



Monthly Economic and Financial Developments August 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: November 1; November 29; December 20



AUGUST 2021 SUMMARY

MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

Overall Economic Activity

Indications are that the domestic economy began a slow pace of recovery, despite the ongoing spread of the Novel Coronavirus (COVID-19) pandemic. Specifically, tourism output commenced a gradual upturn, supported by a continuous strengthening in the high value-added air segment and the modest uptick in sea traffic, reflective of widespread vaccination efforts both locally and internationally. In addition, ongoing foreign investment-led projects, along with post hurricane rebuilding works, provided continued impetus to the construction sector.

Inflation & Unemployment

Inflationary pressures are anticipated to remain contained, although some firming is estimated, reflective of the uptick in international oil prices. With regard to the labour market, the unemployment rate is projected to remain elevated over the near-term, with any job gains concentrated largely in the construction sector and the limited re-engagement of tourism sector employees.

Fiscal Developments

During FY2020/2021, the deficit grew by \$536.3 million (66.1%) to \$1,348.0 million, largely attributed to the economic impact of the COVID-19 pandemic and related social welfare initiatives. In particular, aggregate expenditure rose by \$322.1 million (11.1%) to \$3,220.7 million, while total revenues contracted by \$214.2 million (10.3%) to \$1,872.7 million.

Monetary Sector

On the monetary front, bank liquidity grew, as the more constrained decline in the deposit base, contrasted with the expansion in domestic credit. Similarly, external reserves increased during the review month, buttressed primarily by the receipt of Special Drawing Rights (SDRs) from the IMF.

International Economies

Developments within the major economies continued to be impacted by the ongoing spread of the Novel Coronavirus (COVID-19). As a result, the major economies recorded mixed performances. Against this backdrop, all of the major central banks maintained their highly accommodative monetary policy stances, in an effort to encourage economic growth and financial stability.



Monthly Economic and Financial Developments (MEFD) August 2021

1. Domestic Economic Developments

Overview

During the month of August, indications are that the domestic economy continued a slow pace of recovery, despite the ongoing spread of the Novel Coronavirus (COVID-19) pandemic. Specifically, tourism’s improvement reflected further seasonal strengthening in the high value-added air segment and the modest uptick in sea traffic, reflective of widespread vaccination efforts both locally and internationally. In addition, ongoing foreign investment-led projects, along with post hurricane rebuilding works, provided impetus to the construction sector. On the fiscal front, Government’s budgetary operations for FY2020/21 showed a notable rise in the deficit, underpinned by an increase in aggregate expenditure, primarily for social welfare related to COVID-19, combined with a reduction in total revenue. Monetary developments featured a buildup in bank liquidity, with the more constrained decline in the deposit base, contrasting with the expansion in domestic credit. Similarly, external reserves increased during the review month, buttressed primarily by the receipt of Special Drawing Rights (SDRs) from the IMF.

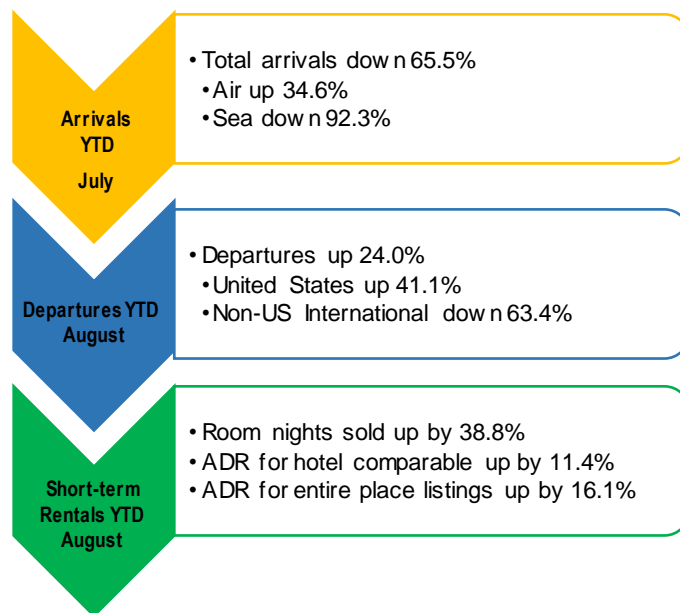
Real Sector

Tourism

Preliminary evidence suggests that monthly tourism output maintained signs of a slow recovery, albeit continuing to face headwinds, owing to the ongoing globally imposed travel restrictions related to the COVID-19 pandemic. Nonetheless, domestic demand continued to provide support to the vacation rental market.

Initial data from the Ministry of Tourism (MOT) indicated that total visitor arrivals by first port of entry expanded to 183,270 in July, from just 23,820 in the corresponding period of 2020, as international borders were reopened, although with imposed restrictions. Leading this outcome, air arrivals strengthened to 133,811, from 15,355 in the previous year—representing 76.0% of the arrivals recorded in 2019. In addition, sea traffic increased to 49,459, compared to a mere 8,465 in the preceding year, as the uptick in cruise bookings persisted and more ships and ports resume activity. Disaggregated by major market, total arrivals to New Providence rose to 118,797

Chart 1: Tourism Indicators at a Glance



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

from 7,899 in the same period of 2020. Contributing to this outturn, the air and sea segments measured 101,524 and 17,273, respectively. Similarly, foreign arrivals to Grand Bahama increased to 11,638, extending the volume of 1,854 registered a year earlier, as sea and air arrivals amounted to 8,689 and 2,949, respectively. Further, total traffic to the Family Islands grew to 52,835 from 14,067 in the prior year, attributed to respective improvements in the air and sea segments, of 29,338 and 23,497.

On a year-to-date basis, total arrivals reduced by 65.5%, surpassing the 61.8% decrease registered a year earlier, which had included healthy first quarter activity. Notable cruise business was more materially absent, with a 92.3% reduction in sea traffic, exceeding the 59.6% contraction in 2020. In contrast, air arrivals recovered by 34.6%, opposing the 68.4% falloff recorded in the previous year, as all major markets registered positive movements during the review period (see Table 1).

The most recent data provided by the Nassau Airport Development Company Limited (NAD) revealed that total departures—net of domestic passengers—rose to 101,530 in August, from a modest 2,139 in the corresponding month of 2020, reflective of the country’s complete reopening of its borders. In particular, U.S. departures advanced to 94,166 from just 1,074 in the prior year, while non-U.S. departures increased to 7,364, from a mere 1,065 in the preceding year. On a year-to-date basis, outward bound traffic recovered by 24.0%, following a decline of 68.5% last year. In particular, U.S. departures grew by 41.1%, after a 69.7% falloff in the previous year. In contrast, the reduction in non-U.S. departures extended to 63.4%, from 60.8% in the prior year.

