



## **Monthly Economic and Financial Developments June 2005**

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:**

2005: August 29th, October 3rd, October 31st, November 28th

## **1. Domestic Economic Developments**

The Bahamian economy continued to strengthen during the first six months of 2005, with intensifying foreign investment inflows and healthy domestic housing investments offsetting the slowdown in tourism receipts. Exchange Control data on foreign currency outflows also point to increased domestic expenditures on imports, partly reflecting the impact of higher oil prices. Firming in domestic expenditures has been supported by more accelerated credit expansion, albeit, in the context of some moderation in banking sector deposit growth. While this slowed the first-half buildup in external reserves, the seasonal improvement in bank liquidity continued at the same pace as in 2004.

Tourism statistics indicated that, for the first five months of 2005, the abatement in visitor earnings was mainly attributed to a decline in visitor arrivals to Grand Bahama, where a major resort remained closed following the 2004 Hurricane Season. More upbeat trends registered in New Providence and the Family Islands, with output gains in the stopover segment offsetting mild softening in cruise traffic. In the fiscal sector, Government's revenue growth was marginally softened to 4.9% during the first 11 months of the fiscal year (2004/05) through May as compared to the same period of the previous fiscal year. The cumulative deficit increased to \$137.2 million (\$118 million on an adjusted basis) from \$85.9 million in the previous year as estimated expenditures rose at a faster pace of 9.9%, mainly owing to trends in recurrent outlays.

The economy's medium-term prospects remain favourable, with the expansion continuing to be concentrated in tourism, foreign investments and residential construction. This outlook is supported by the stable growth forecast for the US economy and improving conditions in other leading economies.

## **2. International Developments**

While growth prospects for the leading international economies remain strong, the pace of expansion has been hampered by increased oil prices, which had more noticeable impact on the pace of the recoveries in the Euro zone and Japan, respectively characterized by subdued demand and consumer confidence, and sluggish exports.

High energy costs also contributed to more sluggish growth in the US economy during the first half of the year, and an increase in underlying inflation expectations. Nevertheless, the Federal Reserve's Semi-Annual Report on Monetary Policy to the US Congress, presented by Chairman Greenspan, noted that the effects do not appear to be sustained, as employment growth was expected to continue, alongside a steady up-tick in household spending and business investments, in view of favourable financial market conditions including low interest rates. As for the labour markets, employment growth during June reduced the US unemployment rate to 5.0%, the lowest since August 2001.

The Federal Reserve continued to use "a measured pace" of interest rate tightening to sustain growth and price stability, increasing the primary credit and target funds interest rates by 25 basis points each to 4.25% and 3.25%, respectively in June, the ninth such increase since June 2004. While the rate increase stimulated some appreciation of the dollar against most major currencies, the dollar's outlook remained weak.

During June, OPEC increased its members oil production ceiling by 0.5 million (1.8%) to 28.0 million barrels per day. Nevertheless, the per barrel price for crude oil advanced to \$56.52 in June from \$50.50 in May, due to a rise in demand and market concerns about supply disruptions that could occur during the active hurricane season. With regards to precious metals, the price of gold increased by 4.4% to \$435.50 per ounce for the month, while the price for silver declined by 4.7% to \$7.05 per ounce.

### **3. Domestic Monetary and Credit Trends**

Monetary and credit developments for the month of June were marked by more significant growth in Bahamian dollar credit, compared to Bahamian dollar deposits. As a result, external reserves and the broader measure of bank liquidity declined. Accelerated Bahamian dollar credit expansion during the first six months of the year, although pacing behind more moderated Bahamian dollar deposit base growth, resulted in reduced gains in external reserves. However, the buildup in liquidity was evenly paced against 2004.

#### **June 2005 vs. 2004**

During June 2005, net maturities of Government securities held by banks boosted excess reserves by \$38.6 million to \$341.2 million, following the previous year's \$26.3 million decrease to \$220.4 million. Reflecting credit trends and seasonal net foreign currency outflows, banks' excess liquid assets declined by \$4.0 million to \$295.3 million—albeit less than 2003's contraction of \$30.6 million to \$212.1 million.

External reserves fell by \$21.6 million to \$768.9 million, contrasting with 2004's incremental rise to \$651.3 million. The Central Bank recorded net foreign currency sales of \$22.3 million, as compared to nearly balanced transactions in 2004. The net sale to commercial banks of \$2.7 million contrasted with a net purchase of \$7.6 million in 2004, while the net outflow through the public sector rose to \$19.7 million from \$6.7 million the previous year. As regard commercial banks, foreign currency transactions with the private sector produced a net sale of \$0.5 million in 2005 compared to a net purchase of \$4.7 million a year earlier, as total foreign currency sales grew faster than purchases.

