

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

In an effort to provide the public with more frequent information on its economic surveillance activities, the Central Bank has decided to release monthly reports on economic and financial sector developments in The Bahamas. The Bank monitors these conditions as part of its monetary policy mandate, to assess whether money and credit trends are sustainable relative to levels of external reserves required to protect the value of the Bahamian dollar and, if not, the degree to which credit policies ought to be adjusted. The main data source for this surveillance is financial institutions' daily reports on foreign exchange transactions and weekly balance sheet statements. Therefore, monthly approximations may not coincide with calendar estimates reported in the Central Bank's quarterly reports. The Central Bank will release its "Monthly Economic and Financial Developments" report on the Monday following its monthly Monetary Policy Committee Meeting.

### **Future Release Dates:**

2005: May 30th, July 4th, August 2nd, August 29th, October 3rd, October 31st, November 28th

## **1. Domestic Economic Developments**

Indications are that during the first three months of 2005, domestic economic activity strengthened in comparison to 2004. However, heightened domestic expenditure, stemming partly from accelerated credit expansion, contrasted with less marked increases in private sector inflows from tourism and foreign investments. The build-up in external reserves consequently narrowed from the previous year, and liquidity gains moderated significantly. Expansion in domestic credit during the first quarter was confined to Bahamian dollar claims on Government and the private sector.

As regard tourism's influence, the most recent data through February 2005 indicate that, although there was a modest increase in arrivals owing to firming in visitor traffic for New Providence and approximately recovered trends in the Family Islands, a significant output gap remained in Grand Bahama. In the public sector, the Government's deficit in the first nine months of FY2004/05 expanded to \$117.0 million from \$77.0 million in the same period of FY2003/04. On an adjusted basis, net of the Clifton Cay property purchase that is to be refunded by the Heritage Foundation, the shortfall was approximately \$103.1 million. Revenue trends, while strengthening, still reflected the weakness encountered during the hurricane season, and are expected to provide more support for fiscal consolidation during FY2005/06.

The positive outlook for tourism and foreign investments is expected to underpin firmer output growth in 2005 and, alongside domestic credit stimulus, support a gradual improvement in the fiscal situation. Trends in the US and other external economies remain supportive of this outlook.

## **2. International Developments**

The international economy trended in line with expectations during the first three months of 2005, with significant momentum provided by the United States and China. In the United States, the economic performance was buoyed by consumer spending and private sector investment which continued to grow rapidly. While the US Federal Reserve continued to hold to its strategy of gradual interest rate tightening, it noted that inflation pressures seemed to be intensifying, partly because businesses were having more success in passing higher producer costs on to consumers. In March, the Fed raised the primary credit and target funds interest rates by another 25 basis points each, to 3.75% and 2.75%, respectively. While the higher interest rates on dollar denominated assets stimulated some appreciation in the value of the US currency, the weak outlook for the dollar was not altered, since forecasts continued to project record trade and federal deficits in the medium term.

In energy market developments, OPEC agreed during March to an immediate increase in daily crude oil production by 1.9% to 27.5 million barrels per day. Nevertheless, oil prices remained volatile, with the extended and severe winter conditions in North America triggering a further rise in prices, which reached a new record high of \$59.72 per barrel in March. However, the price for precious metals, silver and gold, declined during the month.

As to the global outlook, the latest IMF World Economic Outlook, for April 2005, is forecasting steady real growth in the United States, at 3.6% in both 2005 and 2006. For China, real growth is projected at 8.5% in 2005, easing marginally to 8.0% in 2006, while the Euro area is expected to realize a 1.6% expansion in 2005, strengthening to 2.3% in 2006. The annual rate of economic

expansion for the United Kingdom is expected to stabilize at 2.6% in 2005 and 2006. In Japan, growth is expected to be marginally positive at 0.8% in 2005, firming to 1.9% in 2006.

### ***3. Recent Monetary and Credit Trends (March 2005)***

Monetary and credit trends during March featured stronger growth in Bahamian dollar deposits compared to the expansion in Bahamian dollar credit. While external reserves increased as a result, liquidity contracted. For the first quarter of 2005, narrowed seasonal gains were recorded in external reserves and broad liquidity, in the context of accelerated credit expansion and slower deposit base growth.

