Release Date: 31st October, 2022

Monthly Economic and Financial Developments
September 2022

In an effort to provide the public with more frequent information on its economic surveillance activities, the Central Bank has decided to release monthly reports on economic and financial sector developments in The Bahamas. The Bank monitors these conditions as part of its monetary policy mandate, to assess whether money and credit trends are sustainable relative to levels of external reserves required to protect the value of the Bahamian dollar and, if not, the degree to which credit policies ought to be adjusted. The main data source for this surveillance is financial institutions' daily reports on foreign exchange transactions and weekly balance sheet statements. Therefore, monthly approximations may not coincide with calendar estimates reported in the Central Bank's quarterly reports. The Central Bank will release its "Monthly Economic and Financial Developments" report on the Monday following its monthly Monetary Policy Committee Meeting.

Future Release Dates:

2022: November 28; December 28

September 2022 Summary
Monthly Economic and Financial Developments

Overall Economic Activity

The domestic economy sustained its recovery momentum from the adverse impact of the Novel Coronavirus (COVID-19) pandemic. Tourism output remained buoyant, underpinned by healthy growth in the high value-added air segment and rebounding sea visitors, reflective of the further relaxation of pandemic restrictions and pent-up demand for travel in the key source market.

Monetary Sector

Monetary developments featured a contraction in bank liquidity, as the growth in domestic credit contrasted with the falloff in the deposit base. Against this backdrop, external reserves declined, owing primarily to seasonal net foreign currency outflows through the public and private sectors.

International Economies

Global economic developments continued to be impacted by the geopolitical tensions in Eastern Europe, higher inflation and new strains of the COVID-19 virus, which contributed to mixed economic performances. In this environment, some of the major central banks sustained their monetary policy tightening stances, in an effort to contain rising inflation and maintain financial stability.

Monthly Economic and Financial Developments (MEFD)
September 2022

1. Domestic Economic Developments

Overview

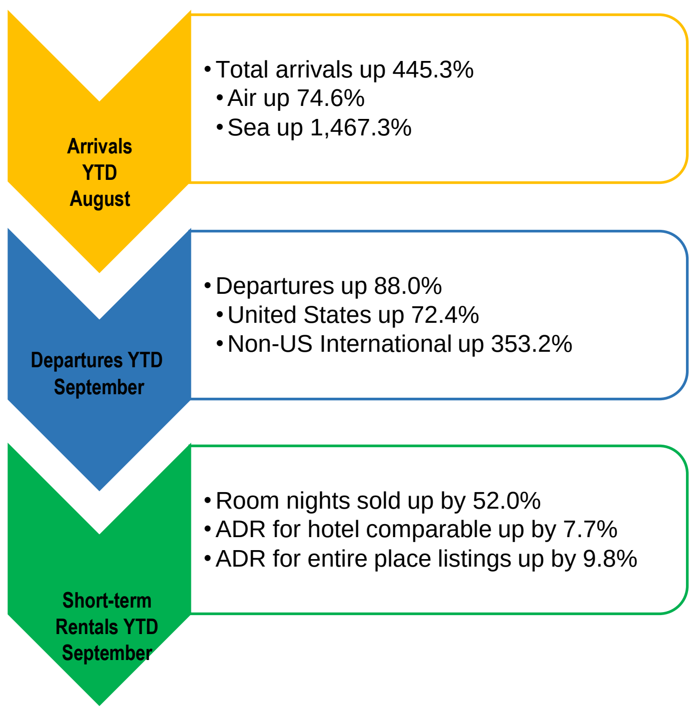
During the month of September, the domestic economy sustained its recovery momentum from the adverse impact of the Novel Coronavirus (COVID-19) pandemic. Alongside healthy foreign investments flows, tourism remained buoyed by further rebound in the high value-added air segment and more than recovered sea visitors. Outcomes reflect further relaxation of pandemic restrictions and release of pent-up demand for travel in the key source market. In monetary developments, bank liquidity contracted during the review month, as the growth in domestic credit contrasted with the falloff in the deposit base. Against this backdrop, external reserves declined, owing primarily to seasonal net foreign currency outflows through the public and private sectors.

Real Sector

Tourism

Tourism metrics indicated that the sector's monthly output maintained its growth trajectory in September, with buoyant gains in both the high value-added air component and the sea segment. In particular, COVID-19 conditions posed decreasing restrictions.

Chart 1: Tourism Indicators at a Glance



Sources: Nassau Airport Development Co. & AirDNA

Official data provided by the Ministry of Tourism (MOT) revealed that total visitor arrivals by first port of entry increased to 616,091 in August, from 189,966 visitors in the comparative period of 2021. Contributing this outturn, sea traffic expanded to 500,131, from 103,781 visitors in the prior year. Further, air traffic advanced to 115,960 from 86,185 in the preceding year—representing 88.4% of the volumes recorded in 2019.

A breakdown by major port of entry showed that total arrivals to New Providence more than doubled to 289,664 visitors in August, from 112,206 in the corresponding period of 2021. Supporting this outcome, both the air and sea segments grew to 94,154 and 195,510 visitors, respectively. Likewise, traffic to the Family Islands advanced to 285,209 from 66,380 a year earlier, owing to gains in the air and sea components, of 18,631 and 266,578, respectively. In addition, foreign arrivals to Grand Bahama more than tripled to 41,218 from 11,380 in the prior year, as respective air and sea passengers measured 3,175 and 38,043.

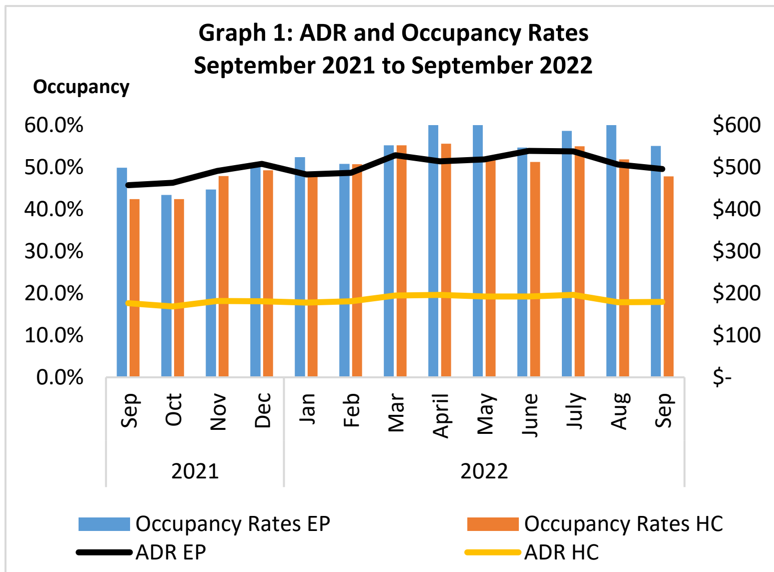
On a year-to-date basis, total arrivals rebounded to 4,292,783 compared to 787,199 in the corresponding 2021 period, when a 54.6% reduction was registered. Underlying this outturn, the air segment expanded to 1,008,698 passengers, relative to the 56.8% boost in the previous year, underpinned by gains in all major markets. Further, sea arrivals rose to 3,284,085 visitors, following a decrease of 84.7% in 2021 (see Table 1).

The most recent data provided by the Nassau Airport Development Company Limited (NAD) revealed that for the month of September, total departures—net of domestic passengers—grew to 74,094 from 47,171 in the corresponding month of 2021. Specifically, U.S. departures rose to 62,990 from 41,057 in the previous year, while non-U.S. departures advanced to 11,104, vis-à-vis 6,114 in the preceding year. On a year-to-date basis, total outbound traffic expanded to 982,293 from 522,488 passengers in the prior year, following a 35.4% increase a year earlier. Supporting this outturn, U.S. departures recovered to 850,517 visitors, extending the 53.0% growth in the corresponding period in 2021. Likewise, non-U.S. departures accelerated to 131,776, a shift from a 54.2% falloff during the same period last year.

