



## **Monthly Economic and Financial Developments February 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 24, May 30, July 3, July 31, September 4, October 2, October 30, December 4, December 27



## FEBRUARY 2023 SUMMARY

### MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

#### ***Overall Economic Activity***

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

#### ***Inflation***

Average consumer price inflation—as measured by changes in the average Retail Price Index (RPI) for The Bahamas—increased during the twelve months to January, 2023 reflective of the pass-through effects of higher international oil prices.

#### ***Fiscal Sector***

Preliminary data on the Government’s budgetary operations for the first six months of FY2022/23 revealed that the deficit narrowed to \$276.0 million from \$281.4 million in FY2021/22. Underlying this outturn, total revenue expanded by \$124.7 million (11.0%) to \$1,258.3 million, outpacing the \$119.3 million (8.4%) rise in aggregate expenditure to \$1,534.3 million.

#### ***Monetary Sector***

Monetary sector developments during February featured an expansion in banking sector liquidity, as the rise in the deposit base, contrasted with the reduction in domestic credit. Further, external reserves increased during the month, reflecting Government’s external borrowing activities and private sector inflows.

#### ***International Economies***

Global economic performance indicators varied during February, as developments continued to be impacted by the prolonged geopolitical tensions in Eastern Europe and elevated inflation levels. In this environment, the major central banks maintained their monetary policy tightening stances, in an effort to curtail rising inflation and encourage economic growth and financial stability.



# Monthly Economic and Financial Developments (MEFD) February 2023

## 1. Domestic Economic Developments

### Overview

Preliminary indications are that during the month of February, the domestic economy sustained its recovery momentum, from the adverse effects of the Novel Coronavirus (COVID-19) pandemic. Tourism output continued to register strong growth, undergirded by gains in both the high value-added air segment and sea traffic, as travel restrictions related to COVID-19 remained eased, and the demand for travel in key source markets increased. On the fiscal front, Government’s budgetary operations for the first six months of FY2022/23 showed a narrowing in the deficit, underpinned by a rise in revenue collections, which outstripped the growth in aggregate expenditure. In price developments, average consumer price inflation—as measured by changes in the average Retail Price Index (RPI) for The Bahamas—rose during the twelve months to January, 2023 reflective of the pass-through effects of higher international oil prices. Monetary sector developments featured an expansion in banking sector liquidity, as the rise in the deposit base, contrasted with the reduction in domestic credit. Further, external reserves increased during February, reflecting Government’s external borrowing activities and private sector inflows.

### Real Sector

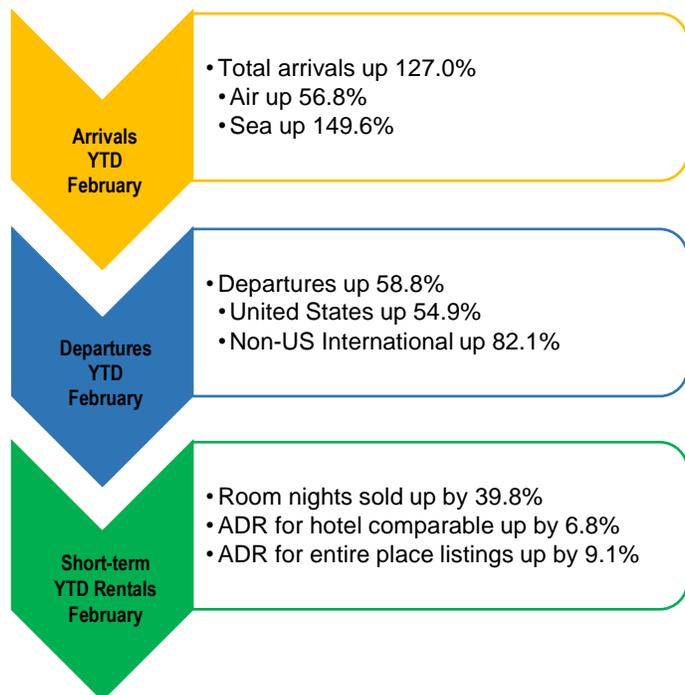
#### Tourism

Initial data suggested that the tourism sector continued to register robust growth during the month of February, surpassing pre-pandemic levels. The performance continued to benefit from relaxed pandemic-related conditions and heightened demand for travel in key source markets.

Official data provided by the Ministry of Tourism (MOT) showed that total passenger arrivals rose to 0.8 million in February, from 0.4 million in the corresponding period of 2022. In particular, the dominant sea segment more than doubled to 0.7 million, from 0.3 million visitors in the prior year. In addition, air traffic stabilised at 0.1 million—exceeding pre-pandemic levels; representing 97.5% of the air arrivals recorded in 2019.

Disaggregated by major ports of entry, total arrivals to New Providence doubled to 0.4 million from 0.2 million in the previous year. Contributing to this outcome, the sea component advanced to

Chart 1: Tourism Indicators at a Glance



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

0.3 million visitors from 0.1 million in 2022, while the air segment rose to 0.1 million from 79,496 in the preceding year. Further, traffic to the Family Islands strengthened to 0.4 million visitors, from 0.2 million in the prior year, owing to gains in the sea and air components to 0.4 million and 30,112, respectively. Similarly, foreign arrivals to Grand Bahama totalled 39,467 visitors, surpassing the 13,230 registered in the previous year, as respective air and sea passengers measured 4,927 and 34,540.

On a year-to-date basis, total arrivals recovered to 1.7 million, compared to 0.7 million in the comparative 2022 period. Supporting this outcome, air arrivals grew to 0.3 million passengers, vis-à-vis 0.2 million a year earlier, reflecting gains in all major source markets. Similarly, sea arrivals increased more than two-fold to 1.4 million visitors, from 0.6 million in the prior year (see Table 1).

