



## **Monthly Economic and Financial Developments February 2021**

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



# Monthly Economic and Financial Developments (MEFD) February 2021

## 1. Domestic Economic Developments

### Overview

During the month of February, domestic economic developments continued to be driven by the Novel Coronavirus (COVID-19). Travel restrictions imposed globally continued to impede tourism output, with the high value-added air component remaining depressed and the sea segment on pause. Nonetheless, foreign investment-led projects, combined with post hurricane reconstruction efforts, provided some stimulus to the construction sector. In price developments, the domestic inflation rate narrowed during the twelve months to January, explained by lower fuel costs. Monetary developments registered a reduction in bank liquidity, as the expansion in domestic credit, contrasted with the decline in the deposit base. Similarly, external reserves decreased, amid a falloff in foreign currency inflows from real sector activities.

### Real Sector

#### Tourism

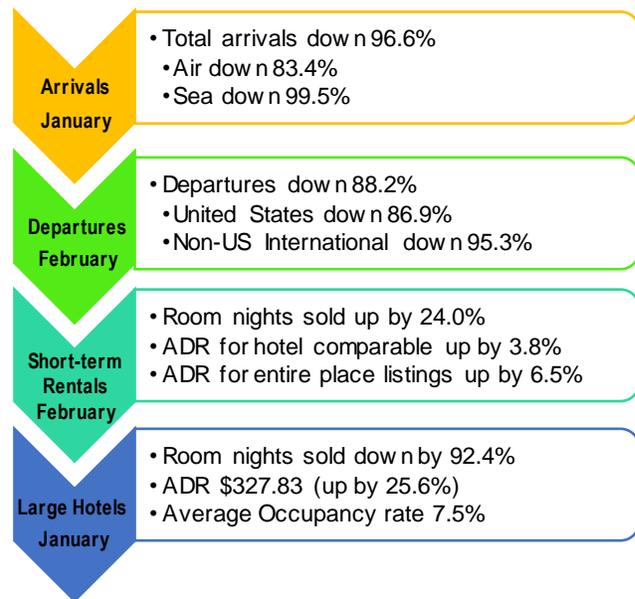
Tourism metrics for the month of January revealed that the sector’s output remained contracted, as globally imposed travel restrictions associated with COVID-19, resulted in air traffic recording historically low levels of visitors and sea arrivals largely eliminated. Nevertheless, domestic demand undergirded gains in the vacation rental market.

Official data provided by the Ministry of Tourism (MOT) showed that total foreign arrivals by first port of entry fell to 23,619 visitors during the month, markedly lower than the 687,200 arrivals in the same period last year. In particular, sea arrivals were virtually absent, relative to the 10.8% gain in 2020, while air arrivals reduced considerably by 83.4%, extending the 3.5% decline in the previous year.

A disaggregation by major islands, indicated that in New Providence total arrivals corresponded to a mere 3.8% of the 2020 volumes, reflective of decreases in both sea (99.7%) and air (88.0%) traffic. Further, arrivals to Grand Bahama were only 2.8% of the prior year’s outturn, as air arrivals reached 23.9% of the previous year’s level. Similarly, visitors to the Family Islands corresponded to 3.1% of the previous year’s volumes.

Data from The Bahamas Hotel & Tourism Association (BHTA) and the Ministry of Tourism (MOT)—which covers a sample of large hotels in New Providence and Paradise Island—confirmed the deterioration in the hotel sector performance. Specifically, in January, estimated room revenue contracted by 90.4% from the

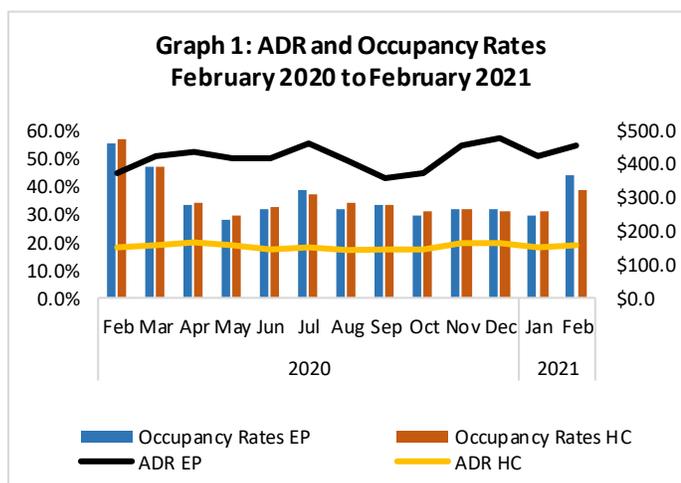
Chart 1: Tourism Indicators at a Glance



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

previous year, as the occupancy rate settled at just 7.5% from 69.3% a year earlier, while the number of room nights sold reduced considerably by 92.4%. However, the average daily room rate (ADR) rose by 25.6% to \$327.83.

With regard to the short-term rental market, data provided by AirDNA showed positive activity within the market throughout February, supported by domestic demand. Specifically, total room nights sold grew by 24.0%, compared to 9.9% in the prior year, while bookings for entire place listings and hotel comparable listings increased by 26.2% and by 8.0%, respectively. Pricing indicator outcomes for both entire place listings and hotel comparable listings revealed a rise in the average daily room rate (ADR) of 6.5% and 3.8%, to \$449.49 and \$157.53, respectively, contrasting with decreases of 2.0% and 4.1% in 2020.



Source: AirDNA

The most recent data provided by the Nassau Airport Development Company Limited (NAD) showed that total departures—less domestic traffic—reduced to 16,098 in February, vis-à-vis a 7.5% increase during the same period in 2020. Underpinning this outcome, the dominant U.S. component fell by 86.9%, a reversal from the previous year's 7.5% gain. Likewise, non-U.S. departures declined significantly by 95.3%, following a 7.6% growth a year earlier.