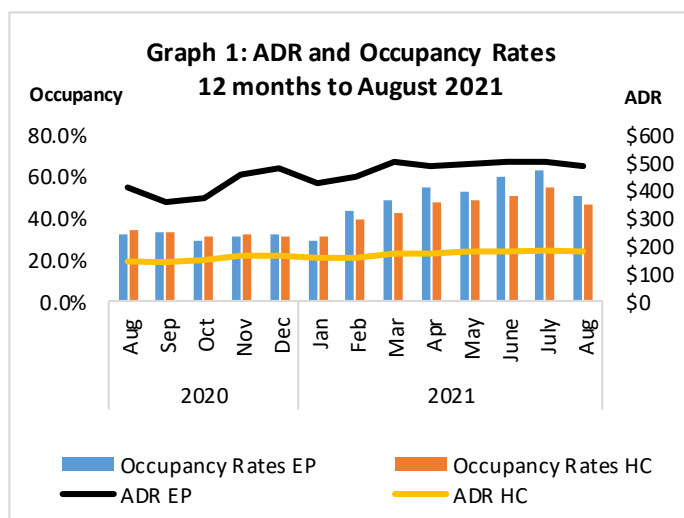
In the vacation rental market, the latest data from AirDNA showed that the decrease in demand for short-term rentals moderated during the month of August. Specifically, the reduction in total room nights sold slowed to 27.8%, compared to 47.7% in the corresponding period of the preceding year, with declines in bookings for both hotel comparable and entire place listings easing to 20.1% and 28.6%, respectively, from 38.2% and 48.8% a year earlier. As depicted in Graph 1, price indicators improved year-over-year, as the average daily room rate (ADR) increased for hotel comparable and entire place listings, by 23.2% and by 18.7%, to \$174.78 and \$484.42, respectively.

On a year-to-date basis, total room nights sold firmed by 38.8%, reflecting respective gains in bookings for entire place and hotel comparable listings, to 41.0% and 21.7%. Meanwhile, pricing data revealed that the

Table 1: Total Visitor Arrivals January - July 2021

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2020	2021	2020	2021	2020	2021
Arrivals						
Air	-66.2	15.9	-78.5	19.3	-74.8	129.7
Sea	-66.3	-95.9	-73.0	-81.0	-46.3	-90.8
Total	-66.3	-58.4	-73.6	-72.4	-50.8	-72.9

Source: Ministry of Tourism



Source: AirDNA

ADR grew for both entire place and hotel comparable listings, by 16.1% and by 11.4%, to \$478.25 and \$170.29, respectively.

Fiscal Sector

Preliminary data on the Government's budgetary operations for FY2020/2021 showed that the deficit grew by \$536.3 million (66.1%) to \$1,348.0 million, largely attributed to the economic impact of the COVID-19 pandemic and related social welfare initiatives. Underlying this outturn, aggregate expenditure rose by \$322.1 million (11.1%) to \$3,220.7 million, while total revenue contracted by \$214.2 million (10.3%) to \$1,872.7 million.

As it relates to expenditure, recurrent outlays increased by \$324.9 million (12.9%) to \$2,851.3 million. The outturn was led by a more than doubling in social assistance benefits to \$403.0 million, from \$188.0 million in the preceding year, largely attributed to COVID-19 related outlays for unemployment and food assistance programs. In addition, interest payments advanced by \$77.7 million (22.5%) to \$422.4 million, while spending on goods and services grew by \$43.7 million (7.8%) to \$605.4 million. Further, subsidies and other miscellaneous payments—inclusive of current transfers and insurance premiums—moved higher by \$42.2 million (9.9%) to \$469.7 million and by \$14.1 million (6.0%) to \$249.1 million, respectively. Providing a modest offset, compensation of employees reduced by \$65.5 million (8.6%) to \$695.3 million, while grants tapered by \$2.2 million (25.9%) to \$6.4 million.

In contrast, capital expenditure declined by \$2.7 million (0.7%) to \$369.5 million. In particular, capital transfers contracted by \$55.8 million (36.8%) to \$95.8 million, partly reflecting a falloff in outlays for post-hurricane recovery efforts. Conversely, the acquisition of non-financial assets increased by \$53.1 million (24.1%) to \$273.7 million, due to a notable expansion in fixed assets.

The decrease in total revenue reflected a \$255.0 million (13.7%) reduction in tax receipts to \$1,603.3 million. By sub-component, VAT collections declined by \$138.0 million (15.7%) to \$741.7 million, largely influenced by the contraction in economic activity, due to temporary closure of business operations given the COVID-19 restrictions. Similarly, inflows from taxes on international trade fell by \$176.3 million (43.5%) to \$229.3 million, reflecting broad-based decreases across all categories. Smaller reductions were registered for financial & realty stamp taxes (\$9.1 million) and gaming receipts (\$2.1 million). In a partial offset, real property taxes registered a gain of \$44.4 million (44.7%), excise taxes, \$28.4 million (13.7%), motor vehicle taxes, \$1.7 million (5.7%) and marine licenses, \$1.4 million (82.4%). Meanwhile, non-tax revenue grew by \$40.7 million (17.8%) to \$269.2 million, owing in part to a \$21.5 million (32.0%) rise in immigration fee collections to \$88.7 million, and an expansion in income from other "miscellaneous" sources, to \$18.8 million, vis-à-vis \$2.8 million a year earlier.

2. Monetary Trends

August 2021 vs. 2020

Liquidity

Monetary developments for the month of August featured a buildup in bank liquidity, with the more constrained decreased in the deposit base, contrasting with the growth in domestic credit. Specifically, excess liquid assets—a broad measure of liquidity—expanded by \$92.7 million to \$2,443.2 million, surpassing the

\$69.7 million increase a year earlier. Similarly, excess reserves—the narrow measure of liquidity—rose by \$57.0 million to \$1,557.6 million, extending the \$55.3 million accumulation in 2020.

