



## **Monthly Economic and Financial Developments April 2019**

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:**

**2019:** July 1, July 29, September 2, September 30, November 4



## 1. Domestic Economic Developments

### Overview

Preliminary indications are that the domestic economy maintained its modest growth trajectory over the review period. Gains in stopover visitor arrivals during the Easter holiday, supported the expansion in tourism, while activity in the construction sector reflected ongoing small to medium-scale foreign investment-related projects. Domestic inflation firmed during the 12 months to February, due in part to the pass-through effects of the hike in the value added tax (VAT) rate in earlier periods. In addition, the fiscal deficit narrowed during the nine months of FY2018/2019, as the VAT-led rise in revenue overshadowed the growth in expenditure. Monetary sector developments were dominated by accelerated Bahaman dollar deposit base gains, buoyed by receipts from tourism-related inflows which contrasted with very moderate local currency credit growth. The corresponding build-up in liquidity and external reserves therefore exceeded the 2018 pace.

### Real Sector

#### Tourism

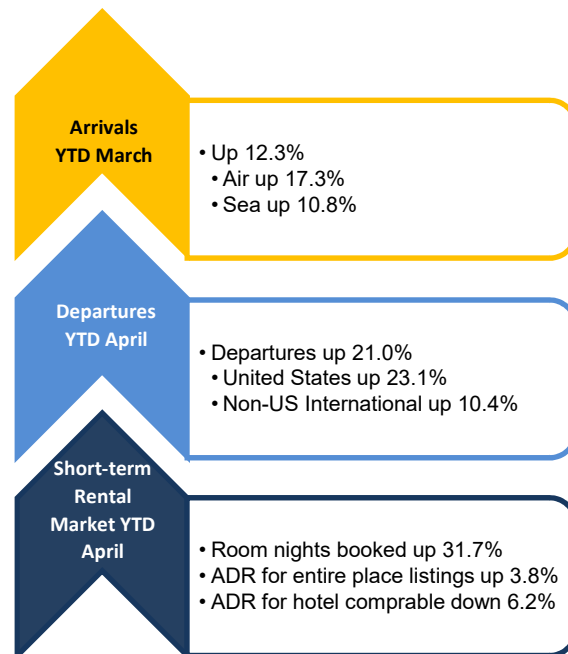
Indications are that tourism sector output remained buoyant over the review period, with sustained gains in both the high value-added air segment, and cruise travelers.

The latest official data from the Ministry of Tourism, showed that total visitor arrivals advanced by 5.9% in March, outpacing the 3.6% gain recorded in the prior year. Specifically, the dominant sea segment firmed by 4.6%, a reversal from the previous year's 2.5% contraction, while the growth in air arrivals slowed to 9.5% from 26.1% in 2018, due in part to the late start to the Easter holiday period.

By major ports of entry, total arrivals to the capital expanded by 20.9% during March, compared to a 2.6% increase a year ago, with rebounded sea traffic of 24.4% and narrowed air visitor gains of 14.1%. Reduced ports of call resulted in a 19.0% contraction in Family Island sea traffic, while air tourists softened by 1.6%. Similarly, in Grand Bahama, both air and sea visitors declined by 9.7% and 0.6%, respectively in March.

For the quarter, gains in air arrivals to The Bahamas remained strong at 17.3%, after the prior period's 18.0% advance, while sea traffic rebounded from a 1.0% decline to a 10.8% expansion. Arrivals to New Providence recovered by 27.0%, after a 1.8% falloff in the prior period, as the growth in both air and sea traffic exceeded 20.0%. In contrast, visitors to Grand Bahama contracted by 19.5%, with the 21.7% reduction in sea traffic,

Chart 1: Tourism Indicators at a Glance



Source: The Bahamas Ministry of Tourism, NAD & AirDNA

negating the 0.6% uptick in air arrivals, while the Family Islands had a 5.8% improvement in air arrivals, which outweighed the 1.9% decrease in the high volume sea component.

Indications are that the positive momentum in air arrivals was sustained during April, which captured the Easter holiday traffic. Data from the Nassau Airport Development Company Ltd. (NAD), showed an 18.3% expansion in total departures—net of domestic passengers—more than two times higher than the 7.9% gain recorded in the previous year, as growth in the U.S. segment quickened to 21.3% from 6.8%; however, the gains in the non-U.S. international component slowed to 2.8% from 14.3% in the previous period. Similarly, over the first four months of the year, aggregate departures strengthened by 21.0%, outpacing 2018's 12.1% improvement. This outturn reflected an increase in the U.S. component by 23.1%, overshadowing the prior year's 11.3% expansion. In contrast, gains in the non-U.S. segment narrowed by 5.8 percentage points to 10.4%.

The increase in air visitors fueled growth in the non-hotel based vacation rental segment of the market. In this regard, data obtained from AirDNA<sup>1</sup>, showed that the total number of off-resort room nights sold firmed by 31.7% in April and by 18.7% for the year-to-date, with both hotel comparable and entire place listings firming over the four months by 22.0% and 18.3%, respectively. A breakdown by market, showed that the cumulative growth in room bookings was underpinned by a 51.4% expansion in demand for accommodation in Exuma, while New Providence, Abaco and Grand Bahama, accounted for smaller increases of 14.5%, 6.8% and 2.5%, respectively. In terms of pricing, the average daily room rate (ADR) of the entire place listings—which is generally more comparable across periods—firmed by 3.8% to \$398.75, due mainly to gains in room rates in Exuma; however, the ADR for hotel comparable listings declined by 6.2% to \$159.24, as average prices for accommodation in Grand Bahama and New Providence contracted.

### *Prices*

Amid higher international oil prices, as well as the pass-through effects of the hike in the VAT rate, domestic inflation—as measured by the All Bahamas Retail Price Index—rose by 1.2 percentage points to 2.6% during the twelve months to February. This outturn reflected mainly an acceleration in average price gains in the components for transport items, food & non-alcoholic beverages, health, restaurants & hotels and alcoholic beverages, tobacco & narcotics. Also of note were average price rises for furnishing & household equipment and clothing & footwear, compared to declines in the previous period; and continued but smaller increases for housing, water, gas and electricity and recreation & culture. In contrast, average prices declined for the communications and education components of the index.

Domestic energy costs rose during April, with the average price of gasoline firming by 7.2% over the previous month, and by 8.7% vis-à-vis 2018 to \$4.75 per gallon. Similarly, diesel prices were higher by 1.9% month-on-month at \$4.35 per gallon, but were 3.8% lower when compared to the prior year.