Table 1: Total Visitor Arrivals January – August 2022

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
Arrivals	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
Air	38.8	88.0	36.0	90.2	146.4	37.1
Sea	-88.6	1806.7	-71.3	596.6	-83.3	1487.5
Total	**-45.8**	**328.8**	**-62.0**	**440.4**	**-64.0**	**656.2**

Source: Ministry of Tourism



Source: AirDNA

In the short-term vacation rental market, data provided by AirDNA for September mirrored the positive trends. Particularly, total room nights sold grew to 98,238 from 62,339 in the corresponding 2021 period. Underlying this outturn, the occupancy rates for both entire place and hotel comparable listings firmed to 47.6% and 47.8%, respectively, relative to 43.4% and 42.4% a year earlier. Further, as depicted in Graph 1, price indicators strengthened year-over-year, as the average daily room rate (ADR) for entire place grew by 8.5% to $496.08 and hotel comparable listings, by 1.8% to $179.34.

On a year-to-date basis, vacation rental room nights sold advanced by 52.0%, underpinned by gains in both hotel comparable bookings (62.5%) and entire place bookings (50.8%). Likewise, occupancy levels for entire place listing and hotel comparable listings increased by 14.3% and by 16.5%, respectively. Further, ADR for the respective hotel comparable and entire place listings improved by 7.7% and by 9.8%.

2. Monetary Trends

September 2022 vs. 2021

Liquidity

During the month of September, banking sector liquidity contracted, as the growth in domestic credit contrasted with a reduction in the deposit base. In particular, excess reserves—a narrow measure of liquidity—decreased by $51.8 million to $2,254.5 million, extending the $47.5 million retrenchment in the previous year. Similarly, the broader excess liquid assets fell by $45.4 million to $2,969.5 million, surpassing the $19.9 million decline a year earlier.

However, on a year-to-date basis, excess reserves rose by $714.2 million, exceeding the $93.8 million buildup in 2021. Correspondingly, the growth in excess liquid assets accelerated to $535.7 million, from $193.9 million in the previous year.

External Reserves

Reflective of the seasonal increase in demand for foreign currency, external reserves reduced by $62.7 million to $3,205.4 million in September, almost twice the $35.8 million decline in the preceding year. Contributing to this outturn, the Central Bank's net sales to commercial banks more than doubled to $49.1 million from $24.0 million in the previous year. However, commercial banks net sales to their customers moderated to $31.8 million, from $44.0 million in the prior year. Further, the Central Bank's net foreign currency sales to the public sector expanded to $14.4 million, from $12.3 million in 2021.

Over the nine-month period, the build-up in external reserves quickened to $746.3 million, from $337.0 million in 2021, underpinned by the receipt of proceeds from Government's external borrowing activities, and inflows from real sector activities. The Central Bank's transactions with commercial banks reversed to a net purchase of $367.6 million from a net sale of $25.2 million, as commercial banks purchased a net of $398.3 million from consumers. Further, the Bank's net intake from the public sector expanded to $384.4 million from $103.6 million in 2021.

Exchange Control Sales

Preliminary data on foreign currency sales to facilitate current account payments indicated a $58.8 million increase in outflows to $532.6 million in September, vis-à-vis the same month last year. The outcome reflected a rise in payments for "other" current items, by $26.4 million—mainly credit and debit card transactions—and oil imports, by $18.8 million. Further, factor income remittances grew by $13.1 million and non-oil imports, by $4.5 million during the review month. In contrast, both transfer payments and travel related transactions declined by $3.0 million and by $1.1 million, respectively.

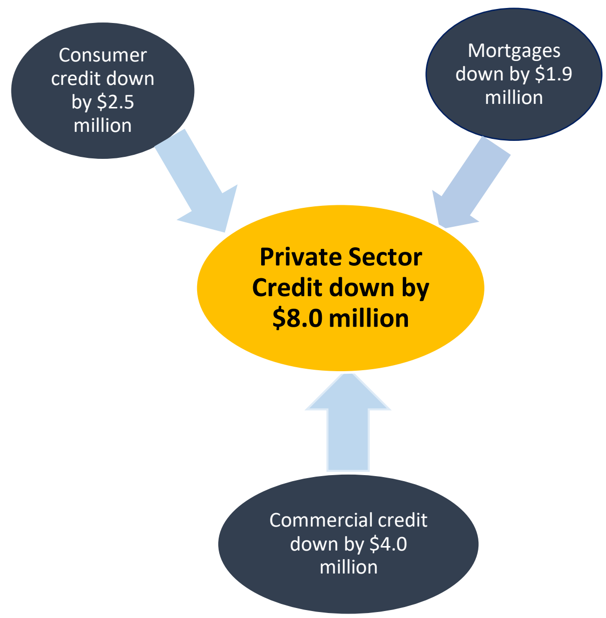
On a year-to-date basis, foreign currency sales for current transactions rose by $964.3 million to $5,189.3 million, in comparison to the same period of 2021. Specifically, gains were posted for "other" current items ($414.5 million), oil imports ($339.6 million), non-oil imports ($175.4 million), factor income payments ($39.5 million) and travel related transactions ($18.8 million). Conversely, net transfer payments reduced by $23.5 million.

Domestic Credit

Bahamian Dollar Credit

Total Bahamian dollar credit grew by $27.8 million during the review month, although lower than the $37.7 million accumulation a year earlier. Underlying this development, net claims on the Government advanced to $36.5 million, from $32.3 million a year earlier. Further, the retrenchment in credit to public corporations slowed to $0.7 million, from $4.1 million last year. Conversely, private sector credit contracted by $8.0 million, a switch from a $9.5 million growth in the comparative 2021 period. In particular, commercial credit decreased by $4.0 million, a turnaround from the $28.6 million increase a year earlier. However, the decline in consumer credit and mortgages tapered to $2.5 million and $1.9 million, respectively.

Chart 2: B$ Private Sector Credit



Source: Central Bank of The Bahamas

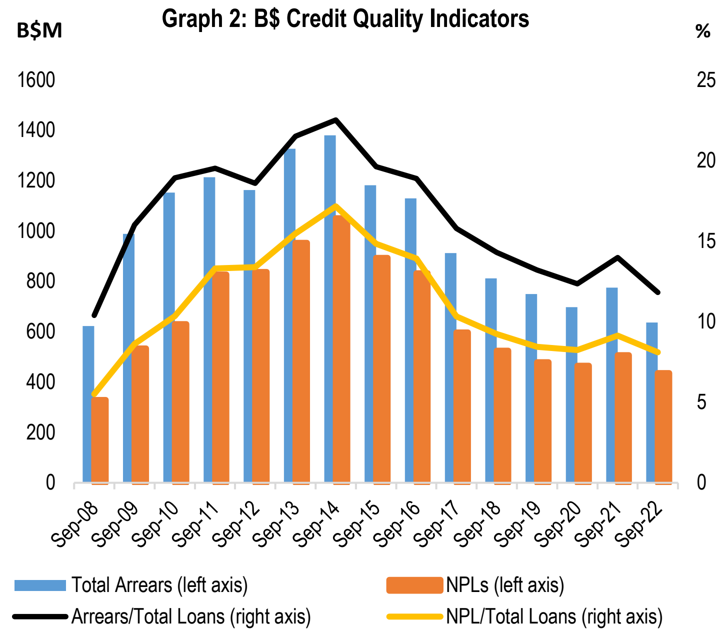
For the year-to-date, total Bahamian dollar credit reduced by $269.6 million, a reversal from a $183.3 million accumulation in 2021. In particular, net claims on the Government contracted by $177.1 million, a shift from a $235.6 million growth last year. Further, the reduction in private sector credit deepened to $129.3 million, from $67.7 million in the prior year. Contributing to this outturn, commercial credit fell by $110.0 million, a turnaround from last year's gain of $44.7 million, while the reduction in mortgages extended to $48.6 million, from $26.4 million in the previous year. In a partial offset, consumer credit rose by $29.3 million, following an $86.0 million retrenchment in the preceding year. Conversely, the growth in credit to public corporations accelerated to $36.7 million, from $15.4 million in the preceding year.

