



Monthly Economic and Financial Developments September 2005

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:

2005: November 28th

1. Domestic Economic Developments

During the month of September, brisk residential construction investments provided a significant contribution to domestic economic activity, as preliminary indications suggest less buoyant tourism output due largely to the adverse effects of Hurricanes Katrina and Rita. The performance for the first three quarters of the year suggests a steady level of overall expansion, underpinned by heightened construction activity and elevated consumer demand.

In August, visitor arrivals to The Bahamas contracted by 14.5%, culminating in a 6.9% reduction in the visitor count for the first eight months of the year, to 3,483,735. The weakness was most pronounced in sea arrivals, which fell by 9.1%, with a more marginal 1.9% decline in the longer stay air visitors. Persistent sluggishness in the Grand Bahamas market, following the effects of Hurricanes Jeanne and Frances last year, was evidenced in the double digit declines in both air (34.5%) and sea (20.1%) arrivals. The Family Islands also experienced a falloff in visitors, with sea and air down by 10.3% and 1.4%, respectively. These developments were cushioned by an estimated 8.5% increase in air arrivals to New Providence, which accounted for approximately 70.7% of visitors. However, as a result of a 5.3% contraction in sea arrivals, New Providence's overall performance was relatively flat.

Consumer price inflation for the 12-months ending September 2005 rose to 1.94% from 1.24%, with the most significant cost increases recorded in the medical care & health, transportation & communication, and food & beverage items.

Preliminary estimates for Government's budgetary operations in the first month of FY2005/06 indicated a modest surplus of estimated \$0.1 million, in contrast to a deficit of \$12.0 million in FY2004/05. Generally buoyant economic conditions combined with improved revenue collection protocols supported a 16.4% hike in tax revenues to \$90.3 million. Total expenditure increased by 5.1% over last year to \$90.3 million, and was concentrated in current outlays.

2. International Developments

Global economic growth was constrained by the slowdown in US economic expansion, following Hurricanes Katrina and Rita, which affected oil and gas production and refining output in the Gulf Coast. Although indications are that the effects of such an oil supply disruption will be seen as a temporary faltering step in the upward movement in growth for the rest of 2005, forecasted growth for the US has nonetheless been shifted downward. However, the IMF's outlook for world economic growth was unchanged at 4.3% for 2005 into 2006, buoyed to some extent by improved prospects in several oil producing countries.

During the month of September, US economic activity was sluggish, owing to higher energy costs, rising inflation and plummeting consumer confidence, which reached its lowest monthly value since 1990. Likewise, the unemployment situation worsened to 5.1% from 4.9% in August. Core inflation edged up only marginally by 0.1%, however, spurred by a surge in energy prices to record highs after Hurricanes Katrina and Rita, the US consumer price index accelerated 1.2% in September, after rising a mere 0.5% in August, according to the US Labour Department. The Federal Reserve, in an effort to contain inflationary pressures, opted to increase the Federal Funds and the Primary

Credit rates by 25 basis points each to 3.75% and 4.75%, respectively—continuing its planned and measured adjustment pace. Reflecting higher interest rates, the US dollar appreciated against most of the major currencies, with the sole exception being the Canadian dollar. The IMF, in its September World Economic Outlook for 2006, reduced US growth to 3.3% because of the short-term impact of the hurricanes which caused significant damage to Louisiana and the other Gulf states.

The Chinese economy continued along its path of significant growth during the third quarter, propelled by high levels of exports and foreign direct investment. Although preliminary estimates are that real GDP may reach 9.0% for the year, the introduction of measures aimed at fiscal tightening and the adoption of a managed float for the Yuan against a basket of currencies in lieu of its peg to the US dollar, may restrain domestic demand and reduce exports during the rest of the year.