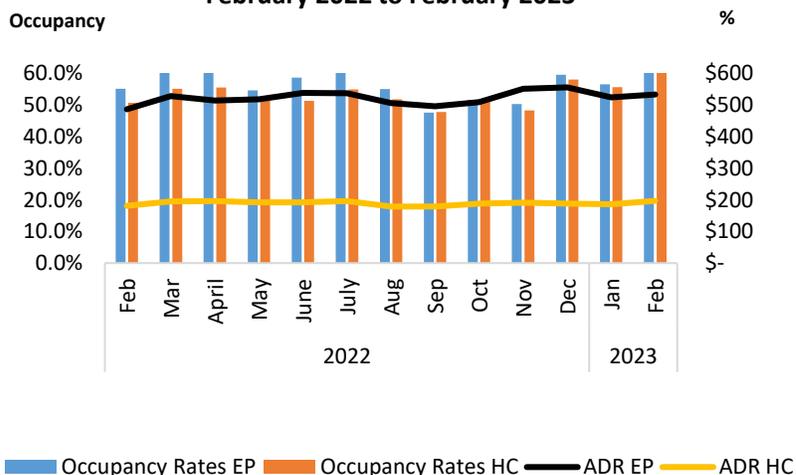
**Table 1: Total Visitor Arrivals January-February 2023**

Arrivals	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2022	2023	2022	2023	2022	2023
Air	386.8	59.3	195.5	131.8	127.6	40.4
Sea	15706.4	144.8	1674.8	299.9	7329.3	143.9
<b>Total</b>	<b>1161.6</b>	<b>113.5</b>	<b>840.6</b>	<b>270.1</b>	<b>1489.3</b>	<b>131.8</b>

Source: Ministry of Tourism

The most recent data provided by the Nassau Airport Development Company Limited (NAD), affirmed the positive momentum in stopover business, as total departures—net of domestic passengers—increased by 51.9% to 121,919 in February, as compared to the corresponding period of 2022. Specifically, U.S. departures moved higher by 46.0% to 101,705, while non-U.S. departures nearly doubled to 20,214. On a year-to-date basis, outward-bound traffic expanded by 58.8% to 250,084 passengers. In particular, U.S. departures rose by 54.9% to 208,942 visitors, compared to the previous year. Likewise, non-U.S. departures grew by 82.1% to 41,142 vis-à-vis the same period last year.

**Graph 1: ADR and Occupancy Rates  
February 2022 to February 2023**



Source: AirDNA

Data provided by AirDNA on the short-term vacation rental market mirrored these positive trends. Specifically, during the month of February, total room nights sold moved higher by 51.2% to 148,726 nights. Correspondingly, the occupancy rates for both entire place and hotel comparable listings increased to 66.3% and 63.6%, respectively, vis-à-vis 55.2% and 50.7% in the previous year. Further, as depicted in Graph 1, price indicators showed that year-over-year, the average daily room rate (ADR) for entire place rose by 9.6% to \$533.56 and for hotel comparable listings, by 8.6% to \$196.91.

## Fiscal

Preliminary data on the Government's budgetary operations for the first six months of FY2022/23 revealed that the deficit narrowed to \$276.0 million from \$281.3 million in FY2021/22. Underlying this outturn, total revenue expanded by \$124.6 million (11.0%) to \$1,258.3 million, outpacing the \$119.3 million (8.4%) increase in aggregate expenditure to \$1,534.3 million.

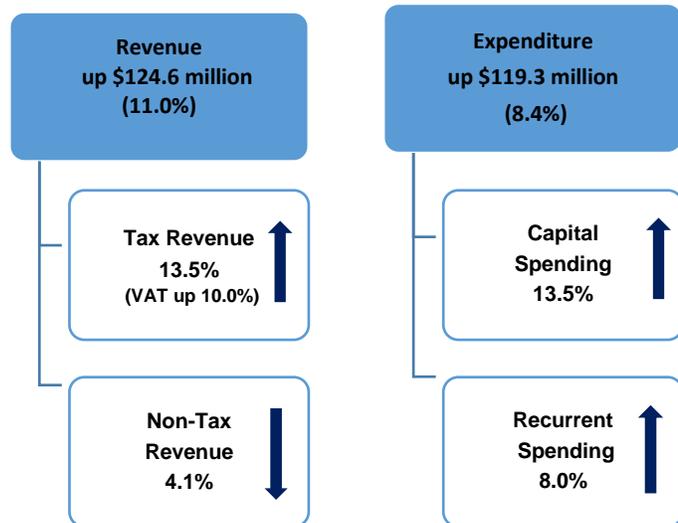
The recovery in revenue collections was largely attributed to a \$130.6 million (13.5%) rise in tax receipts. Specifically, taxes on goods and services grew by \$17.8 million (2.6%), as VAT receipts strengthened by \$54.2 million (10.0%), to \$598.8 million, responding to the recovery in economic activity. In addition, financial & realty stamp taxes increased by \$5.7 million (11.9%) to \$53.5 million. Further, revenue from gaming taxes rose by \$8.4 million (47.2%) to \$26.1 million. Likewise, proceeds from international trade and transactions— inclusive of exports, customs & other import duties and departure taxes—expanded by \$88.5 million (39.2%) to \$314.3 million, relative to the prior fiscal year. In addition, property tax collections grew by \$22.7 million (61.6%) to \$59.5 million, while general stamp taxes increased by \$1.6 million (37.0%) to \$5.8 million. In contrast, non-tax revenue decreased by \$7.0 million (4.1%) to \$160.6 million, as property income fell by \$17.5 million (35.4%) to \$32.0 million, while proceeds from the sale of goods and services reduced by \$14.0 million (12.2%) to \$100.2 million.

As it relates to expenditure, recurrent spending grew by \$105.3 million (8.0%) to \$1,416.6 million. The outturn was led by a rise in employee compensation by \$42.2 million (11.8%) to \$399.4 million, while interest payments moved higher by \$41.1 million (17.1%) to \$280.9 million. In addition, payments for the use of goods & services rose by \$24.1 million (9.6%) to \$274.5 million. Further, other “miscellaneous” payments advanced by \$32.2 million (32.5%) to \$131.2 million, largely attributed to a growth in current transfers and insurance premium payments. However, subsidies moderated by \$5.6 million (2.5%) to \$219.5 million, owing to reduced outlays to public non-financial institutions, as the need for COVID-19 related support waned. Similarly, outlays for social benefits declined by \$29.0 million (21.4%) to \$106.6 million. Capital outlays grew by \$14.0 million (13.5%) to \$117.7 million, as spending for the acquisition of non-financial assets expanded by \$20.1 million (24.9%) to \$101.1 million. Contrastingly, capital transfers reduced by \$6.1 million (26.8%) to \$16.7 million.

## Prices

Average domestic consumer price inflation—as measured by the All Bahamas Retail Price Index—increased to 5.7% during the twelve months to January, from 3.2% in 2022, reflective of the pass-through effects of higher prices on imported oil and other goods and services. In particular, average costs rose for recreation & culture by 14.6%, after registering a reduction in the previous year. Further, average inflation accelerated for food & non-alcoholic beverages (13.6%), restaurant & hotels (12.1%) and transport (11.1%). Similarly, the

**Chart 2: Budgetary Operations at a Glance**  
First Six Months of FY2022/2023



Source: The Ministry of Finance

rise in average costs quickened for health (5.0%) and housing, water, gas, electricity & other fuels (3.8%); while average prices for miscellaneous goods & services firmed by 0.1%, following a decline of 1.2% in 2022. Providing some offset, the average inflation slowed for communication (6.5%), clothing & footwear (3.2%), education (1.5%), furnishing, household and equipment (1.0%) and alcohol beverages, tobacco & narcotics (0.3%).