External Reserves

During the month of August, bolstered by the receipt of Special Drawing Rights (SDRs) from the IMF, external reserves grew by \$140.2 million to \$2,753.2 million, albeit a moderation from the \$144.9 million growth in the prior year. In particular, the Central Bank’s net purchase from the public sector slowed to \$193.4 million, from \$225.6 million in the previous year. Meanwhile, the Bank’s net sale to commercial banks tapered to \$57.0 million from \$86.6 million in 2020. Further, commercial banks net sale to their customers decreased to \$65.7 million from \$95.0 million a year earlier.

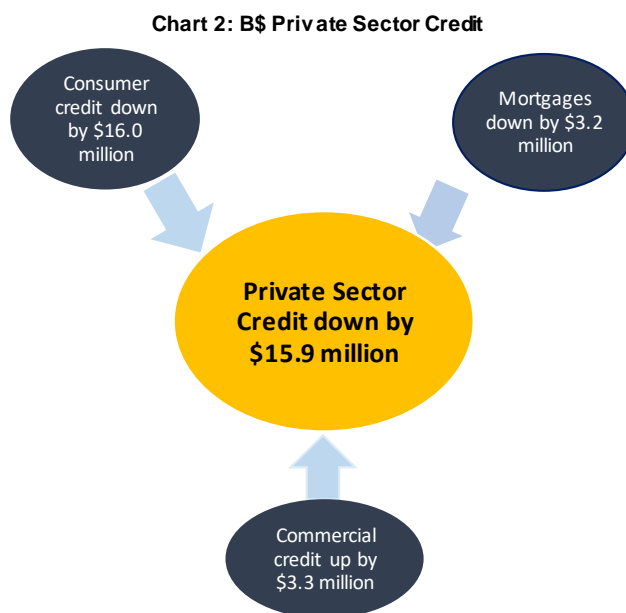
Exchange Control Data

Provisional data on foreign currency sales for current account transactions revealed that outflows rose by \$246.4 million to \$632.7 million in August, compared with the same period last year. Underpinning this outturn, “other” current items—mainly services and credit card-financed imports—grew by \$112.7 million, factor income remittances, by \$54.9 million and non-oil imports, by \$48.7 million. In addition, payments for oil imports advanced by \$15.0 million, travel related transactions, by \$11.5 million and transfers, by \$3.5 million.

Domestic Credit

Bahamian Dollar Credit

Bahamian dollar credit rose by \$127.8 million in August, a reversal from a \$101.2 million decline in the comparable period of the preceding year. Contributing to this outturn, net claims on the Government expanded by \$140.1 million, a turnaround from the \$95.9 million decrease registered a year earlier. Likewise, credit to public corporations grew by \$3.6 million, vis-à-vis a \$7.6 million falloff last year. Conversely, private sector credit reduced by \$15.9 million, contrasting with a \$2.3 million uptick in 2020. Underlying this development, consumer credit and mortgages moved lower by \$16.0 million and by \$3.2 million, respectively, extending the \$10.8 million and \$0.4 million falloff in the preceding year. Conversely, commercial credit increased by \$3.3 million, albeit a moderation from the \$13.5 million accumulation a year earlier.



Source: Central Bank of The Bahamas

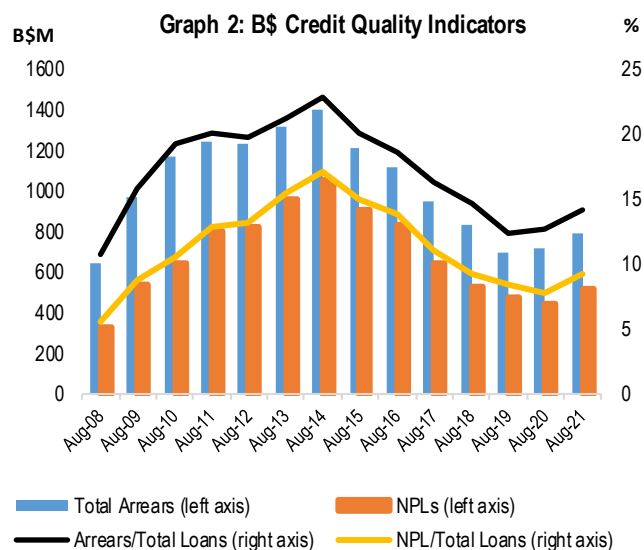
Foreign Currency Credit

Domestic foreign currency credit contracted by \$24.0 million in August, exceeding the \$3.7 million decline in the previous year. Specifically, the decrease in private sector credit deepened to \$10.9 million from \$2.5 million in 2020, as mortgages reduced by \$7.6 million, extending the \$0.3 million falloff a year earlier, while

commercial credit fell further by \$3.3 million, surpassing the \$2.1 million downturn in 2020. Conversely, net claims on the Government grew by \$2.4 million, although a moderation from the \$39.5 million expansion a year earlier. Further, credit to the public corporations reduced by \$15.5 million, a slowdown from the \$40.8 million retrenchment last year.

Credit Quality

Bank's credit quality indicators improved during the review month, as total private sector arrears contracted by \$19.3 million (2.4%) to \$786.9 million, while the accompanying ratio declined by 32 basis points to 14.20%. Contributing to this outturn, short-term arrears (31-90 days) reduced by \$11.8 million (4.2%) to \$271.3 million, corresponding with a 20 basis points decrease in the attendant ratio to 4.9%. Similarly, non-performing loans (NPLs) fell by \$7.5 million (1.4%) to \$515.6 million, while the relevant ratio moved lower by 11 basis points to 9.3%—with decreases in NPL rates for mortgages, by 24 basis points to 11.5% and commercial loans, by 15 basis points to 5.5%; however, consumer loans edged up by 2 basis points to 8.2%.



Disaggregation by loan category revealed that the reduction in total delinquencies was led by a decline in commercial arrears by \$9.3 million (11.8%) to \$69.1 million, as both the short and long-term components fell by \$8.6 million (28.7%) and by \$0.6 million (1.3%), respectively. Likewise, consumer credit arrears declined by \$6.3 million (2.4%) to \$257.8 million, owing to a \$6.8 million (3.8%) decrease in the non-accrual component, which outstripped the \$0.5 million (0.6%) uptick in short-term arrears. Further, mortgages arrears moved lower by \$3.8 million (0.8%) to \$460.0 million, on account of a \$3.7 million (2.2%) falloff in the short-term segment, while NPLs were relatively unchanged.

