



Monthly Economic and Financial Developments June 2006

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:

2006: 4th September, 30th October, 4th December

1. Domestic Economic Developments

For the month of June, domestic economic developments were underscored by continued expansion in foreign investment activity, and heightened growth in domestic demand, fueled in large measure by robust firming in private sector credit. The latest tourism data confirmed steady growth in stopover business over the first four months of the year, partly muted by further contractions in cruise traffic.

Tourism figures for the month of April, revealed a marginal (0.2%) increase in total visitor arrivals, compared to the same period a year ago, reflecting a 9.6% firming in air tourists, which negated the 3.7% reduction in arrivals by sea. This development stemmed principally from a 32.1% improvement in the Grand Bahama market, which recorded a 52.0% surge in sea arrivals, while air visitors rose by 5.2%. Total tourists to New Providence also rose marginally by 0.7% as the 9.8% expansion in air arrivals offset the 4.1% decline in sea visitors. In contrast, overall Family Island visitors contracted by 11.1%, reflecting a 12.7% rise in air arrivals, which was outweighed by a 15.4% contraction in the more dominant sea arrivals. Further, data for the first four months of the year revealed a 3.3% decrease in total visitors to The Bahamas to 1.8 million, due to weakened trends in the cruise segment. Total arrivals declined in New Providence (4.6%) and the Family Islands (8.0%), outstripping a 15.3% gain in the Grand Bahama market.

For the twelve months ended May, domestic retail price inflation rose to 1.9% from 1.4% in the prior year, as pass-through effects from higher energy costs persisted. The most significant cost increases were noted for food and beverages (4.0%), 'other' goods and services (3.4%), housing (2.7%), and furniture & household operations (2.0%). More modest advances were registered for medical care & health (1.7%) and education (1.6%), while average costs decelerated for transport & communication, clothing & footwear and recreation & entertainment services.

On the fiscal side, a strong boost in Government revenue, outpaced growth in expenditure, and resulted in a reduction in the fiscal deficit by almost 50% to \$78.4 million in the July 05 to May 06 period. Benefiting from improving economic conditions, revenue and grants advanced by an estimated \$177.2 million (19.5%) to \$1,087.6 million. Tax receipts increased by \$146.7 million (17.5%) to \$986.9 million, as customs duties and stamp levies on imports rose by 16.7% and 17.3%, respectively, while increased receipts from fines, forfeitures and administration fees extended the gains in non-tax revenue by \$37.5 million to \$97.5 million. With regards to outlays, total expenditure strengthened by 10.6% to \$1,166.0 million. Current expenditure rose by 9.3% to \$1,020.5 million, reflecting increased outlays for goods and services, wages as well as transfers and subsidies. Moreover, capital expenditure rose by 74.4% to \$100.6 million, owing to higher spending on infrastructure projects and the acquisition of land for housing developments.

2. International Developments

Indications are that economic activity remained buoyant in the major world economies during the second quarter. For the remainder of the year, growth estimates in the Euro Zone, China and Japan have been revised upwards, while sustained interest rate increases are expected to curtail US GDP growth. Nevertheless, the threat of global inflation owing to higher oil prices remained a cause for concern in the second quarter. Consequently, several central banks raised their benchmark rates in June.

Preliminary data showed that US economic growth slowed to 2.5% in the second quarter, compared to a 5.6% increase in the first quarter, reflecting the effects of higher interest rates and an expansion in global oil prices. Nevertheless, sustained import demand resulted in a marginal deterioration in the trade deficit to \$63.8 billion in May. During June, the unemployment rate was unchanged from the previous month's level of 4.6%, as job growth remained subdued. However, in spite of evidence that economic growth was moderating, as housing prices stabilized and interest rate hikes curtailed the rise in domestic consumption, continued concerns over the high level of resource utilization combined with sustained commodity price increases, prompted the Federal Reserve to raise the federal funds and discount rates by 25 basis points each, to 5.25% and 6.25%, respectively.

Economic output continued to surge in China during the second quarter. Real GDP grew by 11.3%, compared to an expansion of 10.2% in the first quarter, with industrial production firming by 19.5% in June. During the month, China's trade surplus extended to a record monthly high of \$14.5 billion from \$13 billion in May, led by exports which stood 23% higher than the previous year. For the first half of the year, the trade surplus reached a peak of \$61.5 billion, a more than 50% expansion when compared to the same period in the previous year. Indications are that consumer prices also firmed by 1.5% in June, the fastest rate of growth since January. These developments prompted the government to express concern over the possibility that the economy might be overheating as high levels of liquidity fuelled substantial investments in fixed assets.

