



**MINISTERIAL STATEMENT**  
**HONOURABLE RYAN STRAUGHN M.P.**  
**MINISTER IN THE MINISTRY OF FINANCE**  
**Mid Year Review Apr 2025 – Sep 2025**  
**November 18, 2025**

**Mr. Speaker**

The Public Finance Management Act, 2019, requires us to present a Mid-Year Review that compares actual performance with the approved Fiscal Framework and sets out any revisions to the full-year outlook. The Report before this Honourable Chamber covers April to September 2025, presents the revised framework to March 2026, and identifies the main risks and actions for the second half of the fiscal year.

**2. Mr Speaker**, the **international backdrop** is still uneven. Global growth remains moderate, but inflation pressures have eased, and travel demand has remained supportive. Against that backdrop, Barbados continued to expand in the first half of 2025, driven by tourism, construction, business, and other services. Unemployment eased to a historical low of 6.1%, inflation moderated, and international reserves remained at historically strong levels.

**3.** These conditions supported fiscal performance. Administrative improvements at the revenue authority, combined with robust domestic activity, resulted in a stronger-than-expected revenue outturn at mid-year. At the same time, expenditure execution remained broadly manageable relative to programme objectives.

**4. Mr Speaker**, I turn first to revenue. Total revenue for April to September amounted to **\$2,163.09 million**, compared with a target of **\$1,790.02 million**. The composition is broad-based, with notable strength in Income and Profits and a positive result in Goods and Services.

**5. Income and Profits**, collections totalled **\$933.74 million against** a target of **\$517.60 million**. Within that, **net corporation tax** reached **\$639.45 million**, compared with the target of **\$229.10 million**, reflecting prepayments and settlements by some taxpayers, including in-scope multinational groups. **Net income tax** was **\$274.85 million**, compared to \$265.90 million, and **withholding tax** was **\$19.41 million**, compared to \$22.56 million.

Table 1: Revenue Indicators

	Sep-25	Sep-25	FY 2025/26	FY 2025/26
	Actual	Target	FF Target	Mid-Year Revision
<b>Total Revenue of which:</b>	2,163.09	1,790.02	3,843.91	3,864.51
Income and Profits	933.74	517.60	1,334.09	1,379.13
Property Tax	170.27	189.36	235.09	226.38
Goods and Services	811.05	795.49	1,645.16	1,655.47
International Trade	122.21	139.26	294.60	285.78
Non-tax Revenue and Grants	83.11	100.37	210.67	194.69

Sources: Ministry of Finance, Barbados Revenue Authority, and Central Bank of Barbados

6. **Mr Speaker, Goods and Services** revenue amounted to **\$811.05 million**, above the target by **\$15.56 million**. The main movements were **VAT**, which over-performed by **\$19.82 million** (\$576.33 million vs \$556.51 million), **Excise**, which under-performed by **\$12.34 million** (\$107.91 million vs \$120.25 million), and **Other goods and services**, which exceeded target by **\$9.44 million** (\$48.62 million vs \$39.18 million).

Table 2: Goods and Services

\$BDS M	Sep-25	Sep-25	FY 2025/26	FY 2025/26
	Actual	Target	FF Target	Mid-Year Revision
<b>Total Goods and Services, of which:</b>	<b>811.05</b>	<b>795.49</b>	<b>1,645.16</b>	<b>1,655.47</b>
VAT	576.33	556.51	1,172.19	1,173.06
Excise	107.91	120.25	248.34	251.35
Other Goods & Services	48.62	39.18	58.54	66.22
Bank Assets	23.55	23.60	47.85	47.79
Fuel Tax	39.36	39.74	84.97	84.60
Highway Revenue	9.64	10.38	21.46	20.66

Source: Barbados Revenue Authority, Customs Department, Ministry of Finance

7. **Property revenue** was **\$170.27 million**, **\$19.13 million** below the target of \$189.36 million; **International trade taxes** were **\$122.21 million**, **\$17.05 million** below the \$139.26 million target; and **Non-tax**

revenue was **\$83.11 million**, **\$17.26 million** below the \$100.37 million target. **Special receipts** were \$34.25 million, \$4.95 million below target, and **Stamp duties** were \$8.46 million, \$0.29 million below target.

8. **Mr Speaker**, total expenditure for the first half of the FY was **\$1,910.42 million**, **\$69.35 million** above the target of \$1,841.07 million. The largest divergences were **Current transfers** at **\$586.56 million**, **\$84.48 million** above target, and **Capital expenditure** at **\$266.07 million**, **\$69.89 million** above target; these were partly offset by Interest at **\$276.43 million**, **\$85.65 million** below target. **Wages and salaries** were **\$405.80 million**, **\$6.63 million** below target, and **Goods and services** were **\$333.79 million**, **\$5.60 million** above target.