Foreign Currency Credit

The increase in domestic foreign currency credit tapered to $0.4 million from $0.5 million in the prior year. Specifically, accretions in private sector credit moderated to $2.5 million, from $3.3 million last year, as gains in commercial credit and mortgages slowed to $1.6 million and $0.9 million, respectively. In contrast, the decline in net claims on the Government tapered to $2.1 million, from $2.8 million a year earlier, while foreign currency credit to public corporations remained flat.

Over the nine-month period, domestic foreign currency credit contracted by $30.4 million, vis-à-vis a $28.7 million reduction in 2021. Underpinning this outturn, the reduction in net claims on the Government accelerated to $72.5 million from just $1.3 million a year earlier. Conversely, private sector credit rebounded by $42.1 million, a switch from a $10.4 million reduction last year. This was led by a $25.0 million upturn in commercial loans, following a $17.4 million falloff in the previous year. Meanwhile, credit to the rest of the public sector was unchanged, following a $17.1 million retrenchment in the prior year.

Credit Quality



Source: Central Bank of The Bahamas

Commercial banks' credit quality indicators improved in September, owing primarily to decreased long-term arrears. Specifically, total arrears fell by $7.1 million (1.1%) to $637.0 million, with the accompanying ratio declining by 11 basis points to 11.8%. By average age of delinquency, non-performing loans (NPLs) declined by $15.0 million (3.3%) to $436.4 million, resulting in the attendant ratio moving lower by 26 basis points to 8.1%—with decreases in the NPL rates for consumer loans, by 70 basis points to 6.8% and commercial loans, by 4 basis points to 5.2%; however, mortgages held steady at 10.2%. In contrast, short-term arrears (31-90 days) rose by $7.9 million (4.1%) to $200.6 million, with the corresponding ratio higher by 15 basis points at 3.7%.

Disaggregated by loan category, consumer loan delinquencies moved lower by $14.1 million (7.1%) to $184.3 million, attributed to a $14.7 million (10.0%) falloff in the non-performing loan segment, which outpaced the $0.6 million (1.3%) uptick in the short-term component. Similarly, commercial arrears fell by $2.2 million (3.5%) to $60.1 million, owing to decreases in both the short-term and non-accrual categories, by $1.9 million (13.0%) and by $0.3 million (0.6%), respectively. Conversely, mortgage delinquencies rose by $9.2 million (2.4%) to $392.6 million, due to a $9.2 million rise in short-term arrears, while the long-term component remained unchanged.

Given these developments, banks reduced their total provisions for loan losses by $13.8 million (3.1%) to $429.5 million in September. As a result, the ratio of total provisions to arrears moved lower by 1.4 percentage points to 67.4%. Further, the coverage ratio of specific provisions to NPLs declined by 51 basis points to 77.1%. However, the ratio of total provisions to NPLs firmed by 0.2 percentage points to 98.4%. During the review month, banks also wrote-off an estimated $16.7 million in bad loans and recovered approximately $4.3 million.

During the nine-month period, total private sector arrears contracted by $142.8 million (18.3%), with the associate ratio declining by 2.4 percentage points. By length of delinquency, the non-accrual segment reduced by $91.5 million (17.3%), resulting in the relevant ratio narrowing by 1.6 percentage points. Likewise, the short-term component fell by $51.3 million (20.4%), as the relevant ratio declined by 88 basis points.

An analysis by loan category indicated that, consumer delinquencies declined by $85.6 million (31.7%), as both NPLs and the short-term segment reduced by $68.2 million (33.9%) and by $17.4 million (25.3%), respectively. Similarly, mortgage arrears decreased by $45.9 million (10.5%), reflecting a falloff in both short and long-term delinquencies of $22.8 million (14.3%) and $23.1 million (8.3%), respectively. Further, commercial arrears fell by $11.3 million (15.9%), owing to contractions in both the short-term and non-accruals categories, by $11.1 million (46.6%) and by $0.2 million (0.5%), respectively.

On a year-to-date basis, commercial banks total provisions for loan losses reduced by $83.1 million (16.2%). However, the ratio of total provisions to arrears rose by 1.7 percentage points, while the ratio of total provisions to NPLs firmed by 1.3 percentage points. For the nine-month period, banks wrote-off approximately $104.3 million in overdue loans and recovered an estimated $38.3 million.

Deposits

Total Bahamian dollar deposit base contracted by $36.3 million in September, a reversal from the $10.2 million expansion in the corresponding period of 2021. Specifically, the decrease in demand deposits extended to $49.8 million from $12.3 million in the preceding year. In addition, fixed deposits fell by $6.9 million, vis-à-vis a $0.5 million uptick a year earlier. Further, the growth in savings deposits moderated to $20.5 million, from $21.9 million in the prior year. Meanwhile, the buildup in foreign currency deposits slowed to $12.6 million, from $18.8 million last year.

On a year-to-date basis, the expansion in total Bahamian dollar deposits accelerated to $559.0 million, from $344.8 million in 2021. In terms of the components, gains in demand balances advanced to $456.8 million, from $276.8 million in the prior year. Further, savings deposits increased by $171.6 million, extending the $87.1 million accumulation a year earlier. In contrast, fixed deposit balances reduced by $69.5 million, exceeding the $19.1 million decline in 2021. Comparatively, foreign currency deposits grew by $74.5 million, although lower than the $100.0 million growth in the preceding year.

Interest Rates

In interest rate developments, the weighted average loan rate narrowed by 8 basis points to 11.02% in September. Conversely, the weighted average deposit rate firmed by 15 basis points to 0.52%, with the highest rate of 3.75% offered on fixed balances of over 12 months.

3. Domestic Outlook

The domestic economy is expected to maintain its recovery momentum throughout the rest of 2022, bolstered by strengthening in tourism output; albeit, downside risks are elevated. In part, these still relate to COVID-19 vulnerabilities should any significant relapse occur on the international health front. In addition, higher global fuel prices could constrain the travel industry's competitiveness, while the major central banks' counter-inflation policies could weaken the travel spending capacity of key source market consumers. Nonetheless, new and ongoing foreign investment-led projects, along with post-hurricane rebuilding efforts, are anticipated to provide stimulus via the construction sector, which will foster economic growth.

In the labour market, the unemployment rate is projected to remain above pre-pandemic levels, with any job gains concentrated predominantly in the construction sector and the full rehiring of tourism sector employees. As it relates to prices, inflation is forecasted to remain elevated, reflective of increased international oil prices, higher costs for other imported goods and supply chain shortages, associated with geopolitical tensions in Eastern Europe.

In the fiscal sector, the Government's net financing gap is anticipated to stay elevated, although trending downwards. Specifically, the Government's fiscal position is expected to remain impacted by ongoing disbursements for health and social welfare outlays related to COVID-19, along with spending still associated with the restoration of key infrastructure following the major hurricane of 2019. Further, the recovery in revenue is expected to be significantly linked to tourism-led improving trends in taxable economic activity. Financing of the estimated budgetary gap is expected to require a blend of domestic and external borrowings, but with increased sustainability of domestic sources.

