



Monthly Economic and Financial Developments March 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 31; June 28; July 30; August 30; October 4; November 1; November 29; December 20



Monthly Economic and Financial Developments (MEFD) March 2021

1. Domestic Economic Developments

Overview

Domestic economic activity during the month of March continued to be adversely impacted by the Novel Coronavirus (COVID-19) pandemic. Ongoing travel restrictions imposed globally, continued to negatively impact the tourism sector, with the high value-added air component remaining at historic lows and the sea segment offline. However, foreign investment-led projects, combined with post hurricane rebuilding works, provided some impetus to the construction sector. In price developments, the domestic inflation rate narrowed during the twelve months to February, underpinned by a reduction in fuel costs. On the monetary front, bank liquidity expanded, as the growth in the deposit base contrasted with the marked decline in domestic credit. However, external reserves decreased, amid a falloff in foreign currency inflows from real sector activities.

Real Sector

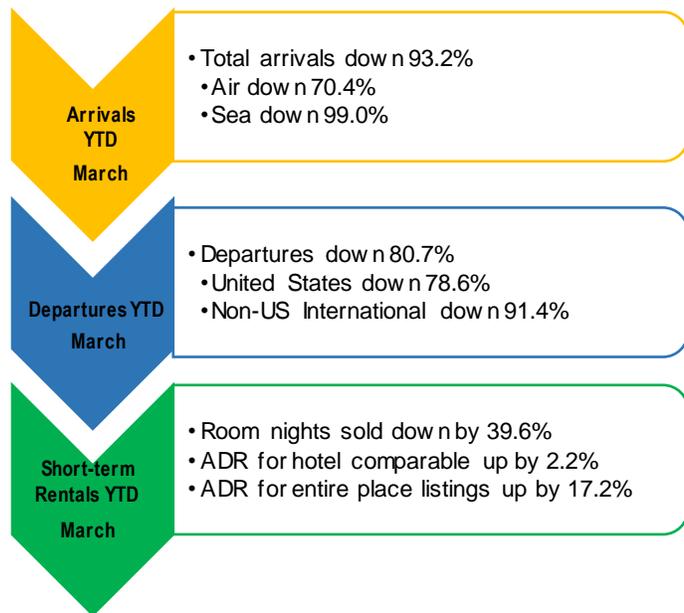
Tourism

Indications are that monthly tourism output remained contracted in March, as internationally imposed travel restrictions associated with COVID-19, constrained both air and sea arrivals. Nevertheless, domestic demand supported gains in the vacation rental market. In the meantime, partial resumption of hotel sector business contrasted with continued closure of the cruise line industry.

Official data provided by the Ministry of Tourism (MOT) showed that total foreign arrivals fell by 79.2% during March, extending the 59.7% decline in the same period last year, when the virus' effect was only felt partially during the month. Underlying this development, air arrivals decreased by 25.5%, albeit after a loss of 62.5% in 2020, reflective of the reopening of international borders—but with health precautions in place. However, in the absence of cruise traffic, the dominant sea segment, contracted by 97.2% and extending the 58.6% falloff in 2020.

A disaggregation by major ports of entry showed that arrivals to New Providence corresponded to just 23.2% of the 2020 volumes, attributed to the absence of sea visitors (98.4%) and depressed air traffic (38.6%). Likewise, arrivals to the Family Islands reached 19.4% of the preceding year's volumes, as air arrivals grew by 39.7%, although insufficient to counter the closure of the cruise market. Further, arrivals to

Chart 1: Tourism Indicators at a Glance



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

Grand Bahama were 9.0% of the prior year's outturn, with air arrivals matching 55.6% of the previous year's levels.

During the three months to March, total arrivals were off by 93.2%, extending the 14.7% reduction registered last year. Contributing to this outturn, was the absence of cruise visitors, which eliminated virtually all sea passengers, as compared to a 10.5% falloff last year. Similarly, air arrivals contracted by 70.4%, vis-à-vis the 28.0% decline in 2020. See Table 1 for first quarter, 2021 visitor arrivals by Island.

For the month of March, data from the Nassau Airport Development Company Limited (NAD) showed that total departures—net of domestic passengers—reduced by 64.5%, extending the 45.8% falloff in the prior period. By region, the dominant U.S. component fell by 59.2%, continuing the 46.5% decline during the same period last year. In addition, non-U.S. departures were markedly lower at 91.6%, exceeding the 41.4% decrease in 2020. During the first quarter, outward bound traffic contracted by 80.7%, outpacing the 13.8% decline recorded in the previous year. Underlying this outturn, both the U.S. and non-U.S. departures fell by 78.6% and by 91.4%, surpassing reductions of 14.3% and 11.3%, respectively, over the same period last year.

Data provided by AirDNA revealed positive activity within the short-term vacation rental market during the month of March, supported by domestic demand. Specifically, total room nights sold rose by 64.8%, contrasting with a 0.3% decline in the prior year. Underlying this development, bookings for entire place listings and hotel comparable listings increased by 65.9% and by 55.4%, respectively. Similarly, the average daily room rate (ADR) for both entire place (EP) listings and hotel comparable (HC) listings grew by 10.8% and by 7.5%, to \$497.95 and \$169.36, respectively. For the first three months in 2021, total room nights sold declined by 39.6%, underpinned by a 38.8% falloff in bookings for entire place listings and a 45.8% reduction in private room listings. Pricing data showed that the ADR for both entire place and hotel comparable listings advanced by 17.2% and by 2.2% to \$456.46 and \$159.54, respectively.

