



Monthly Economic and Financial Developments June 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: August 30; October 4; November 1; November 29; December 20



Monthly Economic and Financial Developments (MEFD) June 2021

1. Domestic Economic Developments

Overview

During the month of June, domestic economic developments continued to be influenced by the Novel Coronavirus (COVID-19) pandemic. Nevertheless, despite ongoing globally imposed travel restrictions, the tourism sector showed signs of a slow recovery, with an uptick in the high value-added air component, and the gradual resumption of sea traffic, due to increased vaccination efforts. The half-year however, performance still lagged 2020, owing to the growth momentum experienced before the pandemic struck. Meanwhile, varied scale foreign investment-led projects, combined with post-hurricane rebuilding works, provided continued stimulus to the construction sector. Monetary developments in June recorded a build-up in bank liquidity, as the growth in the deposit base contrasted with the contraction in domestic credit. Moreover, external reserves grew, bolstered by net foreign currency inflows from Government's external borrowings and modest net foreign currency inflows through the private sector.

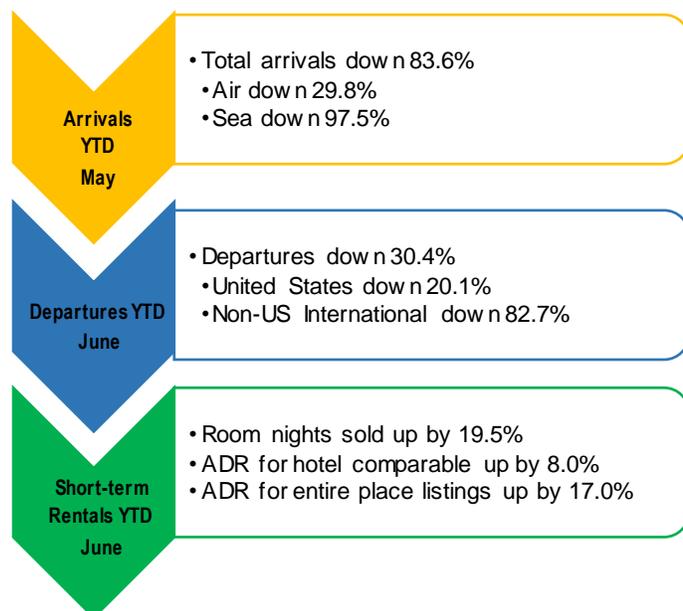
Real Sector

Tourism

Preliminary evidence suggests that monthly tourism output showed signs of recovery, although continuing to face headwinds, as internationally imposed travel restrictions, associated with the COVID-19 pandemic, contributed to depressed air and sea traffic. Nonetheless, domestic demand continued to provide support to the vacation rental market.

Official data provided by the Ministry of Tourism (MOT) showed that total foreign arrivals by first port of entry resumed at 93,876 during the month of May, from virtually nil in the same period in 2020, when international border closures and lockdowns were fully enforced. Underlying this outcome, air traffic measured 81,168 compared to just 20 in the preceding year—and recovered to only 51.1% of 2019 arrivals. Meanwhile, sea traffic reached 12,708 vis-à-vis nil passengers a year earlier.

Chart 1: Tourism Indicators at a Glance



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

A disaggregation by major port of entry revealed that arrivals to New Providence reached 55,568, representing air traffic of 54,264; while sea passengers reached 1,304 relative to no visitors in 2020. Likewise, visitors to Grand Bahama totalled 4,290 following the virtual absence of tourists during the same period last year. Underlying this outturn, sea and air arrivals totalled 2,314 and 1,976 respectively. In addition, traffic to the Family Islands measured 34,018 visitors, from a nil outturn in 2020, as the air and sea segments posted arrivals of 24,928 and 9,090, respectively.

On a year-to-date basis, the tourism sector still maintained a significant visitor deficit, down by 83.6% from the first half of 2020, which also reflected a 47.5% decline. As cruise activity remained paused, sea passengers reduced by 97.5%, relative to the 44.3% decrease in 2020. However, the falloff in air arrivals tapered to 29.8% from 57.2% in the comparable period of the prior year. Table 1 depicts total visitor arrivals by Island over the five-month period, with only the Family Islands registering growth in air arrivals.

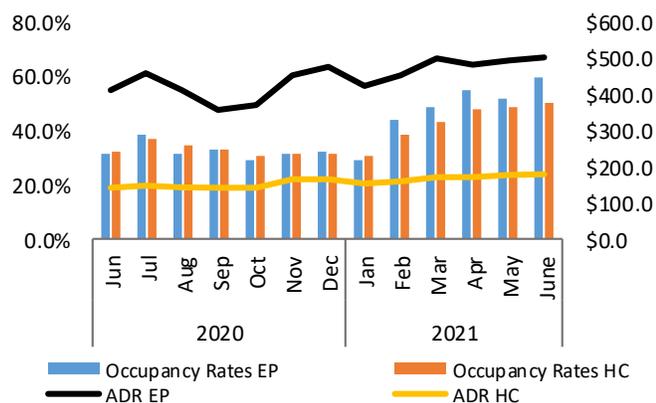
Table 1: Total Visitor Arrivals January-May 2021

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2020	2021	2020	2021	2020	2021
Arrivals						
Air	-53.2	-44.7	-74.0	-33.7	-69.0	55.1
Sea	-56.3	-99.0	-58.4	-94.3	-21.3	-96.6
Total	-55.3	-81.1	-60.2	-89.4	-29.0	-85.8

Data from the Nassau Airport Development Company Limited (NAD) revealed that total departures—net of domestic passengers—recovered to 84,559 in June, from just 1,006 in the corresponding 2020 period, as the borders were effectively shut in the same month last year. In particular, U.S. departures were registered at 81,906 versus 690 in the prior year. Further, the non-U.S. segment totalled 2,653 vis-à-vis 316 passengers in the same period of the previous year. During the first half of the year, the reduction in outward bound traffic moderated to 30.4% from 57.6% a year earlier. In terms of the components, the dominant non-U.S. category declined by 20.1%, slowing from the 58.7% falloff last year. In contrast, the decrease in non-U.S. departures widened to 82.7% from 51.0% in the prior year.

Source: Ministry of Tourism

**Graph 1: ADR and Occupancy Rates
12 months to June 2021**



Source: AirDNA

Short-term rental data provided by AirDNA showed a moderation in the gains in the vacation rental market. Specifically, total room nights sold advanced by 16.5%, albeit a slowdown from the 19.5% increase in the same month in the previous year. In the underlying developments, the rise in bookings for entire place listings and hotel comparable listings moderated to 17.7% and 6.0%, from 20.4% and 12.8% last year, respectively. Meanwhile, the average daily room rate (ADR) for respective entire place listings and hotel comparable listings rose by 1.9% and by 0.4%, to \$500.19 and \$178.20.

