdown in imported inflation. In 1987, however, retail prices rose by an estimated 3.3 percent, in part because of increases in the stamp duty

on imports and the consumption tax. The effective depreciation of the Barbados dollar, in line with that of the U.S. dollar, and demand pressures generated by the rise in income in the previous year also seem to have generated some upward pressures on prices last year (see Table 1).

Goods subject to price control fall into three categories depending on the method of control. Category I includes foodstuffs and other essential items (mostly imports) that carry a weight of about 20 percent in the consumer price index. The prices of these goods are fixed at the wholesale and retail levels and are published in the official gazette. Average markups in this category vary from 12.5 percent to 20 percent over landed costs, following an increase in 1984 to reflect higher overhead costs. Category II incorporates imported goods (e.g., motorcars, refrigerators, stoves, television sets, house and office furniture, and sewing machines) whose c.i.f. value tends to fluctuate with every shipment. Importers' markups for this category range from 12.5 percent to 64 percent of landed costs. Category III includes a number of domestically produced goods (e.g., biscuits, aerated beverages, flour, and bread). Prices in this category are fixed informally through consultation with the manufacturers concerned. There has only been one item (dried saltfish in Category I) that has been removed from the list of items subject to price control in the 1986-87 period.

4. Population and employment

In recent years Barbados' population has grown at an annual rate of 0.2 percent, reflecting a low and declining rate of natural increase (0.8 percent of the population in both 1985 and 1986) and a persistent net emigration (about 0.7 percent of the population in both 1985 and 1986).

Reflecting the behavior of employment opportunities, the labor force participation rate declined almost steadily from 66 percent in 1980 to 63.8 percent in 1985, and then jumped back to 65.5 percent in 1986 (Statistical Appendix Table 21). The participation rate for women rose in 1986 to 57.6 percent, up from 56 percent in 1980, while the rate for men was some 3 percentage points lower in 1986 (at 74.6 percent) than in 1980.

Total employment fell from 100,300 in 1980 to 92,100 in 1985 (Statistical Appendix Table 22); the decline was centered in the manufacturing sector, commerce and agriculture. With the strong pickup in economic activity, employment increased by 4.5 percent in 1986, mainly on the basis of gains in the government and construction sectors. Some sectors which recorded significant output growth, such as agriculture and fishing (4.5 percent) and electricity, gas, and water (6.5 percent), generated no increase in employment, while employment in manufacturing declined by 3.3 percent despite output growth in that sector of 5.1 percent.

As noted earlier in this report, the rate of unemployment rose from 11 percent in 1981 to almost 19 percent in 1985, but declined to less than 18 percent in 1987. The unemployment rate for women has almost been twice as high as that for men. In 1986, the unemployment rate for women was 23 percent compared with 13 percent for men.

5. Wages and industrial relations

The workforce in Barbados is highly unionized and wage adjustments (mostly for two-year periods) are usually determined by collective bargaining. There is no nationally legislated minimum wage, but the Ministry of Labor is empowered to set up wage councils to determine the compensation in those sectors where workers are not unionized, specifically for domestic workers and shop assistants.

Annual wage increases averaged about 10 percent during the 1981-85 period. In the first three years of the period, settlements were generally in line with inflation, although workers in certain sectors (transport, electricity, and food and beverages) recorded wage increases of 56-63 percent, compared with an increase in the price level of 33 percent (Statistical Appendix Table 23). Wage increases tended to exceed inflation by a wide margin in the 1984-85 period, with wages rising by 14.5 percent and the price level rising by 8.7 percent. In these two years, there were comparatively large wage increases in the government, distribution, chemicals, construction and telephone sectors, which ranged from 18 to 28 percent; in most of these sectors wage growth had been below inflation in the previous three years. In 1986, the growth in wages continued to exceed the inflation rate as wages rose by 4.7 percent, or by 3.4 percentage points above the inflation rate in that year. Wages in the government sector rose by 8.7 percent, while those of construction workers, longshoremen, and workers in the manufacturing sector increased by more than 10 percent.

Industrial relations in Barbados are generally good. In 1984 just over 1,100 man-days were lost as a result of work stoppages, mainly in the transport and communications sectors, but the situation worsened in 1985 with almost 5,000 man-days being lost, predominantly in the field of community, social, and personal services. In 1986, there were only 106 man-days lost as a result of two disputes with one establishment in the manufacturing sector.

III. Public Finance

1. The consolidated nonfinancial public sector

The public sector in Barbados comprises the general government and the nonfinancial public enterprises (NPEs). 1/ The general government includes the Central Government, the National Insurance Fund (NIF), and some small sugar funds. The NPEs covered in this report incorporate two commercial-type government agencies (the Division of Civil Aviation and the Post Office), and ten government-owned enterprises. In recent years, the Central Government has accounted for about 85 percent of the combined gross revenues of the public sector and a similar proportion of total public expenditures. 2/

The rest of the General Government comprises the National Insurance Fund (NIF), the Sugar Workers' Provident Fund, and the Sugar Research and Development Fund, of which only the operations of the NIF are significant. The NIF, which is a social security fund providing a wide range of benefits to covered employees, is the most important source of savings in the public sector. Its revenue, mostly contributions by employers (including the Central Government) and employees, currently represents about 16 percent of gross receipts of the public sector. The NIF's current expenditure (largely benefit payments) averaged about 60 percent of its revenue during the three-year period ended 1984/85, but since then there has been a rapid increase in benefits provided by the Fund and, as a result, its current surplus has declined.

The NPEs, which operate as autonomous bodies within a framework of overall financial surveillance by the Ministry of Finance and close functional collaboration with "oversight" ministries, engage in a wide range of commercial, industrial, and agricultural activities. The most important of the NPEs, in terms of sales and employment, are the Transport Board, the Barbados National Oil Company, the Water Authority, and the Port Authority. Some of the NPEs have depended heavily on resources from the Central Government to fund their current and capital expenditures. Capital outlays of the NPEs accounted for about one fourth of total public sector investment in recent years.

The overall deficit of the nonfinancial public sector was unchanged at about 2 percent of GDP from 1982/83 through 1984/85, but then expanded to 4 percent in 1985/86 and further to 5.3 percent of GDP in 1986/87 (Table 4). In 1987/88, the overall fiscal deficit is projected to reach 7 percent of GDP. The deterioration in the public finances reflects primarily a weakening in public sector savings, as public sector revenues have tended to decline in relation to GDP, while current outlays have increased. The increase in the overall fiscal deficit in

1/ For a listing of the units of the public sector in Barbados, see IMF, Government Finance Statistical Yearbook, Volume X (1986).

2/ Revenues and expenditures are recorded on a cash basis.

Table 4. Barbados: Operations of the Consolidated Public Sector

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
(In millions of Barbados dollars)						
<u>Total revenue and grants</u>	<u>598.8</u>	<u>670.3</u>	<u>719.6</u>	<u>769.8</u>	<u>777.5</u>	<u>832.6</u>
Current revenue <u>1/</u>	597.0	661.0	708.3	768.5	775.4	829.3
Central Government	494.2	535.8	569.2	650.3	671.1	710.2
NIF and sugar funds	107.0	119.1	126.2	125.0	124.9	149.3
Current account surplus or deficit (-) of non- financial public enterprises before transfers	-4.2	6.1	12.9	-6.8	-20.6	-30.2
Capital receipts	1.8	9.3	11.3	1.3	2.0	3.3
<u>Total expenditure and net lending</u>	<u>639.8</u>	<u>711.1</u>	<u>769.0</u>	<u>871.6</u>	<u>917.1</u>	<u>1,025.6</u>
Current expenditure <u>1/</u>	491.7	524.7	614.2	683.5	736.6	824.0
Central Government	424.6	446.0	518.4	575.1	603.8	688.2
NIF and sugar funds	67.1	78.7	95.8	108.4	132.8	135.8
Capital expenditure and net lending <u>1/</u>	148.1	186.4	154.8	188.1	180.5	201.6
<u>Overall deficit</u>	<u>-41.0</u>	<u>-40.8</u>	<u>-49.4</u>	<u>-101.7</u>	<u>-139.6</u>	<u>-193.0</u>
<u>Total financing</u>	<u>41.0</u>	<u>40.8</u>	<u>49.4</u>	<u>101.7</u>	<u>139.6</u>	<u>193.0</u>
Foreign	51.9	13.0	51.7	41.0	150.1	127.8
Domestic	-10.9	27.8	-2.3	60.7	-10.5	65.3
<u>Memorandum items</u>						
Current account surplus of general government	109.5	130.2	81.2	91.8	59.4	35.5
Current account surplus of public sector	105.3	136.3	94.1	85.0	38.8	5.3
(In percent of GDP)						
<u>Total revenue and grants</u>	<u>29.6</u>	<u>31.0</u>	<u>30.9</u>	<u>31.2</u>	<u>29.3</u>	<u>29.9</u>
Current revenue	29.5	30.6	30.4	31.1	29.2	29.8
Central Government	24.5	24.8	24.4	26.3	25.3	25.5
NIF and sugar funds	5.3	5.5	5.4	5.1	4.7	5.4
NFPEs deficit before central government transfers	-0.2	0.3	0.6	-0.3	-0.8	-1.1
Capital receipts	0.1	0.4	0.5	0.1	0.1	0.1
<u>Total expenditure and net lending</u>	<u>31.7</u>	<u>32.9</u>	<u>33.0</u>	<u>35.3</u>	<u>34.6</u>	<u>36.8</u>
Current expenditure	24.3	24.3	26.3	27.7	27.8	29.6
Central Government	21.0	20.6	22.2	23.3	22.8	24.7
NIF and sugar funds	3.3	3.6	4.1	4.4	5.0	4.9
Capital expenditure and net lending	7.3	8.6	6.6	7.6	6.8	7.2
<u>Overall public sector deficit</u>	<u>-2.0</u>	<u>-1.9</u>	<u>-2.1</u>	<u>-4.1</u>	<u>-5.3</u>	<u>-6.9</u>
<u>Total financing</u>	<u>2.0</u>	<u>1.9</u>	<u>2.1</u>	<u>4.1</u>	<u>5.3</u>	<u>6.9</u>
Foreign	2.6	0.6	2.2	1.7	5.7	4.6
Domestic	-0.5	1.3	-0.1	2.5	-0.4	2.3
<u>Memorandum items</u>						
Current account surplus of General Government	5.4	6.0	3.5	3.7	2.2	1.3
Current account surplus of public sector	5.2	6.3	4.0	3.4	1.5	0.2

Source: Statistical Appendix Table 25.

1/ Net of transfers among the institutions included in the consolidated public sector.

recent years has been financed largely by increased foreign borrowing, mainly by the Government.

2. The Central Government

The overall deficit of the Central Government dropped from 5.3 percent of GDP in 1982/83 to 3.8 percent of GDP in 1983/84, but during the following three years it fluctuated around 5 percent of GDP (Table 5 and Chart 2). The expansion in the overall deficit after 1983/84 stemmed mainly from an increase in current outlays not matched by a corresponding increase in revenue.

a. Revenue

Tax receipts account for the bulk of government revenues, averaging about 94 percent of the total during the last five fiscal years (Table 6). During that period, the tax structure changed significantly reflecting the Government's policy adopted in the late 1970s of shifting the tax burden from income taxes to taxes on goods and services.

In pursuit of that objective the Government progressively lowered income tax rates and expanded the scope of income tax allowances, while raising indirect taxes to compensate for revenue loss. The introduction of payroll taxes in 1982/83 (which yielded about 1.2 percent of GDP a year), increases in the consumption tax and the stamp duty on imports, and a 3 percent surcharge on corporate profits helped raise revenue collections to 25 percent of GDP in 1983/84 from 23.5 percent of GDP in 1981/82. In 1984/85, revenue declined to 24.4 percent of GDP mainly in response to the removal of the surcharge on corporate profits and increases in income tax allowances. New revenue measures mainly affecting imports (the stamp duty on imports was raised to 10 percent and custom tariffs on selected consumption goods were raised by 15 percent) were introduced in late 1984. The full year impact of those measures in 1985/86, together with a further increase in the stamp duty on imports to 12 percent, contributed to a pronounced rise in current revenue to 26.3 percent of GDP in that year.

In 1986/87, revenue declined to 25.3 percent of GDP reflecting, in the main, a major revision in income taxation. In July 1986, the level of personal exemptions was raised from BDS\$9,000 (contingent upon satisfying various qualifications) to an automatic BDS\$15,000; in addition tax allowances were increased, and personal income tax rates were reduced. Also, the corporate profits tax was reduced from a flat rate of 45 percent to 35 percent.

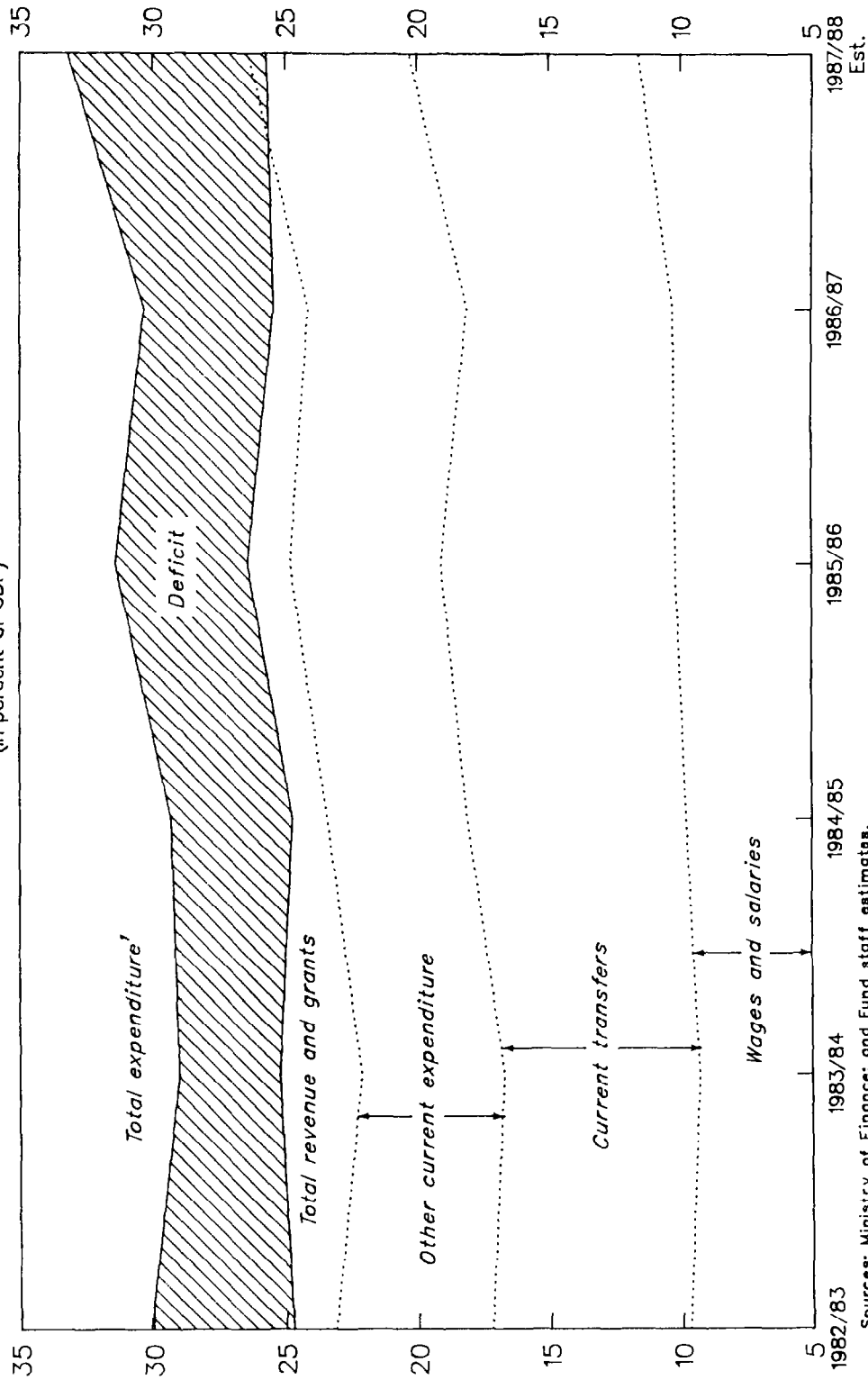
As a consequence of the above-mentioned changes, total income tax receipts fell from 38.3 percent of total current revenue in 1982/83 to 23.3 percent in 1986/87. Of this total decline, 7.5 percentage points occurred in 1986/87; the drop that year would have been even larger, except for the continuation of withholding from individuals at the former rate schedule throughout most of the fiscal year. Many companies

Table 5. Barbados: Central Government Operations

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
(In millions of Barbados dollars)						
<u>Total revenue and grants</u>	<u>499.4</u>	<u>544.8</u>	<u>575.3</u>	<u>651.6</u>	<u>673.2</u>	<u>714.4</u>
Current revenue	497.6	541.8	571.3	650.3	671.1	711.1
Tax revenue	460.6	509.0	536.2	604.9	636.5	677.5
Taxes on income and profits	190.7	191.6	185.0	200.4	156.0	136.5
Levies	23.4	24.2	30.1	28.1	42.7	61.2
Taxes on property	26.4	28.1	28.3	34.7	42.5	31.9
Taxes on goods and services	127.9	149.6	162.0	170.4	194.3	230.5
Taxes on international trade	74.7	89.7	84.1	96.9	115.5	123.0
Stamp duties	17.5	25.8	46.7	74.5	85.5	94.4
Nontax revenue	37.0	32.8	35.1	45.3	34.6	33.7
Capital grants	1.8	3.0	4.0	1.3	2.0	3.3
<u>Total expenditure</u>	<u>607.2</u>	<u>626.1</u>	<u>684.5</u>	<u>775.9</u>	<u>803.0</u>	<u>925.8</u>
Current expenditure	466.6	476.6	548.8	611.9	639.4	735.6
Wages and salaries	196.6	201.2	229.2	250.4	274.7	324.0
Goods and services	47.3	51.8	61.8	71.9	77.0	84.0
Interest	71.1	62.7	64.4	69.6	79.1	84.3
Transfers	151.6	160.9	193.4	220.0	208.6	243.3
Capital expenditure and net lending	140.6	149.5	135.7	164.0	163.6	190.3
Capital expenditure	100.5	112.8	100.9	117.3	127.1	155.1
Net lending	40.1	36.7	34.8	46.7	36.5	35.1
<u>Overall deficit</u>	<u>-107.8</u>	<u>-81.3</u>	<u>-109.2</u>	<u>-124.3</u>	<u>-129.9</u>	<u>-211.4</u>
Foreign financing	51.9	10.2	51.7	41.0	150.1	127.8
Domestic financing	55.9	71.0	57.5	83.2	-20.2	83.7
Memorandum item						
Current surplus/deficit (-)	31.0	65.2	22.5	38.4	31.7	-24.5
(In percent of GDP)						
<u>Total revenue and grants</u>	<u>24.7</u>	<u>25.2</u>	<u>24.7</u>	<u>26.4</u>	<u>25.4</u>	<u>25.7</u>
Current revenue	24.6	25.1	24.5	26.3	25.3	25.5
Tax revenue	22.8	23.6	23.0	24.5	24.0	24.3
Nontax revenue	1.8	1.5	1.5	1.8	1.3	1.2
Capital grants	0.1	0.1	0.2	0.1	0.1	0.1
<u>Total expenditure</u>	<u>30.1</u>	<u>29.0</u>	<u>29.3</u>	<u>31.4</u>	<u>30.3</u>	<u>33.2</u>
Current expenditure	23.1	22.1	23.5	24.8	24.1	26.4
Capital expenditure and net lending	7.0	6.9	5.8	6.6	6.2	6.8
Capital expenditure	5.0	5.2	4.3	4.7	4.8	5.6
Net lending	2.0	1.7	1.5	1.9	1.4	1.3
<u>Overall deficit</u>	<u>-5.3</u>	<u>-3.8</u>	<u>-4.7</u>	<u>-5.0</u>	<u>-4.9</u>	<u>-7.6</u>
Current surplus/deficit (-)	1.5	3.0	1.0	1.6	1.2	-0.9

Source: Statistical Appendix Table 26.

CHART 2
 BARBADOS
 CENTRAL GOVERNMENT OPERATIONS
 (In percent of GDP)



Sources: Ministry of Finance; and Fund staff estimates.
¹Current expenditure plus capital expenditure and net lending.



Table 6. Barbados: Distribution of Central Government Revenue and Expenditure

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
(As percent of GDP)						
<u>Current revenue</u>	24.6	25.1	24.4	26.3	25.3	25.5
<u>Tax revenue</u>	22.8	23.6	22.9	24.5	24.0	24.3
Income	9.4	8.9	7.9	8.1	5.9	4.9
Levies	1.2	1.1	1.3	1.1	1.6	2.2
Property	1.3	1.3	1.2	1.4	1.6	1.2
Goods and Services	6.3	6.9	6.9	6.9	7.3	8.3
International trade	3.7	4.2	3.6	3.9	4.4	4.4
Stamp duties	0.9	1.2	2.0	3.0	3.2	3.4
<u>Nontax revenue</u>	1.8	1.5	1.5	1.8	1.3	1.2
(As percent of total)						
<u>Current revenue</u>	100.0	100.0	100.0	100.0	100.0	100.0
<u>Tax revenue</u>	92.6	93.9	93.9	93.0	94.8	95.3
Income	38.3	35.4	32.4	30.8	23.3	19.2
Levies	4.7	4.5	5.3	4.3	6.4	8.6
Property	5.3	5.2	5.0	5.3	6.3	4.5
Goods and Services	25.7	27.6	28.4	26.2	29.0	32.4
International trade	15.0	16.6	14.7	14.9	17.2	17.3
Stamp duties	3.5	4.8	8.2	11.4	12.4	18.3
<u>Nontax revenue</u>	7.4	6.1	6.1	7.0	5.2	4.7
(As percent of GDP)						
<u>Total expenditure</u>	30.1	29.0	29.3	31.4	30.3	33.2
<u>Current</u>	23.1	22.1	23.4	24.8	24.1	26.4
Wages and salaries	9.7	9.3	9.8	10.2	10.3	11.6
Goods and services	2.3	2.4	2.6	2.9	3.0	3.0
Interest	3.5	2.9	2.7	2.8	3.0	3.1
Domestic	2.5	1.8	1.7	2.0	1.2	1.2
Foreign	1.0	1.1	1.1	0.8	1.8	1.9
Transfers	7.5	7.4	8.3	8.9	7.8	8.7
<u>Capital expenditure</u>	5.0	5.2	4.3	4.7	4.8	5.6
<u>Net lending</u>	2.0	1.7	1.5	1.9	1.4	1.3
(As percent of total)						
<u>Total expenditure</u>	100.0	100.0	100.0	100.0	100.0	100.0
<u>Current expenditure</u>	76.9	76.1	80.2	80.4	79.6	79.4
<u>Capital expenditure and net lending</u>	23.1	23.9	19.8	19.6	20.4	20.6
<u>Current expenditure</u>	100.0	100.0	100.0	100.0	100.0	100.0
Wages and salaries	42.1	42.2	41.8	40.7	43.0	44.1
Goods and services	10.1	10.9	11.3	11.7	12.0	11.4
Interest	15.2	13.2	11.7	11.3	12.4	11.5
Domestic	10.7	8.1	7.2	8.0	5.2	4.5
Foreign	4.5	5.0	4.5	3.3	7.2	7.0
Transfers	32.0	33.3	34.5	35.8	31.9	32.1
<u>Capital expenditure and net lending</u>	100.0	100.0	100.0	100.0	100.0	100.0
<u>Capital expenditure</u>	71.5	75.5	74.4	86.5	77.7	81.5
Acquisition of land and existing assets	3.0	3.9	1.7	3.0	3.7	2.6
Capital formation	50.8	54.1	55.9	62.1	55.6	66.8
Transfers	17.7	17.4	16.7	21.4	18.4	12.0
<u>Net lending</u>	28.5	24.5	25.6	13.5	22.3	18.5
<u>Equity contributions</u>	10.5	17.3	15.3	13.1	13.7	10.9
Of which: cement plant	6.4	13.2	5.3	6.8	6.8	7.9
Loans and advances (net)	18.0	7.2	10.3	0.4	9.3	7.5

Sources: Statistical Appendix Tables 27 and 28.

also made their semi-annual payment in October 1986 at the former rate. Refunds for overpayment are being made in 1987/88. Meanwhile, taxes on goods and services, including the consumption tax, increased as a ratio to current revenue from 25.7 percent in 1982/83 to 29 percent in 1986/87, and taxes on international trade (including the stamp duty on imports) rose from 18.5 percent to 29.6 percent.

b. Expenditure

During the last five years, total government expenditure remained relatively unchanged at 30 percent of GDP. Current outlays increased in the last five years by 1 percentage point of GDP to 24 percent in 1986/87 partly reflecting an increase in the wage bill. Transfer payments have also tended to increase in relation to GDP as a result of a significant rise in transfers for education and welfare assistance. Current and capital transfers to NPEs declined over time from 2.2 percent of GDP in 1982/83 to 1.5 percent of GDP in 1986/87 (Statistical Appendix Table 29).

Capital outlays, which are financed largely by foreign borrowing, fell sharply in relation to GDP in 1984/85 but recovered thereafter, although remaining below the 5 percent level attained in 1982/83 and 1983/84. During 1986/87 several important construction projects were either initiated or accelerated for airport repairs, road construction, hospital expansion, and the Bridgetown fishing port. Equity contributions and net lending, which represent primarily support to the Arawak Cement Co. and the Barbados National Oil Company, have fluctuated between 1.5 and 2 percent of GDP.

c. Financing

During the period 1982/83-1985/86, the central government deficit was financed mainly from domestic sources (see Table 5 and Statistical Appendix Table 26). In 1986/87 there was a major shift in financing patterns, as net foreign financing exceeded the overall government deficit and allowed for a reduction in net indebtedness of the Central Government to the domestic banking system. In 1986/87 the Government obtained a large loan from foreign commercial banks and also increased the volume of its bond issues abroad. In addition, disbursements by multilateral development institutions--mainly for the capital projects mentioned above--rose substantially.

As an additional change in financing patterns, the National Insurance Fund reduced sharply its purchases of central government obligations in 1986/87, mainly because it generated a much smaller surplus than in previous years. The NPEs became net sellers of government securities last year, while insurance companies continued to increase their net purchases.

d. Estimates for 1987/88

The Government Budget presented to Parliament in April 1987 contained a number of revenue raising measures expected to yield BDS\$60 million (around 2 percent of GDP) in 1987/88. These measures included limitations to various income tax deductions and credits (which would improve tax collections by BDS\$3.5 million); the reintroduction of the employment levy and increases in the rates of the training, health, and transport levies (BDS\$23.4 million); increases in consumption taxes on various goods (BDS\$14 million); a rise in the duty on extra-regional imports accompanied by a reduction in the duty on CARICOM imports (net positive impact of BDS\$11 million); and increases in the travel tax and certain license fees (BDS\$6.9 million).

Notwithstanding these measures, total revenue and grants are expected to increase only marginally in relation to GDP from 25.4 percent in 1986/87 to 25.7 percent in 1987/88. This result is explained by the exceptionally large refunds of individual and corporate income taxes that have to be made in the current fiscal year to compensate for overpayment by taxpayers last year (see Tables 5 and 6). Because of these refunds, receipts from income taxes are expected to continue to decline in relation to GDP, from 5.9 percent in 1986/87 to 4.9 percent in 1987/88.

Based on the budget and on supplementary expenditure authorizations, total central government expenditure is projected to rise by about 3 percentage points of GDP to 33.2 percent. Current expenditures are expected to increase by 2.3 percentage points of GDP mainly because of an 18 percent jump in the wage bill (1.3 percent of GDP) and a rise in current transfers (0.9 percent of GDP). The increase in wages and salaries reflects the full cost of a wage award agreed in January 1987 for the two-year period 1986/87 and 1987/88 (increases of 7 percent and 2 percent for each year, respectively). The increase corresponding to 1986/87 was paid retroactively in April 1987. Current transfers are expected to increase mainly because of a further rise in education expenditures, additional funding for the National Housing Corporation and an increase in expenditure on defense (Statistical Appendix Table 29).

Capital outlays are estimated to grow by nearly 1 percentage point to 5.6 percent of GDP, a level higher than in any of the previous five years. Significant additional investments are planned for housing, fishery development, road construction and health care facilities. Equity contributions include continued support of the cement plant and subscriptions to multilateral development institutions (Statistical Appendix Table 30).

Altogether, the overall deficit of the Central Government in 1987/88 is projected to widen to 7.6 percent of GDP, and again to be financed predominantly with the proceeds of foreign commercial borrowing.

3. Rest of the General Government

The activities of the rest of the general government are dominated by the National Insurance Fund (NIF). ^{1/} NIF contributions, including those from civil servants and from the Central Government as an employer, are expected to increase from BDS\$118 million in 1986/87 to about BDS\$140 million during the current fiscal year (Statistical Appendix Table 33). Current revenues of the NIF have increased little in the recent past, and last year increases in contributions were largely offset by a decline in investment income. In 1987/88 this decline is expected to be reversed. Also, concern about the depletion of the Severance Fund has led to renewed efforts to collect contributions in arrears of the statutory bodies, public corporations and private firms.

Disbursement of benefits by the NIF increased sharply in 1986/87, by some BDS\$23 million from the previous year, reflecting the closure of a major electronics assembly plant mentioned earlier and numerous small business failures. In addition, a particularly severe flu epidemic raised outlays for medical benefits. As a consequence, the overall surplus of the NIF, which had been declining since 1982/83, fell sharply in 1986/87 to only BDS\$8 million, a fourth of that the previous year. Because of the nonrecurrent nature of the increase in expenditures in 1986/87 and the above-mentioned efforts to collect contributions in arrears, a BDS\$34 million surplus is projected for the current fiscal year.