In Japan, buttressed by increased exports and strengthened private consumption, real GDP grew by 0.8% in the first quarter, compared to an expansion of 1.1% in the previous quarter. Unemployment declined slightly to an estimated 4.0% in May from 4.1% in the previous month. Reflecting higher energy costs, consumer prices rose by 0.5% in May, on par with the previous month.

Preliminary data indicated that the UK economy firmed in the first quarter, on account of higher manufacturing and services output, which offset the deterioration in the net export deficit. According to initial data for the three months ended May, unemployment continued its upward trend, increasing by 0.3 percentage points from the previous quarter and by 0.7% for the year to 5.4%. Consumer confidence levels weakened, reflecting less than upbeat perceptions regarding employment and economic conditions. Further, the trade deficit expanded to £4.4 billion in May from £4.0 billion in April. In light of the countervailing upside and downside risks to the economy, the Bank of England decided to keep its Repo rate at 4.5% during the month of June.

Indications are that economic growth in the Euro Zone continued in the second quarter of 2006, following an expansion in output of 0.6% in the first quarter. Industrial production firmed by 1.6% in May in contrast to a 0.7% contraction recorded in April. Similarly, the volume of retail trade rose by 0.8% in May, compared to a fall of 0.6% in the previous month. The unemployment rate narrowed in May to 7.9%, the lowest rate since October 2001, while consumer price inflation steadied at 2.5% in June. With inflation remaining above the ECB's target rate of 2.0%, the Bank increased its main interest rate by 25 basis points to 2.75% in June.

Ongoing geopolitical instability and general uncertainty about global oil supply continued to impact the price of oil in June. Crude oil prices advanced slightly by 1.3% to \$72.44 per barrel compared to the previous month; however, for the year, prices have risen by 25.7%. Reflecting a seven

month high, OPEC's production grew by 100,000 barrels per day to 29.6 million barrels in June. With regards to other commodities, the price of gold and silver contracted by 4.5% to \$615.85 and by 11.5% to \$11.10, respectively.

The majority of the principal equity indices registered gains during the month. In the US, the S&P 500 index rose by 0.6%, while the Dow Jones Industrial Average posted a marginal decline of 0.2%. The European indices, namely the FTSE 100 and CAC 40, rose by 1.9% and 0.7% respectively; however, the DAX contracted modestly by 0.2%. Meanwhile in Japan, the Nikkei 225 advanced slightly by 0.2% from the previous month.

3. Domestic Monetary and Credit Trends

Monetary and credit trends for the month of June highlighted accelerated growth in Bahamian dollar credit which outpaced gains in Bahamian dollar deposits. Consequently, external reserves and liquidity declined during the review period. Data for the first half of the year revealed robust growth in credit, which surpassed accretions in deposits and led to a slowdown in the expansion of both liquidity and external reserves. On the external side, Exchange Control data revealed that higher foreign currency outflows continued to be dominated by elevated payments for oil imports and external services.

June 2006 vs. 2005

For the month, excess reserves declined by \$13.0 million to \$225.3 million, reversing the \$38.6 million expansion in 2005. Moreover, higher levels of deposits combined with firming in advances to Government, resulted in excess liquid assets contracting by \$13.3 million to \$197.2 million, exceeding the previous year's decline by \$9.2 million.

The decrease in external reserves narrowed by 50% to \$10.2 million, compared to the previous year, as the Central Bank's net foreign currency sales were nearly halved to \$12.2 million. Foreign currency transactions with banks were reversed to a net purchase of \$12.5 million vis-à-vis a net sale of \$2.7 million in 2005. However, net outflows via the public sector grew by \$5.0 million to \$24.6 million. With respect to the commercial banks, transactions with the private sector switched to a net purchase of \$18.0 million from a net sale of \$0.5 million in the previous year. Meanwhile, Exchange Control data revealed that increased outflows during the month were led by oil imports (+55%) and 'other' current (services) items (+73.5%)—contrasting with incrementally reduced outflows for non-oil imports.

During the month, Bahamian dollar credit expansion nearly doubled to \$82.6 million. Private sector credit advanced by \$52.0 million, \$12.4 million higher than in 2005, with mortgages and consumer credit increasing by \$30.8 million and \$19.1 million, respectively. Additionally, the expansion in credit to the rest of the public sector more than doubled to \$19.7 million, while net credit to Government rose by \$10.9 million, recovering from the \$2.0 million decline registered last year.

