

The Central Bank of The Bahamas



Quarterly Economic Review

December, 2001

Vol. 10, No.4

The Quarterly Economic Review is a publication of The Central Bank of The Bahamas, prepared by The Research Department for issue in March, June, September and December. It replaces the former Quarterly Review which was last published for March 1992. All correspondence pertaining to the Economic Review should be addressed to:

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QUARTERLY ECONOMIC REVIEW

Volume 10, No. 3
September, 2001

CONTENTS

	PAGE
1. REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS	
DOMESTIC ECONOMIC DEVELOPMENTS	1
FISCAL OPERATIONS	3
REAL SECTOR	5
<i>TOURISM</i>	5
<i>CONSTRUCTION</i>	5
<i>PRICES</i>	6
<i>FISHERIES</i>	7
MONEY, CREDIT & INTEREST RATES	7
INTERNATIONAL TRADE & PAYMENTS	10
INTERNATIONAL ECONOMIC DEVELOPMENTS	11
2. STATISTICAL APPENDIX (TABLES 1-16)	14

REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

Provisional estimates for the fourth quarter of 2001 suggested a significant contraction in economic activity, as evidenced by the sharp fall-off in stopover tourism activity in the aftermath of the September 11 attacks on the United States, and a leveling-off in construction output. The general weakness in economic activity also had adverse implications for the fiscal situation, as the overall position was reversed to a sizeable deficit in the second quarter of FY2001/02, based on contracted revenue collections and higher expenditures. Financial sector developments featured some abatement in liquidity and narrowing in interest rate spreads, as domestic credit expansion, largely to the public sector, outpaced sluggish growth in the monetary aggregates. On the external side, the deficit on the current account narrowed considerably, as the demand for consumer durables and capital imports slackened.

In the monetary sector, bank liquidity improved in the context of more moderate credit expansion, Central Bank lending activities to the Government and the relaxation in the foreign currency exposure position of banks. The broader surplus liquid assets rose almost threefold to \$67.4 million, which was approximately 11.8% above the statutory minimum vis-à-vis 7.4% at end-2000. However, the average monthly surplus was some 27.3% below the previous year. Correspondingly, the average deposit rate firmed further by 4 basis points to 4.29%, compared with a 2 basis point reduction in the counterpart loan rate to 11.12%, amid less robust lending conditions. As a result, commercial banks' average interest rate spread was trimmed by 6 basis points to 6.38%. Benchmark rates, represented by commercial banks' Prime and the Central Bank's Discount Rate, were maintained at 6.00% and 5.75%, but the average 90-day Treasury bill rate firmed by 50 basis points to 2.55%.

Reflecting weakened net tourism and foreign investment inflows, growth in the overall money supply

(M3) slackened to 0.2% from 1.5% in the comparative period a year ago, placing the overall stock at \$3.7 billion. The advance in fixed deposits, the largest component of money, subsided to 1.3% from 2.5%, while savings deposits fell further by 2.5% and surpassed the 2.2% decline in demand deposits. The rise in the currency component steadied at 2.4%, while the advance in residents' foreign currency deposits moderated to 6.1%.

Although outpacing growth in the monetary aggregates, domestic credit expansion moderated to 2.3% from 2.8%, explained mainly by a more gradual increase in private sector lending. Underscored by a 0.8% net repayment on consumer credit, private sector credit growth eased to 0.9 % from 3.4% in 2000. Lending was also two-thirds weighted towards foreign currency advances, while net mortgage lending of \$23.5 million dominated the Bahamian dollar increase. Public sector developments were comparatively expansionary, featuring a 13.1% advance in net credit to Government relative to a 0.4% net repayment in 2000, and a more incremental increase in claims on the corporations of 0.2%.

Fiscal developments showed a deterioration in the Central Government's overall balance, from a small surplus of \$3.1 million in FY2000/01 to an overall deficit of \$67.5 million in the second quarter of FY2001/02. As economic activity weakened, revenue collections fell 15.2% to \$193.7 million against a 6.1% increase in total expenditure to \$223.4 million and a more than twofold hike in budgetary assistance to public corporations to \$37.8 million. Revenue losses were mainly concentrated in import duties and tourism-related taxes, while spending increases were principally explained by significantly higher interest payments and budgeted salary adjustments. Budgetary financing for the period included a \$40.9 million Bahamian dollar bond issue, along with \$37.5 million in foreign currency loan proceeds, vis-à-vis total amortization payments of \$29.4 million. As a consequence, the Direct Charge on the Government rose by \$49.0 million (3.1%) to \$1,607.6 million. Taking into account a 5.7% reduction in Government's contingent

liabilities, the National Debt rose some \$82.2 million (1.4%) to \$1,968.3 million.

In the tourism sector, broadbased declines in visitor arrivals of 11.0% to 0.925 million contrasted sharply with a 15.3% gain in the comparative 2000 period. Both sea and air arrivals fell by 5.6% and 22.8%, following respective advances of 17.0% and 11.8%. The slump was observed at all major ports of entry, with New Providence recording an overall contraction of 10.9%, Grand Bahama, 7.9% and the Family Islands, 12.7%. Against this background, visitor expenditures declined by an estimated 28.5% to \$314.7 million, reversing gains of 23.3% in 2000, and marked by significant reduction in the pricing and sales of the long-stay visitor product. In particular, while capacity indicators suggested a 4.9% increase in available hotel room nights for stopover visitors, occupied nights slumped by some 18.1%, and properties experienced a 10.7% cut in average room rates to \$126.40 per night. Consequently, overall room revenue fell by 26.9%.

Provisional data for fourth quarter construction activity, indicated a general weakening in investments from the final period of 2000, with signalled future investments also abated owing to the economic lull. Valuations on construction starts fell by 22.9% to \$39.1 million, as estimates of residential investments, which comprised roughly three-quarters of the total, decreased by almost a third and a 7.1% decline was recorded for the commercial sector. Meanwhile, building completions were valued some 45.8% lower at \$81.0 million, based primarily on a significant tapering off in estimates for commercial completions to \$18.9 million from \$92.6 million. By comparison, housing completions were 9.8% higher in value. Indicative of short-term industry prospects, construction permits declined by 4.3% in value to \$106.6 million—inclusive of a 6.5% drop in residential estimates, but a 31.3% increase in value for commercial and industrial approvals which nonetheless represented only a quarter of the total.

Fourth quarter consumer price inflation—as measured by the average change in the Retail Price Index—was comparatively stable at 0.9%. Influenced mainly by tuition hikes at secondary level institutions, education cost increases accelerated to 17.7% from 3.7% over the year-earlier period but its impact on the index

was diluted by abated increases for clothing & footwear, furniture & household operations, medical care & health, and a decline in average recreation & entertainment costs. In the annual comparisons, the inflation rate firmed to 2.0% from 1.6%, led by stronger advances in the components for food & beverages and furniture & household operations, alongside cost rebounds on recreation & entertainment services and on “other” goods & services.

According to available estimates compiled by the Department of Fisheries, fisheries output and exports posted annual declines, corresponding to the respective contraction in lobster landings and sales. The volume of products landed during 2001 decreased by 7.2% to 10.3 million pounds, with a 19.9% fall-off in value to \$64.8 million. The crawfish catch, representing 87.2% of estimated value, fell on both accounts by a quarter, to 4.9 million pounds priced at \$53.0 million. Fisheries exports were led by a 20.2% reduction in crawfish sales to \$67.7 million, for an 18.8% reduction in overall earnings to \$71.9 million. The average external price fetched on crawfish edged up 10 cents to \$13.66 per pound.

In the external sector, preliminary estimates for the review quarter revealed a 63.4% contraction in the current account deficit to \$67.0 million. A key factor was the more than one third reduction in non-oil merchandise imports and a 28.5% decline in the oil bill, which more than halved the trade deficit to \$163.0 million. This outcome, however, was diminished by a sharp drop in tourism earnings, which narrowed the net surplus on the services account to \$139.1 million from \$239.6 million in 2000. On the income account, net outflows contracted by 21.7% to \$48.6 million, attributable mainly to a one-third decline in private sector net remittances of interest and dividends to \$34.0 million.

Under capital and financial transactions, the surplus rose moderately to \$84.2 million from \$76.4 million. Underlying this was an increase in net inflows though the banking system to \$85.5 million from \$18.5 million outflow in 2000. In addition, the public sector recorded a net borrowing of \$10.4 million, reversing an almost equivalent net repayment in 2000. Conversely, the private sectors' combined equity and loans activity registered a \$2.9 million net outflow from a net inflow of \$85.3 million in 2000, and a \$4.9 million net foreign divestment of real

estate holdings was recorded, as against net investments of \$25.3 million in 2000.

FISCAL OPERATIONS

Preliminary data on the Government's budgetary operations for the second quarter of FY2001/02 show a deterioration in the overall position, to a deficit of \$67.5 million from a \$3.1 million surplus in the year-earlier period. Under the impact of the September 11 events and the slowing in domestic demand, revenue collections declined by 15.2% to \$193.7 million, which occurred alongside a 6.1% increase in total expenditures to \$223.4 million, and a near threefold hike in net lending to the public corporations to \$37.8 million.

REVENUE

Of the \$193.7 million in revenue receipts, tax collections constituted 92.4% at \$179.0 million, for a 14.2% decline from the corresponding 2000/01 period. In particular, taxes on international trade and transactions contracted by 11.7% to \$107.3 million, largely explained by an 8.7% decrease in import duties to \$84.3 million. Following the fall-off in visitor activity after the September 11 attacks in the United States, selective taxes on tourism services fell by 42.8% to \$3.6 million, with gaming and hotel occupancy taxes lower by 68.9% and 20.6%, respectively. In addition, business and professional licence fees, comprising registration income from IBCs, receded by 42.3% to \$4.1 million. Other declines included motor vehicle taxes, down by 19.2% to \$2.1 million; stamp taxes on financial and other transactions, by 18.4% to \$13.3 million; departure taxes, by 13.8% to \$9.4 million and uncategorized tax receipts, by 13.5% to \$28.1 million.

Revenue from non-tax sources, which represented the remaining 7.6% of total receipts, contracted by \$5.1 million (25.9%) to \$14.6 million. The two-thirds reduction in the combined income from public enterprises and other sources at \$3.8 million was only partially offset by a \$3.0 million (39.0%) hike in the yield from fines, forfeits and administrative fees to \$10.7 million.

EXPENDITURE

Total outlays advanced by \$12.8 million (6.1%), principally explained by significantly higher interest payments, alongside an increase in public works projects. On a proportional basis, recurrent spending comprised 78.2% of the total, capital outlays 7.4% and net lending to public corporations 14.4%.

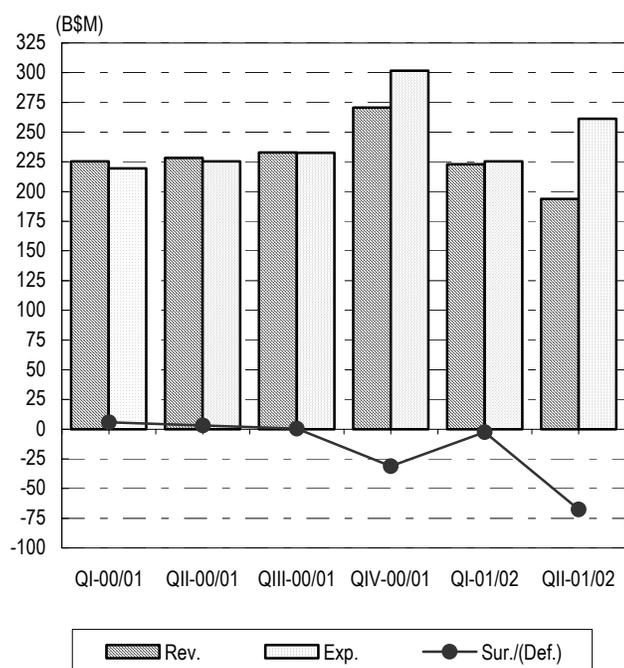
Government Revenue By Source (October-December)

	FY00/01p		FY01/02p	
	B\$M	%	B\$M	%
Property tax	13.3	5.8	12.0	6.2
Selective Services tax	6.3	2.8	3.6	1.8
Bus. & Prof. Lic. Fees	7.1	3.1	4.1	2.1
Motor Vehicle tax	2.6	1.1	2.1	1.1
Departure tax	11.0	4.8	9.4	4.8
Import duties	92.3	40.4	84.4	43.6
Stamp tax from imports	25.6	11.2	20.9	10.8
Export tax	3.6	1.6	2.1	1.1
Stamp tax from exports	-	-	-	-
Other stamp duty	16.3	7.1	13.3	6.9
Other Tax revenue	32.5	14.2	28.1	14.5
Fines, forfeits, etc.	7.7	3.4	10.7	5.5
Sales of Gov't Property	0.1	0.1	0.2	0.1
Income	11.9	5.2	3.8	2.0
Other non-tax rev.	-	-	-	-
Capital Revenue	-	-	-	-
Grants	-	-	-	-
Less: Refunds	1.9	0.8	1.0	0.5
Total	228.4	100.0	193.7	100.0

By economic classification, current expenditures included a 3.6% increase in government consumption, with personal emoluments (at 45.3% of the total) up by 3.2% to \$92.5 million, and outlays for goods and services higher by 4.6% at \$36.1 million. Additionally, transfer payments rose by 11.5% to \$75.6 million, largely explained by the 54.6% hike in contractual interest payments to \$28.3 million, which completely offset the 4.5% decline in subsidies & other transfers.

