



Monthly Economic and Financial Developments January 2009

In an effort to provide the public with more frequent information on its economic surveillance activities, the Central Bank has decided to release monthly reports on economic and financial sector developments in The Bahamas. The Bank monitors these conditions as part of its monetary policy mandate, to assess whether money and credit trends are sustainable relative to levels of external reserves required to protect the value of the Bahamian dollar and, if not, the degree to which credit policies ought to be adjusted. The main data source for this surveillance is financial institutions' daily reports on foreign exchange transactions and weekly balance sheet statements. Therefore, monthly approximations may not coincide with calendar estimates reported in the Central Bank's quarterly reports. The Central Bank will release its "Monthly Economic and Financial Developments" report on the Monday following its monthly Monetary Policy Committee Meeting.

Future Release Dates:

2009: March 30, May 3, June 1, June 29, August 4, August 31, September 28, November 2, December 29.

Monthly Economic and Financial Developments

January 2009

1. Domestic Economic Developments

Initial data suggests that domestic economic activity remained weak during January, owing to the deepening effects of the global economic and financial crisis. The continued slowdown in tourism resulted in further job losses in the hotel industry, while foreign investment support for construction activity remained lackluster. Consumer price inflation stayed at elevated levels, given the ongoing transmission of higher global prices to the local economy. On the monetary front, developments were marked by improvements in both liquidity and external reserves, as the contraction in domestic credit outweighed the gains in Bahamian dollar deposits.

Tourism data for the first eleven months of 2008 indicated a 4.9% downturn in visitor arrivals to 3.9 million, extending the previous year's decline of 3.7%. This was associated with a falloff in air traffic of 6.1% and a nearly unabated decrease in the sea component of 4.3%. In terms of the major markets, total visitors to New Providence fell by 8.3%, and to Grand Bahama, by 7.7%, both reflecting continued weakness in air and sea arrivals. Conversely, Family Island traffic rose by 3.8%, with gains in the sea segment offsetting a downturn in air visitors. Available data for the period January to October revealed that the largest contraction in stopover visitors was registered for the United States market (5.7%), which accounted for more than 80% of visitors. However, some offset was provided from the improvement in onshore traffic from Canada (21.8%), Europe (9.9%), and the Caribbean (7.4%), which were stimulated by the weakness in the US dollar during the first half of 2008.

As to the latest earnings indications, projected tourism inflows contracted during 2008, with major hotel properties encountering decreased room sales and weaker pricing opportunities. Although New Providence operations realized higher than expected room bookings in January 2009, the outlook is still for a reduced level of business during the first quarter, with some compression in both average nightly room rates and occupied room nights.

Owing to the continuing pass-through effects of higher international prices for fuel and other commodities, inflation for the twelve-month period ending January 2009 remained accelerated at 4.7%, compared to 2.5% a year earlier. Notable increases included the sharply accelerated hike in average housing costs of 3.6%—reflecting the energy surcharge in electricity bills—and the steady fuel-induced advance in average transportation & communications costs of 3.0%. Also, the rise in average food & beverages costs intensified to 7.1%, with the respective increases for furniture & household operations and medical care & health firming moderately to 6.7% and 5.0%. Conversely, the local cost of diesel, at \$2.74 per gallon, stood 36.3% lower than the corresponding period last year, and gasoline prices, at \$3.23 per gallon, were some 29.0% less both attributed to easing which started in the second half of 2008.

Provisional estimates of the Government's budgetary operations for the first half of FY2008/09, revealed a 36.0% expansion in the overall deficit to \$135.2 million when compared to the previous fiscal year. Overall expenditures rose by 6.7%; however, reduced tax flows on trade, and sluggish tourism activity, limited revenue growth to 1.9%. Tax receipts grew by 1.8%, including a doubling

in other “unallocated” tax revenues which are mainly affected by trends in trade taxes; albeit, the recorded estimate of trade taxes fell by 5.9%. Gains were also noted for business and professional license fees (9.6%) and property taxes (3.5%). In addition, non-tax revenue rose by 2.6%, on account of higher receipts of fines, forfeitures and administrative fees. In terms of expenditure, current spending rose by 6.9%, occasioned mainly by higher payments for goods & services, personal emoluments, as well as increases in transfers and subsidies, partly in response to elevated social assistance to households adversely affected by the economic slump. Although capital outlays weakened by 7.8%, due mainly to reductions in asset purchases and transfers to non-financial public enterprises, spending on infrastructural works rose by 12.9%—in line with the Government’s increased focus on providing stimulus to the domestic economy.