The Japanese economy maintained its economic recovery in the third quarter, led by moderate increases in exports and domestic demand along with an uptrend in industrial production. GDP growth has been totally revised from the previous figure forecasted and is placed at the 2.0% mark. Economic growth in the Euro area has been hampered by soaring oil prices, which have slowed domestic demand, contracted net exports and reduced business investment. As a result, unemployment is on the rise and the IMF recently revised its GDP growth forecasts downwards by 0.4 percentage points to 1.2% for the year. GDP growth in the UK remained unchanged in the second quarter at 0.5%, but the weak performance of the services sector resulted in the four-quarter growth rate being revised downwards to 1.5%, the lowest rate for twelve years.

For the month of September, OPEC increased daily oil production by 136,000 barrels to 30.34 million barrels per day. Notwithstanding, the price of oil fluctuated widely following the supply interruptions caused by hurricanes Katrina and Rita. Average crude oil prices closed the month at \$63.77 per barrel, approximately \$3.16 below last month's close but \$5.4 above July's closing—for a year-to-date percentage price increase of some 40%. Regarding other commodities, the closing price for gold and silver also moved higher by 7.84% and 9.08% to \$469.30 per ounce and \$7.45 per ounce, respectively.

On the market front, equity indices in September were stable in the aftermath of the hurricanes and higher oil prices. Minor gains were recorded for the Dow Jones Industrial and S&P 500 indexes of 0.83% and 1.06%, respectively. The Euro indices reversed the previous end of month contractions with the FTSE 100 up by 3.4%, CAC 40 by 4.6% and the DAX by 4.4%. The Nikkei 225 had the highest gain, ending the month 9.4% higher.

3. Domestic Monetary and Credit Trends

Money and credit trends during the month of September featured continued expansion in Bahamian dollar credit, which outpaced growth in Bahamian dollar deposits to occasion a reduction in external reserves. These developments were also evidenced in the first nine months of the year resulting in comparatively minor gains in external reserves.

September 2005 vs. 2004

During September 2005, excess reserves of the banking system grew by \$47.9 million to \$324.1 million, relative to a modest \$3.3 million increase in 2004. Additionally, banks' excess liquid assets firmed by \$46.9 million to \$263.1 million, in contrast to a \$21.8 million decline during the previous year.

A combination of strengthened domestic demand impulses, higher oil prices and moderated foreign inflows, extended last years' contraction in external reserves by some 50% to \$27.6 million. This was evidenced in a 48.7% increase in the Bank's net foreign currency sales to \$28.7 million—led by a more than twofold hike to \$12.9 million in the net sales to the public sector. Commercial banks' net purchase from the Central Bank rose marginally to \$15.8 million, whereas their net sale to customers was more than halved to \$6.7 million.

During the month, increased private sector demand fuelled a \$54.4 million upturn in Bahamian dollar credit in comparison to \$5.0 million in the previous year. Private sector credit advanced strongly by \$56.6 million, led by a threefold gain in mortgages of \$28.4 million, and a slightly more than twofold hike in consumer credit of \$19.4 million. Likewise, credit to the rest of the public sector grew by \$2.8 million in contrast to a contraction of \$6.4 million in 2004. However, net credit to government declined by \$5.0 million, following last year's expansion of \$10.9 million.

The decline in domestic foreign currency credit slackened by 32% to \$7.8 million. Claims on public corporations decreased by \$2.1 million, a turnaround from last year's \$3.2 million; whereas net credit to Government rose by \$5.1 million compared to a relatively unchanged position in 2004.

Growth in the Bahamian dollar deposit base was higher by \$10.0 million at \$14.9 million. This development mainly reflected accretions to fixed and savings deposits of \$24.8 million and \$9.5 million, respectively, whereas demand deposits fell by \$19.4 million.

In interest rate developments, the weighted average deposit rate at banks firmed by 8 basis points to 3.17%. The highest rate offered was 5.75% for fixed maturities in the 3-12 month range. Similarly, the weighted average loan rate at banks trended higher by 14 basis points to 10.70%.

January – September 2005

During the review period, excess reserves of the banking system grew notably by \$32.7 million, an approximate threefold increase over the comparative 2004 level. In contrast, growth in excess liquid assets receded to \$38.7 million from \$65.5 million in the previous year.