Despite these developments, banks augmented their loan loss provisions by \$20.6 million (3.7%) to \$578.3 million in August. As a result, the total provisions to NPLs ratio increased by 5.6 percentage points to 112.2% and the total provisions to arrears ratio, by 4.3 percentage points to 73.5%. Similarly, the coverage ratio of specific provisions to non-accrual loans rose by 5.2 percentage points to 86.6%. During the review month, banks wrote-off an estimated \$18.1 million in overdue loans and recovered approximately \$3.3 million.

In comparison to August 2020, the total private sector arrears rate grew by 1.6 percentage points, underpinned by increases in both the non-accrual (1.5 percentage points) and short-term (0.1 percentage points) segments. A disaggregation by components showed a rise in mortgages (2.3 percentage points) and consumer credit (1.8 percentage points), while the commercial loan segment declined (1.2 percentage points).

Deposits

The reduction in total Bahamian dollar deposits deepened to \$34.7 million from \$30.7 million in the preceding year. In terms of the components, respective savings and fixed deposits fell by \$10.3 million and by \$9.9 million, extending the \$5.4 million and \$2.9 million decrease in 2020. However, the decline in demand balances moderated to \$14.5 million, from \$22.4 million a year earlier. In contrast, foreign currency deposits advanced by \$1.9 million, vis-à-vis a \$26.7 million falloff in the prior year.

Interest Rates

During the month of August, banks' weighted average loan rate narrowed by 50 basis points to 10.08%. Similarly, the weighted average deposit rate fell by 10 basis points to 0.45%, 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 modest growth in 2021, undergirded by the resumption of activity in both stopover and cruise tourism. Against this backdrop, further progress in the tourism sector will be reliant upon the easing of all globally imposed travel restrictions, the success of health initiatives, the effectiveness, availability and distribution of vaccines. Nonetheless, new and ongoing foreign investment-led projects, along with post-hurricane rebuilding works, are expected to provide some support to the construction sector.

In terms of the labour market, the unemployment rate is projected to remain elevated over the near-term, with any job gains concentrated largely in the construction sector and the limited re-engagement of tourism sector employees. With regard to prices, inflationary pressures are anticipated to remain contained, although some firming is estimated, reflective of the uptick in international oil prices.

On the fiscal front, costs still related to the restoration of key infrastructure, following the 2019 major hurricane, and an increase in outlays for health and social welfare, associated with COVID-19, combined with constrained revenue collections, are expected to weigh heavily on the Government's fiscal outcome. Projected revenue shortfalls should continue, with expectations that taxable economic activity should remain below capacity in the near-term, improving mostly in line with tourism recovery. The budgetary gap is expected to be financed with important use of external credit, but with a sustainably 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, although private sector net foreign currency drawdowns are forecasted, due to a falloff in inflows, related to lackluster tourism sector activity and higher imports to aid reconstruction work, external reserve balances are anticipated to end the year at a higher level than in 2020, underpinned by Government's external borrowing activities. In this context, external balances are expected to remain more than adequate to sustain the Bahamian dollar currency peg.

4. Monetary Policy Implications

In light of the prevailing outlook, the Central Bank will maintain its targeted accommodative stance for private credit and continue to pursue policies that maintain a favorable 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, developments within the major economies continued to be impacted by the ongoing spread of the Novel Coronavirus (COVID-19). As a result, the major economies recorded mixed performances. Against this backdrop, all of the major central banks maintained their highly accommodative monetary policy stances, in an effort to encourage economic growth and financial stability.

Economic indicators in the United States followed a mostly positive trend over the review period, despite an uptick in COVID-19 cases. Specifically, retail sales edged up by 0.7% in August, reversing the 1.8% falloff a month earlier. Meanwhile, the growth in industrial production tapered to 0.4%, vis-à-vis 0.8% a month earlier, due to shut downs caused by passing hurricanes. Further, labor market conditions improved, as total non-farm payroll employment grew by 235,000, largely reflecting gains in professional and business services, transportation and warehousing, and private education. As a result, the unemployment rate narrowed by 20 basis points to 5.2% in August relative to the prior month. Meanwhile, the firming in the inflation rate slowed to 0.3% in August from 0.5% in July, due to a moderation in the increase in food and energy indexes. In external sector developments, the trade deficit reduced by \$3.2 billion (4.3%) to \$70.1 billion in July, relative to the preceding month, underpinned by a 1.3% rise in exports and a 0.2% reduction in imports. In this environment, the Federal Reserve retained its benchmark interest rate to a range of 0.00% –0.25%.

European economies recorded varied performances over the review month. In particular, in the United Kingdom, the decline in retail sales moderated to 0.9% in August, from 2.8% a month earlier. Further, industrial production rose by 1.2% in July, compared to the previous month, reflecting increased output in the mining & quarrying sector. Meanwhile, the consumer price index firmed by 70 basis points to 3.2% in August, largely attributed to higher transport costs. In addition, for the three months to July, the jobless rate grew by 30 basis points to 4.6%, relative to the prior quarter. In terms of the external sector, the trade deficit widened by £1.5 billion in the three months to July, to £4.9 billion, as the 5.8% rise in imports eclipsed the 5.7% addition to exports. In the euro area, industrial production advanced by 1.5% in July, following a moderation of 0.1% in the prior month, largely reflecting an increase in non-durable consumer goods and capital goods. However, retail sales fell by 2.3% in July, reversing a growth of 1.8% a month earlier, owing to declines across all major components. Meanwhile, the annual inflation rate rose by 80 basis points to 3.0% in August, relative to the preceding month, largely due to a rise in energy costs. With regard to labour market conditions, the jobless rate reduced by 20 basis points to 7.6% in July, relative to June, as the number of unemployed individuals decreased by 350,000. In the external sector, the trade surplus narrowed to €20.7 billion in July, from €26.8 billion a year earlier, as the 17.1% expansion in imports outpaced the 11.4% growth in exports. In line with these developments, the Bank of England maintained its interest rate at 0.1%, and the size of its Government bond purchase program at £895.0 billion, while the European Central Bank kept interest rates on its main refinancing operations, marginal lending facility and deposit facility at 0.00%, 0.25% and -0.50%, respectively.

