



Monthly Economic and Financial Developments August 2008

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:

2008: November 3rd, December 1st, December 30th

1. Domestic Economic Developments

Initial data for August highlighted continued moderation in the economic momentum, reflecting a slowdown in the expansion of consumer demand, tempered construction activity and sustained weakness in the tourism sector. Buoyed by a contraction in private sector credit growth, along with public sector borrowings, liquidity conditions improved during the period, and external reserve levels stabilized.

Tourism statistics for the first half of the year showed a 2.2% contraction in arrivals to 2.37 million, vis-à-vis the same period a year ago. This development reflected a 3.8% reduction in sea passengers, which outpaced the 1.1% improvement in air traffic. A breakdown of tourist arrivals by port of entry revealed that both New Providence and Grand Bahama experienced declines in visitors of 5.9% and 14.7%, respectively; whereas arrivals to the Family of Islands strengthened by 11.7%.

Average consumer prices for the 12-month period ending July increased to 3.29% from 2.42% in the corresponding period of 2007 and 1.58% in 2006. The most significant price gains were noted for furniture & household operations (7.23%), medical care (4.80%), food & beverage (4.24%), other goods & services (3.83%) and transportation & communication (3.42%); and the remaining components advanced by less than 3.0%. As to retail fuel costs, despite a reduction in international oil prices during the period, diesel prices advanced by 0.82% to \$6.12 per gallon, while the average cost of gasoline decreased by 1.0% to \$5.68 per gallon at end-August.

2. International Developments

The global economy continued to struggle with the adverse effects of the mortgage and credit crises over the review period, as noted by declines in consumer spending among the developed economies and the mixed performances of the major stock market indices.

Further signs of the severe weakness in the United States (US) economy emerged over the review period, as preliminary real estate indicators for July showed the number of housing starts and completions contracting by 11.0% and 8.7%, respectively, over the previous month. Similarly, the current account deficit deteriorated by \$7.5 billion to \$183.1 billion in the second quarter, over the previous three-month period. Personal income decreased by \$89.9 billion (0.7%) in July, contrasting with the \$7.4 billion (0.1%) increase in June, as the effects of the economic stimulus package waned. In this environment, the unemployment rate rose by 0.4 percentage points on a monthly basis to 6.1% in August, the highest rate in four years. Driven by lower fuel costs, consumer prices rose by a slightly reduced annual rate of 5.4% in August, compared to 5.6% in the previous month; while the consumer confidence index advanced during the month by 5.0 points to 56.9.

In the euro zone, the current account deficit expanded to €36.3 billion in the second quarter, from €26.5 billion in the previous three months, as the economies of major trading partners remained anaemic. Moreover, retail sales contracted by 0.4% in July, compared to the previous month. In August, annualized inflation fell to 3.8% from a record high of 4.0% in the previous two months. For the United Kingdom, the trade deficit improved by £0.4 billion, on a monthly basis, to £4.6 billion in July, reflecting reductions in the trade gap with both the euro zone and non-euro zone

countries. Meanwhile, retail expenditures rose by 0.7% in the three months to July, over the previous quarter, buoyed by improvements in the clothing and footwear sectors. In contrast, inflation rose to 4.7% in August, 30 basis points higher than the previous month's rate, due to higher gas and electricity bills.

In Asia, China's industrial production rose by 12.8% on an annualised basis in August, while the trade surplus widened by 14.9% to a record \$28.7 billion, supported by increased exports to both the United States and Europe. As demand for items such as food, clothing and commodities surged, retail sales rose by 23.2% on an annual basis. Inflation tapered marginally by 0.1 percentage points to 4.9% in August, due to lower food costs. In Japan, stronger net imports contracted the trade surplus sharply; albeit, industrial production rose by 2.0% over the previous year, buttressed by increased output of transportation equipment, electrical machinery and metals. In addition, the unemployment rate fell by 0.1 percentage point to 4.0%, while the rate of inflation slowed by 1 percentage point to 1.3% in August.

Despite a 0.6% decline in oil production to 32.6 million barrels per day by OPEC in August and the armed conflict in Eastern Europe, the price of oil fell by 5.8% to \$116.23 per gallon, due to reduced demand in developed economies and increased exports by the cartel. Similarly, in other commodity markets, the price of both gold and silver in August contracted by 9.1% to \$831.15 per ounce and 23.3% to \$13.61 per ounce, respectively.