More robust demand conditions, higher costs for fuel imports and slower foreign inflows from both tourism and direct investments resulted in a marked slowdown in the accretion to external reserves, to \$2.1 million from \$132.6 million in 2004. In particular, the Central Bank's net foreign currency transactions were reversed from a net purchase of \$118.2 million, to a net sale of \$11.2 million in 2005, as the net intake from banks declined by 68.4% to \$69.7 million. In contrast, the net sale to the public sector narrowed by 20.9% to \$81.0 million and commercial banks net purchase from their customers declined by 64.7% to \$69.8 million.

Amid more relaxed credit conditions, following the removal of credit restrictions in August 2004, Bahamian dollar credit growth firmed by \$331.4 million—some 17.4% about the previous year's increase. The expansion continues to be private sector led, with a \$335.3 million or 82.9% hike vis-à-vis 2004—of which 58.0% or \$193.5 million was for mortgages and some 30.5% or \$102.4 million was for consumer credit. Conversely, growth in net credit to Government was markedly lower at \$15.5 million from \$119.1 million last year, and the rest of the public sector continued to reduce its liabilities to the banking sector by a relatively stable \$19.5 million.

Fuelled by continued expansion in tourism investments, domestic foreign currency credit rebounded by \$68.9 million during the review period, reversing the \$5.9 million fall-off in 2004. Growth in claims on the private sector strengthened to \$83.5 million from \$20.0 million a year ago. However, the mortgage component declined by \$3.3 million relative to a \$1.9 million rise last year. Net claims on Government expanded by \$14.4 million, in contrast to a \$6.8 million contraction recorded in 2004, whereas the reduction in claims on public corporations widened by some 52.0% to \$29.0 million.

The expansion in the Bahamian dollar deposit base tapered off to \$249.0 million from \$372.5 million in 2004, due largely to reduced growth in demand deposits by \$131.4 million to \$67.5 million. The accretion to fixed deposits was slightly extended to \$102.8 million, while savings deposits remained relatively unchanged at \$78.8 million.

4. Outlook

Growth remains stable for the Bahamian economy for the rest of 2005 and into 2006. Activity is anticipated to be reinforced by further developments in the tourism sector, and expansionary conditions in the construction industry by way of increased building activity in the residential and hotel sectors. The apparent buoyancy of the US economy, in the face of the damages suffered from Hurricanes Katrina and Rita, is a positive sign for the local tourism industry. However, persistently higher energy costs continue to represent a risk to the short-term outcome.

Recent Monetary and Credit Statistics

(B\$ Millions)

