



Monthly Economic and Financial Developments December 2020

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:

2021: March 1; March 29; May 3; May 31; June 28; July 30; August 30; October 4; November 1; November 29; December 20;



Monthly Economic and Financial Developments (MEFD) December 2020

1. Domestic Economic Developments

Overview

During the month of December, domestic economic activity continued to be dominated by the spread of the Novel Coronavirus (COVID-19). In this context, globally imposed containment measures impeded tourism sector activity, as the high value-added air component recorded historically low levels of visitors, while the sea segment remain at a standstill. Nonetheless, ongoing foreign direct investment projects and post-Hurricane rebuilding works provided stimulus to the construction sector. In terms of prices, the domestic inflation rate narrowed during the twelve months to November, reflecting a decline in fuel costs. Monetary developments registered a moderation in the growth of bank liquidity during the review month, with the contraction in domestic credit outstripping the reduction in the deposit base. However, external reserves expanded, bolstered by net public sector debt inflows.

Real Sector

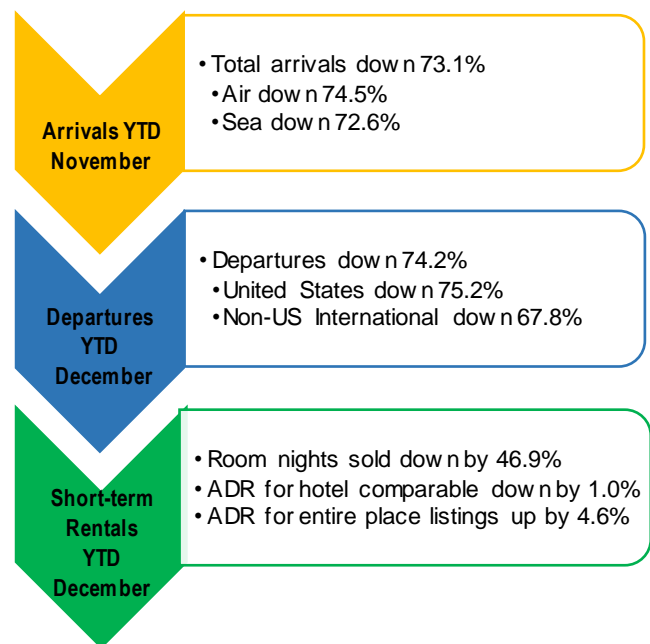
Tourism

Tourism output indicators remained sharply contracted, as ongoing internationally imposed travel restrictions to contain the spread of COVID-19, negatively affected both air and sea arrivals. Nevertheless, domestic demand supported seasonal gains in the vacation rental market.

The most recent data provided by the Ministry of Tourism (MOT) revealed that total foreign arrivals reduced by 97.9% in November, relative to a 7.3% growth during the same period in 2019. Specifically, air traffic decreased by 89.4%, extending the 12.5% falloff in the prior year. Similarly, sea passengers declined by 99.6%, a reversal from the 12.5% gain a year earlier.

A disaggregation by market, revealed that total visitors to New Providence matched just 1.6% of the prior year's outturn, amid declines of 99.8% and 94.2% in the sea and air components, respectively. Similarly, total arrivals to Grand Bahama corresponded to 4.2% of the previous year's volumes, as air traffic reached 80.7% of last year's results. For FamilyIslands, total visitors matched a mere 2.6% of the 2019 levels, with air passengers corresponding to 33.1% of the preceding year's levels.

Chart 1: Tourism Indicators at a Glance



Sources: Ministry of Tourism, Nassau Airport Development Co. & AirDNA

On a year-to-date basis, activity remained contracted, as total foreign arrivals fell by 73.1%, a turnaround from a 9.9% growth in the prior year. Contributing to this outturn, air arrivals reduced sharply by 74.5%, following an 8.2% gain in 2019. Similarly, sea arrivals declined by 72.6%, vis-à-vis a 10.4% rise last year. See Table 1 for the eleven months to November, 2020 visitor arrivals by Island.

Table 1: Total Visitor Arrivals Eleven Months to November 2020

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2019	2020	2019	2020	2019	2020
Arrivals						
Air	12.5	-74.3	-24.8	-80.2	-0.1	-74.7
Sea	12.6	-77.3	-20.0	-77.2	17.3	-65.6
Total	12.6	-76.3	-20.5	-77.5	14.8	-66.7

In terms of traffic through the country's gateway airport, data provided by the Nassau Airport Development Company Limited (NAD) revealed that total international departures fell

to 21,040 passengers, during the month of December, overturning the 9.9% increase to 140,633 passengers in 2019. For the year, total foreign departures decreased markedly by 74.2%, a reversal from a 12.8% growth in the prior year. By market, the U.S component, which is higher by volume, declined by 75.2%, contrasting with a 14.0% improvement last year. Likewise, the non-U.S. international component was lower by 67.8%, after a 5.7% expansion a year earlier.

Short-term rental data provided by AirDNA, revealed positive activity within the market throughout December, buttressed by domestic demand. In particular, compared to 2019, total room nights sold rose by 27.0%, although a moderation from the 50.8% increase in the prior year, as entire place listings and hotel comparable accommodations grew by 28.3% and 25.4%, respectively. However, pricing indicator outcomes were mixed, as the average daily room rate (ADR) for entire place listings firmed by 5.1% to \$474.12, while hotel comparable listings fell by 0.8% to \$162.30. For all of 2020, total room nights sold still declined by 46.9%, given the importance of international travel, reflecting a 47.8% falloff in bookings for entire place listings and a 38.6% reduction in private room listings. Pricing data varied, as the ADR for entire place listings grew by 4.6% to \$412.07, while the ADR for hotel comparable listings decreased by 1.0% to \$152.88.

Prices

For the twelve months to November, domestic consumer price inflation—as measured by the All Bahamas Retail Price Index—moderated to 0.1%, from 2.5% in 2019, reflective of the pass-through effects of lower global oil prices. A disaggregation by category showed that average price for transport decreased by 2.8%, for clothing and footwear, by 1.3% and for housing, water, gas, electricity & other fuels, by 1.1%, after registering gains in 2019. Further, the average cost decline for communication extended to 4.0% from 1.3% a year earlier. In addition, average inflation rates slowed for furnishing, household equipment & maintenance (1.9%), alcohol beverages, tobacco & narcotics (3.4%), restaurants & hotels (4.5%) and miscellaneous goods & services (1.6%). Providing some offset, average inflation rates quickened for health (5.9%) and food & non-alcoholic beverages (1.2%), while average price reductions moderated for recreation & culture (0.1%) and education (3.4%).

2. Monetary Trends

December 2020 vs. 2019

Liquidity

During the month of December, monetary developments featured growth in bank liquidity, as the deposit base decline trailed the contraction in domestic credit. In particular, excess reserves—a narrow measure of liquidity—rose by \$77.6 million to \$1,436.3 million, although a moderation from the \$139.3 million increase in the prior year. Similarly, excess liquid assets—the broad measure of liquidity—grew by \$49.2 million to \$2,229.7 million, below the \$146.6 million accumulation in the previous year.

