



Monthly Economic and Financial Developments December 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:

2024: 4th March, 2nd April, 29th April, 3rd June, 1st July, 29th July, 2nd September, 30th September, 4th November, 4th December, 27th December



DECEMBER 2023 SUMMARY

MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

Overall Economic Activity

Preliminary indications are that the domestic economy's growth momentum persisted, albeit at a moderated pace in 2023, as economic indicators converged closer to their expected medium-term trajectory. Buoyant tourism output was undergirded by robust gains in both the high value-added air traffic and sea passengers, reflective of the ongoing 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—moderated during the twelve months to October 2023, explained by a slowdown in the rise in global oil prices, relative to the same period the prior year.

Monetary Sector

Monetary trends for the month of December were marked by a contraction in banking sector liquidity. However, deceleration in the growth in the deposit base, contrasted with the reduction in domestic credit. Likewise, external reserves declined, owing primarily to a rise in net foreign currency outflows through the public sector.

International Economies

Global economic performance indicators varied during the month of December, reflective of the ongoing geopolitical tensions in Eastern Europe and heightened inflation. Accordingly, major central banks sustained their monetary policy tightening posture, in an effort to maintain financial stability, and encourage economic growth.



Monthly Economic and Financial Developments (MEFD)

December 2023

1. Domestic Economic Developments

Overview

During the month of December, preliminary indications are that the domestic economy’s growth momentum persisted, albeit at a moderated pace, as economic indicators converged closer to their expected medium-term trajectory. Tourism output remained buoyant, undergirded by robust gains in both the high value-added air traffic and sea passengers, reflective of the ongoing demand for travel in key source markets. With regard to prices, average consumer price inflation—as measured by changes in the average Retail Price Index (RPI) for The Bahamas—moderated during the twelve months to October, 2023 reflective of a slowdown in the rise in international oil prices, vis-à-vis the same period the year prior. In monetary developments, banking sector liquidity contracted, explained by a deceleration in the growth in the deposit base, which contrasted with the reduction in domestic credit. Likewise, during the review month, external reserves declined, owing primarily to a rise in net foreign currency outflows through the public sector.

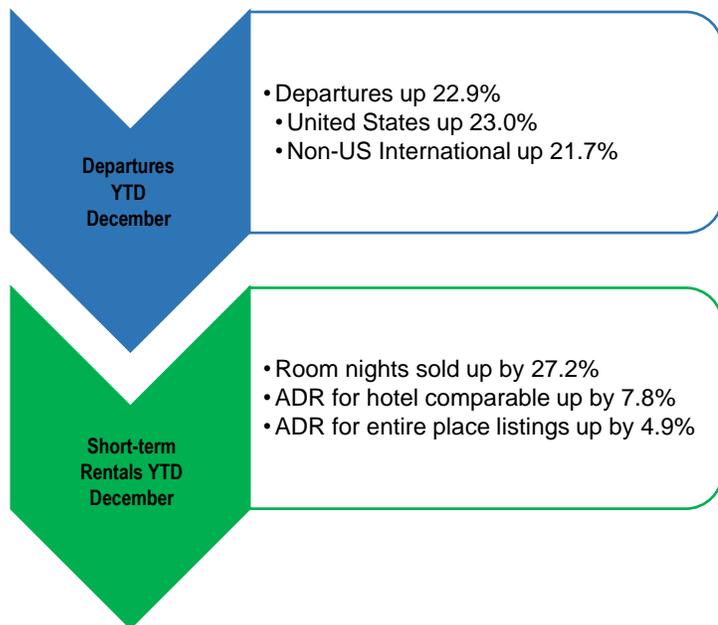
Real Sector

Tourism

Tourism output further strengthened during the review period, reflecting gains in both the high-value air component and sea traffic, on account of the ongoing demand for travel in the major source markets.

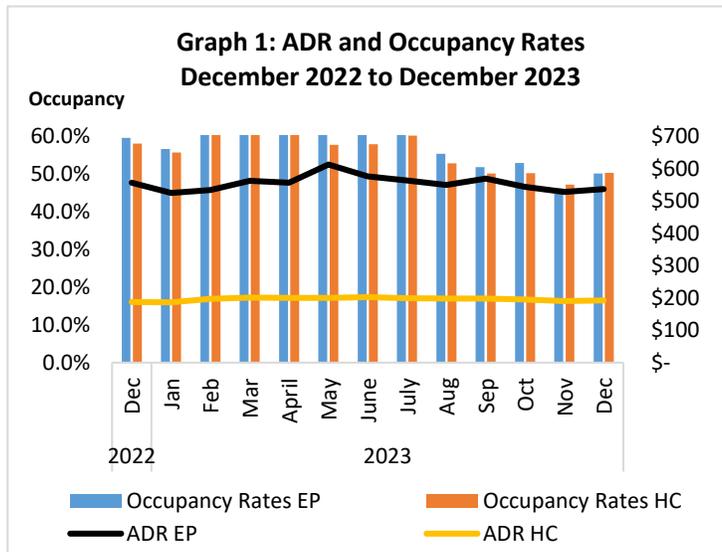
The most recent data provided by the Nassau Airport Development Company Limited (NAD) indicated that total departures in December—net of domestic passengers—increased by 12.9% to 0.14 million, compared to the same period last year. Notably, U.S. departures grew by 12.6% to 0.12 million visitors, while non-U.S. departures advanced by 14.2% to 0.02 million, relative to the previous year. On an annual basis, total outbound traffic expanded by 22.9% to approximately 1.6 million passengers. In particular, U.S. departures rose by 23.0% to 1.38 million visitors, vis-a-vis the same period in 2022. Likewise, non-U.S. departures trended upward by 21.7% to 0.22 million visitors, relative to the comparative period last year.

Chart 1: Tourism Indicators at a Glance (2023)



Sources: Nassau Airport Development Co. & AirDNA

In the short-term vacation rental market, however, provisional data provided by AirDNA showed that in December, total room nights sold fell by 4.4% to 163,172 from 170,701 in December 2022. Underpinning this outturn, the occupancy rates for both entire place and hotel comparable listings reduced to 50.1% and 50.3%, respectively, when compared to 59.6% and 58.1% in the previous year. Similarly, price indicators revealed that year-over-year, the average daily room rate (ADR) for entire place listings decreased by 3.5% to \$536.69. In a slight offset, the ADR for hotel comparable listings increased by 2.5% to \$192.49.



For the full year, total room nights sold grew by 23.8%, reflective of a 28.5% growth in hotel comparable bookings and a 23.3% gain in entire place bookings. Further, the ADR for respective entire place and hotel comparable listings rose by 6.8% and by 4.7%. In addition, occupancy rates for hotel comparable listing and entire place listings improved by 7.7% and by 6.0%, respectively.

