



Monthly Economic and Financial Developments December 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:

2023: February 27, April 3, April 24, May 30, July 3, July 31, September 4, October 2, October 30, December 4, December 27



DECEMBER 2022 SUMMARY
MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

Overall Economic Activity

During the month of December, indications are that the domestic economy sustained its recovery trajectory, from the adverse effects of the Novel Coronavirus (COVID-19) pandemic. Tourism output continued to register strong growth, undergirded by gains in the high value-added air segment and the rebound in sea traffic, as pandemic restrictions eased and the demand for travel increased in the key source markets.

Monetary Sector

Monetary sector developments featured a contraction in banking sector liquidity, as the buildup in the deposit base trailed the rise in domestic credit. Similarly, reflective of the seasonal increase in demand for foreign currency and the drawdown in IMF Special Drawing Rights, external reserves declined during the review month.

International Economies

Global economic performance was mixed during the month of December, attributed to the geopolitical tensions in Eastern Europe, elevated inflation and the ongoing spread of the COVID-19 virus. Against this backdrop, some of the major central banks maintained their monetary policy tightening stances during the review month, in an attempt to curtail rising inflation and stimulate economic growth.



Monthly Economic and Financial Developments (MEFD)

December 2022

1. Domestic Economic Developments

Overview

Indications are that during the month of December, the domestic economy sustained its recovery trajectory, from the negative effects of the Novel Coronavirus (COVID-19) pandemic. Tourism output continued to register strong growth, undergirded by gains in the high value-added air segment and the rebound in sea traffic, as pandemic restrictions eased and the demand for travel increased in the key source markets. Monetary sector developments featured a contraction in banking sector liquidity, with the buildup in the deposit base trailing the rise in domestic credit. Similarly, with the associated seasonal increase in demand for foreign currency and drawdown of the IMF Special Drawing Rights, external reserves declined during the review month.

Real Sector

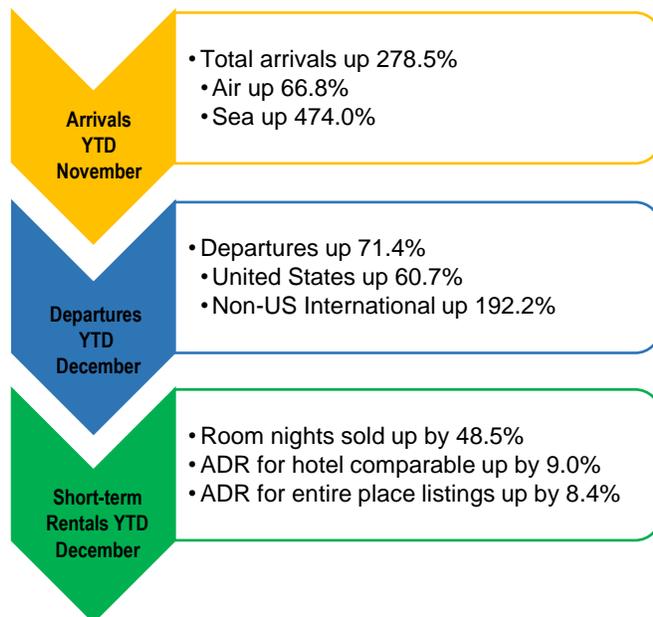
Tourism

Tourism sector output maintained its buoyant growth in December, poised to return to pre-pandemic levels, as globally imposed travel restrictions related to COVID-19 remained relaxed.

Official data provided by the Ministry of Tourism (MOT) showed that total passenger arrivals rose to 727,608 in November, from 393,004 visitors a year earlier. In particular, the dominant sea segment increased to 608,469 compared to 302,776 visitors in the corresponding 2021 period. Further, air traffic expanded to 119,139 from 90,228 a year earlier—exceeding pre-COVID-19 levels; representing 113.3% of air arrivals recorded in 2019.

A breakdown by major ports of entry indicated that, total arrivals to New Providence grew to 340,562 in November, from 184,204 in the preceding year. Contributing to this outturn, the air and sea segments both advanced to 93,510 and 247,052 visitors, respectively. Similarly, traffic to the Family Islands totalled 339,730 visitors, vis-à-vis 197,404 a year earlier, as air and sea visitors measured 22,651 and 317,079, respectively. Further, foreign arrivals to Grand Bahama amounted to 47,316 visitors, surpassing the 11,396 registered a year earlier, as the air and sea components increased to 2,978 and 44,338, respectively.

Chart 1: Tourism Indicators at a Glance



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

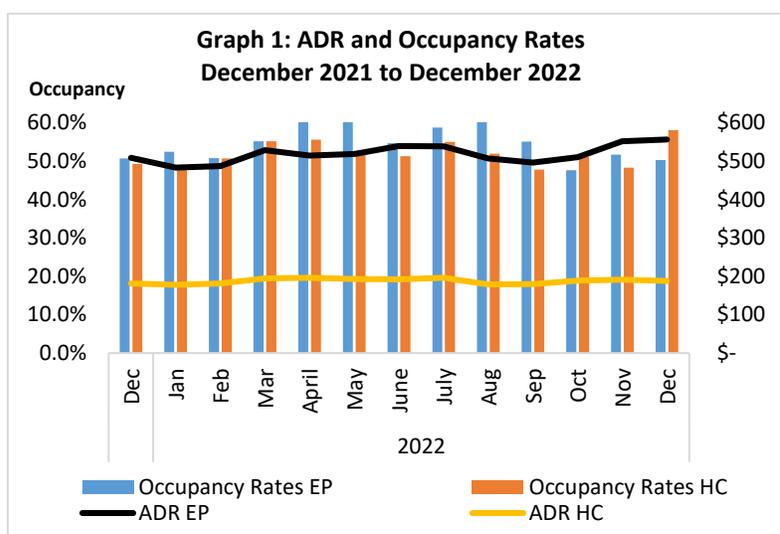
For the eleven months to November, total arrivals recovered to 6.1 million from 1.6 million in the comparative period of 2021, when a 9.1% reduction was registered. Air arrivals accelerated to 1.3 million passengers, augmenting the 97.8% recovery in the previous year, with increases across all major source markets. Likewise, sea arrivals grew to 4.8 million visitors, a reversal from a 39.4% decline in 2021 (see Table 1).