## Prices

Attributed to the pass-through effects of the reduction in global oil prices, average consumer prices—as measured by the All Bahamas Retail Price Index—declined by 0.06% during the twelve months to January, a reversal from a 2.4% increase in 2020. Contributing to this outcome, average costs for communication decreased by 8.6%; for transport, by 4.9%; for recreation & culture, by 1.3% and for housing, water, gas, electricity & other fuels, by 0.6%, following gains in 2020. Further, average inflation rates moderated for restaurants & hotels (3.3%), furnishing, household equipment & maintenance (1.9%), alcohol beverages, tobacco & narcotics (2.7%) and health (3.9%). In addition, the average price for clothing & footwear was relatively flat, after registering a 0.5% increase in the prior year. Providing some offset, the average inflation rates quickened for miscellaneous goods and services (3.0%) and for food & non-alcoholic beverages (2.0%), while, average price reductions slowed for education (2.9%).

## 2. Monetary Trends

### February 2021 vs. 2020

#### Liquidity

Monetary trends for the month of February were marked by a contraction in bank liquidity, as the growth in domestic credit contrasted with a slight reduction in the deposit base. In particular, excess reserves—the narrow measure of liquidity—decreased by \$97.3 million to \$1,353.6 million, a turnaround from the \$7.4 million accumulation in the previous year. Similarly, excess liquid assets—a broad measure of liquidity—declined by \$67.7 million to \$2,158.3 million, vis-à-vis a \$34.7 million gain a year earlier.

## External Reserves

During February, external reserves reduced by \$62.8 million to \$2,257.1 million, a reversal from the \$106.0 million buildup in the prior year. This was reflective of the ongoing travel restrictions related to the COVID-19 pandemic, combined with the demand for foreign currency by the public sector and the commercial banks. In particular, the Central Bank's foreign currency transactions with the public sector reversed to a net sale of \$48.8 million, from a net purchase of \$9.1 million in 2020. Similarly, the Bank's transactions with commercial banks switched to a net sale of \$15.1 million, from a net purchase of \$91.2 million in the preceding year, as commercial banks reported a net sale of \$16.3 million to their customers, following a net intake of \$80.3 million a year earlier.

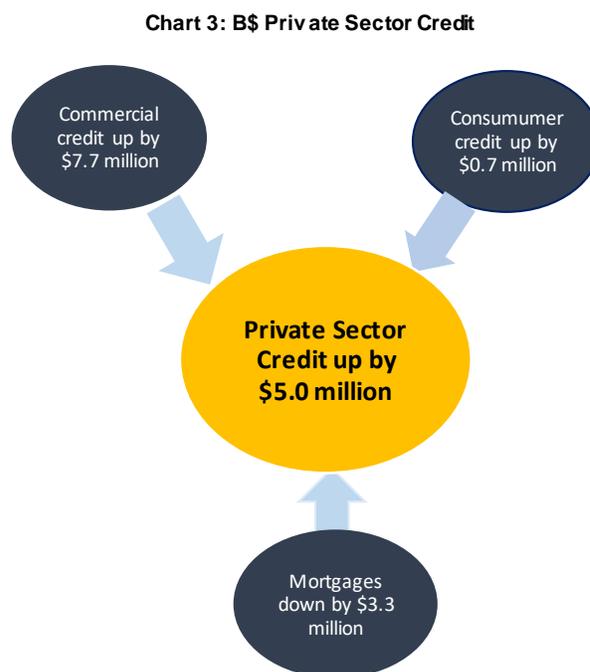
## Exchange Control Sales

Provisional data on foreign currency sales for current account transactions revealed a \$132.4 million reduction in outflows, to \$373.0 million in February, compared with the corresponding period in 2020, attributed to the curtailment in domestic demand. Specifically, "other" current items—primarily purchases of foreign goods and services via credit and debit card transactions—decreased by \$116.4 million, while oil imports and travel related payments fell by \$14.8 million and by \$9.3 million, respectively. In a partial offset, foreign currency sales rose for factor income (\$3.6 million), non-oil imports (\$2.8 million) and transfer payments (\$1.9 million).

## Domestic Credit

### Bahamian Dollar Credit

For the month of February, total Bahamian dollar credit grew by \$76.8 million, contrasting with a \$68.4 million contraction in the comparable period of the preceding year. Contributing to this development, net claims on the Government expanded by \$59.8 million, after declining by \$67.8 million in 2020. In addition, credit to the private sector rose by \$5.0 million, following a \$0.6 million falloff a year earlier, as commercial credit increased by \$7.7 million, a turnaround from a \$6.5 million decrease in the prior period. In addition, consumer credit grew by \$0.7 million, albeit a slowdown from the \$9.8 million growth registered last year. However, the decline in mortgages moderated to \$3.3 million, from \$3.8 million a year earlier. Further, credit to public corporations advanced by \$12.0 million, vis-à-vis a muted \$0.1 million decrease in 2020.



Source: Central Bank of The Bahamas

### Foreign Currency Credit

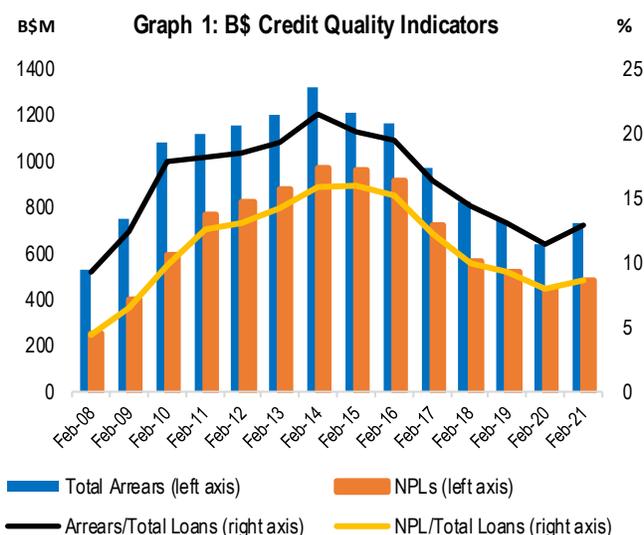
During the review month, domestic foreign currency credit grew by \$0.7 million, in contrast to the \$3.7 million falloff in 2020. Underlying this outturn, private sector credit rose by \$2.4 million, a reversal from a \$7.9 million

decrease last year, as commercial credit strengthened by \$2.6 million, following an \$8.3 million falloff in the previous year; however, mortgages fell by \$0.3 million, after a \$0.4 million uptick in 2020. In contrast, net claims on the Government reduced by \$1.7 million, a turnaround from the \$4.2 million gain in the preceding year. Meanwhile, credit to public corporations registered a flat outturn.