Prices

Average domestic consumer price inflation—as measured by the All Bahamas Retail Price Index—moderated to 3.7% during the twelve months to October, from 5.4% in the comparative 2022 period. This partly due to a slowdown in the rise in global oil prices, relative to the same period a year earlier. Notably, the average prices for transportation declined sharply to 2.0% and for communication, to 0.9%, after posting respective gains of 14.7% and 9.6% in the prior year. Further, average inflation softened for food and non-alcoholic beverages (7.2%); restaurants and hotels (5.8%); clothing and footwear (2.6%); and education (1.8%). Providing some offset, average inflation quickened for recreation and culture (11.2%); alcohol beverages, tobacco, & narcotics (8.1%); health (6.4%); housing, water, gas, electricity, & other fuels (5.1%); and furnishing, household equipment, & routine household maintenance (4.9%). In addition, average prices for miscellaneous goods & services firmed to 2.1%, following a 1.0% decrease a year earlier.

2. Monetary Trends

December 2023 vs. 2022

Liquidity

Monetary developments for December were marked by a contraction in bank liquidity; albeit deceleration in the growth in the deposit base, which contrasted with the reduction in domestic credit. Specifically, excess reserves—a narrow measure of liquidity—decreased by \$20.0 million to \$1,867.1 million, notably lower than the \$139.4 million decline in the corresponding 2022 period. Similarly, excess liquid assets—the broad measure of liquidity—fell by \$22.1 million to \$2,884.2 million, although a marked slowdown from the \$138.8 million falloff in the prior year.

On a year-to-date basis, excess reserves decreased by \$61.0 million, a shift from a \$387.8 million increase in the prior year. However, excess liquid assets rose by \$111.4 million, albeit lower than the \$334.0 million accumulation a year earlier.

External Reserves

During the review month, the reduction in external reserves moderated to \$111.8 million from \$314.5 million in the preceding year, for an ending balance of \$2,347.4 million. Contributing to this outturn, the Central Bank's net foreign currency sales to commercial banks decreased to \$9.8 million, from \$86.5 million in the prior year. Further, commercial banks recorded a net purchase of \$2.5 million from their customers, vis-à-vis a net outflow of \$77.4 million a year earlier. Meanwhile, the Central Bank's net sales to the public sector widened to \$74.1 million, from \$28.8 million in the previous year.

On an annual basis, external reserves declined by \$247.3 million, a turnaround from a \$135.5 million expansion in 2022, which had included proceeds from the Government's external borrowing activities. Underpinning this development, the Central Bank's net intake from commercial banks moderated to \$118.6 million, from \$123.0 million in the preceding year. Likewise, commercial banks' net purchases from their customers narrowed to \$103.2 million, from \$161.5 million in the prior year. Further, the Central Bank's transactions with the public sector shifted to a net sale of \$363.3 million, from a net purchase of \$207.0 million in the previous year.

Exchange Control Sales

Preliminary data on foreign currency sales for current account transactions revealed that monthly outflows contracted by \$25.1 million (4.0%), to \$606.1 million in December, relative to the same period in 2022. Specifically, payments for "other" current items—primarily credit and debit card transactions—reduced by \$31.6 million. In addition, outflows for non-oil imports decreased by \$18.5 million and transfer payments, by \$12.4 million. Conversely, increases were registered for factor income payments (\$22.6 million), oil imports (\$9.4 million) and travel related transactions (\$5.4 million).

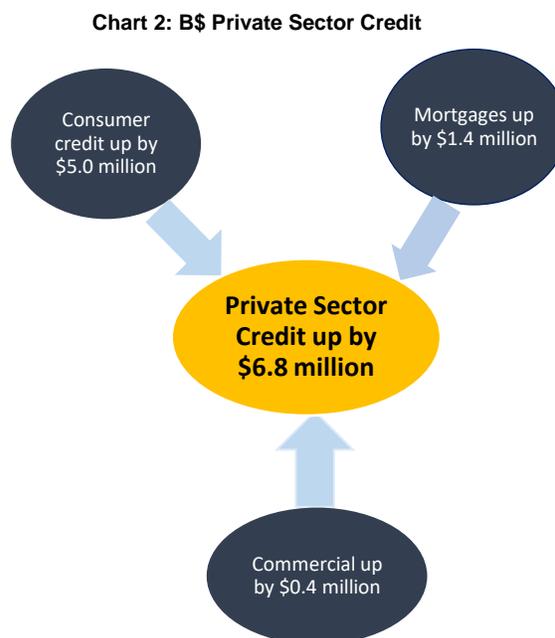
On a year-to-date basis, foreign currency sales for current transactions expanded by \$397.0 million (5.5%) to \$7,609.6 million, compared to 2022. In particular, gains were posted for "other" current items, inclusive of credit card transactions (\$471.1 million), travel (\$39.7 million) and transfer payments (\$18.7 million). Providing some offset, factor income fell by \$61.9 million; non-oil imports, by \$59.0 million; and oil imports, by \$12.3 million.

Domestic Credit

Bahamian Dollar Credit

In December, total Bahamian dollar credit contracted by \$46.1 million, a switch from a \$55.8 million buildup a year earlier. Net claims on the Government declined by \$49.0 million, a reversal from a \$45.8 million expansion in the comparative 2022 period. In addition, the growth in private sector credit was almost halved to \$6.8 million, as the rise in commercial loans moderated to just \$0.4 million from \$20.4 million a year earlier. Meanwhile, consumer credit grew by \$5.0 million, a shift from a \$5.2 million decrease in the preceding year. Further, mortgages rose by \$1.4 million, after a \$2.3 million decline in the previous year. Credit to public corporations also reduced by \$3.9 million, extending the \$2.8 million falloff in the prior year.

On an annual basis, Bahamian dollar credit expanded by \$222.0 million, from an almost flat outcome in 2022. Leading this outturn, net claims on the Government rose by \$178.6 million, extending the \$98.3 million accumulation in the prior year. Further, private sector credit grew by \$50.3 million, a reversal from the \$127.9 million reduction a year earlier. Specifically, commercial credit increased by \$76.4 million, vis-à-vis a \$14.9 million decline in the preceding year; while consumer credit grew by \$19.1 million, following a \$98.9 million reduction in 2022. However, the decrease in mortgages extended to \$45.3 million, from \$14.1 million in the previous year. In a slight offset, credit to public corporations declined by \$3.9 million, relative to the \$32.8 million expansion last year.



Source: Central Bank of The Bahamas

Foreign Currency Credit

During the review month, the growth in domestic foreign currency credit slowed sharply to \$9.3 million, from \$324.7 million in the prior year. Specifically, net credit to the Government grew by \$4.6 million, although notably lower than the \$239.5 million increase a year earlier, which had included the drawdown in IMF Special Drawing Rights (SDRs). Further, the advance in private sector credit tapered to \$6.2 million, from \$86.0 million in the preceding year. In particular, mortgage growth eased to \$7.1 million from \$60.7 million in 2022. Commercial and other loans also fell by \$1.0 million, after a \$25.3 million accumulation last year. Meanwhile, foreign currency credit to the rest of the public sector decreased further by \$1.5 million vis-à-vis \$0.8 million in the previous year.