Prices

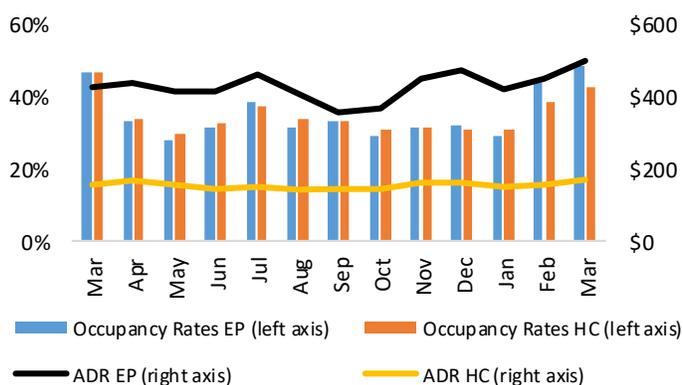
Attributed to the pass-through effects of the decline in global oil prices, domestic consumer price inflation—as measured by changes in the average Retail Price Index for The Bahamas—narrowed to a muted 0.04% during the twelve months to February, from 2.2% in 2020. A breakdown by category revealed that average

Table 1: Total Visitor Arrivals First Quarter 2021

Arrivals	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2020	2021	2020	2021	2020	2021
Air	-22.1	-77.4	-58.9	-71.9	-45.0	-30.6
Sea	-32.4	-99.5	-30.9	-98.0	33.3	-98.8
Total	-29.3	-92.2	-34.4	-95.9	21.1	-94.0

Source: Ministry of Tourism

Graph 1: ADR and Occupancy Rates 12 months to March 2021



Source: AirDNA

costs for communication decreased by 8.3%; for transport, by 5.4%; for recreation & culture, by 1.5% and for housing, water, gas, electricity & other fuels, by 0.2%, following gains in 2020. Further, average inflation rates moderated for health (3.1%), restaurants & hotels (2.6%), alcohol beverages, tobacco & narcotics (2.4%) and furnishing, household equipment & maintenance (1.9%). Providing some offset, the rise in the average costs accelerated for miscellaneous goods and services (3.3%), for food & non-alcoholic beverages (1.9%), and for clothing & footwear (1.2%). Meanwhile, the average price decline slowed for education to 2.4%.

2. Monetary Trends

March 2021 vs. 2020

Liquidity

During March, monetary developments featured a buildup in bank liquidity, amid a notably reduction in domestic credit, which overshadowed the moderation in the growth in the deposit base. In particular, excess reserves—a narrow measure of liquidity—advanced by \$20.4 million to \$1,374.0 million, extending the \$13.6 million increase in the previous year. Similarly, excess liquid assets—the broad measure of liquidity—grew by \$21.0 million to \$2,179.4 million, a reversal from a \$48.7 million contraction in the preceding year.

In contrast, during the first quarter of 2021, excess reserves decreased by \$62.3 million, contrasting with a \$44.7 million accumulation a year earlier. Likewise, excess liquid assets fell by \$50.3 million, vis-à-vis an \$83.7 million expansion in 2020.

External Reserves

For the month, external reserves declined marginally by \$1.3 million to \$2,255.0 million, in contrast to the \$83.7 million growth in the same period last year, underpinned by the ongoing COVID-19 related travel restrictions and net private sector demand for foreign currency. Specifically, the Central Bank's transactions with commercial banks switched to a net sale of \$5.3 million, from a net purchase of \$114.4 million in the prior year. Further, commercial banks' net intake from their customers slowed considerably to \$15.9 million from \$91.4 million in the previous year. In contrast, the Central Bank's transactions with the public sector registered a net purchase of \$4.4 million, a reversal from a net sale of \$90.5 million in 2020.

The trend encompassed the first quarter of 2021, as external reserves contracted by \$125.6 million, contrasting with the \$291.4 million growth in the comparable period of 2020. Contributing to this development, the Central Bank's net foreign currency transactions with commercial banks shifted to a net sale of \$53.2 million, from a net purchase of \$328.9 million in the prior year. In turn, commercial banks' net purchase from their customers moderated sharply to \$3.3 million, from \$304.6 million a year earlier, which had included re-insurance proceeds. However, the Central Bank's net sales to the public sector slowed to \$74.3 million from \$103.7 million in the previous year.

Exchange Control Sales

Preliminary data on foreign currency sales for current account transactions revealed a \$56.3 million contraction in outflows to \$493.5 million in March, in comparison to the same period of 2020. The outturn was led by a \$47.6 million reduction in unclassified, "other" current items—primarily purchases of foreign goods and services by credit and debit card transactions. Similarly, payments related to oil imports and factor income declined by \$18.6 million and by \$17.3 million, respectively. In addition, travel related payments edged down by \$0.5 million. Providing a partial offset, foreign currency sales for non-oil related payments and transfers rose by \$20.9 million and by \$6.8 million, respectively.

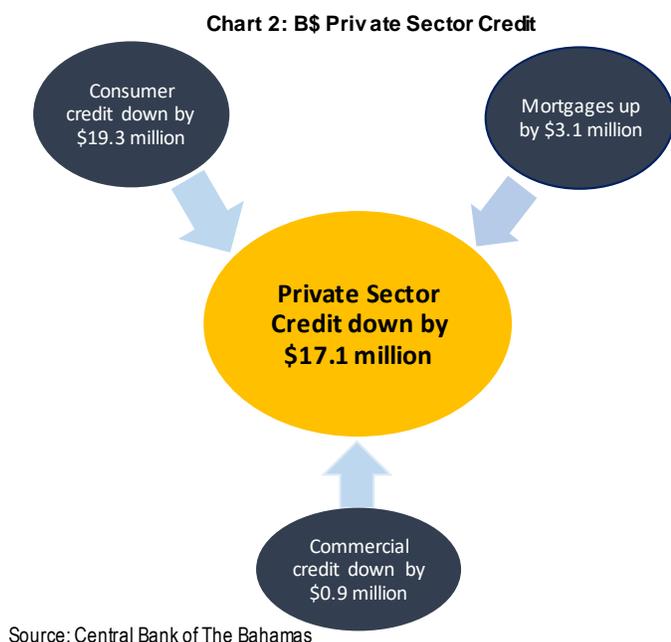
During the first three months of the year, foreign currency sales for current account transactions fell by \$394.5 million to \$1,204.6 million, relative to the corresponding period of 2020. In particular, decreases were posted for credit card transactions and “other” current items (\$282.9 million), oil imports (\$73.1 million), factor income payments (\$26.4 million) and travel related payments (\$20.3 million). Likewise, a modest decline was recorded for payments associated with non-oil imports (\$5.9 million). Conversely, foreign currency sales to facilitate transfer payments grew by \$14.1 million.

