



## **Monthly Economic and Financial Developments August 2007**

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:**

2007: October 29<sup>th</sup>, December 3<sup>rd</sup>

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

Preliminary data suggests that the domestic economy continued to expand but at a more subdued pace in August, in comparison to the previous year, based on a levelling off in foreign investment activities, softened tourism flows and a slower pace of growth in consumer demand. Amid these conditions, both bank liquidity and external reserves contracted.

During the first six months of the year, total visitor arrivals declined by 6.5% to 2.43 million, reflecting contractions in both air and sea arrivals by 7.0% and 6.3%, respectively. The most recent data available on hotel expenditure for the first six months of 2007, suggest that total room revenue grew marginally by 0.3% to \$226.4 million. This outcome reflected a 10.3% rise in average daily room rates to \$198.11 per night, which outstripped declines in the number of rooms sold by 9.0%. On a disaggregated basis, revenue from the largest hotels in New Providence and the Family Islands grew by 2.4% and 0.7%, owing to respective increases in average room rates of 10.7% and 5.5%. However, lower occupancy levels offset accretions to average room rates, to occasion an 11.2% drop in room revenues for Grand Bahama.

In fiscal developments, provisional estimates for the eleven months to May of FY2006/07 indicate that the Government's deficit widened to \$104.4 million from \$88.7 million in the comparative FY2005/06 period, as the 12.2% gain in total revenue was surpassed by a 12.6% hike in aggregate expenditure. Budgetary financing was secured primarily from internal borrowings, which expanded by 12.3% to \$230.3 million and was primarily in the form of bonds.

With regard to domestic prices, the rate of inflation for the twelve months ending August 2007 firmed by 0.89 percentage points to 2.42%. The most significant cost increases occurred for other goods & services (5.28%), food & beverages (3.97%), furniture & household operations (3.54%), and recreation entertainment & services (3.18%); while gains of below 3.0% were recorded for the remaining categories.

## ***2. International Developments***

In August, amid deteriorating financial and credit conditions globally, several central banks injected significant amounts of liquidity into their banking systems in an effort to mitigate the spill over effects on other sectors of the economy. Central banks in Europe, the United States and other major economies lent in excess of \$136 billion to their respective banking systems. Moreover, on August 17th, the Federal Reserve approved a reduction in its discount rate, by 50 basis points to 5.75%.

The United States' real estate sector showed further signs of weakness in August, as housing starts fell on an annual basis by 19.1% to 1.33 million units and building permits declined by 24.5% to 1.30 million. Nonetheless, the overall economy remained relatively healthy, as the July trade balance narrowed on a monthly basis by \$0.2 billion to \$59.2 billion. Reflective of these developments, the goods deficit decreased by \$0.3 billion, while the services surplus contracted by \$0.1 billion. Moreover, non-farm payroll employment firmed by a revised 89,000 persons in August, slightly below the 93,000 gain registered in the previous month

Despite heightened concerns over the quality of certain categories of goods exports from China, during August the country's trade surplus rose on a yearly basis by 33.0%. Both industrial production and retail sales advanced by 17.5% and 17.1%, respectively. Efforts by the Peoples Bank of China to contain domestic prices by tightening monetary policy failed, as annual average prices rose by 6.5% in August following a 5.6% hike in July. As a result, the central bank continued its efforts to reduce demand pressures—increasing the benchmark deposit rate by 27 basis points to 3.60% and the lending rate by 18 basis points to 7.02%, respectively.

Revised growth estimates showed that economic activity in Japan contracted by an annualized 1.2% during the second quarter. Following on declines in the production of transport equipment, chemicals and fabricated metals, industrial production fell by 0.4% in July. Buoyed by higher food and recreation costs, average consumer prices rose by 0.5% in August over the previous month, while the unemployment rate weakened by 0.1 percentage points to 3.6%. In addition, July's trade surplus narrowed by ¥0.69 trillion from the previous month to ¥0.45 trillion.

Economic activity in the United Kingdom firmed by 0.8% in the second quarter, up slightly from the 0.7% recorded in the previous three-month period. Reflecting a deterioration in the goods balance, the goods and services trade deficit widened on a monthly basis by £0.5 billion to £4.4 billion in July. The unemployment rate stood at 5.4% in the three-months to July, 0.1 percentage points lower than the previous quarter. With monthly consumer price inflation moderating by 0.1 percentage points to 1.8% in August, the Bank of England kept its key policy rate unchanged at 5.75%.

