



Monthly Economic and Financial Developments January 2023

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



JANUARY 2023 SUMMARY

MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

Overall Economic Activity

For the month of January, preliminary economic indicators suggest that the growth momentum in the domestic economy persisted, continuing to recover from the adverse impact of the Novel Coronavirus (COVID-19) pandemic. Tourism sector output further strengthened, underpinned by gains in the high value-added air segment and the rebound in sea traffic, reflective of the relaxed pandemic restrictions and pent-up demand for travel in key source markets.

Inflation

Average consumer price inflation—as measured by changes in the average Retail Price Index (RPI) for The Bahamas—accelerated in 2022, largely due to the pass-through effects of higher global oil prices.

Monetary Sector

Monetary sector developments were marked by moderated gains in banking sector liquidity, despite the contraction in the deposit base that outpaced the reduction in domestic credit. However, external reserves consequently declined, attributed to net foreign currency outflows through the public sector.

International Economies

During the review period, global economic conditions varied, given the protracted geopolitical tensions in Eastern Europe, heightened inflation, and the continued spread of the COVID-19 virus. In this environment, some of the major central banks sustained their monetary policy tightening stances, in an effort to curtail rising inflation and encourage economic growth.



Monthly Economic and Financial Developments (MEFD)

January 2023

1. Domestic Economic Developments

Overview

Preliminary economic indicators suggest that the growth momentum in the domestic economy persisted during the month of January, continuing to recover from the adverse impact of the Novel Coronavirus (COVID-19) pandemic. Tourism sector output further strengthened, underpinned by gains in the high value-added air segment and the rebound in sea traffic, reflective of the relaxed pandemic restrictions and pent-up demand for travel in key source markets. In price developments, the domestic inflation rate rose in 2022, against the backdrop of higher international oil prices. Monetary sector developments were marked by moderated gains in banking sector liquidity, even though the contraction in the deposit base outpaced the reduction in domestic credit. Nevertheless, external reserves declined, attributed to net foreign currency outflows through the public sector.

Real Sector

Tourism

Monthly data revealed that the tourism sector sustained its robust growth trajectory in January, with output exceeding pre-pandemic levels, amid relaxed COVID-19 conditions and pent-up demand for travel in key source markets.

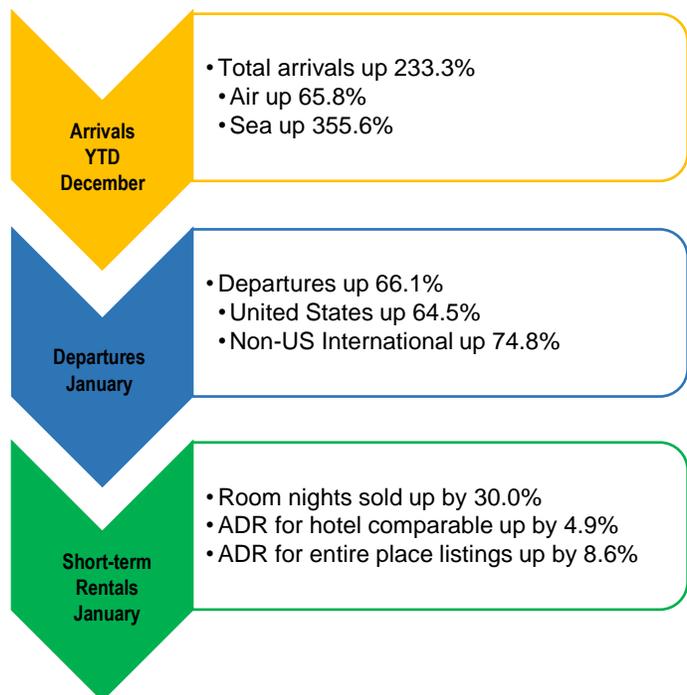
Official data provided by the Ministry of Tourism (MOT) showed that total passenger arrivals expanded to 0.9 million in December, from 0.5 million visitors in the corresponding period of 2021. Specifically, the dominant sea segment almost doubled to 0.7 million, vis-à-vis 0.4 million visitors in the previous year. In addition, air traffic grew to 0.2 million from 0.1 million a year earlier—surpassing pre-pandemic levels; representing 112.9% of air arrivals recorded in 2019.

Disaggregated by major ports of entry, total arrivals to New Providence increased to 0.4 million from 0.2 million in the prior year.

Underlying this outcome, the air and sea segments both advanced to 0.1 million and 0.3 million visitors, from 0.09 million and 0.1 million, respectively in 2022.

Further, foreign arrivals to the Family Islands amounted to 0.4 million visitors, compared to 0.3 million in the previous year, as air and sea visitors

Chart 1: Tourism Indicators at a Glance



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

rose to 0.03 million and 0.4 million, respectively. Similarly, Grand Bahama attracted 0.06 million visitors, exceeding the 12,355 registered in the prior year, attributed to gains in both the air and sea segments.

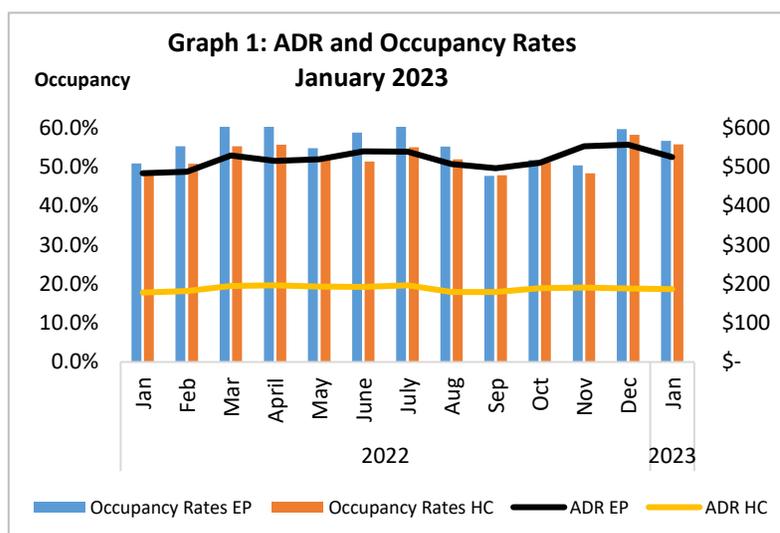
On an annual basis, total arrivals rebounded to 7.0 million—the first time since 2019—from 2.1 million in 2021, when a 17.1% growth was recorded. Contributing to this outturn, air arrivals advanced to 1.5 million, extending the 111.9% gain in the prior year, bolstered by increases in all major source markets. Similarly, sea arrivals recovered to 5.5 million visitors, following an 11.8% decline in 2021 (see Table 1).