On a year-to-date basis, foreign currency credit contracted by \$32.2 million, a switch from a \$314.9 million expansion in 2022. In particular, net claims on the Government fell by \$33.7 million, contrasting with the \$162.0 million increase in the preceding year. In addition, credit to the rest of the public sector reduced by \$5.3 million, extending the \$0.8 million falloff in the prior year. Further, the buildup in private sector credit tapered to \$6.8 million, from \$153.7 million a year earlier, as the accumulation in commercial and other loans moderated to \$3.9 million from \$71.5 million; and mortgages, to \$2.9 million from \$82.3 million in 2022.

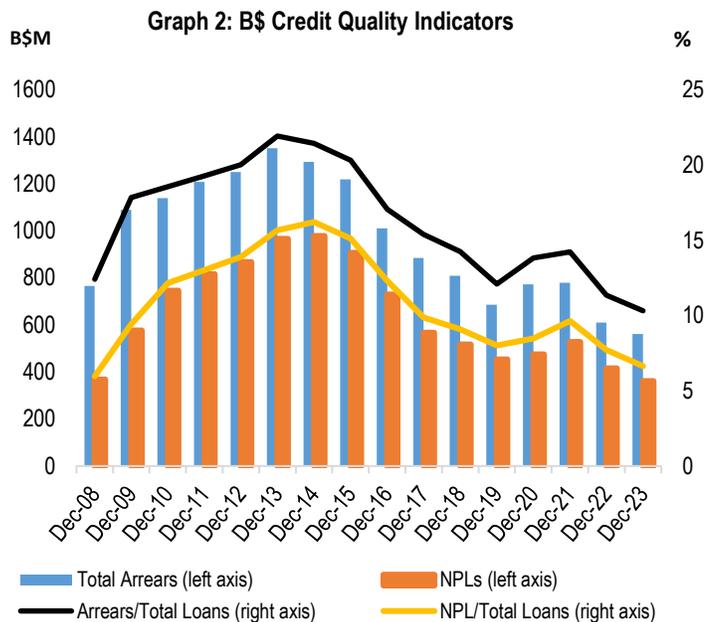
Credit Quality

Commercial banks' credit quality indicators slackened during the month of December, owing largely to a rise in short-term arrears. Specifically, total private sector arrears grew by \$16.9 million (3.1%) to \$561.7 million, with the accompanying ratio increasing by 32 basis points to 10.3%.

Disaggregated by average age of delinquency, short-term arrears (31-90 days) rose by \$17.1 million (9.3%) to \$200.2 million, with the associated ratio firming by 32 basis points at 3.7%. In contrast, non-performing loans (NPLs) decreased by \$0.2 million (0.1%) to \$361.5 million, resulting in the corresponding ratio

remaining unchanged at 6.6%. The NPL rate for commercial loans declined by 8 basis points to 4.7%; while the mortgages ratio edged up by 2 basis points to 8.8% and the consumer loans rate held steady at 4.9%.

An analysis by loan type revealed that commercial arrears expanded by \$11.0 million (21.2%) to \$62.6 million, attributed to a more than three-fold rise in the short-term component to \$16.8 million from \$4.5 million in the comparative period last year, which overshadowed the \$1.4 million (2.9%) falloff in non-accrual commercial loans. Likewise, mortgage arrears grew by \$6.9 million (2.0%) to \$350.1 million, as both short and long-term segments moved higher by \$5.8 million (4.7%) and by \$1.1 million (0.5%), respectively. Providing some offset, consumer loan delinquencies decreased by \$1.0 million (0.7%) to \$149.0 million, as short-term arrears fell by \$1.1 million (2.0%), in contrast to the \$0.1 million (0.1%) uptick in NPLs.



In December, banks reduced their total provisions for loan losses by \$2.5 million (0.8%) to \$330.0 million. As a result, the ratio of total provisions to arrears narrowed by 2.3 percentage points to 58.8%. Likewise, the ratio of total provisions to non-performing loans moved lower by 0.6 percentage points to 91.3%. During the review month, banks wrote-off an estimated \$7.5 million in overdue loans, and recovered approximately \$3.2 million.

For the year, total private sector arrears contracted by \$48.5 million (7.9%), lowering the corresponding ratio by 1.0 percentage point. By length of delinquency, the non-accrual component reduced by \$53.5 million (12.9%), and the associated ratio fell by 1.1 percentage points. Conversely, the short-term arrears grew by \$5.0 million (2.6%), with the accompanying ratio edging up by 4.0 basis points.

A disaggregation by loan type revealed that mortgage arrears reduced by \$31.5 million (8.2%), largely attributed to a \$36.1 million (14.1%) decline in NPLs, which outweighed the \$4.6 million (3.7%) rise in the short-term segment. Similarly, consumer loan arrears contracted by \$24.5 million (14.1%), on account of decreases in non-accrual loans by \$17.8 million (15.6%), and in the short-term component, by \$6.7 million (11.2%). In a modest offset, commercial loan delinquencies rose by \$7.5 million (13.5%), as both short-term arrears and NPLs grew by \$7.1 million (72.5%) and by \$0.4 million (0.9%), respectively.

Over the year, commercial banks total provisions for loan losses reduced by \$41.8 million (11.2%). Accordingly, the ratio of total provisions to arrears declined by 2.2 percentage points. However, the ratio of total provisions to NPLs grew by 1.7 percentage points. For the year, banks also wrote-off approximately \$105.0 million in overdue loans, and recovered an estimated \$46.7 million.

Deposits

During December, accumulation in total Bahamian dollar deposits moderated to \$46.3 million from \$96.6 million in the corresponding 2022 period. Underlying this outturn, the rise in demand deposit balances tapered to \$14.0 million, from \$72.1 million a year earlier. Further, fixed deposits fell by \$2.0 million, the same magnitude as the previous year. In an offset, savings deposits rose by \$34.3 million, extending the \$26.6 million buildup in the previous year. Meanwhile, residents' foreign currency deposits grew by \$7.4 million, albeit lower than the \$8.9 million growth in 2022.

On an annual basis, the increase in total Bahamian dollar deposits slowed notably to \$139.1 million from \$610.0 million in 2022. By category, demand deposits grew by \$25.7 million, although markedly lower than the \$491.8 million expansion in the preceding year. Similarly, the buildup in savings deposits tapered to \$164.8 million, from \$222.3 million a year earlier. In addition, fixed deposits decreased by \$51.4 million, although less than the \$104.0 million reduction in the prior year. Comparatively, foreign currency deposits of residents increased by \$36.8 million, surpassing the \$26.3 million gain recorded in the previous year.

