



Monthly Economic and Financial Developments May 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: August 5th, September 1st, November 3rd, December 1st, December 23rd

1. Domestic Developments

During May, domestic economic conditions remained mild, amid comparatively lower levels of construction activity, relatively steadied gains in private sector credit and persistent upward pressure in consumer prices. Given slackened real sector activity, hence diminished net foreign currency inflows, the accretion to liquidity slowed significantly and external reserves contracted.

Tourism statistics for the first four months of the year showed a marginal 0.2% rise in total tourist arrivals compared to a year earlier, based on a 1.5% expansion in air arrivals and a decline in sea visitors of 0.4%. Growth was concentrated in the Family Islands, which experienced a 13.5% increase in visitors, whereas the New Providence and Grand Bahama destinations registered declines of 2.3% and 18.4%, respectively. Preliminary data on country of origin showed weakness in visitor arrivals from the United States where the economy is adversely impacted by the housing crisis; however, a stronger currency, combined with more aggressive marketing and increased airlifts, underpinned steady gains in stopovers from the Canadian market.

Higher global prices for fuel and commodities contributed to continued firming in the domestic inflation rate, to 2.75% for the twelve-months ending May 2008, which was 0.35 percentage points higher than the previous year's increment. Strengthened average price increases were recorded for furniture & household operations (7.05%), medical & health care (4.36%), food & beverages (3.95%), and transportation & communication (3.03%).

2. International Developments

Indications are that the global economy remained weak during the first five months of the year, amid an environment of economic uncertainty and rising prices, which tempered gains in production and consumer spending. In this context, most major central banks held interest rates unchanged during the period.

Information for The Bahamas' predominant trading partner, the United States, showed real GDP growing at an annualized 0.9% during the first three months of 2008 compared to 0.6% in the previous quarter. In the external sector, the goods deficit deteriorated by \$4.4 billion in April, while the May jobless rate increased to 5.5% from 5.0%. Average consumer prices firmed by 0.8% over the previous month and by 4.2% on an annual basis, led by increases for energy and transportation costs, of 17.4% and 8.1%, respectively. Amid continued signs of a recession in the residential market, housing starts and completions for May contracted on a year-on-year basis, by 32.1% and 26.9% to 975,000 and 1,132,000 units, respectively. Meanwhile, consumer confidence reached a 16-year low, indicating continued pessimism about the immediate future and heavily influenced by the rise in the price of gasoline.

Nevertheless, the modest expansion in the US economy held some positive news for the medium-term prospects for the Bahamian economy. During the month, personal income levels increased by 1.9% compared to 0.3% in the previous month and represented the highest monthly gain for the year. Even more encouraging, the real personal disposable income level of Americans gained 5.3%, after averaging growth of 0.125% in each of the previous four months. Reinforcing the perspective that the economy may soon stabilize, the release of the minutes from the Federal Reserve's April 30th meeting, showed that the Committee considered that the risks to economic

growth were now balanced against those of higher inflation; hence concluding that future policy measures would take into account these two factors.

In Europe, which in recent years has accounted for 9.5% of visitors to The Bahamas—almost on par with the Canadian market—improvements in construction sector activity boosted economic output by 2.2% on a yearly basis in the first quarter, and industrial production firmed by 0.9%. Unemployment remained stable on a monthly basis at 7.1% in April, although prices advanced by a slightly higher annualized 3.6% in May. In the UK, annualized GDP rose by 2.5% in the first quarter, compared to a 2.9% expansion in the corresponding period of 2007. The monthly unemployment rate deteriorated marginally to 5.3% in April, while annualized inflation crept up to 3.3% in May from 3.0% a month earlier. For The Bahamas, the potential for further growth in European arrivals has improved, given the 6.2% decline in the value of the US dollar against the euro during the first five months, although the dollar has stabilized relative to the pound sterling.