Table 1: Total Visitor Arrivals January - December 2022

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2021	2022	2021	2022	2021	2022
Arrivals						
Air	102.1	74.6	68.7	100.1	155.6	36.2
Sea	-21.5	360.5	-35.2	433.6	0.0	344.7
Total	22.2	193.5	-24.4	356.4	17.1	270.9

Source: Ministry of Tourism

The positive trend persisted, as the most recent data provided by the Nassau Airport Development Company Limited (NAD) revealed that total departures—net of domestic passengers—grew by two-thirds to 128,165 in January, vis-à-vis the comparative period last year. In particular, U.S. departures expanded by two-thirds to 107,237, while non-U.S. departures nearly doubled to 20,928 from the corresponding month of 2022.



Source: AirDNA

In the short-term vacation rental market, data provided by AirDNA further cemented trends. Specifically, for the month of January, total room nights sold rose to 147,633 from 113,559 a year earlier. Underlying this outturn, the occupancy rates for both entire place and hotel comparable listings increased to 56.6% and 55.7%, respectively, compared to 50.8% and 47.9% in the prior year.

Further, as depicted in Graph 1, price indicators showed that year-over-year, the average daily room rate (ADR) for entire place grew by 8.6% to \$524.73 and hotel comparable listings, by 4.9% to \$186.54.

Prices

Average domestic consumer price inflation—as measured by the All Bahamas Retail Price Index—rose to 5.6% in 2022, from 2.9% in 2021, on account of the pass-through effects of higher global oil prices. Specifically, average costs increased for recreation & culture by 12.8%, after registering a reduction in the previous year. Further, average inflation accelerated for food & non-alcoholic beverages (13.5%), restaurant & hotels (12.4%), transport (12.3%) and communication (8.0%). Similarly, average costs increases quickened for health (5.7%) and housing, water, gas, electricity & other fuels (3.3%); while the decline in average prices for miscellaneous goods & services slowed to 0.4% from 0.7% the previous year. Providing some offset, the

average inflation moderated for clothing & footwear (2.9%), education (1.6%) and furnishing, household and equipment (1.2%). Further, average costs for alcohol beverages, tobacco & narcotics decreased by 0.5%, following a gain of 5.2% in 2021.

2. Monetary Trends

January 2023 vs. 2022

Liquidity

Monetary developments for the month of January were marked by moderated buildup in banking sector liquidity, even though the reduction in the deposit base surpassed the decline in domestic credit. Specifically, excess reserves—a narrow measure of liquidity—grew by \$14.1 million to \$1,942.2 million, a slowdown from the \$48.3 million expansion in the preceding year. Similarly, excess liquid assets—a broad measure of liquidity—increased by \$26.4 million to \$2,799.2 million, exceeding the prior year’s gain of \$8.5 million.

External Reserves

During the review month, external reserves reduced by \$30.0 million to \$2,564.7 million, albeit lower than the previous year’s decline of \$44.1 million. Contributing this outturn, the Central Bank’s net purchases from commercial banks moderated to \$7.1 million from \$48.2 million in the preceding year. Further, commercial banks’ transactions with customers shifted to a net sale of \$0.7 million from a net intake of \$73.7 million a year earlier. Meanwhile, the Central Bank’s net sales to the public sector narrowed to \$47.8 million from \$91.5 million in 2022.

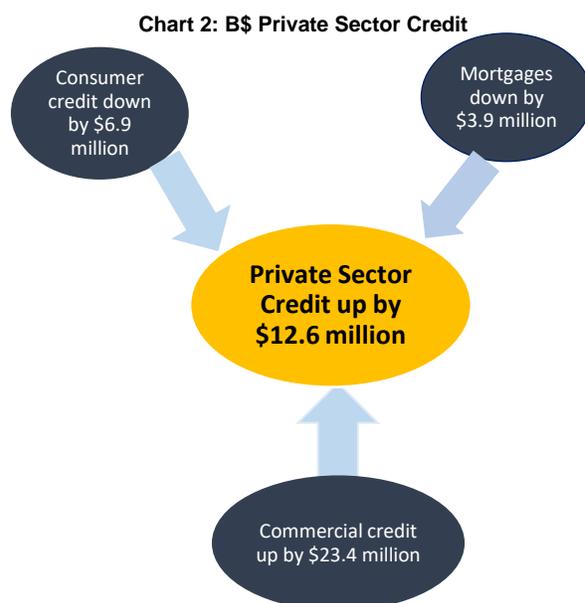
Exchange Control Sales

Provisional data on foreign currency sales for current account transactions for the month of January, revealed that outflows rose by 21.2% to \$674.1 million, relative to the comparative period in 2022. Leading this outturn, payments for “other” current items—primarily credit and debit card transactions—grew by \$74.4 million. Further, outflows for non-oil imports rose by \$33.1 million, oil imports, by \$18.9 million and travel related transactions, by \$4.4 million. In contrast, factor income remittances decreased by \$12.5 million and transfer payments, by \$0.5 million.