Interest Rates

In interest rates developments for December, banks' weighted average loan rate decreased by 80 basis points to 10.68%. However, the weighted average deposit rate firmed by 5 basis points to 0.55%, with the highest rate of 3.75% offered on fixed balances of over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy will expand at a more moderate rate in 2024 than in 2023, paced by tourism sector activity. This would be consistent with the economy converging closer to its expected medium-term growth rate potential. Nonetheless, downside risks to tourism persist, related to exogenous factors, such as elevated global oil prices, which could disrupt travel sector activity. Further, if major central banks resume counter-inflation policies this could negatively impact the travel spending capacity of key source market consumers. However, new and ongoing tourism-related foreign investment projects are expected to provide support to the construction sector, which will foster economic growth.

In terms of the labor market, employment conditions are projected to further improve, with job gains primarily concentrated in construction and tourism. In price developments, the domestic inflation rate is forecasted to remain high in the near-term, although trending downward over the medium term, with a lag, attributed to moderating price trajectories in the key trading markets and lagged fuel cost pass-through in domestic energy costs. Nonetheless, upside risks to inflation revolve around uncertainty in global oil prices and supply chain shortages, as a result of ongoing geopolitical tensions in Eastern Europe and the Middle East.

In the fiscal sector, the Government's net financing gap is expected to reduce further, as conditions become favorable for more consolidation. The anticipated strengthening in revenue remains largely connected to tourism-led improving trends in taxable economic activities. Consequently, the forecasted budgetary gap is expected to be financed from a blend of domestic and external borrowings, but with a higher proportion of total funding from domestic sources.

Monetary sector developments are expected feature continued high levels of banking sector liquidity, due to commercial banks upholding their conservative lending stance. However, the environment should support additional strengthening in lending to the private sector. While external reserves are forecasted to remain healthy in 2024, exceeding international benchmarks, further moderate reduction is likely, given the firming outlook for domestic credit. However, the external balances should remain more than sufficient to sustain the Bahamian dollar currency peg. In particular, overall conditions in the foreign exchange markets are projected to remain healthy, given sustained inflows from tourism and other net private sector activities.

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 favourable outcome for external reserves and financial stability. In addition, the Bank will continue to monitor developments within the foreign exchange market, and if necessary, in 2024, implement appropriate measures to support a positive outcome for the foreign reserves.

APPENDIX

International Developments

Global economic performance indicators varied during the month of December, reflective of the ongoing geopolitical tensions in Eastern Europe and heightened inflation. Accordingly, major central banks maintained their monetary policy tightening posture, in an effort to maintain financial stability, and encourage economic growth.

In the United States, economic conditions improved during the review month. Specifically, industrial production rose by 20 basis points in November, a turnaround from the 90 basis points decrease a month earlier. Similarly, retail sales increased by 30 basis points, vis-à-vis a 20 basis point falloff in the previous month. In the labour market, total non-farm employment grew by 216,000 in December, largely reflective of job gains in Government, health care, social assistance and construction, with the unemployment rate unchanged at 3.7% from the preceding month. Meanwhile, average consumer prices firmed to 0.3% from 0.1% in the month prior, owing to a rise in the cost of shelter. On the external front, the trade deficit narrowed by \$1.3 billion (2.0%) to \$63.2 billion in November, as imports decreased by 1.9%, the same magnitude as the falloff in exports. In this environment, the Federal Reserve retained its target range for the Federal funds rate at 5.25%-5.50%, in an effort to lower inflation.

Outcomes within the European economies were mixed during the review period. In the United Kingdom, real GDP growth strengthened by 0.3% in November, a reversal from a contraction of the same amount in the preceding month, bolstered by a rise in services output. Further, industrial production moved higher by 0.3% in November, a shift from a 1.3% decrease last month. Likewise, retail sales increased by 1.3% in November, after a flat outturn in the previous month. Further, the jobless rate held steady at 4.2% in the three months to December. However, consumer prices rose by 10 basis points to 4.0%, explained by gains in alcohol and tobacco prices. In addition, the trade in goods and services deficit reduced by £1.8 billion to £9.3 billion in November, as imports fell by 2.3%, outstripping the 0.1% uptick in exports. In the euro area, industrial production fell by 30 basis points in November, albeit lower than the 70 basis points decrease a month earlier. In addition, retail sales declined by 30 basis points in November, a switch from a 40 basis points rise the previous month. Further, the unemployment rate narrowed by 10 basis points to 6.4% in November from the prior month. Meanwhile, the annual inflation rate firmed to 2.9% in December from 2.4% last month. On the external front, the euro area posted a trade surplus of €20.3 billion in November, contrasting with a deficit of €13.8 billion in the comparative 2022 period, as the 16.7% reduction in imports eclipsed the 4.7% decrease in exports. Given these developments, the Bank of England maintained its key policy rate at 5.25%. The European Central Bank also left its interest rates on its main refinancing operations at 4.50%, marginal lending facility at 4.75% and the deposit facility at 4.00%.

Economic developments within the Asian economies varied during the review month. In China, GDP expanded by 5.2% in 2023, extending the 3.0% growth in 2022. Industrial production increased by 90 basis points in November relative to the preceding month. However, retail sales fell by 10 basis points in December compared to the prior month. In labour market developments, the jobless rate remained unchanged at 5.0% in November from the previous month. In external developments, China's trade surplus strengthened to US\$75.3 billion in December from US\$68.4 billion a month earlier, attributed to the 3.7% gain in exports, outweighing the 2.2% increase in imports. In Japan, retail sales rose by 1.0% in November, vis-à-vis the 1.7% decrease in the previous month. However, industrial production fell by 90 basis points in November from the preceding month, amid reductions in the production of motor vehicles and electrical machinery. In labour market developments, the unemployment rate declined by 10 basis points to 2.5% in November from the preceding month. Further, the annual inflation rate moderated to 2.8% in November from 3.3% in the prior month. In the external sector, Japan's trade deficit reduced to ¥780.4 billion in November from ¥2,057.6 billion in the same period of 2022, as the 11.9% reduction in imports, overshadowed the 0.2% decrease in exports. Based on the prevailing outlook, the People's Bank of China retained its reverse repo rate at 1.8%, while the Bank of Japan maintained its policy rate at -0.1%.

During the month of December, the major stock market indices reported mixed movements. Specifically, in the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 increased by 4.8% and by 4.4%, respectively. In Europe, the United Kingdom's FTSE 100 rose by 3.8% and the German DAX by 3.3%; however, the French CAC 40, fell by 10.1%. In Asia, China's SE Composite and Japan's Nikkei decreased by 1.8% and by 0.1%, respectively.