For the Asian economies, indicators were mixed during the month of August. In particular, China's trade surplus widened by US\$1.8 billion (3.1%) to US\$58.3 billion, relative to August 2020, despite the 33.0% increase in imports outpacing the 25.6% growth in exports. In addition, during the review month, industrial production grew by 0.3% and retail sales, by 0.2%, vis-a-vis the month of July. Further, the growth in average consumer prices moderated by 20 basis points, to 0.1% in August, while the jobless rate was unchanged at 5.1%. In Japan, retail sales rose by 2.4% in July compared to June, while industrial production decreased by 1.5%, owing to reductions in machinery & equipment, motor vehicles and extended emergency orders. Meanwhile, consumer prices edged up by 0.2% in July, due in part to higher transportation and communication costs. In labor market developments, the unemployment rate narrowed by 20 basis points to 2.8% in July. On the external front, a trade deficit of ¥635.4 billion was recorded in August, a reversal from a surplus of ¥439.4 billion a month earlier, as exports contracted by 10.2%, while imports rose by 4.7%. In this environment, the Bank of Japan sustained its policy rate at -0.1%, while the People's Bank of China left its reverse repo rate unchanged at 2.20%.

All major equity markets registered positive movements in August. In Asia, China's SE Composite rose by 4.3%, while Japan's Nikkei 225 grew by 3.0%. In the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) moved higher by 2.9% and by 1.2%, respectively. Further, in Europe, the German DAX increased by 1.9%, the United Kingdom's FTSE 100, by 1.2% and French's CAC 40, by 1.0%.

In currency market developments, the US dollar appreciated relative to most of the major currencies during the month of August. In particular, the dollar strengthened against the Canadian Dollar, the British Pound and the Swiss Franc, by 1.0% each, to CAD\$1.2616, £0.7270 and CHF0.9151, respectively. Likewise, the US dollar increased relative to the euro, by 0.5% to €0.8468 and the Japanese Yen, by 0.3% to ¥110.02. Meanwhile, the dollar was stable against the Chinese Renminbi, at CNY6.4607.

As it relates to commodities markets, outcomes varied. Specifically, the cost of crude oil rose by 1.6% to \$76.29 per barrel, although OPEC increased its crude oil production by 0.21 million barrels per day, to 26.93 million barrels per day. In contrast, the price of silver fell by 6.3% to \$23.89 per troy ounce, while the cost of gold was unchanged at \$1,813.62 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

August					
Value		Change		Change YTD	
2020	2021	2020	2021	2020	2021

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,325.80	1,577.56	55.30	57.01	219.58	141.29
1.2 Excess Liquid Assets	2,152.46	2,443.21	69.69	92.71	187.09	213.50
1.3 External Reserves	2,127.68	2,753.24	144.88	140.18	369.47	372.65
1.4 Bank's Net Foreign Assets	47.68	48.44	-30.76	15.46	-155.82	146.35
1.5 Usable Reserves	1,050.74	1,498.72	90.97	192.53	215.38	243.53

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,775.60	5,643.27	-0.21	-26.80	-80.86	-90.78
a. B\$ Credit	5,632.70	5,511.71	2.27	-15.91	-22.87	-77.18
of which: Consumer Credit	2,064.11	1,967.62	-10.84	-16.03	-14.12	-69.23
Mortgages	2,812.71	2,770.79	-0.41	-3.19	-25.87	-24.06
Commercial and Other Loans B\$	755.88	773.30	13.52	3.31	17.12	16.11
b. F/C Credit	142.90	131.56	-2.48	-10.89	-57.99	-13.60
of which: Mortgages	62.89	69.09	-0.34	-7.64	4.85	5.82
Commercial and Other Loans F/C	80.01	62.47	-2.14	-3.25	-62.83	-19.42
2.2 Central Government (net)	2,713.25	2,731.67	-56.36	142.46	93.27	203.03
a. B\$ Loans & Securities	2,950.73	2,942.30	-4.15	-0.33	101.48	211.71
Less Deposits	346.41	382.44	91.72	-140.40	61.65	10.15
b. F/C Loans & Securities	110.54	174.13	39.52	0.00	53.54	0.03
Less Deposits	1.62	2.31	0.01	-2.39	0.10	-1.44
2.3 Rest of Public Sector	386.97	325.67	-48.37	-11.85	-56.84	2.43
a. B\$ Credit	274.99	295.67	-7.62	3.61	-3.50	19.51
b. F/C Credit	111.98	30.00	-40.75	-15.45	-53.33	-17.08
2.4 Total Domestic Credit	8,875.81	8,700.61	-104.94	103.82	-44.42	114.68
a. B\$ Domestic Credit	8,512.01	8,367.23	-101.22	127.77	13.46	143.89
b. F/C Domestic Credit	363.80	333.38	-3.72	-23.95	-57.88	-29.21

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,160.24	3,397.31	-22.43	-14.51	206.53	289.06
a. Central Bank	73.98	66.78	15.75	-25.12	24.33	14.55
b. Banks	3,086.26	3,330.52	-38.18	10.62	182.21	274.51
3.2 Savings Deposits	1,784.44	1,849.79	-5.41	-10.34	147.99	65.18
3.3 Fixed Deposits	2,266.43	2,230.72	-2.88	-9.85	-158.52	-19.64
3.4 Total B\$ Deposits	7,211.10	7,477.81	-30.72	-34.70	196.00	334.60
3.5 F/C Deposits of Residents	562.68	508.50	-26.73	1.94	-107.31	81.16
3.6 M2	7,595.32	7,852.10	-18.45	-34.24	243.14	331.72
3.7 External Reserves/M2 (%)	28.01	35.06	1.97	1.93	4.10	3.41
3.8 External Reserves/Base Money (%)	105.55	121.39	3.73	2.83	4.00	9.01
3.9 External Reserves/Demand Liabilities (%)	98.78	109.73	1.87	9.76	3.52	3.97
	Value		Year To Date		Change	
	2020	2021	2020	2021	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	138.90	136.41	289.98	362.68	-2.50	72.70
a. Net Purchase/(Sale) from/to Banks	-86.64	-56.98	-46.48	-1.20	29.67	45.28
i. Sales to Banks	90.45	87.70	460.62	267.98	-2.75	-192.64
ii. Purchase from Banks	3.80	30.72	414.14	266.78	26.92	-147.36
b. Net Purchase/(Sale) from/to Others	225.55	193.38	336.46	363.88	-32.17	27.42
i. Sales to Others	49.90	103.75	611.72	581.18	53.85	-30.54
ii. Purchase from Others	275.44	297.13	948.18	945.06	21.69	-3.12
4.2 Banks Net Purchase/(Sale)	-95.02	-65.70	-118.10	71.03	29.32	189.13
a. Sales to Customers	339.53	616.78	2850.65	3397.48	277.25	546.83
b. Purchase from Customers	244.51	551.08	2732.55	3468.51	306.57	735.96

