

Monthly Economic and Financial Developments July 2013

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:

2013: September 30, November 4, December 2, December 23.

Monthly Economic and Financial Developments

July 2013

1. Domestic Economic Developments

Domestic economic conditions remained challenging during the review month, reflecting continued weakness in the major tourism sector, which offset steady gains in capital formation provided by various foreign investment-led construction activities. However, with the spill-over effects remaining narrowly based, the impact on employment conditions was minimal. Price developments exhibited a slowing in inflation over the twelve-months to July, reflecting the pass-through effects of lower global oil prices. On the fiscal side, mildness in economic activity and the normalization of collections contributed to a downturn in tax revenues which, together with a rise in current spending, fostered a widening in the fiscal deficit during the eleven months of FY2012/13. In the monetary sector, both liquidity and external reserves trended moderately lower in July, amid some gains in private sector credit, with credit quality indicators registering mild improvement.

Preliminary tourism sector data for the first half of 2013 showed persistent softness in the high value-added stopover segment of the market, due to reported declines in group business, increased competition from low-cost regional destinations, and some reduction in airlift capacity. Growth in visitors slackened sharply to 1.4%, to number 3.2 million, from 9.6% in the prior year. The air segment declined by 6.2%, a strong reversal from the 10.2% improvement achieved in 2012, and the expansion in sea passengers slowed markedly to 3.7% from last year's 9.4%. Disaggregated by first port of entry, tourist arrivals to New Providence rose by 8.5% to 1.9 million, occasioned by a 15.9% advance in the sea segment, which outweighed the 6.4% reduction in air arrivals. In contrast, the Grand Bahama market weakened by 4.8%, reflecting contractions in both air and sea passengers, by 19.0% and 2.4%, respectively. Similarly, the number of visitors to the Family Islands decreased by 7.8%, as a 9.1% falloff in sea traffic overshadowed the 1.7% rise in the air component.

The contraction in stopover arrivals adversely affected hotel earnings, as preliminary data from a sample of fourteen (14) major hotels in New Providence and Paradise Island reported a 6.6% decline in total room revenue over the January to July period, in comparison to the previous year. This development was due solely to a reduction in the average occupancy rate, by 5.0 percentage points to 69.6%, which outstripped the 3.2% increase in the average daily room rate (ADR) to \$251.20.

Domestic consumer price inflation for the twelve months to July—as measured by changes in the Retail Price Index for The Bahamas—narrowed by 2.4 percentage points to 0.83%, with accretions to average transportation costs decelerating by 5.8 percentage points to 0.35%. Lower average prices gains were also posted for furnishing, household equipment & maintenance, to 1.3% from 4.2%; housing, water, gas, electricity & other fuels—the most heavily weighted component in the index—to 1.3% from 3.7%, while both food & non-alcoholic beverages and education average cost increases slowed by an identical 1.7 percentage points to 1.5%. Most of the remaining components registered reduced price appreciations of under 1.0 percentage point, with the exception of communication and recreation & culture costs, which declined by 4.5% and 0.5%, vis-a-vis year-earlier respective gains of 0.2% and 0.5%.

Domestic fuel costs trended downwards in July, as the average prices of gasoline and diesel fell by 1.5% and 3.8%, on a monthly basis, to \$5.31 and \$4.86 per gallon; however, year-on-year, the average costs still trended higher, by 0.8% and 1.0%, respectively. Similarly, the Bahamas Electricity Corporation's fuel

charge decreased by 3.8%, month-on-month, to 27.32¢ per kilowatt hour (kWh), and by 4.2% on an annual basis.

Initial data on the Government's budgetary operations for the eleven months of FY2012/13 revealed a deterioration in the overall deficit, by \$146.6 million (49.3%) to \$444.0 million, amid a contraction in total revenue, by \$78.8 million (5.9%) to \$1,250.3 million, and an increase in aggregate expenditure, by \$67.8 million (4.2%) to \$1,694.3 million. In terms of receipts, tax collections decreased by \$59.8 million (5.1%) to \$1,120.9 million, owing primarily to a \$99.1 million (15.1%) reduction in taxes on international trade, as excise taxes returned to trend levels after arrears payments provided a significant one-off boost last year. In addition, non-tax collections were lower by \$1.3 million (1.0%) at \$129.3 million, as a 15.5% falloff in income proceeds outstripped the 7.0% rise in fines, forfeits & administrative fees. Spending developments included an increase in current outlays by \$59.8 million (4.5%) to \$1,393.6 million, reflecting a \$38.8 million (7.6%) advance in transfer payments and a \$19.3 million (3.7%) gain in wages & salaries. Capital spending also firmed, by \$15.0 million (7.7%) to \$210.7 million, buoyed by budgetary support to non-financial public enterprises (\$12.1 million) and other infrastructure outlays (\$11.3 million); however, net lending fell by \$7.0 million.

2. International Developments

Global economic conditions continued to register gradual improvement over the review period, supported by sustained growth in the United States and Asia, along with initial signs of a recovery in Europe—although several economies remained mired in recession. In an effort to encourage further economic expansion, major central banks maintained their highly accommodative monetary policy stances.

In the United States, real output firmed by an annualized 1.7% in the second quarter, an improvement over the 1.1% advance in the preceding period, reflecting gains in personal spending, business investment and exports. The real estate sector continued to trend upwards during July, with monthly gains in building permits (2.7%), housing starts (5.9%) and completions (1.8%). In the external sector, the monthly trade deficit narrowed by \$9.9 billion to \$34.2 billion in June, benefitting from a \$4.1 billion rise in exports and a \$5.8 billion decline in imports. Conditions in several sectors remained challenging, as retail sales grew marginally by 0.2% in July, after a 0.6% increase in the prior month; while a fall-off in factory output left industrial production flat, following a 0.2% upturn. In this environment, the unemployment rate narrowed by 20 basis points to 7.4% in July, based on the addition of 162,000 nonfarm payrolls, while reductions in natural gas and electricity prices moderated average inflation to 0.2% from 0.5% in June. On the monetary front, in an effort to further support the recovery, the Federal Reserve maintained its asset purchase programme and kept the bank rate within the 0.00%-0.25% range.

