Quarterly Economic Review JUNE 2022

CENTRAL BANK OF THE BAHAMAS

VOLUME 31 | No. 2

www.centralbankbahamas.com

The Quarterly Economic Review (QER) is a publication of the Central Bank of The Bahamas, prepared by the Research Department, for issue in March, June, September and December. All correspondence pertaining to the QER should be addressed to:

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REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

OVERVIEW

Indications are that the domestic economy maintained its growth trajectory during the second quarter of 2022, although continuing adjustments to the ongoing Novel Coronavirus (COVID-19) pandemic. Tourism output further strengthened, undergirded by sustained gains in the high value-added air segment and a rebound in sea traffic, as vaccination efforts progressed. In addition, several small to medium-scale foreign investment projects, and to a lesser extent, public sector post-hurricane rebuilding works, supported activity in the construction sector. In price developments, inflationary pressures remained elevated, reflective of the pass-through effects of higher global oil prices and a rise in the costs for other imported goods.

Provisional estimates for the final quarter of FY2021/2022 showed that the Government's overall deficit narrowed, relative to the same quarter for FY2020/2021. Contributing to this outcome, was a value added taxes (VAT) led growth in total revenue, combined with a reduction in aggregate expenditure. Budgetary financing was obtained from both domestic and external sources, which included the issuance of a $385.0 million bond on the international market.

Monetary developments featured a buildup in bank liquidity, with the expansion in the deposit base, contrasting with the falloff in domestic credit. Correspondingly, external reserves expanded, with inflows to liquidity and deposits reflecting both the Government's external borrowing activities and net foreign currency receipts from real sector activities. In addition, banks' credit quality indicators improved in the second quarter, underpinned by the modest recovery in the economy and ongoing loan write-offs. Further, the latest available data for the first quarter of 2022, revealed that domestic banks' overall net income expanded significantly, explained by a reversal in the provisioning for impaired loans.

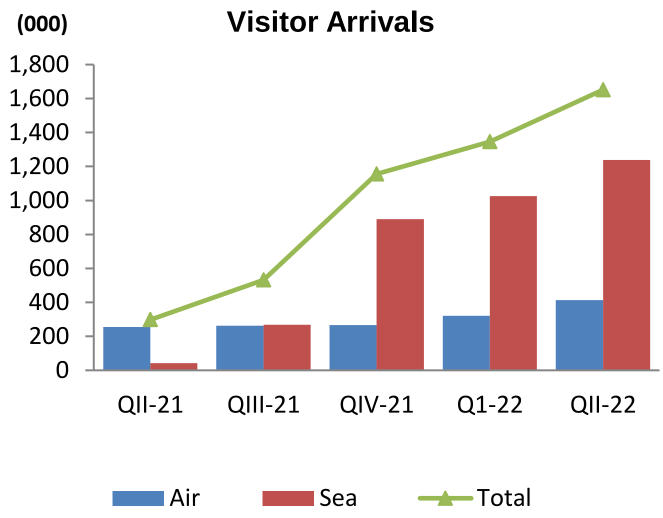
On the external side, the estimated current account deficit narrowed during the second quarter, as the services account surplus strengthened, bolstered by the recovery in tourism earnings. In contrast, the financial account inflows decreased, owing to a notable decline in net private investments and a reduction in other investment inflows, partly due to loan repayments by the Government. Meanwhile, the capital account transfers reported nil transactions, similar to the prior year.

REAL SECTOR

TOURISM

Tourism output sustained its recovery momentum during the second quarter of 2022, as COVID-19 pandemic related-restrictions further eased in some of the major source markets. The outturn was undergirded by the further strengthening in the high-valued air segment and the seasonal rebound in the dominant sea segment, as vaccination efforts progressed both locally and internationally.

According to data from the Ministry of Tourism, total visitor arrivals for the three-months to June amounted to 1.7 million relative to 297,759 visitors in the same period last year, representing 87.5% of 2019 levels. Underlying this outcome, the high value-added air component advanced to 413,551 arrivals, vis-à-vis 254,662 in the previous year. Likewise, sea arrivals rose to 1.2 million from 43,097 a year earlier, when the voyage of cruise vessels gradually resumed after a year-long suspension.



A disaggregation by major ports of entry revealed that total arrivals to New Providence rebounded to 783,231 visitors, from 180,240 a year earlier. Contributing to this outturn, air traffic grew to 316,286 from 176,378 in the prior year and sea passengers strengthened to 466,945 from just 3,862 in the preceding year. In addition, visitors to the Family Islands surpassed 2019 levels, amounting to 778,509 compared with 103,304 arrivals in 2021, as sea and air passengers advanced to 691,444 and 87,065, respectively, from 30,810 and 72,494 in the previous year. Likewise, arrivals to Grand Bahama extended to 89,902 vis-à-vis 14,215 a year earlier, as the dominant sea segment measured 79,702 passengers from 8,425 in the preceding year, while the air component expanded to 10,200 from 5,790 in 2021.

The private vacation rental market also continued its positive trend, as data provided by AirDNA showed an increase in the demand for off-resort business during the second quarter. Specifically, total room nights sold rose by 32.9% to 435,484, as bookings for entire place listings grew by 31.4% to 389,343; and for hotel comparable listings, by 46.9% to 46,141, relative to the corresponding period in 2021. An analysis of listing category revealed that the average occupancy levels for entire place listings moved higher by 2.9 percentage points to 58.1%, while the corresponding average daily rate (ADR) firmed by 6.8% to $524.10. Likewise, hotel comparable average occupancy levels increased by 4.2 percentage points to 52.9%, as the associated ADR grew by 10.1% to $193.72.

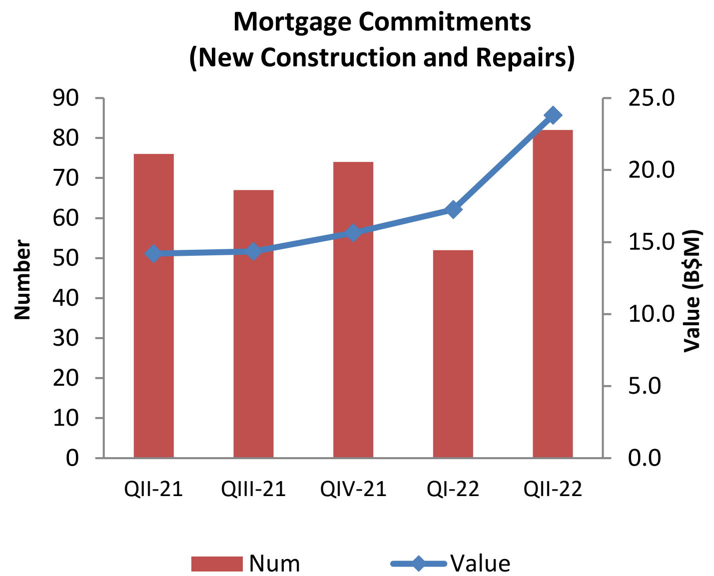
Data provided by the Nassau Airport Development Company Limited (NAD) showed that quarterly departures—net of domestic passengers—advanced to 356,398 from 187,553 passengers a year earlier. Underlying this outturn, U.S. departures recovered to 306,579 visitors, from 182,263 in the previous year, while non-U.S. international departures restored to 49,819 from just 5,290 in the prior year.

CONSTRUCTION

Construction sector activity during the second quarter remained supported by varied-scale foreign investment projects. Meanwhile, domestic private sector impetus remained subdued over the three-month period.

In domestic financing developments, total mortgage disbursements for new construction and repairs—as reported by banks, insurance companies and the Bahamas Mortgage Corporation—declined by 22.1% ($5.4 million) to $19.1 million, a reversal from a 66.6% boost last year. Underlying this outturn, residential mortgage disbursements reduced by 25.5% ($6.2 million) to $18.0 million, a switch from a 68.6% increase a year earlier. Conversely, the commercial segment increased to $1.1 million, exceeding the $0.3 million uptick in the previous year.

Total mortgage commitments for new buildings and repairs—a forward-looking indicator of domestic activity—grew by 6 to 82, relative to the same period last year. Similarly, the associated value rose by $9.6 million (67.6%) to $23.8 million. Disaggregated by loan category, the number of residential undisbursed approvals increased by 3 to 78, with the corresponding value higher by $8.8 million (63.5%) at $22.6 million. Further, commercial commitments firmed by 3 to 4, while the relevant value advanced to $1.1 million from just $0.3 million same period last year.



With regard to interest rates, the average loan financing for commercial mortgages narrowed by 2.0 percentage points to 5.72%, while the average rate for residential mortgages fell by 54 basis points to 5.91%.

PRICES

Domestic consumer price inflation—as measured by changes in the average Retail Price Index for The Bahamas—mirrored the pass-through effects of higher imported goods and international oil prices. Specifically, during the second quarter, average consumer price inflation accelerated to 5.6%, from 2.6% in the comparative 2021 period. A breakdown of the components showed that average costs for recreation & culture increased by 11.6%, restaurants & hotels, by 11.2% and miscellaneous goods & services, by 1.2%, after posting respective declines a year earlier. Further, average prices rose for food & non-alcoholic beverages by 13.5%, extending last year's 2.4% gain. In addition, average inflation rates quickened for transport (10.0%), health (5.1%), and housing, water, gas, electricity & other fuels (3.5%). Providing some offset, the average inflation rate moderated for communication (7.3%), clothing & footwear (5.7%), education (1.6%), and furnishing, household equipment & routine household maintenance (1.0%). The average price also fell for alcohol beverages, tobacco & narcotics tapered (2.0%), following an increase in the previous year.

Retail Price Index
(Annual % Changes; June)

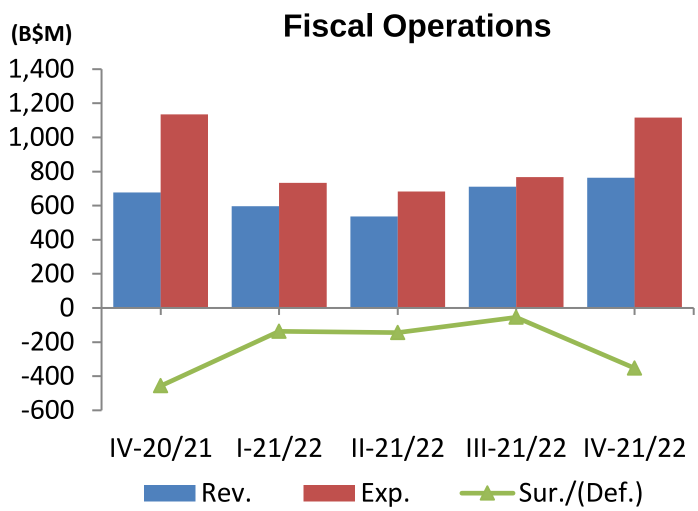
		2021		2022	
Items	Weight	Index	%	Index	%
Food & Non-Alcoholic	102.4	110.98	0.8	126.06	13.6
Alcohol, Tobacco & Narcotics	6.0	126.96	4.6	124.93	-1.6
Clothing & Footwear	45.0	108.79	8.0	114.86	5.6
Housing, Water, Gas,	321.7	105.97	4.6	109.72	3.5
Furn. & Household,	45.7	116.61	2.1	117.18	0.5
Health	44.0	139.62	2.7	147.80	5.9
Transportation	125.0	116.22	7.0	134.23	15.5
Communication	40.9	108.66	8.7	116.78	7.5
Rec., & Culture	24.6	103.63	-7.1	109.06	5.2
Education	42.4	102.04	1.3	104.13	2.0
Restaurant & Hotels	56.8	121.33	-0.8	138.05	13.8
Misc. Goods & Svcs.	145.6	107.00	-2.6	107.51	0.5
ALL ITEMS	**1000.0**	110.62	2.7	117.51	6.2

In line with the rise in global oil prices, domestic energy costs rose during the second quarter of 2022. Specifically, the average price of gasoline increased by 22.3% to $6.45 per gallon over the three-month period, and by 49.0% in comparison to the same period of 2021. Likewise, diesel costs moved higher by 33.1% to $6.43 per gallon over the quarter, and by 31.6% on an annual basis. However, as a result of the hedging arrangement secured by Bahamas Power and Light's (BPL), the average fuel charge held steady at 10.50 cents per kilowatt hour (kWh) during the second quarter of 2022 and year-over-year.

FISCAL OPERATIONS

OVERVIEW

Provisional data on the Government's budgetary operations for the fourth quarter of FY2021/22 revealed that the overall deficit contracted by $103.5 million (22.6%) to $353.4 million, relative to the comparative FY2020/21 period. Underlying this outturn, was an expansion in revenue, underpinned by a rebound in VAT receipts, and a decline in spending. Specifically, total revenue rose by $85.2 million (12.6%) to $763.1 million, while aggregate expenditure reduced by $18.3 million (1.6%) to $1,116.5 million.



REVENUE

Tax receipts—which constituted 79.0% of total revenue—grew by $26.3 million (4.6%) to $603.2 million. Specifically, VAT collections—at a dominant 49.9% of tax revenue—rose by $30.8 million (11.4%) to $300.8 million. In addition, proceeds from stamp taxes on financial and realty transactions increased sharply to $31.3 million from $15.8 million in the preceding year. Meanwhile, collections from specific taxes—mainly gaming—declined by $7.6 million (35.4%) to $13.8 million relative to a year earlier.

With regard to the other components, taxes on the use or supply of goods rose by $10.5 million (26.9%) to $49.3 million, largely owing to a $12.4 million (52.7%)

Government Revenue By Source
April - June

	FY20/21		FY21/22	
	B$M	%	B$M	%
Property Tax	46.9	12.9	40.5	5.3
Value Added Tax	270.0	32.9	300.8	39.4
Stamp Taxes (Financial & Realty)	15.8	3.6	31.3	4.1
Excise Tax*	73.4	7.2	0.3	0.0
Specific Taxes (Gaming Tax)	21.4	1.0	13.8	1.8
Motor Vehicle Taxes	8.6	1.9	9.0	1.2
Company Taxes	4.6	2.0	2.6	0.3
License to Conduct Specific Bus. Act.	23.5	11.1	35.9	4.7
Marine License Activities	2.2	0.1	1.8	0.2
Customs & Other Import Duties	57.9	8.7	67.6	8.9
Taxes on Exports*	46.9	1.5	60.9	8.0
Departure Taxes	4.8	0.5	36.3	4.8
Other Taxes on Transctions	0.1	0.0	0.4	0.0
General Stamp Taxes	0.9	0.0	2.0	0.3
Property Income	16.3	0.3	17.9	2.3
Sales of Goods & Services	63.1	8.2	54.1	7.1
Fines, Penalties & Forfeits	2.3	0.3	1.2	0.2
Reimbursements & Repayments	0.4	7.6	0.0	0.0
Misc. & Unidentified Revenue	18.8	0.1	86.4	11.3
Total	**677.8**	**100.0**	**763.0**	**100.0**

* Data for Excise Tax & Taxes on Exports are currently being reviewed by Government and thus, subject to revision.

expansion in collections from general business license fees, to $35.9 million. In addition, motor vehicle taxes increased marginally by $0.4 million (4.6%) to $9.0 million. Partially offsetting, company taxes decreased by $2.0 million to $2.6 million and marine license taxes, by $0.4 million to $1.8 million.