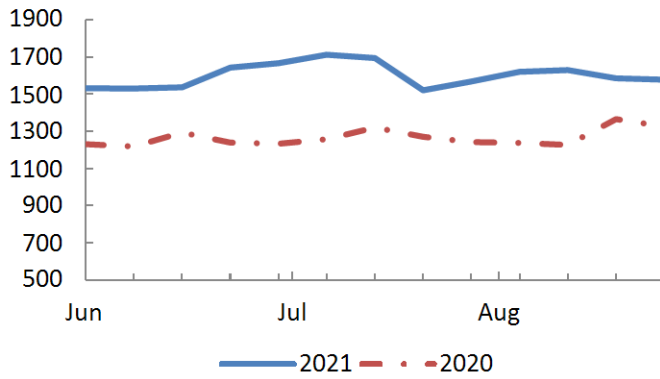
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	386.34	632.72	3,456.49	3,711.95	246.38	255.45
of which Public Sector	48.74	80.89	552.20	502.21	32.16	-50.00
a. Nonoil Imports	120.39	169.08	956.20	1,062.29	48.70	106.09
b. Oil Imports	25.24	40.24	270.20	252.53	15.00	-17.67
c. Travel	7.00	18.54	74.02	93.34	11.54	19.32
d. Factor Income	12.41	67.29	254.19	355.10	54.88	100.92
e. Transfers	12.40	15.94	106.37	129.19	3.54	22.82
f. Other Current Items	208.90	321.63	1,795.51	1,819.50	112.72	23.99
5.2 Capital Items	14.97	60.47	189.40	170.29	45.49	-19.11
of which Public Sector	11.63	50.64	130.94	116.29	39.00	-14.65

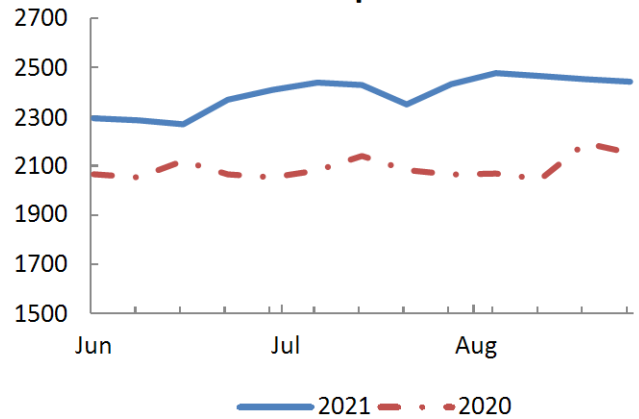
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

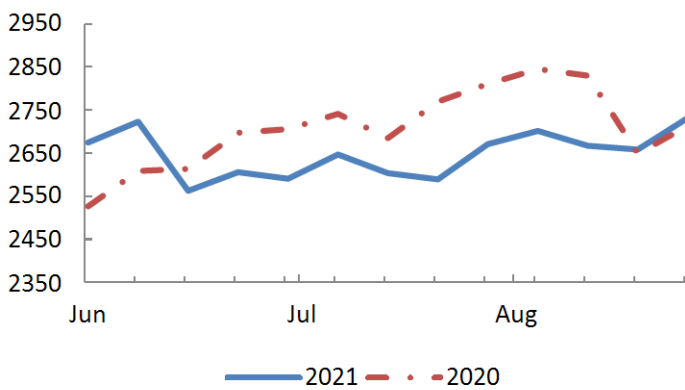
Excess Reserves



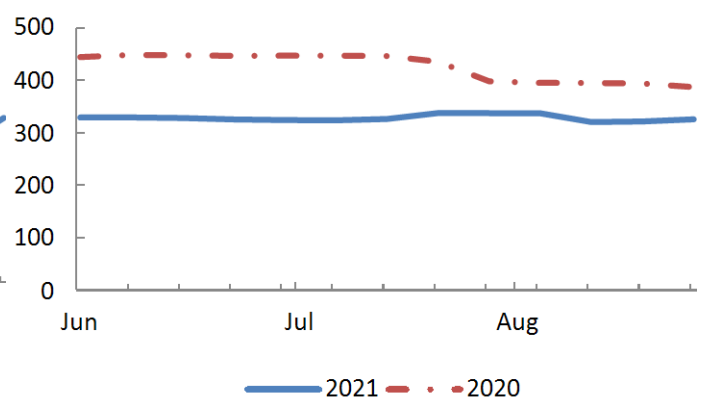
Excess Liquid Assets



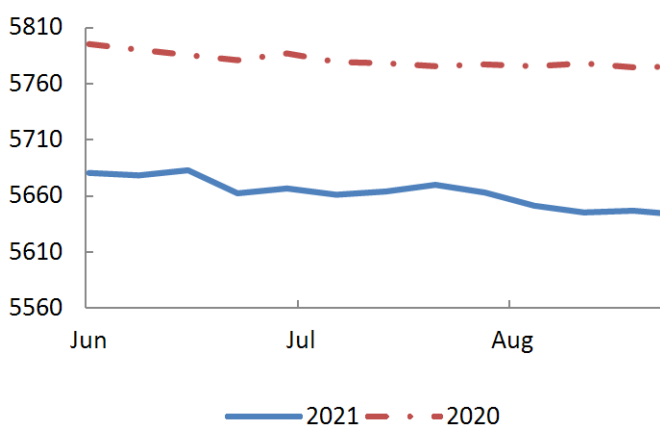
Central Govt. Credit (Net)