The contraction in domestic foreign currency credit narrowed to \$0.7 million from \$52.9 million last year, when entities repaid funds borrowed to purchase properties associated with the Cable Beach redevelopment project. Reflecting growth in deposits, net claims on the Government fell by \$1.6

million, in contrast to a rise of \$0.8 million in 2005. Meanwhile, claims on the public corporations were relatively unchanged, compared to an increase of \$3.0 million last year.

Accretions to Bahamian dollar deposits strengthened by \$17.8 million to \$56.5 million. Fixed deposit gains widened to \$30.6 million from \$24.0 million, while demand deposits recovered by \$12.2 million from a contraction of \$1.1 million in the previous year. However, growth in savings deposits diminished slightly to \$13.7 million

During the month, banks' weighted average deposit rate firmed by 8 basis points to 3.35%. The highest rate offered was 5.75% for fixed maturities in the range of over 3-6 months and over 12 months. Conversely, the weighted average loan rate softened by 72 basis points to 9.51%.

January – June 2006

For the first half of the year, excess reserve growth tapered to \$29.9 million from a \$49.8 million improvement last year. However, excess liquid asset gains were higher at \$84.8 million from \$70.9 million, as banks increased their net holdings of Government securities.

The expansion in external reserves moderated by \$33.7 million to \$70.5 million, due primarily to increased outflows via the public sector. The Central Bank's net foreign currency purchases fell by 36.0% to \$61.4 million, as net sales to the public sector rose almost three-fold to \$101.7 million. This outpaced strengthening in the net purchase from banks of \$30.8 million to \$163.2 million, which reflected a similar increase in commercial banks' net purchase from the private sector. Exchange Control data for the half year period showed significant increases in foreign currency outflows associated with current account payments for non-oil imports (5.6%), oil (62.5%), travel (9.9%) and 'other' current items (42.6%). The latter captures the elevated use of foreign technical services in the construction sector on major tourism developments.

Bahamian dollar credit growth accelerated by \$93.1 million to \$319.8 million. The outturn was buttressed by significant gains in private sector credit which firmed by \$309.4 million, 92.8% higher than the increase recorded a year ago, with mortgage and consumer credit up by \$162.1 million and \$91.6 million, respectively. Claims on the rest of the public sector expanded by \$21.9 million, outpacing the \$2.1 million build up in the previous period. Meanwhile, net advances to Government narrowed by \$11.4 million, in contrast to a hike of \$64.1 million in 2005.

Domestic foreign currency credit growth decelerated to \$83.6 million from 2005's expansion of \$107.4 million, when domestic banks extended significant credit for tourism development projects. Accordingly, private sector credit expansion slowed by two thirds to \$40.6 million. In contrast, credit to the public sector rose by \$42.9 million, a turnaround from last year's net repayment of \$17.6 million, while net credit to Government rose marginally by \$0.1 million.

Bahamian dollar deposit growth of \$303.9 million was slightly higher than the previous year. The expansion reflected significant firming in fixed deposits, gains of \$129.0 million as opposed to more moderate increases in demand and savings deposits of \$120.0 million and \$54.9 million, respectively.

4. Outlook

Growth in the Bahamian economy is expected to remain strong for the remainder of the year, underpinned by robust tourism related investments and buoyant construction sector activity. However, the continuing escalation in global tensions in the Middle East increases the likelihood that oil price inflation and the deterioration in the current account balance may accelerate in the medium-term.

Recent Monetary and Credit Statistics

(B\$ Millions)