## Credit Quality

Banks' credit quality indicators were slightly improved for February, amid reductions in both short-term delinquencies and non-performing loans (NPLs). Specifically, total private sector arrears declined by \$57.3 million (7.3%) to \$727.8 million, resulting in a 1.1 percentage point rise in the accompanying rate, to 13.0%.

An analysis by average age of delinquency showed that short-term arrears contracted by \$53.6 million (18.1%) to \$242.2 million, corresponding with a 97 basis point falloff in the relevant ratio to 4.3%. In addition, NPLs moved lower by \$3.7 million (0.8%) to \$485.7 million, as the non-accruals rate softened by 9 basis points to 8.7%.



Disaggregated by loan type, mortgage delinquencies decreased by \$45.7 million (9.3%) to \$444.8 million, as the \$47.3 million (24.5%) decline in the short-term category, outstripped the \$1.7 million (0.6%) uptick in non-accrual loans. Similarly, consumer arrears fell by \$16.2 million (6.9%) to \$216.7 million, underpinned by respective reductions of \$10.7 million (13.2%) and \$5.5 million (3.6%) in the short and long-term components. In contrast, commercial delinquencies moved higher by \$4.5 million (7.3%) to \$66.3 million, as short-term arrears grew by \$4.4 million (20.6%) and the long-term segment edged up by \$0.1 million (0.3%).

Notwithstanding, banks increased their total provisions for loan losses by \$11.5 million (2.0%) to \$580.2 million, owing to the uncertainty surrounding the severity of the impact of the pandemic. Consequently, the ratio of total provisions to both arrears and NPLs firmed by 7.3 and by 3.3 percentage points, to 79.7% and 119.5%, respectively. Similarly, the coverage ratio of specific provisions to non-performing loans rose by 3.0 percentage points to 84.40%. During the month, banks also wrote-off approximately \$7.2 million in claims, and recovered an estimated \$2.1 million.

In comparison to February 2020, the total private sector arrears rate rose by 1.6 percentage points, reflecting respective increases in the short-term arrears and the NPL rates, of 0.9 and 0.8 percentage points. Further, by loan type, the mortgage and consumer arrears ratios moved higher, by 2.4 and 1.6 percentage points, respectively. In contrast, the ratio of commercial delinquencies narrowed by 27 basis points.

## Deposits

In February, total Bahamian dollar deposits reduced by \$4.2 million, contrasting with the \$44.4 million accumulation in the comparable period of 2020. Underlying this outturn, demand deposits fell by \$1.8 million,

a reversal from the \$58.4 million expansion a year earlier. In addition, the gain in savings balances moderated to \$5.8 million, from \$33.3 million in the prior year. However, the decline in fixed deposits slowed to \$8.2 million, from \$47.3 million in the previous year. Meanwhile, foreign currency deposits contracted by \$19.6 million, vis-à-vis a \$16.0 million growth in 2020.

### **Interest Rates**

With regard to interest rate developments, banks' weighted average loan rate rose by 22 basis points to 10.13% in February. In contrast, the weighted average deposit rate fell by 11 basis points to 0.56%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

### **3. Domestic Outlook**

The domestic economy is projected to register marginal growth in 2021, with the gradual restart of tourism sector activity expected to occur outside of the peak occupancy period. Developments should continue to be dominated by the COVID-19 pandemic, with the pace of the recovery conditional on improvements on the international health front; the effectiveness, availability and distribution of vaccines; and the subsequent resumption in international travel. Nonetheless, new and ongoing foreign investment-led projects, along with post-hurricane rebuilding works, are anticipated to provide some continued impetus to the construction sector.

With regard to the labour market, the elevation in the unemployment rate is expected to persist over the near-term, with any job gains concentrated mostly in the construction sector, and in limited re-engagement of tourism sector employees. Regarding prices, inflationary pressures are anticipated to remain relatively contained, excluding any shocks to international oil prices.

In the fiscal sector, revenue losses, combined with increased disbursements for health and social welfare associated with COVID-19, and outlays still related to the restoration of key infrastructure following the major 2019 storm, are expected to weigh heavily on the Government's fiscal position. Projected revenue shortfalls should continue, with expectations that taxable economic activity remain below capacity in 2021, improving mostly in line with tourism recovery. The resulting budgetary gap will be financed with important use of external credit, but with a likely increased ratio of the total funding from domestic sources.

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

### **4. Monetary Policy Implications**

In light of the prevailing outlook, the Central Bank will sustain its targeted accommodative stance for private credit and continue to pursue policies that maintain a positive outcome for external reserves and mitigate financial sector disruptions. In addition, the Bank will continue to evaluate developments within the foreign exchange market, and if required, adopt appropriate measures to ensure a favorable outcome for the foreign reserves.

## APPENDIX

### **International Developments**

During the review month, global economic developments continued to be heavily impacted by the spread of the Novel Coronavirus (COVID-19) and subdued economic performance. As a result, the major economies recorded mixed performances. Against this backdrop, all of the key central banks retained their highly accommodative monetary policy stances, in an effort to encourage economic growth and sustain financial stability.

