



## **Monthly Economic and Financial Developments August 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:** October 30, December 4, December 27



**AUGUST 2023 SUMMARY**  
**MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS**

***Overall Economic Activity***

Indications are that during the month of August, the domestic economy sustained its growth momentum, albeit at a moderated pace, as recovery from the COVID-19 pandemic neared completion and indicators returned closer to their expected medium-term trajectory. Tourism output remained buoyant, supported by ongoing gains in both the high value-added air segment and the sea component, on account of the persistent 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—rose during the twelve months to June, 2023, attributed to the pass-through effects of higher prices on imported oil and other goods.

***Monetary Sector***

Monetary sector developments were marked by a contraction in banking sector liquidity, as the expansion in domestic credit, contrasted with the reduction in the deposit base. Further, external reserves decreased during the review month, owing largely to an increase in net foreign currency outflows through the private sector.

***International Economies***

Global economic performance was lackluster during the month of August, as protracted geopolitical tensions in Eastern Europe and heightened inflation impacted developments. Against this backdrop, the major central banks retained their monetary policy tightening stances, in an attempt to curtail inflation and support economic growth.



# Monthly Economic and Financial Developments (MEFD)

## August 2023

### 1. Domestic Economic Developments

#### Overview

Indications are that during the month of August, the domestic economy maintained its growth momentum, albeit at a moderated pace, as the recovery from the COVID-19 pandemic neared completion and economic indicators returned closer their expected medium-term trajectory. Tourism output remained buoyant, supported by ongoing gains in both the high value-added air segment and the sea component, on account of the persistent demand for travel in key source markets. 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 June, 2023, attributed to the pass-through effects of higher prices on imported oil and other goods. Monetary trends for the month of August were marked by a contraction in banking sector liquidity, with the expansion in domestic credit, contrasting with the reduction in the deposit base. Further, external reserves decreased during the review month, owing largely to an increase in net foreign currency outflows through the private sector.

#### Real Sector

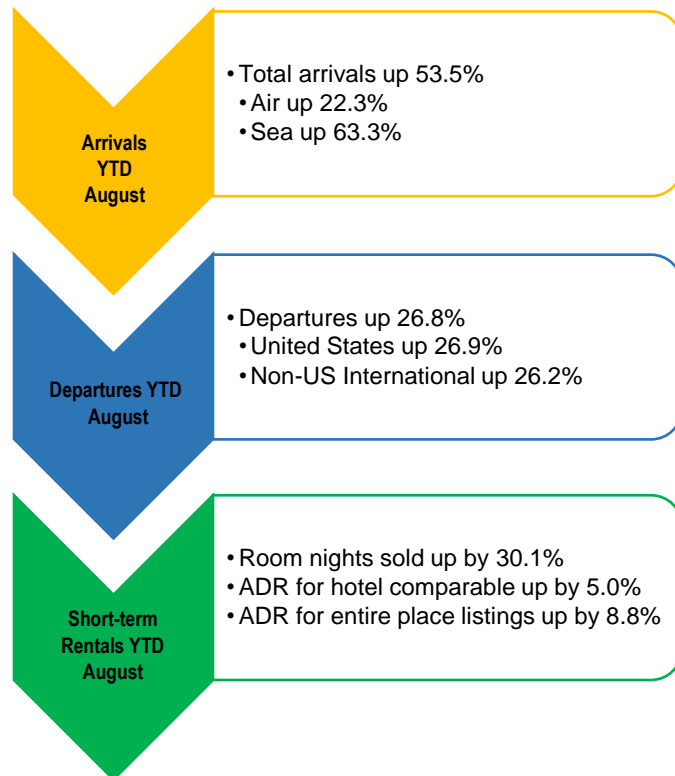
##### Tourism

Tourism sector output sustained its robust growth in monthly trends, reflective of healthy gains in both the high-value air component and sea traffic, as the demand for travel in key source markets persisted.

Official data provided by the Ministry of Tourism (MOT) revealed that total visitor arrivals expanded to 0.74 million in August, from 0.62 million in the corresponding period of 2022. Specifically, the dominant sea segment rose to 0.62 million, from 0.50 million passengers in the prior year. In addition, air traffic improved moderately to 0.13 million—representing 98.0% of the pre-pandemic high that was registered in 2019.

Disaggregated by major port of entry, total arrivals to New Providence amounted to 0.32 million visitors, the same magnitude as the previous year. Underlying this outcome, both sea and air traffic firmed to 0.22 million and 0.11

Chart 1: Tourism Indicators at a Glance



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

million, respectively. In addition, foreign arrivals to the Family Islands rose more than one-fourth to 0.37 million, as sea and air arrivals advanced to 0.35 million and 0.02 million, respectively. Further, arrivals to Grand Bahama amounted to 0.05 million, surpassing the 0.04 million recorded a year earlier, as respective sea and air passengers totalled 46,031 and 3,249.

On a year-to-date basis, total arrivals strengthened to 6.6 million visitors, vis-à-vis 4.3 million in the corresponding 2022 period. Contributing to this outcome, air arrivals increased to 1.3 million passengers, from 1.0 million in the previous year, reflecting gains in all major markets. Similarly, sea arrivals also accelerated to 5.4 million, from 3.3 million visitors in the preceding year (see Table 1).

The most recent data provided by the Nassau Airport Development Company Limited (NAD) indicated that total departures in August—net of domestic passengers—rose by 18.8% to 0.16 million, relative to the same period in 2022. Specifically, U.S. departures grew by 20.1% to 0.14 million, while non-U.S. departures increased by 9.3% to 0.02 million, vis-à-vis the comparative period last year. On a year-to-date basis, total

outbound traffic advanced by 26.8% to approximately 1.2 million passengers. In particular, U.S. departures expanded by 26.9% to almost 1.0 million visitors, compared to the corresponding period last year. Likewise, non-U.S. departures moved higher by 26.2% to 0.2 million visitors, relative to the same period a year earlier.

In the short-term vacation rental market, data provided by AirDNA also reflected positive trends during the month of August. Specifically, total room nights sold rose to 161,513 from 140,512 in the comparative 2022 period. Underlying this outturn, the occupancy rates for both entire place and hotel comparable listings firmed to 55.4% and 52.8%, respectively, compared to 55.1% and 51.9% 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 listings grew by 8.4% to \$549.65 and for hotel comparable listings, by 10.5% to \$197.71.