The euro area continued a trend of modest growth, as industrial production expanded by 0.6% in July, following a relatively unchanged level in June. Conversely, growth in the volume of retail trade moderated to 0.1% vis-à-vis 0.6% in the previous month. Occasioned by a reduction in exports and increased imports, the trade surplus weakened by 3.0 billion euros to 4.6 billion euros. However, the unemployment rate was stable at 6.9% in July and annual inflation firmed by 0.1 percentage points to 1.7% in August. The moderation in consumer prices prompted the European Central Bank to leave its key policy rates unchanged.

Reflecting a decline in oil production in Iraq, OPEC's crude oil output contracted marginally by 0.09 million barrels per day (mb/d) to 30.39 mb/d in August. Despite the reduction in extraction, fears that the current global financial crisis could reduce demand led to a fall in average prices by 6.2% to \$72.10 per barrel. Among the other major commodities, the price of gold and silver decreased by 1.4% to \$673.40 per ounce and 5.1% to \$12.08 per ounce, respectively, during the review month.

Interventions by several central banks in the financial markets served to allay some of the uncertainty in global equity markets in August, as a number of the major indices registered gains. In particular, the Dow Jones Industrial Average and the S & P 500 rose by 1.10% and 1.01%, respectively. In Europe, while the FTSE 100 and the CAC 40 were lower by 0.89% and 1.54%, the DAX advanced by 0.72%. In contrast, the Japanese Nikkei 225 index fell by 3.94%.

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

Monetary trends for the month of August featured contractions in both liquidity and external reserves as the strengthening in Bahamian dollar credit outstripped accretions to deposit balances. This contrasted with the eight months to August outturn, where the moderation in credit growth combined with increased foreign currency inflows facilitated both a build-up of bank liquidity and external reserves.

#### ***August 2007 vs. 2006***

During the review month, excess reserves contracted by \$51.1 million, a reversal from the \$13.4 million increase registered a year earlier. However, the contraction in the broader excess liquid assets slackened by \$9.5 million to \$48.3 million.

External reserves declined by \$52.0 million vis-à-vis \$64.8 million last year. Underlying this development was a decrease in the Central Bank's net sale of foreign currency to commercial banks, by \$18.5 million to \$25.1 million. Similarly, commercial banks' net sale to customers narrowed by \$11.1 million to \$37.6 million. In contrast, sales to utility companies boosted the Central Bank's net sale to the public sector, by \$5.3 million to \$27.1 million.

Increased lending to Government elevated growth in domestic credit more than twofold to \$119.0 million vis-à-vis \$47.6 million a year ago. Net claims on Government advanced by \$45.4 million, a turnaround from last year's contraction of \$38.9 million; and the expansion in credit to the rest of the public sector slowed by 54.2% to \$3.6 million. Private sector credit growth moderated by 11.1% to \$70.0 million as commercial loans fell by \$1.0 million, compared to an expansion of \$32.7 million in 2006. However, the growth in mortgages doubled to \$41.1 million, while accretions to consumer credit were 11.1% higher at \$29.9 million.

Domestic foreign currency credit growth was more than halved to \$20.3 million. The private sector credit component receded by 30.1% to \$23.9 million, as was also the case with net credit to Government and claims on the rest of the public sector, which recorded extended contractions of \$0.5 million and \$3.1 million, respectively.

Bahamian dollar deposits grew by \$34.9 million, reversing the \$64.4 million decline registered in 2006 when a number of entities utilised their balances to fund investments. Reflective of this development, demand deposits firmed by \$20.3 million, in contrast to a \$75.0 million falloff last year. Likewise, savings deposits recovered by \$2.3 million, and accretions to fixed deposits were moderately higher at \$12.3 million.

With regards to interest rates, the weighted average deposit rate at banks appreciated by 7 basis points to 3.68%. The maximum rate offered was 6.50% for fixed maturities of 6 to 12 months; while the weighted average loan rate firmed by 17 basis points to 10.72%.

#### ***January –August 2007***

During the eight-months to August, excess reserves and excess liquid assets advanced by \$71.0 million and \$185.7 million, in contrast to respective declines of \$1.4 million and \$1.5 million for the corresponding period in 2006.