Performance indicators for the United States varied during the review month. Industrial production for the month of February decreased by 2.2%, led by a falloff in mining and manufacturing output. Further, during the review period, retail sales declined by 3.0%, a turnaround from the 7.6% growth in the prior month. In terms of employment, the jobless rate fell by 10 basis points to 6.2% in the review month, as total non-farm pay roll employment rose by 379,000, primarily driven by gains in leisure and hospitality jobs. With regard to prices, the consumer price index edged up by 0.4% in February, owing in part to a rise in the costs of gasoline and food. On the external front, the trade deficit widened by \$1.2 billion (1.9%) to \$68.2 billion, for the month of January, as the 1.2% rise in imports outweighed the 1.0% uptick in exports. In this environment, the Federal Reserve maintained its benchmark interest rate to a range of 0.00%-0.25%.

Economic indicators for the major European economies moderated during the review period. In January, real economic output for the United Kingdom contracted by 2.9%, reversing the 1.2% growth in the prior month, due to varying degrees of restrictions imposed as a result of the spread of COVID-19. In addition, industrial production fell by 1.5% in January, led by declines in manufacturing, and mining & quarrying. In terms of the labour market, the unemployment rate rose by 40 basis points to 5.1%, during the three months to December. With regard to international trade, during the three months to January, the trade deficit widened by £6.7 billion to £12.8 billion, as a result of a £2.4 billion expansion in imports, while exports decreased by £4.3 billion. In the euro area, industrial production moved higher by 0.8% during the month of January, led by an uptick in the production of durable and non-durable consumer goods. However, retail sales for the month of January reduced by 5.9%, overturning the 1.8% gain in the previous month, due to reduced sales in non-food products and automotive fuels. In terms of prices, the inflation rate remained stable at 0.9% in February, as the decrease in the energy component offset the gains in the food, alcohol & tobacco, services, and non-energy industrial goods categories. Further, the jobless rate in the euro area stabilized at 8.1% in January, despite an 8,000 rise in the number of unemployed persons. On the external front, the trade surplus narrowed to €6.3 billion in January, from €29.2 billion in the prior month, as the 11.4% falloff in exports, offset the 14.1% decrease in imports. In this environment, the Bank of England upheld its policy rate at 0.1%, while the European Central Bank retained 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, industrial production rose by 69 basis points, relative to the previous month, while retail sales strengthened by 0.6%. Further, the consumer price index firmed by 60 basis points in February, bolstered by broad-based gains in the major components. In addition, for the review period, the jobless rate edged up by a 1.0 percentage point to 5.5%, over the prior month. With regard to international trade, China's trade surplus for the first two months in 2021 amounted to ¥675.9 billion yuan, up by 32.2% vis-à-vis a year earlier, as the 50.1% expansion in exports outstripped the 14.5% increase in imports. In Japan, industrial production improved by 4.3% in January, over the prior month, buttressed by gains in general-purpose and business oriented machinery, electronic parts and devices, electrical machinery, and information and communication electronics equipment. However, retail sales declined by 1.7%, extending the 0.6% falloff in the previous month, as a result of decreased sales for general merchandise, fabrics, apparels & accessories, food & beverages, motor vehicles and fuel. In external sector developments, Japan's trade balance recorded a deficit of ¥325.4 billion in January, a reversal from a ¥744.7 billion surplus in the prior month, underpinned by a 2.4% uptick in imports, combined with a 13.8% falloff in exports. In terms of the labour market, in January the unemployment rate was unchanged at 2.9%. In light of these developments, the Bank of Japan kept its policy rate at -0.1%, and the People's Bank of China sustained its reverse repo rate at 2.20%.

During the month of February, all major stock market indices registered positive movements. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 expanded by 3.2% and by 2.6%, respectively. Likewise, in the European markets, France's CAC 40 improved by 5.6%, while Germany's DAX and the United Kingdom's FTSE 100, rose by 2.6% and by 1.2%, respectively. Similarly, in the Asian markets, Japan's Nikkei 225 increased by 4.7%, while China's SE Composite grew by 0.8%.

Developments within the currency markets were mixed during the review month. Specifically, the US dollar appreciated against the Swiss Franc, by 2.0% to CHF0.9085, the Japanese Yen, by 1.8% to ¥106.57, the Chinese Renminbi, by 0.7% to CNY6.4734 and the euro, by 0.5% to €0.8282. Conversely, the dollar depreciated relative to the British pound, by 1.6% to £0.7177 and Canadian dollar, by 0.3% to CAD\$1.2738.

Commodity price trends varied during the review month. In particular, the price of crude oil remained unchanged at \$55.88 per barrel, amid a decrease in OPEC's production, of 0.65 million barrels per day, month on month, to average 24.9 million barrels per day. The cost of gold declined by 6.2%, to \$1,734.04 per troy ounce, while the price of silver fell by 1.2% to \$26.67 per troy ounce.

# Recent Monetary and Credit Statistics

## (B\$ Millions)

February					
Value		Change		Change YTD	
2020	2021	2020	2021	2020	2021

### 1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,137.27	1,353.61	7.37	-97.33	31.05	-82.65
1.2 Excess Liquid Assets	2,097.68	2,158.33	34.65	-67.65	132.31	-71.39
1.3 External Reserves	1,965.91	2,257.07	105.98	-62.80	207.69	-123.53
1.4 Bank's Net Foreign Assets	370.93	-83.51	22.33	-17.54	167.43	14.40
1.5 Usable Reserves	1,005.52	1,173.59	78.72	-44.16	170.16	-81.59

