Central Bank of Barbados

THE EXTERNAL DEBT OF BARBADOS

by

Mary Zephirin

Paper prepared for presentation at the Eleventh Annual Conference of the Regional Monetary Studies Programme, October 1979.

(Draft for discussion only)

The External Debt of Barbados

The external debt situation of the Less Developed Countries (LDC's) has become a matter of concern in recent years because of the rapid growth of their total nominal debt and debt service ratios since 1973, the rising share of private creditors in that debt and the fear that this combination, in conjunction with a gloomy international economic environment, will create serious debt service difficulties.

Viewed in this context the external debt position of Barbados appears eminently manageable. When compared with those of many debtor countries, the usual debt indicators are favourable and Barbados has managed to improve its balance of payments performance since 1973. But this is a very short-run perspective; when debt management problems are obvious, the only feasible policy measures, for example, import restrictions and resort to IMF financing facilities, often entail severe restrictions on economic activity and the curtailment of social and economic development objectives.

Efficient management of debt requires that the proceeds are used for investment purposes, and involves a comparison between the rate of return on the investment for which funds are acquired and the costs of the debt. In the long-run foreign indebtedness has to be seen in relation to growth prospects. In the medium-- to short-term, the question of foreign debt management is more nearly linked to the balance of payments position and prospects since debt service represents a contractual obligation for foreign payments. Here we shall be more concerned with the latter consideration. Basic cost-benefit criteria remain crucial but, though the social rates of return on public and publicly-guaranteed debt may justify debt accumulation, not only are these difficult to assess but foreign debt service also requires that the marginal return in terms of foreign exchange on the investment project is at least as great as the interest costs of the debt. In the absence of this, which can often be the case for public projects, net foreign exchange earnings from other sources must be sufficiently large to service the debt without restricting the availability of foreign financing for essential imports of goods and services.

The servicing of foreign debt which is incurred on strictly private terms can also have important balance of payments implications. But, as is usual, external debt in this essay is defined to include only public and publicly-guaranteed debt (in part because information on private debt is limited).

Since the net benefits derived from external indebtedness are determined by the uses for which the liabilities are incurred, the following section provides a historical review of the accumulation of external debt. Section II examines Barbados's present foreign debt and its relation to the overall external sector in terms of the conventional ratio indicators, taking account of some of the points raised in discussions of the LDC's debt problem.

Section I

External Debt Accumulation

Trends in the accumulation of external debt by Barbados are of interest both because the uses to which foreign resources are put will influence the manageability of the external debt, and because the Barbadian post-1973 foreign debt situation diverges somewhat from that characterising the LDC's in general. This, in part, explains why the indicators continue to paint such a favourable picture for the foreign debt position, despite Barbados's evident vulnerability to external shocks.

Three phases of external debt accumulation are distinguished. In the first phase external public liabilities consisted entirely of foreign debentures issued in the late 1950's and early 1960's to finance major infrastructural projects. Unfortunately, the major portion of this debt became redeemable between 1972 and 1974 at a time when the public sector was experiencing liquidity problems. The second phase is considered to start with the first Euro-dollar borrowings made in 1972 and 1973 to refinance these maturing debts and relieve the Government budgetary situation. The other major feature of the second phase was the acquisition of external credit obtained for general project financing as public capital expenditure stepped up with the implementation of the Development Plans for 1969 to 1972 and 1973 to 1977. On the external account high sugar prices in 1974 and 1975 compensated for the oil price increase of 1973. However, in 1976 growth in domestic demand and hence imports, and continuing low demand for exported goods and services produced a sharp deterioration in the external balance. Policies to restrict import growth and consumption expenditure in 1977 were supplemented by overseas borrowing and this is seen as the third phase in the accumulation of external debt.

Tables 1 and 2 illustrate these movements. Prior to 1959 external public debt consisted of insignificant foreign holdings of locally issued debentures. In 1959 and 1962 debentures of $12.4 million and $6.1 million were floated in the London market to finance the construction of the Deep Water Harbour and a further debenture of $7.2 million was similarly issued in 1964. There was little change in foreign debt between then and 1974, with the ratio of debt outstanding to GDP falling steadily as the economy grew.

