Release Date: 1st March 2021

Monthly Economic and Financial Developments
January 2021

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:

2021: March 29; May 3; May 31; June 28; July 30; August 30; October 4; November 1; November 29; December 20

Monthly Economic and Financial Developments (MEFD)
January 2021

1. *Domestic Economic Developments*

Overview

Domestic economic activity during the month of January continued to be largely impacted by the ongoing Novel Coronavirus (COVID-19) pandemic. Tourism sector output remained contracted, as widespread containment measures dampened the high value-added air component, and the dominant sea segment remained suspended. However, foreign investment-led projects, combined with post hurricane rebuilding works, provided some impetus to the construction sector. In price developments, the domestic inflation rate narrowed sharply during the twelve months to December 2020, underpinned by a reduction in fuel costs. On the fiscal front, the overall deficit widened considerably during the first six months of FY2020/21, as the fallout associated with COVID-19 and Hurricane Dorian, resulted in a reduction in total revenue and a significant rise in aggregate expenditure. In the monetary sector, the narrow measures of bank liquidity improved, as domestic credit expansion trailed the moderated gains in the deposit base. However, external reserves contracted, owing in large measure to the decline in foreign currency inflow from real sector activities.

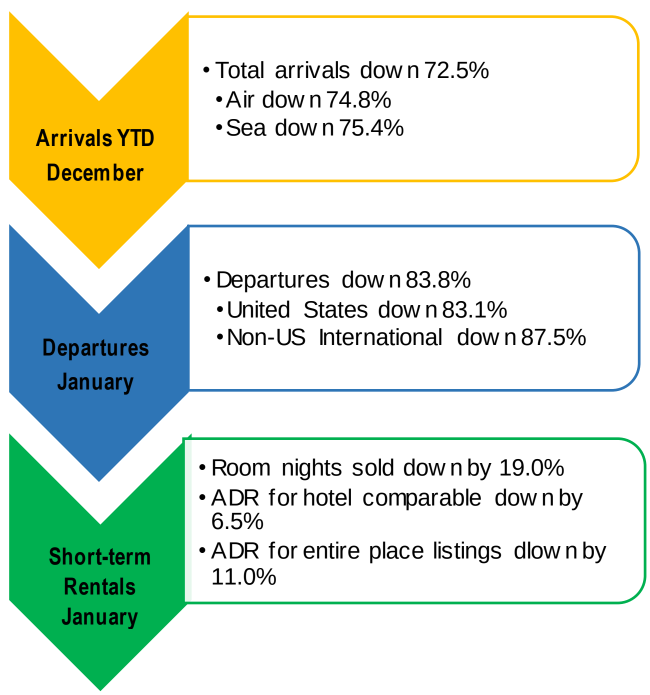
Real Sector

Tourism

Preliminary evidence suggested that monthly tourism sector activity contracted in December 2020—the latest period for which such data was available—as globally imposed travel restrictions related to COVID-19 negatively impacted both air and sea arrivals. Official data provided by the Ministry of Tourism (MOT) revealed that total foreign arrivals by first port of entry were 95.3% lower during the month, overturning the 5.9% growth in the same period of 2019. Specifically, sea arrivals were virtually absent, compared to the 9.7% gain in the prior year, while air arrivals fell by 78.6%, extending the 6.9% contraction during the same period in 2019.

A breakdown by major ports of entry showed that December arrivals to New Providence corresponded to 4.5% of the 2019 volumes, reflective of decreases in both sea (99.6%) and air (85.3%) traffic. Similarly, visitors to Grand Bahama were only 4.7% of the prior year's outturn, with air arrivals matching 61.6% of the previous year's levels.

Chart 1: Tourism Indicators at a Glance



Sources: Ministry of Tourism, Nassau Airport Development Co. & AirDNA

For the Family Islands, arrivals reached just 5.2% of the preceding year's volumes, as air arrivals matched 56.0% of the 2019 levels.

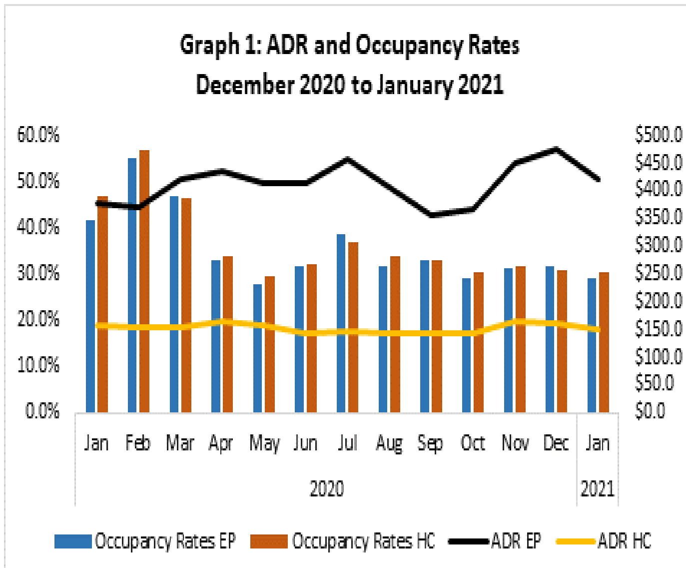
For 2020, total foreign arrivals reduced by 75.2%, a reversal from a 9.5% expansion in 2019. Underlying this outturn, air arrivals declined by 74.8%, vis-à-vis a 6.7% rise in the prior year. Likewise, sea arrivals decreased sharply by 75.4%, following a 10.3% growth a year earlier. See Table 1 for 2020 visitor arrivals by Island.

Table 1: Total Visitor Arrivals 2020 vs. 2019

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
Arrivals	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**
Air	11.6	-75.3	-30.4	-77.4	-2.7	-72.5
Sea	10.8	-79.6	-20.6	-78.6	19.7	-69.2
Total	**11.0**	**-78.2**	**-21.7**	**-78.5**	**16.4**	**-69.6**

Source: Ministry of Tourism

The latest data provided by the Nassau Airport Development Company Ltd. (NAD), for January 2021, showed that total departures—net domestic departures—fell to 23,099 passengers, overturning the 6.1% increase to 142,445 passengers last year. Underlying this development, the dominant U.S component, contracted by 83.1%, a reversal from a 6.0% rise in the prior year. Further, non U.S. departures declined by 87.5%, contrasting with a 6.4% expansion in 2020.



Source: AirDNA

As it relates to the vacation rental market, data provided by AirDNA for the month of January 2021, compared with the same period last year, revealed that total room nights sold reduced by 19.0%, as bookings for entire place listings and hotel comparable listings decreased by 20.7% and 4.0%, respectively. Moreover, an analysis by Islands indicated reductions in bookings in key markets of Grand Bahama and Exuma, of around 27.0% each, and New Providence, with 17.1%.

Pricing indicators showed that the average daily room rate (ADR) for both entire place listings and hotel comparable listings, fell by 11.0% and by 6.5%, to $421.94 and $151.72, respectively, amid declines across almost all of the major destinations.