In Asia, data for the first quarter indicate that China's economy grew at an abated 10.6% versus 11.2% in the previous three-month period, as the decline in demand for Chinese exports, resulting in part from an appreciated Yuan and a slowdown in the US economy, was only partly offset by increased industrial production. The Japanese economy experienced a similar reduction in growth, expanding by an annualized 4.0% in the first three months of 2008, relative to 4.5% a year earlier, due to weakened consumer demand and a decline in industrial production. Both economies witnessed a deterioration in their external accounts, with a narrowing of the current account surpluses relative to the rest of the world.

With regards to fuel, which accounts for approximately 20% of The Bahamas' imports, developments in the global oil markets pointed to further strengthening in oil prices. Despite indications of increased global supply and a tapering in demand, fluctuations in the US dollar, combined with supply disruptions in West Africa and "speculative pressures", resulted in a 12.3% increase in oil prices during May and a 35.8% spike over the first five months to \$128.87 per barrel. Gold and silver prices registered marginal gains during the review month of 1.0% to \$886.50 and 0.1% to \$16.88, respectively.

Stock prices showed signs of stabilizing in May, after a prolonged period of declines, due to uncertainty in financial markets. In the United States, the S & P 500 index gained 1.1% to close at 1,400.6 points, while the Dow Jones Industrial Average fell by 1.4% to 12,638.3 points. In European markets, advances were registered for the CAC 40 and DAX of 0.4% and 2.1% to 5,014.28 and 7,096.79, respectively; however, the FTSE 100 weakened by 0.6% to 6,053.50. In Asia, Japan's NIKKEI 225 rose by 3.5% to 14,338.54 while the Chinese SE index retreated by 7.0% to 3,433.35.

3. Domestic Monetary and Credit Trends

For the month of May, money and credit trends showed a significant moderation in the buildup of broad liquidity, amid reduced net foreign currency inflows and acceleration in public sector led credit growth. In addition, banks increased their holdings of Treasury bills resulting in a contraction in excess reserves in contrast to an expansion a year earlier. However, during the first five months of the year, liquidity expanded robustly, reflecting an easing in credit demand pressures and supported by net foreign currency inflows.

May 2008 vs. 2007

The shifting of excess cash balances into Treasury bills, resulted in excess reserves declining by \$42.8 million, a reversal from the \$52.1 million advance registered a year earlier. Meanwhile, slackened foreign investment activity contributed to significantly reduced growth in excess liquid assets of \$4.5 million compared with \$53.6 million in 2007.

In this context, external reserves declined by \$9.6 million compared to a \$37.0 million improvement last year, as the Central Bank's foreign currency transactions resulted in a net sale of \$9.4 million in contrast to a net purchase of \$36.7 million in 2007. Underlying this outcome was a more than two-fold increase in the Bank's net sale to the public sector to \$38.3 million—linked to debt servicing activities and payments for fuel imports. Indicative of reduced real sector activity, commercial banks' net purchase from customers was more than halved to \$20.8 million, from \$51.1 million in 2007, which resulted in a contraction in their corresponding net sale to the Bank, of 44.4% to \$28.9 million.

Compared to the same period a year ago, Bahamian dollar credit growth was higher by \$34.5 million (59.6%) at \$92.5 million, with nearly two-thirds associated with public sector borrowing activities. Banks increased advances to Government and holdings of Treasury bills led to a more than two-fold rise in their net claim on the central Government, to \$49.3 million, and growth in credit to the rest of the public sector almost doubled to \$7.3 million. The expansion in private sector credit was slightly increased to \$36.0 million from \$32.9 million last year, with accretions to consumer credit firming by 17.0% to \$10.1 million; whereas growth in mortgages slowed by 26.8% to \$16.8 million. At end-May, of the \$5.826 billion in private sector Bahamian dollar credit, consumer credit constituted 36.9% and mortgages, 45.1%.

Foreign currency credit decreased by \$11.4 million, on par with the previous year's contraction. Included in this outturn was an extended fall in private sector credit of \$10.6 million, following \$6.9 million in the previous period, alongside a \$0.8 million downturn in net claims on the public sector, which reversed the year-earlier net repayment of \$4.4 million.