Table 1: Total Visitor Arrivals January – November 2022

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2021	2022	2021	2022	2021	2022
Arrivals						
Air	83.6	77.7	67.0	82.8	162.0	33.5
Sea	-45.0	466.3	-45.0	433.6	-33.8	484.5
Total	-1.1	220.1	-34.5	349.7	-14.9	350.7

Source: Ministry of Tourism

The most recent data provided by the Nassau Airport Development Company Limited (NAD) revealed that, during the month of December, total departures—net of domestic passengers—expanded to 126,609 from 98,305 in the corresponding 2021 period. Comparatively, U.S. departures rose to 107,002 from 83,115 a year earlier. In addition, non-U.S. departures grew to 19,607 from 15,190 a year prior. On a year-to-date basis, total outbound traffic advanced to 1.3 million from 0.8 million passengers a year earlier, following an 80.0% gain in the comparative period last year. Further, U.S. departures recovered to 1.1 million visitors, extending the 99.2% growth in the comparative period of 2021. Similarly, non-U.S. departures increased to 0.2 million, a turnaround from the 13.7% falloff in the same month last year.



Source: AirDNA

Positive trends were mirrored in the short-term vacation rental market. The latest data provided by AirDNA showed that in December, total room nights sold moved higher to 170,701 from 124,096 a year earlier. Reflective of this outturn, the occupancy rates for both entire place and hotel comparable listings firmed to 59.6% and 58.1%, respectively, relative to 52.4% and 49.3% in the corresponding period of 2021. Further, as depicted in Graph 1, price indicators showed that year-over-year, the average daily room rate (ADR) for entire place rose by 9.4% to \$556.18 and hotel comparable listings, by 3.7% to \$187.78.

For all of 2022, total room nights sold rose to 48.5%, owing to gains in both entire place bookings (69.3%) and hotel comparable bookings (58.3%). Likewise, occupancy levels for entire place listing and hotel comparable listings improved by 13.0% and by 15.6%, respectively. Further, ADR for the respective hotel comparable and entire place listings firmed by 9.0% and by 8.4%.

2. Monetary Trends

December 2022 vs. 2021

Liquidity

During the month of December, bank liquidity reduced, following credit expansion that exceeded the buildup in the deposit base. In particular, excess reserves—a narrow measure of liquidity—decreased by \$139.4 million to \$1,928.1 million, a switch from a \$105.3 million accumulation a year earlier. Similarly, excess liquid assets—the broad measure of liquidity—contracted by \$139.0 million, a reversal from an \$85.0 million gain in the prior year.

On a year-to-date basis, excess reserves expanded by \$387.8 million, surpassing the \$104.0 million accumulation in 2021. Correspondingly, excess liquid assets rose by \$333.9 million, extending the \$209.1 million growth in the prior year.

External Reserves

In December, external reserves declined by \$312.7 million to \$2,596.5 million, in contrast to \$16.2 million reduction in the same period last year. This was led by the \$232.3 million drawdown in Special Drawing Rights (SDR) by the Government. In addition, the Central Bank's foreign exchange transactions with commercial banks shifted to a net sale of \$86.5 million, from a net purchase of \$13.3 million in the previous year. Further, commercial banks net outflows to their customers expanded to \$77.4 million, from \$10.0 million in the prior year. Meanwhile, the Central Bank's net foreign currency sales to the public sector moderated to \$28.8 million, from \$30.3 million in the preceding year.

On an annual basis, external reserves grew by \$137.4 million, surpassing the \$78.6 million growth in 2021, also impacted by the SDR transaction. However, the Central Bank's transactions with commercial banks reversed to a net purchase of \$123.0 million, from a net sale of \$130.5 million in the prior year. Further, commercial banks transactions with their customers switched to a net purchase of \$161.5 million, from a net sale of \$95.0 million a year earlier. In addition, the Central Bank recorded a net purchase of \$207.0 million from the public sector, a turnaround from a net sale of \$49.4 million in the preceding year.

Exchange Control Sales

Provisional data on foreign currency sales for current account transactions revealed that during the month of December, outflows rose by \$95.6 million to \$627.8 million, vis-à-vis the same period last year. The outturn reflected higher payments for non-oil imports, by \$54.6 million and "other" current items—mainly credit and debit card transactions—by \$53.4 million. Likewise, outflows for oil imports grew by \$9.3 million, transfer payments, by \$5.9 million and travel related transactions, by \$1.5 million. In contrast, factor income remittances fell by \$29.1 million.

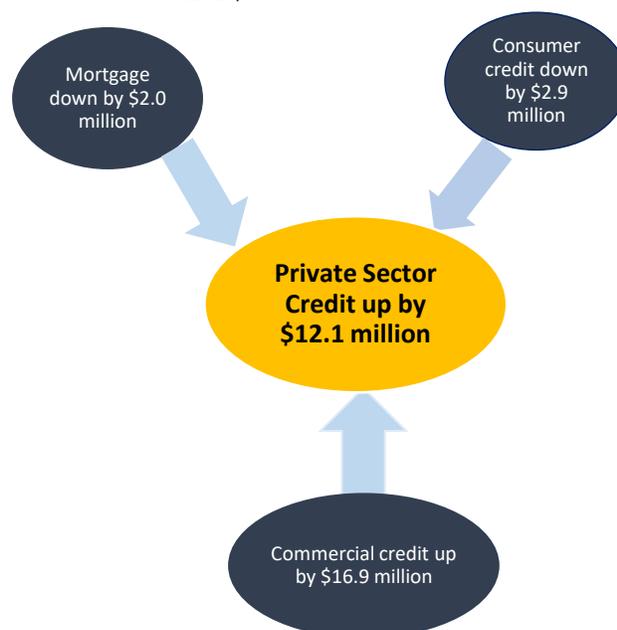
On a year-to-date basis, foreign currency sales for current account transactions expanded by \$1,299.3 million (22.0%) to \$7,194.0 million in comparison to 2021. Leading this outcome, increases were registered for "other" current items (\$618.0 million), oil imports (\$399.8 million), non-oil imports (\$257.6 million), travel related transactions (\$26.9 million) and factor income payments (\$2.7 million). Providing some offset, transfer payments reduced by \$5.8 million, relative to the comparative period last year.

Domestic Credit

Bahamian Dollar Credit

The expansion in total Bahamian dollar credit moderated to \$49.3 million in December, from \$97.1 million in 2021. Contributing to this outturn, the growth in net claims on the Government slowed to \$40.1 million, from \$88.0 million a year earlier. In addition, the increase in private sector credit tapered to \$12.1 million, from \$13.2 million in the preceding year. Specifically, consumer credit fell by \$2.9 million, vis-à-vis a \$91.4 million growth in 2021, while mortgages declined by \$2.0 million, from \$5.0 million in the previous year. However, commercial credit grew by \$16.9 million, a switch from a \$73.3 million falloff in the comparative 2021 period. Meanwhile, the decrease in credit to public corporations slowed to \$2.8 million from \$4.1 million in the prior year.