Monetary sector developments should continue to feature high levels of banking sector liquidity, as commercial banks sustain their conservative lending posture. Further, although some expected seasonal drawdowns over the remaining months of the year, external reserves are forecasted to remain buoyant, supported by anticipated foreign currency inflows from tourism and other net private sector receipts, thus ending 2022 above international benchmarks. As a result, external balances should remain more than adequate to sustain the Bahamian dollar currency peg.

4. Monetary Policy and Financial Stability Implications

Based on the current outlook, the Central Bank will maintain its accommodative stance for private sector credit and continue to pursue policies that ensure a positive outturn for external reserves, while minimizing financial sector disruptions. Further, the Bank will continue to monitor developments within the foreign exchange market, and if necessary, adopt appropriate measures to support a favourable outcome for the foreign reserves.

APPENDIX

International Developments

Global economic developments continued to be impacted by the geopolitical tensions in Eastern Europe, higher inflation and new strains of the COVID-19 virus, which contributed to mixed economic performances. Against this backdrop, some of the major central banks sustained their monetary policy tightening stances during the review month, in an effort to contain rising inflation and maintain financial stability.

Economic indicators in the United States showed some variations during the review month. Specifically, industrial production increased by 0.4% in September, following a flat outturn in the preceding month, due to a rise in manufacturing. In terms of labour market conditions, the jobless rate decreased by 10 basis points to 3.5%, with the addition of 263,000 non-farm payroll jobs, largely in leisure & hospitality and health care sectors. Meanwhile, the consumer price index firmed to 0.4% in September, from 0.1% a month earlier, reflecting higher costs in shelter, food, and medical care. On the external front, the trade deficit narrowed by 4.3% to $67.4 billion in August, as the 1.1% reduction in imports overshadowed the 0.3% falloff in exports. In this environment, the Federal Reserve increased its benchmark interest rate to a range of 3.00%-3.25% from 2.25%-2.50%, while indicating further rate hikes in an effort to curb inflation.

Developments within the European economies remained subdued over the review period. In the United Kingdom, real GDP fell by 0.3% in August, extending the 0.1% contraction in the prior month, largely attributed to a reduction in manufacturing. Further, industrial production slowed to 1.8% in August, underpinned by a decline in mining and quarrying, manufacturing, electricity & gas, and water supply and sewage. Meanwhile, the jobless rate decreased by 0.3 percentage points to 3.5% in the three months to August, the lowest since 1974. With regard to prices, the consumer price index rose by 0.4% in September from 0.3% in the previous month, owing primarily to a rise in housing and household services, good and non-alcoholic beverages, and transport costs. In terms of the external sector, the trade deficit grew by £0.2 billion (0.5%) to £25.6 billion in the three months to August, as the 5.7% rise in imports, outstripped the 1.2% gain in exports. In the euro area, industrial production rose by 1.5%, albeit lower than the 2.3 % increase a month earlier. Likewise, retail sales volumes edged up by 0.3% in August, following a falloff of 0.4% in the prior month. In the labor market, the unemployment rate steadied at 6.6% from the preceding month, while annual inflation accelerated to 10.0% in September, from 9.1% in August, explained by higher energy costs. Given these developments, the Bank of England increased its key policy rate to 2.25% from 1.75% in the previous month, and the European Central Bank its interest rates on its deposit facility, the main refinancing operations and the marginal lending facility to 0.75%, 1.25%, and 1.50%, respectively, from 0.50%, 0.75% and 0.00% in the prior month.

Outcomes varied within the Asian market during the review period. Specifically, in China, annual consumer price inflation firmed to 1.9% in September, from 1.8% a month earlier, occasioned to a rise in food prices. In Japan, industrial production rose by 2.7% in August, a turnaround from a 0.8% falloff in July, attributed to gains in production machinery, iron, steel, and non-ferrous metals and chemicals. In addition, retail sales grew by 4.1% in August, exceeding the 2.4% increase in the prior month, as sales growth accelerated for general merchandise, fuel and medicine & toiletry. Further, the unemployment rate declined by 10 basis points to 2.5% during the review month. In trade developments, Japan's trade deficit widened sharply to ¥2,817.3 billion from ¥653.4 billion a year earlier, as the 49.9% expansion in imports outstripped the 22.1% rise in exports. In this environment, the People's Bank of China maintained its reverse repo rate at 2.0%, while the Bank of Japan retained its policy rate at -0.1%.

During the month of September, all of the major equity markets reported negative movements. In the United States, the S&P 500 and the Dow Jones Industrial Average (DIJA) fell by 9.3% and by 8.8%, respectively. Similarly, the German DAX, the French CAC 40 and the United Kingdom's FTSE 100 posted respective declines of 5.6%, 5.9% and 5.3%. In Asia, Japan's Nikkei 225 and China's SE decreased by 7.7% and by 5.5%, respectively.

In currency market developments, the US dollar appreciated relative to most of the major currencies during the review month. Specifically, the US dollar strengthened against the Japanese Yen, by 4.0% to ¥144.74; the British Pound by 3.9% to £0.8952 and the euro by 2.5% to €1.0201. Likewise, the US dollar rose against the Canadian Dollar, by 5.1% to CAD$1.3829 and the Chinese Renminbi, by 3.2% to CNY7.116. Conversely, the US dollar weakened relative to the Swiss Franc, by 0.9% to CHF0.987.

Commodity markets outcomes also varied during the month of September. Specifically, the cost of crude oil reduced by 12.1% to $96.59 per barrel, as OPEC's crude oil production rose by 216 thousand barrels per day, to an average of 28.9 million barrels per day. Further, the cost of gold decline by 2.9% to $1,660.61 per troy ounce; however, the price of silver increased by 5.7% to $19.02 per troy ounce.

Recent Monetary and Credit Statistics

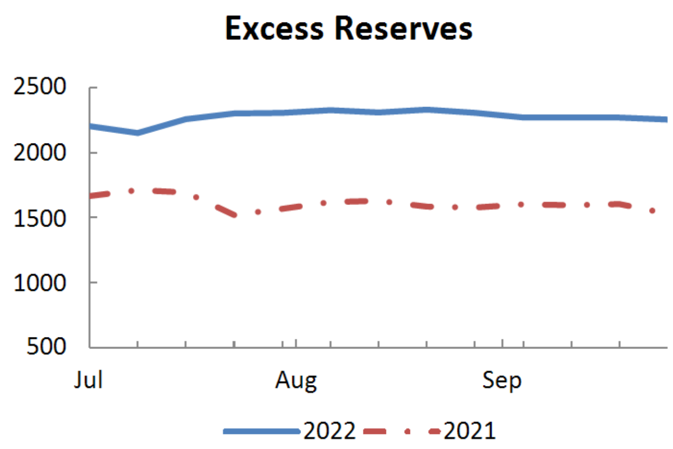
(B$ Millions)