Amid a slower rate of credit expansion and healthy foreign investment inflows, external reserves expanded by \$106.0 million to \$557.9 million, a turnaround from the previous year's \$16.5 million contraction. The Central Bank's net foreign currency transactions were reversed to a net purchase of \$90.7 million, from a net sale of \$30.2 million a year ago, as net foreign currency purchases from banks rose by 90.5% to \$227.3 million and the net sale to the public sector softened by 8.6% to \$136.6 million. The Bank's position was supported out of a doubling in commercial banks' net purchase from customers to \$207.4 million.

Bahamian dollar credit growth tapered by 25.9% to \$364.7 million, owing to moderations in both private and public sector credit. The expansion in private sector credit weakened by 30.1% to \$321.4 million, reflecting similar reductions of about 12.0% in both consumer credit and mortgages. In addition, credit to public corporations contracted by \$60.0 million, a turnaround from the previous year's \$24.4 million expansion. However, accretions to net claims on the Government strengthened by \$95.6 million to \$103.2 million.

Domestic foreign currency credit increased marginally by \$0.8 million compared to an advance of \$92.2 million a year-earlier, as the growth in credit to the private sector slackened by \$49.3 million to \$4.9 million. Moreover, net credit to the Government and claims on the rest of the public sector declined by \$1.3 million and \$2.9 million, in contrast to respective increases of \$17.1 million and \$20.9 million in 2006.

During the eight-month period, accretions to Bahamian dollar deposits strengthened by 42.3% to \$350.6 million, as fixed and savings deposits firmed by 71.7% and 27.6% to \$246.5 million and \$65.2 million, respectively. Conversely, gains in demand deposits moderated by 24.9% to \$38.9 million.

#### **4. Outlook**

The domestic economic outlook for the remainder of 2007 remains relatively favourable, despite the uncertainty in the US market. However, recent increases in oil prices and the seasonal expansion in domestic demand in the latter half of the year are expected to exert further downward pressure on external reserves. Moreover, the global liquidity and financial crises may present some challenges for the domestic tourism and real estate sectors in the medium-term.

# Recent Monetary and Credit Statistics

(B\$ Millions)

	<b>AUGUST</b>					
	Value		Change		Change YTD	
	2006	2007	2006	2007	2006	2007
<b>1.0 LIQUIDITY &amp; FOREIGN ASSETS</b>						
1.1 Excess Reserves	193.96	207.17	13.42	-51.14	-1.41	71.01
1.2 Excess Liquid Assets	110.97	195.13	-57.83	-48.32	-1.48	185.69
1.3 External Reserves	566.42	557.86	-64.77	-51.97	-16.51	105.96
1.4 Bank's Net Foreign Assets	-686.65	-690.33	-41.00	-32.07	-116.72	-57.94
1.5 Usable Reserves	262.73	234.54	-35.94	-21.90	2.60	75.84

## 2.0 DOMESTIC CREDIT

<b>2.1 Private Sector</b>	<b>5,431.96</b>	<b>5,974.37</b>	<b>112.92</b>	<b>93.88</b>	<b>514.09</b>	<b>326.33</b>
a. B\$ Credit	4,915.81	5,475.02	78.74	69.99	459.87	321.44
of which: Consumer Credit	1,796.19	2,014.79	26.87	29.86	146.36	128.44
Mortgages	2,128.71	2,435.65	19.14	41.12	222.32	195.38
b. F/C Credit	516.15	499.35	34.18	23.89	54.22	4.90
of which: Mortgages	37.23	37.08	8.34	-0.19	24.94	5.76
<b>2.2 Central Government (net)</b>	<b>659.33</b>	<b>770.01</b>	<b>-39.15</b>	<b>44.96</b>	<b>24.73</b>	<b>101.98</b>
a. B\$ Loans & Securities	765.67	889.29	-41.01	44.74	14.76	100.08
Less Deposits	121.47	120.70	-2.09	-0.66	7.11	-3.15
b. F/C Loans & Securities	16.48	4.06	0.00	0.00	16.48	-0.90
Less Deposits	1.35	2.65	0.23	0.45	-0.60	0.35
<b>2.3 Rest of Public Sector</b>	<b>358.46</b>	<b>310.84</b>	<b>5.08</b>	<b>0.49</b>	<b>45.28</b>	<b>-62.84</b>
a. B\$ Credit	122.70	71.78	7.82	3.58	24.40	-59.98
b. F/C Credit	235.77	239.06	-2.74	-3.10	20.88	-2.86
<b>2.4 Total Domestic Credit</b>	<b>6,449.75</b>	<b>7,055.22</b>	<b>78.85</b>	<b>139.32</b>	<b>584.10</b>	<b>365.47</b>
a. B\$ Domestic Credit	5,682.71	6,315.39	47.64	118.98	491.92	364.68
b. F/C Domestic Credit	767.05	739.83	31.22	20.34	92.18	0.79