Two of these debentures, totalling $18.5 million became redeemable in 1973 and 1974 when accruals on sinking funds intended for their redemption were over $9.0 million below required levels. This represented a considerable burden in relation to both the Government budgetary position and foreign exchange reserves (see Table 3). The Government deficit had been growing in the early 1970's while major sources of domestic financing did not keep pace. In fact, in 1972/73 treasury bill tenders were falling below redemptions so that shortfalls had to be financed by the Treasury. Government's liquidity problem was met and foreign debenture redemption refinanced through a series of measures. A three-month bridging loan of

£750,000 was raised with a commercial bank in March 1973 and a short-term Euro-dollar loan of $4.0 million was arranged. Temporary assistance was also received through local loans and overdraft facilities. Later in the year, two additional Euro-dollar borrowings of $6.0 million and $8.0 million were drawn down, these had maturities of seven and five years, respectively, and the earlier $4.0 million loan was renewed and merged with the former. At the end of 1973 a syndicated Euro-dollar loan for $20.0 million was made for capital expenditure purposes. During 1974 a portion of this loan, together with the entire Euro-dollar borrowing of $8.0 million, was transferred to local branches of the banks concerned so that the external public debt at the end of 1974 dropped sharply.

The results of these transactions can be seen in Table 2. In contrast to 1970 when there was no external debt for non-specific Government budget financing, holdings for this purpose had grown to 48.1% of total external debt and this was all owed to private banks (see Table 4). Foreign loans for project financing had become almost equally distributed between infrastructural and other projects. This credit was linked to specific projects and, in the case of bilateral credit, was usually tied to purchases in the lending country. However, their terms and structure contained a substantial grant element; interest rates did not exceed 3% and 45.9% of the outstanding debt owed to other governments in 1975 was free of interest. Maturities ranged from 27 to 48 years and grace periods from four to eight years. A smaller proportion of the debt was owed to international organizations (see Table 4). Terms were rather less favourable with interest rates of between 7.0% and 8.0% charged on over half of such debt held. However, maturities were well in excess of ten years and grace periods averaged four years. Though service and comitment fees were charged in some cases, these were never greater than ¾% of the undisbursed or outstanding debt. A small amount of suppliers' credit had also been obtained for certain projects at higher rates (6% and 7%) and shorter maturities.

Between 1974 and 1978 external public debt in nominal terms has risen steadily, increasing from 6.9% to 13.1% of GDP with the acceleration of 1978 (see Table 1). This reflects the acquisition of balance of payments financing in 1977 and 1978. This build-up is late when compared to the debt accumulation pattern of most LDC's in recent years. As a result of the sharp oil price rise of 1973 and the subsequent recession in industrial countries, the current account deficit of non-oil LDC's rose sharply in both 1974 and 1975 and these deficits were financed by external borrowings (see [1]). Barbados was fortunate in that the immediate impact of higher oil prices coincided with rising sugar prices. In 1974 sugar export prices rose by 16.3%, and soared by 155.7% in 1975. Thus, despite falling sugar production (by 7,000 tonnes in 1974 and 12,000 tonnes in 1975) the value of sugar exports increased by over 70.0% in both these years and the current account deficit fell.

Only in 1976 did the worsened world economic situation impact on the external sector. The net barter terms of trade (export price index/

import price index) deteriorated drastically as sugar prices fell (see Table 6) and the weak market for manufactured exports and tourism services caused by slow growth in North America was aggravated by high domestic demand which spilled into imports; the current account deficit rose by 53.4%.

The consequent fall in reserves was met by quick action by the authorities (who had had the opportunity to observe the dilemma in which countries, without the cushion of sugar prices, had found themselves shortly before). Early in 1977 restrictions were placed on domestic credit for distribution and consumption, and import restrictions were introduced. These measures slowed the net outflow on the foreign balance and, though balance of payments financing was obtained later in the year, the major portion of this was used to build up international reserves which rose by $29.2 million (see Table 5a). The Central Bank borrowed $15.1 million under the IMF's Export Compensatory Financing Facility and a credit of $20.0 million was obtained from the Central Bank of Trinidad and Tobago. In 1978, a general syndicated Euro-dollar borrowing was also made though high tourist earnings that year, growth in manufactured exports and the reduction in spending on consumer durables had improved the foreign position and international reserves rose substantially.

As a result of these borrowings, external public debt outstanding rose to $122.4 million in 1978 and 32.7% of this represented balance of payments support financing (see Table 2). By this time the debt for general government budgetary purposes had been considerably reduced, but debt incurred for project financing had more than doubled. The following section examines the current situation against the background provided by this review of external debt accumulation.