Although the euro area emerged from recession during the second quarter, several of the region's economies continued to face significant headwinds, arising from the fiscal austerity measures implemented to address unsustainable debt levels. Supported by higher output in the services, construction and manufacturing sectors, real GDP in the United Kingdom expanded by 0.6% in the three months to June, exceeding the 0.3% rise in the first quarter. In addition, retail sales firmed by 1.1% in July, following a 0.2% gain in the prior month, while increased activity in manufacturing and mining & quarrying contributed to industrial production growing by 1.1% in June, after a modest uptick of 0.1% a month earlier. Occasioned by a 4.9% expansion in exports, which outweighed the 2.0% rise in imports, the trade deficit improved to £1.5 billion from £2.6 billion in May. Annual consumer price inflation moderated slightly to 2.8% in July from 2.9% in the prior period, owing to price reductions in air fares, recreation and clothing, while the

jobless rate stabilized at 7.8% in the three months to June from the previous quarter, as the number of employed persons grew by 69,000. In monetary policy developments, the Bank of England left its key bank rate unchanged at 0.5% and maintained the stock of asset purchases at £375 billion.

The euro area's economy expanded by 0.3% in the April to June period, after six successive quarters of declines, owing mainly to growth in Germany and France—the region's two largest markets. Reflecting gains in consumer and capital goods, industrial production rose by 0.7% in June, a reversal from a 0.2% falloff in the prior period. External sector developments were also favourable, with the trade surplus increasing to €17.3 billion in June from €14.5 billion a month earlier, as a 3.0% expansion in exports outpaced the 2.5% rise in imports. However, retail trade volumes fell by 0.5% in June, vis-à-vis a 1.1% increase a month earlier, due mainly to declines in food, drinks and tobacco sales. In this environment, the unemployment rate steadied at a record 12.1%, while annual inflation in July remained subdued at 1.6%. With the ongoing weakness in the region's economies, the European Central Bank kept its key policy rates unchanged during the review month.

Indications are that the Asian economies maintained their positive growth momentum over the review month, albeit at a moderately reduced pace. In China, industrial production edged up by 0.9% in July, month-on-month, and represented a 9.7% improvement over the previous year, owing to gains in distribution, manufacturing & electricity, gas & water production. Total retail sales grew by 1.2%, in line with the increase in June, and the trade surplus narrowed to US\$17.8 billion from US\$27.1 billion in June, as import growth of 10.9% outweighed the 5.1% rise in exports. Average consumer prices firmed marginally by 0.1% in July, after remaining flat in the previous month, reflecting a slight uptick in non-food prices. In an effort to curtail rising interest rates and loosen credit constraints, the People's Bank of China removed controls on lending rates for financial institutions and injected some US\$2.2 billion in liquidity support to the financial system, via a series of swap agreements with the banks. The Japanese economy sustained its mild recovery trajectory over the review period, as real GDP expanded by 0.6% in the second quarter, building on a 0.3% increase in the previous three-month period, buoyed by gains in exports and Government spending. In addition, retail sales in June grew by 1.6%, year-on-year, outpacing the 0.8% increase in the prior month; however, in a modest offset, industrial output contracted by 3.3%, vis-à-vis a 1.9% gain in May, due to reduced automobile production. The country's trade deficit deteriorated significantly, to ¥1.0 trillion in July from ¥182.3 billion a month earlier, as the 19.6% hike in imports outstripped the 12.2% expansion in exports. The economy remained at full employment, with the jobless rate moving lower by 20 basis points to 3.9% in June. In an effort to spur the recovery and achieve its inflation target, the Bank of Japan continued its asset purchase programmes and held its uncollateralized overnight call rate within the 0.0%-0.1% range.

Amid the modest increase in global consumer demand and a reduction in OPEC's production, by 100,000 barrels per day to an average 30.3 million barrels per day, crude oil prices firmed by 4.6% to \$107.25 per barrel in July. In addition, the respective prices for gold and silver moved higher, by 7.4% and 0.9%, to \$1,325.25 and \$19.85 per troy ounce.

Generally positive investor sentiment and higher than expected corporate earnings resulted in most of the major equity markets registering gains during the review month. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 indices grew by 4.0% and 5.0%, respectively, and similar trends were reported in Europe, with gains in France's CAC 40 (6.8%), the United Kingdom's FTSE 100 (6.5%), and Germany's DAX (4.0%). In contrast, Asian markets registered mixed performances, as China's SE Composite increased by 0.7%; however, Japan's Nikkei 225 fell marginally by 0.1%.

In exchange rate developments, the US dollar depreciated against almost all of the major currencies in July. The dollar fell relative to the euro, by 2.2% to €0.7518, and the Swiss Franc, by 2.0% to CHF0.9262. Similarly, the dollar weakened against the Canadian Dollar, by 2.3% to CND\$1.0277, and recorded smaller declines versus the Japanese Yen and Chinese Yuan, of 1.3% and 0.1%, to ¥47.88 and CNY 6.1289, respectively. In contrast, the dollar was relatively unchanged vis-à-vis the British Pound at £0.6575.

3. Domestic Monetary Trends

July 2013 vs. 2012

During the month of July, money and credit trends showed a modest reduction in bank liquidity, with banks' excess cash holdings lower by \$15.6 million, although significantly below last year's \$85.0 million decrease. The broader excess liquid assets were down by \$11.2 million, in contrast to the previous year's growth of \$17.2 million.