Prices

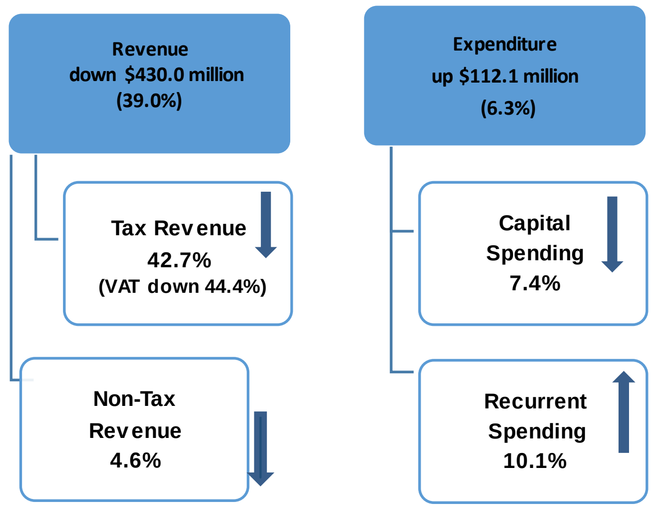
Attributed to the pass-through effects of the decline in global oil prices, domestic consumer price inflation—as measured by the All Bahamas Retail Price Index—narrowed to a muted 0.04% in 2020 from 2.49% in 2019. An analysis by category revealed that average costs for transport declined by 4.4%; clothing & footwear, by 1.3%; housing, water, gas, electricity & other fuels, by 0.7% and recreation & culture, by 0.7%, after posting gains in 2019. In addition, the average cost decrease for communication extended to 5.5% from 0.5% in the prior year. Further, average inflation rates moderated for furnishing, household equipment & maintenance (1.9%), restaurants & hotels (4.1%), alcoholic beverages, tobacco & narcotics (3.2%) and health (5.0%). Providing some offset, the rise in average costs accelerated for miscellaneous goods &

services (2.8%) and for food & non-alcoholic beverages (1.6%), while the average price decline slowed for education (3.4%).

Fiscal

Data on the Government's budgetary operations for the first six months of FY2020/2021, revealed a significant widening in the deficit to $736.1 million, from $194.0 million in the comparable FY2019/2020 period, attributed to a notable falloff in revenue collections and an increase in expenditure, mainly for health and social welfare, related to COVID-19. The outturn reflected a $430.0 million (39.0%) reduction in total revenue, to $671.4 million and a $112.1 million (8.7%) growth in total expenditure, to $1,407.5 million.

Chart 2: Budgetary Operations at a Glance
First Six Months of FY2020/2021



Source: The Ministry of Finance

The reduction in aggregate revenue, was underpinned by a $284.0 million (39.2%) decrease in taxes on goods and services. Specifically, VAT receipts reduced by $229.0 million (44.4%) to $286.3 million, while excise taxes fell by $43.6 million. Further, modest declines were noted for gaming taxes ($8.4 million) and taxes on the permission to use goods ($4.0 million). Likewise, proceeds from international trade and transactions—inclusive of departure taxes, taxes on imports, customs and other import duties—decreased by $128.7 million (55.5%), reflective of depressed international travel due to COVID-19. In addition, property tax intake and general stamp taxes lessened by $9.0 million and by $3.3 million, respectively. Further, non-tax revenue reduced by $4.9 million (4.6%) to $101.9 million, largely associated with a contraction in receipts from the sale of goods & services, which fell by $20.5 million, due to a falloff in fees and service charges.

The acceleration in expenditure was largely credited to a $119.5 million (10.1%) expansion in recurrent outlays, to $1,298.2 million, primarily due to a $91.6 million increase in costs for social assistance benefits, to $104.4 million, relative to the prior year. Likewise, disbursements for the purchases of goods and services rose by $30.3 million, while outlays for subsidies increased by $21.5 million. In addition, interest payments grew by $17.8 million, compared to the same period in FY2019/2020. Further, muted gains in outlays were registered for pensions and gratuities ($1.9 million) and grants ($0.2 million). In contrast, capital expenditure declined by $7.4 million (6.3%) to $109.3 million, led by a $17.5 million (40.4%) reduction in capital transfers.

2. Monetary Trends

January 2021 vs. 2020

Liquidity

During the month of January, bank liquidity registered moderated gains, amid an expansion in domestic credit that trailed the growth (albeit decelerated) in the deposit base. In particular, excess reserves—a narrow measure of liquidity—rose by $14.7 million to $1,450.9 million, lower than the $23.7 million increase in the comparable period of the prior year. However, excess liquid assets—the broader measure of liquidity—declined by $3.7 million to $2,226.0 million, a turnaround from a $97.7 million expansion in 2020.

External Reserves

Amid the ongoing travel restrictions associated with the COVID-19 pandemic and the foreign exchange needs of commercial banks, external reserves decreased by $60.7 million to $2,319.9 million in January, a turnaround from a $101.7 million accumulation in the same period last year. Underpinning to this development, the Central Bank's net foreign currency transactions with commercial banks reversed to a net sale of $32.8 million, vis-à-vis a net purchase of $123.2 million in the preceding year. Further, commercial banks' net intake from their customers reduced to a mere $2.2 million, from $132.9 million in the prior year. In addition, the Central Bank's net sales to the public sector increased to $29.9 million, from $22.3 million a year earlier.

Exchange Control Sales

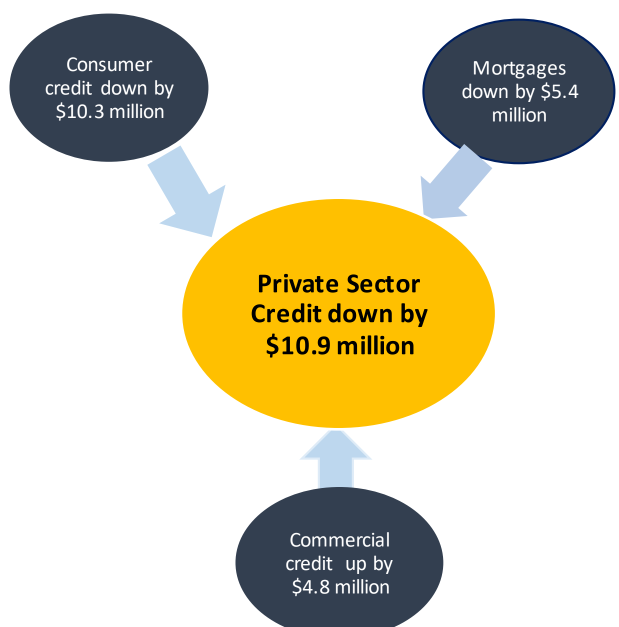
Preliminary data on foreign currency sales for current account transactions showed that outflows contracted by $205.8 million to $338.0 million, in January, relative to the same period last year, as most components declined over the period. Notable reductions occurred for "other" current items—primarily purchases of foreign goods and services via credit and debit card transactions—and oil imports, by $118.7 million and $39.7 million, respectively. In addition, non-oil imports decreased by $29.5 million, factor income payments, by $12.7 million and travel related payments, by $10.5 million. Providing a modest offset, transfer payments rose by $5.4 million.

