



Monthly Economic and Financial Developments July 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: October 4; November 1; November 29; December 20



Monthly Economic and Financial Developments (MEFD) July 2021

1. Domestic Economic Developments

Overview

Domestic economic activity during the month of July continued to be largely impacted by the spread of the Novel Coronavirus (COVID-19) pandemic. Nonetheless, tourism output showed signs of a gradual recovery, underpinned by ongoing gains in the high value-added air segment and the modest resumption in sea traffic, reflecting sustained progress in vaccination efforts, both locally and internationally. Further, several varied scale foreign investment-led projects, combined with post-hurricane rebuilding works, provided support to the construction sector. Monetary trends in July revealed a contraction in bank liquidity, as the increase in domestic credit offset the rise in the deposit base. However, external reserves grew, bolstered an uptick in net foreign currency inflows through the private sector and further proceeds from Government’s external borrowings.

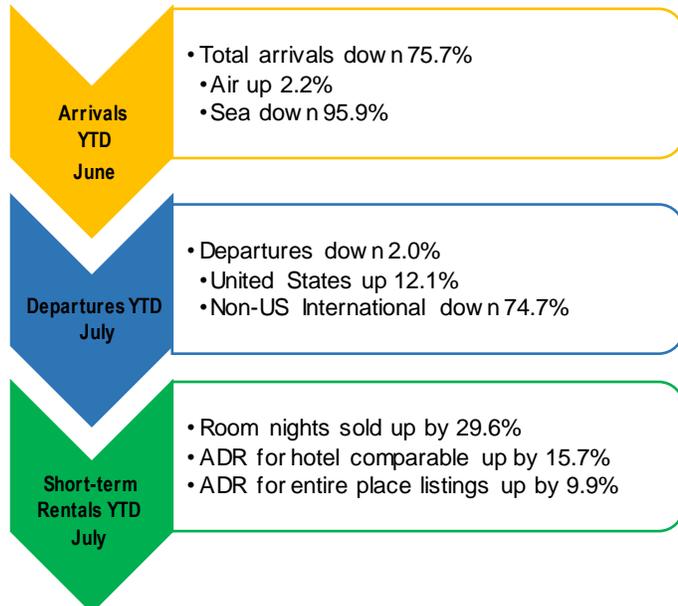
Real Sector

Tourism

Tourism metrics for the month of July revealed that the sector’s output showed signs of a slow recovery, although challenges persisted, as ongoing globally imposed travel restrictions related to the COVID-19 pandemic continued to hamper a return to pre-pandemic levels. Nevertheless, domestic demand undergirded gains in the vacation rental market.

Official data provided by the Ministry of Tourism (MOT) revealed that total foreign arrivals by first port of entry recovered to 135,092 during the month of June, from just 3,935 in the corresponding period in 2020, when international border closures and lockdowns remained in effect. Contributing to this outcome, air arrivals improved notably to 113,189 from 1,705 in the previous year— 67.2% of 2019 air traffic—reflective of the complete reopening of international borders to travellers; albeit with some restrictions. Similarly, sea traffic expanded to 21,903, relative to a volume of 2,230 a year earlier. A breakdown by major market revealed that total visitors to New Providence advanced to 83,314 from a mere 1,032 in the comparative period of the prior year. Underlying this outcome, the air and sea segments measured 81,931 and 1,383, respectively. Likewise, foreign arrivals to Grand Bahama rose to 7,235, surpassing the 544 visitors recorded in 2020, as sea and air

Chart 1: Tourism Indicators at a Glance



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

arrivals amounted to respective 4,811 and 2,424. In addition, total traffic to the Family Islands rebounded to 44,543 vis-à-vis 2,359 in the same period of the preceding year, as air and sea passengers recovered to 28,834 and 15,709, respectively.

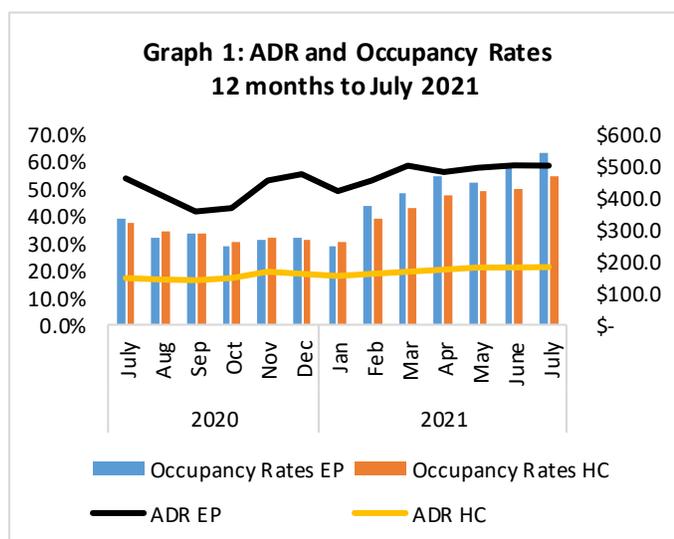
Given the delayed restart of cruise activity and comparisons with the first quarter of 2020 that was only minimally impacted by the pandemic, tourism output was still substantially reduced over the first half of 2021. Total arrivals contracted by 75.7%, extending the 56.1% drop-off recorded in the same period last year. Cruise activity remained depressed, with the loss in sea traffic extended to 95.9% from 53.3% in the prior year. In contrast, air arrivals rose by 2.2%, contrasting with the 64.4% falloff posted in 2020. The substantially moderated declines in New Providence and Grand Bahama, occurred alongside a robust recovery in Family Island visitors (Table 1).

