



## **Monthly Economic and Financial Developments January 2011**

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:

2011: April 4, May 2, May 30, July 4, August 8, August 29, October 3, October 31, November 28, December 19.

# Monthly Economic and Financial Developments

## January 2011

### **1. Domestic Economic Developments**

Aided by the sustained, although uneven, improvement in the global economy, the domestic market continued on its recovery path, with moderate gains in the tourism sector and stable construction activity. In the absence of a more broadly based domestic economic upturn, Government's fiscal deficit remained elevated, as revenue generating opportunities were subdued. Monetary developments for the month were dominated by Government's receipt of stamp tax proceeds associated with the sale of a refinery company, which boosted both liquidity and external reserves.

Preliminary tourism data for 2010 showed an increase in overall activity, as the sector benefitted from the ongoing recovery in the main United States market, as well as a number of joint public and private sector promotional campaigns focussed on boosting stopover arrivals. Growth in total arrivals strengthened to 13.0%, for 5.2 million visitors from 5.7% in 2009. The outturn reflected a 16.5% gain in sea traffic to 4.0 million and a 3.4% firming in air visitors to 1.3 million. By ports of entry, visitors to New Providence grew by 9.2% to 2.9 million, occasioned by a 12.5% expansion in the sea component and a 3.3% rise in air arrivals. Similarly, Grand Bahama registered a surge in visitors of 34.5% to 0.8 million, as sea traffic increased by 46.6% to overturn the 9.2% reduction in the air segment. Underpinned by respective gains of 13.2% and 11.1% in air and sea passengers, total visitors to the Family Islands rose by 11.3% to 1.5 million.

Government's deficit for the first six months of FY2010/11 widened by 22.0% (\$38.9 million) to \$215.9 million, as the contraction in revenue eclipsed the decline in expenditure. Total receipts fell by 8.8% (\$55.4 million) to \$573.5 million over the same period a year ago, reflecting an almost 50% falloff in non-tax collections, as income from other "miscellaneous" sources fell by 76.5%, following a dividend led boost in the previous period. However, tax receipts rose modestly by \$7.7 million (1.5%) to \$507.0 million, explained by a 6.5% gain in international trade taxes and a 40.9% advance in selective taxes on services, which offset the 6.4% downturn in the "miscellaneous" category. The 2.0% (\$16.5 million) reduction in aggregate expenditure to \$789.4 million, was due primarily to a two-thirds fall-off in net lending to public sector bodies. Capital spending fell marginally by \$0.5 million (0.7%) to \$79.9 million, as outlays for infrastructure projects decreased by 16.3%. In contrast, current outlays rose by \$21.2 million (3.2%) to \$687.1 million, buoyed by higher purchases of goods & services and transfer payments, of 11.5% and 5.8%, respectively.

### **2. International Developments**

Indications are that growth in the global economy was maintained during the review month, underpinned by robust gains in the Asian markets and continued recovery in the United States economy. In Europe, the growth momentum remained anaemic, as several countries faced significant headwinds, due to the rapid deterioration in their fiscal deficits and expanding debt levels.

Real GDP in the United States advanced by 2.8% on an annualized basis in the fourth quarter, following a 2.6% increase in the preceding three-month period. The outturn reflected higher personal consumption expenditures, exports and non-residential fixed investment. Retail sales also rose by 0.6% year-on-year in December, while the trade gap widened by \$2.3 billion (5.9%) to \$40.6 billion, as a 2.5% rise in imports,

exceeded the 1.8% gain in exports. With the improvement in economic activity, the unemployment rate fell by 0.4 of a percentage point to 9.0% in January—its lowest level since April, 2009—with job creation in the manufacturing and retail trade sectors supporting a 36,000 increase in non-farm payrolls. Despite accretions to energy, commodities and food costs, inflation remained relatively benign in January, as average prices firmed by 0.4%, following a similar advance in December. In monetary developments, the Federal Reserve kept its main interest rate within the 0-0.25% range during January, and sustained its purchases of Government securities, in an effort to support the economic recovery.

Weak economic conditions persisted in Europe during the review period. A decline in the construction and retail & services sectors caused output in the United Kingdom to contract by 0.5% in the fourth quarter of 2010, following a marginal 0.7% expansion in the prior three-month period. As a consequence, the unemployment rate rose, on a quarterly basis, by 0.1 of a percentage point to 7.9% in the final quarter of 2010. The trade deficit grew on a monthly basis, by £0.9 billion to £4.8 billion in December, owing to a 3.5% increase in imports—particularly aircraft components—which outweighed the 1.5% rise in exports. In a modest offset, gains in consumer spending underpinned a 2.3% annualized retail sales advance for January, in contrast to a 0.8% decline in the earlier period. Annual inflation firmed by 0.4 of a percentage point to 3.7% in December from the prior month, reflecting higher costs for food and fuel. The euro area economy remained lacklustre, amid ongoing uncertainty over the fiscal positions of several member countries. According to revised estimates, real GDP advanced by a modest 0.3% in the third quarter of 2010, in line with the previous period's expansion. In addition, industrial production decreased marginally by 0.1% in December, following an uptick of 1.4% in November, reflecting declines in the production of consumer and intermediate goods; however, a modest contraction in imports resulted in the trade deficit narrowing by €1.0 billion to €0.5 billion. In this environment, the unemployment rate remained at an elevated 10.0% in December; while annual inflation firmed by 0.2 of a percentage point to 2.4% in January. Despite the upward trend in inflation rates, both the Bank of England and the European Central Bank maintained a neutral monetary policy stance, in an effort to support the nascent revival in economic activity.