In foreign exchange market developments, the US dollar depreciated against all of the major currencies during the review month. Specifically, the US dollar weakened against the Japanese Yen, by 4.8% to ¥141.04; the Swiss Franc, by 3.9% to CHF0.8414; and the Canadian dollar, by 2.3% to CAD\$1.3243. Likewise, the US dollar decreased against the euro, by 1.4% to €0.9059; the British Pound by 0.8% to £0.7855; and the Chinese Renminbi, by 0.5% to CNY7.100.

Commodity price trends varied during the month of December. Specifically, the cost of crude oil decreased by 10.3% to \$78.42 per barrel, as OPEC's crude oil production increased by 73,000 barrels per day to average 26.70 million barrels per day. Similarly, the cost of silver fell by 5.8% to \$23.80 per troy ounce. Conversely, the price of gold rose by 1.3% to \$2,062.98 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

December					
Value		Change		Change YTD	
2022	2023	2022	2023	2022	2023

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,928.12	1,867.07	-139.41	-19.96	387.82	-61.04
1.2 Excess Liquid Assets	2,772.83	2,884.23	-138.84	-22.11	333.98	111.40
1.3 External Reserves	2,594.67	2,347.37	-314.54	-111.80	135.51	-247.30
1.4 Bank's Net Foreign Assets	-97.78	-90.34	-58.85	-14.22	-65.45	7.44
1.5 Usable Reserves	1,151.01	864.10	-289.85	-195.05	-114.35	-286.91

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,614.10	5,671.17	98.79	12.93	25.77	57.08
a. B\$ Credit	5,332.99	5,383.31	12.80	6.76	-127.93	50.32
of which: Consumer Credit	1,903.61	1,922.75	-5.22	5.01	-98.91	19.14
Mortgages	2,707.39	2,662.13	-2.34	1.36	-14.14	-45.26
Commercial and Other Loans B\$	721.99	798.43	20.37	0.39	-14.87	76.44
b. F/C Credit	281.11	287.86	85.98	6.17	153.70	6.76
of which: Mortgages	151.27	154.18	60.68	7.14	82.25	2.91
Commercial and Other Loans F/C	129.84	133.68	25.31	-0.97	71.45	3.85
2.2 Central Government (net)	3,205.70	3,347.57	285.24	-44.38	260.32	141.87
a. B\$ Loans & Securities	3,183.92	3,548.35	64.59	101.32	31.60	364.43
Less Deposits	306.40	495.27	18.84	150.33	-66.73	188.87
b. F/C Loans & Securities	333.36	298.72	240.98	0.00	163.40	-34.64
Less Deposits	5.19	4.24	1.49	-4.64	1.41	-0.94
2.3 Rest of Public Sector	348.66	339.50	-3.55	-5.35	32.04	-9.16
a. B\$ Credit	319.41	315.50	-2.80	-3.85	32.79	-3.91
b. F/C Credit	29.25	24.00	-0.75	-1.50	-0.75	-5.25
2.4 Total Domestic Credit	9,168.45	9,358.23	380.48	-36.80	318.13	189.78
a. B\$ Domestic Credit	8,529.92	8,751.89	55.75	-46.10	3.19	221.97
b. F/C Domestic Credit	638.53	606.35	324.73	9.31	314.94	-32.19

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,874.34	3,899.98	72.08	13.98	491.75	25.65
a. Central Bank	93.18	28.00	28.31	0.54	31.81	-65.18
b. Banks	3,781.16	3,871.98	43.77	13.43	459.94	90.82
3.2 Savings Deposits	2,103.07	2,267.85	26.55	34.32	222.26	164.78
3.3 Fixed Deposits	2,074.16	2,022.80	-2.02	-2.04	-104.02	-51.36
3.4 Total B\$ Deposits	8,051.56	8,190.63	96.61	46.25	609.99	139.06
3.5 F/C Deposits of Residents	468.11	504.93	8.94	7.35	26.26	36.82
3.6 M2	8,491.18	8,663.57	130.90	83.02	660.38	172.39
3.7 External Reserves/M2 (%)	30.56	27.09	-4.24	-1.57	-0.85	-3.46
3.8 External Reserves/Base Money (%)	95.93	87.98	-7.45	-4.68	-18.02	-7.94
3.9 External Reserves/Demand Liabilities (%)	89.86	79.13	-9.20	-8.70	-13.13	-10.74
	Value	Year To Date		Change		
	2022	2023	2022	2023	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