During the month, Bahamian dollar credit expansion abated to \$38.1 million from \$50.2 million last year. Private sector credit growth strengthened to \$39.6 million from \$28.7 million, with both mortgages and consumer credit growth firming at \$23.4 million and \$10.8 million, respectively. Net credit to Government decreased by \$6.3 million, following expansion of \$16.6 million in 2004, while growth in credit to the rest of the public sector steadied at \$4.9 million.

Domestic foreign currency credit contracted by \$52.9 million, more than reversing 2004's rise of \$8.2 million. This was attributed to a \$56.7 million decline in claims on the private sector following growth of \$9.5 million in 2004. In contrast, advances to the public sector recovered by \$3.8 million relative to a \$1.3 million decrease in 2004.

Growth in Bahamian dollar deposits was almost one-third lower at \$34.4 million, as demand deposits contracted by \$1.1 million, after a \$41.6 million expansion in 2004. This outweighed more strengthened gains in fixed and savings deposits of \$19.7 million and \$15.8 million, respectively.

In interest rate developments, banks' weighted average deposit rate narrowed by 4 basis points to 3.07% in June. The highest rate offered was 5.0% for maturities of 1 month and between 6-12 months. Similarly, the weighted average loan rate softened by 18 basis points to 9.96%.

### *January - June 2005*

For the first half of 2005, excess reserves growth steadied at \$49.8 million and excess liquid assets gains were almost equivalent to the previous year's, at \$70.9 million.

External reserves expansion eased to \$104.2 million from \$169.2 million last year. The Central Bank's net foreign currency intake declined by 40.2% to \$95.9 million, with the 37.7% slackening in net intake from banks to \$132.3 million, outweighing a 29.9% reduction in net sales to the public sector to \$36.5 million. Similarly, commercial banks' net foreign currency intake from the private sector decreased by 35.9% to \$130.1 million, characterized by an 18.4% rise in total sales relative to a 10.3% growth in purchases. According to Exchange Control data, the increased gross foreign currency sales in the financial system was largely associated with outflows for current payments, which were most extended for merchandise and oil imports, factor income remittances and payments for "other" foreign services.

Bahamian dollar credit expansion firmed to \$222.4 million from \$170.7 million in 2004. In particular, private sector credit growth accelerated to \$160.5 million from \$101.8 million, with mortgages gains strengthened at \$118.1 million but growth in consumer credit moderately reduced to \$29.6 million. Conversely, growth in net credit to Government slackened to \$59.8 million from \$72.7 million in 2004, while credit to the rest of the public sector recovered marginally by \$2.1 million.

Domestic foreign currency credit growth strengthened considerably to \$107.4 million from \$22.7 million in 2004. As lending intensified for hotel sector developments, private sector credit expansion was nearly three-fold higher at \$122.6 million. Net claims on Government increased by \$2.4 million, following last year's decline of \$3.9 million. However, credit to the public corporations contracted further by \$17.6 million.

Growth in Bahamian dollar deposits slackened to \$297.7 million from \$354.2 million in 2004. The respective accretions to demand and fixed deposits were reduced to \$189.4 million and \$35.9 million, from \$205.5 million and \$86.3 million in 2004, outweighing a firming in savings deposits growth, to \$72.5 million from \$62.4 million last year.

## **4. Outlook**

The domestic economy is expected to continue to expand over the remainder of 2005, with growth stabilizing at a healthy level in the medium term. Although some uncertainty still exists over the timing of when Grand Bahama will resume its full participation in the tourism sector expansion, the industry should continue to enjoy robust support from the US and other external economies, owing to rising household incomes, pricing advantages from the weak US dollar, and the expansion in airline seat capacity from North America and Europe. The industry, however, will continue to contend with downside risks posed over the course of the Hurricane Season, and oscillating geopolitical tensions. Support from foreign investments should continue to intensify, with significant medium-term benefits to the construction sector, as more tourism developments come

on stream throughout The Bahamas, and the more relaxed credit conditions continue to support local housing developments. While prospects are still strong for continued growth in external reserves, the pace is expected to slow, alongside moderate easing in banking sector liquidity. In the fiscal sector, the Government remains in a stronger position to realize further revenue growth, albeit less buoyancy in the short-term, owing to the intensification of capital goods imports which are exempted from import taxes.

# Recent Monetary and Credit Statistics

(B\$ Millions)

<b>JUNE</b>					
Value		Change		Change YTD	
2004	2005	2004	2005	2004	2005

## 1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	220.38	341.18	-26.28	38.59	52.02	49.80
1.2 Excess Liquid Assets	212.09	295.30	-30.62	-3.99	75.06	70.86
1.3 External Reserves	651.27	768.86	0.96	-21.61	169.18	104.21
1.4 Bank's Net Foreign Assets	-596.21	-647.81	-19.25	68.90	-9.75	-58.06
1.5 Usable Reserves	308.87	334.75	0.63	-41.04	81.75	35.21