4. Nonfinancial public enterprises

The performance of the nonfinancial public enterprises as a group improved through 1984/85 and subsequently deteriorated. The operating deficit of the enterprises (before transfers from the Central Government) progressively diminished and in 1984/85 shifted to a surplus of nearly BDS\$13 million (Statistical Appendix Table 25). However, deficits reappeared the following year and expanded to over BDS\$20 million in 1986/87, and to an estimated BDS\$30 million in the current fiscal year. Also, the trend of overall deficits was downward through 1984/85, when the combined overall deficit (before transfers) fell below BDS\$30 million, but subsequently grew to BDS\$60 million annually (about 2 percent of GDP). Most of the overall deficit of the public enterprises in recent years has been accounted for by the operations of the Transport Board, the National Housing Corporation, and, through 1986/87, the Civil Aviation Department.

^{1/} The NIF administers two other social security funds: the Unemployment Fund and the Severance Pay Fund. In this report, the operations of both these funds have been consolidated with the NIF.

The overall deficit of the Transport Board (before transfers), which has resulted mainly from its current transactions, was in excess of BDS\$18 million through 1986/87, but is projected to decline to BDS\$15 million in the current fiscal year because of a reduction in current expenditures (Statistical Appendix Table 35). The operating deficit of the National Housing Corporation (before transfers) peaked at BDS\$6.5 million in 1985/86 and then declined to BDS\$4.1 million the following year. In recent years the overall deficits of this corporation have been dominated by capital expenditures, all of which have been financed by the Central Government. The limited operating surpluses of the Civil Aviation Department have given way to small deficits since 1985/86. Expansion of the airport terminal and runway resurfacing programs in the last two fiscal years were financed with foreign assistance arranged by the Central Government.

IV. Financial Intermediation

1. Consolidated financial system ^{1/}

a. Overall trends

After growing by an average 7 percent in the 1982-84 period (approximately in line with nominal GDP growth) the financial system liabilities to the private sector rose sharply in 1985, and their expansion substantially exceeded total domestic credit growth, facilitating a considerable improvement in the net international reserve position which was also aided by net medium- and long-term foreign borrowing (Table 7). The growth of financial system liabilities to the private sector continued to accelerate to 16.5 percent in 1986 but, as total domestic credit expanded approximately in line with that growth and net repayments of medium- and long-term foreign debt were made, there was some decline in net international reserves (the Central Bank, however, continued to improve its net foreign reserve position). The growth in the liabilities to the private sector, however, slowed to an annual rate of 10 percent in the first three quarters of 1987. In the same period, the net domestic assets of the financial system declined in absolute terms, reflecting a sharp increase in government deposits which more than offset a 9 percent increase in credit to the private sector. In the nine month period ended September 1987, net international reserves increased by over BDS\$60 million, mainly as a counterpart to the increase in government deposits.

b. Banking system

The banking system accounts for most financial system credit, either through direct lending operations or indirectly through lending to nonbank financial intermediaries. The share of private sector financial savings captured by the banking system declined from 85 percent in December 1982 to less than 80 percent in September 1987, with commercial banks accounting for roughly 90 percent of total banking system liabilities to the private sector.

(1) Credit operations

The net domestic assets of the banking system expanded by almost 40 percent during the period 1982-86 on the basis of a strong growth in credit to the private sector (Table 8). By September 1987, however, the net domestic assets were below the level of a year earlier

^{1/} For purposes of this report the consolidated financial system comprises the banking system (the Central Bank and eight commercial banks) and the nonbank financial intermediaries which include the trust companies, three official entities (the Barbados Development Bank, the Agricultural Division of the Barbados National Bank, and the Barbados Mortgage Finance Company), and finance companies.

Table 7. Barbados: Assets and Liabilities of the Financial System

(Annual changes)

	1982	1983	1984	1985	1986	Sept. 1987
(In millions of Barbados dollars)						
<u>Net international reserves</u>	<u>30.0</u>	<u>12.3</u>	<u>1.9</u>	<u>67.3</u>	<u>-10.5</u>	<u>148.2</u>
Central Bank (net)	15.3	14.1	-26.3	31.3	25.8	117.9
Of which: gross reserves	43.7	8.4	-9.8	33.7	36.1	53.2
<u>Medium- and long-term foreign liabilities</u>	<u>14.5</u>	<u>43.7</u>	<u>-5.3</u>	<u>25.3</u>	<u>-20.0</u>	<u>-11.3</u>
(In percent)						
<u>Net domestic assets 1/</u>	<u>5.4</u>	<u>9.8</u>	<u>7.4</u>	<u>10.1</u>	<u>15.6</u>	<u>-1.0</u>
Public sector	4.0	-7.1	2.2	-7.2	1.7	-10.4
Central Government	6.5	-3.5	3.8	-4.2	1.4	-8.9
Private sector	6.0	12.2	6.7	7.3	9.9	8.8
<u>Liabilities to private sector</u>	<u>6.8</u>	<u>5.3</u>	<u>8.7</u>	<u>13.9</u>	<u>16.5</u>	<u>9.8</u>
<u>Memorandum items</u>						
GDP at current market prices						
(Annual growth)	4.5	6.1	9.0	5.1	8.3	

Sources: Statistical Appendix Tables 14 and 36.

1/ Percentage change in relation to liabilities to the private sector at the beginning of the period.

Table 8. Barbados: Origin, Destination, and Financing of Credit
by the Banking System

(Annual changes)

	1982	1983	1984	1985	1986	Sept. 1987
(In millions of Barbados dollars)						
<u>Net domestic assets</u>	<u>18.4</u>	<u>71.6</u>	<u>73.0</u>	<u>37.4</u>	<u>107.0</u>	<u>-19.6</u>
<u>Origin</u>						
Monetary authorities	-10.4	12.0	26.6	-18.7	-21.8	-120.4
Commercial banks	39.5	68.1	40.7	61.0	108.7	118.5
Interbank float	-10.7	-8.5	5.7	-4.9	20.1	-17.7
<u>Destination</u>						
Public sector	43.6	-57.0	28.1	-58.0	39.3	-98.3
Central Government	55.7	-31.1	35.9	-44.5	15.4	-122.4
Rest of the public sector	-12.1	-25.9	-7.8	-13.5	23.9	24.1
Private sector	27.0	84.8	12.1	27.5	47.8	74.6
Other	-52.2	43.8	32.8	67.9	19.9	4.1
<u>Financing</u>						
Liabilities to private sector	37.3	26.4	67.6	102.9	140.0	101.0
Other financial intermediaries	3.2	10.9	20.3	-25.2	-21.2	26.2
Other foreign operations	3.7	9.6	-5.5	2.6	-1.1	10.9
Medium- and long-term foreign liabilities	4.2	37.0	-7.5	24.4	-21.2	-9.5
Net international reserves	-30.0	-12.3	-1.9	-67.3	10.5	-148.2
(In percent)						
<u>Net domestic assets 1/</u>	<u>2.5</u>	<u>9.2</u>	<u>9.1</u>	<u>4.3</u>	<u>11.0</u>	<u>-1.8</u>
Public sector	5.9	-7.3	3.5	-6.6	4.0	-9.1
Central government	7.5	-4.0	4.5	-5.1	1.6	-11.4
Private sector	3.7	10.9	1.5	3.2	4.9	6.9
<u>Liabilities to private sector</u>	<u>5.0</u>	<u>3.4</u>	<u>8.4</u>	<u>11.8</u>	<u>14.4</u>	<u>9.4</u>

Source: Statistical Appendix Table 37.

1/ Percentage change in relation to liabilities to the private sector at the beginning of the period.

despite an expansion of 7 percent in credit to the private sector. This drop in net domestic assets resulted from a reduction in net credit to the Central Government which built up its deposits with the Central Bank with the proceeds of external loans. In recent years overall bank credit has fluctuated sharply, reflecting the pattern of disbursement of external funds and the subsequent use by the Government of the domestic currency counterpart (Chart 3).

Bank credit to the private sector 1/ surged in 1983 to an annual rate of growth of 11 percent, when monetary policy was relaxed after a sharp tightening of credit conditions in 1982. At that time, the Central Bank rediscount rate was lowered from 20 percent to 16 percent and reductions in other interest rates ranging from 1.5 to 2 percentage points followed (Statistical Appendix Table 40). The annual growth of bank credit to the private sector dropped to 1.5 percent in 1984 in the face of depressed credit demand by commercial and industrial enterprises in financial difficulties, but it gradually accelerated to an annual rate of 7 percent by September 1987. Reductions in interest rates contributed to this trend; in May 1985 the maximum average lending rate and the minimum savings deposit rate were lowered by 1 percentage point to 10 percent and 4 percent, respectively. Subsequently, in April 1986 the maximum average lending rate was reduced further to 9.5 percent, and in September 1986 the minimum savings deposit rate was again reduced to 3 percent.

The share of loans to the personal and distribution sectors in commercial bank credit to the private sector increased steadily over the past five years despite the existence of limits on lending to those sectors until mid-1987 and ceilings on the average loan rate. This development may be explained by the fact that certain kinds of loans were excluded from the calculation of the credit ceilings for personal loans. Also, a 10 percent rise in the ceiling for loans to the distribution sector was granted in May 1985 and the terms for hire-purchase credit in respect of certain consumer goods were relaxed during 1986. In addition, in recent years banks have become increasingly reluctant to expand their lending in those sectors where preferential rates apply because of lower interest rate spreads and a presumption of higher risk. 2/

(2) Private financial savings

The growth of liabilities to the private sector began to accelerate after 1984 in line with the resumption of economic activity

1/ Loans and advances by the Barbados National Bank to certain public enterprises are included in bank credit to the private sector.

2/ As of September 1987 preferential central bank rates ranging from 3 percent to 7 percent and preferential on-lending rates ranging from 7 percent to 11 percent applied to agriculture, industry, tourism, retail trade, and exports.

and in response to an increase in real interest rates as inflation abated. This growth accelerated further in 1986 to an annual rate in excess of 14 percent, apparently as a consequence of the increase in disposable income resulting from the income tax changes introduced that year (Table 9). In the first nine months of 1987, the growth of monetary liabilities moderated to a 12-month rate of 9 percent.

The strong growth in banking system liabilities to the private sector in recent years, coupled with limited investment opportunities, has led to the emergence of relatively high levels of excess liquidity in the commercial banks (Statistical Appendix Table 41). In particular, cash and holdings of government securities in excess of legal requirements fluctuated between 4 and 5 percent of total deposit liabilities during 1984-86. Such excess holdings continued after September 1986, when the Government securities requirement was increased from 19 to 22 percent of deposit liabilities, and rose to almost 8 percent of deposit liabilities in August 1987. Indeed, since 1986 some private banks have been refusing time deposits because in their view there are no sufficiently profitable uses for the funds.

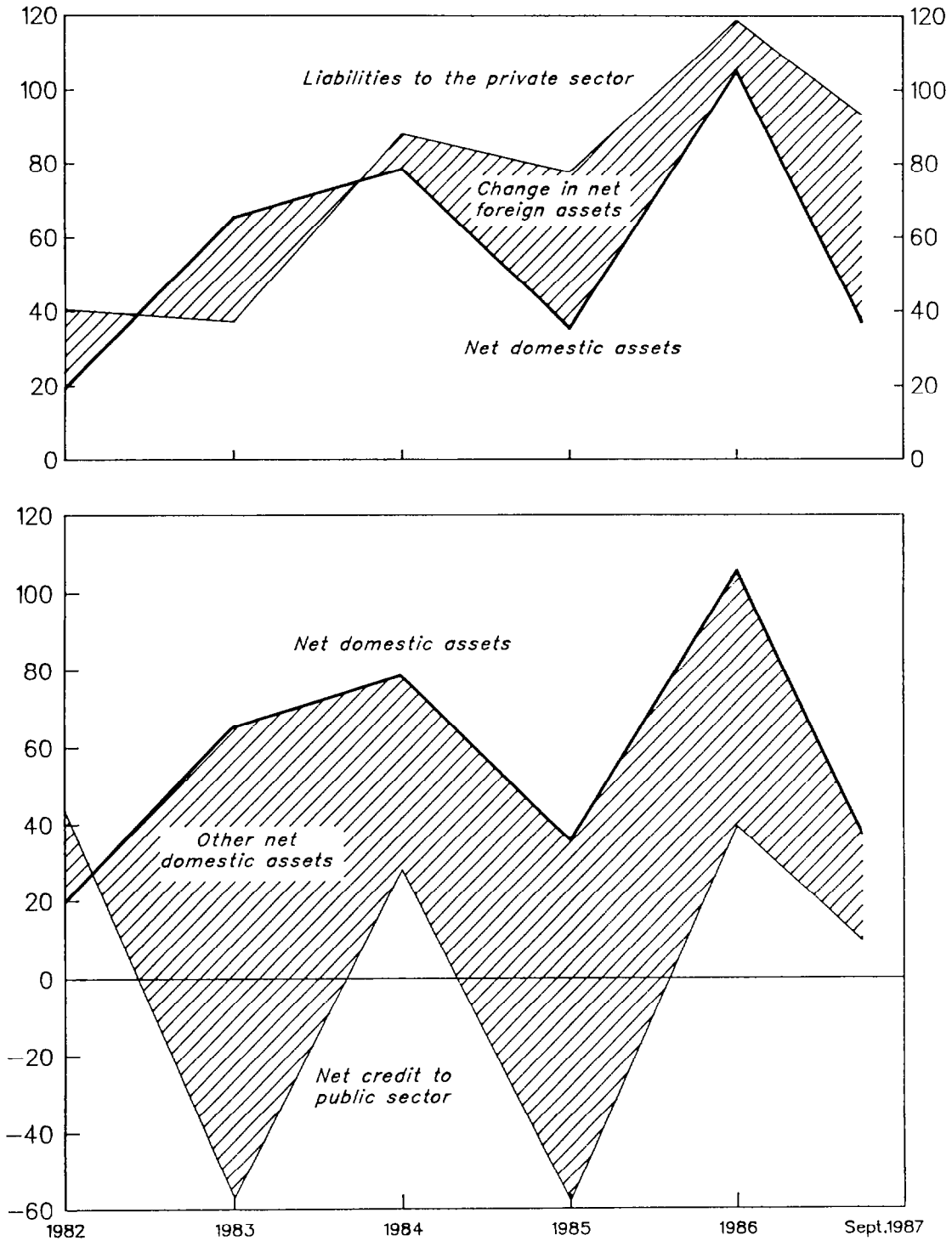
Since late 1982 deposit rates are freely determined, except for a floor established by the Central Bank on the banks' savings rate. Deposit rates have declined in recent years, in line with trends in international markets and with the generally depressed conditions of the economy. As mentioned above, the minimum savings rate was reduced to 3 percent in 1986 and was kept at that level throughout 1987. Interest rates on time deposits ranged from 3 percent to 7 percent in 1987, while the yield on three-month treasury bills was just under 5 percent (Statistical Appendix Table 40).

c. Nonbank financial intermediaries

The operations of the nonbank intermediaries, comprising three private finance companies (up to 1986), ^{1/} three trust companies which are mostly subsidiaries of commercial banks, and three official nonbank institutions, have expanded rapidly since 1981 (Statistical Appendix Table 42). The net domestic assets of these institutions almost doubled during the period 1982-86, although their share in total credit of the financial system remained at about 30 percent. The growth of net domestic assets declined from 9 percent in 1986 to 5 percent in the 12-month period ended September 1987, reflecting a slowdown in the expansion of credit to the private sector and a substantial increase in deposits of the various social security funds. About 75 percent of the expansion in credit was financed by increased liabilities to the private sector, while the rest was funded by foreign borrowing and resources from the banking system.

^{1/} One finance house, affiliated with a similar institution in Trinidad and Tobago that was closed recently, folded operations in 1987.

CHART 3
BARBADOS
BANKING SYSTEM OPERATIONS
(Annual changes in millions of Barbados dollars)



Source: Central Bank of Barbados.



Table 9. Barbados: Banking System Liabilities to the Private Sector

	1982	1983	December 1984	1985	1986	September 1987
<u>(Annual percentage changes)</u>						
<u>Liabilities to private sector</u>	5.0	3.4	8.4	11.8	14.4	9.4
Money	-1.1	8.7	2.9	13.9	20.2	3.2
Currency in circulation	-0.6	3.2	3.5	4.6	11.3	-3.7
Demand deposits	-1.5	13.9	2.3	21.9	26.8	8.6
Quasi-money	8.5	2.2	8.4	11.3	10.6	12.7
Time deposits	24.4	-7.7	9.1	18.4	-17.8	12.4
Savings deposits	2.9	6.4	8.1	8.7	22.1	12.9
<u>(In percent of GDP)</u>						
<u>Liabilities to private sector</u>	39.1	38.1	37.9	40.3	42.6	
Money	11.4	11.7	11.0	11.9	13.3	
Quasi-money	27.2	26.2	26.0	27.6	28.2	
Velocity (GDP/Money plus Quasi-money)	2.6	2.6	2.7	2.5	2.4	
<u>Memorandum items</u>						
GDP at current market prices						
(Annual growth)	4.5	6.1	9.0	5.1	8.3	
<u>Structure of private sector deposits by maturity</u>						
<u>(In percent of total)</u>						
<u>Total deposits</u>	100.0	100.0	100.0	100.0	100.0	100.0
Demand deposits	17.7	19.4	18.5	19.9	22.2	20.5
Time deposits	24.5	21.7	22.1	23.1	16.9	18.0
Savings deposits	57.8	58.9	59.4	57.0	61.1	61.5

Sources: Statistical Appendix Tables 14 and 37.

Finance houses provide credit for the purchase of consumer durables and are not subject to legal reserve requirements nor to minimum or maximum lending rates. The trust companies provide mortgage finance largely for residential purposes, and account for roughly half of such lending by the consolidated financial system. ^{1/} Mortgage lending by the trust companies, which had expanded by one third during the period 1982-85, increased by more than 50 percent in 1986-87 in response to lower interest rates, fiscal incentives and higher disposable incomes (rates for residential mortgages are subject to a ceiling set by the Central Bank, which was lowered by 1 percentage point to 10 percent in April 1986 and further to 9 percent in October 1986).

The operations of the official nonbank institutions have grown at a faster pace than those of the private entities. Most lending by the Agricultural Division of the Barbados National Bank (BNB) is to the sugar industry, which covers about 75 percent of its total credit needs with resources drawn from the Bank. The Central Bank supplies funds for the rediscount of loans for sugar plantations, for working capital of the sugar factories, and for the marketing of sugar. In addition, the BNB used to transfer some of its own resources to its Agricultural Division. However since late 1986 the BNB, in an effort to operate on a regular commercial basis, has stopped making these transfers and the Agricultural Division now funds part of the expansion of its lending operations with deposits from the national insurance funds. In recent years, as a consequence of mounting financial difficulties in the sugar industry, a large proportion of loans for working capital have had to be rolled over.

Credit to the private sector by the Barbados Development Bank (BDB), which had more than doubled during the period 1982-85 in response to the Government's decision to boost certain development activities, particularly in the tourism, manufacturing, agricultural, and fisheries sectors, stagnated in 1986-87 as the Bank's financial situation deteriorated due to mounting arrears on outstanding loans. In 1986, the Bank started restructuring its loan portfolio and intensified its collection efforts. Weak loan demand from industry and tourism--sectors which traditionally have absorbed most of the Bank's funding--was a major factor behind the fall of almost 60 percent in the level of commitments during that year.

The BDB is funded by the Central Bank (through a revolving line of credit on highly concessionary terms and equity participation for BDS\$7 million), by the rest of the financial system, and by the general public and insurance companies (through the placement of National Development Bonds). In addition, the BDB on-lends funds provided by the Caribbean Development Bank, the European Investment Bank, and the Inter-American Development Bank. In an effort to increase its activities, in

^{1/} Insurance companies, which are not included in the consolidated financial system, also extend credit for mortgages.

November 1986 the BDB entered into an agreement with a foreign consulting firm to provide assistance in locating joint venture partners, market outlets for local products, and external financing from export credit agencies. In August 1987, the Bank offered an issue of National Development Bonds for BDS\$10 million at an interest rate of 6 percent; about BDS\$3 million had been subscribed as of November 1987.

Credit to the private sector by the Barbados Mortgage Finance Company Ltd. (BMFCL) expanded by 60 percent during the period 1982-86 and by a further 10 percent during the first three quarters of 1987. The financial resources of the BMFCL include the Housing Credit Fund, deposits from national insurance funds and other financial institutions and some foreign borrowing.

2. Other financial intermediaries

The main institutions not included in the consolidated financial system are the credit unions, insurance companies, and offshore banks. The credit unions have experienced very strong growth during the past six years; the number of credit unions has almost doubled to 40, and total membership rose from about 5,500 in March 1980 to more than 25,000 in March 1987 (Statistical Appendix Table 43). Lending by credit unions grew from the equivalent of 5 percent of personal loans by the financial system outstanding in March 1982 to almost 26 percent in March 1987. Credit unions have been able to compete successfully in the area of personal lending with the commercial banks because they are free from banking system regulations on interest rates and lending ceilings (interest rates paid on deposits range from 3 to 5 percent per year and rates charged on consumer loans are around 12 percent).

Credit unions are grouped under the Barbados Cooperative Credit Union League Ltd. which, in August 1985, initiated its Central Fund Facility (CFF). This Facility had accumulated almost BDS\$1 million as of March 1987 in the form of statutory reserves (25 percent of net income of member credit unions) and ordinary monthly contributions (10 percent of deposits), both earning a 4 percent annual interest rate, and fixed term deposits at 7 percent per year from participating credit unions. Since 1986 lending by credit unions has shifted to mortgage lending from loans for the purchase of cars. In 1987 the League started on-lending resources from the Housing Credit Fund.

Total assets of insurance companies increased by about 70 percent during the period 1982-85 to reach BDS\$300 million (Statistical Appendix Table 44). About 30 percent of that amount was channeled to the financial system and 50 percent lent to the private sector, mostly in the form of mortgages. Companies whose risk and premiums originate outside Barbados and whose profits are payable to nonresident shareholders are exempt from the payment of local income or capital gains taxes under the Exempt Insurance Act of 1983. The number of exempt insurance companies increased from 7 at the end of 1985 to 46 by end-1986 and 96 by October 1987.

There are three offshore banks in operation, the Barclays Bank International, the Barbados International Bank and Trust Company Limited, and the Royal Bank of Canada (Barbados Limited). The Royal Bank of Canada commands about 98 percent of offshore bank assets, which have doubled since December 1982 (Statistical Appendix Table 45). Most of the lending by these institutions is in the form of short-term facilities to Latin American countries (mainly Venezuela, Mexico, Brazil, and Chile). In recent years, some lending has also been directed to public corporations in Barbados.

The operations of the offshore banks are regulated by the Offshore Banking Act of 1979 which provides confidentiality of accounts, an exemption from exchange controls, and a tax of 1 percent to 2.5 percent on profits. In an effort to facilitate further growth of offshore financial activities in Barbados, a Double Taxation Treaty with the United States was ratified early in 1986.

V. The Balance of Payments

1. Overall trends

After growing rapidly in the early 1980s, the value of merchandise exports dropped by over 60 percent from 1984 to 1987 as Barbados' enclave industry of electronic components contracted sharply and exports of manufactures to CARICOM continued to fall. The accompanying fall in imports was less marked, and the trade deficit rose from US\$309 million in 1985 to around US\$370 million in 1987 (Table 10). With an increase in interest payments and a decline in net receipts from services other than tourism, the current account shifted from a small surplus in 1984 and 1985 to a deficit in excess of 1 percent of GDP in 1986 and 1987.

Since 1985, the capital account has been in surplus as net official borrowing has exceeded private capital outflows, and the overall balance of payments has registered modest surpluses. Accordingly, at end-1987 the net official international reserves were about US\$35 million higher than three years earlier, with gross liquid reserves being equivalent to 2.2 months of retained imports ^{1/} (Statistical Appendix Table 56).

Outstanding government and government-guaranteed debt rose from the equivalent of 22.5 percent of GDP (US\$224 million) at the end of 1982 to an estimated 34.3 percent of GDP (US\$470 million) at the end of 1987. In each of the last three years the Government has had significant recourse to international capital markets; over the period, syndicated Eurodollar loans and yen denominated bonds amounting to US\$162 million (12 percent of GDP) were raised and disbursed.

Movements in the real effective exchange rate of the Barbados dollar have largely reflected changes in the exchange value of the U.S. dollar to which the Barbados dollar has been pegged at BDS\$2 per U.S. dollar since 1975. In 1981 the real effective exchange value of the Barbados dollar began to move upward as the U.S. dollar started to appreciate against the currencies of Barbados' trading partners, and this trend continued until March 1985 when the appreciation of the U.S. dollar started to be reversed (Chart 4 and Statistical Appendix Table 57). As of November 1987 the real exchange value of the Barbados dollar remained 15 percent above its average level in 1980.

2. Domestic exports

After rising sharply to a peak of US\$292 million in 1984, domestic exports fell by nearly two thirds to US\$112 million in 1987. Exports of electronic components account for most of this movement, but exports of other manufactures also fell very sharply in the last three years. Over the same period, sugar exports rose marginally, but other agricultural

^{1/} Total imports minus imports for re-export.

Table 10. Barbados: Balance of Payments Summary

	1982	1983	1984	1985	1986	Est. 1987
(In millions of U.S. dollars)						
<u>Current account</u>	<u>-41.6</u>	<u>-51.6</u>	<u>11.2</u>	<u>3.7</u>	<u>-15.6</u>	<u>-18.2</u>
<u>Trade balance</u>	<u>-344.8</u>	<u>-351.7</u>	<u>-321.0</u>	<u>-309.0</u>	<u>-359.9</u>	<u>-368.2</u>
Exports, f.o.b. <u>1/</u>	209.4	273.0	341.6	302.2	245.8	132.5
Of which: domestic exports	186.3	255.1	291.9	248.2	210.5	112.0
sugar	34.4	22.3	32.8	28.9	32.5	35.0
electronic components	60.9	133.2	168.0	152.0	120.6	35.0
other	91.0	99.6	91.1	67.3	57.4	42.0
Imports, c.i.f. <u>2/</u>	-554.2	-624.7	-662.6	-611.2	-605.7	-500.7
Of which: retained imports	-481.3	-561.1	-560.5	-504.3	-524.7	-450.7
<u>Tourism receipts (gross)</u>	<u>254.8</u>	<u>255.0</u>	<u>287.7</u>	<u>275.8</u>	<u>328.1</u>	<u>346.0</u>
<u>Investment income (debit)</u>	<u>-30.5</u>	<u>-35.4</u>	<u>-44.1</u>	<u>-45.8</u>	<u>-62.4</u>	<u>-70.0</u>
Of which: interest on public debt	-16.3	-22.6	-23.3	-23.7	-31.7	-41.4
<u>Other services (net)</u>	<u>55.6</u>	<u>60.3</u>	<u>73.9</u>	<u>77.2</u>	<u>66.9</u>	<u>59.5</u>
<u>Unrequited transfers (net)</u>	<u>23.3</u>	<u>20.2</u>	<u>14.7</u>	<u>5.5</u>	<u>11.7</u>	<u>14.5</u>
<u>Capital account</u>	<u>49.2</u>	<u>58.7</u>	<u>-24.4</u>	<u>12.0</u>	<u>28.5</u>	<u>23.7</u>
<u>Long-term capital</u>	<u>35.7</u>	<u>88.2</u>	<u>16.5</u>	<u>68.0</u>	<u>34.2</u>	<u>46.2</u>
Public sector	15.3	60.9	19.8	38.8	48.5	57.2
Government	14.4	34.1	17.6	47.3	55.1	70.0
Of which: net market borrowing	-2.6	10.6	-4.3	36.0	42.9	49.6
Government guaranteed	1.9	22.0	9.6	4.1	-1.9	-5.6
Central Bank	-1.1	5.8	-3.6	-3.5	-3.6	-6.2
Other	0.1	-1.0	-3.8	-9.1	-1.1	-1.0
Private sector	20.4	27.3	-3.3	29.2	-14.3	-11.0
Direct investment	4.4	2.3	-1.4	2.6	5.0	-5.0
Commercial banks	3.2	12.7	-0.1	15.7	-7.0	1.0
Other	12.8	12.3	-1.8	10.9	-12.3	-7.0
<u>Short-term capital</u>	<u>-5.7</u>	<u>0.9</u>	<u>-15.1</u>	<u>-18.4</u>	<u>17.8</u>	<u>-12.7</u>
Public sector	1.7	--	-1.1	-0.4	-0.4	--
Commercial banks	-7.4	0.9	-14.0	-18.0	18.2	-12.7
<u>Other private sector <u>3/</u></u>	<u>19.2</u>	<u>-30.4</u>	<u>-25.8</u>	<u>-37.6</u>	<u>-23.5</u>	<u>-9.8</u>
<u>Overall balance (deficit -)</u>	<u>7.6</u>	<u>7.1</u>	<u>-13.2</u>	<u>15.7</u>	<u>12.9</u>	<u>5.5</u>
<u>Change in net official reserves</u> (increase -)	<u>-7.6</u>	<u>-7.1</u>	<u>13.2</u>	<u>-15.7</u>	<u>-12.9</u>	<u>-5.5</u>
(In percent of GDP)						
<u>Current account</u>	<u>-4.2</u>	<u>-4.9</u>	<u>1.0</u>	<u>0.3</u>	<u>-1.2</u>	<u>-1.3</u>

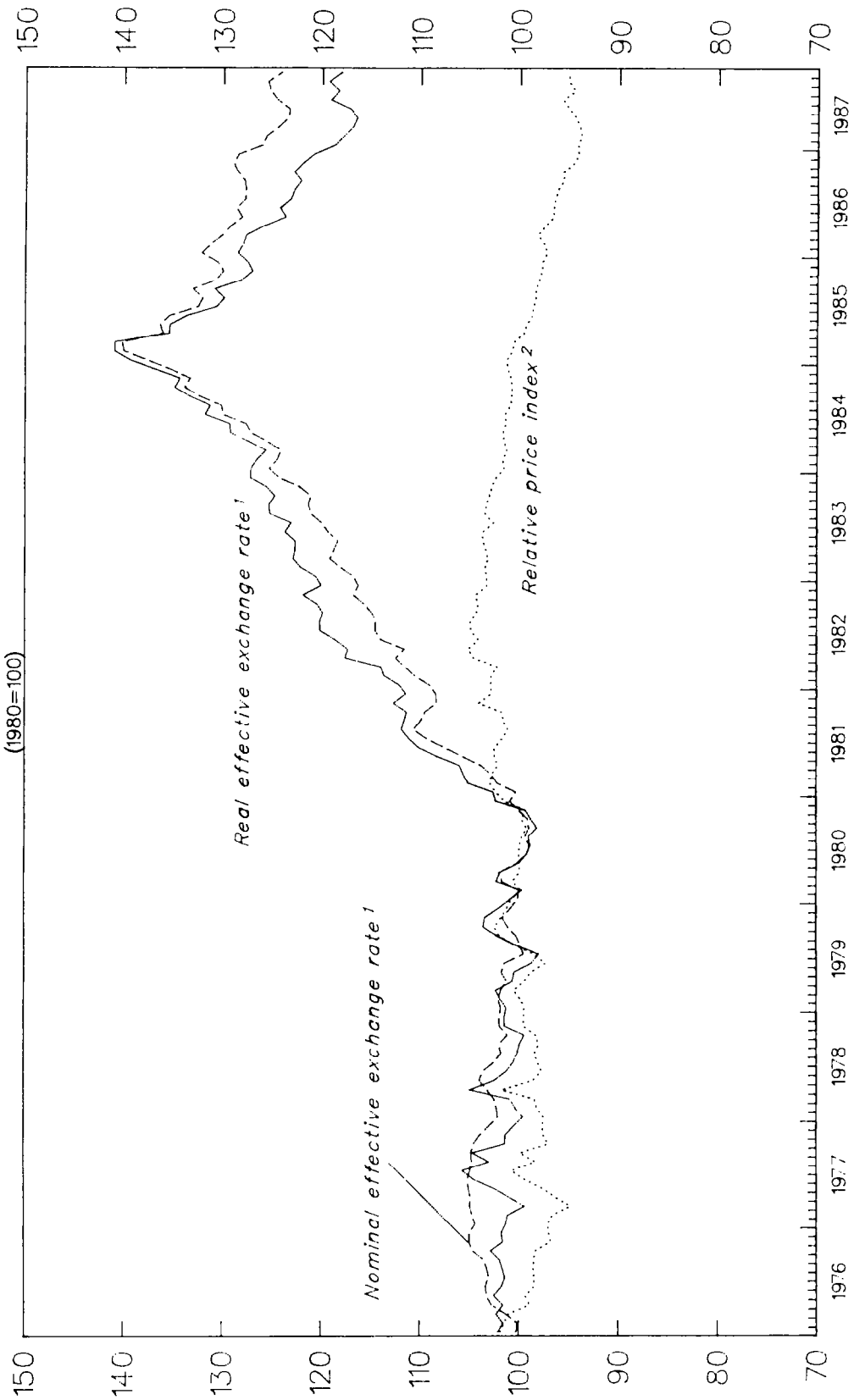
Sources: Statistical Appendix Tables 14 and 46; and Fund staff estimates.