On a year-to-date basis, excess reserves advanced by \$330.0 million, but was lower than the \$434.9 million expansion a year earlier. Likewise, excess liquid assets expanded by \$264.4 million, a slowdown from the \$433.6 million build-up in 2019.

External Reserves

External reserves grew by \$166.9 million to \$2,380.6 million in December, extending the \$111.7 million growth in the comparable period of 2019, largely attributed to the Government's external borrowing activities. Contributing to this outturn, the Central Bank's transactions with the public sector shifted to a net purchase of \$245.4 million, from a net sale \$40.3 million last year. Providing some offset, the Central Bank's transactions with commercial banks reversed to a net sale of \$78.9 million, from a net purchase of \$147.5 million in the prior year, as commercial banks recorded a net sale of \$67.2 million with their customers, after a net intake of \$147.4 million in the previous year.

On an annual basis, external reserves expanded by \$622.4 million, surpassing the \$559.0 million increase in the preceding year. In the underlying developments, the Central Bank registered net purchases of \$913.2 million from the public sector, vis-à-vis a net sale of \$392.7 million a year earlier. In a partial offset, the Central Bank's transactions with commercial banks generated a net sale of \$376.6 million, contrasting with a net intake of \$855.8 million in the previous year. Further, commercial banks reported a net sale of \$458.3 million to their customers, following a net purchase of \$860.3 million during the same period in 2019.

Exchange Control Sales

Provisional data on foreign currency sales for current account transactions revealed a \$213.4 million reduction in outflows to \$403.4 million in December, relative to the comparable period in 2019, owing to decreases across most categories. Specifically, "other" current items—primarily purchases of goods and services from abroad via credit and debit card transactions—contracted by \$100.4 million. In addition, declines were registered for payments related to non-oil imports (\$36.8 million), oil imports (\$35.1 million), travel (\$28.8 million) and factor income (\$13.2 million). In contrast, foreign currency sales for transfer payments edged up by \$0.9 million.

On a year-to-date basis, foreign currency sales for current account transactions decreased by \$923.1 million to \$5,150.8 million in December, in comparison to 2019. In particular, significant reductions were posted for "other" current items (\$374.9 million), oil imports (\$256.4 million) and travel related payments (\$237.5 million). Further, declines were recorded for transfer payments (\$60.4 million) and outflows related to non-oil imports (\$53.9 million). Conversely, foreign currency sales to facilitate factor income payments grew by \$59.9 million.

Domestic Credit

Bahamian Dollar Credit

During the review month, total Bahamian dollar credit contracted by \$208.1 million, contrasting with an \$11.7 million buildup in the same period last year. Underpinning this outturn, net claims on the Government reduced by \$199.8 million, a turnaround from a \$34.4 million accumulation in 2019. However, the falloff in credit to the private sector tapered to \$8.4 million, from \$21.3 million last year, as the decrease in mortgages and consumer credit narrowed to \$3.3 million and \$13.5 million, respectively, from \$15.6 million and \$14.3 million in the preceding year. Further, the growth in commercial credit moderated to \$8.4 million from \$8.6 million a year earlier. Meanwhile, credit to public corporations was relatively flat, after a \$1.4 million decline last year.

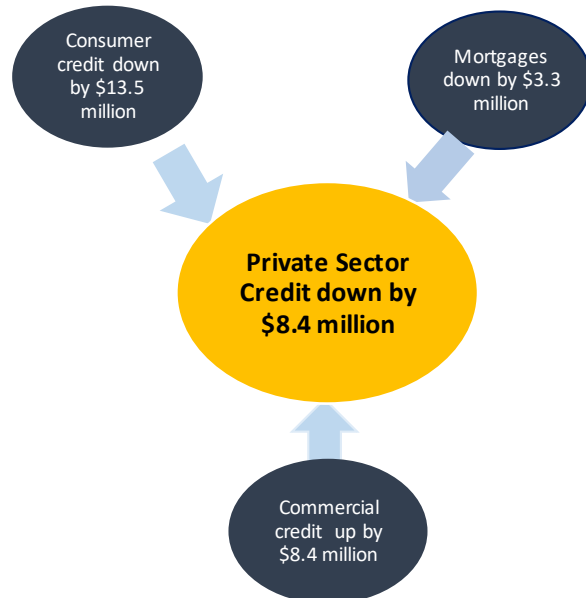
On a yearly basis, total Bahamian dollar credit fell by \$275.3 million, a reversal from an \$18.5 million growth in 2019. Contributing to this development, net claims on the Government contracted by \$206.3 million, contrasting with a \$28.9 million expansion in the previous year. In addition, credit to the private sector reduced by \$66.7 million, following an \$8.3 million increase in the previous year. Underlying this outturn, the falloff in mortgages and consumer credit quickened, to \$43.7 million and \$41.4 million, respectively, from \$27.6 million and \$39.7 million in the prior year. Meanwhile, the rise in commercial credit moderated to \$18.4 million, from \$75.6 million last year. In a partial offset, the decrease in credit to public corporations slowed notably to \$2.3 million, from \$18.6 million in 2019.

Foreign Currency Credit

During the month of December, domestic foreign currency credit contracted by \$10.8 million, contrasting with an \$8.8 million buildup in the comparable period of 2019. In particular, private sector credit declined by \$8.5 million, a reversal from a \$7.1 million increase in the previous year, as mortgages fell by \$5.7 million, following a \$0.6 million uptick a year earlier, and commercial credit decreased by \$2.8 million, a reversal from a \$6.5 million gain last year. Further, net claims on the Government decreased by \$2.3 million, a turnaround from a \$1.7 million gain in the prior year. Meanwhile, credit to public corporations registered a flat outturn.

On an annual basis, domestic foreign currency credit reduced by \$59.1 million, following a \$26.2 million expansion in the preceding year. Underpinning this outcome, the decrease in credit to public corporations broadened to \$118.2 million, from \$24.5 million a year earlier. Likewise, private sector credit contracted further by \$55.7 million, relative to a \$6.9 million decline in the previous year, as the falloff in commercial credit accelerated to \$61.0 million, from \$6.8 million last year. Conversely, mortgages grew by \$5.2 million, following a muted \$0.1 million decrease in the prior year. Meanwhile, the buildup in net claims on the Government extended to \$114.9 million from \$57.6 million in 2019.

Chart 2: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

Credit Quality

Banks' credit quality indicators improved during the month of December, although remaining weakened for the year. For the month, total private sector arrears decreased by \$23.2 million (2.9%) to \$773.1 million, with the corresponding ratio reducing by 36 basis points to 13.8%.