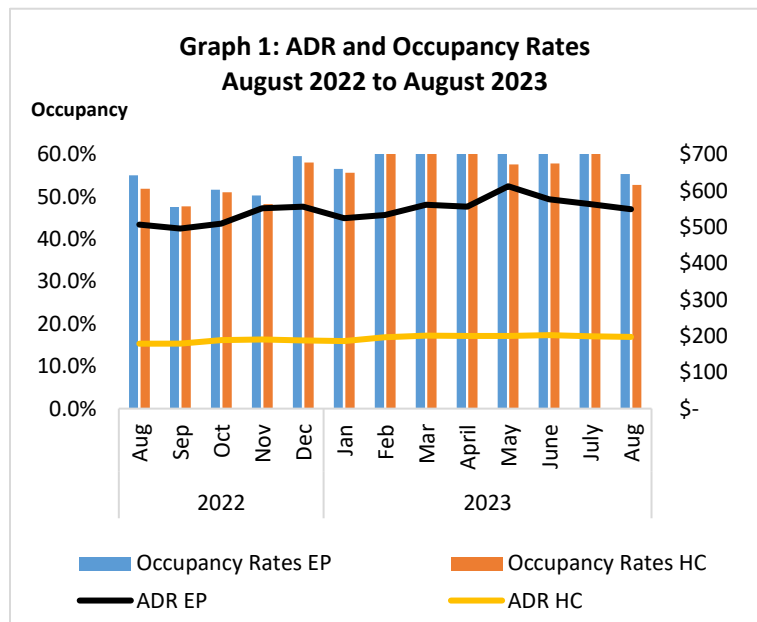
### Prices

Average domestic consumer price inflation—as measured by the All Bahamas Retail Price Index—rose to 5.2% during the twelve months to June, from 4.4% in the comparative 2022 period, explained by the pass-

**Table 1: Total Visitor Arrivals January – August 2023**

Arrivals	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2022	2023	2022	2023	2022	2023
Air	92.5	21.4	100.1	47.0	39.8	22.6
Sea	1,812.5	62.6	598.5	70.1	1,492.0	62.9
<b>Total</b>	<b>333.4</b>	<b>46.9</b>	<b>444.8</b>	<b>67.5</b>	<b>659.6</b>	<b>58.7</b>

Source: Ministry of Tourism



Sources: AirDNA

through effects of higher global oil prices and other costlier imports. Leading this outturn, average inflation for recreation & culture accelerated to 17.3%, vis-à-vis 1.3% in the previous year. Further, average costs increases quickened for food & non-alcoholic beverages (11.0%), restaurant & hotels (10.0%), alcohol beverages, tobacco & narcotics (5.4%), health (5.3%), housing, water, gas, electricity & other fuels (4.7%) and furnishing, household equipment & routine household maintenance (2.9%); and average prices for miscellaneous goods & services firmed by 1.0%, following a decline of 1.8% in 2022. Providing some offset, average inflation moderated for transport (6.6%), clothing & footwear (3.0%), communication (1.7%) and education (1.3%).

## **2. Monetary Trends**

### **August 2023 vs. 2022**

#### **Liquidity**

Monetary trends for August were marked by a contraction in liquidity, as the expansion in domestic credit contrasted with the reduction in the deposit base. In particular, excess liquid assets—a broad measure of liquidity—decreased by \$24.6 million to \$2,995.8 million, a reversal from the prior year’s accumulation of \$14.0 million. Likewise, excess reserves—the narrow measure of liquidity—fell by \$22.9 million to \$2,021.0 million, a turnaround from a \$4.8 million gain a year earlier.

#### **External Reserves**

During August, external reserves reduced by \$6.9 million to \$2,730.3 million, notably lower than the \$63.3 million decline in 2022. Reflective of this development, the Central Bank’s net sales to commercial banks widened to \$24.6 million from \$13.6 million in 2022. Likewise, commercial banks net foreign currency outflows to their customers increased to \$74.6 million, from \$31.6 million a year earlier. In contrast, the Central Bank’s net foreign currency transactions with the public sector switched to a net purchase of \$18.8 million, from a net outflow of \$54.1 million last year.

#### **Exchange Control Sales**

Provisional data on foreign currency sales for current account transactions revealed that monthly outflows decreased by \$208.4 million to \$531.9 million during the review month, vis-à-vis the comparative period of 2022. Specifically, reductions were noted for oil imports, by \$68.0 million, non-oil imports, by \$59.5 million, and factor income remittances, by \$39.9 million. Further, “other” current items—primarily credit and debit card financed imports—fell by \$39.6 million and travel related payments, by \$4.0 million. Conversely, transfer payments rose by \$2.5 million.

#### **Domestic Credit**

##### ***Bahamian Dollar Credit***

The growth in total Bahamian dollar credit slowed to \$43.8 million in August, from \$71.7 million in the same period last year. Leading this outturn, the expansion in net claims on the Government slowed to \$40.7 million, from \$64.5 million a year earlier. Further, the reduction in credit to public corporations extended to \$11.3 million, from just \$0.2 million in the prior year. Providing some offset, private sector credit growth

approximately doubled to \$14.4 million, supported by broad-based gains. Specifically, consumer credit rose by \$6.5 million, a turnaround from an \$8.2 million reduction in 2022; while mortgages increased by \$2.4 million, in contrast to a \$7.3 million decline in the prior year. However, the gain in commercial loans tapered to \$5.5 million, from \$23.0 million in the preceding year.