Domestic Credit

Bahamian Dollar Credit

During the review month, total Bahamian dollar credit was approximately stable, contrasting with a \$98.5 million expansion in the same period in 2020. Underpinning this outcome, private sector credit declined by \$17.1 million, relative to a \$32.2 million increase in the preceding year, as consumer credit reduced by \$19.3 million, overturning the \$24.2 million buildup a year earlier. Similarly, commercial credit decreased by \$0.9 million, compared to a \$13.0 million growth in the prior year; however, mortgages grew by \$3.1 million, a reversal from a \$5.0 million falloff last year. In the public sector, the reduction in credit to public corporations deepened to \$9.1 million from \$1.8 million in the previous year. Also, growth in net claims on the Government more than halved to \$26.1 million, from \$68.1 million in 2020.

During the first quarter, total Bahamian dollar credit expanded by \$100.4 million, a turnaround from a \$9.4 million decrease in 2020. Contributing to this development, net claims on the Government rose by \$120.9 million, notably higher than the \$0.4 million uptick last year. In addition, credit to public corporations grew by \$2.5 million, vis-à-vis a \$1.0 million decline a year earlier. In contrast, the contraction in credit to the private sector broadened to \$23.0 million, from \$8.8 million in the prior year. Notably, consumer credit fell by \$29.0 million, following a \$23.3 million growth in the previous year. However, the decrease in mortgages slowed to \$5.7 million from \$21.6 million in 2020. In addition, commercial credit advanced by \$11.6 million, a reversal from a \$10.5 million reduction a year earlier.



Foreign Currency Credit

Domestic foreign currency credit contracted by \$4.4 million in March, exceeding the \$2.1 million falloff in the prior year. Leading this outcome was a \$2.4 million decline in private sector credit, extending the \$0.8 million decrease in the preceding year. The commercial credit component moved lower by \$1.6 million, after a flat outturn last year; while mortgages contraction continued at \$0.7 million. Otherwise, the reduction in credit to public corporations extended incrementally to \$1.6 million, and the decrease in net claims on the Government widened to \$0.5 million.

During the review quarter, the reduction in total domestic foreign currency credit moderated to \$5.6 million from \$71.2 million in the comparable period of 2020. Contributing to this development, the contraction in private sector credit slowed notably to \$3.4 million from \$69.0 million, as the falloff in commercial credit narrowed to \$3.0 million from \$72.7 million in the preceding year. Further, mortgages edged down by \$0.4 million, following a \$3.6 million uptick in the prior year. Meanwhile, the decline in credit to public corporations extended to \$1.6 million, from \$1.3 million last year. Also, net claims on the Government fell by \$0.5 million, a reversal from a \$0.9 million gain in the previous year.

Credit Quality

Banks' credit quality indicators weakened during the month of March, as total private sector arrears increased by \$68.1 million (9.4%) to \$795.9 million, resulting in the attendant ratio moving higher by 1.3 percentage points to 14.3% of outstanding loans.

A breakdown by average age of delinquency revealed that short term arrears (31-90 days) advanced by \$65.8 million (27.2%) to \$308.0 million, thereby elevating its accompanying ratio by 1.2 percentage points to 5.5%. Similarly, non-performing loans (NPLs) rose by \$2.3 million (0.5%) to \$488.0 million, corresponding to an 8 basis point firming in the non-accruals rate to 8.7%.

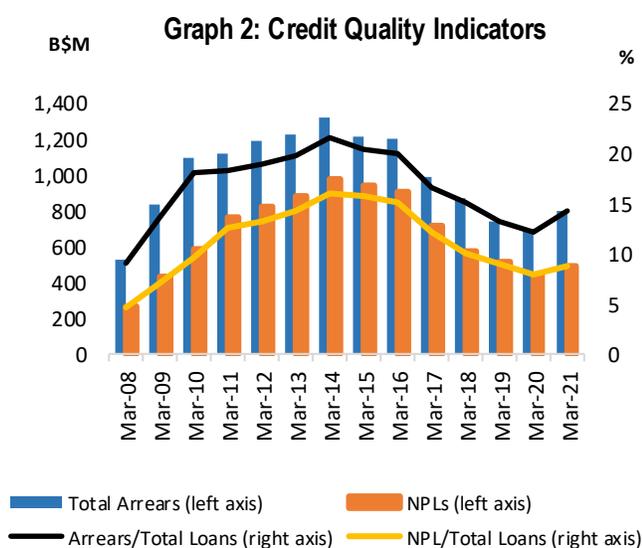
A breakdown by loan type showed that consumer delinquencies grew by \$50.4 million (23.2%) to \$267.1 million, underpinned by respective increases of \$47.2 million (67.1%) and \$3.1 million (2.2%) in the short-term and long-term categories. Likewise, mortgage arrears rose by \$30.8 million (6.9%) to \$475.6 million, as the short term segment increased by \$30.7 million (21.0%), while the non-accrual segment was relatively unchanged at \$298.9 million.

In a partial offset, commercial delinquencies reduced by \$13.1 million (19.8%) to \$53.2 million, due to both short and long-term balances declining by \$12.2 million (47.3%) and \$0.9 million (2.3%), respectively.

Despite the rise in arrears, commercial banks decreased their provisions for loan losses by \$6.5 million (1.1%) to \$573.7 million in March. Consequently, the ratio of total provisions to arrears and to non-performing loans fell by 7.6 and 1.9 percentage points, to 72.1% and 117.6%, respectively. Similarly, the coverage ratio of specific provisions to non-performing loans reduced by 1.7 percentage points to 82.7%. During the month of March, banks wrote-off an estimated \$13.8 million in bad loans and recovered approximately \$2.7 million.

On a year-to-date basis, total private sector arrears advanced by \$22.9 million (3.0%), raising the corresponding ratio by 44 basis points. Underlying this outturn was a \$13.4 million (2.8%) increase in NPLs, resulting in an uptick in the relevant ratio by 26 basis points. Likewise, short-term arrears moved higher by \$9.5 million (3.2%), with the attendant ratio firming by 18 basis points.