On a year-to-date basis, total room nights sold rose by 19.5%, amid growth in bookings for entire place listings (21.8%) and in private room listings (2.3%). As depicted in graph 1, pricing data showed that the ADR for both entire place listings and hotel comparable listings grew by 17.0% and by 8.0%, to \$473.66 and \$167.78, respectively.

2. Monetary Trends

June 2021 vs. 2020

Liquidity

Monetary developments during the month of June featured a buildup in bank liquidity, as the growth in the deposit base contrasted with the contraction in domestic credit. Specifically, excess reserves—the narrow measure of liquidity—grew by \$101.4 million to \$1,639.1 million, a reversal from the \$5.8 million decline last year. Similarly, excess liquid assets—a broad measure of liquidity—rose by \$57.5 million to \$2,363.2 million, vis-à-vis a \$4.9 million falloff a year earlier.

On a year-to-date basis, narrow liquidity expanded by \$202.9 million, exceeding the \$133.1 million increase in the previous year, as gains in the deposit base surpassed the rise in domestic credit. In addition, the growth in excess liquid assets accelerated to \$133.5 million, from \$99.8 million a year earlier.

External Reserves

With steadied net receipts from Government's external borrowing activities and an uptick in net foreign currency inflows through the private sector, external reserves rose by \$195.7 million to \$2,576.1 million in June. This extended the \$55.8 million buildup recorded in the same period last year. In particular, the Central Bank's transactions with commercial banks switched to a net purchase of \$26.8 million, following a net sale of \$119.4 million in 2020. Further, commercial banks reported a net intake of \$38.4 million from their customers, a reversal from a net sale of \$124.5 million a year earlier. In addition, the Bank's net purchase from the public sector continued at \$169.2 million versus \$172.2 million in the previous year.

On an annual basis, accretions to external reserves moderated to \$195.5 million from \$270.1 million last year, which had included re-insurance receipts and significant net public debt proceeds. Contributing to this outturn, the Central Bank's net purchase from commercial banks slowed to \$34.3 million from \$105.3 million during the same period in 2020. However, commercial banks net intake from their customers surged to \$116.3 million from \$35.8 million in the prior year. In contrast, net foreign currency purchases from the public sector advanced to \$155.2 million from \$92.4 million a year earlier.

Exchange Control Data

Preliminary data on foreign currency sales for current account payments showed a \$13.3 million expansion in outflows to \$488.6 million in June, relative to the same period in 2020, amid gains in most categories. In particular, "other" current items—primarily purchases of insurance services and foreign goods and services via credit and debit card transactions—advanced by \$22.8 million; while travel related payments grew by \$5.9 million and factor income payments, by \$4.8 million. Further, oil imports rose by \$4.0 million and transfer payments by \$2.2 million. In a partial offset, non-oil imports decreased by \$26.4 million.

On a year-to-date basis, foreign currency sales for current account transactions were still contracted significantly, by \$109.6 million to \$2,617.6 million, compared to the prior year. Specifically, notable reductions

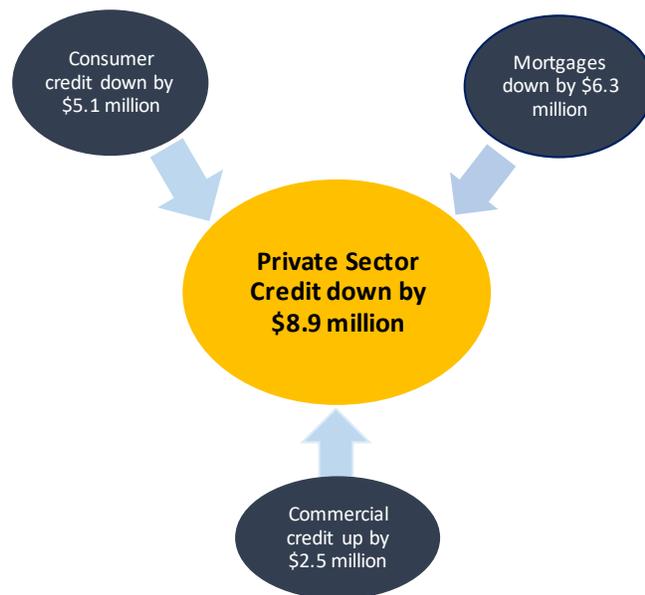
were recorded for “other” current items (\$144.5 million)—largely driven by declines in other services—and oil imports (\$50.8 million). Conversely, foreign currency sales rose for non-oil imports (\$42.2 million), transfer payments (\$28.1 million), factor income payments (\$14.1 million) and travel related payments (\$1.3 million).

Domestic Credit

Bahamian Dollar Credit

During the review month, the contraction in total Bahamian dollar credit extended to \$93.7 million from \$79.4 million in the same period last year. Underpinning this outturn, net claims on the Government fell further by \$78.6 million, from a \$57.3 million reduction in 2020. Likewise, credit to public corporations reduced by \$6.2 million, surpassing the \$1.4 million decline in the preceding year. In addition, credit to the private sector contracted by \$8.9 million, albeit lower than the \$20.7 million falloff a year earlier. In particular, decreases were recorded for mortgages (\$6.3 million) and consumer credit (\$5.1 million), while commercial credit grew by \$2.5 million.

Chart 2: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

For the first half of the year, total Bahamian dollar credit advanced by \$21.7 million, although a moderation from the \$51.9 million expansion in the previous year. Specifically, net claims on the Government grew by \$82.1 million, extending the \$78.1 million gain in 2020. In addition, credit to public corporations rose by \$1.7 million, after a \$1.3 million uptick in the preceding year. In an offset, the falloff in private sector credit deepened to \$62.1 million from \$27.5 million a year earlier. In particular, the decline in consumer credit extended to \$51.2 million from \$0.7 million in the prior year, while the decrease in mortgages tapered to \$17.8 million from \$27.7 million in 2020. However, gains in commercial credit quickened to \$6.9 million from \$0.9 million last year.