The demands on external reserves for current payments were more muted in July, with the decline narrowing to \$7.0 million from \$65.1 million in the corresponding period of 2012. Underlying this outcome, the Central Bank's net foreign currency sale moderated to \$9.5 million from \$67.4 million, as lower dividend remittances contributed to the Bank's transactions with commercial banks reversing, from a net sale of \$26.4 million in 2012, to a net purchase of \$12.8 million over the review period. Reflecting in part timing differences, the Bank's net sale to the public sector—mainly for fuel payments—fell by \$18.7 million to \$22.3 million.

Bahamian dollar credit expanded by \$29.4 million, to reverse the \$4.1 million decline in the prior period. Buoyed by proceeds from a \$70 million BGRS issue, banks' net claim on the Government firmed by \$13.3 million, after a marginal \$1.1 million gain in 2012. There was also a turnaround in claims on the private sector, from a \$10.3 million contraction last year to growth of \$16.6 million. In particular, commercial loans, rebounded by \$7.4 million, following 2012's \$17.7 million contraction, and consumer credit firmed marginally by \$1.3 million, vis-à-vis the prior period's \$3.4 million net repayment. Mortgages—at 50.4% of the total—also grew by \$7.9 million, although below the \$10.8 million hike recorded a year earlier. In a slight offset, credit to the rest of the public sector fell by \$0.6 million, a reversal of the year earlier \$5.1 million expansion.

In July, banks' credit quality indicators showed a modest improvement, as total private sector loan arrears declined by \$6.5 million (0.5%) to \$1,220.5 million, with the corresponding ratio of arrears to total loans narrowing by 15 basis points to 19.71%. In terms of average age, arrears in the short-term, 31-90 days category firmed marginally by \$2.7 million (0.7%) to \$366.9 million, for a slight rise in the corresponding ratio to total loans, of 3 basis points to 5.93%. In contrast, the non-performing component—which comprised arrears in excess of 90 days and on which banks have stopped accruing interest—decreased by \$9.1 million (1.1%) to \$853.6 million, and by 18 basis points to 13.79% of total loans.

The contraction in total loan arrears reflected decreases in the commercial and consumer segments, by \$3.1 million (1.0%) to \$305.7 million and by \$2.5 million (1.0%) to \$249.7 million, respectively. In terms of the former, the reduction in delinquencies was mainly due to a falloff in the short-term component, by \$4.5 million (3.6%), outweighing the \$1.3 million (0.7%) rise in the 91 days and over category. The drop in consumer arrears was occasioned by a \$2.9 million (1.7%) decrease in non-performing loans, which outpaced the \$0.4 million (0.5%) rise in the short-term segment. In addition, mortgage delinquencies fell marginally, by \$0.9 million (0.1%) to \$665.2 million, owing to a \$7.6 million (1.5%) decrease in non-accrual loans, which overshadowed the \$6.7 million (4.2%) gain in the short-term segment.

Despite the reduction in arrears, banks maintained their conservative lending posture, increasing their loan loss provisions by \$5.9 million (1.5%) to \$414.2 million in July. As a result, the ratio of provisions to arrears firmed by 0.7 of a percentage point to 33.9% and the corresponding non-performing loan ratio advanced by 1.2 percentage points to 48.5%. Additionally, loan write-offs and recoveries totalled \$12.3 million and \$5.7 million, respectively.

Total domestic foreign currency credit contracted by \$6.4 million over the review month, compared with last year's \$1.4 million expansion. The \$4.9 million reduction in the private sector component contrasted with an almost equivalent gain a year ago, and the net claim on Government fell slightly by \$0.7 million, vis-à-vis a comparative \$0.2 million rise. Bank's claims on the rest of the public sector also declined, by \$0.8 million, following 2012's \$3.4 million falloff.

The contraction in total Bahamian dollar deposits was lowered to \$9.3 million from \$65.4 million a year earlier, as demand deposits grew by \$28.8 million, outpacing the \$3.0 million gain in 2012, and due partly to a build-up in deposits to facilitate a public corporation's share offering. In addition, both fixed and savings balances decreased by a more muted \$25.8 million and \$12.3 million, following respective declines of \$50.2 million and \$18.2 million in 2012.

In interest rate developments, the weighted average deposit rate widened by 18 basis points to 1.85%, with the highest rate of 6.50% offered on fixed balances of over 12 months. On the credit side, the weighted average loan rate moved higher by 5 basis points to 11.06%.

4. Outlook and Policy Implications

The domestic economy is expected to continue to face significant headwinds over the remainder of 2013, amid signs that the weakness in the key group segment will continue to weigh down tourism output. However, foreign investment projects in the capital and several Family Islands should continue to support activity in the construction sector. Against this backdrop, the unemployment rate is forecasted to remain elevated, until the recovery becomes more broad-based. Domestic consumer price pressures are likely to stay subdued, although geopolitical risks in several volatile regions could lead to higher global oil prices in the short-term.

The near term outlook for improvements in the overall deficit and corresponding debt indicators continues to be challenged by the mildness in the economic momentum. Outcomes depend heavily on the success of the Government's budgetary measures, aimed at strengthening revenue collections and curtailing the expansion in expenditure.

Monetary conditions are expected to be characterized by sustained high levels of liquidity, consistent with the persistent weakness in private sector demand. However, external reserves are forecasted to soften in the remaining months of the year, reflecting seasonal demand factors. Amid the challenging employment and business conditions, banking sector loan arrears are projected to stay elevated in the near-term, although not causing any financial stability concerns, given the existing excess in domestic banks' capital levels relative to regulatory requirements.