Table 1: Total Visitor Arrivals First Half of 2021

Arrivals	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2020	2021	2020	2021	2020	2021
Air	-61.1	-16.4	-77.9	-7.0	-74.0	107.1
Sea	-62.1	-98.8	-66.9	-89.5	-36.4	-94.2
Total	-61.8	-71.6	-68.1	-82.7	-42.4	-79.7

Source: Ministry of Tourism

Data from the Nassau Airport Development Company Limited (NAD) revealed that total departures—net of domestic passengers—rebounded to 114,548 in July from just 8,933 in the same period last year, underpinned by the country re-opening its borders. Underlying to this development, U.S. departures recovered to 109,454 from 8,145 a year earlier. In addition, non-U.S. departures totaled 5,094 exceeding 788 in the prior year. On a year-to-date basis, the decrease in outward bound traffic moderated to just 2.0% from 63.7% last year. Underpinning this outturn, U.S. departures grew by 12.1%, contrasting with the 64.8% falloff in the previous year. Conversely, non-U.S. departures declined by 74.7%, extending the 56.3% reduction in the comparative period in 2020.



Source: AirDNA

Pandemic travel preferences continue to favour healthy growth in vacation rental activity for both domestic and foreign tourists. Nevertheless data provided by AirDNA revealed a moderation in the gains for the month of July. In particular, the growth in total room nights sold tapered notably to 13.2%, from 53.3% in the corresponding period of the preceding year when domestic vacations were more elevated. Reflective of this outcome, gains in bookings for hotel comparable listings and entire place listings eased to 16.4% and 12.8%, from 31.6% and 56.0%, respectively, a year earlier. As depicted in Graph 1, pricing indicators varied, with the average daily room rate (ADR) for hotel comparable listings increased by 1.5% to \$180.89, while the ADR for entire place listings edged down by 0.1% to \$499.66.

On a year-to-date basis, total room nights sold firmed by 29.6%, as bookings for entire place listings and private room listings registered respective increases of 31.8% and 12.7%. Pricing data revealed that the ADR for both entire place listings and hotel comparable listings rose by 15.7% and by 9.9%, to \$477.37 and \$169.65, respectively.

2. Monetary Trends

July 2021 vs. 2020

Liquidity

During the month of July, monetary trends were marked by a contraction in liquidity, as the growth in domestic credit offset the rise in the deposit base. Specifically, excess reserves—the narrow measure of liquidity—declined by \$118.6 million to \$1,520.6 million, a reversal from the \$31.2 million buildup last year. Similarly, excess liquid assets—a broad measure of liquidity—fell by \$12.7 million to \$2,350.5 million, contrasting with the \$17.6 million accumulation a year earlier.

External Reserves

Supported by net foreign currency inflows through the private sector and further proceeds from Government's external borrowings, external reserves grew by \$36.7 million to \$2,612.8 million during the month of July, a turnaround from the \$45.5 million reduction in the previous year. In particular, the Central Bank transactions with commercial banks shifted to a net purchase of \$21.5 million, from a net sale of \$65.1 million in 2020. Commercial banks, in turn, recorded a net intake of \$20.4 million from their customers, following a net sale of \$58.8 million in the prior year. Moreover, the Central Bank's net purchase from the public sector continued at \$15.3 million vis-à-vis \$18.5 million last year.

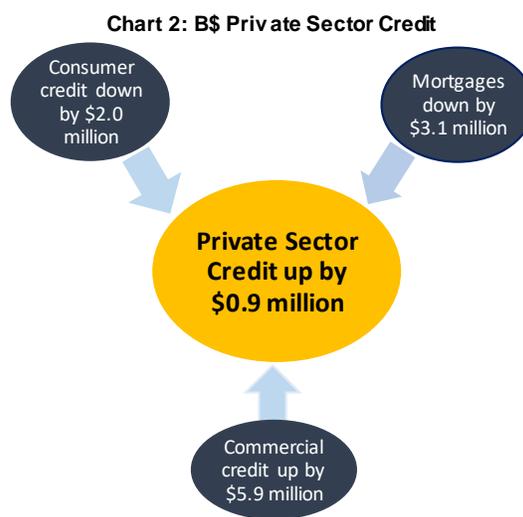
Exchange Control Data

Preliminary data on foreign currency sales for current account transactions revealed a \$118.7 million growth in outflows to \$461.7 million in July, in comparison to the same period in 2020. The outcome reflected increased payments for "other" current items (\$56.2 million)—mainly credit and debit card financed imports—factor income payments (\$31.9 million), oil imports (\$18.1 million), non-oil imports (\$14.8 million) and travel related payments (\$6.5 million). In contrast, transfer payments declined by \$8.8 million.