## 2.0 DOMESTIC CREDIT

<b>2.1 Private Sector</b>	<b>4,217.38</b>	<b>4,608.00</b>	<b>38.19</b>	<b>-17.18</b>	<b>145.89</b>	<b>283.07</b>
a. B\$ Credit	3,801.72	4,109.63	28.65	39.56	101.83	160.48
of which: Consumer Credit	1,414.59	1,510.10	3.61	10.76	34.29	29.63
Mortgages	1,534.53	1,754.81	13.69	23.35	101.70	118.11
b. F/C Credit	415.66	498.36	9.54	-56.74	44.05	122.59
of which: Mortgages	19.89	12.97	-0.13	0.26	9.24	1.19
<b>2.2 Central Government (net)</b>	<b>577.41</b>	<b>614.88</b>	<b>16.49</b>	<b>-5.50</b>	<b>68.81</b>	<b>62.20</b>
a. B\$ Loans & Securities	682.52	738.47	25.31	-0.66	81.51	85.37
Less Deposits	106.01	119.99	8.69	5.67	8.78	25.56
b. F/C Loans & Securities	2.64	0.00	0.00	0.00	-5.38	0.00
Less Deposits	1.74	3.61	0.13	-0.82	-1.46	-2.39
<b>2.3 Rest of Public Sector</b>	<b>347.40</b>	<b>328.05</b>	<b>3.72</b>	<b>7.88</b>	<b>-21.37</b>	<b>-15.48</b>
a. B\$ Credit	114.93	117.60	4.92	4.86	-3.90	2.14
b. F/C Credit	232.47	210.44	-1.20	3.02	-17.47	-17.63
<b>2.4 Total Domestic Credit</b>	<b>5,142.18</b>	<b>5,550.92</b>	<b>58.41</b>	<b>-14.81</b>	<b>193.33</b>	<b>329.79</b>
a. B\$ Domestic Credit	4,493.15	4,845.72	50.20	38.09	170.66	222.43
b. F/C Domestic Credit	649.03	705.20	8.21	-52.90	22.67	107.36

## 3.0 DEPOSIT BASE

3.1 Demand Deposits	945.48	1,150.13	41.59	-1.09	205.46	189.38
a. Central Bank	126.68	158.38	16.92	-3.53	107.28	76.00
b. Banks	818.81	991.75	24.67	2.44	98.18	113.38
3.2 Savings Deposits	740.85	853.84	7.38	15.81	62.43	72.46
3.3 Fixed Deposits	2,395.97	2,448.31	0.48	19.65	86.32	35.89
3.4 Total B\$ Deposits	4,082.30	4,452.28	49.45	34.37	354.21	297.73
3.5 F/C Deposits of Residents	102.21	142.42	-7.91	7.98	4.45	56.38
<b>3.6 M2</b>	<b>4,243.29</b>	<b>4,626.72</b>	<b>54.60</b>	<b>35.99</b>	<b>354.91</b>	<b>290.73</b>
<b>3.7 External Reserves/M2 (%)</b>	<b>15.35</b>	<b>16.62</b>	<b>-0.18</b>	<b>-0.60</b>	<b>2.95</b>	<b>1.29</b>
	Value		Year to Date		Change	
	2004	2005	2004	2005	Month	YTD

## 4.0 FOREIGN EXCHANGE TRANSACTIONS

<b>4.1 Central Bank Net Purchase/(Sale)</b>	<b>0.86</b>	<b>-22.33</b>	<b>160.30</b>	<b>95.86</b>	<b>-23.19</b>	<b>-64.44</b>
a. Net Purchase/(Sale) from/to Banks	7.56	-2.68	212.33	132.32	-10.24	-80.01
i. Sales to Banks	26.34	37.59	147.52	161.48	11.25	13.96
ii. Purchases from Banks	33.90	34.91	359.85	293.80	1.01	-66.05
b. Net Purchase/(Sale) from/to Others	-6.70	-19.65	-52.03	-36.46	-12.95	15.57
i. Sales to Others	18.68	29.08	127.51	160.47	10.41	32.96
ii. Purchases from Others	11.97	9.43	75.49	124.01	-2.54	48.53
<b>4.2 Banks Net Purchase/(Sale)</b>	<b>4.70</b>	<b>-0.51</b>	<b>202.97</b>	<b>130.14</b>	<b>-5.20</b>	<b>-72.83</b>
a. Sales to Customers	187.51	221.38	1,162.78	1,376.81	33.87	214.03
b. Purchases from Customers	192.21	220.87	1,365.75	1,506.95	28.66	141.21
<b>4.3 B\$ Position (change)</b>	<b>-1.34</b>	<b>-2.63</b>				