On a functional basis, general public services accounted for 26.4% of recurrent spending at \$53.8 million, gaining 2.1% from the comparative FY2001/02 quarter. Outlays on health, which absorbed 17.9% of the total, rose by 10.6% to \$36.6 million. Higher expenditures were also registered for economic services (12.0% of the total) by 4.2% to \$24.6 million, but disbursements for education (19.2% of the total) were lower by 2.0% at \$39.3 million.

Fiscal Operations



Growth in capital spending reflected a doubling in spending for public works and infrastructural projects to \$10.0 million, primarily for the continuation of the New Providence Road Development Project. Meanwhile, increased spending for health services of \$0.7 million to \$3.1 million, was countered by an equivalent reduction in education related outlays and spending on general public services to \$3.1 million and \$2.3 million, respectively.

FINANCING AND NATIONAL DEBT

Budgetary financing during the second quarter of FY2001/02 was sourced from a \$40.9 million Bahamian

dollar bond issue, along with \$37.5 million in external loan proceeds. Of the \$29.4 million in debt amortization, \$23.5 million went towards Bahamian dollar obligations and \$6.0 million for foreign currency debt. As a result, the Direct Charge on Government rose by \$49.0 million (3.1%) to \$1,607.6 million at end-December, representing an increase of \$101.3 million (6.0%) for the calendar year. For the Bahamian dollar portion, at 90.0% of the total, the majority (38.6%) was held by the public corporations (mainly the National Insurance Board), followed by commercial banks (25.8%), private and institutional investors (22.0%), the Central Bank (13.2%) and Other Local Financial Institutions (0.2%). Holder patterns showed no marked shifts from the previous quarter, but the general weakness in banks' excess cash holdings, combined with private sector credit financing trends during the first half of 2001, influenced a notable shift in holdings away from banks to the Central Bank over the 12-month comparison.

After accounting for a 5.7% reduction in Government's contingent liabilities to \$361.3 million, the National Debt grew by 1.4% to \$1,968.3 million at end-December 2001, which was some \$82.2 million above the end-2000 level.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

Provisional fourth quarter data on the public sector foreign currency debt indicate a \$10.4 million (2.7%) accretion in the stock to \$388.2 million, based on drawings of \$40.3 million as against principal repayments of \$30.0 million. The Government was directly responsible for \$160.0 million (41.2%) of the outstanding balance and the public corporations, the remaining \$228.2 million (58.8%)—of which \$194.5 million (85.2%) was guaranteed by the Government.

Compared to the fourth quarter of 2000, foreign currency debt servicing rose by \$17.7 million (80.0%) to \$39.8 million, comprising a \$16.4 million increase in amortization payments to \$30.0 million and a \$1.3 million rise in interest charges to \$9.9 million. Debt service as a proportion of estimated exports of goods and non-factor services rose to 6.7% from 3.0% last year, and the ratio of the Government's foreign currency debt service to total revenue was higher at 5.5% from 4.6%.

By creditor classification, multilateral institutions retained the largest share of foreign currency debt (61.5%), followed by commercial banks (25.3%), private capital markets (12.9%) and offshore and other private institutions (0.3%). The average maturity of the debt was centered at just under ten years, and almost entirely denominated in U.S. dollars.

REAL SECTOR

TOURISM

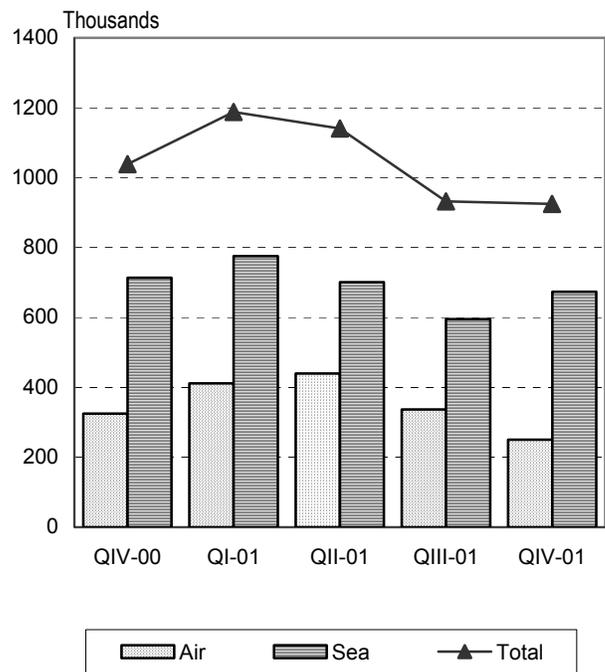
As expected, preliminary data for fourth quarter 2001 produced stronger evidence of the impact of the September 11 attacks on the United States, with tourist arrivals to The Bahamas sharply lower in both air and sea components vis-à-vis 2000 levels, alongside marked declines in hotel occupancy rates and greater incidences to room rate discounting. Notwithstanding, the deterioration in the tourism outlook was not quite as severe as had been predicted, with room revenue 26.9% lower at \$48.4 million and the decline in overall industry earnings estimated at 28.5%.

Total visitor arrivals contracted by 11.0% to 0.92 million, contrasting with strong growth of 15.3% in fourth quarter 2000. Sea arrivals, not originally forecast to decline, were lower by 5.6% as against a year-earlier advance of 17.0%; and air arrivals contracted by 22.8% vis-à-vis 11.8%. For the twelve months through December, total visitor arrivals were sharply reversed, from the year-earlier advance of 15.2% to a downturn of 0.4%. Air arrivals declined by 2.9% to 1.44 million, and were mildly offset by a 1.0% increase in sea arrivals to 2.75 million. By contrast, the comparative 2000 outturn saw air arrivals rising by 3.0% and sea arrivals, by 23.2%.

Analysis by port of entry, reveal the strongest negative impact was experienced in the Family Islands (market share 22.2%), where overall arrivals fell by 12.7% to reverse the 33.3% hike of 2000. Both sea and air components weakened by 11.7% and 18.5% vis-à-vis respective advances of 38.6% and 9.2% in 2000. The 10.9% fall-off for New Providence (market share 65.1%) from a 13.2% increase in fourth quarter 2000 represented a 23.2% contraction in air traffic, which was compounded

by a 4.6% decline in sea visitors following double-digit gains last year. After a modest 0.2% hike in 2000, Grand Bahama recorded a quarterly loss in total arrivals of 7.9%, as a 6.5% hike in sea arrivals was outstripped by a 23.8% drop in air arrivals.

Arrivals



Given these trends, indications are that fourth quarter earnings were sharply contracted, mostly marked by the deterioration in hotel sector activity. Indicative of diminished demand, average hotel occupancy rates sank across all markets to 44.0% from a comparative 56.4% in the final quarter of 2000. After average room rates also fell by 10.7% to \$126.40 per night relative to an advance of 8.0% a year earlier, the estimated decline in room revenue was placed at 26.9%—contrasting with a 15.4% increase a year earlier. Occupancy rates averaged 51.7% as against 63.0% for New Providence, 21.6% vis-à-vis 27.8% for the Family Islands, and for Grand Bahama from 30.6% to 45.8%. With regard to room

pricing, average nightly rates dipped by 13.1% to \$139.97 in New Providence, rose in Grand Bahama by 13.5% to \$64.64, but fell in the Family Islands, by 3.9% to \$144.87.

CONSTRUCTION

Given the cautious posture adopted with regard to foreign investment in tourism, and less available mortgage financing for domestic housing development, construction estimates for fourth quarter 2001 indicated some leveling-off in activity relative to 2000, with valuations lower for both ongoing and planned investments.

Total construction starts for the quarter fell by 32.1% to 186 units, with the associated value 22.9% lower at \$39.1 million. Residential valuations, which accounted for 75.2% of the estimates, declined by 31.3% to \$29.4 million, alongside a 36.3% slump in number to 160 units. Similarly, commercial activity declined in number by 1 to 22 and in value by 7.1% to \$7.4 million, with the modest appreciation for Grand Bahama offset by a decline for New Providence. The public sector commenced four projects—all in Grand Bahama—valued at \$2.3 million, compared to no reported activity a year earlier.

Building completions were considerably lower than in the comparative 2000 period, when large commercial projects factored significantly in the outcome—receding in value by 45.8% to \$81.0 million, although higher in number by 12.6% to 517. Positive contributions continued to be provided by residential completions, which increased by 54 in number to 466, and by 9.3% in value to \$62.1 million but were substantially below last year's 81.8% advance. This improvement, however, was eclipsed by the significant reduction in commercial completions, which numbered 5 fewer at 51, valued at \$18.9 million in contrast to \$92.6 million last year.

Building permits issued decreased by 4.3% to \$106.6 million, with the number also lower by 11.2% at 701. However, this followed a more significant fourth quarter 2000 decline in value, when total permits were lower by 37.2% in value, although 13.7% higher in number. For the review quarter, residential permits were 6.5% lower in value at \$80.2 million and 9.6% in number at 609. The single public sector permit was valued lower at \$0.1 million, as compared to three at \$5.6 million in

2000. In contrast, commercial permits rose by 31.3% to \$26.3 million, but with an 18.8% decrease in number to 91.

Construction Activity (October – December)			
	2000	2001	% Δ
Building Permits			
Number	789	701	-11.2
Value (B\$M)	118.5	106.6	-4.3
Building Starts			
Number	274	186	-32.1
Value (B\$M)	50.8	39.1	22.9
of which: Residential	42.8	29.4	-31.3
Commercial	8.0	7.4	-7.1
Public	--	2.3	100.0
Building Completions			
Number	459	517	12.6
Value (B\$M)	149.4	81.0	-45.8

PRICES

Measured by variations in the average Retail Price Index, consumer price inflation was virtually stable at 0.9%—although exhibiting mixed movements in the components. Notably, the average increase for education prices intensified from 3.7% a year-earlier to 17.7%, influenced by tuition hikes at secondary-level institutions. Transport and communication prices also firmed by 0.3%, on average. Conversely, the heavily weighted housing component was flat vis-à-vis a 0.6% rise a year earlier; while the food and beverage price increase steadied at 0.1%. Average price increases abated for clothing and footwear to 0.2%; for furniture and household operations, to 0.1%; for medical care and health, to 0.4%, but fell for recreation and entertainment services by 0.2%.

For the twelve months through December 2001, the pace of consumer price inflation moved higher to 2.0% from 1.6% a year earlier. The average housing price advance was unchanged at 0.2%, but stronger increases were recorded for food and beverage prices, (2.1%) and furniture and household operation costs (2.6%), and average cost rebounds were noted for recreation and

entertainment services (3.5%) and non-categorised goods and services (5.5%). More moderate hikes were recorded for clothing and footwear (0.5%), medical care and health (1.7%), transport and communication (1.6%) and education (7.7%).

up by 42.2% to \$1.4 million, supported by a 1.9% price hike to \$3.84 per pound. Increased earnings were also recorded for sponges and stone crabs exports.

MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Weaker economic conditions during the fourth quarter resulted in slowed growth in the monetary aggregates, which trailed domestic credit expansion—in spite of the restrictive stance maintained by the Central Bank. Although central bank credit to government influenced some improvement in liquidity over the previous quarter, a reduced broader average relative to 2000 caused further firming in deposit rates and a consequent narrowing in the average loan-deposit spread. Amid these trends and other short-term capital inflows, the net foreign liabilities of the banking system also increased during the quarter. Meanwhile, the latest available profitability indicators for the third quarter of 2001, suggested some softening in banks' earnings, resulting from reduced net interest margin ratios and comparatively higher ratios on operating costs and bad debt expenses.

LIQUIDITY

Bank's expansion in their foreign exchange position, alongside increased borrowing activities of the Government, cushioned the contraction in net free cash balances to 5.7% at \$56.5 million in the fourth quarter, as compared to the 33.4% decline to \$41.6 million in 2000 when credit expansion was more brisk. This represented an improved 1.6% of total Bahamian dollar liabilities vis-à-vis 1.2% in 2000. Although the broader surplus liquid assets also advanced by nearly threefold to \$67.4 million, the monthly average was comparatively lower at \$47.2 million from \$64.9 million in the corresponding period of 2000.