Section II

Assessment of the current external debt situation

Assessments of the manageability of external debt are usually undertaken by the analysis of financial ratios, on the assumption that high values of such ratios imply that the debtor country may be unable to meet its debt service commitments if subject to a sudden decline in its net foreign exchange earnings. These ratios are useful in that, for example, the most popular, the ratio of debt service payments to export earnings relates debt servicing to the major source for such payments. However, their shortcomings are widely recognised (see, for example [2]). Not only do they provide no information on the fundamental rate of return criterion but they cannot take account of the wide range of factors which determine whether large balance of payments deficits will occur. High debt service ratios can be sustained if a country manages to maintain high growth of net foreign receipts from its current balance and unborrowed capital inflows. On the other hand, if large balance of payments deficits occur a country may be forced to take growth-restricting measures in order to meet its debt obligations, even if debt service ratios are low.

From the foreign payments point of view, the ability to sustain debt essentially depends on forecasts of future economic performance and the effects of external events. Of course, unanticipated shocks are inevitable but past trends can provide a valuable indication of how resilient the country is likely to be when faced with these.

Table 7 provides debt service ratios for Barbados for 1973 to 1978. The ratio of debt service payments to exports of goods and services rose above two percent only in 1973, 1974 and 1977 when debentures were redeemed. Since present outstanding debt is repayable over several years, the reoccurrence of similarly heavy debt service outflows are likely to be a result of "bunching" of debt repayments. These ratios compare favourably with those of countries who have experienced debt servicing difficulties. For example, Zaire and Chile had ratios of 12.9% and 32.9%, respectively, in 1976 (see [3]). Barbados' ratio of debt service to total debt is also substantially higher in the three years mentioned above and approached those of several Latin American debtor countries (see Table 8). This appears to reflect the low levels of Barbados' debt relative to those countries. In addition, the lower ratio for Columbia reflects an unusually favourable debt structure (p.153, [3]).

As argued above, these ratios cannot be considered in isolation from Barbados' external performance. Consideration of Tables 5b and 9 indicates how vulnerable Barbados is to world events because of the composition of its export earnings. The ratio of the current account deficit to GDP dropped to its lowest point for many years (6.7%) in 1978 largely because of high tourist earnings, which were estimated to have increased by almost 25%, and a surge in exports of manufactured goods. However the leap in exports of electrical components represented 53.1% of the increase in manufactured exports (see Table 9). Since manufacturers of electrical components are multinational companies it is probable that a large proportion of these earnings will be re-exported in the form of payments to headquarters. Tourist arrivals and hence tourist expenditures are significantly related to economic conditions in North America. During the recession of 1975 tourist arrivals fell for the first time and in many years the increase of 1976 was only 1.3%. The reduction in the ratio of the current account deficit to GDP in 1977 can also be traced to similar factors, while windfall sugar earnings accounted for the current account improval in 1975.

In contrast to the debt service ratios, the ratio of the current deficit to GDP is high (except for 1978) when compared with those for some Latin American debtor countries (see Table 5b). Peru's current account deficit reached a maximum of 11.3% of GDP in 1975 and was about seven percent in 1977; in 1975 Mexico had a ratio of five percent and Brazil's and Columbia's current account deficits represented seven percent and 2.9% of GDP, respectively, in 1974 (these ratios are given in [3], pages 151 to 154).

Given the instability of sugar export earnings and the vulnerability of the tourist sector, the growth of manufactured exports appears the most reliable means of improving the current account balance. Receipts from the export of electrical components and clothing contributed 41.6% to 1978's domestic export earnings (see Table 10), and their contribution has been rising fairly consistently, especially in the case of clothing. The limitations to reliance on the growth of electrical components have already been noted. The share of other manufactured goods, such as furniture, in total domestic exports has also been rising. But manufactured exports contain a high imported component and net earnings will depend on the relative movements in Barbados' import and export prices. Except for 1975 the net barter terms of trade have deteriorated steadily (see Table 6) though, for example, the average annual rate of increase in prices of clothing exports (22.1%) almost matched that of textile imports (23.0%). If this trend in the terms of trade continues export volume will have to rise steadily and/or import growth will have to be slow in order to improve visible trade performance.