## 2. Monetary Trends

### February 2023 vs. 2022

#### Liquidity

Monetary trends for the month of February featured a buildup in bank liquidity, as the growth in the deposit base contrasted with the decline in domestic credit. Excess reserves—a narrow measure of liquidity—expanded by \$51.2 million to \$1,993.4 million, exceeding the \$38.5 million accumulation in the preceding year. Likewise, excess liquid assets—a broad measure of liquidity—grew by \$56.5 million to \$2,855.7 million, albeit lower than the growth of \$65.6 million in the previous year.

#### External Reserves

External reserves increased by \$106.4 million to \$2,678.9 million, surpassing the prior year’s growth of \$45.9 million, partly reflecting Government’s external borrowing activities. Underlying this development, the Central Bank’s foreign exchange transactions with the public sector reversed to a net purchase of \$75.8 million, from a net sale of \$17.1 million a year earlier. Meanwhile, the Bank’s net purchases from commercial banks moderated to \$25.4 million from \$71.1 million in the previous year. Further, commercial banks’ net intake from their customers slowed to \$31.1 million, from \$84.2 million in 2022.

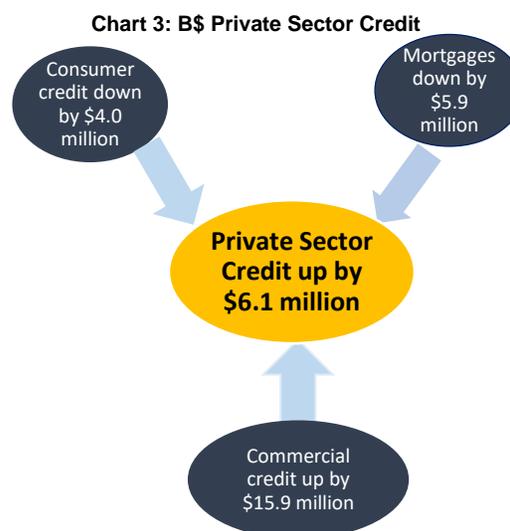
#### Exchange Control Sales

Preliminary data on foreign currency sales for current account transactions showed a \$111.1 million increase in outflows to \$560.1 million in February, in comparison to the same period last year. Specifically, payments for “other” current items—primarily credit and debit card transactions—grew by \$45.7 million. Further, outflows for non-oil imports advanced by \$32.9 million; factor income remittances, by \$16.2 million; and oil imports, by \$10.5 million. In addition, transfer payments rose by \$2.9 million and travel related transactions, by \$2.8 million.

#### Domestic Credit

##### Bahamian Dollar Credit

Total Bahamian dollar credit reduced by \$90.7 million in February, a switch from a \$2.8 million uptick in the previous year. Contributing to this outturn, net claims on the Government contracted by \$97.3 million, a reversal from an \$11.0 million growth in 2022. In contrast, private sector credit rose by \$6.1 million, a shift from an \$8.7 million falloff in the prior year. Specifically, commercial and other loans grew by \$15.9 million, reversing a \$5.0 million reduction a year earlier, while the



Source: Central Bank of The Bahamas

decrease in consumer credit, slowed to \$4.0 million from \$12.2 million in the preceding year. However, mortgages declined by \$5.9 million, vis-à-vis an \$8.6 million increase in the previous year. In addition, credit to the public corporations grew further by \$0.6 million.

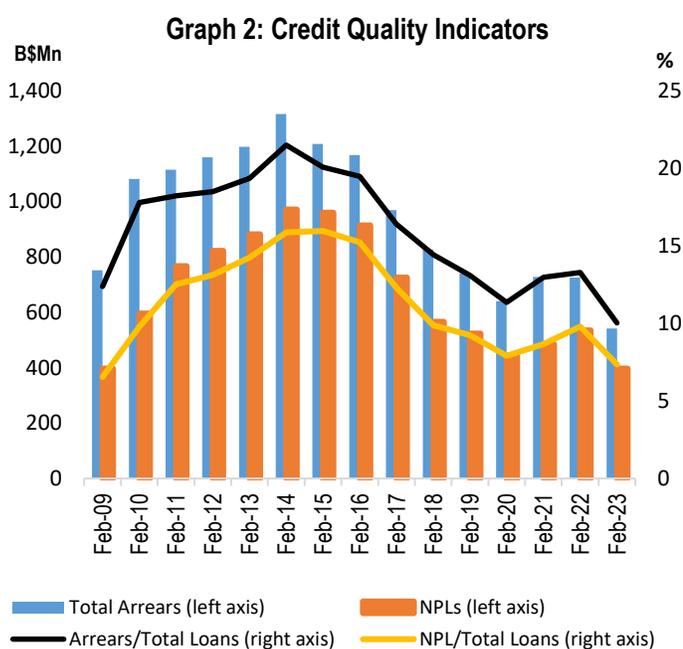
### Foreign Currency Credit

Domestic foreign currency credit rose by \$9.1 million during the review month, a reversal from the prior year's decline of \$6.2 million. In particular, net claims on the Government grew by \$11.6 million, following a \$0.5 million decrease in 2022. Further, the reduction in private sector credit moderated to \$2.5 million, from \$5.7 million in 2022, as the falloff in mortgages slowed to \$1.0 million from \$7.0 million a year earlier. Meanwhile, similar to the previous year, credit to the rest of the public sector was unchanged.

### Credit Quality

During the month of February, commercial banks' credit quality indicators improved further, attributed to reductions in both short and long-term arrears. Specifically, total private sector arrears fell by \$57.6 million (9.6%) to \$541.2 million, with the corresponding ratio narrowing by 1.1 percentage points to 10.0% of total private sector claims.

Disaggregated by average age of delinquency, short-term arrears (31-90 days) reduced by \$42.4 million (22.7%) to \$144.2 million, resulting in the associated ratio declining by 79 basis points to 2.7% of total private sector loans. In addition, non-performing loans (NPLs) decreased by \$15.2 million to \$397.1 million, with the accompanying ratio moving lower by 30 basis points to 7.4%—with declines in the NPL rates for mortgages, by 49 basis points to 9.6%; commercial loans, by 19 basis points to 4.5%; and consumer loans, by 7 basis points to 5.9%.



A breakdown by loan type revealed that mortgage arrears contracted by \$46.8 million (12.6%) to \$324.0 million. Both the short and long-term components fell by \$34.1 million (28.7%) and by \$12.7 million (5.1%), respectively. Similarly, consumer loan delinquencies reduced by \$8.5 million (4.9%) to \$164.2 million, owing to a falloff in the short-term segment, by \$7.4 million (13.0%) and non-accruals, by \$1.1 million (0.9%). Likewise, commercial loan arrears decreased by \$2.3 million (4.1%) to \$53.1 million, as a result of declines in both the non-performing segment, of \$1.4 million (3.0%) and the short-term arrears, of \$0.9 million (8.8%).