Domestic Credit

Bahamian Dollar Credit

For the month of July, the growth in total Bahamian dollar credit slowed to \$14.8 million from \$62.8 million in the same period last year. Underlying this development, net claims on the Government fell by \$0.3 million, a reversal from a \$57.6 million expansion in the prior year. Further, credit to the private sector edged up by \$0.9 million, following the \$2.4 million uptick a year earlier, primarily driven by a \$5.9 million increase in



Source: Central Bank of The Bahamas

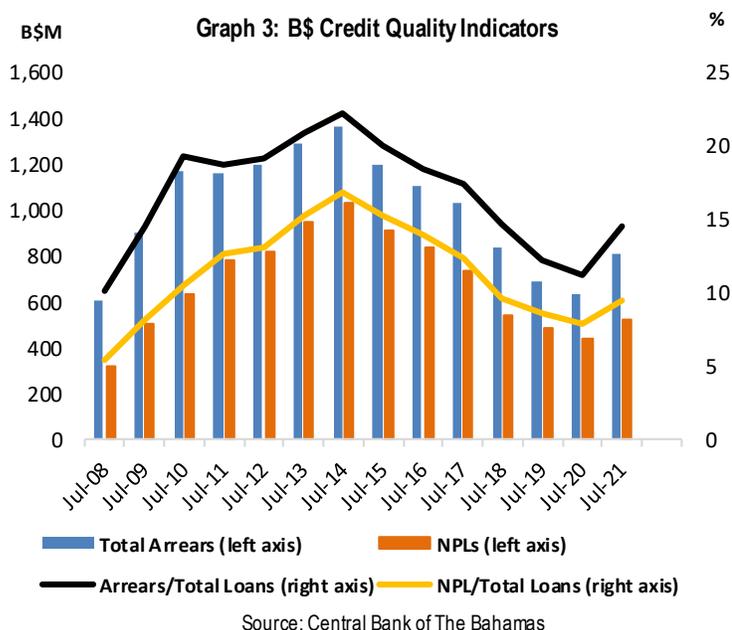
commercial credit; however, the mortgage and consumer components reduced by \$3.1 million and by \$2.0 million, respectively. Meanwhile, credit to public corporations grew by \$14.2 million, surpassing the \$2.8 million gain last year.

Foreign Currency Credit

Domestic foreign currency credit rose by \$8.6 million during the review month, contrasting with a \$7.0 million contraction in the previous year. Contributing to this outturn, credit to the private sector increased by \$4.0 million, relative to a \$7.7 million reduction in the preceding year, bolstered by a \$9.6 million rise in mortgages, which offset the \$5.6 million decline in commercial credit. Meanwhile the growth in net claims on the Government moderated to \$4.6 million from \$14.7 million in 2020. Further, credit to public corporations registered a flat outturn, compared to the \$14.0 million contraction last year.

Credit Quality

Banks' credit quality indicators weakened during the review month, attributed to a rise in short-term delinquencies. Total private sector arrears rose by \$25.6 million (3.3%) to \$806.3 million, with its accompanying ratio firming by 44 basis points to 14.5%. Disaggregated by average age of delinquencies, short-term arrears grew by \$27.2 million (10.6%) to \$283.1 million, corresponding with a 48 basis points increase in the attendant ratio to 5.1%. In contrast, non-performing loans decreased by \$1.6 million (0.3%) to \$523.2 million, as the relevant ratio fell by 4 basis points to 9.4%—with decreases in NPL rates for commercial loans by 29 basis points, to 5.7%; and for mortgages, by 13 basis points to 11.5%; however, consumer loans firmed by 18 basis points, to 8.5%.



A breakdown by loan type, revealed that the growth in total delinquencies was led by consumer credit, which rose by \$14.3 million (5.7%) to \$264.1 million, owing to an accumulation in both the short and long-term segments, by \$10.6 million (14.3%) and by \$3.7 million (2.1%), respectively. Likewise, mortgages advanced by \$13.6 million (3.0%) to \$463.8 million, as the \$17.4 million (11.5%) increase in the short-term category overshadowed the \$3.8 million (1.3%) decrease in the non-accrual component. Providing some offset, commercial credit declined by \$2.2 million (2.8%) to \$78.4 million, as both non-performing loans and short-term arrears fell by \$1.5 million (3.0%) and by \$0.7 million (2.3%), respectively.

In July, banks reduced their loan losses provisions by \$28.0 million (4.8%)—of which, general provisions fell by \$27.0 million—to \$557.6 million. Moreover, the ratio of total provisions to NPLs declined by 5.0 percentage points to 106.6%. Similarly, the ratio for total provisions to arrears fell by 5.9 percentage points to 69.2%.

However, the coverage ratio of specific provisions to non-accrual loans edged up by 0.1 percentage point to 81.4%. During the review period, banks wrote-off an estimated \$7.3 million in bad loans and recovered approximately \$3.1 million.

In comparison to July 2020, the total private sector arrears rate rose by 3.4 percentage points, reflecting growth in both the short-term (1.7 percentage points) and non-accrual segments (1.6 percentage points). In addition, by loan type, increases were registered for consumer credit (4.2 percentage points), mortgages (3.1 percentage points) and commercial credit (2.1 percentage points).

Deposits

The growth in total Bahamian dollar deposits accelerated to \$67.7 million during the review month, from \$41.4 million in 2020. In terms of the components, demand deposit balances rose by \$20.9 million, surpassing the \$16.9 million increase a year earlier. Similarly, gains in both savings and fixed deposits quickened to \$33.0 million and \$13.8 million, from \$12.8 million and \$11.7 million, respectively, in the prior year. Meanwhile, foreign currency deposits contracted by \$41.3 million, vis-à-vis a \$13.4 million expansion in the previous year.

Interest Rates

During the review period, banks' weighted average loan rate firmed by 73 basis points to 10.58%. Likewise, the weighted average deposit rate rose by 2 basis points to 0.55%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

The domestic economy is projected to experience marginal growth in 2021, supported by the gradual resumption in tourism sector activity, which is anticipated to benefit from homeport amenities for cruise liners. In this environment, the sustained recovery of the tourism sector will be dependent on the relaxation of all globally imposed travel restrictions, the success of international health initiatives, the effectiveness, availability, and distribution of vaccines. Meanwhile, new and ongoing foreign investment-led projects, along with post-hurricane rebuilding works are expected to provide stimulus to the construction sector.

