



Monthly Economic and Financial Developments March 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: May 29, July 3, July 31, September 4, October 2, October 30, December 4, December 27



MARCH 2023 SUMMARY
MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

Overall Economic Activity

Indications are that the domestic economy continued to expand during 2023, although more moderated, as recovery from the adverse effects of the Novel Coronavirus (COVID-19) was closer to completion. Tourism output further strengthened, undergirded by increases in both the high value-added air segment and sea traffic, reflective of the relaxed COVID-19 restrictions and increased travel due to pent-up demand in key source markets.

Monetary Sector

Given foreign exchange inflow trends, monetary sector developments were marked by a moderation in the accumulation in banking sector liquidity, although the buildup in the deposit base exceeded the rise in the domestic credit. Meanwhile, the growth in external reserves slowed sharply during the review month, owing to net outflows through the public sector, as opposed to a significant year earlier uplift from Government's external borrowings.

International Economies

During the month of March, global economic performance was mixed, underpinned by the ongoing geopolitical tensions in Eastern Europe; although inflation pressures have started to ease. In this environment, the major central banks maintained their monetary policy tightening stances, in an effort to curb rising inflation and stimulate economic growth.



Monthly Economic and Financial Developments (MEFD)

March 2023

1. Domestic Economic Developments

Overview

During the month of March, indications are that the domestic economy continued to expand at a healthy pace, although with moderation evident, as the recovery converged closer to pre-COVID-19 pandemic levels. Tourism output remained buoyant, bolstered by increases in both the high value-added air traffic and sea passengers, as the demand for travel in key source markets was sustained. Monetary sector developments were marked by a moderation in the accumulation in banking sector liquidity, although the buildup in the deposit base exceeded the rise in the domestic credit. Similarly, the growth in external reserves slowed sharply during the review month, following a significant increase a year earlier, which had included proceeds from Government’s external borrowings.

Real Sector

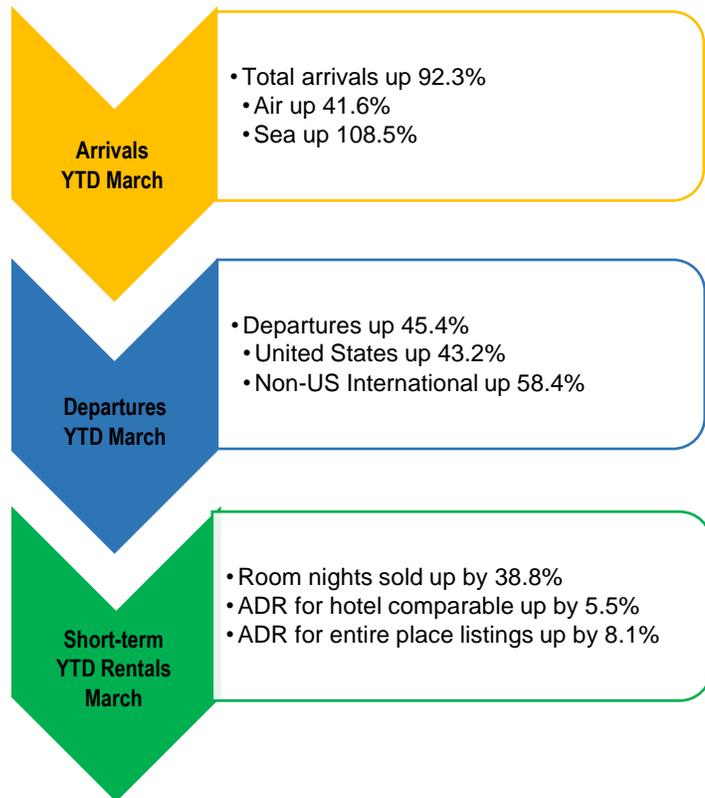
Tourism

Preliminary data showed the tourism sector at a robust pace in March, reflective of the relaxed COVID-19 conditions and persistent pent-up demand in key source markets.

Official data provided by the Ministry of Tourism (MOT) revealed that total passenger arrivals expanded to 1.0 million in March, from 0.6 million in the same period of 2022. Specifically, the dominant sea segment increased to 0.8 million, from 0.5 million visitors in the previous year. In addition, air traffic reached 0.2 million—representing 92.7% of the pre-pandemic high that was recorded in 2019.

Disaggregated by major ports of entry, total arrivals to New Providence increased to 0.5 million, from 0.3 million in the prior year. Underlying this outcome, the sea component strengthened to 0.3 million visitors, vis-à-vis 0.2 million in 2022, while the air segment steadied at 0.1 million visitors. Further, traffic to the Family Islands advanced to 0.4 million visitors, from 0.3 million in the prior year, as

Chart 1: Tourism Indicators at a Glance



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

Table 1: Total Visitor Arrivals January-March 2023

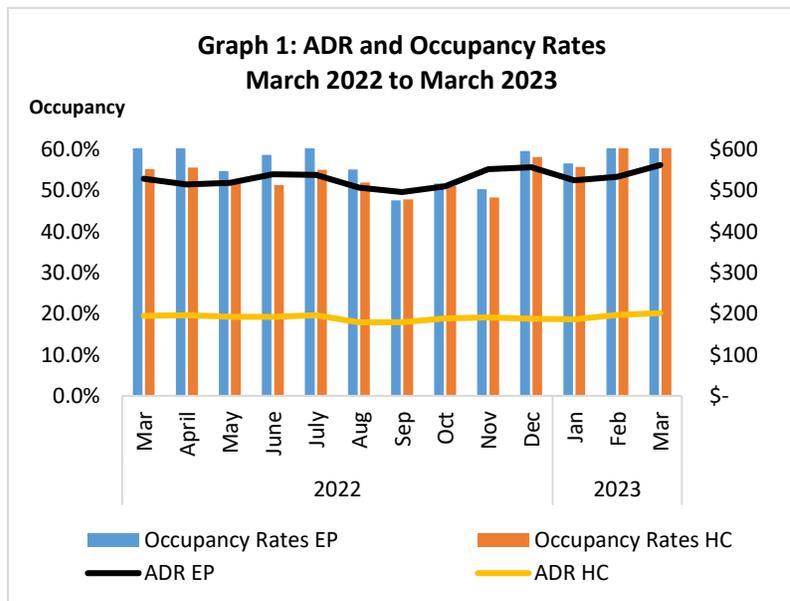
sea and air visitors rose to 0.4 million and 39,401, respectively. Similarly, foreign arrivals to Grand Bahama totalled 60,051, exceeding the 28,126 in the previous year, with the sea and air components at 54,091 and 5,960, respectively.