Movements in the terms of trade are also important when considering the effect of inflation on the external debt. It has been argued that the real burden of external debt has been reduced by inflation since when outstanding debt is deflated by, in most cases, the export price index real debt is often found to have decreased. In addition, though inflation premiums are increasingly being built into interest rates, to the extent that unanticipated inflation is not fully reflected in these the opportunity costs of debt service will actually decrease (see [1]). As pointed out in a recent Unctad essay [4], however, inflation may have a net adverse effect on the import capacity of the debtor country if import prices are rising faster than export prices. World inflation also reduces the real value of international reserves and hence a country's ability to withstand sudden crises.

Interest rates on external debt incurred by Barbados with governments and international organizations since 1975 have not exceeded 8.0%, and large credits have been obtained at rates as low as 2.0%. In 1978, therefore, 68.4% of debt outstanding bore concessionary rates of interest (see Table 4). Since loans from private banks are extended at the LIBOR rate plus a "spread", interest payments on these will reflect inflationary expectations. The spread over LIBOR on the syndicated loan obtained in 1977 was 1 3/8% as compared with spreads of of 1.5% and 2.0% charged on earlier euro-dollar borrowings. There has been little change in either maturities or grace periods. Barbados's limited exposure on these markets has meant that it is not experiencing the shortening of maturities and grace periods it is feared will affect the debt repayment prospects of many Ldcs. Net flows of funds (disbursements minus principal repayments) have improved, rising from $4.6 million in 1975 to $50.7 million in 1978, reflecting in large part the balance of payments borrowing of 1977 and 1978 (see Table 11). The present structure and terms of Barbados' current external public debt are therefore very favourable. Drawdowns of committed undisbursed public sector loans (specifically excluding publicly-guaranteed loans on which adequate information is not yet available) will not change this picture.

The ability to meet debt service payments on these loans without undue strain will therefore depend largely on the current account balance, other inflows of capital and the returns on the projects with a net foreign exchange generating capacity. Less than 30.0% of debt outstanding is for investment which can be clearly identified as having such a capacity.

Conclusion

Our analysis of Barbados' outstanding external public and publicly-guaranteed debt has indicated that it contains a substantial grant element and that resource flows from this debt have largely been used for socially productive purposes. Hence, the external environment and the economy's ability to achieve a favourable foreign balance will be the deciding factor in debt servicing.

While the discussion of export performance has been rather pessimistic, the inflows available from tourism remain an encouraging factor. Despite the stress placed on its vulnerability to fluctuations in the North American economy, Barbados' tourist market is becoming increasingly diversified so that in the medium-term growth in this sector remains possible.

Our discussion does suggest, however, that in considering further external credit the authorities should pay particular attention to balance of payments prospects, and should perhaps devote the resources from such credit to projects which will expand import capacity. This is especially important since Barbados is now considered a high income developing country and the grant element of further indebtedness is likely to diminish considerably as official sources of credit divert their funds to needier countries.

Bibliography

1. Solomons, Robert, "A Perspective on the Debt of Developing Countries", Brookings Papers on Economic Activity, No. 2, 1977.

2. Aliber, Robert Z., "Living with Developing Country Debt", Lloyd's Bank Review, No. 126, October 1977.

3. Holsen, John A. "Notes on the 'LDC Debt Problem'", World Development, Vol. 7, No. 2, February 1979.

4. Unctad Secretariat, "Some Aspects of the Impact of Inflation on the Debt Burden of Developing Countries", World Development, Vol. 7, No. 2, February 1979.

LIST OF TABLES

oooOooo

Table 1 External Debt Accumulation

Year	External Public Debt Outstanding (disbursed)[1] $ Million	%Change	GDP at factor costs Current Prices[2] $ Million	Debt Outstanding / GDP %
1965	25.7	-	158.2	16.3
1966	25.7	-	169.6	15.2
1967	28.2	9.6	189.2	14.9
1968	30.2	7.2	216.7	13.9
1969	30.2	-	235.3	12.8
1970	30.2	-	273.5	11.0
1971	30.2	-	298.4	10.1
1972	33.5	10.9	355.2	9.4
1973	56.9	69.8	418.6	13.6
1974	44.2	-22.3	640.4	6.9
1975	48.8	10.2	700.6	7.0
1976	57.0	16.9	757.6 P	7.5
1977	71.6	25.6	848.1 P	8.4
1978	122.4	71.0	937.2 P	13.1

1. Source: Central Bank of Barbados, Annual Statistical Digest and author's estimates. Publicly guaranteed debt has not been estimated for 1965 to 1971.