In terms of loan categories, consumer delinquencies rose by \$38.5 million (16.8%), as the short and long-term components grew by \$34.7 million (41.9%) and by \$3.8 million (2.6%), respectively. In contrast,



mortgage arrears declined by \$10.6 million (2.2%), as a \$21.5 million (10.9%) reduction in short-term arrears outstripped the \$10.9 million (3.8%) rise in non-accrual loans. Similarly, commercial delinquencies reduced by \$5.0 million (8.7%), reflecting respective decreases in the short-term and non-performing balances of \$3.8 million (21.8%) and \$1.3 million (3.1%). Meanwhile, the NPL rate for consumer loans firmed to 7.0% compared to 5.4% in 2020; mortgages, to 11.6% versus 10.3%; and commercial credit, to 4.7% versus 7.3%.

Over the three-month period, banks lowered their total provisions for loan losses by \$1.5 million (0.3%). Correspondingly, the ratios of total provisions to NPLs and to total arrears, declined by 3.6 and 2.3 percentage points, respectively. Also, the coverage ratio of specific provisions to non-performing loans fell by 1.9 percentage points. For the quarter, banks wrote-off approximately \$28.6 million in claims and recovered an estimated \$6.3 million.

Deposits

During the month of March, the growth in total Bahamian dollar deposits moderated to \$24.1 million, from \$84.4 million in the comparable period of 2020, due to a falloff in foreign currency inflows from real sector activities. In particular, savings balances fell by \$4.0 million, contrasting with a \$43.0 million growth a year earlier. Further, the buildup in demand deposits tapered to \$35.5 million, from \$85.1 million in the preceding year. Conversely, the falloff in fixed deposits slowed to \$7.4 million, from \$43.7 million in the prior year. Meanwhile, foreign currency deposits grew by \$40.3 million, a turnaround from the \$90.1 million decline a year earlier.

On a year-to-date basis, the expansion in total Bahamian dollar deposits slowed notably to \$64.7 million, from \$180.7 million in the prior year. Specifically, accumulations in demand and savings balances narrowed to \$67.1 million and \$0.6 million, respectively from \$182.7 million and \$95.5 million a year ago. Conversely, the decline in fixed deposits moderated considerably to \$2.9 million, from \$97.5 million in 2020. Moreover, foreign currency deposits increased by \$31.5 million, extending the \$24.0 million gain in the previous year.

Interest Rates

In interest rates developments, banks' weighted average loan rate rose by 37 basis points to 10.50% in March. In contrast, the weighted average deposit rate narrowed by 14 basis points to 0.42%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy will register only marginal growth in 2021, with the COVID-19 pandemic continuing to dominate economic developments. Against this backdrop, a sustained, gradual restart of the tourism sector will be dependent upon the pace of progress on the international health front, the effectiveness, availability and distribution 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.

In terms of the labour market, the unemployment rate is expected to remain elevated over the near-term, with any job gains concentrated predominantly in the construction sector and the re-employment of tourism sector employees. With regard to prices, inflationary pressures are anticipated to remain contained, barring any shocks to international oil prices.

On the fiscal front, costs still related to the reconstruction of key infrastructure, following the 2019 major hurricane, along with a rise in outlays for health and social welfare, associated with COVID-19, and revenue losses, are expected to weigh heavily on the Government's fiscal outturn. In particular, estimated revenue

shortfalls continue, in line with expectations that taxable economic activity should remain below capacity in the near-term, improving mostly in line with tourism recovery. As a result, the budgetary gap will be funded with important use of external credit, but with a likely increased proportion of the total funding from domestic sources.

Monetary sector developments will continue to be marked by high levels of liquidity within the banking sector, as commercial banks maintain their conservative lending posture. However, external reserve balances are forecasted to contract during the year, due to a reduction in foreign currency inflows, related to lackluster tourism sector activity and sustained 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 prevailing outlook, the Central Bank will maintain its targeted accommodative stance for private credit and continue to pursue policies that maintain a positive outturn 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

Global economic developments continued to be impacted by the spread of the Novel Coronavirus (COVID-19), resulting in lackluster economic performance during the review month. 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.

As vaccinations become more readily available and the United States stimulus package heightened confidence, economic indicators for the United States were mostly positive during the review month. Specifically, for the month of March, industrial production increased by 1.4%, attributed to an uptick in mining and manufacturing output. Further, retail sales expanded by 9.8%, a reversal from a 2.7% falloff in the prior month. In addition, the unemployment rate fell by 20 basis points to 6.0% in March, as total non-farm pay roll employment rose by 916,000, due in part to gains in leisure & hospitality, public & private education and construction jobs. In terms of prices, the consumer price index increased by 0.6% in March, undergirded by a rise in the costs of gasoline and food. With regard to international trade, the trade deficit widened by \$3.3 billion (4.8%) to \$71.1 billion in February, as the 2.6% reduction in exports outweighed the 0.7% decline in imports. Against this backdrop, the Federal Reserve retained its benchmark interest rate at a range of 0.00%-0.25%.