Accretions to Bahamian dollar deposits moderated by 39.1% to \$54.3 million in May. Interest rate conditions supported strengthened gains in fixed deposits, by \$18.0 million (40.7%) to \$62.2 million, while there was a reversal in demand deposits, from an increase of \$24.1 million to a fall-off of \$14.0 million for the review month. In addition, gains in savings deposits fell by 70.5% to \$6.2 million.

With regards to interest rates, the weighted average deposit rate at banks decreased by 4 basis points to 3.89%, with the maximum rate of 6.75% offered for one deposit account in the over 6 - 12 months maturity range. On the other hand, the weighted average loan rate rose by 45 basis points to 11.73%.

January –May 2008

During the first five months of 2008, growth in excess reserves tapered by 40.8% to \$100.4 million, reflecting the comparatively less buoyant foreign investment environment. Likewise, accretions to excess liquid assets slowed by 20.3% to \$193.3 million.

Growth in external reserves at \$237.2 million, was only \$1.7 million below the previous year's increase, supported by a \$3.1 million firming in the Central Bank's net purchase of foreign currency to \$233.1 million. Benefiting from the proceeds of public sector borrowings, the Bank's foreign currency transactions with the public sector were reversed to a net purchase of \$70.8 million from a \$63.9 million net sale a year ago. The Bank's net purchase from commercial banks amounted to \$162.3 million, a decline of \$131.7 million from last year's \$294.0 million, which was consistent with the 44.1% reduction to \$151.9 million in commercial banks' net purchase from their customers.

The expansion in Bahamian dollar credit was more than halved to \$71.6 million, from \$169.0 million in 2007. This development reflected a \$72.8 million net repayment by Government, a turnaround from the \$71.9 million net borrowing a year earlier, as foreign debt proceeds were utilized to repay local liabilities. Private sector credit growth tapered by 8.9% to \$141.2 million, based on slowed expansion in both mortgages and consumer credit, by 18.1% and 6.8% to \$88.3 million and \$48.4 million, respectively. Claims on the rest of the public sector grew by \$3.2 million, in contrast to last years' \$58.0 million contraction, when external borrowing proceeds were used to reduce domestic liabilities.

Buoyed by an acceleration in private sector foreign currency repayments and a tapering in net claims on the Government, foreign currency credit contracted sharply by \$37.6 million. The decline in claims on the private sector was extended to \$72.1 million from \$12.0 million, as a number of tourism investment entities reduced their outstanding liabilities. Net credit to Government decreased by an additional \$20.5 million, after a \$2.3 million reduction a year earlier, owing to the liquidation of a short-term credit facility. In contrast, growth in credit to the rest of the public sector advanced to \$55.0 million, up sharply from \$6.5 million.

Bahamian dollar deposit expansion slowed by 24.0% to \$251.9 million. Gains in demand deposits fell by two-thirds to \$21.3 million and savings deposit growth narrowed by 79.4% to \$13.7 million. In contrast, reflecting depositors' desire for higher yields, fixed deposits grew by \$216.8 million, for a gain of 6.9%.

4. *Outlook*

The slowdown in the growth momentum experienced during the first five months is expected to persist over the remainder of the year, amid general weakness in the global economy, and the reduced scale of foreign investment activity. Prospects remain highly linked to the pace of execution of a number of private and public sector investments, as well as the extent and duration of the current downturn in the United States economy.

Risks to domestic price developments from the upward trend in global food and fuel prices remain on the high side. The sustained demand pressures and supply constraints, which could be further impacted by the recent adverse weather conditions in several agricultural regions of the United States, could exert upward pressure on global food prices. Nonetheless, initiatives featured in the Government's 2008/2009 budget, aimed at reducing the cost of imported food and promoting energy efficient products, could moderate the rate of price increases for selected items in the coming months.