With regard to the labor market, the unemployment rate is estimated to rise above trend in the near term, but with some job gains occurring in the construction sector and from measured re-engagement of tourism sector employees. In terms of prices, inflationary pressures are anticipated to remain relatively contained, excluding any shocks to international oil prices.

On the fiscal front, subdued revenue collections, along with costs associated with health and social welfare related to COVID-19, and spending still for ongoing restoration of key infrastructure following Hurricane Dorian, are projected to weigh heavily on the Government's fiscal position. Estimated revenue shortfalls should persist, corresponding with expectations that taxable economic activity should continue to remain below capacity in the near-term, improving mostly in pace with tourism sector activity recovery. The forecasted 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 continue to feature high levels of liquidity in the banking sector, as commercial banks maintain their conservative lending posture. However, external reserve balances are forecasted to contract during the year, due to lower foreign currency receipts on account of constrained tourism sector activity, and ongoing imports to support reconstruction work. Nonetheless, external balances are poised to remain more than adequate to sustain the Bahamian dollar currency peg.

4. Monetary Policy Implications

Based on the current outlook, the Central Bank will sustain its accommodative stance for private sector credit, and continue to pursue policies that ensure a positive outturn for external reserves, and mitigate financial sector disruptions. Further, the Bank will continue to monitor developments within the international and domestic environment and, if necessary, adopt the appropriate measures to support a favorable outcome for the foreign reserves.

APPENDIX

International Developments

Over the review period, global economic developments continued to be influenced by the ongoing spread of the Novel coronavirus (COVID-19) pandemic, which translated to varied economic performances across the key markets. Accordingly, all of the major central banks opted to maintain their highly accommodative monetary policy stances, in an effort to encourage economic growth and financial stability.

Reflective of the ongoing progress on the vaccination front, developments in the United States economy were modestly positive over the review month. The growth in real GDP strengthened to an annualized 6.5% during the second quarter from the 6.3% in the first quarter, due in part to increases in personal consumption expenditure and non-residential fixed investment. Labour market conditions improved, as the jobless rate decreased by 50 basis points to 5.4% in July, compared to one month earlier, as total non-farm payroll employment grew by 943,000, with notably job gains reported in leisure and hospitality. In external sector developments, the trade deficit broadened by \$4.8 billion (6.7%) to \$75.7 billion in June relative to the preceding month, as the 2.1% rise in imports outweighed the 0.6% uptick in exports. Based on the prevailing outlook, the Federal Reserve retained its benchmark interest rate to a range of 0.00% – 0.25%, in addition to re-affirming its commitment to buy at least \$120.0 million bonds per month.

Economic indicators in Europe revealed mixed performance over the review period. In the United Kingdom, real output grew by 1.0% in June, compared to 0.8% in the prior month, led by growth in the services sector. In addition, retail sales moved higher by 0.5% in June from the previous month, underpinned by increased sales at food stores. In a partial offset, industrial production declined by 0.7% in June from a month earlier, on account of a falloff in mining and quarrying. With regard to prices, the consumer price index rose by 50 basis points to 2.5% in June compared to the prior month, largely attributed to an 80 basis points rise in the cost of transport. In terms of the external sector, the trade deficit widened by £3.6 billion to £5.2 billion over the three months to June, as the 12.4% growth in imports offset the 12.5% gain in exports. In the euro area, real GDP firmed by 2.0% during the second quarter of the year in comparison to the prior quarter. In addition, retail trade rose by 1.5% in June from one month earlier, led by the gain in the sale of automotive fuels. Meanwhile, industrial production fell by 0.3%, largely attributed to the decline in the production of capital goods and energy. In the labour market, the jobless rate reduced by 30 basis points to 7.7% in June, relative to the preceding month, as the number of unemployed people decreased by 423,000. Further, annual inflation rose by 30 basis points to 2.2% in July from the prior month. On the external front, the trade surplus moderated to €18.1 billion in June from €20.0 billion a year earlier, as the 28.2% growth in imports overshadowed the 23.8% rise in exports. Against this backdrop, the Bank of England kept its interest rate at 0.1%, and the size of its Government bond purchase program at £895.0 billion. The European Central Bank also left 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, while maintaining its previously implemented pandemic emergency purchase program (PEPP), with the goal of purchasing a total of €1,850.0 billion net assets.

In the Asian economies, economic indicators were largely positive during the review month. In China, the trade surplus widened by US\$5.3 billion to US\$56.6 billion in July from the preceding month, although the 28.1% increase in imports outpaced the 19.3% growth in exports. In addition, industrial production rose by 0.6%, while retail sales firmed by 0.7% in June, relative to the preceding month. Further, consumer prices increased by 0.3% in July, amid rising transportation and communication prices. In terms of the labour market, the jobless rate was unchanged at 5.0% in June, vis-à-vis the prior month. In Japan, industrial production firmed by 6.2% in June relative to a month earlier, owing to the expansion in the production of motor vehicles. Similarly, retail sales rose by 3.1% in June from the previous month. In addition, the consumer price index increased by 0.3% in June from the preceding month, underpinned by gains in the costs of food. In the labor market, the unemployment rate moved lower by 10 basis points to 3.0% in June compared to May. In addition, the trade surplus more than doubled to ¥384.0 billion in June, from ¥189.4 billion in May, as exports advanced by 15.4%, outstripping the 6.0% growth in imports. In this environment, the Bank of Japan sustained its policy rate at -0.1%, while the People's Bank of China kept its reverse repo rate unchanged at 2.20%. In addition, the People's Bank of China announced the reduction of their reserve requirement ratio by 50 basis points for all banks, in effort to support the economic recovery.

