

Barbados unveils Bds\$3.9 billion budget

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THE Barbados government on Tuesday laid its 2026–2027 budget in Parliament, outlining projected revenue and expenditure for the upcoming financial year and revised fiscal estimates for 2025–2026 ahead of debate on the Appropriation Bill, 2026, set to begin on March 2.

For the current financial year 2025–2026, revised figures show total revenue on a cash basis of Bds\$3.856 billion comprising Bds\$3.663 billion in tax revenue and Bds\$192.6 million in non-tax revenue and grants.

Total expenditure, exclusive of amortisation, is projected at Bds\$3.939 billion, including Bds\$3.419 billion in current spending and Bds\$520.8 million in capital outlays.

The revised fiscal deficit stands at Bds\$83.8 million on the International Financial Institution (IFI) basis, equivalent to 0.5% of gross domestic product (GDP), which is estimated at Bds\$16.243 billion at market prices.

However, the primary balance is projected to record a surplus of Bds\$658.4 million, or 4.1% of GDP, on a cash basis.

For 2026–2027, Government projects a significant increase in revenue.

On the accrual basis, current revenue is forecast at Bds\$5.276 billion.

On the cash basis, revenue is projected at Bds\$5.179 billion, representing an increase of Bds\$1.323 billion, or 34.3%, over the revised 2025–2026 level.

Total expenditure for 2026–2027 is estimated at Bds\$6.139 billion on the accrual basis, inclusive of amortisation.

Of this amount, Bds\$5.165 billion is allocated to current expenditure, while Bds\$973.8 million is earmarked for capital expenditure and amortisation.

On a cash basis and exclusive of amortisation, total expenditure is projected at Bds\$5.076 billion, with Bds\$4.186 billion in current expenditure and Bds\$889.8 million in capital spending. Current expenditure reflects an increase of Bds\$766.7 million over the revised 2025–2026 figure.

Spending on goods and services is expected to rise by Bds\$376.2 million, from Bds\$590.5 million to Bds\$966.7 million, while current transfers are projected to increase by Bds\$368.4 million, or 32%, to Bds\$1.520 billion.

Debt servicing costs-including repayment of principal and interest-are expected to total Bds\$1.496 billion.

The primary balance for 2026–2027 is projected to record a surplus of Bds\$817.5 million, equivalent to 4.8% of GDP, which is estimated at Bds\$17.065 billion on a cash basis.

The Estimates will form the basis of debate in Parliament as legislators consider the Appropriation Bill, 2026.