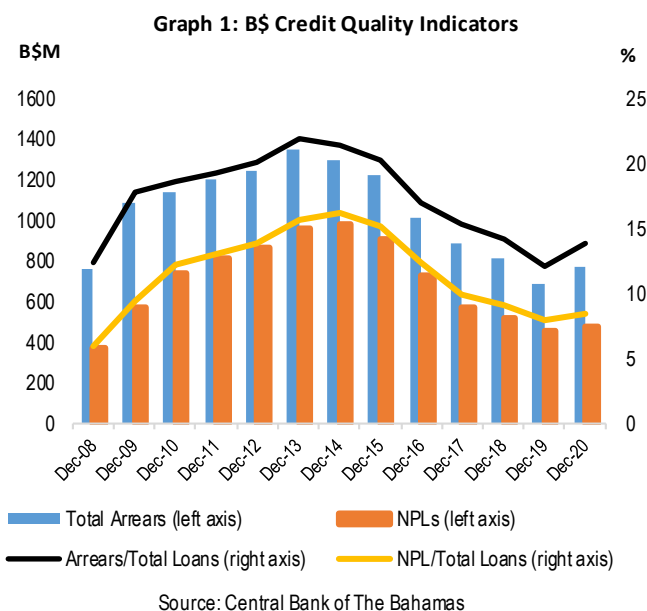
By length of delinquency, short-term arrears (31-90 days) fell by \$27.2 million (8.3%) to \$298.5 million, lowering the accompanying ratio by 46 basis points to 5.3%. In contrast, non-performing loans (NPLs) rose by \$4.0 million (0.9%) to \$474.6 million, resulting in the non-accruals rate firming by 10 basis points to 8.5%.

Across the major claims category, consumer arrears reduced by \$17.1 million (7.0%) to \$228.6 million, as the non-accrual and short-term categories both decreased, by \$9.0 million (5.8%) and \$8.1 million (8.9%), respectively. Similarly, commercial delinquencies contracted by \$16.3 million (21.9%), to \$58.2 million, underpinned by respective contractions of \$15.2 million (46.7%) and \$1.1 million (2.7%) in the short and long-term segments. In a partial offset, mortgage arrears grew by \$10.2 million (2.2%) to \$486.2 million, as the non-performing component rose by \$14.1 million (5.2%), outstripping the \$3.9 million (1.9%) falloff in short-term arrears.

Given the increase in non-performing loans and the negative outlook, commercial banks raised their provisions for loan losses by \$28.4 million (5.2%) to \$569.7 million in December. Consequently, the ratio of total provisions to arrears rose by 5.7 percentage points to 73.7%. In addition, the ratio of total provisions to non-performing loans moved higher by 5.0 percentage points to 120.0%. Similarly, the coverage ratio of specific provisions to non-performing loans grew by 5.3 percentage points to 83.4%. During the month, banks wrote-off approximately \$18.5 million in bad loans and recovered an estimated \$1.6 million.

On an annual basis, total private sector arrears grew by \$86.7 million (12.6%), elevating the ratio of arrears to total private sector loans by 1.7 percentage points. The outcome was led by a \$66.2 million (28.5%) growth in short-term delinquencies, with the relevant ratio higher by 1.2 percentage points. Similarly, non-performing exposures rose by \$20.6 million (4.5%), as the accompanying ratio firmed by 48 basis points.

Disaggregated by loan type, mortgage arrears increased by \$63.0 million (14.9%), reflecting a \$63.3 million (46.9%) expansion in the short-term category. In contrast, long-term arrears edged down by \$0.3 million (0.1%). Likewise, consumer delinquencies rose by \$30.2 million (15.2%), reflective of a \$30.0 million (25.9%) growth in non-accrual loans and a \$0.2 million (0.2%) uptick in the short-term component. In contrast, commercial arrears declined by \$6.4 million (9.9%), as the \$9.1 million (18.2%) reduction in long-term arrears overshadowed the \$2.7 million (18.4%) rise in short-term delinquencies.



Over the year, banks expanded their total provisions for loan losses by \$143.8 million (33.8%). Correspondingly, the ratio of total provisions to arrears increased by 11.6 percentage points, while the ratio of total provisions to NPLs grew by 26.2 percentage points. Likewise, the ratio of specific provisions to NPLs firmed by 7.6 percentage points. For the year, banks wrote-off an estimated \$110.5 million in claims, and recovered approximately \$23.3 million.

Deposits

Total Bahamian dollar deposits declined by \$49.5 million in December, a reversal from a \$122.8 million expansion in the comparable period of the previous year, largely attributed to a falloff in foreign currency inflows from real sector activities. In particular, demand deposits reduced by \$56.2 million, compared with a \$102.1 million expansion in the preceding period. Further, savings balances edged down by \$0.7 million vis-à-vis a \$33.3 million increase last year. In contrast, fixed deposits grew by \$7.4 million, following a \$12.7 million decline in 2019. In addition, residents' foreign currency deposits contracted by \$57.3 million, a turnaround from an \$86.8 million growth a year earlier.

On a yearly basis, the expansion in total Bahamian dollar deposits slowed considerably to \$128.1 million, from \$575.0 million in the preceding year, when hurricane claims settlement buoyed balances. Contributing to this development, the increase in demand and savings balances moderated to \$154.5 million and \$148.2 million, respectively, from \$496.6 million and \$215.7 million in the prior year. In addition, the falloff in fixed deposits extended to \$174.6 million, from \$137.3 million in 2019. Further, foreign currency deposits declined by \$242.7 million, a reversal from the \$151.9 million accumulation a year earlier.

Interest Rates

In interest rate developments, banks' weighted average loan rate narrowed by 69 basis points to 9.69% in December. Meanwhile, the weighted average deposit rate was unchanged at 0.58%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy could register only marginal growth in 2021, with the onset of tourism recovery shifted more outside of the peak occupancy period. Developments continue to be dominated by the COVID-19 pandemic, contingent on the pace of progress on the international health front, the effectiveness and availability of vaccines and the subsequent resumption in global travel. Nonetheless, new and ongoing foreign investment-led projects, along with post-hurricane rebuilding works, are projected to provide some support to the construction sector.

With regard to the labour market, it is expected that the uptick in the unemployment rate will be sustained over the near-term, with any job gains concentrated largely in the construction sector and in the limited re-engagement of tourism sector employees. In terms of prices, inflationary pressures are anticipated to remain contained, excluding any shocks to international oil prices.

On the fiscal front, significant revenue losses, combined with increased spending for health and social welfare associated with COVID-19, as well as, outlays for the restoration of key infrastructure following Hurricane Dorian, are expected to negatively impact the Government's fiscal outturn. Consequently, ongoing external funding will be required to finance the projected budgetary gap. Financing needs are forecasted to remain elevated during the fiscal year.