Domestic Credit

Bahamian Dollar Credit

Total Bahamian dollar credit contracted by \$5.0 million during the review month, a reversal from a \$74.9 million growth in 2022. Underpinning this development, net claims on the Government declined by \$17.5 million, a shift from an \$81.9 million expansion a year earlier. In contrast, private sector credit grew by \$12.6 million, a turnaround from a \$5.9 million reduction in the preceding year. Specifically, the increase in commercial credit extended to \$23.4 million from \$9.0 million in the prior year. Further, the contraction in consumer credit slowed to \$6.9 million from \$23.4 million a



Source: Central Bank of The Bahamas

year earlier. However, mortgages declined by \$3.9 million, a reversal from the \$8.5 million buildup in the preceding year. Meanwhile, the decrease in credit to the rest of the public sector tapered to \$0.1 million from \$1.1 million in the previous year.

Foreign Currency Credit

During the review month, domestic foreign currency credit declined by \$17.0 million, a moderation from the prior year’s \$69.1 million contraction. In particular, net claims on the Government decreased further by \$15.6 million, following a \$63.0 million reduction in 2022. Further, the falloff in private sector credit moderated to \$0.9 million from \$6.1 million in the prior year. In particular, commercial credit rose by \$0.8 million, relative to a \$5.3 million decrease in the previous year. However, the decline in mortgages extended to \$1.6 million from \$0.8 million a year earlier. Meanwhile, credit to the rest of the public sector was unchanged, similar to the preceding year.

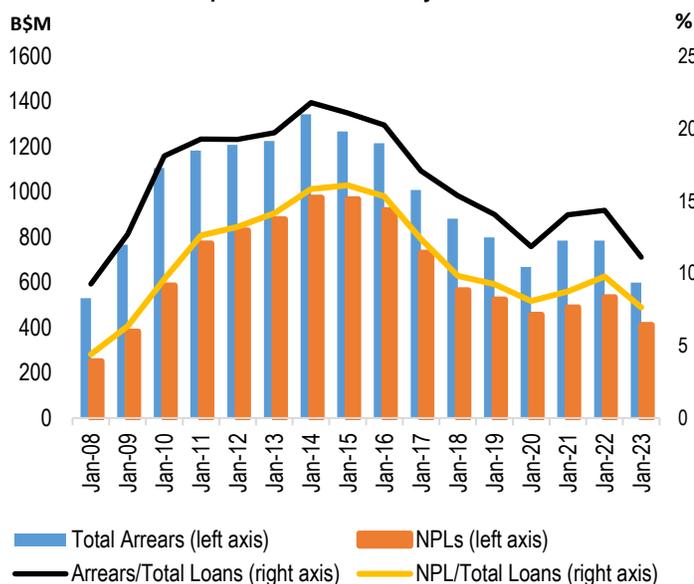
Credit Quality

Commercial banks’ credit quality indicators improved further during the month of January, owing to declines in both short and long-term arrears. In particular, total private sector arrears fell by \$11.3 million (1.9%) to \$598.8 million, reducing the attendant ratio by 25 basis points to 11.1%.

An analysis by average age of delinquency showed that, short-term arrears (31-90 days) decreased by \$8.6 million (4.4%) to \$186.6 million, with the relevant ratio narrowing by 17 basis points to 3.5% of total private sector loans. Similarly, non-performing loans (NPLs) reduced by \$2.7 million (0.7%) to \$412.2 million, resulting in the accompanying ratio moving lower by 7 basis points to 7.7%—with declines in the NPL rates for commercial loans, by 23 basis points to 4.7% and mortgages, by 14 basis points, to 10.1%; meanwhile, consumer loans firmed by 13 basis points to 6.0%.

A disaggregation by loan type revealed that mortgage arrears reduced by \$10.7 million (2.8%) to \$370.8 million, as both the short and long-term components fell by \$6.5 million (5.2%) and by \$4.2 million (1.7%), respectively. Likewise, consumer loan arrears declined by \$0.9 million (0.5%) to \$172.7 million, owing to a \$3.2 million (5.2%) reduction in short-term arrears, which outstripped the \$2.3 million (2.0%) growth in the non-accrual segment. In contrast, mortgage delinquencies rose by \$0.2 million (0.4%) to \$55.4 million, as the long-term arrears decreased by \$0.8 million (1.7%), as opposed to the \$1.0 million (10.1%) growth in the short-term component.

Graph 2: B\$ Credit Quality Indicators



Source: Central Bank of The Bahamas

Meanwhile, banks reduced their total provisions for loan losses by \$1.7 million (0.4%) to \$384.9 million. As a result, the ratio of total provisions to arrears grew by 0.9 percentage points to 64.3%. However, the ratio of total provisions to non-performing loans firmed by 20 basis points to 93.4%. During the review month, banks also wrote-off an estimated \$5.3 million in overdue loans and recovered approximately \$3.3 million.

In comparison to January 2022, the total private sector arrears rate declined by 3.3 percentage points. Specifically, the short-term segment decreased by 1.1 percentage points, while the non-accrual component fell by 2.1 percentage points. Further, by loan type, the arrears rate on consumer loans moved lower by 4.8 percentage points; mortgages, by 2.7 percentage points; and commercial credit, by 1.2 percentage points.

Deposits

During the review month, total Bahamian dollar deposits reduced by \$15.7 million, a reversal from a \$60.8 million accumulation in the corresponding 2022 period. In terms of the components, demand balances declined by \$33.0 million, a turnaround from the \$79.0 million growth in the previous year. In contrast, fixed deposits grew by \$9.7 million, a switch from a \$17.3 million reduction in the prior year. Further, savings deposits rose by \$7.6 million, vis-à-vis a \$1.0 million falloff a year earlier. Meanwhile, the buildup in residents' foreign currency deposits extended to \$10.2 million, from \$5.7 million in the previous year.