On a year-to-date basis, total arrivals rebounded to 2.6 million, compared to 1.4 million in the corresponding 2022 period. Contributing to this outcome, air arrivals grew to 0.5 million passengers, from 0.3 million in the prior year, with increases across all major source markets. Likewise, sea arrivals more than doubled to 2.1 million visitors, vis-à-vis 1.0 million in the previous year (see Table 1).

The most recent data provided by the Nassau Airport Development Company Limited (NAD) revealed that total departures—net of domestic passengers—grew by 27.5% to 149,980 in March, vis-à-vis the corresponding period last year. In particular, U.S. departures rose by 27.6% to 128,307, while non-U.S. departures advanced by 27.0% to 21,673, compared to the prior year. For the first quarter of 2023, outward-bound traffic moved higher by 45.4% to 400,064 passengers. Specifically, U.S. departures expanded by 43.2% to 337,249 visitors, relative to a year earlier. Likewise, non-U.S. departures rose by 58.4% to 62,815, vis-à-vis the previous year.

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2022	2023	2022	2023	2022	2023
Arrivals						
Air	284.4	42.3	211.9	100.9	103.3	32.6
Sea	13342.0	108.7	2116.8	199.0	7025.9	101.3
Total	889.7	84.1	1056.2	184.3	1365.8	93.5

Source: Ministry of Tourism



Source: AirDNA

As it relates to the vacation rental market, data provided by AirDNA cemented the positive trends in tourism output. Specifically, for the month of March, total room nights sold rose to 195,231 from 142,289 in 2022. Consequently, the occupancy rates for both entire place and hotel comparable listings firmed to 69.8% and 65.1%, respectively, relative to 61.0% and 55.2% 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 listings increased by 6.3% to \$561.95 and for hotel comparable listings, by 3.3% to \$201.18.

2. Monetary Trends

March 2023 vs. 2022

Liquidity

During the month of March, the growth in banking sector liquidity moderated, but still featured a buildup in the deposit base, which outpaced the rise in domestic credit. Specifically, excess reserves—a narrow measure of liquidity—grew by \$16.3 million to \$2,009.7 million, a slowdown from the \$179.1 million accretion in the preceding year. Likewise, excess liquid assets—a broad measure of liquidity—increased by \$13.4 million to \$2,869.1 million, lower than the prior year’s accumulation of \$174.4 million.

Similarly, during the first quarter, the expansion in excess liquid assets tapered to \$96.4 million from \$248.4 million in the previous year. Further, excess reserves rose by \$81.6 million, relative to a \$265.9 million buildup a year earlier.

External Reserves

In March, external reserves grew by \$4.1 million to \$2,671.5 million, notably lower than the prior year’s growth of \$513.0 million, which had included proceeds from Government’s external borrowings. In particular, the Central Bank’s foreign exchange transactions with the public sector switched to a net sale of \$93.2 million from a debt financing related net purchase of \$419.0 million in 2022. Providing some offset, the Bank’s net purchases from commercial banks almost stabilized at \$95.3 million. Meanwhile, commercial banks net intake from their customers slowed to \$93.0 million from \$108.1 million a year earlier.

For the first quarter of 2023, the growth in external reserves moderated to \$76.9 million, from \$514.8 million in 2022. The Central Bank’s transactions with the public sector reversed to a net sale of \$55.4 million, vis-à-vis a net purchase of \$310.4 million in the preceding year. In addition, the Bank’s net purchases from commercial banks tapered to \$128.9 million from \$212.5 million in the prior year. In tandem, commercial banks’ net intake from their customers moderated to \$124.5 million from \$266.0 million last year.

Exchange Control Sales

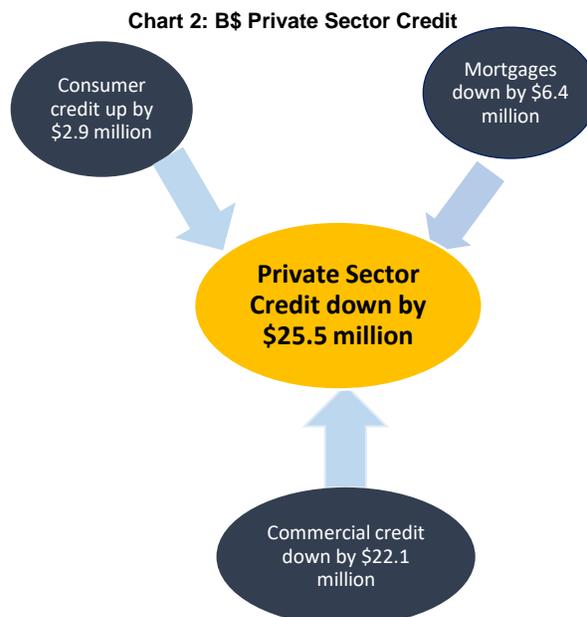
Provisional data on foreign currency sales for current account transactions showed that monthly outflows increased by \$3.1 million to \$539.4 million, relative to the comparative period in 2022. Leading this outturn, payments for “other” current items—primarily credit and debit card transactions—grew by \$28.4 million. Further, outflows for travel related transactions rose by \$3.2 million. In contrast, factor income remittances declined by \$11.6 million, while outflows for oil imports fell by \$11.5 million. Further, outflows for non-oil imports decreased by \$3.2 million, and for transfer payments, by \$2.2 million.

During the first three months of the year, foreign currency sales for current account transactions increased by \$234.1 million to \$1,775.5 million compared to the same period in 2022. Specifically, gains were posted for “other” current items (\$150.2 million), non-oil imports (\$62.8 million), oil imports (\$18.0 million), travel (\$10.5 million) and transfer payments (\$0.5 million). Conversely, factor income remittances declined by \$7.9 million, compared to the same period last year.

Domestic Credit

Bahamian Dollar Credit

Total Bahamian dollar credit grew by \$15.2 million during the review month, a reversal of the \$213.5 million reduction recorded in 2022. In particular, net claims on the Government expanded by \$42.9 million, after a \$195.6 million contraction in 2022. Further, the reduction in private sector credit widened to \$25.5 million from a \$17.8 million retrenchment in the preceding year. Specifically, the decline in commercial credit extended to \$22.1 million from \$4.2 million; whereas the falloff in mortgages moderated slightly to \$6.4 million, and consumer credit rose by \$2.9 million, as opposed to a \$6.6 million decrease in 2022. Meanwhile, credit to public corporations fell further by \$2.2 million, vis-à-vis \$0.2 million in the previous year.