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<sup>1</sup> This database also now includes Home Away Rental Company Listings.

## Fiscal Sector

Data on the Government's budgetary operations for the nine-months of FY2018/19, showed that the deficit narrowed by \$132.5 million (50.6%), relative to the comparable period of the previous fiscal year, to \$129.5 million. This outcome was underpinned by a \$219.2 million (14.9%) expansion in revenue to \$1,689.1 million, which outpaced the \$86.7 million (5.0%) increase in spending to \$1,818.6 million.

The rise in total receipts was largely attributed to the 4.5 percentage points hike in the VAT rate to 12.0%, which boosted collections in this category by \$98.7 million (20.1%) to \$588.9 million. In addition, stamp taxes related to financial and realty transactions, doubled to \$161.6 million—reflecting the reclassification of VAT on realty taxes to stamp taxes. Further, business license fees firmed by \$24.7 million (35.0%), while receipts from banks and trust companies rose by \$7.1 million (39.2%). In contrast, tax inflows related to international trade, waned by \$3.5 million to \$312.7 million, owing to reductions in both import and export taxes, which partially offset the growth in departure tax receipts. Further, non-tax revenue increased by \$21.2 million to \$167.3 million, due in large measure to a \$26.5 million increase in income tied to the sales of good and services; largely related to higher immigration fees.

The expansion in expenditure was anchored by the \$143.5 million (9.3%) rise in recurrent spending to \$1,691.9 million. The Government increased its subsidies, mainly for healthcare, by \$41.4 million (18.0%), while interest payments—predominantly on external debt—grew by \$22.4 million (30.9%). Less pronounced gains were recorded for social assistance benefits, of \$4.5 million (16.3%), and pensions & gratuities of \$5.4 million (5.8%). Conversely, recurrent compensation disbursements declined by \$27.6 million. In contrast, capital outlays contracted by \$56.8 million (31.0%) to \$126.7 million, due to a \$56.4 million (36.6%) decline in the acquisition of non-financial assets and a \$4.2 million (18.7%) fall-off in capital transfers.

## 2. Domestic Monetary Trends April 2019 vs. 2018

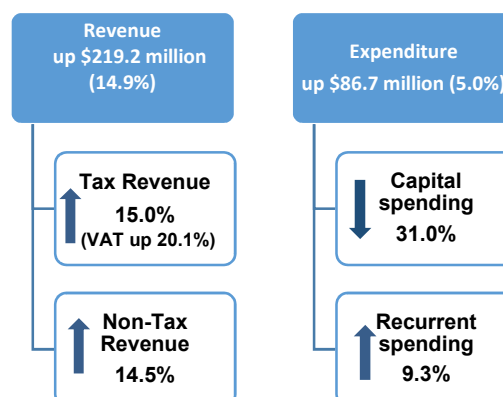
### Liquidity

Buoyed by net inflows from real sector activity, which boosted deposit balances and contrasted with the modest growth in domestic credit, excess reserves—a narrow measure of liquidity—expanded by \$218.6 million to \$894.7 million, vis-à-vis a \$156.1 million increase in the previous year. Similarly, excess liquid assets advanced by \$210.4 million to \$1,829.6 million, following a \$110.3 million rise a year earlier.

### External Reserves

External reserves grew by \$191.4 million to \$1,583.7 million, outstripping the \$94.5 million increase recorded in the prior year. In particular, the Central Bank's net purchase from commercial banks expanded by \$90.5 million to \$196.6 million, as commercial banks' net purchase from customers firmed by \$89.5 million to \$188.0 million. In addition, the Bank's net sale to the public sector decreased by \$6.5 million to \$9.8 million.

Chart 2: Budgetary Operations at a Glance  
9 Months FY2018/2019



Source: Central Bank of The Bahamas

## Exchange Control Sales

Preliminary data on foreign currency sales for current account transactions, showed a \$12.3 million expansion in outflows to \$416.2 million in April, compared to the same period in the prior year. Underlying this development, “other” current items (52.9% of the total)—comprising mainly insurance services, remittances royalties and credit card financed imports—increased by \$23.7 million. Similarly, travel-related transactions (5.9% of the total), firmed by \$7.0 million, while transfers (5.2% of the total) and oil imports (4.7% of the total) each increased by \$6.5 million. In contrast, sales to facilitate direct payments for non-oil imports (27.0% of the total) and factor income payments (4.2% of the total), fell by \$27.6 million and \$3.8 million, respectively.

## Domestic Credit

### Bahamian Dollar Credit

Bahamian dollar credit firmed by \$7.6 million over the review period, a turnaround from a \$47.1 million contraction a year earlier, when the Government repaid outstanding advances. Specifically, net claims on the Government increased by \$7.3 million, a reversal from a \$64.2 million reduction a year earlier. Conversely, growth in private sector credit slowed to \$1.6 million, from \$17.9 million in 2018, as declines in mortgages and consumer credit of \$8.7 million and \$6.3 million, respectively, nearly eclipsed the \$16.6 million increase in consumer credit. Meanwhile, claims on the rest of the public sector decreased by \$1.3 million, extending the decline of \$0.8 million in 2018.

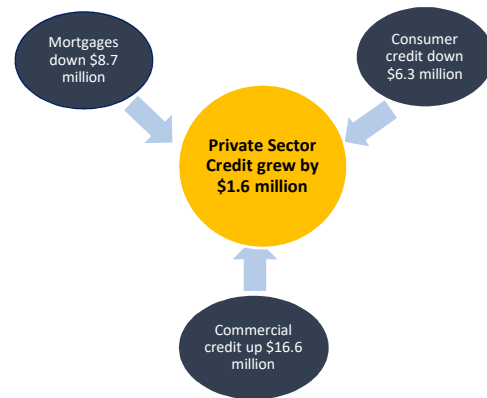
### Foreign Currency Credit

Domestic foreign currency credit rose by \$1.1 million in April, reversing the \$0.4 million softening a year earlier, as net claims on the Government grew by \$3.0 million, following a \$4.5 million uptick in the previous period. Further, the reduction in credit to the private sector slowed by \$0.4 million to \$2.7 million, as both commercial credit and mortgages declined by \$2.0 million and \$0.6 million, respectively. Further, credit to the rest of the public sector steadied at \$188.1 million, after falling by \$1.6 million a year ago.