### Foreign Currency Credit

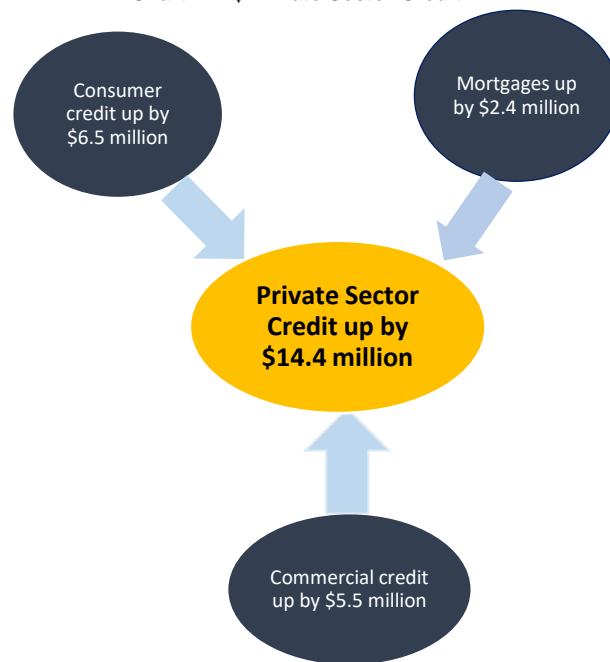
During the review month, domestic foreign currency credit grew by \$8.6 million, a moderation from the \$34.1 million buildup in the prior year. Specifically, gains in private sector credit slowed to \$5.6 million from \$31.9 million in 2022. In particular, mortgages growth moderated to \$7.0 million from \$27.2 million; and commercial credit fell by \$1.4 million, vis-à-vis a \$4.7 million increase a year earlier. Meanwhile, net claims on the Government rose further by \$3.0 million, after the \$2.3 million rise a year earlier. In addition, credit to the rest of public sector was unchanged, similar to the previous year.

### Credit Quality

Bank's credit quality indicators were almost stable during the month of August, attributed to marginal shifts in both non-performing loans (NPLs) and short-term arrears. Total private sector arrears rose by \$0.7 million (0.1%) to \$565.2 million, with the associated ratio relatively unchanged at 10.4% of total private sector loans.

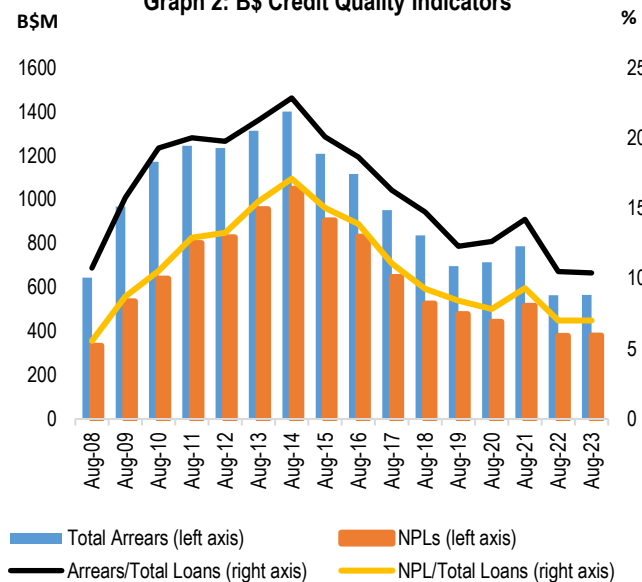
An analysis by average age of delinquency showed that NPLs moved higher by \$0.5 million (0.1%) to \$379.8 million, although the accompanying ratio held steady at 7.0%. Disaggregated, NPL rates fell for consumer loans, by 12 basis points to 5.2% and mortgages, by 8 basis points to 9.1%. However, the commercial delinquency rate firmed by 43 basis points, to 5.5%. Likewise, short-term arrears (31-90 days) edged up by \$0.2 million (0.1%) to \$185.4 million, while the corresponding ratio stabilized at 3.4%.

Chart 2: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

Graph 2: B\$ Credit Quality Indicators



Source: Central Bank of The Bahamas

A disaggregation by loan type revealed that, commercial arrears grew by \$2.7 million (4.2%) to \$66.4 million, owing largely to a rise in the long-term component by \$4.7 million (9.5%), which outstripped the \$2.0 million (13.1%) reduction in the short-term segment. Similarly, consumer loan arrears rose by \$0.4 million (0.2%) to \$154.2 million, on account of the \$2.2 million (4.3%) growth in short-term arrears, which eclipsed the \$1.9 million (1.8%) decrease in non-accrual loans. Conversely, past-due mortgage payments declined by \$2.3 million (0.7%) to \$344.6 million, attributed to reductions in both NPLs and the short-term component, by \$2.2 million (1.0%) and by \$0.1 million (0.1%), respectively.

Meanwhile, banks increased their loan losses provisions by \$1.6 million (0.5%) to \$341.4 million in August, with the ratio of total provisions to NPLs moving higher by 30 basis points to 89.9% and the ratio for total provisions to arrears, by 21 basis points to 60.4%. During the review month, banks wrote off an estimated \$9.3 million in overdue loans and recovered approximately \$3.4 million.

In comparison to August 2022, the total private sector arrears rate fell by 1.5 percentage points, amid a reduction in the rate for non-performing loans by 1.3 percentage points, while the short-term segment declined by 14 basis points. A breakdown by component revealed decreases for consumer loans, by 2.0 percentage points; mortgages, by 1.5 percentage points and commercial loans, by 0.4 percentage points.

## **Deposits**

The contraction in total Bahamian dollar deposits extended to \$27.4 million, from \$25.6 million in the same period of the preceding year. By deposit type, demand balances reduced by \$23.7 million, a reversal from an \$18.7 million growth in 2022. Further, fixed deposits declined by \$8.6 million, the same magnitude as the previous year. In an offset, savings deposits grew by \$4.8 million, partly reversing the \$35.8 million decline of the previous year. Meanwhile, residents' foreign currency deposits decreased by \$1.0 million, a switch from a \$42.7 million accumulation in the prior year.

## **Interest Rates**

In August, banks' weighted average loan rate rose by 61 basis points to 11.55%. Similarly, the weighted average deposit rate firmed by 2 basis points to 0.50%, with the highest rate of 3.75% offered on fixed balances of over 12 months.

## **3. Domestic Outlook**

The domestic economy is expected to maintain its growth momentum in 2023, supported by robust gains in tourism output. However, the pace of expansion is anticipated to slow, as indicators return to pre-pandemic levels. In addition, downside risks to the sector remain, associated largely with exogenous factors, such as elevated global oil prices, which have the potential to disrupt travel sector activity. Further, major central banks' counter-inflation policies could curtail the travel spending capacity of key source market consumers. Nevertheless, new and ongoing foreign investment-led projects are expected to provide continued stimulus to the construction sector, which will contribute to the growth matrix.