#### ***March 2005 vs. 2004***

During March, excess reserves of the banking system fell by \$26.1 million to \$261.5 million, reversing 2004's build-up of \$18.7 million. Bank's excess liquid assets also decreased by \$18.2 million to \$253.8 million, in contrast to last year's increase of \$22.8 million.

Softer net private sector inflows resulted in narrowed growth in external reserves of \$10.6 million to \$717.3 million, as compared to 2004's \$39.0 million increase to \$594.2 million. In particular, the Central Bank's net foreign currency purchases decreased to \$10.4 million from \$37.2 million in 2004; the net purchase from commercial banks declined to \$11.3 million from \$51.2 million, and outweighed lower net sales to the public sector, at \$1.0 million from \$14.0 million. In transactions with the private sector, commercial banks' net foreign currency purchases contracted to \$12.4 million from \$40.0 million in 2004, as a larger decrease registered in purchases than in sales. According to Exchange Control data, increased foreign currency outflows were recorded for all current account items, except factor income.

Bahamian dollar credit expansion doubled to \$31.8 million. Specifically, the increase in net credit to Government widened to \$15.5 million from \$3.7 million. Private sector credit growth firmed moderately to \$9.6 million, albeit with diminished mortgages gains of \$15.0 million and an approximately unchanged outcome for consumer credit. Growth in credit to the rest of the public sector also increased modestly to \$6.7 million.

Domestic foreign currency credit was more than halved to \$4.3 million. This was led by a downturn in private sector credit of \$8.8 million, following last year's growth of \$6.2 million. Conversely, net claims on the public sector rebounded by \$4.5 million, contrasting with a \$16.3 million decline in 2004.

Bahamian dollar deposit growth strengthened incrementally to \$48.2 million. Although demand deposit gains slackened by a third to \$41.3 million, savings deposit growth was significantly extended to \$18.2 million and the falloff in fixed deposits was nearly halved to \$11.3 million.

In interest rate developments, banks' weighted average deposit rate fell by 35 basis points to 3.12%. The highest rate offered was 5.0% for maturities between 3-12 months. The weighted average loan rate steadied at 10.50%.

### *January--March 2005*

During the first quarter of 2005, excess reserves contracted by \$29.9 million, contrasting with a build-up of \$73.0 million last year, while excess liquid asset gains were more than halved to \$29.4 million.

Growth in external reserve slackened to \$52.7 million from \$112.1 million. In particular, the Central Bank's net foreign currency purchase contracted by 53.1% to \$49.0 million, as the halving in the net intake from banks to \$65.5 million was only partly offset by the 40.5% easing in net sales to the public sector, to \$16.5 million. Meanwhile, commercial banks' net purchases from the private sector decreased by 45.6% to \$65.8 million, as sales increased more vigorously, by 16.5%, as compared to the 5.7% rise in purchases. According to Exchange Control data, foreign currency outflows for current payments, inclusive of public and private sector expenditure, while broadly increased, were most extended for non-oil imports, "other" current items and oil imports.

Bahamian dollar credit expansion quickened to \$123.6 million from the previous year's \$48.4 million. Particularly, growth in net credit to Government more than doubled to \$83.7 million. Also, private sector credit expansion accelerated to \$42.7 million from \$14.6 million, albeit featuring softer growth in mortgages of \$39.5 million and in consumer credit of \$1.5 million. Meanwhile, the contraction in credit to the rest of the public sector was nearly halved to \$2.8 million.

Domestic foreign currency credit was approximately unchanged during the first quarter, compared to growth of \$38.7 million last year. Although net claims on the public sector marginally recovered by \$3.4 million, private sector credit fell by \$3.2 million, following a \$43.0 million advance in 2004.

Bahamian dollar deposit growth narrowed to \$145.8 million from \$181.7 million. Incrementally firmer demand and savings deposit gains of \$111.7 million and \$35.6 million, respectively, contrasted with a reduction in fixed deposits of \$1.5 million, following 2004's increase of \$43.0 million.