2. Source: For 1965-1973, CEPCIES; 1974-1978, Ione Marshall and Barbados Statistical Service. The two series are not comparable.
P: Provisional.

Table 2 Outstanding External Public Debt by Purpose of Loan

Purpose \ Year	1965 ($ 000)	1970 ($ 000)	1975 ($ 000)	1975 (% Share)	1978 ($ 000)	1978 (% Share)
Infrastructural Projects	25,742	30,242	13,097	26.9	37,614	30.7
Other Projects	-	-	12,196	25.0	31,415	25.7
General Budgetary	-	-	23,459	48.1	13,330	10.9
Balance of Payments Support	-	-	-	-	40,000	32.7
TOTAL	25,742	30,242	48,752	100.0	122,359	100.0

Source: Central Bank of Barbados, Annual Statistical Digest and author's estimates.

Table 3 Summary Data on Position at Time of Debenture Redemption

($ 000)

Year	Overall Public Sector Deficit[1]	Public Sector Financing From[1] Treasury Bills	Public Sector Financing From[1] Commercial Banks	Total International Reserves[2,3]
1969/70	-3,237	612[4]	-506[4]	68,645
1970/71	-12,643	-1,169[4]	-1,162	43,700
1971/72	-7,407	5,053	7,767	57,445
1972/73	-18,199	-4,595	-731	56,459
1973/74	-46,185	23,383	-10,262	30,878

1. Source: Central Bank of Barbados Annual Statistical Digest
2. Source: Central Bank of Barbados, Balance of Payments, 1978
3. Amounts are those for calendar years 1969 to 1973
4. Data for calendar years.

Table 4 Outstanding External Public Debt by Category of Creditor

Creditor / Year	1965 ($ 000)	1970 ($ 000)	1975 ($ 000)	1975 (% Share)	1978 ($ 000)	1978 (% Share)
Debentures	25,742	30,242	7,200	14.8	-	-
Official	-	-	15,061	30.9	83,673	68.4
Governments	-	-	9,981	(20.5)	44,185	(36.1)
International Organisations	-	-	5,080	(10.4)	39,488	(32.3)
Private	-	-	24,491	54.3	38,686	31.6
Suppliers' Credits	-	-	3,032	(6.2)	1,178	(1.0)
Commercial Banks	-	-	23,459	(48.1)	37,508	(30.7)
TOTAL	25,742	30,242	48,752	100.0	122,359	100.0

Source: Central Bank of Barbados, Annual Statistical Digest and author's estimates.

Table 5(A) Summary Data on External Balance

($M)

Year	Current Account Balance[1]	Change in International Reserves[1]	Exports of Sugar and Molasses[2]	Imports of Crude Petroleum[3]
1970	-83.7	-24.9	34.5	4.2
1971	-69.3	13.7	30.0	3.9
1972	-83.0	-1.0	30.4	8.3
1973	-102.4	-25.6	36.5	11.4
1974	-93.4	7.9	62.6	28.9
1975	-83.8	34.9	106.9	30.6
1976	-128.4	-36.0	56.3	30.8
1977	-92.0	29.2	53.8	34.0
1978	-62.9	58.3	53.8	n.a.

1. Source: Central Bank of Barbados, Balance of Payments 1978
2. Source: Central Bank of Barbados, Annual Statistical Digest
3. Table 6 in "Energy Consumption and Economic Growth: A Study of the Barbadian Experience, 1960-1977", by Winston Cox, Central Bank of Barbados, Quarterly Report, Vol. V(3), September 1978.

Table 5(B) Summary Data on External Balance

Year	Current Account Deficit / GDP (%)	Tourist Arrivals	Estimated Tourist Expenditure ($M)
1974	15.4	230,718	149.5
1975	12.0	221,486	148.7
1976	16.9	224,314	157.3
1977	10.8	269,314	212.6
1978	6.7	316,883	265.0

Sources: Central Bank of Barbados, Annual Statistical Digest and Balance of Payments 1978.