## 5.0 EXCHANGE CONTROL SALES

<b>5.1 Current Items</b>	<b>182.48</b>	<b>255.33</b>	<b>1,098.67</b>	<b>1,426.50</b>	<b>72.85</b>	<b>327.83</b>
of which Public Sector	<b>24.76</b>	<b>31.17</b>	<b>135.18</b>	<b>179.45</b>	<b>6.41</b>	<b>44.28</b>
a. Nonoil Imports	93.57	127.72	544.86	698.67	34.15	153.80
b. Oil Imports	16.73	34.54	97.37	148.00	17.81	50.63
c. Travel	14.19	19.63	86.64	105.88	5.44	19.24
d. Factor Income	4.41	15.45	50.58	103.11	11.04	52.54
e. Transfers	4.02	6.74	29.32	41.32	2.73	11.99
f. Other Current Items	49.56	51.25	289.89	329.52	1.69	39.63
<b>5.2 Capital Items</b>	<b>9.71</b>	<b>20.49</b>	<b>73.41</b>	<b>95.38</b>	<b>10.78</b>	<b>21.97</b>
of which Public Sector	<b>5.80</b>	<b>9.00</b>	<b>23.09</b>	<b>21.04</b>	<b>3.20</b>	<b>-2.05</b>
<b>5.3 Bank Remittances</b>	<b>0.00</b>	<b>6.80</b>	<b>48.51</b>	<b>63.70</b>	<b>6.80</b>	<b>15.19</b>

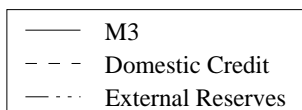
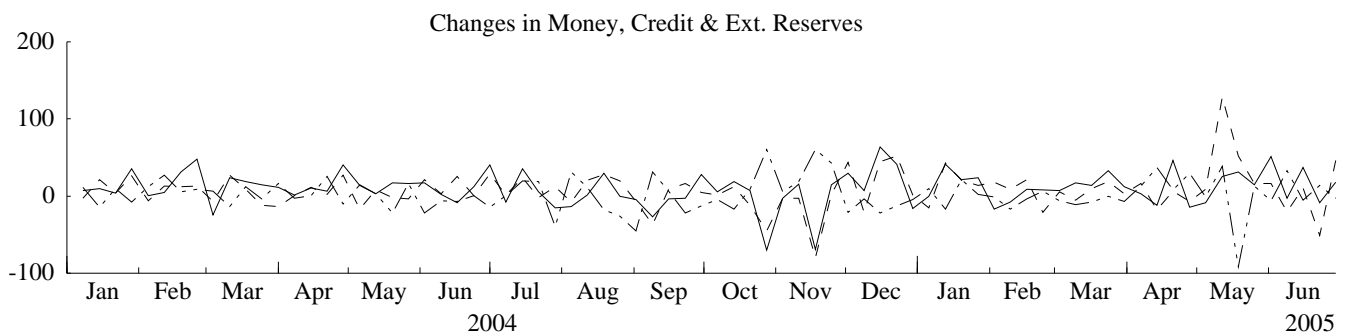
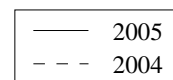
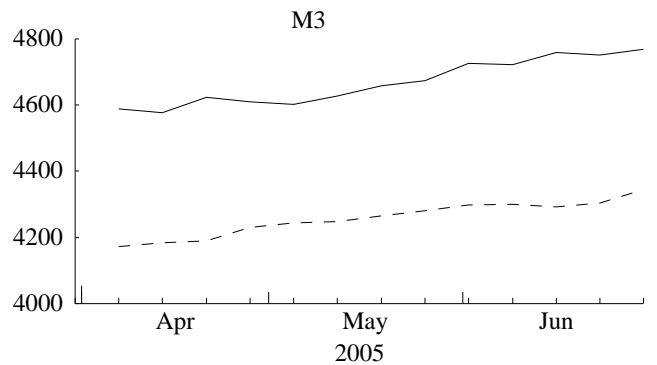
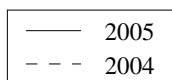
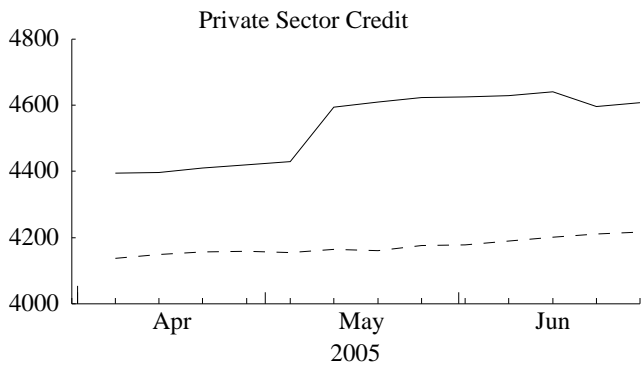
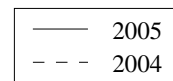
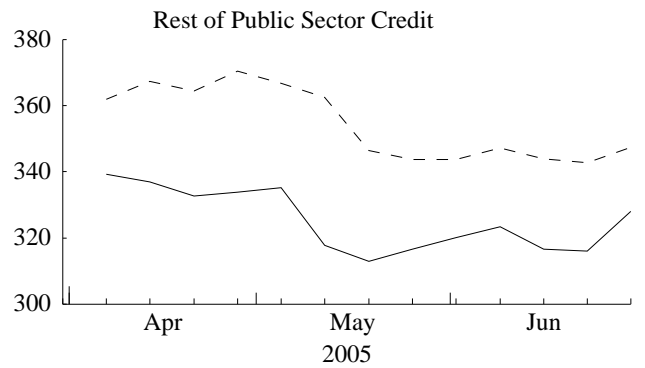
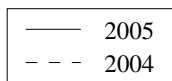
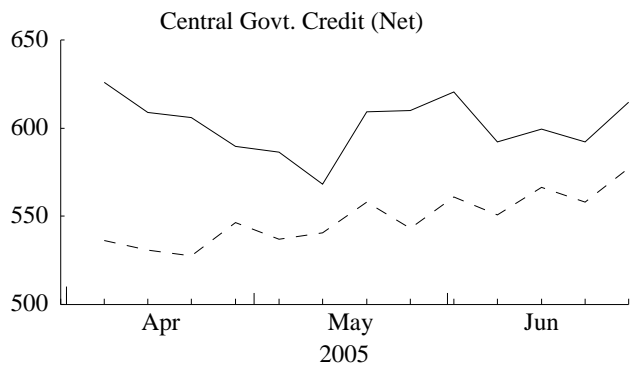
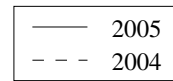
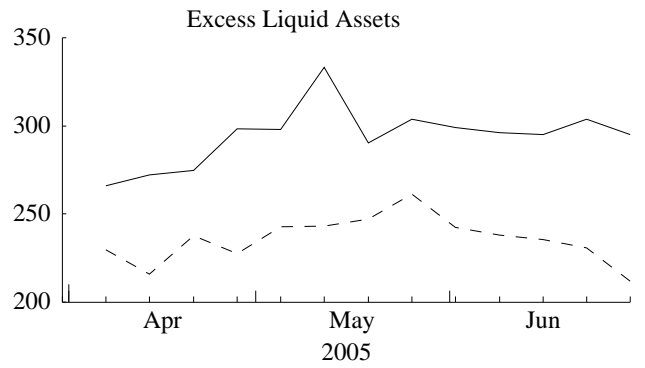
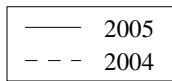
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: JUNE 30, 2004 and JUNE 29, 2005