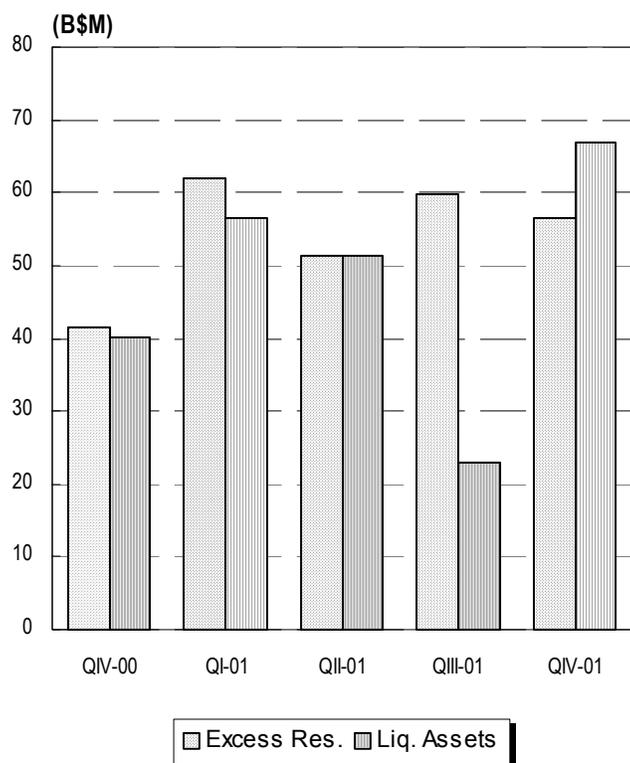
Average Retail Price Index (Annual % Changes)

Items	Weight	2000		2001	
		Index	%	Index	%
Food & Beverages	138.3	108.4	1.6	110.7	2.1
Clothing & Footwear	58.9	106.5	0.7	107.1	0.5
Housing	328.2	102.7	0.2	102.8	0.2
Furn. & Household	88.7	106.2	2.0	108.9	2.6
Med. Care & Health	44.1	109.1	2.4	110.9	1.7
Trans. & Comm.	148.4	102.3	2.3	104.0	1.6
Rec., Enter. & Ser.	48.7	108.7	-0.9	112.5	3.5
Education	53.1	132.2	11.9	142.4	7.7
Other Goods & Ser.	91.6	101.9	-0.4	107.5	5.5
ALL ITEMS	1000	106.0	1.6	108.1	2.0

FISHERIES

Estimates compiled by the Department of Fisheries suggest a decline in fisheries output for 2001, primarily as a result of a contraction in lobster landings and sales. The volume of products landed decreased by 7.2% to 10.3 million pounds, with a 19.9% fall-off in value to \$64.8 million. The crawfish catch, although accounting for 60.0% of the weight, represented 87.3% of estimated value. This represented a decline on both accounts, by a quarter to 4.9 million pounds valued at \$53.0 million, and an average gain of only 10 cents to \$10.75 per pound. Scalefish, at 25.7% of landings and 6.2% of value, increased by nearly one-third in both cases, to 3.8 million pounds priced at \$6.8 million. However, the fresh conch catch was lower in weight by 1.4% and in value by 2.0% to \$4.3 million. Earnings from fisheries exports fell by an estimated 18.8% to \$71.9 million, led by a 20.2% contraction to \$67.7 million for crawfish sales which fetched a slightly higher average price of \$13.66 per pound. Conch exports continued to recover, with earnings

Liquidity



DEPOSITS AND MONEY

Owing to slowed accumulation in private sector deposits, largely stemming from reduced tourism inflows, monetary expansion was sharply abated during the fourth quarter. Narrow money (M1) contracted by 1.3%, as a 2.4% increase in currency was offset by a further drop in demand deposits of 2.2%. Growth in broad money (M2) was more gradual at 0.1% vis-à-vis 0.9% a year ago, reflecting an ongoing contraction in savings (2.5%), alongside subsided gains for fixed (1.3%) deposits.

The advance in overall money (M3) slowed to 0.2% from 1.5% in 2000, with growth in foreign currency deposits decelerated to 6.1% from 33.4% in the previous year.

By currency composition, the Bahamian dollar component comprised 97.5% of total money and foreign currency deposits, the remaining 2.5%. By depositor profile, private individuals owned the largest share of the deposit base (55.8%), followed by business firms

(22.1%), other private depositors (6.5%) and private financial institutions (4.2%). An analysis by deposit values indicated that balances of 90.9% of all accounts were valued at under \$10,000, which comprised only 10.9% of the aggregate value. By contrast, individual balances in excess of \$50,000 accounted for 73.7% of the total value, but only 2.7% of all accounts. Otherwise, accounts valued between \$10,001 to \$20,000 made up 5.6% of deposits, followed by those between \$20,001 - \$30,000 (4.1%), \$30,001 - \$40,000 (3.0%) and \$40,001 - \$50,000 (2.7%).

DOMESTIC CREDIT

During the final quarter, domestic credit expansion slackened to 2.3% from 2.8%, reflecting a more gradual evolution in private sector lending following the freeze on total banks loans imposed by the Central Bank in September.

Given increased financing needs following the slowdown in economic activity, approximately two thirds of the quarter's lending flowed to the public sector. Net credit to Government advanced by \$72.5 million (13.1%)—strongly reversing the 0.4% decline of 2000—although growth in claims on the rest of the public sector abated to 0.2% from 1.7% a year earlier.

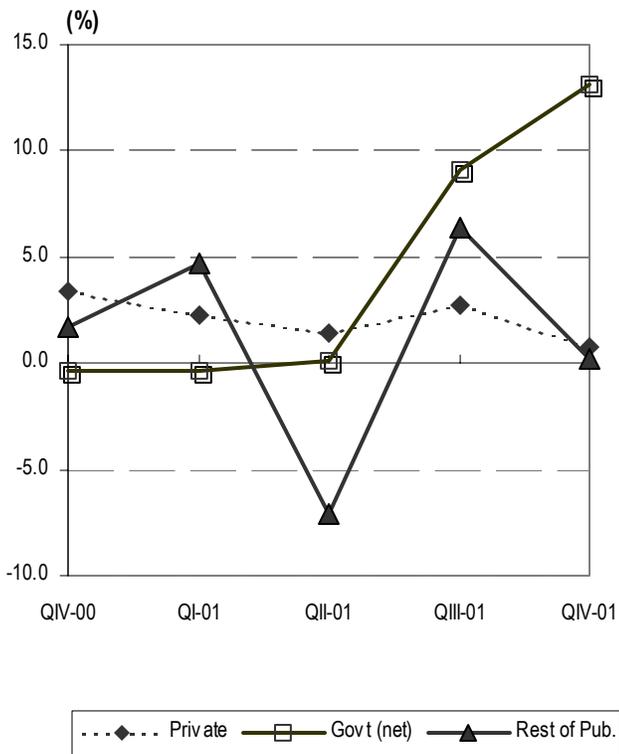
Private sector credit expansion eased substantially to \$33.9 million (0.9%) from \$117.5 million (3.4%) a year ago. Approximately two-thirds of this advance was concentrated in foreign currency credit to private businesses of 5.7%. Constrained by the Central Bank's tightened credit measures, growth in the Bahamian dollar portion was sharply reduced to 0.3% (\$9.7 million) from 3.3% (\$104.1 million) in the corresponding 2000 period. This featured a net reduction of \$11.3 million in consumer credit balances, as opposed to net mortgage lending of \$23.8 million (2.1%) and an almost flat position on other credit facilities.

A sectoral analysis of private sector credit indicated that personal loans, which constituted the largest share (65.5%), rose at a significantly reduced pace of 1.0% (\$25.4 million), following growth of 3.6% a year ago. Important but markedly reduced quarterly gains were also featured for construction (\$8.3 million) and tourism (\$7.3 million), alongside some net recovery for agricultural

(\$5.9 million) loans. Meanwhile, the largest net repayments were recorded for transport (\$2.9 million), distribution services (\$3.7 million) and fisheries (\$2.7 million).

Under personal lending, consumer loans represented the dominant share (57.3%), followed by residential loans (39.3%) and overdrafts (1.4%). In the consumer category, net increases were recorded for education (\$2.4 million), miscellaneous purposes (\$3.9 million) and credit cards (\$3.5 million). However, these were fully offset by contractions in all of the other credit categories, led by private cars (\$11.1 million), travel (\$3.1 million), debt consolidation (\$2.9 million), home improvement (\$1.9 million) and land purchases (\$1.3 million).

Changes in Credit



COMMERCIAL BANKS

Commercial banks' consolidated balance sheet showed a \$47.1 million (1.3%) quarterly expansion in private sector credit vis-à-vis a smaller \$11.6 million (0.4%) increase in counterpart deposits. However, more than half of the balance sheet growth represented the acquisition of the operations of a local savings bank. Banks also accommodated a \$64.7 million (17.5%) increase in net credit to Government, mildly offset by a \$11.8 million (5.9%) rise in net deposit liabilities to the rest of the public sector. These developments alongside other short-term inflows, resulted in commercial banks increasing their net foreign liabilities by \$81.8 million (17.5%) during the quarter, and augmenting capital and accumulated profits by \$17.7 million (3.1%).

A breakdown of commercial banks' deposits revealed that some 62.8% were held in fixed placements, 19.8% in demand and 17.4% in savings. Of the total, 97.4% was denominated in Bahamian dollars and some 89.8% was concentrated in private sector holdings.

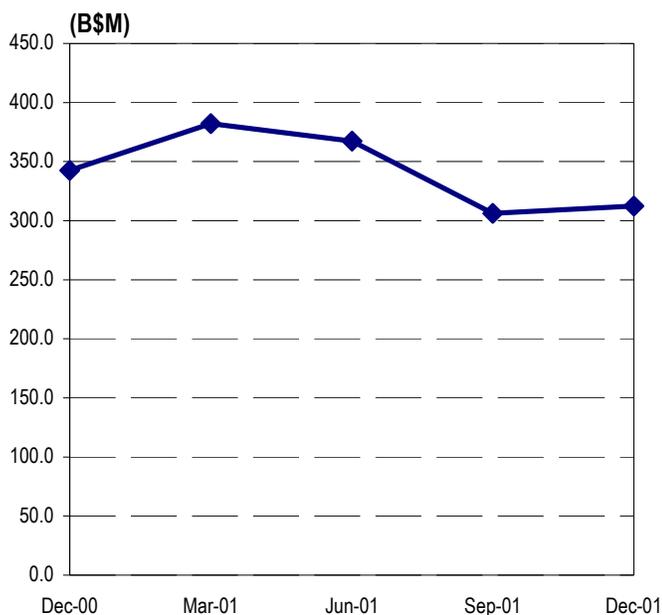
Distribution of Bank Credit By Sector
End-December

	2000		2001	
	B\$M	%	B\$M	%
Agriculture	8.7	0.2	15.8	0.4
Fisheries	6.8	0.2	6.7	0.2
Mining & Quarry	21.9	0.6	23.6	0.6
Manufacturing	93.1	2.4	67.5	1.6
Distribution	181.9	4.8	225.5	5.4
Tourism	230.8	6.0	228.5	5.5
Enter. & Catering	38.1	1.0	33.4	0.8
Transport	62.7	1.6	71.5	1.7
Public Corps.	131.1	3.4	133.2	3.2
Construction	334.7	8.7	363.0	8.8
Government	89.0	2.3	115.4	2.8
Private Financial	12.0	0.3	28.2	0.7
Prof. & Other Ser.	126.6	3.3	125.0	3.0
Personal	2,294.9	59.8	2,548.7	61.5
Miscellaneous	206.5	5.4	156.5	3.8
TOTAL	3,838.8	100.0	4,142.5	100.0

OTHER LOCAL FINANCIAL INSTITUTIONS

With one less savings and loans operation, the OLFIs' private sector deposit liabilities contracted by 20.8% in the fourth quarter, and outstanding credit (mainly consumer loans) shifted by some 9.9%. This latter movement masked growth in outstanding mortgages of 5.5% to \$110.4 million, representing 91.8% of total loans. Meanwhile, net foreign assets decreased to \$1.5 million from \$5.1 million. Deposit liabilities comprised fixed maturities with the largest share (90.1%), followed by demand (9.7%) and savings (0.2%).

External Reserves



CENTRAL BANK

The final quarter increase in the Central Bank's net credit to Government was contained at \$8.9 million (5.0%) from \$48.8 million (67.8%) last year, mainly constituting increased investments in long-term bonds.

Foreign exchange transactions produced a net purchase of \$3.2 million, reversing the year-earlier net sale of \$61.9 million and corresponding to a larger net

reduction in domestic demand for outward payments. In particular, total foreign currency sales decreased by 27.3% to \$140.3 million, while total purchases firmed by 9.4% to \$143.5 million. These developments were mainly due to a reversal in the net foreign currency transactions of the banking system from a net sale of \$13.4 million to a net purchase of \$27.7 million, alongside a narrowing in the public sector's net foreign currency demand to \$24.6 million from \$48.6 million in 2000.

With net foreign exchange income stable at \$3.2 million, foreign reserves by the end of the quarter posted a 2.0% recovery versus a 14.7% contraction in the preceding year. The end-December stock at \$312.4 million was nevertheless 8.8% below the 2000 close.

INTEREST RATES

During the fourth quarter, commercial banks' average interest rate spread narrowed by 6 basis points to 6.83%, owing to a 4 basis point tightening in the weighted average deposit rate to 4.29%. Alongside this, there was a mild 2 basis point softening in the corresponding loan rate to 11.12%.

On the deposit side, the average rate offered on savings deposits increased by 4 basis points to 2.70% and for fixed maturities of up to 12 months, moved within a higher band of 4.20% - 4.83% from 4.24% - 5.73% in the previous quarter. However, average rates for placements exceeding 12 months were generally lower at 4.65% vis-à-vis 5.73% in the previous quarter.

On the lending side, commercial bank rates featured a firming in the average overdraft rate by 84 basis points to 10.64%, alongside a 14 basis point increase in the average commercial mortgage rate to 8.94%. Conversely, the average residential mortgage rate, which carried the largest weighting during the period, softened by 9 basis points to 8.84%, and the average consumer loan rate, by 50 basis points to 12.90%.