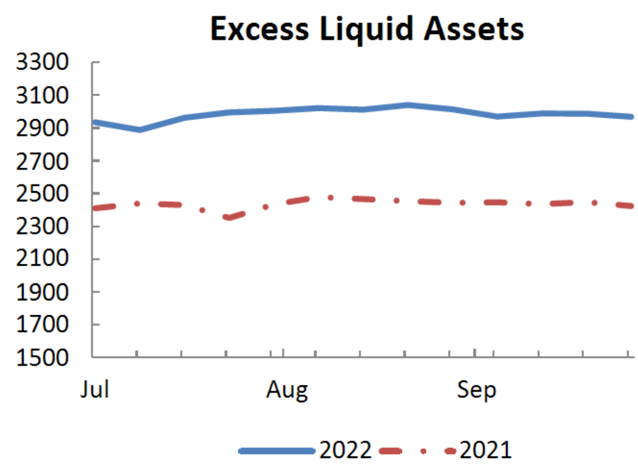
	September					
	Value		Change		Change YTD	
	2021	2022	2021	2022	2021	2022
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	1,530.07	2,254.54	-47.49	-51.81	93.80	714.24
1.2 Excess Liquid Assets	2,423.63	2,969.46	-19.90	-45.41	193.91	535.72
1.3 External Reserves	2,717.63	3,205.42	-35.76	-62.65	337.03	746.26
1.4 Bank's Net Foreign Assets	62.76	144.92	14.32	39.03	160.67	59.97
1.5 Usable Reserves	1,483.94	1,646.29	-14.92	-31.10	228.75	380.94
2.0 DOMESTIC CREDIT						
2.1 Private Sector	5,656.02	5,501.17	12.75	-5.49	-78.03	-87.16
a. B$ Credit	5,521.21	5,331.66	9.50	-7.98	-67.68	-129.25
of which: Consumer Credit	1,950.84	1,920.11	-16.78	-2.46	-86.01	29.34
Mortgages	2,768.45	2,697.55	-2.34	-1.94	-26.39	-48.56
Commercial and Other Loans B$	801.92	714.01	28.62	-3.58	44.73	-110.03
b. F/C Credit	134.81	169.51	3.25	2.50	-10.36	42.10
of which: Mortgages	70.28	86.10	1.18	0.93	7.00	17.08
Commercial and Other Loans F/C	64.53	83.41	2.06	1.57	-17.36	25.02
2.2 Central Government (net)	2,762.92	2,695.78	29.58	34.41	234.28	-249.59
a. B$ Loans & Securities	2,984.41	2,891.12	40.44	23.69	253.83	-261.21
Less Deposits	390.56	289.04	8.11	-12.80	18.26	-84.09
b. F/C Loans & Securities	174.13	99.35	0.00	0.00	0.03	-70.62
Less Deposits	5.06	5.64	2.75	2.08	1.31	1.86
2.3 Rest of Public Sector	321.58	353.37	-4.09	-0.73	-1.66	36.76
a. B$ Credit	291.58	323.37	-4.09	-0.73	15.42	36.76
b. F/C Credit	30.00	30.00	0.00	0.00	-17.08	0.00
2.4 Total Domestic Credit	8,740.52	8,550.33	38.24	28.19	154.59	-299.99
a. B$ Domestic Credit	8,406.65	8,257.11	37.74	27.78	183.31	-269.61
b. F/C Domestic Credit	333.87	293.21	0.50	0.41	-28.71	-30.38
3.0 DEPOSIT BASE						
3.1 Demand Deposits	3,385.06	3,862.95	-12.25	-49.84	276.81	456.84
a. Central Bank	45.33	43.40	-21.45	0.92	-6.90	-17.97
b. Banks	3,339.73	3,819.55	9.20	-50.76	283.72	474.81
3.2 Savings Deposits	1,871.73	2,052.45	21.94	20.45	87.12	171.64
3.3 Fixed Deposits	2,231.25	2,111.32	0.53	-6.94	-19.11	-69.48
3.4 Total B$ Deposits	7,488.04	8,026.72	10.23	-36.34	344.82	559.00
3.5 F/C Deposits of Residents	527.33	607.46	18.83	12.58	99.99	74.48
3.6 M2	7,869.15	8,418.70	17.04	-49.92	348.76	561.75
3.7 External Reserves/M2 (%)	34.54	38.07	-0.53	-0.52	2.88	6.78
3.8 External Reserves/Base Money (%)	122.00	107.20	0.61	0.20	9.63	-6.74
3.9 External Reserves/Demand Liabilities (%)	110.14	102.80	0.40	0.07	4.38	-0.20

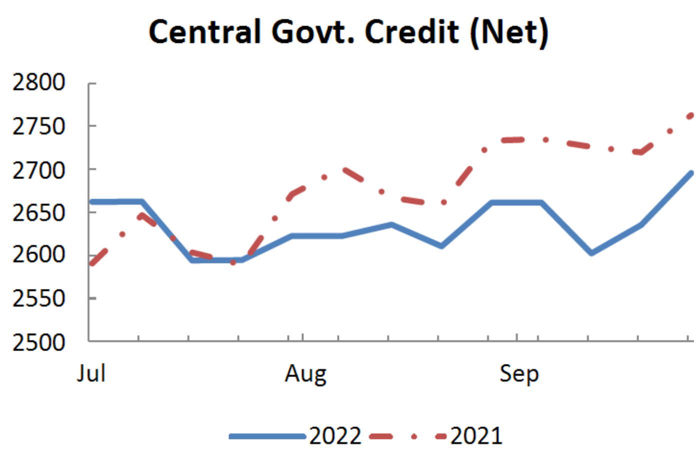
	Value		Year To Date		Change	
	2021	2022	2021	2022	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	-36.30	-63.45	78.40	751.92	-27.15	673.52
a. Net Purchase/(Sale) from/to Banks	-24.02	-49.06	-25.22	367.57	-25.04	392.79
i. Sales to Banks	40.40	74.10	308.38	433.55	33.70	125.17
ii. Purchase from Banks	16.38	25.04	283.16	801.12	8.66	517.96
b. Net Purchase/(Sale) from/to Others	-12.28	-14.39	103.62	384.35	-2.11	280.73
i. Sales to Others	56.25	69.41	637.43	943.21	13.16	305.78
ii. Purchase from Others	43.97	55.02	741.05	1327.56	11.05	586.51
4.2 Banks Net Purchase/(Sale)	-43.98	-31.76	15.94	398.28	12.21	382.33
a. Sales to Customers	454.81	522.10	3849.90	5010.73	67.30	1160.83
b. Purchase from Customers	410.83	490.34	3865.84	5409.00	79.51	1543.16
5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	473.80	532.60	4,224.96	5,189.25	58.79	964.28
of which Public Sector	49.10	65.43	551.30	650.16	16.33	98.86
a. Nonoil Imports	128.12	132.64	1,199.98	1,375.34	4.53	175.36
b. Oil Imports	46.46	65.27	302.20	641.81	18.81	339.62
c. Travel	12.55	11.48	106.48	125.31	-1.06	18.83
d. Factor Income	29.70	42.81	384.80	424.32	13.11	39.51
e. Transfers	12.09	9.13	143.73	120.23	-2.96	-23.49
f. Other Current Items	244.89	271.26	2,087.78	2,502.23	26.37	414.45
5.2 Capital Items	33.21	21.33	203.69	550.47	-11.87	346.78
of which Public Sector	18.27	7.17	134.57	299.40	-11.10	164.83