In the labor market, the employment rate is forecasted to continue to improve, with additional job gains concentrated mainly in the construction and tourism sectors. As it relates to prices, inflation is projected to remain high in the near-term, although trending downward over the medium to long-term, with a lag, owing to moderating price trajectories in the major trading markets and delayed fuel cost pass-through in domestic

energy prices. Upside risk to inflation revolves around uncertainty in international energy costs and supply chain shortages, associated with the geopolitical tensions in Eastern Europe.

On the fiscal front, the Government's net financing gap is anticipated to trend downwards, as conditions become favorable for more consolidation. The recovery in revenue is projected to be significantly correlated to tourism-led improvements in taxable economic activities. Meanwhile, financing of the estimated budgetary gap is expected to require both domestic and external borrowings, though with an increased proportion of the total funding from domestic sources.

Monetary sector developments will continue to feature high levels of banking sector liquidity, as commercial banks sustain their conservative lending posture. In addition, external reserves are forecasted to remain buoyant in 2023, remaining above international benchmarks, supported by anticipated foreign currency inflows from tourism and other net private sector receipts. Consequently, external balances should remain more than adequate to maintain the Bahamian dollar currency peg.

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

Given the prevailing outlook, the Central Bank will retain its accommodative policy stance for private sector credit and pursue policies that both ensure a favorable outturn for external reserves and mitigate financial sector disruptions. The Bank will also 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 was lackluster during the month of August, as protracted geopolitical tensions in Eastern Europe and heightened inflation impacted developments. Against this backdrop, the major central banks retained their monetary policy tightening stances, in an attempt to curtail inflation and support economic growth.

Economic developments in the United States were mixed in the review month. In particular, industrial production edged up by 0.1% in July, a switch from a 0.5% decline in the preceding month, led by gains in motor vehicles and parts, mining, and utilities. Further, retail sales grew by 0.6% in August, extending the 0.5% uptick a month earlier, as food services and drinking places recorded higher sales. In terms of the labour market, total non-farm payroll employment increased by 187,000 in August, due to job gains in health care, leisure and hospitality, social assistance, and construction; however, the jobless rate rose by 30 basis points to 3.8%. In terms of prices, average consumer prices firmed to 0.6% in August, from 0.2% in July, owing primarily to higher costs of gasoline. On the external front, the trade deficit increased by \$1.3 billion (2.0%) to \$65.0 billion in July, as the 1.7% growth in imports, outpaced the 1.6% rise in exports. In this environment, the Federal Reserve maintained its target range for the Federal funds rate at 5.25%-5.50%, in an effort to reduce inflation.

In Europe, economic indicators remained subdued during the month of August. In the United Kingdom, real GDP contracted by 0.5% in July, vis-à-vis a 0.5% expansion in the previous month, amid a reduction in services, production and the construction sectors. Further, retail sales declined by 1.2% in July, a reversal from a 0.6% gain in the month prior, reflective of decreases in clothing and food sales. In addition, industrial production trended downward by 0.7% in July, relative to a 1.8% growth a month earlier, on account of retrenchments in manufacturing, electricity and gas, water supply and sewerage, and mining and quarrying output. The consumer price index declined by 0.4% in July, following a 0.6% rise in June, explained by a falloff in gas and electricity costs. Meanwhile, in the labour market, the jobless rate moved higher by 10 basis points to 4.3% in the three months to July. In external developments, the trade in goods and services deficit narrowed by £0.5 million (3.1%) to £15.5 billion in July, as exports advanced by 0.8%, while imports fell by 0.2%. In the euro area, industrial production reduced by 0.5% in July, extending the 0.4% downturn in the previous month, occasioned by a decline in the energy sector. Similarly, retail sales fell by 0.2% in July, a turnaround from a 0.2% uptick in the preceding month, underpinned by a retrenchment in automotive fuels. In terms of prices, the annual inflation rate steadied at 5.3% in August, vis-à-vis the previous month, led by higher food, alcohol & tobacco prices. Further, the unemployment rate remained unchanged at 6.4% in July, relative to the month prior. On the external front, the euro area recorded a €6.5 billion trade surplus in July, a shift from a €36.3 billion deficit in the same period last year, as the 18.2% reduction in imports, overshadowed the 2.7% decline in exports. Given these developments, the Bank of England raised its key policy rate to 5.25% in August from 5.00% a month earlier. Similarly, the European Central Bank increased its interest rates on its main refinancing operations to 4.50% from 4.25%, the marginal lending facility, to 4.75% from 4.50% and deposit facility, to 4.00% from 3.75%.

Developments in the Asian economies varied during the review month. Specifically, in China, industrial production rose by an annualized 0.5% in August compared to 3.7% in the previous month, supported by gains in the mining, manufacturing, and the production and supply of electricity. Further, retail sales increased by 4.6%, extending the 2.5% growth in the preceding month. In the labour market, the unemployment rate reduced by 10 basis points to 5.2% in August, from a month earlier. Meanwhile, the annual consumer price index firmed by 0.3%, from 0.2% in the previous month, owing to a rise in the costs for transportation, telecommunications, food, tobacco, and liquor. In external developments, China's trade surplus narrowed to \$68.4 billion in August, from \$73.9 billion in the same period last year, attributed to an 8.8% reduction in exports, which outpaced the 7.3% falloff in imports. In Japan, consumer prices increased by 0.4% in July, extending the 0.2% firming in June, led by higher food costs. Further, the jobless rate rose by 20 basis points to 2.7% in July from the preceding month. On the external front, Japan's trade surplus tapered to ¥930.5 million, from ¥2.8 billion in the prior year, as the 0.8% falloff in exports offset the 17.8% reduction in imports. As a result, the People's Bank of China reduced its reverse repo rate to 1.8% from 1.9%, while the Bank of Japan maintained its policy rate at -0.1%.

During the month of August, all of the major equity markets reported negative movements. In particular, the United States' S&P 500 and Dow Jones Industrial Average (DIJA) declined by 1.8% and by 2.4%, respectively. In Europe, the United Kingdom's FTSE 100 reduced by 3.4%, the French CAC 40, by 2.4% and the German DAX, by 3.0%. In Asia, China's SE Composite moved lower by 5.2%, while Japan's Nikkei 225 decreased by 1.7%.