1/ Includes domestic exports and re-exports other than stores and bunkers.

2/ Includes retained imports, stores and bunkers, and other re-exports.

3/ Includes transactions of insurance companies and errors and omissions.

CHART 4
BARBADOS
REAL AND NOMINAL EFFECTIVE EXCHANGE RATE
(1980=100)



¹ Increase indicates appreciation.
² Barbados consumer prices divided by weighted consumer prices of the trading partner countries.



exports to North America, Europe, and Japan registered a major setback, declining by almost one half (Table 11).

a. Manufacturing

There are two distinct categories of manufactured exports in Barbados: partly or fully assembled electronic components and garments exported to the United States (including Puerto Rico) by multinational corporations with branches in Barbados, and the more labor intensive, traditional manufactures which have been mainly exported to the protected CARICOM market.

Exports of the first category, mainly electronic components, rose to US\$168 million in 1984, but by 1987 they had fallen to US\$35 million. In the early 1980s U.S. based electronic assembly industries had been attracted to Barbados--in spite of the country's relatively high labor cost--by a combination of factors including its proximity to the U.S. market, political and social stability, good physical infrastructure (including communications), and a wide range of fiscal incentives and other financial inducements offered by the Government. However, competition among large producers of electronic products in international markets--at a time when demand was falling--adversely affected companies operating from Barbados, and in 1985 and 1986 two companies employing about one half of the 3,000 local workers in the industry ceased operations.

Manufactured exports to CARICOM grew rapidly during the early 1980s to reach some US\$70 million in both 1982 and 1983 (Statistical Appendix Table 52). However, since 1984 exports to CARICOM have contracted because of payments difficulties in Jamaica and an intensification of import restrictions by Trinidad and Tobago, as well as large devaluations in the currencies of these two countries in the period 1983-85. Reflecting these developments, and also the continuing growth in manufacturing capacity in some CARICOM countries, manufactured exports to CARICOM fell by about one half from 1983 to 1986, and they continued to decline in 1987.

b. Sugar

The value of exports of sugar and molasses averaged close to US\$30 million in the period 1981-86, with their volume heavily dependent on weather variation and ongoing efforts to diversify sugar production into other activities (Statistical Appendix Table 48). From 1982 to 1986 the unit value of sugar exports declined cumulatively by 21 percent, in spite of a protected EEC market and a preferential U.S. quota. In 1986, export volume was the highest in eight years, but overall unit values were particularly depressed because of relatively large sales on the world market. In 1987 the average unit value rose by over 50 percent because of a significant decline in such sales and of continuing appreciation of the European Currency Unit in which most sales are denominated.

Table 11. Barbados: Domestic Exports

	1982	1983	1984	1985	1986	Est. 1987
(In millions of U.S. dollars)						
Total	186.3	255.1	291.9	248.2	210.5	112.0
Sugar and molasses	34.4	22.3	32.8	28.9	32.5	35.0
Manufactured goods	139.5	219.5	245.2	205.7	169.5	70.0
Of which:						
Electronic components	60.9	133.2	168.0	152.0	120.6	35.0
Clothing	32.8	35.2	32.4	22.5	17.8	13.5
Chemicals	13.1	13.6	13.0	10.6	9.4	8.0
Other	32.7	37.5	31.8	20.6	21.7	13.5
Other exports	12.4	13.3	13.9	13.6	8.5	7.0
(Percentage change)						
Total	25.5	36.9	14.4	-15.0	-15.2	-46.8
Sugar and molasses	15.1	-35.2	47.1	-11.9	11.2	7.7
Manufactured goods	38.0	57.3	11.7	-16.1	-17.6	-58.7
Electronic components	57.8	118.7	26.1	-9.5	-20.7	-71.0
Clothing	25.7	7.3	-8.0	-30.6	-20.9	-24.2
Chemicals	8.3	3.8	-4.4	-18.5	-11.3	-14.9
Other	34.6	14.7	-15.2	-35.2	5.3	-37.8
Other exports	-29.1	7.3	4.5	-2.2	-37.5	-14.6

Sources: Statistical Appendix Table 47; and Fund staff estimates.

Exports to the EEC, the primary market for Barbados' sugar, are controlled by the Sugar Protocol of the Lome Convention. From 1980/81 to 1983/84 Barbados' quota was 53,600 metric tons per year; in 1984/85 it was raised to 54,400 tons and a further, minor increase was made in 1987/88 (years ending June). A guaranteed price, expressed in European Currency Units (ECUs), is fixed through annual negotiations between Asian-Caribbean-Pacific (ACP) sugar producing countries and the EEC. This price rose by about 18 percent in ECU terms from 1982 to 1985, but because of the appreciation of the U.S. dollar against the ECU during this period, it fell from the equivalent of US\$376 per metric ton in 1981 to US\$333 per metric ton in 1985. The guaranteed price in ECU terms rose by less than 5 percent in the period 1986-87, but due to the depreciation of the U.S. dollar against the ECU since early 1985, the price in U.S. dollar terms rose by 58 percent.

Barbados also sells sugar in the U.S. market under quotas and preferential prices that are established yearly by the U.S. Government. In line with recent changes in the overall U.S. import quota, Barbados' allotment was reduced from 19,300 metric tons in 1984 to 16,100 metric tons in 1985, 11,300 metric tons in 1986, and 6,800 metric tons in 1987. The price in the U.S. market has fluctuated around an average of US\$450 per metric ton in the period 1982-86.

3. Tourism

Gross receipts from tourism grew by 19 percent in 1986 on the basis of higher expenditure per tourist and a 7 percent rise in total tourist days, including an increase of almost 30 percent in cruise ship passengers (Statistical Appendix Table 49). Although expenditure per tourist is estimated to have declined in 1987, receipts continued to expand as tourist days (adjusted for cruise ship passengers) are estimated to have grown by an additional 10 percent. In 1986 gross receipts from tourism exceeded the value of merchandise exports by almost one third; in 1987 they were close to three times the latter. The contribution of gross receipts from tourism to total current account receipts rose from 34 percent in 1985 to 41 percent in 1986 and to an estimated 50 percent in 1987.

It is estimated that average per capita expenditure by tourists rose by 12 percent in 1986 (compared with increases of 10 percent in the previous two years), reflecting a particularly strong winter season. The estimated decline in average per capita expenditure in 1987 is a consequence of the relative concentration of tourist in the less expensive summer season that year.

The pattern of tourist arrivals by country of residence has changed markedly in recent years. The share of U.S. tourists in total arrivals rose from 25 percent in 1982 to 45 percent in 1986, while that of CARICOM fell from 27 percent to 17 percent. The shrinkage in the CARICOM market has been due mainly to drastically reduced arrivals from Trinidad and Tobago in reflection of the difficult economic situation in

that country. In 1986 the share of arrivals from Canada fell from 19.7 to 16.3 percent, while that from the United Kingdom rose from 10.8 to 12.8 percent. In the first half of 1987 the share of arrivals from the United Kingdom continued to increase, while those of CARICOM and Canada declined further. The strength of the pound sterling against the U.S. dollar (and therefore the Barbados dollar) strongly contributed to the rise in tourists from the United Kingdom.

4. Retained imports

After rising for several years to some US\$560 million in 1983-84, retained imports fell to an estimated US\$450 million in 1987. Both the increase and the decline in retained imports mainly reflected movements in the imports of electronic components which expanded to an average of US\$115 million in 1983-84 and fell to an estimated US\$12 million in 1987 (Table 12).

However, retained imports other than those of electronic components fell cumulatively by 6.5 percent in 1984-85, but rose by 2 percent in 1986 and an estimated similar percentage in 1987. The fall in those imports reflected the completion or phasing down of major public and private sector investment projects with a large import content (such as the Heywoods Tourist Village project and the Arawak cement plant), substantial declines in fuel imports (because of growing self-sufficiency as outlined in Section II), the shrinking of trade with CARICOM countries and, more generally, the depressed state of the economy and rising unemployment. These imports rose in 1986-87 mainly because of increased imports of consumer goods.

Consumer goods imports remained flat in 1983-85 with virtually no movement in any of the major categories--nondurables, durables, and other manufactures (Statistical Appendix Table 50). However, in 1986 imports of both durables and nondurables rose somewhat, with motor car imports rising sharply by 20 percent in reflection of the higher private sector disposable income resulting from the tax concessions granted in mid-1986 (see Section III). The further growth in consumer goods during the first half of 1987 reflected, to a large degree, a rise in food imports related to a greater demand from the tourist sector.

Fuel imports fell sharply in value in 1986 because of lower international prices. However, in contrast with the previous four years when the volume of crude oil imports declined (because of growing self-sufficiency in Barbados), the volume of fuel imports rose in 1986 due to the cutback in domestic production. The value of fuel imports is estimated to have risen by more than 15 percent in 1987, reflecting somewhat higher international prices and continuing domestic production restraint.

Imports of capital goods fell during the period 1982-85, but rose moderately in 1986, although still remaining 15 percent below the level in 1982. In the first half of 1987 the value of machinery imports fell

Table 12. Barbados: Retained Imports, c.i.f.

	1982	1983	1984	1985	1986	Est. 1987
(In million of U.S. dollars)						
<u>Total retained imports</u>	<u>481.3</u>	<u>561.1</u>	<u>560.5</u>	<u>504.3</u>	<u>524.7</u>	<u>450.7</u>
Consumer goods	163.4	179.7	175.5	176.9	185.9	200.0
Of which:						
Food and beverages	80.8	78.2	80.2	77.6	79.9	84.0
Motorcars	7.5	15.5	11.7	13.7	16.7	18.0
Intermediate goods	178.1	249.8	254.7	206.7	210.7	120.0
Of which:						
Fuel	42.4	29.7	34.1	26.5	16.9	19.7
Electronic components	41.8	111.9	119.7	83.2	94.3	12.0
Capital goods	136.4	127.1	122.1	110.1	116.8	116.0
Unclassified imports	3.4	4.5	8.2	10.6	11.3	10.0
<u>Total retained imports excluding electronic components</u>	<u>439.5</u>	<u>449.2</u>	<u>440.8</u>	<u>421.1</u>	<u>430.4</u>	<u>434.0</u>
(Percentage change)						
<u>Total</u>	<u>-8.9</u>	<u>16.6</u>	<u>-0.1</u>	<u>-10.0</u>	<u>4.0</u>	<u>-14.1</u>
Consumer goods	-12.3	10.0	-2.3	0.8	5.1	7.6
Intermediate goods	-11.4	40.3	2.0	-18.8	1.9	-43.0
Of which:						
Fuel	-41.0	-30.0	14.8	-22.2	-36.2	16.6
Electronic components	155.8	168.3	7.1	-30.6	13.3	-87.3
Capital goods	-2.3	-6.8	-3.9	-9.8	6.1	-0.7
<u>Total, excluding elec- tronic components</u>	<u>-14.2</u>	<u>2.2</u>	<u>-1.9</u>	<u>-4.5</u>	<u>2.2</u>	<u>1.9</u>

Sources: Statistical Appendix Table 50; and Fund staff estimates.

back by 11 percent compared to the corresponding 1986 period, reflecting the decline in private nonresidential investment. Imports of construction materials, however, continued to grow in both 1986 and 1987 because of the pickup in private housing construction.

5. Capital account

After a US\$24 million net outflow in 1984, the capital account (including net errors and omissions) registered net inflows, averaging some US\$20 million a year (see Table 10). Net public sector borrowing rose in the last three years, mainly reflecting Euro-currency borrowing and bond issues for extraordinary financing of the Central Government which averaged US\$42 million a year in the last three years. Net borrowing for project implementation in the public sector, which was substantial in the period 1983-84 has declined in 1985-87. Also, net central bank borrowing has been negative in recent years.

There were modest inflows of direct investment capital in 1985 and 1986, but the sudden decision of a major electronic components manufacturer to move out of Barbados and the inability of the country to attract substantive new investments led, in 1987, to an outflow of direct investment estimated at US\$5 million. Meanwhile, the balance on other long-term private capital transactions became highly negative, as there was little new borrowing while loans disbursed in earlier years became due. The large negative residual in the balance of payments since 1983 is believed to represent mainly private capital transactions. 1/

The negative balance of commercial bank capital transactions (both long-term and short-term) was reduced from US\$14 million in 1984 to US\$2 million in 1985, and in 1986 a surplus of US\$11 million was realized. After being used extensively in 1985 for relending to private sector enterprises, long-term foreign borrowing by commercial banks became negative in 1986 and negligible in 1987. In 1984 and 1985 the commercial banks built up their short-term foreign assets and repaid a large portion of their short-term liabilities, but in 1986 the latter increased significantly, resulting in a decline in commercial banks' net reserves of US\$18 million. In the first nine months of 1987 the commercial banks reduced significantly their short-term liabilities with head offices abroad, rebuilding net reserves by around US\$15 million.

Other private transactions, inclusive of errors and omissions, have resulted in outflows except for 1982. In 1985 and 1986, some of these outflows may have represented the early repayment of trade credits denominated in currencies other than the U.S. dollar, as importers tried

1/ The Central Bank of Barbados is presently revising its computation of the capital account of the balance of payments, as errors have been identified pertaining to transactions of foreign insurance companies operating in Barbados.

to shield themselves from the effects of the depreciation of the U.S. currency.

6. External public debt

The ratio of Barbados' external public debt (including private debt with government guarantee) to GDP rose from 22.5 percent at end-1982 to an estimated 34.3 percent at end-1987, while the ratio of debt service to domestic merchandise exports plus tourist receipts almost tripled to an estimated 21.2 percent in 1987 (Table 13). Including private nonguaranteed debt, Barbados' total external debt as of end-1987 is estimated at the equivalent of 42.4 percent of GDP; the corresponding debt service ratio in 1987 amounted to 26.6 percent of merchandise exports plus tourist receipts. The debt of Barbados to the IMF is a small fraction of the total (1.5 percent of GDP at end-1987) and the corresponding debt service is also small (2.3 percent of merchandise exports plus tourist receipts).

In the 1982-84 period, the Government generally refrained from new market borrowing on its own account, but additional debt with government guarantee was contracted by certain enterprises. As a result, government-guaranteed debt rose from US\$21 million at end-1982 to US\$56 million at end-1984, with about 60 percent of the increase accounted for by disbursements of loans from commercial banks for the construction of the Arawak cement plant.

Over the last three years, new market borrowing undertaken directly by the Government was the main determinant of the increase in public debt. In 1985 the Government arranged the placement of an issue of five-year yen denominated bonds for the equivalent of US\$19.3 million (with an interest rate of 7.7 percent); also, a US\$25 million loan by a syndicate of banks in the United Kingdom was disbursed that year (with an interest rate of 1 1/4 percentage points over LIBOR and a maturity of seven years, including a three-year grace period). In 1986 the Government arranged further borrowing from the same sources, comprising (a) another issue of five-year yen-denominated bonds for the equivalent of US\$27.5 million (with an interest rate of 6.9 percent); and (b) a loan for US\$40 million from a syndicate of banks in the United Kingdom (carrying the same terms as the 1985 loan), of which US\$25 million was disbursed in late 1986 and US\$15 million in March 1987. Also, in 1987 a sterling-denominated bank loan for the equivalent of US\$45 million (with an interest rate of 9.9 percent and a maturity of seven years, including four years' grace) was arranged and fully disbursed in May.

As a consequence of these transactions, Barbados' debt structure has changed significantly: at the end of 1981, 68 percent of external public debt was owed to official bilateral agencies and international institutions, but this proportion fell to 52 percent by end-1986 and further to 50 percent by end-1987 (Statistical Appendix Table 54).

Table 13. Barbados: Summary of Outstanding External Debt

	1982	1983	1984	1985	1986	Est. 1987
(In millions of U.S. dollars)						
I. Public and Publicly Guaranteed Debt						
<u>Outstanding debt (end of year)</u>	<u>223.8</u>	<u>296.9</u>	<u>325.3</u>	<u>380.00</u>	<u>427.0</u>	<u>470.4</u>
Central Government	148.1	181.3	193.9	241.7	301.2	376.2
Government guaranteed	21.1	42.1	56.2	61.5	60.9	55.4
Central Bank	54.6	73.5	75.2	76.8	64.9	38.8
Debt to IMF	24.6	37.7	43.0	48.1	39.9	20.0
Other	30.0	35.8	32.2	28.7	25.0	18.8
<u>Debt service during year</u>	<u>26.1</u>	<u>37.5</u>	<u>42.8</u>	<u>53.1</u>	<u>74.8</u>	<u>97.0</u>
<u>Interest payments</u>	<u>16.3</u>	<u>22.6</u>	<u>23.3</u>	<u>23.7</u>	<u>31.7</u>	<u>41.4</u>
Central Government	8.5	13.0	13.0	13.1	20.2	30.7
Government guaranteed	3.5	3.2	3.7	5.0	5.2	7.6
Central Bank	4.3	6.4	6.6	5.6	6.3	3.1
Debt to IMF	0.1	1.8	3.1	3.6	3.5	2.3
Other	4.2	4.6	3.5	2.0	2.8	0.8
<u>Amortization</u>	<u>9.8</u>	<u>14.9</u>	<u>19.5</u>	<u>29.4</u>	<u>43.1</u>	<u>55.7</u>
Central Government	6.9	7.6	11.4	15.3	19.4	17.6
Government guaranteed	1.7	1.6	3.7	5.4	5.1	10.4
Central Bank	1.2	5.7	4.4	8.7	18.6	27.7
Debt to IMF	0.8	1.0	—	—	13.2	21.5
Other	0.4	4.7	4.4	8.7	5.4	6.2
II. Private Nonguaranteed Debt						
<u>Outstanding debt (end of year)</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>94.1</u>	<u>100.0</u>	<u>110.5</u>
<u>Debt service during year</u>	<u>6.9</u>	<u>13.1</u>	<u>19.7</u>	<u>32.0</u>	<u>22.4</u>	<u>25.0</u>
Interest payments	) 6.9	1/ 13.1	1/ 19.7	7.8	8.9	9.3
Other interest payments	)			9.8	3.5	
Amortization	...	...	...	14.4	10.0	15.7
(In percent of GDP)						
<u>Outstanding debt (end of year)</u>						
Total debt	...	...	...	39.2	40.3	42.4
Public and publicly guaranteed debt	22.5	28.1	28.2	31.4	32.6	34.3
Of which: debt to the IMF	2.5	3.6	3.7	4.0	3.0	1.5
(In percent of domestic exports and tourism receipts)						
<u>Debt service</u>						
Total debt	...	...	...	16.2	18.0	26.6
Public and publicly guaranteed debt	5.9	7.4	7.4	10.1	13.8	21.2
Of which: debt to the IMF	0.2	0.6	0.5	0.7	3.1	2.3
<u>Memorandum items</u>						
Average interest rate						
On total debt	...	...	...	...	8.4	8.9
On public and publicly guaranteed debt	8.0	8.7	7.5	6.7	7.9	8.9

Sources: Statistical Appendix Tables 14 and 53; and Fund staff estimates.

1/ Difference between portfolio investment income debits in the balance of payments and interest rate payments derived from debt data.

The terms of new public debt commitments have changed substantially over time. The average maturity of new commitments in the period 1975-87 was about 14 years (Statistical Appendix Table 55). The shortest average maturity was that for 1987, estimated at 6.7 years; the average maturity for new commitments in 1985 and 1986 was also low in relation to previous years. In 1986 and 1987 the average grace period was about 4.1 years, and the average interest rate at the time of commitment about 8.5 percent.

7. Exchange and trade system 1/

Since mid-1975 the Barbados dollar, which was previously linked to the pound sterling, has been pegged to the U.S. dollar at a rate of BDS\$2 per U.S. dollar. Spreads between official buying and selling rates for the U.S. dollar have been below 2 percent in recent years.

Barbados' exchange system has been free from restrictions on payments and transfers for current international transactions. However, the Central Bank requires exchange control approval for capital transactions involving direct investment in Barbados and foreign borrowing by residents. The Central Bank delegates to authorized dealers the authority to approve normal import payments and the allocation of foreign exchange for certain other current payments and for cash gifts. The exchange control system provides that foreign exchange should normally be surrendered to an authorized dealer.

Imports are subject to licensing requirements and to quantitative restrictions. The list of products subject to import licensing is extensive. However, not all goods subject to import licensing are also subject to quantitative restriction. Some items on the import licensing list may be freely imported throughout the year, while some others are subject to temporary restriction (particularly agricultural products, which tend to be subject to seasonal restriction). Certain imports are prohibited: these include various foodstuffs, blue jeans, and beer not produced within the CARICOM area. Trade controls are administered by the Ministry of Commerce, Industry and Consumer Affairs.

1/ As of December 31, 1986. A detailed description may be found in the Annual Report on Exchange Restrictions, 1987.

Table 14. Barbados: National Accounts

	1981	1982	1983	1984	1985	1986	Est. 1987
(In millions of Barbados dollars)							
<u>Consumption expenditure</u>	<u>1,666.4</u>	<u>1,664.6</u>	<u>1,805.1</u>	<u>1,913.4</u>	<u>2,027.6</u>	<u>2,213.3</u>	<u>2,340.9</u>
Central Government	321.2	329.0	346.1	387.6	456.3	468.8	525.0
Private sector <u>1/</u>	<u>1,345.2</u>	<u>1,335.6</u>	<u>1,459.0</u>	<u>1,525.8</u>	<u>1,571.3</u>	<u>1,744.5</u>	<u>1,815.9</u>
<u>Gross capital formation</u>	<u>525.0</u>	<u>450.1</u>	<u>421.2</u>	<u>373.9</u>	<u>371.8</u>	<u>423.8</u>	<u>411.0</u>
Central Government	112.7	83.2	78.5	77.1	78.4	88.0	118.1
Private sector <u>1/</u>	<u>412.3</u>	<u>366.9</u>	<u>342.7</u>	<u>296.8</u>	<u>293.4</u>	<u>335.8</u>	<u>292.9</u>
<u>Gross domestic expenditure</u>	<u>2,191.4</u>	<u>2,114.7</u>	<u>2,226.3</u>	<u>2,287.4</u>	<u>2,399.5</u>	<u>2,637.1</u>	<u>2,751.9</u>
Exports of goods and non-factor services	1,072.5	1,215.5	1,371.7	1,573.8	1,485.1	1,463.2	1,251.4
Imports of goods and non-factor services	1,359.3	1,340.2	1,485.3	1,558.4	1,463.5	1,478.9	1,259.9
<u>GDP at market prices</u>	<u>1,904.6</u>	<u>1,990.0</u>	<u>2,112.7</u>	<u>2,302.8</u>	<u>2,421.1</u>	<u>2,621.4</u>	<u>2,743.4</u>
Net subsidies and indirect taxes	198.4	205.8	213.7	228.2	229.3	293.2	357.4
<u>GDP at factor cost</u>	<u>1,706.2</u>	<u>1,784.2</u>	<u>1,898.9</u>	<u>2,074.6</u>	<u>2,191.8</u>	<u>2,328.2</u>	<u>2,386.0</u>
Factor receipts from abroad	68.5	66.6	57.9	86.1	85.3	113.6	111.6
Factor payments abroad	68.5	71.8	87.9	108.4	110.5	152.5	168.5
<u>GNP at factor cost</u>	<u>1,706.2</u>	<u>1,779.0</u>	<u>1,868.9</u>	<u>2,052.3</u>	<u>2,166.6</u>	<u>2,289.4</u>	<u>2,329.1</u>
<u>GNP at market prices</u>	<u>1,904.6</u>	<u>1,984.8</u>	<u>2,082.6</u>	<u>2,280.5</u>	<u>2,395.9</u>	<u>2,638.1</u>	<u>2,686.5</u>
(In percent of GDP)							
Consumption expenditure	87.5	83.6	85.4	83.1	83.7	84.4	85.3
Central Government	16.9	16.5	16.4	16.8	18.8	17.9	19.1
Private sector	70.6	67.1	69.1	66.3	64.9	66.5	66.2
Gross capital formation	27.6	22.6	19.9	16.2	15.4	16.2	15.0
Central Government	5.9	4.2	3.7	3.3	3.2	3.4	4.3
Private sector	21.6	18.4	16.2	12.9	12.1	12.8	10.7
Gross domestic expenditure	115.1	106.3	105.4	99.3	99.1	100.6	100.3
Exports of goods and non-factor services	56.3	61.1	64.9	68.3	61.3	55.8	45.6
Imports of goods and non-factor services	71.4	67.3	70.3	67.7	60.4	56.4	45.9

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

1/ Includes public corporations.

Table 15. Barbados: Savings and Investment

	1981	1982	1983	1984	1985	1986	Est. 1987
(In millions of Barbados dollars)							
Gross capital formation	525.0	450.1	421.2	373.9	371.8	423.8	411.0
Central Government	112.7	83.2	78.5	77.1	78.4	88.0	118.1
Private sector <u>1/</u>	412.3	366.9	342.7	296.8	293.4	335.8	292.9
Gross national savings	272.8	366.9	318.0	396.3	379.2	392.6	374.6
Central Government	24.7	27.5	56.6	33.2	34.4	33.4	-10.5
Private sector <u>1/</u>	248.1	339.8	261.4	363.1	344.8	359.2	385.1
External sector	252.2	83.2	103.2	-22.4	-7.4	31.2	36.4
(As percent of GDP at current market prices)							
Gross capital formation	27.6	22.6	19.9	16.2	15.4	16.2	15.0
Gross national savings	14.3	18.4	15.1	17.2	15.7	15.0	13.7
External savings	13.2	4.2	4.9	-1.0	-0.3	1.2	1.3

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

1/ Includes the public sector outside the Central Government, and changes in stocks.