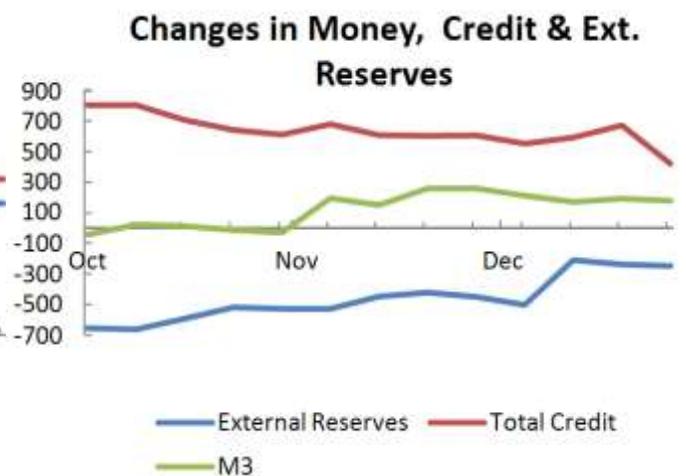
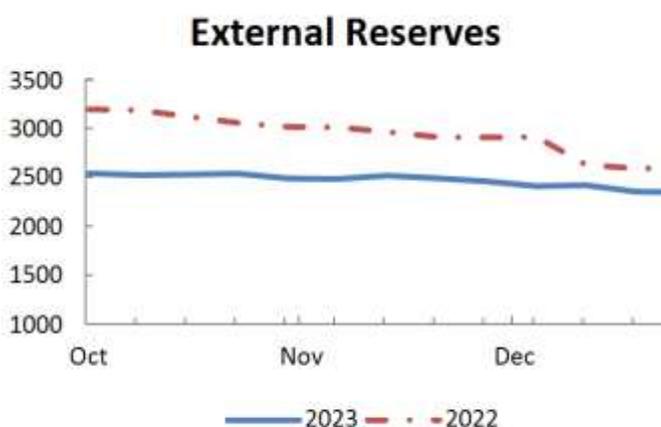
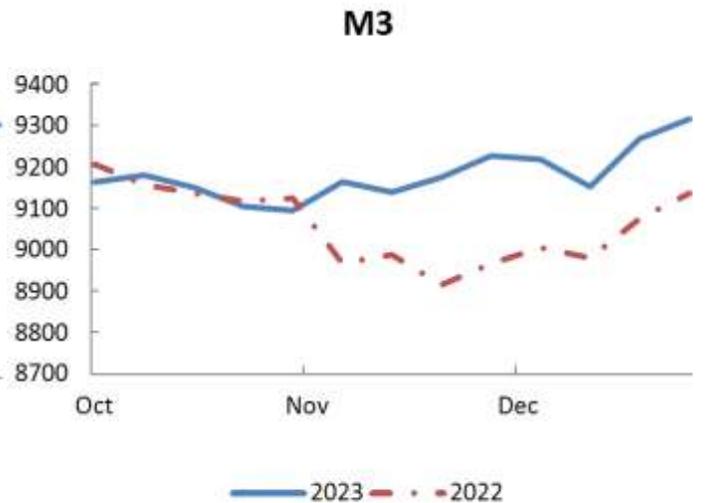
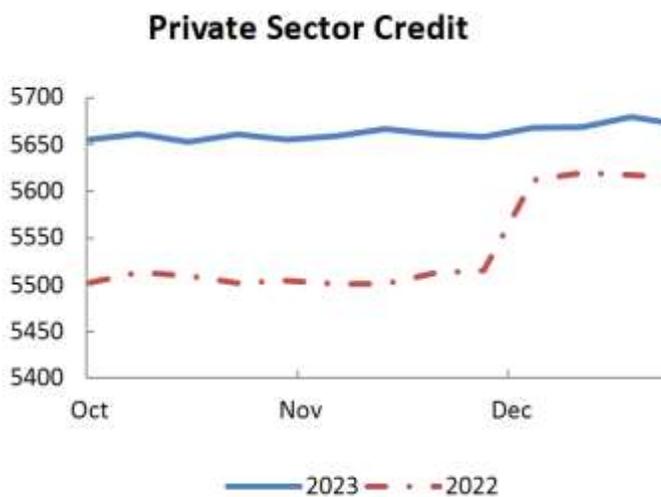
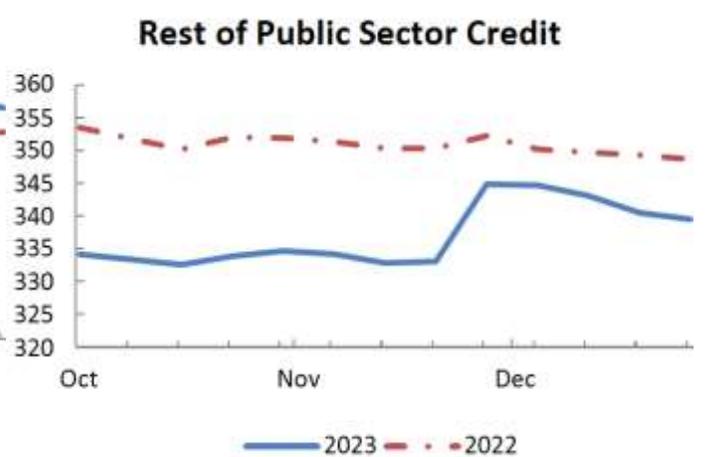
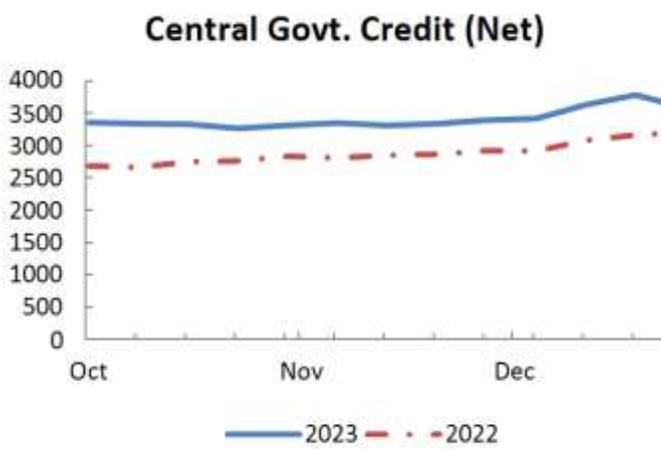
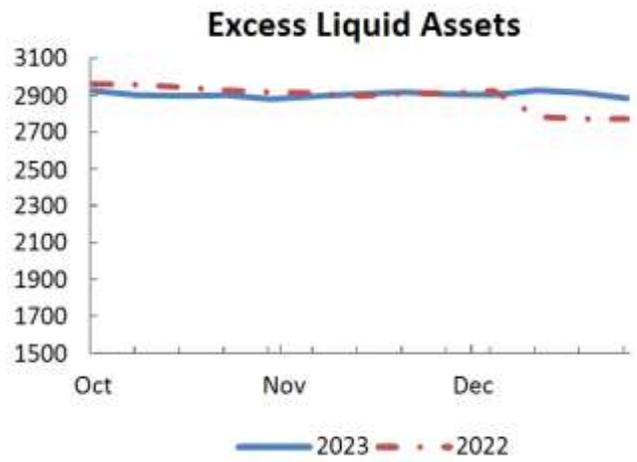
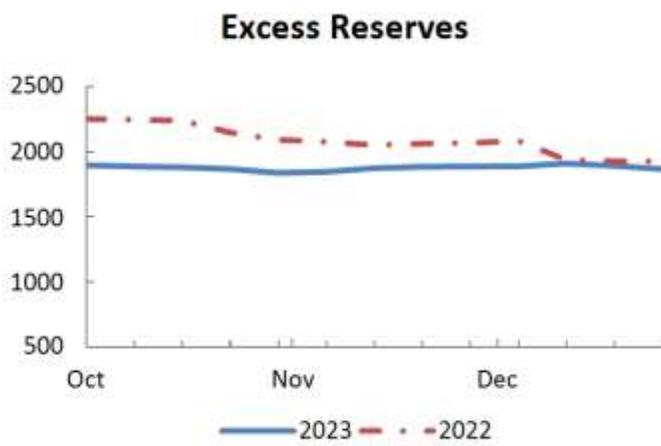
4.1 Central Bank Net Purchase/(Sale)	-115.28	-83.87	330.03	-244.71	31.41	-574.74
a. Net Purchase/(Sale) from/to Banks	-86.45	-9.80	123.04	118.57	76.65	-4.47
i. Sales to Banks	135.40	47.06	787.85	679.19	-88.34	-108.67
ii. Purchase from Banks	48.95	37.26	910.89	797.76	-11.69	-113.13
b. Net Purchase/(Sale) from/to Others	-28.83	-74.07	206.99	-363.28	-45.24	-570.27
i. Sales to Others	317.65	127.57	1,534.11	1,591.66	-190.08	57.55
ii. Purchase from Others	288.82	53.49	1,741.10	1,228.38	-235.32	-512.72
4.2 Banks Net Purchase/(Sale)	-77.40	2.49	161.50	103.15	79.89	-58.35
a. Sales to Customers	645.08	543.26	6,968.06	7,067.73	-101.82	99.66
b. Purchase from Customers	567.68	545.75	7,129.56	7,170.88	-21.93	41.31