Domestic Credit

Bahamian Dollar Credit

Total Bahamian dollar credit grew by $25.9 million in January, contrasting with the $39.5 million reduction in the comparable period in 2020. Contributing to this outturn, the growth in net claims on the Government broadened to $37.1 million, from a $0.1 million uptick in the previous year. In addition, the falloff in credit to the private sector tapered to $10.9 million, from $40.4 million last year, as commercial credit rose by $4.8 million, after a $17.0 million decrease last year. Further, the decline in mortgages and consumer credit slowed to $5.4 million and $10.3 million, respectively, from $12.8 million and $10.6 million a year earlier. Meanwhile, credit to public corporations edged down by $0.3 million, vis-à-vis a $0.8 million rise in 2020.

Chart 3: B$ Private Sector Credit



Source: Central Bank of The Bahamas

Foreign Currency Credit

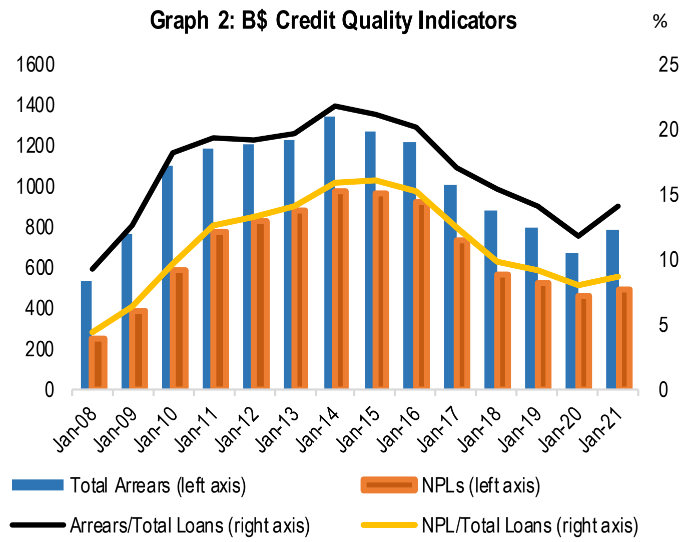
The reduction in domestic foreign currency credit slowed sharply to $1.8 million during the review month, from $65.3 million in 2020. In the underlying developments, the contraction in private sector credit moderated to $3.4 million from $60.3 million last year, as the falloff in commercial credit tapered to $4.0 million, from $64.3 million in the prior period. In contrast, the increase in mortgages waned to $0.6 million from $4.0 million in the preceding year. Further, net claims on the Government grew by $1.6 million, a reversal from a $5.0 million decline last year. Meanwhile, credit to the rest of the public sector registered a flat outturn.

Credit Quality

Banks' credit quality indicators weakened during the month of January, led by an increase in non-performing loans (NPLs), reflective of the ongoing, adverse impact of the pandemic. In particular, total private sector arrears rose by $12.1 million (1.6%) to $785.2 million, while the accompanying ratio moved higher by 22 basis points to 14.0%.

Disaggregated by the average age of delinquency, NPLs (with payments over 90 days past due) grew by $14.8 million (3.1%) to $489.4 million, resulting in a 27 basis point rise in the relevant ratio to 8.8%. In contrast, short-term arrears (31-90 days) declined by $2.7 million (0.9%) to $295.8 million, with the attendant ratio narrowing by 5 basis points to 5.3%.

Graph 2: B$ Credit Quality Indicators



Source: Central Bank of The Bahamas

A breakdown by loan type, mortgage delinquencies increased by $4.3 million (0.9%) to $490.5 million, as the $9.2 million (3.2%) growth in the non-accrual category, outstripped the $4.9 million (2.5%) reduction in the short-term arrears. Likewise, consumer arrears rose by $4.3 million (1.9%) to $232.9 million, largely owing to a $6.1 million (4.2%) gain in the long-term component, which overshadowed the $1.8 million (2.2%) decreased in the 31-90 days segment. In addition, commercial delinquencies moved higher by $3.6 million (6.1%) to $61.8 million, as the $4.0 million (23.1%) rise in the short-term category outpaced the $0.4 million (1.1%) falloff in long-term delinquencies.

In January, banks reduced their provisions for loan losses by $3.9 million (0.7%) to $565.7 million. As a consequence, the ratio of total provisions to arrears narrowed by 1.6 percentage points to 72.1%. In addition, the ratio of total provisions to non-performing loans declined by 4.4 percentage points to 115.6%. Similarly, the coverage ratio of specific provisions to non-performing loans fell by 2.6 percentage points to 80.8%. During the month, banks also wrote-off an estimated $7.6 million in bad loans and recovered approximately $1.5 million.

In comparison to January 2020, the total private sector arrears rate firmed by 2.2 percentage points, reflecting respective increases in the short-term and non-accrual rates, of 1.5 and 0.7 percentage points. Further, by loan category, rates associated with mortgage and consumer delinquencies rose by 3.6 and 2.1 percentage points, respectively. In contrast, the commercial arrears rate decreased by 1.6 percentage points.

Deposits

During January, the growth in Bahamian dollar deposits moderated to $45.0 million, from the $51.9 million in the same period last year, largely attributed to the reduction in foreign currency inflows from real sector activities. Gains in demand deposits slowed to $33.5 million from $39.1 million a year earlier, while savings balances reduced by $1.3 million, vis-à-vis a $19.3 million rise in the prior year. Partly offsetting, fixed deposits grew by $12.8 million, contrasting with a $6.6 million falloff in the previous year. Meanwhile, the accumulation in residents' foreign currency deposits moderated to $10.8 million, from $98.1 million in 2020, when reinsurance claims settlements for Hurricane Dorian were still significant.

Interest Rates

In interest rate developments, banks' weighted average loan rate rose by 22 basis points to 9.91% in January. Similarly, the weighted average deposit rate increased by 9 basis points to 0.67%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy will register only marginal growth in 2021, as developments remain dominated by the COVID-19 pandemic. In this environment, the strength of tourism output recovery is expected to stay dependent upon the pace of progress on the international health front, the effectiveness and availability of vaccines and the subsequent restart of global travel. Nonetheless, new and ongoing foreign investment-led projects, combined with post-hurricane rebuilding works, are projected to provide some stimulus to the construction sector.

In terms of the labour market, the unemployment rate is expected to remain elevated over the near-term, with any job gains concentrated mostly in the construction sector and in the limited re-employment of tourism sector employees. With regard to prices, inflationary pressures are anticipated to remain relatively subdued, excluding any shocks to international oil prices.