In foreign exchange market developments, the US dollar appreciated against all major currencies during the review month. Specifically, the US dollar strengthened against the Canadian dollar, by 2.4% to CAD\$1.3508 and the euro, by 1.4% to €0.9223. In addition, the dollar rose relative to the British Pound and the Swiss Franc, by 1.3% each, to £0.7891 and CHF0.8834, respectively. In Asian markets, the US dollar appreciated vis-à-vis the Japanese Yen, by 2.3% to ¥145.54, and the Chinese Renminbi, by 1.6% to CNY7.2588.

Commodity market outcomes varied during the month of August. Specifically, the cost of crude oil increased by 14.2% to \$85.54 per barrel, as OPEC's crude oil production grew by 113,000 barrels per day, to an average 27.45 million barrels per day in August. Conversely, the price of silver reduced by 1.2% to \$24.44 per troy ounce and gold, by 1.3% to \$1,940.19 per troy ounce.

# Recent Monetary and Credit Statistics

## (B\$ Millions)

August					
Value		Change		Change YTD	
2022	2023	2022	2023	2022	2023

### 1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	2,306.35	2,021.02	4.83	-22.86	766.05	92.90
1.2 Excess Liquid Assets	3,014.87	2,995.76	13.98	-24.60	576.03	222.94
1.3 External Reserves	3,268.07	2,730.33	-63.29	-6.85	808.91	135.66
1.4 Bank's Net Foreign Assets	105.44	-66.28	-44.37	-22.39	137.77	31.50
1.5 Usable Reserves	1,677.39	1,251.39	-36.35	-9.09	412.04	100.38

### 2.0 DOMESTIC CREDIT

<b>2.1 Private Sector</b>	5,507.07	5,652.15	39.29	19.96	-81.26	38.05
a. B\$ Credit	5,339.68	5,363.75	7.44	14.36	-121.24	30.76
of which: Consumer Credit	1,922.80	1,899.87	-8.23	6.46	-79.72	-3.74
Mortgages	2,702.71	2,676.46	-7.34	2.45	-18.82	-30.93
Commercial and Other Loans B\$	714.17	787.42	23.01	5.45	-22.69	65.43
b. F/C Credit	167.39	288.40	31.85	5.60	39.98	7.30
of which: Mortgages	85.17	156.67	27.19	7.04	16.15	5.40
Commercial and Other Loans F/C	82.22	131.73	4.66	-1.44	23.84	1.90
<b>2.2 Central Government (net)</b>	2,661.37	3,290.30	66.74	43.72	-284.01	84.61
a. B\$ Loans & Securities	2,867.42	3,328.78	14.28	61.21	-284.90	144.86
Less Deposits	301.84	340.89	-50.20	20.48	-71.29	34.49
b. F/C Loans & Securities	99.35	305.72	-2.82	-0.34	-70.62	-27.65
Less Deposits	3.56	3.30	-5.08	-3.33	-0.22	-1.89
<b>2.3 Rest of Public Sector</b>	354.10	329.91	-0.18	-11.31	37.49	-18.75
a. B\$ Credit	324.10	302.91	-0.18	-11.31	37.49	-16.50
b. F/C Credit	30.00	27.00	0.00	0.00	0.00	-2.25
<b>2.4 Total Domestic Credit</b>	8,522.54	9,272.36	105.85	52.37	-327.78	103.91
a. B\$ Domestic Credit	8,229.36	8,654.54	71.74	43.78	-297.36	124.63
b. F/C Domestic Credit	293.18	617.82	34.10	8.59	-30.41	-20.71

### 3.0 DEPOSIT BASE

<b>3.1 Demand Deposits</b>	3,912.79	3,928.84	18.71	-23.65	530.21	54.50
a. Central Bank	42.47	64.30	-29.17	4.77	-18.89	-28.88
b. Banks	3,870.31	3,864.54	47.88	-28.42	549.10	83.38
<b>3.2 Savings Deposits</b>	2,032.00	2,232.18	-35.77	4.82	151.19	129.11
<b>3.3 Fixed Deposits</b>	2,118.27	2,050.45	-8.57	-8.57	-59.91	-23.71
<b>3.4 Total B\$ Deposits</b>	8,063.05	8,211.47	-25.63	-27.40	621.48	159.91
<b>3.5 F/C Deposits of Residents</b>	594.89	550.49	42.69	-1.00	153.04	82.38
<b>3.6 M2</b>	8,468.62	8,636.13	-13.45	-33.86	637.82	144.95
<b>3.7 External Reserves/M2 (%)</b>	38.59	31.62	-0.69	0.04	7.19	1.06
<b>3.8 External Reserves/Base Money (%)</b>	107.00	98.32	-2.99	0.82	-6.94	2.40
<b>3.9 External Reserves/Demand Liabilities (%)</b>	102.73	92.31	-0.25	-0.37	-0.27	2.44
	<b>Value</b>		<b>Year To Date</b>		<b>Change</b>	
	2022	2023	2022	2023	Month	YTD