Source: Central Bank of The Bahamas

During the first quarter, the contraction in total Bahamian dollar credit slowed to \$78.4 million from \$135.8 million in 2022. In particular, the decrease in net claims on the Government moderated to \$69.7 million from \$102.6 million a year earlier. Further, the reduction in private sector credit tapered to \$6.9 million, from \$32.4 million in the year prior. Commercial credit and other loans rose by \$17.2 million, after an approximately flat outturn in 2022, while the retrenchment in consumer credit slackened to \$7.9 million from \$42.2 million in the previous year. However, mortgages contracted by \$16.1 million, contrasting with a \$10.0 million growth in the prior year. Meanwhile, the decline in credit to public corporations deepened to \$1.8 million from \$0.9 million in the preceding year.

Foreign Currency Credit

During the March, domestic foreign currency credit reduction more than doubled to \$4.7 million. In particular, the decline in net claims on the Government reached \$3.6 million, vis-à-vis \$0.9 million a year earlier. Meanwhile, the decrease in private sector credit moderated to \$0.4 million, from \$1.1 million in the prior year, as mortgages grew at a faster pace of \$3.3 million, but commercial claims reduced at an extended rate of \$3.7 million. Credit to the rest of the public sector fell slightly.

Over the quarter, the contraction in domestic foreign currency credit tapered to \$12.6 million from \$77.3 million in the preceding year. Of note, the reduction in net claims on the Government slowed to \$8.1 million, from \$64.4 million. Likewise, the decrease in private sector credit moderated to \$3.8 million from \$12.9 million, as mortgages rose by \$0.7 million, following a \$7.6 million falloff in the previous year; while commercial credit reduced at a slightly slower pace of \$4.5 million. However, credit to the rest of the public sector reduced by \$0.8 million, after a flat outturn in the prior year.

Credit Quality

Commercial banks' credit quality indicators eased-off during March, underpinned by a rise in both short and long-term arrears. In particular, total private sector arrears grew by \$47.7 million (8.8%) to \$588.9 million, with the accompanying ratio expanding by 92 basis point to 11.0% of total private sector claims.

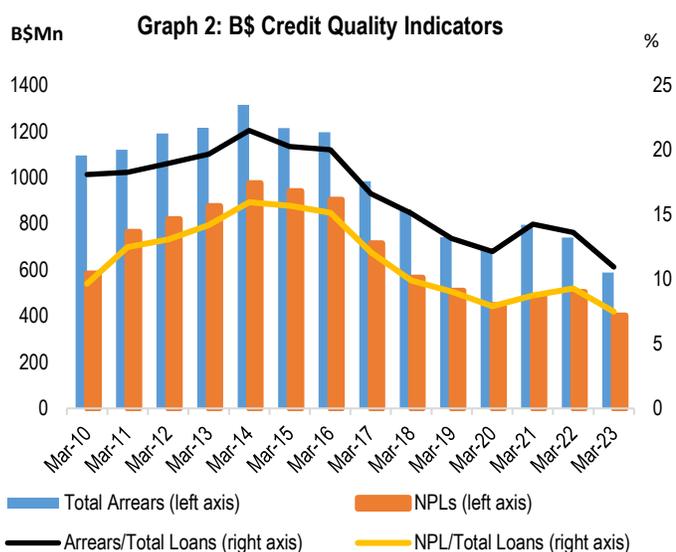
An analysis by average age of delinquency showed that short-term arrears (31-90 days) increased by \$42.0 million (29.2%) to \$186.2 million, resulting in the relevant ratio firming by 79 basis points to 3.5% of total private sector loans. Similarly, non-performing loans (NPLs) rose by \$5.7 million to \$402.8 million, with the corresponding ratio moving higher by 13 basis points to 7.5%—with increases in the NPL rates for mortgages, by 29 basis points to 9.9% and commercial loans, by 13 basis points to 4.7%; meanwhile, the NPL rate for consumer loans decreased by 11 basis points to 5.8%.

A disaggregation by loan type revealed that mortgage delinquencies increased by \$40.9 million (12.6%) to \$365.0 million, as the short term component grew by \$33.6 million (39.5%) and the non-accrual segment, by \$7.4 million (3.1%). Likewise, commercial loan arrears rose by \$3.9 million (7.3%) to \$56.9 million, owing to a rise in short-term arrears by \$3.9 million (40.0%), which outstripped the \$0.1 million (0.1%) decrease in long-term arrears. Consumer loan delinquencies also moved higher, by \$2.9 million (1.8%) to \$167.0 million, given a \$4.6 million (9.2%) rise in the short-term segment, which exceeded the \$1.7 million (1.5%) decline in the non-accruals component.

Meanwhile, banks reduced their total provisions by \$13.6 million (3.6%) to \$367.7 million in March. As a result, the ratio of total provisions to arrears moved lower by 8.0 percentage points to 62.4%. Further, the ratio of total provisions for NPLs decreased by 4.7 percentage points to 91.3%. During the review month, banks also wrote-off an estimated \$5.5 million in overdue loans and recovered approximately \$5.4 million.

In comparison to March 2022, the total private sector arrears rate declined by 2.7 percentage points. Specifically, the short-term segment decreased by 0.9 percentage points, while the non-accrual component fell by 1.8 percentage points. Further, by loan type, the arrears rate on consumer loans moved lower by 3.5 percentage points; commercial credit, by 2.5 percentage points; and mortgages, by 2.0 percentage points.

On a year-to-date basis, total private sector arrears decreased by \$21.3 million (3.5%), lowering the corresponding ratio by 41 basis points. This reflected a \$12.2 million (2.9%) decline in NPLs, with the associated ratio narrowing by 24 basis points. Similarly, the short-term component reduced by \$9.0 million (4.6%), resulting in the corresponding ratio decreasing by 17 basis points.



Source: Central Bank of The Bahamas

An analysis by loan type revealed that mortgage arrears fell by \$16.6 million (4.3%), as both the long and short-term segments declined by \$9.6 million (3.7%) and by \$7.0 million (5.6%), respectively. Likewise, consumer delinquencies moved lower by \$6.5 million (3.7%), corresponding with a \$6.0 million (10.0%) reduction in short-term balances and a \$0.5 million (0.4%) falloff in long-term arrears. Conversely, commercial arrears rose by \$1.8 million (3.2%), as the short-term segment increased by \$4.0 million (40.6%), overshadowing the reduction in the non-performing balance, by \$2.2 million (4.8%).