In terms of the remaining categories, underpinned by the ongoing strengthening in economic activity, taxes on international trade grew by $55.6 million (50.7%) to $165.2 million. Contributing to this development, departure taxes surged to $36.3 million from just $4.8 million a year earlier, reflective of the recovery in tourism output. Taxes on exports also rose by $14.1 million (30.0%) to $60.9 million, and revenue from customs & other import taxes, by $9.8 million (16.9%) to $67.6 million, while general stamp taxes, advanced to $2.0 million from $0.9 million a year earlier. In contrast, taxes on property declined by $6.3 million (13.5%) to $40.5 million.

Non-tax receipts—at 20.9% of total revenue—expanded by $58.9 million (58.4%) to $159.8 million. Leading this outturn, revenue from "miscellaneous" and unidentified taxes rose sharply to $86.4 million, from $18.8 million in the prior year, owing primarily to the return of funds (related to external financing obtained in the last fiscal year) from Public Hospital Authority to the Government. In addition, property income rose by $1.6 million (9.7%) to $17.9 million, led by higher interest & dividends receipts and an uptick in receipts from Government property. In contrast, revenue from the sale of goods and services fell by $8.9 million (14.1%) to $54.1 million, largely attributed to a reduction in collections from immigration fees. Further, proceeds from fines, penalties and forfeitures declined by $1.1 million (48.4%) to $1.2 million, while revenue from reimbursements & repayments decreased to negligible levels.

EXPENDITURE

The growth in total expenditure was owing primarily to a $61.3 million (6.6%) rise in current spending to $993.0 million. Conversely, capital outlays reduced by $79.6 million (39.2%) to $123.5 million.

By economic classification, current outlays included a $59.6 million (37.7%) increase in public debt interest payments to $218.0 million, led by an expansion in external debt obligations. In like manner, "other" miscellaneous payments grew by $53.2 million (71.1%) to $128.1 million, due to higher insurance premiums and current transfers. Grants also advanced to $2.2 million from $0.3 million in the preceding year. Providing some offset, allocations for social benefits contracted by $47.8 million (35.5%) to $87.0 million, mainly reflecting the decline in outlays for assistance related to COVID-19. Similarly, subsidies decreased by $3.8 million (2.6%) to $140.3 million, explained by a falloff in disbursements to private enterprises. Meanwhile, employee compensation outlays held steady at $186.9 million.

The $79.6 million (39.2%) reduction in capital outlays to $123.5 million reflected in large measure, the sharp decline in the acquisition of non-financial assets by $51.5 million (34.0%) to $99.8 million, mainly attributed to a decrease in spending on fixed assets. Similarly, capital transfers fell by $28.1 million (54.2%) to $23.7 million.

FINANCING AND THE NATIONAL DEBT

Budgetary financing for the fourth quarter of FY2021/22, was secured from both domestic and external sources. Specifically, domestic funding totalled $526.5 million and comprised of Government bonds ($286.0

million), loans & advances ($205.0 million), and net Treasury bills/notes ($35.5 million). Further, external borrowings amounted to $390.3 million, largely consisting of the issuance of a bond on the international market ($385.0 million). Debt repayment for the period totaled $628.4 million, with the largest portion (83.7%) being absorbed by Bahamian dollar obligations.

As a consequence of these developments, the Direct Charge on the Government grew by $260.4 million (2.5%) over the quarter and by $875.5 million (8.6%), year-over-year, to $10,792.8 million at end-June 2022. A disaggregation by component, showed that Bahamian dollar debt represented 52.7% of the total, while foreign currency liabilities accounted for the remaining 47.3%.

An analysis by creditor revealed that "other" private and institutional investors held the largest share of local currency debt (40.6%), followed by banks (40.3%), public corporations (10.3%) and Central Bank (8.8%). By instrument type, Government bonds comprised the majority of the domestic debt (71.2%) and featured an average maturity of 9.8 years, down from 10.3 years in 2021. In addition, Treasury bills & notes and loans & advances accounted for smaller shares of 16.1% and 12.7%, respectively.

The Government's contingent liabilities reduced by $2.5 million (0.6%) over the quarter and by $25.8 million (6.1%), on an annual basis, to $394.9 million. As a result, the National Debt—inclusive of contingent liabilities—rose by $257.9 million (2.4%) over the three month period and by $831.6 million (8.0 %), year-over-year, to $11,187.6 million.

Estimates of the Debt-to-GDP Ratios
June (%)[1]

	2020p	2021p	2022p
Direct Charge	72.4	101.0	85.1
National Debt	78.7	105.2	88.2
Total Public Sector Debt*	81.7	108.6	90.6

Source: Central Bank of The Bahamas and Bahamas National Statistical Institute

GDP growth estimate for 2022 is derived from IMF projections.

[1] *In the absence of actual quarterly GDP data for 2022, the ratios presented should be taken as broad estimates of the relevant debt ratios and are therefore subject to revision.*

**Presented partially net of inter-public sector credit.*

Given the strengthening in the GDP estimates, as a ratio to GDP, the Direct Charge declined by an estimated 15.9 percentage points on a yearly basis, to 85.1% at end-June. In addition, the National Debt-to-GDP decreased to an estimated 88.2%, from 105.2% in the same quarter of 2021.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

During the second quarter, public sector foreign currency debt increased by $251.7 million (4.7%) to $5,602.7 million, and by $512.1 million vis-à-vis the same period last year. In particular, new drawings of $391.3 million, outpaced amortization payments of $111.6 million. A breakdown by components showed that the Government's outstanding liabilities—which accounted for 91.1% of the total—rose by $260.1 million (5.4%) to $5,105.5 million on a quarterly basis. In contrast, the public corporations' debt stock decreased by $8.4 million (1.7%) to $497.2 million.

Total foreign currency debt service payments expanded by $163.3 million to $280.5 million, in comparison to the same quarter of 2022. Specifically, Government's debt service payments grew by $163.0 million to $262.5

million as, amid the return of funds from Public Hospital Authority to the Government, amortization payments rose by $96.0 million to $102.3 million and interest charges, by $67.0 million (71.9%) to $160.3 million. In contrast, the public corporations' debt service payments edged up by $0.3 million (1.9%) to $17.9 million, as interest charges, fell by $0.3 million (3.5%) to $8.6 million; however, amortization payments increased by $0.6 million to $9.4 million. As a consequence of these developments, the debt service ratio firmed by 9.8 percentage points over the year to 22.6% at end-June, while the Government's debt service to revenue ratio stood at 34.4.%, approximately 19.7 percentage points higher than in 2021.

A breakdown by creditor profile revealed that capital market investors held the largest share of the foreign currency debt (51.0%), followed by financial institutions (23.4%), multilateral institutions (20.8%), domestic banks (3.7%) and bilateral agencies (1.1%). A disaggregation by currency type showed that, the majority of the stock was denominated in United States dollars (87.2%), with smaller portions in euro (4.7), IMF SDRs (4.3%), the Swiss franc (2.7%), and the Chinese yuan (1.1%). At end-June, the average maturity of the outstanding foreign currency debt stood at 8.5 years, a marginal decline from 8.7 years in the prior year.

2022/2023 BUDGET HIGHLIGHTS

The FY2022/23 Budget was presented in Parliament at end May and approved in June, 2022. The Budget outlined the Government's strategies for strengthening economic growth, increasing support related to COVID-19, and stimulating the creation of jobs. In this context, the Government plans to improve economic sustainability through extensive tax relief and revenue collection enhancement measures. Key to these goals, the administration announced that it would boost revenue yields by strengthening tax compliance and via the introduction of new and targeted fees.

At the forefront are, the reconstruction of the Revenue Enhancement Unit (REU), an increase in the maximum cap on property tax on owner occupied property, the introduction of business licenses for financial service providers, the introduction of business license fees to insurance institutions, the removal of the insurance premium tax and the re-imposition of business license fees on commercial banks. The Government also announced a number of tax relief measures. These include the elimination of duty on telecommunications equipment to allow Utilities Regulation and Competition Authority (URCA) licensees to benefit from a reduction in communication fees for emerging technologies investments on the Family Islands. Duty rates were also reduced for roofing and plumbing materials and electrical and building supplies; and on electric cars. Further, to stimulate the real estate sector, the Government extended VAT exemptions to include realty transactions valued above $250,000, but below $300,000 for first time home buyers. In addition, the Government announced the elimination of VAT on property transfers between joint tenants of property, if the value is below $1.0 million.

In terms of expenditure measures, total spending is budgeted to increase over the period, underpinned by higher allocations to support domestic food security initiatives, including the provision of greenhouses and other smart technology on the Family Islands and a rise in outlays to the health care sector. In addition, as it pertains to renewable energy efforts, allocations were made for the Reconstruction with Resilience in the Energy Sector of The Bahamas, to assist with the rehabilitation of critical energy infrastructure and restoration of electricity service in islands heavily impacted by Hurricane Dorian. Further, the Government committed to increasing the minimum wage in relations to the public sector and social assistance by 50%, compared to pre-pandemic levels.

Given the series of announced measures and the economy's growth forecast, total revenue is projected to increase by $465.6 million (19.9%) to $2,804.3 million for FY2022/23, vis-à-vis the September, 2021 revised budget, outpacing the $171.0 million (5.3%) expansion in spending to $3,368.4 million.

With regard to receipts, tax collections—which comprised 88.9% of total revenue—are projected to expand by $473.7million (23.5%) to $2,492.2 million, relative to the FY2021/22 revised budget. In contrast, non-tax revenue is forecasted to decline by $8.9 million (2.8%) to $309.4 million, attributed to predicted reductions in fees & service charges and other "miscellaneous" sources.

A disaggregation of the tax revenue components showed that, taxes on goods and service are expected to rise by $365.3 million (25.4%) to $1,804.0 million, explained by an anticipated growth in VAT collections, by $485.9 million (57.5%) to $1,411.8 million and a $10.9 million (18.7%) increase in proceeds from stamp taxes on financial and realty transactions to $69.3 million. In addition, taxes on the use of goods and services are projected to move higher by $39.7 million (24.2%) to $203.6 million, owing to expected gains in business license proceeds, by $24.8 million (23.5%) to $130.6 million and motor vehicles taxes, by $10.6 million (29.9%) to $46.0 million. Further, marine license taxes are slated to more than double to $4.5 million from a budgeted $1.6 million in the prior fiscal year, while company taxes are expected to firm by $1.4 million (6.7%) to $22.5 million.

With regard to the other categories, taxes on international trade transactions are projected to grow by $91.4 million (22.6%) to $508.3 million, underpinned by anticipated gains in custom and other import duties, by $5.1 million to $249.7 million and departure taxes, by $2.2 million to $97.0 million. Further, collections from general stamp taxes are expected to increase by $6.4 million to $10.4 million. In contrast, receipts from specific taxes—mainly gaming—are slated to decrease by $1.3 million (2.4%) to $52.7 million.

Approved expenditure allocations increased by $171.0 million (5.3%) to $3,368.4 million, vis-à-vis the previous year's revised Budget, mainly reflecting a forecasted $118.1 million (4.1%) rise in current outlays to $2,997.2 million. Further, planned capital spending grew by $53.0 million (16.6%) to $371.1 million, compared to the prior year's revised budgeted amount.

By economic classification, targeted current expenditure included a $77.5 million (16.1%) increase in interest payments on public debt to $560.0 million, occasioned by higher interest payments on both external and internal debt. In addition, allocations for employee compensation rose by $64.5 million (8.2%) to $847.1 million, while subsides provisions grew by $18.6 million (4.8%) to $408.7 million, relative to the prior year's revised budgeted amount. Further, allocations for the use of goods and services are slated to rise by $9.2 million (1.5%) to $635.4 million. In contrast, planned disbursements for social benefits were reduced by $101.0 million (31.2%) to $222.2 million, given diminishing assistance needs as the economy recovers.

The budgeted growth in capital expenditure reflected a projected rise in allocations for the acquisition of non-financial assets, by $45.0 million (21.1%) to $258.1 million. In addition, planned disbursements for capital transfers are anticipated to move higher, by $8.0 million (7.6%) to $113.1 million.

Against this backdrop, the fiscal deficit is projected to expand by $294.6 million (34.3%) to $564.0 million, vis-à-vis the FY2021/22 revised budget, representing a lower budgeted deficit to GDP ratio of 4.3% for FY2022/23.

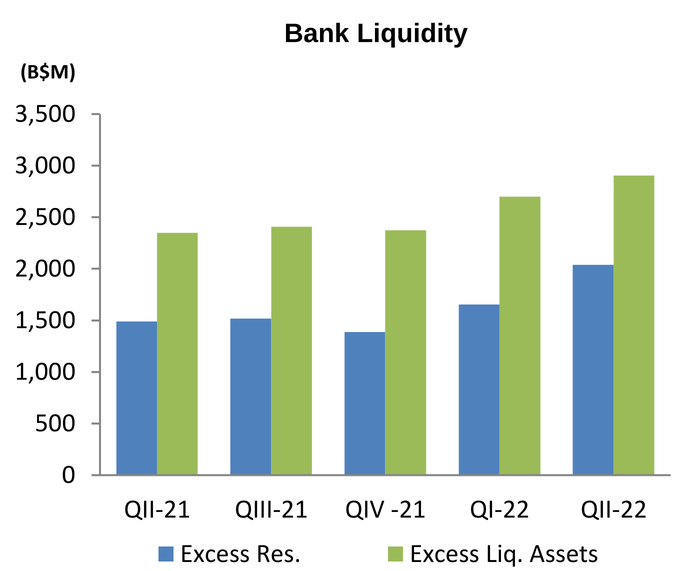
MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Monetary developments during the second quarter were marked by an expansion in banking sector liquidity and foreign assets, as the buildup in the deposit base, contrasted with the reduction in domestic credit. In addition, external reserves grew over the review quarter, attributed to the further receipt of proceeds from Government's external borrowings and net foreign currency inflows from real sector activity. Banks' credit quality indicators continued to improve over the review period, supported by the modest growth in the economy and ongoing loan write-offs. Further, first quarter profitability indicators—the latest period for which data is available—revealed that banks' overall net income expanded significantly, on account of a reversal in the provisioning for impaired loans. Meanwhile, the weighted average interest rate spread widened over the second quarter, owing to an increase in the average lending rate, and a softening in the corresponding deposit rate.