Economic growth in the Asian economies remained buoyant, led by China, where increased consumer demand caused retail sales to rise by 19.1% year-on-year in December. Meanwhile, imports firmed by 51.0%, outstripping the 38.0% rise in exports and resulting in the trade surplus declining to a nine-month low of \$6.5 billion in January. Buoyed by a surge in food prices, inflation firmed to 4.9% in January year-on-year, following a gain of 4.6% in December. In contrast, indications are that Japan's economy contracted by 0.3% in the fourth quarter, following growth of 1.1% in the preceding three-month period. The falloff in real output—the first downturn in economic activity in five quarters—resulted from lower exports and weak domestic consumer demand. However, industrial production grew by 3.1% in December, up from 1.0% in the previous period, owing to a rise in output in the transport equipment and electronic parts industries. Despite the softness in the economy, the monthly unemployment rate narrowed by 0.2 of a percentage point to 4.9% in December. Deflationary pressures persisted, as consumer prices decreased by 0.3% year-on-year in December. Faced with differing economic conditions, the People's Bank of China tightened monetary policy to slow the pace of expansion, by increasing its reserve requirement ratio by 50 basis points, while the Bank of Japan left its uncollateralized overnight call rate unchanged at 0.0 – 0.1%.

Although OPEC's crude oil production advanced by an estimated 400,000 barrels per day in January to 29.7 million barrels per day, severe cold temperatures in several developed countries, along with concerns over political unrest in the Middle East, resulted in a 5.1% hike in crude oil prices to \$98.25 per barrel. In contrast, precious metal prices moved lower, with gold prices declining by 6.2% to \$1,332.80 per troy ounce and silver prices falling by 9.3% to \$28.06 per troy ounce.

Gains were recorded in almost all of the major equity markets during the month of January, buoyed by improved investor sentiment over the global recovery. In the United States, the Dow Jones Industrial Average (DJIA) firmed by 2.7%, while the S&P 500 index grew by 2.0%. Similarly, European bourses recorded gains, with France's CAC 40 advancing by 5.3% and Germany's DAX, by 5.1%. In contrast, the United Kingdom's FTSE 100 declined marginally by 0.6%. In Asia, Japan's Nikkei 225 index recorded a slight uptick; however, China's SE Composite fell by 0.6%.

In foreign currency markets, the United States Dollar maintained its status as a "safe haven" currency during periods of uncertainty. The Dollar strengthened against both the Japanese Yen and the Chinese Yuan, by 1.1% to ¥82.04 and 0.1% to CNY6.5950, respectively. Similarly, the Dollar appreciated relative to the Canadian dollar by 0.3% to CND\$1.0009 and against the Swiss Franc, by 1.0% to CHF0.9440. However, it depreciated vis-à-vis the euro and the British Pound, by 2.2% and 2.5%, to €0.7302 and £0.6245, respectively.

### **3. Domestic Monetary Trends**

Monetary developments featured a build-up in both bank liquidity and external reserves during January, buoyed by net foreign currency inflows associated in part with Government's receipt of stamp tax proceeds from the sale of a private business.

#### **January 2011 vs. 2010**

Over the month, excess reserves rose by \$96.9 million, a turnaround from the previous year's \$10.2 million contraction. Similarly, excess liquid assets expanded by \$96.5 million, contrasting with the \$12.4 million decrease a year earlier.

External reserves advanced by \$88.2 million, following a \$31.7 million decline in the comparative 2010 period. This outturn reflected a reversal in the Central Bank's net foreign currency transactions, to a net purchase of \$85.8 million from a net sale of \$27.2 million a year earlier. In particular, tourism inflows associated with one-off stamp tax proceeds by the Government, elevated the net purchase from non-banks to \$40.9 million, from a net sale of \$14.6 million in the previous period. Similarly, the Bank recorded a net purchase of \$44.9 million from commercial banks, a turnaround from a net sale of \$12.6 million in 2010, as their surplus foreign currency receipts from customers firmed by \$51.3 million to \$58.0 million.

Reflecting reduced claims on the Government, Bahamian dollar credit declined by \$81.1 million, a reversal from an advance of \$25.5 million last year. Specifically, a reduction in advances from commercial banks lowered net credit to the Government, by \$75.6 million vis-à-vis a \$20.9 million accumulation a year ago, and claims on the public corporations fell by \$6.2 million, compared to an \$8.1 million gain in 2010. In contrast, credit to the private sector rose marginally by \$0.7 million, following a \$3.5 million reduction last year, mainly reflecting a turnaround in commercial loans, to a gain of \$19.6 million from a \$2.0 million contraction in 2010. However, accretions to mortgages slowed by \$4.2 million to \$7.1 million and the contraction in consumer credit more than doubled to \$25.9 million.