Over the three-month period, commercial banks' total provisions for loan losses contracted by \$18.9 million (4.9%). Accordingly, the ratio of total provisions to NPLs, narrowed by 1.9 percentage points and the ratio of total provisions to arrears, by 0.9 percentage points. For the review quarter, banks wrote-off approximately \$15.3 million in overdue loans and recovered an estimated \$12.2 million.

Deposits

During the review month, the growth in total Bahamian dollar deposits moderated to \$39.1 million, from \$175.3 million in the corresponding period in 2022. In terms of the components, demand deposits contracted by \$36.7 million, a switch from a \$118.5 million buildup a year earlier. In contrast, savings balances rose by \$52.0 million, surpassing the \$43.7 million accumulation in the prior year. Further, the rise in fixed deposits strengthened to \$23.7 million from \$13.1 million in the preceding year. Meanwhile, residents' foreign currency deposits reduced by \$44.9 million, a reversal from a \$29.8 million increase in the previous year.

Similarly, on a year-to-date basis, the expansion in total Bahamian dollar deposits slowed to \$42.4 million from \$298.1 million in the prior year. Underlying this outturn, demand balances reduced by \$30.7 million, a shift from a \$254.4 million growth in the previous year. In an offset, the increase in savings deposits accelerated to \$67.9 million from \$62.7 million a year earlier. Further, fixed deposits rose by \$5.2 million, a turnaround from a \$19.1 million decrease in the preceding year. Meanwhile, the buildup in foreign currency deposits of residents slowed to \$33.6 million from \$41.8 million in 2022.

Interest Rates

In interest rate developments, the weighted average loan rate rose by 39 basis points to 11.23%. In contrast, the weighted average deposit rate fell by 9 basis points to 0.52%, 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 healthy growth momentum in 2023, buoyed by ongoing gains in the tourism sector. However, the pace of economic recovery is expected to moderate, as indicators return to pre-pandemic levels. While, tourism sector output maintains buoyancy, downside risks persists, including further mutations of the COVID-19 virus, which could disrupt travel sector activity. In addition, elevated global oil prices could reduce competition in the travel sector, while major central banks' counter-inflation policies could constrain the spending capacity of travelers from key source markets. Nonetheless, new and ongoing foreign investment-led projects are anticipated to provide stimulus to the construction sector, which will contribute to economic growth.

In the labour market, the unemployment rate is expected to remain above pre-pandemic levels, although additional job gains are projected for the construction and tourism sectors. In price developments, inflation is

predicted to stay elevated in the near-term, reflective of higher international energy prices, increased costs for other imported goods and supply chain shortages, related to geopolitical tensions in Eastern Europe.

On the fiscal front, although consolidating, the Government's net financing gap is projected to stay high. Specifically, the Government's fiscal position is anticipated to remain impacted by ongoing disbursements for health and social welfare associated with COVID-19, alongside spending on public infrastructure. The recovery in revenue is expected to remain significantly correlated with tourism-led improvement in taxable economic activities. Further, the estimated budgetary gap is projected to require both domestic and external borrowings, but with an increasing proportion of the total funding sustainable from domestic sources.

Monetary sector developments will include high levels of liquidity in the banking sector, as commercial banks maintain their conservative lending stance. Further, external reserves are forecasted to remain buoyant in 2023, remaining above international benchmarks, bolstered by expected foreign currency inflows from tourism, and other net private sector receipts. As a result, external balances should remain more than sufficient to sustain the Bahamian dollar currency peg.

4. Monetary Policy and Financial Stability Implications

Based on the prevailing outlook, the Central Bank will maintain its accommodative policy stance for private sector credit and 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

During the month of March, global economic performance was mixed, underpinned by the ongoing geopolitical tensions in Eastern Europe; although inflationary pressures have started to ease. In this environment, the major central banks maintained their monetary policy tightening stances, in an effort to curb rising inflation and stimulate economic growth.

In the United States, economic indicators varied during the review month. In particular, industrial production rose by 20 basis points to 0.4% in March, relative to the previous month, attributed largely to increases in utility output. Meanwhile, the reduction in retail sales extended to 1.0% during the review period, from 0.4% a month earlier, owing to contractions in sales of general merchandise, building materials & garden equipment, electronics & appliances, motor vehicle dealers and furniture. In terms of the labour market, the jobless rate fell by 10 basis points to 3.5% in March, as total non-farm payroll employment grew by 236,000, due to job gains primarily in leisure & hospitality, Government, professional & business services, and health care. Further, the rise in average consumer prices slowed to 0.1%, from 0.4% in February, reflective of a decline in energy prices. In the external sector, the trade deficit expanded by \$1.9 billion (2.7%) to \$70.5 billion in February, as the 2.7% decline in exports, outpaced the 1.5% reduction in imports. In this environment, the Federal Reserve increased the target range for the Federal funds rate to 4.75% -5.00% from 4.50%-4.75% a month prior, in an attempt to curtail rising inflation.

Developments in the European economies remained subdued over the review month. In the United Kingdom, real GDP registered a flat outturn in February, after a 0.4% increase a month earlier, attributed to a decline in the services sector. Examining the components, the growth in retail sales accelerated to 1.2% in February, from 0.3% in January, due to a rise in non-food stores sales, while industrial production fell by 0.2% in February, slightly lower than the 0.3% downturn in the month prior, underpinned by decreases in electricity & gas and the water supply & sewerage sectors. In terms of labour market conditions, the jobless rate grew by 10 basis points in the three months to February, to 3.8%. In March, consumer prices rose to 0.8%, but was lower than the 1.1% increase in the previous month, owing to higher costs of motor fuels and housing & household services. In the external sector, the trade deficit widened by £1.3 billion (62.0%) to £4.8 billion in February, as the 2.7% reduction in exports, outstripped the 0.8% decline in imports. In the euro area, industrial production rose by 1.5% in February, extending the 0.7% increase in the prior month, driven by gains in the production of capital goods, non-durable consumer goods, intermediate goods and energy. However, the volume of retail sales fell by 0.8%, overturning January's 0.3% uptick, on account of a falloff in sales of automotive fuels, non-food products, food, drinks and tobacco. With respect to prices, the annual inflation rate fell to its lowest level in twelve months, at 6.9% in March, supported by declines in energy costs. Further, in the labour market, the jobless rate narrowed by 10 basis points to 6.6% in February. On the external front, the trade deficit in the euro area moderated to €0.1 billion in February, from €11.3 billion a month earlier, owing to a 1.2% rise in exports, combined with a 3.4% decrease in imports. Given these developments, the Bank of England increased its policy rate in March to 4.25% from 4.00% in the preceding month. The European Central Bank also raised its interest rates on its main refinancing operations, marginal lending facility and deposit facility to 3.50%, 3.75% and 3.00%, from 3.00%, 3.25% and 2.50%, respectively.