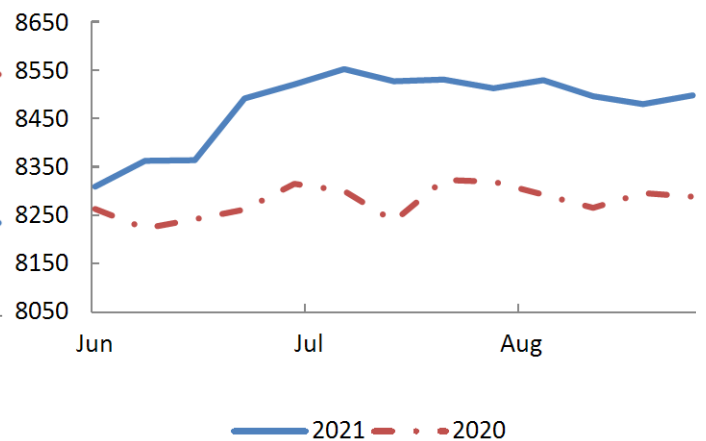
Rest of Public Sector Credit



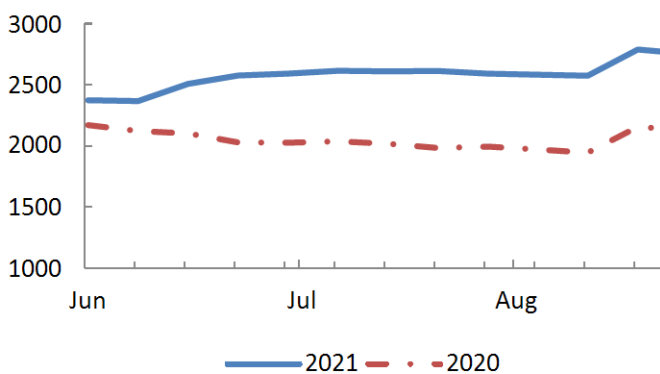
Private Sector Credit



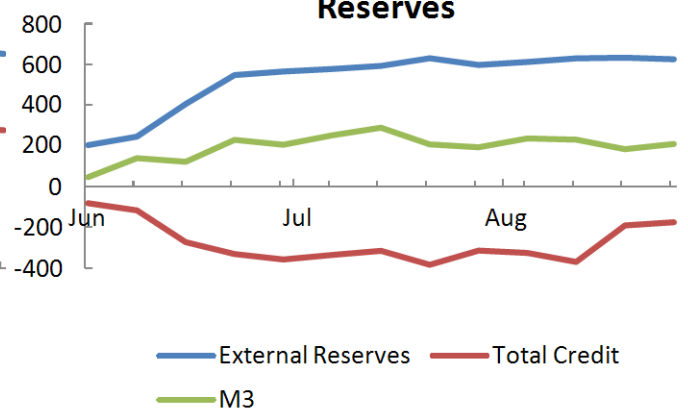
M3



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
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
April 2021	4.00	0.00	0.25	0.00-0.25	0.10
May 2021	4.00	0.00	0.25	0.00-0.25	0.10
June 2021	4.00	0.00	0.25	0.00-0.25	0.10
July 2021	4.00	0.00	0.25	0.00-0.25	0.10
August 2021	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Aug-20	July-21	Aug-21	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8378	0.84234	0.84681	0.53	3.45	1.08
Yen	105.91	109.72	110.02	0.27	6.56	3.88
Pound	0.7489	0.7192	0.7270	1.08	-0.62	-2.92
Canadian \$	1.3047	1.2475	1.2616	1.13	-0.86	-3.30
Swiss Franc	0.9037	0.9059	0.9151	1.02	3.38	1.26
Renminbi	6.8485	6.4615	6.4607	-0.01	-1.02	-5.66

Source: Bloomberg as of August 31st, 2021

D. Selected Commodity Prices (\$)					
Commodity	Aug-2020	July-2021	Aug- 2021	Mthly % Change	YTD % Change
Gold / Ounce	1967.8	1814.19	1813.62	-0.0314	-4.46385
Silver / Ounce	28.14	25.49	23.8943	-0.62645	-9.49917
Oil / Barrel	45.1	76.29	76.29	0	48.8295

Source: Bloomberg as of August 31st, 2021

E. Equity Market Valuations – August 31st, 2021 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	4.59	1.22	2.90	1.24	1.02	1.87	2.95	4.31
3 month	5.50	2.41	7.58	1.38	3.61	2.68	-2.67	-1.98
YTD	-1.62	15.53	20.41	10.20	20.33	15.43	2.35	2.04
12-month	-1.72	24.38	29.21	21.45	35.03	22.32	21.39	4.37

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	0.1650	0.1150	-0.5250
3 Month	0.1800	0.0900	-0.5250
6 Month	0.2100	0.1600	-0.4900
9 Month	0.2300	0.2500	-0.4900
1 year	0.2600	0.2600	-0.4900

Source: Bloomberg as of August 31st, 2021

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

	VALUE								CHANGE							
	Jul. 14	Jul. 21	Jul. 28	Aug. 04	Aug. 11	Aug. 18	Aug. 25	Sep. 01	Jul. 14	Jul. 21	Jul. 28	Aug. 04	Aug. 11	Aug. 18	Aug. 25	Sep. 01
I. External Reserves	2,614.66	2,610.26	2,613.06	2,591.27	2,582.63	2,574.53	2,788.73	2,753.24	23.15	(4.40)	2.80	(21.79)	(8.64)	(8.10)	214.20	(35.49)
II. Net Domestic Assets (A + B + C + D)	(227.03)	(248.42)	(409.05)	(337.77)	(286.09)	(272.26)	(528.06)	(485.08)	26.66	(21.39)	(160.63)	71.28	51.68	13.82	(255.79)	42.98
A. Net Credit to Gov't (I + ii + iii -iv)	233.98	234.10	85.20	165.80	201.17	210.32	202.38	250.27	23.53	0.12	(148.90)	80.60	35.36	9.15	(7.94)	47.89
i) Advances	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	-	-	-	-	-	-	-	-
ii) Registered Stock	228.41	212.11	212.48	212.51	213.02	215.35	216.48	226.04	(0.96)	(16.30)	0.37	0.03	0.51	2.33	1.13	9.55
iii) Treasury Bills	0.00	34.19	30.30	30.30	30.30	38.08	38.08	38.08	0.00	34.19	(3.89)	0.00	(0.00)	7.78	(0.00)	0.00
iv) Deposits	154.43	172.20	317.58	237.00	202.15	203.10	212.18	173.84	(24.49)	17.77	145.38	(80.57)	(34.86)	0.95	9.08	(38.33)
B. Rest of Public sector (Net) (i+ii-iii)	(50.35)	(71.12)	(84.94)	(83.23)	(63.31)	(52.66)	(55.50)	(59.82)	18.58	(20.77)	(13.82)	1.71	19.92	10.65	(2.83)	(4.32)
i) Loans	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	-	-	-	-	-	-	-	-
ii) Bonds/Securities	5.09	5.09	5.09	5.09	5.09	5.09	5.09	5.09	-	-	-	-	-	-	-	-
iii) Deposits	57.32	78.08	91.91	90.20	70.28	59.63	62.46	66.78	(18.58)	20.77	13.82	(1.71)	(19.92)	(10.65)	2.83	4.32
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	(410.65)	(411.41)	(409.31)	(420.34)	(423.95)	(429.92)	(674.94)	(675.53)	(15.44)	(0.75)	2.09	(11.03)	(3.61)	(5.98)	(245.02)	(0.59)
III. Monetary Base	2,387.63	2,361.84	2,204.01	2,253.50	2,296.54	2,302.27	2,260.67	2,268.16	49.81	(25.79)	(157.83)	49.50	43.04	5.72	(41.59)	7.49
A. Currency in Circulation	495.91	505.31	506.78	512.63	503.47	496.36	509.28	509.25	(6.80)	9.39	1.47	5.85	(9.16)	(7.12)	12.93	(0.03)
B. Bank Balances with CBOB	1,891.72	1,856.54	1,697.23	1,740.88	1,793.07	1,805.91	1,751.39	1,758.91	56.61	(35.18)	(159.30)	43.64	52.20	12.84	(54.52)	7.52