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Table 16. Barbados: Sectoral Origin of GDP at Factor Cost

	1981	1982	1983	1984	1985	1986	Est. 1987
(In millions of Barbados dollars at 1974 prices)							
GDP	786.9	748.2	751.4	778.2	786.0	823.0	827.8
Sugar	41.6	38.0	36.3	42.6	42.5	47.2	35.5
Other agriculture and fishing	26.9	28.8	33.1	33.4	33.1	31.8	33.4
Mining and quarrying	3.9	4.0	4.9	6.8	7.3	7.7	6.2
Manufacturing	91.4	86.5	88.7	90.4	81.8	86.0	77.4
Electricity, gas, and water	16.5	16.8	19.5	20.4	21.4	22.8	22.8
Construction	58.7	51.7	51.2	50.7	49.3	52.8	54.9
Wholesale and retail trade	158.2	145.5	141.2	146.8	154.1	163.3	173.1
Tourism	103.5	89.1	87.3	93.4	90.6	93.8	97.6
Transport, storage, and communications	51.9	53.5	54.3	57.0	58.7	61.4	62.6
Business and general services	130.3	133.5	134.1	135.4	140.8	145.0	151.2
Government services	104.0	100.8	100.8	101.3	106.4	111.2	112.9
(Annual percentage changes)							
GDP	-1.9	-4.9	0.4	3.6	1.0	4.7	0.6
Sugar	27.8	-8.7	-4.5	17.4	-0.2	11.1	-24.8
Other agriculture and fishing	7.6	7.1	14.9	0.9	-0.9	-3.9	5.0
Mining and quarrying	-9.3	2.6	22.5	38.8	7.4	5.5	-19.5
Manufacturing	-3.6	-5.4	2.5	1.9	-9.5	5.1	-10.0
Electricity, gas, and water	-1.8	1.8	16.1	4.6	4.9	6.5	--
Construction	4.1	-11.9	-1.0	-1.0	-2.8	7.1	4.0
Wholesale and retail trade	1.0	-8.0	-3.0	4.0	5.0	6.0	6.0
Tourism	-6.7	-13.9	-2.0	7.0	-3.0	3.5	4.0
Transport, storage, and communications	4.4	3.1	1.5	5.0	3.0	4.6	2.0
Business and general services	1.7	2.5	0.4	1.0	4.0	3.0	4.3
Government services	2.0	-3.1	0.0	0.5	5.0	4.5	1.5
(In percent of GDP)							
GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Sugar	5.3	5.1	4.8	5.5	5.4	5.7	4.3
Other agriculture and fishing	3.4	3.8	4.4	4.3	4.2	3.9	4.0
Mining and quarrying	0.5	0.5	0.7	0.9	0.9	0.9	0.7
Manufacturing	11.6	11.6	11.8	11.6	10.4	10.4	9.4
Electricity, gas, and water	2.1	2.2	2.6	2.6	2.7	2.8	2.8
Construction	7.5	6.9	6.8	6.5	6.3	6.4	6.6
Wholesale and retail trade	20.1	19.4	18.8	18.9	19.6	19.8	20.9
Tourism	13.2	11.9	11.6	12.0	11.5	11.4	11.8
Transport, storage, and communications	6.6	7.2	7.2	7.3	7.5	7.5	7.6
Business and general services	16.6	17.8	17.8	17.4	17.9	17.6	18.3
Government services	13.2	13.5	13.4	13.0	13.5	13.5	13.6

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

Table 17. Barbados: Selected Sugar Statistics 1/

	1981	1982	1983	1984	1985	1986	1987
1. Sugar production (thousands of metric tons) <u>2/</u>	97.5	85.5	82.8	100.4	100.2	111.1	83.4
2. Sugarcane milled (thousands of metric tons)	962.0	766.0	705.0	812.8	793.5	908.3	689.0
3. Area harvested (thousands of hectares)	15.8	15.8	14.1	14.1	13.9	13.9	12.8
4. Average yield							
Cane/sugar	8.9	9.4	8.5	8.1	7.9	8.2	8.3
Cane/hectare harvested (metric tons)	60.7	51.0	50.1	57.8	57.3	65.6	54.0
5. Factory receipts (BDS\$ million)	88.1	71.5	69.4	76.9	79.5	73.1	...
6. Factory receipts per metric ton (BDS\$)	904.0	836.3	838.0	766.0	793.0	657.7	...
7. Production cost per metric ton (BDS\$)	1,050.0	1,220.0	1,223.0	1,197.0	1,251.0	1,099.0	...
8. Profit or loss per metric ton (% of cost) <u>3/</u>	-13.9	-34.2	-31.5	-36.0	-36.6	-40.2	...
9. Export receipts (BDS\$ million) <u>2/</u>	57.4	66.8	44.8	63.4	57.2	62.0	...
10. Exports of sugar and fancy molasses (thousands of metric tons)	60.5	86.0	57.3	89.2	82.3	98.6	...
11. Export unit value per metric ton (BDS\$)	948.8	776.8	781.8	710.8	695.0	628.8	...

Sources: Barbados Sugar Industry, Ltd.; and Ministry of Finance and Planning.

1/ Entries 1-4 refer to crop years (July to June), and the rest to calendar years.

2/ Includes both sugar and fancy molasses.

3/ Difference between items 6 and 7 as percent of item 7.

Table 18. Barbados: Index of Industrial Production

(1982=100)

	1981	1982	1983	1984	1985	1986
<u>Total</u>	<u>104.5</u>	<u>100.0</u>	<u>105.0</u>	<u>108.2</u>	<u>104.6</u>	<u>110.1</u>
Mining and quarrying	98.0	100.0	121.8	161.6	174.0	163.2
Electricity and gas	98.3	100.0	116.1	121.7	130.2	137.1
Manufacturing	105.7	100.0	102.6	103.2	97.2	103.4
Food	115.6	100.0	99.3	99.7	101.3	109.7
Beverages and tobacco	110.2	100.0	98.1	90.4	90.9	90.5
Wearing apparel	102.9	100.0	106.2	110.7	93.4	75.1
Wooden furniture	100.0	100.0	97.5	115.9	101.5	109.5
Chemicals	134.0	100.0	117.3	83.9	74.6	85.1
Petroleum products	107.1	100.0	97.1	99.5	103.7	116.1
Nonmetallic mineral products	144.3	100.0	84.2	77.8	87.2	112.9
Electronic products	109.3	100.0	97.8	141.0	133.3	136.1
Other manufacturing	64.3	100.0	122.2	95.2	87.0	104.4

Source: Barbados Statistical Service.

Table 19. Barbados: Energy Supply for Domestic Use

	1981	1982	1983	1984	1985	1986
<u>Crude oil ('000 bbl)</u>	<u>1,311</u>	<u>1,066</u>	<u>971</u>	<u>1,296</u>	<u>1,250</u>	<u>1,218</u>
Domestic production	211	259	380	635	679	559
Imports <u>1/</u>	1,007	824	648	567	540	734
Change in inventory	93	-17	-57	94	31	-75
<u>Petroleum derivatives ('000 bbl)</u>	<u>1,335</u>	<u>1,355</u>	<u>1,312</u>	<u>1,399</u>	<u>1,490</u>	<u>1,669</u>
Gasoline	347	344	355	356	371	402
Kerosene	42	38	39	37	37	35
Diesel	310	296	295	288	248	272
Fuel oil	596	642	600	693	805	898
Asphalt	36	33	22	23	29	62
Gas oil	4	2	1	2	--	--
<u>Natural gas (millions of cubic feet)</u>	<u>284</u>	<u>268</u>	<u>735</u>	<u>894</u>	<u>1,185</u>	<u>1,220</u>
<u>Electricity (millions of kwh) <u>2/</u></u>	<u>327</u>	<u>336</u>	<u>354</u>	<u>361</u>	<u>389</u>	<u>414</u>

Source: Ministry of Finance and Planning.

1/ Net of 21,000 barrels of exports in 1984.

2/ Net generation.

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Table 20. Barbados: Structure of Prices of Petroleum Products

	December					
	1981	1982	1983	1984	1985	1986
(In Barbados dollars per U.S. gallon)						
<u>Gasoline</u>						
Retail price	4.16	4.26	4.26	4.26	4.35	3.60
Ex-refinery price	3.61	3.66	3.67	3.67	3.65	2.89
Of which: consumption tax	1.41	1.48	1.64	1.74	1.72	1.83
Marketer/dealer margin	0.55	0.60	0.59	0.59	0.70	0.70
<u>Kerosene</u>						
Retail price	2.54	2.55	2.29	2.29	2.35	2.08
Ex-refinery price	2.08	2.03	1.86	1.81	1.85	1.58
Of which: consumption tax	0.05	0.04	0.15	0.15	0.15	0.53
Marketer/dealer margin	0.46	0.52	0.43	0.48	0.50	0.50
<u>Diesel 48/52</u>						
Retail price	3.33	3.51	3.51	3.51	3.60	3.03
Ex-refinery price	2.87	3.03	3.04	2.99	3.05	2.49
Of which: consumption tax	0.76	0.96	1.11	1.17	1.19	1.57
Marketer/dealer margin	0.46	0.48	0.47	0.53	0.55	0.55
<u>Diesel 43/47</u>						
Retail price	2.54	2.48	2.48	2.48	2.54	2.20
Ex-refinery price	2.11	2.07	2.07	2.02	2.06	1.72
Of which: consumption tax	0.01	0.01	0.15	0.21	0.21	0.73
Marketer/dealer margin	0.43	0.41	0.41	0.46	0.48	0.48
(As percent of retail price)						
<u>Gasoline</u>						
Retail price	100.0	100.0	100.0	100.0	100.0	100.0
Ex-refinery price	86.8	85.9	86.2	86.2	83.9	80.3
Of which: consumption tax	33.9	34.7	38.5	40.8	39.5	50.8
Marketer/dealer margin	13.2	14.1	13.8	13.8	16.1	19.4
<u>Kerosene</u>						
Retail price	100.0	100.0	100.0	100.0	100.0	100.0
Ex-refinery price	81.9	79.6	81.2	79.0	78.7	76.0
Of which: consumption tax	2.0	1.6	6.6	6.6	6.4	25.5
Marketer/dealer margin	18.1	20.4	18.8	21.0	21.3	24.0
<u>Diesel 48/52</u>						
Retail price	100.0	100.0	100.0	100.0	100.0	100.0
Ex-refinery price	86.2	86.3	86.6	85.2	84.7	82.2
Of which: consumption tax	22.8	27.4	31.6	33.3	33.1	51.8
Marketer/dealer margin	13.8	13.7	13.4	15.1	15.3	18.2
<u>Diesel 43/47</u>						
Retail price	100.0	100.0	100.0	100.0	100.0	100.0
Ex-refinery price	83.1	83.5	83.5	81.5	81.1	78.2
Of which: consumption tax	0.4	0.4	6.0	8.5	8.3	33.2
Marketer/dealer margin	16.9	16.5	16.5	18.5	18.9	21.8

Source: Ministry of Finance and Planning.

Table 21. Barbados: Selected Labor Statistics 1/

	1981	1982	1983	1984	1985	1986
(In thousands)						
Total population	249.4	250.5	251.2	251.8	252.5	253.0
Adult population <u>2/</u>	173.0	173.6	175.9	176.9	177.7	178.6
Male	80.0	80.3	81.3	81.8	82.2	82.6
Female	93.0	93.3	94.6	95.1	95.5	96.0
Labor force	111.9	112.0	112.6	112.3	113.3	116.9
Male	61.6	60.9	61.0	61.1	60.6	61.6
Female	50.3	51.1	51.6	51.2	52.7	55.3
Employed	99.8	96.6	95.7	93.1	92.1	96.2
Male	57.1	54.7	54.3	52.2	52.0	53.6
Female	42.7	41.9	41.4	39.9	40.0	42.6
Unemployed	12.1	15.4	16.9	19.2	21.2	20.7
Male	4.5	6.2	6.7	7.9	8.6	8.0
Female	7.6	9.2	10.2	11.3	12.6	12.7
(In percent)						
Participation rate <u>3/</u>	64.7	64.5	64.0	63.5	63.8	65.5
Male	77.0	75.8	75.0	74.7	73.7	74.6
Female	54.1	54.8	54.5	53.8	55.2	57.6
Unemployment <u>4/</u>	10.8	13.8	15.0	17.1	18.7	17.7
Male	7.3	10.2	11.0	12.9	14.2	13.0
Female	15.1	18.0	19.8	22.1	23.9	23.0
(Annual changes in percent)						
Total population	0.4	0.3	0.2	0.3	0.2	0.2
Adult population	0.4	0.3	1.3	0.6	0.5	0.5
Male	0.4	0.4	1.2	0.6	0.5	0.5
Female	0.4	0.3	1.4	0.5	0.4	0.5
Labor force	-1.7	0.1	0.5	-0.3	0.9	3.2
Male	-0.5	-1.1	0.2	0.2	-0.8	1.7
Female	-3.1	1.6	1.0	-0.8	2.9	4.9
Employed	-0.5	-3.2	-0.9	-2.7	-1.1	4.5
Male	0.7	-4.2	-0.7	-3.9	-0.4	3.1
Female	-2.1	-1.9	-1.2	-3.6	0.3	6.5

Source: Barbados Statistical Service.

1/ Based on the 1980 population census and quarterly or half yearly labor force survey estimates. Results of the 1980 census are used to estimate the proportion of adult population in inter-census years.

2/ Persons 15 years of age or over.

3/ In relation to the adult population.

4/ In relation to the labor force; unemployed persons comprise those actively seeking work within a three-month period prior to the date of interview.

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Table 22. Barbados: Employment by Industry 1/

	1980	1981	1982	1983	1984	1985	1986
<u>(In thousands)</u>							
Total	100.3	99.8	96.9	95.7	93.1	92.1	96.2
Agriculture and fishing	9.3	9.4	8.3	7.7	8.4	7.8	7.8
Manufacturing	15.1	14.0	13.8	12.7	12.5	12.0	11.6
Construction <u>2/</u>	8.1	6.3	7.5	7.8	6.8	7.1	7.9
Electricity, gas, and water	0.9	1.3	1.7	1.9	1.9	2.3	2.3
Commerce	21.0	23.3	21.6	21.5	19.9	20.1	20.7
Transport, storage, and communications	5.8	4.8	4.9	5.4	5.1	5.1	5.4
Financial institutions	3.2	3.8	3.8	3.5	3.3	3.2	3.3
Government and other services	36.9	36.9	35.3	35.2	35.2	34.5	37.2
<u>(As percent of total)</u>							
Agriculture and fishing	9.3	9.4	8.6	8.0	9.0	8.5	8.1
Manufacturing	15.1	14.0	14.2	13.3	13.4	13.0	12.1
Construction <u>2/</u>	8.1	6.3	7.7	8.2	7.3	7.7	8.2
Electricity, gas, and water	0.9	1.3	1.8	2.0	2.0	2.5	2.4
Commerce	20.9	23.3	22.3	22.5	21.4	21.8	21.5
Transport, storage, and communications	5.8	4.8	5.1	5.6	5.5	5.5	5.6
Financial institutions	3.2	3.8	3.9	3.7	3.5	3.5	3.4
Government and other services	36.8	37.0	36.4	36.8	37.8	37.5	38.7

Source: Barbados Statistical Service.

1/ Figures for 1970 and 1980 are census data while those for the subsequent years are based on labor force surveys.

2/ Includes mining and quarrying.

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Table 23. Barbados: Wage Index 1/

(1980=100)

	1981	1982	1983	1984	1985	1986
All sectors	110.5	123.0	130.1	142.0	148.9	155.9
Hotels	134.0	134.0	146.0	151.8	161.7	163.8
Distribution	100.0	138.0	138.0	164.1	164.1	164.1
Sugar	100.0	107.2	120.0	135.1	135.1	141.8
Transport	133.0	137.0	157.0	156.6	170.4	170.4
Government	100.0	111.0	113.0	126.6	133.0	144.6
Construction	118.0	118.0	118.0	127.9	143.2	158.2
Telephone	100.0	100.0	120.0	126.6	153.2	160.6
Electricity	129.0	129.0	156.0	156.3	171.9	175.3
Long-shoremen	100.0	119.0	119.0	137.5	137.5	151.3
Manufacturing	113.8	129.1	140.4	144.6	151.0	160.9
Garments	100.0	130.0	130.0	130.0	137.8	137.8
Beverages	137.0	137.0	163.0	169.4	169.4	189.9
Food	137.0	137.0	156.0	158.0	171.1	174.3
Chemicals	105.0	129.0	134.0	155.2	158.7	174.5
Electronics <u>2/</u>	110.0	120.0	136.0	141.2	146.3	165.7

Source: Central Bank of Barbados.

1/ The index for each sector is based on a simple average of wages in representative job categories. Sector weights are based on shares in total employment when available, and on shares in contribution to GDP when not. Includes only wages negotiated through collective bargaining except for the electronics industry.

2/ Based on a survey conducted by the Central Bank of the five largest establishments.

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Table 24. Barbados: Retail Price Index

(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	0.432	0.084	0.131	0.062	0.096	0.051	0.046	0.060	0.038
(Averages)										
1980	103.5	103.9	106.6	102.0	100.9	103.1	105.6	103.0	107.2	102.0
1981	118.6	119.3	115.0	126.9	107.9	114.4	124.2	117.0	116.1	115.2
1982	130.8	128.0	130.4	154.0	110.7	123.2	129.4	139.0	134.6	121.5
1983	137.7	131.4	144.3	168.3	119.1	127.6	132.3	144.8	147.0	129.3
1984	144.1	136.6	153.2	182.6	122.2	125.4	131.4	161.7	154.8	135.8
1985	149.7	143.7	156.1	198.7	120.9	123.2	130.3	166.3	159.5	137.9
1986	151.7	147.1	163.0	199.3	113.6	119.8	129.4	167.3	164.8	149.7
(End of period)										
<u>1981</u>										
December	125.3	124.5	115.8	148.6	105.4	117.6	130.5	123.8	125.8	122.3
<u>1982</u>										
March	124.7	122.4	120.1	148.9	102.4	118.1	129.8	126.0	125.5	120.4
June	131.4	128.5	132.6	153.6	110.5	123.2	126.7	144.2	137.5	121.3
September	133.2	131.1	135.8	153.5	110.5	125.3	130.9	144.3	138.0	121.8
December	133.9	127.6	135.8	163.6	118.8	126.3	128.5	144.8	142.2	123.9
<u>1983</u>										
March	133.6	126.3	139.6	163.8	115.1	126.3	129.2	144.3	143.5	125.6
June	138.0	132.2	146.1	169.2	115.5	127.7	131.7	147.8	145.9	125.6
September	139.9	134.4	145.6	169.9	121.2	127.4	132.1	148.6	147.8	134.7
December	141.2	136.6	147.8	170.5	122.7	127.9	133.1	148.6	146.5	134.6
<u>1984</u>										
March	140.2	132.1	150.7	170.3	121.4	126.7	132.4	148.4	161.8	135.6
June	143.9	136.0	155.2	183.5	122.4	122.6	130.2	156.8	162.2	135.8
September	145.4	137.9	153.9	184.0	123.9	126.8	130.9	157.1	163.8	137.9
December	148.4	142.0	152.0	194.4	125.0	126.1	132.7	157.0	163.6	135.5
<u>1985</u>										
January	148.8	142.8	154.8	194.4	124.1	124.7	132.1	156.9	163.4	137.3
February	148.4	141.5	155.9	194.4	121.3	123.8	129.9	157.2	170.5	137.3
March	148.1	140.7	156.8	194.4	120.7	123.4	130.4	157.2	171.1	137.6
April	148.9	141.2	156.8	200.1	120.7	123.0	128.5	157.1	169.6	137.8
May	149.4	142.5	157.0	200.1	120.7	122.1	129.5	169.6	157.7	137.7
June	149.3	142.6	155.1	200.1	120.7	123.6	130.8	165.9	157.6	137.7
July	150.4	144.6	155.8	200.2	125.0	123.0	133.2	163.3	157.7	136.7
August	150.0	144.5	156.6	200.1	120.3	123.5	126.9	165.5	157.7	136.7
September	150.3	144.7	158.0	200.2	119.3	122.5	131.2	165.3	157.6	139.1
October	150.6	145.8	156.0	200.2	119.3	122.3	131.7	165.0	157.6	139.1
November	150.8	145.7	155.2	200.0	119.6	122.6	130.1	163.2	169.8	138.8
December	151.9	148.0	155.5	200.1	119.0	124.0	128.9	163.4	170.1	138.5
<u>1986</u>										
January	151.7	147.8	156.1	200.2	118.4	123.7	126.9	170.2	162.4	138.3
February	151.9	146.0	160.6	200.2	118.7	124.4	132.2	170.3	166.2	138.3
March	151.8	144.5	161.1	200.2	118.8	124.2	134.3	170.3	164.0	152.4
April	151.9	145.6	161.4	200.1	114.5	124.3	134.5	168.8	164.5	151.5
May	151.4	144.1	163.3	200.1	113.7	124.2	133.9	169.0	164.4	151.6
June	151.7	146.7	161.8	200.0	112.9	117.0	134.7	169.0	165.2	151.7
July	152.7	148.7	164.3	200.1	112.2	119.2	134.0	164.0	165.6	151.7
August	151.9	147.4	164.9	200.1	111.5	116.6	135.7	164.3	163.7	151.7
September	151.5	147.6	164.9	199.8	110.9	114.9	129.1	164.3	165.7	151.7
October	152.2	148.4	167.2	200.0	110.7	115.1	129.5	166.0	165.9	151.7
November	150.9	148.6	165.1	195.4	110.6	117.2	113.7	166.0	164.8	153.1
December	151.2	149.5	164.7	195.2	110.4	117.0	114.5	165.9	164.9	153.0
<u>1987</u>										
January	151.7	149.1	165.1	195.2	110.5	117.7	123.1	165.9	165.2	153.0
February	151.4	148.9	165.2	195.3	112.5	116.6	122.3	165.9	164.3	151.3
March	151.5	149.2	163.7	195.4	112.8	117.8	121.7	165.8	163.5	151.3
April	154.4	148.7	171.4	213.0	113.1	117.4	120.9	170.6	164.6	150.5
May	156.7	152.7	174.4	213.2	113.5	118.1	121.5	171.5	167.2	149.6
June	158.6	155.5	176.1	213.2	113.9	119.8	123.0	171.5	168.6	153.5
July	158.3	155.3	179.1	213.2	114.4	119.3	123.3	171.4	167.8	144.9
August	159.0	156.3	179.7	213.1	114.9	119.5	118.5	171.6	173.4	144.9

Source: Barbados Statistical Service.

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Table 25. Barbados: Operations of the Consolidated Public Sector

(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
I. Consolidated Public Sector						
<u>Total revenue and grants</u>	<u>598.8</u>	<u>670.3</u>	<u>719.6</u>	<u>769.8</u>	<u>777.5</u>	<u>832.6</u>
Current revenue <u>1/</u>	597.0	661.0	708.3	768.5	775.4	829.3
Central Government	494.2	535.8	569.2	650.3	671.1	710.2
Rest of general government	107.0	119.1	126.2	125.0	124.9	149.3
Current account surplus or deficit (-) of nonfinancial public enterprises before transfers	-4.2	6.1	12.9	-6.8	-20.6	-30.2
Capital receipts	1.8	9.3	11.3	1.3	2.0	3.3
<u>Total expenditure and net lending</u>	<u>639.8</u>	<u>711.1</u>	<u>769.0</u>	<u>871.6</u>	<u>917.1</u>	<u>1,025.7</u>
Current expenditure <u>1/</u>	491.7	524.7	614.2	683.5	736.6	824.0
Central Government	424.6	446.0	518.4	575.1	603.8	688.2
Rest of general government	67.1	78.7	95.8	108.4	132.8	135.8
Capital expenditure and net lending <u>1/</u>	148.1	186.4	154.8	188.1	180.5	201.7
<u>Overall deficit</u>	<u>-41.0</u>	<u>-40.8</u>	<u>-49.4</u>	<u>-101.7</u>	<u>-139.6</u>	<u>-193.0</u>
<u>Total financing</u>	<u>41.0</u>	<u>40.8</u>	<u>49.4</u>	<u>101.7</u>	<u>139.6</u>	<u>193.0</u>
Foreign financing	51.9	13.0	51.7	41.0	150.1	127.8
Domestic financing	-10.9	27.8	-2.3	60.7	-10.5	65.3
Banking system	-11.4	-16.6	-19.3	22.1	-21.5	...
Other	0.5	44.4	17.0	38.6	11.0	...
Memorandum items						
Current account surplus of general government	109.5	130.2	81.2	91.8	59.4	35.5
Current account surplus of public sector	105.3	136.3	94.1	85.0	38.8	5.3
II. Central Government						
Current revenue	497.6	541.8	571.3	650.3	671.1	711.1
Of which: transfers from rest of public sector	3.4	6.0	2.1	--	--	0.9
Current expenditure	466.6	476.6	548.8	611.9	639.4	735.6
Of which: NIF contributions	20.5	12.2	13.3	15.9	16.1	20.6
Transfers to state enterprises	21.5	18.4	17.1	20.9	19.5	26.8
<u>Current surplus or deficit (-)</u>	<u>31.0</u>	<u>65.2</u>	<u>22.5</u>	<u>38.4</u>	<u>31.7</u>	<u>-24.5</u>
Capital grants	1.8	3.0	4.0	1.3	2.0	3.3
Capital expenditure	100.5	112.8	100.9	117.3	127.1	159.1
Of which: transfers to non-financial public enterprises	22.7	19.5	21.2	28.3	21.6	17.2
Net lending	40.1	36.7	34.8	46.7	36.5	31.2
<u>Overall deficit (-)</u>	<u>-107.8</u>	<u>-81.3</u>	<u>-109.2</u>	<u>-124.3</u>	<u>-129.9</u>	<u>-211.4</u>
<u>Total financing</u>	<u>107.8</u>	<u>81.2</u>	<u>109.2</u>	<u>124.3</u>	<u>129.9</u>	<u>211.4</u>
Foreign financing	51.9	10.2	51.7	41.0	150.1	127.8
Disbursements	66.5	44.6	85.3	68.3	188.5	161.9
Amortization	-14.6	-34.4	-22.6	-29.4	-39.6	-34.6
Foreign escrow account	--	--	-11.0	2.2	3.4	3.4
Sinking fund	--	--	--	--	-2.2	-2.9
Domestic financing	55.9	71.1	57.5	83.2	-20.2	83.7

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Table 25. Barbados: Operations of the Consolidated Public Sector (Concluded)

(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
III. National Insurance Funds and Sugar Funds						
Current revenue	127.5	131.3	139.5	140.9	141.0	169.9
Of which: transfers from Central Government	20.5	12.2	13.3	15.9	16.1	20.6
Current expenditure	67.1	78.7	95.8	108.4	132.8	135.8
Of which: benefits	61.2	72.4	87.9	102.0	125.1	130.0
<u>Current surplus</u>	<u>60.4</u>	<u>52.6</u>	<u>43.7</u>	<u>32.5</u>	<u>8.2</u>	<u>34.1</u>
Capital expenditure	1.2	0.2	0.3	0.2	0.2	0.2
Central government loans less repayments	--	--	--	--	--	7.0
<u>Overall surplus</u>	<u>59.2</u>	<u>52.4</u>	<u>43.4</u>	<u>32.3</u>	<u>8.0</u>	<u>40.9</u>
Domestic financing	-59.2	-52.4	-43.4	-32.3	-8.0	-40.9
IV. Nonfinancial Public Enterprises						
Current revenue	160.1	175.8	195.1	194.8	176.7	188.0
Transfers from Central Government	21.5	18.4	17.1	20.9	19.5	26.8
Current expenditure	146.2	157.3	167.2	180.7	177.8	192.3
Transfers to Central Government	3.4	6.0	2.1	--	--	0.9
<u>Current surplus or deficit (-) before transfers</u>	<u>-4.2</u>	<u>6.1</u>	<u>12.9</u>	<u>-6.8</u>	<u>-20.6</u>	<u>-30.2</u>
<u>Current surplus or deficit (-) after transfers</u>	<u>13.9</u>	<u>18.5</u>	<u>27.9</u>	<u>14.1</u>	<u>-1.1</u>	<u>-4.3</u>
Capital revenue	22.7	25.8	28.5	28.3	21.6	17.2
From Central Government	22.7	19.5	21.2	28.3	21.6	17.2
Capital expenditure						
Capital formation	51.5	54.7	48.4	55.0	36.8	34.9
<u>Overall deficit before transfers</u>	<u>-55.7</u>	<u>-42.3</u>	<u>-28.2</u>	<u>-61.8</u>	<u>-57.4</u>	<u>-65.1</u>
Total central government transfers	40.8	31.9	36.2	49.2	41.1	43.1
Central government loans	24.0	--	9.9	7.2	--	6.8
Central government repayments	-1.5	-1.5	-1.5	-4.4	-1.5	-7.3
<u>Overall surplus or deficit (-)</u>	<u>7.6</u>	<u>-11.9</u>	<u>16.4</u>	<u>-9.8</u>	<u>-17.8</u>	<u>-22.5</u>
Foreign financing	--	2.8	--	--	--	--
Domestic financing	-7.6	9.1	-16.4	9.8	17.8	22.5
(In percent of GDP)						
Memorandum items						
Central Government						
Current surplus or deficit (-)	1.5	3.0	1.0	1.6	1.2	-0.9
Current deficit (before transfers) of NFPEs	-0.2	0.3	0.6	-0.3	-0.8	-1.1
Current account surplus of public sector	5.2	6.3	4.0	3.4	1.5	0.2
Overall public sector deficit	-2.0	-1.9	-2.1	-4.1	-5.3	-6.9

Sources: Ministry of Finance; NIF; and IMF staff estimates.

1/ Net of intersectoral transfers.

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Table 26. Barbados: Central Government Operations

(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
<u>Total revenue and grants</u>	499.4	544.8	575.3	651.6	673.2	714.4
Current revenue	497.6	541.8	571.3	650.3	671.1	711.1
Tax revenue	460.6	509.0	536.2	604.9	636.5	677.5
Taxes on income and profits	190.7	191.6	185.0	200.4	156.0	136.5
Levies	23.4	24.2	30.1	28.1	42.7	61.2
Taxes on property	26.4	28.1	28.3	34.7	42.5	31.9
Taxes on goods and services	127.9	149.6	162.0	170.4	194.3	230.5
Taxes on international trade	74.7	89.7	84.1	96.9	115.5	123.0
Stamp duties	17.5	25.8	46.7	74.5	85.5	94.4
Nontax revenue	37.0	32.8	35.1	45.3	34.6	33.7
Capital grants	1.8	3.0	4.0	1.3	2.0	3.3
<u>Total expenditure and net lending</u>	607.2	626.1	684.5	775.9	803.0	925.9
Current expenditure	466.6	476.6	548.8	611.9	639.4	735.6
Wages and salaries	196.6	201.2	229.2	250.4	274.7	324.0
Goods and services	47.3	51.8	61.8	71.9	77.0	94.0
Interest	71.1	62.7	64.4	69.6	79.1	74.3
Transfers	151.6	160.9	193.4	220.0	208.6	243.3
Capital expenditure and net lending	140.6	149.5	135.7	164.0	163.6	190.3
Capital expenditure	100.5	112.8	100.9	117.3	127.1	159.1
Net lending	40.1	36.7	34.8	46.7	36.5	31.2
<u>Overall deficit</u>	-107.8	-81.3	-109.2	-124.3	-129.9	-211.4
<u>Total financing</u>	107.8	81.3	109.2	124.3	129.9	211.4
Foreign financing	51.9	10.2	51.7	41.0	150.1	127.8
Disbursements	66.5	44.6	85.3	68.3	188.5	161.9
CDB	12.4	6.3	1.7	0.6	15.1	6.0
IDB	7.2	8.0	7.0	4.3	22.9	34.2
IBRD	14.5	12.7	8.5	10.3	14.7	11.2
CIDA	--	0.4	4.4	--	--	4.8
OPEC	2.0	2.0	--	--	--	--
Trinidad and Tobago	--	--	--	--	--	--
EEC-EDF	0.7	--	--	--	--	0.3
United Kingdom	0.3	--	--	--	--	--
Foreign commercial banks	29.2	1.2	3.6	50.0	80.0	89.7
U.S. AID	--	14.0	16.0	--	--	--
Other	0.2	--	5.5	3.0	--	15.7
Foreign bond issues	--	--	38.6	--	55.8	--
Amortization	-14.6	-34.4	-22.6	-29.4	-39.6	-34.6
Foreign escrow account	--	--	-11.0	2.2	3.4	3.4
Sinking funds	--	--	--	--	-2.2	-2.9
Domestic financing	55.9	71.1	57.5	83.2	-20.2	83.7
Banking system	-11.4	-16.6	-19.3	22.1	-21.5	...
Central Bank	-22.7	-30.7	-72.5	3.5	-71.8	...
Commercial banks	11.3	14.1	53.2	18.6	50.3	...
Rest of financial system	0.3	-0.2	0.4	1.1	-1.1	...
Insurance companies	-2.5	0.1	0.3	7.0	7.5	...
National Insurance Fund	29.0	37.6	36.9	27.2	4.3	...
NFPE	2.2	9.3	6.8	8.0	-7.2	...
Change in floating debt	2.5	-1.8	9.6	-2.2	1.3	...
Other	35.8	42.7	22.8	20.1	-3.5	...
<u>Memorandum item</u>						
Current surplus/deficit (-)	31.0	65.2	22.5	38.4	31.7	-24.5

Sources: Ministry of Finance; and Fund staff estimates.