Monetary sector developments should continue to feature high levels of banking sector liquidity, undergirded by commercial banks conservative lending posture. However, external reserve balances are forecasted to contract during the year, underpinned by a falloff in foreign currency inflows, related to lackluster tourism sector activity and higher imports to aid reconstruction work. Nevertheless, external balances are poised to remain more than adequate to sustain the Bahamian dollar currency peg.

4. Monetary Policy Implications

In light of the current outlook, the Central Bank will retain its targeted accommodative stance for private sector credit and continue to pursue policies that encourage economic growth, financial stability and overall recovery. In addition, the Bank will continue to evaluate developments within the foreign exchange market, and if required, adopt appropriate measures to ensure a favorable outturn for the foreign reserves.

APPENDIX

International Developments

With most major economies battling a second wave of the Novel Coronavirus (COVID-19), global economic developments continue to be impacted by the virus, revealing lackluster economic performance. Accordingly, all of the major central banks affirmed their highly accommodative policy postures, in an attempt to stimulate economic growth.

Economic indicators in the United States were mostly lackluster during the review period. Specifically, industrial production rose by 1.6%, supported by gains in utilities, mining and manufacturing. However, retail sales narrowed by 70 basis points over the previous month. Further, in external sector developments, the trade deficit widened by \$5.0 billion (8.0%) to \$68.1 billion for the month of November, as the 2.9% growth in imports outweighed the 1.2% rise in exports. In terms of prices, the consumer price index edged up by 20 basis points to 0.4% during the review period, mainly owing to increases in the price of energy, specifically gasoline and food. Meanwhile, despite a decline in total non-farm payroll employment by 140,000, the jobless rate remained unchanged at 6.7% in December. In this environment, the Federal Reserve retained its benchmark interest rate range at 0.00% - 0.25%.

Performance indicators for the European economies were subdued during the review period. In the UK, monthly real GDP contracted by 2.6% in November, as various restrictions related to COVID-19 adversely affected growth in the services and production sectors. Further, industrial production decreased by 0.1% in November from a month earlier, mainly driven by a curtailment in mining and quarrying, electricity and gas, and water and waste. On the external front, the trade deficit rose by £0.6 to £3.7 billion in November, as the £13.8 billion expansion in imports, exceeded the £5.6 billion growth in exports. In the euro area, month on month industrial production grew by 2.5% in November, buttressed by gains in the production of capital and intermediate goods. Meanwhile, various measures to contain the spread of COVID-19 contributed to a decline in retail trade by 6.1% in November. In terms of the labor market, the jobless rate narrowed by 10 basis points to 8.3% in November, as the number of unemployed persons declined by 50,000. However, the annual inflation rate firmed by 20 basis points to 0.8% in December, attributed to a rise in costs for transport, clothing and recreation & culture. With regard to international trade, the trade surplus for November rose by €5.6 billion, as the 4.2% decrease in imports outweighed the 1.0% fall in exports. Against this backdrop, the Bank of England kept its policy rate at 0.1% and increased its targeted bond purchases stock by £150 billion to £875 billion. Likewise, the European Central bank maintained its interest rates on the main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively.

In the Asian economies, economic indicators varied during the review month. In China, real output grew by 3.2% in the fourth quarter compared to the previous quarter, underpinned by a rise in exports and retail sales. Specifically, industrial production advanced by 2.8%, vis-à-vis the prior month. With regard to the labor market, the unemployment rate remained unchanged at 5.2% in December, relative to the month earlier. Meanwhile, the consumer price index rose by 70 basis points, supported by the increase in cost for foodstuff and non-foodstuff, as well as, consumer goods. On the external front, the trade surplus widened by US\$2.7 billion to US\$78.2 billion in December, as gains in exports eclipsed higher imports. In Japan, industrial production remained flat during the review month. Further, the trade surplus narrowed to ¥366.1 billion in November, from ¥869.2 billion in the previous month, owing to a rise in imports and a falloff in exports. In labour market developments, the jobless rate narrowed by 20 basis points to 2.9% in November, while the inflation rate for December decreased by 0.1% over the prior month, occasioned to the reduced costs of fuel, light & water and food. As a result, the Bank Japan upheld its policy rate at -0.1%, and the People's Bank of China sustained its reverse repo rate at 2.20%.

During the review month, broad based gains were registered across all major global stock indices. In the United States, the S&P 500 and Dow Jones Industrial Average (DJIA) advanced by 3.7% and 3.3%, respectively. Likewise, in the European markets, Germany's DAX rose by 3.2%, while the United Kingdom's FTSE 100 and France's CAC 40 improved by 3.1% and 0.6%, respectively. Further, in the Asian markets, Japan's Nikkei 225 grew by 3.8%, while China's SE Composite moved higher by 2.4%.

Developments within the currency markets revealed that the US dollar depreciated against all of the major currencies during the review month. Specifically, the US dollar weakened against the Swiss Franc, by 2.6% to CHF0.8852, the British pound, by 2.5% to £0.7315, the euro, by 2.4% to €0.8185 and the Canadian dollar, by 2.1% to CAD\$1.2725. Likewise, the US dollar declined relative to the Japanese Yen, by 1.0% to ¥103.25 and the Chinese Renminbi, by 0.8% to CNY 6.5272.

Commodity price trends revealed broad-based increases during the month of December. In particular, the price of crude oil rose by 36.8% to \$51.26 per barrel, despite a rise in OPEC's oil production by 0.28 millions of barrels per day (mb/d) month on month, to average 25.36 million barrels per day. Similarly, the costs of gold and silver advanced by 6.8% and 16.6%, to \$1,898.36 and \$26.40 per troy ounce, respectively.

Recent Monetary and Credit Statistics

(B\$ Millions)

December					
Value		Change		Change YTD	
2019	2020	2019	2020	2019	2020

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,106.22	1,436.26	139.28	77.61	434.88	330.04
1.2 Excess Liquid Assets	1,965.37	2,229.72	146.56	49.16	433.58	264.35
1.3 External Reserves	1,758.21	2,380.60	111.70	166.92	559.04	622.38
1.4 Bank's Net Foreign Assets	203.50	-96.72	82.06	-36.67	146.39	-300.22
1.5 Usable Reserves	835.36	1,255.19	35.95	100.98	311.13	419.83