### 4.0 FOREIGN EXCHANGE TRANSACTIONS

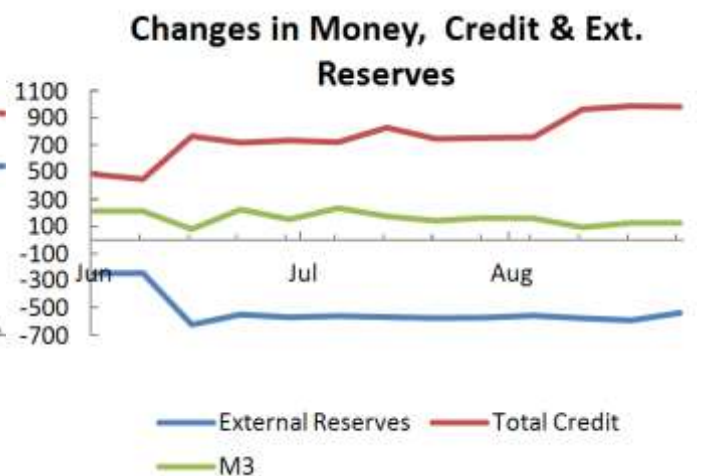
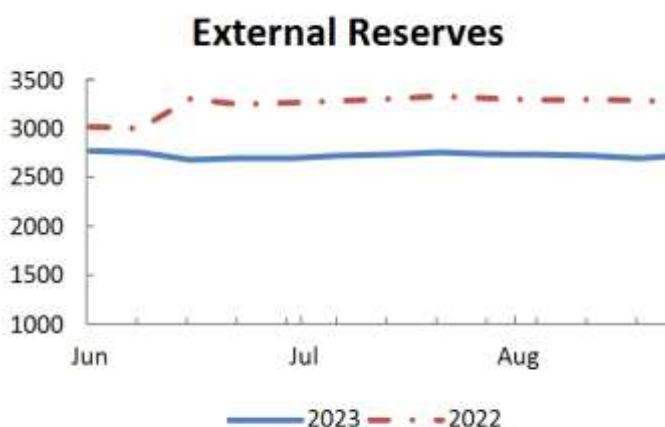
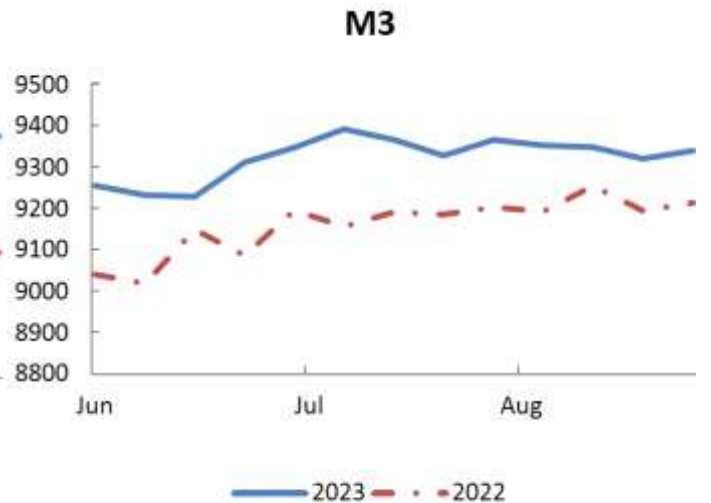
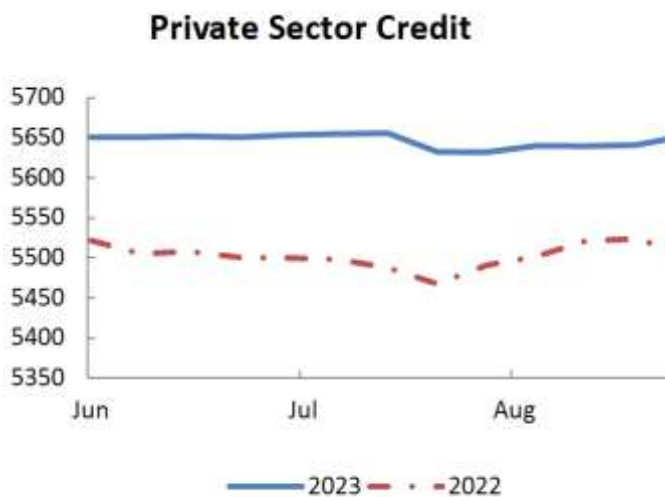
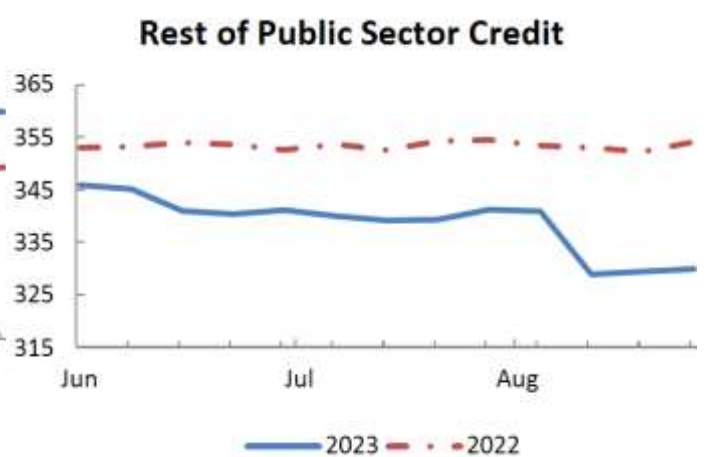
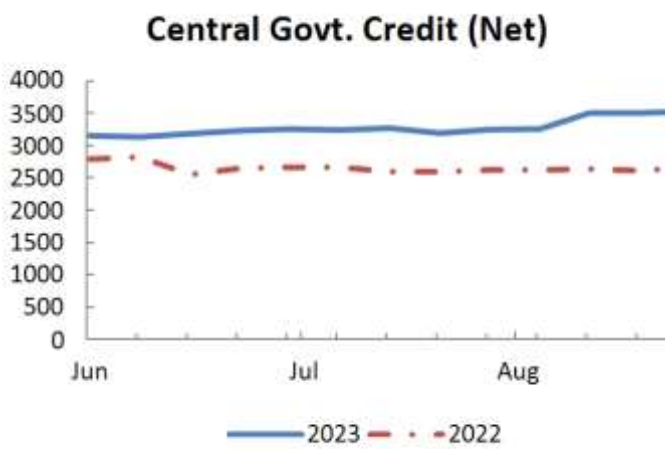
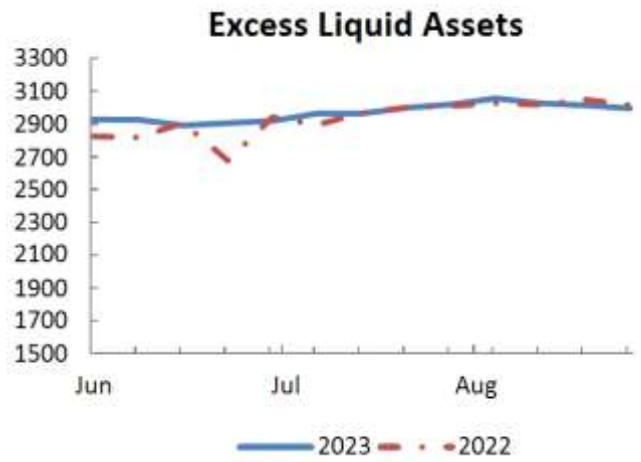
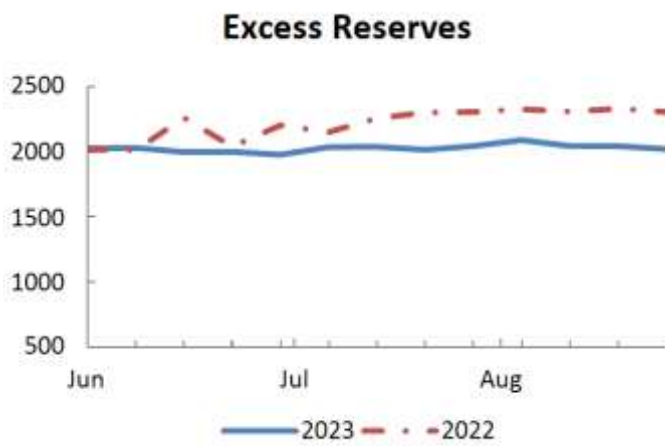
<b>4.1 Central Bank Net Purchase/(Sale)</b>	-67.68	-5.82	815.37	92.04	61.87	-723.33
a. Net Purchase/(Sale) from/to Banks	-13.61	-24.64	416.64	325.73	-11.02	-90.91
i. Sales to Banks	70.68	56.16	359.45	345.58	-14.52	-13.87
ii. Purchase from Banks	57.06	31.52	776.09	671.31	-25.54	-104.78
b. Net Purchase/(Sale) from/to Others	-54.07	18.82	398.74	-233.69	72.89	-632.42
i. Sales to Others	114.19	66.60	873.80	1047.05	-47.59	173.25
ii. Purchase from Others	60.12	85.42	1272.54	813.37	25.30	-459.17
<b>4.2 Banks Net Purchase/(Sale)</b>	-31.56	-74.55	430.04	249.12	-42.99	-180.92
a. Sales to Customers	732.82	589.73	4488.63	4805.91	-143.09	317.28
b. Purchase from Customers	701.26	515.18	4918.67	5055.02	-186.08	136.36