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)



## Selected International Statistics

<b>A: Selected Macroeconomic Projections</b> (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2005	2006	2005	2006	2005	2006
Bahamas	3.5	3.5	n/a	n/a	n/a	n/a
United States	3.6	3.6	2.7	2.4	5.3	5.2
Euro-Area	1.6	2.3	1.9	1.7	8.7	8.4
<i>Germany</i>	<i>0.8</i>	<i>1.9</i>	<i>1.5</i>	<i>1.2</i>	<i>9.4</i>	<i>9.2</i>
Japan	0.8	1.9	-0.2	-0.0	4.5	4.4
United Kingdom	2.6	2.6	1.7	2.0	4.7	4.7
Canada	2.8	3.0	2.1	1.9	7.2	7.1
<i>Sources: IMF World Economic Outlook ,April 2005</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 2004	5.75	2.00	2.00	1.00	4.00
February 2004	5.75	2.00	2.00	1.00	4.00
March 2004	5.75	2.00	2.00	1.00	4.00
April 2004	5.75	2.00	2.00	1.00	4.25
May 2004	5.75	2.00	2.00	1.00	4.50
June 2004	5.75	2.00	2.25	1.25	4.50
July 2004	5.75	2.00	2.25	1.25	4.75
August 2004	5.75	2.00	2.50	1.50	4.75
September 2004	5.75	2.00	2.75	1.75	4.75
October 2004	5.75	2.00	2.75	1.75	4.75
November 2004	5.75	2.00	3.00	2.00	4.75
December 2004	5.75	2.00	3.25	2.25	4.75
January 2005	5.75	2.00	3.25	2.25	4.75
February 2005	5.25	2.00	3.50	2.50	4.75
March 2005	5.25	2.00	3.75	2.75	4.75
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



## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
<b>Currency</b>	<b>June-04</b>	<b>May-05</b>	<b>June-05</b>	<b>Mthly % Change</b>	<b>YTD % Change</b>	<b>12-Mth% Change</b>
Euro	0.820	0.813	0.826	1.6	7.7	0.8
Yen	108.77	108.57	110.92	2.2	7.0	2.0
Pound	0.549	0.550	0.558	1.4	-27.2	1.6
Canadian \$	1.3328	1.2548	1.2251	-2.4	59.7	-8.1
Swiss Franc	1.2487	1.2483	1.2814	2.7	67.1	2.6