## Credit Quality

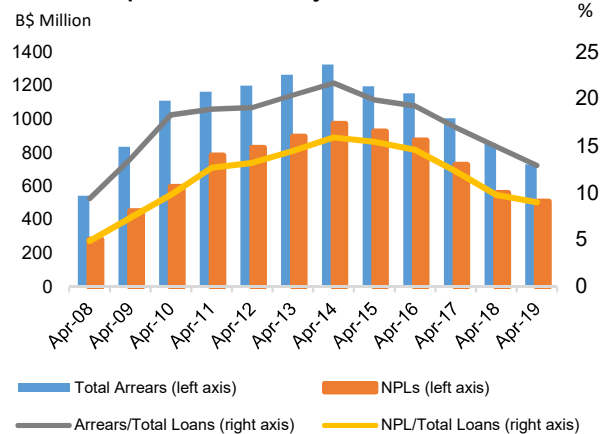
Banks’ credit quality indicators continued to improve during the month of April, reflecting in part the growth in the economy. Total private sector arrears decreased by \$12.0 million (1.6%) to \$730.4 million, and by 25 basis points to 12.9% of total private sector loans. An analysis by the average age of delinquency, revealed that short-term arrears (31-90 days), contracted by \$10.2 million (4.4%) to \$222.1 million, while the corresponding ratio fell by 19 basis points to 3.9% of total private sector loans. The decline in non-performing loans (NPLs) was more muted, at \$1.8 million (0.4%) to \$508.3 million, resulting in a 6 basis point softening in the non-accruals rate to 9.0%.

Chart 3: B\$ Private Sector Credit



Source: Central Bank of the Bahamas

Graph 1: Credit Quality Indicators



Source: Central Bank of the Bahamas

An analysis by loan category, showed that the fall in arrears was driven by commercial delinquencies, which contracted by \$13.8 million (16.4%) to \$70.3 million, as the \$16.5 million (51.3%) reduction in the short-term segment, overshadowed the \$2.6 million gain in non-accrual commercial loans. Further, consumer loan arrears decreased by \$2.4 million (1.2%) to \$205.9 million, with the \$4.4 million (3.2%) contraction in the long-term component, eclipsing the \$2.0 million (2.7%) uptick in the short-term segment. In contrast, mortgage arrears rose by \$4.2 million (0.9%), to \$454.2 million, on account of a \$4.3 million (3.4%) rise in short-term delinquencies, while the non-accrual segment edged-down by \$0.1 million.

In light of the improvement in arrears, banks reduced their total provisions for loan losses by \$13.1 million (3.0%) to \$427.4 million during April. As a consequence, the ratio of total provisions to both arrears and NPLs, fell by 0.8 and 2.3 percentage points to 58.5% and 84.1%, respectively. During the month, banks also wrote-off an estimated \$9.4 million, and recovered approximately \$6.3 million.

On a year-on-year basis, the private sector arrears ratio decreased by 2.0 percentage points, reflecting declines in both the short-term and non-accrual segments of 1.2 and 0.8 percentage points, respectively. Broad-based reductions were recorded across all loan categories, with the commercial, mortgage and consumer arrears ratios narrowing by 2.8, 2.0 and 1.9 percentage points, respectively.

### **Deposits**

Accretions to total Bahamian dollar deposits accelerated by \$162.6 million to \$226.6 million. In particular, demand deposits grew by \$217.9 million, relative to a \$70.6 million uptick a year earlier, while fixed deposits firmed by \$4.7 million, a turnaround from a \$14.6 million contraction in the previous period. In contrast, the growth in savings deposits was halved to \$4.0 million. Meanwhile, resident's foreign currency deposits decreased by \$64.4 million, extending the prior year's \$3.0 million contraction.

### **Interest Rates**

In interest rate developments, the weighted average deposit rate decreased by 9 basis points to 0.55% in April, with the highest rate of 4.00% offered on fixed balances of over 12 months. Conversely, the weighted average loan rate increased by 42 basis points to 10.42%.

### **3. Domestic Outlook**

Expectations are that the Bahamian economy will sustain its upward growth trajectory over the near-term, with the majority of the gains expected to accrue from the improvement in the tourism sector. In addition, a number of varied-scale foreign investment projects, in both the capital and the Family Islands, will continue to underpin construction sector activity. Against this backdrop, employment is anticipated to gradually increase; although labour force gains from the return of previously discouraged workers and new entrants, could constrain the response of the jobless rate. Domestic inflation is expected to remain relatively subdued; however, a modestly higher rate could persist over the near-term, reflecting the pass-through effects from the hike in the VAT rate and the rise in global oil prices.

In the fiscal sector, the Government's success in narrowing the fiscal deficit and corresponding debt indicators, will remain contingent on the effectiveness of measures to enhance revenue administration, and curtail expenditure growth.

Monetary sector developments are expected to feature elevated levels of bank liquidity, as banks maintain their conservative lending stance and consumers continue to deleverage. In addition, external reserves are

likely to remain at robust levels over the near-term, although some seasonal drawdown in balances is anticipated over the remainder of the year, due to normally more elevated foreign currency demand during the final months of the year.

#### **4. Monetary Policy Implications**

Given the relatively positive outlook, the Central Bank has decided to maintain its accommodative monetary policy stance.

The Bank will continue to monitor the downside risks to the economy, including concerns that the ongoing trade disputes between the United States and other major markets, could restrain global economic activity, and ultimately lead to higher inflation rates. Similarly, the potential that the UK could exit the European Union without an agreement has increased over the short-term, which could adversely impact global growth. On the domestic front, the Bank remains sensitive to the underlying risks associated with the high levels of surplus liquidity in the banking system, which could have negative implications for reserves if the resources are deployed too rapidly to fund credit expansion. The Bank will therefore continue to sell-off its holdings of Government securities to absorb excess liquidity from the system over time. Similarly, the implementation of a credit bureau will serve to boost lenders' confidence around the screening of high risk borrowers and appropriately extending new credit in less risky fashion.

## APPENDIX

### *International Developments*

The global economy showed signs of improvement during the review period, as most of the major markets reported output growth in the first quarter. In particular, the U.S. and Chinese economies recorded positive momentum, despite their ongoing trade disputes. However, trends within the Europe were more tepid, in the context of continued uncertainty regarding the UK's "Brexit" plan. In this environment, all of the major central banks retained their accommodative monetary policy stances.