Chart 2: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

On a yearly basis, total Bahamian dollar credit reduced by \$2.8 million, a reversal from a \$303.4 million accumulation in 2021. Underlying this outturn, net claims on the Government grew by a lesser \$92.3 million, from a \$420.9 million growth in the previous year. Further, private sector credit fell by \$127.9 million, extending the \$128.0 million reduction in the preceding year. In particular, the falloff in consumer credit extended to \$81.1 million, from \$52.1 million last year. However, the decline in mortgages moderated to \$38.7 million from \$48.7 million, while the contraction in commercial credit slowed to \$8.1 million, from \$27.1 million in the prior year. In contrast, credit to public corporations grew by \$32.8 million, from \$10.5 million in the preceding year.

Foreign Currency Credit

Domestic foreign currency credit rose by \$224.4 million in December, following a \$3.5 million decrease a year earlier. Specifically, net claims on the Government expanded by \$223.8 million, from a \$1.8 million decline in the previous year. This largely reflected the SDR drawdown, recorded as liability of the Government to the Central Bank. Further, credit to the rest of the public sector fell by \$0.8 million, after registering a flat outturn in the same period last year. Meanwhile, private sector credit recorded an increase of \$1.4 million, following a \$1.8 million retrenchment in the preceding year, reflective of muted gains in commercial credit.

On a year-to-date basis, foreign currency credit expanded by \$214.6 million, reversing a \$39.0 million reduction in 2021. In particular, the contraction in net claims on the Government rose by \$146.3 million, as opposed to the \$4.2 million reduction in the prior year. Meanwhile, the decrease in credit to the rest of the public sector moderated to \$0.8 million, from \$17.1 million a year earlier. Further, private sector credit rose by \$69.1 million, a switch from a \$17.8 million falloff last year, as commercial credit grew by \$46.2 million, a

shift from a \$23.5 million retrenchment in the previous year. In addition, mortgages increased by \$22.9 million, extending the \$5.8 million uptick a year earlier.

Credit Quality

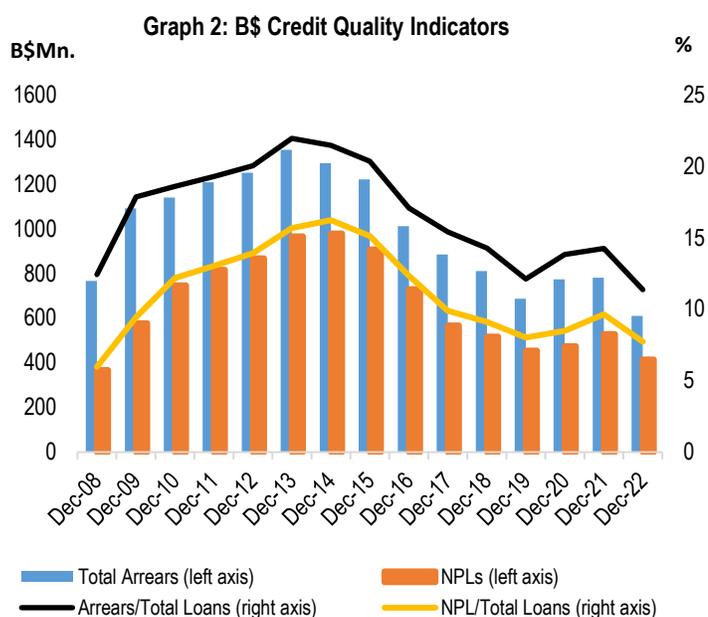
During the month of December, commercial banks' credit quality indicators improved, underpinned by reductions in both short and long-term arrears. Specifically, total private sector arrears fell by \$18.1 million (2.9%) to \$610.2 million, with the accompanying ratio narrowing by 33 basis points to 11.4%.

Disaggregated by average age of delinquency, short-term arrears (31-90 days) reduced by \$12.5 million (6.0%) to \$195.2 million, with the associated ratio lower by 23 basis points at 3.6%. Similarly, non-performing loans (NPLs) decreased by \$5.7 million (1.4%) to \$415.0 million, resulting in the corresponding ratio declining by 10 basis points to 7.7%—with decreases in the NPL rates for consumer loans, by 31 basis points to 5.8%, and commercial loans by 17 basis points to 5.0%; meanwhile, mortgages firmed by 9 basis points to 10.2%.

A breakdown by loan category revealed that mortgage arrears reduced by \$7.1 million (1.8%) to \$381.5 million, attributed to a \$9.5 million (7.1%) falloff in the short-term segment, which outstripped the \$2.4 million (1.0%) uptick in the non-accruals component. Likewise, commercial arrears contracted by \$6.9 million (11.1%) to \$55.1 million, as both short and long-term segments fell by \$5.4 million (35.5%) and by \$1.5 million (3.2%), respectively. In addition, consumer loan delinquencies decreased by \$4.1 million (2.3%) to \$173.5 million, due to a \$6.6 million (5.5%) retrenchment in the non-performing loan segment, which overshadowed the \$2.5 million (4.3%) rise in the short-term component.

Given these developments, banks reduced their total provisions for loan losses by \$2.6 million (0.7%) to \$388.6 million in December. Nonetheless, the ratio of total provisions to arrears firmed by 1.4 percentage points to 63.7%. Further, the ratio for total provisions to NPLs rose by 0.7 percentage points to 93.7%. During the review month, banks wrote-off an estimated \$17.2 million in overdue loans, and recovered approximately \$3.8 million.

On a year-to-date basis, total private sector arrears decreased by \$169.6 million (21.8%), lowering the corresponding ratio by 2.9 percentage points. By length of delinquency, the non-accrual component reduced by \$113.0 million (21.4%), as the relevant ratio fell by 1.9 percentage points. Similarly, the short-term segment declined by \$56.6 million (22.5%), resulting in the attendant ratio narrowing by a 1.0 percentage point.