LIQUIDITY

Banks' net free cash reserves rose by $386.7 million (23.4%) to $2,039.5 million, extending the $198.6 million (15.4%) growth in the corresponding quarter of 2021. Consequently, at end-June, the ratio of free cash reserves to Bahamian dollar deposit liabilities stood at 24.9%, higher than the 19.8% in the previous year. Further, led by an expansion in balances held with the Central Bank, the broader surplus liquid assets increased by $202.5 million (7.5%) to $2,903.5 million, from a $189.2 million (8.8%) buildup in the prior year. At end-June, the surplus liquid assets exceeded the statutory minimum by approximately 199.0%, compared with 174.7% in the same period of 2021.



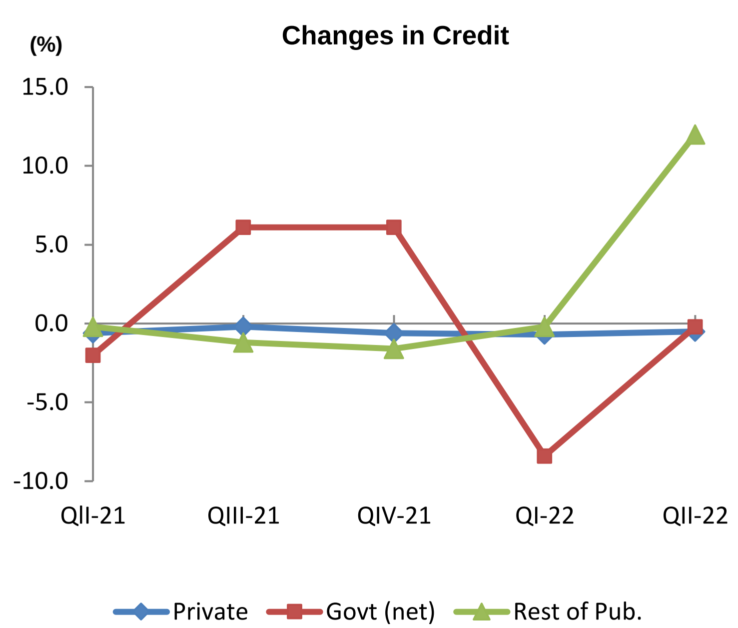
DEPOSITS AND MONEY

During the second quarter, the expansion in overall money supply (M3) quickened to $396.1 million (4.6%), from $258.9 million (3.2%) a year earlier, placing the stock at $8,982.4 million. By component, the growth in narrow money (M1) deepened to $270.8 million (6.7%), from $186.4 million (5.3%) in 2021. Specifically, demand deposits rose by $260.0 million (7.2%), extending the $187.9 million (5.9%) gain in the preceding year, reflective of increases in both private and public sector placements. In addition, currency in active circulation grew by $10.8 million (2.8%), a reversal from a reduction of $1.5 million (0.4%) in the prior year. Broad money (M2) also expanded by $326.1 million (4.0%), exceeding the $200.2 million (2.6%) accumulation in 2021. Leading this outcome, the savings balances rose by $83.5 million (4.3%), notably higher than the $33.5 million (1.9%) increase in the previous year. Providing some offset, the falloff in fixed deposits broadened to $28.2 million (1.3%), from $19.7 million (0.9%) a year earlier. Moreover, the accumulation in residents' foreign currency deposits strengthened to $70.0 million (15.2%), from $58.8 million (14.9%) in 2021.

A breakdown by component showed that Bahamian dollar demand deposits constituted the largest share of the aggregate money stock, at 43.4%, followed by fixed balances, at 23.7% and savings deposits, at 22.6%. Meanwhile, residents' foreign currency deposits and currency in active circulation accounted for significantly smaller shares of 5.9% and 4.4%, respectively.

DOMESTIC CREDIT

Total domestic credit edged up by $3.2 million during the review quarter, a switch from a reduction of $86.4 million (1.0%) in 2021, and an average gain of 0.7% over the preceding five-year period. In particular, the falloff in the dominant Bahamian dollar segment—which constituted 96.3% of the total—slowed to $27.3 million (0.3%), from $87.2 million (1.0%) in the prior year. Similarly, foreign currency credit grew by $30.5 million (10.5%), extending the $0.8 million (0.2%) uptick in the preceding year.



A disaggregation by sector, revealed a sharply moderated decline in net credit to the Government, to just $4.2 million (0.2%) from $52.6 million (2.0%) in the previous year; and compared with an average increase of 3.2% over the past five years. Also, credit to the rest of the public sector grew by $37.9 million (12.0%), after registering a decrease of $0.7 million (0.2%) in 2021. Further, the contraction in private sector credit eased slightly to $30.6 million (0.5%) from $33.2 million (0.6%) a year earlier.

A decomposition of the various private sector categories showed that the decrease in personal loans—the largest component (72.8%)—extended to $19.4 million (0.4%) from $13.5 million (0.3%) in 2021; in-line with an average reduction of 0.4% over the preceding five years. In the underlying transactions, contractions occurred for consumer credit, by $11.7 million (0.6%) and residential mortgages, by $8.0 million (0.3%). Conversely, overdrafts rose by $0.4 million (0.8%).

A detailed breakdown of Bahamian dollar consumer credit revealed that the overall decline was led by net repayments for debt consolidation ($13.6 million). Outstanding balances also decreased for home improvement ($1.6 million) and private cars ($1.1 million); with more modest reductions of less than $1.0

million recorded for land purchases, travel and education. In contrast, net lending increased for "miscellaneous" purposes ($2.7 million), credit cards ($1.7 million), furnishings & domestic appliances ($0.5 million) and medical services ($0.3 million).

Most of the remaining private sector loan categories featured net repayments, including distribution ($14.8 million), "miscellaneous" purposes ($8.1 million), private financial institutions ($7.1 million), transport ($3.7 million), construction ($3.1 million), manufacturing ($3.4 million), and professional & "other" services ($1.7 million). Conversely, lending rose for tourism ($19.2 million) and entertainment & catering ($3.4 million).

Distribution of Bank Credit By Sector (End-Jun.)

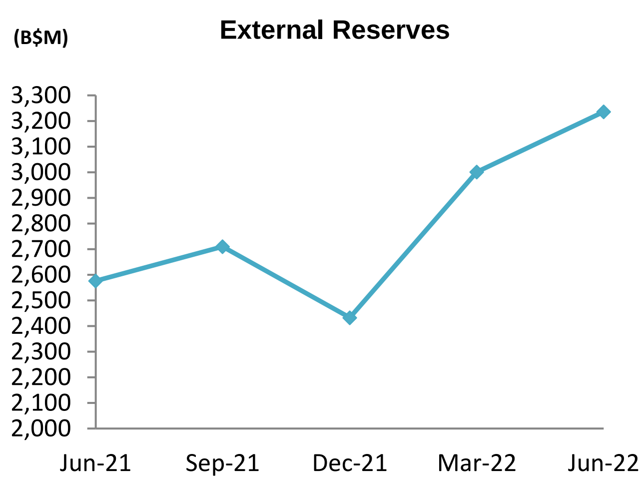
	2022		2021	
	B$M	%	B$M	%
Agriculture	0.6	0.0	0.7	0.0
Fisheries	2.0	0.0	1.4	0.0
Mining & Quarrying	1.7	0.0	1.9	0.0
Manufacturing	33.3	0.5	43.7	0.7
Distribution	279.0	4.4	279.9	4.2
Tourism	35.1	0.5	14.0	0.2
Enter. & Catering	28.2	0.4	21.7	0.3
Transport	38.5	0.6	38.2	0.6
Construction	309.8	4.8	299.1	4.5
Government	725.8	11.4	911.5	13.6
Public Corps.	114.7	1.8	90.9	1.4
Private Financial	14.5	0.2	19.0	0.3
Prof. & Other Ser.	52.4	0.8	47.1	0.7
Personal	4,650.2	72.8	4,842.2	72.2
Miscellaneous	102.3	1.6	90.6	1.4
TOTAL	**6,388.0**	**100.0**	**6,702.2**	**100.0**

Mortgages

According to data from domestic banks, insurance companies and the Bahamas Mortgage Corporation, during the second quarter, the total value of outstanding mortgages reduced by $18.7 million (0.6%) to $2,903.7 million, exceeding last year's decrease of $13.6 million (0.5%). The dominant residential component—which comprised 93.0% of the total—fell by $19.9 million (0.7%) to $2,699.5 million, relative to a $7.6 million (0.3%) falloff in the previous year. In contrast, the commercial component grew by $1.3 million (0.6%) to $204.2 million, a turnaround from a $6.0 million (3.6%) decrease in 2021. At end-June, the majority of outstanding mortgages were held by domestic banks (87.0%), followed by insurance companies (6.6%) and the Bahamas Mortgage Corporation (6.4%).

The Central Bank

Largely reflecting a decline in Government's deposit balances, the Central Bank's net claims on the Government expanded by $85.8 million (30.6%) to $365.9 million, during the second quarter. This outturn was a turnaround from a $30.9 million (12.6%) reduction in the prior year, and compared with an average increase of $33.6 million (9.2%) over the preceding five-year period. Meanwhile, the Bank's net liabilities to commercial banks moved higher by $352.6 million (16.4%), to $2,503.5 million, extending the preceding year's $268.7 million (16.1%) accumulation. In particular, the buildup in



deposits outweighed the decrease in notes and coins in circulation. Further, the Bank's net liabilities to the rest of the public sector declined by $0.3 million (3.8%), after edging up by $0.1 million (0.9%) in 2021.

Buoyed by the receipt of proceeds from the Government's external borrowing activities, external reserves grew by $233.9 million (7.8%), to $3,235.4 million, albeit a moderation from a growth of $325.4 million (14.5%) in 2021. The Central Bank's net foreign currency purchases decreased to $259.0 million, from $317.5 million in the preceding year. In particular, net purchases from the Government fell by $80.3 million to $213.8 million. In addition, net foreign currency sales to the public corporations—mainly for fuel purchases—accelerated by $43.2 million, to $107.3 million. In a partial offset, the Bank's net purchases from the commercial banks expanded by $65.0 million, to $152.4 million.

At end-June, the stock of external reserves stood at an estimated 45.0 weeks of the current year's total merchandise imports (inclusive of oil purchases), a reduction from the 47.4 weeks in 2021. After adjusting for the 50.0% statutory requirement on the Bank's demand liabilities, "useable" reserves rose by $391.5 million (30.7%) to $1,666.4 million, relative to the same quarter of 2021.

DOMESTIC BANKS

The domestic banking system recorded net foreign assets of $32.1 million, a shift from net foreign liabilities of $109.4 million in the previous quarter, and relative to last year's decline in net liabilities, of $85.0 million (43.7%).

During the second quarter, domestic banks' credit contracted by $82.4 million (1.0%), extending last year's reduction of $55.5 million (0.7%). In particular, the decline in net claims on the Government accelerated to $89.9 million (3.7%) from $21.7 million (0.9%) in the prior year, owing primarily to a decrease in Treasury bill holdings. Meanwhile, the falloff in private sector credit moderated to $30.6 million (0.5%), from $33.2 million (0.6%) in the year prior. In addition, credit to public corporations rose by $38.2 million (12.4%), a reversal from a $0.7 million (0.2%) decline in 2021.

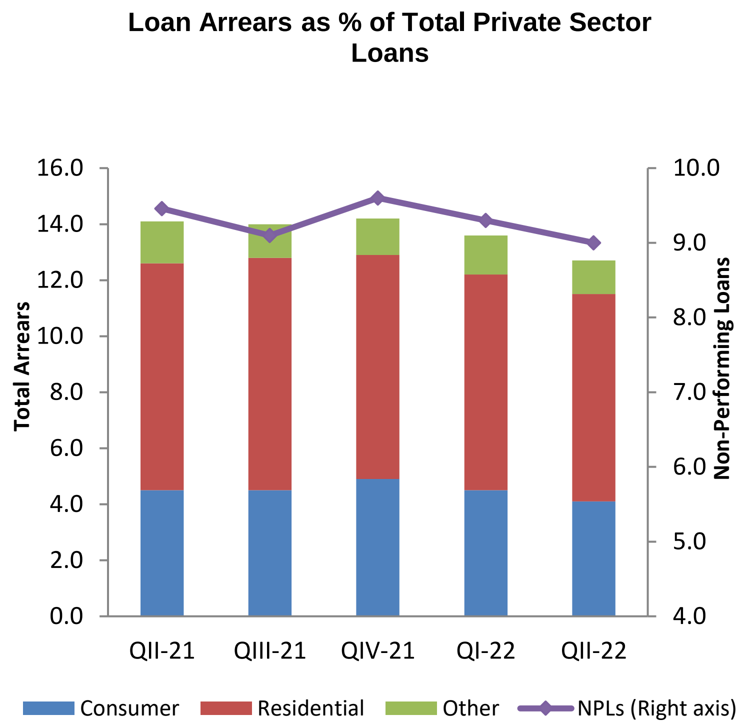
Banks' total deposit liabilities—inclusive of Government balances—grew by $413.9 million (5.0%), to $8,721.2 million, surpassing the gain of $249.0 million (3.2%) in the preceding year. The growth in private sector deposits extended to $378.5 million (4.8%), from $306.1 million (4.2%) in the prior year, for an ending balance of $8,243.7 million. Meanwhile, public corporations registered a $31.2 million (14.1%) rise in deposits, contrasting with a decrease of $28.6 million (10.8%); while Government balances rose by $4.3 million (1.9%), following a reduction of $28.4 million (11.4%) last year.

Banks' deposit liabilities remain denominated in Bahamian dollars (93.9%), with the US dollar comprising the bulk of the remainder. A breakdown by holder showed that private individuals held the largest share (51.0%) of total local currency accounts, followed by business firms (32.0%), private financial institutions (7.1%), the public sector (5.8%) and "other" miscellaneous entities (4.1%).

Disaggregated by deposit category, demand balances represented the largest share (48.5%) of accounts, followed by fixed (26.7%) and savings (24.8%) deposits. Analyzed by range of value and number, the majority of accounts (87.0%), comprised Bahamian dollar balances of $10,000 or less, but constituted only 5.4% of the total value. Accounts with balances between $10,000 and $50,000 accounted for 8.6% of the facilities and 10.6% of the overall value, while deposits in excess of $50,000 represented 4.4% of the accounts, but 84.0% of the aggregate value.

CREDIT QUALITY

Banks' credit quality indicators improved notably over the review period, reflecting the sustained recovery in the domestic economy. Total private sector loan arrears fell, on both a quarterly and annual basis, by $51.8 million (7.0%) and by $91.6 million (11.7%), respectively, to $689.0 million. In line with this outcome, the ratio of arrears to total private sector loans narrowed by 90 basis points over the three-month period, and by 1.4 percentage points year-on-year, to 12.7%.