A disaggregation of consumer lending for the month of December—the latest data available—showed a modest increase in credit, mainly attributed to expansions in debt consolidation and credit card lending, by \$7.8 million and \$2.8 million, respectively. However, net repayments were recorded for the remaining categories, almost equally between loans for "miscellaneous" purposes (\$1.6 million), land purchases (\$1.3 million) and home improvement (\$1.3 million).

Given that the recovery impulse has yet to broaden, the banking sector continued to be confronted with a deterioration in their loan portfolios, although continuing to exhibit a bottoming out trajectory. In January, total private sector loan arrears rose by \$52.2 million (4.6%) to \$1,198.9 million, following a \$16.1 million (1.5%) advance in the same period of 2010, resulting in the ratio of arrears to total loans firming by 86 basis points to 19.2%. With regard to the average age of delinquent loans, arrears in the short-term 31-90 day segment grew by \$24.9 million (5.0%) to \$520.9 million, for a corresponding rise in the ratio to total loans, by 41 basis points to 8.3%. Non-performing loans—those more than 90 days in arrears and on which banks have ceased accruing interest—grew by \$27.3 million (4.2%) to \$678.0 million, which represented 10.8% of total loans—for an increase of 0.5 percentage points.

By loan categories, the expansion in total loan arrears was led by growth in the commercial segment, of \$31.7 million (12.4%) to \$286.9 million, as delinquencies in the 31-90 day component moved higher by \$22.9 million (36.3%) and arrears in excess of 90 days rose by \$8.8 million (4.6%). Similarly, mortgage delinquencies grew by \$19.2 million (3.1%) to \$637.1 million, with arrears in the short-term and non-performing components increasing by \$8.3 million (2.6%) and \$10.9 million (3.6%), respectively. The smallest increase was noted in the consumer segment, which advanced by \$1.4 million (0.5%) to \$274.9 million, reflecting the \$7.5 million (4.9%) rise in the 91 days and over category, which outpaced the \$6.2 million (5.2%) decline in the short term segment.

In this environment, banks increased their loan loss provisions by a further \$3.5 million (1.3%) to \$266.3 million in January, resulting in a 6 basis point advance in the ratio of provisions to total loans to 4.3%. However, given the pace of increase in arrears and non-performing loans, the corresponding ratios fell by 0.7 and 1.1 percentage points to 22.2% and 39.3%, respectively. In addition, banks wrote-off an estimated \$9.8 million in loans, while recoveries totalled \$2.0 million; and during December, the latest month for which data is available, they restructured an estimated \$20.7 million in private sector loans.

In January, domestic foreign currency credit rose by \$5.3 million, compared to a \$27.6 million advance a year earlier. This outturn was occasioned by a slowdown in accretions to private sector credit and net claims on the Government, by \$19.7 million and \$1.0 million, to \$7.2 million and \$1.7 million, respectively. Claims on the public corporations also receded by \$3.6 million, extending 2010's reduction of \$2.0 million.

Accretions to Bahamian dollar deposits narrowed by \$10.9 million to \$13.3 million, owing to declines in demand and savings balances, by \$12.5 million and \$3.1 million, respectively, following respective accumulations of \$37.9 million and \$9.4 million in 2010. In contrast, fixed deposits expanded by \$28.9 million, a reversal from last year's decline of \$23.1 million.

With regard to interest rates, the weighted average deposit rate at banks softened by 2 basis points to 3.19%, with the highest rate of 6.00% offered on fixed balances of over 12 months. Similarly, the weighted average loan rate declined by 31 basis points to 10.87%.

#### **4. Outlook and Policy Implications**

The recovery underway in the domestic economy is expected to gain momentum in 2011, as tourism continues to benefit from the sustained global recovery and a number of varied-scaled tourism projects will elevate foreign investment inflows and support construction activity. As a result, employment conditions are expected to improve over the medium term—with the majority of opportunities initially concentrated in the construction related sectors.

Recent volatile conditions in one of the major oil producing regions has accelerated the upward trend in oil prices, which are expected to continue to negatively impact domestic fuel-related costs over the year, with spill-over effects to other sectors of the economy. As a result of these developments, domestic inflation, which remained relatively benign over the last two years, is projected to firm somewhat during 2011.

In terms of the fiscal situation, although recently benefitting from several significant one-time receipts, medium term improvements in the overall deficit and Government's corresponding debt indicators will hinge on the pace of the economic recovery, as well as the ongoing efforts to enhance revenue and restrain expenditure.

On the monetary front, both bank liquidity and external reserves are projected to remain buoyant over the near-term, amid subdued levels of domestic demand and improving net inflows from real sector activities. However, bank arrears and non-performing loans are anticipated to stay above pre-crisis levels over the near-term, as consumer and business finances remain constrained, although not creating any concern for financial stability.