### 2.0 DOMESTIC CREDIT

<b>2.1 Private Sector</b>	5,747.32	5,727.08	-8.48	7.31	-109.14	-6.97
a. B\$ Credit	5,614.63	5,582.96	-0.57	4.95	-40.94	-5.93
of which: Consumer Credit	2,077.42	2,027.19	9.75	0.65	-0.81	-9.66
Mortgages	2,821.95	2,786.09	-3.80	-3.34	-16.64	-8.75
Commercial and Other Loans B\$	715.27	769.68	-6.53	7.65	-23.49	12.49
b. F/C Credit	132.68	144.12	-7.91	2.35	-68.20	-1.04
of which: Mortgages	62.45	63.64	0.38	-0.28	4.41	0.37
Commercial and Other Loans F/C	70.23	80.48	-8.29	2.63	-72.61	-1.41
<b>2.2 Central Government (net)</b>	2,551.50	2,625.36	-63.56	58.12	-68.48	96.73
a. B\$ Loans & Securities	2,823.62	2,803.05	-29.38	64.53	-25.63	72.46
Less Deposits	326.79	347.94	38.39	4.76	42.02	-24.36
b. F/C Loans & Securities	57.00	174.13	0.00	0.03	0.00	0.03
Less Deposits	2.33	3.87	-4.22	1.67	0.82	0.12
<b>2.3 Rest of Public Sector</b>	444.53	334.99	-0.06	12.03	0.73	11.75
a. B\$ Credit	279.22	287.91	-0.06	12.03	0.73	11.75
b. F/C Credit	165.31	47.08	0.00	0.00	0.00	0.00
<b>2.4 Total Domestic Credit</b>	8,743.35	8,687.44	-72.09	77.46	-176.88	101.51
a. B\$ Domestic Credit	8,390.68	8,325.98	-68.40	76.75	-107.86	102.64
b. F/C Domestic Credit	352.66	361.46	-3.69	0.71	-69.02	-1.13

### 3.0 DEPOSIT BASE

<b>3.1 Demand Deposits</b>	3,051.26	3,139.95	58.43	-1.79	97.56	31.70
a. Central Bank	49.70	43.20	-2.03	4.84	0.06	-9.03
b. Banks	3,001.55	3,096.75	60.46	-6.63	97.50	40.74
<b>3.2 Savings Deposits</b>	1,688.99	1,789.09	33.26	5.80	52.54	4.48
<b>3.3 Fixed Deposits</b>	2,371.15	2,254.96	-47.25	-8.24	-53.79	4.59
<b>3.4 Total B\$ Deposits</b>	7,111.39	7,184.00	44.44	-4.23	96.30	40.78
<b>3.5 F/C Deposits of Residents</b>	784.02	418.57	15.98	-19.55	114.03	-8.77
<b>3.6 M2</b>	7,438.63	7,550.81	51.75	3.05	86.44	30.42
<b>3.7 External Reserves/M2 (%)</b>	26.43	29.89	1.25	-0.84	2.51	-1.76
<b>3.8 External Reserves/Base Money (%)</b>	111.46	111.31	4.79	1.68	9.91	-1.06
<b>3.9 External Reserves/Demand Liabilities (%)</b>	102.35	104.16	2.69	-1.09	7.09	-1.61
	<b>Value</b>		<b>Year To Date</b>		<b>Change</b>	
	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>Month</b>	<b>YTD</b>

### 4.0 FOREIGN EXCHANGE TRANSACTIONS

<b>4.1 Central Bank Net Purchase/(Sale)</b>	100.31	-63.88	201.21	-126.52	-164.19	-327.73
a. Net Purchase/(Sale) from/to Banks	91.23	-15.07	214.45	-47.87	-106.30	-262.31
i. Sales to Banks	11.52	17.50	30.98	53.60	5.98	22.62
ii. Purchase from Banks	102.75	2.43	245.43	5.73	-100.32	-239.69
b. Net Purchase/(Sale) from/to Others	9.08	-48.81	-13.24	-78.65	-57.89	-65.42
i. Sales to Others	57.36	89.25	131.71	135.49	31.89	3.78
ii. Purchase from Others	66.44	40.45	118.47	56.84	-26.00	-61.63
<b>4.2 Banks Net Purchase/(Sale)</b>	80.26	-16.25	213.18	-14.07	-96.52	-227.24
a. Sales to Customers	391.00	316.06	809.63	639.79	-74.95	-169.84
b. Purchase from Customers	471.27	299.81	1022.81	625.72	-171.46	-397.08

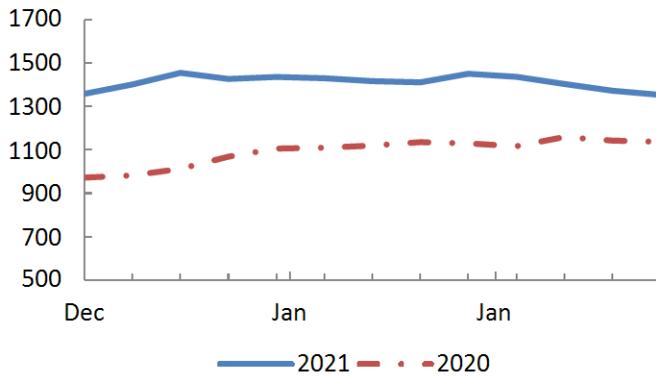
### 5.0 EXCHANGE CONTROL SALES

<b>5.1 Current Items</b>	505.44	373.04	1,049.28	711.08	-132.40	-338.20
of which Public Sector	69.65	61.76	146.51	87.55	-7.89	-58.96
<b>a. Nonoil Imports</b>	133.60	136.34	266.84	240.06	2.75	-26.78
<b>b. Oil Imports</b>	48.38	33.56	96.50	41.96	-14.82	-54.53
<b>c. Travel</b>	17.08	7.76	37.80	18.01	-9.32	-19.79
<b>d. Factor Income</b>	18.06	21.62	48.84	39.74	3.55	-9.10
<b>e. Transfers</b>	11.67	13.51	27.70	34.97	1.85	7.27
<b>f. Other Current Items</b>	276.65	160.24	571.61	336.33	-116.41	-235.27
<b>5.2 Capital Items</b>	14.26	32.75	19.38	39.94	18.49	20.56
of which Public Sector	6.66	28.83	7.46	32.79	22.17	25.33