### **4. Outlook**

Domestic economic growth is expected to strengthen during 2005, anchored in higher projected inflows from tourism, foreign investments, domestic construction expenditure and increased credit stimulus. The tourism outlook is supported by favourable economic conditions in the United States, and the continued relative attractiveness of the product brought on by the weak dollar. However, rising oil prices continue to exert some drag, affecting travel costs in the tourist sector, and expected to cause higher inflation during 2005. The fiscal sector stands to benefit from the improving economic climate. With the expected enhancement of households' loan servicing ability, assets quality measures in the banking system should also improve. Nevertheless, the accelerated increase in domestic demand is expected to dampen the pace of external reserves growth and correspondingly, lead to some reduction in bank liquidity.

# Recent Monetary and Credit Statistics

(B\$ Millions)

	<b>MARCH</b>					
	<b>Value</b>		<b>Change</b>		<b>Change YTD</b>	
	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>
<b>1.0 LIQUIDITY &amp; FOREIGN ASSETS</b>						
1.1 Excess Reserves	241.35	261.50	18.74	-26.13	72.99	-29.88
1.2 Excess Liquid Assets	223.78	253.79	22.82	-18.23	86.74	29.35
1.3 External Reserves	594.16	717.33	39.01	10.62	112.06	52.68
1.4 Bank's Net Foreign Assets	-613.66	-596.07	10.88	17.49	-27.20	-6.32
1.5 Usable Reserves	278.51	323.37	23.38	6.59	51.39	23.83
<b>2.0 DOMESTIC CREDIT</b>						
<b>2.1 Private Sector</b>	<b>4,128.68</b>	<b>4,364.50</b>	<b>12.71</b>	<b>0.80</b>	<b>57.19</b>	<b>39.58</b>
a. B\$ Credit	3,714.04	3,991.89	6.54	9.58	14.16	42.74
of which: Consumer Credit	1,385.02	1,481.94	19.32	-0.26	4.72	1.47
Mortgages	1,492.57	1,676.23	24.33	15.04	59.74	39.53
b. F/C Credit	414.64	372.61	6.17	-8.78	43.04	-3.16
of which: Mortgages	19.11	12.42	7.43	-0.03	8.46	0.64
<b>2.2 Central Government (net)</b>	<b>546.18</b>	<b>638.65</b>	<b>2.58</b>	<b>16.51</b>	<b>37.59</b>	<b>85.97</b>
a. B\$ Loans & Securities	641.80	758.53	1.49	21.81	40.78	105.43
Less Deposits	99.06	116.20	-2.18	6.32	1.82	21.77
b. F/C Loans & Securities	5.44	0.00	0.00	0.00	-2.58	0.00
Less Deposits	2.00	3.68	1.08	-1.02	-1.21	-2.31
<b>2.3 Rest of Public Sector</b>	<b>361.05</b>	<b>341.85</b>	<b>-10.34</b>	<b>10.16</b>	<b>-7.71</b>	<b>-1.68</b>
a. B\$ Credit	114.09	112.69	4.92	6.72	-4.74	-2.77
b. F/C Credit	246.96	229.16	-15.26	3.44	-2.97	1.09
<b>2.4 Total Domestic Credit</b>	<b>5,035.92</b>	<b>5,345.00</b>	<b>4.95</b>	<b>27.46</b>	<b>87.07</b>	<b>123.87</b>
a. B\$ Domestic Credit	4,370.87	4,746.92	15.13	31.78	48.37	123.63