Foreign Currency Credit

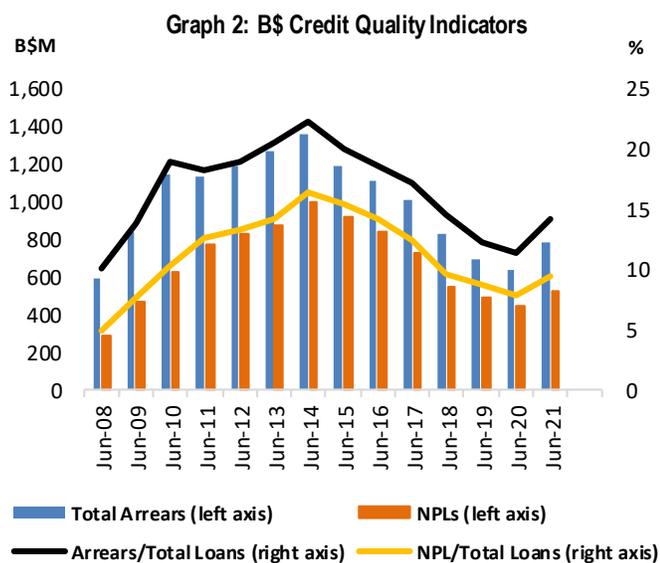
Domestic foreign currency credit declined by \$8.9 million in June, a turnaround from the \$8.8 million growth in 2020. Contributing to this development, net claims on the Government fell by \$5.9 million, vis-à-vis a \$2.0 million uptick in the prior year. Further, credit to the private sector decreased by \$3.0 million, a reversal from the \$2.8 million gains in the previous year, as reductions were noted for commercial credit (\$2.3 million) and mortgages (\$0.8 million). In addition, credit to public corporations registered a flat outturn, compared to the \$4.0 million accumulation in 2020.

Over the six-month period, the contraction in domestic foreign currency credit slowed to \$13.8 million, from \$47.1 million in the prior year. Specifically, the decline in credit to the private sector moderated to \$6.7 million from \$47.8 million a year earlier, as the falloff in commercial credit narrowed to \$10.5 million from \$53.0

million in 2020. However, mortgages rose by \$3.8 million, albeit lower than the \$5.2 million growth in the previous year. In addition, net claims on the Government reduced by \$5.5 million, extending the \$0.8 million decline in the prior year. Further, credit to the rest of the public sector fell by \$1.6 million, contrasting with a \$1.4 million uptick in the preceding year.

Credit Quality

Banks' credit quality indicators improved during the review month, as total private sector arrears decreased by \$38.0 million (4.6%) to \$780.7 million, with the accompanying ratio narrowing by 64 basis points to 14.1%. Specifically, short-term arrears contracted by \$36.4 million (12.5%) to \$255.9 million, corresponding with a 64 basis points decline in the attendant ratio to 4.6%. Similarly, non-performing loans (NPLs) fell by \$1.6 million (0.3%) to \$524.8 million, while the associated ratio remained flat at 9.5%—with decreases in NPL rates for consumer loans, by 6 basis points to 8.3%; and for mortgages, by 5 basis points to 11.6%; however, commercial loans firmed by 28 basis points, to 6.0%.



Disaggregation by loan category revealed that the reduction in total delinquencies included mortgage arrears, which fell by \$27.0 million (5.7%) to \$450.2 million, with both the short and long-term segments decreasing, by \$25.5 million (14.4%) and by \$1.6 million (0.5%), respectively. Likewise, consumer arrears declined by \$11.9 million (4.6%) to \$249.8 million, as the short-term and non-accrual segments both reduced by \$9.7 million (11.6%) and by \$2.2 million (1.3%), respectively. Conversely, commercial arrears increased marginally by \$1.0 million (1.3%) to \$80.6 million, led by a \$2.2 million (4.6%) rise in non-performing loans, which outweighed the \$1.2 million (3.8%) falloff in the short-term category.

Despite the decrease in non-performing loans, banks augmented their provisions for loan losses by \$3.8 million (1.5%) to \$585.6 million in June. As a result, the ratio of total provisions to both arrears and NPLs firmed by 3.9 and 1.1 percentage points, to 75.0% and 111.6%, respectively. Likewise, the coverage ratio of specific provisions to NPLs rose by 1.0 percentage point to 81.3%. During the review month, banks also wrote-off an estimated \$7.7 million in bad loans and recovered approximately \$3.4 million.

On a year-to-date basis, total private sector arrears grew by \$7.6 million (1.0%), corresponding to a 26 basis points increase in the attendant ratio. The outturn was owing in large measure to a \$50.2 million (10.6%) growth in long-term arrears, with the relevant ratio rising by 98 basis points. In contrast, the short-term category declined by \$42.6 million (14.3%), as the accompanying ratio narrowed by 72 basis points. Relative to June 2020, the total private sector arrears rate firmed by 2.8 percentage points, as both the non-accrual and short-term segments rose by 1.7 and 1.1 percentage points, respectively.

By loan type, commercial arrears advanced by \$22.4 million (38.5%), as short-term delinquencies and non-performing loans increased by \$13.5 million (77.6%) and \$9.0 million (21.9%), respectively. Similarly, consumer loan arrears moved higher by \$21.2 million (9.3%), reflecting a \$30.3 million (20.8%) expansion in non-performing loans, which outweighed the \$9.1 million (11.0%) falloff in the short-term component. In an offset, residential mortgage arrears reduced by \$36.0 million (7.4%), mainly attributed to a \$47.0 million (23.7%) decrease in short-term delinquencies, which outstripped the \$11.0 million (3.8%) gain in non-accruals.

During the six-month period, banks' total provisions for loan losses moved higher by \$10.5 million (1.8%). As a result, the ratio of total provisions to arrears rose by 61 basis points. However, the ratio of total provisions to NPLs declined by 9.6 percentage points. Similarly, the coverage ratio of specific provisions to NPLs fell by 3.2 percentage points. For the six-month period, banks wrote-off approximately \$51.8 million in bad loans and recovered an estimated \$13.5 million.

Deposits

Total Bahamian dollar deposits expanded by \$122.9 million, a reversal from the \$36.1 million decrease in the preceding year. In terms of the components, demand deposit balances grew by \$94.9 million, overturning the \$29.4 million falloff in 2020. Similarly, savings deposits increased by \$34.3 million, a turnaround from the \$7.9 million contraction in the prior year. Conversely, fixed deposits reduced by \$6.4 million, vis-à-vis a \$1.2 million uptick last year. Meanwhile, foreign currency deposits rose by \$86.0 million, contrasting with a \$16.8 million reduction in the previous year.