On the fiscal front, net financing needs should continue to be elevated, owing to costs still related to the reconstruction of key infrastructure associated with Hurricane Dorian, and elevated outlays for health and social welfare, linked to COVID-19. In the meantime, projected revenue shortfalls should persist, whilst taxable economic activity should remain below capacity, improving mostly in line with tourism recovery. Consequently, the budgetary gap is estimated to be financed largely from external borrowings. Financing needs are forecasted to remain elevated during the fiscal year.

Monetary sector developments will continue to be marked by high levels of banking sector liquidity, as commercial banks sustain their conservative lending stance. However, external reserve balances are forecasted to contract during the year, as the private sector's needs are projected to exceed net export receipts related to constrained tourism sector activity. Nevertheless, external balances are poised to remain more than adequate to maintain the Bahamian dollar currency peg.

4. Monetary Policy Implications

Based on the current outlook, the Central Bank will sustain its targeted accommodative stance for private credit and continue to pursue policies that maintain a favorable outcome for external reserves, and mitigate financial sector disruptions. In addition, the Bank will remain diligent in monitoring of foreign exchange market developments, and if required, adopt appropriate measures to ensure a positive outturn for the foreign reserves.

APPENDIX

International Developments

Global economic developments continued to be dominated by the spread of the Novel Coronavirus (COVID-19) and lackluster economic performance. As such, outcomes within the major markets varied over the review period. In this environment, all of the key central banks affirmed their highly accommodative monetary policy posture, in an attempt to encourage economic growth.

Economic indicators for the United States revealed improvements in various indicators during the review month. Gross Domestic Product (GDP) was more in line with trend in the fourth quarter, with a growth of 4.0%, following a 33.4% expansion in the previous quarter. In January, industrial output rose by 0.9%, over the prior month, buttressed by increases in manufacturing and mining output. Further, during the review period retail sales advanced by 5.3%, after a 1.0% decline in December. On the external front, the trade deficit decreased by $2.4 billion (3.5) to $66.6 billion (3.5%), for the month of December, as the 3.4% rise in exports outstripped the 1.5% uptick in imports. With regard to prices, the consumer price index increased by 0.3% in January, owing in part to a rise in the costs of gasoline and food. In addition, the unemployment rate fell 40 basis points to 6.3% in January, amid a 49,000 rise in total non-farm payroll employment, driven by upturns in professional and business services jobs. Against this backdrop, the Federal Reserve retained its benchmark interest rate to a range of 0.00%-0.25%.

Performance indicators for the major European economies were mixed during the review period. Specifically, real economic output for the United Kingdom rose by 1.0% during the fourth quarter of 2020, although lower than the 16.1% growth in the previous quarter, supported by a rise in service, production and construction output, as well as Government consumption and business investment. In addition, industrial production grew by 0.2% in December, led by growth in manufacturing, electricity & gas and water supply. In terms of international trade, during the three months to December, the trade deficit widened by £10.9 billion to £14.3 billion, underpinned by an £11.6 billion expansion in imports, which outpaced the £0.7 billion gain in exports. Further, the annual inflation rate firmed by 10 basis points to 0.9% in January, over the previous month, attributed to an increase in prices for furniture & household goods, restaurant & hotels, food and transport .With regard to the labour market, the unemployment rate rose by 60 basis points to 5.0% during the three months to November, as the number of unemployed individuals grew by 202,000. In the euro area, fourth quarter real GDP contracted by 0.7%, a reversal from a 12.4% growth during the third quarter. Further, industrial production during the month of December declined by 1.6%, due to a falloff in the production of capital goods and non-durable consumer goods. However, retail sales recorded an uptick of 2.0% in December, following a contraction of 5.7% in the previous month, occasioned by heightened sales in automotive fuels, food, drinks & tobacco, and non-food products. In terms of prices, amid a rise in the costs of food, alcohol & tobacco, non-energy industrial goods and services, the inflation rate firmed to 0.9%, vis-à-vis a 0.3% decrease in the previous month. In December, the jobless rate remained flat at 8.3%, despite a 55,000 increase in the number of unemployed persons. On the external front, in December, the trade surplus rose by $6.6 billion (29.2%) to €29.2 billion, due to a 2.3% rise in exports, which outweighed the 1.3% uptick in imports. In this environment, the Bank of England upheld its policy rate at 0.1%., while the European Central bank maintained its interest rates on the main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively.

In the Asian economies, economic indicators varied during the review month. In China, real Gross Domestic Product (GDP) expanded by an annualized 6.7% during the final quarter of 2020, from 4.9% in third quarter, bolstered by the service and technology sectors, as well as finance services. However, retail sales declined by 40 basis points to 4.6% in December, relative to the prior month, led by a falloff in catering services. In terms of prices, the consumer price index for the review period rose by 1.0% in January, expanding by 30 basis points from the previous month. In Japan, real GDP grew by 3.0% in the three months to December, albeit lower than the 5.3% growth registered in the previous quarter. On the external front, Japan's trade surplus more than doubled to ¥749.6 billion in December 2020, from ¥362.5 billion in November, as the 9.7% gain in exports, outweighed the 3.6% rise in imports. With respect to prices, inflation rate moved higher by 0.5% in January, occasioned to increases in culture & recreation and food. In terms of the labour market, in December the unemployment rate remained unchanged at 2.9%. Meanwhile, industrial production contracted by 1.0% in December, over the prior month, while retail sales fell by 70 basis points, as a result of decreases in the sale of food and beverages, and motor vehicles. In light of these developments, the Bank Japan kept its policy rate at -0.1% and the People's Bank of China sustained its reverse repo rate at 2.20%.

During the month of January, major stock market indices recorded mixed movements. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 contracted by 2.0% and 1.1%, respectively. Likewise, in the European markets, France's CAC 40 was lower by 2.7%, while Germany's DAX and the United Kingdom's FTSE 100 narrowed by 2.0% and 0.8%, respectively. In contrast, in the Asian markets, Japan's Nikkei 225 increased by 0.8%, while China's SE Composite rose by 0.3%.

Developments within the currency markets varied during the review month. Specifically, the US dollar appreciated against the Japanese Yen, by 1.4% to ¥104.68, the euro, by 0.7% to €0.8240, Swiss Franc, by 0.6% to CHF 0.8903 and Canadian dollar, by 0.4% to CAD$1.2777. Conversely, the dollar depreciated relative to the Chinese Renminbi, by 1.5% to CNY6.4283 and the British pound by 0.3% to £0.7295.

Commodity price trends were mixed during the month of January. In particular, the price of crude oil rose by 9.0% to $55.88 per barrel, amid an increase of 0.18 million barrels per day, month on month, to average 25.5 million barrels per day. The cost of silver grew by 2.2%, to $26.99 per troy ounce, while the price of gold declined by 2.7%, to $1,847.65 per troy ounce.