In the Asian economies, economic indicators were mostly positive during the review period. The Chinese economy expanded by 2.2% in the first quarter of the year, following a GDP growth of 0.6% in the final quarter of 2022. Retail sales were higher by 10.6% in March, vis-à-vis an increase of 3.5% in the prior month, while industrial production edged up by 0.1%, led by accretions in the mining and manufacturing industries. In addition, the unemployment rate fell by 30 basis points to 5.3% in March, a seven-month low, from 5.6% in the previous month. In price developments, the annual consumer price index decreased by 0.3% in March, from the prior month, on account of a falloff in the price of food, tobacco and alcohol. China's trade surplus doubled to \$88.2 billion in March, from \$44.4 billion in the comparative period of 2022, as exports moved higher by 14.8%, while imports declined by 1.4%. In Japan, retail sales grew by 6.6% in February, from 6.3% in the previous month, supported by increases in the sales of motor vehicles, general merchandise, fabric apparel & accessories and medicine & toiletry stores. Likewise, industrial production rose by 4.6% in February, compared to the prior month. Meanwhile, the unemployment rate edged up by 10 basis points to 2.6% in February, while the annual inflation rate declined by 1.0 percentage point to 3.3%, from a month earlier, as the costs for fuel, light, water charges, electricity and gas fell. On the external front, Japan's trade deficit reduced to ¥754.7 billion in March, from ¥1,294.8 billion in the corresponding period of 2022, as the 4.3% expansion in exports, offset the 7.3% growth in imports. In this environment, the People's Bank of China kept its reverse repo rate at 2.0% and the Bank of Japan maintained its policy rate at -0.1%.

The major equity markets reported mainly positive movements during the month of March. In the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) firmed by 3.5% and by 1.9%, respectively. Further, in Europe, the German DAX and France's CAC 40 grew by 1.7% and by 0.8%, respectively. However, the United Kingdom's FTSE 100 fell by 3.1%. In the Asian market, Japan's Nikkei 225 recorded growth of 2.2%, while China's SE Composite declined by 0.2%.

In foreign exchange market developments, the US dollar depreciated relative to all of the major currencies in March. Specifically, the US dollar weakened against the Swiss Franc, by 2.9% to CHF0.9153, the British Pound, by 2.6% to £0.8106 and the euro, by 2.4% to €0.9226. Similarly, the US dollar decreased against the Japanese Yen, by 2.4% to ¥132.86, the Canadian dollar, by 1.0% to CAD\$1.3516 and the Chinese Renminbi, by 0.9% to CNY6.8736.

Commodity markets revealed mixed outcomes 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 declined by 86,000 barrels per day, to an average 28.8 million barrels per day in March. Conversely, the price of silver grew by 15.2% to \$24.10 per troy ounce and the cost of gold, by 7.8% to \$1,969.28 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

March					
Value		Change		Change YTD	
2022	2023	2022	2023	2022	2023

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,806.20	2,009.73	179.06	16.29	265.90	81.61
1.2 Excess Liquid Assets	2,687.28	2,869.16	174.38	13.44	248.43	96.39
1.3 External Reserves	2,974.00	2,671.54	512.97	4.10	514.84	76.87
1.4 Bank's Net Foreign Assets	81.07	13.21	29.43	-39.84	113.40	25.52
1.5 Usable Reserves	1,581.14	1,203.93	343.90	13.68	315.78	52.93

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,543.05	5,518.34	-18.91	-25.91	-45.28	-10.65
a. B\$ Credit	5,428.56	5,326.09	-17.80	-25.53	-32.35	-6.90
of which: Consumer Credit	1,960.35	1,895.67	-6.57	2.92	-42.17	-7.94
Mortgages	2,731.53	2,691.25	-7.02	-6.37	9.99	-16.14
Commercial and Other Loans B\$	736.69	739.17	-4.21	-22.08	-0.17	17.18
b. F/C Credit	114.48	192.25	-1.10	-0.38	-12.92	-3.76
of which: Mortgages	61.46	92.60	0.26	3.28	-7.56	0.69
Commercial and Other Loans F/C	53.02	99.64	-1.36	-3.66	-5.36	-4.45
2.2 Central Government (net)	2,778.41	3,127.82	-196.50	39.30	-166.97	-77.88
a. B\$ Loans & Securities	3,069.28	3,119.96	-88.27	10.15	-83.04	-63.96
Less Deposits	392.71	312.18	107.28	-32.73	19.58	5.78
b. F/C Loans & Securities	108.36	330.54	2.03	0.00	-61.60	-2.82
Less Deposits	6.53	10.51	2.97	3.58	2.75	5.32
2.3 Rest of Public Sector	315.75	346.15	-0.18	-2.94	-0.86	-2.50
a. B\$ Credit	285.75	317.65	-0.18	-2.19	-0.86	-1.75
b. F/C Credit	30.00	28.50	0.00	-0.75	0.00	-0.75
2.4 Total Domestic Credit	8,637.21	8,992.31	-215.58	10.45	-213.11	-91.04
a. B\$ Domestic Credit	8,390.89	8,451.53	-213.53	15.16	-135.83	-78.39
b. F/C Domestic Credit	246.32	540.78	-2.05	-4.71	-77.28	-12.64