*Source: Bloomberg*

<b>D. Selected Commodity Prices (\$)</b>					
<b>Commodity</b>	<b>June 2004</b>	<b>May 2005</b>	<b>June 2005</b>	<b>Mthly % Change</b>	<b>YTD % Change</b>
Gold / Ounce	394.25	417.25	435.50	4.37	3.05
Silver / Ounce	5.77	7.40	7.05	-4.73	4.91
Oil / Barrel	33.45	50.50	56.52	11.92	23.87

*Source: Bloomberg*

<b>E. Equity Market Valuations – June 2005 (%chg)</b>							
	<b>BISX</b>	<b>DJIA</b>	<b>S&amp;P 500</b>	<b>FTSE 100</b>	<b>CAC 40</b>	<b>DAX</b>	<b>Nikkei 225</b>
1 month	1.82	-1.84	0.34	3.01	2.64	2.82	2.73
3 month	6.49	0.81	3.19	6.49	8.12	9.59	5.22
YTD	12.88	-2.05	0.83	5.38	8.12	7.79	1.72
12-month	20.63	-1.54	4.79	14.54	13.30	13.17	-2.32

*Sources: Bloomberg and BISX*

<b>F: Short Term Deposit Rates in Selected Currencies (%)</b>			
	<b>USD</b>	<b>GBP</b>	<b>EUR</b>
<b>o/n</b>	3.35	4.65	2.13
<b>1 Month</b>	3.28	4.73	2.07
<b>3 Month</b>	3.47	4.64	2.07
<b>6 Month</b>	3.65	4.48	2.06
<b>9 Month</b>	3.69	4.40	1.99
<b>1 year</b>	3.76	4.34	1.98

*Source: Bloomberg, as at June 30, 2005*

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

	VALUE												CHANGE					
	May. 04	May. 11	May. 18	May. 25	Jun. 01	Jun. 08	Jun. 15	Jun. 22	Jun. 29	May. 04	May. 11	May. 18	May. 25	Jun. 01	Jun. 08	Jun. 15	Jun. 22	Jun. 29
<b>I. External Reserves</b>	738.22	784.74	794.54	798.40	790.47	793.72	789.63	796.74	768.86	0.72	46.51	9.81	3.86	-7.94	3.25	-4.09	7.11	-27.88
<b>II. Net Domestic Assets (A + B + C + D)</b>	-46.56	-61.39	-157.36	-151.16	-137.17	-111.69	-114.57	-111.96	-74.70	1.02	-14.83	-95.97	6.20	13.98	25.48	-2.88	2.61	37.26
<b>A. Net Credit to Gov't (i + ii + iii - iv)</b>	140.71	139.96	137.31	137.06	136.89	136.33	133.57	132.54	174.79	-1.17	-0.76	-2.65	-0.25	-0.17	-0.56	-2.76	-1.03	42.26
i) Advances	76.99	76.99	76.99	76.99	76.99	76.99	76.99	76.99	76.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	74.35	74.11	74.01	73.92	73.61	73.47	73.18	72.77	113.05	-0.15	-0.24	-0.10	-0.09	-0.31	-0.14	-0.29	-0.42	40.28
iii) Treasury Bills	3.07	3.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-3.07	0.00	0.00	0.00	0.00	0.00	0.00
iv) Deposits	13.70	14.21	13.70	13.85	13.71	14.13	16.60	17.22	15.24	1.03	0.51	-0.51	0.15	-0.14	0.42	2.47	0.61	-1.97
<b>B. Rest of Public Sector (Net) (i + ii - iii)</b>	-93.91	-102.44	-149.87	-153.56	-154.48	-149.52	-149.35	-146.43	-150.95	1.81	-8.54	-47.42	-3.70	-0.92	4.96	0.17	2.92	-4.52
i) BDB Loans	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	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	101.35	109.88	157.30	161.00	161.92	156.96	156.79	153.87	158.38	-1.81	8.54	47.42	3.70	0.92	-4.96	-0.17	-2.92	4.52
<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>	-93.37	-98.91	-144.80	-134.65	-119.58	-98.50	-98.78	-98.06	-98.54	0.38	-5.54	-45.89	10.15	15.07	21.08	-0.28	0.72	-0.48
<b>III. Monetary Base</b>	691.66	723.34	637.18	647.25	653.30	682.03	675.06	684.78	694.17	1.74	31.69	-86.16	10.06	6.05	28.73	-6.97	9.72	9.38
A. Currency in Circulation	231.51	230.19	226.91	227.21	237.88	236.81	230.37	226.82	236.04	1.57	-1.32	-3.28	0.30	10.67	-1.07	-6.44	-3.55	9.22
B. Bank Balances with CBOB	460.15	493.16	410.28	420.04	415.41	445.22	444.69	457.96	458.13	0.17	33.01	-82.88	9.76	-4.63	29.81	-0.53	13.27	0.16