2. International Developments

Global economic trends continued on a negative trajectory during the review period, marked by sharp contractions in output and demand, which underlined further deterioration in employment and unsettled financial markets. As a result, monetary and fiscal policies remained expansionary as authorities attempted to stabilize the outlook.

Real GDP in the United States contracted at a revised annual rate of 6.2% in the final quarter of 2008, mainly due to declines in exports, consumer spending and housing investments. With the recession showing no sign of abating in the short-term, consumer confidence fell to a historic low of 37.7 points. More recent data for January 2009, indicated that monthly retail sales contracted by 4.7% over the previous year. In the real estate sector, housing starts and completions declined on an annual basis, by 56.2% and 41.7%, respectively. Moreover, building permits issued—a forward looking indicator—contracted to half of the January 2008 levels; and mortgage foreclosure filings escalated by 18%.

As a result of declining energy prices and weakened demand, average annual consumer prices in the US remained unchanged in January. However, the unemployment rate advanced to 7.6% from 7.2% in December, following the largest monthly reduction in employment (598,000) since 1974. Responding to the worsening situation, the new administration—along with the Congress—finalized plans for an almost \$800 billion fiscal “stimulus” package, which was approved in February. In addition, the Federal Reserve maintained its short-term interest rate target in the 0%-0.25% range.

In the fourth quarter of 2008, the United Kingdom’s real GDP contracted by 1.5%, following a decline of 0.6% in the previous period. Similarly, the deficit on trade in goods and services waned by £0.4 billion to £3.6 billion in December, due to a contraction in imports which underscored internal weaknesses in demand. Reflecting these trends, the unemployment rate firmed in the fourth quarter, by 0.3 percentage points to 6.3%, the highest rate in almost a decade. Nevertheless, inflation slowed in December, to 3.1% from 4.1% in the previous month, as the reduction in the value-added tax and the deepening recession eased retail price pressures. In its ongoing monetary policy response, in January the Bank of England reduced its main lending rate by 0.5 percentage points to an unprecedented low of 1.5%—the fourth consecutive monthly easing.

Economies within the Euro zone continued to falter, with output contracting by 1.5% in the fourth quarter, and the decline in Germany and France estimated at 2.1% and 1.2%, respectively.

Overall, the deterioration was highlighted by a 2.6% reduction in industrial production in December which, on an annual basis, culminated in a 12.0% falloff in January. Moreover, the unemployment rate rose to 8.0% in December from 7.8% the previous month, incorporating an additional 230,000 job losses. As the situation worsened, the European Central Bank cut its benchmark interest rate for the fourth month in succession, by 50 basis points, to a record low of 2.0% in January.

In Asia, preliminary estimates for the fourth quarter of 2008, showed that Japanese output slumped by 12.7% on an annualized basis, owing to a sharp decline in exports and weak domestic demand. On a yearly basis, the unemployment rate firmed by 0.6 percentage points to 4.4% at end-December. The sharp contraction in the economy, and the fall in consumer prices by 0.4% prompted the Bank of Japan to maintain its benchmark rate near zero percent. Meanwhile, reflecting the reduction in export demand, growth in China's economy decelerated to 6.8% in the fourth quarter, the slowest pace since 2001. In January, exports slumped on a year-over-year basis by 17.5%, and imports plunged, on account of internal weakness, by 43.1%, widening the trade surplus to \$39.1 billion—the second largest on record. Indications are that an estimated 20 million jobs were lost, since output gains started to abate. However, the country's US\$585 million economic "stimulus" package, targeting large-scale infrastructure projects, is expected to mitigate the effects of the downturn.