A disaggregation by the age of delinquencies, showed that over the quarter, short-term (31-90 days) arrears decreased by $34.1 million (14.5%) to $201.3 million, lowering the associated ratio by 61 basis points, to 3.7% of total private sector loans. In addition, the non-performing loans (NPLs) segment—arrears in excess of 90 days and on which banks have ceased accruing interest—reduced by $17.8 million (3.5%) to $487.8 million, with the corresponding ratio declining by 29 basis points to 9.0% of total private sector loans.

The quarterly reduction in total private sector loan arrears, was led by a $21.5 million (8.8%) decrease in consumer loan delinquencies, to $221.5 million, with the relevant ratio moving lower by 95 basis points, to 11.2%. Similarly, the mortgage component—at 58.3% of the total—fell by $19.4 million (4.6%) to $401.9 million, reducing the attendant ratio by 65 basis points to 15.9%. Further, commercial arrears declined by $11.0 million (14.3%) to $65.7 million, resulting in a 1.4 percentage points narrowing in the relevant ratio, to 7.2%. Moreover, the NPL rate for mortgages stood at 10.6% from 11.6% in the prior year and commercial credit, at 5.9%, compared to 6.0% a year earlier. In contrast, the consumer loans rate firmed to 8.5%, from 8.3% in 2021.

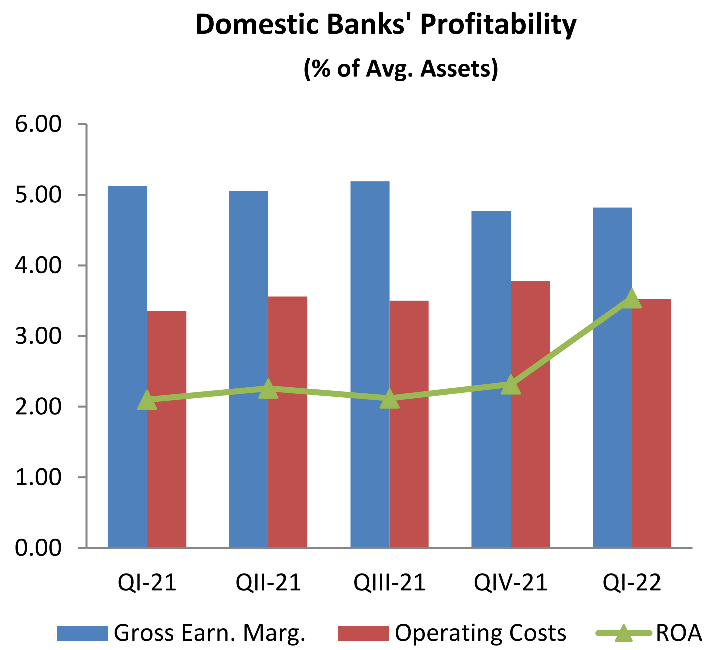
PROVISIONS AND CAPITAL ADEQUACY

Corresponding with the improvement in credit quality indicators, banks reduced their total provisions for loan losses by $28.8 million (5.8%) to $466.2 million during the second quarter. Consequently, the ratio of total provisions to non-performing loans declined by 2.3 percentage points, to 95.6%. However, the ratio of total provisions to total arrears rose by 85 basis points to 67.7%. Further, the coverage ratio of specific provisions to non-performing loans firmed by 10 basis points to 75.7%. Moreover, banks wrote-off an estimated $35.3 million in delinquent loans and recovered approximately $12.3 million, during the review quarter.

Banks' capital levels remained elevated during the review quarter, although the average ratio of capital to risk-weighted assets fell by 30 basis points to 27.4%. The ratio remained well in excess of the regulatory prescribed target and trigger ratios of 17.0% and 14.0%, respectively.

BANK PROFITABILITY

During the first quarter of 2022—the latest period for which data is available—banks' net income expanded by $43.0 million (71.5%), to $103.1 million, relative to the corresponding period of 2021. The outturn was largely attributed to a decline in bad debt expenses, owing to a reversal in the provisioning for impaired loans. The net interest margin reduced by $8.3 million (6.1%) to $127.1 million, as interest income fell by $8.9 million (6.1%) to $136.5 million, overshadowing the $0.6 million (6.1%) decrease in interest expense, to $9.4 million. However, commission & foreign exchange fees increased by $2.2 million (19.3%) to $13.4 million, leading to a moderation in the reduction in the gross earnings margin by $6.1 million (4.2%), to $140.6 million.



In terms of non-interest expense, banks' operating outlays rose by 7.3% to $102.9 million. In particular, non-staff related operating costs—inclusive of professional and rental expenses—grew by 11.2%, to $60.9 million. In addition, staff-related costs moved higher by 4.7%, to $38.9 million. Conversely, occupancy costs fell by 22.3%, to $3.0 million. Further, banks' other net earnings improved to $65.4 million, compared to $9.3 million in 2021, as provisions for bad debt decreased, underpinned by an overall reversal in the provisioning for impaired loans to $17.8 million, vis-à-vis a rise in outlays to $26.3 million a year earlier. In addition, other "non-interest" earnings grew by $13.0 million (32.5%), to $52.9 million. In a modest offset, depreciation costs increased by $1.0 million (22.2%), to $5.3 million.

Corresponding to these developments, movements in banks' profitability ratios varied over the quarter. As a percentage of average assets, the gross earnings margin narrowed by 31 basis points to 4.82%, as the interest margin ratio decreased by 37 basis points, to 4.36%, while the commission & foreign exchange ratio, rose by 7 basis points, to 0.46%. Additionally, banks' net earnings margin ratio fell by 48 basis points, to 1.29%, as the operating costs ratio moved higher by 18 basis points, to 3.53%. Notwithstanding, the net income ratio firmed by 1.4 percentage points, to 3.54%, attributed mainly to banks' reversal of bad debt provisioning during the quarter.

INTEREST RATES

During the second quarter, the weighted average interest rate spread at commercial banks widened by 62 basis points to 10.73 percentage points. Contributing to this development, the weighted mean lending rate rose by 58 basis points to 11.21%, while the weighted average deposit rate declined by 4 basis points, to 0.48%.

The decrease in the average loan rate was led by a 2.1 percentage points narrowing in the average rate on commercial mortgages to 5.25%. In addition, the mean rate on overdrafts fell by 29 basis points to 10.78%. Conversely, residential mortgages edged up by 5 basis points to 5.29% and consumer loans, by a 1 basis point, to 12.95%.

With regard to deposits, the average range of interest offered on fixed balances shifted to 0.31%-1.03%, relative to 0.26%-1.05% in the previous quarter. Meanwhile, the average rates moved higher for demand and savings balances, by 23 and 3 basis points, to 0.69% and 0.50%, respectively.

Banking Sector Interest Rates

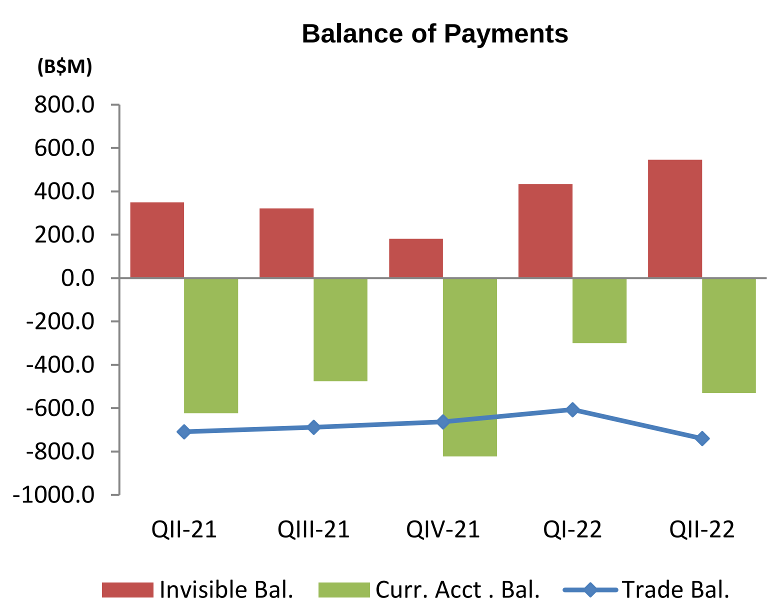
Period Average (%)

	Qtr. II 2021	Qtr. I 2022	Qtr. II 2022
Deposit Rates			
Demand Deposits	0.67	0.46	0.69
Savings Deposits	0.38	0.47	0.50
Fixed Deposits			
Up to 3 months	0.28	0.26	0.31
Up to 6 months	0.34	0.42	0.37
Up to 12 months	0.73	0.56	0.45
Over 12 months	1.17	1.05	1.03
Weighted Avg. Dep. Rate	**0.48**	**0.52**	**0.48**
Lending Rates			
Residential mortgages	5.08	5.24	5.29
Commercial mortgages	6.33	7.33	5.25
Consumer loans	12.25	12.94	12.95
Other Local Loans	8.20	6.35	7.05
Overdrafts	9.59	11.07	10.78
Weighted Avg. Loan Rate	**9.49**	**10.63**	**11.21**

Among other interest rates, the average Treasury bill rate edged up by 2 basis points to 2.89%. Meanwhile, the Central Bank's Discount rate and commercial banks' Prime rate were unchanged, at 4.00% and 4.25%, respectively.

International Trade and Payments

Based on provisional data for the second quarter of 2022, the current account deficit decreased to an estimated $530.7 million, relative to $623.3 million in the corresponding period of 2021. Underlying this outturn, the services account surplus broadened to $545.8 million from $350.0 million, reflective of the ongoing strengthening in travel receipts. In contrast, the financial account inflows, excluding reserve assets, declined to $504.5 million from $535.3 million a year earlier, attributed to a notable reduction in other investment inflows, and a falloff in net private investments. Meanwhile, the capital account transfers recorded nil transactions during the review quarter, similar to the previous year.



The estimated merchandise trade deficit expanded by $30.8 million (4.3%) to $739.9 million in the review quarter, explained by a $138.5 million (16.2%) rise in imports to $991.6 million, which outstripped the $107.7 million (74.8%) growth in exports to $251.7 million. A breakdown of trade flows revealed that payments for fuel imports rose by $136.5 million (66.3%) to $342.5 million, underpinned by higher international oil prices. An analysis of the fuel components showed that the average per barrel prices more than doubled for kerosene oil (jet fuel) to $176.88 from $78.07. In addition, the average per barrel cost increased for motor gas, by 53.0% to $157.02; for propane, by 40.7% to $85.97; for gas oil, by 42.8% to $111.16; and aviation gas by 34.1% to $238.53 per barrel. Conversely, Bunker-C recorded a reduction of 12.0% to $120.04 per barrel from a year earlier.

The estimated surplus on the services account advanced to $545.8 million, from $350.0 million in the preceding year. Contributing to this outturn, net travel receipts—mainly tourism —expanded to $859.4 million, from $676.3 million in the comparative 2021 period. Further, net payments for transportation services declined by $11.1 million (14.8%) to $63.6 million, due in large measure to a falloff in air transport (30.1%). In like manner, net outflows for insurance services reduced by $11.0 million (15.4%) to $60.1 million, while "other business" services, fell by $6.3 million (5.8%) to $103.1 million and telecommunications, computer, and information services, by $1.4 million (9.8%), to $13.2 million. Providing some offset, charges for the use of intellectual property increased to $9.3 million from $2.2 million in the previous year, while net payments for Government goods and services rose by $10.0 million (36.4%) to $37.4 million. Meanwhile, net outflows for construction services stabilized at $26.9 million, relative to the same period last year.

The primary income account deficit (against wages and investment income) widened to $348.1 million from $237.2 million in the comparative 2021 period. Underlying this outturn, net investment income outflows surged to $326.9 million from $212.5 million in the previous year. Specifically, net remittances against portfolio investments outflows rose to $156.1 million from $89.5 million in the preceding year—due to interest paid on external bonds—and direct investment net outflows increased to $140.1 million from $72.2 million. In contrast, "other" net investments income outflows—inclusive of interest and dividends by banks, other companies and the Government—decreased by $19.8 million (35.3%) to $36.4 million. Meanwhile, net outflows for employees' compensation moderated by $3.4 million (13.9%) to $21.2 million.

The secondary income account position, which predominantly reflects net transfers, reversed to a surplus of $10.4 million from a deficit of $27.1 million a year earlier, as general Government net inflows advanced to $32.6 million from $8.1 million last year. Further, other net private current transfers inflows expanded to $9.6 million from just $0.1 million the year prior. Moreover, various private financial and non-financial net outflows declined by $3.6 million (10.1%) to $31.8 million, inclusive of a decrease in the workers' remittances portion.

During the review quarter, similar to the preceding year, there were no estimated, primarily capital transfers, for the capital account—which comprised financial corporations, non-financial corporations, households and non-financial institutions serving households (NPISHs).

During the second quarter of 2022, the net financial inflows (denoting net investment inflows), reduced to $504.5 million from $535.3 million in 2021. Leading this outturn, net private direct investment inflows (also inflows to the jurisdiction) reduced notably to $56.6 million, from $116.3 million a year earlier, as debt instruments recorded a net outflow of $23.6 million, a switch from a net inflow of $45.3 million. This outweighed the increase in net equity and investment fund shares, by $9.2 million (13.0%) to $80.2 million. In addition, "other investment" inflows decreased to $74.0 million, from $126.3 million in the prior year, explained by a shift in "other" accounts receivable/payable to a net outflow of $81.0 million from net inflows of $77.8 million in the preceding year. Likewise, the net acquisition of loans reversed to a net repayment of $77.1 million from a net inflow of $418.0 million in 2021, owing to loan repayments by the Government. In addition, reflective of valuation and other changes, IMF Special Drawing Rights allocations also posted a net outflow of $26.8 million, a turnaround from a net inflow of $1.1 million a year earlier. In contrast, the net currency and deposits position switched to a net receipt of $258.8 million from a net outflow of $370.7 million in the previous year, led by private sector inflows. Similarly, net portfolio investment inflows expanded to $373.9 million from $292.8 million in the preceding year, attributed to a rise in debt securities inflows, by $69.4 million (20.8%) to $402.3 million, which included the receipt of proceeds from the Government's external bond offering; while equity and investment fund shares net outflows decreased by $11.7 million (29.2%) to $28.4 million.

In line with these developments, and after adjusting for net errors and omissions, the surplus in reserve assets, which corresponds to the change in the Central Bank's external reserves, moderated to $233.9 million from $325.4 million in the second quarter of 2021.

INTERNATIONAL ECONOMIC DEVELOPMENTS

Global economic activities remained lackluster during the review quarter, underpinned by heightened inflationary pressures, as a result of the increase in international oil prices, due to supply shocks and geopolitical tension in Eastern Europe, combined with the ongoing spread of the COVID-19 pandemic. Nonetheless, labour market conditions continued to improve in most of the major economies. Against this backdrop, some of the major central banks tightened their monetary policy stances in an attempt to curtail the rise in inflation.