	JUNE					
	Value		Change		Change YTD	
	2005	2006	2005	2006	2005	2006
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	341.18	225.26	38.59	-12.97	49.80	29.89
1.2 Excess Liquid Assets	295.29	197.22	-4.06	-13.29	70.85	84.77
1.3 External Reserves	768.86	653.44	-21.61	-10.17	104.21	70.52
1.4 Bank's Net Foreign Assets	-647.81	-661.41	68.90	-4.70	-58.06	-101.69
1.5 Usable Reserves	334.75	300.06	-41.04	-7.01	35.21	39.94
2.0 DOMESTIC CREDIT						
2.1 Private Sector	4,608.00	5,267.86	-17.18	52.90	283.07	350.00
a. B\$ Credit	4,109.63	4,765.30	39.56	52.00	160.48	309.36
of which: Consumer Credit	1,510.10	1,741.42	10.76	19.08	29.63	91.58
Mortgages	1,754.81	2,068.46	23.35	30.77	118.11	162.07
b. F/C Credit	498.36	502.57	-56.74	0.89	122.59	40.64
of which: Mortgages	12.97	25.91	0.26	4.42	1.19	13.63
2.2 Central Government (net)	619.19	636.54	-1.19	9.37	66.51	-11.33
a. B\$ Loans & Securities	738.47	747.02	-0.66	16.30	85.37	-3.89
Less Deposits	115.67	121.91	1.36	5.37	21.25	7.55
b. F/C Loans & Securities	0.00	16.48	0.00	0.00	0.00	3.22
Less Deposits	3.61	5.06	-0.82	1.56	-2.39	3.11
2.3 Rest of Public Sector	328.05	364.71	7.88	19.69	-15.48	64.79
a. B\$ Credit	117.60	120.21	4.86	19.69	2.14	21.91
b. F/C Credit	210.44	244.51	3.02	0.00	-17.63	42.88
2.4 Total Domestic Credit	5,555.23	6,269.12	-10.50	81.96	334.10	403.46
a. B\$ Domestic Credit	4,850.03	5,510.62	42.40	82.62	226.74	319.83
b. F/C Domestic Credit	705.20	758.50	-52.90	-0.67	107.36	83.63
3.0 DEPOSIT BASE						
3.1 Demand Deposits	1,150.13	1,175.64	-1.09	12.21	189.38	120.02
a. Central Bank	158.38	90.70	-3.53	9.25	76.00	60.83
b. Banks	991.75	1,084.94	2.44	2.95	113.38	59.19
3.2 Savings Deposits	853.84	937.77	15.81	13.66	72.46	54.88
3.3 Fixed Deposits	2,452.63	2,706.06	23.96	30.62	40.20	129.02
3.4 Total B\$ Deposits	4,456.60	4,819.48	38.68	56.48	302.04	303.92
3.5 F/C Deposits of Residents	142.42	163.18	7.98	5.93	56.38	3.29
3.6 M2	4,631.03	5,004.69	40.30	51.55	295.04	283.66
3.7 External Reserves/M2 (%)	16.60	13.06	-0.62	-0.34	1.27	0.71
3.8 External Reserves/Base Money (%)	110.76	107.75	-10.24	1.18	7.00	8.66
	Value		Year to Date		Change	
	2005	2006	2005	2006	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	-22.33	-12.16	95.86	61.42	10.17	-34.44
a. Net Purchase/(Sale) from/to Banks	-2.68	12.46	132.32	163.16	15.13	30.84
i. Sales to Banks	37.59	17.48	161.48	111.70	-20.11	-49.79
ii. Purchases from Banks	34.91	29.94	293.80	274.86	-4.98	-18.95
b. Net Purchase/(Sale) from/to Others	-19.65	-24.61	-36.46	-101.74	-4.96	-65.28
i. Sales to Others	29.08	34.75	160.47	205.00	5.67	44.53
ii. Purchases from Others	9.43	10.14	124.01	103.26	0.71	-20.76
4.2 Banks Net Purchase/(Sale)	-0.51	18.00	130.14	158.60	18.51	28.47
a. Sales to Customers	221.38	236.25	1,376.81	1,524.50	14.87	147.69
b. Purchases from Customers	220.87	254.25	1,506.95	1,683.10	33.38	176.15
4.3 B\$ Position (change)	-2.63	-4.06				
5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	255.33	299.88	1,426.50	1,677.98	44.55	251.48
of which Public Sector	31.18	48.39	179.46	261.26	17.22	81.80
a. Nonoil Imports	127.72	122.51	698.67	737.82	-5.20	39.15
b. Oil Imports	34.54	53.53	148.00	240.44	18.99	92.44
c. Travel	19.63	22.37	105.88	116.40	2.74	10.52
d. Factor Income	15.45	5.63	103.11	77.56	-9.82	-25.56
e. Transfers	6.74	6.88	41.32	35.98	0.14	-5.34
f. Other Current Items	51.25	88.96	329.52	469.78	37.71	140.26
5.2 Capital Items	20.49	10.15	95.38	79.89	-10.34	-15.48
of which Public Sector	9.00	4.33	21.04	17.61	-4.67	-3.43
5.3 Bank Remittances	6.80	0.00	63.70	109.00	-6.80	45.30

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: JUNE 29, 2005 and JUNE 28, 2006

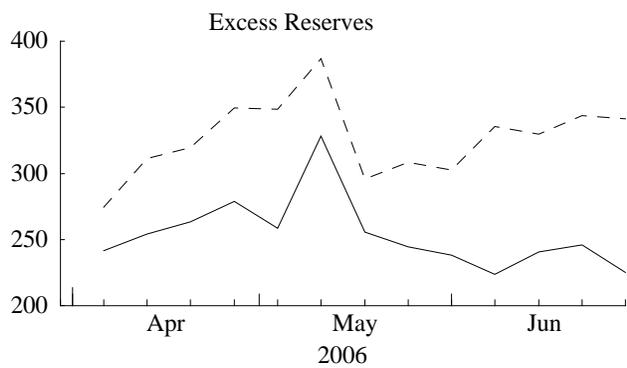
Exchange Control Sales figures are as at month end.