An analysis by loan type revealed that consumer delinquencies moved lower by \$96.4 million (35.7%), owing to contractions in both the long and short-term segments, by \$87.7 million (43.6%) and \$8.8 million (12.7%), respectively. Likewise, mortgage arrears scaled back by \$56.9 million (13.0%), corresponding with a \$33.8 million (21.2%) falloff in short-term balances and \$23.1 million (8.3%) reduction in long-term arrears. Further, commercial arrears fell by \$16.3 million (22.8%), as the short-term segment decreased by \$14.1 million (59.0%) and the non-performing balance, by \$2.2 million (4.7%).

Over the year, commercial banks total provisions for loan losses contracted by \$123.9 million (24.2%). Accordingly, the ratio of total provisions to arrears declined by 2.1 percentage points, and the ratio of total provisions to NPLs, by 3.4 percentage points. For the year, banks also wrote-off approximately \$141.8 million in overdue loans, and recovered an estimated \$52.1 million.

Deposits

The growth in total Bahamian dollar deposits strengthened to \$98.9 million in December, from \$97.7 million in 2021. By component, demand deposits gains extended to \$74.0 million, from \$72.8 million in the preceding year. Further, savings deposits rose by \$26.6 million, surpassing the \$21.2 million buildup a year earlier. In an offset, fixed deposits fell by \$1.7 million, a turnaround from a \$3.7 million accumulation in the prior year. Meanwhile, residents' foreign currency deposits advanced by \$8.8 million, in contrast to the prior year's \$131.0 million decline.

On an annual basis, the increase in total Bahamian dollar deposits widened sharply to \$610.4 million, from \$298.4 million in the previous year. Contributing to this development, gains in demand balances accelerated to \$491.8 million, from \$274.3 million a year earlier. In addition, the rise in savings deposits strengthened to \$222.3 million, from \$96.2 million in the preceding year. In contrast, the decline in fixed deposit balances deepened to \$103.7 million, from \$72.2 million in 2021. Further, foreign currency deposits of residents rose by \$26.3 million, extending the \$14.5 million growth in the prior year.

Interest Rates

During the month of December, banks' weighted average loan rate fell by 1.1 percentage points to 11.17%. Similarly, the weighted average deposit rate narrowed by 27 basis points to 0.60%, with the highest rate of 3.75% offered on fixed balances over 12 months.

3. Domestic Outlook

The domestic economy is projected to sustain its growth trajectory in 2023, buttressed by ongoing gains in the tourism sector. However, downside risks remain elevated, relative to further mutations of the COVID-19 virus, which could derail the progress made on the international health front. In addition, the rise in global fuel prices could curtail the travel industry's competitiveness, while the major central banks' counter-inflation policies could constrain travel spending capacity of key source market consumers. Nevertheless, new and ongoing foreign investment-led projects, along with post-hurricane reconstruction efforts, are expected to provide stimulus via the construction sector, which will foster economic growth.

In the labour market, the unemployment rate is forecasted to stay above pre-pandemic levels. Job gains are likely to be largely concentrated in the construction sector and the full re-employment of tourism sector employees. In price developments, inflation is predicted to stay elevated, on account of higher international

oil prices, increased costs for other imported goods and supply chain shortages, associated with geopolitical tensions in Eastern Europe.

In the fiscal sector, although trending downwards, the Government's net financing gap is forecasted to remain elevated. In particular, the fiscal position remains impacted by disbursements for health and social welfare associated with COVID-19, alongside spending still related to the reconstruction of key infrastructure following the 2019 major storm. The recovery in revenue is expected to continue, in pace with the tourism-led improvement in taxable economic activities. As to financing of the estimated budgetary gap, a blend of domestic and external borrowings remains prudent, although an expanding proportion of the total should be sustainable from domestic sources.

Monetary sector developments should continue to feature high levels of banking sector liquidity, undergirded by commercial banks conservative lending posture. Further, external reserves are predicted to remain buoyant in 2023, staying above international benchmarks, with expected support from the tourism sector and other net private sector receipts. As a result, external balances should remain more than adequate to maintain the Bahamian dollar currency peg.

4. Monetary Policy and Financial Stability Implications

In light of the prevailing outlook, the Central Bank will maintain its accommodative stance for private sector credit and continue to pursue policies that ensure a favorable outturn for external reserves, and mitigate 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 positive outcome for the foreign reserves.

APPENDIX

International Developments

Global economic performance was mixed during the month of December, reflective of the geopolitical tensions in Eastern Europe, elevated inflation and the ongoing spread of the COVID-19 virus. Against this backdrop, some of the major central banks maintained their monetary policy tightening stances, in an attempt to curtail rising inflation and stimulate economic growth.

Economic developments in the United States were lackluster during the review month. Specifically, industrial production decreased 0.7% in December, extending the 0.6% reduction a month earlier, led by a falloff in manufacturing output. Further, retail and food sales reduced by 1.1% in December, exceeding the 1.0% the decrease in the prior month. In terms of labour market conditions, the unemployment rate narrowed by 10 basis points to 3.5% in December, with the addition of 223,000 non-farm payroll employment, largely in leisure and hospitality, healthcare, construction, and social assistance. In addition, average consumer prices declined by 0.1% in December, following an increase of the same magnitude a month earlier and a slowdown on an annual basis to 6.5% from 7.0% in 2021. On the external front, the trade deficit reduced by \$16.3 billion (21.0%) to \$61.5 billion in October, as the 6.4% decrease in imports overshadowed the 2.0% falloff in exports. In this environment, the Federal Reserve raised its target funds rate range to 4.25%-4.50% in December, from 3.75%-4.00% a month earlier, in an effort to contain rising inflation.

Performance indicators in the European economies were subdued over the review period. In the United Kingdom, industrial production remain unchanged at 0.2% in November, on account of decreases in manufacturing, electricity and gas sectors. In terms of the external sector, the trade in goods and services deficit narrowed by £6.5 billion (24.3%) to £20.2 billion in the three months to November, owing to a 3.5% falloff in imports, combined with a 0.7% rise in exports. In the euro area, retail trade rose by 0.8%, attributed to a rise in non-food products and automotive fuels. Further, the jobless rate was unchanged at 6.5% in November from the prior month. Given these developments, the Bank of England increased its key policy rate to 3.50% in December, from 2.25% in the month of November. The European Central Bank also raised its interest rates on its deposit facility to 2.00%, its main refinancing operations to 2.50% and the marginal lending facility to 2.75% in December, from 1.50%, 2.00%, and 2.25%, respectively, a month earlier.