Recent Monetary and Credit Statistics

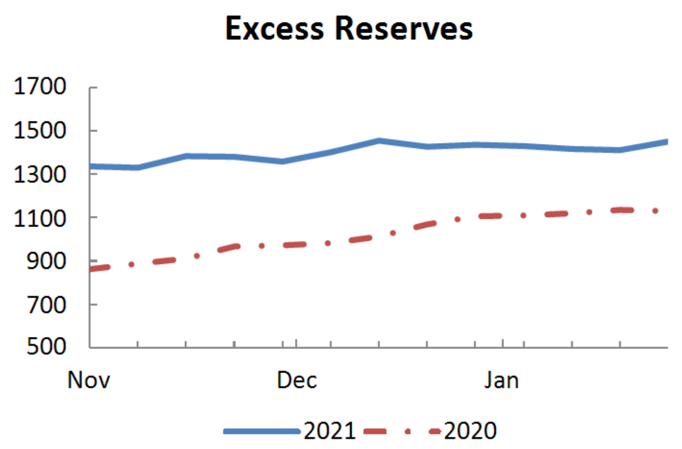
(B$ Millions)

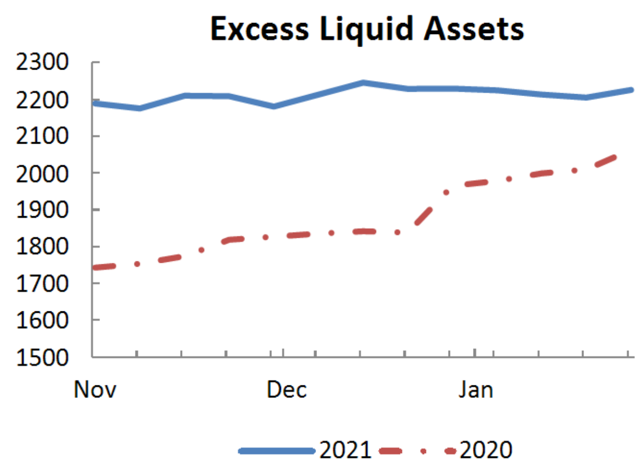
	January					
	Value		Change		Change YTD	
	2020	2021	2020	2021	2020	2021
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	1,129.90	1,450.94	23.68	14.68	23.68	14.68
1.2 Excess Liquid Assets	2,063.03	2,225.98	97.66	-3.73	97.66	-3.73
1.3 External Reserves	1,859.93	2,319.87	101.72	-60.72	101.72	-60.72
1.4 Bank's Net Foreign Assets	348.60	-65.97	145.10	31.94	145.10	31.94
1.5 Usable Reserves	926.80	1,217.75	91.44	-37.43	91.44	-37.43
2.0 DOMESTIC CREDIT						
2.1 Private Sector	5,755.80	5,719.78	-100.66	-14.27	-100.66	-14.27
a. B$ Credit	5,615.21	5,578.01	-40.36	-10.88	-40.36	-10.88
of which: Consumer Credit	2,067.67	2,026.54	-10.56	-10.31	-10.56	-10.31
Mortgages	2,825.74	2,789.43	-12.84	-5.41	-12.84	-5.41
Commercial and Other Loans B$	721.79	762.03	-16.97	4.84	-16.97	4.84
b. F/C Credit	140.59	141.77	-60.29	-3.39	-60.29	-3.39
of which: Mortgages	62.07	63.92	4.03	0.64	4.03	0.64
Commercial and Other Loans F/C	78.52	77.85	-64.32	-4.04	-64.32	-4.04
2.2 Central Government (net)	2,615.06	2,567.27	-4.92	38.63	-4.92	38.63
a. B$ Loans & Securities	2,853.00	2,738.54	3.75	7.96	3.75	7.96
Less Deposits	288.39	343.18	3.63	-29.12	3.63	-29.12
b. F/C Loans & Securities	57.00	174.10	0.00	0.00	0.00	0.00
Less Deposits	6.55	2.20	5.04	-1.56	5.04	-1.56
2.3 Rest of Public Sector	444.59	322.95	0.79	-0.29	0.79	-0.29
a. B$ Credit	279.28	275.88	0.79	-0.29	0.79	-0.29
b. F/C Credit	165.31	47.08	0.00	0.00	0.00	0.00
2.4 Total Domestic Credit	8,815.44	8,610.00	-104.79	24.08	-104.79	24.08
a. B$ Domestic Credit	8,459.09	8,249.25	-39.46	25.91	-39.46	25.91
b. F/C Domestic Credit	356.35	360.75	-65.33	-1.84	-65.33	-1.84
3.0 DEPOSIT BASE						
3.1 Demand Deposits	2,992.83	3,141.73	39.13	33.49	39.13	33.49
a. Central Bank	51.74	38.35	2.09	-13.87	2.09	-13.87
b. Banks	2,941.09	3,103.38	37.04	47.37	37.04	47.37
3.2 Savings Deposits	1,655.73	1,783.29	19.28	-1.31	19.28	-1.31
3.3 Fixed Deposits	2,418.40	2,263.20	-6.55	12.83	-6.55	12.83
3.4 Total B$ Deposits	7,066.96	7,188.22	51.86	45.01	51.86	45.01
3.5 F/C Deposits of Residents	768.05	438.12	98.05	10.78	98.05	10.78
3.6 M2	7,386.88	7,547.75	34.69	27.38	34.69	27.38
3.7 External Reserves/M2 (%)	25.18	30.74	1.26	-0.92	1.26	-0.92
3.8 External Reserves/Base Money (%)	106.67	109.64	5.12	-2.74	5.12	-2.74
3.9 External Reserves/Demand Liabilities (%)	99.66	105.25	4.40	-0.52	4.40	-0.52