\* 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			
	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005		
<b>Fiscal Operations</b>																												
1. Government Revenue & Grants % change	69.8 -10.74%	73.6 -0.86%	69.2 -0.86%	77.4 5.16%	59.9 -22.61%	78.5 13.44%	71.3 19.08%	71.3 19.08%	72.5 7.25%	72.5 7.25%	97.5 36.73%	91.1 -12.51%	85.3 -24.04%	69.2 -24.04%	87.1 2.11%	71.6 3.47%	112.5 57.12%	112.5 57.12%	91.7 21.30%	91.7 21.30%	98.4 7.31%	98.4 7.31%	90.6 20.80%	90.6 20.80%	92.6 -5.89%	92.6 -5.89%	867.6 5.36%	910.4 4.93%
2. Import Duties % change	28.7 -66.00%	24.3 -56.53%	24.3 -56.53%	31.8 30.86%	24.3 -4.03%	33.3 38.60%	31.4 -1.20%	31.4 -1.20%	29.2 -11.25%	29.2 -11.25%	28.7 -8.60%	31.6 -36.93%	18.1 -57.59%	13.4 -57.59%	64.7 257.46%	26.9 100.75%	30.8 52.40%	30.8 52.40%	32.9 6.82%	32.9 6.82%	38.1 15.81%	38.1 15.81%	33.2 2.79%	33.2 2.79%	35.0 -8.14%	35.0 -8.14%	327.2 -2.82%	360.1 10.06%
3. Recurrent Expenditure % change	72.5 -52.58%	81.0 19.12%	71.1 -1.93%	78.1 3.58%	81.6 4.48%	79.0 11.11%	85.9 5.27%	85.9 5.27%	77.9 -4.06%	77.9 -4.06%	82.3 -4.19%	80.8 16.28%	95.7 3.72%	84.9 5.07%	90.6 -5.33%	74.8 -11.90%	89.1 19.92%	89.1 19.92%	81.0 -9.09%	81.0 -9.09%	94.9 17.16%	94.9 17.16%	72.6 -13.05%	72.6 -13.05%	86.4 -8.96%	86.4 -8.96%	888.0 7.19%	946.6 9.06%
4. Capital Expenditure % change	0.6 -96.72%	1.6 -87.60%	4.5 650.00%	3.8 137.50%	2.9 -35.56%	5.1 34.21%	3.7 -27.45%	3.7 -27.45%	3.8 46.48%	3.8 46.48%	5.7 54.05%	5.1 34.21%	7.0 22.81%	8.0 56.86%	3.3 -52.86%	6.0 25.00%	7.4 124.24%	7.4 124.24%	4.5 -39.19%	4.5 -39.19%	7.6 68.89%	7.6 68.89%	5.7 -18.57%	5.7 -18.57%	8.0 5.26%	8.0 5.26%	55.9 -14.66%	57.7 3.22%
5. Deficits/Surplus* % change	-6.9 -93.20%	-12.3 -128.28%	-8.3 20.29%	-8.4 -31.71%	-4.4 -46.99%	-28.6 240.48%	-23.4 431.82%	-23.4 431.82%	-11.5 -50.85%	-11.5 -50.85%	7.0 -133.33%	1.4 -112.17%	-20.6 -394.29%	-27.8 -2085.71%	-12.8 -37.86%	-11.5 -58.63%	-23.5 83.59%	-23.5 83.59%	15.1 -112.77%	15.1 -112.77%	-8.8 -393.33%	-8.8 -393.33%	9.2 -151.98%	9.2 -151.98%	-11.3 -28.41%	-11.3 -28.41%	-85.8 3.00%	-137.3 60.02%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE			
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005		
<b>Debt **</b>																												
6. Total Debt % change	1,939.1 -0.09%	2,103.1 0.00%	1,961.1 1.13%	2,103.1 0.00%	1,940.7 -1.04%	2,101.7 -0.06%	1,942.2 0.08%	2,140.7 1.86%	1,943.3 0.06%	2,131.8 -0.42%	1,943.2 -0.01%	2,173.1 1.93%	1,943.2 -0.01%	2,173.1 1.93%	1,943.2 -0.01%	2,173.1 1.93%	1,943.2 -0.01%	2,173.1 1.93%	1,943.2 -0.01%	2,173.1 1.93%	1,943.2 -0.01%	2,173.1 1.93%	1,943.2 -0.01%	2,173.1 1.93%	1,943.2 -0.01%	2,173.1 1.93%	1,943.2 -0.01%	2,173.1 1.93%
7. External Debt % change	291.5 -0.57%	289.8 0.00%	290.2 -0.44%	289.8 -0.03%	289.8 -0.13%	289.4 -0.13%	291.3 0.52%	288.4 -0.35%	292.4 0.38%	289.5 0.39%	292.3 -0.04%	289.4 -0.04%	292.3 -0.04%	289.4 -0.04%	292.3 -0.04%	289.4 -0.04%	292.3 -0.04%	289.4 -0.04%	292.3 -0.04%	289.4 -0.04%	292.3 -0.04%	289.4 -0.04%	292.3 -0.04%	289.4 -0.04%	292.3 -0.04%	289.4 -0.04%	292.3 -0.04%	