Interest Rates

In interest rate developments, the weighted average loan rate fell by 59 basis points to 10.6%. In contrast, the weighted average deposit rate rose by 16 basis points to 0.76%, with the highest rate of 3.75% offered on fixed balances over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy will maintain its growth momentum in 2023, undergirded by further recovery in the tourism sector. Nevertheless, risks to the industry persist, related mostly to exogenous factors, such as further mutations in the COVID-19 virus, which could potentially undermine the progress made on the international health front and disrupt travel sector activity. In addition, the rise in global fuel prices could constrain the travel industry's competitiveness, while the major central banks' counter-inflation policies could curtail the travel spending capacity of key source market consumers. Nonetheless, new and ongoing foreign investment-led projects are anticipated to provide support to the construction sector, and by extension contribute to economic growth.

In the labour markets, the unemployment rate is projected to remain above pre-pandemic levels, with any job gains concentrated mainly in the construction sector and net rehiring of tourism sector employees. With regard to prices, inflation is forecasted to remain 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.

On the fiscal front, the Government's net financing gap is anticipated to stay elevated, although trending downwards. Specifically, the Government's fiscal position will be mainly impacted by ongoing disbursements for the required health and social welfare related to COVID-19, and spending still associated with the restoration of key infrastructure following the major hurricane in 2019. The recovery in revenue is expected to be significantly connected to tourism-led improvement in taxable economic activities. The estimated

budgetary gap is projected to require a blend of domestic and external borrowings, but with an increased proportion of the total funding from domestic sources.

Monetary sector developments should continue to feature high levels of banking sector liquidity, as commercial banks sustain their conservative lending posture. Further, external reserve balances are anticipated to remain buoyant in 2023, remaining above international benchmarks, underpinned by expected foreign currency inflows 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

Based on the prevailing outlook, the Central Bank will retain its accommodative stance for private sector credit and continue to pursue policies that ensure a favorable outcome for external reserves, and mitigate financial sector disruptions. In addition, the Bank will continue to monitor developments within the foreign exchange market, and if necessary, adopt appropriate measures to support a positive outcome for foreign reserves.

APPENDIX

International Developments

During the review period, global economic conditions varied, given the protracted geopolitical tensions in Eastern Europe, heightened inflation, and the continued spread of the COVID-19 virus. In this environment, the major central banks sustained their monetary policy tightening stances, in an effort to curtail rising inflation and encourage economic growth.

In the United States, economic indicators revealed mixed performance during the review month. In particular, the growth in real gross domestic product (GDP) slowed at an annualized rate of 2.9% in the fourth quarter of 2022, from 3.2% in the previous quarter, owing primarily to a falloff in consumer demand, residential fixed investment and exports. In addition, industrial production registered a flat outturn in January, after declining by a one percentage point in December. However, retail sales grew by 3.0%, a reversal from the 1.1% falloff a month earlier, attributed to increases in sales of food services, sporting goods and clothing stores. In the labour market, the jobless rate fell by 10 basis points to 3.4% in January, relative to the prior month; as total non-farm payroll employment expanded by 517,000, with gains registered in leisure and hospitality, professional and business services and health care. Further, average consumer prices rose by 0.5%, extending the 0.1% increase the month prior. On the external front, the trade deficit grew by \$6.4 billion (10.5%) to \$67.4 billion in December, reflecting a 1.3% rise in imports and a 0.9% decline in exports. In this environment, the Federal Reserve retained its target funds rate range at 4.25%-4.50%, while signaling further rate hikes in an effort to combat rising inflation.

Developments in the European economies varied during the review period. The United Kingdom's real GDP fell by 0.5% in December, a reversal from a 0.1% uptick in the previous month, owing largely to a slowdown in the services sector. In addition, the moderation in retail sales extended to 1.0% in December, from 0.5% in the prior month, reflective of a reduction in non-store sales volumes. Meanwhile, industrial production rose by 0.3% in December, attributed to increases in electricity, gas, and water supply and sewerage sectors, although still below pre-pandemic levels. With regard to prices, the consumer price index reduced by 0.6% in January, extending the 0.1% falloff in the comparative 2022 period. In terms of labour market conditions, the jobless rate grew by 10 basis points in the three months to December to 3.7%. In the external sector, the trade in goods and services deficit widened by £4.8 billion (39.6%) to £7.2 billion in December, as imports increased by 2.2%, while exports fell by 4.3%. In the euro area, the growth in real output slowed to 0.1% during the three months to December, from 0.3% in the previous quarter. Further, retail trade reduced by 2.7%, following a gain of 1.2% in the preceding month, due to a falloff in food, tobacco, drinks and non-food products; while industrial production decreased by 1.1% in December. The jobless rate also edged up to 6.6% in December, from 6.5% in the previous month, while the annual inflation rate firmed to 8.5% in January, vis-à-vis 9.2% a month earlier. In the external sector, the euro area registered a €8.8 billion trade deficit in December, same as the prior year, as the 8.7% rise in imports offset the 9.0% gain in exports. Given these developments, the Bank of England increased its key policy rate to 4.00% in January, from 3.00% in the month prior month. The European Central Bank also raised its interest rates on its deposit facility to 2.50%, its main refinancing operations to 3.00% and the marginal lending facility to 3.25% in January, from 2.00%, 2.50%, and 2.75%, respectively, in the preceding month.