b. F/C Domestic Credit	665.05	598.09	-10.18	-4.32	38.69	0.24
<b>3.0 DEPOSIT BASE</b>						
3.1 Demand Deposits	846.94	1,072.46	61.61	41.29	106.92	111.71
a. Central Bank	72.77	163.56	20.30	18.29	53.38	81.17
b. Banks	774.17	908.90	41.31	23.00	53.54	30.53
3.2 Savings Deposits	710.17	816.95	3.09	18.16	31.74	35.57
3.3 Fixed Deposits	2,352.68	2,410.95	-21.13	-11.28	43.03	-1.47
3.4 Total B\$ Deposits	3,909.79	4,300.36	43.56	48.17	181.69	145.81
3.5 F/C Deposits of Residents	106.91	109.40	1.12	18.50	9.16	23.36
<b>3.6 M2</b>	<b>4,063.33</b>	<b>4,476.83</b>	<b>42.99</b>	<b>58.45</b>	<b>174.95</b>	<b>140.84</b>
<b>3.7 External Reserves/M2 (%)</b>	<b>14.62</b>	<b>16.02</b>	<b>0.81</b>	<b>0.03</b>	<b>2.22</b>	<b>0.69</b>
	<b>Value</b>		<b>Year to Date</b>		<b>Change</b>	
	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>Month</b>	<b>YTD</b>
<b>4.0 FOREIGN EXCHANGE TRANSACTIONS</b>						
<b>4.1 Central Bank Net Purchase/(Sale)</b>	<b>37.23</b>	<b>10.36</b>	<b>104.38</b>	<b>48.95</b>	<b>-26.87</b>	<b>-55.43</b>
a. Net Purchase/(Sale) from/to Banks	51.18	11.29	132.16	65.47	-39.90	-66.69
i. Sales to Banks	28.00	30.26	68.20	83.63	2.26	15.43
ii. Purchases from Banks	79.18	41.54	200.36	149.10	-37.64	-51.26
b. Net Purchase/(Sale) from/to Others	-13.96	-0.93	-27.78	-16.52	13.03	11.26
i. Sales to Others	28.50	19.12	66.08	64.86	-9.38	-1.22
ii. Purchases from Others	14.54	18.20	38.31	48.34	3.65	10.04
<b>4.2 Banks Net Purchase/(Sale)</b>	<b>39.96</b>	<b>12.38</b>	<b>120.84</b>	<b>65.75</b>	<b>-27.58</b>	<b>-55.10</b>
a. Sales to Customers	229.38	208.41	576.84	671.95	-20.96	95.10
b. Purchases from Customers	269.34	220.80	697.68	737.69	-48.54	40.01
<b>4.3 B\$ Position (change)</b>	<b>1.41</b>	<b>-5.09</b>				
<b>5.0 EXCHANGE CONTROL SALES</b>						
<b>5.1 Current Items</b>	<b>203.56</b>	<b>250.35</b>	<b>549.77</b>	<b>675.52</b>	<b>46.79</b>	<b>125.75</b>
<b>of which Public Sector</b>	<b>25.86</b>	<b>40.85</b>	<b>57.54</b>	<b>77.39</b>	<b>14.99</b>	<b>19.85</b>
a. Nonoil Imports	97.89	121.18	267.61	340.15	23.29	72.54
b. Oil Imports	10.32	25.13	50.24	60.51	14.81	10.27
c. Travel	13.40	19.17	43.73	51.88	5.77	8.15
d. Factor Income	17.32	9.98	34.26	43.17	-7.34	8.91
e. Transfers	7.66	10.26	15.30	19.87	2.60	4.57
f. Other Current Items	56.97	64.63	138.64	159.95	7.66	21.30
<b>5.2 Capital Items</b>	<b>11.70</b>	<b>8.68</b>	<b>42.62</b>	<b>45.30</b>	<b>-3.02</b>	<b>2.68</b>
<b>of which Public Sector</b>	<b>0.98</b>	<b>0.96</b>	<b>11.71</b>	<b>6.99</b>	<b>-0.02</b>	<b>-4.72</b>
<b>5.3 Bank Remittances</b>	<b>0.00</b>	<b>6.90</b>	<b>8.50</b>	<b>30.90</b>	<b>6.90</b>	<b>22.40</b>