Buttressed by the increased demand for fuel, related to the severe winter conditions in North America and Europe, along with the disruption of natural gas supplies from Eastern Europe, international oil prices rose on a monthly basis, by 13.3% to \$44.80 per barrel in January. Further, given investors' continued flight to "safer" assets, the price of gold and silver advanced by 5.2% and 11.2%, to \$927.85 and \$12.67 per ounce, respectively.

The unchecked deterioration in the global economy sparked another round of share price depreciation on major bourses in January. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 indices fell by 8.8% and 8.6%, respectively. Reduced valuations on European bourses included a decline in Germany's Dax index, by 9.8%; France's CAC 40 index, by 7.6% and the UK's FTSE 100 index, by 6.4%. In Asia, the Japanese Nikkei 225 index slumped by 9.8%; however, China's SE Composite index gained 9.3%.

3. Domestic Monetary Trends

During January, domestic money and credit trends featured improvements in both liquidity and external reserves, due to the combined impact of a contraction in credit and growth in Bahamian dollar deposits.

January 2009 vs. 2008

Excess reserves grew by \$66.8 million, double the \$33.3 million expansion registered in 2008. Similarly, excess liquid asset gains were three-fold higher at \$91.8 million.

January's accretions to external reserves strengthened by \$15.9 million to \$26.3 million. In particular, the Central Bank's net foreign currency purchase more than doubled to \$25.9 million, owing to an \$8.1 million increase in the net intake from commercial banks to \$33.6 million, and a \$6.2 million reduction in the net sale to the public sector to \$7.7 million. In transactions with the private sector, commercial banks recorded a more than doubling in net purchases to \$42.2 million.

However, this outturn was largely attributed to weakened demand for foreign exchange, amid the economic downturn, as sales to the public were lower by 17.7% at \$302.0 million, although foreign exchange purchases from customers were also 10.9% below last year's level.

Reflecting the downturn in consumer demand and the cautious lending environment, Bahamian dollar credit decreased by \$52.9 million in January, a reversal from the \$9.2 million gain registered in 2008. Claims on the private sector fell by \$25.1 million, vis-à-vis an increase of \$13.0 million a year earlier, as consumer credit fell by \$15.8 million and residential mortgages growth tapered moderately to \$11.5 million. Outstanding private credit for other purposes, including business, fell further by \$10.8 million. Occasioned by a reduction in commercial bank advances, the falloff in net claims on Government widened to \$21.4 million, and credit to the public corporations receded by \$6.4 million, reversing the 2008 advance of \$3.6 million.

A broader analysis of consumer credit trends for 2008 underscored the ongoing effects of the economic downturn on bank lending patterns and credit demand. Most notably, net repayments were recorded for automobile loans (\$9.4 million), travel (\$1.3 million) and furniture & appliances (\$1.2 million)—all of which recorded advances in 2007. Meanwhile, a slowdown was noted in net lending for medical purposes (\$0.9 million), home improvement (\$8.4 million), and land purchases (\$18.9 million). These contrasted with an accelerated run-up in credit card debt of \$37.4 million, as discretionary reliance on such facilities strengthened. Given increased debt servicing difficulties among borrowers, net lending for debt consolidation—which generally restructure existing loans—advanced three-fold to \$98.3 million.

Weakness in bank credit remained evident in softening asset quality trends during January, with a further accumulation of non-performing loans. Despite the reduction in credit, the value of private sector loans in payment arrears rose marginally to \$767.0 million. As a result, the ratio of arrears to total loans edged higher by 0.28 percentage points to 12.7%. In terms of average duration, arrears in the 31 to 90 days past due range declined by \$14.2 million to \$384.0 million (6.36% of total loans), whereas the non-performing category—arrears of over 90 days—increased by \$15.2 million to \$383.0 million (6.3% of total loans).

A breakdown of the key loan categories showed that the residential mortgage arrears rate rose incrementally, to 13.51% in January from 13.24% in December 2008 and the consumer rate, to 10.88% from 10.82% in the previous month. However, the commercial loans arrears rate softened slightly to 15.30% from 15.51%, after recording the most marked deterioration during 2008.

During the review month, foreign currency credit receded by \$0.7 million, relative to a \$34.2 million increase in 2008. Developments were led by significantly moderated growth in claims on the public corporations of \$0.5 million, from \$44.8 million in the previous year. In addition, private sector credit contracted by \$0.9 million and net claims on the Government, by \$0.3 million.