Recent Monetary and Credit Statistics

(B\$ Millions)

JULY						
Value		Change		Change YTD		
2012	2013	2012	2013	2012	2013	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	440.36	491.83	-85.02	-15.64	5.50	41.81
1.2 Excess Liquid Assets	1,032.10	1,147.38	17.17	-11.19	134.94	175.89
1.3 External Reserves	888.25	799.92	-65.12	-6.99	-3.74	-12.19
1.4 Bank's Net Foreign Assets	-607.89	-537.65	-19.68	0.15	1.15	84.13
1.5 Usable Reserves	420.20	304.41	-36.58	-7.58	-18.49	-43.88

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,635.17	6,535.98	-5.67	11.78	20.80	-80.37
a. B\$ Credit	6,232.81	6,172.67	-10.28	16.63	-27.33	-47.81
of which: Consumer Credit	2,117.02	2,098.38	-3.36	1.31	-29.63	-22.46
Mortgages	3,105.52	3,112.37	10.82	7.93	18.92	9.31
Commercial and Other Loans B\$	1,010.27	961.91	-17.73	7.40	-16.62	-34.66
b. F/C Credit	402.36	363.32	4.61	-4.85	48.14	-32.56
of which: Mortgages	131.40	151.23	-0.55	-1.01	2.25	6.50
Commercial and Other Loans F/C	270.97	212.08	5.15	-3.84	45.89	-39.06
2.2 Central Government (net)	1,607.52	1,849.78	1.29	12.58	170.53	256.38
a. B\$ Loans & Securities	1,744.91	1,991.12	15.50	17.77	180.57	274.38
Less Deposits	136.37	139.79	14.41	4.48	10.73	17.67
b. F/C Loans & Securities	0.00	0.00	0.00	-0.00	0.00	-0.00
Less Deposits	1.02	1.54	-0.20	0.71	-0.70	0.33
2.3 Rest of Public Sector	362.81	400.23	1.75	-1.37	-44.74	-6.81
a. B\$ Credit	106.86	120.60	5.13	-0.55	3.44	1.74
b. F/C Credit	255.95	279.63	-3.38	-0.82	-48.18	-8.56
2.4 Total Domestic Credit	8,605.51	8,786.00	-2.63	22.99	146.59	168.64
a. B\$ Domestic Credit	7,948.23	8,144.60	-4.05	29.36	145.94	210.09
b. F/C Domestic Credit	657.29	641.41	1.42	-6.38	0.65	-41.45

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,336.83	1,452.84	2.98	28.81	101.52	94.88
a. Central Bank	10.56	12.46	0.28	-0.58	2.34	0.38
b. Banks	1,326.27	1,440.37	2.71	29.38	99.18	94.49
3.2 Savings Deposits	1,116.24	1,099.83	-18.19	-12.29	50.22	32.16
3.3 Fixed Deposits	3,525.03	3,398.93	-50.24	-25.79	-81.76	-23.27
3.4 Total B\$ Deposits	5,978.10	5,951.60	-65.44	-9.28	69.98	103.76
3.5 F/C Deposits of Residents	213.93	276.09	-7.32	7.77	21.06	52.95
3.6 M2	6,179.02	6,155.97	-57.53	-6.75	72.60	102.99
3.7 External Reserves/M2 (%)	14.38	12.99	-0.91	-0.10	-0.23	-0.42
3.8 Reserves/Base Money (%)	98.81	84.36	0.96	-0.51	-2.08	-5.58
3.9 External Reserves/Demand Liabilities (%)	94.89	80.72	-1.10	-0.80	-3.50	-6.83
	Value	Year to Date	Change			
	2012	2013	2012	2013	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

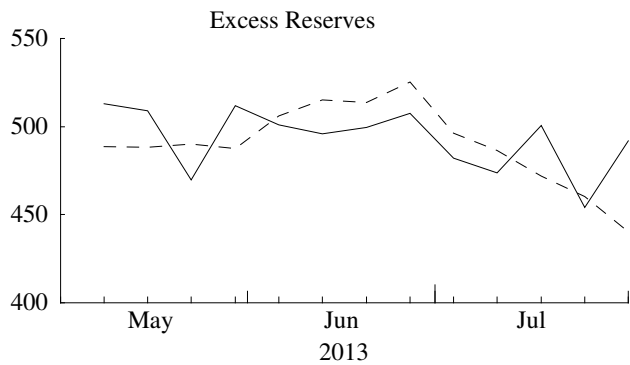
4.1 Central Bank Net Purchase/(Sale)	-67.43	-9.49	-14.25	-21.25	57.94	-7.01
a. Net Purchase/(Sale) from/to Banks	-26.42	12.81	191.56	154.23	39.24	-37.33
i. Sales to Banks	52.14	28.18	94.55	132.88	-23.96	38.33
ii. Purchases from Banks	25.71	40.99	286.11	287.11	15.28	1.01
b. Net Purchase/(Sale) from/to Others	-41.01	-22.30	-205.81	-175.49	18.71	30.32
i. Sales to Others	65.77	54.80	407.07	360.98	-10.98	-46.09
ii. Purchases from Others	24.77	32.50	201.26	185.50	7.73	-15.77
4.2 Banks Net Purchase/(Sale)	-26.99	-5.61	184.40	149.15	21.38	-35.26
a. Sales to Customers	375.91	364.21	2,060.96	2,099.72	-11.69	38.76
b. Purchases from Customers	348.92	358.61	2,245.36	2,248.86	9.69	3.51
4.3 B\$ Position (change)	4.51	2.85				