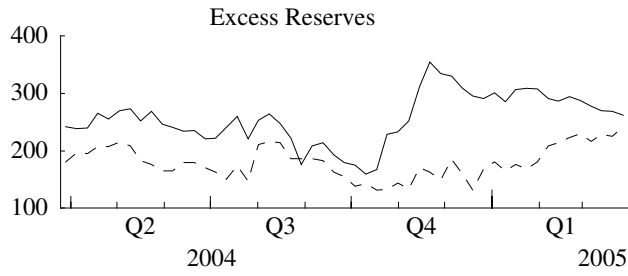
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: MARCH 31, 2004 and MARCH 30, 2005

Exchange Control Sales figures are as at month end.

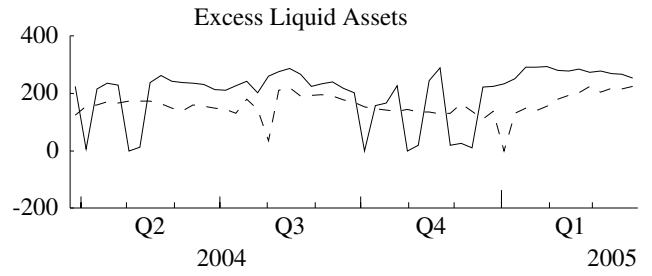
Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

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

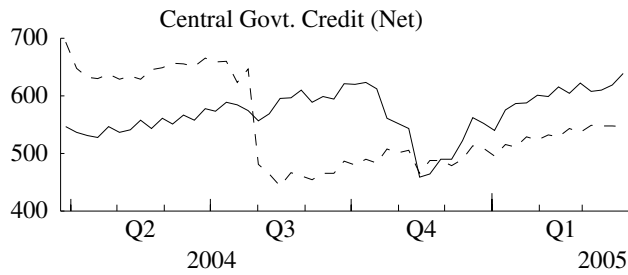
## SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



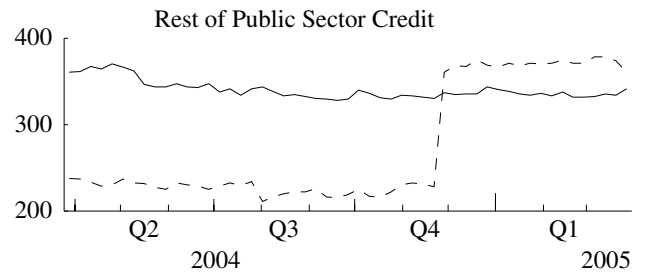
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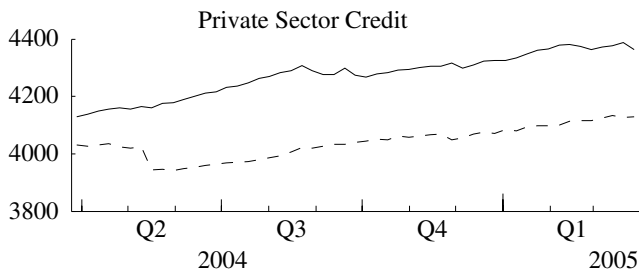
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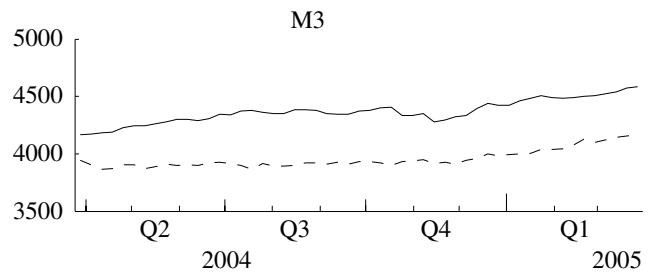
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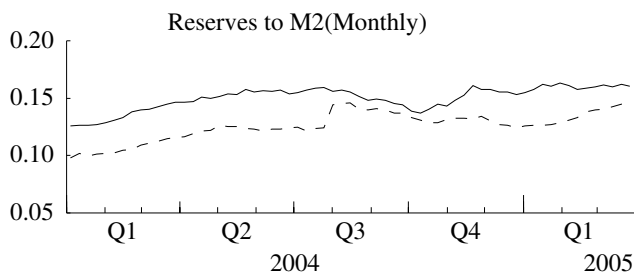
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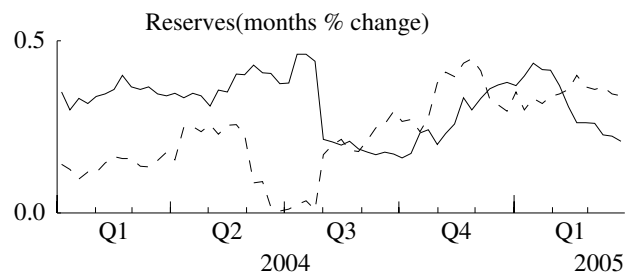
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## Selected International Statistics