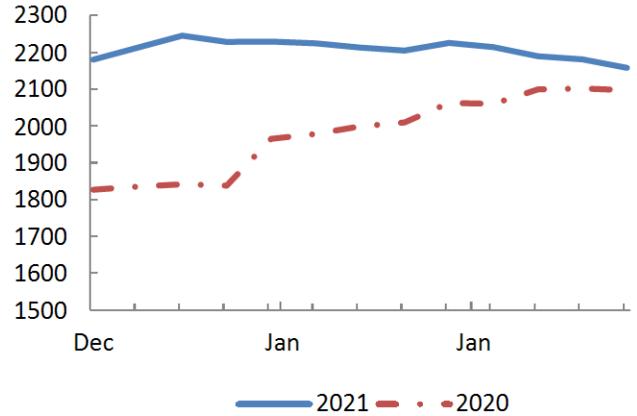
## SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

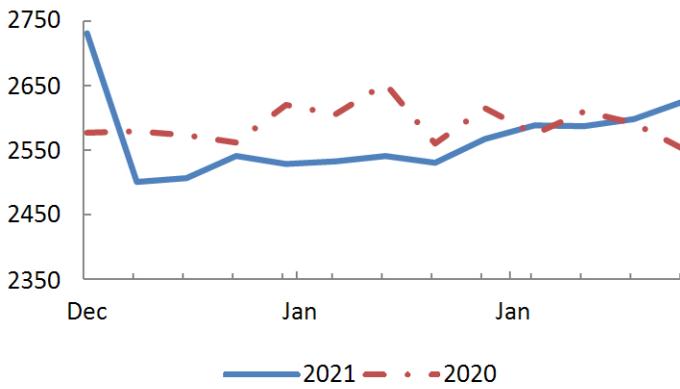
### Excess Reserves



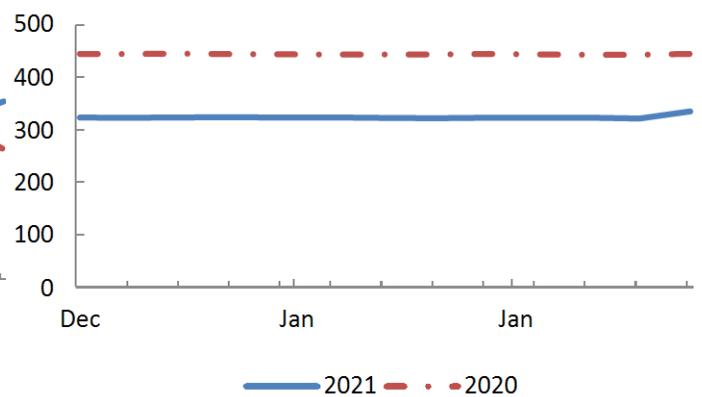
### Excess Liquid Assets



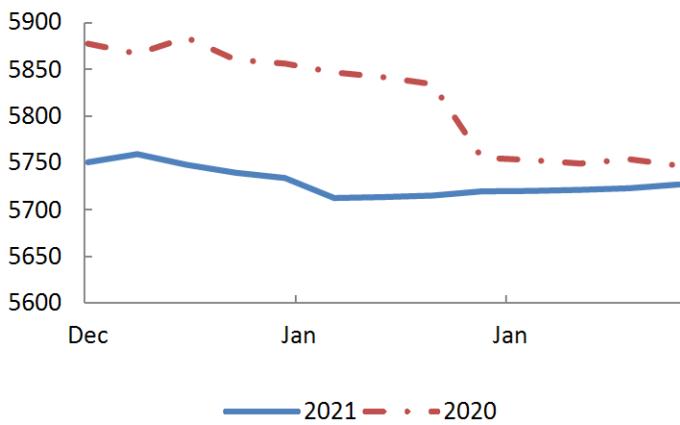
### Central Govt. Credit (Net)