# Recent Monetary and Credit Statistics

(B\$ Millions)

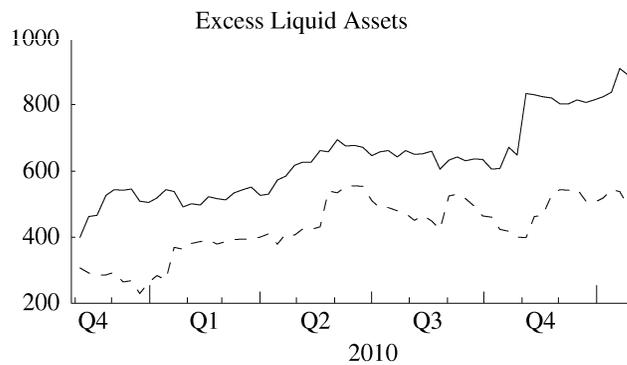
	<b>JANUARY</b>					
	<b>Value</b>		<b>Change</b>		<b>Change YTD</b>	
	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>
<b>1.0 LIQUIDITY &amp; FOREIGN ASSETS</b>						
1.1 Excess Reserves	251.94	486.41	-10.16	96.91	-10.16	96.91
1.2 Excess Liquid Assets	491.49	909.86	-12.36	96.54	-12.36	96.54
1.3 External Reserves	793.67	949.26	-31.71	88.21	-31.71	88.21
1.4 Bank's Net Foreign Assets	-581.69	-718.68	88.52	-28.33	88.52	-28.33
1.5 Usable Reserves	443.08	483.05	-15.79	48.64	-15.79	48.64
<b>2.0 DOMESTIC CREDIT</b>						
<b>2.1 Private Sector</b>	<b>6,572.72</b>	<b>6,543.86</b>	<b>23.29</b>	<b>7.87</b>	<b>23.29</b>	<b>7.87</b>
a. B\$ Credit	6,120.16	6,141.85	-3.57	0.69	-3.57	0.69
of which: Consumer Credit	2,159.94	2,106.90	-12.77	-25.94	-12.77	-25.94
Mortgages	2,934.31	3,092.23	11.24	7.05	11.24	7.05
Commercial and Other Loans B\$	1,025.91	942.72	-2.05	19.58	-2.05	19.58
b. F/C Credit	452.56	402.01	26.86	7.17	26.86	7.17
of which: Mortgages	95.15	127.86	-0.79	-0.75	-0.79	-0.75
Commercial and Other Loans F/C	357.41	274.15	27.64	7.92	27.64	7.92
<b>2.2 Central Government (net)</b>	<b>1,013.90</b>	<b>1,312.59</b>	<b>23.59</b>	<b>-73.91</b>	<b>23.59</b>	<b>-73.91</b>
a. B\$ Loans & Securities	1,184.32	1,376.61	17.47	-82.70	17.47	-82.70
Less Deposits	171.44	132.29	-3.39	-7.11	-3.39	-7.11
b. F/C Loans & Securities	3.72	70.00	0.00	0.00	0.00	0.00
Less Deposits	2.70	1.73	-2.72	-1.68	-2.72	-1.68
<b>2.3 Rest of Public Sector</b>	<b>372.28</b>	<b>391.32</b>	<b>6.17</b>	<b>-9.80</b>	<b>6.17</b>	<b>-9.80</b>
a. B\$ Credit	89.50	107.73	8.13	-6.21	8.13	-6.21
b. F/C Credit	282.79	283.59	-1.97	-3.59	-1.97	-3.59
<b>2.4 Total Domestic Credit</b>	<b>7,958.96</b>	<b>8,247.97</b>	<b>53.04</b>	<b>-75.84</b>	<b>53.04</b>	<b>-75.84</b>
a. B\$ Domestic Credit	7,222.59	7,494.09	25.43	-81.10	25.43	-81.10
b. F/C Domestic Credit	736.37	753.88	27.62	5.26	27.62	5.26
<b>3.0 DEPOSIT BASE</b>						
3.1 Demand Deposits	1,128.30	1,128.29	37.92	-12.49	37.92	-12.49
a. Central Bank	13.23	8.55	0.62	0.56	0.62	0.56
b. Banks	1,115.08	1,119.73	37.30	-13.05	37.30	-13.05
3.2 Savings Deposits	1,004.18	1,013.01	9.38	-3.06	9.38	-3.06
3.3 Fixed Deposits	3,531.00	3,636.98	-23.09	28.89	-23.09	28.89
3.4 Total B\$ Deposits	5,663.48	5,778.28	24.21	13.34	24.21	13.34
3.5 F/C Deposits of Residents	276.11	234.19	59.28	-17.88	59.28	-17.88
<b>3.6 M2</b>	<b>5,838.54</b>	<b>5,959.41</b>	<b>0.92</b>	<b>0.44</b>	<b>0.92</b>	<b>0.44</b>
<b>3.7 External Reserves/M2 (%)</b>	<b>13.59</b>	<b>15.93</b>	<b>-0.55</b>	<b>1.48</b>	<b>-0.55</b>	<b>1.48</b>
<b>3.8 Reserves/Base Money (%)</b>	<b>119.33</b>	<b>104.03</b>	<b>1.20</b>	<b>0.41</b>	<b>1.20</b>	<b>0.41</b>
<b>3.9 External Reserves/Demand Liabilities (%)</b>	<b>112.90</b>	<b>101.33</b>	<b>0.68</b>	<b>1.10</b>	<b>0.68</b>	<b>1.10</b>
	<b>Value</b>		<b>Year to Date</b>		<b>Change</b>	
	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>Month</b>	<b>YTD</b>
<b>4.0 FOREIGN EXCHANGE TRANSACTIONS</b>						
<b>4.1 Central Bank Net Purchase/(Sale)</b>	<b>-27.23</b>	<b>85.78</b>	<b>-27.23</b>	<b>85.78</b>	<b>113.01</b>	<b>113.01</b>
a. Net Purchase/(Sale) from/to Banks	-12.60	44.90	-12.60	44.90	57.49	57.49
i. Sales to Banks	56.77	31.30	56.77	31.30	-25.47	-25.47
ii. Purchases from Banks	44.18	76.20	44.18	76.20	32.02	32.02
b. Net Purchase/(Sale) from/to Others	-14.64	40.88	-14.64	40.88	55.52	55.52
i. Sales to Others	37.62	55.05	37.62	55.05	17.43	17.43
ii. Purchases from Others	22.99	95.94	22.99	95.94	72.95	72.95
<b>4.2 Banks Net Purchase/(Sale)</b>	<b>6.67</b>	<b>57.99</b>	<b>6.67</b>	<b>57.99</b>	<b>51.33</b>	<b>51.33</b>
a. Sales to Customers	293.83	351.62	293.83	351.62	57.79	57.79
b. Purchases from Customers	300.50	409.61	300.50	409.61	109.11	109.11
<b>4.3 B\$ Position (change)</b>	<b>-16.41</b>	<b>-21.94</b>				
<b>5.0 EXCHANGE CONTROL SALES</b>						
<b>5.1 Current Items</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>
<b>of which Public Sector</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>
a. Nonoil Imports	0.00	0.00	0.00	0.00	0.00	0.00
b. Oil Imports	0.00	0.00	0.00	0.00	0.00	0.00
c. Travel	0.00	0.00	0.00	0.00	0.00	0.00
d. Factor Income	0.00	0.00	0.00	0.00	0.00	0.00
e. Transfers	0.00	0.00	0.00	0.00	0.00	0.00
f. Other Current Items	0.00	0.00	0.00	0.00	0.00	0.00
<b>5.2 Capital Items</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>
<b>of which Public Sector</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>
<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