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

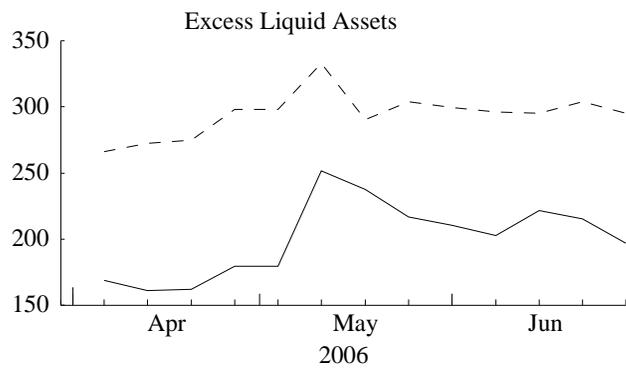
Components may not sum to totals due to round-off error.

SELECTED MONEY AND CREDIT INDICATORS

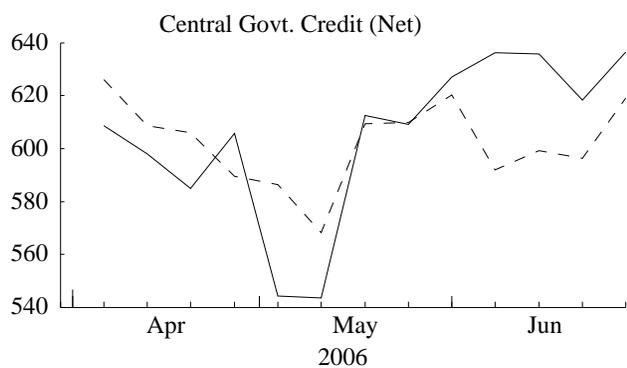
(B\$ Millions)



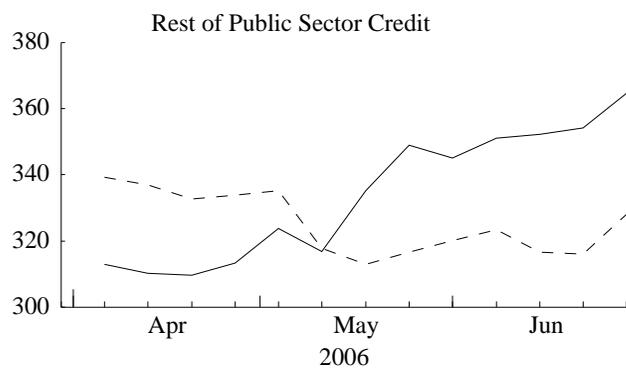
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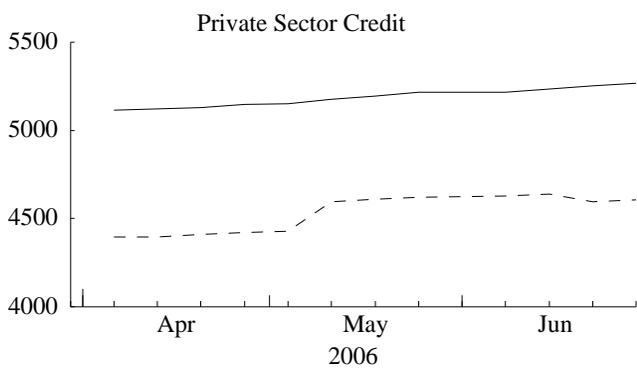
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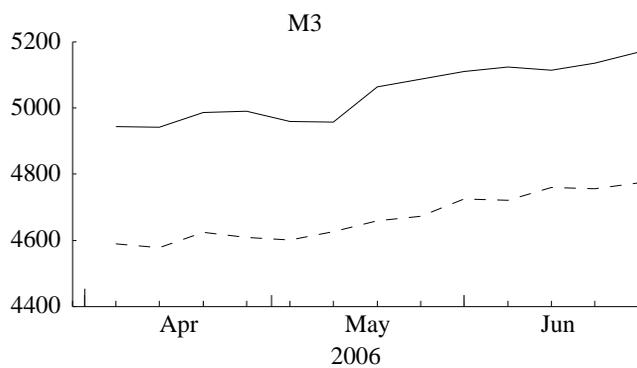
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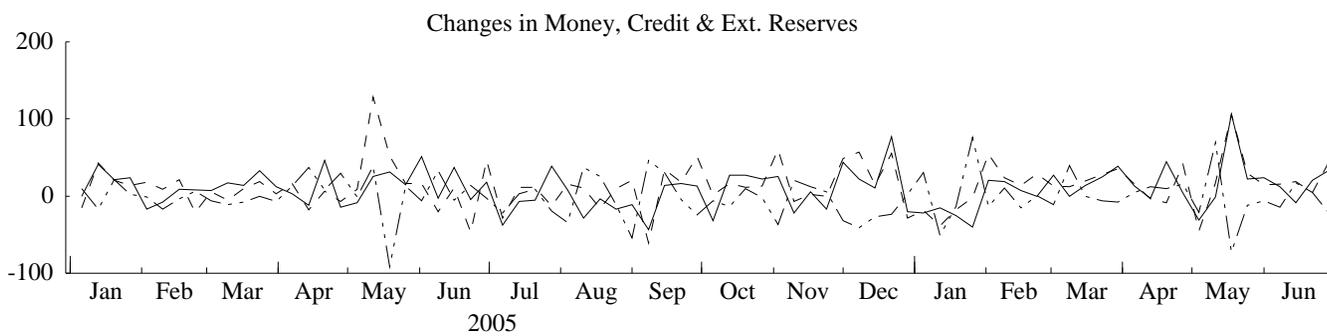
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— M3
- - - Domestic Credit
... External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2005	2006	2005	2006	2005	2006
Bahamas	3.5	3.5	2.2	n/a	10.2	n/a
United States	3.5	3.4	3.4	3.2	5.1	4.9
Euro-Area	1.3	2.0	2.2	2.1	8.6	8.3
<i>Germany</i>	<i>0.9</i>	<i>1.3</i>	<i>1.9</i>	<i>1.8</i>	<i>9.1</i>	<i>8.7</i>
Japan	2.7	2.8	-0.3	0.3	4.4	4.1
United Kingdom	1.8	2.5	2.1	1.9	4.8	4.9
Canada	2.9	3.1	2.2	1.8	6.8	6.6
<i>Sources: IMF World Economic Outlook , April 2006</i>						