	SEPTEMBER					
	Value		Change		Change YTD	
	2004	2005	2004	2005	2004	2005
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	179.86	324.06	3.32	47.91	11.50	32.68
1.2 Excess Liquid Assets	202.53	263.09	-21.79	46.87	65.50	38.65
1.3 External Reserves	614.70	666.78	-18.29	-27.62	132.60	2.13
1.4 Bank's Net Foreign Assets	-593.99	-615.71	4.67	8.13	-7.53	-25.96
1.5 Usable Reserves	285.35	300.25	-8.67	-16.59	58.23	0.71
2.0 DOMESTIC CREDIT						
2.1 Private Sector	4,274.77	4,743.72	-14.03	45.76	203.28	418.79
a. B\$ Credit	3,883.17	4,284.48	0.48	56.57	183.29	335.33
of which: Consumer Credit	1,457.27	1,582.87	9.01	19.42	76.97	102.39
Mortgages	1,576.86	1,830.24	9.35	28.41	144.03	193.53
b. F/C Credit	391.60	459.24	-14.51	-10.81	19.99	83.47
of which: Mortgages	12.58	8.49	-0.63	2.36	1.93	-3.28
2.2 Central Government (net)	620.93	582.63	10.68	0.11	112.34	29.95
a. B\$ Loans & Securities	740.60	689.54	14.19	-36.51	139.59	36.44
Less Deposits	117.69	115.34	3.32	-31.47	20.46	20.92
b. F/C Loans & Securities	0.00	10.52	0.00	5.26	-8.01	10.52
Less Deposits	1.98	2.09	0.19	0.11	-1.23	-3.90
2.3 Rest of Public Sector	329.69	295.09	-3.16	0.71	-39.08	-48.44
a. B\$ Credit	98.86	96.01	-6.38	2.84	-19.97	-19.46
b. F/C Credit	230.83	199.09	3.22	-2.14	-19.10	-28.98
2.4 Total Domestic Credit	5,225.39	5,621.43	-6.51	46.58	276.54	400.30
a. B\$ Domestic Credit	4,604.94	4,954.68	4.97	54.37	282.44	331.39
b. F/C Domestic Credit	620.45	666.75	-11.48	-7.80	-5.90	68.91
3.0 DEPOSIT BASE						
3.1 Demand Deposits	938.86	1,028.20	-19.56	-19.39	198.83	67.45
a. Central Bank	137.39	32.01	-19.18	-43.09	117.99	-50.38
b. Banks	801.47	996.19	-0.39	23.71	80.84	117.83
3.2 Savings Deposits	755.80	860.20	14.46	9.50	77.37	78.82
3.3 Fixed Deposits	2,405.91	2,515.19	9.18	24.78	96.27	102.76
3.4 Total B\$ Deposits	4,100.56	4,403.59	4.08	14.90	372.47	249.04
3.5 F/C Deposits of Residents	108.68	144.98	-2.74	3.75	10.93	58.94
3.6 M2	4,265.71	4,578.12	-1.04	13.15	377.33	242.13
3.7 External Reserves/M2 (%)	14.41	14.56	-0.43	-0.65	2.01	-0.76
	Value		Year to Date		Change	
	2004	2005	2004	2005	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	-19.31	-28.68	118.24	-11.23	-9.37	-129.47
a. Net Purchase/(Sale) from/to Banks	-13.54	-15.77	220.58	69.72	-2.24	-150.87
i. Sales to Banks	32.85	48.50	240.83	308.78	15.65	67.95
ii. Purchases from Banks	19.32	32.73	461.41	378.50	13.41	-82.91
b. Net Purchase/(Sale) from/to Others	-5.77	-12.91	-102.34	-80.95	-7.13	21.39
i. Sales to Others	11.30	21.72	198.06	241.72	10.42	43.66
ii. Purchases from Others	5.52	8.81	95.71	160.77	3.29	65.05
4.2 Banks Net Purchase/(Sale)	-14.37	-6.67	197.47	69.78	7.70	-127.69
a. Sales to Customers	162.08	210.64	1,786.87	2,120.19	48.56	333.33
b. Purchases from Customers	147.71	203.97	1,984.33	2,189.97	56.26	205.64
4.3 B\$ Position (change)	0.69	-4.88				
5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	182.75	252.38	1,741.93	2,215.90	69.63	473.97
of which Public Sector	17.15	28.68	207.40	265.73	11.53	58.33
a. Nonoil Imports	91.02	113.36	849.62	1,048.41	22.34	198.79
b. Oil Imports	23.46	41.92	163.16	257.96	18.46	94.80
c. Travel	22.03	19.87	153.88	185.21	-2.16	31.34
d. Factor Income	15.61	9.22	93.79	142.69	-6.39	48.89
e. Transfers	4.19	6.46	43.54	68.32	2.26	24.79
f. Other Current Items	26.43	61.56	437.94	513.31	35.12	75.37
5.2 Capital Items	18.09	8.30	114.60	129.02	-9.79	14.42
of which Public Sector	4.49	5.33	33.77	38.21	0.85	4.44
5.3 Bank Remittances	9.15	0.00	73.79	80.10	-9.15	6.32