Indications are that the United States' economy maintained its positive growth momentum during the review period, with real GDP rising by 3.2% in the first quarter of 2019, extending the 2.2% gain recorded in the preceding three-month period, reflecting increases in government spending, private inventory investment, and export growth. Further, the trade deficit widened by 1.5% to \$50.0 billion in March, led by a 1.1% increase in imports—mainly industrial supplies and materials—which offset the 1.0% gain in exports. As a consequence, the unemployment rate declined by 20 basis points to 3.6%, as total nonfarm payroll employment advanced by 263,000. The inflation rate softened to 0.3% in April from 0.4% in the prior month, occasioned by downward pressures from food and energy costs. However, industrial production weakened by 1.9% in April, after a flat outcome in the previous month, while retail sales decreased slightly by 0.2%, following a 1.2% gain in March. In light of these developments, the Federal Reserve elected to leave its key interest rates unchanged.

Despite the ongoing uncertainty surrounding the 'BREXIT' negotiations, economic conditions in the UK and the euro area were mildly positive. In the United Kingdom, output rose by 0.5% in the first quarter, after a 0.2% improvement in the prior three-month period, led by gains in the production sector. Similarly, the euro area's economy grew by 0.4% in the first quarter, exceeding the previous three-month period's 0.2% expansion. Industrial production edged-up by 0.7% in the UK in March; however, output in the euro area narrowed by 0.3%, after a 0.1% reduction in February. In the international sector, the euro area reported a €22.5 billion trade surplus in March, while the volume of retail trade was unchanged, after a 0.5% gain in the previous month. In addition, the UK's unemployment rate moved lower by 10 basis points to 3.8% during the first quarter; similarly, the jobless rate in the euro area also eased by 10 basis points, to 7.7% in March. Relating to prices, the euro area's inflation rate rose by 30 basis points to 1.7% in April, while the UK's inflation rate firmed by 20 basis points to 2.0%. Against this backdrop, both the European Central Bank and the Bank of England maintained their accommodative policy stances.

Asian economies showed signs of improvement during the review period. In China, output expanded by 6.4% for the second consecutive quarter during the three months to March, while growth in Japan accelerated by 50 basis points to 2.1% over the last quarter of 2018. Industrial production in China advanced by 0.4% in April, following a 1.0% gain in the prior month; however, Japan's output fell by 0.9% in March, overturning the 0.7% expansion in the previous period. In addition, retail sales in China firmed by 0.5% in April, compared to a month-earlier gain of 0.8%; meanwhile, Japan's sales growth slowed by 10 basis points over the prior month in March to 0.2%. Further, average consumer prices in the country firmed by 0.5% in March, while China's prices rose marginally by 0.1% in April. In addition, the unemployment rates were unchanged in both Japan and China at 2.5% and 5.3%, respectively. Against this backdrop, the Bank of Japan and the People's Bank of China maintained an accommodative monetary policy stance, with the latter resuming cash injections into the money market to boost liquidity, thereby spurring credit demand.

Reflecting mainly supply disruption concerns because of geopolitical risks in various oil-producing regions, the price of crude oil firmed by 3.5% to \$68.35 per barrel in April, as OPEC's monthly crude production steadied at 30.0 million barrels per day (b/d). In addition, the prices of both gold and silver declined, by 0.7% and 1.1%, respectively, to \$1,283.53 and \$14.95 per troy ounce.

Amid the improving economic conditions, most of the major global stock markets recorded gains during April. In the United States, the S&P500 increased by 3.9%, while the Dow Jones Industrial Average (DJIA) firmed by 2.6%. Similarly, in Europe, Germany's DAX improved by 7.1%, France's CAC40, by 4.4% and the United Kingdom's FTSE, by 1.9%. In the Asian markets, Japan's Nikkei 225 recorded a gain 5.0%; however, China's SE Composite declined, by 0.4%.

Reflecting investors' increased demand for US Dollar denominated assets, the dollar strengthened relative to the major currencies in April. Specifically, the dollar appreciated against the Swiss Franc, by 2.4% to CHF1.0193, the Japanese Yen by 0.5% to ¥111.42, the Chinese Yuan, by 0.3% to CNY6.7348 and the Canadian dollar, by 0.3% to CAD\$1.3389. Comparatively, the gains relative to the British pound and euro were negligible at 0.03% to £0.7672 and 0.01% to €0.8916, respectively.



# Recent Monetary and Credit Statistics

(B\$ Millions)

APRIL						
Value		Change		Change YTD		
2018	2019	2018	2019	2018	2019	

## 1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,124.12	894.73	156.09	218.58	266.57	223.38
1.2 Excess Liquid Assets	2,005.52	1,829.61	110.25	210.40	207.24	297.69
1.3 External Reserves	1,691.93	1,583.72	94.54	191.43	283.64	386.35
1.4 Bank's Net Foreign Assets	-146.16	86.46	-38.74	-79.92	24.84	24.43
1.5 Usable Reserves	816.44	790.90	12.76	72.23	147.54	268.55

## 2.0 DOMESTIC CREDIT

<b>2.1 Private Sector</b>	<b>5,939.25</b>	<b>5,813.42</b>	<b>14.89</b>	<b>-1.03</b>	<b>-37.22</b>	<b>-41.55</b>
a. B\$ Credit	5,716.29	5,621.84	17.94	1.62	-35.77	-25.46
of which: Consumer Credit	2,144.20	2,082.11	-11.90	-6.33	-53.33	-35.79
Mortgages	2,885.73	2,860.15	16.03	-8.67	3.72	-6.07
Commercial and Other Loans B\$	686.37	679.57	13.81	16.61	13.83	16.40
b. F/C Credit	222.96	191.58	-3.05	-2.65	-1.45	-16.09
of which: Mortgages	66.45	57.27	-0.74	-0.62	4.25	-0.84
Commercial and Other Loans F/C	156.51	134.32	-2.30	-2.03	-5.70	-15.24
<b>2.2 Central Government (net)</b>	<b>2,279.62</b>	<b>2,438.39</b>	<b>-59.79</b>	<b>10.31</b>	<b>-98.39</b>	<b>-91.09</b>
a. B\$ Loans & Securities	2,514.32	2,712.33	-48.18	20.28	-94.64	-29.59
Less Deposits	232.85	276.97	16.05	13.02	6.70	66.61
b. F/C Loans & Securities	0.21	7.00	0.21	0.00	0.21	-0.00
Less Deposits	2.07	3.97	-4.24	-3.04	-2.74	-5.11
<b>2.3 Rest of Public Sector</b>	<b>264.62</b>	<b>309.24</b>	<b>-2.42</b>	<b>-1.25</b>	<b>-6.27</b>	<b>-8.88</b>
a. B\$ Credit	98.91	121.17	-0.82	-1.26	-1.29	-7.16
b. F/C Credit	165.71	188.07	-1.61	0.00	-4.99	-1.72
<b>2.4 Total Domestic Credit</b>	<b>8,483.49</b>	<b>8,562.02</b>	<b>-47.54</b>	<b>8.71</b>	<b>-141.89</b>	<b>-140.63</b>
a. B\$ Domestic Credit	8,096.68	8,178.37	-47.11	7.63	-138.41	-128.82
b. F/C Domestic Credit	386.82	383.65	-0.42	1.08	-3.48	-11.81