## 3.0 DEPOSIT BASE

3.1 Demand Deposits	1,107.36	1,115.62	-74.95	20.31	51.74	38.86
a. Central Bank	12.78	14.39	-77.20	-2.64	-17.09	-2.82
b. Banks	1,094.58	1,101.23	2.25	22.95	68.82	41.68
3.2 Savings Deposits	933.98	1,015.91	-0.07	2.30	51.08	65.20
3.3 Fixed Deposits	2,720.65	3,027.45	10.59	12.33	143.61	246.51
3.4 Total B\$ Deposits	4,761.98	5,158.98	-64.43	34.94	246.43	350.56
3.5 F/C Deposits of Residents	162.04	186.89	-1.96	-2.86	12.36	5.97
<b>3.6 M2</b>	<b>4,949.50</b>	<b>5,362.70</b>	<b>-60.28</b>	<b>28.84</b>	<b>228.48</b>	<b>329.12</b>
<b>3.7 External Reserves/M2 (%)</b>	<b>11.44</b>	<b>10.40</b>	<b>-1.16</b>	<b>-1.03</b>	<b>-0.90</b>	<b>1.42</b>
<b>3.8 External Reserves/Base Money (%)</b>	<b>97.39</b>	<b>89.54</b>	<b>-14.52</b>	<b>0.03</b>	<b>-1.70</b>	<b>9.15</b>

	Value		Year to Date		Change	
	2006	2007	2006	2007	Month	YTD

## 4.0 FOREIGN EXCHANGE TRANSACTIONS

<b>4.1 Central Bank Net Purchase/(Sale)</b>	<b>-65.36</b>	<b>-52.14</b>	<b>-30.16</b>	<b>90.65</b>	<b>13.21</b>	<b>120.81</b>
a. Net Purchase/(Sale) from/to Banks	-43.59	-25.09	119.28	227.28	18.50	108.00
i. Sales to Banks	47.94	33.31	185.75	160.69	-14.62	-25.07
ii. Purchases from Banks	4.35	8.22	305.03	387.97	3.87	82.94
b. Net Purchase/(Sale) from/to Others	-21.77	-27.05	-149.44	-136.63	-5.28	12.81
i. Sales to Others	29.06	40.92	287.60	332.73	11.86	45.14
ii. Purchases from Others	7.30	13.87	138.16	196.11	6.58	57.94
<b>4.2 Banks Net Purchase/(Sale)</b>	<b>-48.65</b>	<b>-37.55</b>	<b>102.05</b>	<b>207.42</b>	<b>11.10</b>	<b>105.37</b>
a. Sales to Customers	291.47	292.43	2,145.77	2,273.43	0.96	127.67
b. Purchases from Customers	242.82	254.89	2,247.82	2,480.85	12.06	233.04
<b>4.3 B\$ Position (change)</b>	<b>8.61</b>	<b>18.82</b>				

## 5.0 EXCHANGE CONTROL SALES

<b>5.1 Current Items</b>	<b>286.81</b>	<b>ND</b>	<b>1,964.78</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
of which Public Sector	<b>38.12</b>	<b>ND</b>	<b>299.38</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
a. Nonoil Imports	119.77	ND	857.59	ND	ND	ND
b. Oil Imports	49.91	ND	290.35	ND	ND	ND
c. Travel	24.95	ND	141.36	ND	ND	ND
d. Factor Income	4.56	ND	82.12	ND	ND	ND
e. Transfers	6.65	ND	42.62	ND	ND	ND
f. Other Current Items	80.97	ND	550.74	ND	ND	ND
<b>5.2 Capital Items</b>	<b>13.36</b>	<b>ND</b>	<b>93.25</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
of which Public Sector	<b>4.31</b>	<b>ND</b>	<b>21.92</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
<b>5.3 Bank Remittances</b>	<b>0.00</b>	<b>ND</b>	<b>27.00</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>