5.0 EXCHANGE CONTROL SALES

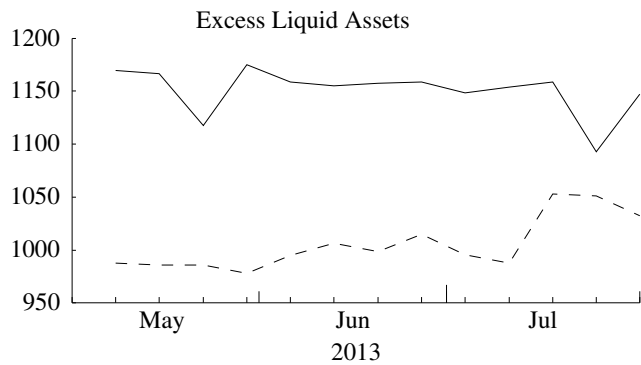
5.1 Current Items	306.80	ND	1,784.64	ND	ND	ND
of which Public Sector	1.57	ND	12.07	ND	ND	ND
a. Nonoil Imports	127.95	ND	803.91	ND	ND	ND
b. Oil Imports	23.21	ND	251.38	ND	ND	ND
c. Travel	27.80	ND	121.37	ND	ND	ND
d. Factor Income	19.59	ND	57.46	ND	ND	ND
e. Transfers	10.90	ND	44.95	ND	ND	ND
f. Other Current Items	97.35	ND	505.56	ND	ND	ND
5.2 Capital Items	3.30	ND	32.31	ND	ND	ND
of which Public Sector	1.00	ND	7.91	ND	ND	ND
5.3 Bank Remittances	0.00	ND	0.00	ND	ND	ND

SELECTED MONEY AND CREDIT INDICATORS

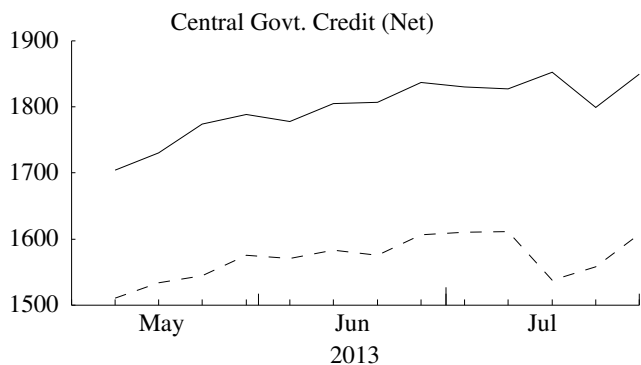
(B\$ Millions)



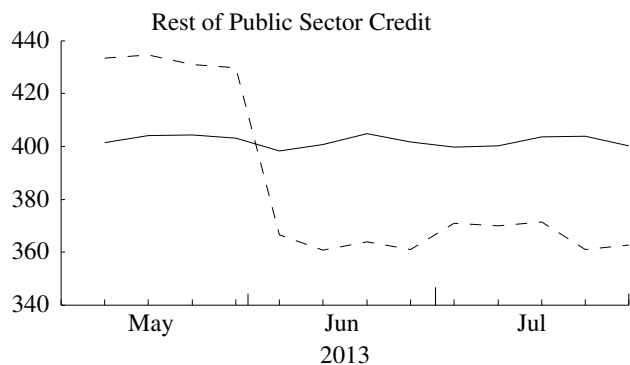
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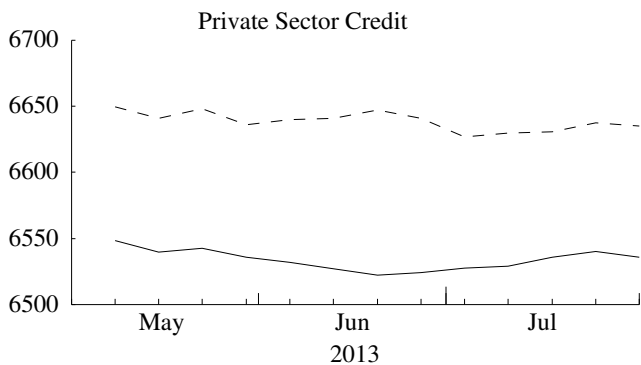
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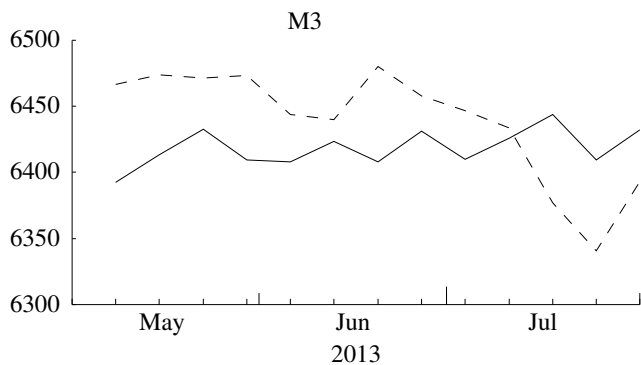
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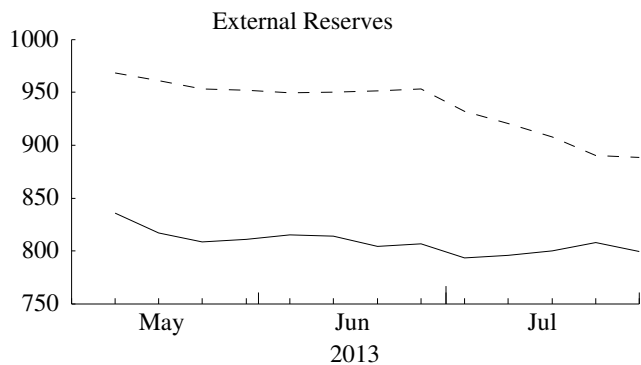
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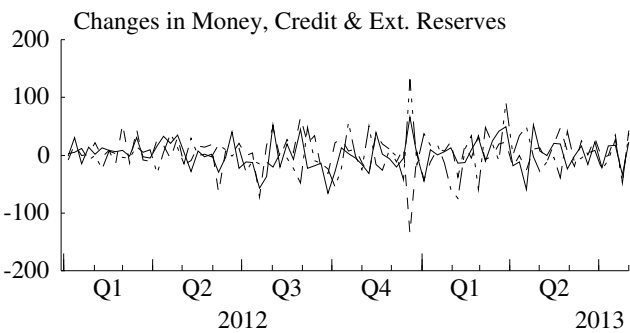
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— M3
- - - Domestic Credit
- · - · External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2012	2013	2012	2013	2012	2013
Bahamas	2.5	2.7	2.3	2.0	14.0	N/A
United States	2.2	1.9	2.1	1.8	8.1	7.7
Euro-Area	-0.6	-0.3	2.5	1.7	11.4	12.3
<i>Germany</i>	<i>0.9</i>	<i>0.6</i>	<i>2.1</i>	<i>1.6</i>	<i>5.5</i>	<i>5.7</i>
Japan	2.0	1.6	0.0	0.1	4.4	4.1
China	7.8	8.0	2.6	3.0	4.1	4.1
United Kingdom	0.2	0.7	2.8	2.7	8.0	7.8