Economic indicators registered mixed outcomes in Asian economies over the review period. In China, industrial production edged up by 0.1% over the previous month, following stringent pandemic restrictions, which disrupted production lines and supply chains. Meanwhile, retail sales reduced by 1.8% in December, albeit lower than the 5.9% retrenchment a month earlier. With regard to the labour market, the unemployment rate declined by 20 basis points to 5.5% in December, vis-à-vis the previous month, amid the relaxation of zero-COVID policy restrictions. In terms of prices, the consumer price index firmed to 2.1% in January, from 1.8% in December, largely attributed to a rise in food prices. Further, in external sector developments, China's trade surplus narrowed to \$78.0 billion in December, from \$93.2 billion in the same period last year, as the 9.9% decrease in exports, outweighed the 7.5% falloff in imports. In Japan, retail sales grew by 3.8% in December, surpassing the 2.5% gain a month earlier, supported by gains in medicine and toiletry, others sales, and general merchandise. In addition, the unemployment rate remained unchanged at 2.5% in December compared to the prior month. Meanwhile, the annual inflation rate rose by 4.0% in December, on account of a rise in the cost of food, housing, and fuel, light and water charges. In trade developments, Japan recorded a ¥1,448.5 billion trade deficit in December, from ¥603.1 billion in 2021, as the expansion in imports exceeded the growth in exports. 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%.

The major equity markets reported positive movements during the month of January. In the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) grew by 6.2% and by 2.8%, respectively. Likewise, the French CAC 40, the German DAX, and the United Kingdom's FTSE 100 registered notable gains of 9.4%, 8.7% and 4.3%, respectively. In Asia, China's SE Composite and Japan's Nikkei 225 increased by 5.4% and by 4.7%, respectively.

In foreign exchange market developments, the US dollar depreciated relative to all of the major currencies during the review month. Specifically, the US dollar weakened against the euro, by 14.0% to €0.9206, the British Pound, by 12.2% to £0.8117, and the Chinese Renminbi, by 2.1% to CNY6.7553. Similarly, the US dollar declined vis-à-vis the Canadian dollar, by 1.8% to CAD\$1.3306, the Swiss Franc, by 0.9% to CHF0.9162 and the Japanese Yen, by 0.8% to ¥130.09.

Outcomes varied among commodity markets, during the review month. Specifically, the cost of crude oil rose by 2.6% to \$84.51 per barrel, as OPEC's crude oil production fell by 49,000 barrels per day, to an average 28.9 million barrels per day in January. In addition, the price of gold increased by 5.7% to \$1,928.36 per troy ounce. Conversely, the cost of silver decreased by 0.9% to \$23.73 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

January					
Value		Change		Change YTD	
2022	2023	2022	2023	2022	2023

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,588.55	1,942.24	48.25	14.12	48.25	14.12
1.2 Excess Liquid Assets	2,447.35	2,799.21	8.51	26.44	8.51	26.44
1.3 External Reserves	2,415.11	2,564.69	-44.05	-29.98	-44.05	-29.98
1.4 Bank's Net Foreign Assets	56.40	-9.20	88.74	3.12	88.74	3.12
1.5 Usable Reserves	1,198.22	1,136.08	-67.14	-14.93	-67.14	-14.93

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,576.32	5,540.72	-12.01	11.73	-12.01	11.73
a. B\$ Credit	5,455.02	5,345.58	-5.90	12.59	-5.90	12.59
of which: Consumer Credit	1,979.13	1,896.70	-23.39	-6.91	-23.39	-6.91
Mortgages	2,729.98	2,703.51	8.45	-3.88	8.45	-3.88
Commercial and Other Loans B\$	745.91	745.36	9.04	23.38	9.04	23.38
b. F/C Credit	121.30	195.14	-6.11	-0.86	-6.11	-0.86
of which: Mortgages	68.20	90.30	-0.83	-1.61	-0.83	-1.61
Commercial and Other Loans F/C	53.11	104.84	-5.28	0.75	-5.28	0.75
2.2 Central Government (net)	2,964.32	3,172.13	18.94	-33.56	18.94	-33.56
a. B\$ Loans & Securities	3,154.59	3,153.51	2.27	-30.41	2.27	-30.41
Less Deposits	293.50	293.41	-79.63	-12.99	-79.63	-12.99
b. F/C Loans & Securities	106.34	330.54	-63.63	-2.82	-63.63	-2.82
Less Deposits	3.11	18.51	-0.67	13.32	-0.67	13.32
2.3 Rest of Public Sector	315.48	348.53	-1.14	-0.13	-1.14	-0.13
a. B\$ Credit	285.48	319.28	-1.14	-0.13	-1.14	-0.13
b. F/C Credit	30.00	29.25	0.00	0.00	0.00	0.00
2.4 Total Domestic Credit	8,856.12	9,061.38	5.80	-21.96	5.80	-21.96
a. B\$ Domestic Credit	8,601.59	8,524.96	74.86	-4.96	74.86	-4.96
b. F/C Domestic Credit	254.53	536.43	-69.06	-17.00	-69.06	-17.00

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,461.61	3,841.34	79.03	-32.99	79.03	-32.99
a. Central Bank	62.91	93.06	1.55	-0.12	1.55	-0.12
b. Banks	3,398.70	3,748.29	77.48	-32.87	77.48	-32.87
3.2 Savings Deposits	1,879.85	2,110.65	-0.96	7.58	-0.96	7.58
3.3 Fixed Deposits	2,160.89	2,084.20	-17.29	9.68	-17.29	9.68
3.4 Total B\$ Deposits	7,502.35	8,036.19	60.78	-15.74	60.78	-15.74
3.5 F/C Deposits of Residents	447.59	478.33	5.74	10.22	5.74	10.22
3.6 M2	7,879.58	8,447.65	48.77	-43.89	48.77	-43.89
3.7 External Reserves/M2 (%)	30.65	30.36	-0.75	-0.20	-0.75	-0.20
3.8 External Reserves/Base Money (%)	105.81	95.30	-8.13	-0.63	-8.13	-0.63
3.9 External Reserves/Demand Liabilities (%)	99.23	89.76	-3.76	-0.10	-3.76	-0.10
	Value		Year To Date		Change	
	2022	2023	2022	2023	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-43.30	-40.61	-43.30	-40.61	2.69	2.69
a. Net Purchase/(Sale) from/to Banks	48.20	7.15	48.20	7.15	-41.05	-41.05
i. Sales to Banks	56.90	97.67	56.90	97.67	40.77	40.77
ii. Purchase from Banks	105.10	104.82	105.10	104.82	-0.28	-0.28
b. Net Purchase/(Sale) from/to Others	-91.50	-47.76	-91.50	-47.76	43.74	43.74
i. Sales to Others	133.95	96.58	133.95	96.58	-37.36	-37.36
ii. Purchase from Others	42.45	48.82	42.45	48.82	6.37	6.37
4.2 Banks Net Purchase/(Sale)	73.68	-0.66	73.68	-0.66	-74.34	-74.34
a. Sales to Customers	542.61	693.27	542.61	693.27	150.66	150.66
b. Purchase from Customers	616.29	692.61	616.29	692.61	76.32	76.32