Accretions to total Bahamian dollar deposits narrowed by almost one-third to \$19.5 million, reflecting a \$5.6 million downturn in fixed balances, from growth of \$71.4 million in 2008. In contrast, savings and demand deposits recovered by \$9.6 million and \$15.5 million respectively, compared to declines of \$8.3 million and \$35.2 million a year earlier.

In interest rate developments, commercial banks' weighted average deposit rate softened by 5 basis points to 3.93%, with the highest rate of 5.75% offered on fixed deposits of over 6-12 months. Conversely, the weighted average loan rate firmed by 48 basis points to 10.71%.

4. Outlook and Policy Implications

With the external sector challenges likely to persist in the short-term, the Bahamian economy is likely to contract during 2009, with the prospects for a recovery delayed until the second half of 2010. The recession in the US continues to exert the most drag on the outlook, especially for stopover tourism activity. Meanwhile, both the softness in the near-term business outlook and tightness in global credit markets are expected to dampen financing prospects for foreign investments, with negative spillover effects for construction. Consequently, the unemployment rate could increase significantly relative to the mid-year estimate of 8.7% in 2008, reflecting both job losses and diminished opportunities for new entrants to the job market. The injection of new fiscal stimulus into the US economy, coupled with the aggressive efforts to stabilize financial institutions and encourage a resumption in credit and capital flows, are expected to ignite a gradual recovery in the US by 2010. The benefits to The Bahamas are however, likely to occur with a lag.

The Bahamas Government's increased spending on social programmes and the acceleration of infrastructure developments, are expected to lessen the severity of the contraction in the private sector, with foreign currency financing of the projected hike in the deficit, likely to cushion the negative outlook for the external reserves. Meanwhile, the combination of soft private sector demand, tempered foreign investments, and reduced oil prices are expected to contain import growth in 2009, with a forecasted stable to reduced current account deficit to GDP ratio.

The monetary outlook continues to be stable, with private sector credit expansion projected to slow, in line with tempered gains in bank deposits, and in response to lending institutions' heightened adherence to conservative practices, which defend against elevated credit risks. In light of the significant challenges facing the economy, the Central Bank will continue to pursue prudent monetary policies, to ensure the stability of the financial sector and the sustainability of balance of payments trends.

Recent Monetary and Credit Statistics

(B\$ Millions)

JANUARY					
Value		Change		Change YTD	
2008	2009	2008	2009	2008	2009

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	245.57	274.05	33.29	66.75	33.29	66.75
1.2 Excess Liquid Assets	161.68	353.77	35.97	91.82	35.97	91.82
1.3 External Reserves	471.50	589.06	10.38	26.33	10.38	26.33
1.4 Bank's Net Foreign Assets	-729.22	-705.71	-20.35	16.10	-20.35	16.10
1.5 Usable Reserves	114.11	228.81	5.57	-4.78	5.57	-4.78

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,226.66	6,477.10	8.00	-26.06	8.00	-26.06
a. B\$ Credit	5,698.25	6,038.66	12.99	-25.12	12.99	-25.12
of which: Consumer Credit	2,100.56	2,199.12	1.40	-15.80	1.40	-15.80
Mortgages	2,553.26	2,762.71	15.14	11.47	15.14	11.47
b. F/C Credit	528.41	438.44	-4.99	-0.94	-4.99	-0.94
of which: Mortgages	54.72	86.34	-0.10	1.01	-0.10	1.01
2.2 Central Government (net)	844.06	877.31	-12.93	-21.64	-12.93	-21.64
a. B\$ Loans & Securities	975.81	1,023.76	9.71	-9.48	9.71	-9.48
Less Deposits	147.28	148.31	17.10	11.90	17.10	11.90
b. F/C Loans & Securities	23.16	3.61	0.00	-0.30	0.00	-0.30
Less Deposits	7.64	1.75	5.55	-0.02	5.55	-0.02
2.3 Rest of Public Sector	334.39	395.91	48.37	-5.92	48.37	-5.92
a. B\$ Credit	71.19	78.45	3.61	-6.42	3.61	-6.42
b. F/C Credit	263.21	317.46	44.76	0.50	44.76	0.50
2.4 Total Domestic Credit	7,405.11	7,750.32	43.44	-53.63	43.44	-53.63
a. B\$ Domestic Credit	6,597.97	6,992.55	9.22	-52.92	9.22	-52.92
b. F/C Domestic Credit	807.15	757.76	34.22	-0.71	34.22	-0.71