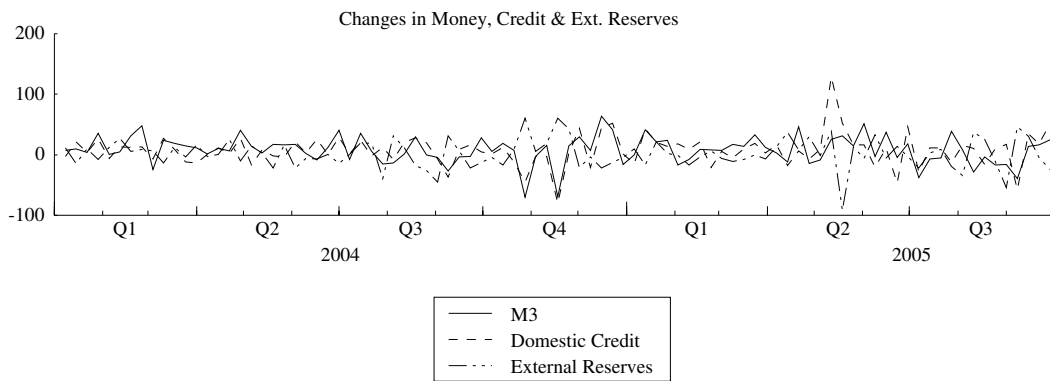
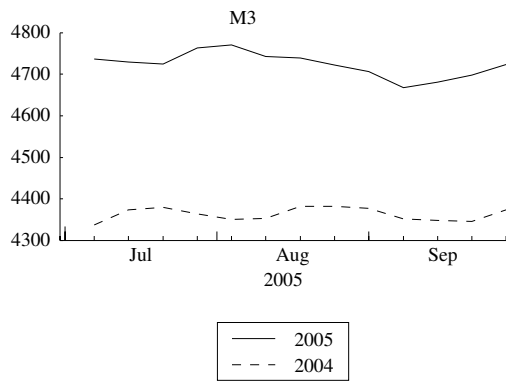
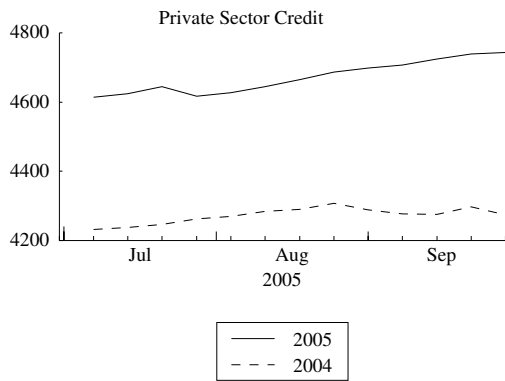
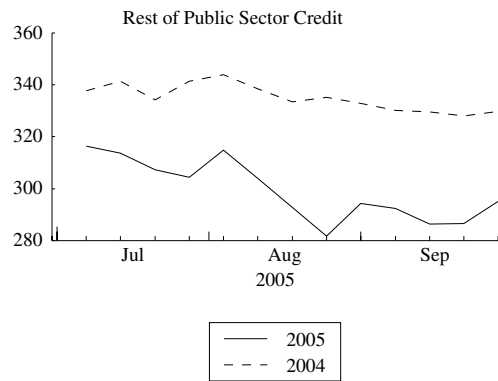
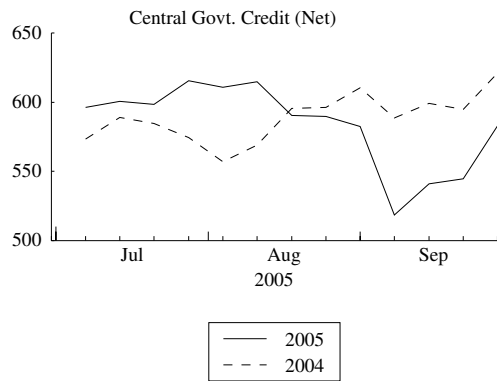
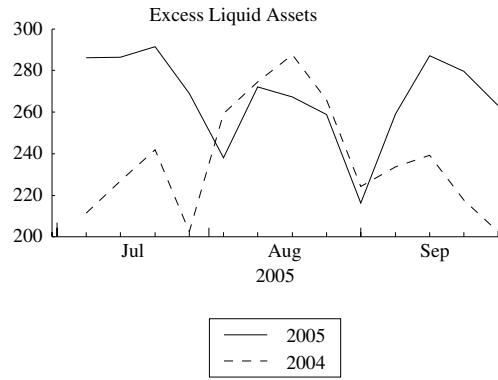
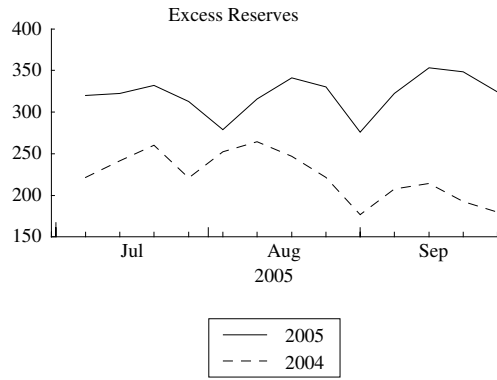
Sources: Research Department Brief Database and Banking Brief for the week ending SEPTEMBER 29, 2004 and SEPTEMBER 28, 2005