Performance indicators for the major European economies were mixed during the review period. Real GDP for the United Kingdom grew by 0.4% in February, a recovery from a 2.2% contraction in January, owing in part to growth in the services, production and construction sectors, as well as, wholesale and retail trade. In February, industrial production rose by 1.0%, bolstered by increases in manufacturing, water & sewage and electricity & gas, while retail sales improved by 5.4%, relative to the prior month, due primarily to increases in the sales volume of non-food stores and clothing. In external sector developments, the trade deficit narrowed by £2.1 billion to £6.3 billion, in the three months to February, underpinned by a £5.7 billion decrease in imports, which outpaced the £3.6 billion falloff in exports. With regard to labour market conditions, the unemployment rate declined by 10 basis points to 4.9% during the three months to February, vis-à-vis the previous quarter. In terms of prices, the inflation rate firmed by 30 basis points to 1.0% in the twelve months to March, relative to the same period last year, largely due to a rise in prices for motor fuel and clothing. In the euro area, retail sales for the month of February rose by 3.0%, primarily driven by the sale of non-food products and automotive fuels. On the other hand, industrial production fell by 1.0%, owing to broad based declines across all industrial groupings. Further, the jobless rate remained unchanged at 8.3%, compared to the month earlier, owing to an increase of 48,000 in the number of unemployed persons. In terms of prices, the inflation rate edged up to 1.3% during the review month, driven by the rise in costs related to services, energy, food, alcohol & tobacco, and non-energy industrial goods. On the external front, the trade surplus for February widened to €17.7 billion, from €6.3 billion in the prior month, attributed to a 2.7% gain in exports, combined with a 9.5% decrease in imports. In this environment, the Bank of England upheld its policy rate at 0.1%, while 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 were mostly positive during the review month. During the first quarter, China's real economic output rose by 0.6%, relative to the prior quarter. Likewise, industrial production for the quarter moved higher by 2.0%, while retail sales for the period expanded by 1.9% over the previous quarter. In terms of prices, the consumer price index narrowed by 0.5% in February, from the preceding month, due to decreases in the price of foodstuff, and consumer goods and services. Further, the unemployment rate fell by 20 basis points to 5.3% vis-à-vis the prior month. With regard to international trade, China's trade surplus narrowed to US\$13.8 billion in March from US\$37.9 billion in the prior month, as the 38.1% growth in imports outpaced the 30.6% rise in exports. In Japan, retail sales grew by 3.1% in February, bolstered by broad-based gains across all components. However, industrial production declined by 1.3%, over the prior month, due to a falloff in the production of motor vehicles, electrical machinery, information and communication electronics equipment, and chemicals. On the external front, the trade surplus widened to ¥663.7 billion from ¥215.9 billion a month earlier, underpinned by a 22.2% surge in exports, which outweighed the 15.3% rise in imports. With respect to the labor market, the unemployment rate remained unchanged at 2.9% in February. However, the consumer price index for March edged up by 0.2%, over the previous month, bolstered by gains in clothes & footwear, fuel, light & water, transportation & communication, culture & recreation, and medical care. 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 March, broad based gains were recorded for almost all of the major stock indices. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 expanded by 6.6% and by 4.2%, respectively. Likewise, in the European markets, Germany's DAX rose by 8.9%, while France's CAC 40 and the United Kingdom's FTSE 100 increased by 6.4% and by 3.6%, respectively. In the Asian markets, Japan's Nikkei 225 firmed by 0.7%, while China's SE Composite declined by 1.9%.

Currency market developments showed widespread appreciations against most major currencies during the month of March. Relative to the Japanese Yen and the Swiss Franc, the US dollar strengthened by 3.9% each, to ¥110.72 and CHF0.9436, respectively. Likewise, the US dollar increased against the euro, by 2.9% to €0.8525, the Chinese Renminbi, by 1.2% to CNY6.5529, and the British Pound, by 1.1% to £0.7255. Conversely, the US dollar depreciated vis-à-vis the Canadian dollar, by 1.4% to CAD\$1.2562.

Commodity price trends were mixed during the review month. In particular, the price of crude oil grew by 18.0% to \$65.95 per barrel, as OPEC's crude oil production increased by 1.22 million barrels per day, month-on-month, to average 93.23 million barrels per day. In contrast, the respective cost of gold and silver declined by 1.5% to \$1,707.71 per troy ounce and by 8.4% to \$24.42 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

March					
Value		Change		Change YTD	
2020	2021	2020	2021	2020	2021

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,150.90	1,374.01	13.63	20.40	44.68	-62.26
1.2 Excess Liquid Assets	2,049.02	2,179.37	-48.66	21.04	83.65	-50.34
1.3 External Reserves	2,049.59	2,255.03	83.68	-1.27	291.38	-125.56
1.4 Bank's Net Foreign Assets	272.81	-23.54	-98.12	59.97	69.31	74.37
1.5 Usable Reserves	1,072.03	1,153.07	66.52	-19.82	236.67	-102.11

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,778.68	5,707.66	31.36	-19.42	-77.78	-26.39
a. B\$ Credit	5,646.80	5,565.88	32.16	-17.07	-8.77	-23.00
of which: Consumer Credit	2,101.57	2,007.89	24.15	-19.30	23.34	-28.97
Mortgages	2,816.98	2,789.18	-4.97	3.09	-21.61	-5.66
Commercial and Other Loans B\$	728.25	768.82	12.98	-0.86	-10.51	11.63
b. F/C Credit	131.88	141.78	-0.81	-2.35	-69.01	-3.38
of which: Mortgages	61.68	62.90	-0.77	-0.74	3.64	-0.37
Commercial and Other Loans F/C	70.20	78.88	-0.03	-1.61	-72.65	-3.01
2.2 Central Government (net)	2,619.50	2,649.00	68.01	25.62	-0.47	120.36
a. B\$ Loans & Securities	2,895.48	2,833.93	71.86	32.87	46.23	103.35
Less Deposits	330.58	354.75	3.79	6.80	45.82	-17.55
b. F/C Loans & Securities	57.00	174.13	0.00	0.00	0.00	0.03
Less Deposits	2.39	4.31	0.06	0.45	0.88	0.56
2.3 Rest of Public Sector	441.49	324.15	-3.04	-10.71	-2.31	0.91
a. B\$ Credit	277.46	278.70	-1.76	-9.09	-1.03	2.53
b. F/C Credit	164.03	45.46	-1.28	-1.62	-1.28	-1.62
2.4 Total Domestic Credit	8,839.67	8,680.81	96.33	-4.51	-80.56	94.89
a. B\$ Domestic Credit	8,489.15	8,323.76	98.47	-0.10	-9.40	100.43
b. F/C Domestic Credit	350.52	357.05	-2.14	-4.41	-71.16	-5.54