## 3.0 DEPOSIT BASE

3.1 Demand Deposits	2,521.37	2,696.72	70.59	217.94	160.90	239.45
a. Central Bank	31.91	32.21	4.41	-1.79	17.85	-42.76
b. Banks	2,489.46	2,664.51	66.18	219.73	143.05	282.21
3.2 Savings Deposits	1,399.18	1,479.96	7.98	3.99	31.51	59.23
3.3 Fixed Deposits	2,697.55	2,527.20	-14.57	4.71	-45.10	-35.06
3.4 Total B\$ Deposits	6,618.09	6,703.88	64.00	226.64	147.30	263.62
3.5 F/C Deposits of Residents	330.77	533.68	-2.95	-64.44	28.75	15.61
<b>3.6 M2</b>	<b>6,907.41</b>	<b>7,010.53</b>	<b>63.51</b>	<b>232.50</b>	<b>129.61</b>	<b>266.66</b>
<b>3.7 External Reserves/M2 (%)</b>	<b>24.49</b>	<b>22.59</b>	<b>1.15</b>	<b>2.05</b>	<b>3.72</b>	<b>4.84</b>
<b>3.8 Reserves/Base Money (%)</b>	<b>99.73</b>	<b>107.08</b>	<b>-4.17</b>	<b>-4.22</b>	<b>2.11</b>	<b>11.43</b>
<b>3.9 External Reserves/Demand Liabilities (%)</b>	<b>96.63</b>	<b>99.88</b>	<b>-4.00</b>	<b>-3.47</b>	<b>1.39</b>	<b>11.19</b>

Value		Year to Date		Change	
2018	2019	2018	2019	Month	YTD

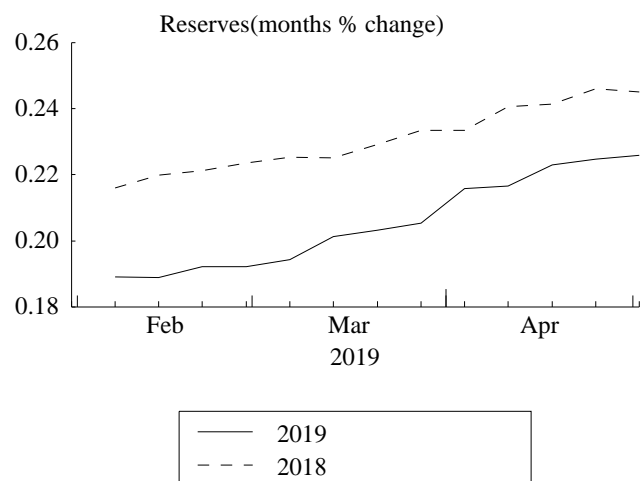
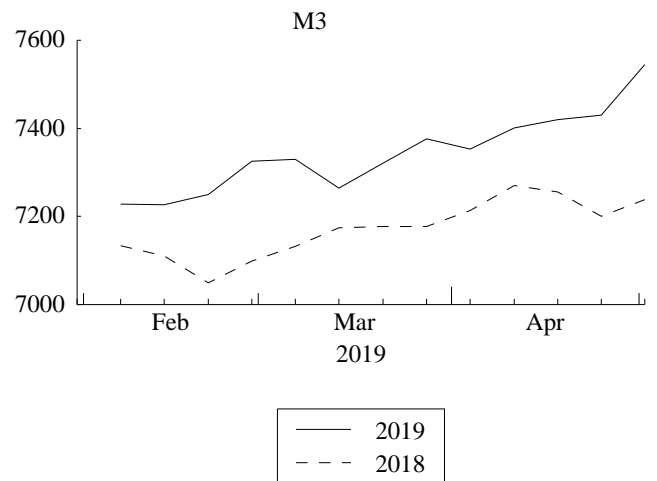
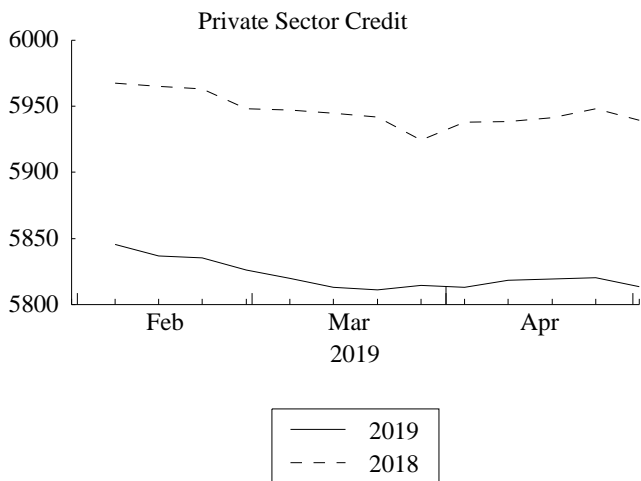
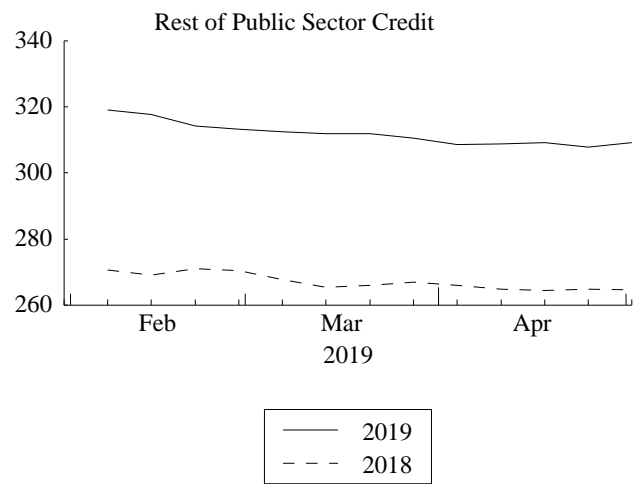
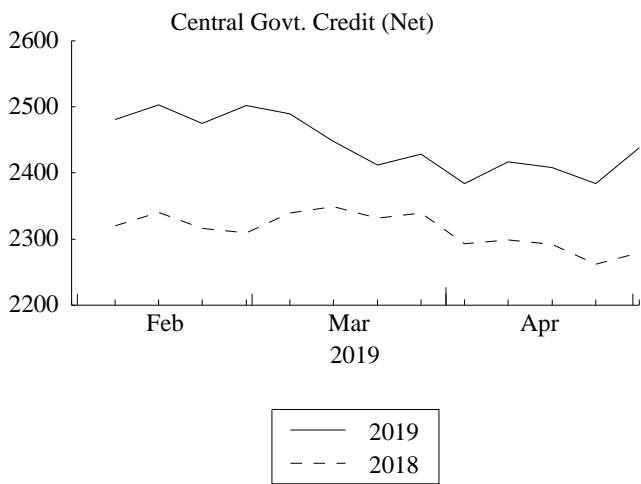
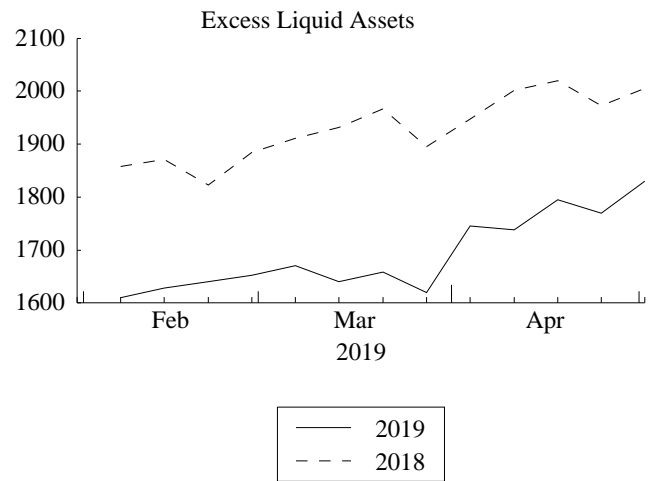
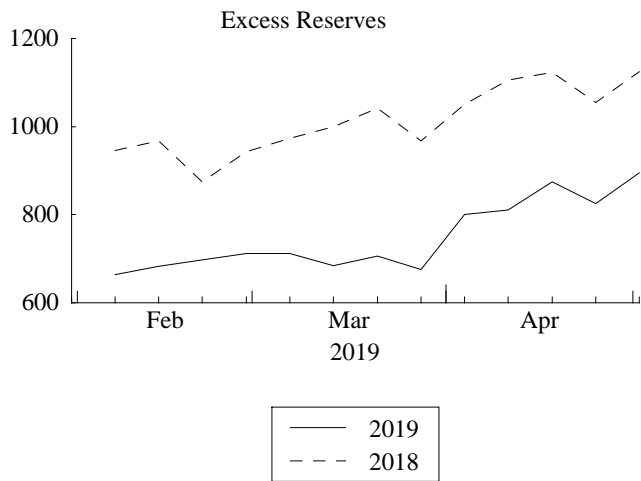
## 4.0 FOREIGN EXCHANGE TRANSACTIONS