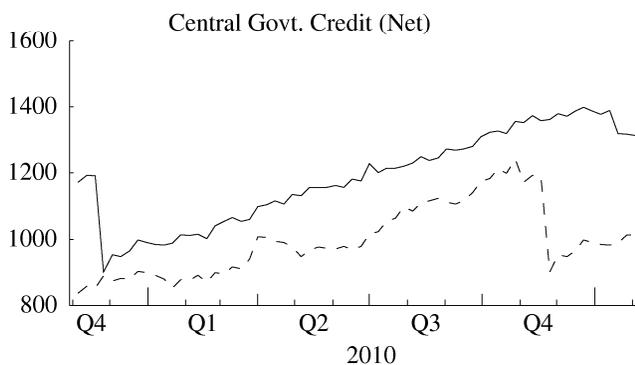
(B\$ Millions)



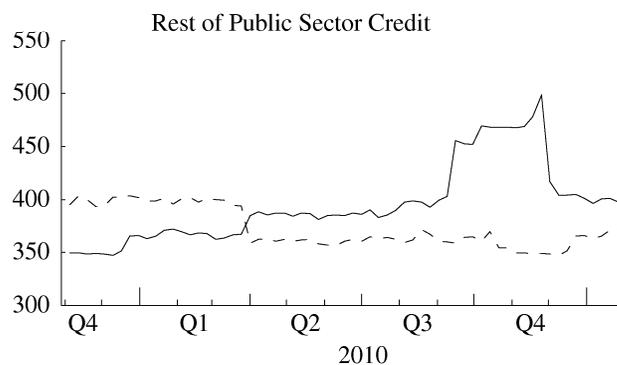
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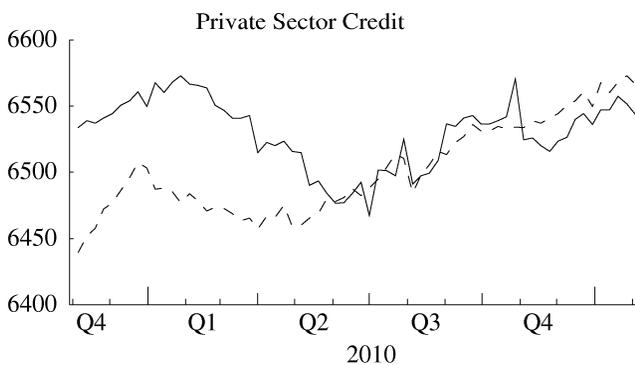
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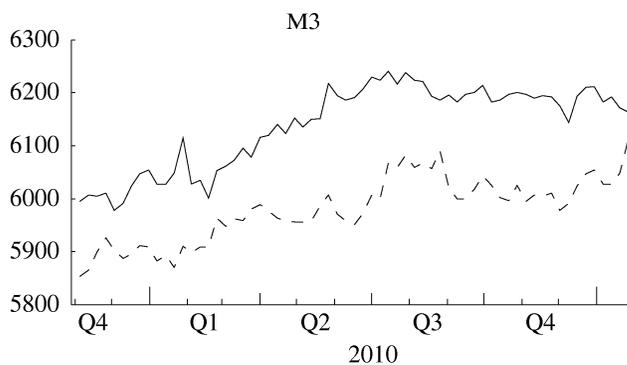
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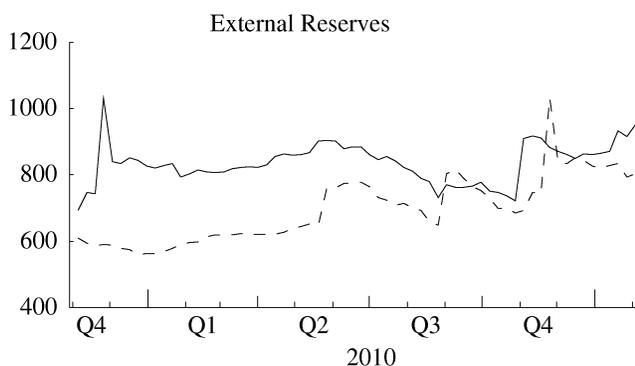
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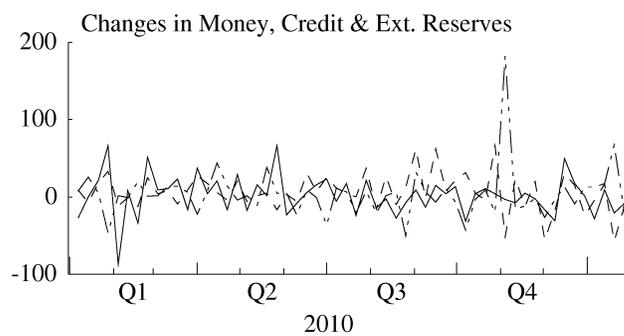
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— M3  
- - - Domestic Credit  
- · - · External Reserves