<b>A: Selected Macroeconomic Projections (Annual % Change and % of labor force)</b>						
	<b>Real GDP</b>		<b>Inflation Rate</b>		<b>Unemployment</b>	
	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>
Bahamas	3.5	3.5	n/a	n/a	n/a	n/a
United States	3.6	3.6	2.7	2.4	5.3	5.2
Euro-Area	1.6	2.3	1.9	1.7	8.7	8.4
<i>Germany</i>	<i>0.8</i>	<i>1.9</i>	<i>1.5</i>	<i>1.2</i>	<i>9.4</i>	<i>9.2</i>
Japan	0.8	1.9	-0.2	-0.0	4.5	4.4
United Kingdom	2.6	2.6	1.7	2.0	4.7	4.7
Canada	2.8	3.0	2.1	1.9	7.2	7.1
<i>Sources: IMF World Economic Outlook ,April 2005</i>						

<b>B: Official Interest Rates - Selected Countries (%)</b>					
<i>With effect from</i>	<b>CBOB</b>	<b>ECB (EU)</b>	<b>Federal Reserve (US)</b>		<b>Bank of England</b>
	<b>Bank Rate</b>	<b>Refinancing Rate</b>	<b>Primary Credit Rate</b>	<b>Target Funds Rate</b>	<b>Repo Rate</b>
January 2004	5.75	2.00	2.00	1.00	4.00
February 2004	5.75	2.00	2.00	1.00	4.00
March 2004	5.75	2.00	2.00	1.00	4.00
April 2004	5.75	2.00	2.00	1.00	4.25
May 2004	5.75	2.00	2.00	1.00	4.50
June 2004	5.75	2.00	2.25	1.25	4.50
July 2004	5.75	2.00	2.25	1.25	4.75
August 2004	5.75	2.00	2.50	1.50	4.75
September 2004	5.75	2.00	2.75	1.75	4.75
October 2004	5.75	2.00	2.75	1.75	4.75
November 2004	5.75	2.00	3.00	2.00	4.75
December 2004	5.75	2.00	3.25	2.25	4.75
January 2005	5.75	2.00	3.25	2.25	4.75
February 2005	5.25	2.00	3.50	2.50	4.75
March 2005	5.25	2.00	3.75	2.75	4.75

## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
<b>Currency</b>	<b>Mar-04</b>	<b>Feb-05</b>	<b>Mar-05</b>	<b>Mthly % Change</b>	<b>YTD % Change</b>	<b>12-Mth% Change</b>
Euro	0.81	0.756	0.77	2.0	4.6	-5.0
Yen	104.22	104.63	107.15	2.4	4.4	2.8
Pound	0.54	0.5206	0.53	1.6	1.5	-2.4
Canadian \$	1.31	1.2339	1.21	-1.9	0.7	-7.6
Swiss Franc	1.27	1.1631	1.20	2.9	4.9	-5.5

*Source: Bloomberg*

<b>D. Selected Commodity Prices (\$)</b>					
<b>Commodity</b>	<b>March 2004</b>	<b>February 2005</b>	<b>March 2005</b>	<b>Mthly % Change</b>	<b>YTD % Change</b>
Gold / Ounce	426.45	435.65	428.35	-1.7	-2.3
Silver / Ounce	7.91	7.30	7.11	-2.6	4.3
Oil / Barrel	32.25	49.32	59.72	21.1	49.7

*Source: Bloomberg*

<b>E. Equity Market Valuations – February 2005 (%chg)</b>							
	<b>BISX</b>	<b>DJIA</b>	<b>S&amp;P 500</b>	<b>FTSE 100</b>	<b>CAC 40</b>	<b>DAX</b>	<b>Nikkei 225</b>
1 month	5.5	0.2	-0.1	0.9	3.9	2.2	2.5
3 month	5.6	-2.6	-2.6	1.7	6.5	2.2	1.6
YTD	5.6	-2.6	-2.6	1.7	6.5	2.2	1.6
12-month	19.4	1.4	4.8	11.6	12.21	12.8	-0.4

*Sources: Bloomberg and BISX*

<b>F: Short Term Deposit Rates in Selected Currencies (%)</b>			
	<b>USD</b>	<b>GBP</b>	<b>EUR</b>
<b>o/n</b>	2.74	4.65	2.10
<b>1 Month</b>	2.88	4.78	2.07
<b>3 Month</b>	3.07	4.84	2.10
<b>6 Month</b>	3.34	4.90	2.14
<b>9 Month</b>	3.57	4.94	2.19
<b>1 year</b>	3.76	4.97	2.25