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,136.37	3,175.30	85.11	35.50	182.67	67.05
a. Central Bank	77.33	44.32	27.63	1.26	27.68	-7.92
b. Banks	3,059.04	3,130.98	57.48	34.24	154.98	74.97
3.2 Savings Deposits	1,731.97	1,785.16	42.98	-3.93	95.52	0.55
3.3 Fixed Deposits	2,327.44	2,247.50	-43.71	-7.46	-97.50	-2.86
3.4 Total B\$ Deposits	7,195.78	7,207.96	84.38	24.11	180.68	64.74
3.5 F/C Deposits of Residents	693.98	458.84	-90.05	40.27	23.98	31.50
3.6 M2	7,542.33	7,575.89	103.70	25.23	190.15	55.50
3.7 External Reserves/M2 (%)	27.17	29.77	0.75	-0.12	3.26	-1.89
3.8 External Reserves/Base Money (%)	113.65	110.06	2.19	-1.21	12.10	-2.31
3.9 External Reserves/Demand Liabilities (%)	104.83	102.32	2.48	-1.81	9.57	-3.45
	Value		Year To Date		Change	
	2020	2021	2020	2021	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	23.96	-0.90	225.17	-127.41	-24.85	-352.58
a. Net Purchase/(Sale) from/to Banks	114.42	-5.29	328.87	-53.16	-119.71	-382.02
i. Sales to Banks	32.10	22.28	63.08	75.88	-9.82	12.80
ii. Purchase from Banks	146.52	16.99	391.95	22.72	-129.53	-369.23
b. Net Purchase/(Sale) from/to Others	-90.46	4.40	-103.70	-74.26	94.86	29.44
i. Sales to Others	161.80	54.87	293.51	190.36	-106.93	-103.15
ii. Purchase from Others	71.34	59.27	189.81	116.11	-12.07	-73.70
4.2 Banks Net Purchase/(Sale)	91.39	15.91	304.56	3.34	-75.48	-301.23
a. Sales to Customers	452.53	446.95	1262.16	1085.24	-5.58	-176.92
b. Purchase from Customers	543.91	462.85	1566.72	1088.58	-81.06	-478.14

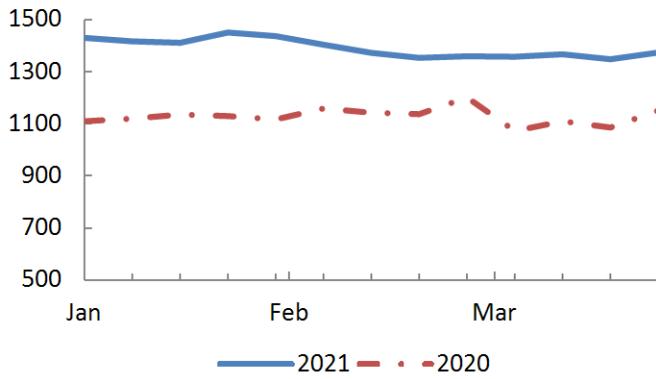
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	549.76	493.47	1,599.04	1,204.55	-56.29	-394.49
of which Public Sector	103.76	51.44	250.28	138.99	-52.32	-111.28
a. Nonoil Imports	134.06	154.91	400.90	394.97	20.85	-5.93
b. Oil Imports	53.72	35.13	150.21	77.09	-18.59	-73.12
c. Travel	13.24	12.74	51.05	30.75	-0.51	-20.30
d. Factor Income	50.98	33.73	99.82	73.47	-17.25	-26.35
e. Transfers	11.17	17.98	38.88	52.95	6.81	14.07
f. Other Current Items	286.58	238.98	858.18	575.31	-47.60	-282.87
5.2 Capital Items	80.62	11.80	100.00	51.74	-68.82	-48.26
of which Public Sector	63.68	10.40	71.13	43.18	-53.28	-27.95

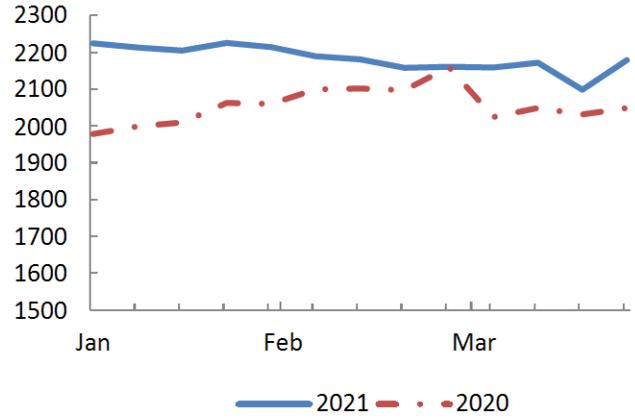
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