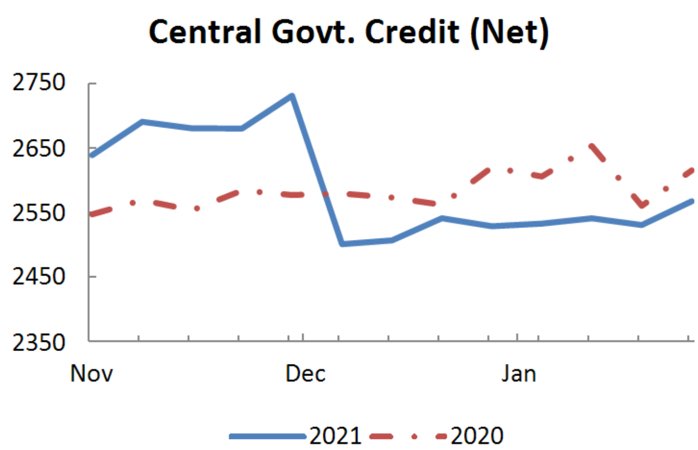
	Value		Year To Date		Change	
	2020	2021	2020	2021	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	100.90	-62.64	100.90	-62.64	-163.54	-163.54
a. Net Purchase/(Sale) from/to Banks	123.22	-32.79	123.22	-32.79	-156.01	-156.01
i. Sales to Banks	19.46	36.10	19.46	36.10	16.64	16.64
ii. Purchase from Banks	142.68	3.31	142.68	3.31	-139.37	-139.37
b. Net Purchase/(Sale) from/to Others	-22.32	-29.85	-22.32	-29.85	-7.53	-7.53
i. Sales to Others	74.35	46.24	74.35	46.24	-28.11	-28.11
ii. Purchase from Others	52.03	16.39	52.03	16.39	-35.64	-35.64
4.2 Banks Net Purchase/(Sale)	132.91	2.18	132.91	2.18	-130.73	-130.73
a. Sales to Customers	418.63	323.73	418.63	323.73	-94.89	-94.89
b. Purchase from Customers	551.54	325.92	551.54	325.92	-225.62	-225.62
5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	543.85	338.04	543.85	338.04	-205.80	-205.80
of which Public Sector	76.86	25.79	76.86	25.79	-51.07	-51.07
a. Nonoil Imports	133.24	103.71	133.24	103.71	-29.52	-29.52
b. Oil Imports	48.12	8.40	48.12	8.40	-39.72	-39.72
c. Travel	20.72	10.25	20.72	10.25	-10.47	-10.47
d. Factor Income	30.78	18.12	30.78	18.12	-12.65	-12.65
e. Transfers	16.03	21.46	16.03	21.46	5.42	5.42
f. Other Current Items	294.96	176.10	294.96	176.10	-118.86	-118.86
5.2 Capital Items	5.12	7.19	5.12	7.19	2.06	2.06
of which Public Sector	0.79	3.95	0.79	3.95	3.16	3.16

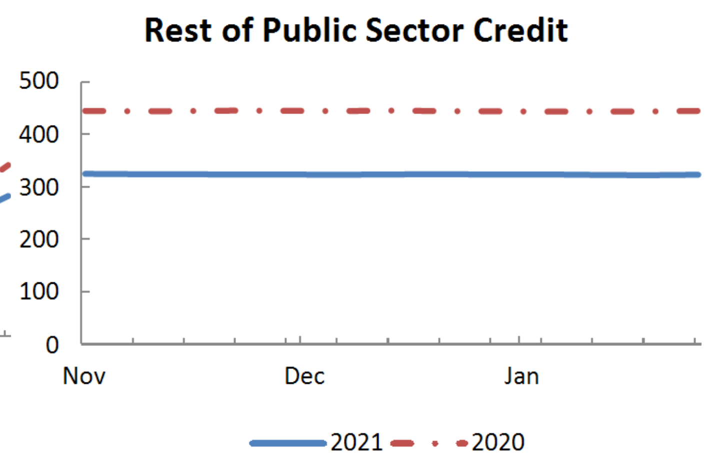
SELECTED MONEY AND CREDIT INDICATORS

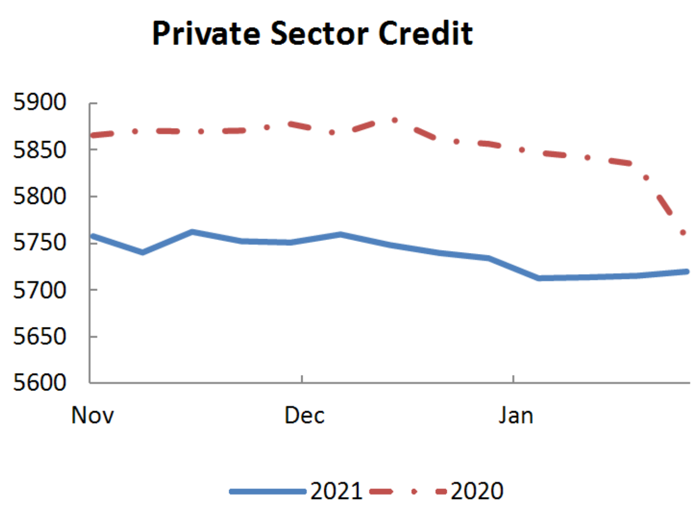
(B$ Millions)