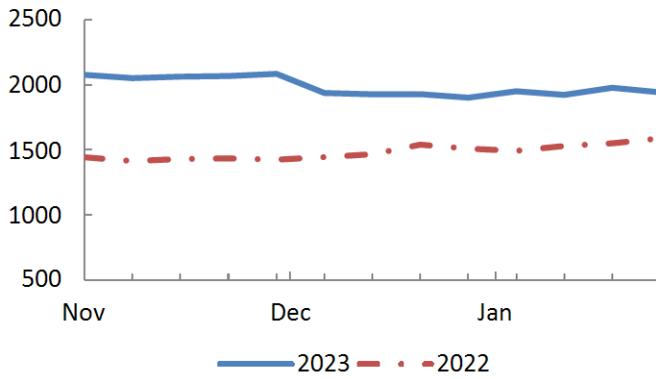
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	556.24	674.10	556.24	674.10	117.86	117.86
of which Public Sector	46.09	69.99	46.09	69.99	23.90	23.90
a. Nonoil Imports	155.33	188.44	155.33	188.44	33.11	33.11
b. Oil Imports	52.49	71.42	52.49	71.42	18.94	18.94
c. Travel	13.41	17.85	13.41	17.85	4.44	4.44
d. Factor Income	41.54	29.02	41.54	29.02	-12.52	-12.52
e. Transfers	20.05	19.54	20.05	19.54	-0.51	-0.51
f. Other Current Items	273.43	347.83	273.43	347.83	74.40	74.40
5.2 Capital Items	102.90	86.55	102.90	86.55	-16.35	-16.35
of which Public Sector	87.34	29.99	87.34	29.99	-57.36	-57.36

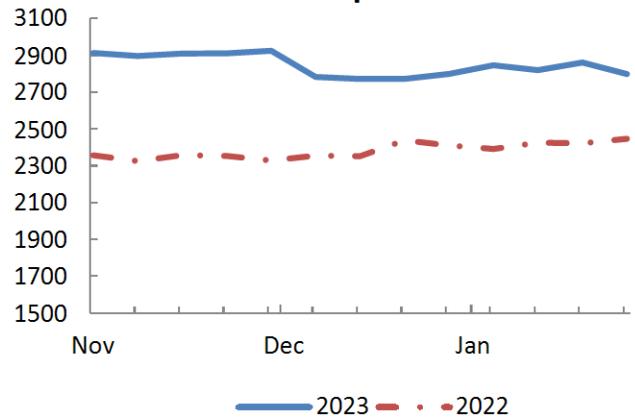
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

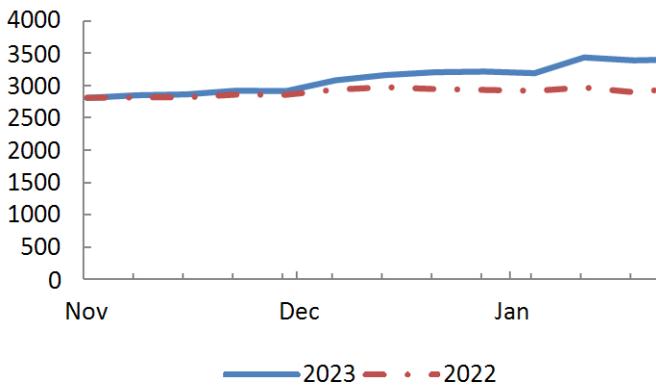
Excess Reserves



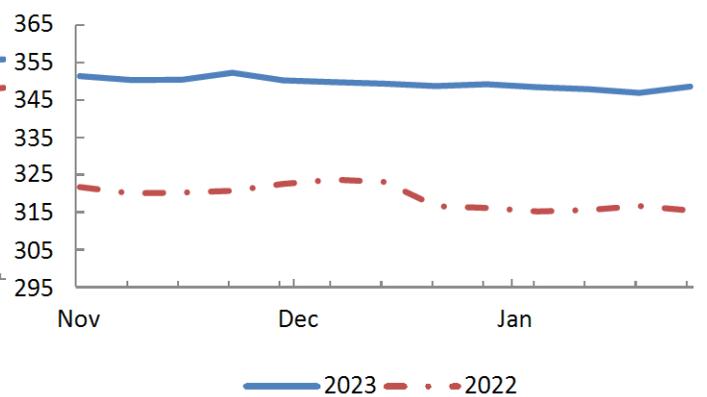
Excess Liquid Assets



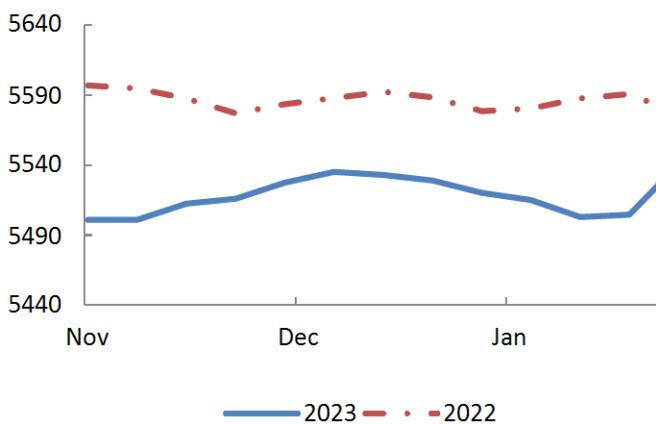
Central Govt. Credit (Net)