Exchange Control Sales figures are as at month end.

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 MONEY AND CREDIT INDICATORS (B\$ Millions)



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of Labor Force)						
	Real GDP		Inflation Rate		Unemployment	
	2005	2006	2005	2006	2005	2006
Bahamas	3.5	3.5	n/a	n/a	n/a	n/a
United States	3.5	3.3	3.1	2.8	5.2	5.2
Euro-Area	1.2	1.8	2.1	1.8	8.7	8.4
<i>Germany</i>	<i>0.8</i>	<i>1.2</i>	<i>1.7</i>	<i>1.7</i>	<i>9.5</i>	<i>9.3</i>
Japan	2.0	2.0	-0.4	-0.1	4.3	4.1
United Kingdom	1.9	2.2	2.0	1.9	4.7	4.8
Canada	2.9	3.2	2.2	2.5	6.8	6.7
<i>Sources: IMF World Economic Outlook ,September 2005</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
January 2004	5.75	2.00	2.00	1.00	4.00
February 2004	5.75	2.00	2.00	1.00	4.00
March 2004	5.75	2.00	2.00	1.00	4.00
April 2004	5.75	2.00	2.00	1.00	4.25
May 2004	5.75	2.00	2.00	1.00	4.50
June 2004	5.75	2.00	2.25	1.25	4.50
July 2004	5.75	2.00	2.25	1.25	4.75
August 2004	5.75	2.00	2.50	1.50	4.75
September 2004	5.75	2.00	2.75	1.75	4.75
October 2004	5.75	2.00	2.75	1.75	4.75
November 2004	5.75	2.00	3.00	2.00	4.75
December 2004	5.75	2.00	3.25	2.25	4.75
January 2005	5.75	2.00	3.25	2.25	4.75
February 2005	5.25	2.00	3.50	2.50	4.75
March 2005	5.25	2.00	3.75	2.75	4.75
April 2005	5.25	2.00	3.75	2.75	4.75
May 2005	5.25	2.00	4.00	3.00	4.75
June 2005	5.25	2.00	4.25	3.25	4.75
July 2005	5.25	2.00	4.25	3.25	4.75
August 2005	5.25	2.00	4.50	3.50	4.50
September 2005	5.25	2.00	4.75	3.75	4.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Sept-04	Aug-05	Sept-05	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8041	0.8100	0.8320	2.66	8.42	3.41
Yen	110.05	110.60	113.51	2.63	9.46	3.14
Pound	0.5519	0.554	0.5668	2.26	6.72	2.70
Canadian \$	1.2613	1.1878	1.1630	-2.09	-6.19	-7.79
Swiss Franc	1.2461	1.2529	1.2939	3.27	8.83	3.84

Source: Bloomberg

D. Selected Commodity Prices (\$)					
Commodity	Sept 2004	Aug 2005	Sept 2005	Mthly % Change	YTD % Change
Gold / Ounce	418.25	435.20	469.30	7.84	11.05
Silver / Ounce	6.89	6.83	7.45	9.08	10.86
Oil / Barrel	46.22	66.93	63.77	-4.72	39.75