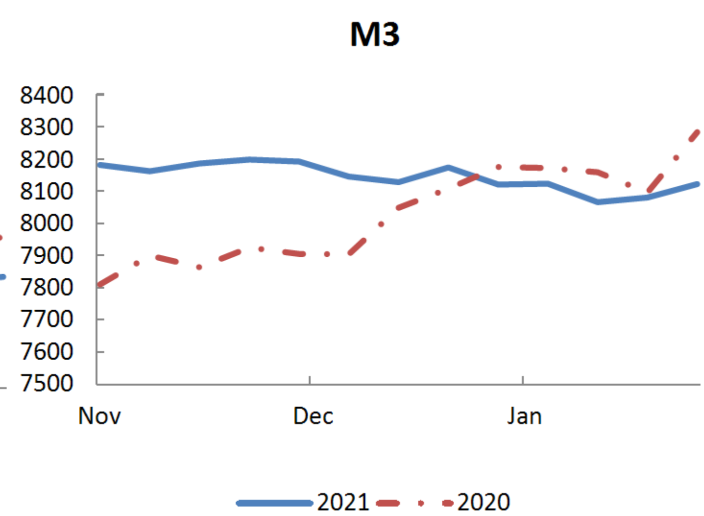


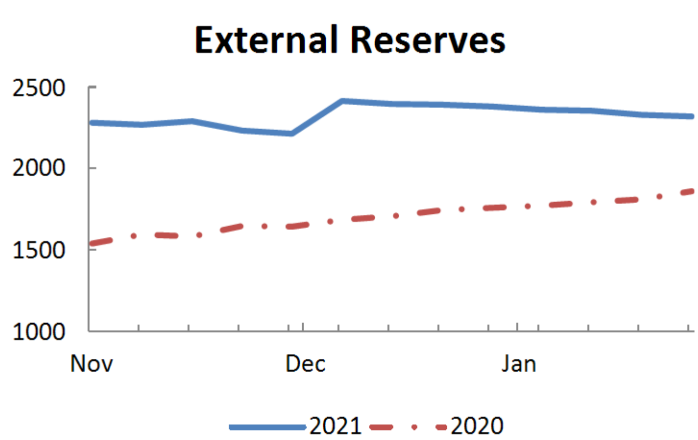


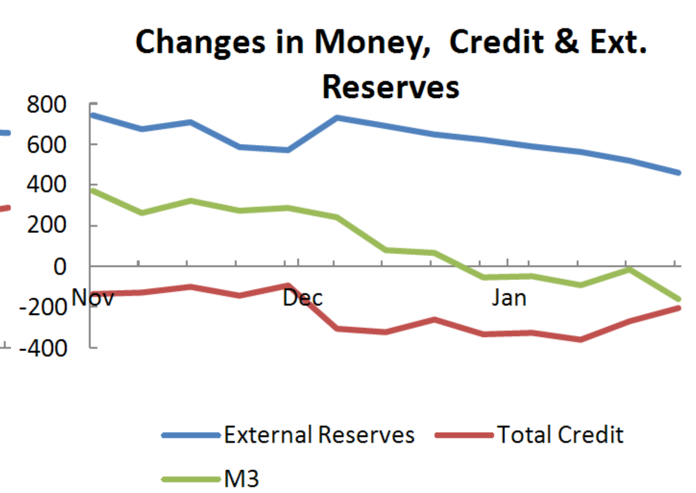












Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		**Inflation Rate**		**Unemployment**	
	2019	**2020**	**2019**	**2020**	**2019**	**2020**
Bahamas	1.2	-14.8	1.3	1.8	9.5*	--
United States	2.2	-4.3	1.8	1.5	3.7	8.9
Euro-Area	1.3	-8.3	1.2	0.4	7.6	8.9
Germany	*0.6*	*-6.0*	*1.3*	*0.5*	*3.1*	*4.3*
Japan	0.7	-5.3	0.5	-0.1	2.4	3.3
China	6.1	1.9	2.9	2.9	3.6	3.8
United Kingdom	1.5	-9.8	1.8	0.8	3.8	5.4
Canada	1.7	-7.1	1.9	0.6	5.7	9.7

*Source: IMF World Economic Outlook October 2020, Department of Statistics May 2019**

B: Official Interest Rates – Selected Countries (%)					
With effect from	**CBOB**	**ECB (EU)**	**Federal Reserve (US)**		**Bank of England**
	Bank Rate	**Refinancing Rate**	**Primary Credit Rate**	**Target Funds Rate**	**Repo Rate**
August 2018	4.00	0.00	2.50	1.75-2.00	0.50
September 2018	4.00	0.00	2.50	1.75-2.00	0.75
October 2018	4.00	0.00	2.75	2.00-2.25	0.75
November 2018	4.00	0.00	2.75	2.00-2.25	0.75
December 2018	4.00	0.00	2.75	2.00-2.25	0.75
January 2019	4.00	0.00	3.00	2.25-2.50	0.75
February 2019	4.00	0.00	3.00	2.25-2.50	0.75
March 2019	4.00	0.00	3.00	2.25-2.50	0.75
April 2019	4.00	0.00	3.00	2.25-2.50	0.75
May 2019	4.00	0.00	3.00	2.25-2.50	0.75
June 2019	4.00	0.00	3.00	2.25-2.50	0.75
July 2019	4.00	0.00	3.00	2.00-2.25	0.75
August 2019	4.00	0.00	2.75	2.00-2.25	0.75
September 2019	4.00	0.00	2.50	1.75-2.00	0.75
October 2019	4.00	0.00	2.25	1.50-1.75	0.75
November 2019	4.00	0.00	2.25	1.50-1.75	0.75
December 2019	4.00	0.00	2.25	1.50-1.75	0.75
January 2020	4.00	0.00	2.25	1.50-1.75	0.75
February 2020	4.00	0.00	2.25	0.00-0.25	0.25
March 2020	4.00	0.00	1.02	0.00-0.25	0.10
April 2020	4.00	0.00	0.25	0.00-0.25	0.10
May 2020	4.00	0.00	0.25	0.00-0.25	0.10
June 2020	4.00	0.00	0.25	0.00-0.25	0.10
July 2020	4.00	0.00	0.25	0.00-0.25	0.10
August 2020	4.00	0.00	0.25	0.00-0.25	0.10
September 2020	4.00	0.00	0.25	0.00-0.25	0.10
October 2020	4.00	0.00	0.25	0.00-0.25	0.10
November 2020	4.00	0.00	0.25	0.00-0.25	0.10
December 2020	4.00	0.00	0.25	0.00-0.25	0.10
January 2021	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	**Jan-20**	**Dec-20**	**Jan-21**	**Mthly % Change**	**YTD % Change**	**12-Mth% Change**
Euro	0.9016	0.8185	0.8240	0.67	0.67	-8.60
Yen	108.36	103.25	104.68	1.38	1.38	-3.40
Pound	0.7573	0.7315	0.7295	-0.28	-0.28	-3.67
Canadian $	1.3236	1.2725	1.2777	0.41	0.41	-3.47
Swiss Franc	0.9632	0.8852	0.8903	0.58	0.58	-7.57
Renminbi	6.9109	6.5272	6.4283	-1.52	-1.52	-6.98
Source: Bloomberg as of January 29th, 2021						

D. Selected Commodity Prices ($)					
Commodity	**Jan 2020**	**Dec 2020**	**Jan 2021**	**Mthly % Change**	**YTD % Change**
Gold / Ounce	1589.16	1898.36	1847.65	-2.67	-2.67
Silver / Ounce	18.04	26.40	26.99	2.22	2.22
Oil / Barrel	58.16	51.26	55.88	9.01	9.01
Source: Bloomberg as of January 29th, 2021					

E. Equity Market Valuations – January 29th, 2021 (% change)								
	BISX	**DJIA**	**S&P 500**	**FTSE 100**	**CAC 40**	**DAX**	**Nikkei 225**	**SE**
1 month	-0.89	-2.04	-1.11	-0.82	-2.74	-2.08	0.80	0.29
3 month	-0.36	13.14	13.59	14.89	17.52	16.24	20.40	8.02
YTD	-0.89	-2.04	-1.11	-0.82	-2.74	-2.08	0.80	0.29
12-month	-6.55	6.11	15.15	-12.06	-7.01	3.47	19.21	17.02
Sources: Bloomberg and BISX								

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	**GBP**	**EUR**
o/n	0.1050	0.0900	-0.5450
1 Month	0.2200	0.0900	-0.5375
3 Month	0.2600	0.0520	-0.5575
6 Month	0.2350	0.1500	-0.5075
9 Month	0.3050	0.1700	-0.4900
1 year	0.2800	0.1400	-0.4750
Source: Bloomberg as of January 29th, 2021			

Summary Accounts of the Central Bank
(B$ Millions)