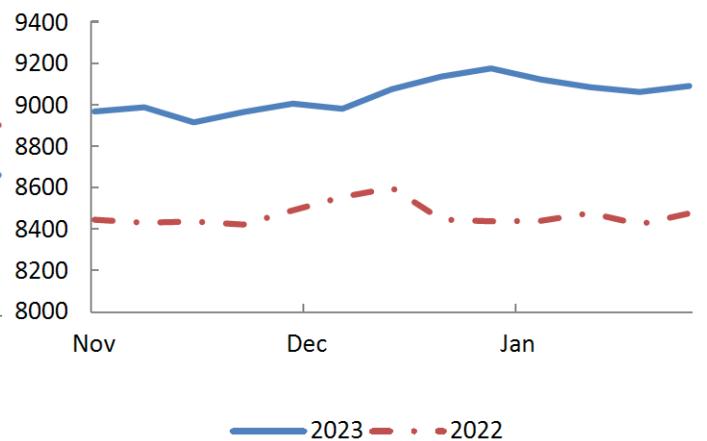
Rest of Public Sector Credit



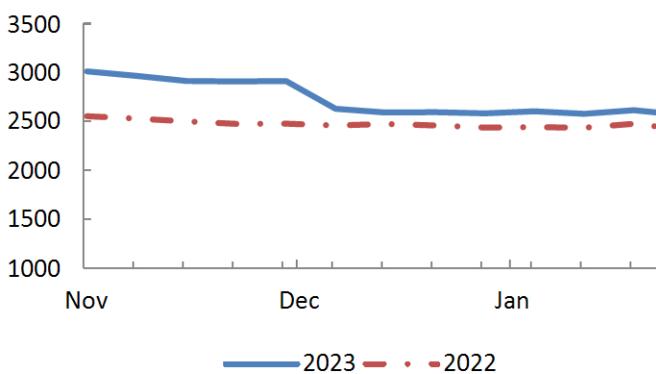
Private Sector Credit



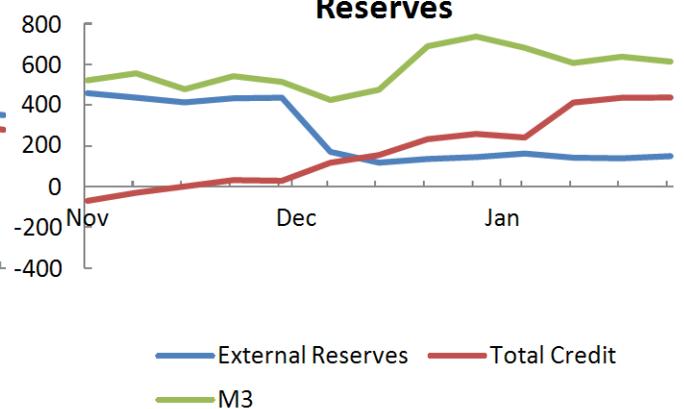
M3



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 Oct. 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
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
January 2023	4.00	3.00	4.75	4.50-4.75	4.00

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Jan-22	Dec-22	Jan-23	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8900	1.0705	0.9206	-14.01	-14.01	3.42
Yen	115.11	131.12	130.09	-0.79	-0.79	13.01
Pound	0.7436	0.9245	0.8117	-12.20	-12.20	9.15
Canadian \$	1.2708	1.3554	1.3306	-1.83	-1.83	4.71
Swiss Franc	0.9272	0.9245	0.9162	-0.90	-0.90	-1.19
Renminbi	6.3612	6.8986	6.7553	-2.08	-2.08	6.20

Source: Bloomberg as of 31st January 2023

D. Selected Commodity Prices (\$)					
Commodity	Jan-22	Dec-22	Jan-23	Mthly % Change	YTD % Change
Gold / Ounce	1797.17	1824.02	1928.36	5.72033	5.720332
Silver / Ounce	22.8986	23.9545	23.7305	-0.93511	-0.935106
Oil / Barrel	91.29	82.32	84.51	2.66035	2.660350

Source: Bloomberg as of 31st January 2023

E. Equity Market Valuations – January 31st, 2023 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.22	2.83	6.18	4.29	9.40	8.65	4.72	5.39
3 month	2.08	4.13	5.28	9.54	13.20	14.14	-0.94	12.52
YTD	-0.22	2.83	6.18	4.29	9.40	8.65	4.72	5.39
12-month	20.07	-2.98	-9.72	4.12	1.19	-2.22	1.20	-3.15

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	4.2985	3.4700	1.9000
1 Month	4.7150	3.9600	2.3750
3 Month	4.6970	4.1550	3.0600
6 Month	5.0750	4.3900	3.2650
9 Month	5.1900	4.5450	3.2650
1 year	5.3000	4.7500	3.3950