Source: Bloomberg

E. Equity Market Valuations – September 2005 (%chg)							
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225
1 month	0.72	0.83	1.06	3.41	4.56	4.44	9.35
3 month	4.22	-0.68	-0.20	3.70	3.33	3.23	14.07
YTD	19.60	0.75	4.10	12.89	17.54	18.55	19.20
12-month	22.92	4.85	10.74	19.84	26.35	29.57	25.41

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	3.90	4.35	2.16
1 Month	3.81	4.47	2.09
3 Month	4.02	4.52	2.13
6 Month	4.17	4.46	2.13
9 Month	4.31	4.42	2.22
1 year	4.37	4.41	2.29

Source: Bloomberg, as at September 30, 2005

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE												CHANGE											
	Aug. 03	Aug. 10	Aug. 17	Aug. 24	Aug. 31	Sep. 07	Sep. 14	Sep. 21	Sep. 28	Aug. 03	Aug. 10	Aug. 17	Aug. 24	Aug. 31	Sep. 07	Sep. 14	Sep. 21	Sep. 28						
I. External Reserves	721.61	726.85	715.79	704.69	694.40	690.46	696.84	685.39	666.78	-18.60	5.24	-11.06	-11.10	-10.29	-3.94	6.38	-11.45	-18.61						
II. Net Domestic Assets (A + B + C + D)	-77.35	-58.56	-16.73	-20.55	-59.88	-13.84	3.28	11.19	14.82	-7.80	19.10	41.52	-3.82	-39.33	46.04	17.12	7.91	3.62						
A. Net Credit to Gov't (i + ii + iii - iv)	130.22	130.04	130.37	130.07	103.25	120.97	134.15	134.79	134.15	-0.60	-0.18	0.33	-0.30	-26.82	17.73	13.17	0.65	-0.65						
i) Advances	76.99	76.99	76.99	76.99	76.99	76.99	76.99	76.99	76.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	72.07	72.00	71.62	71.47	71.32	76.26	76.23	76.19	76.16	-0.10	-0.08	-0.38	-0.15	-0.14	4.94	-0.04	-0.04	-0.03						
iii) Treasury Bills	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						
iv) Deposits	18.84	18.94	18.23	18.38	45.06	32.28	19.07	18.38	19.00	0.50	0.10	-0.71	0.15	26.68	-12.79	-13.21	-0.68	0.62						
B. Rest of Public Sector (Net) (i + ii - iii)	-108.17	-93.77	-52.26	-56.77	-67.73	-40.58	-36.37	-28.75	-24.63	-5.62	14.40	41.51	-4.51	-10.96	27.14	4.21	7.62	4.12						
i) BDB Loans	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	7.38	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	115.54	101.14	59.64	64.14	75.10	47.96	43.75	36.13	32.01	5.62	-14.40	-41.51	4.51	10.96	-27.14	-4.21	-7.62	-4.12						
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)*	-99.40	-94.53	-94.84	-93.85	-95.40	-94.23	-94.50	-94.84	-94.70	-1.59	4.87	-0.32	0.99	-1.55	1.17	-0.27	-0.35	0.14						
III. Monetary Base	644.26	668.59	699.06	684.13	634.52	676.62	700.12	696.58	681.59	-26.41	24.34	30.46	-14.92	-49.61	42.10	23.50	-3.54	-14.99						
A. Currency in Circulation	250.09	242.31	238.82	236.87	242.99	242.29	231.69	230.18	236.63	6.82	-7.79	-3.49	-1.95	6.12	-0.69	-10.60	-1.51	6.45						
B. Bank Balances with CBOB	394.16	426.29	460.24	447.26	391.54	434.33	468.43	466.40	444.96	-33.23	32.12	33.95	-12.97	-55.73	42.79	34.10	-2.03	-21.44						

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

FISCAL/REAL SECTOR INDICATORS

(R\$ MILLIONS)

(% change represents current month from previous month)