Table 27. Barbados: Central Government Revenue and Grants

(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
<u>Revenue and grants</u>	<u>499.9</u>	<u>544.8</u>	<u>575.3</u>	<u>651.6</u>	<u>673.2</u>	<u>714.4</u>
<u>Total revenue</u>	<u>498.1</u>	<u>541.8</u>	<u>571.3</u>	<u>650.3</u>	<u>671.1</u>	<u>711.1</u>
Tax revenue	460.6	509.0	536.2	604.9	636.5	677.5
Taxes on individual income and profits	190.7	191.6	185.0	200.4	156.0	136.5
Companies	68.4	61.1	50.7	56.8	71.3	59.0
Individuals	113.2	120.0	125.2	134.5	77.0	65.0
Other ^{1/}	9.1	10.5	9.1	9.1	7.7	12.5
Levies	23.9	24.2	30.1	28.1	42.7	61.2
Employment levy	--	--	--	--	--	7.0
Training levy	2.1	1.6	1.6	2.3	4.3	7.1
Transport levy	12.5	9.3	12.3	12.4	12.6	19.1
Health service levy	9.3	13.3	16.2	13.4	25.8	28.0
Taxes on property	26.4	28.1	28.3	34.7	42.5	31.9
Land tax	19.8	21.9	22.9	26.0	29.1	25.0
Estate and succession duties	0.7	0.5	0.4	0.5	0.2	0.3
Property transfers tax and other	5.9	5.7	5.0	8.2	13.2	6.6
Taxes on domestic goods and services	127.9	149.6	162.0	170.4	194.3	230.5
Consumption tax	80.3	95.0	95.9	99.9	120.8	150.0
Excise duties (rum and petroleum)	4.3	4.6	5.0	5.0	4.5	5.2
Tax on automobiles, spirits, diesel oil and aviation fuel	3.1	1.2	1.1	1.2	1.1	1.2
Motor vehicles duty (highway revenue)	7.2	8.9	12.7	13.0	13.1	14.0
Motel and restaurant sales tax	12.4	14.3	14.6	17.3	17.5	15.1
Motor vehicle licenses	--	--	--	--	--	1.5
Business and profit license	4.5	4.6	5.3	5.8	6.5	6.4
Insurance premiums	2.1	2.3	2.5	3.0	3.7	3.6
Bank assets tax	1.9	2.0	2.2	2.4	2.6	2.8
Travel tax	--	2.0	3.4	3.6	3.9	6.1
Other	12.1	14.7	19.3	19.2	20.6	24.7
Gambling and betting	3.2	3.9	5.1	5.1	5.2	8.2
Airport services	3.3	5.0	7.0	7.1	9.2	9.9
Other	3.7	3.2	4.9	4.0	3.1	3.1
Overseas phone calls	1.9	2.6	2.3	3.0	3.2	3.5
Taxes on international trade (import duties)	74.7	89.7	84.1	96.9	115.5	123.0
Other taxes (stamp duties)	17.5	25.8	46.7	74.5	85.5	94.4
Nontax revenue	37.0	32.8	35.1	45.3	34.6	33.7
Property income	16.5	9.1	13.4	14.5	11.5	12.0
Rents, royalties, and dividends	4.2	5.5	7.3	8.5	6.9	5.9
Interest	3.4	2.2	2.9	2.6	1.5	2.4
Central Bank and exchange profits	8.9	1.4	3.2	3.4	3.1	3.7
Administrative fees, fines, other charges, and special receipts	19.1	19.7	21.3	30.9	22.9	21.7
Transfer from Post Office (net)	--	1.5	0.2	--	--	--
Transfer from civil aviation (net)	1.4	2.5	0.2	--	--	--
<u>Capital grants</u>	<u>1.8</u>	<u>3.0</u>	<u>4.0</u>	<u>1.3</u>	<u>2.0</u>	<u>3.3</u>

Sources: Ministry of Finance; and Fund staff estimates.

^{1/} Includes employment levy (net) in 1982/83.

Table 28. Barbados: Central Government Expenditure

(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
<u>Total expenditure and lending</u>	<u>607.2</u>	<u>626.1</u>	<u>684.5</u>	<u>775.9</u>	<u>803.0</u>	<u>925.9</u>
<u>Current expenditure</u>	<u>466.6</u>	<u>476.6</u>	<u>548.8</u>	<u>611.9</u>	<u>639.4</u>	<u>735.6</u>
Wages and salaries	196.6	201.2	229.2	250.4	274.7	324.0
Goods and services	47.3	51.8	61.8	71.9	77.0	84.0
Interest	71.1	62.7	64.4	69.6	79.1	84.3
Domestic	50.1	38.8	39.6	49.3	33.3	33.0
Foreign	21.0	23.9	24.8	20.3	45.8	51.3
Transfers <u>1/</u>	149.0	158.9	189.6	216.7	203.8	235.8
Transport levy	1.8	1.1	2.2	1.0	0.6	0.8
Training levy	0.8	0.9	1.6	2.3	4.2	6.7
<u>Capital expenditure <u>2/</u></u>	<u>100.5</u>	<u>112.8</u>	<u>100.9</u>	<u>117.3</u>	<u>127.1</u>	<u>155.1</u>
Acquisition of land and existing assets	4.2	5.9	2.3	5.1	6.1	5.0
Capital formation	71.4	80.9	75.9	79.2	90.9	127.2
Transfers <u>3/</u>	24.9	26.0	22.7	33.0	30.1	22.9
<u>Net lending</u>	<u>40.1</u>	<u>36.7</u>	<u>34.8</u>	<u>46.7</u>	<u>36.5</u>	<u>35.1</u>
Equity contributions	14.8	25.9	20.8	19.6	21.4	20.9
Of which: cement plant	9.0	19.7	7.2	10.2	11.0	15.2
Loans and advances (net)	25.3 <u>4/</u>	10.8	14.0	27.1	15.2	14.2

Source: Ministry of Finance.

1/ Includes NIF contributions.

2/ A more detailed breakdown is shown in Statistical Appendix Table 31.

3/ A more detailed breakdown is shown in Statistical Appendix Table 30.

4/ Includes BDS\$24 million loan to the Petroleum Company for the purchase of the assets of Mobile Barbados Ltd.

Table 29. Barbados: Central Government Current Transfers

(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
<u>Current transfers</u>	<u>149.0</u>	<u>158.9</u>	<u>189.6</u>	<u>216.7</u>	<u>203.8</u>	<u>235.8</u>
<u>Nonfinancial public enterprises</u>	<u>21.5</u>	<u>18.4</u>	<u>17.1</u>	<u>20.9</u>	<u>19.5</u>	<u>26.8</u>
National Housing Corporation	2.9	2.8	3.2	2.7	3.1	8.4
Waterworks	1.3	--	--	--	--	--
Post Office (net)	0.3	--	--	1.2	0.6	0.8
Barbados Industrial Development Corporation	2.5	2.6	3.1	3.0	3.4	4.3
Transport Board	14.5	13.0	10.8	14.0	12.4	13.3
<u>Operating deficit of departmental enterprises</u>	<u>1.4</u>	<u>1.3</u>	<u>1.6</u>	<u>1.6</u>	<u>1.7</u>	<u>1.7</u>
Printing office (net)	1.4	1.3	1.6	1.6	1.7	1.7
<u>National Insurance Fund contributions</u>	<u>20.5</u>	<u>12.2</u>	<u>13.3</u>	<u>15.9</u>	<u>16.1</u>	<u>20.6</u>
<u>Pensions (contributory)</u>	<u>26.3</u>	<u>29.9</u>	<u>34.0</u>	<u>35.5</u>	<u>40.4</u>	<u>45.4</u>
<u>Other public institutions</u>	<u>63.5</u>	<u>81.0</u>	<u>99.6</u>	<u>106.9</u>	<u>96.3</u>	<u>111.2</u>
Barbados Defense Force	9.7	11.9	15.5	16.7	12.0	18.3
Schools, colleges and University of West Indies	26.0	38.2	43.4	50.1	41.9	46.2
Tourism promotion	10.3	11.5	15.4	16.5	13.8	15.7
Sanitation and public health services	9.0	11.2	10.9	10.9	11.8	12.9
Parks and beaches	3.4	3.0	6.6	5.7	6.2	6.1
Export promotion	0.7	0.8	1.6	1.9	2.1	2.0
Price control	0.4	0.4	0.5	0.5	0.5	0.6
Welfare and other agencies	4.0	4.0	5.7	4.6	8.0	9.4
<u>Nonprofit institutions (child care)</u>	<u>5.3</u>	<u>5.3</u>	<u>6.3</u>	<u>6.6</u>	<u>6.4</u>	<u>6.5</u>
<u>Other transfers to individual</u>	<u>8.1</u>	<u>7.4</u>	<u>12.1</u>	<u>14.2</u>	<u>17.5</u>	<u>18.3</u>
Welfare grants (including National Assistance Board)	5.3	5.3	7.2	8.6	12.0	10.5
Scholarships, bursaries and examinations	1.8	1.6	1.5	2.9	3.0	4.2
School bus fares	0.5	--	2.4	2.2	1.5	--
Occupational training	0.5	0.5	1.0	0.5	1.0	3.6
Other	0.3	--	--	--	--	--
<u>Other, including contributions to regional international organizations</u>	<u>2.4</u>	<u>3.4</u>	<u>5.6</u>	<u>5.1</u>	<u>5.9</u>	<u>5.3</u>
<u>Grant to sugar sector</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>10.0</u>	<u>--</u>	<u>--</u>

Source: Ministry of Finance.

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Table 30. Barbados: Central Government Capital Transfers

(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
<u>Capital transfers</u>	<u>24.9</u>	<u>26.0</u>	<u>22.7</u>	<u>33.0</u>	<u>30.1</u>	<u>22.9</u>
<u>Nonfinancial public enterprises</u>	<u>22.7</u>	<u>19.5</u>	<u>21.2</u>	<u>28.3</u>	<u>21.6</u>	<u>17.2</u>
National Housing Corporation	6.0	3.6	5.6	12.9	4.5	4.0
Agricultural Development Corporation	1.1	1.9	2.8	2.8	2.2	3.2
Civil Aviation	1.6	1.4	2.6	6.5	14.0	1.7
Water Authority	3.0	1.0	1.1	--	--	--
Post Office	1.5	4.3	4.7	2.2	0.4	--
Industrial Development Corporation	5.5	7.3	4.4	2.9	0.5	2.4
Transport Board	4.0	--	--	--	--	5.9
Marketing Corporation	--	--	--	1.0	--	--
<u>Public financial institutions</u>	<u>0.5</u>	<u>0.5</u>	<u>1.5</u>	<u>2.5</u>	<u>0.5</u>	<u>4.0</u>
<u>Parks and beaches</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1.0</u>	<u>1.2</u>	<u>0.9</u>
<u>Abroad</u>	<u>1.7</u>	<u>6.0</u>	<u>--</u>	<u>1.2</u>	<u>6.8</u>	<u>0.8</u>

Source: Ministry of Finance.

Table 31. Barbados: Public Sector Investment Program 1/

(In millions of Barbados dollars)

	1983/84 Actual	Foreign Financed	1984/85 Actual	Foreign Financed	1985/86 Actual	Foreign Financed	1986/87 Prel.	Foreign Financed	1987/88 Est.	Foreign Financed
Total	145.7	48.6	135.8	48.6	150.8	16.5	166.8	42.2	190.3	52.6
Housing and lands	11.7	0.4	10.0	—	19.2	—	8.2	—	15.5	4.9
Purchase of buildings and lands	5.9	—	2.3	—	4.5	—	2.5	—	2.0	—
NHC housing	3.6	—	5.6	—	12.9	—	4.5	—	4.0	—
Beach protection	0.8	—	0.5	—	—	—	—	—	0.5	—
Improvement of government buildings	0.4	—	0.5	—	1.1	—	0.7	—	0.8	—
Land mapping	0.4	0.4	—	—	—	—	—	—	0.3	0.3
Community services	0.6	—	1.1	—	0.4	—	0.2	—	2.1	1.0
Plantation tenancies scheme	—	—	—	—	0.4	—	0.3	—	—	—
Barbados/Venezuela Housing Project	—	—	—	—	—	—	—	—	5.8	3.6
Agriculture	7.3	1.5	16.0	4.5	19.4	4.3	20.3	7.7	20.4	6.1
ADC	1.9	—	2.8	—	2.8	—	2.2	—	3.2	—
Crop research and development	0.2	—	0.7	—	2.0	—	0.8	—	1.1	0.7
Soil conservation	1.7	0.7	3.9	2.1	2.8	0.9	2.1	2.7	2.3	0.7
Fisheries Development	0.1	—	0.9	—	5.9	1.3	8.6	3.5	11.1	4.3
Redevelopment of Oistins	0.6	0.2	—	—	—	—	—	—	—	—
Rural development project	1.6	0.5	5.0	2.4	3.1	2.1	1.9	1.4	1.3	—
Land lease facilities	0.7	0.1	0.5	—	0.5	—	0.5	—	0.7	—
Other	0.5	—	2.2	—	2.3	—	4.2	0.1	0.7	0.4
Information	5.8	—	6.2	—	4.2	—	0.9	—	—	—
Post Office	4.3	—	4.7	—	2.2	—	0.4	—	—	—
Libraries improvement	1.5	—	1.5	—	2.0	—	0.5	—	—	—
Education	12.1	7.8	11.6	7.2	8.7	4.2	5.7	2.2	8.1	1.0
School improvement	1.7	1.7	—	1.9	3.3	—	1.9	—	2.1	—
Schools	7.5	4.0	8.5	4.9	4.0	3.9	2.0	0.8	1.2	1.0
Technical, vocational, and adult education	2.9	2.1	3.1	0.4	1.4	0.3	1.6	1.4	1.0	—
Other	—	—	—	—	—	—	0.2	—	3.8	—
Tourism and environment	—	—	—	—	3.3	—	3.5	—	1.1	—
National Conservation Commission	—	—	—	—	1.0	—	1.2	—	0.9	—
Beach protection-	—	—	—	—	0.6	—	0.5	—	—	—
Sanitation Service Authority	—	—	—	—	1.2	—	0.6	—	—	—
Sewerage project	—	—	—	—	0.2	—	0.3	—	—	—
Heywood village	—	—	—	—	0.3	—	—	—	—	—
Other (Tourism Investment Corp.)	—	—	—	—	—	—	0.9	—	0.2	—
Industry	7.3	3.8	4.5	3.8	4.9	2.0	2.1	—	2.4	—
IDC factory buildings	7.3	3.8	4.4	3.8	2.9	2.0	0.5	—	2.4	—
Other	—	—	0.1	—	2.0	—	1.6	—	—	—
Transport and works	19.8	3.4	16.2	0.2	24.3	0.7	45.9	14.9	57.2	20.2
Roads spring garden	3.4	3.4	—	—	—	—	—	—	—	—
Drainage	0.5	—	0.6	—	0.5	—	1.3	—	0.5	—
Roads	1.3	—	2.9	—	5.2	—	1.9	1.7	2.9	—
Airport to West Coast Road	—	—	1.3	—	6.6	—	21.2	8.3	17.8	10.8
Access to cement plant	—	—	0.1	—	0.2	—	8.6	—	7.5	5.7
Highway rehabilitation	—	—	1.8	—	3.8	0.7	4.2	4.9	6.3	2.3
Studies	0.5	—	0.5	—	0.6	—	0.2	—	—	—
Roads, vehicles, transpor- tation levy	11.9	—	4.1	—	1.0	—	2.2	—	—	—
Barbados Water Authority	1.0	—	1.1	—	—	—	—	—	—	—
Other projects and equipment	1.2	—	3.8	0.2	6.4	—	6.3	—	22.2	1.4

Table 31. Barbados: Public Sector Investment Program (Concluded) 1/

(In millions of Barbados dollars)

	1983/84 Actual	Foreign Financed	1984/85 Actual	Foreign Financed	1985/86 Actual	Foreign Financed	1986/87 Prel.	Foreign Financed	1987/88 Est.	Foreign Financed
<u>Civil aviation</u>	<u>19.7</u>	<u>8.0</u>	<u>5.6</u>	<u>1.4</u>	<u>6.5</u>	<u>—</u>	<u>14.0</u>	<u>—</u>	<u>2.4</u>	<u>—</u>
Airport	1.4	—	2.6	—	6.5	—	13.9	—	1.5	—
Heywoods	18.3	8.0	3.0	1.4	—	—	—	—	—	—
Other	—	—	—	—	—	—	0.1	—	0.9	—
<u>Health</u>	<u>6.6</u>	<u>1.9</u>	<u>7.3</u>	<u>2.0</u>	<u>9.3</u>	<u>—</u>	<u>13.9</u>	<u>5.3</u>	<u>14.1</u>	<u>6.1</u>
Hospitals	0.8	—	2.2	—	6.1	—	0.7	—	11.8	) 5.3
Polyclinics	2.7	1.2	2.2	2.0	2.7	—	9.0	5.3	—)
Sanitation and garbage	0.8	0.7	1.3	—	—	—	—	—	0.8	—
Sewerage	1.9	—	0.5	—	—	—	—	—	1.2	0.8
Health services	0.4	—	1.1	—	0.5	—	4.2	—	0.3	—
<u>Finance and planning</u>	<u>46.4</u>	<u>11.4</u>	<u>43.3</u>	<u>25.9</u>	<u>31.9</u>	<u>5.3</u>	<u>44.7</u>	<u>12.1</u>	<u>59.9</u>	<u>14.3</u>
Cement equity	19.7	—	7.2	—	10.2	—	10.5	—	15.2	—
Other equity	6.2	—	13.6	—	9.4	—	10.9	—	5.7	—
Contributions to international organizations	6.0	—	3.4	—	1.2	—	6.8	—	18.5	—
Contributions to domestic organizations	0.5	—	1.5	—	2.5	—	0.5	—	4.5	—
Loans and advances to:	11.0	11.0	14.9	25.9	4.2	2.0	15.2	11.8	15.0	13.5
Central Bank (ICF)	7.0	7.0	—	—	—	—	...	...	4.5	3.0
Housing Credit Fund	4.0	4.0	5.0	16.0	2.2	—	...	...	4.5	4.5
Barbados National Oil Co.	—	—	9.9	9.9	2.0	2.0	...	...	6.0	6.0
Barbados Water Authority	—	—	—	—	—	—	...	...	—	—
Feasibility studies	—	—	0.3	—	0.4	—	0.2	—	0.4	0.4
Technical assistance	1.9	0.4	0.5	—	—	—	—	—	—	—
Energy	—	—	0.7	—	1.3	1.3	—	—	0.6	0.4
Other	11.0	—	1.2	—	2.7	—	0.6	0.3	—	—
<u>Other</u>	<u>9.0</u>	<u>—</u>	<u>15.1</u>	<u>3.6</u>	<u>19.1</u>	<u>—</u>	<u>7.6</u>	<u>—</u>	<u>9.2</u>	<u>—</u>
Labour	0.8	—	3.3	—	4.0	—	1.4	—	2.1	—
Prime Minister's Office	0.4	—	1.0	—	0.1	—	—	—	3.3	—
Defense	4.4	—	4.2	—	4.9	—	1.4	—	0.7	—
Legal Affairs	2.1	—	1.4	—	3.1	—	2.3	—	2.0	—
Community Services	0.6	—	—	—	—	—	—	—	—	—
Foreign Affairs	0.7	—	5.2	3.6	2.1	—	0.4	—	0.4	—
Civil service (Printing Dept.)	—	—	—	—	—	—	—	—	0.4	—
Trade and commerce	—	—	—	—	4.9	—	2.1	—	0.3	—
<u>Other financing</u>	<u>—</u>	<u>10.4</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Source: Ministry of Finance and Planning.

1/ Includes central government capital expenditure, equity contributions, and loans and advances. Includes road expenditure financed with transport levy.

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Table 32. Barbados: Outstanding Domestic Bonded Debt by Holder

(In millions of Barbados dollars)

	March 31					
	1982	1983	1984	1985	1986	1987
<u>Total</u>	<u>376.8</u>	<u>404.4</u>	<u>445.2</u>	<u>505.0</u>	<u>594.9</u>	<u>651.5</u>
<u>Treasury bills</u>	<u>234.3</u>	<u>266.1</u>	<u>303.2</u>	<u>362.8</u>	<u>424.8</u>	<u>433.3</u>
Central Bank	52.8	41.3	47.4	--	13.8	5.6
Commercial banks and trust companies	122.0	131.8	122.3	184.6	214.2	224.1
National Insurance Funds	55.6	86.3	119.9	158.9	172.4	181.3
NFPE	0.6	2.8	12.1	18.9	22.9	16.2
Other	3.3	3.9	1.5	0.4	1.5	6.1
<u>Debentures</u>	<u>142.5</u>	<u>138.3</u>	<u>142.0</u>	<u>142.2</u>	<u>170.1</u>	<u>218.2</u>
Central Bank	14.1	10.6	--	--	18.7	18.0
Commercial banks and trust companies	63.4	65.1	79.9	78.5	71.4	103.3
Insurance companies	18.4	15.9	16.0	16.3	23.8	31.3
National Insurance Funds	29.6	29.6	29.6	29.6	36.6	44.1
NFPE	3.8	3.8	3.8	3.8	7.8	7.3
Other	13.2	13.3	12.7	14.0	11.8	14.2

Sources: Central Bank of Barbados; and Economic Financial Statistics.

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Table 33. Barbados: Operations of the National Insurance Fund and the Sugar Funds

(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
I. National Insurance Fund 1/						
<u>Current revenue</u>	<u>123.5</u>	<u>129.3</u>	<u>137.2</u>	<u>138.3</u>	<u>139.1</u>	<u>168.4</u>
Contributions	80.0	90.1	97.7	92.3	101.8	118.8
Interest, dividends, etc.	23.0	27.0	26.2	30.1	21.2	29.0
Transfers from government (contributions)	20.5	12.2	13.3	15.9	16.1	20.6
<u>Current expenditure</u>	<u>64.8</u>	<u>76.1</u>	<u>93.3</u>	<u>105.8</u>	<u>130.8</u>	<u>134.7</u>
Benefits	61.2	72.4	87.9	102.0	125.1	130.0
Administration	3.6	3.7	5.4	3.8	5.7	4.7
<u>Current surplus</u>	<u>58.7</u>	<u>53.2</u>	<u>43.9</u>	<u>32.5</u>	<u>8.3</u>	<u>33.7</u>
Capital expenditure	1.2	0.2	0.3	0.2	0.2	0.2
Loans from Central Government	7.0					
Loan repayments to Central Government						
<u>Overall surplus</u>	<u>57.5</u>	<u>53.0</u>	<u>43.6</u>	<u>32.3</u>	<u>8.1</u>	<u>40.5</u>
<u>Total financing</u>	<u>-57.5</u>	<u>-53.0</u>	<u>-43.6</u>	<u>-32.3</u>	<u>-8.1</u>	<u>-40.5</u>
External financing	--	--	--	--	--	--
Domestic financing	-57.5	-53.0	-43.6	-32.3	-8.1	-40.5
Financial intermediaries	-9.7	-11.8	5.2	-8.5	-11.3	...
Of which: banking system	-11.1	-5.7	-1.6	10.9	6.7	...
Treasury bills	-29.0	-37.6	-36.9	-14.7	-2.3	...
Other	-18.8	-3.6	-11.9	-9.1	5.5	...
Of which: central government debentures	-12.5	-2.0	--	--	--	--
II. Sugar Funds 2/						
Current revenue	4.0	2.0	2.3	2.6	1.9	1.5
Current expenditure	2.3	2.6	2.5	2.6	2.0	1.1
<u>Overall surplus or deficit</u>	<u>1.7</u>	<u>-0.6</u>	<u>-0.2</u>	<u>--</u>	<u>-0.1</u>	<u>0.4</u>
Domestic financing	-1.7	0.6	0.2	--	0.1	-0.4

Sources: Ministry of Finance; and NIF.

1/ Includes the unemployment and the severance funds.

2/ After 1983/84 includes the Sugar Workers' Provident Fund and the Sugar Research and Development Fund, which consolidated the other sugar funds.

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Table 34. Barbados: National Insurance Fund Investments
and Cash Balances 1/

(In millions of Barbados dollars)

	March 31				
	1983	1984	1985	1986	1987
<u>Total</u>	<u>280.9</u>	<u>335.5</u>	<u>385.5</u>	<u>415.6</u>	<u>427.0</u>
Cash balances	24.8	22.4	17.0	18.9	22.8
On hand	5.3	0.6	3.0	0.5	0.9
Central Bank	1.1	1.1	1.5	2.8	0.6
Barbados National Bank	14.4	18.4	9.0	9.8	12.6
Post Office	4.0	2.3	2.0	3.2	3.7
Call deposits	--	--	1.5	2.5	5.0
Fixed deposits	122.9	142.9	160.0	160.9	164.4
Commercial banks	71.9	79.2	94.9	79.9	71.3
Trust companies	34.5	32.6	32.8	39.4	32.7
Nonbank financial intermediaries	16.5	31.1	32.3	41.6	60.4
Barbados Development Bank debentures	15.1	14.4	13.8	13.6	14.0
Central government treasury bills	80.4	118.0	154.9	169.6	172.0
Central government debentures	29.4	29.4	29.4	41.9	43.9
Barbados Light and Power shares	7.0	7.0	8.9	9.3	8.8
Foreign government bonds	1.3	1.5	1.5	1.5	1.1

Source: Ministry of Finance and Planning.

1/ Includes severance and unemployment funds.