The respective benchmark rates, commercial banks' Prime and the Central Bank Discount Rate were maintained at 6.00% and 5.75%; however, the average 90-day Treasury bill rate firmed by 55 basis points to 2.55% based on similar movements in deposit rates.

BANK PROFITABILITY

Provisional estimates for the quarter ended September 2001 indicated that the net income of commercial banks and savings and loans institutions fell by 15.9% to \$36.7 million, relative to the third quarter of 2000. The 6.5% rise in interest expense vis-à-vis a more modest 3.9% increase in interest income, checked the improvement in the interest margin at 2.6% to \$75.8 million. This was offset, however, by the 13.3% rise in operating costs, which caused banks to record a \$3.7 million (9.9%) decrease in their net earnings margin. A further mitigation was the increased net costs arising from loan loss provisioning vis-à-vis bad debt expenses.

Weighed against average asset growth, the overall profitability (return on assets) ratio declined to 2.92% from 3.74% in 2000. Added to a 30 basis-point narrowing in the net interest margin to 6.07%, the operating expense ratio increased by 19 basis points and ratio for returns from "other" income sources net of higher provisioning for bad debt was reduced by 30 basis points to 0.23%.

INTERNATIONAL TRADE AND PAYMENTS

Preliminary estimates for the fourth quarter indicate a 63.4% decline in the current account deficit to \$67.0 million when compared to the corresponding 2000 period. Consistent with moderated economic activity and restrictive Central Bank credit policies, non-oil merchandise imports were significantly reduced and were only partly countered by the lower surplus on the services account, owing to weakened travel receipts.

The estimated merchandise trade deficit narrowed by 55.8% to \$163.0 million, led by a significant (36.9%) attenuation in the value of imports to \$386.5 million, based on a combination of reduced local demand and decreased construction works linked to foreign investment projects. This more than compensated for the estimated contraction in goods exports of 8.4% to \$224.3 million. Additionally, the non-oil import bill fell by \$203.7 million (38.1%) to \$330.3 million, while the cost on

imported petroleum products eased by \$22.4 million (28.5%) to \$56.2 million

Regarding average oil prices, the per barrel cost of gas oil fell by 37.8% to \$23.40; jet fuel, by 36.7% to \$27.12; propane, by 34.3% to \$22.32; motor gas by 23.3% to \$28.97; bunker 'c' fuel, by 9.0% to \$21.23 and aviation-gas, by 2.2% to \$69.90 per barrel.

On the services account, the estimated net surplus receded by \$100.4 million (41.9%) to \$139.1 million, almost entirely attributable to the one-third deterioration in net travel receipts, as underlined by the fall-off in tourism activity. Further disaggregation of the services account revealed a near four-fold increase in payments for government services to \$13.4 million, inclusive of increased promotional expenditures on tourism. Additionally, net outflows for transportation rose 20.8% to \$44.2 million and royalty and licence fees by 14.9% to \$3.4 million; but local expenses of offshore companies contracted by 0.9% to \$30.9 million. Partly countering these trends, net outward remittances for construction services decreased to \$0.9 million from \$14.7 million; net payments for insurance services, by a third to \$14.8 million, and estimated outflows for "other services", by more than a quarter to \$58.2 million.

Under the income account, overall net outflows slackened by 21.7% to \$48.6 million as marginal growth in workers' remittances at \$14.0 million was outpaced by the 28.4% decline in net repatriation of investment income to \$34.6 million. The latter included significantly reduced net profit and interest remittances by both banks and other private companies, which eclipsed the marginal net interest payment on public sector's net foreign liabilities.

For current transfers, net receipts fell by 35.0% to \$5.5 million, as general government net inflows decreased by a third to \$6.5 million, whereas private sector net outflows were unchanged at \$1.0 million.

On the capital and financial account, a modest increase in net financial inflows, combined with lower net capital transfers, extended the overall surplus to \$84.2 million from \$76.4 million in 2000. For migrant workers' capital transfers, the net remittance eased to \$3.8 million from \$5.7 million in the comparative 2000 quarter.

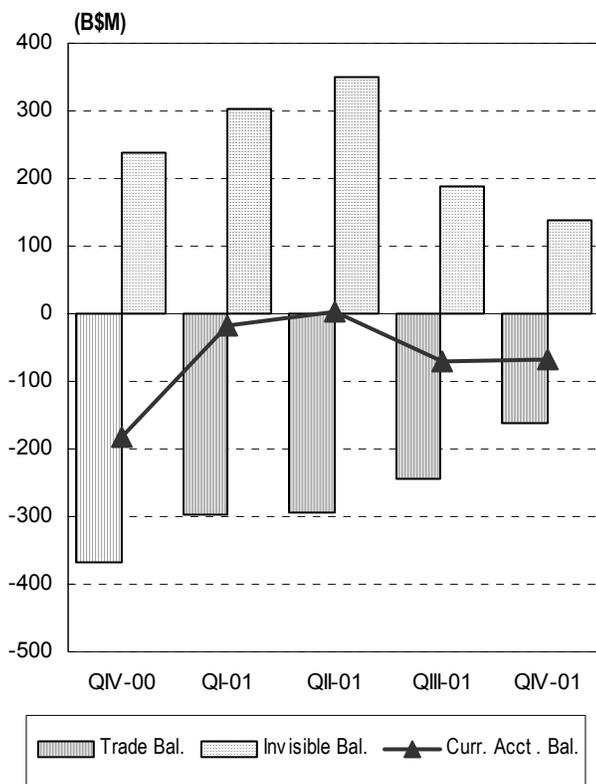
INTERNATIONAL ECONOMIC DEVELOPMENTS

A breakdown of the financial account revealed a strong abatement in foreign direct investments, from \$75.6 million to less than \$1.0 million, partly reflecting the postponement of new hotel sector projects following the September attacks. In particular, equity investments declined 89.9% to \$5.1 million, while real estate transactions were reversed from a net purchase of \$25.3 million in 2000 to a net sale of \$4.9 million in 2001. Private sector net external loan repayment of \$8.0 million contrasted with net inflows of \$35.1 million last year. Some offset was provided by the public sector's net borrowing of \$10.3 million, as compared to a net repayment of \$10.1 million last year, and an almost six-fold increase net short-term inflows through the banking system, to \$85.5 million.

Preliminary indications are that the global ECONOMY remained weak in the closing fourth quarter of 2001, although signs of a gradual stabilization was evident as market sentiments brightened following the attacks of September 11. While growth in the euro area continued to soften and Japan's economy deteriorated further, active central bank intervention appears to have halted the slide in the United States' economy. A broader accommodative monetary policy stance, in the context of a subdued inflationary environment as oil prices stabilized to a relatively low level, was supportive of consumer spending, but unemployment continued to rise. After suffering major losses in the immediate aftermath of September 11, major equity markets rebounded while currency markets were marked by the U.S. dollar's broadbased gains against other major currencies. In external sector developments, the general weakness in global activity stalled improvements in the current account balances among the advanced economies.

In the United States, the events of September 11 and their aftermath continued to reverberate through the already weak economy but the prevailing view is that the economic downturn might be shorter and less severe than previously expected. Following the 1.3% contraction in third quarter output, the U.S. economy rebounded by a surprisingly strong 1.7% in the fourth quarter, propelled by a surge in government and consumer spending—the latter dominated by car purchases amid attractive financing incentives. Germany's real gross domestic product fell by 0.3% in the fourth quarter, after a revised 0.2% contraction in the third period—reflecting a downturn in domestic consumer demand combined with a drop in investments and inventories. Given the strong linkages within Europe, the weakness in Germany further dampened growth in the region. Recessionary conditions persisted in Japan, where the decline in real GDP steepened to 4.5% from 2.1%, led by a huge drop in capital spending. Output growth in the United Kingdom decelerated sharply to 0.8% in the fourth quarter from 2.0% in each of the previous two quarters, as the global economic downturn retarded manufacturing, travel and tourism sector growth.

Balance of Payments



Consequent upon these developments, and adjusting for possible errors and omissions, the overall balance recorded a surplus of \$6.2 million as against a deficit of \$59.0 million in the year-earlier period.

Given the global downturn, labour markets in the major industrialized countries registered further deterioration during the December quarter. Developments were underscored by continued employment losses in the United States, where the average jobless rate increased to 5.8% from 4.6%, and the monthly rate reached a four-year high of 5.8% at end-December. Meanwhile, Germany's jobless rate rose to an average 9.5% from 9.3% in the third quarter, also corresponding to a slight firming in euro area unemployment to 8.5%. In the United Kingdom, the average jobless rate stood incrementally higher at 3.2% for each of the three months under review, as compared to the preceding quarter's estimate of 3.1%. Amid persistent deterioration in business sector activities, the Japanese average unemployment rate firmed to 5.5% from 5.1% in the third quarter.

Global inflationary pressures remained subdued during the review quarter, reflecting significantly weaker demand and lower oil prices. In the United States, continued excess capacity in the manufacturing sector coupled with moderate consumer demand underpinned a reduction in the annualized consumer price increase to 1.6% from 2.6% in the third quarter. For the euro area, the rise in average prices eased to 2.2% from 2.4%, with Germany's rate lower at 1.6% from 2.0%, but a steady 1.4% advance for France. Meanwhile, the United Kingdom's quarterly inflation rate moderated by a full 100 percentage point to 0.7%, and on the brink of a deflationary spiral, Japan's average consumer prices fell further by 0.8%.

Fourth quarter developments in currency markets were dominated by the broad-based recovery in the U.S. dollar following September 11, and the attendant disruptions caused to financial markets. Most significant was the dollar's 9.9% rally vis-à-vis the Japanese yen to ¥131.04, amid vanishing prospects of a speedy recovery of the Japanese economy. The dollar strengthened by 2.5% against the Swiss franc and by 2.2% relative to the deutschemark, to SF1.68 and DM2.20, respectively. Gains against the euro registered 2.2% to €112.35, reversing the euro's notable appreciation in the previous half-year and were modest vis-à-vis the pound sterling and the Canadian dollar, by 1.0% and 0.8% to £0.69 and C\$1.59, respectively.

Commodity market trends were mixed during the quarter. Sharply reduced global oil demand contributed to a significant decline in the per barrel price of crude oil, to a low of \$19.30 for North Sea Brent at year-end from \$21.96 at the end of the third quarter. Likewise, precious metal markets remained volatile, with the price of gold ending the period some 5.7% below last quarter's closing level at \$276.50 per troy ounce. However, silver prices, which reached a low of \$4.15 per troy ounce in November ended the quarter at \$4.58, just moderately below end-September's \$4.68 per troy ounce.

Equity markets in the advanced economies rallied strongly from their depressed September levels in response to aggressive monetary and fiscal stimulus in the aftermath of the September 11 attacks. Positive double-digit returns were realized in the United States, where the technology-laden Nasdaq gained 30.1% to close at 1,950.4 points. The broader S&P 500 index increased by 10.3% to 1,148.1 points, and the Dow Jones Industrial Average (DJIA) by 13.3% to 10,021.5 points. Similar trends were recorded for other major bourses, with France's CAC-40 index up by 13.4% to 4,624.6 points; Germany's Dax, by 19.8% to 5160.1 points and the United Kingdom's FTSE-100 index, by 6.4% to 5,217.4 points. Japan's Nikkei 225 index, however, performed less robustly advancing by 7.9% to 10,542.6 points.

On the monetary front, the events of September 11 provided further justification for expansionary stimulus among major central banks. In the United States, the greater-than-expected weakness in the economy induced the Federal Reserve to aggressively lower the discount rate three times in the final quarter, achieving eleven consecutive rate reductions for the year. On October 2 and again on November 6, the Federal Reserve lowered its key federal funds rate and the discount rate by 50 basis points, with a further 25 basis point cut to 1.75% and 1.25%, respectively on December 11. In the euro area, similar concerns prompted the European Central Bank to cut its key rates, by 50 basis points to 3.25% on November 8. Likewise, on October 8 and November 8, the Bank of England reduced its benchmark interest rate by 25 basis points and by 50 basis points to 4.00%, respectively. Although, the Bank of Japan had little scope for official rate reductions, greater liquidity support for

financial markets was announced in December through an increase in the Bank's monthly target of open market securities purchases from financial institutions.

Amid weaker net trade flows, major countries' current account balances deteriorated during the final quarter of 2001. In particular, both the United States' and the United Kingdom's current account deficits increased further, and in the euro area, where net exports declined as a result of weaker external demand, Germany's

current account surplus narrowed. Japan also experienced a fourth quarter reduction in its estimated current account surplus, corresponding to the general weakness in net exports experienced by other Asian economies

In the aftermath of September 11, the International Monetary Fund and the World Bank cancelled their Annual Meeting scheduled for September 17 – 20, 2001.