B: Official Interest Rates - Selected Countries (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
April 2005	5.25	2.00	3.75	2.75	4.75
May 2005	5.25	2.00	4.00	3.00	4.75
June 2005	5.25	2.00	4.25	3.25	4.75
July 2005	5.25	2.00	4.25	3.25	4.75
August 2005	5.25	2.00	4.50	3.50	4.50
September 2005	5.25	2.00	4.75	3.75	4.50
October 2005	5.25	2.00	4.75	3.75	4.50
November 2005	5.25	2.00	5.00	4.00	4.50
December 2005	5.25	2.25	5.25	4.25	4.50
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Jun-05	May-06	Jun-06	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8259	0.7808	0.7819	0.1	-5.0	-5.2
Yen	110.92	112.65	114.42	1.6	-2.4	1.7
Pound	0.5582	0.5348	0.5410	1.2	-3.7	-4.9
Canadian \$	1.2251	1.1016	1.1163	1.3	-2.0	-8.7
Swiss Franc	1.2814	1.2192	1.2232	0.3	-4.3	-5.1

Source: Bloomberg June 30, 2006

D. Selected Commodity Prices (\$)					
Commodity	June 2005	May 2006	June 2006	Mthly % Change	YTD % Change
Gold / Ounce	435.50	645.2	615.85	-4.5	8.3
Silver / Ounce	7.05	12.54	11.10	-11.5	12.8
Oil / Barrel	56.52	71.50	72.44	1.31	9.5

Source: Bloomberg June 30, 2006

E. Equity Market Valuations – June 2006 (%chg)							
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225
1 month	1.14	-0.16	0.57	1.91	0.73	-0.17	0.24
3 month	4.19	-1.91	-2.77	-3.15	-4.29	-5.43	-8.29
YTD	11.86	2.65	-0.33	1.27	0.36	0.16	-6.87
12-month	27.27	4.79	3.44	10.43	11.55	16.31	30.30

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	5.25	4.53	2.77
1 Month	5.31	4.60	2.84
3 Month	5.45	4.63	3.04
6 Month	5.48	4.69	3.22
9 Month	5.61	4.78	3.39
1 year	5.58	4.88	3.50