During the six months to June, the growth in Bahamian dollar deposits accelerated to \$301.6 million, from \$185.3 million in 2020. In particular, the buildup in demand deposits advanced to \$282.6 million from \$212.1 million in the preceding year. Likewise, savings deposits increased by \$42.5 million, albeit a moderation from the \$140.6 million expansion during the same period last year. Further, the decline in fixed deposit balances slowed notably to \$23.6 million from \$167.4 million in 2020. In addition, foreign currency deposit balances grew by \$120.5 million, vis-à-vis a \$94.0 million falloff a year earlier.

Interest Rates

In June, banks' weighted average loan rate firmed by 43 basis points to 10.06%. Conversely, the weighted average deposit rate fell by 2 basis points to 0.50%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

It is expected that the domestic economy will register marginal growth in 2021, buttressed by the gradual restart of tourism sector activity, which is expected to benefit from homeport amenities for cruise lines. Against this backdrop, the sustained rebound of the tourism sector remains conditional on the easing of globally imposed travel restrictions, the advancement of international health initiatives, the efficacy, availability, and distribution of vaccines. Meanwhile, new and ongoing foreign investment-led projects, combined with post-hurricane rebuilding works, are anticipated to support the construction sector.

In terms of the labor market, the unemployment rate is projected to remain elevated and above trend in the near-term, but with some job gains registering in the construction sector, and from measured re-engagement

of tourism sector employees. With regard to prices, inflationary pressures are expected to remain contained, barring any shocks to international oil prices.

In the fiscal sector, Government's net financing needs should continue to be elevated, attributed to spending still related to the restoration of key infrastructure following Hurricane Dorian, along with subdued revenue collections and costs associated with health and social welfare, as a result of COVID-19. In particular, estimated revenue shortfalls should persist, corresponding with expectations that taxable economic activity should stay below capacity in the near-term, improving mostly in pace with the recovery in tourism sector activity. Consequently, the budgetary gap is anticipated to be financed with important use of external borrowing, but with a likely increased proportion of the total funding from domestic sources.

Monetary sector developments will be marked by sustain elevated levels of banking sector liquidity, due to commercial banks upholding their conservative lending stance. However, external reserve balances are projected to decline during the year, reflective of lower foreign currency receipts, underpinned by constrained tourism sector activity and ongoing imports to support reconstruction work. Nonetheless, external balances are poised to remain more than adequate to preserve the Bahamian dollar currency peg.

4. Monetary Policy Implications

Based on the prevailing outlook, the Central Bank will retain its accommodative stance for private sector credit, and continue to seek out policies that ensure a positive outturn for external reserves, and minimize financial sector disruptions. Further, the Bank will continue to assess developments within the international and domestic environment and, if necessary, implement the appropriate measures to support a favorable outcome for the foreign reserves.

APPENDIX

International Developments

Global economic conditions continued to be impacted by the Novel coronavirus (COVID-19) pandemic, contributing to mixed economic performances within the major markets. Accordingly, all of the key central banks retained their highly accommodative monetary policy stance, in an attempt to foster economic growth and financial stability.

Economic indicators within the United States registered a tepid outturn during the review month, amid a slow down in vaccination rates. The rise in industrial production tapered by 30 basis points to 0.4% in June from the previous month, reflective of a decline in manufacturing output. Likewise, retail sales rose by 0.3% in June relative to the prior month. In terms of unemployment, the jobless rate firmed by 10 basis points to 5.9% in June in comparison to one month earlier, despite job gains in the leisure & hospitality sector that supported the 850,000 rise in non-farm payroll employment. Further, the consumer price index firmed by 0.9% in June, as the index for used cars and trucks increased sharply by 10.5%. In the external sector, the trade deficit widened by \$2.2 billion (3.1%) to \$71.2 billion in May, mainly attributed to the 1.3% growth in imports, which outweighed the 0.6% uptick in exports. In light of the prevailing outlook, the Federal Reserve kept its benchmark interest rate to a range of 0.00%–0.25%, and re-affirmed its commitment to buy at least \$120.0 million bonds per month.

Performance indicators in Europe varied over the review period. In the United Kingdom, the growth in GDP slowed to an annualized 0.8% in May, from 2.0% in April, underpinned by contractions in the construction sector and manufacturing output. In terms of spending, retail sales fell by 1.4% in May from one month earlier, as the volume of sales from food stores decreased by 5.7%. Meanwhile, industrial production rose by 0.8% in April, compared to the preceding month, as gains in the production of electricity and gas (5.7%), offset the falloff in manufacturing output. On the external front, the trade deficit moderated by £2.2 billion to £3.5 billion during the three months to May, underpinned by a £1.3 billion rise in exports, combined with the £0.5 billion decline in imports. On the labor market front, the unemployment rate narrowed by 20 basis points to 4.8% over the three months to May from the preceding quarter. In terms of inflation, the consumer price index grew by 60 basis points to 2.1% in May, relative to the prior month, mainly occasioned by an uptick in the costs of transport (0.7%). In the euro area, industrial production decreased by 1.0% in May from a month earlier, on account of the falloff in the production of non-durable consumer goods (2.3%). Further, annual inflation moved lower by 10 basis points to 1.9% in June relative to the previous month, while in the labor market, the jobless rate was 20 basis points lower than the prior month, at 7.9% in May, as the number of unemployed persons moderated by 328,000. With regard to spending, retail trade rose by 4.6% in May, vis-à-vis the 3.9% falloff in April, reflective of the gain in the sale of non-food products (8.8%). Based on the current outlook, the Bank of England maintained its interest rate at 0.1%, and the size of its Government bond purchase program at £895.0 billion. Meanwhile, the European Central Bank upheld the 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 addition, the Bank retained its previously implemented pandemic emergency purchase program (PEPP), with the goal of purchasing a total of €1,850.0 billion net assets.

Developments within Asian economies were mixed during the review period. In China, GDP growth strengthened to 1.3% during the second quarter from 0.6% in the first quarter. In addition, industrial production firmed by 0.5% in May from one month earlier, partially due to gains in the mining and manufacturing sectors. Further, retail sales rose by 0.7% in June, relative to the preceding month. In terms of inflation, consumer prices decreased by 0.4% in June, owing to a falloff in the prices of food, tobacco and alcohol. In labor market developments, the jobless rate moved lower by 10 basis points to 5.0% in May over the previous month. On the external front, the trade surplus broadened to US\$51.1 billion in June from \$45.53 billion in the preceding month, despite the 36.7% expansion in imports outpacing the 32.2% rise in exports. In Japan, industrial production fell by 5.9% in May from the previous month, underpinned by a reduction in the production of motor vehicles. Similarly, retail sales fell by 0.4% in May compared to one month earlier. With regard to unemployment, the jobless rate increased by 10 basis points to 3.1% in May from the prior month. In price developments, the inflation rate moved higher by 0.3% in May relative to the previous month, amid growth in the cost of fuel, light and water charges (1.9%). In external sector developments, the trade deficit narrowed to ¥189.4 billion in May from ¥856.8 billion a year earlier, as the 49.6% expansion in exports outstripped the 27.9% rise in imports. Against this backdrop, the Bank of Japan retained its policy rate at -0.1%, while the People's Bank of China left its reverse repo rate unchanged at 2.20%.