## Selected International Statistics

<b>A: Selected Macroeconomic Projections (Annual % Change and % of labor force)</b>						
	Real GDP		Inflation Rate		Unemployment	
	2010	2011	2010	2011	2010	2011
Bahamas	0.5	1.5	1.7	1.4	n/a	n/a
United States	2.6	2.3	1.4	1.0	9.7	9.6
Euro-Area	1.7	1.5	1.6	1.5	10.1	10.0
<i>Germany</i>	<i>3.3</i>	<i>2.0</i>	<i>1.3</i>	<i>1.4</i>	<i>7.1</i>	<i>7.1</i>
Japan	2.8	1.5	-1.0	-0.3	5.1	5.0
China	10.5	9.6	3.5	2.7	4.1	4.0
United Kingdom	1.7	2.0	3.1	2.5	7.9	7.4
Canada	3.1	2.7	1.8	2.0	8.0	7.5
<i>Sources: IMF World Economic Outlook, October 2010</i>						

<b>B: Official Interest Rates – Selected Countries (%)</b>					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
December 2008	5.25	2.50	0.50	0.00-0.25	2.00
January 2009	5.25	2.00	0.50	0.00-0.25	1.50
February 2009	5.25	2.00	0.50	0.00-0.25	1.00
March 2009	5.25	1.50	0.50	0.00-0.25	0.50
April 2009	5.25	1.25	0.50	0.00-0.25	0.50
May 2009	5.25	1.00	0.50	0.00-0.25	0.50
June 2009	5.25	1.00	0.50	0.00-0.25	0.50
July 2009	5.25	1.00	0.50	0.00-0.25	0.50
August 2009	5.25	1.00	0.50	0.00-0.25	0.50
September 2009	5.25	1.00	0.50	0.00-0.25	0.50
October 2009	5.25	1.00	0.50	0.00-0.25	0.50
November 2009	5.25	1.00	0.50	0.00-0.25	0.50
December 2009	5.25	1.00	0.50	0.00-0.25	0.50
January 2010	5.25	1.00	0.50	0.00-0.25	0.50
February 2010	5.25	1.00	0.75	0.00-0.25	0.50
March 2010	5.25	1.00	0.75	0.00-0.25	0.50
April 2010	5.25	1.00	0.75	0.00-0.25	0.50
May 2010	5.25	1.00	0.75	0.00-0.25	0.50
June 2010	5.25	1.00	0.75	0.00-0.25	0.50
July 2010	5.25	1.00	0.75	0.00-0.25	0.50
August 2010	5.25	1.00	0.75	0.00-0.25	0.50
September 2010	5.25	1.00	0.75	0.00-0.25	0.50
October 2010	5.25	1.00	0.75	0-0.25	0.50
November 2010	5.25	1.00	0.75	0-0.25	0.50
December 2010	5.25	1.00	0.75	0-0.25	0.50
January 2011	5.25	1.00	0.75	0-0.25	0.50

## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
Currency	Jan-10	Dec-10	Jan-11	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7213	0.7470	0.7302	-2.24	-2.24	1.24
Yen	90.27	81.16	82.04	1.08	1.08	-9.12
Pound	0.6257	0.6405	0.6245	-2.50	-2.50	-0.19
Canadian \$	1.0706	0.9983	1.0009	0.26	0.26	-6.51
Swiss Franc	1.0608	0.9346	0.9440	1.01	1.01	-11.01
Renminbi	6.8268	6.5897	6.5950	0.08	0.08	-3.40

*Source: Bloomberg as of January 31, 2011*

<b>D. Selected Commodity Prices (\$)</b>					
Commodity	January 2010	December 2010	January 2011	Mthly % Change	YTD % Change
Gold / Ounce	1080.85	1420.78	1332.80	-6.19	-6.19
Silver / Ounce	16.21	30.92	28.06	-9.25	-9.25
Oil / Barrel	72.28	93.49	98.25	5.09	5.09