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,054.31	1,096.95	-35.18	15.51	-35.18	15.51
a. Central Bank	21.10	14.33	13.12	5.38	13.12	5.38
b. Banks	1,033.21	1,082.62	-48.29	10.13	-48.29	10.13
3.2 Savings Deposits	997.90	1,029.59	-8.26	9.56	-8.26	9.56
3.3 Fixed Deposits	3,199.92	3,426.81	71.38	-5.59	71.38	-5.59
3.4 Total B\$ Deposits	5,252.13	5,553.34	27.94	19.48	27.94	19.48
3.5 F/C Deposits of Residents	200.31	168.91	21.36	-0.07	21.36	-0.07
3.6 M2	5,450.94	5,741.62	-19.99	1.96	-19.99	1.96
3.7 External Reserves/M2 (%)	8.65	10.26	0.22	0.46	0.22	0.46
3.8 Reserves/Base Money (%)	71.15	84.51	2.93	-2.74	2.93	-2.74
3.9 External Reserves/Demand Liabilities (%)	65.9	81.5	1.1	-3.72	1.1	-3.72

Value		Year to Date		Change	
2008	2009	2008	2009	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	11.59	25.85	11.59	25.85	14.26	14.26
a. Net Purchase/(Sale) from/to Banks	25.49	33.59	25.49	33.59	8.10	8.10
i. Sales to Banks	30.08	4.80	30.08	4.80	-25.28	-25.28
ii. Purchases from Banks	55.56	38.39	55.56	38.39	-17.17	-17.17
b. Net Purchase/(Sale) from/to Others	-13.89	-7.74	-13.89	-7.74	6.16	6.16
i. Sales to Others	110.43	38.00	110.43	38.00	-72.42	-72.42
ii. Purchases from Others	96.53	30.27	96.53	30.27	-66.26	-66.26
4.2 Banks Net Purchase/(Sale)	19.09	42.16	19.09	42.16	23.07	23.07
a. Sales to Customers	367.14	302.01	367.14	302.01	-65.12	-65.12
b. Purchases from Customers	386.23	344.17	386.23	344.17	-42.06	-42.06
4.3 B\$ Position (change)	-1.70	-10.87				

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	333.68	ND	333.68	ND	ND	ND
of which Public Sector	44.89	ND	44.89	ND	ND	ND
a. Nonoil Imports	139.83	ND	139.83	ND	ND	ND
b. Oil Imports	62.03	ND	62.03	ND	ND	ND
c. Travel	23.28	ND	23.28	ND	ND	ND
d. Factor Income	8.66	ND	8.66	ND	ND	ND
e. Transfers	8.72	ND	8.72	ND	ND	ND
f. Other Current Items	91.17	ND	91.17	ND	ND	ND
5.2 Capital Items	6.45	ND	6.45	ND	ND	ND
of which Public Sector	1.16	ND	1.16	ND	ND	ND
5.3 Bank Remittances	69.00	ND	69.00	ND	ND	ND

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: JANUARY 30, 2008 and JANUARY 28, 2009

Exchange Control Sales figures are as at month end.

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Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

Components may not sum to totals due to round-off error.