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,637.00	3,843.65	118.47	-36.65	254.42	-30.69
a. Central Bank	99.29	85.20	56.85	-0.42	37.92	-7.98
b. Banks	3,537.72	3,758.45	61.63	-36.23	216.50	-22.70
3.2 Savings Deposits	1,943.49	2,170.93	43.71	51.99	62.68	67.86
3.3 Fixed Deposits	2,159.13	2,079.74	13.06	23.71	-19.05	5.22
3.4 Total B\$ Deposits	7,739.62	8,094.32	175.25	39.05	298.05	42.39
3.5 F/C Deposits of Residents	483.64	501.75	29.82	-44.87	41.80	33.64
3.6 M2	8,125.41	8,508.95	178.68	39.83	294.61	17.41
3.7 External Reserves/M2 (%)	36.60	31.40	5.63	-0.10	5.20	0.84
3.8 External Reserves/Base Money (%)	118.48	97.07	12.75	-0.01	4.54	1.15
3.9 External Reserves/Demand Liabilities (%)	106.76	91.02	6.21	0.73	3.76	1.15
	Value		Year To Date		Change	
	2022	2023	2022	2023	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	512.17	2.08	522.92	73.52	-510.09	-449.41
a. Net Purchase/(Sale) from/to Banks	93.18	95.29	212.49	128.94	2.11	-83.55
i. Sales to Banks	23.70	29.60	101.90	159.17	5.90	57.27
ii. Purchase from Banks	116.88	124.89	314.39	288.11	8.01	-26.28
b. Net Purchase/(Sale) from/to Others	418.99	-93.21	310.43	-55.43	-512.20	-365.86
i. Sales to Others	76.73	160.67	288.76	336.61	83.94	47.85
ii. Purchase from Others	495.72	67.46	599.19	281.19	-428.26	-318.01
4.2 Banks Net Purchase/(Sale)	108.12	92.96	266.01	124.54	-15.15	-141.47
a. Sales to Customers	512.83	540.02	1486.49	1788.50	27.19	302.01
b. Purchase from Customers	620.95	632.99	1752.50	1913.05	12.04	160.55

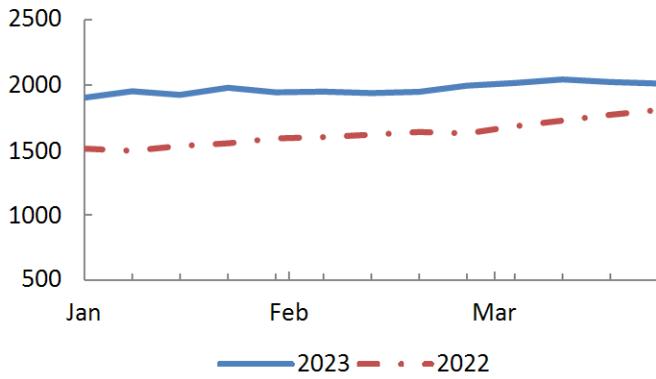
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	536.22	539.36	1,541.48	1,775.54	3.14	234.06
of which Public Sector	68.50	65.22	177.46	204.65	-3.28	27.19
a. Nonoil Imports	162.34	159.11	449.93	512.72	-3.23	62.79
b. Oil Imports	59.79	48.26	166.09	184.05	-11.52	17.96
c. Travel	9.76	12.99	33.35	43.87	3.23	10.52
d. Factor Income	28.00	16.38	98.51	90.60	-11.62	-7.91
e. Transfers	14.87	12.71	44.58	45.08	-2.15	0.50
f. Other Current Items	261.47	289.91	749.02	899.22	28.44	150.20
5.2 Capital Items	32.33	125.96	182.90	256.44	93.63	73.54
of which Public Sector	7.40	99.80	116.93	143.71	92.40	26.79

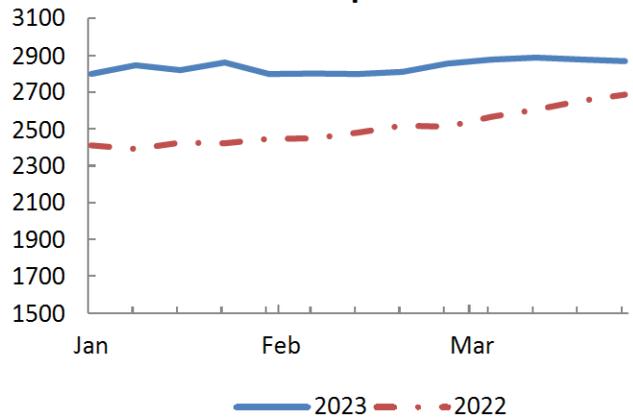
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

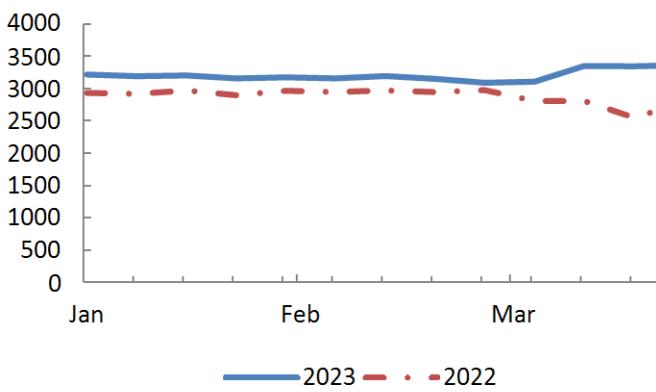
Excess Reserves



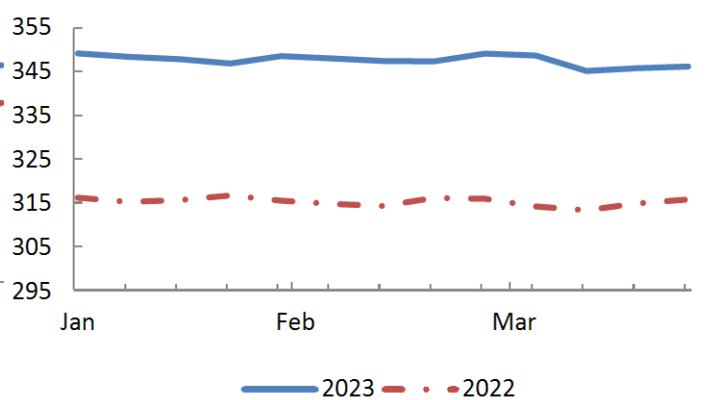
Excess Liquid Assets



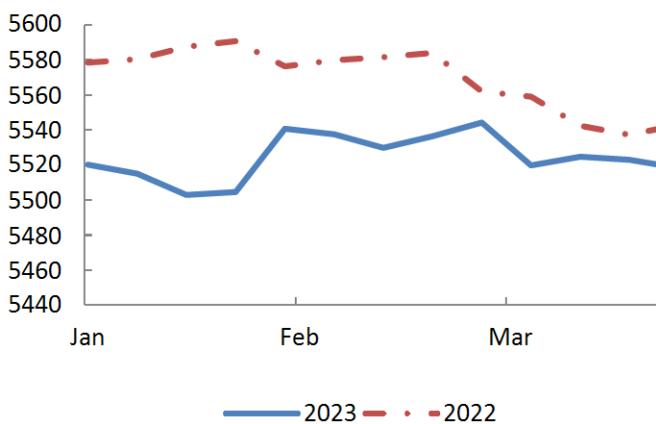
Central Govt. Credit (Net)