### 5.0 EXCHANGE CONTROL SALES

<b>5.1 Current Items</b>	740.36	531.94	4,662.51	4,944.69	-208.42	282.18
of which Public Sector	60.38	2.06	584.73	598.90	-58.31	14.17
<b>a. Nonoil Imports</b>	183.18	123.69	1,244.20	1,220.06	-59.48	-24.14
<b>b. Oil Imports</b>	109.97	42.02	576.54	525.02	-67.95	-51.53
<b>c. Travel</b>	26.29	22.27	114.70	137.77	-4.02	23.07
<b>d. Factor Income</b>	46.40	6.51	381.51	293.56	-39.89	-87.95
<b>e. Transfers</b>	12.75	15.23	111.31	144.51	2.48	33.20
<b>f. Other Current Items</b>	361.78	322.22	2,234.25	2,623.78	-39.55	389.53
<b>5.2 Capital Items</b>	79.72	12.77	529.14	656.44	-66.95	127.31
of which Public Sector	49.79	0.00	292.22	436.81	-49.79	144.59

## SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)



## Selected International Statistics

<b>A: Selected Macroeconomic Projections (Annual % Change and % of labor force)</b>						
	<b>Real GDP</b>		<b>Inflation Rate</b>		<b>Unemployment</b>	
	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>
Bahamas	11.0	4.3	5.6	4.5	12.3	12.0
United States	2.1	1.6	8.0	4.5	3.6	3.8
Euro-Area	3.5	0.8	8.4	5.3	6.8	6.8
Germany	1.8	-0.1	8.7	6.2	3.1	3.8
Japan	1.1	1.3	2.5	2.7	2.6	2.3
China	3.0	5.2	1.9	2.0	4.2	4.1
United Kingdom	4.0	-0.3	9.1	6.8	3.7	4.2
Canada	3.4	1.5	6.8	3.9	5.3	5.8
<i>Source: IMF World Economic Outlook April 2023</i>						

<b>B: Official Interest Rates – Selected Countries (%)</b>					
<i>With effect from</i>	<b>CBOB</b>	<b>ECB (EU)</b>	<b>Federal Reserve (US)</b>		<b>Bank of England</b>
	<b>Bank Rate</b>	<b>Refinancing Rate</b>	<b>Primary Credit</b>	<b>Target Funds</b>	<b>Repo Rate</b>
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
April 2023	4.00	3.50	5.00	4.75-5.00	4.25
May 2023	4.00	3.75	5.25	5.00-5.25	4.50
June 2023	4.00	4.00	5.25	5.00-5.25	5.00
July 2023	4.00	4.25	5.50	5.25-5.50	5.00
August 2023	4.00	4.50	5.50	5.25-5.50	5.25

## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
<b>Currency</b>	<b>August-22</b>	<b>July-23</b>	<b>August-23</b>	<b>Mthly % Change</b>	<b>YTD % Change</b>	<b>12-Mth% Change</b>
Euro	0.9946	0.9093	0.9223	1.42	-13.85	-7.28
Yen	138.96	142.29	145.54	2.28	11.00	4.74
Pound	0.8604	0.7791	0.7891	1.28	-14.65	-8.29
Canadian \$	1.3130	1.3190	1.3508	2.41	-0.34	2.88
Swiss Franc	0.9775	0.8719	0.8834	1.32	-4.45	-9.63
Renminbi	6.8904	7.1428	7.2588	1.62	5.22	5.35

*Source: Bloomberg as of 31<sup>st</sup> August 2023*

<b>D. Selected Commodity Prices (\$)</b>					
<b>Commodity</b>	<b>August-22</b>	<b>July-23</b>	<b>August-23</b>	<b>Mthly % Change</b>	<b>YTD % Change</b>
Gold / Ounce	1711.04	1965.09	1940.19	-1.2671	6.3689
Silver / Ounce	17.9920	24.7465	24.4430	-1.2264	2.0393
Oil / Barrel	109.90	74.93	85.54	14.1599	3.9116