The major equity markets indices reported mixed movements in July. In the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) rose by 2.3% and 1.3%, respectively. In Europe, France's CAC 40 and Germany's DAX registered respective gains of 1.61% and 0.09%, while the United Kingdom's FTSE 100 edged down by 0.1%. In Asian markets, China's SE Composite fell by 5.4%, and Japan's Nikkei 225 decreased by 5.2%.

Developments within the currency markets revealed that the US dollar depreciated relative to most of the major currencies during the month of July. In particular, the dollar weakened against the Swiss Franc, by 2.1% to CHF0.9059, the Japanese Yen, by 1.3% to ¥109.72, the British Pound, by 0.5% to £0.7192 and the Euro, by 0.1% to €0.8424. In contrast, the US dollar strengthened against the Canadian dollar, by 0.6% to CAD\$1.2475 and the Chinese Renminbi, by 0.1% to CNY 6.4615.

In the commodities market, price trends showed mixed movements in July. Specifically, the cost of crude oil grew by 1.6% to \$76.29 per barrel, despite OPEC's increase in crude oil production by 0.64 million barrels per day, to 26.66 million barrels per day. In addition, the price of gold rose by 2.5% to \$1,814.19 per troy ounce. In contrast, the cost of silver reduced by 2.4% to \$25.49 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

July					
Value		Change		Change YTD	
2020	2021	2020	2021	2020	2021

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,270.50	1,520.55	31.22	-118.59	164.28	84.28
1.2 Excess Liquid Assets	2,082.76	2,350.50	17.55	-12.70	117.40	120.79
1.3 External Reserves	1,982.80	2,612.78	-45.49	36.70	224.59	232.19
1.4 Bank's Net Foreign Assets	78.44	32.97	20.60	-48.03	-125.06	130.89
1.5 Usable Reserves	959.78	1,305.94	-66.94	31.02	124.42	50.76

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,775.81	5,670.07	-5.35	4.84	-80.65	-63.98
a. B\$ Credit	5,630.43	5,527.61	2.36	0.85	-25.14	-61.27
of which: Consumer Credit	2,074.94	1,983.65	-2.57	-1.98	-3.28	-53.20
Mortgages	2,813.12	2,773.97	2.26	-3.08	-25.46	-20.87
Commercial and Other Loans B\$	742.36	769.99	2.67	5.91	3.60	12.80
b. F/C Credit	145.38	142.45	-7.71	3.99	-55.51	-2.71
of which: Mortgages	63.23	76.74	0.04	9.62	5.19	13.46
Commercial and Other Loans F/C	82.15	65.72	-7.75	-5.63	-60.70	-16.18
2.2 Central Government (net)	2,769.61	2,609.52	72.28	4.26	149.63	80.89
a. B\$ Loans & Securities	2,954.88	2,962.87	65.32	113.22	105.63	232.29
Less Deposits	254.70	522.77	7.73	113.53	-30.07	150.48
b. F/C Loans & Securities	71.03	174.13	14.03	0.00	14.03	0.03
Less Deposits	1.61	4.70	-0.67	-4.57	0.10	0.95
2.3 Rest of Public Sector	435.34	337.52	-11.18	14.20	-8.47	14.28
a. B\$ Credit	282.61	292.07	2.84	14.21	4.11	15.90
b. F/C Credit	152.73	45.45	-14.03	0.00	-12.58	-1.62
2.4 Total Domestic Credit	8,980.75	8,617.11	55.75	23.30	60.52	31.18
a. B\$ Domestic Credit	8,613.22	8,259.78	62.79	14.75	114.68	36.44
b. F/C Domestic Credit	367.52	357.33	-7.04	8.56	-54.16	-5.26

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,182.66	3,411.81	16.89	20.94	228.96	303.57
a. Central Bank	58.23	91.91	-0.03	10.86	8.58	39.67
b. Banks	3,124.44	3,319.91	16.93	10.08	220.39	263.89
3.2 Savings Deposits	1,789.85	1,860.13	12.78	33.02	153.40	75.52
3.3 Fixed Deposits	2,269.31	2,240.57	11.72	13.78	-155.64	-9.80
3.4 Total B\$ Deposits	7,241.82	7,512.51	41.39	67.74	226.72	369.29
3.5 F/C Deposits of Residents	589.41	506.61	13.39	-41.26	-80.58	79.27
3.6 M2	7,613.78	7,886.34	42.68	65.81	261.59	365.96
3.7 External Reserves/M2 (%)	26.04	33.13	-0.75	0.19	2.13	1.48
3.8 External Reserves/Base Money (%)	101.82	118.55	-4.10	7.63	0.27	6.17
3.9 External Reserves/Demand Liabilities (%)	96.91	99.97	-4.35	0.97	1.65	-5.80
	Value		Year To Date		Change	
	2020	2021	2020	2021	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-46.61	36.74	151.08	226.28	83.35	75.20
a. Net Purchase/(Sale) from/to Banks	-65.14	21.48	40.16	55.78	86.61	15.61
i. Sales to Banks	67.80	20.70	370.18	180.28	-47.10	-189.90
ii. Purchase from Banks	2.66	42.18	410.34	236.06	39.52	-174.28
b. Net Purchase/(Sale) from/to Others	18.53	15.26	110.92	170.50	-3.26	59.58
i. Sales to Others	47.07	54.23	561.82	477.43	7.16	-84.39
ii. Purchase from Others	65.60	69.49	672.74	647.93	3.89	-24.81
4.2 Banks Net Purchase/(Sale)	-58.84	20.42	-23.08	136.73	79.26	159.80
a. Sales to Customers	310.00	441.89	2511.12	2780.70	131.90	269.58
b. Purchase from Customers	251.15	462.31	2488.04	2917.43	211.16	429.39