In the Asian economies, economic indicators varied during the review period. In China, the growth in industrial production moderated to 2.2% in November from a 5.0% gain in October, attributed to a rise in COVID cases, the introduction of measures to curb the spread and a downturn in the property sector. In terms of prices, the consumer price index rose by 1.8% in December from 1.6% in the prior month, while the unemployment rate increased by 20 basis points to 5.7% in November. In Japan, industrial production edged down by 0.1%, albeit a moderation from the 2.6% falloff in November, led by the decrease in the production of general-purpose machinery. In addition, retail sales declined by 1.1% in November, a switch from a 0.3% growth in the prior month, explained by decreases in fabric apparel & accessories, non-store retailers and fuel. In the labour market, the unemployment rate narrowed by 10 basis points to 2.5% in November from the previous month. Meanwhile, the annual inflation rate firmed to 3.8% in November, from 3.7% in the prior month, owing in part to a rise in the cost of food, housing and fuel, light, and water charges. In this environment, the People's Bank of China kept its reverse repo rate at 2.0%, while the Bank of Japan maintained its policy rate at -0.1%.

During the month of December, broad based gains were registered across all major global stock indices. In the United States, the S&P 500 and the Dow Jones Industrial Average (DIJA) moved higher by 6.2% and by 4.3%, respectively. Similarly, the German DAX, the French CAC 40 and the United Kingdom's FTSE 100 posted respective increases of 3.4%, 4.0% and 1.6%. In addition, in Asia, Japan's Nikkei 225 and China's SE grew by 7.1% and by 2.0%, respectively.

In currency market developments, the US dollar reported mixed movements relative to all of the major currencies during the review month. The US dollar appreciated against the British Pound, by 11.5% to £0.9245, the euro, by 11.4% to €1.0705 and the Canadian Dollar, by 1.1% to CAD\$1.3554. Conversely, the dollar weakened vis-à-vis the Japanese Yen, by 5.0% to ¥131.12, the Chinese Renminbi, by 2.7% to CNY6.8986 and the Swiss Franc, by 2.2% to CHF0.9245, respectively.

During the month of December, outcomes varied in the commodity markets. In particular, the cost of crude oil declined by 13.2% to \$82.32 per barrel, as OPEC's crude oil production grew by 91,000 barrels per day to 28.9 million barrels per day. In contrast, the price of gold rose by 3.1% to \$1,824.02 per troy ounce and silver, by 8.0% to \$23.95 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

December					
Value		Change		Change YTD	
2021	2022	2021	2022	2021	2022

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,540.30	1,928.12	105.30	-139.43	104.04	387.82
1.2 Excess Liquid Assets	2,438.84	2,772.77	85.04	-138.96	209.13	333.93
1.3 External Reserves	2,459.16	2,596.53	-16.23	-312.69	78.56	137.37
1.4 Bank's Net Foreign Assets	-32.33	-12.79	-143.84	43.86	65.58	19.54
1.5 Usable Reserves	1,265.36	1,152.86	-62.11	-287.99	10.17	-112.49

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,588.33	5,529.47	11.38	13.41	-145.72	-58.86
a. B\$ Credit	5,460.92	5,332.99	13.15	12.05	-127.97	-127.93
of which: Consumer Credit	1,984.71	1,903.61	91.37	-2.92	-52.15	-81.10
Mortgages	2,746.11	2,707.39	-4.97	-1.97	-48.74	-38.72
Commercial and Other Loans B\$	730.10	721.99	-73.25	16.93	-27.09	-8.11
b. F/C Credit	127.41	196.48	-1.77	1.36	-17.76	69.07
of which: Mortgages	69.02	91.91	0.56	1.32	5.75	22.88
Commercial and Other Loans F/C	58.38	104.57	-2.33	0.04	-23.51	46.19
2.2 Central Government (net)	2,945.38	3,184.00	86.25	263.84	416.74	238.63
a. B\$ Loans & Securities	3,152.32	3,177.91	89.30	58.87	421.74	25.59
Less Deposits	373.13	306.40	1.29	18.84	0.84	-66.73
b. F/C Loans & Securities	169.97	317.68	0.00	225.30	-4.13	147.72
Less Deposits	3.78	5.19	1.77	1.49	0.03	1.41
2.3 Rest of Public Sector	316.62	348.66	-4.11	-3.55	-6.63	32.04
a. B\$ Credit	286.62	319.41	-4.11	-2.80	10.45	32.79
b. F/C Credit	30.00	29.25	0.00	-0.75	-17.08	-0.75
2.4 Total Domestic Credit	8,850.32	9,062.13	93.52	273.70	264.39	211.81
a. B\$ Domestic Credit	8,526.72	8,523.91	97.05	49.28	303.39	-2.82
b. F/C Domestic Credit	323.60	538.22	-3.53	224.42	-38.99	214.63

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,382.58	3,874.34	72.82	73.98	274.34	491.75
a. Central Bank	61.37	93.18	49.79	28.31	9.13	31.81
b. Banks	3,321.22	3,781.16	23.03	45.67	265.20	459.94
3.2 Savings Deposits	1,880.81	2,103.07	21.23	26.55	96.20	222.26
3.3 Fixed Deposits	2,178.18	2,074.52	3.67	-1.66	-72.18	-103.66
3.4 Total B\$ Deposits	7,441.57	8,051.92	97.72	98.87	298.36	610.35
3.5 F/C Deposits of Residents	441.85	468.11	-131.03	8.78	14.51	26.26
3.6 M2	7,830.81	8,491.54	117.62	133.18	310.42	660.74
3.7 External Reserves/M2 (%)	31.40	30.58	-0.69	-4.23	-0.25	-0.83
3.8 External Reserves/Base Money (%)	113.94	95.99	-2.77	-7.38	1.57	-17.95
3.9 External Reserves/Demand Liabilities (%)	103.00	89.93	-4.82	-9.14	-2.77	-13.07
	Value		Year To Date		Change	
	2021	2022	2021	2022	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-16.96	-115.28	-179.89	330.03	-98.32	509.92
a. Net Purchase/(Sale) from/to Banks	13.33	-86.45	-130.46	123.04	-99.78	253.51
i. Sales to Banks	52.20	135.40	500.49	787.85	83.20	287.36
ii. Purchase from Banks	65.53	48.95	370.02	910.89	-16.58	540.87
b. Net Purchase/(Sale) from/to Others	-30.29	-28.83	-49.43	206.99	1.46	256.42
i. Sales to Others	61.97	317.65	898.69	1534.11	255.68	635.42
ii. Purchase from Others	31.68	288.82	849.26	1741.10	257.14	891.84
4.2 Banks Net Purchase/(Sale)	-9.98	-77.40	-94.99	161.50	-67.43	256.49
a. Sales to Customers	538.52	645.08	5414.54	6968.06	106.57	1553.52
b. Purchase from Customers	528.54	567.68	5319.55	7129.56	39.14	1810.01