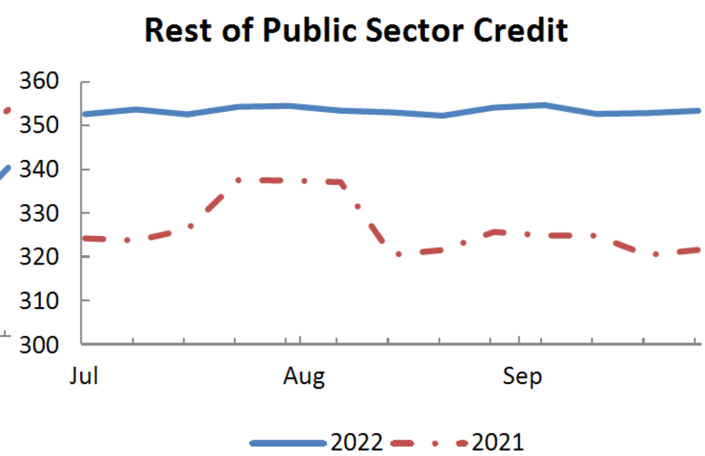
SELECTED MONEY AND CREDIT INDICATORS

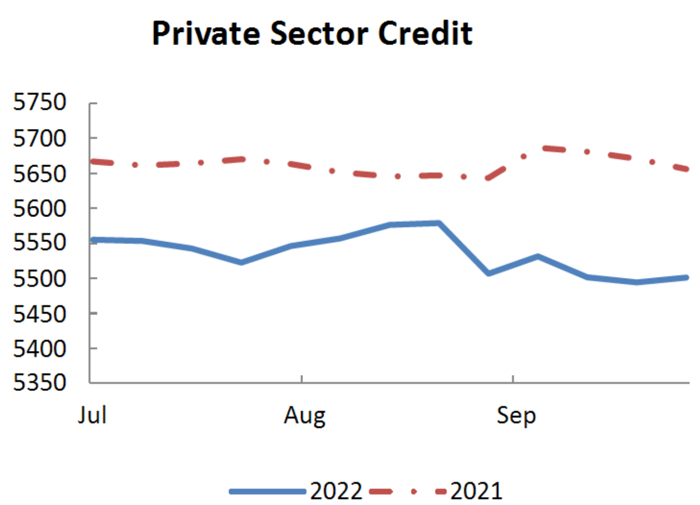
(B$ Millions)

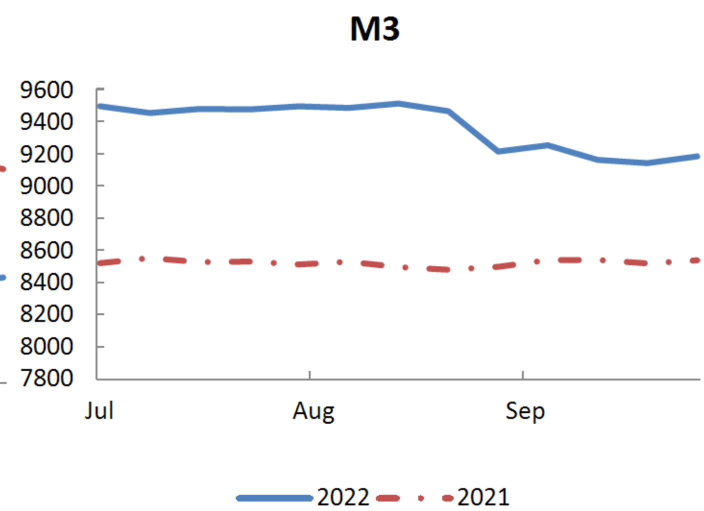


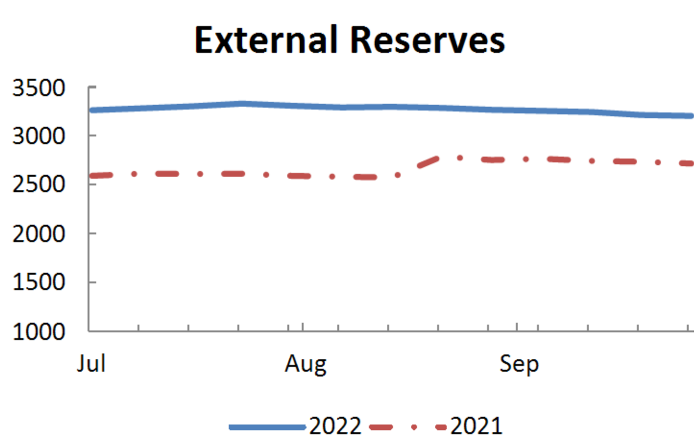


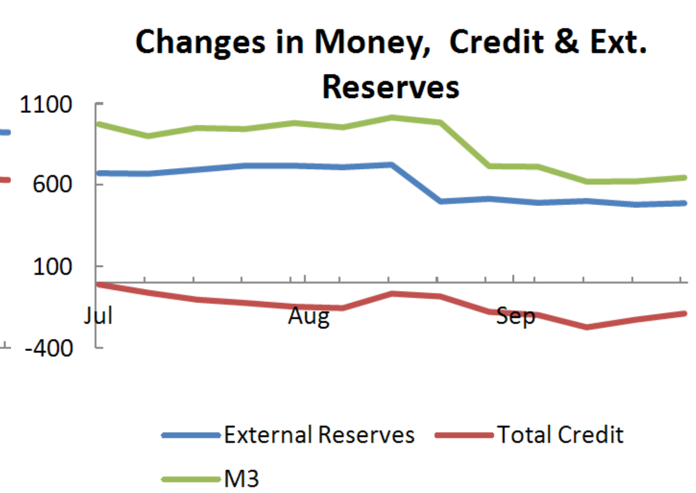












Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2021	**2022**	**2021**	**2022**	**2021**	**2022**
Bahamas	13.7	8.0	2.9	5.6	18.1	13.8
United States	5.7	1.6	4.7	8.1	5.4	3.7
Euro-Area	5.2	3.1	2.6	8.4	7.7	6.8
Germany	*2.6*	1.5	*3.2*	*8.5*	*3.6*	*2.9*
Japan	1.7	1.7	-0.2	2.0	2.8	2.6
China	8.1	3.2	0.9	2.2	4.0	4.2
United Kingdom	7.4	3.6	2.6	9.1	4.5	3.8
Canada	4.5	3.3	3.4	6.9	7.4	5.3

Source: IMF World Economic Outlook Oct, 2022.

B: Official Interest Rates – Selected Countries (%)					
With effect	**CBOB**	**ECB (EU)**	**Federal Reserve (US)**		**Bank of England**
from	**Bank Rate**	**Refinancing Rate**	**Primary Credit**	**Target Funds**	**Repo Rate**
September 2020	4.00	0.00	0.25	0.00-0.25	0.10
October 2020	4.00	0.00	0.25	0.00-0.25	0.10
November 2020	4.00	0.00	0.25	0.00-0.25	0.10
December 2020	4.00	0.00	0.25	0.00-0.25	0.10
January 2021	4.00	0.00	0.25	0.00-0.25	0.10
February 2021	4.00	0.00	0.25	0.00-0.25	0.10
March 2021	4.00	0.00	0.25	0.00-0.25	0.10
April 2021	4.00	0.00	0.25	0.00-0.25	0.10
May 2021	4.00	0.00	0.25	0.00-0.25	0.10
June 2021	4.00	0.00	0.25	0.00-0.25	0.10
July 2021	4.00	0.00	0.25	0.00-0.25	0.10
August 2021	4.00	0.00	0.25	0.00-0.25	0.10
September 2021	4.00	0.00	0.25	0.00-0.25	0.10
October 2021	4.00	0.00	0.25	0.00-0.25	0.10
November 2021	4.00	0.00	0.25	0.00-0.25	0.10
December 2021	4.00	0.00	0.25	0.00-0.25	0.25
January 2022	4.00	0.00	0.25	0.00-0.25	0.25
February 2022	4.00	0.00	0.25	0.00-0.25	0.50
March 2022	4.00	0.00	0.50	0.25-0.50	0.75
April 2022	4.00	0.00	1.00	0.75-1.00	1.00
May 2022	4.00	0.00	1.75	1.50-1.75	1.25
June 2022	4.00	0.00	1.75	1.50-1.75	1.25
July 2022	4.00	0.50	2.50	2.25-2.50	1.25
August 2022	4.00	1.25	2.50	2.25-2.50	1.75
September 2022	4.00	1.50	3.25	3.00-3.25	2.25