Real output in most of the major economies moderated during the second quarter of 2022. In the United States, real GDP contracted by an annualized rate of 0.9% over the review quarter, albeit lower than the 1.6% falloff in the previous quarter, attributed to declines in private inventory investment, residential and non-residential fixed investment, and federal, state and local government spending. In the United Kingdom, the growth in real output slowed by an annualized 1.9% in the June quarter, from a 8.7% in the prior quarter, on account of decreases in human health and social work activities, and household consumption. In China, GDP growth moderated by an annual 0.4%, from 4.8% in the first quarter. Conversely, in the euro area, real economic output grew by an annualized 0.8%, surpassing the 0.2% uptick in the prior quarter. Further, Japan's real GDP expanded by an annualized 1.1%, from 0.7% in the previous quarter, supported by gains in private and household consumption.

Labour market conditions were mostly positive for the major economies during the second quarter. In the United States, the unemployment rate fell by 20 basis points to an average rate of 3.6% over the review quarter, with non-farm payrolls growth supported by notable gains in professional and business services, leisure and hospitality, and health care. Similarly, in the euro area, the jobless rate narrowed by 20 basis points to 6.6%, amid a 2.0 million reduction in the number of unemployed persons. In Japan, the second quarter unemployment rate remained unchanged at 2.7%, vis-à-vis the first quarter. Conversely, in the United Kingdom, the unemployment rate edged up by 10 basis points to 3.8% over the previous quarter. Similarly, China's unemployment rate increased by 30 basis points to 5.8% relative to the preceding quarter.

Global inflationary pressures remained elevated during the second quarter of 2022, largely reflective of higher energy prices. Specifically, in the United States, the annualized inflation rate rose to 9.1% in June, from 8.5% the previous quarter, attributed to the rise in gasoline, shelter and food costs. Likewise, owing to increases in housing and household services, and transport costs, the United Kingdom's annualized inflation rate firmed to 8.2%, from 6.2% in the first quarter. Further, consumer prices in the euro area grew by 1.1 percentage points, over the prior quarter, to an annualized 8.6%, explained by higher prices for energy, and food, alcohol and tobacco. In the Asian economies, China's year-on-year inflation rate for the three-months to June firmed to an annualized 2.5%, a 1.0 percentage point gain over the prior three-month period, while Japan's annualized inflation rate rose to 2.4% in June, from 1.2% in the prior quarter.

The United States dollar appreciated against the major currencies during the three-months to June, owing, in part, to the Federal Reserve's interest rate hikes. In particular, the dollar strengthened relative to the Japanese yen, by 11.5% to ¥135.7, the British pound, by 7.9% to £0.82, and the Chinese Renminbi, by 5.7% to CNY 6.7. Similarly, the dollar rose vis-à-vis the euro, by 5.6% to €0.95, the Swiss Franc, by 3.5% to CHF0.96 and the Canadian dollar, by 2.9% to CAD$1.29.

During the review quarter, almost all of the major global stock indices registered losses, as the Federal Reserve further increased interest rates. Specifically, in the United States, the S&P 500 index and the Dow Jones Industrial Average (DIJA) declined by 16.5% and by 11.3%, respectively. Likewise, in the European bourses, Germany's DAX reduced, by 11.3%, France's CAC 40, by 11.1%, and the United Kingdom's FTSE 100, by 4.6%. In the Asian markets, Japan's Nikkei 225 fell by 5.1%; conversely, China's SE Composite grew by 4.5%.

Reflective of ongoing political unrest in Eastern Europe, average crude oil prices rose by 21.6% to $122.61 per barrel over the three-month period. In contrast, in the precious metals market, the average prices of silver decreased by 18.2% to $20.28 per troy ounce and gold, by 6.7% to $1,807.27 per troy ounce.

External sector trade developments varied during the second quarter. The United States' the trade deficit narrowed by $39.2 billion (13.5%) to $252.2 billion, relative to the preceding quarter, explained by a 57.8% growth in exports, which outstripped the 23.1% increase in imports, of mainly industrial supplies and materials, and capital goods. Further, China's trade surplus expanded by $59.6 billion (36.6%) to US$222.5 billion during the three-month period to June, versus the prior quarter, as the 11.0% rise in exports, outpaced the 4.7% uptick in imports. Conversely, the United Kingdom's trade deficit widened by £1.5 billion (2.5%) to £62.6 billion, over the previous quarter, reflective of an 8.3% expansion in imports, which offset the 12.4% advancement in exports. In the euro area, the trade balance registered a deficit of €83.3 billion, a reversal from a €36.5 billion surplus the same period last year, owing to a 45.4% expansion in imports, which overshadowed the 22.4% gain in exports. In addition, during the second quarter, Japan's trade deficit grew by $1,342.2 million (40.2%) to ¥4,642.9 billion, vis-à-vis the preceding quarter, as the 13.1% expansion in imports, outweighed the 8.9% increase in exports.

Given the slowdown in economic growth and elevated inflation due to the ongoing geopolitical tensions in Eastern Europe, some of the major central banks continued with their monetary policy tightening stances during the second quarter. Specifically, the United States' Federal Reserve increased its benchmark interest rate to a range of 1.50%-1.75% from 0.25%-0.50% in the prior quarter, citing the effect of the invasion of Ukraine and supply chain disruptions on inflation and overall economic activity. Similarly, the Bank of England raised its main policy rate by 50 basis to 1.25%. However, the European Central Bank re-affirmed its key interest rates on the main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively; nonetheless, indicating upcoming rate hikes in the near-term. Further, the Bank continued to reinvest principal payments from maturing securities purchased under pandemic emergency purchase programme (PEPP), while the asset purchase programme (APP) is set to conclude next quarter. In Asia, the People's Bank of China left its 7- day reverse repo rate at 2.1%, while, the Bank of Japan retained its policy rate at -0.1%.

STATISTICAL APPENDIX (TABLES 1-16)

TABLE 1
FINANCIAL SURVEY

Period	2018	2019	2020	2021				2022	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
				(B$ Millions)					
Net foreign assets	1,072.1	1,790.7	2,141.9	2,056.3	2,466.7	2,569.2	2,337.9	2,985.0	3,269.8
Central Bank	1,196.3	1,758.1	2,382.2	2,250.7	2,576.1	2,709.9	2,432.8	3,001.6	3,235.8
Domestic Banks	(124.2)	32.6	(240.2)	(194.4)	(109.4)	(140.7)	(94.9)	(16.5)	34.0
Net domestic assets	5,486.4	5,497.7	5,209.0	5,330.7	5,236.4	5,176.8	5,641.9	5,353.2	5,461.4
Domestic credit	8,911.2	8,957.1	8,614.4	8,740.4	8,654.0	8,800.0	8,929.0	8,640.4	8,643.6
Public sector	3,025.0	3,065.5	2,848.3	2,983.4	2,930.2	3,085.0	3,248.3	3,000.9	3,034.6
Government (net)	2,539.3	2,620.9	2,524.4	2,658.6	2,606.0	2,764.6	2,933.1	2,686.2	2,682.0
Rest of public sector	485.8	444.6	323.8	324.8	324.1	320.4	315.2	314.7	352.5
Private sector	5,886.2	5,891.6	5,766.1	5,757.0	5,723.8	5,715.0	5,680.7	5,639.5	5,609.0
Other items (net)	(3,424.8)	(3,459.4)	(3,405.4)	(3,409.7)	(3,417.6)	(3,623.2)	(3,287.1)	(3,287.2)	(3,182.1)
Monetary liabilities	7,108.8	7,892.8	7,864.2	7,909.5	8,227.7	8,223.8	8,220.7	8,586.4	8,982.4
Money	2,728.2	3,248.4	3,472.1	3,499.4	3,727.8	3,706.4	3,715.5	4,017.8	4,288.6
Currency	310.4	336.8	373.0	368.1	372.2	381.5	385.9	382.6	393.4
Demand deposits	2,417.7	2,911.6	3,099.1	3,131.3	3,355.7	3,324.9	3,329.6	3,635.2	3,895.2
Quasi-money	4,380.7	4,644.4	4,392.1	4,410.2	4,499.9	4,517.4	4,505.2	4,568.5	4,693.8
Fixed deposits	2,552.0	2,419.6	2,245.2	2,244.0	2,218.0	2,221.8	2,172.6	2,160.8	2,132.6
Savings deposits	1,427.1	1,637.0	1,788.4	1,785.5	1,827.5	1,880.9	1,885.0	1,947.4	2,030.8
Foreign currency	401.5	587.9	358.5	380.6	454.4	414.7	447.7	460.4	530.4
				(percentage changes)					
Total domestic credit	0.8	0.5	(3.8)	1.5	(1.0)	1.7	1.5	(3.2)	0.0
Public sector	5.9	1.3	(7.1)	4.7	(1.8)	5.3	5.3	(7.6)	1.1
Government (net)	6.6	3.2	(3.7)	5.3	(2.0)	6.1	6.1	(8.4)	(0.2)
Rest of public sector	2.8	(8.5)	(27.2)	0.3	(0.2)	(1.2)	(1.6)	(0.2)	12.0
Private sector	(1.6)	0.1	(2.1)	(0.2)	(0.6)	(0.2)	(0.6)	(0.7)	(0.5)
Monetary liabilities	1.0	11.0	(0.4)	0.6	4.0	(0.0)	0.0	4.4	4.6
Money	2.8	19.1	6.9	0.8	6.5	(0.6)	0.2	8.1	6.7
Currency	6.0	8.5	10.8	(1.3)	1.1	2.5	1.1	(0.8)	2.8
Demand deposits	2.4	20.4	6.4	1.0	7.2	(0.9)	0.1	9.2	7.2
Quasi-money	(0.1)	6.0	(5.4)	0.4	2.0	0.4	(0.3)	1.4	2.7

Source: Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

Period	2018	2019	2020	2021				2022	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
				(B$ Millions)					
Net foreign assets	1,394.7	2,133.1	2,520.0	2,439.9	2,859.7	2,907.3	2,680.4	3,341.1	3,641.8
Central Bank	1,196.3	1,758.1	2,382.2	2,250.7	2,576.1	2,709.9	2,432.8	3,001.6	3,235.8
Commercial banks	198.4	375.0	137.9	189.2	283.6	197.4	247.6	339.5	406.0
Net domestic assets	5,644.2	5,682.1	5,235.6	5,466.0	5,364.9	5,309.8	5,539.8	5,247.5	5,338.9
Domestic credit	8,866.4	8,898.8	8,546.6	8,710.6	8,610.7	8,760.8	8,884.5	8,597.9	8,589.7
Public sector	3,009.1	3,050.1	2,835.1	2,983.4	2,930.1	3,084.9	3,248.2	3,000.7	3,034.5
Government (net)	2,523.7	2,605.5	2,511.2	2,658.6	2,606.0	2,764.6	2,933.1	2,686.2	2,682.0
Rest of public sector	485.4	444.6	323.8	324.8	324.1	320.4	315.1	314.5	352.4
Private sector	5,857.2	5,848.6	5,711.6	5,727.2	5,680.6	5,675.9	5,636.3	5,597.1	5,555.3
Other items (net)	(3,222.2)	(3,216.7)	(3,311.0)	(3,244.5)	(3,245.9)	(3,451.0)	(3,344.7)	(3,350.3)	(3,250.9)
Monetary liabilities	7,038.4	7,814.3	7,754.6	7,905.0	8,223.5	8,216.3	8,212.3	8,581.1	8,972.9
Money	2,671.3	3,186.5	3,377.5	3,495.7	3,724.3	3,699.3	3,707.8	4,013.0	4,279.6
Currency	310.5	336.9	373.1	368.1	372.2	381.5	385.9	382.6	393.4
Demand deposits	2,360.8	2,849.6	3,004.4	3,127.6	3,352.1	3,317.8	3,321.9	3,630.4	3,886.2
Quasi-money	4,367.2	4,627.8	4,377.1	4,409.3	4,499.2	4,516.9	4,504.5	4,568.0	4,693.3
Savings deposits	1,427.1	1,637.0	1,788.4	1,785.5	1,827.5	1,880.9	1,885.0	1,947.4	2,030.8
Fixed deposits	2,540.6	2,408.3	2,230.8	2,244.0	2,218.0	2,221.8	2,172.6	2,160.8	2,132.6
Foreign currency deposits	399.4	582.5	357.9	379.8	453.7	414.3	446.9	459.9	529.9
				(percentage change)					
Total domestic credit	0.7	0.4	(4.0)	1.9	(1.1)	1.7	1.4	(3.2)	(0.1)
Public sector	5.9	1.4	(7.1)	5.2	(1.8)	5.3	5.3	(7.6)	1.1
Government (net)	6.5	3.2	(3.6)	5.9	(2.0)	6.1	6.1	(8.4)	(0.2)
Rest of public sector	2.8	(8.4)	(27.2)	0.3	(0.2)	(1.2)	(1.6)	(0.2)	12.0
Private sector	(1.8)	(0.1)	(2.3)	0.3	(0.8)	(0.1)	(0.7)	(0.7)	(0.7)
Monetary liabilities	1.1	11.0	(0.8)	1.9	4.0	(0.1)	0.0	4.5	4.6
Money	3.1	19.3	6.0	3.5	6.5	(0.7)	0.2	8.2	6.6
Currency	6.1	8.5	10.7	(1.3)	1.1	2.5	1.1	(0.9)	2.8
Demand deposits	2.7	20.7	5.4	4.1	7.2	(1.0)	0.1	9.3	7.0
Quasi-money	(0.0)	6.0	(5.4)	0.7	2.0	0.4	(0.3)	1.4	2.7

Source: Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B$ Millions)