The performance of the major equity market indices was mixed during the review month, as several Asian markets registered declines, whereas the US and European markets recorded appreciations. Specifically, both the US' Dow Jones Industrial Average (DJIA) and the S&P 500 strengthened by 1.5% to 11543.5 and 1.2% to 1282.6, respectively. In the European stock markets, the FTSE 100 advanced by 4.2% to 5636.60; the CAC 40 firmed by 2.1% to 4482.6 while the DAX recorded a 0.9% falloff to 6422.30. Both the Japanese and Chinese indices contracted, as the Nikkei 225 and SE were 2.3% lower at 13072.9 and 13.6% at 2397.4, respectively.

3. Domestic Monetary and Credit Trends

Liquidity conditions improved in August, compared to a contraction noted a year earlier, owing to a tempering in credit growth and relatively stable deposit base expansion. Similar trends were responsible for the improvement in liquidity over the first eight months of the year, with increased levels of public sector borrowings also contributing to the significant build up in external reserves.

August 2008 vs. 2007

During the month of August, excess reserves trended higher by \$15.3 million, a turnaround from the \$51.1 million contraction registered in the preceding year. A similar outcome was registered for excess liquid assets which advanced by \$16.1 million, in contrast to a \$48.3 million reduction in 2007.

External reserves rose marginally by \$2.3 million, reversing a \$52.0 million decrease a year earlier. This situation was attributed to a rebound in the Central Bank's foreign currency transactions, to a net purchase of \$0.01 million from a net sale of \$52.1 million last year. Notably, more tempered credit growth supported a net purchase of \$10.1 million from commercial banks, reversing the year-earlier net sale of \$25.1 million. Buoyed by the receipt of foreign currency loan proceeds, net sales

to the public sector narrowed by \$17.0 million to \$10.1 million. Meanwhile, commercial banks' net sales to customers waned by \$37.0 million to \$0.6 million, as a 55.0% increase in purchases outpaced a 35.3% gain in sales.

Bahamian dollar credit growth decelerated by 61.6% to \$45.7 million, and was broadly based. The expansion in net credit to Government moderated from \$45.4 million, to \$5.4 million. Similarly, claims on the private sector grew by a reduced \$24.6 million to \$45.4 million, as accretions to consumer credit and mortgages slackened by 41.6% and 58.8%. to \$17.5 million and \$16.9 million, respectively. Moreover, credit to public corporations contracted by \$5.0 million, in contrast to a \$3.6 million expansion noted a year-earlier.

Reflecting gains in credit to public corporations, accretions in foreign currency credit firmed by \$11.7 million to \$32.1 million. In particular, claims on public corporations rose by \$38.3 million, a turnaround from the \$3.1 million contraction registered a year ago. Similarly, net credit to Government rose marginally by \$1.4 million, reversing the \$0.5 million decline recorded in the previous year. In contrast, private sector credit contracted by \$7.6 million, as opposed to the \$23.9 million advance in 2007 when hotels recorded net repayments.

Bahamian dollar deposits rose by \$41.3 million, outstripping the \$34.9 million advance of last year. Among the main components, fixed deposits firmed by \$30.9 million, more than double the prior year's \$12.3 million expansion. Gains in demand balances slackened to \$11.0 million vis-à-vis \$20.3 million in 2007, while saving deposits contracted by \$0.6 million, following a year-earlier \$2.3 million hike.

With respect to interest rates, the weighted average deposit rate at banks stabilized at 3.92%, with the maximum rate of 6.75% offered on fixed deposit accounts of over 6 -12 months. In contrast, the weighted average loan rate declined by 57 basis points to 10.9%.

January –August 2008

During the first eight months of the year, accretions to excess reserves strengthened by 58.9% to \$112.9 million. Likewise, increases in excess liquid assets accelerated by 12.9% to \$209.6 million, when compared to the year-earlier period.

External reserves rose by \$223.5 million, more than double the \$106.0 million gain registered a year ago, as the Bank's net foreign currency inflows firmed by \$122.7 million to \$213.4 million. This development was underpinned by a reversal of the Bank's foreign currency transactions with the public sector, from a net sale of \$136.6 million to a net purchase of \$4.6 million, owing to the Government, as well as the public corporations' borrowing activities. The Bank's net purchase from commercial banks was \$18.5 million lower at \$208.8 million, as the latter's net purchase from their customers fell by \$5.3 million to \$202.1 million.

Accretions to Bahamian dollar credit abated by 38.4% (\$140.0 million) to \$224.7 million, featuring a \$24.6 million net repayment by Government, a reversal from the \$103.2 million advance in 2007. Similarly, claims on the rest of the public sector contracted further by \$6.2 million, relative to \$60.0 million in 2007. Private sector credit growth narrowed by 20.5% to \$255.5 million, as net lending for mortgages and consumer credit were curtailed by a little more than one-quarter to \$145.3 million and \$94.9 million, respectively.