During the month of June, the major stock market indices registered mixed movements. In the United States the S&P 500 rose by 2.2%, while the Dow Jones Industrial Average (DJIA) fell by 0.1%. In Europe, France's CAC 40, Germany's DAX and the United Kingdom's FTSE 100 posted respective increases of 0.9%, 0.6% and 0.2%. In contrast, in Asia, China's SE Composite moved lower by 0.7%, and Japan's Nikkei decreased by 0.2%.

Currency market developments showed that the US dollar appreciated relative to all the major currencies during the month of June. Specifically, the US dollar strengthened against the euro, by 3.1% to €0.8433, the Swiss Franc, by 2.9% to CHF0.9250 and the Canadian dollar, by 2.8% to CAD\$1.2389. Likewise, the US dollar increased relative to the British Pound, by 2.8% to £0.7230, the Japanese Yen, by 1.4% to ¥111.11 and the Chinese Renminbi, by 1.4% to CNY 6.4572.

In the commodity market, price trends varied during the month of June. In particular, the cost of crude oil advanced by 7.9% to \$75.11, despite OPEC's crude production growing by 0.59 million barrels per day, month-on-month, to 26.03 million barrels per day. Conversely, the prices of gold and silver declined by 7.2% to \$1,170.11 and by 6.8% to \$26.13 per troy ounce, respectively.

Recent Monetary and Credit Statistics

(B\$ Millions)

June					
Value		Change		Change YTD	
2020	2021	2020	2021	2020	2021

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,239.27	1,639.14	-5.80	101.39	133.05	202.88
1.2 Excess Liquid Assets	2,065.21	2,363.20	-4.90	57.54	99.84	133.49
1.3 External Reserves	2,028.29	2,576.08	55.75	195.74	270.07	195.49
1.4 Bank's Net Foreign Assets	57.85	81.00	-53.92	89.89	-145.65	178.92
1.5 Usable Reserves	1,026.72	1,274.93	67.24	99.00	191.36	19.74

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,781.15	5,665.22	-17.87	-11.90	-75.30	-68.82
a. B\$ Credit	5,628.07	5,526.76	-20.69	-8.89	-27.50	-62.12
of which: Consumer Credit	2,077.51	1,985.64	-17.17	-5.05	-0.71	-51.22
Mortgages	2,810.86	2,777.05	-6.21	-6.36	-27.72	-17.79
Commercial and Other Loans B\$	739.69	764.08	2.69	2.51	0.93	6.89
b. F/C Credit	153.09	138.46	2.82	-3.01	-47.80	-6.70
of which: Mortgages	63.19	67.11	0.41	-0.75	5.15	3.84
Commercial and Other Loans F/C	89.90	71.35	2.41	-2.25	-52.95	-10.54
2.2 Central Government (net)	2,697.33	2,605.27	-55.35	-84.53	77.35	76.63
a. B\$ Loans & Securities	2,889.57	2,849.65	-69.57	-10.29	40.32	119.07
Less Deposits	246.96	409.24	-12.23	68.32	-37.80	36.95
b. F/C Loans & Securities	57.00	174.13	0.00	0.00	0.00	0.03
Less Deposits	2.28	9.26	-1.99	5.92	0.77	5.51
2.3 Rest of Public Sector	446.52	323.31	2.59	-6.24	2.72	0.07
a. B\$ Credit	279.76	277.86	-1.41	-6.23	1.27	1.69
b. F/C Credit	166.76	45.45	4.00	0.00	1.44	-1.62
2.4 Total Domestic Credit	8,925.00	8,593.81	-70.63	-102.66	4.77	7.88
a. B\$ Domestic Credit	8,550.44	8,245.03	-79.44	-93.74	51.89	21.69
b. F/C Domestic Credit	374.56	348.77	8.81	-8.93	-47.12	-13.81

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,165.77	3,390.88	-29.40	94.94	212.07	282.63
a. Central Bank	58.26	81.05	-15.87	2.20	8.61	28.82
b. Banks	3,107.51	3,309.83	-13.54	92.74	203.46	253.81
3.2 Savings Deposits	1,777.07	1,827.11	-7.88	34.32	140.62	42.50
3.3 Fixed Deposits	2,257.59	2,226.78	1.24	-6.37	-167.35	-23.58
3.4 Total B\$ Deposits	7,200.43	7,444.77	-36.05	122.88	185.33	301.55
3.5 F/C Deposits of Residents	576.02	547.87	-16.75	86.01	-93.98	120.53
3.6 M2	7,571.10	7,820.53	-32.05	134.01	218.92	300.15
3.7 External Reserves/M2 (%)	26.79	32.94	0.85	1.97	2.88	1.28
3.8 External Reserves/Base Money (%)	105.93	110.91	2.98	3.21	4.38	-1.46
3.9 External Reserves/Demand Liabilities (%)	101.26	98.99	3.90	0.17	6.00	-6.77
	Value		Year To Date		Change	
	2020	2021	2020	2021	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	52.80	195.98	197.69	189.53	143.18	-8.15
a. Net Purchase/(Sale) from/to Banks	-119.38	26.83	105.30	34.30	146.21	-71.00
i. Sales to Banks	123.26	34.00	302.38	159.58	-89.26	-142.80
ii. Purchase from Banks	3.88	60.83	407.67	193.88	56.95	-213.80
b. Net Purchase/(Sale) from/to Others	172.17	169.15	92.39	155.24	-3.02	62.85
i. Sales to Others	116.46	80.55	514.76	423.21	-35.91	-91.55
ii. Purchase from Others	288.64	249.71	607.14	578.44	-38.93	-28.70
4.2 Banks Net Purchase/(Sale)	-124.49	38.37	35.77	116.31	162.86	80.54
a. Sales to Customers	382.64	416.38	2201.13	2338.81	33.74	137.68
b. Purchase from Customers	258.15	454.75	2236.89	2455.12	196.60	218.22