Table 35. Barbados: Operations of Nonfinancial Public Enterprises 1/

(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
I. National Housing Corporation 2/						
Current revenue	6.6	6.7	8.3	8.0	10.5	15.2
From Central Government	2.9	2.8	3.2	2.7	3.1	8.4
Current expenditure	6.2	7.3	8.5	11.8	11.5	15.7
<u>Current surplus or deficit (-)</u>	<u>0.4</u>	<u>-0.6</u>	<u>-0.2</u>	<u>-3.8</u>	<u>-1.0</u>	<u>-0.5</u>
Capital revenue	6.0	3.6	5.6	12.9	4.5	4.0
From Central Government	6.0	3.6	5.6	12.9	4.5	4.0
Capital expenditure	6.0	3.6	4.1	12.9	4.5	4.0
Fixed capital formation	6.0	3.6	4.1	12.9	4.5	4.0
Overall deficit before central government transfers	-8.5	-7.0	-7.5	-19.4	-8.6	-12.9
<u>Overall surplus or deficit (-)</u>	<u>0.4</u>	<u>-0.6</u>	<u>1.3</u>	<u>-3.8</u>	<u>-1.0</u>	<u>-0.5</u>
Domestic financing	-0.4	0.6	-1.3	3.8	1.0	0.5
II. National Petroleum Corporation 2/						
Current revenue	4.5	6.0	6.7	6.7	7.9	6.4
From Central Government	--	--	--	--	--	--
Current expenditure	3.8	4.2	5.8	6.2	6.5	6.3
<u>Current surplus or deficit (-)</u>	<u>0.7</u>	<u>1.8</u>	<u>0.9</u>	<u>0.5</u>	<u>1.4</u>	<u>0.1</u>
Capital receipts	--	--	--	--	--	--
Capital expenditure	0.8	1.3	2.1	3.0	1.7	1.7
Capital formation	0.8	1.3	2.1	3.0	1.7	1.7
Overall deficit before central government transfers	-0.1	0.5	-1.2	-2.5	-0.3	-1.6
<u>Overall surplus or deficit (-)</u>	<u>-0.1</u>	<u>0.5</u>	<u>-1.2</u>	<u>-2.5</u>	<u>-0.3</u>	<u>-1.6</u>
Domestic financing	0.1	-0.5	1.2	2.5	0.3	1.6
III. Barbados National Oil Co. 2/						
Current revenue	15.5	25.3	36.6	36.2	13.7	16.4
Oil	14.6	23.7	34.9	34.5	12.8	14.8
Gas	0.9	1.6	1.7	1.7	0.9	1.6
Current expenditure	8.3	11.9	17.2	16.9	10.6	15.9
Operations	3.2	6.5	6.8	8.8	5.1	9.5
Royalty to Government	2.0	3.1	4.6	4.5	1.7	2.0
Interest	0.8	0.3	3.3	1.1	0.6	1.1
Other	2.3	2.0	2.5	2.5	3.2	3.3
<u>Current surplus</u>	<u>7.2</u>	<u>13.4</u>	<u>19.4</u>	<u>19.3</u>	<u>3.1</u>	<u>0.5</u>
Capital expenditure	27.0	24.9	19.8	18.7	5.3	6.0
<u>Overall surplus or deficit (-)</u>	<u>-19.8</u>	<u>-11.5</u>	<u>-0.4</u>	<u>0.6</u>	<u>-2.2</u>	<u>-5.5</u>
Foreign financing (net)	--	2.8	--	--	--	--
Disbursements	--	2.8	--	--	--	--
Amortization	--	--	--	--	--	--
Domestic financing	19.8	8.7	0.4	0.6	2.2	5.5
Loans from Central Government	24.0	--	9.9	7.2	--	6.8
Loan repayments to Central Government	--	--	--	-2.9	--	-5.8
Other	-4.2	8.7	-9.5	-3.7	2.2	4.5

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Table 35. Barbados: Operations of Nonfinancial Public Enterprises (Continued) 1/
(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
IV. <u>Civil Aviation Division 2/</u>						
Current revenue	9.8	10.8	11.0	9.7	9.6	10.2
Current expenditure	9.8	10.8	11.0	9.7	9.6	10.2
Transfers to Central Government	1.4	2.5	0.2	-1.5	-1.5	-0.6
<u>Current surplus</u>	--	--	--	--	--	--
Capital revenue	1.6	1.4	2.6	6.5	14.0	1.7
From Central Government	1.6	1.4	2.6	6.5	14.0	1.7
Capital expenditure	1.6	1.4	2.6	6.5	14.0	1.7
Capital formation	1.6	1.4	2.6	6.5	14.0	1.7
Overall surplus or deficit (-) before central government transfers	-0.2	1.1	-2.4	-8.0	-15.5	-2.3
<u>Overall surplus</u>	--	--	--	--	--	--
V. <u>Waterworks Authority 2/</u>						
Current revenues	26.0	28.0	32.6	30.0	28.4	25.9
Water rates	21.6	25.1	29.0	27.6	26.1	23.8
Plumbing, others	3.1	2.9	3.6	2.4	2.3	2.1
Transfers from Central Government	1.3	--	--	--	--	--
Current expenditure	20.6	24.0	23.9	25.3	24.0	25.7
Personal emoluments	9.2	9.5	9.2	8.7	9.9	9.4
Other charges	11.4	14.5	14.7	16.6	14.1	16.3
<u>Current surplus</u>	<u>5.4</u>	<u>4.0</u>	<u>8.7</u>	<u>4.7</u>	<u>4.4</u>	<u>0.2</u>
Capital revenue	3.0	1.0	1.1	--	--	--
Transfers from Central Government	3.0	1.0	1.1	--	--	--
Capital expenditure	3.0	1.0	2.3	2.8	3.3	2.6
Fixed capital formation	3.0	1.0	2.3	2.8	3.3	2.6
Overall surplus or deficit (-) before central government transfers	1.1	3.0	6.4	1.9	1.1	-2.4
<u>Overall surplus or deficit (-)</u>	<u>5.4</u>	<u>4.0</u>	<u>7.5</u>	<u>1.9</u>	<u>1.1</u>	<u>-2.4</u>
Domestic financing	-5.4	-4.0	-7.5	-1.9	-1.1	2.4
VI. <u>Post Office 2/</u>						
Current revenue	8.2	9.3	9.1	9.4	10.0	10.5
From Central Government	0.3	--	--	1.2	0.6	0.8
Current expenditure	8.2	9.3	9.1	9.4	10.0	10.5
To Central Government	--	1.5	0.2	--	--	--
<u>Current surplus</u>	--	--	--	--	--	--
Capital revenue	1.5	4.3	4.7	2.2	0.4	--
From Central Government	1.5	4.3	4.7	2.2	0.4	--
Capital expenditure	1.5	4.3	4.7	2.2	0.4	--
Overall deficit (-) before central government transfers	-1.8	-2.8	-4.5	-3.4	-1.0	-0.8
<u>Overall surplus</u>	--	--	--	--	--	--

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Table 35. Barbados: Operations of Nonfinancial Public Enterprises (Continued) 1/
(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
VII. Barbados Industrial Development Corporation 2/						
Current revenue	6.4	6.7	7.3	7.3	7.1	8.1
From Central Government	2.5	2.6	3.1	2.9	3.4	4.3
Current expenditure	6.9	6.7	7.3	9.5	9.4	8.7
<u>Current surplus or deficit (-)</u>	<u>-0.5</u>	<u>—</u>	<u>—</u>	<u>-2.2</u>	<u>-2.3</u>	<u>-0.6</u>
Capital revenue	5.5	7.3	4.4	2.9	0.5	2.4
From Central Government	5.5	7.3	4.4	2.9	0.5	2.4
Capital expenditure	5.5	7.3	4.2	2.9	0.5	2.4
Capital formation	5.5	7.3	4.2	2.9	0.5	2.4
Overall deficit (-) before central government transfers	-8.5	-9.9	-7.3	-8.0	-6.2	-7.3
<u>Overall surplus or deficit (-)</u>	<u>-0.5</u>	<u>—</u>	<u>0.2</u>	<u>-2.2</u>	<u>-2.3</u>	<u>-0.6</u>
Domestic financing	0.5	—	-0.2	2.2	2.3	0.6
VIII. Transport Board and Transport Levy Board 2/						
Current revenue	33.9	33.9	34.5	36.2	34.3	34.5
From Central Government	14.5	13.0	10.8	14.0	12.4	13.3
Current expenditure	34.2	35.6	35.1	39.7	39.9	35.8
<u>Current deficit (-)</u>	<u>-0.3</u>	<u>-1.7</u>	<u>-0.6</u>	<u>-3.5</u>	<u>-5.6</u>	<u>-1.3</u>
Capital revenue	4.0	6.3	7.3	—	—	5.9
From Central Government	4.0	—	—	—	—	5.9
Capital expenditure	4.0	6.3	7.3	0.5	—	0.3
Capital formation	4.0	6.3	7.3	0.5	—	0.3
Overall deficit (-) before central government transfers	-18.8	-14.7	-11.4	-18.0	-18.0	-14.9
<u>Overall surplus or deficit (-)</u>	<u>-0.3</u>	<u>-1.7</u>	<u>-0.6</u>	<u>-4.0</u>	<u>-5.6</u>	<u>4.3</u>
Domestic financing	0.3	1.7	0.6	4.0	5.6	-4.3
IX. Barbados Marketing Corporation						
Current revenue	14.8	10.6	10.2	10.6	10.6	15.5
From Central Government	—	—	—	—	—	—
Current expenditure	16.3	11.4	10.0	10.1	10.6	14.6
<u>Current surplus or deficit (-)</u>	<u>-1.5</u>	<u>-0.8</u>	<u>0.2</u>	<u>0.5</u>	<u>—</u>	<u>0.9</u>
Capital revenue	—	—	—	1.0	—	—
From Central Government	—	—	—	1.0	—	—
Capital expenditure	—	—	—	1.0	—	—
Capital formation	—	—	—	1.0	—	—
Overall surplus or deficit (-) before central government transfers	-1.5	-0.8	0.2	-0.5	—	0.9
<u>Overall surplus or deficit (-)</u>	<u>-1.5</u>	<u>-0.8</u>	<u>0.2</u>	<u>0.5</u>	<u>—</u>	<u>0.9</u>
Domestic financing	1.5	0.8	-0.2	-0.5	—	-0.9

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Table 35. Barbados: Operations of Nonfinancial Public Enterprises (Concluded) ^{1/}

(In millions of Barbados dollars)

	1982/83	1983/84	1984/85	1985/86	Prel. 1986/87	Est. 1987/88
X. Barbados Agricultural Development Corporation ^{2/}						
Current revenue	2.8	3.3	3.6	3.9	6.1	5.9
Current expenditure	5.5	6.6	7.5	8.3	9.1	8.7
<u>Current deficit</u>	<u>-2.7</u>	<u>-3.3</u>	<u>-3.9</u>	<u>-4.4</u>	<u>-3.0</u>	<u>-2.8</u>
Capital revenue	1.1	1.9	2.8	2.8	2.2	3.2
From Central Government	1.1	1.9	2.8	2.8	2.2	3.2
Capital expenditure	0.4	0.2	--	1.1	0.4	3.2
Capital formation	0.4	0.2	--	1.1	0.4	3.2
Overall deficit (-) before central government transfers	-3.1	-3.5	-3.9	-5.5	-3.4	-6.0
<u>Overall deficit (-)</u>	<u>-2.0</u>	<u>-1.6</u>	<u>-1.1</u>	<u>-2.7</u>	<u>-1.2</u>	<u>-2.8</u>
Domestic financing	2.0	1.6	1.1	2.7	1.2	2.8
XI. Port Authority ^{3/}						
Current revenue	24.4	27.6	25.7	27.3	28.8	27.1
Current expenditure	20.4	22.7	22.5	24.6	26.5	26.6
Interest to Central Government	2.0	2.0	1.7	1.5	1.5	1.5
<u>Current surplus</u>	<u>4.0</u>	<u>4.9</u>	<u>3.2</u>	<u>2.7</u>	<u>2.3</u>	<u>0.5</u>
Capital expenditure	0.9	3.0	0.2	2.8	0.4	7.5
Capital formation	0.9	3.0	0.2	2.8	0.4	7.5
Overall surplus or deficit (-) before central government transfers	5.1	3.9	4.7	1.4	3.4	-5.5
<u>Overall surplus or deficit (-)</u>	<u>3.1</u>	<u>1.9</u>	<u>3.0</u>	<u>-0.1</u>	<u>1.9</u>	<u>-7.0</u>
<u>Domestic financing</u>	<u>-3.1</u>	<u>-1.9</u>	<u>-3.0</u>	<u>0.1</u>	<u>-1.9</u>	<u>7.0</u>
Loans repayments to Central Government	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5
Other	-1.6	-0.4	-1.5	1.6	-0.4	8.5
XII. Caribbean Broadcasting Corporation						
Current revenue	7.2	7.6	9.5	9.5	9.7	12.3
Current expenditure	6.0	6.8	9.3	9.2	10.1	13.6
<u>Current surplus or deficit (-)</u>	<u>1.2</u>	<u>0.8</u>	<u>0.2</u>	<u>0.3</u>	<u>-0.4</u>	<u>-1.3</u>
Capital expenditure	0.8	1.4	1.1	0.6	6.3	5.5
Capital formation	0.8	1.4	1.1	0.6	6.3	5.5
<u>Overall surplus or deficit (-)</u>	<u>0.4</u>	<u>-0.6</u>	<u>-0.9</u>	<u>-0.3</u>	<u>-6.7</u>	<u>-6.8</u>
Domestic financing	-0.4	0.6	0.9	0.3	6.7	6.8

Sources: Ministry of Finance; annual reports and financial statements of the enterprises; and Fund staff estimates.

^{1/} The consolidation of these enterprises is presented in Statistical Appendix Table 25, IV.

^{2/} Year ending June 30.

^{3/} Year ending December 31.

Table 36. Barbados: Summary Accounts of the Consolidated Financial System

	December					September	
	1982	1983	1984	1985	1986	1986	1987
(In millions of Barbados dollars)							
<u>Net international reserves</u>	142.0	154.3	156.2	223.5	213.0	128.3	276.5
Central bank (net)	151.4	165.5	139.2	170.5	196.3	112.8	230.7
Commercial banks (net)	-9.4	-11.2	17.0	53.0	16.7	15.5	45.8
<u>Net overseas operations</u>	-49.3	-52.8	-52.8	-53.5	-50.4	-52.8	-62.1
<u>Net domestic assets</u>	949.2	1,038.1	1,108.9	1,214.2	1,399.3	1,478.7	1,464.6
Public sector (net)	119.6	55.2	75.8	1.1	21.3	147.7	5.4
Central government (net)	272.6	240.9	277.7	233.5	250.5	359.4	238.2
Insurance funds and levies	-127.3	-150.8	-168.2	-193.6	-200.3	-192.4	-210.0
Other	-25.7	-34.9	-33.7	-38.8	-28.9	-19.3	-22.8
Private sector	932.7	1,043.7	1,107.9	1,184.1	1,301.6	1,301.6	1,422.0
Official capital and surplus	-39.0	-41.8	-45.2	-48.9	-51.4	-51.0	-36.0
Float	-24.9	-17.6	-16.8	-23.9	35.4	15.7	-14.8
Other unclassified assets	-39.2	-1.4	-12.8	101.8	92.4	64.7	88.0
<u>SDR allocations</u>	17.8	16.9	15.9	17.8	19.8	19.6	21.2
<u>Medium- and long-term foreign liabilities</u>	114.4	158.1	152.8	178.1	158.1	163.1	151.8
<u>Liabilities to Central Government</u>	—	7.0	2.5	2.5	2.5	2.5	2.5
<u>Liabilities to private sector</u>	909.7	957.6	1,041.1	1,185.8	1,381.5	1,369.0	1,503.5
Money	232.6	258.9	262.1	300.9	364.4	357.9	365.5
Currency in circulation	104.4	109.7	109.8	120.7	136.7	143.2	137.2
Demand deposits	128.2	149.2	152.3	180.2	227.7	214.7	228.3
Quasi-money	639.4	666.7	722.5	832.9	940.2	934.5	1,066.6
Time deposits	259.6	262.5	285.5	357.8	360.2	384.2	445.5
Savings deposits	379.8	404.2	437.0	475.1	580.0	550.3	621.1
Other	24.2	23.1	32.6	28.1	41.0	40.8	37.0
Private capital and surplus	13.5	8.9	23.9	23.9	35.9	35.8	34.4
(Annual percentage changes)							
<u>Liabilities to private sector</u>	6.8	5.3	8.7	13.9	16.5		9.8
Money	-3.4	11.3	1.2	14.8	21.1		2.1
Currency in circulation	-1.8	5.1	0.1	9.9	13.3		-4.2
Demand deposits	-4.8	16.4	2.1	18.3	26.4		6.3
Quasi-money	10.1	4.3	8.4	15.3	12.9		14.1
Time deposits	22.6	1.1	8.8	25.3	0.7		16.0
Savings deposits	2.9	6.4	8.1	8.7	22.1		12.9
(In percent of GDP)							
<u>Liabilities to private sector</u>	45.7	45.3	45.2	49.0	52.7		
Money	11.7	12.3	11.4	12.4	13.9		
Quasi-money	32.1	31.6	31.4	34.4	35.9		
(Annual changes in percent of liabilities to private sector at the beginning of the period)							
<u>Net domestic assets</u>	5.4	9.8	7.4	10.1	15.6		-1.0
Public sector	4.0	-7.1	2.2	-7.2	1.7		-10.4
Private sector	6.0	12.2	6.7	7.3	9.9		8.8
<u>Money and quasi-money</u>	5.9	5.9	6.2	14.3	14.4		10.2
Money	-1.0	2.9	0.3	3.7	5.4		0.6
Quasi-money	6.9	3.0	5.8	10.6	9.0		9.6
Velocity (GDP/Money plus Quasi-money)	2.3	2.3	2.3	2.1	2.0		

Sources: Statistical Appendix Tables 14, 37, and 42.

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Table 37. Barbados: Summary Accounts of the Consolidated Banking System
(In millions of Barbados dollars)

	December					September	
	1982	1983	1984	1985	1986	1986	1987
I. Banking System							
Net international reserves	142.0	154.3	156.2	223.5	213.0	128.3	276.5
Central bank (net)	151.4	165.5	139.2	170.5	196.3	112.8	230.7
Assets	251.6	260.0	250.2	283.9	320.0	255.8	309.0
Liabilities	100.2	94.5	111.0	113.4	123.7	143.0	78.3
Commercial banks (net)	-9.4	-11.2	17.0	53.0	16.7	15.5	45.8
Net overseas operations	-49.3	-52.8	-52.8	-53.5	-50.4	-52.8	-62.1
Net domestic assets	847.3	918.9	991.9	1,029.3	1,136.3	1,194.5	1,174.9
Public sector (net)	171.4	114.4	142.5	84.5	123.8	231.6	133.3
Central government (net)	271.3	240.2	276.1	231.6	247.0	356.1	233.7
Insurance funds and levies	-74.6	-91.6	-99.9	-109.2	-102.1	-108.0	-85.2
Other	-25.3	-34.2	-33.7	-37.9	-21.1	-16.5	-15.2
Private sector	645.0	729.8	741.9	769.4	817.2	801.5	876.1
Official capital and surplus	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0	-20.0
Nonmonetary international organizations	-1.0	-2.2	-2.0	-1.7	-1.8	-1.6	-1.3
Rest of the financial system	91.4	90.5	128.1	126.1	117.5	138.0	125.0
Interbank float	19.7	22.3	25.7	4.0	36.2	19.1	22.6
Other unclassified assets	-59.2	-15.9	-24.3	67.0	63.4	25.9	39.2
SDR allocations	17.8	16.9	15.9	17.8	19.8	19.6	21.2
Medium- and long-term foreign liabilities	79.6	116.6	109.1	133.5	112.3	117.5	108.0
Liabilities to Central Government	—	7.0	2.5	2.5	2.5	2.5	2.5
Liabilities to rest of financial system	63.9	74.8	95.1	69.9	48.7	53.0	79.2
Liabilities to private sector	778.7	805.1	872.7	975.6	1,115.6	1,077.4	1,178.4
Money	227.3	247.0	254.1	289.3	347.6	335.4	346.3
Currency in circulation	110.6	114.1	118.1	123.5	137.4	145.2	139.8
Demand deposits	116.7	132.9	136.0	165.8	210.2	190.2	206.5
Quasi-money	541.1	553.0	599.4	667.4	738.1	712.2	803.0
Time deposits	161.3	148.8	162.4	192.3	158.1	161.9	181.9
Savings deposits	379.8	404.2	437.0	475.1	580.0	550.3	621.1
Private capital and surplus	10.3	5.1	19.2	18.9	29.9	29.8	29.1
II. Monetary Authorities							
Net international reserves	151.4	165.5	139.2	170.5	196.3	112.8	230.7
Assets	251.6	260.0	250.2	283.9	320.0	255.8	309.0
CMCF	109.8	120.1	120.1	115.5	115.3	115.3	115.3
Liabilities	100.2	94.5	111.0	113.4	123.7	143.0	78.3
Net domestic assets	113.4	125.4	152.0	133.3	111.5	203.3	82.9
Net claims on public sector	93.6	64.1	60.9	6.8	-29.2	51.4	-81.9
Central government (net)	97.2	67.6	64.8	11.6	-28.3	54.8	-79.9
Assets	134.0	129.8	121.4	127.5	117.3	120.0	118.7
Liabilities	-0.5	-19.8	-14.1	-71.6	-102.8	-21.2	-149.9
Other government funds	-36.3	-42.4	-42.5	-44.3	-42.8	-44.0	-48.7
Social security fund (net)	-1.8	-1.1	-1.5	-1.5	-0.9	-2.1	-2.0
Decentralized agencies (net)	-1.8	-2.4	-2.4	-3.3	—	-1.3	—
Official capital and surplus	-12.0	-12.0	-12.0	-12.0	-12.0	-12.0	-12.0
Credit to commercial banks	17.9	22.1	17.9	1.9	0.7	0.5	8.4
Credit to rest of financial system	42.8	37.4	63.4	59.3	64.1	76.3	72.9
Barbados Development Bank shares	5.0	6.0	7.0	7.0	7.0	7.0	7.0
Nonmonetary international organizations	-1.0	-2.2	-2.0	-1.7	-1.8	-1.6	-1.3
Export credit guarantee	-8.3	-3.6	-2.8	—	-3.2	-3.8	-3.0
Net unclassified assets	-24.6	13.6	19.6	72.0	85.9	85.5	92.8
SDR allocation	17.8	16.9	15.9	17.8	19.8	19.6	21.2
Medium and long-term foreign liabilities	59.9	71.5	64.3	57.3	50.0	53.0	41.2
Liabilities to Central Government	—	7.0	2.5	2.5	2.5	2.5	2.5
Liabilities to commercial banks	75.5	79.9	87.3	97.8	96.1	93.6	105.1
Liabilities to other financial institution	1.0	1.5	3.1	4.9	2.0	2.2	3.8
Liabilities to private sector	110.6	114.1	118.1	123.5	137.4	145.2	139.8

Table 37. Barbados: Summary Accounts of the Consolidated Banking System (Concluded)

(In millions of Barbados dollars)

	December					September	
	1982	1983	1984	1985	1986	1986	1987
III. Commercial Banks							
<u>Net international reserves</u>	-9.4	-11.2	17.0	53.0	16.7	15.5	45.8
Assets	46.4	46.5	80.0	87.8	103.0	67.7	96.1
Liabilities	55.8	57.7	63.0	34.8	86.3	52.2	50.3
<u>Net overseas operations</u>	-49.3	-52.8	-52.8	-53.5	-50.4	-52.8	-62.1
Assets	6.4	7.1	12.7	13.1	15.2	13.0	21.5
Liabilities	55.7	59.9	65.5	66.6	65.6	65.8	83.6
<u>Monetary reserves and currency holdings</u>	76.0	81.8	93.1	89.5	106.3	104.9	107.5
<u>Net domestic assets</u>	749.6	817.7	858.4	919.4	1,028.1	993.8	1,112.3
Net claims on public sector	77.8	50.3	81.6	77.7	153.0	180.2	215.2
Central Government (net)	174.1	172.6	211.3	220.0	275.3	301.3	313.6
Assets	187.9	188.4	233.0	240.5	295.2	323.1	334.5
Liabilities	13.8	15.8	21.7	20.5	19.9	21.8	20.9
Other general government (net)	-7.1	-6.2	-8.0	-8.0	-5.2	-5.4	-7.9
Decentralized agencies (net)	-16.4	-25.6	-23.3	-26.6	-15.9	-9.8	-7.3
Insurance funds and levies	-72.8	-90.5	-98.4	-107.7	-101.2	-105.9	-83.2
Official capital and surplus	-8.0	-8.0	-8.0	-8.0	-8.0	-8.0	-8.0
Credit to rest of financial system	48.6	53.1	64.7	66.8	53.4	61.7	52.1
Trust companies	6.6	5.6	8.4	1.1	2.4	7.2	4.1
Public nonbank institutions	18.4	23.0	35.2	50.3	31.0	34.0	23.7
Private nonbank institutions	23.6	24.5	21.1	15.4	20.0	20.5	24.3
Credit to private sector	645.0	729.8	741.9	769.4	817.2	801.5	876.1
Net interbank float	17.5	24.4	26.3	25.5	38.8	21.2	34.5
Net unclassified assets	-31.3	-31.9	-48.1	-12.0	-26.3	-62.8	-57.6
<u>Medium- and long-term foreign liabilities</u>	19.7	45.1	44.8	76.2	62.3	64.5	66.8
<u>Liabilities to monetary authorities</u>	16.2	26.1	24.3	15.1	13.5	13.9	22.7
<u>Liabilities to rest of financial system</u>	62.9	73.3	92.0	65.0	46.7	50.8	75.4
Trust companies	6.6	11.0	16.7	15.0	9.9	17.6	10.7
Public nonbank institutions	14.3	3.6	7.3	-6.2	-16.9	-14.7	8.2
Private nonbank institutions	42.0	58.7	68.0	56.2	53.7	47.9	56.5
<u>Liabilities to private sector</u>	668.1	691.0	754.6	852.1	978.2	932.2	1,038.6
Demand deposits	116.7	132.9	136.0	165.8	210.2	190.2	206.5
Time and savings deposits	541.1	553.0	599.4	667.4	738.1	712.2	803.0
Private capital and surplus	10.3	5.1	19.2	18.9	29.9	29.8	29.1

Source: Central Bank of Barbados.

Table 38. Barbados: Distribution of Financial System Credit to the Private Sector ^{1/}

(In thousands of Barbados dollars)

	1982	1983	1984	1985	1986	September	
						1986	1987
Total credit to private sector	1,034.2	1,164.9	1,248.6	1,330.5	...	...	...
Consolidated financial system	932.7	1,043.7	1,107.9	1,184.1	1,301.6	1,301.6	1,422.0
Commercial banks	645.0	729.8	741.9	769.4	817.2	801.5	876.1
Nonbank financial institutions	287.7	313.9	366.0	414.7	484.4	500.1	545.9
Insurance companies	101.5	121.2	140.7	146.4	...	...	...
Sugar industry	95.9	109.4	133.7	141.8	151.9	145.2	142.8
Commercial banks	32.9	37.4	36.7	27.6	27.8	23.2	--
Agriculture	22.7	27.0	26.8	24.1	23.0	19.7	...
Manufacture	10.2	10.4	9.9	3.7	3.4	3.5	...
Nonbank financial institutions	63.0	72.0	97.0	114.2	124.3	145.2	142.8
Mortgages	272.4	304.3	335.6	351.2	...	...	...
Nonbank financial institutions	138.7	147.7	161.9	173.3	216.6	206.1	250.3
Insurance companies	101.5	121.2	140.7	146.4	...	...	...
Commercial banks	32.2	35.4	33.0	31.5	37.4	35.0	...
Tourism	131.3	137.2	134.6	140.3	127.7	129.7	...
Commercial banks	101.7	107.7	103.8	103.9	88.2	90.1	...
Nonbank financial institutions	29.6	29.5	30.8	36.4	39.5	39.6	...
Personal	147.1	177.1	184.2	199.1	234.3	226.1	37.0
Commercial banks	131.0	152.8	160.4	172.8	198.0	189.2	...
Nonbank financial institutions	16.1	24.3	23.8	26.3	36.3	36.9	37.0
Other	387.5	436.9	460.5	498.1	533.7	559.5	...

Sources: Central Bank of Barbados; and Statistical Appendix Table 39.

^{1/} Includes the consolidated financial system and the insurance companies.

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Table 39. Barbados: Distribution of Commercial Bank Credit to Private Sector

	December					August
	1982	1983	1984	1985	1986	1987
(In millions of Barbados dollars)						
Total	670.2	762.2	791.7	827.9	857.7	903.3
Personal ^{1/}	131.0	152.8	160.4	172.8	198.0	222.2
Distribution	92.8	114.1	107.4	115.3	134.5	143.5
Manufacturing	115.6	120.9	123.3	116.3	112.2	115.2
Construction	32.3	30.8	35.6	34.5	34.6	35.6
Tourism	101.7	107.7	103.8	103.9	88.2	82.8
Agriculture	31.9	37.4	37.3	33.8	33.2	26.5
Sugarcane	22.7	27.0	26.8	24.1	23.0	16.7
Other agriculture	9.2	10.4	10.5	9.7	10.2	9.8
Fisheries	0.6	1.6	1.5	1.4	1.5	1.7
Mining and quarrying	1.5	2.4	2.3	2.6	1.4	1.5
Public utilities	37.6	58.3	59.6	67.9	75.5	80.4
Transportation	24.9	25.9	28.2	35.8	43.9	64.5
Financial institutions	18.8	25.3	37.2	45.9	31.5	21.8
Professional and other services	34.7	36.1	42.6	37.3	40.4	42.9
Miscellaneous	46.8	48.9	52.5	60.4	62.8	64.7
(As percent of total)						
Personal ^{1/}	19.5	20.1	20.3	20.9	23.1	24.6
Distribution	13.8	15.0	13.6	13.9	15.7	15.9
Manufacturing	17.2	15.9	15.6	14.0	13.1	12.8
Construction	4.8	4.0	4.8	4.2	4.0	3.9
Tourism	15.2	14.1	13.1	12.5	10.3	9.2
Agriculture	4.8	4.9	4.7	4.1	3.9	2.9
Sugarcane	3.4	3.5	3.4	2.9	2.7	1.8
Other agriculture	1.4	1.4	1.3	1.2	1.2	1.1
Fisheries	0.1	0.2	0.2	0.2	0.2	0.2
Mining and quarrying	0.2	0.3	0.3	0.3	0.2	0.2
Public utilities	5.6	7.7	7.5	8.2	8.8	8.9
Transportation	3.7	3.4	3.6	4.3	5.1	7.1
Financial institutions	2.8	3.3	4.7	5.5	3.7	2.4
Professional and other services	5.2	4.7	5.4	4.5	4.7	4.7
Miscellaneous	7.0	6.4	6.5	7.4	7.2	7.2

Source: Central Bank of Barbados.

^{1/} Includes credit for the purchase of consumer durables and other goods, and for home repairs.

Table 40. Barbados: Selected Interest Rates

(In percent per annum)

Period	Central Bank Rediscount ^{1/}	Weighted Average Lending Rate ^{2/}	Prime Lending Rate		Weighted Average Deposit Rate	Savings Deposits	Three-Month Deposits		Treasury Bill Rate		Change in Retail Price Index (Period Average)
			Barbados	U.S.			Barbados	U.S.	Barbados	U.S.	
1979	6.0	10.0	8.0-8.5	15.3	4.1	3.0-5.0	3.5-4.5	11.2	5.0	12.1	...
1980	7.0	10.0	9.0-9.5	20.4	5.6	4.3-5.2	5.0-5.5	13.1	6.2	14.9	5.6
1981	22.0	15.0	13.0-14.0	15.8	8.4	7.2-7.4	8.5-9.5	15.9	13.8	11.9	14.6
1982	20.0	13.0	10.0-14.0	11.5	8.0	7.7-7.9	6.5-9.5	12.3	11.3	8.2	10.3
1983	16.0	11.5	10.0-11.5	11.0	6.0	5.3-5.4	5.5-7.5	9.1	6.8	9.0	5.3
1984	16.0	12.0	10.5-11.5	11.1	6.1	5.0-5.5	5.0-7.0	10.4	7.2	9.6	4.6
1985	13.0	10.0	8.8-9.5	9.5	5.5	4.0-4.5	4.0-5.5	8.0	4.6	7.1	3.9
<u>1984</u>											
March	16.0	11.5	10.0-11.5	11.2	6.0	5.0-5.5	5.5-7.5	9.7	7.0	9.1	5.0
June	16.0	11.5	10.0-11.5	12.6	6.0	5.0-5.5	5.5-7.0	11.0	6.7	9.8	4.8
September	16.0	12.0	10.5-11.5	13.0	6.2	5.0-5.5	5.5-7.0	11.4	6.9	10.3	4.4
December	16.0	12.0	10.5-11.5	11.1	6.2	5.0-5.5	5.0-7.0	9.4	7.1	9.0	4.6
<u>1985</u>											
March	16.0	11.0	10.3-11.5	10.5	6.2	5.0-5.5	5.0-6.5	8.6	6.9	8.2	5.5
June	14.0	10.0	10.0-10.5	9.8	5.4	4.0-5.0	4.0-6.5	8.0	5.9	7.5	4.1
September	13.0	10.0	8.8-10.0	9.5	5.0	4.0-4.5	4.0-5.5	7.8	4.8	7.1	3.4
December	13.0	10.0	8.8-9.5	9.5	4.8	4.0-4.5	4.0-5.5	7.8	4.6	7.1	2.7
<u>1986</u>											
March	13.0	10.0	8.8-10.0	9.2	4.6	4.0	4.0-4.5	7.6	4.5	6.6	2.3
June	11.0	9.5	8.3-8.8	8.5	4.5	4.0	3.3-4.0	6.7	4.5	6.2	1.7
September	8.0	9.5	8.3-8.8	7.5	3.9	3.0-4.0	3.0-4.0	6.0	4.4	5.2	1.2
December	8.0	9.5	8.3-8.8	7.5	3.5	3.0	3.0-4.0	5.8	4.3	5.5	0.2
<u>1987</u>											
March	8.0	9.5	8.3-8.8	7.5	3.5	3.0	3.0-4.3	6.1	4.8	5.6	-0.2
June	8.0	9.5	8.3-8.8	8.0	3.6	3.0	3.0-5.0	6.8	4.9	5.7	3.2

Sources: Central Bank of Barbados; U.S. Federal Reserve Bulletin; and IMF International Financial Statistics.^{1/} The Central Bank sets preferential rediscount rates for the sugar industry, manufacturing, tourism, and nonsugar agricultural activities.^{2/} Fixed by the Central Bank; applies only to the commercial banks.