Source: Bloomberg as of 31st January 2023

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

	VALUE								CHANGE							
	Dec. 14	Dec. 21	Dec. 28	Jan. 04	Jan. 11	Jan. 18	Jan. 25	Feb. 01	Dec. 14	Dec. 21	Dec. 28	Jan. 04	Jan. 11	Jan. 18	Jan. 25	Feb. 01
I. External Reserves	2,629.42	2,591.88	2,594.67	2,582.77	2,603.90	2,577.99	2,615.06	2,564.71	(284.54)	(37.54)	2.80	(11.90)	21.13	(25.91)	37.07	(50.35)
II. Net Domestic Assets (A + B + C + D)	52.87	103.93	110.20	98.33	111.08	108.33	117.74	126.54	146.39	51.06	6.26	(11.87)	12.75	(2.75)	9.41	8.80
A. Net Credit to Gov't (I + ii + iii -iv)	749.84	764.87	803.72	799.90	795.32	794.84	801.24	823.27	184.66	15.04	38.85	(3.82)	(4.58)	(0.49)	6.40	22.04
i) Advances	533.59	582.98	582.98	582.98	582.98	582.98	582.98	582.98	198.59	49.39	-	-	-	-	-	-
ii) Registered Stock	300.98	303.03	298.08	297.44	296.94	297.14	296.16	296.28	6.21	2.05	(4.94)	(0.64)	(0.50)	0.21	(0.99)	0.12
iii) Treasury Bills	(0.00)	(0.00)	11.68	11.68	11.68	11.68	11.68	11.68	-	-	11.68	-	0.00	(0.00)	-	-
iv) Deposits	84.73	121.13	89.02	92.20	96.28	96.97	89.58	67.67	20.14	36.40	(32.11)	3.17	4.08	0.69	(7.39)	(21.92)
B. Rest of Public sector (Net) (i+ii-iii)	(56.73)	(59.83)	(86.43)	(103.05)	(82.93)	(86.00)	(84.39)	(86.31)	(0.83)	(3.10)	(26.60)	(16.62)	20.12	(3.07)	1.61	(1.92)
i) Loans	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	-	-	-	-	-	-	-	-
iii) Deposits	63.48	66.58	93.18	109.80	89.68	92.75	91.14	93.06	0.83	3.10	26.60	16.62	(20.12)	3.07	(1.61)	1.92
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-								
D. Other Items (Net)*	(640.23)	(601.11)	(607.09)	(598.52)	(601.31)	(600.51)	(599.11)	(610.43)	(37.44)	39.12	(5.98)	8.57	(2.79)	0.81	1.40	(11.32)
III. Monetary Base	2,682.29	2,695.81	2,704.87	2,681.10	2,714.97	2,686.31	2,732.80	2,691.25	(138.15)	13.52	9.06	(23.77)	33.88	(28.66)	46.48	(41.55)
A. Currency in Circulation	554.38	582.84	610.55	588.69	565.86	552.21	542.61	557.10	(0.39)	28.46	27.71	(21.86)	(22.83)	(13.65)	(9.59)	14.48
B. Bank Balances with CBOB	2,127.91	2,112.97	2,094.32	2,092.41	2,149.11	2,134.11	2,190.18	2,134.15	(137.76)	(14.94)	(18.65)	(1.91)	56.70	(15.01)	56.08	(56.03)

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	330.81
% 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	10,317.9	11,036.0	
% 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%	1.2%	1.0%	
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	4,344.3	4,839.9	
% 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%	-0.1%	0.5%	-0.5%	-0.6%	0.2%	0.0%	0.0%	-0.3%	-0.1%	0.6%	-0.1%	-3.0%	
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	180.4	105.0	180.4	105.0	180.4	105.0	176.3	100.8	176.3	100.8	176.3	333.1	
% 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%	0.0%	230.4%	
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	5,797.3	5,863.0	
% change: over previous month	0.5%	-0.9%	1.3%	-0.1%	0.8%	-0.9%	-0.1%	0.9%	0.2%	0.6%	0.2%	0.6%	2.0%	-0.5%	0.6%	0.5%	0.5%	0.2%	2.0%	1.2%	0.1%	1.1%	2.2%	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	149.6	92.5	113.1	74.8	80.2	87.5	171.2	425.7	94.8	53.9	102.0	318.5	
% change: over previous month	-59.4%	372.7%	24.7%	-327.4%	62.6%	46.5%	-2.9%	28.2%	37.8%	-61.9%	-55.3%	99.5%	162.3%	1.1%	-24.4%	-66.8%	-29.1%	17.0%	113.5%	386.3%	-44.6%	-87.3%	7.6%	491.2%	
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	5,032.8	5,655.2	
% 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%	-0.2%	1.3%	
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	112.2	119.3	112.5	119.7	112.7	120.1	113.2	120.0	113.2	119.4	
% 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%	0.8%	0.1%	0.2%	0.3%	0.3%	0.4%	-0.1%	0.1%	0.1%	-0.4%	
14. Tourist arrivals (000's)	23.6	318.3	29.5	414.5	62.8	627.2	68.8	588.7	93.9	506.6	135.1	567.4	183.6	683.3	190.0	619.9	158.7	467.4	260.9	572.9	393.0	730.3	500.8	904.0	
% change: over previous year	-96.6%	1247.8%	-95.9%	1304.8%	-79.2%	899.3%	159879.1%	755.8%	469280.0%	439.6%	3333.1%	320.0%	670.7%	272.2%	3427.7%	226.3%	-74.4%	194.6%	-44.2%	119.6%	2837.0%	85.8%	-31.4%	80.5%	
15. Air arrivals (000's)	20.8	74.1	25.7	104.5	56.4	151.1	60.3	147.1	81.2	130.0	113.2	144.6	133.9	161.9	86.2	119.2	43.3	70.1	56.9	88.0	90.2	121.5	118.5	158.3	
% change: over previous year	-83.4%	256.2%	-82.5%	306.1%	-25.5%	168.1%	548127.3%	143.9%	405740.0%	60.1%	6538.7%	27.8%	772.2%	20.9%	2517.2%	38.3%	-63.6%	61.6%	-18.8%	54.8%	700.5%	34.7%	-2.4%	33.5%	
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)					14.30	11.51											16.9	16.3						45.05	
% change: over previous qtr.					-9.49%	-31.58%											22.3%	-27.8%						-10.44%	

* Includes Net Lending to Public Corporations
 ** Debt figures include Central Government only, unless otherwise indicated
 p - provisional