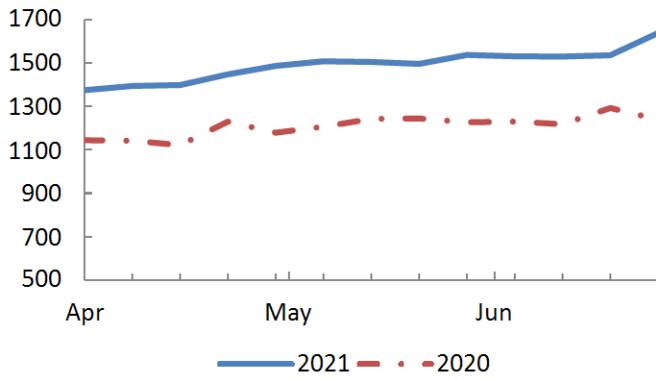
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	475.28	488.55	2,727.19	2,617.57	13.27	-109.63
of which Public Sector	99.54	76.09	461.68	366.43	-23.46	-95.25
a. Nonoil Imports	150.81	124.44	733.62	775.81	-26.38	42.20
b. Oil Imports	40.47	44.47	234.63	183.88	4.00	-50.75
c. Travel	4.63	10.57	60.17	61.42	5.93	1.25
d. Factor Income	39.54	44.32	223.71	237.81	4.79	14.11
e. Transfers	14.74	16.89	73.89	101.99	2.16	28.10
f. Other Current Items	225.09	247.86	1,401.19	1,256.65	22.77	-144.54
5.2 Capital Items	33.63	9.34	154.29	89.36	-24.29	-64.93
of which Public Sector	28.37	7.86	107.19	59.44	-20.50	-47.74

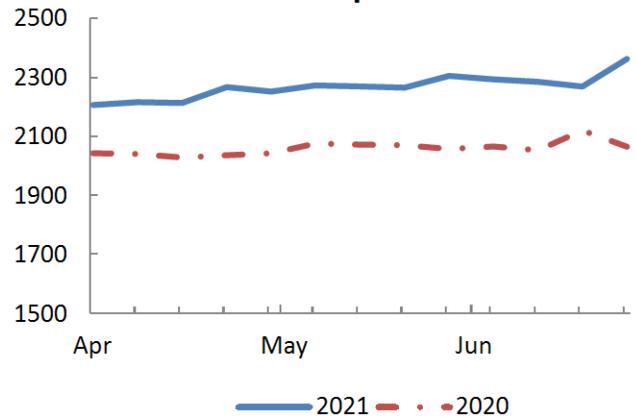
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

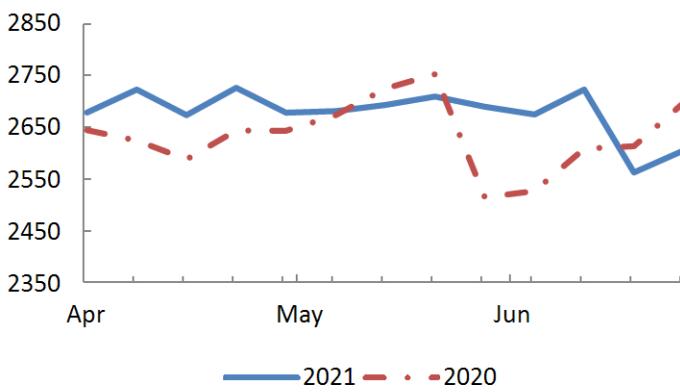
Excess Reserves



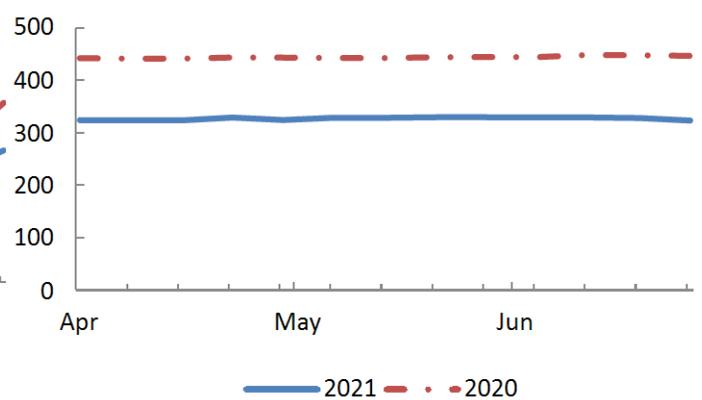
Excess Liquid Assets



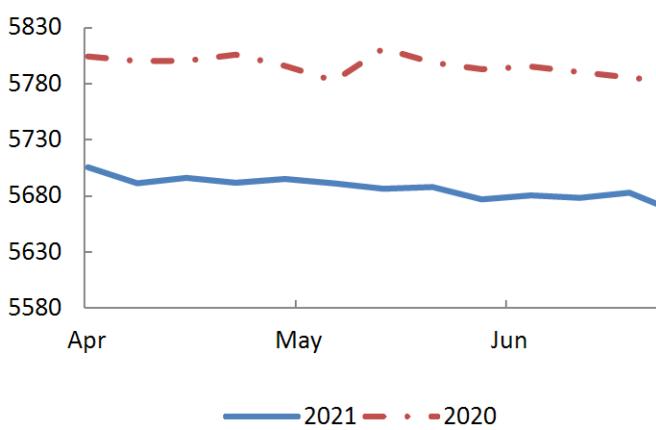
Central Govt. Credit (Net)