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2008	2009	2008	2009	2008	2009
Bahamas	1.0	n/a	4.5*	3.5	8.7*	n/a
United States	1.1	-1.6	4.2	1.8	5.6	6.9
Euro-Area	1.0	-2.0	3.5	1.9	7.6	8.3
<i>Germany</i>	<i>1.3</i>	<i>-2.5</i>	<i>2.9</i>	<i>1.4</i>	<i>7.4</i>	<i>8.0</i>
Japan	-0.3	-2.6	1.6	0.9	4.1	4.5
United Kingdom	0.7	-2.8	3.8	2.9	5.4	6.0
Canada	0.6	-1.2	2.5	2.1	6.2	6.3

Sources: IMF World Economic Outlook Update, January 2009 & () The Bahamas Department of Statistics. IMF Growth projections for The Bahamas have been revised lower for 2009, but have not been published.*

B: Official Interest Rates – Selected Countries (%)					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
January 2007	5.25	3.50	6.25	5.25	5.25
February 2007	5.25	3.50	6.25	5.25	5.25
March 2007	5.25	3.75	6.25	5.25	5.25
April 2007	5.25	3.75	6.25	5.25	5.25
May 2007	5.25	3.75	6.25	5.25	5.50
June 2007	5.25	4.00	6.25	5.25	5.50
July 2007	5.25	4.00	6.25	5.25	5.75
August 2007	5.25	4.00	5.75	5.25	5.75
September 2007	5.25	4.00	5.25	4.75	5.75
October 2007	5.25	4.00	5.00	4.50	5.75
November 2007	5.25	4.00	5.00	4.50	5.75
December 2007	5.25	4.00	4.75	4.25	5.50
January 2008	5.25	4.00	3.50	3.00	5.50
February 2008	5.25	4.00	3.50	3.00	5.25
March 2008	5.25	4.00	2.50	2.25	5.25
April 2008	5.25	4.00	2.25	2.00	5.00
May 2008	5.25	4.00	2.25	2.00	5.00
June 2008	5.25	4.00	2.25	2.00	5.00
July 2008	5.25	4.25	2.25	2.00	5.00
August 2008	5.25	4.25	2.25	2.00	5.00
September 2008	5.25	4.25	2.25	2.00	5.00
October 2008	5.25	3.75	1.25	1.00	4.50
November 2008	5.25	3.25	1.25	1.00	3.00
December 2008	5.25	2.50	0.50	0.00-0.25	2.00
January 2009	5.25	2.00	0.50	0.00-0.25	1.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Jan-08	Dec-08	Jan-09	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.6729	0.7157	0.7805	9.1	9.1	16.0
Yen	106.45	90.68	89.92	-0.8	-0.8	-15.5
Pound	0.5032	0.6836	0.6878	0.6	0.6	36.7
Canadian \$	1.0029	1.2205	1.2291	0.7	0.7	22.6
Swiss Franc	1.0814	1.0695	1.1606	8.5	8.5	7.3

Source: Bloomberg as at January 31, 2009

D. Selected Commodity Prices (\$)					
Commodity	January 2008	December 2008	January 2009	Mthly % Change	YTD % Change
Gold / Ounce	925.99	882.05	927.85	5.2	5.2
Silver / Ounce	16.92	11.39	12.67	11.2	11.2
Oil / Barrel	92.39	39.53	44.80	13.3	13.3

Source: Bloomberg as at January 31, 2009

E. Equity Market Valuations – January 31, 2009 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-1.07	-8.84	-8.62	-6.42	-7.58	-9.81	-9.77	9.33
3 month	-5.44	-9.38	-8.13	-3.23	-8.85	-7.09	-6.09	6.39
YTD	-1.07	-8.84	-8.62	-6.42	-7.58	-9.81	-9.77	9.33
12-month	-17.33	-36.75	-40.38	-29.43	-38.93	-36.68	-41.19	-54.59

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.15	1.25	1.00
1 Month	0.75	1.55	1.55
3 Month	1.25	2.00	1.95
6 Month	1.70	2.15	2.10
9 Month	1.80	2.20	2.10
1 year	2.08	2.25	2.23

Source: Bloomberg, as at January 31, 2009

SUMMARY ACCOUNTS OF THE CENTRAL BANK
(B\$ Millions)