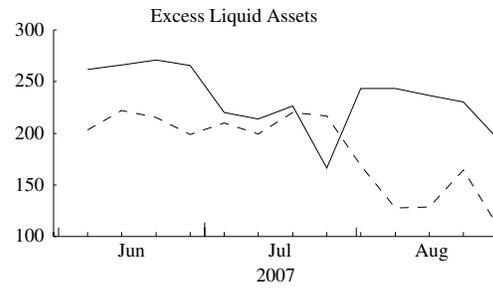
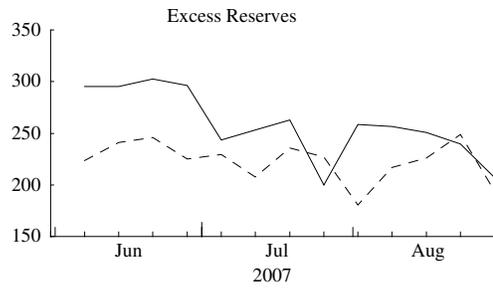
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: AUGUST 30, 2006 and AUGUST 29, 2007

Exchange Control Sales figures are as at month end.

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

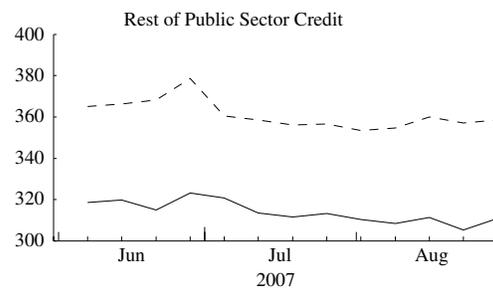
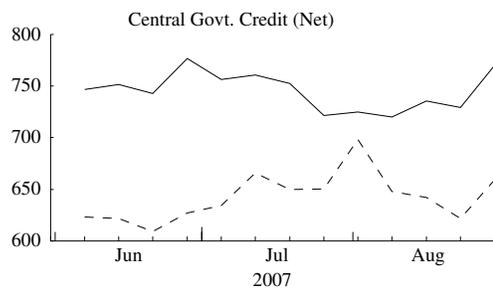
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## SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



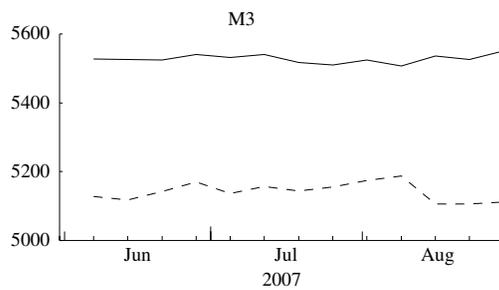
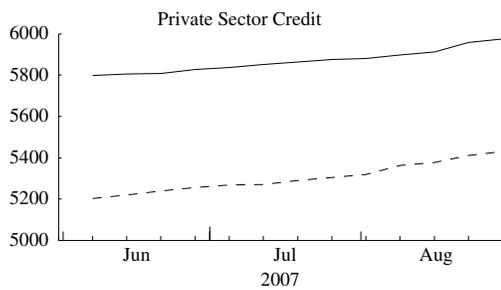
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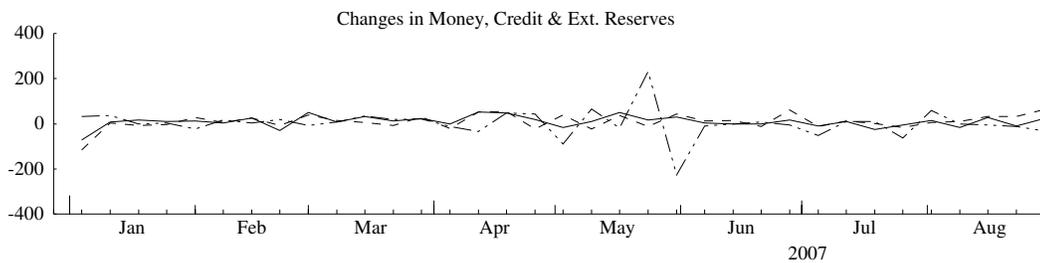
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## Selected International Statistics

<b>A: Selected Macroeconomic Projections</b> (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2006	2007	2006	2007	2006	2007
Bahamas	4.0	4.5	1.9	1.9	7.6	n/a
United States	3.3	2.0	3.2	1.9	4.6	4.8
Euro-Area	2.8	2.6	2.2	2.0	7.7	7.3
<i>Germany</i>	2.8	2.6	1.8	2.0	8.1	7.8
Japan	2.2	2.6	0.2	0.3	4.1	4.0
United Kingdom	2.8	2.9	2.3	2.3	5.4	5.3
Canada	2.8	2.5	2.0	1.7	6.3	6.2
<i>Sources: IMF World Economic Outlook Update, July 2007 &amp; The Bahamas Department of Statistics.</i>						