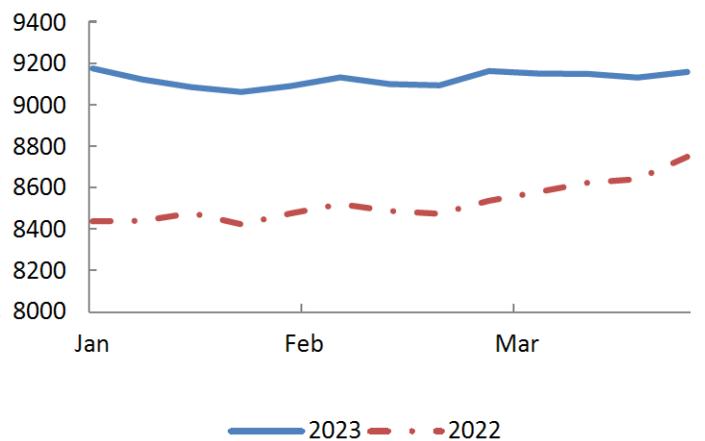
Rest of Public Sector Credit



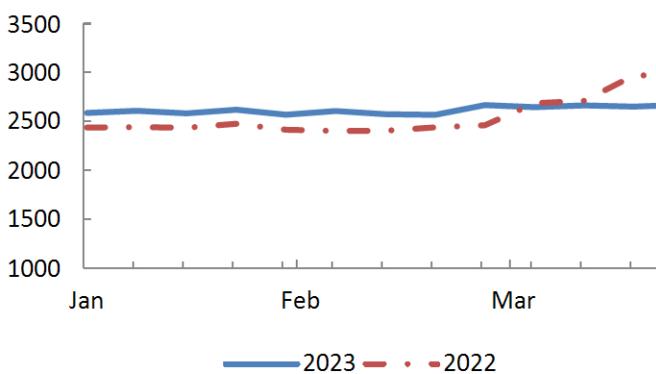
Private Sector Credit



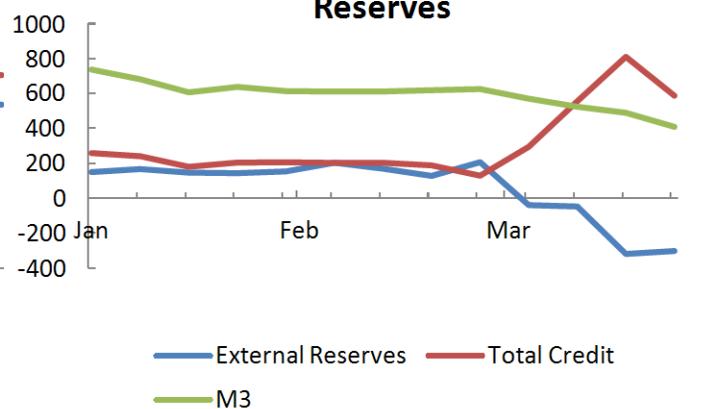
M3



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
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
March 2023	4.00	3.50	5.00	4.75-5.00	4.25

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Mar-22	Feb-23	Mar-23	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.90359	0.9455	0.9226	-2.43	-13.82	2.10
Yen	121.70	136.17	132.86	-2.43	1.33	9.17
Pound	0.7612	0.8318	0.8106	-2.55	-12.32	6.49
Canadian \$	1.2505	1.3647	1.3516	-0.96	-0.28	8.08
Swiss Franc	0.9225	0.9422	0.9153	-2.86	-1.00	-0.78
Renminbi	6.3400	6.9356	6.8736	-0.89	-0.36	8.42

Source: Bloomberg as of 31st March 2023

D. Selected Commodity Prices (\$)					
Commodity	Mar-22	Feb-23	Mar-23	Mthly % Change	YTD % Change
Gold / Ounce	1937.44	1826.92	1969.28	7.79235	7.963728
Silver / Ounce	24.793	20.9114	24.099	15.24336	100.603227
Oil / Barrel	100.85	84.51	83.89	-0.73364	1.907191

Source: Bloomberg as of 31st March 2023

E. Equity Market Valuations – March 31st, 2023 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-7.87	1.89	3.51	-3.10	0.75	1.72	2.17	-0.20
3 month	-9.36	0.38	7.03	2.42	13.11	12.25	7.46	5.94
YTD	-9.36	0.38	7.03	2.42	13.11	12.25	7.46	5.94
12-month	7.50	-4.05	-9.29	1.54	9.95	8.42	0.79	0.64

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	4.8009	4.2100	2.9200
1 Month	5.0300	4.2600	2.9850
3 Month	4.9221	4.5550	3.1500
6 Month	5.2450	4.7400	3.4450
9 Month	5.3700	4.9100	3.4700
1 year	5.4000	4.9900	3.7100