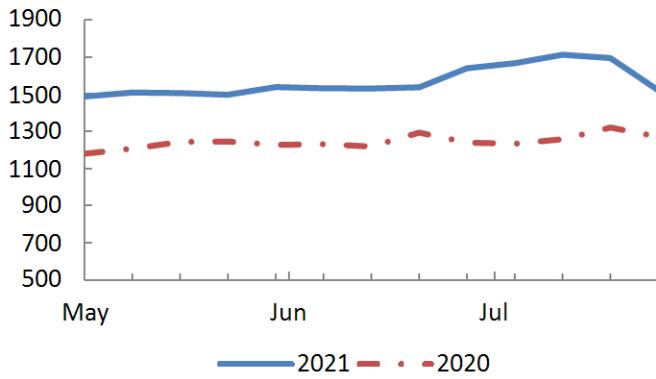
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	342.96	461.66	3,070.15	3,079.23	118.70	9.08
of which Public Sector	41.79	54.88	503.47	421.32	13.10	-82.15
a. Nonoil Imports	102.63	117.40	836.25	893.21	14.76	56.96
b. Oil Imports	10.33	28.41	244.96	212.29	18.07	-32.67
c. Travel	6.85	13.39	67.02	74.80	6.53	7.78
d. Factor Income	18.07	50.00	241.78	287.81	31.93	46.03
e. Transfers	20.08	11.25	93.97	113.25	-8.83	19.28
f. Other Current Items	184.99	241.22	1,586.18	1,497.87	56.24	-88.30
5.2 Capital Items	20.14	20.46	174.42	109.82	0.33	-64.60
of which Public Sector	12.12	6.21	119.30	65.65	-5.91	-53.65

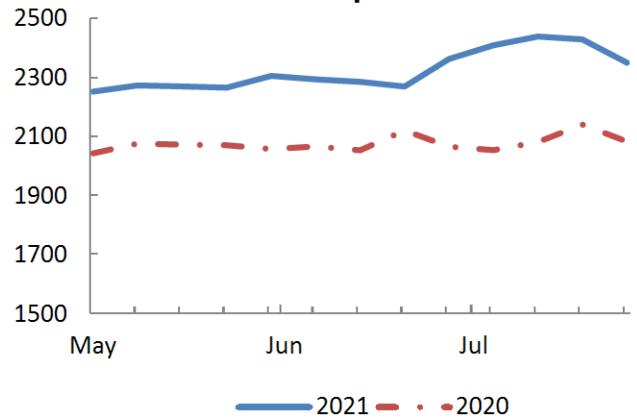
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