A further analysis of trends in consumer credit for the first seven months of the year showed that “miscellaneous” loans contracted by \$2.3 million, a reversal from the \$34.2 million advance in the comparable period of 2007. In line with the softening in the domestic mortgage markets, growth in net advances for land purchases tapered by almost two-thirds to \$7.0 million. Conversely, net expansion in credit card balances and debt consolidation loans firmed significantly to \$8.9 million and \$47.5 million, respectively.

Asset quality indicators showed further deterioration in loan quality during August. Since December 2007, total arrears 31 days and over firmed by \$114.5 million (21.6%) to \$644.0 million, with delinquencies in the 31-90 day segment advanced by \$33.0 million (11.9%) to \$311.0 million. Non-performing loans—those 91 days and over on which clients have missed three or more monthly payments, increased by \$81.6 million (32.4%) to \$333.0 million. In terms of the main components, commercial mortgage arrears rose by \$52.8 million (56.2%) over the review period, amid sustained increases in both the short and long-term categories. Similarly, consumer loan arrears grew by \$32.8 million (19.1%), with these loans continuing to migrate steadily into the non-accrual segment. Total mortgage arrears rose moderately during August, resulting in overall growth of \$28.9 million (11.0%) for the eight month period, and with all of the gains being recorded in the non-accrual component.

In line with the deterioration in arrears, banks increased their loan loss provisions by \$27.6 million (22.9%), although the ratio of provisions to arrears was relatively stable throughout the period at 23.0%.

Domestic foreign currency credit contracted by \$26.5 million, a turnaround from the marginal \$0.8 million expansion of a year ago. This development reflected a net repayment by the private sector of \$101.0 million, in contrast to last year’s \$4.9 million increase, as tourism-related investment entities repaid outstanding advances. Similarly, the reduction in net claims on the Government was extended to \$21.4 million from \$1.3 million, whereas foreign currency borrowings boosted claims on the rest of the public sector by \$95.9 million, in contrast to 2007’s \$2.9 million contraction.

During the review period, accretions to Bahamian dollar deposits eased by \$45.7 million to \$304.9 million. This outturn reflected an 81.3% (\$53.0 million) moderation in savings deposit gains to \$12.2 million, which outpaced the accelerated growth in demand and fixed deposits of 7.9% to \$41.9 million and 1.7% to \$250.7 million, respectively.

Outlook

The deepening of the global financial crisis, underscored by the collapse of the subprime lending market in the US has increased the short and medium term uncertainties facing the Bahamian economy. In particular, as US confidence remains near historic lows and households make further spending adjustments in response to the significant erosion in financial wealth, demand for tourism is expected to wane further over the remainder of 2008 and the first half of 2009. However, continued weakness in the US currency, partly in response to the expansionary effects of the proposed rescue package, could offer some competitive gains for The Bahamas, relative to non-dollar priced tourist destinations. Meanwhile, despite steadied support to construction from domestic financing, overall activity is expected to ease, as a result of reduced stimulus from foreign

investments that are impacted by the global contraction in the supply of credit and the diminished ability of some investors to sustain their equity support for these projects. In terms of inflation, expectations are that the rate will stay elevated in the near term, as the weak dollar reduces prospects for any significant fall back in oil and commodity prices.

In this uncertain environment, domestic demand should remain relatively subdued and support sustainable trends in external reserves and bank liquidity. Nonetheless, fiscal operations could be adversely impacted by a likely slowdown in revenue collections.

Recent Monetary and Credit Statistics

(B\$ Millions)

	AUGUST					
	Value		Change		Change YTD	
	2007	2008	2007	2008	2007	2008
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	207.17	325.15	-51.14	15.25	71.01	112.87
1.2 Excess Liquid Assets	195.13	335.35	-48.32	16.05	185.69	209.64
1.3 External Reserves	557.86	684.64	-51.97	2.27	105.96	223.52
1.4 Bank's Net Foreign Assets	-690.33	-684.22	-32.07	-44.08	-57.94	24.66
1.5 Usable Reserves	234.54	297.45	-21.90	3.15	75.84	188.92