Period	2018	2019	2020	2021				2022	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
Net foreign assets	1,196.3	1,758.1	2,382.2	2,250.7	2,576.1	2,709.9	2,432.8	3,001.6	3,235.8
Balances with banks abroad	375.8	794.5	307.6	273.1	666.2	511.8	323.8	662.7	813.1
Foreign securities	670.5	779.8	1,867.6	1,773.9	1,703.8	1,749.3	1,663.1	1,887.2	1,998.4
Reserve position in the Fund	26.8	26.7	27.8	27.3	27.5	27.2	27.0	27.3	26.5
SDR holdings	123.2	157.1	179.2	176.4	178.6	421.6	418.9	424.3	397.9
Net domestic assets	228.4	145.4	(85.4)	(25.7)	(76.1)	(62.4)	192.7	(36.1)	66.6
Net claims on Government	503.6	395.9	172.8	245.6	214.7	235.8	457.9	280.1	365.9
Claims	525.1	460.4	252.5	356.1	413.0	423.9	620.9	532.7	512.5
Treasury bills	155.7	135.3	13.8	0.0	0.0	31.2	14.0	0.0	0.0
Bahamas registered stock	249.0	249.9	232.9	254.9	252.5	232.2	340.9	326.6	306.6
Loans and advances	120.4	75.2	5.8	101.2	160.6	160.6	266.1	206.0	205.9
Deposits	(21.6)	(64.4)	(79.7)	(110.5)	(198.4)	(188.1)	(163.0)	(252.5)	(146.6)
In local currency	(21.6)	(64.4)	(79.7)	(110.5)	(198.4)	(188.1)	(163.0)	(252.5)	(146.6)
In foreign currency	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(74.6)	(49.6)	(52.1)	(44.3)	(81.0)	(47.3)	(69.4)	(117.2)	(92.8)
Credit to commercial banks	-	-	-	-	-	-	-	-	-
Official capital and surplus	(208.0)	(226.8)	(239.4)	(239.0)	(240.2)	(238.8)	(241.0)	(241.3)	(240.4)
Net unclassified assets	(0.2)	18.9	26.6	5.0	23.4	(19.3)	38.1	35.2	27.1
Loans to rest of public sector	2.5	2.3	2.0	1.9	1.9	1.9	1.9	1.9	1.6
Public Corp Bonds/Securities	5.2	4.8	4.7	5.2	5.2	5.3	5.2	5.2	5.2
Liabilities To Domestic Banks	(940.9)	(1,394.4)	(1,744.5)	(1,680.6)	(1,950.3)	(1,844.3)	(1,814.0)	(2,151.9)	(2,504.5)
Notes and coins	(149.3)	(151.5)	(173.3)	(132.2)	(120.7)	(137.8)	(170.9)	(138.2)	(136.7)
Deposits	(791.7)	(1,242.9)	(1,571.2)	(1,548.4)	(1,829.6)	(1,706.6)	(1,643.1)	(2,013.7)	(2,367.8)
SDR allocation	(173.3)	(172.3)	(179.2)	(176.3)	(177.5)	(421.6)	(418.9)	(424.3)	(397.8)
Currency held by the private sector	(310.4)	(336.8)	(373.0)	(368.1)	(372.2)	(381.5)	(385.9)	(382.6)	(393.4)

Source: Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

(B$ Millions)

Period	2018	2019	2020	2021				2022	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
Net foreign assets	(124.2)	32.6	(240.2)	(194.4)	(109.4)	(140.7)	(94.9)	(16.5)	34.0
Net claims on Central Bank	941.9	1,395.3	1,745.5	1,681.5	1,951.2	1,845.2	1,815.0	2,152.8	2,505.4
Notes and Coins	149.3	151.5	173.3	132.2	120.7	137.8	170.9	138.2	136.7
Balances	792.6	1,243.8	1,572.1	1,549.3	1,830.4	1,707.5	1,644.1	2,014.6	2,368.6
Less Central Bank credit	-	-	-	-	-	-	-	-	-
Net domestic assets	5,482.2	5,672.6	5,689.0	5,745.6	5,696.9	5,853.9	5,841.0	5,728.9	5,704.4
Net claims on Government	2,035.7	2,225.0	2,351.6	2,413.0	2,391.4	2,528.8	2,475.2	2,406.1	2,316.1
Treasury bills	669.8	771.9	830.2	819.8	773.8	965.2	939.8	956.8	755.2
Other securities	990.9	985.4	907.5	930.7	926.1	910.0	926.5	935.7	1,060.1
Loans and advances	564.4	688.8	906.5	911.0	911.5	860.2	820.8	734.3	725.8
Less: deposits	189.4	221.1	292.5	248.5	220.1	206.6	211.9	220.7	224.9
Net claims on rest of public sector	54.2	31.7	72.2	53.3	81.2	76.6	103.8	86.2	93.2
Securities	229.5	230.9	226.1	226.1	226.1	230.4	230.6	230.7	231.0
Loans and advances	248.6	206.6	91.0	91.7	90.9	82.8	77.4	76.9	114.7
Less: deposits	423.9	405.8	244.9	264.5	235.8	236.7	204.3	221.4	252.5
Other net claims	(1.0)	18.8	2.7	(5.8)	0.1	(0.4)	(0.7)	16.9	(0.1)
Credit to the private sector	5,886.2	5,891.6	5,766.1	5,757.0	5,723.8	5,715.0	5,680.7	5,639.5	5,609.0
Securities	32.3	26.0	21.1	22.7	24.1	24.2	52.9	53.0	61.5
Mortgages	2,935.3	2,912.2	2,886.8	2,887.8	2,887.3	2,877.5	2,861.5	2,839.7	2,830.2
Loans and advances	2,918.5	2,953.4	2,858.2	2,846.5	2,812.4	2,813.3	2,766.3	2,746.8	2,717.3
Private capital and surplus	(2,642.6)	(2,394.7)	(2,438.5)	(2,450.1)	(2,453.2)	(2,391.6)	(2,342.1)	(2,399.3)	(2,321.4)
Net unclassified assets	149.9	(99.8)	(65.2)	(21.8)	(46.4)	(74.5)	(75.9)	(20.5)	7.6
Liabilities to private sector	6,299.9	7,100.6	7,194.2	7,232.7	7,538.7	7,558.4	7,561.1	7,865.2	8,243.7
Demand deposits	2,503.6	3,116.5	3,199.1	3,227.1	3,512.2	3,483.9	3,509.2	3,760.4	4,082.5
Savings deposits	1,454.3	1,667.3	1,822.3	1,822.3	1,863.4	1,920.2	1,924.2	1,987.2	2,068.5
Fixed deposits	2,342.0	2,316.7	2,172.8	2,183.2	2,163.1	2,154.2	2,127.6	2,117.6	2,092.7

Source: Central Bank of The Bahamas

TABLE 5
PROFIT AND LOSS ACCOUNTS OF BANKS* IN THE BAHAMAS

(B$'000s)

Period	2019	2020	2021	2020				2021				2022
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
1. Interest Income	593,233	577,338	573,084	148,956	141,906	144,605	141,871	145,414	144,159	149,591	133,920	136,517
2. Interest Expense	48,618	38,512	40,060	9,892	9,431	9,242	9,947	9,977	9,958	10,063	10,062	9,368
3. **Interest Margin (1-2)**	544,615	538,826	533,024	139,064	132,475	135,363	131,924	135,437	134,201	139,528	123,858	127,149
4. Commission & Forex Income	38,127	41,209	50,545	11,363	8,785	9,062	11,999	11,242	12,673	12,292	14,338	13,417
5. **Gross Earnings Margin (3+4)**	582,742	580,035	583,569	150,427	141,260	144,425	143,923	146,679	146,874	151,820	138,196	140,566
6. Staff Costs	159,361	158,064	164,500	40,040	38,908	41,645	37,471	37,185	40,534	42,404	44,377	38,919
7. Occupancy Costs	33,932	15,834	15,191	4,607	8,814	-854	3,267	3,890	4,312	3,092	3,897	3,024
8. Other Operating Costs	203,070	292,272	231,605	55,557	51,253	60,965	124,497	54,816	58,727	56,740	61,322	60,932
9. **Operating Costs (6+7+8)**	396,363	465,135	411,296	100,204	97,940	101,756	165,235	95,891	103,573	102,236	109,596	102,875
10. **Net Earnings Margin (5-9)**	186,379	114,900	172,273	50,223	43,320	42,669	(21,312)	50,788	43,301	49,584	28,600	37,691
11. Depreciation Costs	11,876	17,223	20,776	3,933	4,701	4,065	4,524	4,353	5,908	5,339	5,176	5,321
12. Provisions for Bad Debt	96,138	254,847	92,788	55,710	70,748	55,033	73,356	26,272	17,547	29,677	19,292	(17,791)
13. Other Income	177,136	150,436	196,008	34,027	37,423	42,359	36,627	39,941	45,858	47,271	62,938	52,932
14. **Other Income (Net) (13-11-12)**	69,122	(121,634)	82,444	(25,616)	(38,026)	(16,739)	(41,253)	9,316	22,403	12,255	38,470	65,402
15. **Net Income (10+14)**	255,501	(6,734)	254,717	24,607	5,294	25,930	(62,565)	60,104	65,704	61,839	67,070	103,093
16. **Effective Interest Rate Spread (%)**	7.17	8.37	8.55	8.56	8.28	8.48	8.16	8.40	8.60	9.04	8.16	8.36
						(Ratios To Average Assets)						
Interest Margin	5.20	4.78	4.60	5.05	4.67	4.76	4.66	4.73	4.61	4.77	4.28	4.36
Commission & Forex Income	0.36	0.37	0.44	0.41	0.31	0.32	0.42	0.39	0.44	0.42	0.50	0.46
Gross Earnings Margin	5.56	5.15	5.04	5.46	4.98	5.08	5.08	5.13	5.05	5.19	4.77	4.82
Operating Costs	3.78	4.13	3.55	3.64	3.45	3.58	5.84	3.35	3.56	3.50	3.78	3.53
Net Earnings Margin	1.78	1.02	1.49	1.82	1.53	1.50	(0.75)	1.78	1.49	1.70	0.99	1.29
Net Income/Loss	2.44	(0.05)	2.20	0.89	0.19	0.91	(2.21)	2.10	2.26	2.12	2.32	3.54

***Commercial Banks and OLFIs with domestic operations**
Source: Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B$ Millions)

End of Period	2018	2019	2020	2021				2022	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
Money Supply (M1)	2,728.2	3,248.4	3,472.1	3,499.4	3,727.8	3,706.4	3,715.5	4,017.8	4,288.6
1) Currency in active circulation	310.4	336.8	373.0	368.1	372.2	381.5	385.9	382.6	393.4
2) Demand deposits	2,417.7	2,911.6	3,099.1	3,131.3	3,355.7	3,324.9	3,329.6	3,635.2	3,895.2
Central Bank	74.6	49.6	52.1	44.3	81.0	47.3	69.4	117.2	92.8
Domestic Banks	2,343.1	2,861.9	3,047.0	3,087.0	3,274.6	3,277.6	3,260.1	3,518.0	3,802.5
Factors affecting money (M1)									
1) Net credit to Government	2,539.3	2,620.9	2,524.4	2,658.6	2,606.0	2,764.6	2,933.1	2,686.2	2,682.0
Central Bank	503.6	395.9	172.8	245.6	214.7	235.8	457.9	280.1	365.9
Domestic banks	2,035.7	2,225.0	2,351.6	2,413.0	2,391.4	2,528.8	2,475.2	2,406.1	2,316.1
2) Other credit	6,371.9	6,336.2	6,090.0	6,081.8	6,048.0	6,035.4	5,995.9	5,954.2	5,961.5
Rest of public sector	485.8	444.6	323.8	324.8	324.1	320.4	315.2	314.7	352.5
Private sector	5,886.2	5,891.6	5,766.1	5,757.0	5,723.8	5,715.0	5,680.7	5,639.5	5,609.0
3) External reserves	1,196.3	1,758.1	2,382.2	2,250.7	2,576.1	2,709.9	2,432.8	3,001.6	3,235.8
4) Other external liabilities (net)	(124.2)	32.6	(240.2)	(194.4)	(109.4)	(140.7)	(94.9)	(16.5)	34.0
5) Quasi money	4,380.7	4,644.4	4,392.1	4,410.2	4,499.9	4,517.4	4,505.2	4,568.5	4,693.8
6) Other items (net)	(3,424.8)	(3,459.4)	(3,405.4)	(3,409.7)	(3,417.6)	(3,623.2)	(3,287.1)	(3,287.2)	(3,182.1)

Source: Central Bank of The Bahamas

TABLE 7
CONSUMER INSTALMENT CREDIT

(B$' 000)

End of Period	2018	2019	2020	2021				2022	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
CREDIT OUTSTANDING									
Private cars	146,286	135,786	129,299	128,053	124,951	120,904	117,873	116,680	115,554
Taxis & rented cars	948	1,028	892	813	744	762	660	733	778
Commercial vehicles	1,036	1,156	1,024	1,113	1,079	1,014	987	1,016	932
Furnishings & domestic appliances	8,205	9,246	8,911	9,072	9,295	9,110	9,810	10,176	10,685
Travel	50,872	65,037	63,654	63,000	62,044	59,810	57,203	57,040	56,754
Education	43,067	39,976	37,150	36,992	36,370	36,844	35,192	34,684	34,467
Medical	12,773	11,873	11,384	11,359	11,942	11,984	12,000	11,928	12,190
Home Improvements	102,022	101,255	98,358	98,170	99,002	96,496	95,363	95,364	93,765
Land Purchases	139,093	131,400	127,176	128,945	129,961	131,601	131,811	130,016	129,089
Consolidation of debt	922,138	908,422	902,968	898,845	888,914	865,290	843,292	832,335	818,703
Miscellaneous	541,719	530,172	528,391	531,532	524,529	518,456	495,332	488,128	490,780
Credit Cards	249,069	272,999	245,397	231,310	225,412	221,867	217,121	215,366	217,032
TOTAL	2,217,228	2,208,350	2,154,604	2,139,204	2,114,243	2,074,138	2,016,644	1,993,466	1,980,729
NET CREDIT EXTENDED									
Private cars	(17,688)	(10,500)	(6,487)	(1,246)	(3,102)	(4,047)	(3,031)	(1,193)	(1,126)
Taxis & rented cars	152	80	(136)	(79)	(69)	18	(102)	73	45
Commercial vehicles	(172)	120	(132)	89	(34)	(65)	(27)	29	(84)
Furnishings & domestic appliances	(288)	1,041	(335)	161	223	(185)	700	366	509
Travel	5,415	14,165	(1,383)	(654)	(956)	(2,234)	(2,607)	(163)	(286)
Education	(9,998)	(3,091)	(2,826)	(158)	(622)	474	(1,652)	(508)	(217)
Medical	748	(900)	(489)	(25)	583	42	16	(72)	262
Home Improvements	(11,876)	(767)	(2,897)	(188)	832	(2,506)	(1,133)	1	(1,599)
Land Purchases	(13,678)	(7,693)	(4,224)	1,769	1,016	1,640	210	(1,795)	(927)
Consolidation of debt	(28,933)	(13,716)	(5,454)	(4,123)	(9,931)	(23,624)	(21,998)	(10,957)	(13,632)
Miscellaneous	(22,984)	(11,547)	(1,781)	3,141	(7,003)	(6,073)	(23,124)	(7,204)	2,652
Credit Cards	(5,783)	23,930	(27,602)	(14,087)	(5,898)	(3,545)	(4,746)	(1,755)	1,666
TOTAL	(105,085)	(8,878)	(53,746)	(15,400)	(24,961)	(40,105)	(57,494)	(23,178)	(12,737)

Source: Central Bank of The Bahamas

TABLE 8
SELECTED AVERAGE INTEREST RATES

(%)