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	300.9	547.1	372.5	657.6	556.6	327.9	642.7	2,086.9	1872.7	
% change; over previous quarter	-24.8%	-8.2%	-1.3%	-8.2%	20.2%	49.4%	-50.1%	15.5%	-14.0%	-10.3%	
2. Value Added Tax	266.2	134.7	249.1	151.7	223.6	183.5	140.8	271.8	879.7	741.7	
% change; over previous quarter	-13.5%	-4.4%	-6.4%	12.6%	-10.2%	21.0%	-37.0%	48.1%	-1.9%	-15.7%	
3. Import/Excise Duties	140.5	82.5	133.1	92.1	130.0	88.5	31.5	159.8	435.0	422.9	
% change; over previous quarter	-10.5%	162.1%	-5.3%	11.7%	-2.3%	-3.9%	-75.8%	80.5%	-17.4%	-2.8%	
4. Recurrent Expenditure	544.8	585.6	634.0	712.7	639.3	642.6	708.3	910.4	2,526.4	2851.3	
% change; over previous quarter	-24.5%	-17.3%	16.4%	21.7%	0.8%	-9.8%	10.8%	41.7%	4.3%	12.9%	
5. Capital Expenditure	56.2	60.4	60.5	49.0	82.1	58.6	173.4	201.5	372.2	369.5	
% change; over previous quarter	-41.0%	-65.2%	7.7%	-18.8%	35.6%	19.5%	111.1%	244.0%	66.6%	-0.7%	
6. Deficit/Surplus*	-46.7	-345.1	-147.4	-389.2	-63.8	-144.5	-553.7	-469.2	-811.7	-1348.0	
% change; over previous quarter	-41.1%	-37.7%	216.0%	12.8%	-56.7%	-62.9%	767.7%	224.7%	270.2%	66.1%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Debt^{P **}																								
7. Total Direct Debt	7,735.6	9,440.3	7,750.2	9,482.5	7,891.3	9,526.6	7,917.8	9,521.4	7,992.9	9,719.0	8,191.2	9,935.3	8,558.6	10,036.5	8,812.4	10,046.0								
% change; over previous month	0.0%	0.2%	0.2%	0.4%	1.8%	0.5%	0.3%	-0.1%	0.9%	2.1%	2.5%	2.2%	4.5%	1.0%	3.0%	0.1%								
8. External Debt	2,563.1	4,028.6	2,598.3	4,004.4	2,604.1	4,007.8	2,649.1	4,010.5	2,650.7	4,161.3	2,901.3	4,368.2	3,029.6	4,362.2	3,280.3	4,338.4								
% change; over previous month	-0.2%	-0.1%	1.4%	-0.6%	0.2%	0.1%	1.7%	0.1%	0.1%	3.8%	9.5%	5.0%	4.4%	-0.1%	8.3%	-0.5%								
9. Internal F/C Debt	50.0	180.4	50.0	180.4	50.0	180.4	50.0	180.4	50.0	180.4	50.0	180.4	180.4	180.4	180.4	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%	0.0%	0.0%	260.9%	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	5,218.7	5,330.4	5,292.3	5,377.2	5,239.9	5,386.6	5,348.5	5,493.8	5,351.6	5,527.1								
% change; over previous month	0.1%	0.5%	-0.4%	1.3%	2.6%	0.8%	-0.4%	-0.1%	1.4%	0.9%	-1.0%	0.2%	2.1%	2.0%	0.1%	0.6%								
11. Total Amortization	52.5	27.0	23.8	35.8	185.6	95.7	127.7	92.9	72.6	128.1	91.1	57.0	56.1	149.6	43.3	113.1								
% change; over previous month	47.7%	-59.4%	-120.8%	24.7%	87.2%	62.6%	-31.2%	-2.9%	-43.2%	37.8%	25.6%	-55.5%	-38.4%	162.3%	-22.9%	-24.4%								
12. Total Public Sector F/C Debt	3,471.5	4,768.3	3,506.6	4,744.1	3,500.9	4,738.1	3,545.9	4,740.8	3,547.5	4,891.6	3,789.6	5,090.7	3,802.3	5,084.7	4,053.1	5,060.9								
% change; over previous month	-19.6%	-0.3%	1.0%	-0.5%	-0.2%	-0.1%	1.3%	0.1%	0.04%	3.18%	6.82%	4.07%	0.3%	-0.1%	6.6%	-0.5%								

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Real Sector Indicators																								
13. Retail Price Index	108.9	109.71	108.28	109.8	108.4	109.9	107.4	110.3																
% change; over previous month	1.27%	0.88%	-0.5%	0.1%	0.1%	0.1%	-1.0%	0.3%																
14. Tourist arrivals (000's)	687.2	23.6	712.3	29.5	302.1	62.8	0.04	68.8	0.0	93.9	3.9	135.1												
% change; over previous year	7.9%	-96.6%	17.1%	-95.9%	-59.7%	-79.2%	-100.0%	159879.1%	-100.0%	469280.0%	-99.4%	3333.1%												
15. Air arrivals (000's)	125.3	20.8	147.0	25.7	75.7	56.4	0.01	60.3	0.0	81.2	1.7	113.2												
% change; over previous year	-3.5%	-83.4%	-2.7%	-82.5%	-62.5%	-25.5%	-100.0%	548127.3%	-100.0%	405740.0%	-99.0%	6538.7%												
16. Occupied Room Nights																								
% change; over previous year																								
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)					21.7	16.2					11.64	15.76												
% change; over previous qtr.					29.26%	2.73%					-46.4%	-2.9%												

^P Includes Net Lending to Public Corporations

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

p - provisional