In line with these developments, banks reduced their total provisions for loan losses by \$3.5 million (0.9%) to \$381.3 million in February. However, provisions as a fraction of total loan arrears rose by 6.2 percentage points to 70.5%; and relative to non-performing loans, by 2.7 percentage points to 96.0%. During the month

of February, banks wrote-off an estimated \$4.5 million in overdue loans and recovered approximately \$3.5 million.

In comparison to February 2022, the total private sector arrears rate declined by 3.3 percentage points. The short-term arrears rate decreased by 0.8 percentage points, while the non-accrual component fell by 2.4 percentage points. Further, by loan type, the arrears rate on consumer loans moved lower, by 4.5 percentage points; mortgages, by 2.8 percentage points; and commercial credit, by 1.8 percentage points.

## **Deposits**

The growth in total Bahamian dollar deposits moderated to \$19.1 million in February, from \$62.0 million a year earlier. By component, the buildup in demand deposits tapered to \$39.0 million, from \$56.9 million in 2022. Further, savings deposits grew by \$8.3 million, a moderation from the \$19.9 million accumulation in the previous year. In contrast, the contraction in fixed deposits deepened to \$28.2 million, from \$14.8 million in the prior year. Meanwhile, foreign currency deposits of residents grew by \$68.3 million, extending the \$6.2 million increase in 2022.

## **Interest Rates**

In interest rate developments, the weighted average loan rate rose by 26 basis points to 10.84%. In contrast, the weighted average deposit rate fell by 15 basis points to 0.61%, with the highest rate of 3.75% offered on fixed balances over 12 months.

## **3. Domestic Outlook**

The domestic economy is expected to sustain its growth trajectory in 2023, supported by a strong recovery in the tourism sector. The pace of expansion is expected to moderate, however, as the recovery from COVID-19 become more complete. Downside risks to the economy persist around further mutations of the COVID-19 virus, which could derail the progress made on the international health front and lead to a resumption in travel restrictions. In addition, elevated global fuel prices could potentially curtail the travel sector's competitiveness, while major central banks' counter-inflation policies could constrain the spending capacity of travelers from key source markets. Nevertheless, new and ongoing foreign investment-led projects are anticipated to provide impetus to the construction sector, which will foster economic growth.

In the labour markets, the unemployment rate is forecasted to stay above pre-pandemic levels, with any job gains concentrated predominantly in the construction and tourism sectors. As for prices, inflation is projected to remain elevated in the near-term, against the backdrop of higher energy 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 remain elevated, while trending downwards. In particular, the fiscal position will remain impacted by ongoing disbursements for the required health and social welfare related to COVID-19, along with spending on public infrastructure. The recovery in revenue is expected to be significantly linked to tourism-led improvement in taxable economic activities. Financing of the estimated budgetary gap is expected to require a blend of domestic and external borrowings, though with a higher proportion of the total funding from domestic sources.

Monetary sector developments will include high levels of banking sector liquidity, as commercial banks maintain their conservative lending stance. Further, external reserves are predicted to remain buoyant in

2023, staying above international benchmarks, supported by anticipated foreign currency inflows from the tourism sector and other net private sector receipts. Consequently, external balances should remain more than adequate to sustain the Bahamian dollar currency peg.

#### ***4. Monetary Policy and Financial Stability Implications***

In light of 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. 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 performance indicators varied during the month of February, as developments continued to be impacted by the prolonged geopolitical tensions in Eastern Europe and elevated inflation levels. In this environment, the major central banks maintained their monetary policy tightening stances, in an effort to curtail rising inflation and encourage economic growth and financial stability.

Economic developments in the United States were lackluster during the review period. Specifically, retail sales declined by 0.4% in February, a reversal from a 3.3% growth a month earlier, led by decreases in sales of furniture stores, food services and drinking places. Meanwhile, industrial production registered a flat outturn, similar to the previous month. Further, in the labour market, although total non-farm payroll employment rose to 311,000, owing to job gains in leisure & hospitality, retail trade, government and health, the jobless rate rose by 20 basis points to 3.6% in February. In contrast, the consumer price index declined by 10 basis points to 0.4%, vis-à-vis the prior month, largely reflecting a reduction in energy costs. In January, the trade deficit widened by \$1.1 billion (1.6%) to \$68.3 billion, as the 3.0% rise in imports, offset the 3.4% growth in exports. In this environment, the Federal Reserve raised the target range for the Federal funds rate to 4.50%-4.75%, from 4.25%-4.50%, signaling that further increases may be necessary to curb inflationary pressures.

In Europe, economic indicators were mixed over the review period. In the United Kingdom, real GDP grew by 0.3% in January, a turnaround from the 0.5% decline last month, attributed to gains in the services industry. The volume of retail sales rose by 1.2% in February, extending the 0.9% increase in the preceding month, owing largely to gains in non-food stores sales. However, industrial production fell by 0.3% in January, due to decreases in mining & quarrying and manufacturing sectors. In the labour market, for the three months to January, the unemployment rate remained unchanged at 3.7%. Meanwhile, consumer prices firmed by 1.1% in February, a reversal to the prior month's 60 basis points decline, on account of increases in the costs from restaurants & cafes, food and clothing. In terms of the external sector, the trade deficit narrowed by £1.3 billion (73.4%) to £5.9 billion in January, owing to a 6.3% contraction in imports, which outweighed the 5.1% falloff in exports. In the euro area, industrial production firmed to 0.7%, after a 1.3% falloff in the previous month, reflective of a rise in the production of intermediate goods. Similarly, the volume of retail sales edged up by 0.3% in January, a shift from a 1.7% reduction in the preceding month. In price developments, the annual inflation rate narrowed by 10 basis points to 8.5% in February, primarily due to a reduction in the costs of energy. Conversely, on the labour market front, the jobless rate moved higher by 10 basis points to 6.7% in January. In the external sector, the euro area recorded an €11.3 billion trade deficit in January, lower than the €13.4 billion a month earlier, as both exports and imports reduced by 1.1% and by 1.8%, respectively. Given these developments, the Bank of England kept its policy rate at 4.00%, while the European Central Bank retained its interest rates on its main refinancing operations, marginal lending facility and deposit facility at 3.00%, 3.25% and 2.50%, respectively.