<b>B: Official Interest Rates - Selected Countries (%)</b>					
<i>With effect</i>  <i>from</i>	<b>CBOB</b>	<b>ECB (EU)</b>	<b>Federal Reserve (US)</b>		<b>Bank of England</b>
	<b>Bank Rate</b>	<b>Refinancing Rate</b>	<b>Primary Credit Rate</b>	<b>Target Funds Rate</b>	<b>Repo Rate</b>
January 2006	5.25	2.25	5.50	4.50	4.50
February 2006	5.25	2.25	5.50	4.50	4.50
March 2006	5.25	2.50	5.75	4.75	4.50
April 2006	5.25	2.50	5.75	4.75	4.50
May 2006	5.25	2.50	6.00	5.00	4.50
June 2006	5.25	2.75	6.25	5.25	4.50
July 2006	5.25	2.75	6.25	5.25	4.50
August 2006	5.25	3.00	6.25	5.25	4.75
September 2006	5.25	3.00	6.25	5.25	4.75
October 2006	5.25	3.25	6.25	5.25	4.75
November 2006	5.25	3.25	6.25	5.25	5.00
December 2006	5.25	3.50	6.25	5.25	5.00
January 2007	5.25	3.50	6.25	5.25	5.25
February 2007	5.25	3.50	6.25	5.25	5.25
March 2007	5.25	3.75	6.25	5.25	5.25
April 2007	5.25	3.75	6.25	5.25	5.25
May 2007	5.25	3.75	6.25	5.25	5.50
June 2007	5.25	4.00	6.25	5.25	5.50
July 2007	5.25	4.00	6.25	5.25	5.75
August 2007	5.25	4.00	5.75	5.25	5.75

## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
Currency	Aug-06	July-07	Aug-07	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7805	0.7308	0.7337	0.4	-3.2	-6.0
Yen	117.40	118.6	115.78	-2.4	-2.8	-1.4
Pound	0.5250	0.4923	0.4958	0.7	-2.9	-5.6
Canadian \$	1.1037	1.0666	1.0557	-1.0	-9.5	-4.3
Swiss Franc	1.2305	1.2011	1.2085	0.6	-0.9	-1.8

*Source: Bloomberg as at August 31, 2007*

<b>D. Selected Commodity Prices (\$)</b>					
Commodity	Aug 2006	July 2007	Aug 2007	Mthly % Change	YTD % Change
Gold / Ounce	627.30	664.30	673.40	1.4	5.8
Silver / Ounce	12.91	12.87	12.08	-6.2	-6.4
Oil / Barrel	70.03	75.96	72.1	-5.1	18.6

*Source: Bloomberg as at August 31, 2007*

<b>E. Equity Market Valuations – August, 2007 (%chg)</b>							
	BISX	DJIA	**S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225
1 month	1.55	1.10	1.01	-0.89	-1.54	0.72	-3.94
3 month	3.19	-0.38	-2.55	-4.61	-6.48	-4.60	-8.65
YTD	11.74	7.18	2.47	1.33	2.18	15.79	-3.81
12-month	17.83	17.37	12.13	6.73	9.64	30.36	2.65

*Sources: Bloomberg and BISX*

<b>F: Short Term Deposit Rates in Selected Currencies (%)</b>			
	USD	GBP	EUR
o/n	4.75	5.90	4.27
1 Month	5.80	6.50	4.40
3 Month	5.70	6.55	4.68
6 Month	5.55	6.55	4.73
9 Month	5.37	6.59	4.70
1 year	5.27	6.56	4.72