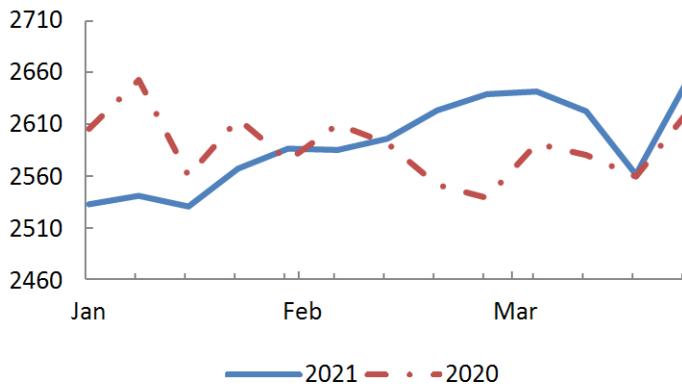
Excess Reserves



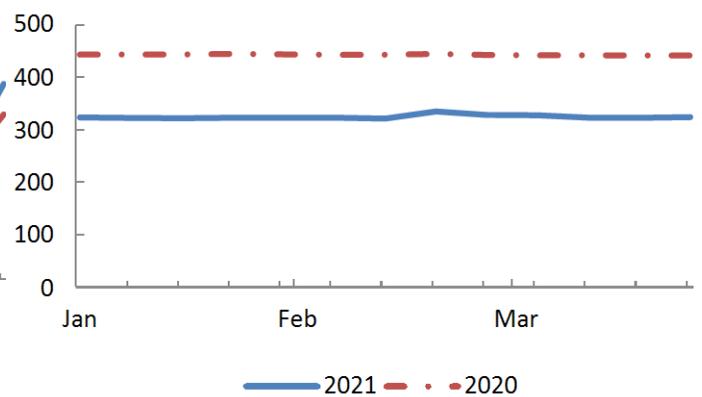
Excess Liquid Assets



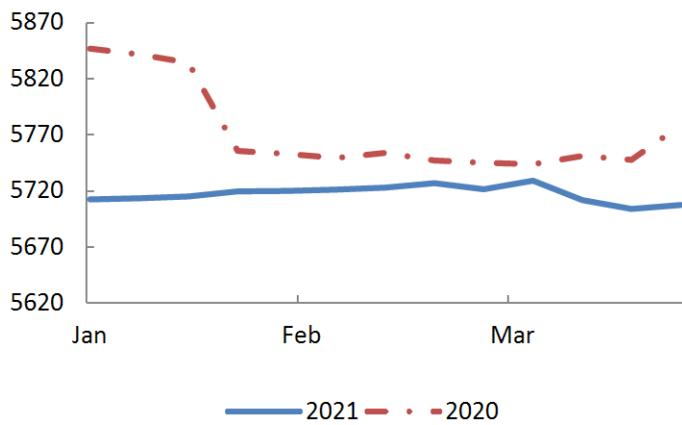
Central Govt. Credit (Net)



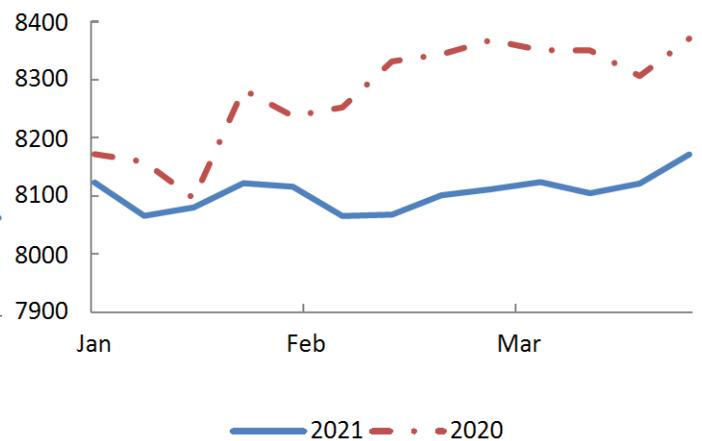
Rest of Public Sector Credit



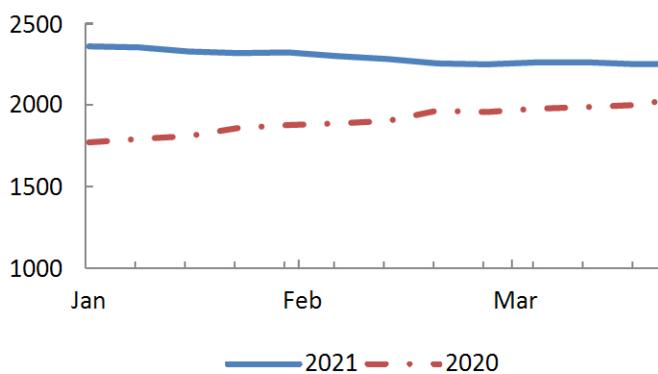
Private Sector Credit



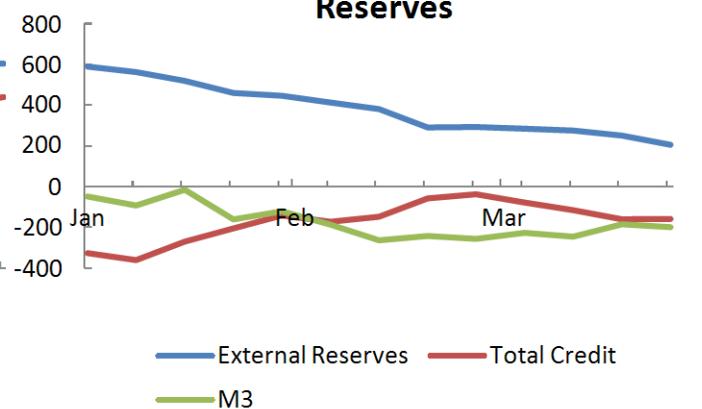
M3



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	
	2020	2021	2020	2021	2020	2021
Bahamas	-16.3	2.0	0.0	2.0	25.6	24.0
United States	-3.5	6.4	1.2	2.3	8.1	5.8
Euro-Area	-6.6	4.4	0.3	1.4	7.9	8.7
Germany	-4.6	3.6	0.4	2.2	4.2	4.4
Japan	-4.8	3.3	0.0	0.1	2.8	2.8
China	2.3	8.4	2.4	1.2	3.8	3.6
United Kingdom	-9.9	5.3	0.9	1.5	4.5	6.1
Canada	-5.4	5.0	1.7	2.0	9.6	8.0

Source: IMF World Economic Outlook April 2021.

B: Official Interest Rates – Selected Countries (%)					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
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
March 2021	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Mar-20	Feb-21	Mar-21	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.9065	0.8282	0.8525	2.94	4.15	-5.96
Yen	107.54	106.57	110.72	3.89	7.23	2.96
Pound	0.8052	0.7177	0.7255	1.09	-0.82	-9.89
Canadian \$	1.4062	1.2738	1.2562	-1.38	-1.28	-10.67
Swiss Franc	0.9611	0.9085	0.9436	3.86	6.60	-1.82
Renminbi	7.0823	6.4734	6.5529	1.23	0.39	-7.47

Source: Bloomberg as of March 31st, 2021

D. Selected Commodity Prices (\$)					
Commodity	Mar 2020	Feb 2021	Mar 2021	Mthly % Change	YTD % Change
Gold / Ounce	1577.18	1734.04	1707.71	-1.52	-10.04
Silver / Ounce	13.97	26.67	24.42	-8.44	-7.52
Oil / Barrel	50.48	55.88	65.95	18.02	28.66

Source: Bloomberg as of March 31st, 2021

E. Equity Market Valuations – March 31st, 2021 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.20	6.62	4.24	3.55	6.38	8.86	0.73	-1.91
3 month	-5.65	24.45	21.50	20.37	32.06	29.87	26.99	6.74
YTD	-6.15	7.76	5.77	3.92	9.29	9.40	6.32	-0.89
12-month	-7.25	50.48	53.71	18.37	38.01	51.05	54.25	25.15