Developments in the Asian economies varied during the review period. In China, retail sales expanded by 3.5% in the first two months of 2023, driven by a growth in sales of consumer goods. Likewise, industrial production also firmed by 2.4% during the review period, extending the 0.1% increase last month. In terms of labour market conditions, the unemployment rate rose by 20 basis points to 5.6% from the preceding month, while annual consumer price inflation fell to 1.0% in February, from 2.1% a month earlier, as prices for both food and non-food items reduced. On the external front, China's trade surplus strengthened to \$116.9 billion for the January-February period, vis-à-vis \$109.5 billion in the same period last year, as the 10.2% reduction in imports, surpassed the 6.8% decrease in exports. In Japan, the growth in retail sales firmed to 6.3% in January, from 3.8% in the prior month, underpinned by gains in general merchandise, fashion apparel & accessories, food & beverages and others. Conversely, industrial production contracted by 5.3% in January, relative to the previous month, due to a falloff in the auto sector. Further, the unemployment rate narrowed by 10 basis points to 2.4% in January, while the annual inflation rate accelerated to 4.3% from 4.0% the month earlier, reflecting higher costs for food, housing, and fuel, light and water charges. The trade deficit expanded by ¥897.7 billion in February, compared to ¥711.5 billion in the preceding year, as the 8.3% increase in imports, overshadowed the 6.5% rise 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%.

During the review month, most of the major equity markets reported positive movements. Specifically, in Europe, France's CAC 40 rose by 2.6%, the German DAX, by 1.6%, and the United Kingdom's FTSE 100, by 1.4%. Similarly, in Asia, China's SE Composite and Japan's Nikkei 225 registered respective gains of 0.7% and 0.4%. Conversely, in the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 declined by 4.2% and by 2.6%, respectively.

In currency market developments, during the month of February, the US dollar reported broad-based appreciations against all of the major currencies. In particular, the US dollar strengthened against the Japanese Yen, by 4.7% to ¥130.09, the Swiss Franc, by 2.8% to CHF0.9162, and the euro, by 2.7% to €0.9206. Likewise, the US dollar increased relative to the Chinese Renminbi, by 2.7% to CNY6.7553, the Canadian dollar, by 2.6% to CAD\$1.3306, and the British Pound, by 2.5% to £0.8117.

As it relates to commodities, the market registered mixed performance during the review month. In particular, the cost of crude oil fell by 0.7% to \$83.89 per barrel, as OPEC's crude oil production grew by 117,000 barrels per day, to an average 28.9 million barrels per day in February. Likewise, the price of silver reduced by 11.9% to \$20.91 per troy ounce and the cost of gold, by 5.3% to \$1,826.92 per troy ounce.

# Recent Monetary and Credit Statistics

## (B\$ Millions)

February					
Value		Change		Change YTD	
2022	2023	2022	2023	2022	2023

### 1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,627.14	1,993.44	38.59	51.20	86.83	65.32
1.2 Excess Liquid Assets	2,512.90	2,855.73	65.55	56.52	74.05	82.95
1.3 External Reserves	2,461.03	2,678.94	45.92	106.45	1.87	84.26
1.4 Bank's Net Foreign Assets	51.64	53.05	-4.76	62.24	83.98	65.36
1.5 Usable Reserves	1,237.24	1,201.75	39.02	57.88	-28.12	50.74

### 2.0 DOMESTIC CREDIT

2.1 Private Sector	5,561.95	5,544.25	-14.36	3.53	-26.37	15.25
a. B\$ Credit	5,446.37	5,351.62	-8.65	6.05	-14.55	18.63
of which: Consumer Credit	1,966.92	1,892.75	-12.22	-3.95	-35.61	-10.86
Mortgages	2,738.55	2,697.62	8.57	-5.89	17.01	-9.77
Commercial and Other Loans B\$	740.91	761.25	-5.00	15.89	4.04	39.26
b. F/C Credit	115.59	192.62	-5.72	-2.52	-11.82	-3.38
of which: Mortgages	61.21	89.33	-6.99	-0.98	-7.82	-2.58
Commercial and Other Loans F/C	54.38	103.30	1.28	-1.54	-4.00	-0.80
2.2 Central Government (net)	2,974.90	3,087.11	10.58	-85.72	29.53	-118.58
a. B\$ Loans & Securities	3,157.56	3,108.40	2.96	-45.81	5.23	-75.52
Less Deposits	285.43	344.91	-8.07	51.49	-87.70	38.51
b. F/C Loans & Securities	106.33	330.54	0.00	0.00	-63.63	-2.82
Less Deposits	3.56	6.92	0.45	-11.58	-0.22	1.74
2.3 Rest of Public Sector	315.93	349.10	0.45	0.57	-0.69	0.44
a. B\$ Credit	285.93	319.85	0.45	0.57	-0.69	0.44
b. F/C Credit	30.00	29.25	0.00	0.00	0.00	0.00
2.4 Total Domestic Credit	8,852.79	8,980.45	-3.33	-81.63	2.47	-102.89
a. B\$ Domestic Credit	8,604.42	8,434.96	2.84	-90.69	77.70	-94.96
b. F/C Domestic Credit	248.36	545.49	-6.17	9.06	-75.23	-7.93

### 3.0 DEPOSIT BASE

3.1 Demand Deposits	3,518.53	3,880.30	56.92	38.96	135.95	5.97
a. Central Bank	42.44	85.62	-20.47	-7.44	-18.93	-7.56
b. Banks	3,476.09	3,794.68	77.39	46.40	154.88	13.53
3.2 Savings Deposits	1,899.78	2,118.94	19.93	8.29	18.97	15.87
3.3 Fixed Deposits	2,146.07	2,056.03	-14.82	-28.17	-32.11	-18.49
3.4 Total B\$ Deposits	7,564.38	8,055.27	62.03	19.08	122.80	3.35
3.5 F/C Deposits of Residents	453.82	546.62	6.23	68.29	11.98	78.51
3.6 M2	7,946.74	8,469.12	67.15	21.46	115.93	-22.43
3.7 External Reserves/M2 (%)	30.97	31.63	0.32	1.18	-0.43	1.08
3.8 External Reserves/Base Money (%)	105.73	97.50	-0.08	1.91	-8.21	1.57
3.9 External Reserves/Demand Liabilities (%)	100.55	90.68	1.32	0.64	-2.45	0.81
	Value		Year To Date		Change	
	2022	2023	2022	2023	Month	YTD

### 4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	54.06	101.12	10.75	71.44	47.07	60.68
a. Net Purchase/(Sale) from/to Banks	71.12	25.37	119.31	33.65	-45.74	-85.66
i. Sales to Banks	21.30	31.90	78.20	129.57	10.60	51.37
ii. Purchase from Banks	92.42	57.27	197.51	163.22	-35.14	-34.29
b. Net Purchase/(Sale) from/to Others	-17.06	75.75	-108.56	37.78	92.81	146.34
i. Sales to Others	78.08	86.96	212.03	175.94	8.87	-36.09
ii. Purchase from Others	61.02	162.71	103.47	213.72	101.68	110.25
4.2 Banks Net Purchase/(Sale)	84.21	31.10	157.89	31.58	-53.11	-126.31
a. Sales to Customers	431.05	556.34	973.66	1248.48	125.29	274.82
b. Purchase from Customers	515.26	587.45	1131.55	1280.06	72.19	148.50