*Source: Bloomberg, as at April 11, 2005*



## SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE												CHANGE											
	Feb. 02	Feb. 09	Feb. 16	Feb. 23	Mar. 02	Mar. 09	Mar. 16	Mar. 23	Mar. 30	Feb. 02	Feb. 09	Feb. 16	Feb. 23	Mar. 02	Mar. 09	Mar. 16	Mar. 23	Mar. 30						
<b>I. External Reserves</b>	718.11	707.73	694.05	701.08	706.71	713.55	708.91	719.14	717.33	10.38	-10.38	-13.68	7.03	5.63	6.84	-4.64	10.24	-1.82						
<b>II. Net Domestic Assets (A + B + C + D)</b>	-73.47	-81.31	-85.87	-77.75	-81.58	-103.79	-105.86	-115.59	-105.30	0.52	-7.84	-4.56	8.12	-3.83	-22.21	-2.07	-9.73	10.29						
<b>A. Net Credit to Gov't (i + ii + iii - iv)</b>	140.54	139.02	149.05	148.77	148.82	137.63	137.12	135.13	141.57	0.06	-1.51	10.03	-0.29	0.06	-11.19	-0.51	-1.99	6.44						
i) Advances	71.02	71.02	71.02	71.02	71.02	71.02	71.02	71.02	76.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.97						
ii) Registered Stock	77.93	77.61	77.14	77.05	76.84	76.69	76.50	76.47	76.47	-0.10	-0.32	-0.47	-0.09	-0.21	-0.15	-0.18	-0.03	-0.00						
iii) Treasury Bills	0.00	0.00	10.00	10.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	-10.00	0.00	0.00	0.00						
iv) Deposits	8.41	9.60	9.10	9.30	9.04	10.07	10.40	12.36	11.89	-0.16	1.19	-0.50	0.20	-0.27	1.04	0.33	1.96	-0.48						
<b>B. Rest of Public Sector (Net) (i + ii - iii)</b>	-121.33	-128.55	-135.04	-134.66	-137.76	-147.70	-150.49	-157.12	-156.05	1.71	-7.22	-6.49	0.38	-3.10	-9.94	-2.79	-6.63	1.07						
i) BDB Loans	7.51	7.51	7.51	7.51	7.51	7.51	7.51	7.51	7.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) BMC Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
iii) Deposits	128.84	136.06	142.55	142.17	145.27	155.21	158.00	164.63	163.56	-1.71	7.22	6.49	-0.38	3.10	9.94	2.79	6.63	-1.07						
<b>C. Loans to/Deposits with Banks</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
<b>D. Other Items (Net)*</b>	-92.68	-91.79	-99.89	-91.86	-92.65	-93.72	-92.49	-93.61	-90.82	-1.25	0.89	-8.10	8.03	-0.79	-1.07	1.23	-1.12	2.78						
<b>III. Monetary Base</b>	644.63	626.41	608.17	623.33	625.13	609.76	603.05	603.55	612.03	10.90	-18.22	-18.24	15.15	1.80	-15.37	-6.71	0.50	8.48						
A. Currency in Circulation	228.28	223.22	220.92	223.38	230.28	229.67	221.25	228.19	235.75	4.73	-5.06	-2.30	2.46	6.91	-0.61	-8.42	6.94	7.56						
B. Bank Balances with CBOB	416.35	403.19	387.25	399.95	394.84	380.08	381.80	375.36	376.28	6.18	-13.16	-15.94	12.69	-5.10	-14.76	1.71	-6.43	0.92						

\* Includes capital, provisions and surplus account, fixed and other assets, and other demand liabilities of Bank