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,856.45	5,734.05	-14.18	-16.87	1.40	-122.41
a. B\$ Credit	5,655.57	5,588.89	-21.29	-8.39	8.27	-66.68
of which: Consumer Credit	2,078.23	2,036.85	-14.26	-13.50	-39.68	-41.37
Mortgages	2,838.58	2,794.84	-15.62	-3.28	-27.64	-43.74
Commercial and Other Loans B\$	738.76	757.19	8.59	8.39	75.59	18.43
b. F/C Credit	200.88	145.16	7.11	-8.48	-6.87	-55.72
of which: Mortgages	58.04	63.27	0.63	-5.73	-0.07	5.23
Commercial and Other Loans F/C	142.84	81.89	6.48	-2.75	-6.80	-60.95
2.2 Central Government (net)	2,619.97	2,528.57	36.03	-202.10	86.45	-91.40
a. B\$ Loans & Securities	2,849.25	2,730.52	46.64	-84.08	103.75	-118.73
Less Deposits	284.76	372.30	12.28	115.67	74.87	87.53
b. F/C Loans & Securities	57.00	174.10	0.00	0.00	50.00	117.10
Less Deposits	1.51	3.75	-1.66	2.34	-7.57	2.24
2.3 Rest of Public Sector	443.80	323.24	-1.39	-0.01	-43.09	-120.56
a. B\$ Credit	278.49	276.17	-1.39	-0.01	-18.61	-2.33
b. F/C Credit	165.31	47.08	0.00	0.00	-24.47	-118.23
2.4 Total Domestic Credit	8,920.23	8,585.86	20.45	-218.97	44.76	-334.37
a. B\$ Domestic Credit	8,498.55	8,223.27	11.68	-208.15	18.54	-275.28
b. F/C Domestic Credit	421.68	362.59	8.77	-10.82	26.23	-59.10

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,953.70	3,108.24	102.08	-56.21	496.55	154.53
a. Central Bank	49.65	52.22	-10.63	3.21	-25.21	2.57
b. Banks	2,904.05	3,056.01	112.71	-59.42	521.75	151.96
3.2 Savings Deposits	1,636.45	1,784.61	33.34	-0.69	215.72	148.16
3.3 Fixed Deposits	2,424.94	2,250.36	-12.66	7.43	-137.31	-174.58
3.4 Total B\$ Deposits	7,015.10	7,143.21	122.76	-49.47	574.95	128.11
3.5 F/C Deposits of Residents	669.99	427.34	86.75	-57.27	151.92	-242.65
3.6 M2	7,352.19	7,520.37	137.28	-45.70	608.43	168.19
3.7 External Reserves/M2 (%)	23.91	31.66	1.09	2.40	6.13	7.74
3.8 External Reserves/Base Money (%)	101.55	112.38	-2.90	3.71	5.75	10.83
3.9 External Reserves/Demand Liabilities (%)	95.26	105.77	-1.93	1.29	6.42	10.51
	Value		Year To Date		Change	
	2019	2020	2019	2020	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	107.24	166.57	463.15	536.56	59.33	73.41
a. Net Purchase/(Sale) from/to Banks	147.49	-78.86	855.82	-376.61	-226.35	-1232.43
i. Sales to Banks	8.00	82.72	90.05	801.18	74.72	711.12
ii. Purchase from Banks	155.49	3.86	945.87	424.57	-151.63	-521.31
b. Net Purchase/(Sale) from/to Others	-40.25	245.42	-392.67	913.17	285.68	1305.84
i. Sales to Others	77.58	38.74	953.67	1202.62	-38.84	248.95
ii. Purchase from Others	37.32	284.16	561.00	2115.79	246.84	1554.79
4.2 Banks Net Purchase/(Sale)	147.43	-67.23	860.31	-458.28	-214.67	-1318.60
a. Sales to Customers	500.28	368.19	4959.97	4261.57	-132.09	-698.40
b. Purchase from Customers	647.71	300.96	5820.28	3803.28	-346.76	-2017.00

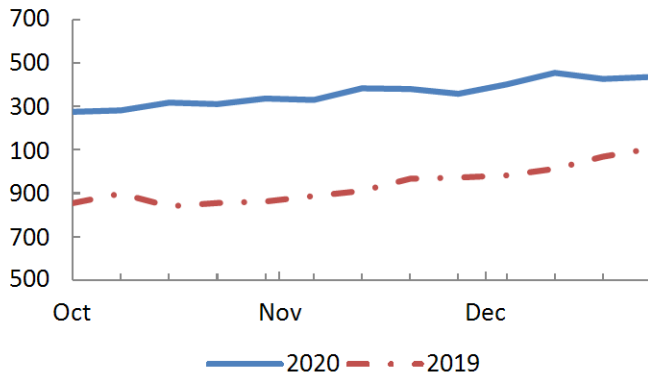
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	616.75	403.35	6,073.93	5,150.84	-213.40	-923.09
of which Public Sector	80.72	35.91	859.11	878.81	-44.81	19.70
a. Nonoil Imports	143.53	106.76	1,456.82	1,402.90	-36.76	-53.92
b. Oil Imports	53.56	18.48	608.34	351.95	-35.07	-256.38
c. Travel	43.41	14.57	354.18	116.71	-28.84	-237.46
d. Factor Income	25.51	12.32	386.21	446.16	-13.20	59.95
e. Transfers	24.71	25.62	257.90	197.52	0.91	-60.38
f. Other Current Items	326.03	225.59	3,010.49	2,635.60	-100.44	-374.89
5.2 Capital Items	26.09	8.57	261.54	510.61	-17.52	249.07
of which Public Sector	14.39	6.43	147.77	432.10	-7.96	284.34

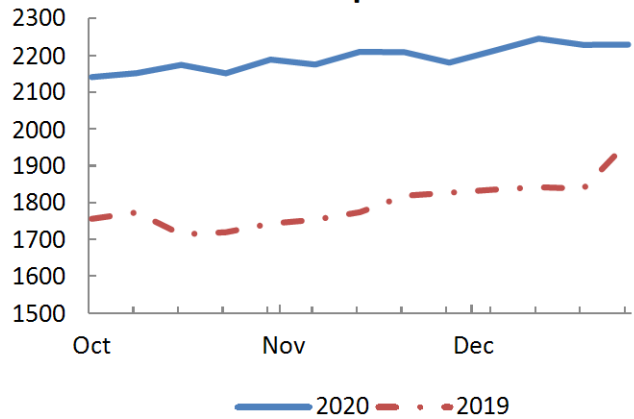
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