2.0 DOMESTIC CREDIT						
2.1 Private Sector	5,974.37	6,373.20	93.88	37.74	326.33	154.54
a. B\$ Credit	5,475.02	5,940.79	69.99	45.36	321.44	255.53
of which: Consumer Credit	2,014.79	2,194.08	29.86	17.45	128.44	94.92
Mortgages	2,435.65	2,683.41	41.12	16.93	195.38	145.30
b. F/C Credit	499.35	432.42	23.89	-7.63	4.90	-100.99
of which: Mortgages	37.08	48.39	-0.19	-1.60	5.76	-6.44
2.2 Central Government (net)	770.01	811.00	44.96	6.77	101.98	-45.99
a. B\$ Loans & Securities	889.29	957.62	44.74	6.53	100.08	-8.48
Less Deposits	120.70	146.31	-0.66	1.15	-3.15	16.12
b. F/C Loans & Securities	4.06	3.39	0.00	0.00	-0.90	-19.77
Less Deposits	2.65	3.70	0.45	-1.40	0.35	1.62
2.3 Rest of Public Sector	310.84	375.65	0.49	33.27	-62.84	89.63
a. B\$ Credit	71.78	61.35	3.58	-5.04	-59.98	-6.22
b. F/C Credit	239.06	314.30	-3.10	38.30	-2.86	95.86
2.4 Total Domestic Credit	7,055.22	7,559.86	139.32	77.77	365.47	198.19
a. B\$ Domestic Credit	6,315.39	6,813.45	118.98	45.70	364.68	224.71
b. F/C Domestic Credit	739.83	746.40	20.34	32.07	0.79	-26.52

3.0 DEPOSIT BASE						
3.1 Demand Deposits	1,115.62	1,131.42	20.31	10.98	38.86	41.94
a. Central Bank	14.39	10.90	-2.64	-9.07	-2.82	2.91
b. Banks	1,101.23	1,120.53	22.95	20.05	41.68	39.02
3.2 Savings Deposits	1,015.91	1,018.36	2.30	-0.64	65.20	12.19
3.3 Fixed Deposits	3,027.45	3,379.28	12.33	30.93	246.51	250.74
3.4 Total B\$ Deposits	5,158.98	5,529.05	34.94	41.27	350.56	304.87
3.5 F/C Deposits of Residents	186.89	194.07	-2.86	1.71	5.97	15.12
3.6 M2	5,362.70	5,724.40	28.84	39.07	329.12	253.48
3.7 External Reserves/M2 (%)	10.40	11.96	-1.03	-0.04	1.42	3.53
3.8 External Reserves/Base Money (%)	89.54	91.25	0.03	-1.33	9.15	23.03

	Value		Year to Date		Change	
	2007	2008	2007	2008	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	-52.14	0.01	90.65	213.39	52.16	122.74
a. Net Purchase/(Sale) from/to Banks	-25.09	10.10	227.28	208.82	35.19	-18.46
i. Sales to Banks	33.31	21.15	160.69	145.81	-12.16	-14.88
ii. Purchases from Banks	8.22	31.25	387.97	354.63	23.03	-33.34
b. Net Purchase/(Sale) from/to Others	-27.05	-10.09	-136.63	4.57	16.96	141.20
i. Sales to Others	40.92	74.70	332.73	498.81	33.78	166.08
ii. Purchases from Others	13.87	64.61	196.11	503.38	50.74	307.27
4.2 Banks Net Purchase/(Sale)	-37.55	-0.56	207.42	202.09	36.99	-5.33
a. Sales to Customers	292.43	395.66	2,273.43	3,055.10	103.22	781.66
b. Purchases from Customers	254.89	395.10	2,480.85	3,257.19	140.21	776.34
4.3 B\$ Position (change)	18.82	0.74				

5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	397.57	ND	2,253.01	ND	ND	ND
of which Public Sector	77.03	ND	341.02	ND	ND	ND
a. Nonoil Imports	137.53	ND	961.24	ND	ND	ND
b. Oil Imports	62.21	ND	287.02	ND	ND	ND
c. Travel	39.43	ND	179.00	ND	ND	ND
d. Factor Income	6.03	ND	66.33	ND	ND	ND
e. Transfers	9.84	ND	60.82	ND	ND	ND
f. Other Current Items	142.54	ND	698.60	ND	ND	ND
5.2 Capital Items	7.94	ND	74.30	ND	ND	ND
of which Public Sector	0.74	ND	28.49	ND	ND	ND
5.3 Bank Remittances	3.34	ND	18.98	ND	ND	ND