Table 4: Expenditure Indicators

	Sep-25	Sep-25	FY 2025/26	FY 2025/26
	Actual	Target	FF Target	Mid-Year Revision
<b>Total Expenditure, of which:</b>	<b>1,910.42</b>	<b>1,841.07</b>	<b>3,890.94</b>	<b>3,905.73</b>
Wages and Salaries	405.80	412.43	841.47	841.47
Goods and Services	333.79	328.19	726.48	726.48
Interest	276.43	362.08	720.44	718.02
Current Transfers	586.56	502.08	1,089.94	1,149.62
Capital Expenditure	266.07	196.18	432.62	390.15

Sources: Treasury Department, Ministry of Finance

9. The **fiscal balance** recorded a **surplus of \$250.67 million**, approximately 1.65 per cent of GDP, compared to a projected mid-year deficit of \$51.04 million. The **primary surplus** was **\$529.10 million**, approximately 3.47 per cent of GDP, compared to a projected \$311.04 million. The outturns are explained by stronger-than-expected revenues, led by corporation tax and VAT, with wages and salaries tracking close to plan. Lower-than-expected interest was observed in the first half, while transfers were higher and capital payments were front-loaded.

10. **Mr Speaker**, the **revised framework** for March 2026 projects **total revenue** of **\$3,864.51 million** and **total expenditure** of **\$3,905.73 million**, implying an overall deficit of **\$41.22 million**, around 0.27 per cent of GDP. The **revised primary surplus** is **\$676.80 million**, equivalent to approximately 4.44 per cent of GDP.

11. To deliver the revised framework, we have re-sequenced the capital programme to match confirmed procurement timelines, tightened in-year transfer controls to public entities, and maintained cash and

arrears monitoring on a rolling cycle so that payments remain orderly through the fourth quarter.

**12. Mr Speaker, on** public debt and financing, debt service in the first half reflects a liability management operation that prepaid portions of obligations to the IMF under the Extended Fund Facility and partially addressed the 2029 international bond. Interest outlays were contained relative to the target. The residual financing need for the second half is modest and is expected to be met from policy deposits, domestic market activity and, if required, the overdraft facility.

**13.** The objective remains clear. We will maintain a strong primary surplus, safeguard priority social and investment spending, and keep debt on a sustainable path. The revised balances are consistent with that objective.

**14. Mr Speaker,** there are positives to highlight. Revenues are running above target. VAT refunds are above target. Wages and salaries are on plan. Interest payments are tracking below the original target. International reserves remain strong, providing confidence in external financing conditions.

**15.** There are also headwinds to manage. Transfers to public entities are above target and must be held within the revised ceiling. Capital execution needs closer oversight to meet delivery schedules in the second half. International trade taxes and selected non-tax heads are below target and will require continued focus on compliance and collections. External risks include softer global demand, fluctuations in commodity prices, and weather-related shocks.

**16. Mr Speaker, on State-Owned Enterprises,** arrears at the end of August stood at **\$75.0 million**. TMU-monitored arrears were **\$32.3 million** against a ceiling of \$25.0 million. Tax administration reforms at the Barbados Revenue Authority continue to support performance, with targeted enforcement, on-time processing of VAT refunds, and sector-focused compliance work maintained through the first half. These measures are expected to deliver further gains in the second half by maintaining high filing and payment compliance, reducing aged arrears, and sustaining stable net VAT collections while refunds remain current.

**17. Mr. Speaker,** I would also like to mention that the Government will authorise a targeted application of up to **\$9.9 million** from the Sewerage Levy to reduce arrears at the Barbados Water Authority. This will be paired with disciplined transfer execution and stronger collections across entities. Where user charges do not cover costs, fee or tariff adjustments will be advanced, particularly in utilities.

**18. Mr Speaker,** Tax administration reforms at the Barbados Revenue Authority continue to support performance. Targeted enforcement, timely processing of VAT refunds, improved compliance management and sector-specific initiatives have contributed to the mid-year outturn. The Authority will sustain these efforts in the second half so that the gains realised by September are preserved through year-end.

**19.** The Barbados Economic Recovery and Transformation Plan remains our anchor. Public sector reform, better service delivery and improved financial reporting across the public sector, including SOEs, will continue to reduce fiscal risks and improve value for money.

**20. Mr Speaker,** the strategy for the remainder of the year is straightforward. We will preserve the revenue gains realised at mid-year, hold operating spending to target, execute the adjusted capital programme, and implement the SOE actions needed to bring monitored arrears within the TMU ceiling. These steps will keep the programme on track and maintain the path to debt sustainability.

**21.** The revised framework maintains fiscal discipline and protects priority social and investment spending. It preserves a strong primary surplus and sustains the credibility earned in recent years, while keeping space for targeted interventions where needed. This maintains our path towards achieving the targeted debt-to-GDP ratio of **60% by 2035**.

**22.** I invite Members to note the progress recorded, the revised outlook to year-end, and the steps being taken to support growth, protect the vulnerable and strengthen the public finances of Barbados

**23. Mr. Speaker,** I am obliged to you.