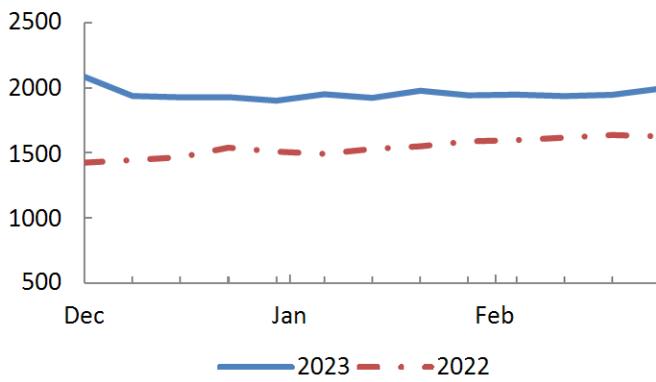
### 5.0 EXCHANGE CONTROL SALES

5.1 Current Items	449.01	560.09	1,005.25	1,234.87	111.09	229.62
of which Public Sector	62.87	68.30	108.96	138.29	5.43	29.33
a. Nonoil Imports	132.26	165.14	287.59	353.60	32.88	66.01
b. Oil Imports	53.81	64.36	106.30	135.78	10.54	29.48
c. Travel	10.18	12.95	23.59	30.81	2.77	7.22
d. Factor Income	28.97	45.20	70.51	74.22	16.23	3.71
e. Transfers	9.67	12.59	29.71	32.33	2.92	2.62
f. Other Current Items	214.11	259.85	487.54	608.13	45.74	120.58
5.2 Capital Items	47.67	51.87	150.57	138.42	4.20	-12.15
of which Public Sector	22.18	21.87	109.52	51.85	-0.31	-57.67

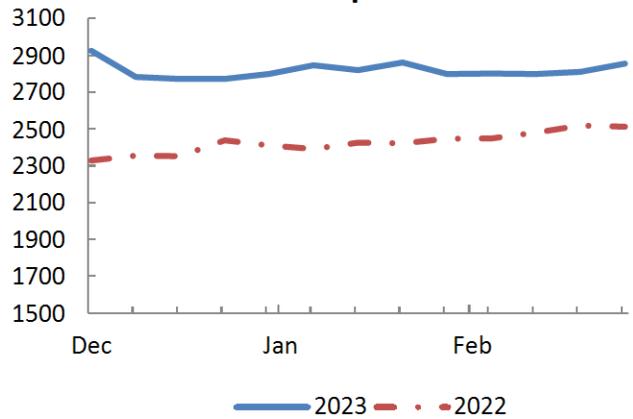
# SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

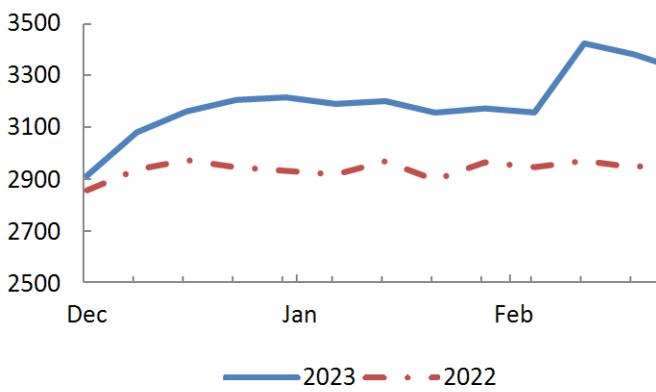
### Excess Reserves



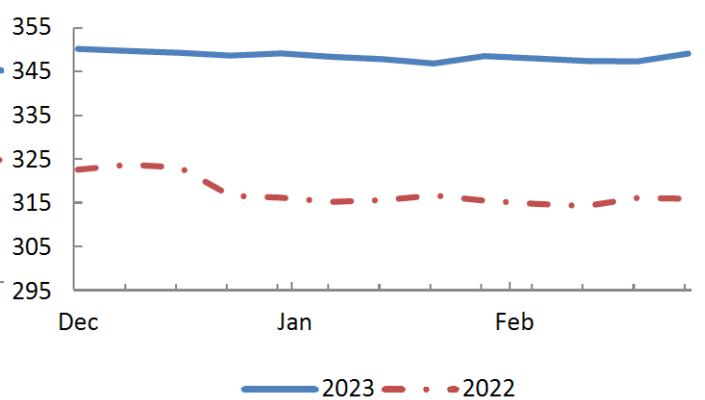
### Excess Liquid Assets



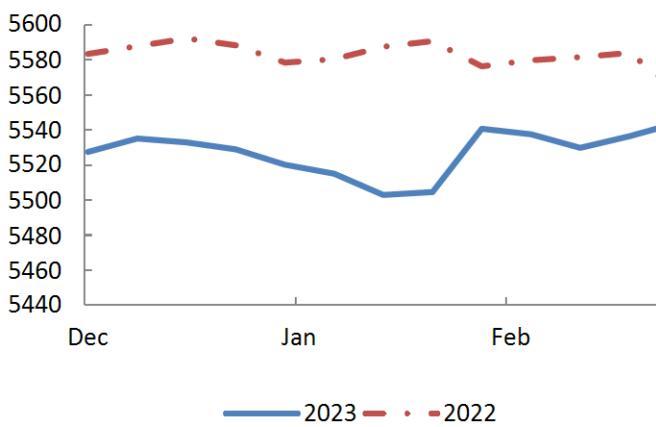
### Central Govt. Credit (Net)