Canada	1.8	1.5	1.5	1.5	7.3	7.3
<i>Source: IMF World Economic Outlook April 2013, Department of Statistics</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
July 2011	4.50	1.50	0.75	0-0.25	0.50
August 2011	4.50	1.50	0.75	0-0.25	0.50
September 2011	4.50	1.50	0.75	0-0.25	0.50
October 2011	4.50	1.50	0.75	0-0.25	0.50
November 2011	4.50	1.25	0.75	0-0.25	0.50
December 2011	4.50	1.00	0.75	0-0.25	0.50
January 2012	4.50	1.00	0.75	0-0.25	0.50
February 2012	4.50	1.00	0.75	0-0.25	0.50
March 2012	4.50	1.00	0.75	0-0.25	0.50
April 2012	4.50	1.00	0.75	0-0.25	0.50
May 2012	4.50	1.00	0.75	0-0.25	0.50
June 2012	4.50	1.00	0.75	0-0.25	0.50
July 2012	4.50	0.75	0.75	0-0.25	0.50
August 2012	4.50	0.75	0.75	0-0.25	0.50
September 2012	4.50	0.75	0.75	0-0.25	0.50
October 2012	4.50	0.75	0.75	0-0.25	0.50
November 2012	4.50	0.75	0.75	0-0.25	0.50
December 2012	4.50	0.75	0.75	0-0.25	0.50
January 2013	4.50	0.75	0.75	0-0.25	0.50
February 2013	4.50	0.75	0.75	0-0.25	0.50
March 2013	4.50	0.75	0.75	0-0.25	0.50
April 2013	4.50	0.75	0.75	0-0.25	0.50
May 2013	4.50	0.50	0.75	0-0.25	0.50
June 2013	4.50	0.50	0.75	0-0.25	0.50
July 2013	4.50	0.50	0.75	0-0.25	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Jul-12	Jun-13	Jul-13	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8127	0.7686	0.7518	-2.20	-0.83	-7.50
Yen	78.12	99.14	97.88	-1.27	12.83	25.29
Pound	0.6379	0.6574	0.6575	0.03	6.84	3.08
Canadian \$	1.0031	1.0520	1.0277	-2.31	3.58	2.45
Swiss Franc	0.9764	0.9451	0.9262	-2.00	1.16	-5.14
Renminbi	6.3628	6.1376	6.1289	-0.14	-1.65	-3.68