Source: Bloomberg, as at June 30, 2006

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE												CHANGE					
	May. 03	May. 10	May. 17	May. 24	May. 31	Jun. 07	Jun. 14	Jun. 21	Jun. 28	May. 03	May. 10	May. 17	May. 24	May. 31	Jun. 07	Jun. 14	Jun. 21	Jun. 28
I. External Reserves	654.88	663.87	664.13	661.54	663.61	666.58	663.49	659.54	653.44	6.99	9.00	0.26	-2.59	2.07	2.96	-3.09	-3.95	-6.10
II. Net Domestic Assets (A + B + C + D)	-23.08	30.33	-35.75	-49.63	-40.89	-60.41	-47.50	-40.40	-47.00	-24.41	53.40	-66.08	-13.88	8.74	-19.53	12.91	7.10	-6.60
A. Net Credit to Gov^t(i + ii + iii - iv)	94.25	143.87	144.08	126.07	129.49	130.50	129.78	129.51	128.02	-28.71	49.62	0.21	-18.01	3.42	1.01	-0.72	-0.27	-1.48
i) Advances	76.99	76.99	76.99	61.99	61.99	61.99	61.99	61.99	61.99	0.00	0.00	0.00	-15.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	73.20	75.70	75.67	76.19	75.94	75.93	75.85	75.85	75.50	0.01	2.50	-0.03	0.52	-0.25	-0.02	-0.08	0.01	-0.36
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	55.93	8.81	8.58	12.11	8.45	7.41	8.06	8.34	9.46	28.72	-47.12	-0.24	3.53	-3.66	-1.03	0.65	0.28	1.13
B. Rest of Public Sector (Net) (i + ii - iii)	-19.14	-15.99	-79.15	-77.58	-74.29	-96.66	-78.90	-77.32	-83.54	-2.37	3.14	-63.16	1.57	3.29	-22.37	17.75	1.59	-6.22
i) BDB Loans	7.16	7.16	7.16	7.16	7.16	7.16	7.16	7.16	7.16	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	26.30	23.15	86.31	84.74	81.45	103.82	86.07	84.48	90.70	2.37	-3.14	63.16	-1.57	-3.29	22.37	-17.75	-1.59	6.22
C. Loans to/Deposits with Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D. Other Items (Net)*	-98.19	-97.55	-100.69	-98.12	-96.09	-94.26	-98.37	-92.59	-91.49	6.68	0.64	-3.14	2.56	2.03	1.83	-4.12	5.78	1.11
III. Monetary Base	631.80	694.20	628.38	611.91	622.73	606.16	615.99	619.14	606.44	-17.42	62.40	-65.82	-16.47	10.81	-16.56	9.83	3.15	-12.70
A. Currency in Circulation	258.18	251.73	247.42	248.92	265.26	269.50	260.87	255.08	257.70	3.97	-6.45	-4.31	1.50	16.34	4.24	-8.63	-5.79	2.62
B. Bank Balances with CBOB	373.62	442.47	380.96	362.99	357.46	336.66	355.12	364.06	348.74	-21.39	68.85	-61.51	-17.97	-5.53	-20.80	18.45	8.94	-15.32

* 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				
	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006			
Fiscal Operations:																													
1. Government Revenue & Grants % change	73.8 -42.1%	90.6 -30.76%	78.7 6.59%	94.7 4.52%	60.5 -23.15%	86.6 -8.33%	74.5 23.88%	79.9 -7.74%	92.3 23.92%	92.3 23.92%	103.0 28.90%	85.351 -7.53%	90.587 -12.02%	87.05 1.99%	111.1 22.67%	75.6 -13.17%	102.0 -8.18%	91.7 21.31%	98.4 7.28%	103.2 11.30%	92.617 -5.84%	121.902 11.65%							
2. Import Duties % change	24.258 -56.60%	34.324 -29.08%	31.752 30.89%	37.387 8.92%	24.3 -23.39%	32.7 -12.58%	31.4 29.26%	31.5 -3.54%	28.672 -8.81%	28.672 -8.81%	42.368 34.38%	18.115 -36.92%	31.846 -24.83%	64.667 256.98%	45.1 41.50%	30.827 -52.33%	41.293 -8.36%	32.9 6.02%	42.5 2.90%	38.098 15.92%	35.021 -8.08%	44.4 20.21%							
3. Recurrent Expenditure % change	81.0 19.0%	84.7 -13.61%	78.0 -3.71%	91.6 8.11%	81.9 5.00%	84.5 -7.75%	85.3 4.17%	93.1 10.16%	82.9 -2.83%	82.9 -2.83%	98.0 5.26%	76.3 -7.92%	95.2 -2.88%	90.6 18.70%	98.7 3.60%	89.1 -1.63%	96.2 -2.46%	81.0 -9.10%	95.0 17.27%	91.1 -2.03%	93.2 -1.91%	94.3 3.54%							
4. Capital Expenditure % change	1.6 -87.68%	5.5 -83.00%	3.8 137.70%	6.0 9.66%	5.1 34.42%	14.9 147.60%	3.7 -27.88%	7.4 -50.53%	5.7 53.99%	5.7 53.99%	6.8 -7.83%	23.288 23.288%	9.4 38.13%	3.3 -52.09%	6.6 -29.79%	7.4 122.19%	11.3 71.90%	4.5 -39.09%	13.4 18.02%	7.6 68.12%	7.3 -45.06%	7.964 4.53%	12.0 61.62%						
5. Deficit/Supplus* % change	-12.0 -127.65%	0.3 -101.10%	-6.9 -42.67%	-4.0 -147.11%	-28.4 311.36%	-16.6 314.11%	-17.1 -39.53%	-24.5 47.54%	1.2 -107.64%	1.2 -107.64%	-5.6 -76.95%	-20.6 -1808.20%	-20.6 265.23%	-12.8 -37.97%	0.0 -99.99%	0.0 83.48%	-23.5 ###	3.0 -172.88%	-13.7 45.92%	-8.9 -394.84%	4.9 -136.01%	-18.0 102.13%	4.8 -1.99%						