*Source: Bloomberg as of 31<sup>st</sup> August 2023*

<b>E. Equity Market Valuations – August 31st, 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	1.45	-2.36	-1.77	-3.38	-2.42	-3.04	-1.67	-5.20
3 month	6.67	3.41	8.30	-1.31	1.06	3.32	18.36	-2.16
YTD	1.09	4.75	17.40	-0.17	13.02	14.53	25.00	0.99
12-month	4.17	10.19	13.97	2.13	19.45	24.25	16.12	-2.57

*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>	5.3800	5.2500	3.7000
<b>1 Month</b>	5.4788	5.3840	3.7525
<b>3 Month</b>	5.5825	5.6297	3.8600
<b>6 Month</b>	5.8975	5.9400	3.9600
<b>9 Month</b>	5.8850	6.0450	3.9800
<b>1 year</b>	5.8950	6.1475	4.0150

*Source: Bloomberg as of 31<sup>st</sup> August 2023*

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

	VALUE									CHANGE								
	Jul. 05	Jul. 12	Jul. 19	Jul. 26	Aug. 02	Aug. 09	Aug. 16	Aug. 23	Aug. 30	Jul. 05	Jul. 12	Jul. 19	Jul. 26	Aug. 02	Aug. 09	Aug. 16	Aug. 23	Aug. 30
<b>I. External Reserves</b>	<b>2,694.66</b>	<b>2,723.13</b>	<b>2,735.47</b>	<b>2,756.10</b>	<b>2,737.19</b>	<b>2,735.19</b>	<b>2,722.33</b>	<b>2,694.92</b>	<b>2,730.33</b>	<b>(2.90)</b>	<b>28.47</b>	<b>12.34</b>	<b>20.63</b>	<b>(18.92)</b>	<b>(2.00)</b>	<b>(12.85)</b>	<b>(27.41)</b>	<b>35.41</b>
<b>II. Net Domestic Assets (A + B + C + D)</b>	<b>49.86</b>	<b>71.20</b>	<b>49.49</b>	<b>10.08</b>	<b>70.16</b>	<b>112.76</b>	<b>77.57</b>	<b>96.43</b>	<b>46.60</b>	<b>(11.79)</b>	<b>21.34</b>	<b>(21.71)</b>	<b>(39.41)</b>	<b>60.09</b>	<b>42.59</b>	<b>(35.19)</b>	<b>18.86</b>	<b>(49.83)</b>
<b>A. Net Credit to Gov't (I + ii + iii -iv)</b>	<b>770.02</b>	<b>767.84</b>	<b>787.07</b>	<b>701.24</b>	<b>761.67</b>	<b>763.74</b>	<b>759.30</b>	<b>771.90</b>	<b>736.71</b>	<b>(5.25)</b>	<b>(2.18)</b>	<b>19.23</b>	<b>(85.83)</b>	<b>60.43</b>	<b>2.07</b>	<b>(4.44)</b>	<b>12.60</b>	<b>(35.18)</b>
i) Advances	558.62	558.62	573.02	573.02	558.62	558.62	558.62	558.62	558.62	(9.35)	-	14.40	-	(14.40)	-	-	-	-
ii) Registered Stock	279.41	279.51	278.58	279.35	277.55	280.19	280.18	280.26	282.01	0.15	0.09	(0.93)	0.77	(1.80)	2.64	(0.01)	0.07	1.75
iii) Treasury Bills	16.77	16.77	16.77	16.77	16.77	8.01	8.01	17.48	17.48	-	(0.00)	0.00	-	(0.00)	(8.76)	-	9.47	(0.00)
iv) Deposits	84.78	87.06	81.30	167.90	91.27	83.08	87.52	84.46	121.39	(3.95)	2.28	(5.76)	86.60	(76.63)	(8.19)	4.43	(3.06)	36.93
<b>B. Rest of Public sector (Net) (i+ii-iii)</b>	<b>(93.08)</b>	<b>(65.47)</b>	<b>(82.70)</b>	<b>(58.23)</b>	<b>(52.77)</b>	<b>(23.40)</b>	<b>(38.83)</b>	<b>(46.88)</b>	<b>(57.54)</b>	<b>(28.75)</b>	<b>27.61</b>	<b>(17.23)</b>	<b>24.47</b>	<b>5.46</b>	<b>29.36</b>	<b>(15.43)</b>	<b>(8.05)</b>	<b>(10.66)</b>
i) Loans	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	5.14	5.14	5.14	5.14	5.14	5.14	5.14	5.14	5.14	-	-	-	-	-	-	-	-	0.00
iii) Deposits	99.84	72.23	89.47	64.99	59.53	30.17	45.59	53.64	64.30	28.75	(27.61)	17.23	(24.47)	(5.46)	(29.36)	15.43	8.05	10.66
<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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D. Other Items (Net)*</b>	<b>(627.08)</b>	<b>(631.16)</b>	<b>(654.88)</b>	<b>(632.93)</b>	<b>(638.74)</b>	<b>(627.58)</b>	<b>(642.90)</b>	<b>(628.59)</b>	<b>(632.58)</b>	<b>22.22</b>	<b>(4.08)</b>	<b>(23.71)</b>	<b>21.94</b>	<b>(5.80)</b>	<b>11.16</b>	<b>(15.32)</b>	<b>14.30</b>	<b>(3.99)</b>
<b>III. Monetary Base</b>	<b>2,744.52</b>	<b>2,794.33</b>	<b>2,784.96</b>	<b>2,766.18</b>	<b>2,807.35</b>	<b>2,847.94</b>	<b>2,799.90</b>	<b>2,791.35</b>	<b>2,776.94</b>	<b>(14.69)</b>	<b>49.81</b>	<b>(9.37)</b>	<b>(18.78)</b>	<b>41.17</b>	<b>40.59</b>	<b>(48.04)</b>	<b>(8.55)</b>	<b>(14.42)</b>
A. Currency in Circulation	569.77	579.48	569.86	564.10	567.76	568.39	563.88	559.52	573.05	2.93	9.72	(9.62)	(5.76)	3.66	0.63	(4.51)	(4.36)	13.53
B. Bank Balances with CBOB	2,174.75	2,214.85	2,215.10	2,202.08	2,239.59	2,279.55	2,236.02	2,231.83	2,203.89	(17.62)	40.10	0.25	(13.02)	37.51	39.96	(43.53)	(4.19)	(27.94)