Period	2018	2019	2020	2021				2022	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
DOMESTIC BANKS									
Deposit rates									
Demand deposits	0.27	0.36	0.59	0.58	0.67	0.67	0.72	0.46	0.69
Savings deposits	0.64	0.38	0.44	0.38	0.38	0.43	0.42	0.47	0.50
Fixed deposits									
Up to 3 months	0.60	0.35	0.28	0.27	0.28	0.27	0.26	0.26	0.31
Up to 6 months	0.62	0.56	0.41	0.37	0.34	0.41	0.34	0.42	0.37
Up to 12 months	0.97	0.68	0.66	0.79	0.73	0.76	0.70	0.56	0.45
Over 12 months	1.26	0.90	0.86	1.22	1.17	1.34	1.12	1.05	1.03
Weighted average rate	0.84	0.57	0.45	0.55	0.48	0.53	0.52	0.52	0.48
Lending rates									
Residential mortgages	5.41	4.91	5.26	5.18	5.08	5.21	5.08	5.24	5.29
Commercial mortgages	7.59	6.52	7.22	6.38	6.33	5.19	6.20	7.33	5.25
Consumer loans	13.49	12.86	12.52	12.18	12.25	12.28	12.65	12.94	12.95
Overdrafts	10.15	10.43	9.84	11.18	9.59	9.83	10.23	11.07	10.78
Weighted average rate	11.34	10.46	10.39	10.18	9.49	10.08	10.31	10.63	11.21
Other rates									
Prime rate*	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Avg. Treasury bill	1.67	1.61	1.78	2.04	2.47	2.70	2.81	2.87	2.89
Avg. Treasury bill re-discount rate	2.19	2.14	2.26	2.92	3.11	3.20	3.32	3.36	3.39
Bank rate (discount rate)*	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

Source: Central Bank of The Bahamas

***Reflects end of period rates.**

TABLE 9

SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

(%)

Period	2018	2019	2020	2021 Qtr. I	2021 Qtr. II	2021 Qtr. III	2021 Qtr. IV	2022 Qtr. I	2022 Qtr. II
Loan Portfolio									
Current Loans (as a % of total private sector loans)	**85.7**	**87.9**	**86.2**	**85.7**	**85.9**	**86.0**	**85.8**	**86.4**	**87.3**
Arrears (% by loan type)									
Consumer	4.0	3.5	4.1	4.8	4.5	4.5	4.9	4.5	4.1
Mortgage	8.8	7.5	8.7	8.5	8.1	8.3	8.0	7.7	7.4
Commercial	1.4	1.1	1.0	1.0	1.5	1.2	1.3	1.4	1.2
Total Arrears	**14.3**	**12.1**	**13.8**	**14.3**	**14.1**	**14.0**	**14.2**	**13.6**	**12.7**
Total B$ Loan Portfolio	**100.0**	**0.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Loan Portfolio									
Current Loans (as a % of total private sector loans)	**85.7**	**87.9**	**86.2**	**85.7**	**85.9**	**86.0**	**85.8**	**86.4**	**87.3**
Arrears (% by days outstanding)									
30 - 60 days	3.3	2.6	2.9	3.9	2.8	2.9	2.7	2.8	2.4
61 - 90 days	1.9	1.5	2.4	1.7	1.8	2.0	1.9	1.5	1.4
90 - 179 days	1.4	1.1	1.9	1.7	2.3	2.0	2.8	1.9	1.8
over 180 days	7.7	6.9	6.6	7.0	7.2	7.1	6.8	7.4	7.2
Total Arrears	**14.3**	**12.1**	**13.8**	**14.3**	**14.1**	**14.0**	**14.2**	**13.6**	**12.8**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Non Accrual Loans (% by loan type)									
Consumer	25.8	25.5	30.7	30.6	33.5	32.7	38.1	36.3	34.4
Mortgage	65.0	63.5	60.7	61.2	57.0	58.0	52.9	54.6	54.7
Other Private	9.2	11.0	8.6	8.1	9.5	9.3	9.0	9.1	10.9
Total Non Accrual Loans	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Provisions to Loan Portfolio									
Consumer	5.5	7.0	10.5	10.0	11.7	11.9	10.8	9.8	9.3
Mortgage	7.6	8.1	10.0	10.6	9.8	9.8	9.1	9.2	9.0
Other Private	14.4	7.1	10.5	9.8	9.9	7.3	6.9	7.3	6.1
Total Provisions to Total Private Sector Loans	7.7	7.5	10.3	10.3	10.6	10.2	9.4	9.1	8.6
Total Provisions to Non-performing Loans	84.8	93.8	121.2	117.4	112.0	111.7	97.1	97.9	95.6
Total Non-performing Loans to Total Private Sector Loans	9.1	8.0	8.5	8.7	9.5	9.1	9.6	9.3	9.0

Source: Central Bank of The Bahamas

Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

(B$ Millions)

Period	2018	2019	2020	2021				2022	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
I. Statutory Reserves									
Required reserves	331.1	349.6	371.3	373.9	374.9	377.1	372.8	378.2	403.1
Average Till Cash	124.9	129.8	146.4	128.5	116.3	132.3	149.5	132.3	138.5
Average balance with central bank	808.6	1,181.3	1,579.0	1,537.4	1,749.2	1,761.9	1,611.2	1,898.8	2,304.1
Free cash reserves (period ended)	602.5	961.5	1,354.2	1,292.0	1,490.6	1,517.1	1,387.9	1,652.8	2,039.5
II. Liquid Assets (period)									
A. Minimum Required Liquid Assets	1,115.6	1,247.1	1,301.1	1,309.7	1,343.9	1,352.9	1,349.4	1,402.5	1,459.0
B. Net Eligible Liquid Assets	2,649.0	3,214.5	3,531.6	3,468.5	3,691.9	3,761.0	3,722.9	4,103.5	4,362.5
i) Balance with Central Bank	792.6	1,243.8	1,572.1	1,549.3	1,830.4	1,707.5	1,644.1	2,014.6	2,368.6
ii) Notes and Coins	149.8	152.0	173.8	132.7	121.2	138.3	171.4	138.7	137.2
iii) Treasury Bills	669.8	771.9	830.2	819.8	773.8	965.2	939.8	956.8	755.2
iv) Government registered stocks	990.9	985.4	907.5	930.7	926.1	910.0	926.5	935.7	1,060.1
v) Specified assets	48.4	49.7	49.6	40.5	40.5	40.5	40.5	40.6	40.5
vi) Net Inter-bank dem/call deposits	(2.5)	11.7	(1.5)	(4.5)	(0.3)	(0.4)	0.8	17.1	0.9
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	1,533.4	1,967.5	2,230.5	2,158.9	2,348.0	2,408.2	2,373.5	2,701.0	2,903.5

Source: Central Bank of The Bahamas
Figures may not sum to total due to rounding.

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

(B$ Millions)

Period	2019/20p	2020/21p	2021/22p	Budget		2020/21p		2021/22p			
				2021/22	2022/23	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
Total Revenue & Grants	2,094.8	1,908.2	2,608.6	2,246.5	2,804.3	557.1	678.0	596.4	537.3	711.7	763.1
Current expenditure	2,533.3	2,872.5	3,014.5	2,825.9	2,997.2	642.6	931.7	668.5	642.9	710.2	993.0
Capital expenditure	387.2	371.1	283.6	372.4	371.1	58.6	203.1	64.3	39.4	56.4	123.5
Overall balance	**(825.7)**	**(1,335.3)**	**(689.5)**	**(951.9)**	**(564.0)**	**(144.0)**	**(456.8)**	**(136.4)**	**(144.9)**	**(54.9)**	**(353.4)**
FINANCING (I+II-III+IV+V)	825.7	1,335.3	689.5	951.9	564.0	144.0	456.8	136.4	144.9	54.9	353.4
I. Foreign currency borrowing (+)	**445.7**	**1,972.3**	**1,020.7**	**80.2**	**124.8**	**19.2**	**363.3**	**23.7**	**0.0**	**606.7**	**390.3**
External	395.7	1,841.9	953.9	80.2	124.8	19.2	363.3	23.7	0.03	539.85	390.32
Domestic	50.0	130.4	66.8	-	-	-	-	-	-	66.8	-
II. Bahamian dollar borrowing (+)	**1,101.1**	**1,103.5**	**2,016.2**	**1,771.3**	**1,840.7**	**253.1**	**320.0**	**473.8**	**600.8**	**415.2**	**526.5**
i)Treasury bills	233.6	49.1	308.8	-	-	1.0	25.5	265.0	7.8	0.6	35.5
ii)Long-term securities	562.6	559.5	712.4	-	-	152.1	134.5	48.8	228.0	149.6	286.0
iii)Loans and Advances	305.0	494.9	995.0	-	-	100.0	160.0	160.0	365.0	265.0	205.0
III. Debt repayment(-)	**879.0**	**1,357.8**	**2,145.0**	**899.7**	**1,276.7**	**158.5**	**278.0**	**342.9**	**368.1**	**805.7**	**628.4**
Domestic	835.1	956.8	1,854.4	767.1	790.7	121.0	271.7	306.3	361.8	656.0	530.3
Bahamian dollars	835.1	956.8	1,715.6	762.9	782.4	121.0	271.7	306.3	357.6	525.6	526.1
Foreign currency	-	-	138.8	4.2	8.3	-	-	-	4.2	130.4	4.2
External	43.9	401.0	290.7	132.6	486.0	37.5	6.3	36.5	6.3	149.7	98.1
IV. Net acquisition financial assets (-)	**(71.8)**	**(31.7)**	**(66.3)**	**(59.8)**	**(46.5)**	**-**	**(18.4)**	**(13.3)**	**(13.3)**	**(13.3)**	**(26.4)**
V.Cash balance change & other financing	**229.7**	**(351.0)**	**(136.0)**	**59.8**	**(78.3)**	**30.2**	**69.9**	**(4.9)**	**(74.5)**	**(148.0)**	**91.4**

Source: Treasury Monthly Reports. Data compiled according to the International Monetary Fund's Government Finance Statistics format.

TABLE 12
NATIONAL DEBT

(B$ '000s)

Period	2019	2020	2021	2021 Mar.	2021 Jun.	2021 Sept.	2021 Dec.	2022 Mar.	2022 Jun.
TOTAL EXTERNAL DEBT	2,567,662	4,031,360	4,344,312	4,007,845	4,368,247	4,352,433	4,344,312	4,732,828	4,997,059
By Instrument									
Government Securities	1,650,000	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000	2,860,000
Loans	917,662	1,556,360	1,869,312	1,532,845	1,893,247	1,877,433	1,869,312	2,257,828	2,137,059
By Holder									
Commercial Banks	-	-	-	-	-	-	-	-	-
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-
Multilateral Institutions	232,075	853,864	1,121,304	867,095	1,110,496	1,129,279	1,121,304	1,115,982	1,104,616
Bilateral Institutions	72,539	70,875	66,099	67,355	68,353	65,189	66,099	62,916	59,541
Private Capital Markets	1,650,000	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000	2,860,000
Other Financial Institutions	613,048	631,621	681,909	598,395	714,398	682,965	681,909	1,078,930	972,902
TOTAL INTERNAL DEBT	5,165,552	5,386,573	5,973,545	5,518,718	5,567,072	5,734,519	5,973,545	5,799,571	5,795,748
By Instrument									
Foreign Currency	50,000	180,440	176,273	180,440	180,440	180,440	176,273	112,648	108,482
Government Securities	-	-	-	-	-	-	-	-	-
Loans	50,000	180,440	176,273	180,440	180,440	180,440	176,273	112,648	108,482
Bahamian Dollars	5,115,552	5,206,133	5,797,272	5,338,278	5,386,632	5,554,079	5,797,272	5,686,923	5,687,266
Advances	74,900	4,900	265,000	100,000	160,000	160,000	265,000	205,000	205,000
Treasury Bills	977,104	922,417	1,122,465	893,806	866,879	1,124,028	1,122,465	1,086,405	933,864
Government Securities	3,725,349	3,808,200	3,924,682	3,874,295	3,896,331	3,852,818	3,924,682	3,939,588	4,124,588
Loans	338,199	470,616	485,125	470,177	463,422	417,233	485,125	455,930	423,814
By Holder									
Foreign Currency	50,000	180,440	176,273	180,440	180,440	180,440	176,273	112,648	108,482
Commercial Banks	50,000	180,440	176,273	180,440	180,440	180,440	176,273	112,648	108,482
Other Local Financial Institutions	-	-	-	-	-	-	-	-	-
Bahamian Dollars	5,115,552	5,206,133	5,797,272	5,338,278	5,386,632	5,554,079	5,797,272	5,686,923	5,687,267
The Central Bank	455,725	253,375	617,057	353,723	410,111	422,625	617,057	529,683	508,758
Commercial Banks	2,053,618	2,174,010	2,336,603	2,231,125	2,077,667	2,272,483	2,336,603	2,336,643	2,229,452
Other Local Financial Iinstitutions	21,671	34,723	1,085	1,085	66,585	1,085	1,085	1,085	-
Public Corporations	602,704	576,975	518,866	577,257	571,926	578,623	518,866	521,664	593,881
Other	1,981,834	2,167,050	2,323,661	2,175,088	2,260,343	2,279,263	2,323,661	2,297,848	2,355,176
TOTAL FOREIGN CURRENCY DEBT	2,617,662	4,211,800	4,520,585	4,188,285	4,548,687	4,532,873	4,520,585	4,845,476	5,105,541
TOTAL DIRECT CHARGE	7,733,214	9,417,933	10,317,857	9,526,563	9,935,319	10,086,952	10,317,857	10,532,399	10,792,807
TOTAL CONTINGENT LIABILITIES	724,042	439,980	399,116	422,506	420,687	401,287	399,116	397,384	394,862
TOTAL NATIONAL DEBT	8,457,256	9,857,913	10,716,973	9,949,069	10,356,006	10,488,239	10,716,973	10,929,783	11,187,669

Source: Treasury Accounts & Treasury Statistical Summary Printouts
Public Corporation Reports
Creditor Statements, Central Bank of The Bahamas

TABLE 13
PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS

(B$ '000s)