STATISTICAL APPENDIX

(Tables 1-16)

STATISTICAL APPENDIX

TABLE 1	FINANCIAL SURVEY
TABLE 2	MONETARY SURVEY
TABLE 3	CENTRAL BANK BALANCE SHEET
TABLE 4	COMMERCIAL BANKS BALANCE SHEET
TABLE 5	OTHER LOCAL FINANCIAL INSTITUTIONS BALANCE SHEET
TABLE 6	PROFIT AND LOSS ACCOUNTS OF BANKS IN THE BAHAMAS
TABLE 7	MONEY SUPPLY
TABLE 8	CONSUMER INSTALLMENT CREDIT
TABLE 9	SELECTED INTEREST RATES
TABLE 10	SUMMARY OF BANK LIQUIDITY
TABLE 11	GOVERNMENT OPERATIONS AND FINANCING
TABLE 12	NATIONAL DEBT
TABLE 13	PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS
TABLE 14	BALANCE OF PAYMENTS SUMMARY
TABLE 15	EXTERNAL TRADE
TABLE 16	SELECTED TOURISM STATISTICS

The following symbols and conventions are used throughout this report:

1. n.a. not available
2. -- nil
3. p provisional
4. Due to rounding, the sum of separate items may differ from the totals.

TABLE 1
FINANCIAL SURVEY

End of Period	1998	1999	2000				2001			
			Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
(BS Millions)										
Net foreign assets	(23.9)	(50.5)	2.6	46.2	(50.2)	(86.6)	(40.8)	(77.0)	(155.2)	(234.5)
Central Bank	338.8	404.0	450.4	451.7	401.5	342.6	382.1	367.4	306.2	312.4
Commercial banks	(376.8)	(456.6)	(435.8)	(429.6)	(457.2)	(449.5)	(450.5)	(454.1)	(466.5)	(548.4)
Other local fin. institutions	14.1	2.1	(12.0)	24.1	5.5	20.3	27.6	9.7	5.1	1.5
Net domestic assets	2,928.1	3,298.1	3,350.2	3,403.2	3,553.8	3,645.6	3,703.7	3,737.6	3,863.8	3,951.6
Domestic credit	3,425.7	3,823.5	3,898.4	3,974.4	4,161.9	4,278.6	4,371.1	4,414.9	4,570.2	4,677.3
Public sector	589.0	668.3	643.8	606.2	651.6	649.8	656.9	646.8	702.3	775.2
Government (net)	452.6	495.4	479.9	457.8	510.7	508.5	506.8	507.2	553.4	626.0
Rest of public sector	136.4	172.9	163.9	148.4	140.9	141.3	150.1	139.6	148.9	149.2
Private sector	2,836.7	3,155.2	3,254.6	3,368.2	3,510.3	3,628.8	3,714.2	3,768.1	3,867.9	3,902.1
Other items (net)	(497.6)	(525.4)	(548.2)	(571.2)	(608.1)	(633.0)	(667.4)	(677.3)	(706.4)	(725.7)
Monetary liabilities	2,904.2	3,247.6	3,352.8	3,449.4	3,503.6	3,559.0	3,662.9	3,660.6	3,708.6	3,717.1
Money	596.4	758.2	775.2	804.6	824.7	807.8	806.5	795.6	786.9	776.7
Currency	125.6	148.4	138.5	145.5	148.2	151.4	148.0	149.5	149.9	153.5
Demand deposits	470.8	609.8	636.7	659.1	676.5	656.4	658.5	646.1	637.0	623.2
Quasi-money	2,307.8	2,489.4	2,577.6	2,644.8	2,678.9	2,751.2	2,856.4	2,865.0	2,921.7	2,940.4
Fixed deposits	1,809.2	1,888.4	1,942.3	1,985.3	2,015.2	2,068.8	2,144.2	2,156.2	2,215.0	2,244.0
Savings deposits	437.9	548.0	571.7	587.5	599.0	596.1	611.6	618.9	620.2	604.6
Foreign currency	60.7	53.0	63.6	72.0	64.7	86.3	100.6	89.9	86.5	91.8
(percentage changes)										
Total domestic credit	12.0	11.6	2.0	1.9	4.7	2.8	2.2	1.0	3.5	2.3
Public sector	15.9	13.5	(3.7)	(5.8)	7.5	(0.3)	1.1	(1.5)	8.6	10.4
Government (net)	7.8	9.5	(3.1)	(4.6)	11.6	(0.4)	(0.3)	0.1	9.1	13.1
Rest of public sector	54.1	26.8	(5.2)	(9.5)	(5.1)	0.3	6.2	(7.0)	6.7	0.2
Private sector	11.2	11.2	3.2	3.5	4.2	3.4	2.4	1.5	2.6	0.9
Monetary liabilities	15.8	11.8	3.2	2.9	1.6	1.6	2.9	(0.1)	1.3	0.2
Money	15.0	27.1	2.2	3.8	2.5	(2.0)	(0.2)	(1.4)	(1.1)	(1.3)
Currency	14.5	18.2	(6.7)	5.1	1.9	2.2	(2.2)	1.0	0.3	2.4
Demand deposits	15.1	29.5	4.4	3.5	2.6	(3.0)	0.3	(1.9)	(1.4)	(2.2)
Quasi-money	16.0	7.9	3.5	2.6	1.3	2.7	3.8	0.3	2.0	0.6

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

End of Period	1998	1999	2000				2001			
			Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
(B\$ Millions)										
Net foreign assets	(38.0)	(52.6)	14.6	22.1	(55.7)	(106.9)	(68.4)	(86.7)	(160.3)	(236.0)
Central Bank	338.8	404.0	450.4	451.7	401.5	342.6	382.1	367.4	306.2	312.4
Commercial banks	(376.8)	(456.6)	(435.8)	(429.6)	(457.2)	(449.5)	(450.5)	(454.1)	(466.5)	(548.4)
Net domestic assets	2,896.9	3,230.2	3,264.8	3,330.2	3,471.0	3,572.2	3,635.1	3,653.1	3,769.7	3,874.7
Domestic credit	3,353.1	3,735.7	3,805.2	3,867.4	4,049.6	4,158.5	4,243.4	4,280.8	4,432.5	4,553.8
Public sector	585.8	664.3	639.8	602.2	648.0	645.4	652.5	642.3	698.0	771.9
Government (net)	449.4	491.5	476.0	453.9	507.2	504.2	502.5	502.9	549.2	622.8
Rest of public sector	136.4	172.8	163.8	148.3	140.8	141.2	150.0	139.4	148.8	149.1
Private sector	2,767.3	3,071.4	3,165.4	3,265.2	3,401.6	3,513.1	3,590.9	3,638.5	3,734.5	3,781.9
Other items (net)	(456.2)	(505.5)	(540.4)	(537.2)	(578.6)	(586.3)	(608.3)	(627.7)	(662.8)	(679.1)
Monetary liabilities	2,858.9	3,177.6	3,279.4	3,352.3	3,415.3	3,465.3	3,566.7	3,566.4	3,609.4	3,638.7
Money	592.3	754.1	770.4	794.6	815.6	796.6	790.5	783.3	774.6	769.2
Currency	126.0	148.9	138.8	145.9	148.3	151.9	148.4	150.3	150.5	153.5
Demand deposits	466.3	605.2	631.6	648.7	667.3	644.7	642.1	633.0	624.1	615.7
Quasi-money	2,266.6	2,423.5	2,509.0	2,557.7	2,599.7	2,668.7	2,776.2	2,783.1	2,834.8	2,869.5
Savings deposits	436.2	545.5	568.9	584.4	595.8	593.4	608.8	616.0	617.3	604.3
Fixed deposits	1,769.7	1,825.1	1,876.5	1,901.3	1,939.3	1,989.0	2,066.8	2,077.2	2,131.0	2,173.4
Foreign currency deposits	60.7	52.9	63.6	72.0	64.6	86.3	100.6	89.9	86.5	91.8
(percentage change)										
Total domestic credit	12.0	11.4	1.9	1.6	4.7	2.7	2.0	0.9	3.5	2.7
Public sector	15.9	13.4	(3.7)	(5.9)	7.6	(0.4)	1.1	(1.6)	8.7	10.6
Government (net)	7.8	9.4	(3.2)	(4.6)	11.7	(0.6)	(0.3)	0.1	9.2	13.4
Rest of public sector	54.1	26.7	(5.2)	(9.5)	(5.1)	0.3	6.2	(7.1)	6.7	0.2
Private sector	11.2	11.0	3.1	3.2	4.2	3.3	2.2	1.3	2.6	1.3
Monetary liabilities	15.9	11.1	3.2	2.2	1.9	1.5	2.9	(0.0)	1.2	0.8
Money	14.9	27.3	2.2	3.1	2.6	(2.3)	(0.8)	(0.9)	(1.1)	(0.7)
Currency	14.6	18.2	(6.8)	5.1	1.6	2.4	(2.3)	1.3	0.1	2.0
Demand deposits	15.0	29.8	4.4	2.7	2.9	(3.4)	(0.4)	(1.4)	(1.4)	(1.3)
Quasi-money	16.2	6.9	3.5	1.9	1.6	2.7	4.0	0.2	1.9	1.2

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B\$ Million)

End of Period	1998	1999	2000				2001			
			Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Net foreign assets	338.8	404.0	450.4	451.7	401.5	342.6	382.1	367.4	306.2	312.4
Balances with banks abroad	243.5	180.6	215.9	217.5	170.1	119.3	159.4	143.6	75.3	44.5
Foreign securities	86.7	214.8	225.9	225.5	222.7	215.1	214.7	215.9	222.8	260.0
Reserve position in the Fund	8.6	8.6	8.6	8.6	8.6	8.1	7.9	7.8	8.0	7.8
SDR holdings	--	--	--	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Net domestic assets	(14.2)	(16.6)	(29.0)	(25.9)	(48.6)	31.4	18.7	36.0	100.3	107.5
Net claims on government	59.3	69.8	55.4	58.3	72.0	120.7	107.4	113.6	178.4	187.4
Claims	61.9	73.0	58.8	62.9	80.5	128.5	110.0	121.2	185.1	189.7
Treasury bills	--	13.9	0.3	5.4	19.0	66.2	44.3	59.3	109.5	98.8
Bahamas registered stock	8.4	5.6	5.0	4.0	8.0	8.8	12.2	8.4	8.2	34.0
Loans and advances	53.5	53.5	53.5	53.5	53.5	53.5	53.5	53.5	67.4	56.9
Deposits	(2.6)	(3.2)	(3.4)	(4.6)	(8.5)	(7.8)	(2.6)	(7.6)	(6.7)	(2.3)
In local currency	(2.6)	(3.2)	(3.4)	(4.6)	(8.5)	(7.8)	(2.6)	(7.6)	(6.7)	(2.3)
In foreign currency	--	--	--	--	--	--	--	--	--	--
Deposits of rest of public sector	(6.4)	(17.4)	(9.9)	(13.6)	(40.3)	(14.8)	(12.3)	(8.5)	(7.9)	(10.3)
Credit to commercial banks	0.3	0.2	--	--	--	--	--	--	--	--
Official capital and surplus	(86.9)	(90.7)	(93.2)	(92.1)	(95.7)	(98.0)	(99.4)	(92.9)	(94.5)	(94.4)
Net unclassified assets	14.5	13.6	11.4	14.3	6.9	15.1	14.7	15.6	16.2	16.8
Loans to rest of public sector	4.7	6.5	6.4	6.3	7.7	7.6	7.5	7.4	7.3	7.2
Public Corp Bonds/Securities	0.3	1.4	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8
Liabs. to Commercial Banks & OLFIs	(184.6)	(225.0)	(269.1)	(266.8)	(191.5)	(209.3)	(239.9)	(241.2)	(243.5)	(253.6)
Notes and coins	(47.7)	(74.7)	(43.7)	(37.7)	(39.1)	(64.4)	(36.6)	(38.2)	(39.0)	(64.9)
Deposits	(136.9)	(150.3)	(225.4)	(229.1)	(152.4)	(144.9)	(203.3)	(203.0)	(204.5)	(188.7)
SDR allocation	(14.4)	(14.0)	(13.8)	(13.6)	(13.2)	(13.3)	(12.9)	(12.7)	(13.1)	(12.8)
Currency held by the private sector	(125.6)	(148.4)	(138.5)	(145.7)	(148.2)	(151.4)	(148.0)	(149.5)	(149.9)	(153.5)

Source: The Central Bank of The Bahamas

TABLE 4
COMMERCIAL BANKS BALANCE SHEET

(B\$ Millions)