	VALUE								CHANGE							
	Dec. 09	Dec. 16	Dec. 23	Dec. 30	Jan. 06	Jan. 13	Jan. 20	Jan. 27	Dec. 09	Dec. 16	Dec. 23	Dec. 30	Jan. 06	Jan. 13	Jan. 20	Jan. 27
I. External Reserves	***2,414.90***	***2,396.36***	***2,392.25***	***2,380.59***	***2,361.12***	***2,354.80***	***2,329.54***	***2,319.87***	***201.22***	***(18.54)***	***(4.11)***	***(11.66)***	***(19.47)***	***(6.32)***	***(25.26)***	***(9.67)***
II. Net Domestic Assets (A + B + C + D)	***(346.88)***	***(267.31)***	***(265.20)***	***(262.16)***	***(263.19)***	***(274.59)***	***(258.92)***	***(203.88)***	***(170.26)***	***79.57***	***2.10***	***3.05***	***(1.04)***	***(11.39)***	***15.67***	***55.04***
A. Net Credit to Gov't (I + ii + iii -iv)	***89.14***	***162.85***	***166.01***	***174.50***	***177.69***	***167.83***	***161.11***	***228.47***	***(174.42)***	***73.72***	***3.16***	***8.49***	***3.18***	***(9.85)***	***(6.73)***	***67.36***
i) Advances	34.90	4.90	4.90	4.90	4.90	4.90	-	30.00	-	(30.00)	-	-	-	-	(4.90)	30.00
ii) Registered Stock	229.84	232.36	233.10	235.74	235.24	235.30	232.12	232.18	0.14	2.53	0.73	2.64	(0.50)	0.05	(3.17)	0.06
iii) Treasury Bills	31.57	31.57	21.65	13.77	13.77	13.77	13.77	15.92	0.00	(0.00)	(9.92)	(7.88)	0.00	(0.00)	-	2.15
iv) Deposits	207.17	105.98	93.64	79.91	76.23	86.13	84.79	49.64	174.56	(101.19)	(12.35)	(13.73)	(3.68)	9.90	(1.35)	(35.14)
B. Rest of Public sector (Net) (i+ii-iii)	***(36.08)***	***(35.57)***	***(37.66)***	***(45.41)***	***(44.76)***	***(44.99)***	***(27.27)***	***(31.53)***	***6.12***	***0.50***	***(2.09)***	***(7.75)***	***0.65***	***(0.23)***	***17.72***	***(4.26)***
i) Loans	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	-	-	-	-	-	-	-	-
ii) Bonds/Securities	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	-	-	-	-	-	-	-	-
iii) Deposits	42.89	42.39	44.48	52.22	51.58	51.81	34.09	38.35	(6.12)	(0.50)	2.09	7.75	(0.65)	0.23	(17.72)	4.26
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	***(399.94)***	***(394.59)***	***(393.55)***	***(391.25)***	***(396.12)***	***(397.43)***	***(392.76)***	***(400.81)***	(1.95)	5.35	1.03	2.30	(4.87)	(1.31)	4.67	(8.06)
III. Monetary Base	***2,068.03***	***2,129.05***	***2,127.05***	***2,118.43***	***2,097.93***	***2,080.21***	***2,070.62***	***2,115.98***	***30.96***	***61.03***	***(2.00)***	***(8.61)***	***(20.51)***	***(17.71)***	***(9.60)***	***45.37***
A. Currency in Circulation	507.67	503.66	537.91	546.35	517.60	494.56	488.79	493.44	(5.55)	(4.01)	34.25	8.44	(28.74)	(23.04)	(5.77)	4.65
B. Bank Balances with CBOB	1,560.35	1,625.39	1,589.14	1,572.09	1,580.33	1,585.65	1,581.83	1,622.54	36.52	65.04	(36.25)	(17.05)	8.24	5.33	(3.83)	40.72

FISCAL/REAL SECTOR INDICATORS

(B$ MILLIONS)

(% change represents current period from previous period)

Fiscal Operations[P]	JUL-SEP 2019/2020	JUL-SEP 2020/2021	OCT-DEC 2019/2020	OCT-DEC 2020/2021	JAN-MAR 2019/2020	JAN-MAR 2020/2021	APR-JUN 2019/2020	APR-JUN 2020/2021	YEAR TO DATE 2019/2020 (Over previous year)	YEAR TO DATE 2020/2021 (Over previous year)
1. Government Revenue & Grants	554.3	268.8	547.1	402.6					1101.4	671.4
% change; over previous quarter	*-24.8%*	*-18.6%*	*-1.3%*	*49.7%*					*8.9%*	*-39.0%*
2. Value Added Tax	266.2	134.7	249.1	151.6					515.3	286.3
% change; over previous quarter	*-13.5%*	*-2.8%*	*-6.4%*	*12.6%*					*33.7%*	*-44.4%*
3. Import/Excise Duties	140.5	55.5	133.1	119.1					273.6	174.6
% change; over previous quarter	*-10.5%*	*-24.7%*	*-5.3%*	*114.6%*					*3.0%*	*-36.2%*
4. Recurrent Expenditure	544.8	585.6	634.0	712.6					1178.8	1298.2
% change; over previous quarter	*-24.5%*	*-15.7%*	*16.4%*	*21.7%*					*6.6%*	*10.1%*
5. Capital Expenditure	56.3	60.4	60.5	49.0					116.8	109.3
% change; over previous quarter	*-41.0%*	*-64.5%*	*7.6%*	*-18.9%*					*46.0%*	*-6.4%*
6. Deficit/Surplus*	-46.7	-377.1	-147.4	-359.0					-194.1	-736.1
% change; over previous quarter	*-41.1%*	*-29.4%*	*215.8%*	*-4.8%*					*11.3%*	*279.2%*

Debt[P] **	JAN 2020	JAN 2021	FEB 2020	FEB 2021	MAR 2020	MAR 2021	APR 2020	APR 2021	MAY 2020	MAY 2021	JUN 2020	JUN 2021	JUL 2020	JUL 2021	AUG 2020	AUG 2021	SEP 2020	SEP 2021	OCT 2020	OCT 2021	NOV 2020	NOV 2021	DEC 2020	DEC 2021
7. Total Direct Debt	7,735.6	9,439.8																						
% change; over previous month	*0.0%*	*0.2%*																						
8. External Debt	2,563.1	4,028.2																						
% change; over previous month	*-0.2%*	*-0.1%*																						
9. Internal F/C Debt	50.0	180.4																						
% change; over previous month		*0.0%*																						
10. Bahamian Dollar Debt	5,122.5	5,231.2																						
% change; over previous month	*0.1%*	*0.5%*																						
11. Total Amortization	52.5	27.5																						
% change; over previous month	*47.7%*	*-58.7%*																						
12.Total Public Sector F/C Debt	3,471.5	4,780.6																						
% change; over previous month	*-19.6%*	*-0.1%*																						

Real Sector Indicators	JAN 2020	JAN 2021	FEB 2020	FEB 2021	MAR 2020	MAR 2021	APR 2020	APR 2021	MAY 2020	MAY 2021	JUN 2020	JUN 2021	JUL 2020	JUL 2021	AUG 2020	AUG 2021	SEP 2020	SEP 2021	OCT 2020	OCT 2021	NOV 2020	NOV 2021	DEC 2020	DEC 2021	2020 (Over previous year)	2021 (Over previous year)
13. Retail Price Index																										
% change; over previous month																										
14. Tourist arrivals (000's)																										
% change; over previous year																										
15. Air arrivals (000's)																										
% change; over previous year																										
16. Occupied Room Nights																										
% change; over previous year																										
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B$Millions)																										
% change; over previous qtr.																										

* Includes Net Lending to Public Corporations

** Debt figures include Central Government only, unless otherwise indicated

p - provisional