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Table 41. Barbados: Liquidity Position of Commercial Banks

	December 31					August
	1982	1983	1984	1985	1986	1987
(In millions of Barbados dollars)						
<u>Cash reserves requirement</u>						
Required reserves	68.9	75.0	82.2	86.5	93.6	99.0
Actual reserves	78.6	81.4	93.0	94.4	103.1	111.1
Cash in vaults	23.6	24.0	26.8	29.8	31.7	20.4
Deposits with Central Bank	55.0	57.4	66.2	64.6	71.4	90.7
Excess reserves	9.7	6.4	10.8	7.9	9.6	12.1
<u>Government securities requirement</u>						
Required holdings <u>1/</u>	166.1	176.6	194.4	207.9	221.4	271.7
Actual holdings	198.4	189.1	234.4	245.6	305.0	354.6
Treasury bills	124.2	103.8	145.4	161.4	179.7	218.4
Debentures	59.7	78.0	80.2	71.5	109.7	116.0
Other government bonds	14.5	7.3	8.8	12.7	15.6	20.2
Excess holdings	32.3	12.5	40.0	37.7	83.6	82.9
Total deposit liabilities	861.3	932.5	1,027.5	1,081.3	1,170.0	1,237.0
(As percent of total deposit liabilities)						
<u>Cash reserve requirement</u>						
Required reserves	8.0	8.0	8.0	8.0	8.0	8.0
Actual reserves	9.1	8.7	9.1	8.7	8.8	9.0
Excess reserves	1.1	0.7	1.1	0.7	0.8	1.0
<u>Government securities requirement</u>						
Required holdings <u>1/</u>	19.0	19.0	19.0	19.0	22.0	22.0
Actual holdings	23.0	20.3	22.8	22.7	26.1	28.7
Excess holdings	4.0	1.3	3.8	3.5	4.1	6.7

Source: Central Bank of Barbados.

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

Table 42. Barbados: Summary Accounts of the Consolidated Nonbank Financial Intermediaries

(In millions of Barbados dollars)

	December					September	
	1982	1983	1984	1985	1986	1986	1987
I. Consolidated Accounts							
<u>Monetary reserves and currency holdings</u>	<u>6.2</u>	<u>4.4</u>	<u>8.3</u>	<u>2.8</u>	<u>0.7</u>	<u>2.0</u>	<u>2.6</u>
Net domestic assets	272.2	290.5	336.7	383.7	419.9	472.4	495.2
Public sector (net)	-51.8	-59.2	-66.7	-83.4	-102.5	-83.9	-127.9
Social security funds (net)	-52.7	-59.2	-68.3	-84.4	-98.2	-84.4	-124.8
Central Government (net)	1.3	0.7	1.6	1.9	3.5	3.3	4.5
Other public sector (net)	-0.4	-0.7	--	-0.9	-7.8	-2.8	-7.6
Official capital	-19.0	-21.8	-25.2	-28.9	-31.4	-31.0	-16.0
Commercial banks	6.8	11.1	18.4	17.2	11.1	19.3	16.0
Other financial institutions	27.5	29.8	30.7	27.6	27.5	27.5	27.1
Private sector	287.7	313.9	366.0	414.7	484.4	500.1	545.9
Net unclassified assets	21.0	16.7	13.5	36.5	30.8	40.4	50.1
<u>Medium- and long-term foreign liabilities</u>	<u>34.8</u>	<u>41.5</u>	<u>43.7</u>	<u>44.6</u>	<u>45.8</u>	<u>45.6</u>	<u>43.8</u>
<u>Liabilities to rest of financial system</u>	<u>106.4</u>	<u>96.5</u>	<u>124.6</u>	<u>128.9</u>	<u>108.2</u>	<u>135.2</u>	<u>126.3</u>
Monetary authorities	63.7	55.1	63.1	59.1	50.1	65.1	55.2
Commercial banks	40.6	39.4	59.5	68.0	56.3	68.3	69.4
Other financial institutions	2.1	2.0	2.0	1.8	1.8	1.8	1.7
<u>Liabilities to private sector</u>	<u>137.2</u>	<u>156.9</u>	<u>176.7</u>	<u>213.0</u>	<u>266.6</u>	<u>293.6</u>	<u>327.7</u>
II. Trust Companies							
<u>Monetary reserve and currency holdings</u>	<u>2.5</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>0.9</u>
Net domestic assets	93.0	101.5	115.0	130.0	141.5	145.7	169.4
Net claims on public sector	-33.2	-32.5	-32.3	-38.8	-37.2	-36.2	-50.1
Central government (net)	0.5	0.1	1.0	1.5	3.2	3.0	4.5
Deposits of insurance funds and levies	-33.7	-32.6	-33.3	-40.3	-40.4	-39.2	-54.6
Credit to commercial banks	6.6	11.0	16.7	15.0	9.9	17.6	10.7
Credit to BMFC	25.4	25.2	26.1	25.8	25.7	25.7	25.4
Credit to private sector	102.2	106.0	115.5	123.5	154.4	150.4	195.3
Mortgage loans	95.5	99.6	109.3	117.8	153.8	145.0	181.5
Residential	78.7	79.1	86.8	94.4	118.0	111.8	140.9
Industrial and commercial	11.7	15.6	18.2	19.4	32.5	29.8	37.9
Other	5.1	4.9	4.3	4.0	3.3	3.4	2.7
Other loans	6.7	6.4	6.2	5.7	0.6	5.4	13.8
Net unclassified assets	-8.0	-8.2	-11.0	4.5	-11.3	-11.8	-11.9
<u>Medium- and long-term foreign liabilities</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>1.6</u>
<u>Liabilities to commercial banks</u>	<u>6.6</u>	<u>5.6</u>	<u>8.4</u>	<u>1.1</u>	<u>2.4</u>	<u>7.2</u>	<u>4.1</u>
<u>Liabilities to private sector</u>	<u>88.1</u>	<u>95.1</u>	<u>105.8</u>	<u>128.1</u>	<u>138.3</u>	<u>137.7</u>	<u>164.6</u>
Time deposits	85.4	93.1	103.1	125.4	134.3	133.7	161.4
Private capital and surplus	2.7	2.0	2.7	2.7	4.0	4.0	3.2
III. Finance Companies							
<u>Monetary reserves and currency holdings</u>	<u>--</u>	<u>--</u>	<u>0.1</u>	<u>0.1</u>	<u>--</u>	<u>0.1</u>	<u>0.1</u>
Net domestic assets	13.4	24.5	25.1	28.3	35.0	35.7	39.7
Credit to private sector	16.1	24.3	23.8	26.3	36.3	36.9	37.0
Credit to banks	0.2	0.1	0.3	0.6	1.2	1.7	4.2
Net unclassified assets	-2.9	0.1	1.0	1.4	-2.5	-2.9	-1.5
<u>Liabilities to commercial banks</u>	<u>--</u>	<u>2.1</u>	<u>3.2</u>	<u>3.3</u>	<u>2.1</u>	<u>3.1</u>	<u>1.7</u>
<u>Liabilities to private sector</u>	<u>13.4</u>	<u>22.4</u>	<u>22.0</u>	<u>25.1</u>	<u>32.9</u>	<u>32.7</u>	<u>38.1</u>
Time deposits	12.9	20.6	20.0	22.8	30.9	30.7	36.0
Private capital and surplus	0.5	1.8	2.0	2.3	2.0	2.0	2.1

Table 42. Barbados: Summary Accounts of the Consolidated Nonbank Financial Intermediaries (Concluded)
(In millions of Barbados dollars)

	December					September	
	1982	1983	1984	1985	1986	1986	1987
IV. Barbados National Bank, Agricultural Division (BNBAD)							
Monetary reserves and currency holdings	0.3	-0.2	0.8	0.4	--	--	0.8
Net domestic assets	76.1	70.5	89.0	105.7	110.5	156.6	147.1
Agricultural development corporation	-0.4	-0.7	--	--	--	--	--
National housing corporation	--	--	--	--	-5.0	--	-2.5
National insurance fund (net)	--	-3.6	-3.6	-7.4	-17.9	-8.4	-25.9
Unemployment fund	--	-2.0	-5.4	-10.7	-8.5	-8.7	-8.7
Official capital and surplus	-0.4	-0.6	-0.8	-1.3	-2.7	-1.8	-2.2
Credit to private sector	68.5	70.3	94.3	112.1	129.9	150.6	148.3
Credit to BDB (fishing)	--	2.6	2.6	--	--	--	--
Net unclassified assets	8.4	4.5	1.9	13.0	14.7	24.9	38.1
Medium and long-term foreign liabilities	2.0	2.9	3.1	3.0	2.9	2.8	2.8
Liabilities to rest of financial system	62.9	51.1	70.4	71.4	53.2	71.4	57.1
Monetary authorities	54.3	45.7	53.6	36.5	33.6	49.1	43.1
Commercial banks (head office)	8.6	5.4	16.8	34.9	19.6	22.3	14.0
Liabilities to private sector	11.5	16.3	16.3	31.7	54.4	82.4	88.0
Demand deposits	11.5	16.3	16.3	14.4	17.5	24.5	21.8
Time deposits	--	--	--	17.3	36.9	57.9	66.2
V. Barbados Development Bank (BDB)							
Monetary reserves and currency holdings	3.2	4.6	7.4	2.3	0.7	1.9	0.6
Net domestic assets	50.6	53.7	68.0	81.3	95.4	96.7	102.6
Central government (net)	0.8	0.6	0.6	0.4	0.3	0.3	--
Social security funds (net) - development bonds	-2.5	-2.5	-2.5	-2.5	-4.6	-4.6	-4.6
Official capital and surplus	-16.6	-18.0	-20.5	-20.3	-20.7	-20.2	-3.7
Credit to rest of financial system (BMFC)	2.1	2.0	2.0	1.8	1.8	1.8	1.7
Credit to private sector	57.7	65.2	79.8	97.3	101.0	101.1	96.5
Net unclassified assets	9.1	6.4	8.6	4.6	17.6	18.3	12.7
Medium and long-term foreign liabilities	22.9	27.4	32.0	33.7	35.6	35.5	33.6
Liabilities to rest of financial system	11.5	11.5	14.5	25.5	23.2	26.0	36.3
Monetary authorities	9.4	9.4	9.5	22.6	16.5	16.0	12.1
Commercial banks	2.1	2.1	5.0	2.9	6.7	10.0	24.2
Liabilities to private sector	19.4	19.4	28.9	24.4	37.3	37.1	33.3
Insurance companies	3.2	3.2	--	--	--	--	--
Other holders	--	--	--	--	--	--	--
VI. Barbados Mortgage Finance Company Ltd. (BMFCL)							
Monetary reserves and currency holdings	0.2	--	--	--	--	--	0.2
Net domestic assets	39.1	40.3	39.6	38.4	37.5	37.7	36.4
Public sector (housing credit fund)	--	--	--	-0.9	-2.8	-2.8	-5.1
National insurance fund deposits	-16.5	-18.5	-23.5	-23.5	-26.8	-23.5	-31.0
Commercial banks	--	--	1.4	1.6	--	--	1.1
Credit to private sector	43.2	48.1	52.6	55.5	62.8	61.1	68.8
Official capital and surplus	-2.0	-3.2	-3.9	-7.3	-8.0	-9.0	-10.1
Net unclassified assets	14.4	13.9	13.0	13.0	12.3	11.9	12.7
Medium and long-term foreign liabilities	9.1	10.4	7.8	7.1	6.5	6.5	5.8
Liabilities to rest of financial system	25.4	26.2	28.1	27.6	27.3	27.5	27.1
Commercial banks	23.3	24.2	26.1	25.8	25.5	25.7	25.4
Rest of financial system	2.1	2.0	2.0	1.8	1.8	1.8	1.7
Liabilities to private sector	4.8	3.7	3.7	3.7	3.7	3.7	3.7

Source: Central Bank of Barbados.

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Table 43. Barbados: Credit Unions' Operations

(In millions of Barbados dollars)

	March 31					
	1982	1983	1984	1985	1986	1987
Shares and deposits	7.2	10.5	15.5	23.4	36.2	55.8
Loans outstanding	7.0	10.5	14.3	23.3	34.8	53.0
Total assets	...	12.1	18.4	26.9	42.2	64.5
<u>Memorandum items</u>						
Number of credit unions	29	31	38	39	40	40
Number of members	7,760	9,618	12,844	16,459	20,871	25,668

Source: Barbados Cooperative Credit Union League Ltd.

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Table 44. Barbados: Local Assets Portfolio of Insurance Companies

(In millions of Barbados dollars)

	December				
	1981	1982	1983	1984	1985
<u>Total assets</u>	<u>178.6</u>	<u>210.9</u>	<u>247.1</u>	<u>284.6</u>	<u>300.9</u>
Cash and balances at financial institutions	57.2	57.1	77.0	87.8	91.2
Net domestic assets	121.4	153.8	170.1	196.8	209.7
Central Government (net)	28.7	35.3	33.7	38.0	44.2
Private sector	78.2	101.5	121.2	140.7	146.4
Mortgages	55.3	73.1	86.6	99.5	111.7
Real estate	22.9	28.4	34.6	41.2	34.7
Other investment	14.5	17.0	15.2	18.1	19.1
Corporate shares	12.0	13.1	13.3	16.0	16.0
Other	2.5	3.9	1.9	2.1	3.1

Source: Central Bank of Barbados.

Table 45. Barbados: Summary Accounts of Offshore Banks

(In millions of Barbados dollars)

	1982	1983	December 1984	1985	1986	September 1987
<u>Assets</u>	<u>1,046.7</u>	<u>1,299.5</u>	<u>1,471.6</u>	<u>1,770.3</u>	<u>2,189.9</u>	<u>2,182.6</u>
Due from other banks	3.7	2.4	0.8	6.8	3.8	3.9
In Barbados	--	0.2	0.1	--	--	1.4
Abroad	3.7	2.2	0.7	6.8	3.8	2.5
Due from head offices and branches abroad	2.0	3.5	6.3	7.1	42.4	43.5
Due from nonbanks and other institutions in Barbados	9.0	--	--	0.2	--	--
Loans and advances	1,029.7	1,297.5	1,447.1	1,742.9	2,158.0	2,116.9
To residents	--	50.0	46.6	38.7	31.4	38.1
Of which: public corporations	...	...	...	37.0	26.4	34.0
To nonresidents	1,029.7	1,247.5	1,400.5	1,704.2	2,126.6	2,078.8
Investments abroad	--	--	--	--	12.3	20.2
Other unclassified assets	2.3	-3.9	17.4	13.3	2.4	1.9
<u>Liabilities</u>	<u>1,046.7</u>	<u>1,299.5</u>	<u>1,471.6</u>	<u>1,770.3</u>	<u>2,189.9</u>	<u>2,182.6</u>
Deposits	2.0	4.7	5.9	7.8	46.0	49.2
Demand	0.2	0.3	0.5	2.8	8.7	10.9
Time	1.8	4.4	5.4	5.0	37.3	38.3
Due to financial institutions	--	--	--	2.5	1.0	0.2
Due to head offices and branches abroad	1,015.7	1,261.0	1,397.5	1,550.8	1,924.4	1,872.8
Capital and reserves	29.0	33.8	68.2	209.2	247.5	260.4
<u>Memorandum item</u>						
Undistributed profits	6.0	9.1	33.7	65.1	100.9	111.2

Source: Central Bank of Barbados.

Table 46. Barbados: Balance of Payments

(In millions of U.S. dollars)

	1982			1983			1984			1985			1986		
	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
Goods and services	641.1	706.0	-64.9	714.8	786.6	-71.8	830.0	833.4	-3.5	785.2	787.0	-1.8	788.4	815.7	-27.3
Merchandise ^{1/}	209.4	554.2	-344.8	273.0	624.7	-351.7	341.6	662.6	-321.0	302.2	611.2	-309.0	245.8	605.7	-359.9
Transportation ^{2/}	65.7	30.1	35.6	61.0	25.0	36.0	64.6	28.5	36.1	64.4	26.4	38.0	48.7	30.2	18.5
Travel	254.8	26.2	228.6	255.0	21.6	233.4	287.7	22.9	264.8	275.8	23.3	252.5	328.1	29.1	299.0
Investment income	11.9	30.5	-18.6	10.0	35.4	-25.4	17.0	44.1	-27.1	18.2	45.8	-27.6	23.8	62.4	-38.6
Government, n.i.e.	17.6	7.4	10.2	15.5	9.6	5.9	21.3	11.8	9.5	18.4	11.5	6.9	26.0	12.0	14.0
Other service	75.9	57.6	18.3	92.9	70.3	22.6	89.7	63.5	26.2	99.8	68.8	31.0	110.7	76.3	34.4
Freight and insurance	5.8	--	5.8	7.4	--	7.4	8.0	--	8.0	6.4	--	6.4	5.3	--	5.3
Unrequited transfers	31.2	7.9	23.3	34.8	14.6	20.2	34.3	19.6	14.7	33.0	27.4	5.5	39.1	27.4	11.7
Private	25.9	5.4	20.5	25.7	5.1	20.6	25.4	4.6	20.8	23.0	4.8	18.8	29.8	5.9	23.9
Government	5.3	2.5	2.8	9.1	9.0	0.1	8.9	15.0	-6.1	9.4	22.6	-13.2	9.3	21.5	-12.2
Capital			49.2	102.8	50.2	44.1	45.7	70.1	-24.4	113.2	101.2	12.0	106.4	77.9	28.5
Direct investment			4.4	3.7	1.4	2.3	--	1.4	-1.4	4.9	2.3	2.6	7.8	2.8	5.0
Portfolio investment			12.9	14.4	3.1	11.3	3.3	8.9	-5.6	16.2	14.4	1.8	0.7	14.1	-13.4
Public			0.1	1.2	2.2	-1.0	0.9	4.7	-3.8	0.8	9.9	-9.1	0.1	1.2	-1.1
Private			12.8	13.2	0.9	12.3	2.4	4.2	-1.8	15.4	4.5	10.9	0.6	12.9	-12.3
Other long term			18.4	83.8	9.2	74.6	42.3	18.7	23.6	92.0	28.4	63.6	79.5	36.9	42.6
Central Government			14.4	41.7	7.6	34.1	29.0	11.4	17.6	62.3	15.0	47.3	74.5	19.4	55.1
Central Bank			-1.1	5.8	--	5.8	--	3.6	-3.6	4.5	8.0	-3.5	1.8	5.4	-3.6
Government guaranteed debt			1.9	23.6	1.6	22.0	13.3	3.7	9.6	9.5	5.4	4.1	3.2	5.1	-1.9
Public corporations			...	...	...	...	9.7	2.6	7.1	9.0	1.8	7.2	2.6	1.7	0.9
Other			...	...	...	...	3.6	1.1	2.5	0.5	3.6	-3.1	0.6	3.4	-2.8
Commercial banks			3.2	12.7	--	12.7	--	0.1	-0.1	15.7	--	15.7	--	7.0	-7.0
Short-term capital			-5.7	0.9	--	0.9	0.1	15.2	-15.1	0.1	18.5	-18.4	18.4	0.6	17.8
Central Government			1.7	--	--	--	0.1	1.2	-1.1	0.1	0.5	-0.4	0.2	0.6	-0.4
Commercial banks			-7.4	0.9	--	0.9	--	14.0	-14.0	--	18.0	-18.0	18.2	--	18.2
Other private capital ^{3/}			19.2	--	30.4	-30.4	--	25.9	-25.9	--	37.6	-37.6	--	23.5	-23.5
Overall surplus or deficit (-)			7.6			7.1			-13.2			15.7			12.9

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

^{1/} Exports are f.o.b. and include re-exports, sugar valuation, and other balance of payments adjustments. Imports are c.i.f. and include imports for re-exports (equal to re-exports), stores and bunkers, and other balance of payments adjustments.^{2/} Credit item includes exports of stores and bunkers.^{3/} Includes transactions of insurance companies and errors and omissions.

Table 47. Barbados: Merchandise Exports, f.o.b.

	1982	1983	1984	1985	1986	Jan.-June	
						1986	1987
(In millions of U.S. dollars)							
Total exports, f.o.b.	258.8	323.7	393.7	353.9	276.3	158.7	73.6
Less: stores and bunkers	48.8	49.0	57.6	51.9	35.6	...	...
other adjustments ^{1/}	0.6	1.7	0.4	-0.2	-5.1	...	...
Total exports (balance of payments basis)	209.4	273.0	341.7	302.2	245.8	...	...
Re-exports, other	23.1	17.9	49.8	54.0	35.5	...	...
Total domestic exports	186.3	255.1	291.9	248.2	210.5	116.0	49.1
Sugar and molasses	34.4	22.3	32.8	28.9	28.5	13.6	12.3
Rum	2.7	2.5	3.3	4.0	4.4	2.1	1.6
Margarine and lard	1.9	2.0	2.3	1.4	1.5	0.6	0.3
Other food and beverages	6.9	7.2	6.4	5.8	4.2	2.0	2.2
Chemicals	13.1	13.6	13.0	10.6	9.5	4.4	4.1
Electronic components	60.9	133.2	168.0	152.0	120.6	70.4	14.9
Clothing	32.8	35.2	32.4	22.5	17.8	11.0	6.2
Other manufactures	32.7	37.5	31.8	20.6	22.1	10.9	6.3
Other exports	0.9	1.6	1.9	2.4	1.8	1.0	1.2
(Annual percentage change)							
Total domestic exports	25.5	36.9	14.4	-15.0	-15.3	...	-57.7
(As percent of total domestic exports)							
Sugar and molasses	18.4	8.7	11.2	11.6	13.6	11.7	25.1
Electronic components	32.6	52.2	57.6	61.2	57.3	60.7	30.3
Clothing	17.6	13.8	11.1	9.1	8.5	9.5	12.8
Other manufactures	17.5	14.7	10.9	8.3	10.5	9.4	12.8
Other	13.9	10.6	9.2	9.8	10.1	8.7	19.0

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

^{1/} Includes goods sent via parcel post, sales of stamps and coins, and valuation adjustment for sugar and molasses.

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Table 48. Barbados: Sugar Exports

(Value in millions of U.S. dollars; volume in thousands of metric tons; and unit value in U.S. dollars per metric ton)

	1982	1983	1984	1985	1986	Est. 1987
<u>I. Total</u>						
Value	34.4	22.9	32.8	28.9	32.5	35.0
Volume	106.0	62.6	105.5	91.0	115.6	84.1
Unit value (excluding unedible molasses)	388.4	390.9	355.4	347.5	314.4	485.0
<u>II. Sugar</u>						
<u>Total</u>						
Value	30.9	18.8	28.6	25.1	29.4	32.1
Volume	80.5	50.6	79.8	70.5	94.4	63.8
Unit value	383.9	371.5	358.4	356.0	311.4	503.1
<u>EEC</u>						
Value	21.3	12.6	25.9	18.3	20.1	28.9
Volume	56.8	37.2	74.0	54.9	49.5	54.7
Unit value	375.9	340.1	349.9	333.2	406.1	528.3
<u>United States</u>						
Value	9.6	6.2	2.7	6.8	5.1	2.9
Volume	23.7	13.4	5.8	15.6	10.9	6.8
Unit value	403.0	462.7	473.8	438.1	467.9	426.5
<u>Other countries</u>						
Value	--	--	--	--	4.2	0.3
Volume	--	--	--	--	34.0	2.3
Unit value	--	--	--	--	123.5	130.4
<u>III. Edible Molasses</u>						
Value	2.5	3.6	3.1	3.5	1.6	1.9
Volume	5.5	6.7	9.4	11.8	4.2	6.3
Unit value	463.7	470.2	330.2	299.0	380.9	301.6
<u>IV. Unedible Molasses</u>						
Value	1.0	0.5	1.1	0.3	1.5	1.0
Volume	20.0	5.3	16.3	8.7	17.0	14.0
Unit value	47.5	84.9	66.7	32.2	88.2	71.4

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

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Table 49. Barbados: Tourism Statistics

	1982	1983	1984	1985	1986	Jan.-June	
						1986	1987
Total tourist days (thousands) ^{1/}	2,632	2,630	2,709	2,375	2,549	...	...
Stayover arrivals (thousands)	303.8	328.3	367.7	359.1	369.8	195.6	209.7
Cruise-ship arrivals (thousands)	110.8	102.5	99.2	112.2	145.3	74.6	117.5
Average length of stay (days) ^{2/}	8.3	7.7	7.1	6.3	6.5	...	...
Total bed capacity (thousands)	14.1	14.3	14.1	14.0	13.9	...	...
Bed occupancy rates, all establishments (percent)	45.5	46.7	45.1	39.5	47.0	...	...
Per head per day (U.S. dollars) ^{3/}	96.5	96.6	106.0	116.6	4/130.4	...	...
Total tourist expenditure (millions of U.S. dollars)	251.1	251.6	284.2	272.2	5/323.7	...	...
Stayover tourists	243.4	244.2	276.8	263.8	313.2	...	...
Cruise-ship tourists	7.7	7.4	7.4	8.4	10.5	...	...
(Annual percentage change)							
Total tourist days	-24.5	-0.1	3.0	-12.3	7.3	...	...
Stayover visitors	-13.8	8.1	12.0	-2.3	3.0	2.8	7.2
Cruise-ship passengers	-18.4	-7.5	-3.3	13.1	29.5	28.4	57.5
Tourist expenditure	-4.1	0.2	13.0	-4.2	18.9	...	...
Daily expenditure per head	28.0	0.1	9.7	10.0	11.8	...	...
(As percent of GDP)							
Total tourist expenditure	25.2	23.8	24.7	22.5	24.7	...	...
(As percent of total visitor arrivals)							
By country of residence							
United States	24.9	34.7	38.1	41.2	44.9	47.0	46.7
Canada	19.6	16.2	18.3	19.7	16.3	19.7	18.6
CARICOM	27.0	25.6	22.8	19.7	16.6	13.9	12.6
United Kingdom	16.8	14.5	12.6	10.8	12.8	11.7	14.1
Other	11.7	9.0	8.2	8.6	9.4	7.7	8.0
By intended length of stay							
1 - 7 days	49.5	53.4	58.4	58.3	58.1	...	...
8 - 14 days	31.2	28.3	26.3	27.4	27.5	...	...
15 - 28 days	15.6	14.7	11.7	10.9	11.0	...	...
Over 28 days	2.6	2.5	3.6	3.4	3.4	...	...
Unspecified	1.0	1.0	--	--	--	...	...

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

^{1/} Stayover arrivals multiplied by average length of stay plus cruise-ship passengers. Assumes average length of stay of tourists in establishments which are not surveyed is the same as that for surveyed establishments.

^{2/} Derived from a survey of establishments. Tourists staying in establishments that are not surveyed represent about one third of total stayover arrivals.

^{3/} For stayover tourists.

^{4/} Estimated by Fund staff. The increase from the previous year takes into account two factors: (a) a change in seasonality toward the winter season, when the rates are higher; and (b) an increase in cost estimated at 5 percent.

^{5/} The estimate of the Barbados Statistical Service is US\$309.0 million.

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Table 50. Barbados: Merchandise Imports, c.i.f.

	1982	1983	1984	1985	1986	Jan.-June	
						1986	1987
(In millions of U.S. dollars)							
Total imports, c.i.f.	553.8	624.5	662.3	610.8	590.5	318.8	246.7
Coverage adjustments (net) 1/	0.4	0.2	0.3	0.4	15.2 2/	...	...
Total imports (balance of payments basis)	554.2	624.7	662.6	611.2	605.7	...	...
Retained imports 3/	481.3	561.1	560.5	504.3	524.7	276.1	222.3
Consumer goods	163.4	179.7	175.5	176.9	185.9	87.7	94.4
Nondurables	127.7	131.7	131.9	129.3	133.1	64.3	66.7
Food and beverages	80.8	78.2	80.2	77.6	79.9	36.7	42.8
Other	46.9	53.5	51.7	51.7	53.2	27.6	23.9
Durables	16.5	28.1	22.9	25.9	31.5	13.7	15.9
Motorcars	7.5	15.5	11.7	13.7	16.7	8.8	9.3
Other	9.0	12.6	11.2	12.2	14.8	4.9	6.6
Other manufactures	19.2	19.9	20.7	21.7	21.3	9.7	11.8
Intermediate goods	178.1	249.8	254.7	206.7	210.7	123.8	66.6
Fuel	42.4	29.7	34.1	26.5	12.8	5.3	11.5
Electrical components	41.8	111.9	119.7	83.2	94.3	67.5	5.9
Chemicals	21.8	25.2	22.2	23.6	25.4	13.6	13.1
Textiles	16.9	20.5	13.5	12.3	13.8	6.0	6.0
Feeds and fats	13.7	14.7	18.3	14.3	14.0	7.2	6.2
Other manufactures	41.5	47.8	46.9	46.8	50.4	24.2	23.9
Capital goods	136.4	127.1	122.1	110.1	116.8	58.5	55.8
Machinery	92.9	89.6	87.9	80.7	84.8	43.5	38.7
Construction materials	38.6	32.2	28.9	23.7	25.9	11.8	14.0
Other	4.9	5.3	5.3	5.7	6.1	3.2	3.1
Unclassified goods	3.4	4.5	8.2	10.6	11.5	6.1	5.5
(In percent of GDP)							
Retained imports	48.4	53.1	48.7	41.7	40.0	...	...
Consumer goods	16.4	17.0	15.3	14.6	14.2	...	...
Intermediate goods	17.9	23.6	22.1	17.1	16.1	...	...
Capital goods	13.7	12.0	10.6	9.1	8.9	...	...
(Annual percentage change)							
Retained imports	-8.9	16.6	-0.1	-10.0	4.0	...	-19.5
Consumer goods	-12.3	10.0	-2.3	0.8	5.1	...	7.6
Intermediate goods	-11.4	40.3	2.0	-18.8	1.9	...	-46.2
Capital goods	-2.3	-16.5	6.8	10.0	6.1	...	-4.6

Sources: Barbados Statistical Service; and Central Bank of Barbados.