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	**Sep-21**	**Aug-22**	**Sep-22**	**Mthly % Change**	**YTD % Change**	**12-Mth% Change**
Euro	0.86355	0.9946	1.02019	-2.51	16.00	18.14
Yen	111.29	138.96	144.74	-3.99	25.77	30.06
Pound	0.7421	0.8604	0.8952	-3.89	21.15	20.63
Canadian $	1.268	1.3130	1.3829	-5.05	9.43	9.06
Swiss Franc	0.9317	0.9775	0.987	-0.96	8.12	5.94
Renminbi	6.4448	6.8904	7.116	-3.17	11.96	10.41

Source: Bloomberg as of September 30, 2022

D. Selected Commodity Prices ($)					
Commodity	**Sep-21**	**Aug-22**	**Sep-22**	**Mthly % Change**	**YTD % Change**
Gold / Ounce	1756.95	1711.04	1660.61	-2.94733	7024.544
Silver / Ounce	22.171	17.9920	19.0200	5.7137	-75.9848
Oil / Barrel	72.94	109.90	96.59	- 12.111	21.95707

Source: Bloomberg as of September 30, 2022

E. Equity Market Valuations – September 30, 2022 (% change)								
	BISX	**DJIA**	**S&P 500**	**FTSE 100**	**CAC 40**	**DAX**	**Nikkei 225**	**SE**
	BISX	DJIA	S&P 500	FTSE	CAC 40	DAX	Nikkei	SE
1 month	2.59	-8.84	-9.34	-5.36	-5.92	-5.61	-7.67	-5.55
3 month	1.91	-6.66	-5.28	-3.84	-2.71	-5.24	-1.73	-11.01
YTD	18.18	-20.95	-24.77	-6.65	-19.44	-23.74	-9.91	-16.91

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	**GBP**	**EUR**
o/n	3.1250	2.3500	0.6725
1 Month	3.2150	2.4700	0.7750
3 Month	3.6470	3.9250	1.3050
6 Month	4.5750	4.5500	1.8500
9 Month	4.5400	5.2700	2.2450
1 year	4.7600	5.4500	2.5525

Source: Bloomberg as of September 30, 2022

Summary Accounts of the Central Bank
(B$ Millions)

	VALUE									CHANGE								
	Aug. 03	Aug. 10	Aug. 17	Aug. 24	Aug. 31	Sep. 07	Sep. 14	Sep. 21	Sep. 28	Aug. 03	Aug. 10	Aug. 17	Aug. 24	Aug. 31	Sep. 07	Sep. 14	Sep. 21	Sep. 28
I. External Reserves	***3,309.22***	***3,291.98***	***3,298.81***	***3,287.01***	***3,268.07***	***3,256.71***	***3,245.15***	***3,214.19***	***3,205.42***	***(22.13)***	***(17.24)***	***6.83***	***(11.80)***	***(18.94)***	***(11.36)***	***(11.56)***	***(30.96)***	***(8.77)***
II. Net Domestic Assets (A + B + C + D)	***(255.89)***	***(226.96)***	***(250.23)***	***(224.75)***	***(213.78)***	***(249.01)***	***(250.38)***	***(211.37)***	***(215.29)***	***46.78***	***28.93***	***(23.27)***	***25.49***	***10.97***	***(35.23)***	***(1.37)***	***39.01***	***(3.92)***
A. Net Credit to Gov't (I + ii + iii -iv)	***413.75***	***429.37***	***407.53***	***404.58***	***413.13***	***414.75***	***393.40***	***402.42***	***416.73***	***51.30***	***15.62***	***(21.84)***	***(2.95)***	***8.56***	***1.62***	***(21.35)***	***9.02***	***14.32***
i) Advances	205.00	205.00	205.00	205.00	205.00	205.00	205.00	205.00	205.00	-	-	-	-	-	-	-	-	-
ii) Registered Stock	291.73	291.81	293.71	292.05	292.47	293.16	292.77	294.90	296.21	(0.37)	0.08	1.90	(1.66)	0.42	0.69	(0.38)	2.13	1.31
iii) Treasury Bills	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	-	(0.00)	0.00	(0.00)	0.00	-	-
iv) Deposits	82.98	67.44	91.18	92.47	84.34	83.40	104.37	97.49	84.48	(51.67)	(15.53)	23.74	1.29	(8.13)	(0.93)	20.97	(6.89)	(13.01)
B. Rest of Public sector (Net) (i+ii-iii)	***(67.86)***	***(37.69)***	***(37.84)***	***(26.21)***	***(35.75)***	***(46.04)***	***(46.41)***	***(21.15)***	***(36.67)***	***(2.94)***	***30.17***	***(0.15)***	***11.63***	***(9.53)***	***(10.30)***	***(0.37)***	***25.26***	***(15.52)***
i) Loans	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	-	-	-	-	-	-	-	-	-
iii) Deposits	74.58	44.42	44.57	32.94	42.47	52.77	53.14	27.88	43.40	2.94	(30.17)	0.15	(11.63)	9.53	10.30	0.37	(25.26)	15.52
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	***(601.79)***	***(618.64)***	***(619.93)***	***(603.11)***	***(591.17)***	***(617.72)***	***(597.37)***	***(592.64)***	***(595.36)***	(1.58)	(16.85)	(1.29)	16.81	11.94	(26.55)	20.35	4.73	(2.72)
III. Monetary Base	***3,053.33***	***3,065.02***	***3,048.57***	***3,062.26***	***3,054.29***	***3,007.70***	***2,994.77***	***3,002.82***	***2,990.13***	***24.64***	***11.69***	***(16.45)***	***13.69***	***(7.97)***	***(46.59)***	***(12.93)***	***8.05***	***(12.69)***
A. Currency in Circulation	543.08	544.72	549.93	545.65	551.33	549.26	535.08	528.45	543.15	7.82	1.64	5.21	(4.28)	5.68	(2.07)	(14.18)	(6.62)	14.69
B. Bank Balances with CBOB	2,510.25	2,520.30	2,498.64	2,516.61	2,502.96	2,458.45	2,459.69	2,474.37	2,446.98	16.82	10.05	(21.65)	17.97	(13.65)	(44.51)	1.25	14.67	(27.38)

FISCAL/REAL SECTOR INDICATORS

(B$ MILLIONS)

(% change represents current period from previous period)

Fiscal Operations[P]	JUL-SEP 2020/2021	JUL-SEP 2021/2022	OCT-DEC 2020/2021	OCT-DEC 2021/2022	JAN-MAR 2020/2021	JAN-MAR 2021/2022	APR-JUN 2020/2021	APR-JUN 2021/2022	YEAR TO DATE 2020/2021 (Over previous year)	YEAR TO DATE 2021/2022 (Over previous year)
1. Government Revenue & Grants	300.8	596.4	372.4	537.3	557.1	711.7	678.0	763.1	1,908.2	2,608.6
% change; over previous quarter	*-10.4%*	*-12.0%*	*23.8%*	*-9.9%*	*49.6%*	*32.5%*	*21.7%*	*7.2%*	*-8.9%*	*36.7%*
2. Value Added Tax	134.7	295.4	151.7	249.2	183.7	290.5	270.0	300.8	740.1	1,135.81
% change; over previous quarter	*-1.5%*	*9.4%*	*12.6%*	*-15.6%*	*21.1%*	*16.6%*	*47.0%*	*3.5%*	*-15.5%*	*53.5%*
3. Import/Excise Duties	82.5	89.2	92.1	68.6	62.9	69.4	131.2	67.9	368.7	295.1
% change; over previous quarter	*212.5%*	*-32.0%*	*11.7%*	*-23.2%*	*-31.8%*	*1.2%*	*108.8%*	*-2.1%*	*-14.2%*	*-20.0%*
4. Recurrent Expenditure	585.6	668.5	712.7	642.9	642.6	710.2	931.7	993.0	2,872.5	3,014.5
% change; over previous quarter	*-18.1%*	*-28.3%*	*21.7%*	*-3.8%*	*-9.8%*	*10.5%*	*45.0%*	*39.8%*	*13.4%*	*4.9%*
5. Capital Expenditure	60.4	64.3	49.0	39.4	58.6	56.4	203.1	123.5	371.1	283.6
% change; over previous quarter	*-68.0%*	*-68.3%*	*-18.8%*	*-38.8%*	*19.5%*	*43.3%*	*246.8%*	*119.0%*	*-4.2%*	*-23.6%*
6. Deficit/Surplus*	-345.18	-136.37	-389.30	-144.90	-144.03	-54.89	-456.83	-353.38	-1,335.34	-689.54
% change; over previous quarter	*-39.2%*	*-70.1%*	*12.8%*	*6.3%*	*-63.0%*	*-62.1%*	*217.2%*	*543.8%*	*61.7%*	*-48.4%*