End of Period	1998	1999	2000				2001			
			Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Net foreign assets	(376.8)	(456.6)	(435.8)	(429.6)	(457.2)	(449.5)	(450.5)	(454.1)	(466.5)	(548.4)
Net claims on Central Bank	182.0	225.4	223.3	258.2	193.3	207.1	235.0	226.1	230.6	248.7
Notes and Coins	47.4	74.2	43.3	37.3	39.1	63.9	36.2	37.4	38.4	64.9
Balances	135.4	152.0	180.8	221.7	155.0	144.0	199.6	189.5	193.0	184.6
Less Central Bank credit	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Net domestic assets	2,751.6	3,026.5	3,129.7	3,124.3	3,239.6	3,244.3	3,319.6	3,321.9	3,345.9	3,421.3
Net claims on government	390.1	421.7	420.6	395.6	435.2	383.4	395.1	389.3	370.7	435.4
Treasury bills	95.5	93.4	86.0	87.8	99.4	49.9	71.8	74.6	35.4	63.5
Other securities	290.2	327.4	327.1	328.4	325.9	315.3	309.1	312.2	313.7	314.2
Loans and advances	72.7	68.4	84.6	66.4	78.2	89.0	91.5	79.2	88.2	115.4
Less: deposits	68.3	67.5	77.1	87.0	68.3	70.8	77.3	76.7	66.6	57.7
Net claims on rest of public sector	(38.4)	(50.0)	(56.9)	(98.8)	(118.7)	(163.8)	(160.1)	(182.5)	(200.3)	(212.1)
Securities	3.7	8.5	7.4	8.0	6.9	6.9	6.9	6.9	6.9	8.0
Loans and advances	127.6	157.6	149.1	133.1	125.4	125.9	134.8	124.4	133.8	133.2
Less: deposits	169.7	216.1	213.4	239.9	251.0	296.6	301.8	313.8	341.0	353.3
Net claims on OLFIs.	(17.8)	(19.4)	(39.9)	(21.4)	(17.1)	(10.1)	5.7	(12.7)	(12.0)	(0.8)
Credit to the private sector	2,767.3	3,071.4	3,165.4	3,265.2	3,401.6	3,513.1	3,590.9	3,638.5	3,734.5	3,781.9
Securities	0.8	5.3	6.3	4.8	5.9	6.9	6.9	6.9	7.1	6.3
Loans and advances	2,766.5	3,066.1	3,159.1	3,260.4	3,395.7	3,506.2	3,584.0	3,631.6	3,727.4	3,775.6
Private capital and surplus	(328.5)	(415.3)	(427.7)	(463.4)	(484.2)	(509.9)	(538.8)	(560.1)	(575.0)	(592.8)
Net unclassified assets	(21.1)	18.1	68.2	47.1	22.8	31.6	26.8	49.4	28.0	9.7
Liabilities to private sector	2,556.8	2,795.3	2,917.2	2,952.9	2,975.7	3,001.9	3,104.1	3,093.9	3,110.0	3,121.6
Demand deposits	476.6	601.8	642.0	662.6	649.3	669.6	686.3	678.0	670.2	661.9
Savings deposits	435.7	544.5	570.0	585.6	596.9	596.9	609.7	617.0	618.7	606.2
Fixed deposits	1,644.5	1,649.0	1,705.2	1,704.7	1,729.5	1,735.4	1,808.1	1,798.9	1,821.1	1,853.5

Source: The Central Bank of The Bahamas

TABLE 5
OTHER LOCAL FINANCIAL INSTITUTIONS BALANCE SHEET

(B\$ Millions)

End of Period	1998	1999	2000				2001			
			Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Net foreign assets	14.1	2.1	(12.0)	24.1	5.5	20.3	27.6	9.7	5.1	1.5
Net claims on Central Bank	(12.5)	4.1	(1.2)	(10.5)	(0.3)	(4.8)	(10.0)	(4.5)	0.6	4.0
Notes and Coins	0.3	0.5	0.3	0.4	0.1	0.5	0.4	0.7	0.6	--
Balances	2.2	3.6	3.5	4.1	4.6	4.7	4.6	4.8	5.0	4.0
Less Central Bank credit	15.0	--	5.0	15.0	5.0	10.0	15.0	10.0	5.0	--
Net domestic assets	43.6	63.3	86.0	83.0	82.1	77.7	78.2	88.9	93.3	72.8
Net claims on government	3.2	3.9	3.9	3.9	3.5	4.4	4.3	4.3	4.3	3.2
Treasury bills	--	--	--	--	--	--	--	--	--	--
Other securities	3.2	3.9	3.9	3.9	3.5	4.4	4.3	4.3	4.3	3.2
Loans and advances	--	--	--	--	--	--	--	--	--	--
Less: deposits	--	--	--	--	--	--	--	--	--	--
Net claims on rest of public sector	(0.5)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.7)	(0.7)	(0.7)	0.1
Securities	--	--	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Loans and advances	--	--	--	--	--	--	--	--	--	--
Less: deposits	0.5	0.9	1.0	1.0	1.0	1.0	0.8	0.8	0.8	--
Net claims on commercial banks	16.8	17.5	28.9	18.4	13.2	12.4	5.6	15.1	6.6	1.6
Credit to the private sector	69.4	83.7	89.1	102.9	108.7	115.7	123.2	129.7	133.4	120.2
Securities	0.2	0.4	0.4	4.7	4.8	4.2	7.1	7.8	7.3	2.7
Mortgages	56.6	67.0	72.7	75.6	82.1	90.5	95.3	99.7	104.6	110.4
Loans and advances	12.6	16.3	16.0	22.6	21.8	21.0	20.8	22.2	21.5	7.1
Private capital and surplus	(60.2)	(56.1)	(58.6)	(60.9)	(61.2)	(66.9)	(69.9)	(66.1)	(66.4)	(68.4)
Net unclassified assets	14.9	15.2	23.6	19.6	18.8	13.0	15.7	6.6	16.1	16.1
Liabilities to private sector	45.2	69.5	72.8	96.6	87.3	93.2	95.8	94.1	99.0	78.3
Demand deposits	4.5	4.6	5.2	10.4	9.2	11.7	16.4	13.0	12.9	7.5
Savings deposits	1.8	2.5	2.8	3.1	3.1	2.7	2.8	2.9	2.8	0.2
Fixed deposits	38.9	62.4	64.8	83.1	75.0	78.8	76.6	78.2	83.3	70.6

Source: The Central Bank of The Bahamas

TABLE 6
PROFIT AND LOSS ACCOUNTS OF BANKS IN THE BAHAMAS*

(B\$'000s)

	1997	1998	1999	2000				2001		
				Qtr. I	Qtr. II	Qtr.III	Qtr.IV	Qtr. I	Qtr. II	Qtr.III
1. Interest Income	291,488	339,446	362,402	95,121	98,719	108,454	111,237	111,642	112,627	112,653
2. Interest Expense	120,326	134,297	144,698	32,737	33,452	34,591	33,070	33,954	35,571	36,842
3. Interest Margin (1-2)	171,162	205,149	217,704	62,384	65,267	73,863	78,167	77,688	77,056	75,811
4. Commission & Forex Income	18,678	20,546	22,779	4,968	6,088	5,510	6,995	7,713	5,746	5,481
5. Gross Earnings Margin (3+4)	189,840	225,695	240,483	67,352	71,355	79,373	85,162	85,401	82,802	81,292
6. Staff Costs	82,917	86,581	93,338	23,117	24,455	27,064	27,135	27,663	25,551	27,753
7. Occupancy Costs	12,941	13,184	14,892	3,873	4,191	4,901	4,215	4,274	4,687	5,288
8. Other Operating Costs	45,487	38,321	45,282	12,368	10,614	10,210	12,542	11,561	12,249	14,741
9. Operating Costs (6+7+8)	141,345	138,086	153,512	39,358	39,260	42,175	43,892	43,498	42,487	47,782
10. Net Earnings Margin (5-9)	48,495	87,609	86,971	27,994	32,095	37,198	41,270	41,903	40,315	33,510
11. Depreciation Costs	7,870	8,719	11,676	3,308	2,471	2,637	2,480	2,502	2,517	2,614
12. Provisions for Bad Debt	5,794	14,678	18,416	5,635	5,818	5,425	10,553	7,993	6,953	10,018
13. Other Income	43,440	46,081	47,985	13,576	14,710	14,204	15,894	14,654	14,801	15,553
14. Other Income (Net) (13-11-12)	29,776	22,684	17,893	4,633	6,421	6,142	2,861	4,159	5,331	2,921
15. Net Income (10+14)	78,271	110,293	104,864	32,627	38,516	43,340	44,131	46,062	45,646	36,431
16. Effective Interest Rate Spread (%)	6.33	6.52	6.45	6.24	5.56	5.20	5.96	5.96	6.56	6.48
(Ratios To Average Assets)										
Interest Margin	5.28	5.31	5.18	5.59	5.67	6.37	6.66	6.44	6.25	6.07
Commission & Forex Income	0.58	0.53	0.54	0.45	0.53	0.48	0.60	0.64	0.47	0.44
Gross Earnings Margin	5.85	5.85	5.72	6.03	6.20	6.85	7.26	7.08	6.72	6.51
Operating Costs	4.36	3.58	3.65	3.53	3.41	3.64	3.74	3.61	3.45	3.83
Net Earnings Margin	1.50	2.27	2.07	2.51	2.79	3.21	3.52	3.47	3.27	2.68
Net Income	2.41	2.86	2.50	2.92	3.35	3.74	3.76	3.82	3.70	2.92

*Commercial Banks and OLFIs with domestic operations

Source: The Central Bank of The Bahamas

TABLE 7
MONEY SUPPLY

(B\$ Millions)

End of Period	1998	1999	2000				2001			
			Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Money supply (M1)	596.4	758.2	775.2	804.6	824.7	807.8	806.5	795.6	786.9	776.7
1) Currency in active circulation	125.6	148.4	138.5	145.5	148.2	151.4	148.0	149.5	149.9	153.5
2) Demand deposits	470.8	609.8	636.7	659.1	676.5	656.4	658.5	646.1	637.0	623.2
Central Bank	6.4	17.4	9.9	13.6	40.3	14.8	12.3	8.5	7.9	10.3
Commercial banks	459.9	587.8	621.6	635.1	627.0	629.9	629.8	624.6	616.2	605.3
OLFIs	4.5	4.6	5.2	10.4	9.2	11.7	16.4	13.0	12.9	7.6
Factors affecting changes in money (M1)										
1) Net credit to government	452.6	495.4	479.9	457.8	510.7	508.5	506.8	507.2	553.4	626.0
Central Bank	59.3	69.8	55.4	58.3	72.0	120.7	107.4	113.6	178.4	187.4
Commercial banks	390.1	421.7	420.6	395.6	435.2	383.4	395.1	389.3	370.7	435.4
OLFIs	3.2	3.9	3.9	3.9	3.5	4.4	4.3	4.3	4.3	3.2
2) Other credit	2,973.1	3,328.1	3,418.5	3,516.6	3,651.2	3,770.1	3,864.3	3,907.7	4,016.8	4,051.3
Rest of public sector	136.4	172.9	163.9	148.4	140.9	141.3	150.1	139.6	148.9	149.2
Private sector	2,836.7	3,155.2	3,254.6	3,368.2	3,510.3	3,628.8	3,714.2	3,768.1	3,867.9	3,902.1
3) External reserves	338.8	404.0	450.4	451.7	401.5	342.6	382.1	367.4	306.2	312.4
4) Other external liabilities (net)	(362.7)	(454.5)	(447.8)	(405.5)	(451.7)	(429.2)	(422.9)	(444.4)	(461.4)	(546.9)
5) Quasi money	2,307.8	2,489.4	2,577.6	2,644.8	2,678.9	2,751.2	2,856.4	2,865.0	2,921.7	2,940.4
6) Other items (net)	(497.6)	(525.4)	(548.2)	(571.2)	(608.1)	(633.0)	(667.4)	(677.3)	(706.4)	(725.7)

Source: The Central Bank of The Bahamas

TABLE 8
CONSUMER INSTALMENT CREDIT

(BS' 000)