Table 6 — Terms of Trade, 1970 to 1977

(1968 = 100)

Year	Export Price Index (PX)	Import Price Index (PM)	Net Barter Terms of Trade (PX/PM)
1970	104.2	119.8	87.0
1971	108.3	129.3	85.1
1972	117.1	136.6	85.7
1973	113.6	165.4	68.7
1974	134.9	224.4	60.1
1975	276.1	255.0	108.3
1976	135.9	290.4	46.8
1977	135.2	324.4	41.7

Source: Central Bank of Barbados, Annual Statistical Digest.

Table 7 — Debt Service Ratios

Year	Repayments of Principal ($ 000)	Interest Payments ($ 000)	Total Debt Service ($ 000)	Debt Service / Exports (%)	Debt Service / Debt (%)
1973	12,423	2,046	14,469	4.8	25.4
1974	8,022	5,755	13,777	3.5	31.1
1975	2,149	4,470	6,619	1.5	13.6
1976	2,560	3,454	6,014	1.4	10.6
1977	13,143	3,157	16,300	3.0	22.8
1978	6,843	5,644	12,487	1.8	10.2

Sources: Central Bank of Barbados, Annual Statistical Digest and unpublished data; Author's estimates.

Table 8 Data on Latin American Non-oil Debtor Countries, 1976

Countries	Public Debt US$M (12/76)	DSR to Exports	DSR to Debt
Argentina	4,255	18.3	26.2
Brazil	14,852	14.8	18.7
Chile	3,527	32.9	21.5
Colombia	2,447	9.4	14.6
Mexico	15,547	32.3	23.6
Peru	3,379	21.6	19.9

Source: Table 5 in "Notes on the LDC Debt Problem" by John A. Holsen in World Development, Vol. 7, No. 2 February 1979.

Table 9 Growth in Domestic Exports

Year	Domestic Exports ($M)	% Change	Manufactured Exports (Total) ($M)	% Change	Electrical Components ($M)	% Change	Clothing ($M)	% Change	Sugar and Molasses ($M)	% Change
1974	125.6	49.9	51.6	29.7	8.8	38.2	18.5	79.9	62.6	71.8
1975	178.2	41.9	60.0	16.4	9.5	8.1	26.8	45.0	106.9	70.7
1976	137.6	-22.8	74.1	23.4	13.8	45.0	30.6	14.1	56.3	-47.4
1977	147.1	6.9	84.5	14.0	16.4	19.2	37.8	23.7	53.8	-4.4
1978	186.5	26.8	125.0	47.9	37.9	130.7	40.6	7.4	53.8	-0.1

Source: Central Bank of Barbados, Annual Statistical Digest.

Table 10 Composition of Domestic Exports (%)

	1965	1970	1971	1972	1973	1974	1975	1976	1977	1978
Sugar and Molasses	77.7	55.5	56.4	48.2	43.5	49.9	60.0	40.9	36.6	28.8
Rum	5.8	5.2	7.7	7.3	5.6	4.0	2.4	3.2	3.9	3.2
All Manufactures (Excluding rum)	9.1	29.3	35.1	43.5	47.5	41.1	33.7	53.8	57.4	67.1
Food and Beverages	(5.1)	(4.1)	(7.8)	(8.2)	(6.5)	(5.5)	(4.0)	(6.1)	(6.2)	(6.8)
Chemicals	(0.5)	(3.4)	(4.8)	(5.3)	(5.1)	(3.9)	(3.1)	(4.3)	(3.8)	(5.0)
Electrical Components	(-)	(10.3)	(7.1)	(6.7)	(7.6)	(7.0)	(5.3)	(10.0)	(11.2)	(20.3)
Clothing	(0.7)	(5.9)	(7.9)	(8.6)	(12.3)	(14.7)	(15.0)	(22.2)	(25.7)	(21.8)
Other Manufactures	(2.9)	(5.6)	(7.5)	(14.8)	(16.0)	(10.1)	(6.2)	(11.3)	(10.5)	(13.2)
Other Domestic Exports	7.4	9.9	0.8	1.0	3.4	5.0	3.9	2.1	2.1	0.9
Total Domestic Exports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Barbados, Annual Statistical Digest

Table 11 Net Flows from External Public Debt

($M)

Year	Disbursements	Principal Repayments	Net Flows
1973	37.4	12.4	25.0
1974	4.7	8.0	-3.3
1975	6.7	2.1	4.6
1976	12.0	2.6	9.5
1977	28.9	13.1	15.8
1978	57.5	6.8	50.7

Source: Central Bank of Barbados, unpublished data; Author's estimates.