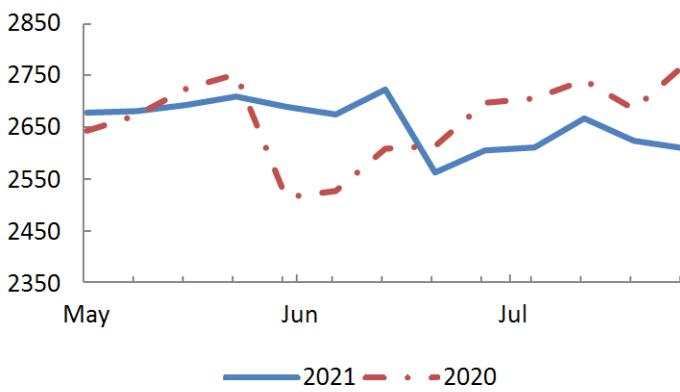
Excess Reserves



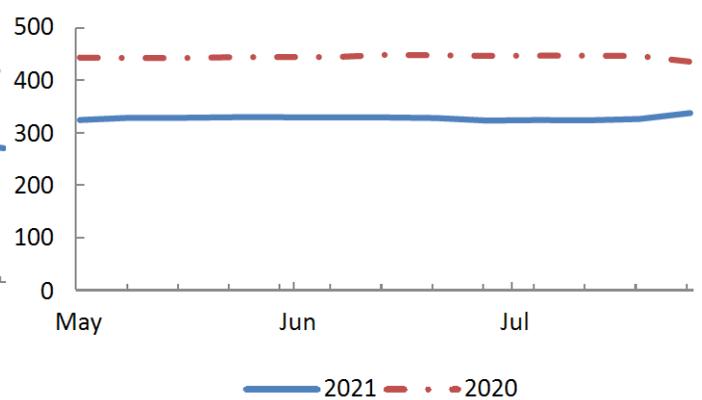
Excess Liquid Assets



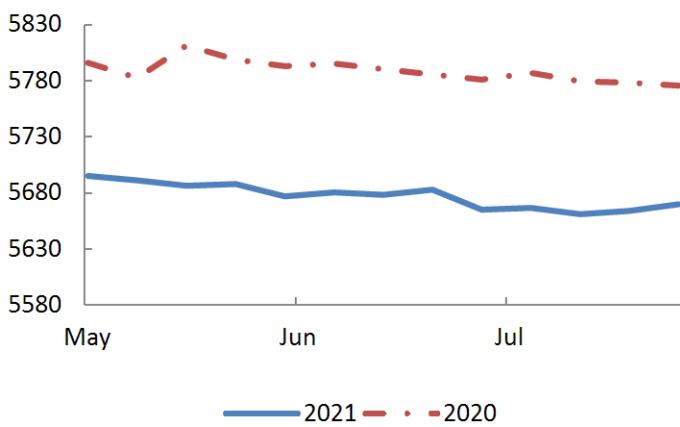
Central Govt. Credit (Net)



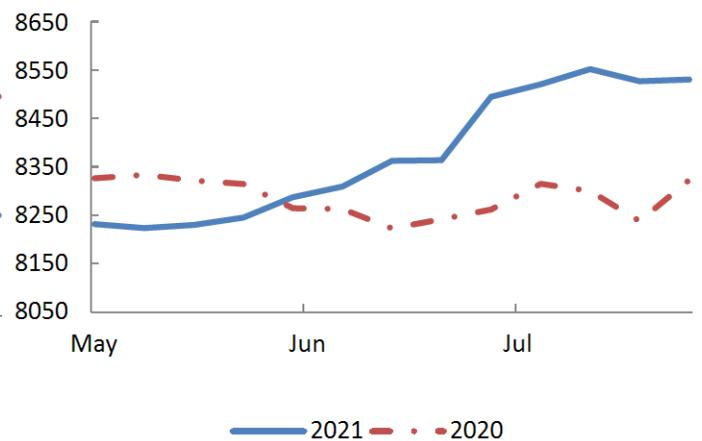
Rest of Public Sector Credit



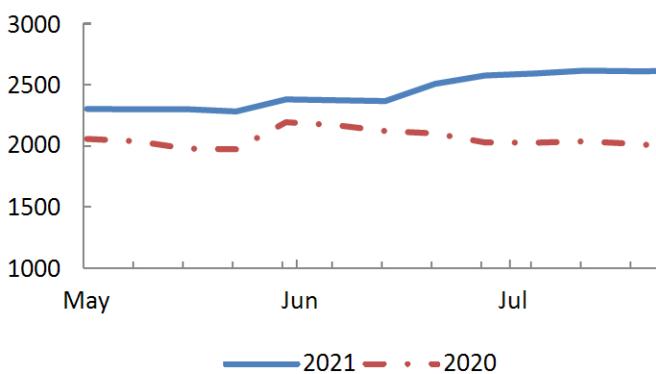
Private Sector Credit



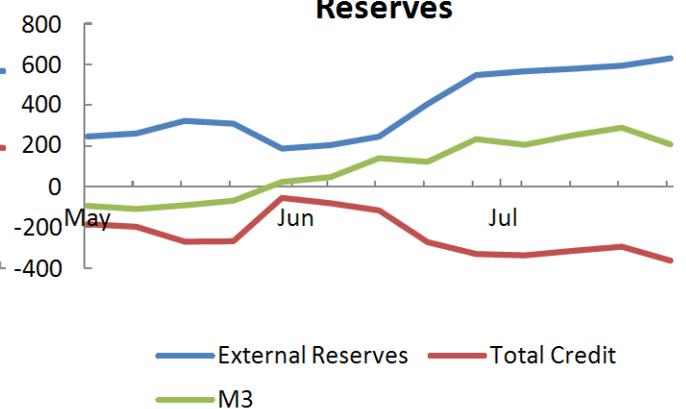
M3



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
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
July 2021	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	July-20	Jun-21	July-21	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8490	0.8424	0.84234	-0.11	2.91	-0.78
Yen	105.83	111.11	109.72	-1.25	6.27	3.68
Pound	0.7642	0.7230	0.7192	-0.53	-1.68	-5.89
Canadian \$	1.3412	1.2398	1.2475	0.62	-1.96	-6.99
Swiss Franc	0.9129	0.9250	0.9059	-2.06	2.34	-0.77
Renminbi	6.9752	6.4572	6.4615	0.07	-1.01	-7.36
<i>Source: Bloomberg as of July 30th, 2021</i>						

D. Selected Commodity Prices (\$)					
Commodity	July-2020	June-2021	July- 2021	Mthly % Change	YTD % Change
Gold / Ounce	1975.86	1770.11	1814.19	2.49	-4.43
Silver / Ounce	24.39	26.13	25.49	-2.43	-3.45
Oil / Barrel	41.13	75.11	76.29	1.57	48.83
<i>Source: Bloomberg as of July 30th, 2021</i>					

E. Equity Market Valuations – July 30th, 2021 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.23	1.25	2.27	-0.07	1.61	0.09	-5.24	-5.42
3 month	1.14	3.13	5.12	0.90	5.48	2.70	-5.31	-1.44
YTD	-5.94	14.14	17.02	8.85	19.12	13.31	-0.59	-2.18
12-month	-6.10	32.19	34.37	19.24	38.24	26.24	25.67	2.64
<i>Sources: Bloomberg and BISX</i>								

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.1450	0.0900	-0.5500
1 Month	0.1650	0.1150	-0.5300
3 Month	0.1600	0.1055	-0.5300
6 Month	0.2950	0.1700	-0.4900
9 Month	0.2300	0.2300	-0.4900
1 year	0.2600	0.2400	-0.4900
<i>Source: Bloomberg as of July 30th, 2021</i>			