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	
Debt: **																											
6. Total Debt % change	2,097.9 0.00%	2,309.2 3.31%	2,097.8 0.00%	2,310.0 0.03%	2,096.7 -0.05%	2,290.4 -0.85%	2,135.8 1.86%	2,290.7 0.02%	2,126.9 -0.42%	2,126.9 -0.42%	2,316.9 1.14%	2,168.2 1.94%	2,316.8 -0.01%														
7. External Debt % change	284.6 0.00%	286.5 0.67%	284.5 -0.03%	287.3 0.27%	284.4 -0.04%	287.7 0.13%	283.5 -0.33%	286.3 0.48%	284.6 0.39%	284.6 0.39%	286.3 0.00%	284.5 -0.05%	286.2 -0.04%														
8. Internal F/C Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	0.0	0.0	2.5	0.0	2.5														
9. Bahamian Dollar Debt % change	1,813.3 0.00%	2,022.7 3.80%	1,813.3 0.00%	2,022.7 0.00%	1,812.3 -0.05%	2,002.7 -0.99%	1,852.3 2.21%	2,002.2 -0.02%	1,842.3 -0.54%	1,842.3 -0.54%	2,028.1 1.29%	1,883.7 2.25%	2,028.1 0.00%														
10. Total Amortization	0.0	1.0	10.1	0.1	10.1	20.6	0.9	1.9	10.0	10.0	26.6	25.1	0.1														

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	
11. Total Public Sector F/C Debt	575.4 -33.85%	547.1 -4.71%	575.7 0.05%	547.9 -4.83%	574.9 -0.13%	570.8 -0.72%	558.5 -2.85%	568.9 -0.34%	559.9 0.25%	559.9 0.25%	595.6 4.69%	553.8 -1.08%	590.4 -0.88%														

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	
Real Sector Indicators																											
12. Retail Price Index % change	116.3 1.10%	117.8 0.26%	118.4 0.10%	117.8 -0.01%	116.5 0.09%	117.8 0.02%	117.2 0.7%	118.9 1.0%	116.7 -0.5%	116.7 -0.5%	119.6 0.6%																
13. Tourist arrivals (000's) % change: over previous year	416.4 4.28%	388.4 -6.74%	417.3 7.46%	383.8 -5.64%	513.0 30.27%	503.5 -1.85%	495.9 -1.5%	496.9 0.2%																			
14. Air arrivals (000's) % change: over previous year	104.0 -3.35%	109.8 5.64%	125.6 14.36%	128.7 2.47%	165.3 28.45%	171.6 3.79%	145.4 -15.3%	159.3 9.6%																			
15. Occupied Room Nights % change: over previous year	170.9 -3.39%	187.7 9.84%	189.3 0.83%	202.0 6.70%	241.2 19.42%	241.5 0.14%	211.8 -12.32%	216.6 2.26%																			
16. Res. Mortgage Commitments-New Const. % change: over previous year					42.5 9.25%	54.5 7.88%																			42.5 128.35%	54.5 28.23%	

* Includes Net Lending to Public Corporations

** Debt figures pertain to central government only unless otherwise indicated

P = provisional

Annual TTD Retail Price data are averages.