End of Period	1998		1999		2000				2001							
					Sept.		Dec.		Mar.		Jun.		Sept.		Dec.	
	Add-on	Demand*	Add-on	Demand*	Add-on	Demand*	Add-on	Demand*	Add-on	Demand*	Add-on	Demand*	Add-on	Demand*	Add-on	Demand*
CREDIT OUTSTANDING																
Private cars	2,178	230,311	922	264,969	651	281,382	603	284,366	549	290,334	477	286,695	416	281,772	405	270,662
Taxis & rented cars	--	1,356	--	1,674	--	1,999	--	2,122	--	2,091	--	2,296	--	2,289	--	2,251
Commercial vehicles	22	5,013	10	5,316	10	5,624	9	4,912	9	4,643	8	4,515	8	4,431	8	4,385
Furnishings & domestic appliances	418	13,268	101	16,746	59	15,978	40	17,554	38	17,177	36	16,646	8	17,711	7	17,514
Travel	145	31,282	88	38,100	62	43,788	52	44,677	46	42,015	30	43,736	28	46,537	25	43,391
Education	101	27,045	50	28,646	44	32,657	30	32,968	27	36,268	24	35,799	18	47,215	16	49,569
Medical	119	12,386	47	11,649	32	12,628	30	12,775	28	13,250	27	13,509	23	13,570	22	13,304
Home Improvements	932	105,710	522	119,070	334	120,156	297	121,566	242	122,445	219	124,215	199	128,466	180	126,542
Land Purchases	682	67,753	450	72,186	132	87,907	107	91,561	79	93,302	76	95,596	72	96,579	61	95,251
Consolidation of debt	1,992	318,722	1,174	346,272	790	354,590	713	353,470	672	358,886	615	360,409	540	359,757	501	356,914
Miscellaneous	1,233	206,851	696	251,550	479	297,439	420	313,465	353	319,231	293	328,579	252	336,835	237	340,739
Credit Cards	...	116,674	...	128,500	...	127,324	...	131,301	...	127,175	...	129,521	...	134,284	...	137,768
24 TOTAL	7,822	1,136,371	4,060	1,284,678	2,593	1,381,472	2,301	1,410,737	2,043	1,426,817	1,805	1,441,516	1,564	1,469,446	1,462	1,458,290
NET CREDIT EXTENDED																
Private cars	(3,102)	35,538	(1,256)	34,658	(87)	539	(48)	2,984	(54)	5,968	(72)	(3,639)	(61)	(4,923)	(11)	(11,110)
Taxis & rented cars	(28)	(158)	0	318	--	115	--	123	--	(31)	--	205	0	(7)	0	(38)
Commercial vehicles	(72)	824	(12)	303	--	(79)	--	(712)	--	(269)	(1)	(128)	0	(84)	0	(46)
Furnishings & domestic appliances	(162)	(698)	(317)	3,478	(6)	192	(19)	1,576	(2)	(377)	(2)	(531)	(28)	1,065	(1)	(197)
Travel	(118)	1,128	(57)	6,818	(7)	6,023	(10)	889	(6)	(2,662)	(16)	1,721	(2)	2,801	(3)	(3,146)
Education	(244)	1,819	(51)	1,601	(2)	5,242	(14)	311	(3)	3,300	(3)	(469)	(6)	11,416	(2)	2,354
Medical	(214)	1,931	(72)	(737)	(6)	(328)	(2)	147	(2)	475	(1)	259	(4)	61	(1)	(266)
Home Improvements	(1,259)	4,585	(410)	13,360	(97)	(942)	(37)	1,410	(55)	879	(23)	1,770	(20)	4,251	(19)	(1,924)
Land Purchases	(474)	8,986	(232)	4,433	(231)	7,919	(25)	3,654	(28)	1,741	(3)	2,294	(4)	983	(11)	(1,328)
Consolidation of debt	(1,866)	37,710	(818)	27,550	(91)	2,443	(77)	(1,120)	(41)	5,416	(57)	1,523	(75)	(652)	(39)	(2,843)
Miscellaneous	(1,039)	36,586	(537)	44,699	(97)	14,785	(59)	16,026	(67)	5,766	(60)	9,348	(41)	8,256	(15)	3,904
Credit Cards	...	26,921	...	11,826	...	5,578	...	3,977	...	(4,126)	...	2,346	...	4,763	0	3,484
TOTAL	(8,578)	155,172	(3,762)	148,307	(624)	41,487	(292)	29,265	(258)	16,080	(238)	14,699	(241)	27,930	(102)	(11,156)

Source: The Central Bank of The Bahamas

* Includes Consumer Credit previously reported under Personal Loans

TABLE 9
SELECTED AVERAGE INTEREST RATES

Period	1998	1999	%							
			2000				2001			
			Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
COMMERCIAL BANKS										
Deposit rates										
Savings deposits	3.11	2.88	2.66	2.73	2.90	2.56	2.70	2.68	2.66	2.70
Fixed deposits										
Up to 3 months	5.53	4.50	3.92	3.97	3.87	3.97	4.12	4.20	4.24	4.20
Up to 6 months	6.05	4.83	4.39	4.51	4.20	4.15	4.40	4.63	4.70	4.75
Up to 12 months	5.90	4.88	4.59	4.70	4.29	4.40	4.67	4.81	4.57	4.83
Over 12 months	5.94	4.90	4.33	4.41	4.31	4.19	4.53	5.03	5.73	4.65
Weighted average rate	5.58	4.50	3.92	4.00	3.93	4.01	4.16	4.25	4.25	4.29
Lending rates										
Residential mortgages	9.86	9.57	9.06	9.03	8.90	8.85	8.94	9.09	8.93	8.84
Commercial mortgages	10.12	9.67	9.63	8.93	9.61	9.65	8.59	9.15	8.80	8.94
Consumer loans	14.55	13.88	13.26	13.58	13.77	13.71	13.64	13.69	13.40	12.90
Overdrafts	11.00	10.65	10.52	10.13	10.60	10.98	10.42	10.85	9.80	10.64
Weighted average rate	12.33	11.84	11.36	11.62	12.12	11.86	11.87	11.74	11.14	11.12
OLFI's										
Deposit rates										
Savings deposits	4.20	3.74	3.64	3.42	3.21	3.43	3.90	3.50	3.55	3.25
Fixed deposits										
Up to 3 months	4.41	4.08	3.29	3.40	3.58	3.99	4.04	4.16	4.01	4.30
Up to 6 months	4.81	4.35	4.43	4.15	3.79	3.95	4.17	4.47	4.25	3.75
Up to 12 months	5.03	4.63	4.61	4.46	4.05	4.08	4.28	4.17	4.09	3.68
Over 12 months	4.48	4.42	--	--	--	4.06	4.41	4.00	4.02	4.25
Weighted average rate	5.16	4.65	4.46	4.07	4.13	4.18	4.36	4.14	4.45	4.04
Lending rates										
Residential mortgages	9.90	9.75	9.18	8.77	9.11	8.83	8.53	8.85	9.10	9.08
Commercial mortgages	--	10.00	--	--	--	--	--	--	--	--
Consumer loans	15.14	15.34	14.95	14.87	15.25	14.95	14.24	14.60	15.28	15.75
Other loans	--	6.75	--	10.00	9.33	7.75	9.10	9.46	9.42	9.46
Weighted average rate	13.21	12.72	10.82	13.71	13.06	10.83	11.60	11.76	12.60	9.04
Other rates										
Prime rate	6.75	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Treasury bill (90 days)	3.84	1.97	0.96	1.20	0.90	0.88	1.42	1.80	2.00	2.55
Treasury bill re-discount rate	4.34	2.47	1.46	1.70	1.40	1.38	1.92	2.34	2.50	3.05
Bank rate (discount rate)	6.50	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75

Source: The Central Bank of The Bahamas

TABLE 10
SUMMARY OF BANK LIQUIDITY

(B\$ Millions)

End of Period	1998	1999	2000				2001			
			Mar.	Jun.	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
I. Statutory Reserves										
Required reserves	135.5	153.9	157.4	163.4	166.1	166.6	170.2	174.6	175.8	176.1
Average Till Cash	41.4	61.0	47.3	43.6	44.4	59.6	43.6	39.2	41.7	51.2
Average balance with central bank	136.1	174.7	207.5	243.9	185.0	149.4	189.3	187.5	194.8	182.2
Free cash reserves (period ended)	41.2	81.0	96.6	123.3	62.5	41.6	61.9	51.3	59.9	56.5
II. Liquid Assets (period)										
A. Minimum required Liquid assets	452.8	507.9	523.5	539.0	541.1	539.1	563.8	573.8	573.4	569.3
B. Net Eligible Liquid Assets	559.7	656.6	654.3	683.6	619.9	579.2	620.3	625.1	596.2	636.7
i) Balance with Central Bank	137.7	155.5	184.3	225.7	159.0	148.2	203.7	193.5	198.0	188.6
ii) Notes and Coins	48.2	75.1	44.2	38.3	39.7	64.9	37.1	38.7	39.5	65.4
iii) Treasury Bills	95.5	93.4	86.0	87.8	99.4	49.9	71.8	74.6	35.4	63.5
iv) Government registered stocks	264.1	311.4	311.4	311.4	308.4	303.7	297.3	300.5	302.0	306.4
v) Specified assets	17.4	20.8	19.4	19.7	18.5	20.2	17.3	16.7	15.8	16.9
vi) Net Inter-bank dem/call deposits	-2.4	1.2	9.8	1.5	(4.3)	(6.9)	(6.1)	1.9	6.3	(3.3)
vii) Less: borrowings from central bank	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
C. Surplus/(Deficit)	106.9	148.7	130.8	144.6	78.8	40.1	56.5	51.3	22.8	67.4

Source: The Central Bank of The Bahamas

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

(B\$ Millions)

Period	1998/99p	1999/00p	2000/01p	Budget		2000/01p			2001/02p	
				2000/01	2001/02	QTR. II	QTR. III	QTR. IV*	QTR. I	QTR. II
Total Revenue & Grants	803.8	918.5	957.5	990.5	1,029.7	228.4	233.0	270.7	222.9	193.7
Current expenditure	746.8	817.4	846.1	862.8	893.8	191.9	210.6	243.7	204.3	204.2
Current balance	57.0	101.1	111.4	127.7	135.9	36.5	22.4	27.0	18.6	(10.5)
Capital expenditure	94.9	106.7	90.7	99.1	108.8	18.7	14.7	44.6	20.0	19.2
Net lending	32.3	32.1	42.5	29.0	21.3	14.7	7.3	13.5	1.0	37.8
Overall balance	(70.2)	(37.7)	(21.7)	(0.3)	5.8	3.1	0.4	(31.1)	(2.4)	(67.5)
Adj. Overall balance	(70.2)	(37.7)	(21.7)	(0.3)	5.8	3.1	0.4	(31.1)	(2.4)	(67.5)
FINANCING (I+II-III+IV+V)	70.2	37.7	21.7	0.3	(5.8)	(3.1)	(0.4)	31.1	2.4	67.5
I. Foreign currency loans	18.5	22.4	3.0	18.3	48.9	1.8	0.0	0.5	1.1	37.5
External	18.5	22.4	3.0	18.3	48.9	1.8	--	0.5	1.1	12.5
Domestic	--	--	--	...	...	--	--	--	--	25.0
II. Bahamian dollar borrowing	126.7	78.0	75.8	55.8	34.3	25.8	--	20.0	64.3	40.9
i) Treasury bills	--	--	20.0	...	...	--	--	20.0	16.1	--
Central Bank	--	--	20.0	...	...	--	--	20.0	16.1	--
Commercial banks & OLFIs	--	--	--	...	...	--	--	--	--	--
Public corporations	--	--	--	...	...	--	--	--	--	--
Other	--	--	--	...	...	--	--	--	--	--
ii) Long-term securities	126.7	78.0	55.8	...	...	25.8	--	--	34.3	40.9
Central Bank	17.0	8.0	6.5	...	...	3.0	--	--	5.0	40.9
Commercial banks & OLFIs	53.3	33.1	8.9	...	...	1.7	--	--	10.1	--
Public corporations	33.9	18.2	14.4	...	...	8.7	--	--	4.8	--
Other	22.5	18.7	26.0	...	...	12.4	--	--	14.4	--
iii) Loans and Advances	--	--	--	...	...	--	--	--	13.9	--
Central Bank	--	--	--	...	...	--	--	--	13.9	--
Commercial banks	--	--	--	...	...	--	--	--	--	--
III Debt repayment	74.3	20.6	74.8	79.3	87.3	32.2	7.7	7.6	29.2	29.4
Domestic	64.7	12.7	67.1	71.2	54.0	30.0	6.5	5.0	28.3	28.5
Bahamian dollars	55.0	1.0	60.4	60.7	47.7	25.0	5.2	5.0	25.2	23.5
Internal foreign currency	9.7	11.8	6.7	10.5	6.2	5.0	1.3	0.0	3.1	5.0
External	9.6	7.9	7.7	8.1	33.3	2.2	1.2	2.6	0.9	0.9
IV. Cash balance change	(3.1)	(19.4)	10.3	...	...	(2.0)	(1.2)	(1.3)	11.4	12.7
V. Other Financing	2.4	(22.7)	7.4	5.5	(1.7)	3.5	8.5	19.5	(45.2)	5.8

Source: Treasury Monthly Printouts. Data compiled according to the International Monetary Fund's Government Finance Statistics format.

* April & May 2001

TABLE 12
NATIONAL DEBT

(B\$' 000s)

End of Period	1998p	1999p	2000p	2001p			
				Mar.	June	Sept.	Dec.
TOTAL EXTERNAL DEBT	93,443	105,731	114,404	113,555	111,531	111,740	123,303
By Instrument							
Government Securities	56,000	50,500	50,500	50,500	50,500	50,500	50,500
Loans	37,443	55,231	63,904	63,055	61,031	61,240	72,803
By Holder							
Commercial banks	6,334	25,602	25,265	25,265	23,615	23,615	22,956
Offshore financial institutions	6,900	980	500	500	500	500	500
Multilateral institutions	30,209	29,149	38,639	37,790	37,416	37,625	49,847
Bilateral Institutions	--	--	--	--	--	--	--
Private Capital Markets	50,000	50,000	50,000	50,000	50,000	50,000	50,000
TOTAL INTERNAL DEBT	1,340,851	1,405,656	1,401,831	1,395,312	1,410,349	1,446,356	1,483,765
By Instrument							
Foreign Currency	44,655	29,706	21,057	19,767	19,767	16,677	36,677
Government securities	29,200	21,000	16,000	16,000	16,000	16,000	11,000
Loans	15,455	8,706	5,057	3,767	3,767	677	25,677
Bahamian Dollars	1,296,196	1,375,950	1,380,774	1,375,545	1,390,582	1,429,679	1,447,088
Advances	53,519	53,519	53,519	53,519	53,518	67,445	56,945
Treasury bills	132,500	132,500	132,500	132,500	152,500	168,600	168,600
Government securities	1,099,856	1,180,586	1,186,386	1,181,386	1,176,424	1,185,724	1,213,633
Loans	10,321	9,345	8,369	8,140	8,140	7,910	7,910
By Holder							
Foreign Currency	44,665	29,706	21,057	19,767	19,767	16,677	36,677
Commercial banks	44,665	29,706	21,057	19,767	19,767	16,677	36,677
Other local financial institutions	--	--	--	--	--	--	--
Bahamian Dollars	1,296,196	1,375,950	1,380,774	1,375,545	1,390,582	1,429,679	1,447,088
The Central Bank	61,926	73,101	128,895	110,297	121,422	185,735	190,554
Commercial banks	360,285	407,481	354,899	370,428	376,550	338,595	373,205
Other local financial institutions	3,618	6,399	4,287	4,237	4,187	4,187	3,128
Public corporations	623,817	607,744	590,485	588,552	586,602	584,859	562,309
Other	246,550	281,225	302,208	302,031	301,821	316,303	317,892
TOTAL FOREIGN CURRENCY DEBT	138,098	135,437	135,461	133,322	131,298	128,417	159,980
TOTAL DIRECT CHARGE	1,434,294	1,511,387	1,516,235	1,508,867	1,521,880	1,558,096	1,607,068
TOTAL CONTINGENT LIABILITIES	349,045	376,282	369,915	370,766	373,562	383,008	361,268
TOTAL NATIONAL DEBT	1,783,339	1,887,669	1,886,150	1,879,633	1,895,442	1,941,104	1,968,336