<b>4.1 Central Bank Net Purchase/(Sale)</b>	<b>89.77</b>	<b>186.74</b>	<b>268.12</b>	<b>368.59</b>	<b>96.98</b>	<b>100.46</b>
a. Net Purchase/(Sale) from/to Banks	106.07	196.57	284.73	474.20	90.50	189.46
i. Sales to Banks	0.10	0.00	49.21	4.35	-0.10	-44.86
ii. Purchases from Banks	106.17	196.57	333.94	478.55	90.40	144.61
b. Net Purchase/(Sale) from/to Others	-16.30	-9.83	-16.61	-105.61	6.48	-89.00
i. Sales to Others	55.06	55.46	236.37	308.67	0.39	72.30
ii. Purchases from Others	38.76	45.63	219.76	203.05	6.87	-16.71
<b>4.2 Banks Net Purchase/(Sale)</b>	<b>98.46</b>	<b>187.98</b>	<b>236.70</b>	<b>468.73</b>	<b>89.53</b>	<b>232.02</b>
a. Sales to Customers	455.34	422.17	1,633.23	1,640.36	-33.17	7.13
b. Purchases from Customers	553.80	610.15	1,869.93	2,109.08	56.35	239.15
<b>4.3 B\$ Position (change)</b>	<b>-25.24</b>	<b>-31.45</b>				

## 5.0 EXCHANGE CONTROL SALES

<b>5.1 Current Items</b>	<b>403.97</b>	<b>416.23</b>	<b>1,627.60</b>	<b>1,911.99</b>	<b>12.26</b>	<b>284.38</b>
of which Public Sector	<b>17.36</b>	<b>1.87</b>	<b>159.74</b>	<b>128.79</b>	<b>-15.49</b>	<b>-30.95</b>
a. Nonoil Imports	140.11	112.50	527.24	458.35	-27.60	-68.89
b. Oil Imports	13.11	19.61	139.07	176.31	6.50	37.25
c. Travel	17.63	24.64	89.81	94.01	7.01	4.20
d. Factor Income	21.51	17.68	93.28	98.45	-3.83	5.17
e. Transfers	15.17	21.68	79.73	86.71	6.51	6.98
f. Other Current Items	196.44	220.11	698.48	998.15	23.67	299.67
<b>5.2 Capital Items</b>	<b>14.57</b>	<b>2.02</b>	<b>75.39</b>	<b>83.24</b>	<b>-12.55</b>	<b>7.85</b>
of which Public Sector	<b>7.90</b>	<b>12.83</b>	<b>43.03</b>	<b>44.03</b>	<b>4.93</b>	<b>1.00</b>
<b>5.3 Bank Remittances</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



## Selected International Statistics

<b>A: Selected Macroeconomic Projections (Annual % Change and % of labor force)</b>						
	Real GDP		Inflation Rate		Unemployment	
	2017	2018	2017	2018	2017	2018
Bahamas	1.4	2.3	1.4	2.5	10.1	10.7
United States	2.2	2.9	2.1	2.4	4.4	3.8
Euro-Area	2.4	2.0	1.5	1.7	9.1	8.3
<i>Germany</i>	<i>2.5</i>	<i>1.9</i>	<i>1.7</i>	<i>1.8</i>	<i>3.8</i>	<i>3.5</i>
Japan	1.7	1.1	0.5	1.2	2.9	2.9
China	6.9	6.6	1.6	2.2	3.9	4.0
United Kingdom	1.7	1.4	2.7	2.7	4.4	4.1
Canada	3.0	2.1	1.6	2.6	6.3	6.1
<i>Source: IMF World Economic Outlook October 2018, Department of Statistics</i>						