*Source: Bloomberg, as at August 31, 2007*

## SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE												CHANGE											
	Jul. 04	Jul. 11	Jul. 18	Jul. 25	Aug. 01	Aug. 08	Aug. 15	Aug. 22	Aug. 29	Jul. 04	Jul. 11	Jul. 18	Jul. 25	Aug. 01	Aug. 08	Aug. 15	Aug. 22	Aug. 29						
<b>I. External Reserves</b>	633.72	629.38	623.64	610.93	609.84	608.31	597.07	585.30	557.86	-32.83	-4.34	-5.74	-12.71	-1.09	-1.52	-11.25	-11.77	-27.43						
<b>II. Net Domestic Assets (A + B + C + D)</b>	31.08	41.46	48.85	-0.11	71.49	70.11	64.09	62.21	65.16	-12.25	10.38	7.39	-48.97	71.60	-1.38	-6.02	-1.88	2.95						
<b>A. Net Credit to Gov<sup>1</sup>( i + ii + iii - iv)</b>	162.07	169.58	167.19	131.33	188.79	186.56	177.84	171.65	178.55	-6.09	7.51	-2.39	-35.86	57.46	-2.24	-8.72	-6.19	6.90						
i) Advances	71.99	71.99	71.99	71.99	71.99	71.99	71.99	71.99	71.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	104.04	105.93	105.99	115.01	115.00	115.38	115.52	115.53	115.53	-0.92	1.89	0.06	9.02	-0.01	0.39	0.13	0.01	-0.00						
iii) Treasury Bills	0.00	0.00	0.00	0.00	9.99	9.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.99	0.00	-9.99	0.00	0.00						
iv) Deposits	13.95	8.33	10.79	55.67	8.18	10.81	9.67	15.87	8.96	5.17	-5.62	2.45	44.88	-47.49	2.63	-1.14	6.20	-6.90						
<b>B. Rest of Public Sector (Net) (i + ii - iii)</b>	-26.37	-20.51	-13.45	-26.56	-10.21	-9.82	-6.66	-2.83	-7.57	-4.76	5.86	7.06	-13.11	16.35	0.39	3.16	3.83	-4.74						
i) BDB Loans	6.89	6.89	6.83	6.83	6.83	6.83	6.83	6.83	6.83	0.00	0.00	-0.06	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	33.26	27.40	20.27	33.38	17.03	16.65	13.49	9.65	14.39	4.76	-5.86	-7.13	13.11	-16.35	-0.39	-3.16	-3.83	4.74						
<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>	-104.62	-107.61	-104.88	-104.88	-107.10	-106.63	-107.09	-106.61	-105.82	-1.40	-2.99	2.72	-0.00	-2.21	0.47	-0.46	0.48	0.79						
<b>III. Monetary Base</b>	664.79	670.84	672.49	610.82	681.33	678.42	661.16	647.51	623.03	-45.08	6.04	1.66	-61.68	70.51	-2.91	-17.26	-13.65	-24.48						
A. Currency in Circulation	289.39	290.36	280.77	278.86	289.38	294.91	291.20	279.86	286.44	2.70	0.97	-9.59	-1.91	10.52	5.53	-3.71	-11.34	6.59						
B. Bank Balances with CBOB	375.40	380.48	391.72	331.96	391.95	383.51	369.96	367.65	336.58	-47.78	5.07	11.24	-59.76	59.99	-8.44	-13.55	-2.31	-31.07						

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

## FISCAL/REAL SECTOR INDICATORS

(\$ MILLIONS)

(% change represents current month from previous month)

Fiscal Operations:	YEAR TO DATE												
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	
1. Government Revenue & Grants	106.1	106.7	86.6	114.1	79.9	111.1	123.3	102.0	115.4	98.1	113.3	105.6	128.7
% change	-20.02%	18.87%	-4.52%	-7.24%	-30.44%	43.83%	18.33%	-8.18%	-4.47%	-3.86%	-1.87%	-4.77%	3.30%
2. Import Duties	34.3	37.4	46.3	32.7	34.4	31.5	36.0	41.3	36.6	42.5	44.2	36.9	44.3
% change	-38.60%	-21.90%	8.92%	-23.70%	-3.54%	10.66%	34.88%	-8.36%	-10.51%	2.96%	-13.22%	0.31%	20.21%
3. Recurrent Expenditure	84.7	99.6	91.6	83.1	84.5	90.7	103.3	86.2	100.6	94.7	110.0	91.1	106.8
% change	24.63%	1.56%	8.11%	-6.57%	-7.73%	-2.60%	13.90%	5.29%	7.62%	-2.88%	-3.23%	3.66%	46.23%
4. Capital Expenditure	5.5	5.6	6.0	11.7	14.9	13.0	7.4	11.3	11.3	15.5	13.4	7.3	18.3
% change	-57.43%	-82.87%	147.06%	11.04%	-50.53%	-13.19%	-7.83%	38.13%	31.62%	-26.79%	-18.90%	-18.90%	18.02%
5. Deficit/Suplus*	0.3	-0.8	-4.0	1.1	-16.6	3.2	-24.5	-41.8	-5.6	-6.6	-3.4	0.0	-20.2
% change	-99.30%	-97.27%	-147.11%	183.51%	47.34%	-139.413%	-76.05%	-79.53%	265.24%	-90.48%	-492.23%	46959.00%	-76.08%