Source: Treasury Accounts & Treasury Statistical Summary Printouts
Public Corporation Reports
Creditor Statements, Central Bank of The Bahamas

TABLE 13
PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS

(B\$' 000)

	1998p	1999p	2000p				2001p			
			Mar.	Jun.	Sept.	Dec.	Mar.	June	Sept.	Dec.
Outstanding debt at beginning of period	401,132	403,759	404,058	408,477	406,985	403,036	392,448	390,023	383,764	377,837
Government	148,205	138,098	135,437	138,659	142,283	140,916	135,461	133,322	131,298	128,417
Public Corporations	252,927	265,661	268,621	269,818	264,702	262,120	256,987	256,701	252,466	249,420
Plus new drawings	43,752	47,949	13,897	7,854	1,980	2,990	4,043	2,229	2,714	40,335
Government	6,431	24,612	7,825	5,425	705	1,812	308	566	1,135	37,505
Public corporations	37,321	23,337	6,072	2,429	1,275	1,178	3,735	1,663	1,579	2,830
Less Amortization	41,125	47,650	9,478	9,346	5,929	13,578	6,468	8,488	8,641	29,973
Government	16,538	27,273	4,603	1,801	2,072	7,267	2,447	2,590	4,016	5,942
Public corporations	24,587	20,377	4,875	7,545	3,857	6,311	4,021	5,898	4,625	24,031
Outstanding debt at end of period	403,759	404,058	408,477	406,985	403,036	392,448	390,023	383,764	377,837	388,199
Government	138,098	135,437	138,659	142,283	140,916	135,461	133,322	131,298	128,417	159,980
Public corporations	265,661	268,621	269,818	264,702	262,120	256,987	256,701	252,466	249,420	228,219
Interest Charges	30,978	24,684	5,658	8,302	3,529	8,561	3,968	8,720	4,594	9,851
Government	12,364	8,671	1,077	3,486	504	3,170	661	3,848	567	4,804
Public corporations	18,614	16,013	4,581	4,816	3,025	5,391	3,307	4,872	4,027	5,047
Debt Service	72,103	72,334	15,136	17,648	9,458	22,139	10,436	17,208	13,235	39,824
Government	28,902	35,944	5,680	5,287	2,576	10,437	3,108	6,438	4,583	10,746
Public corporations	43,201	36,390	9,456	12,361	6,882	11,702	7,328	10,770	8,652	29,078
Debt Service ratio	3.8	3.0	2.2	2.3	1.4	3.0	1.5	2.3	2.1	6.7
Government debt Service/ Government revenue (%)	3.8	4.1	2.5	2.1	1.1	4.6	1.3	2.4	2.1	5.5
MEMORANDUM										
Holder distribution (B\$ Mil):										
Commercial banks	100.7	100.0	100.4	94.7	93.7	85.1	83.8	81.1	79.3	98.1
Offshore Financial Institutions	6.9	1.0	0.8	0.8	0.5	0.5	0.5	0.5	0.5	0.5
Multilateral Institutions	217.1	226.1	228.5	236.6	234.1	233.9	233.0	231.4	227.2	238.8
Bilateral Institutions	29.1	25.4	25.4	23.6	23.6	21.8	21.8	20.0	20.0	0.0
Other	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Private Capital Markets	0.0	1.5	1.3	1.2	1.1	1.1	0.9	0.9	0.9	0.8

Source: Treasury Accounts, Treasury Statistical Printouts and Quarterly Reports from Public Corporations, Central Bank of The Bahamas.

TABLE 14
BALANCE OF PAYMENTS SUMMARY

(B\$ Millions)

	1999p	2000p	2001p	2001				
				Qtr.IVp	Qtr.Ip	Qtr.IIp	Qtr.IIIp	Qtr.IVp
A. Current Account Balance (I+II+III+IV)	(406.0)	(408.1)	(152.3)	(183.0)	(18.3)	3.6	(70.6)	(67.0)
I. Merchandise (Net)	(1,249.2)	(1,312.8)	(998.3)	(369.0)	(297.8)	(294.6)	(242.9)	(163.0)
Exports	523.2	805.3	765.5	244.8	172.0	176.4	192.8	224.3
Imports	1,772.4	2,118.1	1,763.8	613.8	469.8	471.0	435.7	387.3
II. Services (Net)	936.5	1,034.4	979.8	239.5	302.5	349.1	189.1	139.1
Transportation	(112.3)	(128.9)	(133.8)	(36.6)	(31.2)	(33.7)	(24.7)	(44.2)
Travel	1,272.5	1,521.0	1,455.1	368.6	418.2	491.1	302.7	243.1
Insurance Services	75.0	(60.3)	(81.4)	(22.5)	(16.9)	(31.0)	(18.7)	(14.8)
Offshore Companies Local Expenses	84.7	115.5	72.6	31.2	17.2	16.6	7.9	30.9
Other Government	(26.8)	(29.4)	(48.0)	(3.5)	(7.0)	(23.0)	(4.6)	(13.4)
Other Services	(359.9)	(383.5)	(284.8)	(97.7)	(77.9)	(70.9)	(73.5)	(62.5)
III. Income (Net)	(129.7)	(173.1)	(174.9)	(62.0)	(34.7)	(65.7)	(25.9)	(48.6)
1. Compensation of Employees	(40.9)	(51.1)	(46.8)	(13.7)	(10.5)	(10.7)	(11.6)	(14.0)
2. Investment Income	(88.6)	(122.0)	(128.1)	(48.3)	(24.2)	(55.0)	(14.3)	(34.6)
IV. Current Transfers (Net)	36.4	43.4	41.1	8.5	11.7	14.8	9.1	5.5
1. General Government	41.5	47.4	45.2	9.5	12.2	16.3	10.2	6.5
2. Private Sector	(5.1)	(4.0)	(4.0)	(1.0)	(0.4)	(1.5)	(1.1)	(1.0)
B. Capital and Financial Account (I+II) (excl. Reserves)	583.6	419.8	215.7	76.4	49.2	28.9	53.4	84.2
I. Capital Account (Transfers)	(13.6)	(16.4)	(20.1)	(5.7)	(5.5)	(7.7)	(3.1)	(3.8)
II. Financial Account	597.2	436.2	235.8	82.1	54.7	36.6	56.5	88.0
1. Direct Investment	149.1	249.9	71.0	75.6	24.4	27.3	19.0	0.2
2. Other Investments	448.1	108.2	165.1	6.5	30.3	9.3	37.5	87.8
Central Gov't Long Term Capital flow (net)	2.5	0.4	24.2	(5.0)	(2.4)	(2.1)	(2.9)	31.6
Other Public Sector Capital	(7.3)	(11.6)	(28.7)	(5.1)	(0.3)	(4.2)	(3.0)	(21.2)
Banks	91.8	(28.0)	120.5	(18.5)	(1.1)	15.9	20.2	85.5
Other	361.3	147.4	49.1	35.1	34.1	(0.3)	23.3	(8.0)
C. Net Errors and Omissions	(112.3)	(43.8)	(93.7)	47.6	8.5	(47.1)	(44.0)	(11.1)
D. Overall Balance (A+B+C)	65.3	(32.1)	(30.2)	(59.0)	39.5	(14.6)	(61.2)	6.1
E. Financing	(65.3)	61.5	30.0	59.0	(39.5)	14.6	61.2	(6.2)
Change in SDR holdings	--	(0.1)	0.0	--	--	--	--	--
Change in Reserve Position with the Fund	--	0.5	0.3	0.5	0.3	0.1	(0.3)	0.2
Change in External Foreign Assets () = Increase	(65.3)	61.1	29.8	58.5	(39.8)	14.5	61.5	(6.4)

Source: The Central Bank of the Bahaqas

Figures may not sum to total due to rounding

T15_TRAD
EXTERNAL TRADE

(B\$ '000)

	1994	1995	1996	1997				1998			
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV
I. OIL TRADE											
i) Exports	3,329	29	6	--	--	--	--	1	--	--	--
ii) Imports	98,618	156,431	192,921	30,694	42,537	51,328	23,934	44,593	26,146	20,474	21,476
II. OTHER MERCHANDISE											
i) Domestic Exports											
Crawfish	58,359	56,148	69,415	11,269	5,968	15,631	26,593	15,576	4,837	14,045	23,015
Fish & other Crustacea	2,927	3,562	4,978	674	972	972	426	3,450	2,625	4,752	2,080
Fruits & Veggies.	3,133	2,842	2,536	1,325	113	1,427	224	341	27	488	317
Aragonite	851	343	828	154	264	342	--	--	225	69	308
Rum	8,335	2,878	4,442	701	1,525	1,418	1,287	2,957	2,286	3,752	3,249
Other Cordials & Liqueurs	246	361	258	122	46	94	15	6	4	32	9
Crude Salt	15,511	13,463	17,430	5,975	4,050	7,115	4,447	4,546	2,809	2,906	2,617
Hormones	--	--	--	--	--	--	--	--	--	2,594	2,256
Chemicals	--	--	223	--	--	--	--	6,062	7,188	3,987	4,452
Other Pharmaceuticals	78	--	--	--	--	--	--	--	--	--	--
Fragrances	--	--	2,429	--	133	235	797	1	--	--	--
Other	15,491	13,031	12,021	2,698	1,319	2,519	1,150	2,057	1,349	3,300	7,646
TOTAL	104,931	92,628	114,560	22,918	14,390	29,753	34,939	34,996	21,350	35,925	45,949
ii) Re-Exports	62,102	83,291	63,666	36,055	15,132	11,891	16,314	34,028	43,217	35,177	49,678
iii) Total Exports (i+ii)	167,033	175,919	178,226	58,973	29,522	41,644	51,253	69,024	64,567	71,102	95,627
iv) Imports	957,258	1,086,650	1,171,621	296,071	377,356	376,511	423,595	438,815	420,158	410,670	434,031
v) Retained Imports (iv-ii)	895,156	1,003,359	1,107,955	260,016	362,224	364,620	407,281	404,787	376,941	375,493	384,353
vi) Trade Balance (i-v)	(790,225)	(910,731)	(993,395)	(237,098)	(347,834)	(334,867)	(372,342)	(369,791)	(355,591)	(339,568)	(338,404)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	1998	1999	2000	2001p	2000p	2001p				
					Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	
Visitor Arrivals	3,347,665	3,648,291	4,203,831	4,184,884	1,038,469	1,187,456	1,140,850	932,034	924,544	
Air	1,304,851	1,438,887	1,481,545	1,439,030	324,675	411,633	439,949	336,884	250,564	
Sea	2,042,814	2,209,404	2,722,286	2,745,854	713,794	775,823	700,901	595,150	673,980	
Visitor Type										
Stopover	1,527,707	1,577,066	1,596,159	n.a	374,267	n.a	n.a	n.a	n.a	
U.S.A.	n.a	n.a	n.a							
Canada	n.a	n.a	n.a							
Europe	n.a	n.a	n.a							
Other	n.a	n.a	n.a							
Cruise	1,729,894	1,981,481	2,512,626	2,551,673	685,683	733,994	632,519	536,098	649,062	
Day/Transit	68,228	77,707	66,587	n.a	13,963	n.a	n.a	n.a	n.a	
Tourist Expenditure(BS 000's)	1,354,057	1,582,926	1,814,011	n.a	440,203	n.a	n.a	n.a	n.a	
Stopover	1,244,433	1,463,577	1,662,036	n.a	397,308	n.a	n.a	n.a	n.a	
Cruise	105,530	114,909	147,980	n.a	42,057	n.a	n.a	n.a	n.a	
Day	4,094	4,440	3,995	n.a	838	n.a	n.a	n.a	n.a	
Number of Tourist Days*	n.a	n.a	n.a							
Average Length of Stay	n.a	n.a	n.a							
Average Hotel Occupancy Rates (%)										
New Providence	75.9	76.0	73.3	66.7	63.0	74.0	75.9	63	52	
Grand Bahama	66.3	53.6	58.2	49.7	45.8	58.5	59.8	52	31	
Other Family Islands	40.4	44.3	41.0	37.2	27.8	37.9	51.6	35	21	

Source: The Ministry of Tourism

* Calculated as the sum of stopovers times average length of stay and total cruise and day visitors.