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.1350	0.0900	-0.5500
1 Month	0.1850	0.0900	-0.5400
3 Month	0.2000	0.1005	-0.5550
6 Month	0.2500	0.1500	-0.5075
9 Month	0.2450	0.2150	-0.4900
1 year	0.2800	0.2200	-0.4725

Source: Bloomberg as of March 31st, 2021

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

	VALUE									CHANGE								
	Feb. 03	Feb. 10	Feb. 17	Feb. 24	Mar. 03	Mar. 10	Mar. 17	Mar. 24	Mar. 31	Feb. 03	Feb. 10	Feb. 17	Feb. 24	Mar. 03	Mar. 10	Mar. 17	Mar. 24	Mar. 31
I. External Reserves	2,324.00	2,301.01	2,283.46	2,256.30	2,250.36	2,262.67	2,263.51	2,251.55	2,255.03	4.13	(22.99)	(17.55)	(27.16)	(5.95)	12.31	0.84	(11.97)	3.49
II. Net Domestic Assets (A + B + C + D)	(224.09)	(237.41)	(247.63)	(228.66)	(223.46)	(245.31)	(239.08)	(240.76)	(206.20)	(20.20)	(13.32)	(10.22)	18.97	5.20	(21.85)	6.22	(1.68)	34.56
A. Net Credit to Gov't (I + ii + iii -iv)	225.85	249.82	207.52	223.02	225.22	212.56	217.56	226.61	247.92	(2.59)	23.97	(42.30)	15.49	2.20	(12.66)	5.00	9.06	21.31
i) Advances	30.00	55.00	55.00	75.00	75.00	75.00	75.00	100.00	100.00	-	25.00	-	20.00	-	-	-	25.00	-
ii) Registered Stock	239.67	240.53	240.77	243.91	244.51	247.03	247.46	249.14	258.48	7.51	0.85	0.24	3.15	0.60	2.52	0.43	1.68	9.34
iii) Treasury Bills	14.02	14.02	0.27	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(1.90)	(0.00)	(13.75)	(0.31)	0.00	(0.00)	0.00	0.00	0.00
iv) Deposits	57.84	59.73	88.51	95.86	94.25	109.43	104.86	122.48	110.52	8.20	1.89	28.78	7.35	(1.60)	15.18	(4.57)	17.62	(11.97)
B. Rest of Public sector (Net) (i+ii-iii)	(51.20)	(58.13)	(34.30)	(36.36)	(40.76)	(42.82)	(49.63)	(30.41)	(37.24)	(19.65)	(6.93)	23.82	(2.06)	(4.40)	(2.05)	(6.81)	19.22	(6.83)
i) Loans	2.13	2.13	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-	(0.13)	-	-	-	-	-	-
ii) Bonds/Securities	4.69	4.70	4.70	4.70	4.70	4.70	5.08	5.08	5.08	-	0.00	-	-	-	-	0.38	-	-
iii) Deposits	58.01	64.95	41.00	43.06	47.46	49.51	56.71	37.49	44.32	19.65	6.94	(23.95)	2.06	4.40	2.05	7.20	(19.22)	6.83
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-								
D. Other Items (Net)*	(398.75)	(429.10)	(420.85)	(415.32)	(407.92)	(415.05)	(407.01)	(436.97)	(416.89)	2.04	(30.35)	8.25	5.54	7.40	(7.13)	8.04	(29.95)	20.08
III. Monetary Base	2,099.91	2,063.60	2,035.83	2,027.64	2,026.90	2,017.36	2,024.43	2,010.78	2,048.83	(16.07)	(36.30)	(27.78)	(8.19)	(0.74)	(9.53)	7.07	(13.65)	38.05
A. Currency in Circulation	494.65	491.09	489.65	494.96	499.23	497.36	484.12	482.51	500.45	1.21	(3.56)	(1.44)	5.31	4.27	(1.87)	(13.24)	(1.61)	17.94
B. Bank Balances with CBOB	1,605.26	1,572.51	1,546.18	1,532.68	1,527.67	1,520.00	1,540.31	1,528.27	1,548.38	(17.28)	(32.74)	(26.33)	(13.50)	(5.02)	(7.66)	20.31	(12.04)	20.11

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				
Fiscal Operations^p														
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%		
Debt^{† **}														
7. Total Direct Debt	7,735.6	9,439.8	7,750.2	9,482.0	7,891.3	9,526.1								
% change; over previous month	0.0%	0.2%	0.2%	0.4%	1.8%	0.5%								
8. External Debt	2,563.1	4,028.2	2,598.3	4,004.0	2,604.1	4,007.4								
% change; over previous month	-0.2%	-0.1%	1.4%	-0.6%	0.2%	0.1%								
9. Internal F/C Debt	50.0	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%								
10. Bahamian Dollar Debt	5,122.5	5,231.2	5,101.9	5,297.6	5,237.2	5,338.3								
% change; over previous month	0.1%	0.5%	-0.4%	1.3%	2.6%	0.8%								
11. Total Amortization	52.5	27.5	23.8	35.8	185.6	95.7								
% change; over previous month	47.7%	-58.7%	-120.8%	23.4%	87.2%	62.6%								
12. Total Public Sector F/C Debt	3,471.5	4,780.8	3,506.6	4,756.6	3,500.9	4,752.6								
% change; over previous month	-19.6%	-0.1%	1.0%	-0.5%	-0.2%	-0.1%								
Real Sector Indicators														
13. Retail Price Index	108.9	109.71	108.28	109.8									108.6	109.8
% change; over previous month	1.27%	0.88%	-0.5%	0.1%									1.10%	1.10%
14. Tourist arrivals (000's)	687.2	23.6											687.2	23.6
% change; over previous year	7.9%	-96.6%											7.90%	-96.56%
15. Air arrivals (000's)	125.3	20.8											125.3	20.8
% change; over previous year	-3.5%	-83.4%											-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