Recent Monetary and Credit Statistics

(B\$ Millions)

MAY					
Value		Change		Change YTD	
2007	2008	2007	2008	2007	2008

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	305.67	312.68	52.14	-42.84	169.51	100.40
1.2 Excess Liquid Assets	251.94	319.03	53.59	4.53	242.51	193.32
1.3 External Reserves	690.83	698.34	36.99	-9.62	238.92	237.22
1.4 Bank's Net Foreign Assets	-707.13	-647.73	22.16	11.89	-74.74	61.15
1.5 Usable Reserves	305.13	300.41	8.10	14.47	146.42	191.88

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,791.08	6,287.83	25.96	25.42	143.04	69.17
a. B\$ Credit	5,308.67	5,826.49	32.86	35.98	155.09	141.23
of which: Consumer Credit	1,938.23	2,147.53	8.63	10.10	51.88	48.37
Mortgages	2,348.16	2,626.42	23.00	16.84	107.88	88.31
b. F/C Credit	482.41	461.34	-6.90	-10.56	-12.04	-72.06
of which: Mortgages	34.97	48.30	-1.58	-0.83	3.65	-6.52
2.2 Central Government (net)	737.70	763.70	19.66	49.46	69.66	-93.29
a. B\$ Loans & Securities	846.64	919.95	25.94	57.12	57.43	-46.15
Less Deposits	109.39	156.86	4.61	7.86	-14.46	26.68
b. F/C Loans & Securities	4.06	2.38	-0.90	-0.90	-0.90	-20.78
Less Deposits	3.62	1.77	0.76	-1.11	1.32	-0.32
2.3 Rest of Public Sector	322.20	344.13	1.13	6.20	-51.48	58.11
a. B\$ Credit	73.77	70.74	3.80	7.29	-57.99	3.16
b. F/C Credit	248.43	273.40	-2.67	-1.09	6.52	54.96
2.4 Total Domestic Credit	6,850.98	7,395.67	46.75	81.09	161.23	34.00
a. B\$ Domestic Credit	6,119.70	6,660.31	57.98	92.52	168.98	71.57
b. F/C Domestic Credit	731.28	735.35	-11.23	-11.44	-7.76	-37.57

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,142.29	1,110.81	24.11	-14.00	65.52	21.33
a. Central Bank	37.43	24.37	0.56	-7.59	20.21	16.39
b. Banks	1,104.86	1,086.44	23.55	-6.41	45.32	4.94
3.2 Savings Deposits	1,017.16	1,019.88	20.99	6.19	66.45	13.72
3.3 Fixed Deposits	2,980.34	3,345.38	44.18	62.16	199.39	216.84
3.4 Total B\$ Deposits	5,139.78	5,476.07	89.28	54.34	331.36	251.89
3.5 F/C Deposits of Residents	172.19	206.70	12.55	-7.49	-8.72	27.75
3.6 M2	5,350.44	5,676.35	93.28	50.61	316.86	205.43
3.7 External Reserves/M2 (%)	12.91	12.30	0.47	-0.28	3.93	3.87
3.8 External Reserves/Base Money (%)	95.41	94.69	-2.33	4.15	15.02	26.46

Value		Year to Date		Change	
2007	2008	2007	2008	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	36.67	-9.39	230.03	233.10	-46.06	3.07
a. Net Purchase/(Sale) from/to Banks	51.98	28.90	293.95	162.29	-23.08	-131.66
i. Sales to Banks	5.10	11.60	50.59	78.13	6.50	27.54
ii. Purchases from Banks	57.08	40.50	344.53	240.42	-16.58	-104.12
b. Net Purchase/(Sale) from/to Others	-15.31	-38.29	-63.92	70.81	-22.99	134.72
i. Sales to Others	30.10	67.35	214.56	302.65	37.26	88.09
ii. Purchases from Others	14.79	29.06	150.64	373.46	14.27	222.81
4.2 Banks Net Purchase/(Sale)	51.14	20.84	271.66	151.90	-30.30	-119.77
a. Sales to Customers	254.97	322.64	1,349.36	1,677.62	67.67	328.27
b. Purchases from Customers	306.11	343.48	1,621.02	1,829.52	37.36	208.50
4.3 B\$ Position (change)	21.28	-5.84				