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

	VALUE									CHANGE								
	Jun. 02	Jun. 09	Jun. 16	Jun. 23	Jun. 30	Jul. 07	Jul. 14	Jul. 21	Jul. 28	Jun. 02	Jun. 09	Jun. 16	Jun. 23	Jun. 30	Jul. 07	Jul. 14	Jul. 21	Jul. 28
I. External Reserves	2,380.34	2,373.63	2,367.02	2,507.57	2,576.08	2,592.60	2,615.75	2,611.36	2,612.78	98.55	(6.71)	(6.61)	140.55	68.51	16.53	23.15	(4.40)	1.43
II. Net Domestic Assets (A + B + C + D)	(170.21)	(176.51)	(172.83)	(303.06)	(253.44)	(254.78)	(228.12)	(249.51)	(408.77)	(51.92)	(6.30)	3.68	(130.23)	49.62	(1.34)	26.66	(21.39)	(159.26)
A. Net Credit to Gov't (I + ii + iii -iv)	299.25	296.61	291.55	164.96	210.90	230.56	254.09	254.22	105.32	(15.98)	(2.63)	(5.07)	(126.59)	45.94	19.66	23.53	0.14	(148.90)
i) Advances	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	-	-	-	-	-	-	-	-	-
ii) Registered Stock	258.82	259.00	252.96	253.40	249.25	249.41	248.44	232.16	232.53	(25.03)	0.17	(6.04)	0.44	(4.16)	0.16	(0.96)	(16.29)	0.37
iii) Treasury Bills	0.02	0.02	0.02	0.02	0.02	0.00	(0.00)	34.19	30.30	(0.00)	0.00	-	0.00	0.00	(0.02)	(0.00)	34.19	(3.89)
iv) Deposits	119.59	122.40	121.43	248.46	198.36	178.85	154.36	172.13	317.50	(9.05)	2.80	(0.97)	127.03	(50.10)	(19.51)	(24.49)	17.77	145.38
B. Rest of Public sector (Net) (i+ii-iii)	(71.90)	(68.07)	(67.83)	(55.64)	(74.09)	(68.93)	(50.35)	(71.12)	(84.94)	(36.31)	3.83	0.24	12.18	(18.44)	5.15	18.58	(20.77)	(13.82)
i) Loans	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	5.08	5.08	5.08	5.09	5.09	5.09	5.09	5.09	5.09	-	-	-	0.01	-	-	-	-	-
iii) Deposits	78.85	75.03	74.78	62.61	81.05	75.90	57.32	78.08	91.91	36.31	(3.83)	(0.24)	(12.17)	18.44	(5.15)	(18.58)	20.77	13.82
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-								
D. Other Items (Net)*	(397.56)	(405.06)	(396.55)	(412.38)	(390.26)	(416.41)	(431.85)	(432.62)	(429.16)	0.38	(7.49)	8.50	(15.82)	22.12	(26.15)	(15.44)	(0.77)	3.46
III. Monetary Base	2,210.12	2,197.11	2,194.18	2,204.50	2,322.63	2,337.82	2,387.63	2,361.84	2,204.01	46.64	(13.01)	(2.93)	10.32	118.13	15.18	49.81	(25.79)	(157.83)
A. Currency in Circulation	500.40	494.16	491.09	486.87	493.09	502.71	495.91	505.31	506.78	9.97	(6.25)	(3.07)	(4.22)	6.22	9.62	(6.80)	9.39	1.47
B. Bank Balances with CBOB	1,709.72	1,702.96	1,703.10	1,717.64	1,829.54	1,835.11	1,891.72	1,856.54	1,697.23	36.67	(6.76)	0.14	14.54	111.91	5.56	56.61	(35.18)	(159.30)

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														
	2020	2021	2020	2021	2020	2021	2020	2021	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%
Debt^{**}																								
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	8,558.6	10,039.1										
% 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%	4.5%	1.0%										
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	3,029.6	4,364.9										
% 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%	4.4%	-0.1%										
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	180.4	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%	260.9%	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	5,348.5	5,493.8										
% 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%	2.1%	2.0%										
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	56.1	149.6										
% 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%	-38.4%	162.3%										
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	3,802.3	5,087.3										
% 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%	0.3%	-0.1%										
Real Sector Indicators																								
13. Retail Price Index	108.9	109.71	108.28	109.8	108.4	109.9	107.4	110.3																
% change; over previous year	1.27%	0.88%	-0.5%	0.1%	0.1%	0.1%	-1.0%	0.3%																
14. Tourist arrivals (000's)	687.2	23.6	712.3	29.5	302.1	62.8	0.04	68.8	0.0	93.9	3.9	135.1												
% change; over previous year	7.9%	-96.6%	17.1%	-95.9%	-59.7%	-79.2%	-100.0%	159879.1%	-100.0%	469280.0%	-99.4%	3333.1%												
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	1.7	113.2												
% change; over previous year	-3.5%	-83.4%	-2.7%	-82.5%	-62.5%	-25.5%	-100.0%	548127.3%	-100.0%	405740.0%	-99.0%	6538.7%												
16. Occupied Room Nights																								
% change; over previous year																								
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)					21.7	16.2																		
% change; over previous qtr.					29.26%	2.73%																		

* Includes Net Lending to Public Corporations

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

p - provisional