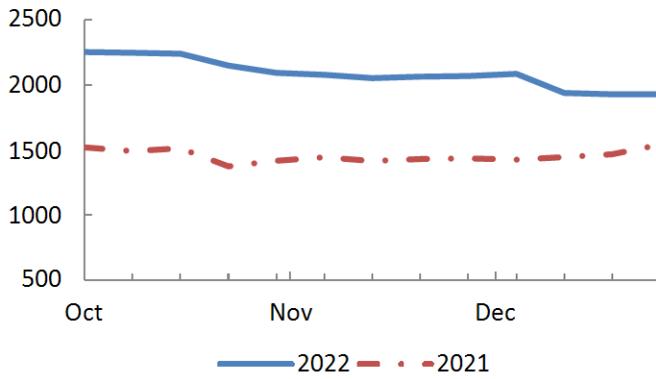
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	532.15	627.78	5,894.77	7,194.03	95.63	1,299.26
of which Public Sector	51.99	129.04	790.16	1,032.05	77.05	241.90
a. Nonoil Imports	101.00	155.57	1,583.36	1,840.95	54.57	257.59
b. Oil Imports	53.94	63.25	447.68	847.53	9.30	399.84
c. Travel	17.43	18.94	158.06	184.92	1.51	26.86
d. Factor Income	58.23	29.16	593.87	596.57	-29.07	2.69
e. Transfers	22.42	28.34	200.73	194.98	5.92	-5.75
f. Other Current Items	279.14	332.52	2,911.06	3,529.09	53.39	618.03
5.2 Capital Items	25.20	328.19	268.63	1,024.94	302.99	756.31
of which Public Sector	6.81	192.50	146.53	515.56	185.69	369.03

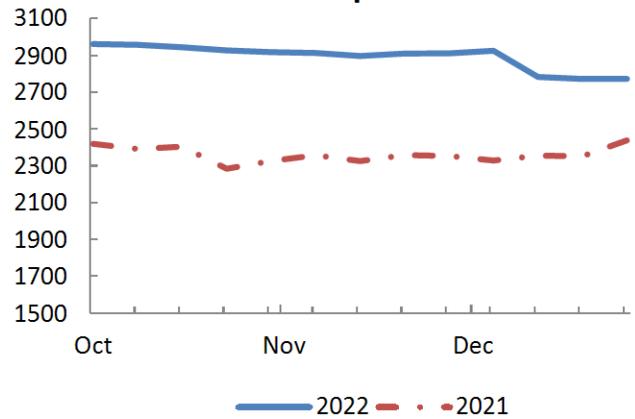
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

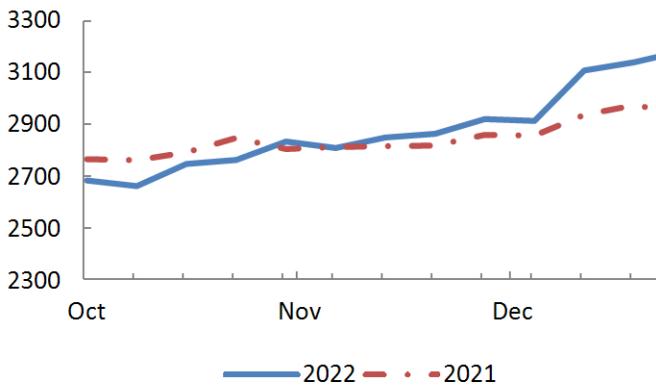
Excess Reserves



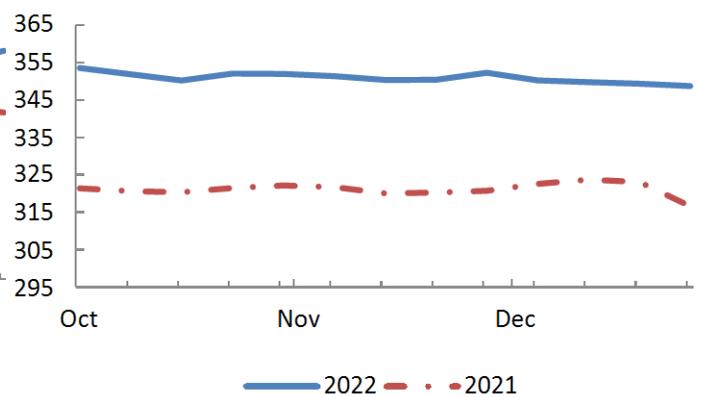
Excess Liquid Assets



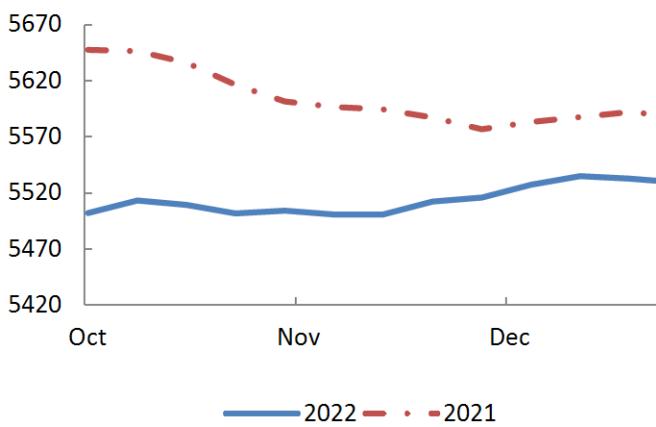
Central Govt. Credit (Net)