	VALUE												CHANGE											
	Dec. 03	Dec. 10	Dec. 17	Dec. 24	Dec. 31	Jan. 07	Jan. 14	Jan. 21	Jan. 28	Dec. 03	Dec. 10	Dec. 17	Dec. 24	Dec. 31	Jan. 07	Jan. 14	Jan. 21	Jan. 28						
I. External Reserves	587.96	577.82	573.49	558.17	562.73	562.09	569.33	578.90	589.06	-2.06	-10.14	-4.33	-15.32	4.56	-0.64	7.24	9.57	10.16						
II. Net Domestic Assets (A + B + C + D)	82.15	76.27	74.09	76.12	82.21	111.35	87.22	110.25	107.95	-22.06	-5.87	-2.19	2.03	6.09	29.14	-24.13	23.03	-2.30						
A. Net Credit to Gov't (i + ii + iii - iv)	197.40	198.15	198.99	197.26	198.82	234.77	216.34	226.67	226.69	-15.55	0.75	0.84	-1.73	1.56	35.95	-18.42	10.33	0.02						
i) Advances	71.99	71.99	71.99	71.99	71.99	71.99	71.99	71.99	71.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	125.72	125.71	125.22	124.69	124.64	124.68	124.70	124.71	124.52	-0.06	-0.01	-0.48	-0.54	-0.05	0.04	0.03	0.00	-0.19						
iii) Treasury Bills	6.33	6.33	6.33	6.33	6.33	39.08	39.08	39.08	39.08	-21.91	0.00	0.00	0.00	0.00	32.76	0.00	0.00	0.00						
iv) Deposits	6.63	5.87	4.55	5.75	4.13	0.98	19.43	9.10	8.89	-6.42	-0.76	-1.32	1.20	-1.61	-3.15	18.45	-10.33	-0.21						
B. Rest of Public Sector (Net) (i + ii - iii)	-0.82	-7.28	-9.79	-5.98	-2.48	-9.18	-15.23	-5.38	-7.92	-5.61	-6.45	-2.51	3.80	3.51	-6.71	-6.05	9.85	-2.53						
i) BDB Loans	6.48	6.48	6.48	6.48	6.48	6.48	6.48	6.41	6.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.06	0.00						
ii) BMC Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
iii) Deposits	7.30	13.75	16.26	12.46	8.95	15.66	21.70	11.80	14.33	5.61	6.45	2.51	-3.80	-3.51	6.71	6.05	-9.91	2.53						
C. Loans to/Deposits with Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
D. Other Items (Net)*	-114.43	-114.60	-115.12	-115.15	-114.13	-114.23	-113.90	-111.04	-110.83	-0.90	-0.17	-0.52	-0.04	1.02	-0.10	0.34	2.85	0.22						
III. Monetary Base	670.11	654.09	647.58	634.29	644.94	673.44	656.55	689.15	697.01	-24.12	-16.01	-6.51	-13.29	10.65	28.50	-16.89	32.60	7.86						
A. Currency in Circulation	287.80	291.56	295.76	323.73	323.56	293.30	269.38	267.38	266.65	5.01	3.75	4.20	27.98	-0.17	-30.26	-23.92	-2.00	-0.73						
B. Bank Balances with CBOB	382.30	362.54	351.82	310.55	321.38	380.14	387.17	421.77	430.36	-29.13	-19.77	-10.71	-41.27	10.82	58.76	7.03	34.60	8.59						

* Includes capital, provisions and surplus account, fixed and other assets, and other demand liabilities of Bank