Source: Bloomberg as of July 31, 2013

D. Selected Commodity Prices (\$)					
Commodity	July 2012	June 2013	July 2013	Mthly % Change	YTD % Change
Gold / Ounce	1614.58	1234.53	1325.25	7.35	-20.90
Silver / Ounce	27.99	19.68	19.85	0.89	-34.58
Oil / Barrel	106.34	102.57	107.25	4.56	-3.05

Source: Bloomberg as of July 31, 2013

E. Equity Market Valuations – July 31, 2013 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-2.49	3.96	4.95	6.53	6.79	3.98	-0.07	0.74
3 month	-1.77	4.45	5.52	2.97	3.52	4.58	-1.39	-8.45
YTD	1.88	18.28	18.20	12.26	9.66	8.72	31.49	-12.13
12-month	4.91	19.15	23.90	17.49	21.30	22.20	57.20	-5.22

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.15	0.50	0.07
1 Month	0.20	0.46	0.15
3 Month	0.26	0.49	0.15
6 Month	0.44	0.56	0.26
9 Month	0.56	0.69	0.36
1 year	0.68	0.83	0.45

Source: Bloomberg as of July 31, 2013

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

	VALUE												CHANGE					
	Jun. 05	Jun. 12	Jun. 19	Jun. 26	Jul. 03	Jul. 10	Jul. 17	Jul. 24	Jul. 31	Jun. 05	Jun. 12	Jun. 19	Jun. 26	Jul. 03	Jul. 10	Jul. 17	Jul. 24	Jul. 31
I. External Reserves	815.20	814.23	804.30	806.91	793.32	796.05	800.44	807.91	799.92	3.96	-0.97	-9.93	2.61	-13.59	2.73	4.38	7.48	-7.99
II. Net Domestic Assets (A + B + C + D)	-62.46	-66.43	-53.01	-57.63	-58.79	0.00	0.00	0.00	0.00	-15.44	-3.97	13.42	-4.62	-1.15	0.00	0.00	0.00	0.00
A. Net Credit to Gov't (i + ii + iii - iv)	442.41	441.93	442.52	461.62	452.25	432.86	452.05	398.14	455.30	-2.15	-0.48	0.59	19.10	-9.36	-19.40	19.19	-53.90	57.16
i) Advances	105.66	105.66	105.66	105.66	105.66	105.66	105.66	105.66	105.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	169.62	169.64	169.69	169.82	169.45	169.53	169.58	169.58	178.07	-0.12	0.03	0.05	0.13	-0.37	0.08	0.04	0.00	8.49
iii) Treasury Bills	190.42	190.42	190.42	209.51	200.51	200.51	200.51	200.51	200.51	-0.00	0.00	0.00	19.09	-9.00	0.00	0.00	-0.00	0.00
iv) Deposits	23.29	23.80	23.26	23.38	23.37	42.84	23.70	77.61	28.93	2.02	0.51	-0.54	0.12	-0.01	19.48	-19.14	53.91	-48.67
B. Rest of Public Sector (Net) (i + ii - iii)	-12.57	-18.39	-4.26	-8.49	-13.83	-7.76	-4.23	-13.18	-7.91	-4.59	-5.82	14.13	-4.23	-5.34	6.07	3.53	-8.95	5.26
i) BDB Loans	4.55	4.55	4.55	4.55	4.55	4.55	4.55	4.55	4.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	17.12	22.94	8.81	13.04	18.38	12.31	8.78	17.73	12.46	4.59	5.82	-14.13	4.23	5.34	-6.07	-3.53	8.95	-5.26
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)*	-492.30	-489.97	-491.26	-510.76	-497.21	0.00	0.00	0.00	0.00	-8.70	2.33	-1.29	-19.49	13.55	0.00	0.00	0.00	0.00
III. Monetary Base	752.74	747.80	751.29	749.28	734.53	0.00	0.00	0.00	0.00	-11.48	-4.94	3.49	-2.01	-14.74	0.00	0.00	0.00	0.00
A. Currency in Circulation	119.85	114.74	110.59	102.80	125.95	0.00	0.00	0.00	0.00	1.48	-5.11	-4.15	-7.80	23.16	0.00	0.00	0.00	0.00
B. Bank Balances with CBOB	632.88	633.06	640.70	646.48	608.58	610.80	629.39	586.87	633.80	-12.96	0.17	7.64	5.78	-37.90	2.22	18.59	-42.52	46.93

* 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)

Fiscal Operations	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE (Over previous year)	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
1. Government Revenue & Grants	94.9	107.3	93.4	97.1	96.3	92.5	82.0	84.6	122.1	117.5	228.1	155.8	121.2	123.1	117.5	100.1	125.5	118.9	121.4	129.3	126.8	114.1	132.91	1250.3	1329.1	1250.3
% change; over previous month	-42.45%	-8.83%	-1.64%	-4.71%	3.12%	-4.71%	-14.87%	2.43%	48.93%	24.16%	86.86%	32.59%	-46.86%	-21.00%	-3.02%	-18.65%	6.81%	18.73%	-3.29%	8.75%	4.42%	-11.73%	15.08%	15.08%	-5.93%	-5.93%
2. Import/Excise Duties	44.0	50.4	44.9	48.2	54.8	47.8	43.3	50.4	53.7	48.7	135.2	45.8	48.2	51.8	54.8	45.1	49.0	42.7	42.9	51.7	56.3	47.1	62.72	529.7	627.2	529.7
% change; over previous month	-56.71%	-3.11%	2.66%	-4.35%	22.09%	-0.89%	-20.87%	5.57%	23.95%	-3.45%	151.64%	-5.95%	-64.34%	13.21%	13.72%	-13.00%	-10.55%	-5.29%	-12.46%	21.11%	31.15%	-9.02%	31.00%	31.00%	-15.55%	-15.55%
3. Recurrent Expenditure	111.4	117.4	110.3	123.5	123.8	128.7	124.9	126.8	133.0	130.5	108.5	122.3	128.7	144.6	118.8	111.4	127.3	127.6	126.6	118.5	120.5	140.1	1333.8	1391.4	1391.4	1391.4
% change; over previous month	-49.83%	-45.90%	-0.98%	5.25%	12.24%	4.19%	0.85%	-1.48%	6.53%	2.96%	-18.41%	-0.28%	18.62%	18.16%	-7.67%	-22.96%	7.12%	14.57%	-0.55%	-7.09%	-4.86%	18.21%	5.20%	5.20%	4.31%	4.31%
4. Capital Expenditure	3.7	13.8	12.2	25.3	9.8	23.2	18.3	8.3	16.5	14.5	39.3	30.1	14.9	23.7	12.7	21.9	25.9	13.5	10.6	13.5	31.7	22.9	195.6	210.7	210.7	210.7
% change; over previous month	-92.34%	-22.25%	224.55%	83.12%	-19.60%	-8.24%	87.57%	-64.42%	9.83%	-9.83%	177.77%	108.19%	-62.19%	-21.91%	-14.78%	-7.63%	104.86%	-38.08%	-59.13%	-0.30%	198.78%	69.70%	52.47%	52.47%	7.69%	7.69%
5. Deficit/Surplus*	-20.8	-24.5	-33.8	-57.1	-40.3	-62.7	-68.9	-49.1	13.2	-30.9	-12.7	-45.3	-25.0	-48.2	-20.4	-33.9	-29.3	-30.8	-26.7	-6.3	-32.8	-53.0	-287.4	-441.8	-287.4	-441.8
% change; over previous month	-84.40%	-84.15%	62.81%	133.43%	19.15%	9.93%	71.00%	-21.24%	-119.19%	-37.02%	-196.39%	-46.34%	96.09%	6.44%	-18.33%	-29.72%	43.37%	-9.00%	-8.86%	-79.53%	22.98%	74.71%	-9.10%	-9.10%	-9.10%	-48.53%