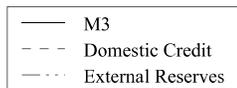
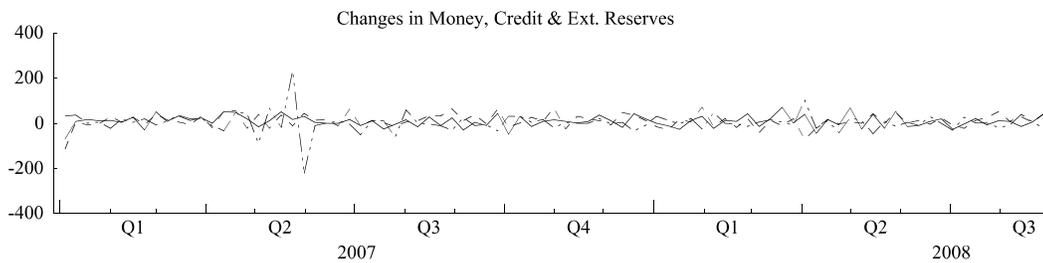
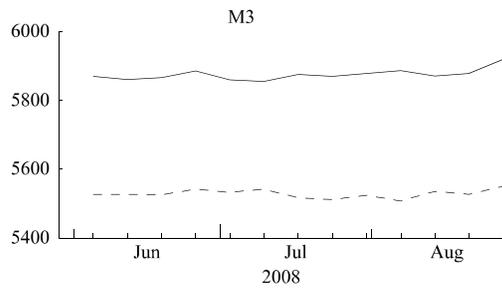
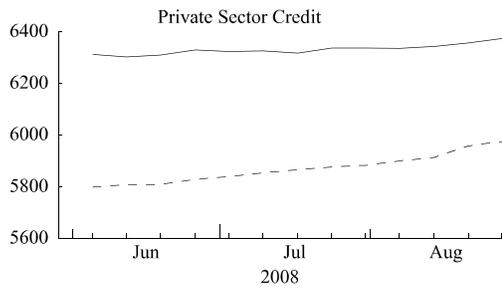
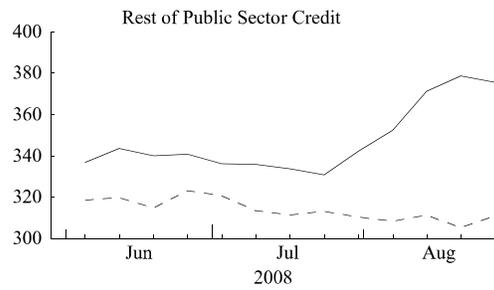
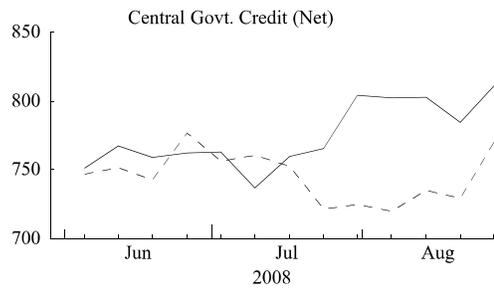
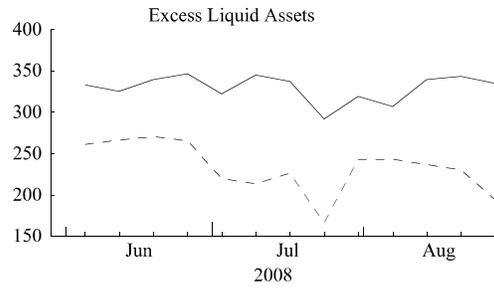
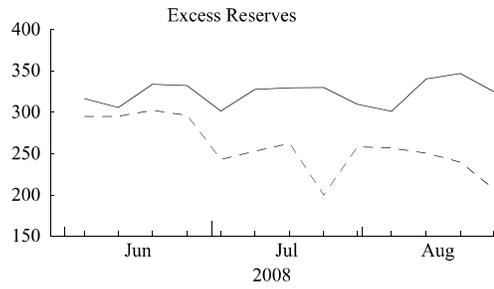
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: AUGUST 29, 2007 and AUGUST 27, 2008

Exchange Control Sales figures are as at month end.

Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

Components may not sum to totals due to round-off error.