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	253.75	ND	940.76	ND	ND	ND
of which Public Sector	34.06	ND	126.30	ND	ND	ND
a. Nonoil Imports	108.43	ND	432.94	ND	ND	ND
b. Oil Imports	37.90	ND	105.38	ND	ND	ND
c. Travel	18.07	ND	68.65	ND	ND	ND
d. Factor Income	3.99	ND	18.97	ND	ND	ND
e. Transfers	5.74	ND	27.93	ND	ND	ND
f. Other Current Items	79.62	ND	286.89	ND	ND	ND
5.2 Capital Items	7.03	ND	33.93	ND	ND	ND
of which Public Sector	1.31	ND	12.53	ND	ND	ND
5.3 Bank Remittances	0.00	ND	0.64	ND	ND	ND

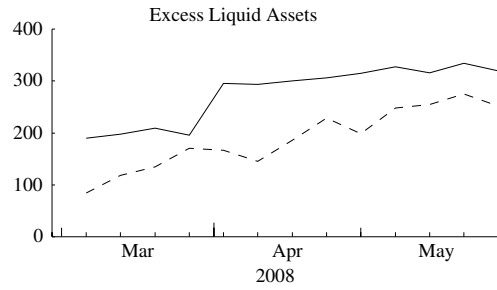
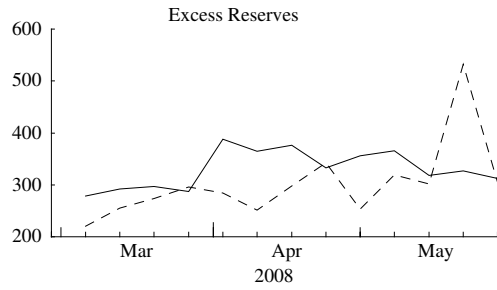
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: MAY 30, 2007 and MAY 28, 2008

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.

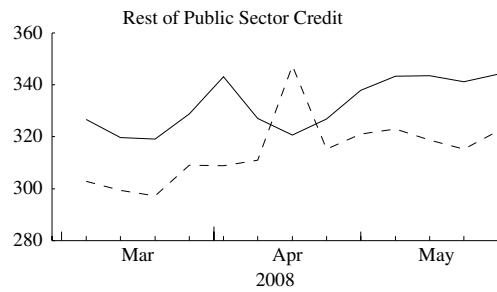
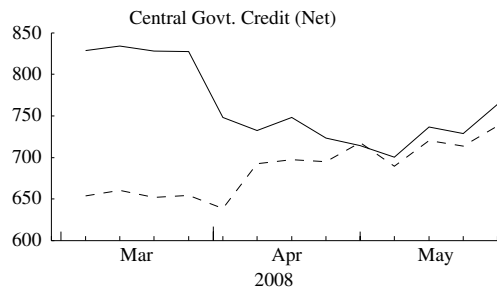
Components may not sum to totals due to round-off error.

SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



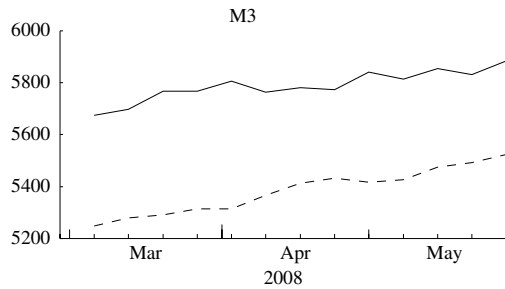
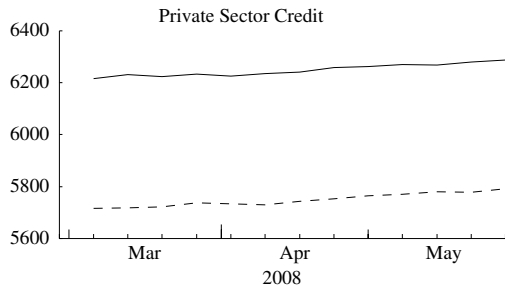
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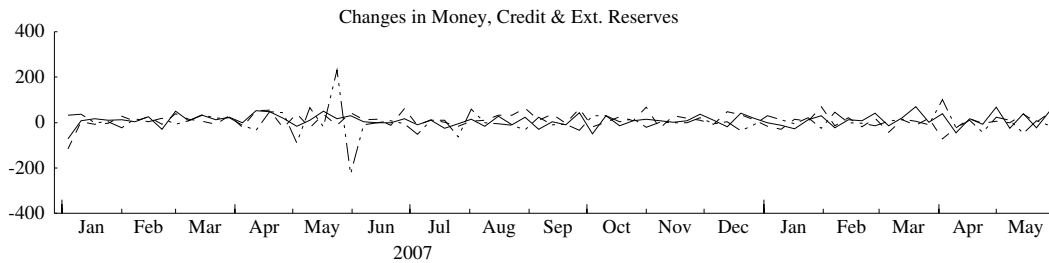
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— M3
- - - Domestic Credit
· · · External Reserves

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
October 2006	5.25	3.25	6.25	5.25	4.75
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	May-07	Apr -08	May -08	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7433	0.6401	0.6429	0.4	-6.2	-12.3
Yen	121.73	103.91	105.51	1.5	-5.6	-11.7
Pound	0.5051	0.5034	0.5045	0.2	0.1	0.9
Canadian \$	1.0689	1.0080	0.9934	-1.4	-0.5	-10.5
Swiss Franc	1.2254	1.0345	1.0423	0.8	-8.0	-13.7

Source: Bloomberg as at May 30 2008

D. Selected Commodity Prices (\$)					
Commodity	May 2007	April 2008	May 2008	Mthly % Change	YTD % Change
Gold / Ounce	660.50	877.55	886.50	1.0	6.3
Silver / Ounce	13.43	16.86	16.88	0.1	14.1
Oil / Barrel	67.88	114.78	128.87	12.3	35.8

Source: Bloomberg as at May 30, 2008

E. Equity Market Valuations – April 30, 2008 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-2.49	-1.42	1.05	-0.56	0.35	2.13	3.53	-7.03
3 month	-3.93	3.06	5.79	6.16	6.53	8.60	14.47	-1.13
YTD	-8.73	-4.72	-5.19	-6.25	-10.68	-12.03	-6.33	-34.75
12-month	5.44	-7.26	-8.49	-8.58	-17.85	-9.97	-19.79	-16.46

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	2.00	4.98	4.03
1 Month	2.45	5.38	4.42
3 Month	3.01	5.79	4.82
6 Month	2.85	5.91	4.89
9 Month	3.05	5.99	4.98
1 year	3.15	6.08	5.07