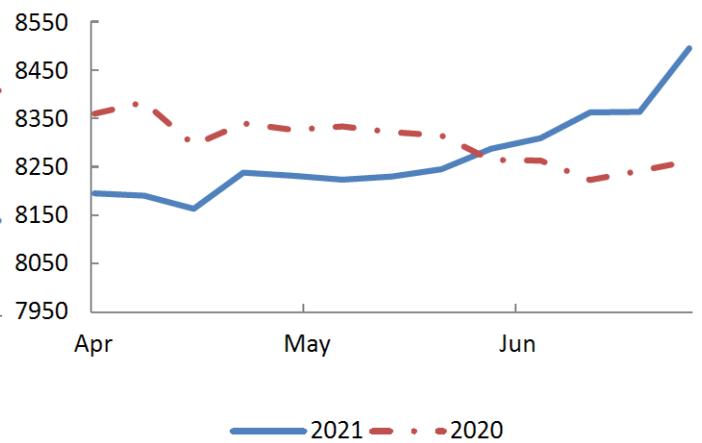
Rest of Public Sector Credit



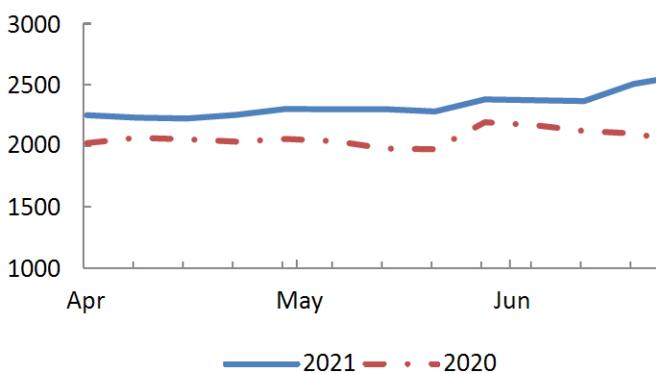
Private Sector Credit



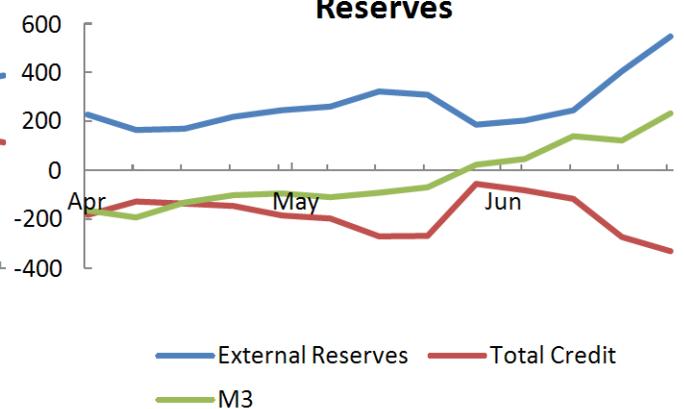
M3



External Reserves



Changes in Money, Credit & Ext. Reserves



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2020	2021	2020	2021	2020	2021
Bahamas	-16.3	2.0	0.0	2.0	25.6	24.0
United States	-3.5	6.4	1.2	2.3	8.1	5.8
Euro-Area	-6.6	4.4	0.3	1.4	7.9	8.7
Germany	-4.6	3.6	0.4	2.2	4.2	4.4
Japan	-4.8	3.3	0.0	0.1	2.8	2.8
China	2.3	8.4	2.4	1.2	3.8	3.6
United Kingdom	-9.9	5.3	0.9	1.5	4.5	6.1
Canada	-5.4	5.0	1.7	2.0	9.6	8.0

Source: IMF World Economic Outlook April 2021.

B: Official Interest Rates – Selected Countries (%)					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
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
February 2021	4.00	0.00	0.25	0.00-0.25	0.10
March 2021	4.00	0.00	0.25	0.00-0.25	0.10
April 2021	4.00	0.00	0.25	0.00-0.25	0.10
May 2021	4.00	0.00	0.25	0.00-0.25	0.10
June 2021	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	June-20	May-21	June-21	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8902	0.8179	0.8433	3.11	3.03	-5.26
Yen	107.93	109.58	111.11	1.40	7.61	2.95
Pound	0.8064	0.7036	0.7230	2.75	-1.16	-10.34
Canadian \$	1.3576	1.2046	1.2398	2.77	-2.57	-8.68
Swiss Franc	0.9473	0.8989	0.9250	2.90	4.50	-2.35
Renminbi	7.0654	6.3701	6.4572	1.37	-1.07	-8.61

Source: Bloomberg as of June 30th, 2021

D. Selected Commodity Prices (\$)					
Commodity	June-2020	May-2021	June-2021	Mthly % Change	YTD % Change
Gold / Ounce	1780.96	1906.87	1770.11	-7.17	-6.76
Silver / Ounce	18.21	28.03	26.13	-6.78	-1.05
Oil / Barrel	35.32	69.63	75.11	7.87	46.53

Source: Bloomberg as of June 30th, 2021

E. Equity Market Valuations – June 30th, 2021 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	1.10	-0.08	2.22	0.21	0.94	0.60	-0.24	-0.65
3 month	0.46	4.61	8.17	4.82	7.26	3.36	-1.33	4.36
YTD	-5.72	12.73	14.41	8.93	17.23	13.08	4.91	3.42
12-month	-7.15	33.66	38.62	14.06	31.84	26.01	29.18	20.35

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.1450	0.0900	-0.5500
1 Month	0.2000	0.1150	-0.5375
3 Month	0.1539	0.1500	-0.5600
6 Month	0.1750	0.2010	-0.4900
9 Month	0.2200	0.2150	-0.4900
1 year	0.2600	0.2200	-0.5025

Source: Bloomberg as of June 30th, 2021

Summary Accounts of the Central Bank
(B\$ Millions)

	VALUE									CHANGE								
	May. 05	May. 12	May. 19	May. 26	Jun. 02	Jun. 09	Jun. 16	Jun. 23	Jun. 30	May. 05	May. 12	May. 19	May. 26	Jun. 02	Jun. 09	Jun. 16	Jun. 23	Jun. 30
I. External Reserves	2,302.70	2,298.75	2,300.41	2,281.78	2,380.34	2,373.63	2,367.02	2,507.57	2,576.08	48.94	(3.95)	1.67	(18.63)	98.55	(6.71)	(6.61)	140.55	68.51
II. Net Domestic Assets (A + B + C + D)	(144.40)	(132.98)	(131.13)	(118.30)	(170.21)	(176.51)	(172.83)	(303.06)	(253.44)	(18.28)	11.42	1.85	12.84	(51.92)	(6.30)	3.68	(130.23)	49.62
A. Net Credit to Gov't (I + ii + iii -iv)	279.83	296.73	294.50	315.23	299.25	296.61	291.55	164.96	210.90	(20.44)	16.89	(2.22)	20.73	(15.98)	(2.63)	(5.07)	(126.59)	45.94
i) Advances	120.00	150.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	-	30.00	10.00	-	-	-	-	-	-
ii) Registered Stock	254.30	254.69	254.91	283.85	258.82	259.00	252.96	253.40	249.25	20.07	0.38	0.23	28.94	(25.03)	0.17	(6.04)	0.44	(4.16)
iii) Treasury Bills	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	-	0.00	0.00	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)
iv) Deposits	94.49	107.98	120.43	128.64	119.59	122.40	121.43	248.46	198.36	40.51	13.49	12.45	8.21	(9.05)	2.80	(0.97)	127.03	(50.10)
B. Rest of Public sector (Net) (i+ii-iii)	(27.51)	(28.46)	(23.76)	(35.58)	(71.90)	(68.07)	(67.83)	(55.64)	(74.09)	(1.14)	(0.95)	4.70	(11.82)	(36.31)	3.83	0.24	12.18	(18.44)
i) Loans	2.00	2.00	2.00	1.88	1.88	1.88	1.88	1.88	1.88	-	-	-	(0.13)	-	-	-	-	-
ii) Bonds/Securities	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.09	5.09	-	-	-	-	-	-	-	0.01	-
iii) Deposits	34.59	35.54	30.84	42.54	78.85	75.03	74.78	62.61	81.05	1.14	0.95	(4.70)	11.70	36.31	(3.83)	(0.24)	(12.17)	18.44
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-								
D. Other Items (Net)*	(396.73)	(401.25)	(401.87)	(397.94)	(397.56)	(405.06)	(396.55)	(412.38)	(390.26)	3.30	(4.52)	(0.63)	3.93	0.38	(7.49)	8.50	(15.82)	22.12
III. Monetary Base	2,158.29	2,165.77	2,169.28	2,163.48	2,210.12	2,197.11	2,194.18	2,204.50	2,322.63	30.67	7.47	3.51	(5.80)	46.64	(13.01)	(2.93)	10.32	118.13
A. Currency in Circulation	498.60	493.53	489.13	490.44	500.40	494.16	491.09	486.87	493.09	2.62	(5.07)	(4.40)	1.30	9.97	(6.25)	(3.07)	(4.22)	6.22
B. Bank Balances with CBOB	1,659.70	1,672.24	1,680.15	1,673.05	1,709.72	1,702.96	1,703.10	1,717.64	1,829.54	28.04	12.54	7.91	(7.10)	36.67	(6.76)	0.14	14.54	111.91