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	
	2008	2009	2008	2009	2008	2009
Bahamas	4.0	3.8	2.4	2.3	7.9	n/a
United States	0.5	0.6	3.0	2.0	5.4	6.3
Euro-Area	1.4	1.2	2.8	1.9	7.3	7.4
<i>Germany</i>	<i>1.4</i>	<i>1.0</i>	<i>2.5</i>	<i>1.6</i>	<i>7.9</i>	<i>7.7</i>
Japan	1.4	1.5	0.6	1.3	3.9	3.9
United Kingdom	1.6	1.6	2.5	2.1	5.5	5.4
Canada	1.3	1.9	1.6	2.0	6.1	6.3
<i>Sources: IMF World Economic Outlook, April 2008 & The Bahamas Department of Statistics.</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
November 2006	5.25	3.25	6.25	5.25	5.00
December 2006	5.25	3.50	6.25	5.25	5.00
January 2007	5.25	3.50	6.25	5.25	5.25
February 2007	5.25	3.50	6.25	5.25	5.25
March 2007	5.25	3.75	6.25	5.25	5.25
April 2007	5.25	3.75	6.25	5.25	5.25
May 2007	5.25	3.75	6.25	5.25	5.50
June 2007	5.25	4.00	6.25	5.25	5.50
July 2007	5.25	4.00	6.25	5.25	5.75
August 2007	5.25	4.00	5.75	5.25	5.75
September 2007	5.25	4.00	5.25	4.75	5.75
October 2007	5.25	4.00	5.00	4.50	5.75
November 2007	5.25	4.00	5.00	4.50	5.75
December 2007	5.25	4.00	4.75	4.25	5.50
January 2008	5.25	4.00	3.50	3.00	5.50
February 2008	5.25	4.00	3.50	3.00	5.25
March 2008	5.25	4.00	2.50	2.25	5.25
April 2008	5.25	4.00	2.25	2.00	5.00
May 2008	5.25	4.00	2.25	2.00	5.00
June 2008	5.25	4.00	2.25	2.00	5.00
July 2008	5.25	4.25	2.25	2.00	5.00
August 2008	5.25	4.25	2.25	2.00	5.00

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Aug-07	Jul-08	Aug-08	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7337	0.6409	0.6815	6.3	-0.6	-2.8
Yen	115.78	107.91	108.80	0.8	-2.6	-5.2
Pound	0.4958	0.5040	0.5491	9.0	9.0	12.4
Canadian \$	1.0557	1.0247	1.0638	3.8	6.6	7.2
Swiss Franc	1.2085	1.0471	1.1013	5.2	-2.8	-5.4
<i>Source: Bloomberg as at August 31, 2008</i>						
D. Selected Commodity Prices (\$)						
Commodity	August 2007	July 2008	August 2008	Mthly % Change	YTD % Change	
Gold / Ounce	673.40	914.07	831.15	-9.1	-0.3	
Silver / Ounce	12.08	17.75	13.6	-23.3	-8.0	
Oil / Barrel	72.10	123.43	116.2	-5.8	22.5	
<i>Source: Bloomberg as at August 31, 2008</i>						

E. Equity Market Valuations – August 31, 2008 (% chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.32	1.45	1.22	4.15	2.05	-0.88	-2.27	-13.63
3 month	-1.31	1.70	0.12	0.19	1.08	0.06	-3.03	-12.38
YTD	-12.95	-12.98	-13.17	-12.70	-20.15	-20.39	-14.60	-54.44
12-month	-5.79	-16.93	-17.18	-12.84	-21.57	-18.31	-22.12	-56.82
<i>Sources: Bloomberg and BISX</i>								

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	2.25	5.00	4.25
1 Month	2.60	5.30	4.47
3 Month	3.01	5.69	4.92
6 Month	3.22	5.81	5.13
9 Month	3.31	5.87	5.14
1 year	3.56	5.92	5.26
<i>Source: Bloomberg, as at August 31, 2008</i>			

SUMMARY ACCOUNTS OF THE CENTRAL BANK
(B\$ Millions)