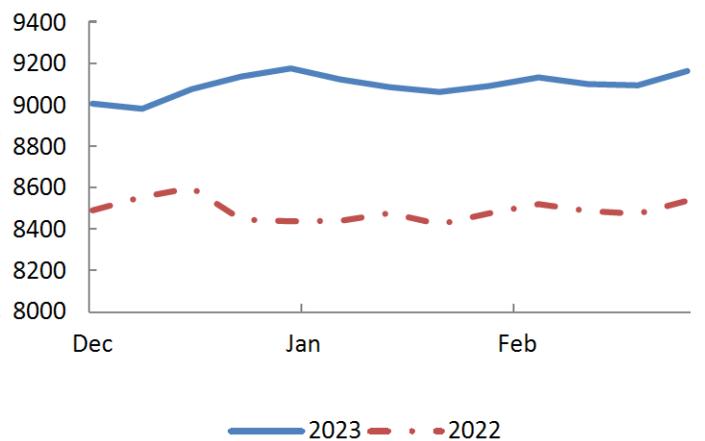
### Rest of Public Sector Credit



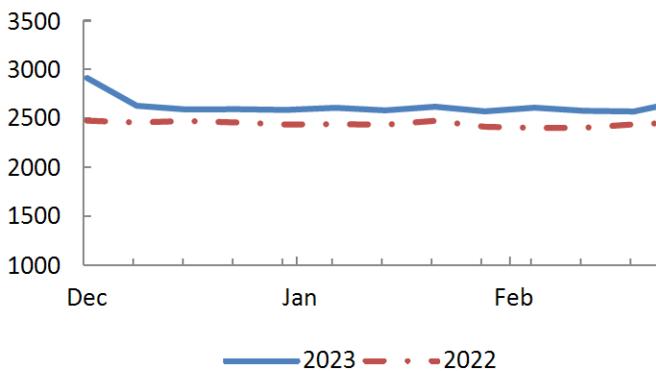
### Private Sector Credit



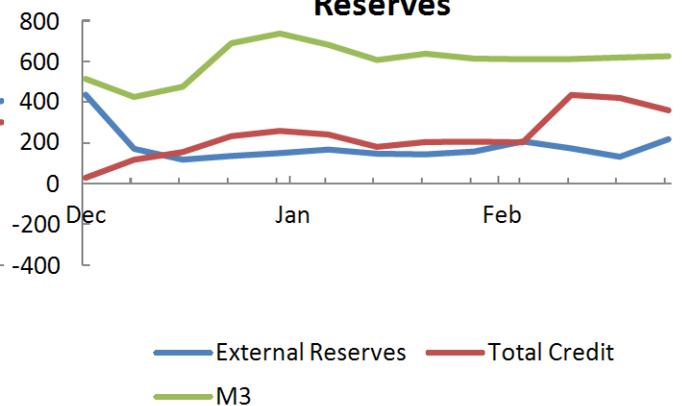
### M3



### External Reserves



### Changes in Money, Credit & Ext. Reserves



## Selected International Statistics

<b>A: Selected Macroeconomic Projections (Annual % Change and % of labor force)</b>						
	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>B: Official Interest Rates – Selected Countries (%)</b>					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit	Target Funds	Repo Rate
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	2.50	4.50	4.25-4.50	4.00
February 2023	4.00	3.00	4.75	4.50-4.75	4.00

## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
<b>Currency</b>	<b>Feb-22</b>	<b>Jan-22</b>	<b>Feb-23</b>	<b>Mthly % Change</b>	<b>YTD % Change</b>	<b>12-Mth% Change</b>
Euro	0.8913	0.8900	0.9455	2.71	-11.67	6.08
Yen	115.00	115.11	136.17	4.67	3.85	18.41
Pound	0.7451	0.7436	0.8318	2.48	-10.03	11.63
Canadian \$	1.2675	1.2708	1.3647	2.56	0.69	7.67
Swiss Franc	0.9168	0.9272	0.9422	2.84	1.91	2.77
Renminbi	6.3092	6.3612	6.9356	2.67	0.54	9.93

*Source: Bloomberg as of 28<sup>th</sup> February 2023*

<b>D. Selected Commodity Prices (\$)</b>					
<b>Commodity</b>	<b>Feb-22</b>	<b>Jan-22</b>	<b>Feb-23</b>	<b>Mthly % Change</b>	<b>YTD % Change</b>
Gold / Ounce	1908.99	1797.17	1826.92	-5.26043	0.158989
Silver / Ounce	24.45	22.8986	20.9114	-11.87965	-12.703667
Oil / Barrel	100.85	91.29	83.89	-0.73364	1.907191

*Source: Bloomberg as of 28<sup>th</sup> February 2023*

<b>E. Equity Market Valuations – February 28<sup>th</sup>, 2023 (% change)</b>								
	<b>BISX</b>	<b>DJIA</b>	<b>S&amp;P 500</b>	<b>FTSE 100</b>	<b>CAC 40</b>	<b>DAX</b>	<b>Nikkei 225</b>	<b>SE</b>
1 month	-1.40	-4.19	-2.61	1.35	2.62	1.57	0.43	0.74
3 month	-0.48	-5.59	-2.70	4.00	7.86	6.72	-1.87	4.07
YTD	-1.62	-1.48	3.40	5.70	12.27	10.35	5.18	6.16
12-month	15.81	-3.65	-9.23	5.60	9.15	6.25	3.46	-5.28

*Sources: Bloomberg and BISX*

<b>F: Short Term Deposit Rates in Selected Currencies (%)</b>			
	<b>USD</b>	<b>GBP</b>	<b>EUR</b>
<b>o/n</b>	4.5533	3.9700	2.4450
<b>1 Month</b>	4.8100	4.1900	2.6650
<b>3 Month</b>	4.9090	4.4150	2.9700
<b>6 Month</b>	5.3750	4.6600	3.3600
<b>9 Month</b>	5.5100	4.8600	3.5800
<b>1 year</b>	5.5800	4.9900	3.7450