1/ Primarily unissued currency notes, coins, and stamps.

2/ Includes US\$4.1 million adjustment for fuel.

3/ Retained imports are defined as total imports c.i.f. less stores and bunkers, and other re-exports. Due to statistical discrepancies retained imports exceeded the amount implied by this definition by US\$5.2 million in 1983 and by US\$0.8 million in 1985.

STATISTICAL APPENDIX

Table 51. Barbados: Direction of Trade 1/

	1982	1983	1984	1985	1986	Jan.-June	
						1986	1987
(In millions of U.S. dollars)							
<u>Total exports, f.o.b.</u>	<u>258.8</u>	<u>323.7</u>	<u>393.7</u>	<u>353.9</u>	<u>276.3</u>	<u>158.7</u>	<u>73.6</u>
United States <u>2/</u>	99.6	173.7	166.5	183.9	124.6	69.1	20.7
CARICOM <u>3/</u>	70.6	69.5	88.0	82.2	48.0	28.4	16.6
United Kingdom	24.2	14.7	27.1	20.5	21.1	6.5	2.6
Canada	5.4	4.9	3.6	5.0	11.6	4.5	3.7
Venezuela	0.1	--	--	--	--	--	--
Japan	--	--	0.1	0.2	3.4	2.3	0.8
EEC (excluding United Kingdom)	3.3	3.3	4.6	4.3	16.9	13.8	2.1
Other	55.6	57.6	103.8	57.8	50.7	34.1	27.1
Re-exports	72.5	68.6	101.8	105.7	65.8	42.7	24.5
Of which: to CARICOM	11.7	9.3	38.7	46.9	19.8	14.9	5.7
<u>Total imports, c.i.f.</u>	<u>553.8</u>	<u>624.5</u>	<u>662.3</u>	<u>610.8</u>	<u>590.5</u>	<u>318.8</u>	<u>246.7</u>
United States	213.6	289.9	316.4	250.8	238.5	137.8	93.4
CARICOM <u>3/</u>	72.0	75.2	77.4	88.2	63.0	37.7	32.6
United Kingdom	53.8	57.3	50.0	55.1	63.9	32.0	25.9
Canada	34.0	34.1	37.5	31.1	39.2	16.2	18.8
Venezuela	29.5	20.7	19.6	27.6	25.4	14.3	7.2
Japan	18.6	26.4	25.2	27.5	33.3	17.1	10.0
EEC (excluding United Kingdom)	29.3	40.8	33.4	42.4	56.6	29.3	17.9
Other	103.0	80.1	102.8	88.1	70.6	34.4	40.9
(In percent of total)							
<u>Total exports, f.o.b.</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>	<u>100.0</u>
United States	38.5	53.7	42.3	52.0	45.1	43.5	28.1
CARICOM	27.3	21.5	22.4	23.2	17.4	17.9	22.6
United Kingdom	9.3	4.6	6.9	5.8	7.6	4.1	3.5
Canada	2.1	1.5	0.9	1.4	4.2	2.8	5.0
Venezuela	--	--	--	--	--	--	--
Japan	--	--	--	0.1	1.2	1.4	0.1
EEC (excluding United Kingdom)	1.3	1.0	1.1	1.2	6.1	8.7	2.9
Other	21.5	17.7	26.4	16.3	18.4	21.6	37.8
Re-exports	28.0	20.7	25.9	29.9	23.8	26.9	33.2
Of which: to CARICOM	4.5	2.9	9.8	13.3	7.2	9.4	7.7
<u>Total imports, c.i.f.</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>	<u>100.0</u>
United States	38.6	46.4	47.8	41.1	40.4	43.2	37.9
CARICOM	13.0	12.1	11.7	14.5	10.7	11.8	13.2
United Kingdom	9.7	9.2	7.5	9.0	10.8	10.0	10.5
Canada	6.1	5.5	5.7	5.1	6.6	5.1	7.6
Venezuela	5.3	3.3	3.0	4.5	4.3	4.5	2.9
Japan	3.4	4.2	3.8	4.5	5.6	5.4	4.1
EEC (excluding United Kingdom)	5.3	6.5	5.7	6.9	9.6	9.2	7.3
Other	18.6	12.8	14.8	14.4	12.0	10.8	16.5

Source: Barbados Statistical Service.

1/ Includes re-exports.

2/ Includes exports to Puerto Rico.

3/ A detailed breakdown is shown in Statistical Appendix Table 52.

Table 52. Barbados: Trade with CARICOM

(In millions of U.S. dollars)

	1982	1983	1984	1985	Prov. 1986	Jan.-June 1986	Est. 1987
<u>Total exports, f.o.b. 1/</u>	<u>70.6</u>	<u>69.5</u>	<u>88.0</u>	<u>82.2</u>	<u>48.0</u>	<u>28.3</u>	<u>16.7</u>
By country							
Guyana	1.0	1.5	26.4	37.7	11.3	10.7	1.0
Jamaica	9.1	9.9	5.1	4.4	3.5	1.7	2.4
Trinidad and Tobago	43.4	42.1	37.4	20.3	12.3	5.2	3.0
Grenada	2.7	2.7	2.9	3.9	4.0	1.8	1.4
Other 2/	14.4	13.3	16.2	15.9	16.9	8.9	8.9
By product							
Food, beverages, and tobacco	11.8	10.7	10.1	9.9	7.0	3.4	3.2
Mineral fuels and lubricants	0.3	0.9	26.0	34.8	12.5	10.1	0.7
Chemicals	14.0	14.4	13.2	12.0	10.9	5.4	5.0
Other manufactures	43.3	42.6	37.6	17.8	13.2	7.2	6.5
Other	1.2	0.9	1.1	7.7	4.4	2.2	1.3
By type of transaction							
Domestic exports	58.9	60.2	49.3	37.2	28.1	13.5	11.1
Re-exports	11.7	9.3	38.7	45.0	19.9	14.8	5.6
Of which: re-exports of fuel to Guyana 3/	--	--	25.0	29.4	10.7	9.2	0.5
<u>Total imports, c.i.f.</u>	<u>72.0</u>	<u>75.2</u>	<u>77.4</u>	<u>88.2</u>	<u>63.0</u>	<u>37.8</u>	<u>32.6</u>
By country							
Guyana	2.9	2.3	3.2	2.3	2.3	1.4	1.3
Jamaica	11.5	11.2	11.8	18.8	13.0	5.8	5.8
Trinidad and Tobago	52.1	55.9	56.6	61.1	42.0	28.1	21.9
Grenada	0.4	0.2	0.3	0.3	0.4	0.4	0.3
Other 2/	5.1	5.6	5.5	5.7	5.3	2.1	3.3
By product							
Food, beverages, and tobacco	14.6	13.3	13.1	13.5	12.7	6.0	5.3
Mineral fuels and lubricants	35.7	40.2	41.0	55.7	29.4	22.0	18.7
Chemicals	7.9	8.5	8.3	7.6	6.7	2.9	2.6
Other manufactures	12.6	13.4	13.1	11.3	12.0	5.5	4.9
Other	1.2	1.0	1.9	0.1	2.2	1.4	1.1
<u>Memorandum item</u>							
Total exports, f.o.b. (excluding those to Guyana)	69.6	68.0	61.6	44.4	36.7	17.6	15.7

Sources: Barbados Statistical Service; and Fund staff estimates.

1/ Includes re-exports.

2/ Montserrat, Antigua, St. Kitts-Nevis, Belize, Dominica, St. Vincent, and St. Lucia.

3/ Under an arrangement which started in April 1984.

Table 53. Barbados: External Public Debt Operations

(In millions of U.S. dollars)

	1985					1986					Outstanding 12/31/86
	Outstanding 12/31/84	Drawings	Amortization	Interest (Includes Fees)	Adjustment <u>1/</u>	Outstanding 12/31/85	Drawings	Amortization	Interest (Includes Fees)	Adjustment <u>1/</u>	
Public sector	250.17	71.84	20.72	18.09	1.87	303.16	78.03	24.54	25.24	5.41	362.06
Central Government	193.93	62.34	15.34	13.13	0.78	241.71	74.82	19.44	20.21	4.11	301.20
United Kingdom	1.32	1.11	0.43	0.08	0.23	2.23	0.76	1.24	0.21	0.02	1.77
U.K. Government	0.78	--	0.05	0.05	0.19	0.92	--	0.06	0.06	0.02	0.88
Hestair Eagle Ltd.	0.18	--	0.06	0.03	0.04	0.16	--	0.07	0.02	--	0.09
Cable and Wireless Ltd.	0.36	1.11	0.32	0.06	--	1.15	--	0.93	0.06	--	0.22
Crown agents	--	--	--	--	--	--	0.76	0.18	0.07	--	0.58
Canada	19.29	3.21	0.82	0.37	-0.82	20.86	1.77	0.89	0.52	0.15	21.89
Water Resources (I)	1.33	--	0.08	0.04	-0.08	1.17	--	0.08	0.04	0.01	1.10
Dairy Project (I)	0.15	--	--	--	-0.01	0.14	--	0.10	0.06	0.02	0.06
Sugar Industry	1.17	--	0.05	--	-0.07	1.05	--	0.03	--	--	1.02
Dairy Project (II)	0.39	--	0.01	--	-0.02	0.36	--	0.01	--	--	0.35
Grantly Adams Airport	6.09	--	0.32	0.17	-0.32	5.45	--	0.31	0.16	0.06	5.20
Water Resources (III)	2.07	--	0.10	0.06	-0.10	1.87	--	0.10	0.06	--	1.77
Water Resources (III)	3.76	0.28	--	0.06	-0.21	3.83	0.60	--	0.12	0.06	4.49
Export Development Corporation	1.01	--	0.26	0.10	--	0.75	1.17	0.26	0.08	--	1.66
Land Registry - CIDA	0.24	0.01	--	--	-0.01	0.24	--	--	--	--	0.24
CIDA #223/oil exploration	3.08	2.92	--	--	--	6.00	--	--	--	--	6.00
United States	17.00	--	--	1.51	--	17.00	--	--	1.52	--	17.00
AID - Projects	7.00	--	--	0.35	--	7.00	--	--	0.35	--	7.00
AID - Housing	10.00	--	--	1.16	--	10.00	--	--	1.17	--	10.00
Trinidad and Tobago											
Bonded debt	16.67	--	--	1.40	-5.56	11.11	--	--	1.09	--	11.11
Ireland											
Short Brothers (Aero Service)	1.16	--	0.39	0.12	0.24	1.01	--	0.39	0.12	0.05	0.67
Venezuela											
Venezuelan Investment Fund	2.75	0.99	--	0.07	--	3.74	--	--	0.07	-2.49	1.25
International agencies	86.42	11.93	4.62	5.06	-0.20	93.53	19.39	5.24	6.61	0.69	108.37
Caribbean Development Bank	22.89	0.33	0.46	1.24	--	22.76	7.53	0.43	1.23	--	29.86
IDC (I): (2/OR)	0.49	--	0.16	0.05	--	0.33	--	0.16	0.01	--	0.17
Land lease: (7/SFR)	0.72	--	--	0.02	--	0.72	0.02	--	0.02	--	0.74
IDC (II): (1/SFR)	3.20	--	0.11	0.21	--	3.09	--	0.23	0.22	--	2.86
Special projects: (5/SFR)	4.00	--	--	0.16	--	4.00	--	--	0.08	--	4.00
Special projects: (10/SFR)	4.00	--	--	0.12	--	4.00	--	--	0.16	--	4.00
Speightstown Development: (4/SFR)	0.04	--	--	--	--	0.04	--	0.01	--	--	0.03
Petroleum study: (8/SFR)	0.08	--	0.01	--	-0.01	0.06	--	0.01	--	--	0.05
Basic human needs: (9/SFR)	2.00	--	--	0.08	--	2.00	--	--	0.08	--	2.00
Urban project: (11/SFR)	0.14	--	0.02	--	--	0.12	--	0.02	--	--	0.10
Orrings Fisheries: (12/SFR)	5.00	--	--	0.20	--	5.00	--	--	0.20	--	5.00
Heywoods Village: (2/UTP)	2.43	--	0.16	0.19	0.01	2.28	--	--	--	--	2.28
Highways, transportation, infrastructure	--	--	--	--	--	--	1.89	--	0.09	--	1.89
Industrial states IIIA	0.18	0.08	--	0.07	--	0.26	--	--	--	--	0.26
Industrial states IIIB	0.61	0.25	--	0.14	--	0.86	0.99	--	0.26	--	1.85
Loan #0239006	--	--	--	--	--	--	4.63	--	0.11	--	4.63
Inter-American Development Bank	37.71	2.87	1.17	1.79	-0.30	39.11	8.08	1.34	2.39	0.57	46.42
Community College (#346)	2.42	--	0.06	0.03	--	2.36	--	0.10	0.03	--	2.26
Port extension (#277)	6.28	--	0.40	0.52	-0.03	5.85	--	0.42	0.99	0.57	6.00
Bridgetown sewer (#440)	9.51	--	0.30	0.15	-0.05	9.16	--	0.32	0.16	--	8.84
Student loan fund (#503)	0.55	--	0.01	0.01	--	0.54	--	0.01	--	--	0.53
Samuel Prescod Polytechnic (#470)	6.41	--	0.12	0.11	--	6.29	--	0.21	0.11	--	6.08
Polyclinics (#577)	3.30	--	--	0.06	--	3.30	--	--	0.06	--	3.30
Road development (#365)	4.26	--	0.28	0.33	0.01	3.99	--	0.28	0.31	--	3.71
Rural development program (#597)	1.19	1.71	--	0.05	-0.23	2.67	0.85	--	0.06	--	3.52
Scotland Soil Conservation (#408)	1.23	0.56	--	0.17	--	1.79	--	--	0.20	--	2.93
Health Administration (#440-1)	2.56	--	--	0.05	--	2.56	--	--	0.05	--	2.56
Transport, storage, communication (#470)	--	--	--	0.26	--	--	3.74	--	0.30	--	3.74
Rail, transport, infrastructure (#484)	--	0.23	--	0.05	--	0.23	1.10	--	0.09	--	1.33
Education (#722)	--	0.37	--	--	--	0.37	0.59	--	0.01	--	0.96
Community, social, personal services (#155)	--	--	--	--	--	--	0.66	--	0.02	--	0.66
EDF											
Oistins Fisheries	0.93	--	--	--	0.11	1.04	--	--	--	0.12	1.16

Table 53. Barbados: External Public Debt Operations (Concluded)

(In millions of U.S. dollars)

	1985					1986					Outstanding 12/31/86
	Outstanding 12/31/84	Drawings	Amortization	Interest (Includes Fees)	Adjustment ^{1/}	Outstanding 12/31/85	Drawings	Amortization	Interest (Includes Fees)	Adjustment ^{1/}	
European Investment Bank											
Railroads	--	--	--	--	--	--	--	--	--	--	
IBRD	20.50	8.73	2.36	1.80	--	26.87	3.78	2.84	2.79	--	27.81
Export promotion (1813)	5.86	1.64	0.83	0.52	--	6.67	0.11	0.77	0.58	--	6.01
School construction (1642)	6.73	0.39	0.75	0.43	0.01	6.38	--	0.75	0.56	--	5.63
Heywoods Holiday Village (1685)	6.26	--	0.67	0.35	--	5.59	--	0.66	0.40	--	4.93
Industrial credits (2260)	1.42	3.30	--	0.27	--	4.72	1.21	0.44	0.61	--	5.49
Technical assistance (2115)	0.20	1.03	0.11	0.06	--	1.12	0.80	0.22	0.23	--	1.70
Road construction (2432)	0.03	0.56	--	0.11	-0.01	0.58	0.47	--	0.15	--	1.05
Education administration (1642-1)	--	1.81	--	0.06	--	1.81	1.19	--	0.26	--	3.00
OPEC Special Fund	4.39	--	0.63	0.23	-0.01	3.75	--	0.63	0.20	--	3.12
Polyclinics (#123)	1.43	--	0.15	0.03	--	1.28	--	0.15	0.05	--	1.13
Agricultural project (#185)	1.10	--	0.20	0.05	--	0.90	--	0.20	0.03	--	0.70
Special projects (#257)	1.86	--	0.28	0.15	-0.01	1.57	--	0.28	0.12	--	1.29
Commercial banks	49.32	25.80	9.08	4.46	1.25	67.29	25.00	11.68	6.19	0.08	80.69
Royal Bank of Canada (I)	0.21	--	0.21	0.01	--	--	--	--	--	--	--
Royal Bank of Canada (II)	10.11	--	2.89	0.97	--	7.22	--	2.89	0.61	--	4.33
First National Bank of Chicago (Hilton)	--	--	--	--	--	--	--	--	--	--	--
First National Bank of Chicago (ISL)	0.36	--	0.36	0.02	--	--	--	--	--	--	--
Orion Bank (I)	0.91	--	0.91	0.05	--	--	--	--	--	--	--
Orion Bank (II)	30.00	--	3.33	2.80	--	26.67	--	6.67	2.39	--	20.00
Lloyds Bank Limited	3.52	--	0.57	0.29	0.82	3.77	--	0.64	0.27	0.08	3.21
Lloyds Bank International	0.98	--	0.33	0.08	--	0.65	--	0.49	0.03	--	0.16
Barclays Bank International (Aero)	1.67	--	--	--	--	1.67	--	0.40	0.25	--	1.27
Royal Bank of Canada (III)	1.56	--	0.35	0.17	0.35	1.56	--	0.35	0.17	--	1.21
Government services	--	0.80	0.13	0.05	0.08	0.75	--	0.24	0.07	--	0.51
Nat. West I	--	25.00	--	0.02	--	25.00	--	--	2.40	--	25.00
Nat. West II	--	--	--	--	--	--	25.00	--	--	--	25.00
Bond placements	--	19.30	--	--	5.64	24.94	27.90	--	3.88	5.61	58.45
Japan I	--	19.30	--	--	5.64	24.94	--	--	2.31	6.49	31.43
Japan II	--	--	--	--	--	--	27.90	--	1.57	-0.88	27.02
<u>Government guaranteed</u>	<u>56.24</u>	<u>9.50</u>	<u>5.38</u>	<u>4.96</u>	<u>1.09</u>	<u>61.45</u>	<u>3.21</u>	<u>5.10</u>	<u>5.23</u>	<u>1.30</u>	<u>60.86</u>
Barbados Telephone Co.	2.77	--	0.47	0.23	--	2.30	--	0.38	0.20	--	1.92
Export Development Corporation of Canada (I)	0.09	--	0.09	--	--	--	--	--	--	--	--
Export Development Corporation of Canada (II)	2.68	--	0.38	0.23	--	2.30	--	0.38	0.20	--	1.92
Barbados Development Bank	12.55	1.92	0.74	0.79	0.27	14.00	1.61	0.91	1.06	0.76	15.46
Inter-American Development Bank (#313)	0.32	--	0.06	0.01	--	0.26	--	0.06	0.01	--	0.20
Inter-American Development Bank (#509)	1.33	--	0.06	0.03	--	1.27	--	0.07	0.02	--	1.20
Inter-American Development Bank (#338)	1.23	--	0.09	0.04	-0.31	0.83	--	0.07	0.07	--	0.76
Inter-American Development Bank (#384)	4.02	0.36	--	0.31	0.10	4.48	0.15	0.16	0.46	0.46	4.93
Inter-American Development Bank (#626)	0.02	--	--	--	--	0.02	--	--	--	--	0.02
Inter-American Development Bank (#39)	0.99	0.65	--	0.12	-0.01	1.63	0.47	--	0.12	--	2.10
Caribbean Development Bank (2/OR)	0.92	--	0.08	0.07	--	0.84	--	0.08	0.06	--	0.76
European Investment Bank I	2.31	0.15	0.45	0.17	0.01	2.02	0.16	0.31	0.14	--	1.87
European Investment Bank II	1.41	0.76	--	0.04	0.48	2.65	0.83	0.16	0.18	0.30	3.62
Barbados Light and Power	5.70	0.50	1.25	0.55	0.36	5.31	0.61	1.25	0.59	0.49	5.16
European Investment Bank	3.15	0.50	0.75	0.34	0.36	3.26	--	0.75	0.35	0.49	3.00
IBRD	2.55	--	0.50	0.21	--	2.05	0.61	0.50	0.24	--	2.16
Mortgage Finance											
Commonwealth Development Corporation	1.87	--	0.18	0.18	0.46	2.15	--	0.20	0.18	0.05	2.00
Arawak Cement	24.72	6.20	0.86	2.45	--	30.06	--	0.86	2.30	--	29.20
Kreditanstalt ^{2/}	20.72	--	0.96	1.55	--	19.86	--	0.86	1.30	--	19.00
Orion Bank ^{2/}	4.00	6.20	--	0.90	--	10.20	--	--	1.00	--	10.20
Sugar Industry											
Barclays Bank	7.50	--	0.75	0.76	--	6.75	--	1.50	0.64	--	5.25
Feed Mill Ltd.	1.13	--	1.13	--	--	--	--	--	--	--	--
Canadian Imperial Bank No. 1	--	--	--	--	--	--	--	--	--	--	--
Maple Leaf Mills	0.13	--	0.13	--	--	--	--	--	--	--	--
Canadian Imperial Bank No. 2	1.00	--	1.00	--	--	--	--	--	--	--	--
Leeward Islands air transport											
Caribbean Development Bank	--	0.88	--	--	--	0.88	0.99	--	0.26	--	1.87

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

^{1/} Includes changes in stocks caused by exchange rate movements, transfers among categories of debt, and errors and omissions.^{2/} Equivalent to 51 percent of actual outstanding balances, reflecting Barbados' participation in the enterprise.

Table 54. Barbados: Structure of External Public Debt by Source, 1980-87

	December 31							Est.
	1980	1981	1982	1983	1984	1985	1986	1987
<u>(In million of U.S. dollars)</u>								
<u>Public sector, excluding</u>								
<u>Central Bank</u>	<u>101.0</u>	<u>153.6</u>	<u>169.2</u>	<u>223.4</u>	<u>250.2</u>	<u>303.2</u>	<u>362.1</u>	<u>419.0</u>
<u>Central Government</u>	<u>85.7</u>	<u>134.3</u>	<u>148.1</u>	<u>181.3</u>	<u>193.9</u>	<u>241.7</u>	<u>301.2</u>	<u>366.2</u>
Bilateral creditors	33.4	37.6	36.8	46.0	58.2	56.0	53.8)	186.2
Multilateral creditors	32.3	48.3	66.6	80.6	86.4	93.5	108.3)	
Financial market debt	20.0	48.4	44.7	54.7	49.3	92.2	139.1	180.0
<u>Government guaranteed</u>	<u>15.3</u>	<u>19.3</u>	<u>21.1</u>	<u>42.1</u>	<u>56.2</u>	<u>61.5</u>	<u>60.9</u>	<u>52.8</u>
Bilateral creditors	4.0	4.3	3.7	3.2	2.8	2.3	1.9)	24.1
Multilateral creditors	11.3	14.6	13.7	12.3	20.0	22.4	24.6)	
Financial market debt	--	0.4	3.7	26.6	33.4	36.8	34.4	28.7
<u>(In percent of total)</u>								
<u>Public sector, excluding</u>								
<u>Central Bank</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>	<u>100.0</u>	<u>100.0</u>
Bilateral creditors	37.0	27.3	23.9	22.0	24.4	19.2	15.4)	50.2
Multilateral creditors	43.2	40.9	47.5	41.6	42.5	38.2	36.7)	
Financial market debt	19.8	31.8	28.6	36.4	33.1	42.6	47.9	49.8

Sources: Statistical Appendix Table 63; and Fund staff estimates.

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Table 55. Barbados: Terms of New Commitments on
External Public Debt 1/

	Amount (Millions of U.S. dollars)	Interest (Percent)	Maturity (Years)	Grace Period (Years)
<u>Total</u>	<u>631.9</u>	<u>8.65</u>	<u>14.2</u>	<u>4.7</u>
1975	15.0	6.93	23.9	4.8
1976	11.0	2.73	31.2	7.5
1977	26.1	6.36	17.0	4.5
1978	28.1	7.57	14.1	4.1
1979	25.6	6.31	17.8	4.4
1980	61.9	7.11	15.7	6.9
1981	163.7	11.46	12.4	4.3
1982	16.1	7.62	16.1	5.7
1983	61.6	9.01	16.2	4.0
1984	65.6	8.52	21.0	4.3
1985	52.7	8.76	7.7	4.7
1986	77.5	7.03	7.3	4.2
1987 (est.)	45.0	9.93	6.7	4.0

Source: IBRD, Debt Reporting System.

1/ Includes private debt guaranteed by the Government, and medium-term debt of the Central Bank (except for purchases from the IMF).

Table 56. Barbados: Net Official International Reserves

	December 31					September 30	
	1982	1983	1984	1985	1986	1986	1987
(In millions of U.S. dollars)							
<u>Total net international reserves</u>	<u>75.7</u>	<u>82.8</u>	<u>69.6</u>	<u>85.3</u>	<u>98.2</u>	<u>56.4</u>	<u>115.8</u>
Central Bank (net)	57.6	63.1	52.3	65.9	80.5	39.1	93.8
Assets	107.7	110.4	107.8	122.6	142.3	110.6	132.9
IMF reserve position	0.0	2.3	2.2	2.4	2.6	2.6	2.9
Holdings of SDRs	0.9	0.3	0.0	0.0	0.0	0.1	0.1
Holdings of foreign exchange and short-term securities	42.5	42.2	40.8	45.6	56.9	32.8	49.2
Long-term securities ^{1/}	9.4	5.6	4.8	16.9	25.3	17.5	23.2
CARICOM facility balance	54.9	60.1	60.1	57.8	57.7	57.7	57.7
Liabilities	-50.1	-47.3	-55.5	-56.7	-61.9	-71.5	-39.2
Use of Fund credit	-24.6	-37.7	-43.0	-48.2	-39.9	-43.6	-26.4
Compensatory financing facility	-13.9	-12.3	-11.5	-12.9	-7.2	-8.9	-1.9
Stand-by	-10.7	-25.4	-31.5	-35.3	-32.7	-34.7	-24.5
Central Bank of Trinidad and Tobago	-2.5	-2.6	-2.6	-2.6	-2.6	-2.6	-1.6
Commercial bank loans	-19.0	-5.0	-8.0	-4.0	-19.0	-25.0	-11.0
IDB	-1.0	-2.0	-2.0	-2.0	-0.4	-0.4	-0.2
CMCF	-3.0	0.0	0.0	0.0	0.0	0.0	0.0
General government	18.2	19.7	17.3	19.4	17.7	17.3	22.0
Sinking fund for domestic debt	16.8	18.0	15.2	16.5	14.3	14.3	18.0
Sinking fund for foreign debt	0.9	1.4	2.0	2.5	3.3	2.9	4.0
Other assets	0.5	0.4	0.2	0.5	0.2	0.1	0.0
<u>Memorandum item</u>							
Gross official reserves	125.8	130.0	125.1	142.0	160.0	127.9	154.9
(In months of imports) ^{2/}							
Gross official reserves							
Including CARICOM facility balance	3.1	2.8	2.7	3.4	3.7	2.9	4.2
Excluding CARICOM facility balance	1.8	1.5	1.4	2.0	2.3	1.6	2.6
Average monthly imports	40.1	46.8	46.7	42.0	43.7	43.7	37.2

Source: Central Bank of Barbados.

^{1/} Includes bonds of the Government of Jamaica, U.S. dollar-denominated, and CDB bonds.

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

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Table 57. Barbados: Exchange Rates

	BDS\$ Per Unit of			Nominal	Real
	SDR	£	ECU	Effective Exchange Rate <u>1/</u>	Effective Exchange Rate <u>1/</u>
<u>End of period</u>					
1975	2.347	4.047		...	...
1976	2.326	3.401		105.0	101.7
1977	2.445	3.817		103.0	100.5
1978	2.620	4.065		102.0	101.4
1979	2.649	4.444	2.882	100.8	102.0
1980	2.565	4.762	2.618	100.9	102.3
1981	2.341	3.817	2.169	108.3	111.4
1982	2.219	3.226	1.934	116.2	119.9
1983	2.106	2.899	1.656	124.2	127.0
1984	1.972	2.313	1.410	135.3	136.6
1985	2.209	2.889	1.776	130.5	127.5
1986	2.460	2.949	2.140	128.4	120.8
Sept. 1987	2.574	3.259	2.259	124.1	118.1
<u>Average for period</u>					
1975	2.451	4.484		...	...
1976	2.315	3.597		102.9	101.9
1977	2.336	3.497		104.6	102.2
1978	2.506	3.846		102.4	101.0
1979	2.584	4.237	2.882	101.1	101.2
1980	2.604	4.651	2.717	100.0	100.0
1981	2.358	4.049	2.198	106.5	109.0
1982	2.208	3.497	1.927	113.5	117.9
1983	2.137	3.030	1.748	110.0	123.7
1984	2.049	2.672	1.671	129.0	130.5
1985	2.031	2.593	1.554	134.5	133.2
1986	2.390	2.934	1.962	129.0	124.3
1987 Jan.-Sept.	2.555	3.201	2.280	124.7	118.0

Sources: IMF, International Financial Statistics and Information Notice System.

1/ 1980=100. Increase represents appreciation.