	VALUE										CHANGE							
	Jul. 02	Jul. 09	Jul. 16	Jul. 23	Jul. 30	Aug. 06	Aug. 13	Aug. 20	Aug. 27	Jul. 02	Jul. 09	Jul. 16	Jul. 23	Jul. 30	Aug. 06	Aug. 13	Aug. 20	Aug. 27
I. External Reserves	673.98	707.08	704.14	695.61	682.37	674.88	701.34	692.93	684.64	-20.83	33.09	-2.94	-8.52	-13.24	-7.50	26.46	-8.41	-8.29
II. Net Domestic Assets (A + B + C + D)	50.78	45.09	41.91	50.00	54.64	50.01	58.32	71.75	65.63	0.22	-5.69	-3.18	8.09	4.64	-4.63	8.31	13.43	-6.12
A. Net Credit to Gov¹(i + ii + iii - iv)	180.15	174.14	173.07	171.26	180.60	183.51	186.00	186.18	185.79	4.30	-6.01	-1.07	-1.81	9.34	2.91	2.49	0.18	-0.39
i) Advances	71.99	71.99	71.99	71.99	71.99	71.99	71.99	71.99	71.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	129.54	129.44	129.21	127.73	127.65	127.44	127.43	127.17	126.87	-0.11	-0.10	-0.23	-1.49	-0.08	-0.20	-0.01	-0.25	-0.31
iii) Treasury Bills	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iv) Deposits	21.38	27.29	28.13	28.45	19.03	15.92	13.41	12.98	13.06	-4.41	5.91	0.84	0.32	-9.42	-3.11	-2.50	-0.44	0.09
B. Rest of Public Sector (Net) (i + ii - iii)	-14.70	-14.62	-16.44	-9.53	-13.42	-16.60	-14.50	-0.59	-2.35	-2.24	0.08	-1.81	6.90	-3.89	-3.18	2.10	13.91	-1.76
i) BDB Loans	6.61	6.61	6.61	6.61	6.55	6.55	6.55	6.55	8.55	0.00	0.00	0.00	0.00	-0.06	0.00	0.00	0.00	2.00
ii) BMC Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii) Deposits	21.32	21.23	23.05	16.15	19.97	23.15	21.05	7.14	10.90	2.24	-0.08	1.81	-6.90	3.82	3.18	-2.10	-13.91	3.76
C. Loans to/Deposits with Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D. Other Items (Net)*	-114.67	-114.43	-114.73	-111.73	-112.55	-116.90	-113.18	-113.84	-117.81	-1.84	0.24	-0.30	3.00	-0.82	-4.35	3.73	-0.67	-3.97
III. Monetary Base	724.77	752.17	746.04	745.61	737.01	724.89	759.67	764.69	750.27	-20.61	27.40	-6.12	-0.43	-8.60	-12.12	34.78	5.02	-14.41
A. Currency in Circulation	285.01	289.10	282.87	282.47	286.85	291.20	284.41	280.78	280.44	2.77	4.10	-6.23	-0.41	4.38	4.35	-6.78	-3.63	-0.34
B. Bank Balances with CBOB	439.76	463.06	463.17	463.15	450.16	433.69	475.25	483.91	469.83	-23.38	23.30	0.11	-0.02	-12.98	-16.47	41.56	8.65	-14.08

* Includes capital, provisions and surplus account, fixed and other assets, and other demand liabilities of Bank

FISCAL/REAL SECTOR INDICATORS

(\$ MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		YEAR TO DATE	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Fiscal Operations:																								
1. Government Revenue & Grants	106.1	111.5	106.7	94.3	114.1	87.9	79.4	107.0	115.7	112.1	104.0	96.9	123.3	134.2	115.4	105.6	111.5	113.3	129.5	111.5	105.6	163.3	128.7	131.5
% change	-25.6%	-19.4%	0.5%	-15.4%	6.8%	-6.7%	-30.4%	21.7%	45.8%	4.0%	-10.1%	-13.6%	18.5%	38.6%	-6.4%	-3.3%	-1.8%	-1.8%	-3.3%	-6.7%	-6.7%	46.4%	20.0%	-19.4%
2. Import Duties	37.8	42.9	46.3	40.0	34.4	39.3	38.0	46.6	43.4	46.6	36.4	37.6	40.9	50.8	36.6	40.4	44.2	40.8	40.4	44.2	44.3	47.5	45.1	40.8
% change	-44.1%	-24.0%	22.4%	-6.9%	-25.7%	-1.7%	10.6%	18.6%	14.1%	0.0%	-16.6%	-19.2%	12.2%	35.0%	-10.5%	-20.4%	20.7%	1.0%	0.0%	0.1%	16.4%	1.6%	-14.7%	
3. Recurrent Expenditure	99.6	101.6	93.1	99.1	90.7	103.0	103.3	107.3	111.1	106.0	85.3	105.8	124.7	130.4	106.6	106.8	112.7	110.0	95.9	110.0	106.8	113.0	91.7	102.8
% change	-21.9%	-3.0%	-6.5%	-2.9%	-2.0%	3.9%	13.9%	4.2%	7.9%	4.2%	-24.2%	-0.2%	46.2%	23.2%	-19.9%	-26.4%	17.3%	9.3%	-26.4%	9.3%	-2.9%	14.1%	-9.0%	9.0%
4. Capital Expenditure	5.6	7.6	11.7	14.0	13.0	9.0	11.3	8.4	10.3	14.6	13.6	10.5	11.1	12.1	15.5	10.5	10.2	9.6	10.5	10.2	18.3	12.2	12.1	8.9
% change	-35.0%	-77.8%	10.9%	85.0%	11.0%	53.8%	-13.1%	6.3%	-8.7%	73.1%	31.2%	-27.8%	-18.9%	15.3%	40.3%	-13.0%	-38.3%	-2.9%	-13.0%	91.3%	19.2%	-33.6%	-18.8%	-18.8%
5. Deficit/Surplus*	-0.8	0.7	1.1	-23.8	3.2	-27.7	-41.8	-12.6	-8.6	-14.0	-3.4	-22.1	-20.2	-13.8	-4.8	-4.8	-11.2	-16.4	-20.5	-11.2	-23.3	31.7	18.3	13.1
% change	-95.6%	100.9%	-230.1%	-3762.3%	185.5%	16.1%	-1394.1%	-51.6%	-79.5%	11.8%	-60.1%	57.3%	492.2%	-37.5%	-76.0%	-248.2%	132.0%	-180.2%	248.2%	132.0%	107.3%	292.7%	-78.8%	-58.8%