*Source: Bloomberg as of January 31, 2011*

<b>E. Equity Market Valuations – January 31, 2011 (%chg)</b>								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-1.61	2.72	2.35	-0.63	5.28	2.36	0.09	-0.62
3 month	0.50	8.05	8.63	6.05	10.94	5.82	3.03	-1.05
YTD	-1.61	2.72	2.35	-0.63	5.28	2.36	0.09	-0.62
12-month	-7.83	18.12	19.42	13.00	7.11	26.19	0.39	-6.64

*Sources: Bloomberg and BISX*

<b>F: Short Term Deposit Rates in Selected Currencies (%)</b>			
	USD	GBP	EUR
<b>o/n</b>	0.14	0.48	0.65
<b>1 Month</b>	0.20	0.53	0.76
<b>3 Month</b>	0.27	0.77	1.02
<b>6 Month</b>	0.27	1.07	1.29
<b>9 Month</b>	0.61	1.27	1.47
<b>1 year</b>	0.78	1.55	1.63

*Source: Bloomberg as of January 31, 2011*

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

	VALUE												CHANGE					
	Dec. 01	Dec. 08	Dec. 15	Dec. 22	Dec. 29	Jan. 05	Jan. 12	Jan. 19	Jan. 26	Dec. 01	Dec. 08	Dec. 15	Dec. 22	Dec. 29	Jan. 05	Jan. 12	Jan. 19	Jan. 26
<b>I. External Reserves</b>	871.04	860.58	848.85	862.72	861.05	863.71	871.05	931.62	914.35	-10.91	-10.46	-11.73	13.87	-1.67	2.66	7.34	60.57	-17.27
<b>II. Net Domestic Assets (A + B + C + D)</b>	-248.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-17.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>A. Net Credit to Gov<sup>1</sup>(i + ii + iii - iv)</b>	233.60	234.46	266.52	260.64	260.26	261.56	260.05	260.42	260.48	-0.60	0.86	32.05	-5.87	-0.39	1.31	-1.52	0.37	0.06
i) Advances	111.99	111.99	111.99	111.99	111.99	111.99	111.99	111.99	111.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	134.49	134.63	164.64	162.24	162.29	162.02	160.62	160.35	159.91	-0.20	0.14	30.01	-2.40	0.05	-0.27	-1.40	-0.27	-0.43
iii) Treasury Bills	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iv) Deposits	12.88	12.16	10.11	13.58	14.02	12.44	12.56	11.92	11.42	0.40	-0.72	-2.05	3.48	0.43	-1.58	0.12	-0.64	-0.49
<b>B. Rest of Public Sector (Net) (i + ii - iii)</b>	-1.39	0.04	-9.20	-7.49	-2.45	-7.30	-3.74	1.92	-1.28	-1.79	1.44	-9.25	1.71	5.04	-4.85	3.56	5.66	-3.20
i) BDB Loans	5.55	5.55	5.55	5.55	5.55	5.55	5.55	5.55	5.55	0.00	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	0.00	0.00
iii) Deposits	6.94	5.51	14.75	13.04	8.00	12.85	9.29	3.63	6.83	1.79	-1.44	9.25	-1.71	-5.04	4.85	-3.56	-5.66	3.20
<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	0.00	0.00
<b>D. Other Items (Net)*</b>	-480.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-15.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>III. Monetary Base</b>	622.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-28.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. Currency in Circulation	91.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Bank Balances with CBOB	530.54	523.82	536.21	521.68	523.12	534.76	564.95	641.68	617.62	-27.92	-6.72	12.39	-14.54	1.44	11.64	30.19	76.73	-24.06