	YEAR TO DATE											
	JUL 2003	AUG 2003	SEP 2003	OCT 2003	NOV 2003	DEC 2003	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004
Fiscal Operations:												
1. Government Revenue & Grants	73.8	90.3										
% change	-42.16%	-30.96%										
2. Import Duties	24.3	34.3										
% change	-5.63%	-29.13%										
3. Recurrent Expenditure	81.0	84.7										
% change	19.12%	-19.77%										
4. Capital Expenditure	1.6	5.5										
% change	-87.66%	-83.02%										
5. Deficit/Surplus*	-12.0	0.1										
% change	-127.39%											

	YEAR TO DATE											
	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004
Debt: **												
6. Total Debt	1,939.1	2,103.1	1,981.1	2,103.1	1,940.7	2,101.7	1,942.2	2,140.7	1,943.3	2,131.8	1,943.2	2,173.1
% change	-0.09%	0.00%	1.13%	0.00%	-1.04%	-0.06%	0.08%	1.86%	0.00%	-0.42%	-0.01%	1.93%
7. External Debt	291.5	289.8	290.2	289.8	289.4	289.4	289.4	289.4	289.4	289.5	289.4	289.8
% change	-0.57%	0.00%	-0.44%	-0.03%	-0.13%	-0.13%	0.52%	-0.35%	0.38%	0.39%	-0.04%	0.00%
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
% change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9. Bahamian Dollar Debt	1,647.6	1,813.3	1,670.9	1,813.3	1,650.9	1,812.3	1,650.9	1,852.3	1,650.9	1,842.3	1,650.9	1,883.7
% change	0.00%	1.01%	1.01%	0.00%	-1.20%	-0.02%	2.21%	2.41%	0.00%	-0.54%	0.00%	2.25%
10. Total Amortization	1.7	0.0	1.3	10.1	20.4	10.4	1.0	1.0	0.0	10.0	0.1	25.1
% change	-91.02%	-22.60%	2.87%	-95.32%	-90.35%	0.03%	-0.10%	0.03%	-0.32%	0.18%	-1.68%	-1.08%
11. Total Public Sector F/C Debt	583.7	560.5	590.5	589.7	558.9	582.2	559.0	582.2	567.3	560.1	577.4	551.8
% change	-0.88%	-0.44%	-0.53%	-0.14%	-3.24%	-3.54%	0.03%	0.03%	-0.32%	0.18%	-1.68%	-1.08%

	YEAR TO DATE											
	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004
Real Sector Indicators												
12. Retail Price Index	114.4	116.3	114.5	116.4	114.5	116.5	114.6	117.2	114.7	117.6	114.7	117.8
% change	-0.57%	1.10%	0.13%	0.10%	0.00%	0.09%	0.17%	0.7%	0.1%	0.3%	0.0%	0.2%
13. Tourist arrivals (000's)	397.2	414.2	429.0	420.3	566.6	516.9	493.3	493.3	428.9	397.7	431.1	565.4
% change: over previous year	4.53%	4.23%	1.60%	-2.05%	34.01%	-8.77%	-5.83%	-0.83%	-13.7%	-7.3%	8.4%	26.0%
14. Air arrivals (000's)	107.6	103.9	135.8	125.6	188.6	165.2	161.5	145.4	132.6	136.6	141.3	161.5
% change: over previous year	4.47%	-3.44%	12.70%	-7.51%	34.24%	-2.02%	-2.2%	-10.0%	-8.8%	3.0%	3.4%	8.0%
15. Occupied Room Nights	176.9	170.9	207.9	189.1	255.2	241.0	224.6	211.8	186.8	200.1	203.0	216.9
% change: over previous year	12.31%	-3.39%	17.05%	-9.04%	34.06%	-5.56%	-6.80%	-5.70%	-11.8%	7.1%	1.4%	6.8%
16. Res. Mortgage Commitments-New Const.												
% change: over previous qtr.												

* Includes Net Lending to Public Corporations

** Total figure pertains to central government only unless otherwise indicated

P = Preliminary

Annual F/C Debt Real Price data are averages.