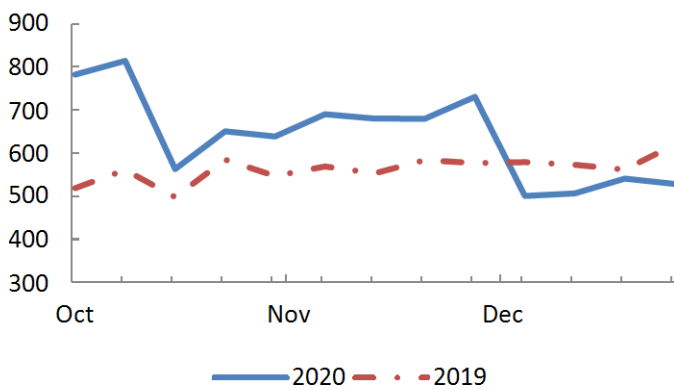
Excess Reserves



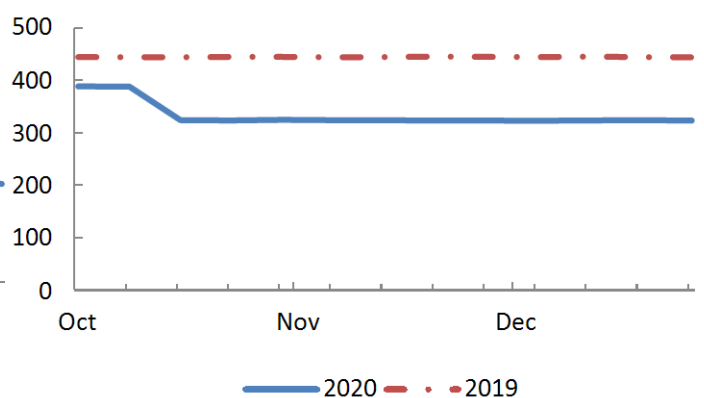
Excess Liquid Assets



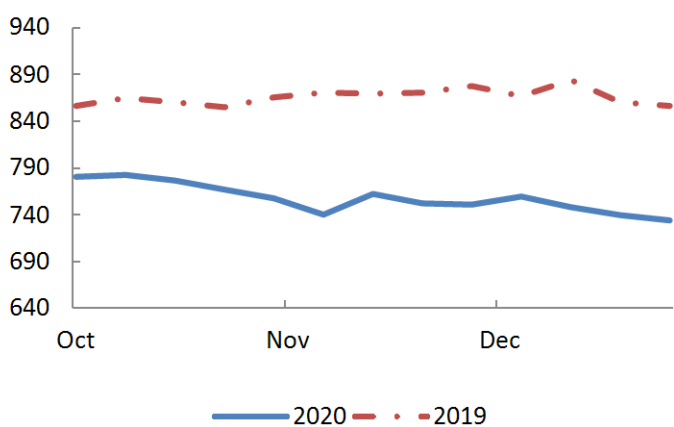
Central Govt. Credit (Net)



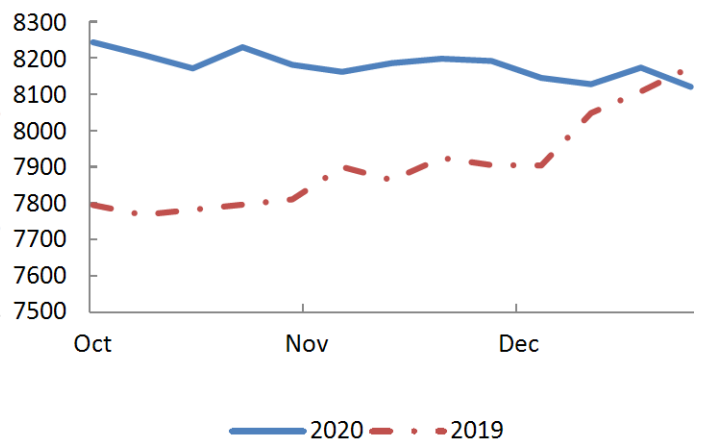
Rest of Public Sector Credit



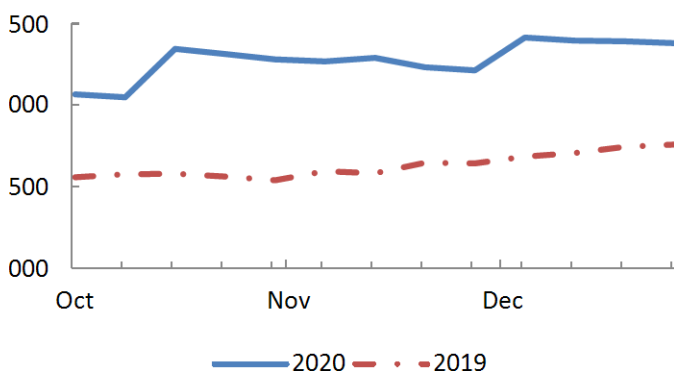
Private Sector Credit



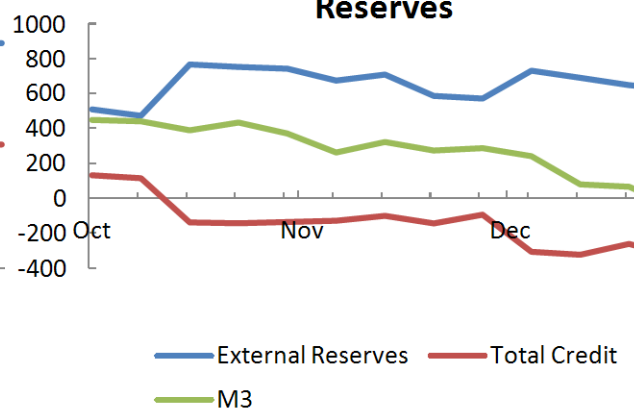
M3



External Reserves



Changes in Money, Credit & Ext. Reserves



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2019	2020	2019	2020	2019	2020
Bahamas	1.2	-14.8	1.3	1.8	9.5*	--
United States	2.2	-4.3	1.8	1.5	3.7	8.9
Euro-Area	1.3	-8.3	1.2	0.4	7.6	8.9
Germany	0.6	-6.0	1.3	0.5	3.1	4.3
Japan	0.7	-5.3	0.5	-0.1	2.4	3.3
China	6.1	1.9	2.9	2.9	3.6	3.8
United Kingdom	1.5	-9.8	1.8	0.8	3.8	5.4
Canada	1.7	-7.1	1.9	0.6	5.7	9.7

*Source: IMF World Economic Outlook October 2020, Department of Statistics May 2019**