Debt[P] **	JAN 2021	JAN 2022	FEB 2021	FEB 2022	MAR 2021	MAR 2022	APR 2021	APR 2022	MAY 2021	MAY 2022	JUN 2021	JUN 2022
7. Total Direct Debt	9,440.3	10,182.8	9,482.5	10,157.6	9,526.6	10,532.4	9,521.3	10,383.4	9,719.0	10,389.1	9,935.3	10,792.8
% change; over previous month	*0.2%*	*-1.3%*	*0.4%*	*-0.2%*	*0.5%*	*3.6%*	*-0.1%*	*-1.4%*	*2.1%*	*0.05%*	*2.2%*	*3.9%*
8. External Debt	4,028.6	4,327.4	4,004.4	4,308.3	4,007.8	4,732.8	4,010.5	4,616.1	4,161.3	4,625.6	4,368.2	4,997.1
% change; over previous month	*-0.1%*	*-0.4%*	*-0.6%*	*-0.4%*	*0.1%*	*9.0%*	*0.1%*	*-2.5%*	*3.8%*	*0.2%*	*5.0%*	*8.0%*
9. Internal F/C Debt	180.4	112.6	180.4	112.6	180.4	112.6	180.4	108.5	180.4	108.5	180.4	108.5
% change; over previous month	*0.0%*	*-36.1%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*-3.8%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
10. Bahamian Dollar Debt	5,231.2	5,742.8	5,297.6	5,736.7	5,338.3	5,686.9	5,330.4	5,658.8	5,377.2	5,655.0	5,386.6	5,687.3
% change; over previous month	*0.5%*	*-0.9%*	*1.3%*	*-0.1%*	*0.8%*	*-0.9%*	*-0.1%*	*-0.5%*	*0.9%*	*-0.1%*	*0.2%*	*0.6%*
11. Total Amortization	27.0	482.2	35.8	112.8	95.7	210.7	92.9	293.5	128.1	111.8	57.0	223.0
% change; over previous month	*-59.4%*	*372.7%*	*24.7%*	*-327.4%*	*62.6%*	*46.5%*	*-2.9%*	*28.2%*	*37.8%*	*-61.9%*	*-55.5%*	*99.5%*
12.Total Public Sector F/C Debt	4,768.3	4,952.3	4,744.1	4,933.2	4,738.1	5,351.1	4,740.8	5,230.2	4,891.6	5,239.6	5,090.7	5,602.7
% change; over previous month	*-0.3%*	*-1.6%*	*-0.5%*	*-0.4%*	*-0.1%*	*7.8%*	*0.1%*	*-2.3%*	*3.18%*	*0.18%*	*4.07%*	*6.93%*

Debt[P] **	JUL 2021	JUL 2022	AUG 2021	AUG 2022	SEP 2021	SEP 2022	OCT 2021	OCT 2022	NOV 2021	NOV 2022	DEC 2021	DEC 2022
7. Total Direct Debt	10,039.1	10,786.3	10,051.4	10,785.1	10,087.0	10,775.0						
% change; over previous month	*1.0%*	*-0.1%*	*0.1%*	*0.0%*	*0.4%*	*-0.1%*						
8. External Debt	4,364.9	5,024.2	4,343.8	4,993.9	4,352.4	4,973.6						
% change; over previous month	*-0.1%*	*0.5%*	*-0.5%*	*-0.6%*	*0.2%*	*-0.4%*						
9. Internal F/C Debt	180.4	105.0	180.4	105.0	180.4	105.0						
% change; over previous month	*0.0%*	*-3.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*						
10. Bahamian Dollar Debt	5,493.8	5,657.2	5,527.1	5,686.2	5,554.1	5,696.4						
% change; over previous month	*2.0%*	*-0.5%*	*0.6%*	*0.5%*	*0.5%*	*0.2%*						
11. Total Amortization	149.6	225.4	113.1	74.8	80.2	87.5						
% change; over previous month	*162.3%*	*1.1%*	*-24.4%*	*-66.8%*	*-29.1%*	*17.0%*						
12.Total Public Sector F/C Debt	5,087.3	5,626.3	5,066.0	5,596.0	5,053.2	5,569.2						
% change; over previous month	*-0.1%*	*0.4%*	*-0.4%*	*-0.5%*	*-0.3%*	*-0.5%*						

Real Sector Indicators	JAN 2021	JAN 2022	FEB 2021	FEB 2022	MAR 2021	MAR 2022	APR 2021	APR 2022	MAY 2021	MAY 2022	JUN 2021	JUN 2022
13. Retail Price Index	109.7	113.93	109.8	114.0	109.9	115.1	110.3	115.9	110.8	116.9	110.6	117.5
% change; over previous month	*0.8%*	*3.8%*	*1.4%*	*3.8%*	*1.4%*	*4.7%*	*0.3%*	*0.7%*	*0.5%*	*0.8%*	*-0.1%*	*0.5%*
14. Tourist arrivals (000's)	23.6	312.2	29.5	411.4	62.8	623.2	68.8	586.6	93.9	502.6	135.1	562.5
% change; over previous year	*-96.6%*	*1221.9%*	*-95.9%*	*1294.0%*	*-79.2%*	*892.9%*	*159879.1%*	*752.7%*	*469280.0%*	*435.4%*	*3333.1%*	*316.4%*
15. Air arrivals (000's)	20.8	71.9	25.7	101.8	56.4	147.6	60.3	145.4	81.2	126.8	113.2	141.3
% change; over previous year	*-83.4%*	*245.8%*	*-82.5%*	*295.8%*	*-25.5%*	*161.9%*	*548127.3%*	*141.1%*	*405740.0%*	*56.2%*	*6538.7%*	*24.8%*
16. Occupied Room Nights												
% change; over previous year												
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B$Millions)					14.30	11.51					13.8	22.6
% change; over previous qtr.					*-9.49%*	*-31.58%*					*-3.3%*	*96.6%*

Real Sector Indicators	JUL 2021	JUL 2022	AUG 2021	AUG 2022	SEP 2021	SEP 2022	OCT 2021	OCT 2022	NOV 2021	NOV 2022	DEC 2021	DEC 2022	YEAR TO DATE 2021 (Over previous year)	YEAR TO DATE 2022 (Over previous year)
13. Retail Price Index	111.3	119.3											110.3	116.1
% change; over previous month	*0.6%*	*1.5%*											*2.12%*	*5.20%*
14. Tourist arrivals (000's)	183.6	678.3											597.2	3,676.7
% change; over previous year	*670.7%*	*269.5%*											*-65.47%*	*515.62%*
15. Air arrivals (000's)	133.9	157.8											491.5	892.6
% change; over previous year	*772.2%*	*17.8%*											*34.6%*	*81.6%*
16. Occupied Room Nights														
% change; over previous year														
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B$Millions)													28.13	34.12
% change; over previous qtr.													*-15.73%*	*21.30%*

* Includes Net Lending to Public Corporations

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

p - provisional