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	631.12	606.05	7,212.65	7,609.61	-25.07	396.96
of which Public Sector	129.04	101.61	1,032.05	1,125.35	-27.43	93.30
a. Nonoil Imports	155.66	137.22	1,845.70	1,786.71	-18.43	-58.99
b. Oil Imports	63.25	72.62	847.53	835.27	9.37	-12.26
c. Travel	18.98	24.44	185.80	225.49	5.47	39.69
d. Factor Income	29.16	51.75	596.58	534.70	22.59	-61.89
e. Transfers	29.55	17.13	196.76	215.45	-12.42	18.69
f. Other Current Items	334.52	302.89	3,540.28	4,011.99	-31.63	471.71
5.2 Capital Items	328.19	91.92	1,024.97	962.01	-236.27	-62.96
of which Public Sector	192.50	57.72	515.56	664.25	-134.79	148.69

SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2022	2023	2022	2023	2022	2023
Bahamas	14.4	4.3	5.6	3.9	12.3	8.8
United States	2.1	2.1	8.0	4.1	3.6	3.6
Euro-Area	3.3	0.7	8.4	5.6	6.7	6.6
Germany	1.8	-0.5	8.7	6.3	3.1	3.3
Japan	1.0	2.0	2.5	3.2	2.6	2.5
China	3.0	5.0	1.9	0.7	5.5	5.3
United Kingdom	4.1	0.5	9.1	7.7	3.7	4.2
Canada	3.4	1.3	6.8	3.6	5.3	5.5

Source: IMF World Economic Outlook October 2023

B: Official Interest Rates – Selected Countries (%)					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit	Target Funds	Repo Rate
December 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
September 2023	4.00	4.50	5.50	5.25-5.50	5.25
October 2023	4.00	4.50	5.50	5.25-5.50	5.25
November 2023	4.00	4.50	5.50	5.25-5.50	5.25
December 2023	4.00	4.50	5.50	5.25-5.50	5.25

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	December-22	November-23	December-23	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.9341	0.9184	0.9059	-1.37	-3.03	-3.03
Yen	131.12	148.20	141.04	-4.83	7.57	7.57
Pound	0.9245	0.7921	0.7855	-0.84	-15.04	-15.04
Canadian \$	1.3554	1.3561	1.3243	-2.34	-2.29	-2.29
Swiss Franc	0.9245	0.8752	0.8414	-3.86	-8.99	-8.99
Renminbi	6.8986	7.1350	7.1000	-0.49	2.92	2.92

Source: Bloomberg as of 29th December 2023

D. Selected Commodity Prices (\$)					
Commodity	December-22	November-23	December-23	Mthly % Change	YTD % Change
Gold / Ounce	1824.02	2036.41	2062.98	1.30475	13.10073
Silver / Ounce	23.9545	25.2720	23.7953	-5.84323	-0.66459
Oil / Barrel	82.32	87.42	78.42	-10.29513	-4.73761

Source: Bloomberg as of 29th December 2023

E. Equity Market Valuations – December 29, 2023 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.39	4.84	4.42	3.75	-10.07	3.31	-0.07	-1.81
3 month	6.14	12.48	11.24	1.65	-7.86	8.87	5.04	-4.36
YTD	7.81	13.70	24.23	3.78	1.55	20.31	28.24	-3.70
12-month	7.81	13.70	24.23	3.78	1.55	20.31	28.24	-3.70

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	5.3550	5.2625	3.9850
1 Month	5.4000	5.2550	3.9500
3 Month	5.4375	5.3451	3.9800
6 Month	5.3700	5.3600	3.8600
9 Month	5.2702	5.1900	3.6600
1 year	5.2675	5.1575	3.5450

Source: Bloomberg as of 29th December 2023

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

	VALUE									CHANGE								
	Nov. 01	Nov. 08	Nov. 15	Nov. 22	Nov. 29	Dec. 06	Dec. 13	Dec. 20	Dec. 27	Nov. 01	Nov. 08	Nov. 15	Nov. 22	Nov. 29	Dec. 06	Dec. 13	Dec. 20	Dec. 27
I. External Reserves	2,489.76	2,484.03	2,518.22	2,491.98	2,459.17	2,410.93	2,419.91	2,353.91	2,347.25	(49.03)	(5.73)	34.19	(26.24)	(32.80)	(48.24)	8.98	(66.00)	(6.67)
II. Net Domestic Assets (A + B + C + D)	109.37	107.71	108.14	139.86	194.69	236.39	241.87	323.73	320.70	29.12	(1.66)	0.43	31.72	54.83	41.70	5.48	81.86	(3.03)
A. Net Credit to Gov't (I + ii + iii -iv)	751.06	791.85	753.25	795.64	837.11	870.69	889.93	984.87	784.23	41.34	40.79	(38.60)	42.38	41.47	33.59	19.23	94.94	(200.65)
i) Advances	573.02	573.02	573.02	573.02	573.02	573.02	573.02	573.02	573.02	-	-	-	-	-	-	-	-	-
ii) Registered Stock	287.99	303.48	303.59	303.76	354.77	354.91	460.62	460.66	460.74	(0.30)	15.50	0.11	0.17	51.01	0.14	105.71	0.04	0.09
iii) Treasury Bills	1.70	26.53	25.81	25.81	32.79	32.79	32.79	32.79	25.81	-	24.83	(0.72)	(0.00)	6.98	-	0.00	0.00	(6.98)
iv) Deposits	111.64	111.18	149.16	106.95	123.47	90.02	176.50	81.59	275.34	(41.64)	(0.46)	37.98	(42.22)	16.52	(33.44)	86.48	(94.91)	193.75
B. Rest of Public sector (Net) (i+ii-iii)	(11.75)	(56.22)	(16.74)	(33.42)	(20.24)	(0.00)	(4.81)	(27.41)	(20.78)	(5.30)	(44.47)	39.48	(16.68)	13.18	20.23	(4.81)	(22.60)	6.63
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	-	-	-	-	-	-	-	-	-
iii) Deposits	18.52	62.99	23.51	40.19	27.00	6.77	11.58	34.18	27.55	5.30	44.47	(39.48)	16.68	(13.18)	(20.23)	4.81	22.60	(6.63)
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-								
D. Other Items (Net)*	(629.94)	(627.92)	(628.37)	(622.36)	(622.18)	(634.31)	(643.25)	(633.73)	(442.75)	(6.92)	2.02	(0.45)	6.01	0.18	(12.12)	(8.94)	9.51	190.98
III. Monetary Base	2,599.12	2,591.73	2,626.36	2,631.83	2,653.86	2,647.32	2,661.78	2,677.65	2,667.94	(19.90)	(7.39)	34.62	5.48	22.03	(6.54)	14.47	15.86	(9.70)
A. Currency in Circulation	568.29	569.98	565.31	566.68	575.23	588.19	577.68	592.21	614.88	6.28	1.69	(4.66)	1.36	8.55	12.96	(10.51)	14.52	22.67
B. Bank Balances with CBOB	2,030.83	2,021.76	2,061.04	2,065.16	2,078.63	2,059.13	2,084.10	2,085.44	2,053.06	(26.19)	(9.08)	39.29	4.11	13.48	(19.51)	24.97	1.34	(32.37)