<b>B: Official Interest Rates – Selected Countries (%)</b>					
<i>With effect</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	<i>from</i>	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate
April 2017	4.00	0.00	1.50	0.75-1.00	0.25
May 2017	4.00	0.00	1.75	1.00-1.25	0.25
June 2017	4.00	0.00	1.75	1.00-1.25	0.25
July 2017	4.00	0.00	1.75	1.00-1.25	0.25
August 2017	4.00	0.00	1.75	1.00-1.25	0.25
September 2017	4.00	0.00	1.75	1.00-1.25	0.25
October 2017	4.00	0.00	1.75	1.00-1.25	0.25
November 2017	4.00	0.00	1.75	1.00-1.25	0.50
December 2017	4.00	0.00	2.00	1.25-1.50	0.50
January 2018	4.00	0.00	2.00	1.25-1.50	0.50
February 2018	4.00	0.00	2.00	1.25-1.50	0.50
March 2018	4.00	0.00	2.25	1.50-1.75	0.50
April 2018	4.00	0.00	2.25	1.50-1.75	0.50
May 2018	4.00	0.00	2.50	1.75-2.00	0.50
June 2018	4.00	0.00	2.50	1.75-2.00	0.50
July 2018	4.00	0.00	2.50	1.75-2.00	0.50
August 2018	4.00	0.00	2.50	1.75-2.00	0.75
September 2018	4.00	0.00	2.75	2.00-2.25	0.75
October 2018	4.00	0.00	2.75	2.00-2.25	0.75
November 2018	4.00	0.00	2.75	2.00-2.25	0.75
December 2018	4.00	0.00	3.00	2.25-2.50	0.75
January 2019	4.00	0.00	3.00	2.25-2.50	0.75
February 2019	4.00	0.00	3.00	2.25-2.50	0.75
March 2019	4.00	0.00	3.00	2.25-2.50	0.75
April 2019	4.00	0.00	3.00	2.25-2.50	0.75

## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
Currency	Apr-18	Mar-19	Apr-19	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8280	0.8915	0.8916	0.01	2.26	7.68
Yen	109.34	110.85	111.42	0.51	1.57	1.90
Pound	0.7266	0.7670	0.7672	0.03	-2.10	5.59
Canadian \$	1.2834	1.3349	1.3389	0.30	-1.85	4.32
Swiss Franc	0.9910	0.9952	1.0193	2.42	3.84	2.86
Renminbi	6.3340	6.7121	6.7348	0.34	-2.09	6.33

*Source: Bloomberg as of April 30, 2019*

<b>D. Selected Commodity Prices (\$)</b>					
Commodity	April 2018	March 2019	April 2019	Mthly % Change	YTD % Change
Gold / Ounce	1315.35	1292.30	1283.53	-0.68	0.08
Silver / Ounce	16.33	15.12	14.95	-1.12	-3.50
Oil / Barrel	70.14	66.01	68.35	3.54	30.74

*Source: Bloomberg as of April 30, 2019*

<b>E. Equity Market Valuations – April 30, 2019 (% change)</b>								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	1.63	2.56	3.93	1.91	4.41	7.10	4.97	-0.40
3 month	4.60	6.37	8.94	6.45	11.89	10.48	7.15	19.10
YTD	5.58	1.70	4.32	-1.53	1.91	-6.41	-3.63	-11.56
12-month	9.66	0.51	1.09	-1.22	1.69	0.79	-7.72	9.11

*Sources: Bloomberg and BISX*

<b>F: Short Term Deposit Rates in Selected Currencies (%)</b>			
	USD	GBP	EUR
o/n	2.46	0.70	-0.50
1 Month	2.50	0.77	-0.39
3 Month	2.57	0.85	-0.34
6 Month	2.65	0.97	-0.27
9 Month	2.71	1.08	-0.21
1 year	2.80	1.19	-0.15

*Source: Bloomberg as of April 30, 2019*

# SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE										CHANGE									
	Mar. 06	Mar. 13	Mar. 20	Mar. 27	Apr. 03	Apr. 10	Apr. 17	Apr. 24	Mar. 06	Mar. 13	Mar. 20	Mar. 27	Apr. 03	Apr. 10	Apr. 17	Apr. 24				
<b>I. External Reserves</b>	1,311.16	1,348.60	1,365.51	1,392.28	1,464.39	1,475.22	1,530.06	1,542.04	10.04	37.43	16.91	26.78	72.10	10.84	54.84	11.98				
<b>II. Net Domestic Assets (A + B + C + D)</b>	-39.24	-109.43	-94.27	-141.41	-84.96	-100.84	-89.51	-147.81	-21.26	-70.19	15.16	-47.14	56.45	-15.88	11.33	-58.30				
<b>A. Net Credit to Gov<sup>1</sup>(i + ii + iii - iv)</b>	371.13	326.93	296.96	303.69	311.02	333.24	313.37	297.31	-11.21	-44.20	-29.97	6.73	7.33	22.23	-19.88	-16.06				
i) Advances	94.66	94.66	69.66	69.66	69.66	69.66	59.66	59.66	0.00	0.00	-25.00	0.00	0.00	0.00	-10.00	0.00				
ii) Registered Stock	229.15	227.85	228.05	228.15	236.42	237.28	241.88	241.93	0.01	-1.30	0.20	0.10	8.27	0.86	4.60	0.05				
iii) Treasury Bills	64.97	64.99	64.99	67.98	67.98	82.97	67.98	67.98	-14.87	0.02	0.00	2.99	0.00	14.99	-14.99	0.00				
iv) Deposits	17.64	60.56	65.74	62.10	63.04	56.66	56.15	72.26	-3.65	42.93	5.18	-3.64	0.94	-6.38	-0.51	16.11				
<b>B. Rest of Public Sector (Net) (i + ii - iii)</b>	-55.30	-40.45	-22.60	-31.50	-37.31	-39.80	-20.40	-21.57	-7.83	14.85	17.84	-8.90	-5.81	-2.50	19.40	-1.17				
i) BDB Loans	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	0.00	0.00	0.00	0.00	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				
iii) Deposits	57.80	42.95	25.10	34.00	39.81	42.30	22.90	24.07	7.83	-14.85	-17.84	8.90	5.81	2.50	-19.40	1.17				
<b>C. Loans to/Deposits with Banks</b>	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				
<b>D. Other Items (Net)*</b>	-355.08	-395.91	-368.63	-413.60	-358.67	-394.28	-382.47	-423.54	-2.22	-40.84	27.29	-44.97	54.93	-35.61	11.81	-41.07				
<b>III. Monetary Base</b>	1,271.92	1,239.17	1,271.23	1,250.87	1,379.42	1,374.38	1,440.55	1,394.24	-11.23	-32.76	32.06	-20.36	128.55	-5.04	66.17	-46.32				
A. Currency in Circulation	420.26	414.93	414.05	412.64	427.05	421.10	424.64	425.51	1.93	-5.33	-0.88	-1.41	14.41	-5.95	3.54	0.88				
B. Bank Balances with CBOB	851.66	824.23	857.18	838.23	952.37	953.28	1,015.92	968.72	-13.15	-27.43	32.95	-18.95	114.14	0.91	62.63	-47.19				