Source: Bloomberg, as at May 30, 2008

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE										CHANGE									
	Apr. 02	Apr. 09	Apr. 16	Apr. 23	Apr. 30	May. 07	May. 14	May. 21	May. 28		Apr. 02	Apr. 09	Apr. 16	Apr. 23	Apr. 30	May. 07	May. 14	May. 21	May. 28	
I. External Reserves	641.18	628.72	650.84	650.56	707.96	704.51	705.40	697.40	698.34		105.63	-12.45	22.11	-0.28	57.40	-3.45	0.89	-8.00	0.94	
II. Net Domestic Assets (A + B + C + D)	169.46	149.93	138.99	91.25	74.03	79.14	32.70	43.83	39.19		0.66	-19.53	-10.94	-47.74	-17.22	5.12	-46.45	11.13	-4.64	
A. Net Credit to Gov¹(i + ii + iii - iv)	294.78	268.80	265.80	212.91	210.47	208.70	178.51	162.95	167.70		-0.46	-25.97	-3.01	-52.89	-2.43	-1.78	-30.18	-15.56	4.75	
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	130.36	130.21	130.18	130.19	130.06	129.95	129.91	129.86	129.53		-0.07	-0.15	-0.03	0.01	-0.13	-0.11	-0.04	-0.05	-0.33	
iii) Treasury Bills	117.64	92.80	92.80	43.14	38.18	38.18	9.98	0.00	0.00		0.00	-24.83	0.00	-49.66	-4.97	0.00	-28.20	-9.98	0.00	
iv) Deposits	25.22	26.20	29.18	32.42	29.75	31.42	33.37	38.90	33.82		0.39	0.98	2.98	3.24	-2.66	1.67	1.95	5.53	-5.08	
B. Rest of Public Sector (Net) (i + ii - iii)	-14.26	-9.15	-17.36	-12.41	-25.35	-18.43	-34.41	-7.82	-17.76		4.57	5.11	-8.21	4.95	-12.94	6.92	-15.98	26.59	-9.94	
i) BDB Loans	6.69	6.69	6.69	6.69	6.61	6.61	6.61	6.61	6.61		0.00	0.00	0.00	0.00	-0.08	0.00	0.00	0.00	0.00	
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	20.95	15.84	24.05	19.10	31.96	25.04	41.02	14.43	24.37		-4.57	-5.11	8.21	-4.95	12.86	-6.92	15.98	-26.59	9.94	
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)*	-111.05	-109.72	-109.45	-109.25	-111.10	-111.13	-111.41	-111.30	-110.75		-3.44	1.34	0.27	0.20	-1.85	-0.03	-0.28	0.11	0.55	
III. Monetary Base	810.63	778.66	789.83	741.81	781.99	783.66	738.10	741.23	737.53		106.29	-31.98	11.17	-48.02	40.18	1.67	-45.56	3.13	-3.70	
A. Currency in Circulation	291.26	285.02	277.57	271.64	283.17	282.33	281.26	276.08	279.46		2.61	-6.25	-7.45	-5.93	11.53	-0.84	-1.06	-5.18	3.37	
B. Bank Balances with CBOB	519.37	493.64	512.26	470.17	498.82	501.33	456.84	465.15	458.08		103.68	-25.73	18.62	-42.09	28.66	2.50	-44.49	8.31	-7.07	

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

FISCAL/REAL SECTOR INDICATORS

(IN \$ MILLIONS)

(% change represents current month from previous month)

	YEAR TO DATE																			
	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	112.1	115.7	123.3	134.2	115.4	125.5	113.3	111.5	105.6	163.3	1083.7	1148.1
% change	-25.6%	-19.4%	0.5%	-15.4%	6.8%	-6.7%	-30.4%	21.7%	45.8%	4.8%	18.3%	38.6%	-6.4%	-3.5%	-1.8%	-13.9%	-6.7%	46.6%	12.2%	5.6%
2. Import Duties	37.8	42.9	46.3	40.0	34.4	39.3	38.0	46.6	43.4	46.6	37.6	50.8	36.6	40.4	44.2	40.8	44.3	47.5	402.4	432.3
% change	-44.1%	-26.0%	22.4%	-6.9%	-25.7%	-1.7%	10.6%	18.6%	14.1%	0.0%	-19.2%	35.0%	-10.5%	20.7%	20.7%	1.0%	0.3%	16.4%	7.0%	7.1%
3. Recurrent Expenditure	89.8	101.6	93.1	98.1	90.7	103.0	103.3	107.3	111.1	106.0	105.8	124.7	130.4	100.6	110.0	112.7	108.8	113.0	1025.2	1074.7
% change	-21.0%	-3.0%	-6.3%	5.1%	-2.6%	3.0%	13.9%	4.2%	7.6%	-0.2%	0.2%	46.2%	21.2%	-19.3%	9.2%	17.5%	-2.8%	0.4%	10.4%	4.3%
4. Capital Expenditure	5.6	7.6	11.7	14.0	13.0	9.0	11.3	8.4	10.3	14.6	10.5	12.1	15.5	10.5	9.6	10.2	18.3	12.2	119.9	109.0
% change	-75.7%	-77.8%	110.8%	85.0%	11.0%	-35.8%	13.1%	-6.2%	84.7%	73.1%	27.9%	15.3%	40.34%	-13.0%	38.3%	-2.9%	91.1%	19.2%	35.3%	40.8%
5. Deficit/ Surplus*	-0.8	0.7	1.1	-23.8	3.2	-27.7	-41.8	-12.6	-6.6	-14.0	-22.1	-20.2	-138	-4.8	20.5	-16.4	-23.3	31.7	-109.7	-77.6
% change	-95.6%	100.0%	-250.1%	-376.3%	185.5%	16.1%	-1394.1%	-54.6%	-70.5%	11.8%	-492.2%	-37.5%	-77.5%	-76.0%	107.3%	-132.0%	107.3%	-292.2%	20.7%	-392.4%