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 2018	4.00	0.00	2.50	1.75-2.00	0.50
August 2018	4.00	0.00	2.50	1.75-2.00	0.50
September 2018	4.00	0.00	2.50	1.75-2.00	0.75
October 2018	4.00	0.00	2.75	2.00-2.25	0.75
November 2018	4.00	0.00	2.75	2.00-2.25	0.75
December 2018	4.00	0.00	2.75	2.00-2.25	0.75
January 2019	4.00	0.00	3.00	2.25-2.50	0.75
February 2019	4.00	0.00	3.00	2.25-2.50	0.75
March 2019	4.00	0.00	3.00	2.25-2.50	0.75
April 2019	4.00	0.00	3.00	2.25-2.50	0.75
May 2019	4.00	0.00	3.00	2.25-2.50	0.75
June 2019	4.00	0.00	3.00	2.25-2.50	0.75
July 2019	4.00	0.00	3.00	2.00-2.25	0.75
August 2019	4.00	0.00	2.75	2.00-2.25	0.75
September 2019	4.00	0.00	2.50	1.75-2.00	0.75
October 2019	4.00	0.00	2.25	1.50-1.75	0.75
November 2019	4.00	0.00	2.25	1.50-1.75	0.75
December 2019	4.00	0.00	2.25	1.50-1.75	0.75
January 2020	4.00	0.00	2.25	1.50-1.75	0.75
February 2020	4.00	0.00	2.25	0.00-0.25	0.25
March 2020	4.00	0.00	1.02	0.00-0.25	0.10
April 2020	4.00	0.00	0.25	0.00-0.25	0.10
May 2020	4.00	0.00	0.25	0.00-0.25	0.10
June 2020	4.00	0.00	0.25	0.00-0.25	0.10
July 2020	4.00	0.00	0.25	0.00-0.25	0.10
August 2020	4.00	0.00	0.25	0.00-0.25	0.10
September 2020	4.00	0.00	0.25	0.00-0.25	0.10
October 2020	4.00	0.00	0.25	0.00-0.25	0.10
November 2020	4.00	0.00	0.25	0.00-0.25	0.10
December 2020	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Dec-19	Nov-20	Dec-20	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8917	0.8384	0.8185	-2.37	-8.21	-8.21
Yen	108.61	104.31	103.25	-1.02	-4.94	-4.94
Pound	0.7544	0.7506	0.7315	-2.54	-3.04	-3.04
Canadian \$	1.299	1.3001	1.2725	-2.12	-2.04	-2.04
Swiss Franc	0.9676	0.9089	0.8852	-2.61	-8.52	-8.52
Renminbi	6.9632	6.5789	6.5272	-0.79	-6.26	-6.26

Source: Bloomberg as of December 31st, 2020

D. Selected Commodity Prices (\$)					
Commodity	Dec 2019	Nov 2020	Dec 2020	Mthly % Change	YTD % Change
Gold / Ounce	1517.27	1776.95	1898.36	6.83	25.12
Silver / Ounce	17.85	22.64	26.40	16.60	47.89
Oil / Barrel	68.38	37.46	51.26	36.84	-25.04

Source: Bloomberg as of December 31st, 2020

E. Equity Market Valuations – November 30th, 2020 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.04	3.27	3.71	3.10	0.60	3.22	3.82	2.40
3 month	-0.05	10.17	11.69	10.13	15.57	7.51	18.37	7.92
YTD	-6.23	7.25	16.26	-14.34	-7.14	3.55	16.01	13.87
12-month	-6.23	7.25	16.26	-14.34	-7.14	3.55	16.01	13.87

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.1150	0.0900	-0.5150
1 Month	0.3200	0.0900	-0.5525
3 Month	0.3400	0.1005	-0.5250
6 Month	0.3200	0.1410	-0.4900
9 Month	0.3050	0.1450	-0.4900
1 year	0.2800	0.1600	-0.4025

Source: Bloomberg as of December 31st, 2020

**Summary Accounts of the Central Bank
(B\$ Millions)**

	VALUE									CHANGE								
	Nov. 04	Nov. 11	Nov. 18	Nov. 25	Dec. 02	Dec. 09	Dec. 16	Dec. 23	Dec. 30	Nov. 04	Nov. 11	Nov. 18	Nov. 25	Dec. 02	Dec. 09	Dec. 16	Dec. 23	Dec. 30
I. External Reserves	2,281.05	2,268.53	2,290.45	2,232.81	2,213.68	2,414.90	2,396.37	2,392.26	2,380.60	(33.06)	(12.52)	21.92	(57.64)	(19.12)	201.22	(18.54)	(4.11)	(11.66)
II. Net Domestic Assets (A + B + C + D)	(272.52)	(261.76)	(237.27)	(180.79)	(176.62)	(346.88)	(267.31)	(265.21)	(262.16)	47.61	10.76	24.49	56.48	4.17	(170.26)	79.56	2.10	3.05
A. Net Credit to Gov't (I + ii + iii -iv)	194.62	214.27	211.23	255.58	263.54	89.12	162.84	166.00	174.49	(33.86)	19.65	(3.04)	44.35	7.97	(174.42)	73.72	3.16	8.49
i) Advances	34.90	34.90	34.90	34.90	34.90	34.90	4.90	4.90	4.90	(50.00)	-	-	-	-	-	(30.00)	-	0.00
ii) Registered Stock	227.10	227.25	228.33	228.45	229.69	229.82	232.35	233.08	235.73	0.40	0.15	1.09	0.12	1.24	0.14	2.53	0.73	2.64
iii) Treasury Bills	24.98	34.98	51.55	31.57	31.57	31.57	31.57	21.65	13.77	(39.80)	10.00	16.58	(19.98)	(0.00)	0.00	(0.00)	(9.92)	(7.88)
iv) Deposits	92.35	82.85	103.56	39.34	32.61	207.17	105.98	93.64	79.91	(55.54)	(9.50)	20.70	(64.21)	(6.73)	174.56	(101.19)	(12.35)	(13.73)
B. Rest of Public sector (Net) (i+ii-iii)	(65.44)	(72.08)	(25.80)	(37.83)	(42.19)	(36.08)	(35.57)	(37.66)	(45.41)	(1.56)	(6.64)	46.28	(12.03)	(4.36)	6.12	0.50	(2.09)	(7.75)
i) Loans	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	4.68	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	-	0.01	-	-	-	-	-	-	-
iii) Deposits	72.25	78.90	32.61	44.65	49.01	42.89	42.39	44.48	52.22	1.56	6.65	(46.28)	12.03	4.36	(6.12)	(0.50)	2.09	7.75
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	(401.70)	(403.95)	(422.71)	(398.54)	(397.97)	(399.92)	(394.58)	(393.54)	(391.25)	83.04	(2.25)	(18.76)	24.17	0.57	(1.95)	5.34	1.03	2.30
III. Monetary Base	2,008.53	2,006.77	2,053.18	2,052.01	2,037.06	2,068.03	2,129.05	2,127.05	2,118.43	14.55	(1.76)	46.41	(1.16)	(14.95)	30.96	61.03	(2.00)	(8.61)
A. Currency in Circulation	492.27	497.00	494.59	497.60	513.23	507.67	503.66	537.91	546.35	(9.38)	4.73	(2.42)	3.01	15.63	(5.55)	(4.01)	34.25	8.44
B. Bank Balances with CBOB	1,516.26	1,509.77	1,558.59	1,554.42	1,523.84	1,560.35	1,625.39	1,589.14	1,572.09	23.93	(6.50)	48.82	(4.17)	(30.58)	36.52	65.04	(36.25)	(17.05)