FISCAL/REAL SECTOR INDICATORS

(\$ MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Fiscal Operations:														
1. Government Revenue & Grants	111.5	101.1	94.3	118.5	97.8	108.3	112.1	87.8	110.8	96.9	96.9	110.8	512.8	513.4
% change	-19.47%	-27.00%	-15.46%	17.21%	-17.50%	10.81%	4.80%	-18.98%	26.25%	-13.61%	-13.61%	26.25%	-18.09%	0.13%
2. Import Duties	42.9	30.8	40.0	32.1	39.3	35.6	46.6	30.6	34.0	37.6	37.6	34.0	215.3	162.3
% change	-28.09%	-48.41%	-6.90%	4.23%	3.62%	6.99%	-0.04%	-14.06%	11.17%	-19.23%	-19.23%	11.17%	-8.90%	-24.61%
3. Recurrent Expenditure	101.6	116.7	99.1	100.0	114.6	114.9	106.0	111.2	108.5	105.8	105.8	108.5	504.6	557.4
% change	-34.02%	-24.22%	-2.50%	-14.31%	14.60%	0.23%	-1.21%	-3.18%	-2.43%	-0.22%	-0.22%	-2.43%	-13.45%	10.45%
4. Capital Expenditure	7.6	8.2	14.0	10.8	9.5	9.2	14.6	10.0	11.2	10.5	10.5	11.2	57.5	47.8
% change	-77.81%	-75.94%	85.10%	31.71%	-12.04%	-2.25%	73.11%	8.58%	11.64%	-27.95%	-27.95%	11.64%	-12.14%	-16.90%
5. Deficit/Surplus*	0.8	-28.4	-23.9	3.4	-32.4	-21.0	-14.0	-40.2	-13.6	-22.1	-22.1	-13.6	-77.4	-118.6
% change	-101.20%	-56.81%	-3127.59%	-111.97%	15.73%	-35.11%	11.80%	91.65%	-66.24%	-57.35%	-57.35%	-66.24%	54.20%	53.24%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	
Debt: **																											
6. Total Debt	2,685.0	2,871.0																									
% change	-0.02%	4.90%																									
7. External Debt	272.4	383.0																									
% change	0.00%	0.01%																									
8. Internal F/C Debt	23.2	1.4																									
% change	-0.17%	-3.27%																									
9. Bahamian Dollar Debt	2,339.4	2,486.6																									
% change	-0.02%	4.51%																									
10. Total Amortization	0.5	0.0																									
% change	391.80%	-100.00%																									
check																											
11. Total Public Sector F/C Debt	692.0	752.6																									
% change	25.94%	16.88%																									

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	
Real Sector Indicators																											
12. Retail Price Index	121.2	124.2	121.4	124.6	121.5	124.7	121.7	126.6	122.1	128.1	122.3	126.5	122.6	122.6	123.3	123.6	130.1	123.2	130.0	130.4	130.4	123.9	130.1	124.0	129.7	122.5	128.0
% change: over previous month	0.51%	0.22%	0.16%	0.32%	0.04%	0.09%	0.2%	1.6%	0.3%	1.2%	0.2%	0.3%	0.0%	0.0%	0.3%	0.0%	0.5%	0.5%	0.3%	0.3%	0.2%	-0.2%	0.1%	-0.3%	1.191%	4.49%	
13. Tourist arrivals (000's)	397.3	372.7	376.7	430.9	500.0	500.6	423.2	396.9	359.5	339.3	369.3	335.9	376.8	341.5	375.3	298.5	209.6	302.3	344.7	303.9	360.3	364.2	364.2	364.2	4139.3	3940.1	
% change: over previous year	6.73%	-6.19%	-3.01%	14.40%	26.97%	0.11%	-14.65%	-6.2%	-11.37%	-5.6%	6.35%	-9.1%	-19.74%	-9.4%	0.51%	-8.2%	4.35%	4.35%	-8.2%	1.8%	-16.24%	1.1%	1.1%	1.1%	-26.63%	-4.81%	
14. Air arrivals (000's)	103.4	110.8	118.1	125.8	168.0	166.8	144.0	138.1	126.5	128.5	139.9	138.8	130.4	142.8	124.9	106.7	94.7	94.7	122.1	122.1	107.9	72.1	91.1	1364.6	1281.7		
% change: over previous year	-7.08%	7.08%	7.55%	6.50%	30.54%	-0.72%	-9.64%	-4.1%	-7.46%	1.5%	-6.55%	-0.8%	-20.64%	9.5%	2.80%	-32.5%	30.02%	30.02%	-2.3%	-32.5%	-6.77%	-15.5%	-15.5%	-34.11%	-6.08%		
15. Occupied Room Nights																											
% change: over previous year																											
16. Res. Mortgage Commitments-New Const.																											
% change: over previous qtr.					27.0	44.4					30.7	49.8					28.7	51.2								86.40	145.40
					4.42%	44.64%					13.7%	12.2%					-6.5%	2.8%								-38.25%	68.29%

* Includes Net Lending to Public Corporations
 ** Debt figures pertain to central government only unless otherwise indicated
 P - Provisional
 Annual/3-M-D Retail Price data are averages.