Debt, as	YEAR TO DATE												
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
6. Total Debt	2,092.2	2,386.5	2,100.1	2,376.4	2,082.1	2,437.1	2,290.3	2,415.3	2,166.3	2,437.1	2,316.3	2,437.1	2,527.2
% change	-2.31%	0.13%	-0.03%	-0.42%	-0.87%	2.11%	0.82%	-0.49%	0.84%	0.91%	-0.01%	0.84%	-0.44%
7. External Debt	296.5	292.8	297.3	292.7	293.4	285.9	288.0	285.9	285.9	285.9	285.9	285.9	285.9
% change	0.67%	1.25%	0.27%	-0.03%	-0.02%	0.25%	-0.48%	-0.48%	0.00%	0.59%	-0.04%	0.00%	0.00%
8. Internal F/C Debt	0.0	1.6	0.0	1.6	2.3	0.7	2.5	0.7	2.5	0.7	2.5	0.7	2.5
% change	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-57.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9. Bahamian Dollar Debt	2,022.7	2,092.1	2,022.7	2,082.1	2,002.2	2,132.1	2,146.6	2,028.1	2,166.9	2,028.1	2,166.9	2,028.1	2,286.9
% change	-3.80%	-0.02%	0.00%	-0.48%	-0.99%	2.49%	-0.02%	0.68%	1.29%	0.94%	0.00%	-0.99%	4.61%
10. Total Amortization	1.0	0.5	0.1	10.1	20.6	0.7	1.9	32.9	26.6	25.0	0.1	20.0	0.0
% change	-90.12%	-50.94%	-92.10%	1915.09%	26166.94%	-98.29%	90.88%	4773.78%	131.39%	-24.06%	-99.53%	100.00%	-49.01%

11. Total Public Sector F/C Debt	YEAR TO DATE												
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
547.1	630.2	547.9	628.4	570.4	625.4	569.4	622.4	592.3	617.0	599.5	613.2	599.4	613.3
% change	-37.10%	-0.03%	-13.06%	14.70%	4.11%	9.63%	-0.18%	9.39%	5.23%	5.23%	4.03%	-0.02%	4.06%

Real Sector Indicators	YEAR TO DATE												
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
12. Retail Price Index	117.8	121.2	117.8	121.42	117.8	121.5	118.9	121.7	119.6	121.7	122.3	122.3	121.7
% change	-0.10%	0.51%	-0.01%	0.16%	0.04%	1.0%	0.2%	0.2%	0.6%	0.2%	0.2%	0.2%	1.43%
13. Tourist arrivals (000s)	398.4	397.3	398.3	376.7	500.0	496.9	423.2	404.7	385.5	408.5	380.3	380.3	295.8
% change	-4.74%	2.31%	-3.64%	-4.25%	-4.83%	-0.70%	0.27%	-14.8%	-0.22%	3.39%	-9.6%	-9.6%	-1.77%
14. Air arrivals (000s)	109.8	103.4	126.7	118.1	171.6	168.0	189.3	144.0	138.4	162.2	139.0	139.0	880.2
% change	-5.83%	2.49%	-8.22%	-3.6%	3.98%	-0.6%	-3.6%	-8.6%	1.34%	1.72%	-3.1%	-3.1%	4.04%
15. Occupied Room Nights	187.7	161.6	202.0	169.8	241.5	220.2	187.8	241.5	220.2	187.8	241.5	220.2	631.20
% change	9.82%	-13.91%	6.71%	-15.94%	-8.82%	8.82%	8.82%	8.82%	8.82%	8.82%	8.82%	8.82%	4.95%

16. Res. Mortgage Commitments-New Const.	YEAR TO DATE												
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
104.80	104.80	57.7	57.7	57.7	57.7	57.7	57.7	57.7	57.7	57.7	57.7	57.7	57.7
% change	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%

\* Includes Net Lending to Public Companies  
 \*\* Data from previous period to current government only unless otherwise indicated  
 P - provisional  
 Annualized Real Price-Index averages.