Period	2019	2020*	2021	2021 Mar.	2021 Jun.	2021 Sept.	2021 Dec.	2022 Mar.**	2022 Jun.
Outstanding Debt at Beginning of Period	3,510,146	3,475,997	4,784,042	4,784,042	4,738,123	5,090,681	5,053,157	5,032,833	5,351,089
Government	2,593,818	2,617,662	4,211,800	4,211,800	4,188,285	4,548,687	4,532,873	4,520,585	4,845,476
Public Corporations	916,328	858,335	572,242	572,242	549,838	541,994	520,284	512,248	505,613
Plus: New Drawings	93,739	1,946,664	409,730	20,087	364,150	24,553	940	607,588	391,267
Government	93,664	1,944,995	406,201	19,229	363,276	23,663	33	606,663	390,325
Public corporations	75	1,669	3,529	858	874	890	907	925	942
Less: Amortization	122,225	666,537	154,364	60,767	15,029	59,148	19,420	287,705	111,631
Government	64,153	378,775	90,841	37,505	6,311	36,548	10,477	280,145	102,270
Public corporations	58,072	287,762	63,523	23,262	8,718	22,600	8,943	7,560	9,361
Other Changes in Debt Stock	(5,663)	27,918	(6,575)	(5,239)	3,437	(2,929)	(1,844)	(1,627)	(27,989)
Government	(5,667)	27,918	(6,575)	(5,239)	3,437	(2,929)	(1,844)	(1,627)	(27,989)
Public corporations	4	-	-	-	-	-	-	-	-
Outstanding Debt at End of Period	3,475,997	4,784,042	5,032,833	4,738,123	5,090,681	5,053,157	5,032,833	5,351,089	5,602,735
Government	2,617,662	4,211,800	4,520,585	4,188,285	4,548,687	4,532,873	4,520,585	4,845,476	5,105,541
Public corporations	858,335	572,242	512,248	549,838	541,994	520,284	512,248	505,613	497,194
Interest Charges	203,448	202,024	272,076	33,352	102,147	32,926	103,651	33,955	168,847
Government	144,039	157,895	237,847	24,840	93,257	24,692	95,058	26,177	160,270
Public corporations	59,409	44,129	34,229	8,512	8,890	8,234	8,593	7,778	8,577
Debt Service	325,673	868,561	426,440	94,119	117,176	92,074	123,071	321,660	280,478
Government	208,192	536,670	328,688	62,345	99,568	61,240	105,535	306,322	262,540
Public corporations	117,481	331,891	97,752	31,774	17,608	30,834	17,536	15,338	17,938
Debt Service ratio	6.3	22.7	13.3	20.2	12.8	9.7	14.1	14.6	22.8
Government debt Service/ Government revenue (%)	8.3	17.3	13.9	11.2	14.7	10.3	19.6	18.9	34.4
MEMORANDUM									
Holder distribution (B$ Mil):									
Commercial banks	351.9	308.8	279.1	305.1	302.9	285.4	279.1	213.4	207.1
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-
Multilateral Institutions	304.1	921.2	1,184.1	934.2	1,175.6	1,194.1	1,184.1	1,178.5	1,165.1
Bilateral Institutions	72.5	70.9	66.1	67.4	68.4	65.2	66.1	62.9	59.5
Other	1,097.5	1,008.1	1,028.6	956.5	1,068.8	1,033.5	1,028.6	1,421.3	1,311.1
Private Capital Markets	1,650.0	2,475.0	2,475.0	2,475.0	2,475.0	2,475.0	2,475.0	2,475.0	2,860.0

Source: Treasury Accounts, Treasury Statistical Printouts and Quarterly Reports from Public Corporations, Central Bank of The Bahamas.

*The Debt Service and Government Debt Service/Revenue Ratios for 2020 are presented net of a of $248.0 million refinancing in Government's external debt & a $246.0 million transfer of public corporations' debt to Government.

**Debt servicing during the 1st quarter of 2022 includes the refinacing of $171.8 million in Government's foreign currency debt ($171.8M of a $246.0M facility refinanced). The Debt Service and Government Debt Service/Revenue Ratios are presented net of this transaction.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

(B$ Millions)

Period	2019	2020	2021	2020			2021				2022	
				Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
A. Current Account Balance (I+II+III+IV)	**(345.5)**	**(2,373.4)**	**(2,592.3)**	**(711.9)**	**(737.6)**	**(920.2)**	**(671.3)**	**(623.3)**	**(475.7)**	**(822.0)**	**(300.1)**	**(530.7)**
I. Goods (Net)	**(2,313.9)**	**(1,630.7)**	**(2,631.7)**	**(322.3)**	**(419.8)**	**(467.4)**	**(572.4)**	**(709.1)**	**(687.3)**	**(662.9)**	**(606.3)**	**(739.9)**
Exports	695.3	393.3	609.5	64.1	76.7	134.2	97.2	144.0	157.6	210.6	181.9	251.7
Imports	3,009.2	2,024.0	3,241.1	386.5	496.5	601.6	669.6	853.1	844.9	873.4	788.2	991.6
II. Services (Net)	**2,638.1**	**(129.8)**	**909.4**	**(200.1)**	**(188.5)**	**(230.7)**	**57.1**	**350.0**	**321.3**	**180.9**	**433.8**	**545.8**
Transportation	(366.0)	(172.4)	(275.9)	(25.7)	(33.4)	(41.0)	(53.9)	(74.6)	(63.4)	(84.1)	(72.6)	(63.6)
Travel	3,790.2	857.0	2,173.1	(1.1)	46.5	26.9	284.8	676.3	662.5	549.5	743.5	859.4
Construction	(58.4)	(59.0)	(103.5)	(7.2)	(14.4)	(32.1)	(22.5)	(26.9)	(21.9)	(32.1)	(25.6)	(26.9)
Insurance services	(143.9)	(153.5)	(276.5)	(39.1)	(41.1)	(43.7)	(44.6)	(71.1)	(76.7)	(84.2)	(55.8)	(60.1)
Charges for the use of intellectual property n.i.e.	(10.3)	(6.4)	(7.5)	(1.6)	(1.2)	(1.3)	(1.4)	(2.2)	(1.6)	(2.3)	(1.7)	(9.3)
Telecommunications, computer, and information servic	(26.7)	(50.8)	(52.0)	(16.2)	(14.6)	(10.6)	(8.3)	(14.6)	(18.5)	(10.5)	(11.1)	(13.2)
Other business services	(414.5)	(361.7)	(471.7)	(77.3)	(70.7)	(107.9)	(87.7)	(109.4)	(132.4)	(142.2)	(102.8)	(103.1)
Government goods and services n.i.e.	(132.4)	(182.9)	(76.7)	(31.8)	(59.5)	(21.0)	(9.3)	(27.4)	(26.6)	(13.3)	(40.1)	(37.4)
III. Primary Income (Net)	**(603.1)**	**(439.5)**	**(734.2)**	**(163.2)**	**(73.2)**	**(141.4)**	**(109.1)**	**(237.2)**	**(81.4)**	**(306.6)**	**(121.1)**	**(347.1)**
Compensation of employees	(64.8)	(95.8)	(91.5)	(21.6)	(24.1)	(23.0)	(15.8)	(24.7)	(27.1)	(24.0)	(19.2)	(21.2)
Investment income	(538.3)	(343.7)	(642.7)	(141.6)	(49.2)	(118.4)	(93.2)	(212.5)	(54.3)	(282.6)	(101.9)	(325.9)
IV. Secondary Income (Net)	**(66.6)**	**(173.4)**	**(135.8)**	**(26.2)**	**(56.1)**	**(80.7)**	**(47.0)**	**(27.1)**	**(28.3)**	**(33.4)**	**(6.5)**	**10.4**
General government	145.0	46.4	31.1	10.2	(2.1)	(0.8)	0.3	8.1	10.7	12.0	23.0	32.6
Financial corporations, nonfinancial corporations,	(142.1)	(139.6)	(154.6)	(24.4)	(35.8)	(39.5)	(34.7)	(35.3)	(40.2)	(44.3)	(33.6)	(31.8)
of which: Workers remittances	*(123.5)*	*(99.9)*	*(111.6)*	*(19.0)*	*(26.3)*	*(29.1)*	*(24.7)*	*(25.8)*	*(29.4)*	*(31.8)*	*(24.6)*	*(23.8)*
Other current transfers	(69.5)	(80.1)	(12.3)	(12.0)	(18.1)	(40.4)	(12.6)	0.1	1.2	(1.1)	4.2	9.6
B. Capital Account	**907.8**	**546.8**	**53.9**	**130.2**	**87.0**	**65.0**	**53.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Capital transfers	907.8	546.8	53.9	130.2	87.0	65.0	53.9	0.0	0.0	0.0	0.0	0.0
C. Financial Account (excluding Reserve Assets)	**(187.2)**	**(2,316.3)**	**(1,540.6)**	**(530.3)**	**(692.9)**	**(1,034.1)**	**(305.5)**	**(535.3)**	**(508.3)**	**(191.5)**	**(538.0)**	**(504.5)**
Direct Investment	(369.2)	(374.8)	(298.4)	(113.3)	(57.4)	(210.5)	(129.5)	(116.3)	9.9	(62.6)	(53.1)	(56.6)
Portfolio Investment	269.9	(656.8)	447.1	(114.9)	319.0	(997.8)	671.1	(292.8)	36.1	32.7	70.6	(373.9)
Other Investments	(87.8)	(1,284.8)	(1,689.4)	(302.2)	(954.5)	174.2	(847.1)	(126.3)	(554.3)	(161.6)	(555.5)	(74.0)
Currency and deposits	(381.7)	(475.2)	(624.0)	(303.5)	(639.0)	168.5	(781.0)	370.7	(293.1)	79.4	(106.9)	(258.8)
Loans	127.8	(742.4)	(809.6)	(204.8)	(284.4)	95.5	(108.6)	(418.0)	(40.1)	(242.9)	(343.8)	77.1
Other accounts receivable/payable and trade credit	171.8	(60.1)	(16.2)	207.5	(27.2)	(85.8)	39.7	(77.8)	22.9	(0.9)	(99.5)	81.0
Special drawing rights allocation	(5.7)	(7.1)	(239.6)	(1.36)	(4.0)	(4.1)	2.9	(1.15)	(244.1)	2.8	(5.3)	26.76
D. Net Acquistion of Reserve Assets	**561.8**	**624.1**	**50.6**	**(8.2)**	**54.4**	**276.0**	**(131.4)**	**325.4**	**133.8**	**(277.1)**	**568.6**	**233.9**
Special drawing rights	33.9	22.1	239.6	0.1	5.2	4.1	(2.9)	2.2	243.1	(2.8)	5.3	(26.8)
Reserve position in the IMF	(0.2)	1.1	(0.8)	0.3	0.6	0.6	(0.4)	0.2	(0.3)	(0.2)	0.3	(0.9)
Other reserve assets	528.0	600.9	(188.3)	(8.5)	48.5	271.3	(128.1)	323.0	(108.9)	(274.2)	563.0	261.6
E. Net Errors & Omissions	**187.7**	**(134.3)**	**(1,048.3)**	**(43.2)**	**(12.0)**	**(97.0)**	**(180.4)**	**(413.4)**	**(101.2)**	**(353.4)**	**(330.8)**	**(260.2)**

Note: Effective March 31, 2021, data is published according to the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6).

Source: Central Bank of The Bahamas

* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

(B$ '000s)

Period	2019	2020	2021	2020 Qtr. II	2020 Qtr. III	2020 Qtr. IV	2021 Qtr. I	2021 Qtr. II	2021 Qtr. III	2021 Qtr. IV
I. OIL TRADE										
i) Exports	79,403	96,324	184,570	25,110	22,337	28,664	48,678	48,558	53,457	33,877
ii) Imports	768,782	386,714	657,788	97,308	78,073	83,961	119,642	152,018	186,106	200,022
II. OTHER MERCHANDISE										
Domestic Exports										
Crawfish	72,655	16,830	69,473	n.a.	576	15,931	132	8,616	11,994	48,732
Fish Conch & Other Crustacea	3,942	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Coral & Similar Materials & Sponge	1,179	3	386	n.a.	3	n.a.	n.a.	n.a.	1	384
Fruits & Vegetables	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aragonite	2,569	2,987	2,188	1,081	617	820	692	560	425	511
Other Natural Sands	347	358	221	259	57	32	61	113	12	35
Rum, Other Beverages/Spirits & Vinegar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Crude Salt	9,997	7,758	6,922	1,300	2,893	1,560	1,995	1,726	1,061	2,139
Polystrene Products	68,916	54,955	56,419	13,592	12,009	16,473	15,657	20,029	16,099	4,634
Other	43,010	33,921	107,335	6,950	4,566	20,354	2,233	26,812	56,113	22,177
i) Total Domestic Exports	202,615	116,812	242,944	23,182	20,721	55,170	20,770	57,856	85,705	78,612
ii) Re-Exports	255,252	121,373	89,676	7,141	26,281	36,141	11,536	9,240	10,369	58,531
iii) Total Exports (i+ii)	457,867	238,185	332,620	30,323	47,003	91,311	32,306	67,096	96,073	137,143
iv) Imports	2,551,720	1,818,573	2,824,819	330,803	467,741	560,678	579,765	751,567	768,611	724,876
v) Retained Imports (iv-ii)	2,296,468	1,697,200	2,735,143	323,662	441,460	524,537	568,229	742,327	758,242	666,345
vi) Trade Balance (i-v)	(2,093,854)	(1,580,388)	(2,492,201)	(300,480)	(420,738)	(469,367)	(547,459)	(684,471)	(672,538)	(587,733)

Source: Bahamas National Statistical Institute Quarterly Statistical Summaries
Figures may not sum due to rounding.

TABLE 16
SELECTED TOURISM STATISTICS

Period	2018	2019	2020	2021				2022	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Visitor Arrivals	**6,622,015**	**7,249,529**	**1,794,522**	**115,894**	**297,759**	**532,206**	**1,154,759**	**1,346,777**	**2,065,193**
Air	1,558,086	1,662,419	418,329	102,882	254,662	263,462	265,623	321,425	413,551
Sea	5,063,929	5,587,110	1,376,193	13,012	43,097	268,744	889,136	1,025,352	1,651,642
Visitor Type									
Stopover	1,632,614	1,806,955	440,623	106,520	277,211	278,316	230,950	291,716	406,956
Cruise	4,877,596	5,433,359	1,327,142	45	5,899	239,779	869,458	1,003,441	1,195,955
Day/Transit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Tourist Expenditure(B$ 000's)	**3,727,564**	**4,125,457**	**967,400**	**313,171**	**706,644**	**704,769**	**597,122**	**n.a.**	**n.a.**
Stopover	3,370,592	3,729,872	888,300	312,977	706,027	688,708	559,208	n.a.	n.a.
Cruise	354,219	392,850	78,300	1	325	15,835	37,623	n.a.	n.a.
Day	2,753	2,735	800	194	292	227	291	n.a.	n.a.
Average Hotel Occupancy Rates (%)									
New Providence	59.82	66.16	25.69	18.57	n.a.	n.a.	n.a.	n.a.	n.a.
Grand Bahama	55.77	48.80	22.16	16.83	n.a.	n.a.	n.a.	n.a.	n.a.
Other Family Islands	43.57	46.88	19.79	19.30	n.a.	n.a.	n.a.	n.a.	n.a.
Average Nightly Room Rates ($)									
New Providence	245.03	257.74	347.97	429.48	n.a.	n.a.	n.a.	n.a.	n.a.
Grand Bahama	69.50	89.03	94.09	93.66	n.a.	n.a.	n.a.	n.a.	n.a.
Other Family Islands	246.26	239.69	405.38	428.84	n.a.	n.a.	n.a.	n.a.	n.a.

Source: The Ministry of Tourism, The Bahamas Hotel & Tourism Association

Figures may not sum due to rounding.