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

## FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

	YEAR TO DATE	
	2017/2018	2018/2019
	1689.9	1689.1
	0.8%	14.9%
	480.2	588.9
	5.4%	21.1%
	392.7	369.3
	0.1%	-6.0%
	1548.4	1691.9
	2.5%	9.3%
	183.5	126.7
	-19.3%	-31.0%
	-262.0	-129.5
	-6.6%	-50.6%

	JUL-SEP		OCT-DEC		JAN-MAR		APR-JUN	
	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019
1. Government Revenue & Grants	513.8	497.8	427.1	497.8	569.1	677.4	677.4	677.4
% change: over previous quarter	-24.7%	-9.0%	-5.9%	-3.1%	37.9%	36.1%	36.1%	36.1%
2. Value Added Tax	168.8	198.4	149.5	185.9	171.9	203.6	203.6	203.6
% change: over previous quarter	-2.3%	-1.9%	-11.4%	-6.8%	15.0%	9.5%	9.5%	9.5%
3. Import/Excise Duties	135.0	151.2	127.6	114.4	130.1	103.7	103.7	103.7
% change: over previous quarter	-25.8%	-5.6%	-5.3%	-24.3%	1.9%	-9.4%	-9.4%	-9.4%
4. Recurrent Expenditure	487.9	537.2	515.7	564.0	544.7	590.7	590.7	590.7
% change: over previous quarter	-15.4%	-15.4%	5.7%	5.0%	4.7%	4.7%	4.7%	4.7%
5. Capital Expenditure	74.4	38.8	56.7	41.1	52.5	46.8	46.8	46.8
% change: over previous quarter	-54.3%	-54.4%	-23.8%	6.0%	-7.4%	13.7%	13.7%	13.7%
6. Deficit/Surplus*	-108.6	-62.1	-145.3	-107.3	-8.1	40.0	40.0	40.0
% change: over previous quarter	-72.1%	-59.1%	33.9%	72.8%	-94.4%	-137.2%	-137.2%	-137.2%

Fiscal Operations <sup>†</sup>	
1. Government Revenue & Grants	
% change: over previous quarter	
2. Value Added Tax	
% change: over previous quarter	
3. Import/Excise Duties	
% change: over previous quarter	
4. Recurrent Expenditure	
% change: over previous quarter	
5. Capital Expenditure	
% change: over previous quarter	
6. Deficit/Surplus*	
% change: over previous quarter	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	
7. Total Direct Debt	7,209.3	7,514.2	7,198.9	7,476.9	7,205.4	7,476.9	7,175.1	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	7,479.0	
% change: over previous month	0.4%	0.2%	-0.1%	0.1%	0.1%	0.0%	-0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
8. External Debt	2,675.9	2,592.5	2,662.4	2,568.6	2,661.2	2,557.1	2,651.3	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	2,552.1	
% change: over previous month	2.3%	0.0%	-0.5%	-0.9%	0.0%	-0.4%	-0.4%	-0.2%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	
9. Internal FIC Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
% change: over previous month																									
10. Bahamian Dollar Debt	4,533.4	4,921.7	4,536.5	4,908.3	4,544.2	4,919.7	4,523.8	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	4,926.9	
% change: over previous month	-0.7%	0.3%	0.1%	-0.3%	0.2%	0.1%	-0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
11. Total Amortization	34.7	41.4	29.0	36.3	91.8	112.5	100.4	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	
% change: over previous month	4.9%	-18.9%	-19.7%	-14.0%	217.1%	209.9%	9.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	
12. Total Public Sector FIC Debt	3,364.4	3,309.7	3,350.8	3,285.7	3,348.6	3,265.1	3,338.8	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	3,261.2	
% change: over previous month	-3.4%	-1.2%	-0.8%	-0.7%	-0.1%	-0.6%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	

Debt <sup>**</sup>	
7. Total Direct Debt	
% change: over previous month	
8. External Debt	
% change: over previous month	
9. Internal FIC Debt	
% change: over previous month	
10. Bahamian Dollar Debt	
% change: over previous month	
11. Total Amortization	
% change: over previous month	

	YEAR TO DATE	
	2018	2019
	104.1	107.4
	1.1%	3.14%
	1,775.4	1,994.3
	2.82%	12.33%
	411.3	482.6
	18.01%	17.34%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
13. Retail Price Index	103.9	106.7	104.3	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1	108.1
% change: over previous month	0.00%	0.70%	0.35%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%	1.26%
14. Tourist arrivals (000's)	533.7	636.9	534.2	608.4	707.5	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0	749.0
% change: over previous year	4.7%	19.33%	-0.08%	13.85%	3.03%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%	5.87%
15. Air arrivals (000's)	100.9	129.9	126.3	151.1	184.1	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6	201.6
% change: over previous year	6.95%	28.58%	16.73%	19.65%	20.09%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%
16. Occupied Room Nights																								
% change: over previous year																								
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)																								
% change: over previous year																								

Real Sector Indicators	
13. Retail Price Index	
% change: over previous month	
14. Tourist arrivals (000's)	
% change: over previous year	
15. Air arrivals (000's)	
% change: over previous year	
16. Occupied Room Nights	
% change: over previous year	
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)	
% change: over previous year	

\* Includes Net Lending to Public Corporations  
 \*\* Debt figures include Central Government only, unless otherwise indicated  
 p - provisional