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Regional

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IMF Staff Concludes 2016 Article IV Mission to Barbados

- Real GDP grew by 0.8% in 2015, underpinned by a surge in tourism arrivals, relative to 0.2% in 2014 and an average of -0.3% in 2008–14, while employment increased by 2%.
- Inflation is low, reflecting a sharp drop in import prices. The financial system is stable and non-performing loans declined, while private sector credit growth remains cautious.
- In 2015, public sector debt rose to 105.5% of GDP from 98% at the end of FY2013/14. The large cash requirements of the government are a challenge increasingly met by the Central Bank..
- Net international reserves fell by US\$57 million since the beginning of 2015, reflecting lower foreign direct investment and debt amortization.
- Growth is projected to increase to 2.1% in 2016, reflecting higher private and public investment, mainly in refurbishing and expanding the tourism stock.
- To reverse large increases in debt and place it on a downward trajectory, the mission recommends fiscal adjustment of at least 3.5 percent of GDP over the next three years.
- This adjustment would put the debt ratio below 100% by FY2019/20 (about the FY2014/15 level), and, if sustained, would shift the trajectory solidly downward.

Name	Bid Price	Ask Price	Ask Yield to Maturity	Bid Yield to Maturity	Coupon	Maturity	Bloomberg Composite Rating	Outstanding Amount
Barbados Government International Bond	98.27	99.70	7.31	7.64	7.25	12/15/2021	B-	150000000
Barbados Government International Bond	97.05	98.35	7.33	7.60	7.00	8/4/2022	NR	200000000
Barbados Government International Bond	80.17	81.55	8.59	8.76	6.62	12/5/2035	B-	255000000

Source: Bloomberg



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