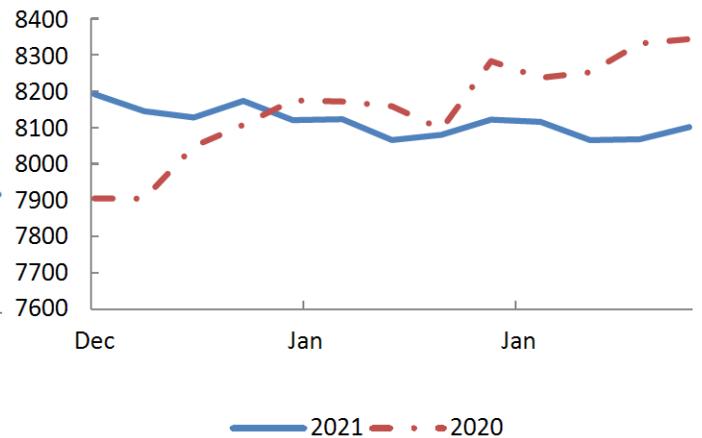
### Rest of Public Sector Credit



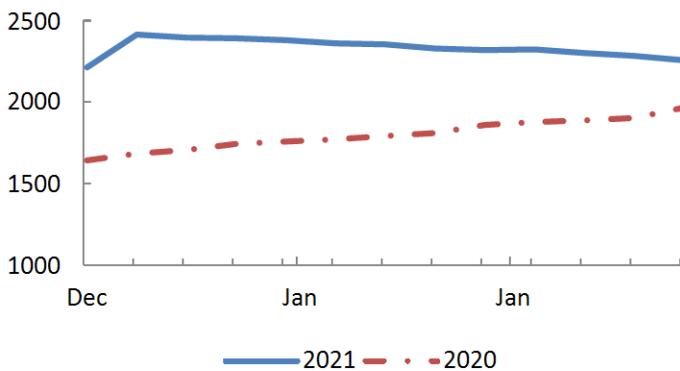
### Private Sector Credit



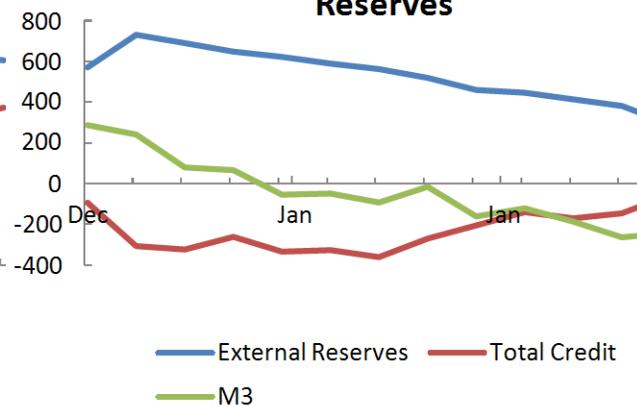
### M3



### External Reserves



### Changes in Money, Credit & Ext. Reserves



## Selected International Statistics

<b>A: Selected Macroeconomic Projections</b> (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>B: Official Interest Rates – Selected Countries (%)</b>					
<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
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
January 2021	4.00	0.00	0.25	0.00-0.25	0.10
February 2021	4.00	0.00	0.25	0.00-0.25	0.10

## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
Currency	Feb-20	Jan-21	Feb-21	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.9069	0.8240	0.8282	0.51	1.18	-8.68
Yen	107.77	104.68	106.57	1.81	3.22	-1.11
Pound	0.7805	0.7295	0.7177	-1.61	-1.89	-8.05
Canadian \$	1.3409	1.2777	1.2738	-0.31	0.10	-5.00
Swiss Franc	0.9649	0.8903	0.9085	2.04	2.63	-5.85
Renminbi	6.9921	6.4283	6.4734	0.70	-0.82	-7.42

*Source: Bloomberg as of February 26<sup>th</sup>, 2021*

<b>D. Selected Commodity Prices (\$)</b>					
Commodity	Feb 2020	Jan 2021	Feb 2021	Mthly % Change	YTD % Change
Gold / Ounce	1585.69	1847.65	1734.04	-6.15	-8.66
Silver / Ounce	16.67	26.99	26.67	-1.18	1.01
Oil / Barrel	58.20	55.88	55.88	0.00	9.01

*Source: Bloomberg as of February 26<sup>th</sup>, 2021*

<b>E. Equity Market Valuations – February 26<sup>th</sup>, 2021 (% change)</b>								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	N/A	3.17	2.61	1.19	5.63	2.63	4.71	0.75
3 month	N/A	4.37	5.23	3.47	3.35	3.73	9.58	3.46
YTD	N/A	1.06	1.47	0.35	2.73	0.49	5.55	1.04
12-month	N/A	21.74	29.01	-1.48	7.41	15.95	37.00	21.83

*Sources: Bloomberg and BISX*

<b>F: Short Term Deposit Rates in Selected Currencies (%)</b>			
	USD	GBP	EUR
o/n	0.1350	0.0900	-0.5500
1 Month	0.2600	0.0900	-0.5375
3 Month	0.1926	0.1005	-0.5500
6 Month	0.2600	0.1005	-0.4900
9 Month	0.2750	0.1900	-0.4900
1 year	0.2925	0.1400	-0.5025