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

	JUL-SEP		OCT-DEC		JAN-MAR		APR-JUN		YEAR TO DATE					
	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021				
Fiscal Operations^p														
1. Government Revenue & Grants			554.3	300.9	545.8	372.5	657.1	556.4			1,757.2	1,229.8		
% change; over previous quarter			-24.8%	-9.0%	-1.5%	23.8%	20.4%	49.4%			4.0%	-30.0%		
2. Value Added Tax			266.2	134.7	249.1	151.7	223.6	183.4			738.9	469.8		
% change; over previous quarter			-13.5%	-2.8%	-6.4%	12.6%	-10.2%	20.9%			25.5%	-36.4%		
3. Import/Excise Duties			140.5	82.5	154.6	92.1	108.5	88.6			403.7	263.1		
% change; over previous quarter			-10.5%	11.9%	10.1%	11.7%	-29.8%	-3.9%			9.3%	-34.8%		
4. Recurrent Expenditure			544.8	585.6	634.0	712.7	631.5	641.6			1810.3	1939.9		
% change; over previous quarter			-24.5%	-15.7%	16.4%	21.7%	-0.4%	-10.0%			6.4%	7.2%		
5. Capital Expenditure			56.3	60.4	60.5	49.0	81.3	58.6			198.1	168.0		
% change; over previous quarter			-41.0%	-64.5%	7.6%	-18.8%	34.3%	19.6%			54.7%	-15.2%		
6. Deficit/Surplus*			-46.7	-345.1	-148.8	-389.2	-55.8	-143.8			-251.3	-878.1		
% change; over previous quarter			-41.1%	-35.4%	218.7%	12.8%	-62.5%	-63.1%			79.5%	249.4%		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2020	2021
Debt^{**}	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
7. Total Direct Debt	7,735.6	9,440.3	7,750.2	9,482.5	7,891.3	9,526.6	7,917.8	9,521.4	7,992.9	9,719.0	8,191.2	9,935.3		
% change; over previous month	0.0%	0.2%	0.2%	0.4%	1.8%	0.5%	0.3%	-0.1%	0.9%	2.1%	2.5%	2.2%		
8. External Debt	2,563.1	4,028.6	2,598.3	4,004.4	2,604.1	4,007.8	2,649.1	4,010.5	2,650.7	4,161.3	2,901.3	4,368.2		
% change; over previous month	-0.2%	-0.1%	1.4%	-0.6%	0.2%	0.1%	1.7%	0.1%	0.1%	3.8%	9.5%	5.0%		
9. Internal F/C Debt	50.0	180.4	50.0	180.4	50.0	180.4	50.0	180.4	50.0	180.4	50.0	180.4		
% change; over previous month	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
10. Bahamian Dollar Debt	5,122.5	5,231.2	5,101.9	5,297.6	5,237.2	5,338.3	5,218.7	5,330.4	5,292.3	5,377.2	5,239.9	5,386.6		
% change; over previous month	0.1%	0.5%	-0.4%	1.3%	2.6%	0.8%	-0.4%	-0.1%	1.4%	0.9%	-1.0%	0.2%		
11. Total Amortization	52.5	27.0	23.8	35.8	185.6	95.7	127.7	92.9	72.6	128.1	91.1	57.0		
% change; over previous month	47.7%	-59.4%	-120.8%	24.7%	87.2%	62.6%	-31.2%	-2.9%	-43.2%	37.8%	25.6%	-55.5%		
12. Total Public Sector F/C Debt	3,471.5	4,768.3	3,506.6	4,744.1	3,500.9	4,738.1	3,545.9	4,740.8	3,547.5	4,891.6	3,789.6	5,090.7		
% change; over previous month	-19.6%	-0.3%	1.0%	-0.5%	-0.2%	-0.1%	1.3%	0.1%	0.04%	3.18%	6.82%	4.07%		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2020	2021
Real Sector Indicators	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
13. Retail Price Index	108.9	109.71	108.28	109.8									108.6	109.8
% change; over previous month	1.27%	0.88%	-0.5%	0.1%									1.10%	1.10%
14. Tourist arrivals (000's)	687.2	23.6	712.3	29.5	302.1	62.7	0.04	68.6	0.0	93.9			1,701.6	278.3
% change; over previous year	7.9%	-96.6%	17.1%	-95.9%	-59.7%	-79.2%	-100.0%	159393.0%	-100.0%	469280.0%			-47.50%	-83.64%
15. Air arrivals (000's)	125.3	20.8	147.0	25.7	75.7	56.4	0.01	60.3	0.0	81.2			348.0	244.4
% change; over previous year	-3.5%	-83.4%	-2.7%	-82.5%	-62.5%	-25.5%	-100.0%	548127.3%	-100.0%	405740.0%			-57.2%	-29.8%
16. Occupied Room Nights														
% change; over previous year														
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)				21.7	16.2								21.74	16.23
% change; over previous qtr.				29.26%	2.73%								177.82%	-25.33%

* Includes Net Lending to Public Corporations

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

p - provisional