\* 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 month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE		
	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	
<b>Fiscal Operations:</b>																											
1. Government Revenue & Grants	100.2	90.2	87.6	88.0	127.4	81.9	113.3	95.5	107.1	140.2	113.3	95.5	107.1	140.2	113.3	95.5	107.1	140.2	113.3	95.5	107.1	140.2	113.3	95.5	107.1	140.2	113.3
% change	-17.1%	-38.9%	-12.5%	-5.4%	59.2%	-6.8%	38.2%	-3.3%	-5.5%	10.0%	38.2%	-3.3%	-5.5%	10.0%	38.2%	-3.3%	-5.5%	10.0%	38.2%	-3.3%	-5.5%	10.0%	38.2%	-3.3%	-5.5%	10.0%	38.2%
2. Import/Excise Duties	53.6	41.3	42.1	45.7	43.1	45.4	49.2	38.8	50.5	40.6	48.2	38.8	50.5	40.6	48.2	38.8	50.5	40.6	48.2	38.8	50.5	40.6	48.2	38.8	50.5	40.6	48.2
% change	0.6%	-28.8%	-21.4%	7.3%	-2.9%	-0.2%	8.4%	-4.4%	2.6%	-5.6%	8.4%	-4.4%	2.6%	-5.6%	8.4%	-4.4%	2.6%	-5.6%	8.4%	-4.4%	2.6%	-5.6%	8.4%	-4.4%	2.6%	-5.6%	8.4%
3. Recurrent Expenditure	115.1	110.2	95.8	103.1	117.7	117.5	123.4	108.6	115.4	119.8	123.4	108.6	115.4	119.8	123.4	108.6	115.4	119.8	123.4	108.6	115.4	119.8	123.4	108.6	115.4	119.8	123.4
% change	-30.8%	-14.0%	-16.7%	-6.4%	8.0%	-0.2%	5.0%	-9.3%	-6.5%	1.8%	5.0%	-9.3%	-6.5%	1.8%	5.0%	-9.3%	-6.5%	1.8%	5.0%	-9.3%	-6.5%	1.8%	5.0%	-9.3%	-6.5%	1.8%	5.0%
4. Capital Expenditure	5.2	9.7	11.7	18.5	18.8	18.3	12.6	13.8	12.1	10.3	12.6	13.8	12.1	10.3	12.6	13.8	12.1	10.3	12.6	13.8	12.1	10.3	12.6	13.8	12.1	10.3	12.6
% change	-82.1%	65.7%	127.8%	90.3%	-8.9%	112.8%	-31.7%	34.2%	-3.5%	-45.0%	-31.7%	34.2%	-3.5%	-45.0%	-31.7%	34.2%	-3.5%	-45.0%	-31.7%	34.2%	-3.5%	-45.0%	-31.7%	34.2%	-3.5%	-45.0%	-31.7%
5. Deficit/Surplus*	-21.2	-32.2	-25.2	-31.3	-43.0	-62.6	4.3	-37.5	-23.1	4.3	-25.6	-37.5	-23.1	4.3	-25.6	-37.5	-23.1	4.3	-25.6	-37.5	-23.1	4.3	-25.6	-37.5	-23.1	4.3	-25.6
% change	-85.2%	159.5%	186.6%	-2.6%	-20.9%	52.2%	-110.0%	-97.0%	-9.6%	110.0%	-110.0%	-97.0%	-9.6%	110.0%	-110.0%	-97.0%	-9.6%	110.0%	-110.0%	-97.0%	-9.6%	110.0%	-110.0%	-97.0%	-9.6%	110.0%	-110.0%

	YEAR TO DATE	
	2009/2010	2010/2011
(Over previous year)	628.9	573.5
% change	1.2%	-8.8%
	282.5	281.4
% change	-11.7%	7.2%
	665.9	687.1
% change	-0.0%	3.1%
	80.4	79.9
% change	36.2%	-0.6%
	-177.0	-215.9
% change	30.8%	21.9%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	
<b>Debt:**</b>																											
6. Total Debt	3,703.4	3,703.4																									
% change	0.00%	0.00%																									
7. External Debt	703.1	710.9																									
% change	-0.00%	0.03%																									
8. Internal F/C Debt	1.8	70.0																									
% change	0.00%	0.00%																									
9. Bahamian Dollar Debt	2,615.5	2,922.5																									
% change	0.00%	0.00%																									
10. Total Amortization	0.1	0.2																									
% change	847.2%	212.7%																									

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	
<b>11. Total Public Sector F/C Debt</b>	1,186.5	1,390.9																									
% change	-0.26%	-0.17%																									

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	
<b>Real Sector Indicators</b>																											
12. Retail Price Index	130.1	131.2	130.0	131.2	130.3	131.3	130.5	131.5	130.4	131.5	130.6	131.5	130.8	131.5	130.6	131.5	130.6	131.5	130.5	131.5	130.4	131.5	130.6	131.5	130.3	131.3	
% change over previous month	4.77%	-5.6%	-0.06%	0.02%	0.23%	0.10%	0.1%	0.0%	0.1%	0.1%	0.1%	0.2%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.79%	0.79%	
13. Tourist arrivals (000's)	410.8	424.0	389.2	419.2	414.7	469.2	384.5	425.7	384.5	425.7	379.2	428.9	386.5	461.4	366.8	430.6	254.8	304.1	410.5	320.3	410.5	466.5	461.7	464.0	5246.7		
% change over previous year	10.2%	3.2%	-8.2%	7.7%	4.5%	13.4%	-18.1%	10.7%	-18.1%	10.7%	-10.9%	13.1%	-9.9%	19.4%	-20.5%	17.4%	-40.8%	19.3%	5.3%	28.2%	0.0%	13.6%	-1.0%	1.1%	12.9%		
14. Air arrivals (000's)	90.0	91.7	103.1	103.0	131.2	125.0	113.5	113.1	113.5	113.1	119.9	129.5	130.2	139.4	103.1	108.9	50.7	55.7	76.4	73.6	76.4	93.9	113.4	107.2	1293.3		
% change over previous year	-18.7%	1.8%	12.4%	-0.0%	-4.9%	-4.7%	-9.2%	-0.4%	-9.2%	-0.4%	6.0%	8.0%	0.3%	7.1%	-26.0%	5.6%	-33.4%	9.9%	32.1%	32.1%	18.1%	4.1%	20.8%	-5.5%	3.2%		
15. Occupied Room Nights																											
% change over previous year																											

	YEAR TO DATE	
	2009	2010
(Over previous year)	95.60	68.10
% change	-34.24%	-28.77%

\* Includes Net Lending to Public Corporations  
 \*\* Debt figures pertain to central government only unless otherwise indicated  
 P - provisional  
 Annually FTD Retail Price Index are averages.