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

	JUL-SEP																								YEAR TO DATE		
	2019/2020												2020/2021												2019/2020	2020/2021	
	2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019		2020		2019	2020	
Fiscal Operations^p																											
1. Government Revenue & Grants			552.3		300.8																				552.3	300.8	
% change: over previous quarter			-25.1%		-9.0%																				7.5%	-45.5%	
2. Value Added Tax			266.2		134.7																				266.2	134.7	
% change: over previous quarter			-13.5%		-2.8%																				33.5%	-49.4%	
3. Import/Excise Duties			140.5		87.5																				140.5	87.5	
% change: over previous quarter			-10.5%		18.7%																				-7.1%	-37.7%	
4. Recurrent Expenditure			544.8		579.8																				544.8	579.8	
% change: over previous quarter			-24.5%		-16.5%																				0.9%	6.4%	
5. Capital Expenditure			56.3		57.4																				56.3	57.4	
% change: over previous quarter			-41.0%		-66.2%																				45.0%	2.0%	
6. Deficit/Surplus*			-48.8		-336.3																				-48.8	-336.3	
% change: over previous quarter			-38.5%		-37.0%																				-24.8%	589.8%	
Debt^{p **}																											
7. Total Direct Debt	7,514.2	7,735.6	7,476.9	7,750.2	7,476.9	7,891.3	7,473.5	7,917.8	7,465.2	7,992.9	7,527.1	8,191.2	7,513.8	8,558.6	7,548.9	8,812.4	7,585.7	8,904.0	7,640.3	9,159.1	7,664.5	9,207.8	7,733.2	9,417.9			
% change: over previous month	0.2%	0.0%	-0.5%	0.2%	0.0%	1.8%	0.0%	0.3%	-0.1%	0.9%	0.8%	2.5%	-0.2%	4.5%	0.5%	3.0%	0.5%	1.0%	0.7%	2.9%	0.3%	0.3%	0.9%	2.3%			
8. External Debt	2,592.5	2,563.1	2,568.6	2,598.3	2,557.1	2,604.1	2,552.1	2,649.1	2,552.4	2,650.7	2,553.2	2,901.3	2,549.9	3,029.6	2,543.1	3,280.3	2,559.8	3,387.1	2,561.7	3,737.0	2,559.7	3,783.4	2,567.7	4,031.4			
% change: over previous month	0.0%	-0.2%	-0.9%	1.4%	-0.4%	0.2%	-0.2%	1.7%	0.0%	0.1%	0.0%	9.5%	-0.1%	4.4%	-0.3%	8.3%	0.7%	3.3%	0.1%	10.3%	-0.1%	1.2%	0.3%	6.6%			
9. Internal F/C Debt	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	180.4	0.0	180.4	0.0	180.4	15.0	180.4	50.0	180.4	50.0	180.4			
% change: over previous month			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		260.9%	0.0%	0.0%	0.0%	0.0%	10.3%	0.0%	233.3%	0.0%	0.0%	0.0%			
10. Bahamian Dollar Debt	4,921.7	5,122.5	4,908.3	5,101.9	4,919.7	5,237.2	4,921.3	5,218.7	4,912.8	5,292.3	4,973.9	5,239.9	4,983.9	5,348.5	5,005.8	5,351.6	5,025.9	5,336.5	5,063.5	5,241.7	5,054.8	5,243.9	5,115.6	5,206.1			
% change: over previous month	0.3%	0.1%	-0.3%	-0.4%	0.2%	2.6%	0.0%	-0.4%	-0.2%	1.4%	1.2%	-1.0%	-0.2%	2.1%	0.8%	0.1%	0.4%	-0.3%	0.7%	-1.8%	-0.2%	0.0%	1.2%	-0.7%			
11. Total Amortization	41.4	52.5	36.3	23.8	112.5	185.6	133.5	127.7	33.8	72.6	27.7	91.1	36.9	56.1	11.8	43.3	49.5	129.5	173.1	581.3	18.8	44.5	35.5	66.5			
% change: over previous month	-18.9%	47.7%	-14.0%	-120.8%	67.7%	87.2%	18.7%	-31.2%	-74.7%	-43.2%	-18.0%	25.6%	33.1%	-38.4%	-67.9%	-22.9%	318.0%	199.4%	249.6%	348.8%	-89.1%	-92.3%	88.9%	49.4%			
12. Total Public Sector F/C Debt	4,341.3	3,471.5	4,317.3	3,506.6	4,286.1	3,500.9	4,281.1	3,545.9	4,291.8	3,547.5	4,280.6	3,789.6	4,277.2	3,802.3	4,285.1	4,053.1	4,271.4	4,148.6	4,288.1	4,498.5	4,320.7	4,545.0	4,320.2	4,783.8			
% change: over previous month	29.6%	-0.1%	-0.6%	1.0%	-0.7%	-0.2%	-0.1%	1.3%	0.23%	0.04%	-0.26%	6.82%	-0.1%	0.3%	0.2%	6.6%	-0.3%	2.4%	0.4%	8.4%	0.8%	1.0%	0.0%	5.3%			
Real Sector Indicators																											
13. Retail Price Index	106.7	108.9	108.1	108.3	108.2	108.4	108.4	107.4	108.2	108.2	108.1	107.7	108.9	107.6	108.5	108.1	108.8	108.0	108.3	108.7	108.3	108.6	108.9	108.2			
% change: over previous month	0.70%	1.27%	1.26%	-0.54%	0.12%	0.10%	0.15%	-0.95%	-0.2%	0.8%	-0.06%	-0.47%	0.7%	-0.1%	-0.4%	0.5%	0.3%	-0.1%	-0.5%	0.6%	0.0%	-0.1%	2.59%	-0.06%			
14. Tourist arrivals (000's)	636.9	687.2	608.4	711.7	749.0	302.1	657.6	0.0	589.1	0.0	641.4	3.9	650.4	23.8	553.5	5.4	351.5	4.9	482.7	7.6	618.8	13.2	6,539.3	1,759.9			
% change: over previous year	19.3%	7.9%	13.9%	17.0%	5.9%	-59.7%	11.9%	-100.0%	17.8%	-100.0%	18.8%	-99.4%	7.9%	-96.3%	7.27%	-99.0%	-12.24%	-98.6%	6.58%	-98.4%	7.29%	-97.9%	9.88%	-73.09%			
15. Air arrivals (000's)	129.9	125.3	151.1	146.5	201.6	75.7	171.2	0.0	158.7	0.0	168.4	1.7	176.0	15.4	131.1	3.3	54.1	3.1	75.1	5.5	105.1	11.1	1,522.3	387.6			
% change: over previous year	28.8%	-3.5%	19.7%	-3.1%	9.5%	-62.5%	18.8%	-100.0%	16.6%	-100.0%	8.7%	-99.0%	7.7%	-91.3%	1.2%	-97.5%	-14.7%	-94.2%	-11.4%	-92.7%	-12.5%	-89.4%	8.2%	-74.5%			
16. Occupied Room Nights																											
% change: over previous year																											
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)					7.82	21.74					24.55	11.64					16.98	16.92					49.36	50.30			
% change: over previous qtr.					-5.88%	29.20%					213.8%	-46.4%					-30.8%	45.3%					47.34%	1.92%			

* Includes Net Lending to Public Corporations

** Debt figures include Central Government only, unless otherwise indicated

p - provisional