	YEAR TO DATE																				
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008									
Debt**																					
6. Total Debt	2,886.8	2,827.7	2,376.8	2,633.0	2,427.5	2,622.2	2,415.6	2,686.2	2,437.5	2,676.2											
% change	-3.8%	-0.04%	-0.42%	0.07%	2.1%	-0.4%	-0.49%	2.4%	0.9%	-0.17%											
7. External Debt	292.8	272.7	272.9	283.4	272.2	268.0	371.3	269.6	371.3	371.3											
% change	2.1%	0.0%	-0.03%	0.06%	0.25%	-0.27%	36.3%	-3.6%	0.0%	0.0%											
8. Internal FIC Debt	1.9	20.1	1.9	20.1	1.9	20.1	1.0	0.0	1.0	0.0											
% change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-47.0%	-100.0%	0.0%	0.0%											
9. Bahaman Dollar Debt	2,092.1	2,339.9	2,092.1	2,339.9	2,132.1	2,329.9	2,146.6	2,314.9	2,166.9	2,304.9											
% change	3.4%	-0.04%	-0.48%	0.09%	2.4%	-0.4%	0.6%	-0.4%	0.9%	-0.4%											
10. Total Amortization	0.5	1.0	10.1	0.1	0.7	10.7	32.9	36.9	25.0	10.0											
% change	-50.0%	83.7%	1915.0%	-90.3%	93.2%	1107.7%	4772.7%	243.0%	-24.0%	-72.8%											

	YEAR TO DATE																				
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008									
11. Total Public Sector FIC Debt	557.7	693.3	631.2	697.8	628.1	691.4	625.7	758.6	625.2	756.5											
% change	1.9%	23.1%	-8.4%	8.9%	-8.6%	8.4%	-8.1%	17.0%	-17.0%	21.0%											

	YEAR TO DATE																				
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008									
Real Sector Indicators																					
12. Export Price Index	121.2	124.2	121.4	124.6	121.5	124.7	121.7	126.6	122.1	128.1											
% change; over previous month	0.5%	0.0%	0.1%	2.7%	0.0%	0.0%	0.2%	1.6%	0.3%	1.2%											
13. Tourist Arrivals (000's)	397.3	372.6	376.7	430.6	500.0	500.4	500.4	500.4	500.4	500.4											
% change; over previous year	-7.1%	-6.2%	-4.3%	14.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%											
14. Air Arrivals (000's)	103.4	0.0	118.1	125.8	168.8	168.8	168.8	168.8	168.8	168.8											
% change; over previous year	-0.2%	-100.0%	100.0%	6.4%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%											
15. Occupied Room Nights																					
% change; over previous year																					

	YEAR TO DATE	
	2007	2008
16. Res. Mortgage Commitments New Const.	27.00	44.40
% change; over previous year	-46.2%	64.4%

* Includes Net Leasing to Public Corporation
P = provisional

** Debt figures pertain to central government only and do not include external debt

Annual 7:1-D Real Price data are averages.