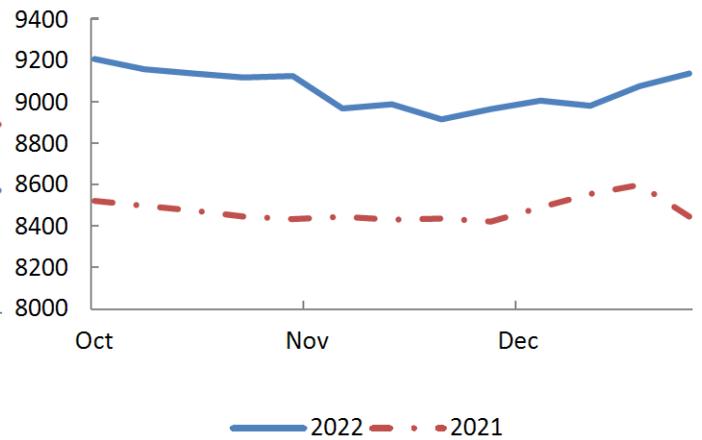
Rest of Public Sector Credit



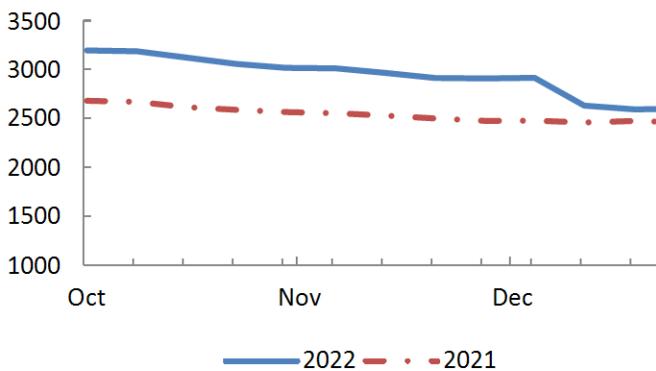
Private Sector Credit



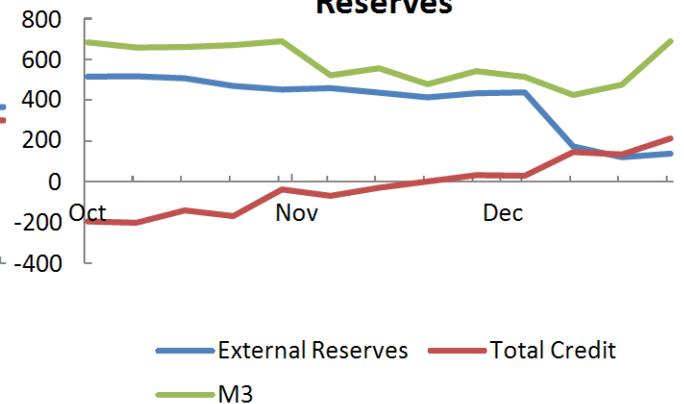
M3



External Reserves



Changes in Money, Credit & Ext. Reserves



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	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 October, 2022

B: Official Interest Rates – Selected Countries (%)					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit	Target Funds	Repo Rate
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
October 2022	4.00	2.00	4.00	3.75-4.00	2.25
November 2022	4.00	2.00	4.00	3.75-4.00	3.00
December 2022	4.00	2.50	4.50	4.25-4.50	3.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Dec-21	Nov-22	Dec-22	Mthly % Change	YTD % Change	12-Mth% Change
€Euro	0.8795	0.9610	1.0705	11.40	21.72	21.72
Yen	115.08	138.07	131.12	-5.03	13.94	13.94
Pound	0.7390	0.8293	0.9245	11.48	25.10	25.10
Canadian \$	1.2637	1.3412	1.3554	1.06	7.26	7.26
Swiss Franc	0.9129	0.9457	0.9245	-2.24	1.27	1.27
Renminbi	6.3561	7.0924	6.8986	-2.73	8.54	8.54

Source: Bloomberg as of December 31, 2022

D. Selected Commodity Prices (\$)					
Commodity	Dec-21	Nov-22	Dec-22	Mthly % Change	YTD % Change
Gold / Ounce	1829.2	1768.52	1824.02	3.13822	7725.624
Silver / Ounce	23.3083	22.1900	23.9545	7.9518	-69.7544
Oil / Barrel	79.20	94.80	82.32	-13.1645	3.939394

Source: Bloomberg as of December 31, 2022

E. Equity Market Valuations – November 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	-1.15	4.35	6.27	1.63	4.09	3.40	7.18	2.01
3 month	-0.44	-13.34	-6.61	-7.49	-10.99	-12.99	-0.60	-2.10
YTD	18.71	-8.78	-19.44	0.91	-9.50	-12.35	-9.37	-15.13

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	4.5050	3.4700	1.8850
1 Month	4.6010	3.6700	1.9850
3 Month	5.0950	3.9900	2.2950
6 Month	4.3180	4.3550	2.7500
9 Month	5.3200	4.6700	3.1000
1 year	5.4525	4.7500	3.3500

Source: Bloomberg as of December 31, 2022

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

	VALUE									CHANGE								
	Nov. 02	Nov. 09	Nov. 16	Nov. 23	Nov. 30	Dec. 07	Dec. 14	Dec. 21	Dec. 28	Nov. 02	Nov. 09	Nov. 16	Nov. 23	Nov. 30	Dec. 07	Dec. 14	Dec. 21	Dec. 28
I. External Reserves	3,017.58	3,012.53	2,966.20	2,914.09	2,909.22	2,915.81	2,631.27	2,593.73	2,596.53	(40.60)	(5.05)	(46.33)	(52.11)	(4.88)	6.60	(284.54)	(37.54)	2.80
II. Net Domestic Assets (A + B + C + D)	(188.64)	(193.01)	(186.63)	(120.04)	(95.09)	(95.37)	51.02	102.08	108.34	(8.65)	(4.37)	6.38	66.59	24.95	(0.28)	146.39	51.06	6.26
A. Net Credit to Gov't (I + ii + iii -iv)	500.51	482.04	494.85	521.23	577.39	565.18	777.55	743.19	782.03	8.53	(18.47)	12.81	26.38	56.16	(12.20)	212.37	(34.36)	38.84
i) Advances	285.00	285.00	285.00	285.00	335.00	335.00	567.30	567.30	567.30	(42.00)	-	-	-	50.00	-	232.30	-	-
ii) Registered Stock	298.33	298.54	298.65	299.62	299.85	294.78	294.98	297.03	292.07	0.57	0.21	0.11	0.98	0.23	(5.08)	0.21	2.05	(4.96)
iii) Treasury Bills	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	11.68	(0.00)	-	-	0.00	-	(0.00)	0.00	-	11.68
iv) Deposits	82.82	101.50	88.80	63.40	57.47	64.59	84.73	121.13	89.02	(49.96)	18.68	(12.70)	(25.40)	(5.93)	7.12	20.14	36.40	(32.11)
B. Rest of Public sector (Net) (i+ii-iii)	(97.35)	(95.07)	(83.30)	(49.39)	(58.12)	(55.90)	(56.73)	(59.83)	(86.43)	(16.51)	2.27	11.77	33.91	(8.73)	2.22	(0.83)	(3.10)	(26.60)
i) Loans	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	5.12	5.12	5.12	5.12	5.12	5.12	5.12	5.12	5.12	-	-	-	-	-	-	-	-	-
iii) Deposits	104.09	101.82	90.05	56.14	64.87	62.65	63.48	66.58	93.18	16.51	(2.27)	(11.77)	(33.91)	8.73	(2.22)	0.83	3.10	26.60
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-								
D. Other Items (Net)*	(591.81)	(579.98)	(598.18)	(591.88)	(614.35)	(604.65)	(669.80)	(581.29)	(587.26)	(0.67)	11.83	(18.20)	6.30	(22.48)	9.70	(65.15)	88.51	(5.97)
III. Monetary Base	2,828.94	2,819.52	2,779.57	2,794.05	2,814.13	2,820.44	2,682.29	2,695.81	2,704.87	(49.24)	(9.42)	(39.95)	14.48	20.08	6.32	(138.15)	13.52	9.06
A. Currency in Circulation	540.41	536.95	534.40	537.15	548.50	554.77	554.38	582.84	610.55	6.48	(3.46)	(2.56)	2.75	11.35	6.27	(0.39)	28.46	27.71
B. Bank Balances with CBOB	2,288.53	2,282.57	2,245.17	2,256.90	2,265.63	2,265.67	2,127.91	2,112.97	2,094.32	(55.72)	(5.97)	(37.39)	11.73	8.73	0.05	(137.76)	(14.94)	(18.65)