8. Internal F/C Debt % change	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%	0.0 0.00%		
9. Bahamian Dollar Debt % change	1,647.6 0.00%	1,813.3 0.00%	1,670.9 1.41%	1,813.3 0.00%	1,650.9 -1.20%	1,812.3 -0.05%	1,650.9 0.00%	1,852.3 2.21%	1,650.9 0.00%	1,842.3 -0.54%	1,650.9 0.00%	1,883.7 2.25%	1,650.9 0.00%	1,883.7 2.25%	1,650.9 0.00%	1,883.7 2.25%	1,650.9 0.00%	1,883.7 2.25%	1,650.9 0.00%	1,883.7 2.25%	1,650.9 0.00%	1,883.7 2.25%	1,650.9 0.00%	1,883.7 2.25%	1,650.9 0.00%	1,883.7 2.25%	1,650.9 0.00%	1,883.7 2.25%
10. Total Amortization % change	1.8 -90.39%	0.0 -27.97%	1.3 -27.97%	10.1 6.86%	20.4 1481.30%	10.4 2.87%	1.0 -95.32%	1.0 -95.32%	0.0 -100.00%	10.0 899.59%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%	0.1 151.20%
<b>11. Total Public Sector F/C Debt</b>	593.7 -0.88%	560.5 -0.44%	590.5 -0.53%	560.8 -5.04%	589.7 -0.14%	558.9 -5.24%	589.2 -0.10%	559.0 0.08%	587.3 -0.32%	561.2 0.39%	577.4 -1.68%	554.9 -1.13%	577.4 -1.68%	554.9 -1.13%	577.4 -1.68%	554.9 -1.13%	577.4 -1.68%	554.9 -1.13%	577.4 -1.68%	554.9 -1.13%	577.4 -1.68%	554.9 -1.13%	577.4 -1.68%	554.9 -1.13%	577.4 -1.68%	554.9 -1.13%	577.4 -1.68%	554.9 -1.13%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE			
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005		
<b>Real Sector Indicators</b>																												
12. Retail Price Index % change	114.4 -0.57%	115.3 0.26%	114.5 0.13%	115.5 0.17%	114.5 0.00%	115.6 0.09%	114.6 0.1%	116.3 0.6%	114.7 0.1%	116.7 0.3%	114.7 0.0%	116.8 0.1%	114.7 0.0%	116.8 0.1%	114.7 0.0%	116.8 0.1%	114.7 0.0%	116.8 0.1%	114.7 0.0%	116.8 0.1%	114.7 0.0%	116.8 0.1%	114.7 0.0%	116.8 0.1%	114.7 0.0%	116.8 0.1%	114.7 0.0%	116.8 0.1%
13. Tourist arrivals (000's) % change; over previous year	397.2 4.55%	414.2 4.28%	429.0 11.63%	420.3 -2.03%	566.6 34.81%	517.2 -8.72%	547.0 5.8%	493.3 -9.8%	428.9 -13.1%	397.7 -7.3%	428.9 -13.1%	397.7 -7.3%	428.9 -13.1%	397.7 -7.3%	428.9 -13.1%	397.7 -7.3%	428.9 -13.1%	397.7 -7.3%	428.9 -13.1%	397.7 -7.3%	428.9 -13.1%	397.7 -7.3%	428.9 -13.1%	397.7 -7.3%	428.9 -13.1%	397.7 -7.3%	428.9 -13.1%	397.7 -7.3%
14. Air arrivals (000's) % change; over previous year	107.6 4.47%	103.9 -3.44%	135.8 12.79%	125.6 -7.51%	168.6 34.24%	165.3 -1.96%	161.5 -2.3%	145.4 -10.0%	132.6 -8.8%	136.6 3.0%	132.6 -8.8%	136.6 3.0%	132.6 -8.8%	136.6 3.0%	132.6 -8.8%	136.6 3.0%	132.6 -8.8%	136.6 3.0%	132.6 -8.8%	136.6 3.0%	132.6 -8.8%	136.6 3.0%	132.6 -8.8%	136.6 3.0%	132.6 -8.8%	136.6 3.0%	132.6 -8.8%	136.6 3.0%
15. Occupied Room Nights % change; over previous year	176.9 12.31%	170.9 -3.39%	207.9 17.03%	189.1 -9.04%	255.2 34.96%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%	241.0 -5.56%
16. Res. Mortgage Commitments-New Const. % change; over previous qtr.	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%	18.6 -3.48%	42.5 43.52%

\*\* debt figures pertain to central government only unless otherwise indicated

Annual Y-T-D Retail Price data are averages.