Source: Bloomberg as of 31st March 2023

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

	VALUE									CHANGE								
	Feb. 01	Feb. 08	Feb. 15	Feb. 22	Mar. 01	Mar. 08	Mar. 15	Mar. 22	Mar. 29	Feb. 01	Feb. 08	Feb. 15	Feb. 22	Mar. 01	Mar. 08	Mar. 15	Mar. 22	Mar. 29
I. External Reserves	2,568.82	2,606.67	2,574.15	2,567.59	2,667.44	2,646.53	2,663.94	2,651.61	2,671.54	(51.01)	37.85	(32.52)	(6.56)	99.85	(20.91)	17.41	(12.32)	19.93
II. Net Domestic Assets (A + B + C + D)	122.43	81.54	98.32	118.69	80.27	111.88	100.76	102.58	80.58	9.45	(40.88)	16.78	20.37	(38.43)	31.61	(11.12)	1.82	(22.00)
A. Net Credit to Gov't (I + ii + iii -iv)	823.13	793.65	810.91	804.76	781.25	821.77	816.41	798.91	799.78	21.84	(29.47)	17.26	(6.15)	(23.51)	40.51	(5.36)	(17.50)	0.86
i) Advances	582.98	582.98	582.98	582.98	582.98	582.98	582.98	580.48	580.48	-	-	-	-	-	-	-	(2.50)	-
ii) Registered Stock	296.13	300.83	298.95	299.04	311.32	311.38	312.24	305.53	305.68	(0.07)	4.70	(1.88)	0.09	12.28	0.06	0.86	(6.71)	0.14
iii) Treasury Bills	11.68	11.68	11.54	4.71	2.74	2.74	2.74	1.26	1.26	-	-	(0.14)	(6.83)	(1.97)	(0.00)	-	(1.48)	0.00
iv) Deposits	67.67	101.84	82.55	81.97	115.79	75.33	81.55	88.36	87.64	(21.92)	34.17	(19.28)	(0.59)	33.82	(40.46)	6.22	6.81	(0.72)
B. Rest of Public sector (Net) (i+ii-iii)	(86.31)	(97.86)	(76.78)	(66.79)	(78.87)	(88.45)	(95.37)	(72.40)	(78.45)	(1.92)	(11.56)	21.08	9.99	(12.08)	(9.58)	(6.92)	22.97	(6.05)
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	93.06	104.61	83.53	73.54	85.62	95.20	102.12	79.15	85.20	1.92	11.56	(21.08)	(9.99)	12.08	9.58	6.92	(22.97)	6.05
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-								
D. Other Items (Net)*	(614.39)	(614.24)	(635.81)	(619.28)	(622.11)	(621.44)	(620.28)	(623.93)	(640.75)	(10.47)	0.15	(21.57)	16.53	(2.84)	0.67	1.16	(3.66)	(16.82)
III. Monetary Base	2,691.25	2,688.22	2,672.47	2,686.29	2,747.71	2,758.41	2,764.70	2,754.20	2,752.12	(41.55)	(3.03)	(15.75)	13.81	61.42	10.70	6.29	(10.50)	(2.08)
A. Currency in Circulation	557.10	555.51	545.88	545.01	553.51	554.88	547.10	550.74	551.39	14.48	(1.59)	(9.63)	(0.87)	8.50	1.38	(7.78)	3.64	0.66
B. Bank Balances with CBOB	2,134.15	2,132.71	2,126.59	2,141.28	2,194.20	2,203.52	2,217.60	2,203.46	2,200.73	(56.03)	(1.44)	(6.12)	14.69	52.92	9.32	14.08	(14.14)	(2.73)

FISCAL/REAL SECTOR INDICATORS

(BS MILLIONS)

(% change represents current period from previous period)

Fiscal Operations ^p	
1. Government Revenue & Grants	
% change: over previous quarter	
2. Value Added Tax	
% change: over previous quarter	
3. Import/Excise/Export Duties	
% change: over previous quarter	
4. Recurrent Expenditure	
% change: over previous quarter	
5. Capital Expenditure	
% change: over previous quarter	
6. Deficit/Surplus*	
% change: over previous quarter	

		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
		596.4	654.7	537.3	603.6					1,133.7	1,258.3
		-12.0%	-14.3%	-9.9%	-7.8%					2.9%	11.0%
		295.4	331.0	249.2	267.8					544.5	598.77
		9.4%	10.1%	-15.6%	-19.1%					5.7%	10.0%
		89.2	61.6	68.6	62.9					157.8	124.5
		-32.0%	-9.3%	-23.2%	2.2%					-42.3%	-21.1%
		668.5	621.3	642.9	795.3					1,311.3	1,416.6
		-28.3%	-39.2%	-3.8%	28.0%					11.2%	8.0%
		64.3	55.3	39.4	62.4					103.7	117.7
		-68.3%	-55.3%	-38.8%	12.8%					-11.2%	13.5%
		-136.37	-21.93	-144.90	-254.07					-281.27	-276.00
		-70.1%	-94.2%	6.3%	1058.3%					44.9%	-1.9%

Debt ^{p **}	
7. Total Direct Debt	
% change: over previous month	
8. External Debt	
% change: over previous month	
9. Internal F/C Debt	
% change: over previous month	
10. Bahamian Dollar Debt	
% change: over previous month	
11. Total Amortization	
% change: over previous month	
12. Total Public Sector F/C Debt	
% change: over previous month	

JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
10,182.8	11,040.3	10,157.6	11,125.5	10,532.4	11,104.9																		
-1.3%	0.0%	-0.2%	0.8%	3.6%	-0.2%																		
4,327.4	4,839.8	4,308.3	4,912.2	4,732.8	4,846.6																		
-0.4%	-0.1%	-0.4%	1.5%	9.0%	-1.4%																		
112.6	329.9	112.6	326.5	112.6	329.3																		
-36.1%	0.0%	0.0%	-1.1%	0.0%	0.9%																		
5,742.8	5,870.6	5,736.7	5,886.9	5,686.9	5,929.0																		
-0.9%	0.1%	-0.1%	0.3%	-0.9%	0.7%																		
482.2	268.8	112.8	142.5	210.7	262.5																		
372.7%	-15.6%	-327.4%	-88.7%	-46.5%	45.7%																		
4,952.3	5,648.8	4,933.2	5,717.7	5,351.1	5,646.4																		
-1.6%	-0.1%	-0.4%	1.2%	7.8%	-1.3%																		

Real Sector Indicators	
13. Retail Price Index	
% change: over previous month	
14. Tourist arrivals (000's)	
% change: over previous year	
15. Air arrivals (000's)	
% change: over previous year	
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (BSMillions)	
% change: over previous qtr.	

JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
113.93	119.39																						
3.8%	4.8%																						
318.3	846.6	414.5	817.2																				
1247.8%	165.9%	1304.8%	97.1%																				
74.1	132.5	104.5	147.4																				
256.2%	78.9%	306.1%	41.1%																				

YEAR TO DATE	
2020/2021	2021/2022
(Over previous year)	
1,133.7	1,258.3
2.9%	11.0%
544.5	598.77
5.7%	10.0%
157.8	124.5
-42.3%	-21.1%
1,311.3	1,416.6
11.2%	8.0%
103.7	117.7
-11.2%	13.5%
-281.27	-276.00
44.9%	-1.9%

YEAR TO DATE	
2022	2023
(Over previous year)	
732.9	1,663.7
1279.45%	127.01%
178.5	279.9
283.8%	56.8%

* Includes Net Lending to Public Corporations

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

p - provisional