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																					
		2022/2023	2023/2024																				
		654.7	698.5																				
		-13.9%	-10.1%																				
		331.0	337.9																				
		10.1%	6.7%																				
		127.0	136.0																				
		87.0%	113.1%																				
		621.3	657.7																				
		-39.2%	-29.1%																				
		55.3	64.0																				
		-55.3%	-52.0%																				
		-21.93	-23.24																				
		-94.3%	-91.8%																				

YEAR TO DATE	
2022/2023	2023/2024
(Over previous year)	
654.7	698.5
9.8%	6.7%
330.99	337.87
12.1%	2.1%
127.0	136.0
-6.8%	7.1%
621.3	657.7
-7.1%	5.9%
55.3	64.0
-14.0%	15.8%
-21.93	-23.24
-83.9%	6.0%

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	11,039.9	10,157.6	11,125.1	10,532.4	11,104.3	10,383.4	11,053.7	10,389.1	11,340.2	10,792.8	11,260.1	10,786.3	11,298.2	10,785.1	11,282.0	10,776.7	11,214.5	10,829.1	11,187.0	10,922.3	11,246.1	11,036.4	11,424.7
-1.3%	0.0%	-0.2%	0.8%	3.6%	-0.2%	-1.4%	-0.5%	0.1%	2.59%	3.9%	-0.7%	-0.1%	0.3%	0.0%	-0.1%	-0.1%	-0.6%	0.5%	-0.2%	0.9%	0.5%	1.0%	1.6%
4,327.4	4,839.8	4,308.3	4,912.2	4,732.8	4,846.4	4,616.1	4,840.1	4,625.6	5,083.8	4,997.1	5,004.8	5,024.2	4,998.0	4,993.9	4,970.1	4,975.3	4,839.2	4,965.6	4,826.4	4,995.7	4,838.3	4,843.5	5,026.5
-0.4%	-0.1%	-0.4%	1.5%	9.0%	-1.4%	-2.5%	-0.1%	0.2%	5.0%	8.0%	-1.6%	0.5%	-0.1%	-0.6%	-0.6%	-0.4%	-2.6%	-0.2%	-0.3%	0.6%	0.2%	-3.0%	3.9%
112.6	329.5	112.6	326.1	112.6	328.9	108.5	321.6	108.5	318.1	108.5	318.6	105.0	317.3	105.0	315.0	105.0	312.4	97.3	304.6	97.3	307.9	329.9	309.4
-36.1%	-0.1%	0.0%	-1.1%	0.0%	0.9%	-3.8%	-2.3%	0.0%	-1.1%	0.0%	0.1%	-3.2%	-0.4%	0.0%	-0.7%	0.0%	-0.8%	-7.3%	-2.5%	0.0%	1.1%	239.2%	0.5%
5,742.8	5,870.6	5,736.7	5,886.9	5,686.9	5,929.0	5,658.8	5,892.1	5,655.0	5,938.3	5,687.3	5,936.6	5,657.2	5,982.9	5,686.2	5,996.9	5,696.4	6,062.9	5,766.2	6,056.0	5,829.3	6,099.9	5,863.0	6,088.8
-0.9%	0.1%	-0.1%	0.3%	-0.9%	0.7%	-0.5%	-0.6%	-0.1%	0.8%	0.6%	0.0%	-0.5%	0.8%	0.5%	0.2%	0.2%	1.1%	1.2%	-0.1%	1.1%	0.7%	0.6%	-0.2%
482.2	268.8	112.8	142.5	210.7	262.5	293.5	278.2	111.8	161.8	223.0	237.3	225.4	320.3	74.8	129.6	87.5	201.7	425.7	442.2	53.9	106.7	318.5	590.3
372.7%	-15.6%	-327.4%	-88.7%	46.5%	45.7%	28.2%	5.7%	-61.9%	-41.8%	99.5%	46.7%	1.1%	34.9%	-66.8%	-59.5%	17.0%	55.6%	386.3%	119.3%	-87.3%	-75.9%	491.2%	453.4%
4,952.3	5,648.4	4,933.2	5,717.3	5,351.1	5,644.9	5,230.2	5,631.2	5,239.6	5,871.5	5,602.7	5,780.7	5,626.3	5,772.6	5,596.0	5,742.4	5,569.7	5,598.1	5,552.2	5,577.5	5,582.4	5,592.8	5,560.5	5,769.8
-1.6%	-0.1%	-0.4%	1.2%	7.8%	-1.3%	-2.3%	-0.2%	0.18%	4.27%	6.93%	-1.55%	0.4%	-0.1%	-0.5%	-0.5%	-0.5%	-2.5%	-0.3%	-0.4%	0.5%	0.3%	-0.4%	3.2%

YEAR TO DATE	
2022	2023
(Over previous year)	
116.8	120.9
5.5%	3.4%
4,793.5	7,209.2
406.8%	50.4%
1,102.5	1,332.7
77.5%	20.9%
50.46	48.27
12.01%	-4.34%

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
113.9	119.4	114.0	119.3	115.1	119.8	115.9	120.6	116.9	121.1	117.5	121.1	119.25	121.97	119.33	122.12	119.74	122.36						
3.8%	4.8%	3.78%	4.65%	4.72%	4.11%	5.12%	4.04%	5.51%	0.4%	6.23%	0.05%	7.13%	0.69%	0.07%	0.12%	0.34%	0.20%						
318.3	846.6	414.5	820.6	627.2	951.3	588.7	865.4	506.6	756.3	567.4	794.9	683.3	860.6	619.9	744.1	467.4	569.4						
1247.8%	165.9%	1304.8%	97.9%	899.3%	51.7%	755.8%	47.0%	439.6%	49.3%	320.0%	40.1%	272%	25.9%	226.3%	20.0%	-37.19%	22%						
74.1	132.5	104.5	150.7	151.1	186.8	147.1	170.6	130.0	149.8	144.6	167.8	161.9	175.6	119.2	128.5	70.053	70.433						
256.2%	78.9%	306.1%	44.3%	168.13%	23.57%	143.9%	16.0%	60.1%	15.2%	27.8%	16.1%	21%	8.5%	38.3%	7.8%	-45%	0.5%						
				11.51	15.27					22.6	19.4					16.3	13.6						
				-31.58%	-9.18%					96.6%	27.2%					-27.8%	-30.2%						

* Includes Net Lending to Public Corporations

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

p - provisional