



## PRESS RELEASE

# Economy valued at \$12.42 billion as economic turnaround continues

*Department of Statistics GDP report shows major improvement in real growth at 1.6%*

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Private sector performance is driving positive economic growth, as the country's momentum has taken hold, according to national accounts data reported by the Department of Statistics (DOS) today, including annual and quarterly figures for real gross domestic product (GDP)

The Bahamian economy grew by 1.6 percent in 2018, compared to the relatively mild average 0.4% GDP increase realized over the previous three years. The economy was valued at \$12.42 billion in nominal dollars, with four of the seventeen industry groups contributing the most to the overall size: Real estate, wholesale and retail trade, accommodation and food services, and financial and insurance services.

"This is the first time the country has had decent economic growth in over five years. When we look at where we are now compared to where we were, these results are confirmation; there has been a significant turnaround and our policy mix is effectively placing us on a path of sustained growth," said K. Peter Turnquest, Deputy Prime Minister and Minister of Finance.

"The key takeaways are that economic growth is positive, our momentum has firmed and it is being driven by the private sector. Just five years ago, the country was experiencing negative growth at -3.0%, and for several years, the country struggled to arrest the decline. Now, we have turned things around and we are set up for future expansion and sustained growth. This will allow for expanded job opportunities for Bahamians and improve our ability to withstand shocks," said Minister Turnquest.

General Government expenditure declined, which was unsurprising given the Government's cost containment and fiscal responsibility policies. This had no dampening economic impact, given the strong private sector performance. Household consumption increased by \$140 million, and exports of goods and services increased by \$244 million.

The rebound in tourism, which continues to benefit from a combination of healthy gains in air visitor arrivals, increased room availability and expanded airlift, was further observed by the real growth in the accommodation and food services industry.

“There is no doubt this performance is also having positive impacts on wholesale and retail trade, and general improvements in consumer and business confidence have translated into the observed increase in consumption by households and in business spending,” said Minister Turnquest

Along with publishing its annual GDP reports, the DOS had its inaugural release of experimental quarterly GDP data series, covering the years 2015 through 2018.

“We congratulate the DOS on its efforts to modernize and expand the country’s available statistical data. This is an encouraging development, and the Government looks forward to the evolution of the data coverage and planned methodological improvements for this new series. Going forward, the timely release of more frequent data on the national accounts will benefit, not only the Government, in its ability to analyze and respond to short-term economic developments, but also consumers and investors in their decision making processes,” said Minister Turnquest.

“The importance of quarterly GDP statistics cannot be understated, as it provides an almost real time look at the movements and performance of the economy. This information can point to dynamic relationships occurring that either drive or drag economic growth. This is key for economic modelling purposes and for the appropriate timing of economy policy. Annual GDP stats cannot give you this insight,” he said.

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