*Source: Bloomberg as of February 26<sup>th</sup>, 2021*

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

	VALUE								CHANGE							
	Jan. 06	Jan. 13	Jan. 20	Jan. 27	Feb. 03	Feb. 10	Feb. 17	Feb. 24	Jan. 06	Jan. 13	Jan. 20	Jan. 27	Feb. 03	Feb. 10	Feb. 17	Feb. 24
<b>I. External Reserves</b>	<b>2,361.12</b>	<b>2,354.80</b>	<b>2,329.54</b>	<b>2,319.87</b>	<b>2,324.04</b>	<b>2,301.78</b>	<b>2,284.22</b>	<b>2,257.07</b>	<b>(19.47)</b>	<b>(6.32)</b>	<b>(25.26)</b>	<b>(9.67)</b>	<b>4.17</b>	<b>(22.26)</b>	<b>(17.55)</b>	<b>(27.16)</b>
<b>II. Net Domestic Assets (A + B + C + D)</b>	<b>(263.21)</b>	<b>(274.60)</b>	<b>(258.93)</b>	<b>(203.89)</b>	<b>(224.13)</b>	<b>(238.18)</b>	<b>(248.40)</b>	<b>(229.43)</b>	<b>(1.04)</b>	<b>(11.39)</b>	<b>15.67</b>	<b>55.04</b>	<b>(20.24)</b>	<b>(14.04)</b>	<b>(10.22)</b>	<b>18.97</b>
<b>A. Net Credit to Gov't (I + ii + iii -iv)</b>	<b>177.69</b>	<b>167.83</b>	<b>161.09</b>	<b>228.44</b>	<b>227.76</b>	<b>251.72</b>	<b>209.44</b>	<b>224.94</b>	<b>3.18</b>	<b>(9.85)</b>	<b>(6.75)</b>	<b>67.36</b>	<b>(0.69)</b>	<b>23.97</b>	<b>(42.28)</b>	<b>15.49</b>
i) Advances	4.90	4.90	-	30.00	30.00	55.00	55.00	75.00	(0.00)	-	(4.90)	30.00	-	25.00	-	20.00
ii) Registered Stock	235.24	235.30	232.10	232.16	239.67	240.53	240.77	243.91	(0.50)	0.05	(3.19)	0.06	7.51	0.85	0.24	3.15
iii) Treasury Bills	13.77	13.77	13.77	15.92	15.92	15.92	2.19	1.88	(0.00)	-	(0.00)	2.15	(0.00)	0.00	(13.73)	(0.31)
iv) Deposits	76.23	86.13	84.79	49.64	57.84	59.73	88.51	95.86	(3.68)	9.90	(1.35)	(35.14)	8.20	1.89	28.78	7.35
<b>B. Rest of Public sector (Net) (i+ii-iii)</b>	<b>(44.77)</b>	<b>(45.00)</b>	<b>(27.28)</b>	<b>(31.55)</b>	<b>(51.20)</b>	<b>(58.13)</b>	<b>(34.32)</b>	<b>(36.38)</b>	<b>0.65</b>	<b>(0.23)</b>	<b>17.72</b>	<b>(4.26)</b>	<b>(19.65)</b>	<b>(6.93)</b>	<b>23.80</b>	<b>(2.06)</b>
i) Loans	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	-	-	-	-	-	-	-	-
ii) Bonds/Securities	4.69	4.69	4.69	4.69	4.69	4.70	4.70	4.70	-	-	-	-	-	0.00	-	-
iii) Deposits	51.59	51.82	34.10	38.36	58.01	64.95	41.15	43.20	(0.65)	0.23	(17.72)	4.26	19.65	6.94	(23.80)	2.06
<b>C. Loans to/Deposits with Banks</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>							
<b>D. Other Items (Net)*</b>	<b>(396.12)</b>	<b>(397.43)</b>	<b>(392.73)</b>	<b>(400.79)</b>	<b>(400.69)</b>	<b>(431.77)</b>	<b>(423.52)</b>	<b>(417.98)</b>	<b>(4.87)</b>	<b>(1.31)</b>	<b>4.70</b>	<b>(8.06)</b>	<b>0.10</b>	<b>(31.08)</b>	<b>8.25</b>	<b>5.54</b>
<b>III. Monetary Base</b>	<b>2,097.92</b>	<b>2,080.20</b>	<b>2,070.61</b>	<b>2,115.97</b>	<b>2,099.91</b>	<b>2,063.60</b>	<b>2,035.83</b>	<b>2,027.64</b>	<b>(20.51)</b>	<b>(17.71)</b>	<b>(9.60)</b>	<b>45.37</b>	<b>(16.07)</b>	<b>(36.30)</b>	<b>(27.78)</b>	<b>(8.19)</b>
A. Currency in Circulation	517.60	494.56	488.79	493.44	494.65	491.09	489.65	494.96	(28.74)	(23.04)	(5.77)	4.65	1.21	(3.56)	(1.44)	5.31
B. Bank Balances with CBOB	1,580.31	1,585.64	1,581.82	1,622.53	1,605.26	1,572.51	1,546.18	1,532.68	8.24	5.33	(3.83)	40.72	(17.28)	(32.74)	(26.33)	(13.50)

## FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

	JUL-SEP		OCT-DEC		JAN-MAR		APR-JUN		YEAR TO DATE			
	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021		
	(Over previous year)											
<b>Fiscal Operations<sup>p</sup></b>												
1. Government Revenue & Grants			554.3	268.8			547.1	402.6			1101.4	671.4
% change; over previous quarter			-24.8%	-18.6%			-1.3%	49.7%			8.9%	-39.0%
2. Value Added Tax			266.2	134.7			249.1	151.6			515.3	286.3
% change; over previous quarter			-13.5%	-2.8%			-6.4%	12.6%			33.7%	-44.4%
3. Import/Excise Duties			140.5	55.5			133.1	119.1			273.6	174.6
% change; over previous quarter			-10.5%	-24.7%			-5.3%	114.6%			3.0%	-36.2%
4. Recurrent Expenditure			544.8	585.6			634.0	712.6			1178.8	1298.2
% change; over previous quarter			-24.5%	-15.7%			16.4%	21.7%			6.6%	10.1%
5. Capital Expenditure			56.3	60.4			60.5	49.0			116.8	109.3
% change; over previous quarter			-41.0%	-64.5%			7.6%	-18.9%			46.0%	-6.4%
6. Deficit/Surplus*			-46.7	-377.1			-147.4	-359.0			-194.1	-736.1
% change; over previous quarter			-41.1%	-29.4%			215.8%	-4.8%			11.3%	279.2%
<b>Debt<sup>† **</sup></b>												
7. Total Direct Debt	7,735.6	9,439.8	7,750.2	9,482.0								
% change; over previous month	0.0%	0.2%	0.2%	0.4%								
8. External Debt	2,563.1	4,028.2	2,598.3	4,004.0								
% change; over previous month	-0.2%	-0.1%	1.4%	-0.6%								
9. Internal F/C Debt	50.0	180.4	50.0	180.4								
% change; over previous month		0.0%	0.0%	0.0%								
10. Bahamian Dollar Debt	5,122.5	5,231.2	5,101.9	5,297.6								
% change; over previous month	0.1%	0.5%	-0.4%	1.3%								
11. Total Amortization	52.5	27.5	23.8	35.8								
% change; over previous month	47.7%	-58.7%	-120.8%	23.3%								
12. Total Public Sector F/C Debt	3,471.5	4,780.6	3,506.6	4,756.4								
% change; over previous month	-19.6%	-0.1%	1.0%	-0.3%								
<b>Real Sector Indicators</b>												
13. Retail Price Index	108.9	109.71										
% change; over previous year	1.27%	0.88%										
14. Tourist arrivals (000's)	687.2	23.6										
% change; over previous year	7.9%	-96.6%										
15. Air arrivals (000's)	125.3	20.8										
% change; over previous year	-3.5%	-83.4%										
16. Occupied Room Nights												
% change; over previous year												
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)												
% change; over previous qtr.												

\* Includes Net Lending to Public Corporations

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

p - provisional