Debt, \$B	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC			
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013		
6. Total Debt	3,804.5	4,364.5	3,815.0	4,409.6	3,884.0	4,527.3	3,851.2	4,576.1	3,881.8	4,582.7	3,905.7	4,632.0	4,080.5	4,673.3	3,905.7	4,632.0	4,080.5	4,673.3	4,080.5	4,673.3	4,080.5	4,673.3	4,080.5	4,673.3	4,080.5	4,673.3
% change; over previous month	0.0%	-0.7%	0.3%	1.0%	1.0%	2.7%	-0.1%	1.1%	0.8%	0.4%	0.6%	0.9%	4.3%	0.9%	0.6%	0.9%	4.3%	0.9%	0.9%	4.3%	0.9%	0.9%	4.3%	0.9%	0.9%	4.3%
7. External Debt	788.4	1,037.2	809.0	1,042.2	807.9	1,049.9	815.2	1,048.7	825.7	1,050.4	828.3	1,050.5	829.1	1,051.8	828.3	1,050.4	829.1	1,051.8	829.1	1,051.8	829.1	1,051.8	829.1	1,051.8	829.1	1,051.8
% change; over previous month	0.0%	0.0%	1.3%	0.3%	-0.1%	0.7%	0.9%	-0.1%	1.3%	0.2%	0.4%	0.0%	0.0%	0.1%	0.4%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
8. Internal F/C Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% change; over previous month	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9. Bahamian Dollar Debt	3,006.1	3,327.3	3,006.1	3,367.3	3,046.1	3,477.3	3,036.1	3,527.3	3,056.1	3,542.3	3,076.4	3,581.5	3,251.4	3,621.5	3,076.4	3,542.3	3,251.4	3,621.5	3,251.4	3,621.5	3,251.4	3,621.5	3,251.4	3,621.5	3,251.4	3,621.5
% change; over previous month	0.0%	-0.9%	0.0%	1.2%	1.3%	3.3%	-0.3%	1.4%	0.7%	0.4%	0.7%	1.1%	5.7%	1.1%	0.7%	1.1%	5.7%	1.1%	1.1%	1.1%	5.7%	1.1%	1.1%	1.1%	1.1%	5.7%
10. Total Amortization	0.3	30.2	0.0	10.0	1.1	21.7	13.2	2.5	0.0	25.0	0.0	2.3	25.2	30.3	0.0	2.3	25.2	30.3	0.0	2.3	25.2	30.3	0.0	2.3	25.2	30.3
% change; over previous month	2766.2%	-58.2%	0.0%	-66.9%	117.3%	117.3%	1126.0%	-88.5%	-100.0%	902.0%	0.0%	-90.6%	1190.7%	1190.7%	0.0%	-90.6%	1190.7%	1190.7%	0.0%	-90.6%	1190.7%	1190.7%	0.0%	-90.6%	1190.7%	1190.7%
11. Total Public Sector F/C Debt	1,450.2	1,864.8	1,460.7	1,871.1	1,473.8	1,875.4	1,483.7	1,873.7	1,538.7	1,880.4	1,539.0	1,877.2	1,536.1	1,877.1	1,538.7	1,880.4	1,539.0	1,877.1	1,538.7	1,880.4	1,539.0	1,877.1	1,536.1	1,877.1	1,538.7	1,880.4
% change; over previous month	-0.2%	0.1%	0.7%	0.3%	0.9%	0.2%	0.7%	-0.1%	3.7%	0.4%	0.0%	-0.2%	-0.2%	0.0%	0.4%	0.0%	-0.2%	-0.2%	0.0%	0.4%	0.0%	-0.2%	-0.2%	0.0%	0.0%	0.0%

Real Sector Indicators	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC			
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013		
12. Retail Price Index	104.7	106.8	104.9	106.7	105.8	106.3	106.1	106.6	106.5	106.5	106.4	106.4	106.4	106.4	106.4	106.4	106.4	106.4	106.4	106.4	106.4	106.4	106.4	106.4	106.4	106.4
% change; over previous month	-0.16%	1.16%	0.26%	-0.07%	0.78%	-0.39%	0.25%	0.31%	0.4%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13. Tourist arrivals (000's)	528.7	538.1	529.1	533.2	632.4	674.0	549.7	554.4	415.0	447.6	421.8	477.2	415.0	447.6	421.8	477.2	415.0	447.6	421.8	477.2	415.0	447.6	421.8	477.2	415.0	447.6
% change; over previous year	8.46%	1.78%	-1.68%	0.78%	18.60%	6.58%	-18.45%	0.85%	-25.15%	7.87%	-5.77%	13.13%	-25.15%	7.87%	-5.77%	13.13%	-25.15%	7.87%	-5.77%	13.13%	-25.15%	7.87%	-5.77%	13.13%	-25.15%	7.87%
14. Air arrivals (000's)	89.4	86.1	110.9	104.8	156.3	153.6	139.0	117.4	109.4	113.9	124.8	131.2	109.4	113.9	124.8	131.2	109.4	113.9	124.8	131.2	109.4	113.9	124.8	131.2	109.4	113.9
% change; over previous year	9.9%	-3.6%	28.82%	-5.9%	49.16%	-1.69%	-9.52%	-15.55%	-6.84%	4.16%	9.54%	5.14%	-6.84%	4.16%	9.54%	5.14%	-6.84%	4.16%	9.54%	5.14%	-6.84%	4.16%	9.54%	5.14%	-6.84%	4.16%
15. Occupied Room Nights	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56
% change; over previous year	-14.82%	52.20%	-14.82%	52.20%	-14.82%	52.20%	-14.82%	52.20%	-14.82%	52.20%	-14.82%	52.20%	-14.82%	52.20%	-14.82%	52.20%	-14.82%	52.20%	-14.82%	52.20%	-14.82%	52.20%	-14.82%	52.20%	-14.82%	52.20%
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (\$Millions)	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56	18.97	22.56
% change; over previous year	-25.82%	18.95%	-25.82%	18.95%	-25.82%	18.95%	-25.82%	18.95%	-25.82%	18.95%	-25.82%	18.95%	-25.82%	18.95%	-25.82%	18.95%	-25.82%	18.95%	-25.82%	18.95%	-25.82%	18.95%	-25.82%	18.95%	-25.82%	18.95%

* Includes Net Lending to Public Corporations
 ** Data figures pertain to external government only unless otherwise indicated
 p - provisional

Page 12