*Source: Bloomberg as of 28<sup>th</sup> February 2023*

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

	VALUE								CHANGE							
	Jan. 11	Jan. 18	Jan. 25	Feb. 01	Feb. 08	Feb. 15	Feb. 22	Mar. 01	Jan. 11	Jan. 18	Jan. 25	Feb. 01	Feb. 08	Feb. 15	Feb. 22	Mar. 01
<b>I. External Reserves</b>	<b>2,608.67</b>	<b>2,582.75</b>	<b>2,619.82</b>	<b>2,572.48</b>	<b>2,610.34</b>	<b>2,577.82</b>	<b>2,571.26</b>	<b>2,678.94</b>	<b>21.11</b>	<b>(25.91)</b>	<b>37.07</b>	<b>(47.34)</b>	<b>37.86</b>	<b>(32.52)</b>	<b>(6.56)</b>	<b>107.67</b>
<b>II. Net Domestic Assets (A + B + C + D)</b>	<b>106.31</b>	<b>103.56</b>	<b>112.97</b>	<b>118.76</b>	<b>77.88</b>	<b>94.65</b>	<b>115.03</b>	<b>68.77</b>	<b>12.77</b>	<b>(2.75)</b>	<b>9.41</b>	<b>5.79</b>	<b>(40.89)</b>	<b>16.78</b>	<b>20.37</b>	<b>(46.25)</b>
<b>A. Net Credit to Gov't (I + ii + iii -iv)</b>	<b>795.32</b>	<b>794.84</b>	<b>801.28</b>	<b>823.13</b>	<b>793.65</b>	<b>810.91</b>	<b>804.76</b>	<b>781.44</b>	<b>(4.58)</b>	<b>(0.48)</b>	<b>6.44</b>	<b>21.84</b>	<b>(29.47)</b>	<b>17.26</b>	<b>(6.15)</b>	<b>(23.32)</b>
i) Advances	582.98	582.98	582.98	582.98	582.98	582.98	582.98	582.98	-	-	-	-	-	-	-	-
ii) Registered Stock	296.94	297.15	296.20	296.13	300.83	298.95	299.04	311.51	(0.50)	0.21	(0.94)	(0.07)	4.70	(1.88)	0.09	12.47
iii) Treasury Bills	11.68	11.68	11.68	11.68	11.68	11.54	4.71	2.74	-	-	-	-	-	(0.14)	(6.83)	(1.97)
iv) Deposits	96.28	96.97	89.58	67.67	101.84	82.55	81.97	115.79	4.08	0.69	(7.39)	(21.92)	34.17	(19.28)	(0.59)	33.82
<b>B. Rest of Public sector (Net) (i+ii-iii)</b>	<b>(82.93)</b>	<b>(86.00)</b>	<b>(84.39)</b>	<b>(86.31)</b>	<b>(97.86)</b>	<b>(76.78)</b>	<b>(66.79)</b>	<b>(78.87)</b>	<b>20.12</b>	<b>(3.07)</b>	<b>1.61</b>	<b>(1.92)</b>	<b>(11.56)</b>	<b>21.08</b>	<b>9.99</b>	<b>(12.08)</b>
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	89.68	92.75	91.14	93.06	104.61	83.53	73.54	85.62	(20.12)	3.07	(1.61)	1.92	11.56	(21.08)	(9.99)	12.08
<b>C. Loans to/Deposits with Banks</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>							
<b>D. Other Items (Net)*</b>	<b>(606.08)</b>	<b>(605.28)</b>	<b>(603.92)</b>	<b>(618.05)</b>	<b>(617.91)</b>	<b>(639.48)</b>	<b>(622.95)</b>	<b>(633.80)</b>	<b>(2.77)</b>	<b>0.81</b>	<b>1.36</b>	<b>(14.13)</b>	<b>0.14</b>	<b>(21.57)</b>	<b>16.53</b>	<b>(10.85)</b>
<b>III. Monetary Base</b>	<b>2,714.97</b>	<b>2,686.31</b>	<b>2,732.80</b>	<b>2,691.25</b>	<b>2,688.22</b>	<b>2,672.47</b>	<b>2,686.29</b>	<b>2,747.71</b>	<b>33.88</b>	<b>(28.66)</b>	<b>46.48</b>	<b>(41.55)</b>	<b>(3.03)</b>	<b>(15.75)</b>	<b>13.81</b>	<b>61.42</b>
A. Currency in Circulation	565.86	552.21	542.61	557.10	555.51	545.88	545.01	553.51	(22.83)	(13.65)	(9.59)	14.48	(1.59)	(9.63)	(0.87)	8.50
B. Bank Balances with CBOB	2,149.11	2,134.11	2,190.18	2,134.15	2,132.71	2,126.59	2,141.28	2,194.20	56.70	(15.01)	56.08	(56.03)	(1.44)	(6.12)	14.69	52.92

## FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

	FISCAL/REAL SECTOR INDICATORS																								YEAR TO DATE		
	JUL-SEP				OCT-DEC				JAN-MAR				APR-JUN				2020/2021	2021/2022									
	2021/2022	2022/2023			2021/2022	2022/2023			2021/2022	2022/2023			2021/2022	2022/2023			2021/2022	2022/2023									
<b>Fiscal Operations<sup>p</sup></b>																									(Over previous year)		
1. Government Revenue & Grants					596.4	654.7					537.3	603.6													1,133.7	1,258.3	
% change: over previous quarter					-12.0%	-14.3%					-9.9%	-7.8%													2.9%	11.0%	
2. Value Added Tax					295.4	331.0					249.2	267.8													544.5	598.77	
% change: over previous quarter					9.4%	10.1%					-15.6%	-19.1%													5.7%	10.0%	
3. Import/Excise/Export Duties					89.2	61.6					68.6	62.9													157.8	124.5	
% change: over previous quarter					-32.0%	-9.3%					-23.2%	2.2%													-42.3%	-21.1%	
4. Recurrent Expenditure					668.5	621.3					642.9	795.3													1,311.3	1,416.6	
% change: over previous quarter					-28.3%	-39.2%					-3.8%	28.0%													11.2%	8.0%	
5. Capital Expenditure					64.3	55.3					39.4	62.4													103.7	117.7	
% change: over previous quarter					-68.3%	-55.3%					-38.8%	12.8%													-11.2%	13.5%	
6. Deficit/Surplus*					-136.37	-21.93					-144.90	-254.07													-281.27	-276.00	
% change: over previous quarter					-70.1%	-94.2%					6.3%	1058.3%													44.9%	-1.9%	
																									(Over previous year)		
																									Dec-21		
<b>Debt<sup>p **</sup></b>																									(Over previous year)		
7. Total Direct Debt	10,182.8	11,040.3	10,157.6	11,125.5																						10,317.9	
% change: over previous month	-1.3%	0.0%	-0.2%	0.8%																							
8. External Debt	4,327.4	4,839.8	4,308.3	4,912.2																						4,344.3	
% change: over previous month	-0.4%	-0.1%	-0.4%	1.5%																							
9. Internal F/C Debt	112.6	326.4	112.6	326.4																						176.3	
% change: over previous month	-36.1%	-1.1%	0.0%	0.0%																							
10. Bahamian Dollar Debt	5,742.8	5,870.6	5,736.7	5,886.9																						5,797.3	
% change: over previous month	-0.9%	0.1%	-0.1%	0.3%																							
11. Total Amortization	482.2	268.8	112.8	142.5																						102.0	
% change: over previous month	372.7%	-15.6%	-327.4%	-88.7%																						(0.0)	
12. Total Public Sector F/C Debt	4,952.3	5,645.3	4,933.2	5,717.7																						512.25	
% change: over previous month	-1.6%	-0.1%	-0.4%	1.3%																						5,032.8	
																									(Over previous year)		
<b>Real Sector Indicators</b>																									(Over previous year)		
13. Retail Price Index	113.93	119.39																								113.9	119.4
% change: over previous month	3.8%	4.8%																								3.85%	4.79%
14. Tourist arrivals (000's)	318.3	846.6																								318.3	846.6
% change: over previous year	1247.8%	165.9%																								1247.83%	165.94%
15. Air arrivals (000's)	74.1	132.5																								74.1	132.5
% change: over previous year	256.2%	78.9%																								256.2%	78.9%
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)																											
% change: over previous qtr.																											

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