## FISCAL/REAL SECTOR INDICATORS

(RS MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		YEAR TO DATE			
	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	(Over previous year)	
<b>Fiscal Operations</b>																						
1. Government Revenue & Grants	69.8	73.6	69.2	77.4	76.5	59.9	67.6	71.3	72.5	97.5	91.1	85.3	69.2	87.1	71.6	75.6	112.5	112.5	112.5	702.0	719.4	
% change	-10.74%	-42.32%	-0.86%	5.16%	13.44%	-22.61%	-13.89%	19.03%	7.25%	36.75%	25.66%	-12.51%	-24.04%	2.11%	3.47%	-13.20%	57.12%	57.12%	57.12%	5.17%	2.48%	
2. Import Duties	28.7	24.3	34.7	31.8	33.3	24.3	32.9	31.4	29.2	28.7	31.6	18.1	13.4	64.7	26.9	30.8	31.0	31.0	31.0	261.7	287.0	
% change	-66.00%	-56.53%	20.91%	30.86%	-4.03%	-23.58%	-1.20%	29.22%	-11.25%	-8.60%	8.22%	-36.93%	-57.59%	257.46%	100.75%	-52.40%	13.24%	13.24%	13.24%	-5.32%	9.67%	
3. Recurrent Expenditure	72.5	81.0	71.1	78.1	79.0	81.6	81.2	85.9	77.9	82.3	80.8	95.7	84.9	90.6	74.8	89.1	89.7	89.7	89.7	711.9	765.3	
% change	-52.38%	19.12%	-1.93%	-3.58%	11.11%	4.48%	2.78%	5.27%	-4.06%	-4.19%	3.72%	16.28%	5.07%	-5.33%	-11.90%	-1.66%	19.92%	19.92%	19.92%	6.75%	7.50%	
4. Capital Expenditure	0.6	1.6	4.5	3.8	2.9	5.1	7.1	3.7	3.8	5.7	5.1	7.0	8.0	3.3	6.0	7.4	5.2	5.2	5.2	43.2	42.1	
% change	-96.72%	-87.60%	650.00%	137.50%	-35.56%	34.21%	144.83%	-27.45%	-46.48%	54.05%	34.21%	22.81%	56.86%	-25.86%	25.00%	124.24%	-13.33%	-13.33%	-13.33%	-15.95%	-2.55%	
5. Deficit/Surplus*	-6.9	-12.3	-8.3	-8.4	-4.4	-28.6	-23.4	-21.0	-11.5	7.0	1.4	-20.6	-27.8	-12.8	-11.5	-23.5	15.1	15.1	15.1	-77.3	-117.2	
% change	-93.20%	-128.28%	20.29%	-31.71%	-46.99%	240.48%	431.82%	-26.57%	-50.85%	-133.33%	-112.17%	-394.29%	-2085.71%	-37.86%	-58.63%	83.59%	-231.30%	-231.30%	-231.30%	-2.28%	-51.62%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP				
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005			
<b>Debt **</b>																					
6. Total Debt	1,938.0	2,101.0	1,960.0	2,091.0	1,939.7	2,099.4															
% change	0.00%	1.14%	-0.48%	-1.04%	0.40%																
7. External Debt	290.4	287.7	289.1	287.7	288.8	287.3															
% change	-0.57%	0.00%	-0.44%	0.00%	-0.13%	-0.13%															
8. Internal F/C Debt	0.0	0.0	0.0	0.0	0.0	0.0															
% change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%															
9. Bahamian Dollar Debt	1,647.6	1,813.3	1,670.9	1,803.3	1,650.9	1,812.1															
% change	0.00%	1.01%	-1.41%	-0.55%	-1.20%	0.49%															
10. Total Amortization	1.8	0.0	1.3	10.0	20.4	10.4															
% change	-90.39%		-27.97%			-3.67%															
11. Total Public Sector F/C Debt	589.9	586.0	586.7	554.9	553.9	549.8															
% change	-0.54%	-0.49%	-0.53%	-7.01%	-0.47%	-7.42%															

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP				
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005			
<b>Real Sector Indicators</b>																					
12. Retail Price Index	114.4	115.4	114.5	115.5	114.5	115.6															
% change	-0.57%	0.35%	0.13%	0.09%	0.00%	0.09%															
13. Tourist arrivals (000s)	387.2	414.2	429.0	420.3																	
% change: over previous year	4.55%	4.28%	11.63%	-2.03%																	
14. Air arrivals (000s)	107.6	103.9	135.8	125.6																	
% change: over previous year	4.47%	-3.44%	12.79%	-7.51%																	
15. Occupied Room Nights																					
% change: over previous year																					
16. Res. Mortgage Commitments-New Const.																					
% change: over previous year																					

\*\* debt figures pertain to central government only unless otherwise indicated  
Annual Y-T-D Retail Price data are averages.