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		YEAR TO DATE	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Debt:																								
6. Total Debt	2,389.4	2,636.3	2,379.3	2,636.6	2,430.0	2,625.8	2,416.2	2,618.2	2,441.2	2,678.9	2,540.7	2,679.3	2,540.7	2,679.3	2,540.7	2,679.3	2,540.7	2,679.3	2,540.7	2,679.3	2,540.7	2,679.3	2,540.7	2,679.3
% change	3.4%	-0.2%	-0.4%	0.0%	2.1%	-0.4%	-0.4%	2.4%	0.9%	-0.7%	0.6%	0.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7. External Debt	292.8	273.8	282.7	274.0	293.4	273.3	288.0	372.3	289.6	372.3	270.7	372.2	270.7	372.2	270.7	372.2	270.7	372.2	270.7	372.2	270.7	372.2	270.7	372.2
% change	2.1%	0.0%	-0.9%	0.8%	0.2%	-0.2%	-8.6%	36.2%	0.5%	0.0%	0.4%	-0.6%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
8. Internal F/C Debt	5.0	23.2	5.0	23.2	5.0	23.2	4.1	2.3	4.1	2.3	4.1	2.3	4.1	2.3	4.1	2.3	4.1	2.3	4.1	2.3	4.1	2.3	4.1	2.3
% change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-18.1%	-90.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9. Bahamian Dollar Debt	2,091.6	2,339.4	2,091.6	2,339.4	2,131.6	2,339.4	2,146.1	2,314.4	2,166.4	2,304.4	2,166.4	2,304.4	2,285.9	2,304.4	2,285.9	2,304.4	2,285.9	2,304.4	2,285.9	2,304.4	2,285.9	2,304.4	2,285.9	2,304.4
% change	-3.4%	-0.2%	-0.4%	0.0%	2.4%	-0.4%	0.6%	-0.6%	0.5%	-0.4%	0.0%	0.0%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10. Total Amortization	0.5	0.5	10.1	0.1	0.7	10.7	32.9	37.7	25.0	10.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
% change	-50.0%	362.0%	1015.0%	-90.4%	-92.3%	1076.7%	473.2%	230.7%	-24.0%	-73.8%	-99.5%	-98.9%	369.7%	-100.0%	-81.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		YEAR TO DATE	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Real Sector Indicators																								
12. Retail Price Index	121.2	124.2	121.4	124.6	121.5	124.7	121.7	126.6	122.1	128.1	122.3	128.5	122.3	128.5	122.3	128.5	122.3	128.5	122.3	128.5	122.3	128.5	122.3	128.5
% change	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.2%	1.0%	0.3%	1.2%	0.2%	0.3%	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
13. Tourist arrivals (000s)	397.3	372.6	376.7	400.6	500.0	500.4	423.2	396.5	369.5	388.5	369.3	394.6	394.6	394.6	394.6	394.6	394.6	394.6	394.6	394.6	394.6	394.6	394.6	394.6
% change	-7.1%	-0.2%	-4.3%	14.3%	-0.7%	-14.6%	-6.3%	-3.8%	-1.3%	-3.8%	-9.4%	-9.4%	-9.4%	-9.4%	-9.4%	-9.4%	-9.4%	-9.4%	-9.4%	-9.4%	-9.4%	-9.4%	-9.4%	-9.4%
14. Air arrivals (000s)	103.4	110.7	118.1	125.8	169.0	168.9	144.0	138.0	126.5	128.4	126.5	138.7	138.7	138.7	138.7	138.7	138.7	138.7	138.7	138.7	138.7	138.7	138.7	138.7
% change	-0.2%	7.0%	-8.2%	6.4%	-2.0%	-0.7%	-9.6%	-4.1%	-7.4%	1.5%	-6.5%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%
15. Occupied Room Nights																								
% change																								
16. Res. Mortgage Commitments-New Const.																								
% change																								

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		YEAR TO DATE	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
17. Res. Mortgage Commitments-New Const.	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0
% change																								

* Includes Net Lending to Public Corporations
 ** Debt figures pertain to central government only unless otherwise indicated
 P - provisional
 Annual % F/C Real Price (see averages).