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

			JUL-SEP						OCT-DEC						JAN-MAR						APR-JUN		YEAR TO DATE		
			2021/2022	2022/2023					2021/2022	2022/2023					2021/2022	2022/2023					2021/2022	2022/2023	2020/2021	2021/2022	
																								(Over previous year)	
Fiscal Operations^p																									
1. Government Revenue & Grants					596.4	654.4																		596.4	654.4
% change: over previous quarter					-12.0%	-14.3%																		7.6%	9.7%
2. Value Added Tax					295.4	330.8																		295.4	330.8
% change: over previous quarter					9.4%	10.0%																		10.9%	12.0%
3. Import/Excise/Export Duties					89.2	60.6																		89.2	60.6
% change: over previous quarter					-32.0%	-10.8%																		-36.5%	-32.1%
4. Recurrent Expenditure					668.5	620.7																		668.5	620.7
% change: over previous quarter					-28.3%	-39.2%																		22.7%	-7.2%
5. Capital Expenditure					64.3	54.2																		64.3	54.2
% change: over previous quarter					-68.3%	-56.2%																		14.5%	-15.8%
6. Deficit/Surplus*					-136.37	-20.45																		-136.37	-20.45
% change: over previous quarter					-70.1%	-94.6%																		192.2%	-85.0%
Debt^{p **}																									
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	10,039.1	10,786.3	10,051.4	10,785.1	10,087.0	10,776.7	10,193.6	10,829.1	10,196.1	10,922.3			
% 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%	1.0%	-0.1%	0.1%	0.0%	0.4%	-0.1%	1.1%	0.5%	0.0%	0.9%			
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	4,364.9	5,024.2	4,343.8	4,993.9	4,352.4	4,975.3	4,350.6	4,962.0	4,347.3	4,992.2			
% change: over previous month	-0.1%	-0.4%	-0.6%	-0.4%	0.1%	0.1%	-2.5%	3.8%	0.2%	5.0%	8.0%	-0.1%	0.5%	-0.5%	-0.6%	0.2%	0.0%	-0.4%	0.0%	-0.3%	-0.1%	0.6%			
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	180.4	105.0	180.4	105.0	180.4	105.0	176.3	100.8	176.3	100.8			
% 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%	0.0%	-3.2%	0.0%	0.0%	0.0%	0.0%	-2.3%	-4.0%	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	5,493.8	5,657.2	5,527.1	5,686.2	5,554.1	5,696.4	5,666.7	5,766.2	5,672.5	5,829.3			
% 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%	2.0%	-0.5%	0.6%	0.5%	0.5%	0.2%	2.0%	1.2%	0.1%	1.1%			
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	149.6	225.4	113.1	74.8	80.2	87.5	171.2	425.7	94.8	53.9			
% change: over previous month	-59.4%	372.7%	24.7%	-327.4%	62.6%	46.3%	-2.9%	28.2%	37.8%	-61.9%	-55.5%	99.3%	162.3%	1.1%	-24.4%	-66.8%	-29.1%	17.0%	113.5%	386.3%	-44.6%	-87.3%			
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	5,087.3	5,626.3	5,066.0	5,596.0	5,053.2	5,570.9	5,047.2	5,553.4	5,043.8	5,583.6			
% 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%	-0.1%	0.4%	-0.4%	-0.5%	-0.3%	-0.4%	-0.1%	-0.3%	-0.1%	0.5%			
Real Sector Indicators																									
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	111.3	119.3	109.8	119.3	108.00	119.7	117.5	119.7	117.5	119.7	110.0	116.9	
% 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%	0.6%	1.5%	-1.4%	0.1%	-1.7%	0.3%					110.0	116.9	
14. Tourist arrivals (000s)	23.6	312.2	29.5	411.4	62.8	623.2	68.8	586.6	93.9	502.6	135.1	562.5	183.6	678.3	190.0	616.1	158.7	465.3	260.9	570.2	393.0	727.6	1,599.8	6,055.9	
% 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%	670.7%	269.5%	3427.7%	224.3%	-74.2%	193.3%	-43.9%	118.5%	2837.0%	85.1%	1,599.8	6,055.9	
15. Air arrivals (000s)	20.8	71.9	25.7	101.8	56.4	147.6	60.3	145.4	81.2	126.8	113.2	141.3	133.9	157.8	86.2	116.0	43.3	68.0	56.9	85.7	90.2	119.1	768.1	1,281.4	
% change: over previous year	-83.4%	245.8%	-82.3%	295.8%	-25.5%	161.9%	548127.3%	141.1%	405740.0%	56.2%	6538.7%	24.8%	772.2%	17.8%	2517.2%	34.5%	-62.6%	57.0%	-16.4%	50.6%	700.5%	32.0%	768.1	1,281.4	
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)					14.30	11.51					13.8	22.6					16.9	16.3					45.05	50.46	
% change: over previous qtr.					-9.49%	-31.58%					-3.3%	96.6%					22.3%	-27.8%					34.96%	12.01%	

* Includes Net Lending to Public Corporations

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

^p - provisional